



EXECUTIVE SUMMARY: GENDER EQUITY INSIGHTS 2023: ACCELERATING THE PACE OF CHANGE

Accessing the full report

To access the full *Gender Equity Insights 2023: Accelerating the pace of change* report, please click here <https://bcec.edu.au/publications/gender-equity-insights-2023-accelerating-the-pace-of-change/>

About the Bankwest Curtin Economics Centre

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 of Bankwest, a division of the Commonwealth Bank of Australia. The Centre's core mission is to deliver high quality, accessible research that enhances our understanding of key economic and social issues that contribute to the wellbeing of West Australian families, businesses and communities.

The Centre's research and engagement activities are designed to influence economic and social policy debates in state and Federal Parliament, regional and national media, and the wider Australian community.

Through high quality, evidence-based research and analysis, our research outcomes inform policy makers and commentators of the economic challenges to achieving sustainable and equitable growth and prosperity both in Western Australia and nationally.

The Centre capitalises 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 and economic and social policy evaluation.

About the Workplace Gender Equality Agency

The Workplace Gender Equality Agency is an Australian Government statutory agency created by the *Workplace Gender Equality Act 2012* (WGE Act). The WGE Act requires private and Commonwealth public sector employers with 100 or more employees (relevant employers) to report to the Agency annually against standardised gender equality indicators and for larger employers (500 or more employees) to meet the Gender Equality Standards.

WGEA is responsible for promoting and improving gender equality in Australian workplaces.

We provide advice and assistance to employers, collect and analyse information provided by employers, assess and measure workplace gender equality performance and undertake research, education and other programs to promote and improve gender equality in the workplace. We are both a regulator and a driver of change and we provide Australia with the most comprehensive gender equality dataset and collection approach in the world.

About the dataset

The data included in this report is based on employer reports to the Workplace Gender Equality Agency for the period 1 April 2021 to 31 March 2022. It includes information from 4,795 reporting organisations covering 4,483,123 employees. Of these 51 per cent were women, 48.9 per cent were men and 0.1 per cent non-binary. Since 2020-21, employers can submit voluntary data on non-binary employees, making up less than 0.1 per cent of all employee data collected. Due to the current sample size, non-binary employees cannot be statistically analysed for the purposes of this scorecard.

EXECUTIVE SUMMARY

Improved gender equity in pay, progression and leadership has emerged as a policy priority for Australian governments and businesses, yet despite focus on, and awareness of this as an issue, progression towards gender equity seems to be stalling.

The eighth report in the Bankwest Curtin Economics Centre and the Workplace Gender Equality Agency's Gender Equity Insights report examines why progress towards narrowing gender pay gaps looks to be stagnating, and asks what actions and targets are needed to keep Australia's collective foot on the gas.

Crucially the 2023 report provides a roadmap to organisations to support continuous improvement towards gender equity within their workplaces, and in doing so, ensure that apathy and stagnation does not derail the progress of women's economic equality in Australia.

About the 2023 Report

In this report we look at which types of companies are progressing gender equity outcomes most effectively, and which are falling behind. In this way we identify what policies and strategies work, and what distinguishes stagnation from success.

For this 2023 Gender Equity Insights report we develop a new *maturity framework* that differentiates organisations based on their approach to driving improved gender equality outcomes.

Using the maturity framework, we identify sets of policies and actions appropriate to the profile and characteristics of the organisation, and to different stages of their organisational journey towards gender equity. Our research also examines the impact that gender differences in accessing higher paid jobs within professions or industries has on gender equity outcomes.



KEY INSIGHTS

Gender pay gap



The gender pay gap in Australia has fallen consistently over the past eight years to **22.8 per cent** in 2022, but the pace of change has been gradual.

Women's representation



The share of company boards chaired by women has increased by 2.3 percentage points to **16.7 per cent** over three years to 2022.

Pace of change



The most successful 25 per cent of businesses reduced gender pay gaps within their organisations by **at least 5.3 percentage points** over three years.

Lack of access to high earnings



Women are **consistently underrepresented** among the top 20 per cent of earners in most industry sectors.

Pay gap reporting



Around **50 per cent** of businesses conducted a pay gap analysis in the past year but **only one-tenth** report pay equity metrics to executives and boards.

Pay audits



The median improvement in the gender pay gap **more than doubles** over three years for businesses that undertake a gender pay gap audit.

Gender equity policies



28 per cent of businesses improved their approach to gender equity over the past three years by raising their maturity by at least one level.

Gender concentration



The best quarter of businesses for increasing the percentage of female workers lifted the share of women in their workforces by **2.5 percentage points** in three years.

Retention



The share of female manager resignations **rose** by **2.4 percentage points** for businesses at base maturity but reduced by 0.3 percentage points among businesses with highest maturity.

Women's representation



The share of female board members increased by **3.3 percentage points** in three years for businesses that improved their gender equity maturity by at least one level.

A MATURITY FRAMEWORK FOR AUSTRALIAN ORGANISATIONS

What is a maturity framework?

A *maturity framework* provides businesses with a structured framework to drive improvements in a particular area of activity, organisational discipline or performance metric.

The maturity framework provides a basis to translate the insights derived from evidence-based research into a journey which can help organisations identify, measure, and implement practical policies and actions to drive improved workplace gender equity outcomes.

The gender equity maturity framework developed in this report is constructed with reference to the responses of Australian organisations to WGEA's company reporting data.

Using the framework will enable businesses to position themselves against industry practice on workplace gender equity and to develop a roadmap to drive continuous change.

We should emphasise that the maturity framework developed in this report should not be considered as fixed over time. Rather, the framework and the associated roadmap should evolve to match prevailing expectations and societal norms.

Maturity levels

Base – Limited formal action on workplace gender equality in employment beyond statutory or mandated employment practices.

Foundation – Introduced some workplace gender equality policies beyond mandated requirements with the intention to drive improved outcomes for women.

Growth – Implemented gender equality policies and practices with more ambitious formal commitment for progress towards workplace gender equality.

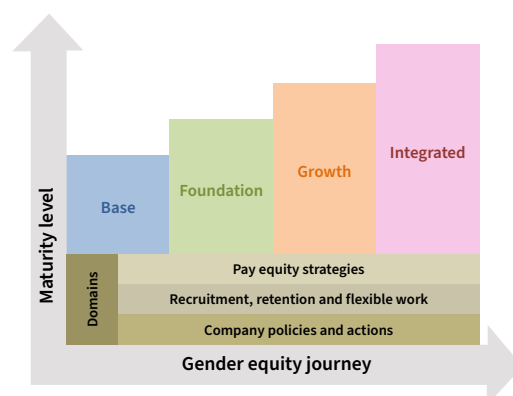
Integrated – Embedded comprehensive and connected suite of gender equality practices with senior accountability. Gender equality is integral to the way that organisations do business.

Maturity domains

Pay equity – remuneration policies, pay gap analysis, reporting on pay metrics, training.

Recruitment, retention and flexible work – recruitment policies, performance measures, promotions, talent identification, succession, flexible work.

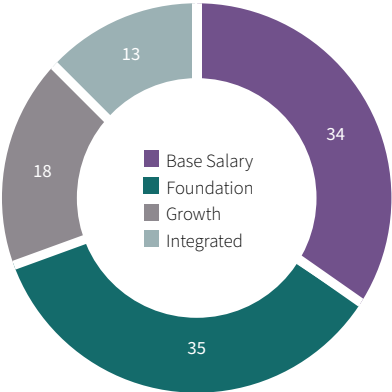
Company policies and actions – parental leave, family and caregiving, sexual harassment, domestic violence and discrimination policies, consultation.



Linking maturity to gender equity outcomes

Businesses that reach higher maturity levels in their approach to gender equity achieve far stronger gender equity outcomes than organisations at lower levels of maturity.

Businesses are found to outperform their sector on gender equality metrics when they adopt a comprehensive and connected set of gender equity policies with strong accountabilities across all areas of activity.



Gender pay gap

- down **1.6ppt** in three years for businesses at an integrated maturity
- up **0.2ppt** in three years for businesses at a base maturity

Worker resignations

- down **0.3ppt** in three years for businesses at an integrated maturity
- up **2.4ppt** in three years for businesses at a base maturity

Share of female managers

- up **3.2ppt** in three years for businesses at an integrated maturity
- up **1.1ppt** in three years for businesses at a base maturity

Accountability matters

Mandatory reporting of pay equity measures to executives and governing boards should accelerate the pace of change.

15% of businesses report pay equity metrics to executive leadership

10% of businesses report pay equity metrics to their company boards

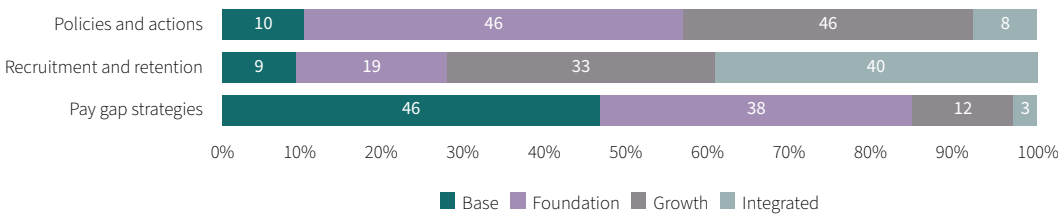
Accelerating the pace of change

Companies that increase the maturity of their approach to gender equity see enhanced gender equity outcomes.

55% of businesses held the same level of maturity between 2019 and 2022

28% of businesses improved their level of maturity between 2019 and 2022

Domains of maturity



RECOMMENDATIONS

- 1.** Tackle workforce gender balance. A more gender-balanced workforce will go a long way towards narrowing gender pay gaps in many industries, and the greater the rates of progress, the quicker will be the advancement towards women's economic equality. Organisations with a formal strategy for gender balance have outperformed on gender equality outcomes.
- 2.** Implement pay equity action plans, informed by an evaluation of the organisation's remuneration processes for gender bias, including commencement salaries and performance pay. Businesses that do this outperform their industry sector in terms of improved gender equality outcomes.
- 3.** Accelerate progress on gender equality on governing bodies, potentially including targets. Gender diversity in decision-making and on boards is a key driver of organisational change. A lack of action to accelerate change will leave women under-represented in the boardroom for decades to come.
- 4.** Businesses should ensure that women and men have equal access to the most highly paid roles within their industry and profession, for example the top 20 per cent of roles by remuneration and the more highly paid part time manager roles. Businesses can implement targeted strategies to address these leverage points.
- 5.** Extend the focus on gender equality for managers and executives to non-managerial occupations. Equal commitment should be given to supporting gender equality across occupation levels.
- 6.** Commit to sustained focus and action. Maintaining the highest levels of maturity in workplace gender equity requires significant and sustained efforts, not only in the persistent application of comprehensive policies and strategies, but also in the continuity of actions implemented following gender pay audits.
- 7.** Plan for continual improvements, enhanced actions, and higher standards of practice in gender equality policies as internal and external expectations evolve.
- 8.** Consult meaningfully with employees, such as through employee surveys and consultative groups, to enable progress for businesses aspiring to accelerate the rate of improvement in gender equality outcomes.

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BCEC | WGEA Gender Equity Series