

**Submission to the Senate Standing Committee on Finance and Public
Administration**

**Inquiry into the Gender segregation in the workplace and its impact on
women's economic equality**

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1. Introduction

Unequal pay outcomes between women and men are a stark indicator of the different ways women and men engage with the workforce – and how they are valued for it. Gender segregation and lower pay in female-dominated organisations continue to drive poorer remuneration outcomes for women.

At a macroeconomic level, gender pay gaps can depress economic growth and productivity. At an individual level, it slows down the rate of wealth accumulation by women relative to men. The ramifications reverberate across the life course, with women bearing greater exposure to poverty and disadvantage at every age. Within the context of an ageing population in which women are disproportionately represented, gender pay gaps and gender wealth gaps not only pose significant risks for the economic wellbeing of Australian women, they also have important implications for social equity and fiscal sustainability.

Australia's highly gender segregated workforce is working against women in a number of ways – and not just in the male-dominated industries and organisations. Female-dominated organisations in Australia tend to be lower paid, particularly in those industries where workforce roles are 'gendered' such as Health Care and Social Assistance. This speaks to the recent claim expressed by IMF Managing Director Christine Lagarde that society has a tendency to undervalue women's work and contributions.

Gender pay gaps are lower in organisations with greater female representation among management. Yet this research also shows that managerial gender pay gaps rise sharply in favour of men in workplaces with the highest concentrations of female managers. It seems that where the men are few, they are more highly valued.

Women's increasing workforce participation has contributed significantly to Australia's economic growth and to women's financial independence. However, significant socio-economic disparity remains between men and women. Given accelerated rates of population ageing and the over-representation of women among older age cohorts, the economic resources that women can access in retirement is an urgent policy issue that extends beyond fiscal concerns to influence the economic and social fabric of Australia's ageing population.

This submission brings together recent research conducted by the Bankwest Curtin Economics Centre (BCEC), using data collected by the Workplace Gender Equality Agency (WGEA). This data collection comprises more than 4 million workers and over 12,000 employers.

The submission covers the following all areas relevant to the inquiry's terms of reference:

- a. the nature and extent of industrial and occupational gender segregation in Australian workplaces
- b. factors driving industrial and occupational gender segregation in the Australian context;
- c. economic consequences of gender segregation for women, including the contribution of industrial and occupational gender segregation to the gender pay gap;
- d. approaches to addressing gender segregation as it relates to economic inequality and the gender pay gap in comparable jurisdictions; and
- e. remedies appropriate for Australia, including but not limited to:
 - i. measures to encourage women's participation in male - dominated occupations and industries,
 - ii. measures to professionalise and improve conditions in female - dominated occupations and industries, and
 - iii. measures to promote pay equity.

2. Workforce Segregation

The Australian labour market is highly segregated – both in terms of how women and men participate (full-time or part-time) and the occupations, organisations and industries that women and men work in.

Women dominate part-time work at a ratio of 3 to 1, and they are much more likely to be employed in Administrative and Community Personal Service occupations; and dominate industries such as Health Care and Social Assistance and Education and Training. Men on the other hand are more likely to be employed on a full-time basis, dominating managerial roles, as technician and trades workers, labourers and machinery operators and drivers. They outnumber women in Construction and Mining at a ratio of around 5 to 1 in each sector. They are also more likely to be employed in the Manufacturing and Transport, Postal and Warehousing sectors.

Women's work has historically been undervalued. According to Christine Lagarde, Managing Director of the International Monetary Fund, if a woman is doing it or saying it – it is just not as important. This is seen today through obvious indiscretions such as the absence of unpaid work in national accounting frameworks. There are also a number of comprehensive studies that look at how jobs become devalued once women start to dominate previously male-dominated fields (Levanon et al. 2009).

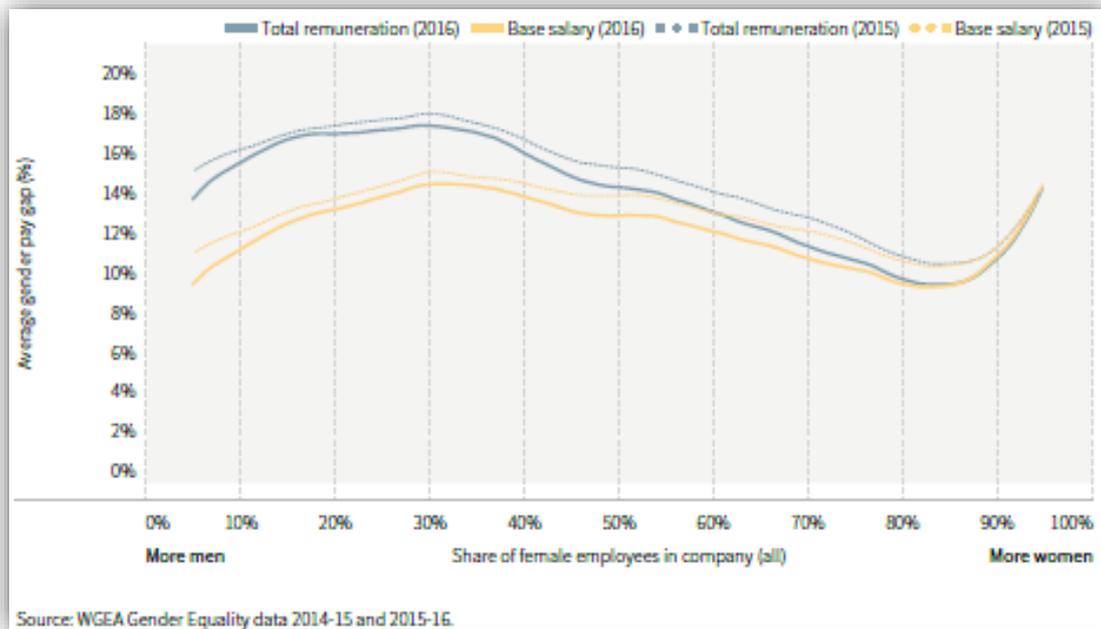
The evidence presented in this submission examines the association between the gender pay gap and the level of gender segregation within an organisation. This differs from previous studies that typically focus on broader occupation and industry segregation. This association is firstly assessed at an organisation-wide level, then among the managerial and non-managerial workforce within each company.

2.1 Gender Segregation – Australian Companies

When examining the relationship between the overall share of female employees within an organisation and the organisation-wide gender pay gap, an s-shaped pattern appears. As the share of women within an organisation increases from zero to 30%, so too does the gender pay gap for both base and total pay, reaching around 10% and 15% respectively (Figure 1). The gender pay gap then falls and base and total remuneration gaps converge as the share of women increases, reaching a low of around 10% for organisations that have around 80% women.

The pay gap then increases steeply as the share of women increases beyond 85%, with very little difference between the base and total remuneration gender pay gaps. These patterns remain consistent between 2015 and 2016, with the 2016 pay gaps tracking slightly lower than 2015 levels.

Figure 1: Gender segregation and the gender pay gap, all employees, 2015 and 2016



Companies are classified into three categories “male-dominated”, “female-dominated” or “mixed”, and compared according to the degree of workforce segregation, average salaries of men and women and the gender pay gap.

Overall, female-dominated organisations continue to have lower average wages for both women and men when compared with male-dominated organisations (Table 1). These organisations primarily exist in the Health Care and Social Assistance, Education and Training, and Arts and Recreation sectors.

Mining is Australia’s most male-dominated industry, and delivers the highest pay to women. Women employed full-time in Mining earned on average \$139,053 total remuneration in 2016. The next highest-paying industries for women were Electricity, Gas, Water and Waste services (\$106,100) and Banking and Finance (\$105,438). The lowest paid industry for women was Retail Trade at \$65,865. Women employed in the most female-dominated industry, Health Care and Social Assistance, earned on average \$80,026.

Table 1: Gender segregation and the gender pay gap, 2015 and 2016

Gender Dominance	Average Base Salary		Average Total Remuneration		Base GPG		Total GPG	
	Women	Men	Women	Men	2015	2016	2015	2016
	\$	\$	\$	\$	%	%	%	%
Full-time								
Female-dominated	70,731	84,546	80,744	97,837	17.5%	16.3%	18.9%	17.5%
Male-dominated	78,596	92,935	95,237	119,705	16.4%	15.4%	21.0%	20.4%
Mixed	74,969	88,019	88,909	107,558	16.6%	14.8%	19.5%	17.3%
All	75,276	91,472	89,226	116,009	19.0%	17.7%	23.9%	23.1%
Part-time								
Female-dominated	54,965	56,577	63,412	65,499	4.4%	2.8%	4.9%	3.2%
Male-dominated	69,252	57,530	81,846	68,569	-12.9%	-20.4%	-14.8%	-19.4%
Mixed	53,029	47,311	62,481	55,986	-13.3%	-12.1%	-12.7%	-11.6%
All	56,154	52,098	65,430	61,338	-4.4%	-7.8%	-4.2%	-6.7%
Casual								
Female-dominated	53,779	57,541	60,306	64,009	5.5%	6.5%	5.1%	5.8%
Male-dominated	53,706	67,126	60,077	76,549	21.6%	20.0%	23.6%	21.5%
Mixed	58,658	59,228	65,012	66,701	3.4%	1.0%	3.2%	2.5%
All	55,044	60,207	61,514	67,658	9.4%	8.6%	9.9%	9.1%

Source: WGEA Gender Equality data 2014-15 and 2015-16.

Male-dominated organisations on the other hand are more likely to be almost entirely within the Mining, Construction and Manufacturing sectors, Transport, Postal and Warehousing and Wholesale Trade. Within these organisations, wages are generally the highest on average – for both men and women. These organisations tend to have greater exposure to economic down and upturns but also command higher average wages.

Turning to the gender pay gap, female-dominated organisations record the highest full-time gender pay gap when looking at the base salary alone in 2016 (16.3%). However, when taking into account additional pay beyond the base salary the highest gender pay gap is seen within male-dominated organisations at 20.4%. This equates to an annual salary difference of almost \$25,000 each year.

Additional remuneration beyond the base salary plays a lesser role within female-dominated industries, with the gender pay gap based on total salaries increasing only slightly when comparing total and base salaries.

For part-time workers, the gender pay gap is very much in favour of women working within male-dominated and mixed organisations. Women working part-time within male-dominated organisations can expect to earn around 20% more than male part-time employees. Similar patterns appear for part-time workers within mixed organisations, with women working part-time earning on average 12% more than men.

Between 2015 and 2016 the gender pay gap among part-time workers in male-dominated organisations has increased in favour of women by 7.5 percentage points (for base salary) and 4.6 percentage points (for total remuneration). This is mostly driven by strong growth in wages for female part-time workers within male-dominated industries and stagnant growth for male part-time workers within these same organisations.

Among casual employees, the gender pay gap remains in favour of men across all organisations regardless of gender dominance. The pay gap is more pronounced within male-dominated organisations – with casual female workers earning 21.5% less than males when taking into account total pay.

The gender pay gap has narrowed slightly over time for casual workers in male-dominated and mixed organisations, but increased slightly among casual workers in female-dominated organisations.

2.2 Non-managers

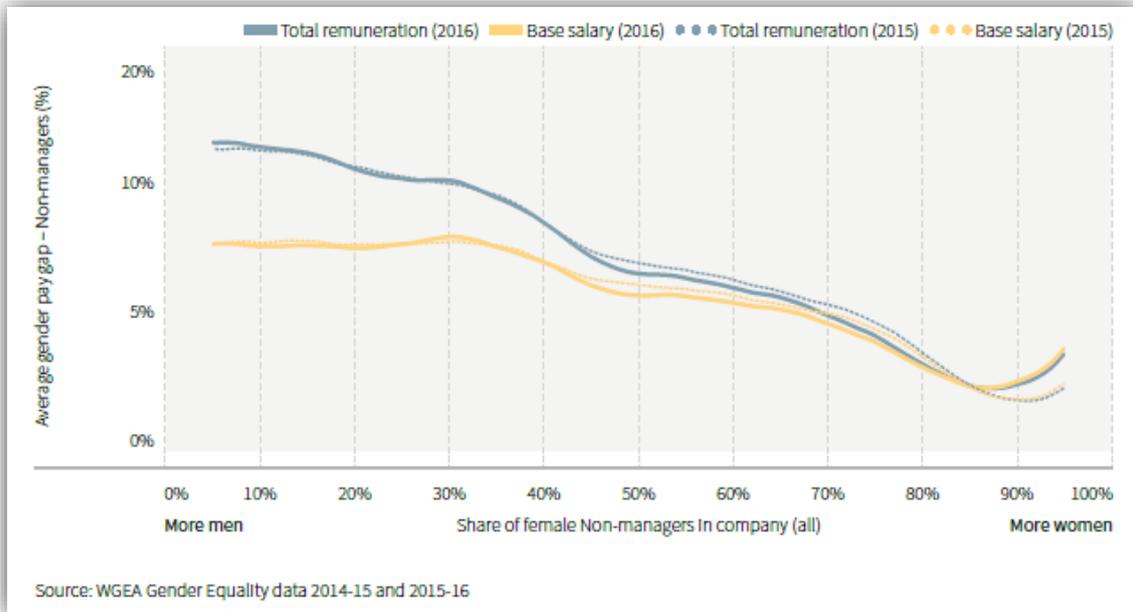
The non-managerial workforce is by far the largest group within the Australian labour market and makes up 90% of the 4 million employees captured in the WGEA reporting data.

Non-managers are also a more heterogeneous group of workers, ranging from labouring jobs such as brick layers to jobs that require five or more years at university such as medical doctors and lawyers.

The association between the non-managerial gender pay gap and the share of the non-managerial female workforce within an organisation is shown in Figure 2. The gender pay gap is higher and the difference between base and total widens when there are more men than women in a company.

As the share of women in non-managerial roles increases, the pay gap decreases. Base and total pay gaps converge, dropping to below 5% where the non-managerial workforce is predominantly women. The pay gap then begins to rise again beyond this point, and base and total remuneration diverge.

Figure 2: Gender segregation and the Non-managerial gender pay gap, base salary and total remuneration, 2015 and 2016

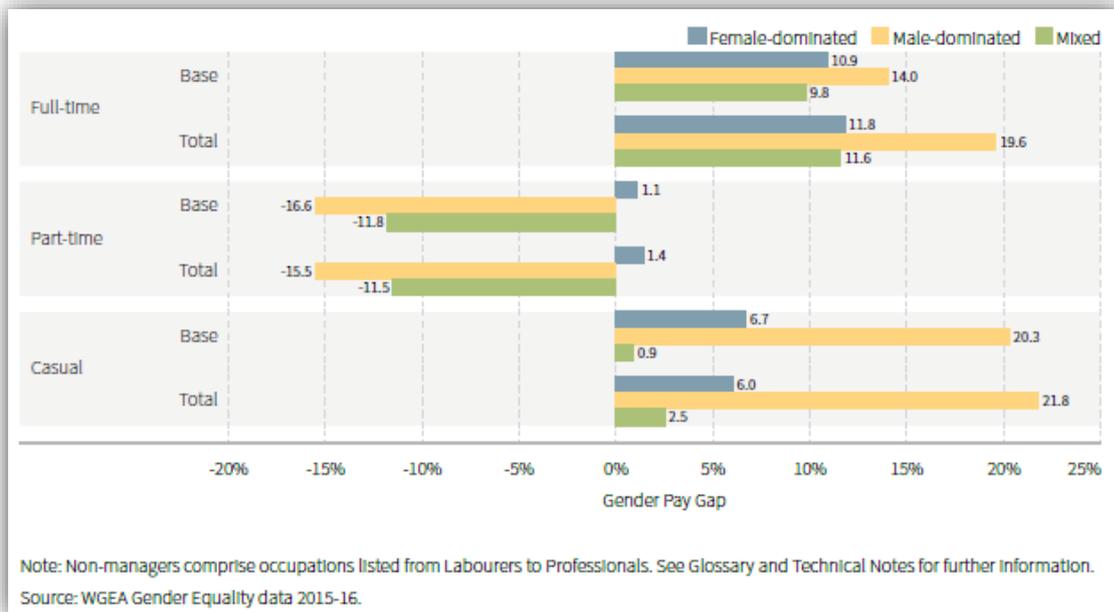


Using the three classifications of gender dominance, the gender pay gap among the non-managerial workforce is shown as broken down by employment status in Figure 3. These patterns follow overall workforce patterns due to the sheer size of the non-managerial workforce.

The gender pay gap in favour of men is the highest among male-dominated organisations for full-time and casual employees in non-managerial roles. Women working full-time in a male-dominated company will earn on average 20% less each year than men working full-time – a difference of around \$20,000.

However, for part-time workers the gender pay gap is in favour of women and more so among male-dominated companies. Women in non-managerial positions working part-time within these companies will earn around 16% more each year than their male colleagues in part-time work – an average annual difference of \$10,000.

Figure 3: Non-managerial gender pay gap by gender dominance and employment status



2.3 Managers

The managerial workforce is one of the most problematic when it comes to gender pay gaps. Men are more likely to be represented in the ‘C-Suite’ and other management positions than women at a ratio of 1.8 to 1.

The overall association between the managerial gender pay gap and the proportion of managers within an organisation is shown in Figure 4. As the proportion of female managers increases within a firm, so does the gender pay gap, reaching around 15% when assessing total remuneration. The pay gap then gradually decreases with the additional presence of female managers and hits a low point in 2016 of around 8%.

Between 2015 and 2016 the managerial gender pay gap has fallen within organisations where females represent 60% to 80% of the managerial workforce. However, once the management environment becomes heavily dominated by women – beyond 80%, the gender pay gap rises sharply.

Figure 4: Gender segregation and the Managerial gender pay gap, base salary and total remuneration, 2015 and 2016

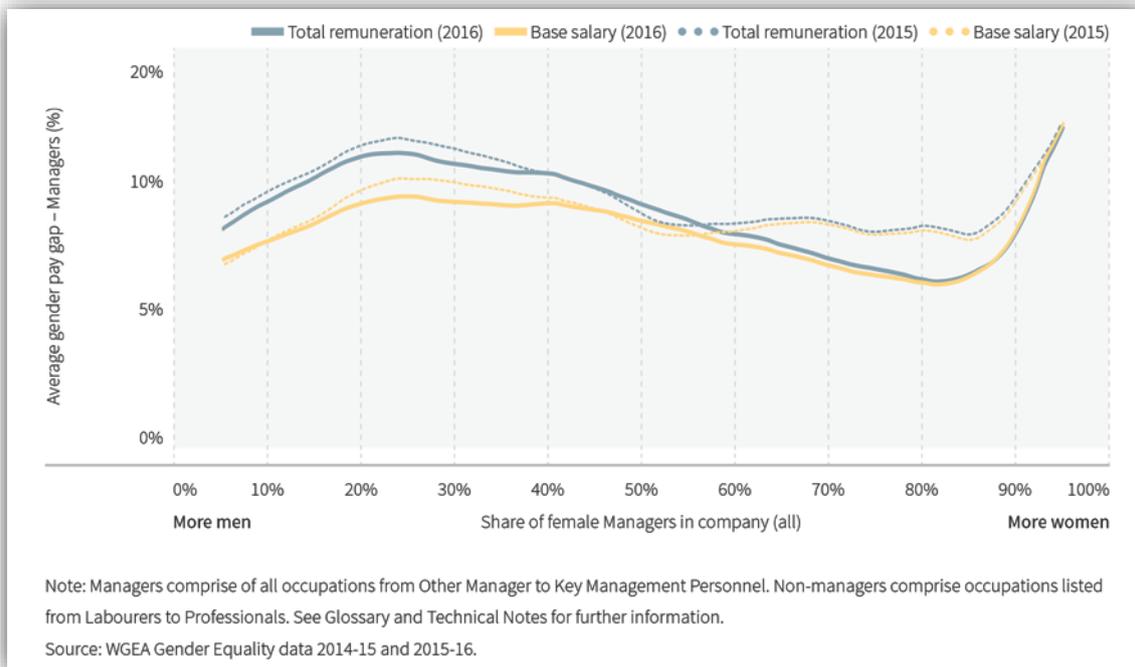


Table 2: Gender segregation and the gender pay gap among managers, 2016

Gender Dominance	Average Base Salary		Average Total Remuneration		Gender Pay Gap	
	Women	Men	Women	Men	Base	Total
	\$	\$	\$	\$	%	%
Full-time						
Female-dominated	90,463	115,792	103,930	135,483	21.9%	23.3%
Male-dominated	135,609	156,841	171,603	205,901	13.5%	16.7%
Mixed	111,899	131,650	135,574	166,045	15.0%	18.4%
All	112,350	146,725	136,596	189,301	23.4%	27.8%
Part-time						
Female-dominated	89,374	134,237	102,925	157,659	33.4%	34.7%
Male-dominated	142,958	172,719	175,126	219,984	17.2%	20.4%
Mixed	129,349	157,874	152,602	192,190	18.1%	20.6%
All	116,825	155,340	138,893	190,494	24.8%	27.1%

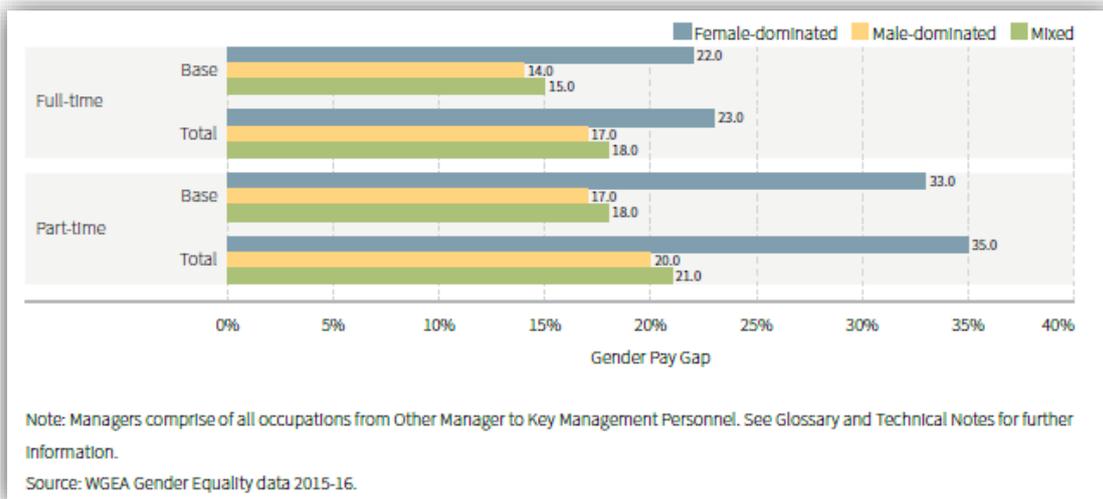
Note: Managers comprise of all occupations from Other Manager to Key Management Personnel. See Glossary and Technical Notes for further information.
Source: WGEA Gender Equality data 2014-15 and 2015-16.

The gender pay gap remains wide and in favour of male managers regardless of employment status, or managerial gender dominance within organisations (Figure 5).

The widest pay gaps between male and female managers occur among female-dominated organisations. Full-time female managers in female-dominated organisations earn on average 23% less than their male counterparts, and part-time managers 35% less.

Male managers working part-time in female-dominated organisations will earn around \$55,000 a year more in total (measured on a FTE basis) than female part-time managers (Table 2). Conversely, female managers working in male-dominated industries are more likely to earn wages closer to their male colleagues, whether working full or part-time.

Figure 5: Managerial gender pay gap by gender dominance and employment status



3. Women in Leadership

The 2016 BCEC|WGEA Gender Equity Insights report looked at the extent of women's representation on company Boards in Australia, and found strong evidence of a significant imbalance in the proportion of women appointed to serve on Boards. Only 6.3% of companies were found to have more female than male Board members, with 37% of organisations in total having no female Board representation. The report further established a credible link between female board representation and improved gender pay equity.

Along with governing bodies, and shifting culture and attitudes towards gender diversity, the drive towards gender equity in pay and progression and the implementation of specific gender equity policies, is driven principally by companies' key management personnel (KMP) and executive leadership.

The latest BCEC|WGEA Gender Equity Insights report for 2017 turns to the issue of gender balance in senior leadership positions, and examines a number of issues related to the representation of women in leadership positions. What is the overall gender balance of KMP and executives? How does the share of women in leadership positions vary by industry, and between companies in each industry sector? And is there any evidence that greater gender equity in top-tier management drives improved gender pay outcomes?

3.1 Gender distribution of KMP and executives

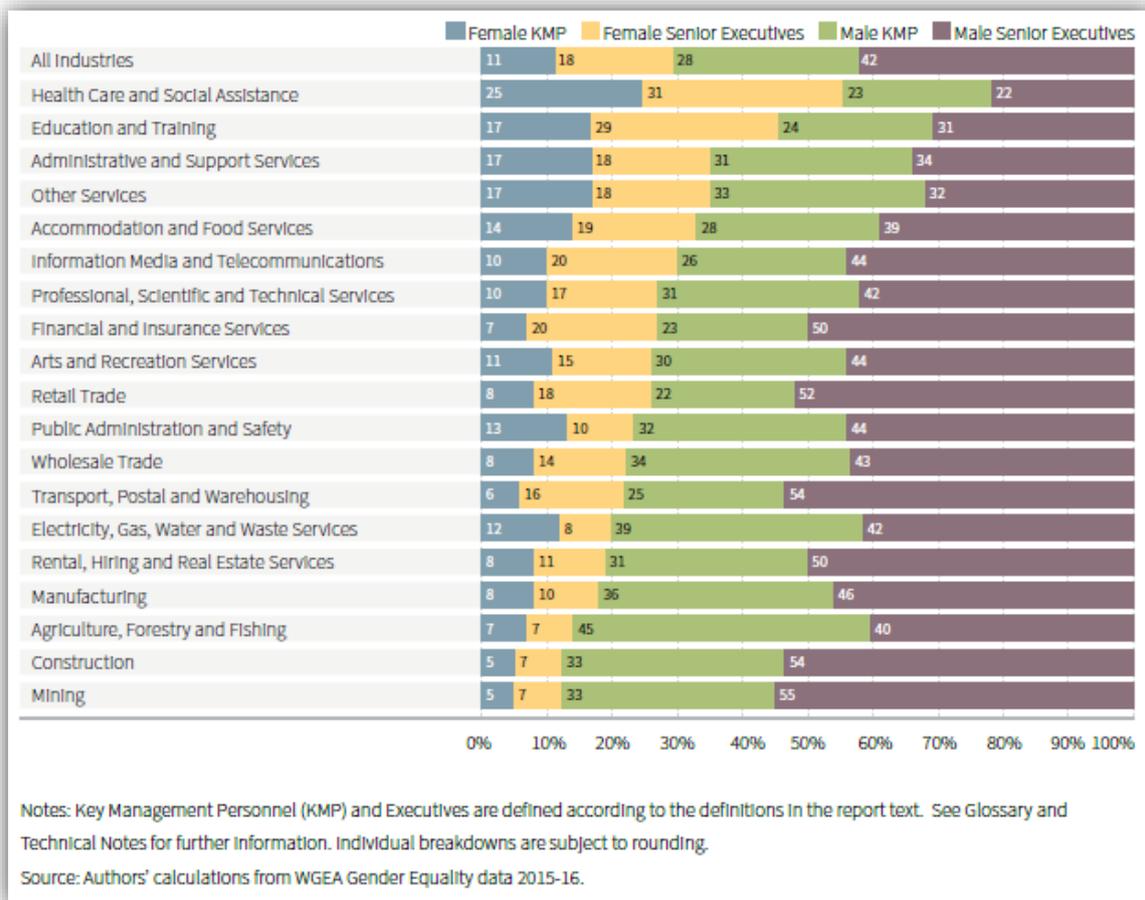
The WGEA Gender Equality dataset provides a unique source of information through which to capture the gender distribution of KMP and senior executives across more than 12,000 reporting organisations. Starting with some definitions, the WGEA data differentiate these two executive management categories broadly according to the following responsibilities:

- The key management personnel (KMP) of an organisation have authority and responsibility for planning, directing and controlling the activities of the entity, and participate in organisation-wide decisions alongside the CEO or Managing Director.
- Other senior executives are deemed to hold primary responsibility for a department or business unit. Senior executives may participate in organisation-wide decisions, depending on the size and organisational structure of the entity.

Figure 6 reports on the gender distribution of KMP and senior executives in Australia, both overall and broken down separately for companies within each of the principal industry sectors. The first clear feature of the data is the significant overall gender imbalance in senior leadership positions: men

account for 70% of around 55,300 senior leaders across all industries in Australia, and women approximately 30%. Male KMP make up 28% of all senior leadership positions compared to 11% of female KMP, while male senior executives account for a further 42%, and female senior executives 18%.

Figure 6: Gender distribution of KMP and executives in companies: 2016, by industry



As is so often the case, the all-industry averages conceal some significant variations between sectors.

The industry breakdowns in Figure 6 have been arranged in order of the average shares of female senior executives among companies in each sector, from highest to the lowest. Around 55% of executive leadership positions in the Health Care and Social Assistance sector are filled by women. Women KMP represent a quarter of all executive leaders in Health Care and Social Assistance, with female senior executives accounting for a further third (31%). In the Education and Training sector, some 46% of senior leaders are female – 17% of the total are key management personnel, and 29% in other executive leadership positions.

At the other end of the spectrum, only 12% of executive leaders in Mining and Construction are women, whether KMP (5%) or senior executives (7%). The proportion of women in executive leadership roles are also low in Agriculture, Forestry and Fishing (14%) and Manufacturing (18%).

While the distribution of executive leadership positions show a high degree of variation across industry sectors, there is often a much greater variation in the shares of women leaders between organisations within each industry. Table 3 shows not just the average shares of women KMP and senior executives in each industry sector, but the share for the ‘typical’ (or median) company, and the ‘spread’ of shares among the middle half (50%) of organisations in each sector. The latter is visualised by a series of ‘boxplots’ in which the widths of the box represent the spread of shares of women KMP and senior executives.

Table 3: The share of women in leadership: average, median and spread by industry, 2015 and 2016

Industry	Share of KMP/Executive women		Distribution						
	Average	Median	0	0.2	0.4	0.6	0.8	1.0	
Health Care and Social Assistance	55%	60%							
Education and Training	45%	45%							
Administrative and Support Services	35%	37%							
Accommodation and Food Services	33%	33%							
Other Services	35%	33%							
Financial and Insurance Services	26%	25%							
Information Media and Telecommunications	26%	25%							
Arts and Recreation Services	27%	24%							
Professional, Scientific and Technical S	27%	23%							
Public Administration and Safety	23%	22%							
Retail Trade	30%	22%							
Transport, Postal and Warehousing	19%	20%							
Wholesale Trade	20%	19%							
Rental, Hiring and Real Estate Services	22%	19%							
Electricity, Gas, Water and Waste Servic	21%	16%							
Manufacturing	18%	14%							
Agriculture, Forestry and Fishing	14%	10%							
Construction	12%	9%							
Mining	13%	9%							
Total	30%	25%							

Notes: Key Management Personnel (KMP) and Executives are defined according to the definitions in the report text. Boxplots in graphic indicate the lower quartile, median and upper quartile of female KMP/executive shares across companies in each industry sector. See Glossary and Technical Notes for further information.

Source: Authors' calculations from WGEA Gender Equality data 2015-16.

The key story to emerge from Table 3 is just how the representation of women in executive leadership positions varies across industry sector. Many organisations in the health care and social assistance sector have a relatively high share of female KMP and executives – between 42% and 76% of executive leaders are women. For three quarters of companies in the mining and construction sectors, fewer than one in five KMP/executive leaders are women. Among Retail Trade companies, the spread is far more pronounced – women make up to 45% of KMP and executives for three quarters of retail organisations.

3.2 Gender pay gaps and the share of women in executive leadership positions

Is there a relationship between the share of women in leadership positions, and equity outcomes such as gender pay gaps across different occupation classes? For some initial evidence, Figure 7 charts the overall average gender pay gap for each of the major industry classifications against the average share of women in key management or executive positions.

The Health Care and Social Assistance sector has both the lowest gender pay gap, at around 7.7%, and the highest share of women in senior leadership positions – around 55% on average. The Education and Training sector shows a similar pattern, combining an average gender pay gap of 8.6% with women occupying around 45% of KMP or senior executive positions.

At the other end of the spectrum, some industry sectors combine high gender pay gaps with low shares of women in leadership positions: these include Finance and Insurance services (with an average gender pay gap of 25.7% and with women making up only 26% of KMP or senior executives), Rental Hiring and Real Estate (with a gender pay gap of 24.4% and 22% of female leaders) and Construction (at 22.1% gender pay gap, and only 12% of women in leadership roles).

Figure 7: Average gender pay gap by shares of women in leadership: 2016, by industry

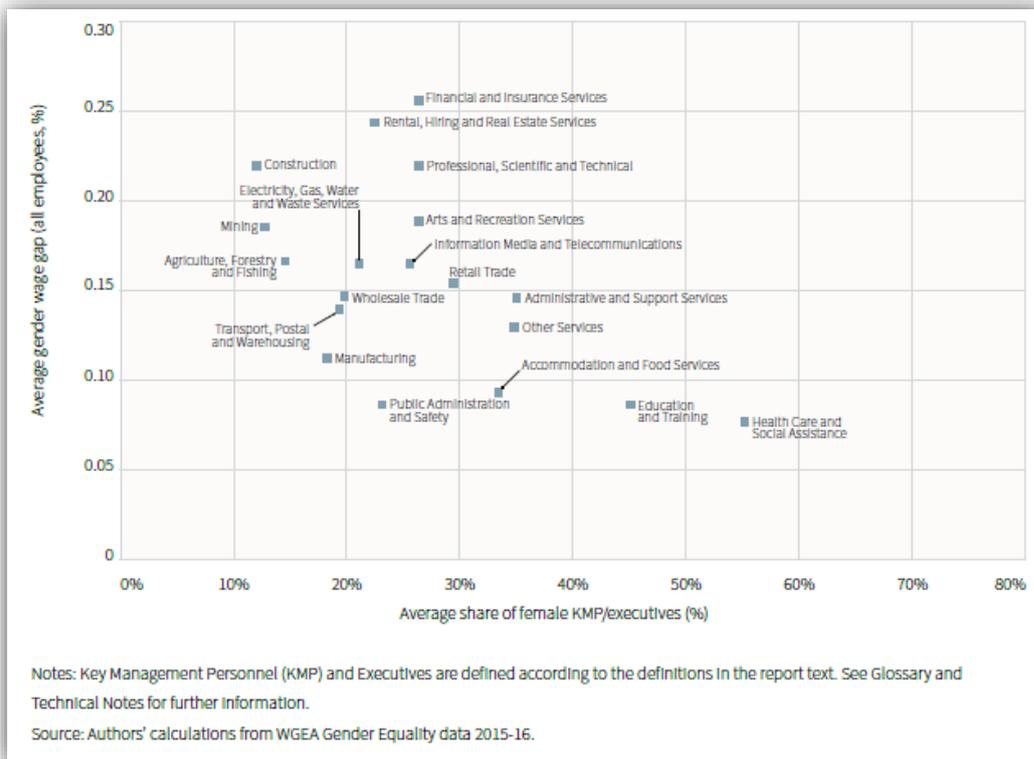
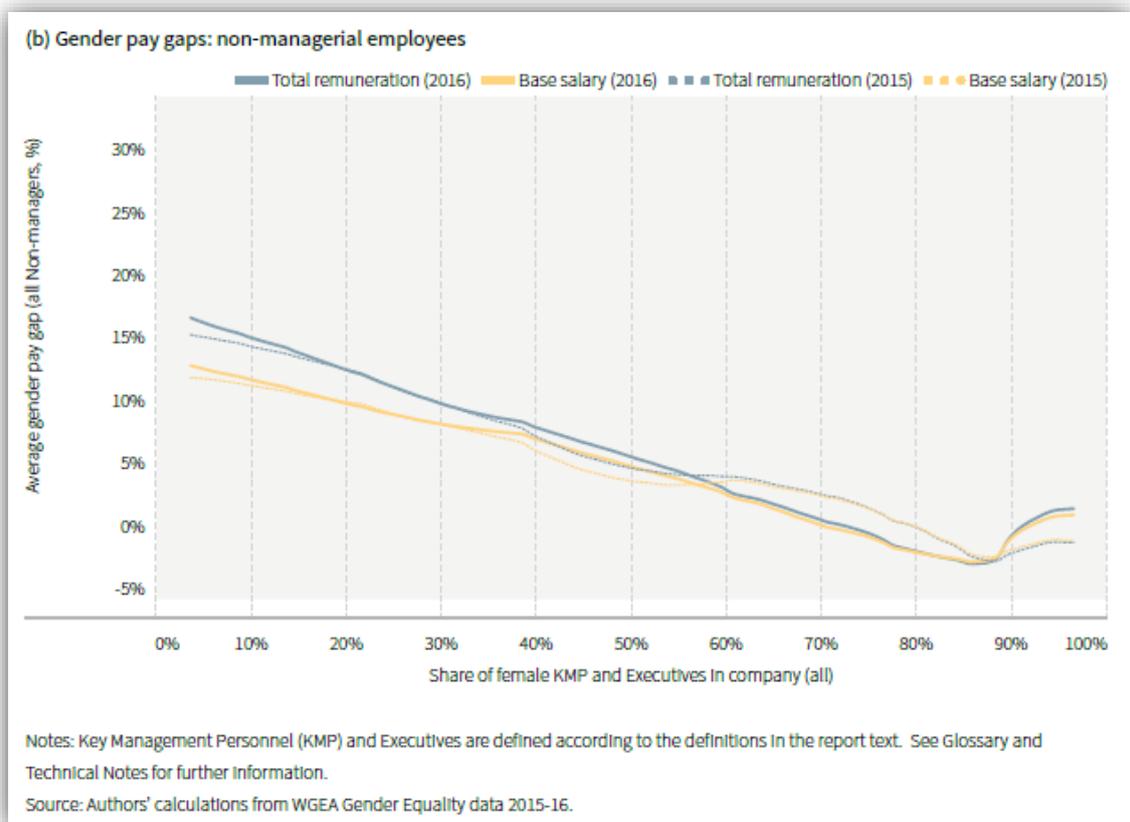
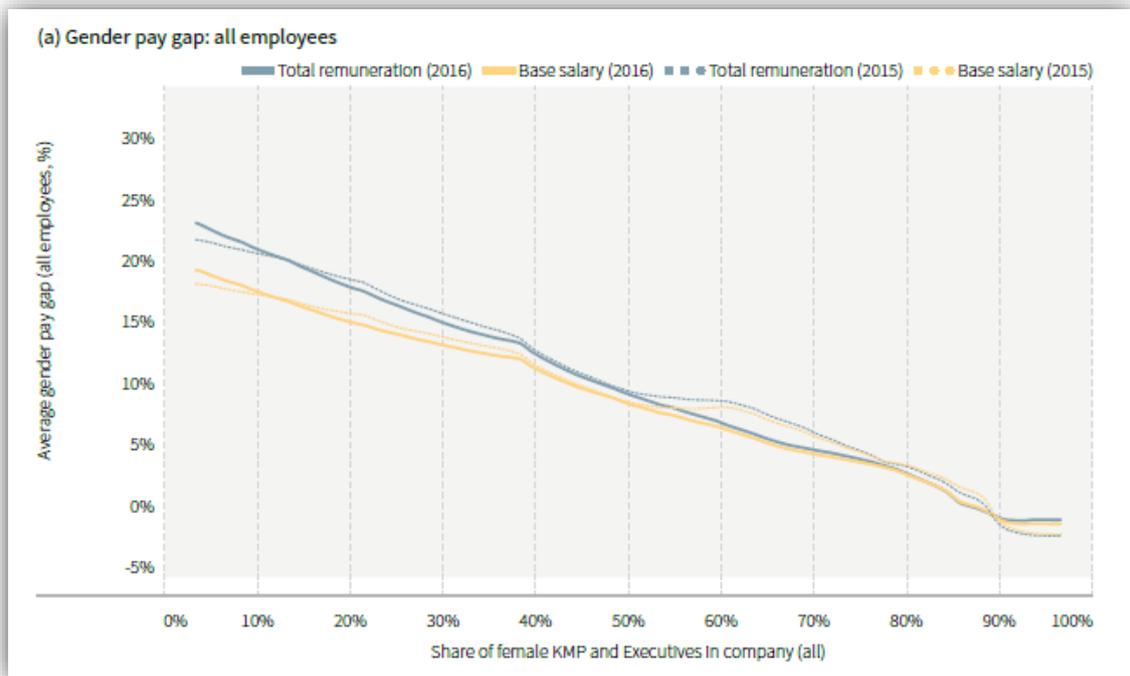


Figure 8 charts the relationship between the gender pay gap and the share of female KMP and executives across individual companies in Australia. Separate schedules are shown for base salaries (in red) and total remuneration (in blue), and for each, the 2015-16 relationship (shown as a solid line) is presented against the 2013-14 (dashed) schedule for comparison.

Figure 8: Company gender pay gaps by share of female KMP/Executives: 2015 and 2016



Panel (a) of Figure 8 concentrates on the gender pay gap across all levels of seniority and employment status, and shows a strong and systematic association between the share of women in leadership positions (on the horizontal axis) and the overall gender pay gap (on the vertical axis).

Companies with a very low share of female KMP and executives (5% or less) have a gender pay gap of some 20%. In comparison, the average gender pay gap is only half as wide, at less than 10%, among companies with an equal (50%) share of women in executive leadership positions. The drop is even more pronounced when one looks at total remuneration, with the gender pay gap falling from 25% to 10% (a drop of fully 15 percentage points) between those companies with few female executive leaders and those with an equal share.

To assess the extent to which these pay equity outcomes diffuse throughout the organisation, Panel (b) of Figure 8 shows the relationship between the non-managerial gender pay gap and the shares of female KMP and executives. A similar pattern of association is evident, with the gender pay gap in base salaries falling by 8 percentage points from 14% to around 6%, between companies with few female executive leaders and those with an equal share.

This strongly counters any notion that the increased gender pay equity among firms with a higher share of female KMP and executives is caused by the higher relative salaries of the female executives themselves.

3.3 Within-company changes in gender pay equity

But to what extent is the association likely to be causal? The strength of association between pay equity and women in leadership could reflect more the cultures and attitudes towards gender diversity embedded within companies – these cultures and attitudes vary according to their industry sector, scale and organizational setting. Companies with a positive attitude to gender diversity are likely to drive equity both in pay and in the progression of women into leadership positions, leading to a strong correlation between the two indicators.

We are able to further strengthen the evidence on this important finding by applying a rigorous test that takes advantage of the longitudinal features of the WGEA Gender Equality data. Specifically, we categorise each company according to the change in the shares of women in KMP or senior executive positions between 2015 and 2016. We also compare the average change in gender pay gaps for companies in each category over the same interval.

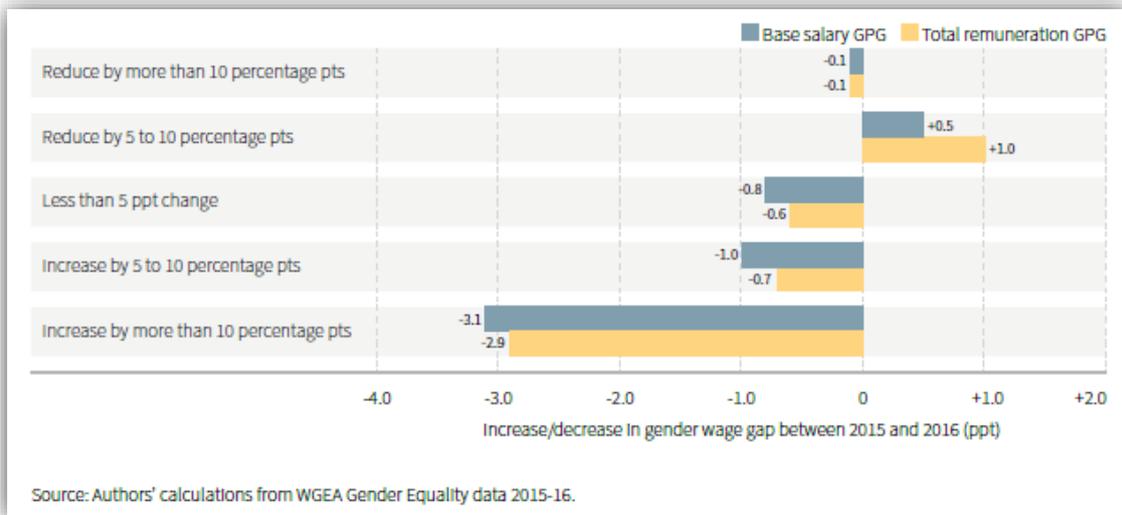
Around 58% of companies saw little or no change in the share of women in leadership between 2015 and 2016 (Table 4) while 11% of companies increased the share of female KMP and executives by between 5 and 10 percentage points, and 12% of companies by more than 10 percentage points.

Table 4: Gender pay gaps and change in share of women in leadership, 2015 and 2016

Change in the share of women in leadership: between 2015 and 2016	Share of companies	Base salary GPG			Total remuneration GPG		
		2015	2016	ppt change	2015	2016	ppt change
Reduce by more than 10 percentage pts	9%	14.0	13.9	-0.1	16.2	16.1	-0.1
Reduce by 5 to 10 percentage pts	9%	14.7	15.2	+0.5	16.6	17.7	+1.0
Less than 5 ppt change	58%	16.7	16.0	-0.8	19.3	18.7	-0.6
Increase by 5 to 10 percentage pts	11%	18.3	17.4	-1.0	19.5	18.8	-0.7
Increase by more than 10 percentage pts	12%	14.9	11.8	-3.1	16.3	13.4	-2.9
Total		16.3	15.4	-0.9	18.5	17.8	-0.7

Source: Authors' calculations from WGEA Gender Equality data 2015-16.

Figure 9: Gender pay gaps and change in share of women in leadership: 2015 and 2016



Companies that experienced a fall in the share of women leaders over the period saw either no change, or a small increase, in the overall gender pay gap. This was true whether the pay gap related to base salary or to total remuneration.

In contrast, gender pay gaps fell by up to 3 percentage points between 2015 and 2016 for companies that increased the share of women in leadership positions. For companies that increased the share of female KMP and executives by more than 10 percentage points, gender pay gaps fell by 3.1 percentage points in relation to base salaries, and 2.9 percentage points for total remuneration.

For companies whose shares of women leaders increased by between 5 and 10 percentage points, the gender pay gaps in base salary and total remuneration fell by 1.0 and 0.7 percentage points respectively.

Taken together, these findings present some of the strongest empirical evidence to date that improved gender pay outcomes are driven by companies promoting greater gender equity in KMP and executive leadership.

4. Conclusion

The role that gender segregation within the Australia workforce plays in contributing to the gender pay gap is not always straightforward – women moving into traditionally male-dominated jobs and industries and vice versa may not be the only lever that needs to be pulled to eliminate the gender pay gap entirely.

Gender pay gaps remain a permanent feature of the Australian labour market, having barely shifted in the last twenty years despite the advances women have made in educational attainment, workforce participation and legislation prohibiting discriminatory behaviours.

Gender pay gaps can be a sign of both conscious and unconscious biases, both of which are problematic. They result in poorer outcomes for women in terms of economic and personal freedoms, impair economic growth and represent a lost opportunity in human capital investment and potential.

BCEC research draws attention to the complexities of workforce segregation and its relationship with the gender pay gap. Historically, women's work has been undervalued and once women begin to dominate certain fields and occupations it is often accompanied by a devaluation of these roles. This is borne out through both the level of prestige or difficulty the role is perceived to have and consequently the level of pay.

At one end of the spectrum, a greater presence of women in non-managerial positions has a positive association with a lower gender pay gap among WGEA reporting organisations. On the other hand, when the management environment becomes heavily dominated by women, the managerial gender pay gap widens.

Companies classified as female-dominated record the highest gender pay gap among full-time managers – at 23% and for part-time managers, this extends out to 35%. This suggests that men working in management roles in heavily female-dominated organisations are more highly valued and more likely to be fast tracked to senior positions and receive greater pay.

Taking advantage of the longitudinal WGEA data, this research also presents some of the strongest empirical evidence to date that improved gender pay outcomes are driven by companies that promote greater gender equity at the top. For companies that increased the share of female KMP and executives by more than 10 percentage points in the last year, organisation-wide gender pay gaps fell by 3.1 percentage points in relation to base salaries, and 2.9 percentage points for total remuneration.

This powerful evidence base highlights an important opportunity to target and reduce gender pay gaps across Australian organisations through ensuring that diversity exists in key management roles that are responsible for decision-making and driving change.

5. Policy recommendations

The empirical evidence raised in this submission indicates there is a strong case for government to consider a range of policy measures that address the effects of gender segregation in the workplace and its impact on women's economic equality – in particular the gender pay gap.

The recommendations are as follows.

- a. Policy initiatives that encourage a greater representation of women in senior leadership roles across all Australian organisations, including Senior Executives, Key Management Personnel and Board positions.
- b. Measures to increase both men's participation in female-dominated occupations and industries, and women's participation in male-dominated occupations and industries.
- c. Initiatives that raise awareness and seek to eradicate the damaging effects of unconscious bias, and the systematic devaluation of women in society in general.
- d. Further research into the devaluation of occupations and industries that employ a greater share of women in previously male-dominated fields.
- e. Continued data capture and company reporting to enable the extent of workforce segregation and its impact on gender equality outcomes including the gender pay gap to be assessed and monitored.
- f. Consider requiring Australian organisations to report gender pay equity indicators including gender pay gaps to both their governing Boards/entities, their employees and potentially to the general public.

6. References

Cassells R, Duncan A, and Ong R (2017), '*Gender Equity Insights 2017: Inside Australia's Gender Pay Gap*', BCEC|WGEA Gender Equity Series, Issue #2, March 2017.

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The Bankwest Curtin Economics Centre is an independent economic and social research organisation located within the Curtin Business School at Curtin University. The centre was established in 2012 through the generous support from Bankwest (a division of the Commonwealth Bank of Australia), with a core mission to examine the key economic and social policy issues that contribute to the sustainability of Western Australia and the wellbeing of WA households.

The Bankwest Curtin Economics Centre is the first research organisation of its kind in Western Australia, and draws great strength and credibility from its partnership with Bankwest, Curtin University and the Western Australian government.

The Centre brings a unique philosophy to research on the major economic issues facing the state. By bringing together experts from the research, policy and business communities at all stages of the process – from framing and conceptualising research questions, through the conduct of research, to the communication and implementation of research findings – we ensure that our research is relevant, fit for purpose, and makes a genuine difference to the lives of Australians, both in WA and nationally.

The Centre is able to capitalise on Curtin University's reputation for excellence in economic modelling, forecasting, public policy research, trade and industrial economics and spatial sciences. Centre researchers have specific expertise in economic forecasting, quantitative modelling, micro-data analysis and economic and social policy evaluation. The centre also derives great value from its close association with experts from the corporate, business, public and not-for-profit sectors.