

AIBE Centre for Gender Equality in the Workplace

# Employer of Choice for Gender Equality Leading Practices in Strategy, Policy and Implementation

Summary Report





**Towards encouraging the use and citation of the report it should be referenced as:**

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**Disclaimer**

**Inherent Limitations**

This report has been prepared by the AIBE Centre for Gender Equality in the Workplace for the Workplace Gender Equality Agency (WGEA). The data used to produce this report comprises responses to the WGEA Employer of Choice for Gender Equality (EOCGE) application process, by successful applicants for the years 2013-2018. We have not sought to independently verify those sources.

No warranty of completeness, accuracy or reliability is made in relation to statements and representations made in these applications and which have been quoted in the report or in the case studies contained in the report.

**Third Party Reliance**

The report is provided solely for the purpose set out in the Engagement letter and for the WGEA. Other than the responsibility to the parties identified in the Engagement Letter, neither the AIBE Centre for Gender Equality in the Workplace nor any employee of the University of Queensland undertakes responsibility arising in any way from reliance placed by a third party on the information contained in this report. Any reliance placed, is that party's sole responsibility.

**Acknowledgements**

This report is compiled using data maintained by WGEA and comprises responses by EOCGE organisations to application questionnaires provided by WGEA, as well as supplementary materials provided in support of such applications. The interpretation of these survey data and views contained in this report, however, are those of the authors and should not be attributed to the Workplace Gender Equality Agency or its employees. This research was funded by supporting grants from the Faculty of Business, Economics & Law and the Australian Institute for Business and Economics at the University of Queensland.



Since its inception in 2014, the Employer of Choice for Gender Equality (EOCGE) citation has provided employers with a benchmark for leading practice and publicly recognises their commitment to achieving gender equality in their organisation.

Each year, citation holders demonstrate that they have met a rigorous, evidence-based set of criteria that are necessary to drive gender equality in our Australian workplaces.

This comprehensive report demonstrates the positive and measurable improvements that are being made by these leading employers. Citation holders are improving the gender balance of their leadership teams and are closing their gender pay gaps at a faster rate than the other employers in our dataset. These findings alone demonstrate the tangible, positive outcomes of the work undertaken by many organisations in their journey towards gender equality.

One of the clearest and most instructive findings of this report is the crucial role that leadership commitment to gender equality plays in achieving meaningful change. This report clearly demonstrates something we have always known – that change will not happen unless workplace leaders, from the CEO down, drive this change.

It is really pleasing to see the commitment of EOCGE citation holders to advocating for gender equality beyond the organisations in which they work and lead.

Citation holders are visible industry leaders who drive gender equality initiatives and outcomes within their own workplace as well as with their suppliers, clients and the community in which they operate.

This ongoing advocacy is crucial in changing social attitudes on workplace gender equality and empowers others to follow by loudly leading from the front.

It is clear from this report that citation holders are achieving sustainable workplace gender equality outcomes and that the citation has motivated them to drive real change. My hope is that this report will assist and guide all employers to recognise the business benefits of gender equality and will inspire them to put an action plan in place to tackle, head on, the issues that will deliver gender equality in their own workplaces.

## **Libby Lyons**

**Director**

**Workplace Gender Equality Agency**

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# The Key Findings

Analysis of both qualitative and quantitative material has shown that organisations that hold the WGEA Employer of Choice for Gender Equality (EOCGE) citation have made gender equality an integral component of their workplaces and business practices.

This report reveals that the targeted and strategic actions employers are taking under the EOCGE citation has generated significant positive change. WGEA data shows that EOCGE organisations had:

- a faster reduction in their gender pay gap than other organisations reporting under the Act. There was a **9.2 percentage point (pp)** drop in EOCGE organisations' total remuneration gender pay gap compared with a **3.7pp** decrease for other reporting organisations between 2013-14 to 2017-18
- a greater proportion of women in all levels of management when compared to non-EOCGE reporting organisations
- a stronger pipeline of women moving into senior management roles over the same five-year period
- a higher representation of women on their boards. In 2017-18, only **8.9%** of EOCGEs had no female directors on their boards compared with **35.9%** across the other reporting organisations
- a higher proportion of female employees working full-time. **57%** of female employees work full-time in EOCGE organisations compared with **39%** in the general workforce

The investigation also highlighted the common practices and strategies amongst these high-performing companies. The EOCGE data revealed a common formula that, when combined, underpins leading practice.

1. they prioritise inclusive leadership on gender equality as it is the catalyst for organisational change. It is prioritised at all levels of the organisation and evidenced by CEO advocacy, organisation-wide commitment, bold action and the adoption of creative solutions to gender equality issues and challenges within the workplace.
2. they invest in learning and development for all staff in all areas related to strategic gender equality initiatives.
3. they emphasise the importance of measuring and monitoring gender pay gaps within their organisation, between and within position banding.
4. they adopt the 'all-roles-flex' philosophy throughout their businesses.
5. they adopt an iterative approach to employee consultation wherein the testing of ideas for effectiveness and efficiency is prioritised.
6. they develop targets and KPIs to improve their gender balance at all levels and areas of the organisation or use targets and KPIs to drive change.

The full report details these key findings alongside their implications for practice for aspiring organisations working towards gender equality.

## Introduction

The Workplace Gender Equality Agency (WGEA) is an Australian Government statutory agency charged with promoting and improving gender equality in Australian workplaces. WGEA works collaboratively with employers providing advice, practical tools and education to help them improve their gender equality outcomes. WGEA also works with employers to help them comply with the reporting requirements under the Workplace Gender Equality Act 2012 (Act). This reporting framework aims to encourage measures that improve gender equality outcomes.

Separate to compliance reporting under the Act, WGEA maintains a voluntary citation program which recognises leading-practice employers. All employers covered under the Act are able to apply for the citation.

The Employer of Choice for Gender Equality citation (EOCGE or citation) is strategically aligned with the Act to promote and improve gender equality for both women and men, while recognising the historically disadvantaged position of women in the workplace. Organisations awarded the citation recognise gender equality is critical to their success and view it as a baseline feature of a well-managed and leading business.

Successful organisations must be able to demonstrate that they meet the high standards required. The criteria encompass seven focus areas and include an examination of employees' lived experiences:

1. Leadership, accountability and focus
2. Learning and development
3. Gender pay gap
4. Flexible working and other initiatives supporting those with family/caring responsibilities
5. Employee consultation
6. Preventing sex-based harassment and discrimination
7. Targets for improving gender equality outcomes

This summary report highlights the key features of EOCGE organisations and their successful progression towards workplace gender equality. The full version of this report acts as a resource for organisations that are yet to begin their journey towards workplace gender equality or are relatively new in tackling this challenge and are seeking new ideas or insights into leading practices in the field.

# Approach

The full report examines five years of EOCGE application data and documents leading practice gender equality strategies, policies and practices.

Its scope includes:

- a longitudinal examination of EOCGE applications made by the 58 organisations whom have consistently maintained their EOCGE status since 2013;
- a cross-sectional analysis of all 119 EOCGE citation holders' application data for 2018 to identify and report on contemporary leading practices for gender equality in the workplace;
- a comparison of leading practice organisational policies, strategies and processes with contemporary academic and practitioner literature, and;
- comparison of quantitative data reported by all organisations reporting to WGEA with EOCGE citation holders.

The full report outlines the methodology, limitations and detailed findings relating to this data set.

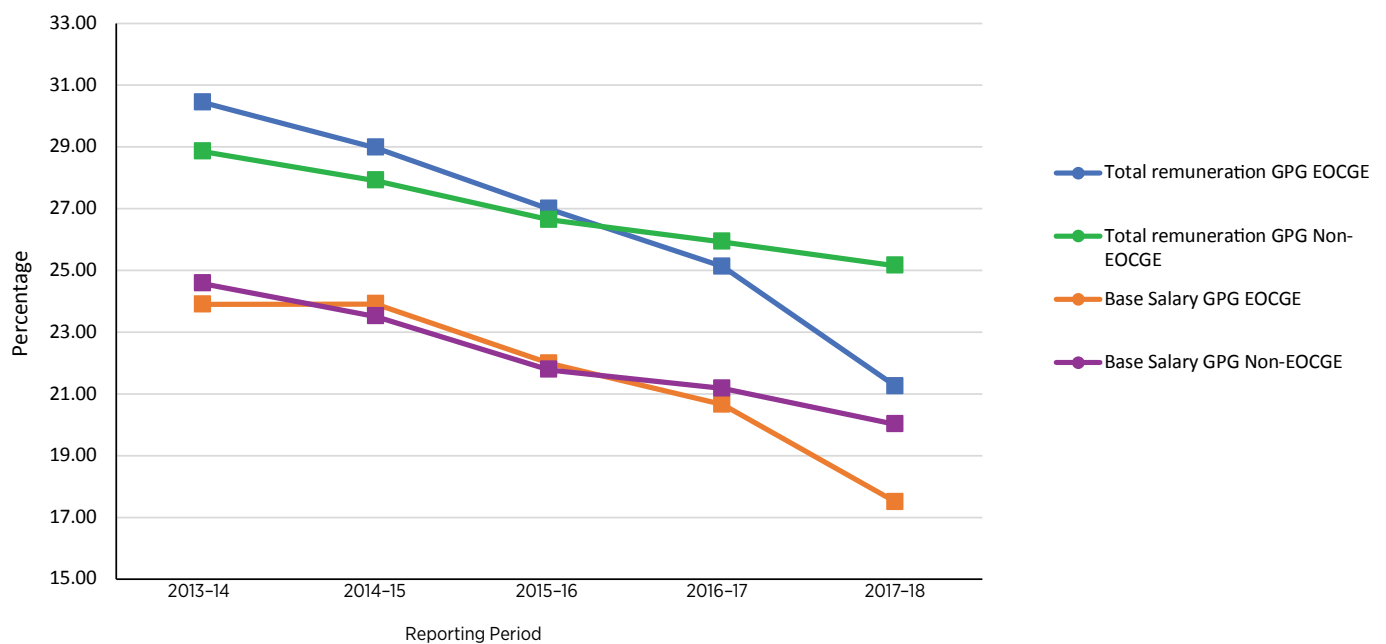
# Findings

## Decrease in the Gender Pay Gap (GPG)

During the five-year period between 2013-14 and 2017-18, EOCGE organisations, on average, reduced their GPG for full-time total remuneration by 9.2 pp compared to 3.7 pp for non-citation holders. This means that citation holders reduced their GPG at a faster rate relative to non-citation holders. Figure 1 shows the change in the gender pay gap of total remuneration for full-time workers over five years (2013-18).

On examination of the five-year trajectory, it is clear from the convergence within the 2015-16 reporting period that positive gains with regard to the total remuneration GPG were made by EOCGE organisations. Moreover, it is important to highlight that most EOCGE organisations are from industries in which discretionary pay forms an important part of remuneration packages. Therefore, the fact that EOCGE organisations outperformed non-citation holders in reducing their GPGs in both 2016-17 and 2017-18 is particularly noteworthy.

**Figure 1: Change in Full-Time Remuneration & Gender Pay Gap 2013-18**

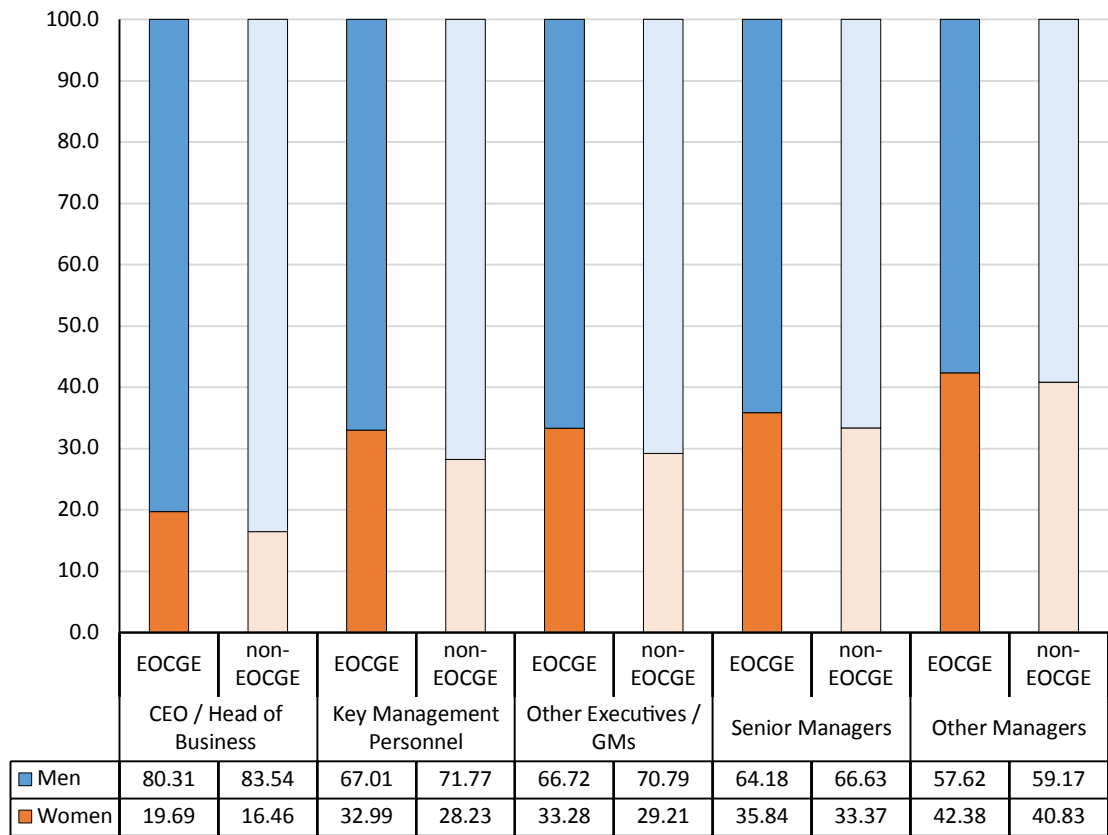


### More Women in Management and Leadership

EOCGE organisations have, on average, been successful at maintaining a higher proportion of women at all levels of management, including at the head of business level, over five years.

Figure 2 shows the favourable comparison of female representation in management compared with non-citation holders. EOCGE organisations have a higher representation of women at all management levels over the five-year period from 2013-18 than other reporting organisations. A focus on gender equality is a feature adopted by all EOCGE organisations.

**Figure 2. Five-Year Average of Women at all Management Levels**



### More Women on Boards

EOCGE organisations have a much higher representation of women on their boards. Across the 2014-2018 reporting periods, there was a significant difference between EOCGE organisations and non-citation holders with regard to the percentage of boards *without representation of women* (see figure 3). This was consistently true within each reporting period.

When looking at the proportion of boards *without representation of men* (see figure 3), it was clear that there was little difference between EOCGE organisations and non-citation holders.



**Figure 3. Proportion of governing bodies with no women across reporting period 2014-15 to 2017-18**

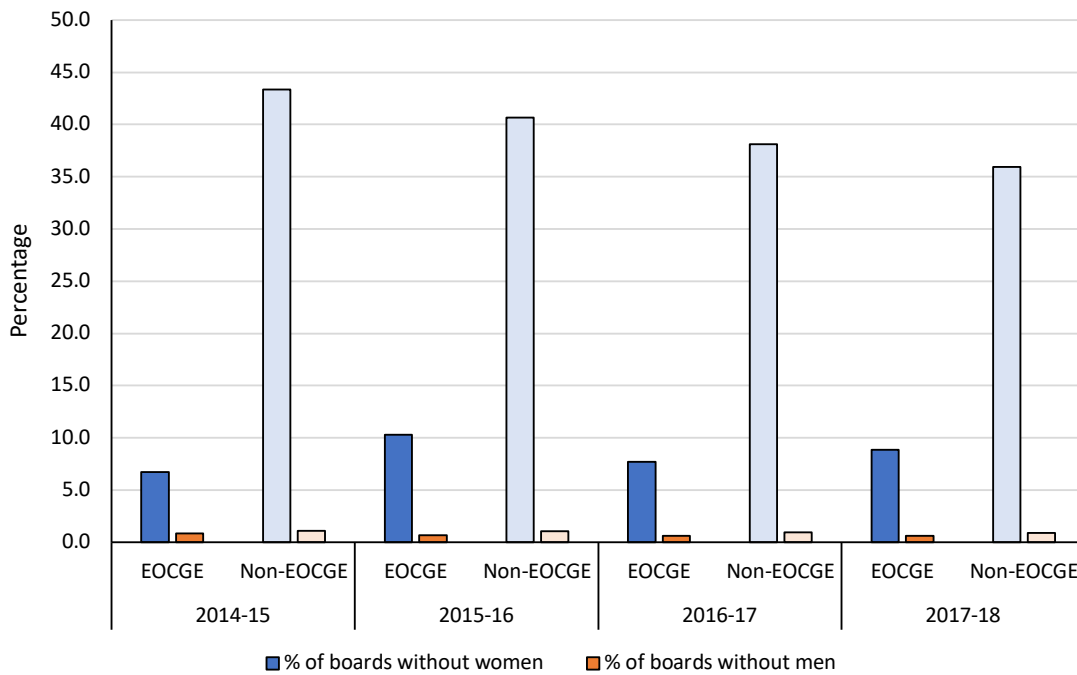


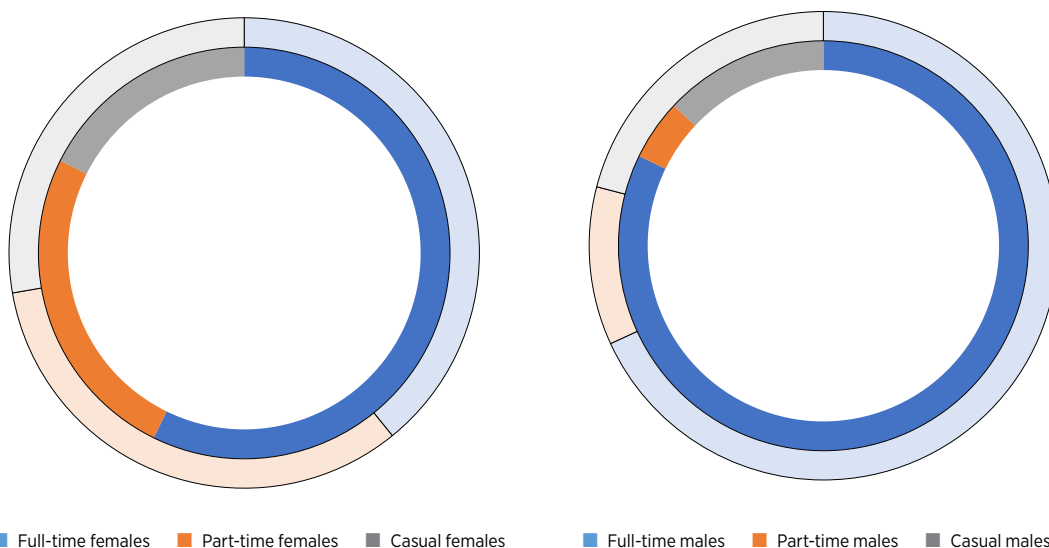
Figure 3 illustrates a clear disparity between the percentage of boards without men relative to the proportion of boards without women. Together, these disparate proportions of boards without women or without men suggest that EOCGE citation status may relate to women’s representation in positions of governance such that EOCGE organisations are more likely to have women in positions of governance relative to non-EOCGE organisations.

**More Women in Full-Time Roles**

EOCGE organisations have a greater proportion of full-time women within their workforces relative to reporting non-citation holders (see Figures 4 & 5). In EOCGE organisations, **57%** of women work in full-time employment compared with **39%** in other reporting organisations. Additionally, they have roughly one third less women in part-time roles and casual work compared to non-citation holders reporting to WGEA.

**Figure 4. Women employees by employment status**

**Figure 5. Men employees by employment status**



Note: Inner dark ring represents EOCGE organisations, outer ring represents non-EOCGE organisations

The patterns of employment status for women and men in EOCGE organisations suggests a preference to favour full-time employment versus casualisation of their workforces. This is important, as the research clearly shows that a major factor in limiting the progression of women in the workplace and the accumulation of valuable career capital is time spent away from full-time employment (Fitzsimmons & Callan, 2016). It has been argued that many women would remain in the full-time workforce if enough flexible working arrangements were available. The data may reflect this position, since EOCGE organisations provide a very high degree of flexible working arrangements and support for employees with caring responsibilities and new parents in particular.

## Common Features of High-Performing EOCGE Organisations

As a whole, EOCGE organisations have detailed and sophisticated suites of practices underpinning policies and strategies. These support not only the retention of women in their workplace but level the playing field for their progression into senior or high-value roles. Organisations consider every aspect of the employee lifecycle when actively shaping gender equality policies and practices to drive an inclusive culture and deliver on their overarching strategy.

EOCGE organisations also hold everyone accountable for the delivery of their gender equality strategy outcomes and leading practice organisations typically have robust dashboards of metrics to track progress and assist with refining practice, policy and strategy.

EOCGE organisations recognise that driving cultural change is an ongoing process. Although their organisation may have similarities to others, there will be much that is different. As such, there are limited, if any, off-the-shelf solutions and no one-size-fits-all approach.

### **Inclusive Leadership on Gender Equality**

**CEO advocacy, organisation-wide commitment, bold action and the adoption of creative solutions was a hallmark of EOCGE organisations.**

Leading-practice EOCGE organisations are led by CEOs who not only ‘walk the talk’ but do so through a deep understanding of the drivers of workplace gender inequality. These CEOs lead from the front by creating an inclusive culture through their own actions and behaviours, as well as detailed attention to every facet of the organisation.

Fostering a culture of inclusion supports a CEO to bring their organisations with them by consulting staff on a gender equality strategy and involving everyone in its implementation. Heads of business understand the business case for an organisation to benefit by leveraging diversity and the loyalty and dedication of staff who know they work in an equitable workplace. Some EOCGE organisations during this period have shown they are not content to just drive change internally but bring their clients, suppliers, industry associates and even their competitors with them on the journey.

# Summary of Common Practices

The findings from the full report have been collated against the seven pillars of reporting required of EOCGE citation applicants. The following are insights on the characteristics of organisations that hold the EOCGE citation.

## Leadership, Accountability and Focus

- Heads of business have a sophisticated understanding of the drivers of gender inequality in the workplace and lead all firm initiatives from the front.
- When embedding strategic initiatives, EOCGE organisations recruit, train and adopt inclusive leaders to espouse the strategy.
- Leadership teams are engaged in ongoing gender equality training and professional development activities.
- CEOs role model authentic and inclusive leadership through their day-to-day actions as well as their internal and external messaging.
- CEOs role model *genuine* workplace flexibility.
- EOCGE organisations are characteristically engaged in advocacy of gender equality beyond their own organisation. Typically they are industry leaders, driving gender equality in their field as well as with their clients. They are also engaged with the broader community in supporting gender-related issues.
- Organisations demonstrate a genuine commitment to the care and support of their workforce. The EOCGE citation is symbolic of a deeper cultural commitment to gender equality and to their people more generally.
- EOCGE organisations have comprehensive and fully-integrated suites of policies and strategies that support their strategic gender equality plans.
- Comprehensive dashboards of metrics are used to measure and regularly report on all aspects of their gender equality strategy to their oversight committees and governing body.
- Well-established governance structures and organisational bodies provide regular oversight and reporting around progress towards strategic gender equality plans.

## Learning and Development

- There is a heavy investment in training and development of their staff in all areas related to strategic gender equality initiatives.
- Women are supported in their progression through targeted training and development.
- There is a commitment to continuous learning and a constant process of innovating with regard to gender equality policies and practices.
- Opportunities are created to engage with others inside and outside of their industries for continuous improvement of their learning and development practices with regard to gender equality.

## Gender Pay Gap

- Leading-practice organisations measure and monitor gender pay gaps within their organisations across, between and within position banding.
- Leading-practice organisations act upon unequal pay ('like-for-like') gender pay gaps immediately within their organisations where these are identified, allocating budget to ameliorate any inequalities identified. Unequal pay by gender is unlawful and should be resolved if any organisation becomes aware of this.
- The rate of decline in the total organisation-wide remuneration gender pay gap for EOCGE organisations outstrips that of non-citation holders over the five-year reporting period covered by the report.

### **Flexible Working Arrangements and other Initiatives Aimed at Supporting Women and Men including for those with Family or Caring Responsibilities**

- Leading-practice EOCGE organisations have adopted an ‘all-roles-flex’ philosophy towards work to support and enable work/life balance and career progression.
- Flexibility policies in leading-practice organisations are characterised by a full suite of flexibility options. These organisations understand that the ability to undertake work how, when and where an employee prefers, provides a heightened degree of ability for those with caring and other life responsibilities to participate fully in the workplace.

### **Employee Consultation**

- EOCGE organisations are characterised by sophisticated strategic gender equality plans that draw upon inclusive planning mechanisms by directly involving their respective workforces.
- EOCGE organisations draw upon individual interviews, organisation-wide surveys, focus groups, and team meetings among other ad hoc data-collection methods to consult with their employees on matters of gender equality.
- Leading-practice organisations adopt a reflective process to employee consultation involving the ‘testing’ of ideas generated on the basis of feedback explored through employee consultation for the purposes of testing effectiveness and efficiency of changes.

### **Preventing Sex-Based Harassment**

- EOCGE organisations have clear and firm policies regarding the ways that claims of sex-based harassment are handled within their organisations.
- Leading-practice organisations have a clear zero-tolerance policy to sex-based harassment and discrimination within their organisations.
- Accountability measures are incorporated into key performance indicators of people managers (e.g. Team Leaders, Managers).

### **Targets for Improving Gender Equality Outcomes**

- Comparison between EOCGE and the overall report cohort of organisations shows that, for male-dominated industries, there is a clear ambition of EOCGE citation holders to improve women’s workforce representation within their organisations through the use of targets, quotas and ambitious KPIs relating to gender equality.
- Targets are working: within each respective industry, more women are employed in EOCGE organisations relative to non-EOCGE organisations overall.
- EOCGE organisations have a greater proportion of women managers overall on average compared to non citation holders, demonstrating their commitment to greater gender equality in the workplace. This is attributable, amongst other factors, to EOCGE organisations’ requirement to note their targets for the proportion of women in different levels of management.
- EOCGE organisations have a higher proportion of women in all levels of management relative to non-citation holders, demonstrating a greater commitment to the retention and progression of women in their respective workforces.
- EOCGE organisations’ boards (or equivalent) are significantly more likely to have women board members relative to non citation holders.
- The use of targets is a feature of all EOCGE organisations. Targets (and quotas in some areas such as graduate recruitment) are used contextually in key areas to drive and embed substantive change.
- EOCGE organisations in male-dominated industries are actively engaged in growing the pipeline of women entering their field through partnerships with schools, universities and industry-based programs.
- Leading-practice organisations adopt specific, detailed ‘*gender equality*’ strategies, often in addition to broader ‘*diversity and inclusion*’ strategies. Gender equality in these organisations is targeted in its own right.



## 12 Elements of Leading Practice in Workplace Gender Equality

1. Inclusive leadership as a core competency of the CEO and recruited for and/or trained at all levels of the organisational hierarchy.
2. Governance structures that support gender equality oversight at the top levels of the organisation.
3. A stand-alone gender equality strategy that is integrated with the overall organisational strategic direction.
4. Measurement, monitoring and evaluation of a broad suite of gender equality performance indicators encompassing all components of the employee life cycle.
5. A reflexive mindset and approach to gender equality, incorporating a willingness to field-test policies, practices and initiatives to ensure they are effective and fit-for-purpose.
6. Detailed policies and practices that are well communicated and trained for and which support and promote gender equality throughout the employee life cycle.
7. Integration of gender equality key performance indicators, with real consequences for failure, set into People Managers' performance metrics.
8. A willingness to publicly communicate and to be held accountable internally and externally on gender equality indicators.
9. A willingness to partner with others inside and outside of their industry, who may also be looking to improve gender equality within their organisations.
10. A willingness by senior leadership to advocate to peers, external stakeholders, industry bodies or government on gender equality matters.
11. True workplace flexibility is embraced with work being redesigned to contemplate timing, location and performance metrics, aligned to both employee, team and organisational needs.
12. Flexible, 'Shared Care' models of parental leave are offered in ways that benefit both women and men.



# The Centre for Gender Equality in the Workplace

The AIBE Centre for Gender Equality in the Workplace is situated within the Business, Economics and Law Faculty of the University of Queensland.

The mission of the AIBE Center for Gender Equality in the Workplace is to identify, examine, test and recommend evidence-based solutions that government and organisations can implement to tackle issues related to gender equality. To achieve this, we work as an industry-focused Center that engages, collaborates with and contributes to ongoing business, government, community and academic dialogue on gender equality to produce outputs of practical value. The Centre, through its partnerships, has been successful in the promotion and adoption of its findings.

We are interested in exploring research partnerships with organisations that possess similar intentions and aspirations.

In particular, we invite research partnerships between industry and the AIBE Center for Gender Equality in the Workplace around issues of national significance in addressing gender inequality in Australian society. The team of researchers which comprise the Centre have been widely published and are heavily involved in the promotion of gender equality through research, consulting, publication, public speaking and board membership.

The Centre is jointly funded by The University of Queensland's Australian Institute for Business and Economics, Faculty of Business, Economics and Law and the UQ Business School.



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