5 BOLD IDEAS

FOR SHIFTING THE DIAL ON WOMEN IN BUSINESS BY 2020

> A Baker McKenzie Women's Agenda Leadership Roundtable





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INTRODUCTION

A need for big ideas

This year's International Women's Day called on all of us to 'Be Bold For Change'.

In response, we saw a number of organisations sharing their latest measures to address gender diversity within their workplaces. Across social media, we saw individuals – ranging from leaders to celebrities, and men and women who're simply fed up with the gender gap – making commitments to do their bit to speak up.

But when it comes to promoting women in leadership in business, what's really needed are cross-organisational approaches to change. Big, bold ideas.

And we need to see them pursued immediately – ideas put into action now so that we can see the macro positive effects of change within a few years.

Baker McKenzie and Women's Agenda brought together a roundtable of prominent leaders in Brisbane to discuss ideas for shifting the dial on women in leadership, particularly in professional services firms and large corporates. We asked everyone around the table to suggest two key ideas – one that they'd seen done in an organisation previously which had had a significant impact, and a second 'bold' idea that they believed could be put on the table.

We also asked the participants to share their own 'turning point' – what had helped them get to where they were today?

At the end of the session, we asked participants to vote on the five key ideas they believed could really shift the dial for women in the next few years, rather than in the next century. Some of the ideas shared were merged into broader, more comprehensive ones, while others emerged as frontrunners on practical changes that could be pursued to shift the balance.

This report outlines the five ideas. We invite all leaders to take a look, and consider how they might be able to apply these measures within their own workplaces.

Women's Agenda Baker McKenzie

THE CURRENT CONTEXT

Are we there yet?

Women are educated, ambitious and experienced, yet they are not hitting leadership positions at the same rate as their male counterparts, and they continue to be paid less for the work they do.

While there's been significant improvement in the number of women on boards across the ASX 200, women still only make up around a quarter of such positions, and account for less than ten of the CEO roles across these organisations. Women make up just 28.5% of key management personnel positions across Australian workplaces, according to WGEA data, and just 16.3% of CEO/Head of Business positions.

Men and women are equally capable in leadership positions, and yet women are frequently left behind.

Is a lack of education to blame? No. Women have been enrolling in university degrees in greater numbers than men since 1987, according to <u>the Grattan Institute</u>.

What about a lack of ambition? Studies suggest women are no less ambitious than men, but that organisational culture can hinder ambition.

According to a recent <u>Boston Consulting Group survey</u> of 200,000 employees across the world, women and men are equally ambitious when starting their careers. But an ambition gender gap emerges for those between the ages of 30 to 40 for women working in organisations deemed behind on gender diversity.

Is it because (some) women take career breaks? While employers are increasingly offering more generous paid maternity leave options in an effort to attain and retain female staff, having a child still incurs a 'motherhood penalty' for women that will stay with them for the rest of their lives, in lost income and in lost opportunities.

Is the gap in unpaid work the problem? A recent PwC report found the significant value of unpaid childcare would make it Australia's largest industry, with women doing 72% of this work. It's not just caring responsibilities. The ABS reports that full-time working women spend an average 25 hours a week on household work, including cooking and shopping for groceries, compared with an average of 15 hours for their male counterparts.

What about a lack of role models? According to a Women's Agenda's survey of Australian women, less than one in five said a 'lack of role models' <u>could hinder their ability</u> to achieve their ambitions in the next two years.

Is it a lack of confidence? Women are not necessarily any less confident than men, but the culmination of all of the above factors could shake confidence. Fifty one percent of respondents on the WA Ambition Report said they experienced a "lack of personal confidence" which obstructed their ambitions.

What about a lack of flexible working options? According to some studies, Australian workplaces are particularly forward when it comes to offering flexible work options. The problem is that these options are not being taken up in significant numbers by men, particularly by working fathers. The ABS reports the proportion of dads with kids under 12 is at just 5% -- although that's a significant increase from 1% two decades ago.

Ultimately, there's no single factor that's causing the workplace gender gap – if there was, closing it would be much easier. However, culture – in workplaces, at home and across the community – is certainly having an impact.

Unfortunately, cultural change is a difficult task.

But it's not impossible. And we all have an opportunity to play a part.

THE MOMENTS THAT SHIFT CAREERS

Stepping up, stepping back

Our roundtable participants could all point to different moments in their lives they said shaped or determined their career progression and purpose.

For some, including company director Dr Kirstin Ferguson and Gold Coast Hospital Deputy Chair Teresa Dyson, the defining moment for their careers stemmed from having children. Kirstin said it came in the form of her working for an employer who supported workplace flexibility after she had her two children, while Teresa was appointed a Blake Dawson partner while on maternity leave.

For others at the table, illness provided the catalyst. Women's Agenda Editor Georgie Dent said her turning point came after having a nervous breakdown at the age of 25. While it was a terrible time, she said it was a formative experience. One that saw her leave her then chosen profession of law to pursue a career in journalism.

"There's that saying that some women pull the ladder up behind them. I vowed and declared I would always support women."

AMELIA HODGE

Kara Cook, the owner of Cook Legal, said her turning point came when she was 27 and was diagnosed with cancer. Working in a mid-tier firm, in a career that was travelling well, she decided that the most important thing she could do was to give back. A week after the diagnosis, she accepted an opportunity to work at the Women's Legal Services Centre and was later promoted to principal lawyer. A number of years later, she decided to establish a firm specialising in domestic violence.

AECOM Chief Counsel Gordon Kenwright said his turning point came with the appointment of Lara Poloni as CEO of his firm. He said she was an amazing role model and sponsor for him in the business, noting that she fast tracked flexible work, promoted leading by example and treated workplace gender diversity as both a male and female issue.

Brookfield General Counsel Claire Bibby also highlighted getting a sponsor as a key turning point. "I asked him to support me getting a promotion. He didn't advocate for me to get the promotion I asked for. He advocated for me to get the next one up, and I got it" she said. "He showed a level of support I hadn't been privy to at that point in my career", she said. Meanwhile Baker McKenzie partner and chair of the firm's Diversity & Inclusion Committee Anne-Marie Allgrove said spending 18 months working with the firm in London before she had kids gave her an opportunity to expand her network "That created a new world for me in terms of contacts and opportunities, which have been critical to my career progression," she said, noting that she put her hand up for overseas opportunities. "It is important to seize opportunities as they arise."



THE MOMENTS THAT SHIFT CAREERS

Stepping up, stepping back



Cassandra Heilbronn, President of the Women Lawyers Association of Queensland, said that while in a relationship with "traditional" expectations that she'd pursue a more domestic life, she subconsciously started pushing against such expectations to better promote women's equality in corporate environments, and has since found herself mentoring women overseas, speaking on the issue at events and being active on social media.

The youngest of three children, YWCA Queensland Chair Denise Morton said growing up with farmer parents and developing a strong work ethic as a result, later aided her career working in the male dominated field of insurance – she said she often felt she had to work harder than the men around her, and was willing to do so.

Other turning points came after witnessing bad behaviour. Gemma Lloyd said she moved to co-found her business, Diverse City Careers, after a terrible experience in a tech firm. Company director Amelia Hodge said her big shift came when she witnessed several senior women not supporting younger women – just as more men were being awarded further advancement opportunities. "There's that saying that some women pull the ladder up behind them. I vowed and declared during the course of my career I would always support and nurture women," she said.

Baker McKenzie Brisbane's Managing Partner Leigh Duthie, gave an open and honest account of his turning point, revealing how the careers of men are often aided through the sacrifices of their female partners. Leigh's wife resumed full time practice 18 years after the birth of his only child. When their child went to kindergarten, she had approached her then employer at the Department of Justice and requested leave without pay for the month of January. The request was denied, she was told that other lawyers would resent it if she was given this time off.

"She made the decision to leave and look after our daughter full time, as she knew this would be an ongoing problem," Leigh said. "I was at the time a younger partner, and that was very easy for me to agree to. It was terrific to have someone at home managing it all ... It helped me a lot in my career having someone at home, managing everything on the home front. But ultimately it was a big sacrifice ... at the time my wife was resentful about the choice she was forced to make and the hypocrisy in the profession between the different treatment of male and female lawyers when it came to childcare."

These moments offered an excellent start on determining some of the bold ideas that can shift the dial for women at work.

"We need to find a way to recognise and celebrate women at all levels of a business, particularly those who may be just starting to take on leadership responsibilities. We tend to spend a lot of time focusing on senior women, which is important, but we need to also turn our attention to those just beginning their career path too."

KIRSTIN FERGUSON

THE FIVE BOLD IDEAS.

The bold ideas following all aim to produce a shift – in culture, in thinking, in applied pressure or something else.

As there's no silver bullet to shifting the dial on women at work, the next best option is to pursue a number of "shifts" that can, in collaboration, promote significant and sustainable change.



SHIFT THE CULTURAL EXPECTATIONS THROUGH CONVERSATIONS

Every day we make assumptions about the men and women we work with, assumptions that can limit the opportunities our colleagues and staff may wish to explore.

While more organisations are offering excellent flexible work options, men are still not taking them up – with some studies suggesting a concern about how their ambitions will be perceived standing in the way.

Meanwhile, certain assumptions continue to be made about the ambition levels of women, particularly those working part time, flexibly, or who have young children at home.

Everyone has priorities and interests outside of work. Understanding this can help colleagues to better support and appreciate the 'out of work' interests their managers, team members and direct reports have, instead of making automatic assumptions about them.

Conversations can also help to better promote why gender diversity matters. Encouraging employees to speak up about seeing a lack of women involved in particular meetings, committees, seminars, conferences or other workplace situations is crucial. Indeed, asking employees to share a lesson or story about diversity – similar to what certain industries do regarding safety, in order to reduce and prevent injury and death in the workplace – would aid in keeping the issue top of mind.

So how can employers get involved in more conversations?

- Start promoting stories within your organisation, encourage employees to see and relate to the differences they see in each other.
- Encourage conversations in the office about life outside of work, incorporate these into more structured team meetings, celebrations or social events. Or, start a monthly 'Conversation Series' inviting employees to share more about their priorities and interests outside of work.
- Ask employees to share a diversity story, a lesson, or challenge during regular meetings.
- Encourage male leaders to discuss their flexible work arrangements – encourage them to take up and to talk about, taking paid parental leave.
- Make flexible work a genuine employee wide opportunity, rather than something for 'working mothers' alone. Encourage employees to discuss what they're doing on the days they're not in the office

"You can tick the boxes on a number of things, but if we can't change the culture we're not going to see much change."

ANNE-MARIE ALLGROVE



SHIFT THE CORPORATE CULTURE: THROUGH PRESSURE AND INFLUENCE

Influence and pressure can prompt organisations to act quickly on gender diversity.

We've seen this in the ASX 200 where, since 2009, the rate of women on boards has increased significantly.

A number of factors have resulted in this improvement, including ASX reporting guidelines, heightened media attention on the gender make-up of individual boards and public shaming (such as the AICD's regular updates on the ASX 200 boards that still do not have a single woman.)

Claire Bibby, a significant purchaser of legal services at Brookfield, said she'll often speak to law firms asking about their diversity and inclusion policies, especially how many women they have in their partnership and the breakdown between salaried and equity partners, and finds that placing that kind of pressure on law firms is facilitating new conversations.

Applying pressure works. So what can you do as a client, customer or other stakeholder?

- Set a requirement for major suppliers to share specific diversity stats. Or, go one step further, and suggest there will be a reduced fee for those that can't present acceptable diversity standards.
- Ask recruiters and head hunters to present candidate lists that are 50% female.
- Highlight diversity standards and expectations during client meetings.
- At an individual level, consumers also have the opportunity to consider the diversity standards of an organisation when purchasing goods and services. A number of sites, like Femeconomy, now offer listings of organisations that have board and leadership teams that are at least 30% female.
- Invite shareholders to vote on the diversity performances of organisations, just like they would on salaries.

"Put this on the table as something large shareholders can drive. If the company or the board is not meeting their policies and targets, then if not why not? Three strikes and there should be a penalty."

CLAIRE BIBBY



SHIFT THE NUMBERS: THROUGH TARGETS AND KPIS

As the old saying goes, what gets measured gets managed. Reported and publicised targets have a role to play in increasing the number of women in senior leadership.

However typically, targets have only been set at a senior leadership end (such as on boards), and have usually been set at a rate that's much lower than 50%.

The roundtable suggested organisations look at where targets can be set throughout an organisation to address overall culture and assist in gender inclusivity at all levels.

Given the importance sponsors have had on the careers of leaders, sponsorship was seen as an excellent place to make a start on establishing targets – for instance, setting a target for the rate of both male and female staff being formally 'sponsored'.

Other areas for establishing targets included the rate of promotions within teams, the number of women attending training courses, the number of women at different levels of the business and the number of female-led suppliers being used.

Such targets require an incentive, with the roundtable suggesting organisations introduce clear internal reporting mechanisms, and linking such targets to the KPIs of senior managers.

- Start with setting targets for elements of the business that can be clearly monitored, such as formalised sponsorship programs, the rate of women attending training courses, and the number of women being shortlisted for promotions and new hire opportunities.
- Link such targets to the job descriptions of senior management, and those connected to seeing such targets come to fruition – such as direct team leaders, and other business functions like HR and procurement.
- Make senior leaders accountable for achieving such targets by linking them to the KPIs attached to bonuses.
- Where possible, report such progress against targets on a 'Diversity' section on a company website, much like tech companies in the United States have done. Be clear and upfront with customers, clients and employees on how you're tracking against such targets.

"We need targets across partnerships, on boards and for women in leadership positions. Any targets should be measurable and reportable."

KARA COOK



SHIFT THE GENDER PAY GAP: DO A PAY AUDIT AND RECTIFY IT

Organisations that do a pay audit are often surprised (and horrified) by what they find.

While the national pay gap is well publicised – <u>currently at 16% according to ABS stats</u> -- many leaders within large employers simply can't see how they have a problem, because they don't believe they are actively discriminating against women.

Despite this, just 27% of organisations reporting to WGEA have reported doing a <u>remuneration gap analysis</u>.

Doing a pay audit is just the start in addressing the problem, the next step is to rectify it. AECOM recently allocated a million dollars to help rectify its pay gap. According to Gordon Kenwright, making that level of financial commitment demonstrates just how seriously they take the issue. "We say that gap is not acceptable and we need to remove the stigma that it is," he said.

So what more can organisations do when it comes to the pay gap?

- Get serious and establish a budget for rectifying the problem.
- Identify like for like gender pay gaps across the organisation.
- Address common factors that may have contributed to like-for-like pay gaps: Are women given a fair opportunity to negotiate their pay? Are gaps emerging during the recruitment process?
- Link pay gap reports and measures to rectify it, to the KPIs of senior management.

"Firms should appoint a pay audit person, diversity officer role, or some kind of official equity officer. They would be like the 'CIO' of five years ago. This can't just be palmed off to HR."

CASSANDRA HEILBRONN.



SHIFT THE PROFILE OF WOMEN: GIVE 'MID LEVEL' WOMEN A VOICE AND THE CONFIDENCE TO USE IT

A number of senior women at the table said they don't need further visibility in demonstrating their capacity or getting more opportunities, but noted that women at the 'middle point of their careers with ambitions for leadership' are struggling to get heard and recognised.

The roundtable agreed there were opportunities to better support women at this middle level, a point in a woman's career where they're working hard and reaching for more promotions, while also often taking on additional responsibilities at home.

"Each of our boards [at YWCA Queensland] have young women, which provides an opportunity in the NFP space for more experienced heads to mentor younger women."

DENISE MORTON

So how can these women be better celebrated and recognised?

- Create formal sponsorship programs to assist mid-level women – establish targets for the number of women involved (as suggested above).
- Promote the profiles and stories of mid-level women through internal communications. Don't target senior women alone.
- Support and encourage opportunities for 'mid level' women to build on expertise and focus areas they can use to establish an industry and media profile.
- Offer media and social media training to 'mid level' women to support them in establishing a personal brand as an influence.
- Celebrate and acknowledge the success of women across all levels of the organisations.
 Use company communications and social media to share their stories.
- Establish leadership programs that enable women to connect and engage with different functions of the business.
- Establish recruitment programs that encourage women to make 'mid career' shifts – for example into roles and industries that have traditionally required specified university degrees, but could actually benefit from the insights and knowledge women can bring in from both their life and working experiences.

NOW WHAT?

There is no silver bullet for shifting the dial for women at work, but the above provides a sample of 'bold' ideas we can, and should pursue.

Some require significant budgets, others simply require effort, others a change in process and procedures. Some of the ideas require a shift in how we perceive leadership success and the KPIs that go along with it.

Shifting the dial is not beyond our collective ability, but it does require leadership. It requires individuals to break with long established traditions, to take significant risks and to change what they can within their own sphere of influence.

Are you bold enough?

"The linear career really works for a lot of people, but not for others ... It's at that mid career point for women where we need to more easily facilitate a transition to something different. A jump across careers. It may involve taking an agnostic approach to [university] degrees."

TERESA DYSON