

50:50 VISION COUNCILS FOR GENDER EQUITY

THE BUSINESS CASE FOR GENDER EQUITY IN LOCAL GOVERNMENT

INTRODUCTION:

The level of female representation in local government is low - both in elected representation and in the leadership of the organisations that are best placed to represent their communities and advocate for them to other tiers of government.

- *In 2009, fewer than 10% of council CEO's were women, and only 20% of senior managers.*
- *In 2011 only 30% of elected representatives are women and only 20% of mayors.*

There is an argument that organisations who do not reflect the communities in which they operate cannot hope to represent them, but the business case for gender equity goes much deeper than that.

It is obviously not enough to promote gender equity because it's the right thing to do. Good governance is at the heart of everything local government does, and councils need compelling business reasons to divert resources into programs that promote gender equity, and to justify the programs in terms of leadership and governance.

The business reasons are there, and this document highlights the most compelling of them, drawing on current research and experience.

THE WAR FOR TALENT:

Currently *Local Government in Australia employs around 175,000 people*, but the competition for those people is going to increase markedly in the near future. Skills Australia predict that, based on the growth scenario closest to Australia's current policy setting, the Australian workforce is projected to grow an average of 2.1 per cent a year reaching 15.3 million by 2025.



Based on those projections there will be 9.3 million job openings in Australia over the next 15 years including 4.8 million jobs through economic growth and 4.4 million replacement jobs arising due to workers leaving the workforce.

The long term implications of Australia's ageing workforce is *a predicted critical shortage of skilled employees*.

Women make up more than half the people enrolled in higher education and more than 40% of women aged 25-35 have or are getting a Bachelor degree. Smart organisations are pursuing strategies to attract and retain women since it makes economic sense to do so. (AIM, 2008, p1)

According to the ABS 2006 census, *Women local government employees are now typically better qualified than men, more so than in federal or state government*, holding more TAFE, Bachelor and undergraduate degrees than men and are in the majority among local government professionals.

It is a mistake for local government to think that the traditionally family friendly conditions they are able to offer staff in some positions are not now being offered, and in some cases bettered, by the private sector.

Local government will need to be able to recruit and retain skilled staff in direct competition with the cashed up mining/resources sector and the growing health and community services sector - to fill new positions, and to replace ageing staff as they retire. In order to do that they need to demonstrate that they:

- Offer the best opportunity for their career
- Offer a positive and motivated workplace
- Provide work life balance

By not promoting diversity and gender equity in the workplace and through recruitment and retention policies, local government is choosing to further limit their supply of skilled employees.

ORGANISATIONAL PERFORMANCE:

As well as simply addressing the skills shortage, improved gender equity at management level almost certainly leads to improved leadership and decision making - the more diverse the team the better the decision making, even in a crisis|| (Temin, 2010)

The documented organisational benefits of good diversity practices include:

- reduced absenteeism and employee turnover
- increased retention rates
- improved organisational excellence
- superior corporate governance

- increased economic strength
- reduced risk of litigation

The following briefly highlight the areas where gender equity is proven to have a beneficial effect on an organisation.....

Reduced employment costs

Companies with effective diversity practices benefit from reduced absenteeism and employee turnover. (Simard, 2007)

A study in London found that initiatives to retain female staff over 10-15 years reduced staff turnover from 25% to 18% and saved the company \$250 million in training and hiring costs. (Women to the Top, 2010, p4)

Turnover is lower, and the reduced costs of recruitment and turnover - *“a person leaving costs a minimum of 1.5 times the salary and it can be 5 times salary”* (Metcalf, 2010).

Organisational Excellence:

In a study across more than 200 public and private companies, McKinsey (2007, p12-13) found that companies with 3 or more women in senior management functions scored more highly in organisational excellence. That performance increased significantly once a certain critical mass is attained, namely 3 or more, below this threshold the difference is not significant.

Research shows that the more complex an issue, the more diversity improves the quality of the decision making (Temin, 2010)

Leadership:

In her paper, *“Developments in gender and leadership: introducing a new “inclusive” model”* Beverley Alimo-Metcalf argues that notions of leadership are affected by changes in society, including social, economic, demographic and technological factors.

Studies conducted by Beverley Alimo-Metcalf and others have found that the leadership qualities most likely to have a positive impact on an organisation, and in particular to successfully navigate challenges, are those qualities which demonstrate an inclusive model of engaging leadership:

- *Engaging individuals:*
 - Enabling
 - Being accessible
 - Encouraging questioning of the status quo

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- **Engaging the organisation:**
 - Inspiring others
 - Focusing team effort
 - Being decisive
 - Supporting a developmental culture
 - **Moving forward together:**
 - Networking
 - Building a shared vision
 - Resolving complex issues
 - Facilitating change sensitively

Those qualities are *based around personal qualities and core values, and demonstrated through honesty, integrity and transparency, and a willingness to collaborate and connect with employees and stakeholders.*

They exist at the other end of the spectrum from the more traditional “heroic” leadership style.

In support of this argument, research conducted by McKinsey in 2009 showed that there is *a significant positive correlation between the proportion of women on the board of companies across the world and the companies’ performance* and that women’s style of leadership has been shown to be –critical to navigate through the (current economic) crisis safely and to perform well in the post-crisis world (McKinsey, 2009).

Tapping of different life experiences and creativity

“Women and men bring different experiences and perspectives to the table. Men and women are socialised into different roles and work in different areas and positions, and therefore bring different experiences and values to the decision making.” Women to the Top, 2010 p4)

OTHER RESEARCH:

During the Year of Women in Local Government two key pieces of research were conducted.

The Pre-Challenge Task for councils competing in the 2010 Management Challenge involved a survey of gender equity in the competing teams organisation, as well as a close look at the views and attitudes of management towards gender related issues.



A major finding of the Pre-Challenge task report was that key decision makers in local government did not recognise gender equity as an issue, nor see a need for change. (Sefton, 2010, p14). In summarising the findings of the report Sefton says:

*Perhaps key clues for Local Government will come from the private sector, where the **focus is on outcomes and outputs**, systems and processes to enhance business bottom line, rather than counting days/hours worked.*

This thinking is supported by the findings of the Global Gender Gap Report which suggests that “talent and human capital are fundamental to economic growth—ensuring that barriers to women’s entry to the workforce are removed and that equal opportunities are provided for rising to positions of leadership within companies are among the key factors for business leaders and policy-makers to consider to ensure that all existing resources are used in the most efficient manner and to send the right signals to ensure the optimal flow of future talent”

Local Government by its very nature is the closest and only form of government that many communities know and to adequately serve the community there is a need to fully understand the issues and concerns it holds which impact on that community.

*By not doing so, Local Government is failing in its duty to the community in not recognising a seismic shift in attitudes and expectations towards the world of employment. **It’s no longer a case of what you can do for your employer but what your employer can do for you.***

*The next generation is looking at portfolio careers and continuous up-skilling to maintain their employability. Loyalty is driven by intrinsic values and not by a particular employer. A job for life or a linear career do not inspire or motivate the next generation -and in reality, most women experience numerous title changes throughout their working life as they accommodate the needs and requirements of family commitments ahead of their own professional ambition. **To adequately address this paradigm shift in work practice, Local Government will need to analyse what women and the next generation are looking for from the workplace and provide appropriate career options on a short and long-term basis.***

There’s a lot of work to be done.

The second piece of research was conducted as part of a Local Government Women’s Leadership Forum in May 2010, convened by the LGMA and attended by a number of very senior women at local, state and federal levels of government.

In discussing gender equity issues, the forum identified a number of potential barriers to increasing women’s participation in senior management or representative level in local government including:

- A possible lack of leadership skills
- Bias in selection of senior management from more male dominated feeder groups

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- Bullying (particularly from councillors)
 - A sense that the “boy’s club” is managing succession plans in some councils
 - Lack of role models
 - Sexual harassment
 - Fear of failure
 - Councillors: system is set up for middle aged men
 - Significant discrepancies between the states on council remuneration

The forum identified possible ways to overcome those barriers, including:

- Promotion of LG in schools as career of choice (only 7% of community knows what LG does!)
- Internships
- Management skills development
- Work/life balance: current senior management, regardless of gender, should model good work/life balance to staff
- Maintain/support of CEOs/GMs that are actively supporting women
- Look at ways to encourage women to apply
- Change existing more traditional council structures to more modern ones
- Move to a more professional board style for councils, e.g. new Queensland model

Finally, a recent survey undertaken with councils participating in the 50:50 Gender Equity program had the following key findings:

- It is difficult in some councils to get resources dedicated to gender equity programs, even where there is general agreement with participation in the program.
- Some councils still see gender equity as being anti-male
- Councils need a business case model to justify gender equity
- Talk of targets for councils makes some councils nervous and less likely to participate
- Participating councils need more networking and sharing of information

For more information about the 50:50 Vision - Councils for Gender Equity Program go to:

www.5050vision.com.au

or call Karen Purser,

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