How to set gender diversity targets
Guidelines for setting and meeting targets to increase gender diversity in the workplace
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Introduction

Gender diversity has been linked to improved organisational performance.

This guide will assist your organisation in setting realistic targets to improve the gender diversity of your workforce.

If your organisation has already achieved a desired gender balance, this guide may help in monitoring and maintaining that balance.

Similar to setting financial or other operational targets within an organisation, establishing realistic gender targets based on rigorous analysis and baseline data will significantly increase your chances of achieving the target.


In setting gender targets, it is recommended that your organisation considers a range of gender related initiatives to achieve improvements in gender composition. More information on developing a comprehensive gender strategy and related initiatives is available on the Agency’s website.
The current state

ASX 500 executive key management personnel by gender (%)

- Female: 9.2%
- Male: 90.8%


ASX 500 directors by gender (%)

- Female: 9.2%
- Male: 90.8%

ASX 500 CEOs
by gender (%)

- Female CEO: 2.4%
- Male CEO: 97.6%


Australian Public Service senior executives
by gender (%)

- Female: 39.0%
- Male: 61.0%

Source: Universities Australia, 2013

Australian University Vice-Chancellors
by gender (%)

- Female: 23.1%
- Male: 76.9%

Source: APSC, State of the Service 2011-12
In an increasingly competitive and global operating environment, gender equality, and related flexibility mechanisms, will be one aspect critical to an organisation’s success. There are three primary drivers for increasing the focus on gender equality.

**Improving business performance**

- Diversity in the workplace and on leadership teams is a critical success factor in making better decisions and developing more innovative business solutions.
- Research shows that groups with diverse perspectives and flexibility in thinking almost always outperform homogeneous groups in the business environment and lead to higher levels of creativity, innovation and organisational agility.¹
- Gender equality is increasingly viewed as a baseline feature of well managed organisations in Australia.
- Gender equality facilitates a better business understanding of how to appeal to both genders as customers and what products and services women and men need and want. This should help organisations create new markets and increase market share.
- A demonstrated focus on gender equality enables an organisation to attract and retain the best talent, to build a high performance workforce and to reduce the cost of employee turnover.

It’s ‘the right thing to do’

Women and men have a right to equal participation in the workplace. Gender equality ensures that all employees within an organisation have access to equal opportunities in developing their careers in a workplace free from bias.

Organisations are increasingly reporting publicly on gender equality

Diversity and inclusion policies became a feature of the ASX Corporate Governance Council’s Diversity Recommendations in 2009. The Workplace Gender Equality Act 2012 requires greater transparency of the gender composition of employees in the workforce across non-public sector organisations with 100 or more employees.

ASX listed companies identify benefits of diversity

An analysis of annual reports for the financial years ended between 31 December 2011 and 30 December 2012, in relation to the implementation of the ASX Corporate Governance Council’s Diversity Recommendations, found that the key benefits of a diversity policy identified by ASX listed companies were: improved culture and corporate image, improvements to the bottom line, broadening of skills and experience of the workforce, access to a broader talent pool and a better environment for generating ideas.

What are gender targets?

Targets are achievable, time-framed objectives which organisations can set on a regular basis to focus their efforts on achieving improved outcomes.

They are an essential part of managing business performance and most organisations are familiar with a target setting process for financial and operating performance. Gender targets operate in much the same way by setting objectives around a key management area of focus, in this case, gender composition.

**Key principles of target setting**

<table>
<thead>
<tr>
<th>Principle</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clarity</td>
<td>Set clear targets with time-lines to ensure progress can be measured.</td>
</tr>
<tr>
<td>Small steps</td>
<td>Consider setting interim goals and measures as steps towards a longer-term goal. This will focus immediate efforts and encourage momentum, while enabling the organisation to monitor progress.</td>
</tr>
<tr>
<td>Control</td>
<td>Ensure managers are able to influence the metrics and have appropriate control over the strategies and initiatives to achieve the targets.</td>
</tr>
<tr>
<td>Realistic</td>
<td>Set targets that can be achieved. This requires a thorough analysis of all of the possible barriers to achieving targets and the support needed for maximising the opportunities to achieve them.</td>
</tr>
<tr>
<td>Accountability</td>
<td>Create managerial accountabilities and rewards, e.g. linking remuneration or career progression to achieving targets.</td>
</tr>
</tbody>
</table>
Achievable and measurable versus aspirational targets

This guide focuses on how to set realistic and achievable targets. Research shows that overly ambitious, stretch or aspirational targets are less likely to be achieved. When targets are not achieved, this can have a negative impact on organisations and reduce the motivation to change.

The importance of setting achievable and measurable targets was highlighted in a report on the implementation of the ASX Corporate Governance Council’s Diversity Recommendations.

‘It is clear from the Recommendations and accompanying commentary that the CGC (Corporate Governance Council) intended the measurable objectives to be tracked and monitored so progress could be assessed by investors. However, a number of entities have disclosed aspirational statements such as ‘achieve a diverse or skilled workforce’ or ‘promote an inclusive culture’ against which measurement and progress will be difficult to assess.’

KPMG (2013), ASX Corporate Governance Council Principles and Recommendations on Diversity: Analysis of disclosures for financial years ended between 31 December 2011 and 30 December 2012, p.19
Why set targets?

There are many reasons organisations should consider setting gender targets, some of which are outlined below.

**Disciplined approach to drive change**

Setting targets can provide an organisation with the necessary focus to improve the gender balance within an organisation, and clarify accountabilities. Targets help focus attention and demonstrate a commitment to deliver.

**Competitive advantage against industry peers**

The Workplace Gender Equality Agency develops industry-specific educational benchmarks relating to gender, including benchmarks related to gender composition of the workforce. This will allow organisations to compare themselves to their industry peers and track their progress over time. While there is no requirement to set gender targets under the *Workplace Gender Equality Act 2012*, an organisation that does so will likely improve its performance relative to the benchmarks and have better access to the entire talent pool.
Additional benefits
Organisations that have been successful in achieving gender targets report more effective talent and succession planning systems, a more capable workforce with the best person being more likely to be selected for jobs, and an enhanced corporate and recruitment brand. A failure to recruit and retain women is often a symptom of more fundamental problems in an organisation.

ASX Corporate Governance Council’s Diversity Recommendations
All Australian listed entities are required to report annually on an “if not, why not” basis: a diversity policy; the establishment and annual assessment of measurable gender diversity objectives and progress towards achieving these; and the proportion of women employees in the organisation, in senior executive positions and on the board. For the financial years ended 31 December 2011 – 31 December 2012, of ASX 200 companies, 82% had set measurable objectives relating to gender diversity.
Organisations that have an effective approach to setting and meeting gender targets share some common characteristics. This checklist will help you to determine if you have the management commitment and resources and systems required to support the achievement of targets.

If you cannot tick the first three boxes, you probably do not have the necessary organisational environment to support the achievement of gender targets. But don’t give up: focus on addressing these key enablers first to ensure your success.
Leadership commitment

☐ There is overt commitment to gender equality at all levels of management, including at the CEO and executive management level.

Strategic intent

☐ Gender equality, and diversity more generally, are accepted as business imperatives (e.g. in the same way as safety).

☐ There is a gender equality strategy, plan or set of objectives that are clearly aligned or integrated with the overall business strategy and planning processes (e.g. in terms of priority and resourcing).

Stakeholder management

☐ There are strategies for communicating internally and externally the organisation’s targets, its commitment to the targets, and its approach in determining the targets.

☐ Key internal stakeholders (e.g. those with responsibility for talent management) are engaged directly with the target setting process.

Accountability

☐ The organisation has clearly identifiable accountabilities for the delivery of gender equality outcomes and to meeting agreed gender targets.

Measurement and reporting

☐ The organisation has measurement and reporting systems in place to both monitor progress and evaluate the impact of changes made.

☐ The organisation will make a public commitment to gender targets and report publicly (e.g. via its annual report) on progress made towards meeting the targets including the strategies implemented to increase gender equality and the impact of these strategies on attitudes, culture and performance.

☐ There is commitment to embed gender targets into business unit goals and sharing experience across departmental heads.

Organisational culture and systems

☐ The organisation has reviewed, and where necessary amended, policies and processes to encourage gender equality, including those relating to: recruitment and selection, performance management, pay and remuneration, training and development, talent identification, leadership capability models and career structures.
Seven step target setting process

1. Establish a target setting project team
   Ideally this group will be the same as, or a part of, a gender equality strategic planning group, or a subgroup of your management group.

2. Define your target group
   Identify the group for which you will be setting the target. The target group needs to be clearly identifiable and defined by a set of robust indicators (e.g. managers at a particular level, a specific occupational group). It is often beneficial to have several targets at different levels (e.g. graduates, first level management) as a way of increasing the overall talent pipeline.

   Another factor to consider is potential differences between different business units. An overall organisational target might have different implications for different business units, with each having significantly different opportunities to achieve a target. For example, a target of 40% females might be readily achievable in a corporate function centre, but a considerable challenge for a manufacturing business unit within the same organisation.

   Consider these potential differences both when developing and when implementing your target. A good strategy is to have each separate business unit engage in the target setting process and determine their own realistic targets. These business unit analyses and targets can then be combined to form an overall organisational target. This approach will also increase the commitment of the different business units to achieving a target.
Factors to take into account include:

- Expectations about the size of your organisation in the future, both in terms of possible growth or contraction.
- Likely exits from positions relevant to your target group.
- Possible scenarios for restructuring and changes in the number of positions within the target group.
- Specific interventions already planned that could have an impact on your target setting process (e.g. a planned strategy to target the recruitment of women into non-traditional roles).

These guidelines assume a reasonable level of stability in an organisation and therefore will not be applicable to organisations experiencing constant or significant organisational changes.

This will help guide your decisions about the opportunities for increasing the representation of women in your target group and identify the actions, activities or changes needed to meet the targets. A particular focus is needed on processes associated with recruitment and selection, promotion and retention.

In conducting this analysis it is important to ask:

- What do we do well in working towards gender equality? Uncovering what the organisation is already doing well will enable you to build on the factors that are currently enabling positive outcomes in your organisation.

- What is holding us back? Identify the full range of possible barriers to achieving your target, including: organisational culture and systems, training and development, talent identification, pay equity, career structures and assumptions, lack of flexibility, job and work design, leadership and management, behaviours, attitudes, and assumptions. Also consider which of these barriers can be controlled or changed by your organisation, and how these barriers can be overcome.

The target setting project team should also review any targets set by any global or parent company, or by relevant industry groups.
Review employee turnover and recruitment data for women and men in your target group

It is generally recommended that organisations take a longer-term approach to collecting this information – for example three years – to ensure there is greater stability in the numbers you will use, rather than relying on data from the past 12 months which might not reflect a general pattern. In some circumstances, however, the best measure may be for the past 12 months because the preceding years have involved abnormal shifts in turnover patterns.

It is recommended you break down the turnover into ‘wanted’ and ‘unwanted’ turnover and direct your focus to the ‘unwanted’ portion. This is because some turnover might have been associated with business restructuring and therefore should not be included in your calculations.

You should also break down the recruitment into internal promotions and external appointments. This will help you to identify your opportunities to tap into an emerging internal talent pool.

The key is to ensure you use reliable and valid data on turnover and recruitment patterns.

Establish a time-frame for the achievement of the target

It is critical to take a longer-term perspective to ensure your targets are realistic and achievable, to allow time for the changes you implement to have impact, and for the target to be met. Few organisations are able to achieve a significant shift in the numbers of women in key business positions over a relatively short time-frame.

Experience shows that for most organisations five years is an effective time period to allow for organisational changes to have an impact (e.g. changes in approaches to recruitment and selection).
Clarify accountabilities for the achievement of the target

Establish who will be accountable for the achievement of the target e.g. the executive management group in general and/or individual executive managers in particular. Research shows that, when the achievement of targets is part of a manager’s business objectives or key performance indicators, the target is more likely to be met.

Establish processes for measuring, monitoring and reporting on the target. This could involve quarterly reports on progress towards achievement of the target, and changes in indicators linked directly to the achievement of the target. For example, if the achievement of a target is dependent on reducing turnover or in redesigning career paths, you need to monitor progress in making these changes as well. Having systematic monitoring and reporting processes also makes a significant contribution to the achievement of the targets that are set.

Ensure that managers responsible for achieving targets are brought together on a regular basis in a forum where they can share their experience and successes in achieving targets.
Example one: large organisation

Establishment of a target setting project team and definition of the target group

The CEO and executive managers formed the target setting project team and were committed to increasing the representation of women in management positions. They agreed that setting a realistic five–year target would make a significant contribution to achieving this outcome.

Organisation details and clarifying assumptions about the operating environment

- The organisation operates within a male dominated industry.
- The business requires a high level of engineering and technical skills.
- Graduates are recruited via university engineering and science courses (e.g. chemistry, metallurgy). On average 105 graduates have been recruited each year for the past three years. Of these graduates, on average 16% have been female (an average of 17 each year).
- Minimal growth in staff is expected over the next five years.
- No significant changes are expected in the operating environment in the next five years.
Table 1: General workforce characteristics

<table>
<thead>
<tr>
<th></th>
<th>Women</th>
<th>Men</th>
<th>% Women</th>
<th>% Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>All managers</td>
<td>162</td>
<td>1311</td>
<td>11%</td>
<td>89%</td>
</tr>
<tr>
<td>Line/operational roles</td>
<td>300</td>
<td>3600</td>
<td>8%</td>
<td>92%</td>
</tr>
<tr>
<td>Functional/support roles</td>
<td>700</td>
<td>400</td>
<td>63%</td>
<td>37%</td>
</tr>
<tr>
<td>Graduates</td>
<td>55</td>
<td>280</td>
<td>16%</td>
<td>84%</td>
</tr>
<tr>
<td>All workforce</td>
<td>1000</td>
<td>4000</td>
<td>20%</td>
<td>80%</td>
</tr>
<tr>
<td>Annual turnover (five year average)</td>
<td>150</td>
<td>400</td>
<td>15%</td>
<td>10%</td>
</tr>
</tbody>
</table>

A thorough analysis was undertaken

Identification of the current overall gender workforce characteristics:

- As can be seen from the data summarised in Table 1, women comprise 11% of management positions and 20% of the entire workforce.
- The five-year average annual turnover rate for women is 15% and for men it is 10%.
- Women are much more likely to be in support roles than line or operational roles.

Career path analysis:

- This involved identifying the currently accepted career path to executive and senior management positions, and determining the number of women on this path. This was a critical step in helping to identify the current approach to “sourcing” candidates for management positions. This analysis served to initiate a debate that shifted views on the capabilities and experiences considered necessary for promotion into management positions.
- As can be seen in the findings summarised in Table 2, the percentages of women at each of the career stages declines from 16% for graduates to 6% of executive and senior managers.
- The projected turnover for the management group was also determined (155: 24 women and 131 men), to identify the opportunities for changing the pattern of recruitment.
### Table 2: Career path analysis

<table>
<thead>
<tr>
<th>Category</th>
<th>Women</th>
<th>Men</th>
<th>% Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive managers</td>
<td>2</td>
<td>21</td>
<td>9.5%</td>
</tr>
<tr>
<td>Senior managers</td>
<td>5</td>
<td>105</td>
<td>4.5%</td>
</tr>
<tr>
<td><strong>Total: executive/senior managers</strong></td>
<td>7</td>
<td>126</td>
<td>5%</td>
</tr>
<tr>
<td>Middle managers: line</td>
<td>15</td>
<td>370</td>
<td>4%</td>
</tr>
<tr>
<td>Middle managers: support</td>
<td>20</td>
<td>35</td>
<td>36%</td>
</tr>
<tr>
<td><strong>Total: middle managers</strong></td>
<td>35</td>
<td>405</td>
<td>8%</td>
</tr>
<tr>
<td>First tier managers: line</td>
<td>45</td>
<td>635</td>
<td>7%</td>
</tr>
<tr>
<td>First tier managers: support</td>
<td>75</td>
<td>155</td>
<td>33%</td>
</tr>
<tr>
<td><strong>Total: first tier managers</strong></td>
<td>120</td>
<td>790</td>
<td>13%</td>
</tr>
<tr>
<td><strong>Total all managers</strong></td>
<td>162</td>
<td>1311</td>
<td>11%</td>
</tr>
<tr>
<td>Line professional pool</td>
<td>75</td>
<td>1120</td>
<td>6%</td>
</tr>
<tr>
<td>Support professional pool</td>
<td>140</td>
<td>115</td>
<td>55%</td>
</tr>
<tr>
<td><strong>Total: professional pool</strong></td>
<td>215</td>
<td>1235</td>
<td>15%</td>
</tr>
<tr>
<td>Graduates</td>
<td>55</td>
<td>280</td>
<td>16%</td>
</tr>
</tbody>
</table>
Identification of primary sources of managers by role and business area

- This internal analysis helped to identify possible critical changes in systems and processes needed to achieve gender equality outcomes.

- The majority of managers were found to be sourced from the line/operational career path. The percentages of managers sourced from roles in this particular career path were:
  - Senior managers – 70%
  - Middle managers – 60%
  - First tier managers – 70%

Analysis of recent patterns of appointments to management positions

- This provided valuable information about the possible opportunities for increasing the numbers of women in management positions via both internal and external sources.

- It was found that, of the 150 managers appointed in the past year, 30 were women (20%). Among these appointments:
  - 80 were internal appointments (promotions). Of these, 15 (or 19%) were women (the majority of these were promoted to first tier management positions).
  - 70 were external appointments. Of these, 15 (or 21%) were women.

- This analysis demonstrated a potential opportunity to increase the number of women in management positions through both internal and external recruitment. Both internal (19%) and external (21%) rates of appointment are above the current percentage of women in management positions (11%).

Locate the internal female talent pool

- An internal analysis was conducted of currently employed women and men by job grade, relevant experience, performance ratings and talent assessments to identify the internal pool of talent available to fill possible vacancies.

- Employees in job grades 16 and above not currently in management positions were first identified. This group included 90 women and 300 men (23% women). This figure is double that of the current percentages of women in management positions (11%). Further analyses revealed that 30% of the women (27) were in line/operational positions, whereas 70% of the men (210) were in line/operational positions. Given past patterns of management appointments that have favoured those in line/operational roles, the realistic potential manager pool for women was determined to be approximately 38.

- Further analyses revealed that on average the men in this talent pool had higher job grades, remuneration, ages and length of service. This suggests the pool of men might be viewed as being more experienced and therefore more capable of taking up first tier management positions. In contrast gender differences were not found for performance rankings, suggesting this potential talent pool of women is performing to the same level as their male counterparts.
A realistic five-year target based on strategic changes

The executive management group decided to instigate significant changes and develop a realistic target based on the assumption that these changes will have an impact. Three strategies were developed as outlined below:

**Strategic change 1:**
program to reduce female turnover from 15% to 10%

Following a thorough analysis of the reasons for turnover and realistic opportunities to reduce this, several strategies were implemented to reduce turnover. These included a new focus on flexibility (when, where and how work is completed) and an internal sponsorship program for talented women.

**Strategic change 2:**
implement new strategies for recruiting and promoting staff into management positions

This initiative was four-fold:

1. Increasing the number of women in the pipeline, e.g. through recruitment (a target of 25% female graduates was set, representing an increase from the current 16%).
2. Changing the management capabilities model and the overall management development framework. This involved challenging accepted views about the skills (e.g. that having an engineering background is necessary) and experiences (e.g. that having a particular experience pathway in operational roles is necessary) needed to take on senior management roles.
3. Providing development opportunities for women to increase their experience base and capabilities to have the necessary skills for management roles.
4. Advertising all positions of Job Grade 17 (regardless of business area) and above internally across the entire business, to ensure the widest possible applicant pool is considered.
Strategic change 3: reposition the external image of the organisation and the approach to recruitment to increase the attractiveness of the organisation to women

This involved:

1. Reviewing the current approach to connecting with female graduates and developing a different employment brand to ensure it was more attractive to this group.

2. Conducting research to understand better how the organisation’s employment value proposition is perceived by both potential and recent recruits.

3. Reviewing selection processes to ensure there is an absence of bias in this system and that the best candidates are offered positions.

4. Reviewing advertisements to ensure they are equally attractive to female and male candidates, for example by ensuring gender diversity in images of workers in advertisements and by including text stating “we encourage women and men to apply”.

5. Requesting recruitment firms to source female candidates for roles and present the best female candidates to the recruitment panel.
A realistic estimate was then made of the opportunity to increase the internal rate of female promotions and the external recruitment of female managers.

This analysis is summarised in Table 3 below.

**Table 3:** Recruitment remaining as is with target group

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>162</td>
<td>177</td>
<td>197</td>
<td>222</td>
<td>252</td>
<td>287</td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>1311</td>
<td>1296</td>
<td>1276</td>
<td>1246</td>
<td>1221</td>
<td>1186</td>
<td></td>
</tr>
<tr>
<td>% Women</td>
<td>11%</td>
<td>12%</td>
<td>13.4%</td>
<td>15%</td>
<td>17.1%</td>
<td>19.5%</td>
<td></td>
</tr>
<tr>
<td>Female turnover</td>
<td>24</td>
<td>18</td>
<td>20</td>
<td>22</td>
<td>25</td>
<td>29</td>
<td></td>
</tr>
<tr>
<td>Male turnover</td>
<td>131</td>
<td>130</td>
<td>128</td>
<td>125</td>
<td>122</td>
<td>120</td>
<td></td>
</tr>
<tr>
<td>Additional female appointments</td>
<td>15</td>
<td>20</td>
<td>25</td>
<td>30</td>
<td>35</td>
<td><strong>125</strong></td>
<td></td>
</tr>
<tr>
<td>Total women</td>
<td>39</td>
<td>38</td>
<td>45</td>
<td>52</td>
<td>60</td>
<td></td>
<td><strong>234</strong></td>
</tr>
<tr>
<td>% Female recruits</td>
<td>25%</td>
<td>25%</td>
<td>29%</td>
<td>34%</td>
<td>39%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Based on these strategies and the estimate of the opportunity to increase the rate of female promotions, it was estimated that it was realistic to expect that the overall rate of female appointments could be increased from the current 20% to 25% in the first year, progressing to 39% in the fifth year.

A realistic target was finally set by the executive management group for an increase in the percentage of women in management positions over a five year period from 11% to 19.5%.
Accountabilities for achieving the target

The achievement of the target became a key performance indicator for the executive management group. Internal reports were generated on a quarterly basis to monitor progress towards the achievement of the target. These reports covered progress towards achieving the target (that is the percentage of women in management positions), as well as the progress made in making the required changes to support the achievement of the target (e.g. reduction in female turnover). A detailed report on the gender equality strategy and progress towards achieving the gender target was included in a six monthly report to the board and in the annual public report.
Example two: small organisation

The opportunities for smaller organisations to change the gender composition of their workforces tend to be more limited than those for larger organisations. Turnover rates are often lower and there are smaller numbers of women, so achieving gender targets can often be more challenging.

Establishment of a target setting project team and definition of the target group

The target setting project team comprised a small group of the CEO, the chief operating officer and the executive manager of human resources. The process began with the CEO arguing strongly that the organisation commit to a target of 50% women in management roles in the next three years. The CEO wanted to see quick change in the organisation to demonstrate a significant shift in their approach. This was seen as important for external branding.

Organisation details and assumptions about the operating environment

- The organisation is in the finance industry with a total staff of 200.
- Currently women comprise 36% (18 out of 50) of the entire supervisory and management group (the target group).
- Average turnover for the past three years has been 6% for both women and men.
Steps taken to analyse the current situation

An analysis was undertaken to examine the feasibility of the CEO’s desired target. Given the turnover and the numbers involved, the opportunity for change involved approximately nine vacancies over the three-year period. Three of these would involve women leaving the organisation, resulting in a reduction to 15 women. Even if 100% of the replacements were women, the organisation would still fall slightly short of the 50% target with a ratio of 24:26. Although the external market for women in the relevant job positions was quite good, it was concluded that achieving this recruitment rate would not be possible.

A realistic target based on analysis

With further analysis it was determined to set the gender target for management positions at 38% or 19/50, requiring a recruitment rate of 45% (4 women from 9 recruits).

Further analysis and discussion also resulted in setting other targets to increase the internal pipeline for talented females. This involved:

- achieving a gender balance in the talent and succession plan. Increased resources were allocated to identify and develop high potential females.
- having a management key performance indicator for the retention of high potential females.
- conducting a pay equity audit and having a gender pay disparity target of between –2% and +2%.
- establishing targets for staff responses on the annual employee survey for gender equality related questions, e.g. “Women and men have the same opportunities for promotion”.

Accountabilities for achieving the target

The executive management group was made accountable for the achievement of the target. Quarterly progress reports were provided to the board. Further, all senior managers took accountability for this strategy by having a key performance indicator for the retention of high potential females. The achievement of this was built into their bonus system.
Using the calculator to set your targets

The target setting calculator has been designed for your organisation to test a range of propositions to enable you to set realistic, achievable gender diversity targets.

The approach involves developing two possible scenarios for your organisation:

1. The first scenario involves making an assumption that there are no significant changes in your organisation in relation to female turnover and recruitment. That is, the procedures and approaches you have adopted for the past three years will remain constant.

2. The second scenario assumes you are able to make changes that will result in decreases in female turnover and/or increases in the recruitment of females both internally and externally.
Complete Table 1

Table 1 collects data to understand the gender composition and key assumptions for the target group. In the two shaded columns enter the raw numbers of women and men.

- Input the total number of women and men in the target group. In the worked example, this is 100 women and 800 men.

- Input the number women and men who exited the organisation (calculate the three-year average of exits to input into the table; in this case it was 42 women and 240 men over three years): 14 women and 80 men.

- Input the number of internal female and male recruits (calculate the three-year average of recruits to input into the table: 30 women and 150 men over three years): 10 women and 50 men.

- Input the number of external female and male recruits (calculate the three-year average of recruits to input into the table: 27 women and 78 men over three years): nine women and 26 men.

- The calculator will then compute totals and percentages: columns three to five.

- Input the number of potential internal recruits (25 women and 150 men). These are the people already within your organisations who have been identified as being “ready” to promote to your target group.

Note that the turnover percentages for women and men are calculated within each of these groups. That is, percentage female turnover = 14/100 = 14%, and percentage male turnover = 80/800 = 10%.

Table 1: Enter historical data and female and male recruitment numbers

<table>
<thead>
<tr>
<th></th>
<th>Women</th>
<th>Men</th>
<th>Total</th>
<th>% Women</th>
<th>% Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target group</td>
<td>100</td>
<td>800</td>
<td>900</td>
<td>11.1%</td>
<td>88.9%</td>
</tr>
<tr>
<td>Turnover</td>
<td>14</td>
<td>80</td>
<td>94</td>
<td>14.0%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Internal recruitment</td>
<td>10</td>
<td>50</td>
<td>60</td>
<td>10.5%</td>
<td>52.6%</td>
</tr>
<tr>
<td>External recruitment</td>
<td>0</td>
<td>26</td>
<td>35</td>
<td>9.5%</td>
<td>27.4%</td>
</tr>
<tr>
<td>Recruitment</td>
<td>19</td>
<td>76</td>
<td>95</td>
<td>20.0%</td>
<td>80.0%</td>
</tr>
<tr>
<td>Potential internal recruitment</td>
<td>25</td>
<td>150</td>
<td>175</td>
<td>14.3%</td>
<td>85.7%</td>
</tr>
</tbody>
</table>
Data in Table 2 is populated on the basis of the information you have entered into Table 1. The assumption made here is that female and male turnover and recruitment rates remain constant. No direct input is required for this table.

In this table, you will see the ‘baseline’ year comprises your current figures. Currently the average female recruitment is at 20% (19 women of 95 total internal and external recruits, column 8). As women currently make up just 11.1% of the workforce (column 4, row 1), column 4 shows how there will be an increase in the proportion of female staff over time at the current rates of turnover and recruitment. Without a reduction in turnover rates, however, the increase in the percentage of women over the time-frame is relatively small: 11.1% to 13.2%.

The data in this table helps you to isolate the key variables that will impact the gender composition of the target group over time.

**Table 2: Recruitment remaining as is within target group**

<table>
<thead>
<tr>
<th></th>
<th>Women</th>
<th>Men</th>
<th>Total number of staff</th>
<th>Female turnover at 14% of replacements</th>
<th>Male turnover at 10% of replacements</th>
<th>Female recruits at 20% of replacements</th>
<th>Male recruits at 80% of replacements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline</td>
<td>100</td>
<td>800</td>
<td>900</td>
<td>11.1%</td>
<td>14</td>
<td>80</td>
<td>94</td>
</tr>
<tr>
<td>Year 1</td>
<td>105</td>
<td>795</td>
<td>900</td>
<td>11.6%</td>
<td>15</td>
<td>80</td>
<td>94</td>
</tr>
<tr>
<td>Year 2</td>
<td>109</td>
<td>791</td>
<td>900</td>
<td>12.1%</td>
<td>15</td>
<td>79</td>
<td>94</td>
</tr>
<tr>
<td>Year 3</td>
<td>113</td>
<td>787</td>
<td>900</td>
<td>12.5%</td>
<td>16</td>
<td>79</td>
<td>95</td>
</tr>
<tr>
<td>Year 4</td>
<td>116</td>
<td>784</td>
<td>900</td>
<td>12.9%</td>
<td>16</td>
<td>78</td>
<td>95</td>
</tr>
<tr>
<td>Year 5</td>
<td>118</td>
<td>782</td>
<td>900</td>
<td>13.2%</td>
<td>17</td>
<td>78</td>
<td>95</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>113</td>
<td>453</td>
</tr>
</tbody>
</table>
Complete Table 3

This table allows you to adjust the key variables that will impact the gender composition of the target group over time. The baseline data in the first row of this table is imported from Table 1.

**There are three key variables that can be adjusted.**

**Variable 1: Variation of overall staff numbers.** Depending on the organisation’s growth and size, the number of projected staff may change. This could either be an increase or a decrease and should be entered either as a percentage increase or decrease in the relevant column.

**Variable 2: Turnover of women in the target group.** If you have a goal of reducing female turnover, careful consideration needs to be given to how this can be achieved, e.g. through a greater focus on flexible work and careers. In the example here, we have assumed that a 1% reduction in female turnover can be achieved each year.

**Variable 3: Percentage of women recruited.** This requires a detailed analysis of the opportunities to promote more women internally and recruit more women externally. Increasing the internal recruitment rate would require a detailed analysis of the female pipeline and talent pool, and the possible increase in this pipeline by providing specific development opportunities for high performing women. Specific options need to be considered for increasing the external recruitment pool, e.g. reviewing the external branding, changing the employee value proposition and reviewing recruitment and selection processes. In the example here, we have assumed that over the five-year period the percentage of women recruited can be increased from 20% to 30%.

Assuming both a significant decrease in female turnover and an increase in female recruitment, it can be seen from Table 3 that the percentage of women increases from 11.1% to 15.6%. Achieving this goal will require considerable discipline and focus, particularly given that it involves the recruitment of 146 female recruits over a period of five years.
<table>
<thead>
<tr>
<th></th>
<th>Women</th>
<th>Men</th>
<th>% Growth</th>
<th>% Women</th>
<th>% Female turnover</th>
<th>Female turnover</th>
<th>Male turnover at 10% of replacements</th>
<th>Total turnover</th>
<th>% Female recruits</th>
<th>Female recruits</th>
<th>% Male recruits</th>
<th>Male recruits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline</td>
<td>100</td>
<td>800</td>
<td>900</td>
<td>11.1%</td>
<td>14.0%</td>
<td>14</td>
<td>80</td>
<td>94</td>
<td>20.0%</td>
<td>19</td>
<td>80.0%</td>
<td>75</td>
</tr>
<tr>
<td>Year 1</td>
<td>107</td>
<td>811</td>
<td>918</td>
<td>2.0%</td>
<td>11.6%</td>
<td>14</td>
<td>81</td>
<td>96</td>
<td>22.0%</td>
<td>21</td>
<td>78.0%</td>
<td>75</td>
</tr>
<tr>
<td>Year 2</td>
<td>115</td>
<td>821</td>
<td>936</td>
<td>2.0%</td>
<td>12.3%</td>
<td>15</td>
<td>82</td>
<td>97</td>
<td>24.0%</td>
<td>23</td>
<td>76.0%</td>
<td>74</td>
</tr>
<tr>
<td>Year 3</td>
<td>126</td>
<td>829</td>
<td>955</td>
<td>2.0%</td>
<td>13.2%</td>
<td>15</td>
<td>83</td>
<td>98</td>
<td>26.0%</td>
<td>25</td>
<td>74.0%</td>
<td>73</td>
</tr>
<tr>
<td>Year 4</td>
<td>139</td>
<td>835</td>
<td>974</td>
<td>2.0%</td>
<td>14.3%</td>
<td>15</td>
<td>83</td>
<td>99</td>
<td>28.0%</td>
<td>28</td>
<td>72.0%</td>
<td>71</td>
</tr>
<tr>
<td>Year 5</td>
<td>155</td>
<td>839</td>
<td>994</td>
<td>2.0%</td>
<td>15.6%</td>
<td>15</td>
<td>84</td>
<td>99</td>
<td>30.0%</td>
<td>30</td>
<td>70.0%</td>
<td>70</td>
</tr>
<tr>
<td>Totals</td>
<td>90</td>
<td>494</td>
<td>583</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>146</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Table 3: Turnover and recruitment of women changing within target group*
This step involves testing alternative propositions involving setting aspirational or ambitious targets. Experience shows that this often occurs in organisations where a management group decides on an aspirational target without having conducted a detailed analysis.

In this example, we have adopted an aspirational target of 28% women over a five-year period. Without a reduction in turnover or growth, this would imply that, over this five-year period, the organisation would need to recruit 356 women. This contrasts with recruiting 113 women if things stay constant and 146 women if reasonable changes are made to turnover and recruitment (as indicated in the previous tables). Thus, for a 28% aspirational target, women would need to be recruited at more than three times the current rate of 113. Clearly, this would be highly challenging and likely an improbable outcome.
### Table 4: Target setting using trial and error

<table>
<thead>
<tr>
<th></th>
<th>Women</th>
<th>Men</th>
<th>Total number of staff</th>
<th>% Growth</th>
<th>% Women</th>
<th>% Female turnover</th>
<th>Female turnover at 10% of replacements</th>
<th>Total turnover</th>
<th>% Female recruits</th>
<th>Female recruits</th>
<th>% Male recruits</th>
<th>Male recruits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline</td>
<td>100</td>
<td>800</td>
<td>900</td>
<td>11.1%</td>
<td>14.0%</td>
<td>11.6%</td>
<td>16</td>
<td>80</td>
<td>94</td>
<td>20.0%</td>
<td>19</td>
<td>80.0%</td>
</tr>
<tr>
<td>Year 1</td>
<td>105</td>
<td>795</td>
<td>900</td>
<td>0.0%</td>
<td>13.7%</td>
<td>15.0%</td>
<td>19</td>
<td>78</td>
<td>96</td>
<td>52.0%</td>
<td>50</td>
<td>48.0%</td>
</tr>
<tr>
<td>Year 2</td>
<td>123</td>
<td>777</td>
<td>900</td>
<td>0.0%</td>
<td>22.0%</td>
<td>15.0%</td>
<td>30</td>
<td>70</td>
<td>100</td>
<td>84.0%</td>
<td>84</td>
<td>16.0%</td>
</tr>
<tr>
<td>Year 3</td>
<td>155</td>
<td>745</td>
<td>900</td>
<td>0.0%</td>
<td>28.0%</td>
<td>15.0%</td>
<td>38</td>
<td>65</td>
<td>103</td>
<td>100.0%</td>
<td>103</td>
<td>0.0%</td>
</tr>
<tr>
<td>Year 4</td>
<td>198</td>
<td>702</td>
<td>900</td>
<td>0.0%</td>
<td>17.2%</td>
<td>15.0%</td>
<td>23</td>
<td>75</td>
<td>98</td>
<td>68.0%</td>
<td>66</td>
<td>32.0%</td>
</tr>
<tr>
<td>Year 5</td>
<td>252</td>
<td>648</td>
<td>900</td>
<td>0.0%</td>
<td>28.0%</td>
<td>15.0%</td>
<td>38</td>
<td>65</td>
<td>103</td>
<td>100.0%</td>
<td>103</td>
<td>0.0%</td>
</tr>
<tr>
<td>Totals</td>
<td>356</td>
<td>230</td>
<td>900</td>
<td>0.0%</td>
<td>28.0%</td>
<td>15.0%</td>
<td>38</td>
<td>65</td>
<td>103</td>
<td>100.0%</td>
<td>103</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

**Instructions:**
Adjust the female recruit percentage at Year 5 until the % women reaches your target.
This step involves using the Microsoft Excel “solver” add-in to manipulate your proposed target, and turnover and recruitment rates independently. This enables you to explore a range of options and target setting, it is a highly useful activity to ensure you are designing realistic and achievable targets.

**Instructions:**
In the solver add-in set the objective to $G$71 and set value to the target percentage by changing cell $L$71.

---

**Table 5:** Target setting for the advanced user

<table>
<thead>
<tr>
<th></th>
<th>Women</th>
<th>Men</th>
<th>Total number of staff</th>
<th>% Growth</th>
<th>% Women</th>
<th>% Female turnover</th>
<th>Female turnover</th>
<th>Male turnover at 10% of replacements</th>
<th>Total turnover</th>
<th>% Female recruits</th>
<th>Female recruits</th>
<th>% Male recruits</th>
<th>Male recruits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline</td>
<td>100</td>
<td>800</td>
<td>900</td>
<td>0.0%</td>
<td>11.1%</td>
<td>14.0%</td>
<td>14</td>
<td>80</td>
<td>94</td>
<td>20.0%</td>
<td>19</td>
<td>80.0%</td>
<td>75</td>
</tr>
<tr>
<td>Year 1</td>
<td>105</td>
<td>795</td>
<td>900</td>
<td>0.0%</td>
<td>11.6%</td>
<td>15.0%</td>
<td>16</td>
<td>80</td>
<td>95</td>
<td>36.0%</td>
<td>34</td>
<td>64.0%</td>
<td>61</td>
</tr>
<tr>
<td>Year 2</td>
<td>123</td>
<td>777</td>
<td>900</td>
<td>0.0%</td>
<td>13.7%</td>
<td>15.0%</td>
<td>18</td>
<td>78</td>
<td>96</td>
<td>51.9%</td>
<td>50</td>
<td>48.1%</td>
<td>46</td>
</tr>
<tr>
<td>Year 3</td>
<td>155</td>
<td>745</td>
<td>900</td>
<td>0.0%</td>
<td>17.2%</td>
<td>15.0%</td>
<td>23</td>
<td>75</td>
<td>98</td>
<td>67.9%</td>
<td>66</td>
<td>32.1%</td>
<td>31</td>
</tr>
<tr>
<td>Year 4</td>
<td>198</td>
<td>702</td>
<td>900</td>
<td>0.0%</td>
<td>22.0%</td>
<td>15.0%</td>
<td>30</td>
<td>70</td>
<td>100</td>
<td>83.9%</td>
<td>84</td>
<td>16.1%</td>
<td>16</td>
</tr>
<tr>
<td>Year 5</td>
<td>252</td>
<td>648</td>
<td>900</td>
<td>0.0%</td>
<td>28.0%</td>
<td>15.0%</td>
<td>38</td>
<td>65</td>
<td>103</td>
<td>99.8%</td>
<td>102</td>
<td>0.2%</td>
<td>0</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td></td>
<td></td>
<td>0.0%</td>
<td>28.0%</td>
<td>15.0%</td>
<td>38</td>
<td>65</td>
<td>103</td>
<td>99.8%</td>
<td>102</td>
<td>0.2%</td>
<td>0</td>
</tr>
</tbody>
</table>

This tool is for the advanced Microsoft Excel User. You will need to use the Microsoft Excel “solver” add-in to use these target tables.
Completing your analysis and determining your target

For the target group selected, the tables within the target setting calculator will assist you in analysing the variables that impact the achievability of a target within different time-frames. These variables include the projected growth of the organisation, the rate of turnover, the number of internal and external recruits, as well as the talent pool of future internal appointments.

The tool will not itself determine your organisation’s specific target, rather the tool enables you to test different scenarios to make a considered judgement on the target to be set. Your organisation may also consider setting incremental targets over the five-year time-frame.

Achieving the target: developing your gender strategy and management initiatives

A critical step in setting your targets is to develop a focused gender strategy, which is aligned to your organisation’s business strategy. By applying the target setting tool you will be able to identify the key areas where focused management attention and targeted initiatives are required. For example, recruitment and promotion policies and procedures to reduce unconscious bias; strategies to increase the female talent pool; requirements for female and male candidates for external appointments.

It is recommended that your organisation considers a range of gender-related initiatives to achieve improvements in gender composition. Research and resources to inform your strategies is available at www.wgea.gov.au.
Need more information?

www.wgea.gov.au
t: 02 9432 7000 or 1800 730 233
e: wgea@wgea.gov.au
GPO Box 4917, Sydney NSW 2001

About the Workplace Gender Equality Agency

The Workplace Gender Equality Agency is an Australian Government statutory agency charged with promoting and improving gender equality in Australian workplaces.

We are responsible for administering the Workplace Gender Equality Act 2012.

Our vision is for women and men to be equally represented, valued and rewarded in the workplace.