

ATTACHMENT 6.1: 2010 CORPORATE GENDER EQUALITY SUMMIT REVIEW

*Executive men and women driving change in corporate Australia
12-13 August 2010-08-25
Sydney Marriott at Circular Quay*

Overview

The Corporate Gender Equality Summit was held on the 12-13 August 2010 at the Sydney Marriott at Circular Quay to discuss how Australian business and the economy can achieve gender equality and profit from the intellectual capital women bring to organisations and in the boardroom. The two-day summit was hosted by Informa Australia; a leading conference organiser and specialist trade publisher. It attracted over 60 delegates from:

- organisations who consult with major corporations and government departments on culture, mentoring programs and gender diversity strategies;
- major financial institutions;
- federal and state government departments; and
- professional associations and other private and not-for-profit companies.

Through keynote presentations and open discussion, the summit explored a series of topics around gender diversity, including:

- Enforcing and ensuring gender equality
- Legal developments, legislative advances and interventions
- Overview of industry and trends in the workplace
- Recruiting vs. Retaining – combating the stupidity curve, women opting out of the race and corporate structural disparities
- The impact of a sustained gender wage gap on the Australian economy
- Identifying women's self-imposed barriers and the opportunities for the corporate women to drive change
- Gender diversity in corporate culture
- The need for men and women to work together and for more women to champion women
- Why has progress for corporate women become stagnant?
- International Case Study: How WIN has successfully helped drive growth at Deloitte
- Implementing best practice strategies
- The new business plan and its effect on the company
- Engaging the corporate man
- Women succeeding in male-dominated divisions
- Women in mining: advancing in a male-dominated sector
- Women in construction: recruiting in a male-dominated sector
- Solutions for the company

This paper, prepared for presentation to the YoWiLG NSC at the August teleconference, will provide an overview of some of the key presentations made during the summit and identify key learned outcomes to assist the Year of Women Local Government National Steering Committee

develop strategies for the long-term success of the YoWiLG initiative and promote sustained cultural change across all levels of local government.

Background

At its July teleconference, the NSC approved a recommendation for YoWiLG Chair, Ray Pincombe and Project Manager, Helen Diggerson to attend the Corporate Gender Equality Summit in Sydney on 12-13 August 2010 to explore:

- How the Australian business sector is tackling the issue of gender equity;
- The impact of changes to the ASX Corporate Governance Principles and Recommendations around gender equity, which take effect on January 2011;
- What is currently being done to overcome barriers to women's advancement to senior management positions and in the boardroom;
- What future changes and policies are needed to elevate Australia's position on the World Economic Forum's Global Gender Gap Index (Australia is currently ranked 20th); and
- How these projects and policies compare with the objectives, initiatives and proposed outcomes of the YoWiLG.

Key learned outcomes

Throughout the two day summit, a number of key learned outcomes were identified as a result of keynote presentations, case studies and open discussion. These outcomes are:

- Achieving gender diversity maturity
- Make it a business opportunity; not a women's issue
- Executive training to overcome conscious and unconscious bias
- Market place eminence
- The Corporate Lattice
- Clearly define and tracked metrics (celebrating your success)
- Mission Critical: Collecting, analyzing and reviewing data workforce data
- Mentoring programs

Identified under two major themes – *'reframing the gender debate as a diversity strategy to achieve economic sustainability'* and *'targeted training and communication programs at all levels'*, these outcomes have the potential to elevate the long-term objectives of the YoWiLG to a whole new and exciting stratosphere.

These outcomes build on the current success of the YoWiLG initiative in engaging the local government sector in a 'new way of doing business.' It also has the potential to form the basis of a strategy that re-positions the local government sector as an employer of choice *and* innovative and proactive provider of vital human services and infrastructure.

1. *Achieving gender diversity maturity.*

“Organisations need to be more innovative and sophisticated in the way they approach gender diversity or they risk devaluing their brand and reputation in the market place.”

Janelle McMaster, Executive Director, People & Organisation, Ernst and Young

According to **Janelle McMaster**, *Executive Director, People & Organisation, Ernst and Young* and **Peter Wilson**, *National President, Australian Human Resources Institute* the economic impact of talent waste (workforce resignations) is 100 – 200 percent of an employee’ salary.

With 20 per cent of all new hires failing within the first 12 months, diversity is not just a human resource or talent issue; it is a business issue on both sides of the organisation.

In 2009 Australia achieved the #1 ranking for educational attainment for women on the World Economic Forum’s Global Gender Gap Index, yet is ranked #20 overall. According to the ‘stupid curve’; a phrase coined by former Deloitte USA Chairman, Mike Cook, Australian companies pull 90% of their executive managers from 50% of their workforce (men). As a result, companies are under utilizing, overlooking and wasting the other 50 per cent of their talent pool (women). In the current cultural climate, men are also nine times more likely to be promoted into executive and leadership roles than women. This is particularly ironic in light of research of 1800 male and female employees undertaken by Ernst and Young that qualify women outshining men in many critical factors including strategic direction and risk taking.

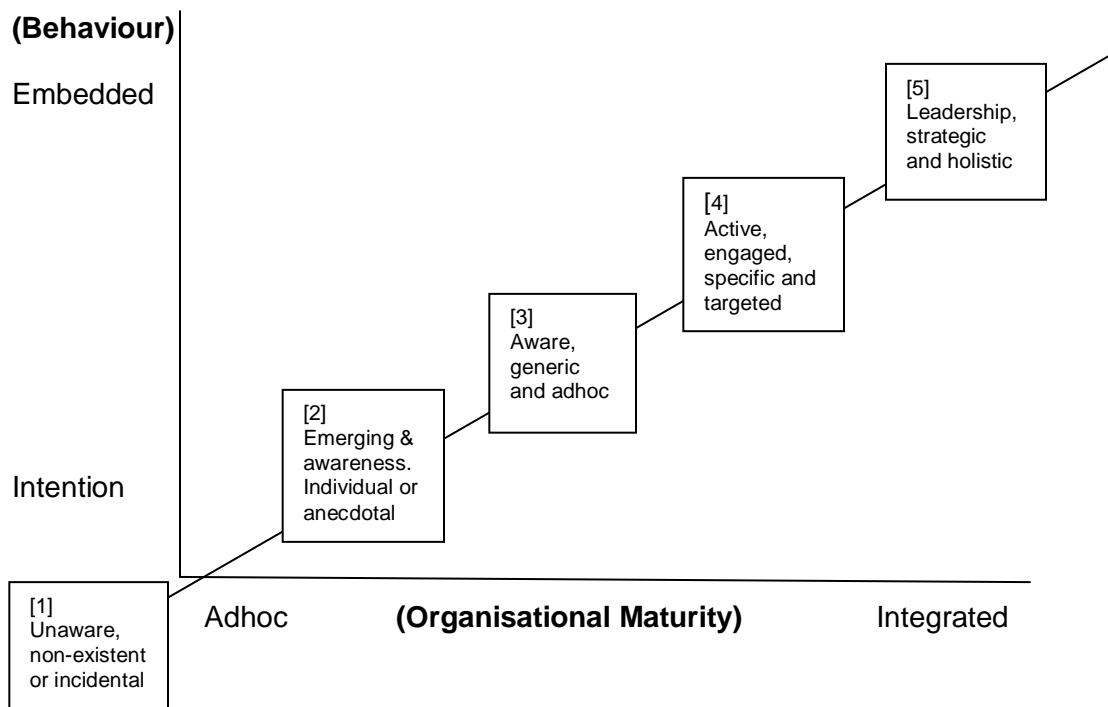
According to McMaster, organisations need to be more innovative and sophisticated in the way they approach gender diversity or they risk devaluing their brand and reputation in the market place. McMaster used the Chief Executive Women’s (CEW) CEO tool kit to illustrate how gender-mature organisations attract and retain talent. The tool kit is centred on five core questions:

- i. Is identifying and promoting female talent a top priority for our CEO, leadership team and board?
- ii. Are we appointing our fair share of female talent?
- iii. Is organisational culture driving our female talent out?
- iv. Does our pay distribution by gender tell a story?
- v. Are we managing our female talent for leadership roles?

The tool kit also helps organisations gather and analyse their workforce data and act on key issues. An overview of the tool kit has been included as **Attachment 6.1.1** while more information about CEW can be found at their website www.cew.org.au.

To illustrate where gender diversity sits on ‘your’ agenda, McMaster offered the following diagram based on organisational behavior and maturity:

IS GENDER DIVERSITY ON YOUR AGENDA?



McMaster says that most organisations sit at #3 on what she calls the ‘smart’ curve. These organisations are aware of the importance of maintaining their talent pool and have sought to address gender diversity by introducing various policies and programs including flexible and family friendly work practices. However, they often lack the energy, commitment, data and know-how to move up the curve. According to McMaster, they run the risk of sliding backwards through complacency and growing cynicism. McMaster also said that for organisations to get smarter about where they want to be, they should aim to achieve measurable results within 12 months as long as they have momentum and know what data is required to set realistic and reportable objectives.

2. Make it a business opportunity; not a women’s issue

"Corporate man is a closed, cliquy bunch of men who only pay lip service to women's issues"
Robert Care, Chair and CEO, Arup Australasia

In his presentation around compliance and beyond, **Rowan Arndt**, *Head of Inclusion and Diversity for Business Banking*, NAB stressed that the strength of any diversity or change management strategy was reliant on the buy-in and support of the current dominant coalition i.e. senior male executives and managers.

In order to facilitate this buy-in and achieve change it is imperative that any diversity strategy is embedded into all business operations and across all cultural disciplines. Or in other words; *Diversity in thought – Diversity in opinion – Diversity in action.*"

Citing the strengths of women as a business case i.e. women are creative, collaborative and innovative, is useful in promoting what women bring to the table, but should not be used as the sole basis to engage with current executives. This runs the risk of making “it” all about women, rather than a business opportunity, which alienates the critical mass.

Rather, the business case should address the overall goals and objectives of the organisation in relation to talent, sustainability, customer service, flexibility etc. and relate back to the organisation’s vision and mission statement. Diversity advocates also have a greater chance of shifting the mind-set of men (and some women) when the economic impact of change management is made clear.

For example, an organisation with a high turnover of staff that wishes to reduce operational costs would benefit economically from a staff retention strategy. Examples of business opportunities linked to diversity are:

Operational /cultural disciplines	Strategy
Talent	<ul style="list-style-type: none">• Attracting and retaining the best people• Achieving employer of choice status across all talent pools• Ensuring a robust pipeline• Knowing where the talent is and how to deploy it
Customer	<ul style="list-style-type: none">• Matching customer base to business operations• Strengthening relationships• Achieving market place eminence
Sustainability	<ul style="list-style-type: none">• Reducing employment costs by reducing staff turnover• Reducing the number of staff turnover
Visibility	<ul style="list-style-type: none">• Celebrating and promoting our successes• Being transparent• Targeted communication programs
Innovation	<ul style="list-style-type: none">• Constantly refreshing projects and initiatives• Creating vibrant pockets of community

“This is about senior people driving change, not juniors or project managers.”

Rowan Arndt, Head of Inclusion and Diversity for Business Banking, NAB

Arnt said the key driver for success for any change management strategy relied on the input and active engagement of the CEO. It is imperative that the CEO not only drives and monitors change management but they also drive and monitor leadership and accountability of their senior managers in relation to a diversity scorecard. In support of the key driver, Arndt also offered the following advice to CEOs and diversity advocates:

- Awaken your leadership team
- Define the business case as it relates to the goals and objectives of the organization
- Let people express resistance
- Make it a business issue; not a women’s issue

- Make changes before making noise
- Don't mix up the messages
- Give it a budget
- Make your senior managers and line managers accountable

3. *Executive training to overcome unconscious bias*

“Cultural change is about getting to the hearts and minds of our people to shift mindsets and behaviours and weave equality into the fabric of our organization.”

James Allt-Graham, National Managing Partner, People, Performance and Culture at KPMG

Unconscious bias exists in every organization at all levels and operates so as to limit women gaining experiences, which matters in senior management selection. Major corporations such as NAB, KPMG, Ernst and Young, Deloitte and Mallesons Stephen and Jacques require their senior executives - male and female to undergo training and education around gender diversity and to reinforce the business case.

KPMG identified a number of organisational assumptions that often led to unconscious bias:

Organisational assumption

Reality

Women want to stay at home

Women are going to increasingly demanding jobs

Women don't want to become partners

We need to adjust our mental model of partner roles. We are out of step

Women choose not to be leaders because of children/family responsibilities

Women without children are not making it to leadership positions.

To combat the issue of unconscious bias and facilitate change, KPMG employ the following:

Cultural Changes

Strategies and actions

Leadership and role modeling

- Gender diversity is a core strategy of the business
- Target the top team as central to the strategy, walk the talk and maintain the right behavior

Engaging communication

- Explain gender diversity and why it is important
- Deliver consistent, targeted communication that drives the right behavior.

Build skills and capability	<ul style="list-style-type: none"> • Through continuous feedback and coaching • Continuing to build gender equality into everything we do • Hard wiring wherever, at all stages of employment.
System & processes	<ul style="list-style-type: none"> • Reinforce the desired behaviours through formal mechanisms including performance management systems
Succession planning at a management level	<ul style="list-style-type: none"> • Reviewed every year

Allt-Graham also contends that diversity programs open the door to men as well as women and encourage open dialogue and better understanding of what employees need to contribute to their goals and those of their organisation.

4. Market place eminence

“Diversity strategies drive marketplace growth and create a culture where the best choose to be.”
Barbara Adachi, National Managing Principal, Initiative for the Retention and Advancement of women, Deloitte USA; Chief Talent office, Human Capital Consulting

A strong theme identified during the two day conference was the relationship of diversity strategies and the attraction and retention of talent to brand reputation and profile. According to Deloitte, women are the growth centre of the market place, not only in their approach to work but in how they relate to the customer base.

There is also growing evidence, presented by **Peter Wilson** of the *Australian Human Resources Institute* that says younger people look at ‘good quality brands for employment’ and that global best practices in people management such as those adopted by GE and Microsoft lead to increased shareholder investment.

“People are ranked #1 among top critical drivers of long-term success. Engaged people deliver superior client services which maximizes competitive advantage and profitability.”
 Robert Milliner, Chief Executive officer, Mallesons Stephen and Jacques

In order for organisations to achieve market place eminence i.e. an employer of choice, they must redefine the way in which they attract, retain and develop their people within the context of the organisational structure and cultural disciplines. People, regardless of age and circumstances want the flexibility to work and move in the spaces they operate within and no longer wish to be bound by strict organisational hierarchies and bureaucracies. Those that find themselves restrained by traditional methods of people management i.e. Gen Ys, simply leave.

To be truly effective, companies should also invest in people who can deliver what the community wants and in a way that best reflects “life”. This requires a shifting paradigm away from the traditional management approach to people and towards work place customization that

allows your people to 'dial up' and 'dial down' their pace, workload, location, schedule and role (Deloitte). It also involves accepting technological platforms that people use in everyday life, such as social media as forums for networking, learning, supporting and creating vibrant pockets of communities.

Rose Clements, *Director of Human Resources for Microsoft* says progressive organisations should hold people to account for the outcomes they are committed too; not their output.

5. **The Corporate Lattice**

“Non-traditional families, converging expectations between men and women, flattened hierarchies and shortage of critical talent is changing the world of work.”

Barbara Adachi, National Managing Principal, Initiative for the Retention and Advancement of women, Deloitte USA; Chief Talent office, Human Capital Consulting

In her presentation on WIN: Women's Initiative at Deloitte, Barbara Adachi introduced the concept of the **Corporate Lattice**, which shows that people zig zag their way through the corporation to the top rather than following a traditional hierarchy-based career path. The ethos behind the corporate lattice is that:

- Careers zig zag, they do not go straight up
- Work is what you do, not where you go
- Participation is all in, not top down
- People should feel comfortable bringing their whole self to work, not parts of themselves

According to Adachi careers ebb and flow, which is important for organisations to know if they want to safeguard their talent. Knowing that Deloitte people have the option to 'dial up' or 'dial down' contributes to a safe and happy environment.

In order to ensure continuous innovation in this space, Deloitte ask every one of their staff to fill out an annual employment survey so they know what is going on. It is the responsibility of the organisation to then respond accordingly to any issues or barriers identified by their people. For the past three years, diversity and inclusion rated highest alongside organisational leadership at Deloitte.

6. **Clearly defined and tracked metrics**

“Awards and recognition are important for brand equity and organisational culture.”

Barbara Adachi, National Managing Principal, Initiative for the Retention and Advancement of women, Deloitte USA; Chief Talent office, Human Capital Consulting

Clearly defined and tracked metrics that celebrate, acknowledge and promote success around diversity and change management are critical to achieving marketplace eminence. Major national and international awards and recognition programs increase the credibility of the organisation as an employer of choice and improve organisational culture. Organisations should seek out awards and opportunities for recognition at all levels and then promote their success internally and externally.

7. Overcoming reluctance by female staff

“Professional leadership and development forums eliminates the excuses women use around skills and experience”

Barbara Adachi, National Managing Principal, Initiative for the Retention and Advancement of women, Deloitte USA; Chief Talent office, Human Capital Consulting

There is growing evidence that says women are reluctant to put their hands up for top jobs because of a number of operational and cultural reasons. These include:

- Hostility towards women in the work place and in life
- Lack of career paths
- Difficulty managing family and carer responsibilities
- Macho cultures
- Isolation
- Extreme work pressures

There is also a growing argument that women will only apply for a senior role if they can tick 75 per cent of the boxes, compared with men who will apply for a senior position even if they only 25 per cent compliant. It leads to the assumption that women in top roles are highly educated because they think they have to be. This in itself is recognized as yet another barrier to other women seeking advancement.

Sophie McCarthy, *General Manager of McCarthy Mentoring* identified a number of opportunities that organisations can adopt in order to remove women’s self-imposed barriers and drive change. These include:

- A commitment to ethical leadership around diversity where accountability is linked to performance;
- Quotas for women in leadership (since the announcement of the ASX Corporate Governance Principles and Recommendations around gender equity, the number of women on boards has increased by 26 in last few months compared with 10 in the last few years);
- Addressing work place culture
- Leadership training for men and women to overcome conscious and unconscious bias
- Mentoring programs for men and women
- Extended parental leave entitlements
- Flexible ways of working
- ‘Return-to-work’ strategies
- Transparent and clear processes on measuring and reporting on outcomes

Other strategies that can be employed include:

- Balanced values that are lived by the organisation
- keeping women on maternity leave or carer's leave in contact with the organisation during their period of absence
- The development of an evidence based strategic plan
- Moderate the merit principal

8. Mission Critical: Collecting, analyzing and reviewing data workforce data

“We will get what we want, if we know what to ask for.”
Rose Clements, Director Human Resources, Microsoft

The underlying basis across all examples of leading practice in the area of diversity and change management was the reliance on talent-based data. It is impossible to effectively implement change management across any discipline without first familiarizing yourself with the landscape at all levels of the organisation. Once you have compiled appropriate data you can then set realistic and measurable objectives and identify strategies that will assist your organisation achieve critical mass.

Data collected, collated and consistently reviewed by major corporations that have immediate impact on diversity are:

Gender pay gap	An average of 17% between men and women. Research undertaken by the National Centre for Social and Economic Modelling in Canberra estimate that closing the gender pay gap will result in a \$93 billion injection into the economy.
Gender turn-over gap	The number of female employees leaving over an established period of time compared to men, and in what level of the organisation.
Graduate intake	The overall graduate intake as a result of marketplace eminence i.e. first choice for employment or last AND the number of female vs male in identified professions.
Part-time staff	The number of staff working part-time at what levels of the organisation and any pay disparity between wage offered as a part-time salary in comparison to a full-time salary.
Attrition of Gen Ys	The number of Gen Ys lost to an organisation over an established period of time as a result of out-dated work practices.
Matured aged workers	The attrition of mature aged workers who leave organisations because of disparity in work/life balance.

Once organisations have identified areas of issue or growth opportunities, they are in a better position to develop measureable objectives and set targeted strategies. For example, Mallesons Stephen and Jacques identified that while women made up 62% of their workforce, only 21% of partners were women. Targeting current and potential part-time staff, the organisation set the following strategy in place:

Business case: To make family and well-being part of the culture

Who: Female partner thinking of having or who currently have children

What: Workshops around strategies for managing work/family and career and to build self-confidence and inspire self-retention.

Why: Talent retention

Equally as important is continuous measurement and review of diversity strategy data against outcomes. This enables organisations to determine if the strategies in place are effective or if changes are required. Additionally, knowing where you are placed at every step of the change process enables you to celebrate your success along the way, increase your public profile and respond to unplanned crisis including the GFC.

9. Mentoring programs

The *Australian Human Resources Institute* say that 30 per cent of all learning is through formal or informal mentoring programs. While there is sufficient evidence to suggest that mentoring programs are critical to the success of any diversity strategy, they are also a valuable and useful commodity in re-educating and training senior executives around change management. There were a number of organisations who attended the summit who conduct targeted mentoring programs for men around diversity and inclusion including Emberin, who developed the My Mentor program for men. This was implemented by Telstra who went on to win a Catalyst award for gender diversity and inclusion.

10. The way forward and conclusion

The Bottom Line: Corporate Performance and Women's Representation on Boards; a 2007 report prepared and published by Catalyst Inc; the leading international organisation for inclusive work practices and opportunities for women and business, says companies with a higher representation of women on boards and in senior executive positions achieve a greater return on investment than their non inclusive counterparts. Research such as the Catalyst paper strengthens the argument that successful implementation of change management strategies around gender diversity as a business opportunity is possible in any organisation. There are a number of strong case studies to be found within corporate and local government sectors that can be used as examples of leading practice for all councils and shires in Australia. Programs such as ALGWAs 50:50 vision are providing innovative diversity frameworks that encourage individual local government authorities to think differently about their talent management practices and position in the wider community. As LGMA Chief Executive, John Ravlic in his six month review of the YoWiLG said, we have started the conversation but the conversation needs to get much deeper if we are going to achieve true long-term systemic change.

Based on the key themes and outcomes of the 2010 Corporate Gender Equality Summit and the goals and objectives of YoWiLG, the NSC has an exciting opportunity over the next few months to completely reshape the future culture and market position of the local government sector by:

- Reframing the debate as a business opportunity to increase the marketplace eminence of the local government sector and stop the gender blame game;
- Addressing unconscious bias through training, development and mentoring programs available to local government;

- Collecting and analysing relevant data that identifies core issues around sustainability, skills shortage and talent wastage and/or providing incentives to individual councils to do the same;
- Encouraging the local government sector to be accountable for all operational and culture decisions by promoting the advantages of clearly defined and tracked metrics that celebrate, acknowledge and promote success around diversity and change management; and
- Promoting the adoption of programs like 50:50 Vision as the basis of an official diversity strategy for their organisation.

In looking toward 2011, the following recommendations are put forward:

That the NSC:

- Seek to identify what local government authorities have developed and implemented a diversity strategy within their own organisation, and what that has meant in terms of change management and organisational culture;
- Clarify what diversity means to the local government sector and identify initiatives - outside of a formal diversity strategy, that have been implemented to attract and retain female talent.
- Engage with ACELG or other organisations to obtain data around the gender turn-over gap, graduate placement, part-time staff including disparity in wage and retention success of gen Ys and the aging workforce; and
- Explore the possibility of holding a CEO and Mayors forum to engage male leaders in solution based outcomes, educate and train leading local government leaders on the importance of diversity as a business opportunity and to identify a role for the NSC going beyond 2011.

Ends