





Selection Guide

Confidently select gender equality targets that work with these 6 evidence-informed actions

From 2026, employers who directly employ 500 or more people must select and meet or demonstrate improvement towards gender equality targets. With the steps in this guide, you will be able to select the most effective targets to drive gender equal outcomes in your workplace.

It will help you to select targets that are:

- · realistic and achievable
- meaningful for your workplace
- likely to generate positive change
- supported by your employees, board, and stakeholders.

Any employer interested in addressing gender inequality in their workplace can apply this process. This includes large employers required to select.

A target is a desirable outcome you need to plan to achieve. Many workplaces set targets to improve performance and deliver organisational change. Gender equality targets are no different. "You wouldn't make any other organisational change without a measurable target or some timeframe."

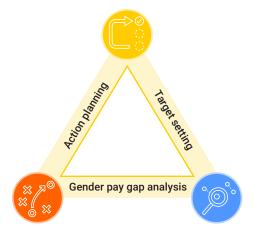
Ruth Sealy Lead Researcher UK Female FTSE Report Cranfield School of Management



A decade of WGEA data shows employers are aware of their gender pay gap. But many don't take the actions necessary to close it.

Gender equality targets help workplaces to move from good intention to action. The benefits include increased access to the external talent pool, more effective recruitment, retention, and employee engagement.

Success comes less from the number, and more from the planning and actions. It can help to think of the process like a triangle. Selecting targets is one side. The other sides are analysing your data and creating a plan to address gendered differences in outcomes or opportunities. Each side is just as important to the whole outcome as the others. Employers that take a data-driven approach to target selection obtain the biggest gains.



Ready to take effective action?

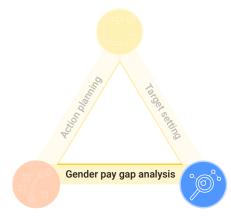
Here are the 6 key steps that evidence says will lead to success.

Step 1: Gather and assess your data with a comprehensive gender pay gap analysis

To reach any goal, you need to know your current state.

A <u>comprehensive gender pay gap analysis</u> will help you to understand where inequality exists in your workplace. As such, it is the most effective place to start your target selection process.

While the name is 'gender pay gap' analysis, this data analysis goes beyond pay and composition. It considers how employee outcomes differ by gender at critical points of the employee lifecycle and how a workplace's actions may reinforce workplace gender inequality.



Common differences uncovered through this analysis include:

- women and men paid differently for equal or comparable work (unequal pay)
- more men in more senior roles, more women in more junior roles
- more men in higher-paid jobs, more women in lower-paid jobs
- · unequal participation in part-time work
- inequality in employee promotions
- inequality in access to parental leave or flexible working arrangements.



Completing this data analysis will help you to determine the priority areas for action. WGEA often calls these 'hotspots'. In future steps in this guide, you will see how your 'hotspots' link to the targets you can select.

Where do I get the data?

Every employer required to select gender equality targets already reports most of the data needed for a gender pay gap analysis to WGEA. You can also use *your most recent* Executive Summary, Industry Benchmark Report and Public Report as part of your analysis. WGEA has also developed a <u>How to find your baseline</u> <u>data</u> document to help you find the information that relates to each target on the Targets Menu.

"Where there is data smoke, there is business fire."

Thomas Redman

Business author and data expert

In the Appendix, you can find the list of data for the most comprehensive gender pay gap analysis. You can also add in information from employee consultation. This will give you greater detail on the cultural impact of inequality and why the data differences may occur.

WGEA's <u>Gender Pay Gap Analysis Guide</u> details how to conduct a comprehensive gender pay gap analysis. Reporting employers can also book into a <u>Gender Pay Gap Masterclass</u>. This online workshop will help you learn how to complete a gender pay gap analysis with your data.

Step 2: Build your Action Plan

Your gender pay gap analysis has revealed where gender differences occur in your employee experience and outcomes. A Gender Equality Action Plan outlines the actions you will undertake to address these 'hot spots'.

Depending on the audience, it could include:

- your selected actions
- the case for change that underpins them
- how you will monitor, assess, and report your progress.

Gender pay gap analysis

You can add your targets to this plan once you have selected them. Your targets will express where and how you expect your Action Plan to have impact or demonstrate progress.

When building your Action Plan, you should select evidence-informed actions that are relevant to your data and workplace context.

WGEA has condensed some of the research on the most effective, evidence-informed actions into our <u>Action Planning Playbook</u>. The *Playbook* aligns hotspots of inequality to actions that work. It details what each action can achieve and why they work to progress gender equality. This information will assist you to select the most effective action to undertake for your workplace. It can also help you to gain stakeholder support, to set expectations on outcomes and to secure resources.

"Before anything else, preparation is the key to success."

Alexander Graham Bell

WGEA's Action Planning Masterclass can help you select actions and create a cohesive plan for your organisation. To attend, you must have completed a gender pay gap analysis. You can also use WGEA's online Action Planning Tool which provides you with a list of evidence-informed actions to consider based on the information you report to WGEA.



Step 3: Download and review the WGEA Targets Menu Guide

Once you have completed your Gender Equality Action Plan, you can begin the process of selecting the most feasible and effective targets to support it.

"Setting a goal is not the main thing. It is deciding how you will go about achieving it and staying with that plan."

Tom Landy

American Professional Football Coach

If your workplace directly employs 500 or more people, you must select targets from the choices detailed in the legislative instrument. WGEA's <u>Targets Menu Guide</u> provides a comprehensive breakdown of the available targets.

The menu has 10 action and 9 numeric targets to choose from. Employers must select at least one numeric target. For each target you select, you will have 3 years to meet the target or demonstrate improvement. <u>WGEA's Gender Equality Targets FAQ</u> explains all you need to know about the requirements under the Act. You can also review the <u>WGEA Compliance Strategy</u>.

Download and review the Menu against your Action Plan. You will find has several targets that capture the improvement and outcomes your Action Plan intends.

Step 4: Select your targets

Now you have the menu options, it's time to select your targets.

We recommend you select your numeric target(s) first because they are outcome measures. To achieve a numeric target, you may need multiple and adjacent actions that work cumulatively over time. Some of these actions may be included in the menu as action targets.

If you select your numeric target(s) first, you can consider which action targets you can use to support and drive the improvements expected in your numeric target(s).

Gender pay gap analysis

For example, if you choose to reduce the base salary gender pay gap as your numeric target, the action targets of completing a gender pay gap analysis and adding to your equal remuneration policies will help you to achieve your gender pay gap reduction.

How action targets can help you to achieve numeric targets **Action Numeric** target target Equal remuneration and gender pay **GEI 3: Equal remuneration** between women and men equity policies Reduce the base salary gender pay gap Add at least 2 of the following to These action targets work existing policy: a. remuneration review processes towards achieving this without gender biases numeric target b. transparency about pay scales and salary bands c. managers being held accountable for gender pay equity outcomes



Carefully selecting your policy additions based on your gender pay gap analysis data and Action Plan will also help. In the case above, developing a remuneration process without gender bias will prevent and restrain future gender pay gaps and build gender equality principles into your processes. This also protects your gender pay gap targets from being undermined by new pay differences after existing ones have been fixed.

Research shows management accountability is a critical element in the plans and actions of employers who have successfully reduced their gender pay gaps. When managers are held accountable for outcomes, it signals that closing the gender pay gap is a clear leadership expectation. Embedding this responsibility into performance management systems ensures that efforts to reduce the gap are tangible and valued goals with consequences and not just policy statements. So, if you want to select the reduce the gender pay gap numeric target, this item in the policy action target will help you to get there.

Step 5: Determine your number(s)

Once you know the targets that align with your Action Plan, you will need to set the number for your numeric target. Selecting a number for your numeric target that is feasible and effective will take some thinking..

There is no single right way to determine your number. However, you are more likely to select a target that is effective and achievable and one that reflects and reinforces the intent of your interventions and Action Plan if you consider a broad range of data.

The following considerations will help you to ensure the number you select is both realistic and ambitious.

Review trends over time

Employers have 3 years to meet or improve against their selected targets. You can make a reasonable assessment of what number may be feasible or a stretch by looking at past trends and changes in your target metric over time.

How has your target metric grown or receded over the last 5 years?

Looking back at what you have been able to achieve in the past can help you to determine what is possible in the future.

As an example, if you selected the target: Increase the representation of the under-represented gender in the non-manager category of labourers. To decide your target percentage point increase, look at your organisation's gender composition for labourers from 2019 to 2024. If the proportion of women or men increased with no specific intervention from 10% to 15% (5pp) over 5 years, a realistic target with focussed intervention might be to aim for a 3-5pp increase over 3 years.

This would also depend on the actions or interventions you intend to initiate in your Gender Equality Action Plan.

"If you want to make your organisation more fair, you need to tackle the challenge with the same seriousness as any other business issue. Reaching fairness goals (targets) requires no more – and no less – that deploying the same approaches that we use to achieve goals in other areas."

Iris Bonnett and Siri Chilazi Make Work Fair



What contributed to your current state? How did it vary over time?

The actions you take impact your growth. Some drive an increase, while others reduce your ability to reach your target.

To understand how your actions drive change, ask yourself:

- Was the increase due to new appointment to new roles? Or did the cohort increase by 11pp but because of attrition your gain is 5pp?
- Was this purely by chance? Or though appointments made by just one manager? If so, what did they do differently? Are they still with the organisation?
- How long has the existing cohort been there? Are they likely to leave or stay based on existing tenure trends?
- How many men or women were appointed to the new positions in the same period? Who was recruited from within? Is that different across gender?

The answers to these questions will help you more accurately predict the uplift you can expect in your numeric targets They also help you replicate or enhance the drivers of success as far as practical.

What are the organisations strengths and capabilities? Can you still rely on these to achieve your uplift?

Critically you need to assess whether your target is reasonable, particularly if you are talking about a job-redesign. Are you able to initiate and sustain the action you intend to take?

These questions will help you to find the answer you need.

- Does your workplace have the capability and resources to initiate that action? If not, can you obtain it?
- Have there been similar initiatives previously?
- Are there related initiatives you can draw on to keep the target cohort in the roles?
- Is the action/ intervention financially feasible?
- · Are there peak bodies or membership organisations that can help you?

Use external benchmarks

You can look to what your peers or comparators are doing to validate your assumptions on uplift. This is especially effective if you are implementing a new action and associated target. The WGEA Data Explorer is a good place to start to find this information.

Here are a few questions to consider:

Which employers made progress on this target?

Use the WGEA Data Explorer to find organisations that have a higher proportion of the under-represented gender in your target area. How much of an increase were they able to achieve? How long did it take them to achieve the increase? Are they a comparable size organisation? Do they have a similar structure? Are they a similar type of business? Are they comparable in structure, and business?

Do you know what led to improvement?

You can find clues about how an organisation drove improvement in their Employer Statements, Annual Reports, and other publicly available information. Can you initiate the same actions as part of your Action Plan?

Workforce location and attrition

Remote workforces and high-turnover roles require careful consideration. Do you have direct access to enough of the target cohort? Is there enough of a pipeline to draw on in your immediate location?



Age profile and tenure

The success of your actions depends on the age profile and tenure of your workplace and target cohort.

Offering paid leave is unlikely to alter composition through attraction or retention if your target cohort is outside childbearing age. Transition to retirement is unlikely to create change if your workforce is younger than 45. Graduate programs will attract a younger talent pool, often at entry level.

In long tenure organisations, you may find hidden barriers to attraction if you rely on a pipeline of internal candidates. This is because internal candidates may have preconceived and potentially outdated ideas about the target role or occupation.

Planning timeframes

The potential of selecting a target that fits within your existing gender equality strategy or goals is profound. But the time sequence of the strategic plan can be out of sync with the legislated targets cycle. For example, you may be aiming for a 10pp reduction in your gender pay gap in 10 years. But the targets cycle is only 3 years. So, you will need to consider what you can achieve in 3 years, and select that percentage point increase or decrease.

Gender Proportionality Principle (GPP).

Researchers that have studied <u>Gender Equality Targets</u> have found several effective statistical techniques that can help you to establish suitable metrics for numeric targets.

The Gender Proportionality Principle (GPP) is one of the more popular methodologies. Established by Harvard scholars, it is mostly used for changing the gender composition at specific levels such as KMP's and Executives. You can use it in hiring, promotion, and leadership appointment targets.

The GPP approach prescribes that the gender composition at a given rank within an organisation should aim to reflect the gender composition of the rank immediately below it. This is because the lower rank feeds into the higher ranks. This logic aims to plug the 'leaky pipeline' where representation is not equal or proportionate.

The GPP approach can be realistic and appealing for organisations to adopt due to its simplicity and potential for incremental achievement towards gender-balanced outcomes. (Risse, 2024, p.10)

Step 6: Engage your stakeholders

Engaging your stakeholders in the action planning, target selection and implementation process is an often-overlooked key to success.

There are 2 ways you could approach this to enhance your target selection process.

- 1. Use the steps above to select your 3 targets and then test and confirm the selection with your stakeholders.
- 2. Provide the relevant data analysis and some options to your key stakeholders. Use the consultation process to more directly assist with the development of your Action Plan and selection of the final targets based on their insights and input.

"Gaining buy-in from people whose actions will determine whether fairness goals are reached is crucial. Employees often ignore newly instituted goals and continue with old practices, especially when there is no progress monitoring or accountability."

Iris Bonnett and Siri Chilazi

Make Work Fair

There is no right or wrong sequence of engagement. You can choose to undertake your stakeholder engagement in an order that suits your workplace needs, culture, and resources.

Both options will enhance the selection process itself and the outcomes your targets embody and measure.



Identifying your stakeholders

To determine who your stakeholders are, ask yourself these questions:

- 1. Who is likely to be impacted or have a stake in the selection of these targets and or the actions that will underscore their achievement?
- 2. Who may be able to offer a valuable perspective or insight to the process of selection? The value of this stakeholder could come from subject matter expertise, their position, their accountability for the outcome, authority, access to resources, or experience in the area of concern.

Depending on your organisation context, your stakeholders could include managers and non-manager employees, your governing body, executive, shareholders, customers, and other groups that have an interest in the viability and enhancement of your organisation.

Employees as stakeholders

Consulting your employees early provides an opportunity to explore how <u>targets can</u> <u>complement an organisation's values</u>. You can also use this process to ensure your targets and actions are fit for purpose and need to meet the needs of both employees and the organisation.

When an employer selects gender equality targets, they set expectations about the employee experience and commit to achieving better outcomes. Employee consultation can help identify barriers to this achievement and endorse the feasibility and value of the interventions and goals. Through consultation you can co-opt your employees as allies from the beginning.

How you engage and consult with employees will be influenced by your workplace context. For instance, you may choose to consult through a survey, focus group, or committee. This could change based on the location and size of your workplace and what mechanisms you may already have in place. For example, you may have a diversity group that represents employee views. Or you may already have employee survey tools.

Effective consultation with employees is an action target you may choose to select if you don't have a comprehensive process already in place.

WGEA's guide to consulting employees on gender equality can help you to learn more about this process.

Executive/C-Suite and governing body

Every workplace will have differences in when and how they engage with the executive and governing body in relation to targets.

Some workplaces prefer adding the feedback and insights from employees and other stakeholder engagements to their engagement with executive and board. This adds depth and credibility to their proposed selection and course of action.

If you are an employer who directly employs 500 or more people, your executive and governing body should be made aware of the new legislative obligations in relation to selecting and meeting targets. WGEA will publish your selected targets on the Data Explorer. Your WGEA report lodged in the year before target selection will form your baseline for meeting or improving against your targets. CEOs must sign off on the Public Report to confirm the target selection and commit to achieving the selected targets as part of the WGEA report lodgement process.

WGEA will include your selected targets and progress against them over the 3 years in your Executive Summary. All employers will provide this WGEA report to their governing body.



Appendix

Key data WGEA Gender Equality Citation-holders include in their gender pay gap analysis

The following data will support the level of analysis expected of exemplar employers recognised by the Workplace Gender Equality Citation, with analysis and review undertaken annually.

01. Workforce composition

- · total workforce, by gender
- composition of manager and non-manager cohorts, by gender
- · composition of each pay grade / job family / occupation (as relevant), by gender
- · composition of graduate cohort or equivalent (e.g. apprentices or similar), by gender
- composition by employment status (full-time, part-time, casual), by gender.

02. Distribution of pay (base salary and total remuneration)

- organisation gender pay gap
- gender pay gap, by manager and non-manager cohorts
- gender pay gap, by each relevant pay grade / job family / occupation (as relevant)
- gender pay gap, by graduate cohort (or equivalent)
- gender pay gap, by employment status (e.g. full-time, part-time, casual).

03. Mobility

Promotions

- · proportion of promotions overall, by gender
- proportion of promotions from non-manager to manager, by gender.

Resignations

- resignations, by gender, department/business unit and occupation group, including reason for exit
- · redundancy, by gender
- return from parental leave (primary carer or universal), by gender (at return, 12 and 24 months).

04. Talent pool

- · job applicants, by gender
- gender composition of short-listed candidates
- gender composition of interviewed candidates
- gender composition of appointments.

05. Patterns of engagement

Flexible work

- utilisation of flexible working arrangements, by gender, for people managers and non-managers
- annual rates of approval for flexible work applications, by gender.

Parental leave

- utilisation of employer-funded paid parental leave (full or partial including top-up),
 by gender, and by people managers and non-managers, by gender
- duration of parental leave for primary care, by gender.



Apply your knowledge with WGEA's help

By considering the steps in this guide, you can select targets that are meaningful for progressing gender equality in your workplace.

If you would like more assistance, WGEA also has a <u>Target Setting for Gender Equality</u> <u>Masterclass</u>. This online class can help you to translate the theory into action. For more tailored and personalised support, sign-up for a <u>direct advisory session</u> with a WGEA gender equality expert.

For further information:

- contact us at targets@wgea.gov.au if you have any questions we've yet to answer
- follow us on LinkedIn to keep up to date with WGEA news
- subscribe to our newsletter to be first to hear about new webinars, guides and resources.





Additional information

For further information, please contact:

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