



**GENDER EQUITY**

**INSIGHTS 2019**

**BREAKING THROUGH**

**THE GLASS CEILING**



## 2016



## 2017



## 2018



## 2019



### 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.

The Agency is charged with promoting and improving gender equality in Australian workplaces.

We work collaboratively with employers providing advice, practical tools and education to help them improve their gender performance. Our staff are workplace gender equality specialists and provide industry-specific advice.

We also work with employers to help them comply with the reporting requirements under the Workplace Gender Equality Act 2012. This reporting framework aims to encourage measures that improve gender equality outcomes and has been designed to minimise the regulatory burden on business.

The Agency uses the reporting data to develop educational benchmark reports based on six gender equality indicators. The benchmark reports can be customised by industry and organisation size and enable employers to identify areas for focus, develop informed strategies and measure performance against peers over time.

We are committed to promoting and contributing to understanding, acceptance and public debate of gender equality issues in the workplace. We work collaboratively with employers, business, industry and professional associations, academics and researchers, equal opportunity networks and women's groups and regularly speak at private and public events on workplace gender issues.



## LIST OF FIGURES

<b>FIGURE 1</b>	Women's progression in management roles and projected time to achieve parity	15
<b>FIGURE 2</b>	Share of women in management positions by industry, 2014 to 2018	19
<b>FIGURE 3</b>	Distribution of total remuneration by year, full-time managers, men and women	25
<b>FIGURE 4</b>	Effects of company policies and characteristics on shares of female managers, full-time and part-time workers, 2018	32
<b>FIGURE 5</b>	Typical weeks of employer-funded Paid Parental Leave, 2017 and 2018	33
<b>FIGURE 6</b>	Rates of employer-Paid Parental Leave, by gender and managerial status, 2016 to 2018	34
<b>FIGURE 7</b>	Share ceasing employment during Paid Parental Leave, by gender and managerial status, 2016 to 2018	37
<b>FIGURE 8</b>	Shares of workers ceasing employment during Paid Parental Leave, by gender, management status and length of employer-funded PPL, 2018	38
<b>FIGURE 9</b>	Effects of policies on the share of those ceasing employment while on Paid Parental Leave, female managers and non-managers, 2018	39

## LIST OF TABLES

TABLE 1	Share of women in CEO and management positions, full-time workers, 2014 to 2018	14
TABLE 2	Managerial gender pay gaps by salary quantiles and industry, 2018	26
TABLE 3	Salary growth across the male and female distribution, 2014 to 2018	27
TABLE 4	Potential drivers and barriers to career progression	30
TABLE 5	Drivers of the shares of female managers employed by companies, 2018 and change, 2013 to 2018	54
TABLE 6	Drivers of employees' return from Paid Parental Leave, 2018	55



## FOREWORD WGEA



Data tells stories. Our partnership with the Bankwest Curtin Economics Centre (BCEC) is particularly valuable because their analysis of our data tells a story about the importance of action and accountability taken by employers when tackling gender equality in their workplace.

The insights uncovered by the *BCEC / WGEA Gender Equity Insight Reports* each year deepen our understanding of the trends and changes happening in our workplaces and the employer actions that are accelerating this transformation.

Accountability is the key. It breathes life into the bare bones of policies and strategies to ensure they become the lived experience of all employees in a workplace. Targets have to be set, progress has to be measured and people must be held accountable for the outcomes.

Two findings particularly pleased me in this report. Our data and other research have indicated that the normalisation of flexibility is crucial in improving the representation of women in management. Now we have some powerful evidence to support this.

The uptake and breadth of flexible work arrangements and reporting this to the board significantly increases the number of part-time female managers. This is important because currently only 6% of managers in our dataset work part-time.

Our data has also suggested that employer-provided paid parental leave is a crucial element in supporting women to stay in the workforce. But now this report tells us that female managers are twice as likely to return to work if their employer provides 13+ weeks of paid parental leave.

These findings reveal that if you change the working conditions available to employees, the choices women can make change too. Access to paid parental leave and flexible work arrangements actually enables more women to choose to return to work and so stay in the workforce.

This year, many of you would have said an emotional goodbye to your child on their first day of primary school. We should celebrate the fact that the data in this report shows that when they enter the workforce, we may well have achieved gender balance at most management levels. However, the data also tells us that these same children will have to live to be almost 90 years old to see women reach equality at the CEO level.

For this reason alone, we must remain resolute in our determination to break down the barriers we all continue to face in Australia's workplaces.

A handwritten signature in black ink, appearing to be 'AL'.

**Libby Lyons**

Director, Workplace Gender Equality Agency





## FOREWORD BCEC

When the Bankwest Curtin Economics Centre entered into the *Gender Equity Insights* partnership with the Workplace Gender Equality Agency, we were aiming to deepen the evidence base around gender pay gaps in Australia.

Four years on, our research program has moved on from simply highlighting the problem to uncovering the steps employers can take to make meaningful progress towards gender equity in their own organisations.

The findings in this report underscore the importance of employer-led action, coupled with accountability and reporting to company Boards, in order to deliver compelling change within an organisation.

We see that those employers who recognise flexible work practices with formal policies are rewarded with a tangible impact on staff retention, the effect of which almost doubles when combined with reporting on this policy to the Board.

We can also see that progress is being made, with greater representation of women in management and leadership roles now than ever before. Parity may be just around the corner.

However, this does not mean they will be paid as well as their male peers.

At every management tier the spread of salaries available to men is much wider and higher than those available to women. Another ceiling exists.

And this inequality impacts not only the women in those senior leadership positions, our research also finds that this additional 'glass ceiling effect' contributes to a lower overall share of female managers in an organisation – multiplying the impact of inequality that is evident amongst the senior organisational ranks.

Through the *BCEC / WGEA Gender Equity Insights* series, Australian organisations now have tangible evidence of the impact a growing array of policy levers can have on improving gender equality in their workplaces.

We thank you for your continued support of the series, and hope you find this report compelling reading.

**Professor Alan Duncan**

Director, Bankwest Curtin Economics Centre  
Curtin Business School, Curtin University

## EXECUTIVE SUMMARY

Glass ceilings have featured heavily in Australia's workplaces for centuries but in recent years significant changes have been made.

Women now make up almost 50% of Australia's workforce and hold around 40% of all full-time jobs.

Although women still remain under-represented in positions of power and over-represented in lower-paid jobs, this report shows they are likely to dominate middle management roles in years to come.

The Bankwest Curtin Economics Centre has partnered with the Workplace Gender Equality Agency to help improve gender equality throughout Australia's workplaces.

This fourth report in the *BCEC / WGEA Gender Equity Insight Series*, provides insight into positive change that has been made across different sectors in recent years and highlights the importance of workplace policy initiatives in ensuring women continue to progress into senior positions and in narrowing the gender pay gap in Australia.

The findings showcase the crucial role flexible workplace policies, employer provided on-site child care and employer-funded paid parental leave has on achieving this positive change.

### Key findings

#### Women are gaining ground – parity could be closer than we think...

Women are now progressing into management roles at a faster rate than men. If this growth continues, it would take just *two decades* for women to have equal representation in full-time management positions. For lower-tier managers, this could be even sooner, with parity just over *ten years away*.

Whilst key management personnel positions are the most under-represented by women, they have the fastest growth rate and if this continues, parity in these roles could occur by 2039.

For the top spot of CEO, female representation in Australia has seen very little movement over the in the last five years. Based on the 5 years of WGEA data and the rate of change, we will not see an equal share of women in Chief Executive Office roles until the **turn of the next century** – some 80 years away.

#### Women may reach the top – but they're unlikely to access the same pay - yet.

Although women are progressing faster into management and leadership roles there is still a systemic gender pay gap in Australia.

At every management tier the salaries available to men are higher than those available to women. The highest paid 10% of men will earn at least \$600K in total salary, whereas the highest paid 10% of women will earn \$436K, a difference of over \$160K. Rental Hiring and Real Estate sectors have the highest pay gap of 35.6%. This is closely followed by the Retail and Finance and Insurance sectors.

The presence of significant gender pay gaps at management level appears to be a barrier to increasing the proportion of women in management. Gender pay gaps at different levels of management seniority correspond to **reduce the share of full-time female managers** by an average of **9.9ppts**, and the share of part-time female managers by **7.9ppts**.

### Some sectors are doing better than others

Some industries in Australia are moving quicker than others in progressing women into leadership roles. Interestingly the male dominated industries of Mining, Manufacturing, Utilities, Transport, Postal and Warehousing have seen strong growth in the share of female managers across all tiers.

Women are noticeably under-represented in management positions in the Health Care sector. Women make up 71.0% of the workforce, but only 51.9% of top-tier management. The majority of female managers in the Health Care sector are holding lower level day-to-day management positions (72.3%).

### Flexible workplaces and paid parental leave are key to staff retention

The loss of skilled workers represents a potentially significant cost to companies, both through the loss of experience and leadership, and through the costs of recruiting and training new appointees.

Flexible workplaces with paid parental leave schemes are integral to retaining female staff members during and after pregnancy.

Over half of Australian organisations still offer no employer-funded paid parental leave limiting employees' parental leave access to only the Australian Government Paid Parental Leave Scheme, where payment is restricted to the relevant national minimum wage.

Those organisations providing additional parental leave support to primary carers are seeing greater retention of staff. Employer-funded paid parental leave schemes covering 13+ weeks have been found to halve the share of managers who resign during PPL in comparison to those with access to only the Australian Government scheme. Workplaces that provide on-site childcare have been found to prevent the loss of female managers during PPL by almost one-fifth.

### Stronger representation needs to start at the top

Leadership, accountability and female representation on boards are critical drivers of progress towards gender equity. The share of female full-time manager's increases by an average of 8.6% for companies with a female CEO. And moving from zero to equal female representation on company boards increases the share of full-time female managers by 7.3ppts and the share of part-time female managers by 13.7ppts.

## INTRODUCTION

Glass ceilings have been a feature of our workplaces for some time now. Women are often able to reach a certain point in their vocation but fall short of progressing any further with an invisible barrier preventing their movement into more senior positions – and to higher pay.

A number of significant milestones have been made in Australia, but some only very recently and there are areas in our society where progress has stalled or in some instances gone backwards. Representation of women in our parliaments, as Heads of Government and as CEO's of our biggest organisations are a case in point and frequently do not reflect the pool of talent that exists.

The importance of women in senior leadership roles has been well established, with greater gender diversity shown to have a positive impact on

organisations, leading to better decision-making and business outcomes. Women being able to access higher-level and higher-paid positions is also one of the key drivers of the gender pay gap, where the widest earnings differentials tend to occur at the top of the distribution.

What does it take to break through the glass ceilings in our workplaces and once through are there additional obstacles or barriers that women need to navigate?

In this report we examine how much progress women have made in accessing senior leadership and management roles across Australian workplaces and industries and explore what type of workplace environments and policy initiatives contribute to progressing women in the workforce and in narrowing the gender pay gap.

"WHAT DOES IT TAKE TO  
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WOMEN IN  
LEADERSHIP  
- PROGRESS

## WOMEN IN LEADERSHIP - PROGRESS



**For the top company spot of CEO, female representation is glacial.**



**Women are more likely to hold lower-level management positions but representation in higher-tier management positions is increasing at a faster rate.**

Men have dominated senior roles in organisations across Australia for some time, with progress evident, but may not be at the pace expected relative to growth in women's participation in the labour force.

Women now make-up almost 50% of the Australian labour market and hold around 40% of all full-time jobs, yet they are often under-represented in higher-level and higher-paid positions and over-represented in lower-paid jobs.

Progress is being made and women now hold 36.3% of all full-time management positions within the workforce as reported to the Workplace Gender Equality Agency (WGEA). In the five years of the WGEA reporting data, the proportion of full-time female managers has increased by 3.2 percentage points - double the rate of growth in the overall full-time workforce.

If the growth trajectory of women in leadership roles that we have seen over the last five years continued as is, it would take another 23 years for women to achieve equal representation in full-time management roles in some of the biggest organisations in Australia.

A noticeable pattern is that as management levels increase, the representation of women declines (Table 1). However, the rate of change is faster for higher-level management positions, which offers some encouragement that women will achieve greater representation in higher-tier management positions sooner.

**TABLE 1**  
Share of women in CEO and management positions, full-time workers, 2014 to 2018

Management level	Proportion of Women					Change between 2018 & 2014
	2014	2015	2016	2017	2018	
Chief Executive Officer	15.7%	15.4%	16.3%	16.5%	16.8%	1.1ppts
Key Management Personnel	24.6%	25.9%	27.1%	28.1%	29.0%	4.4ppts
Executives	25.8%	26.8%	27.6%	28.0%	29.0%	3.2ppts
Senior Managers	29.0%	30.2%	31.2%	32.1%	32.4%	3.3ppts
Other Managers	36.3%	36.7%	37.6%	38.6%	39.3%	3.0ppts
All Managers	33.1%	33.7%	34.7%	35.7%	36.3%	3.2ppts
All Workers	35.8%	36.1%	36.8%	37.3%	37.5%	1.6ppts

Source: Bankwest Curtin Economics Centre | WGEA Gender Equality data 2014 to 2018.

For the top company spot of CEO, female representation is glacial and parity looks to be centuries away, with very little movement in the last five years (+1.1ppt). At this rate we will not see an equal share of women in Chief Executive Office roles until the turn of the next century.

For the top company spot of CEO, female representation is glacial.

However, for top-tier managers leading and overseeing major functions in an organisation progress has been a little faster in the last five years than other management groups, with female representation increasing from 24.6% to 29.0%. Equal representation of men and women in these senior leadership roles is likely to be 20 years away if growth rates continue at the same pace.

Women occupying Executive positions has improved from 25.8% to 29.0% and Senior Managers from 29.0% to 32.4%. Both have been growing at similar rates and have seen an increase of around 3.3 percentage points in the last five years. Women hold 39.3% of Other Managerial roles – an increase of 3.0 percentage points between 2014 and 2018.

Women are more likely to hold lower-level management positions but representation in higher-tier management positions is increasing at a faster rate.



**Mining, Manufacturing, Utilities, Transport, Postal and Warehousing have similar representation of women in management relative to the share in their workforce.**

**FIGURE 1**  
Women’s progression in management roles and projected time to achieve parity





**Women are noticeably under-represented among top-tier managers in the Health Care Sector relative to their overall presence in the workforce.**

Some industries are moving faster when it comes to progressing women in leadership (Figure 2).

The male-dominated industries of Mining, Manufacturing, Utilities, Transport, Postal and Warehousing all have similar representation of women in full-time management positions relative to the share in their respective full-time workforces. These industries typically have good representation across all management tiers.

Mining, Manufacturing, Utilities, Transport, Postal and Warehousing have similar representation of women in management relative to the share in their workforce.

Mining and Transport, Postal and Warehousing stand out, consistently recording high growth in the share of female managers across all tiers, with strong growth at the very top; 4.0 and 5.1 percentage points respectively in the last five years.

Other male-dominated industries – Agriculture, Construction & Wholesale Trade all have smaller representation of women in full-time management roles relative to their presence in their full-time workforces. Wholesale Trade, despite this smaller representation has experienced the biggest increase in female top-tier managers, rising by 7.6 percentage points in the last five years. This pattern is also evident among the Executive and Senior Management tiers in the Wholesale sector.

Professional, Scientific and Technical services also have lower representation of women but a strong growth trajectory over the last five years.

The heavily female-dominated Health Care sector is lagging behind when it comes to female representation in management roles – particularly top-tier managers. The full-time Health Care workforce is 71.0% female, yet women make up only 67.4% of the full-time managerial workforce.

Within the Health Care sector, the share of women in management decreases rapidly as the management level increases. Women make up 63% of Senior Managers, 56.4% of Executives and only 51.9% of Key Management Personnel. The majority of female managers in this sector are holding lower level day-to-day management positions (72.3%).

A positive sign for the Health Care sector is that growth in female managers is faster in the higher-level management tiers compared to middle- and lower- levels.

Women are noticeably under-represented among top-tier managers in the Health Care Sector relative to their overall presence in the workforce.

Retail Trade and Hospitality are faring reasonably well, but slightly under done, compared to the overall presence of women in these industries.

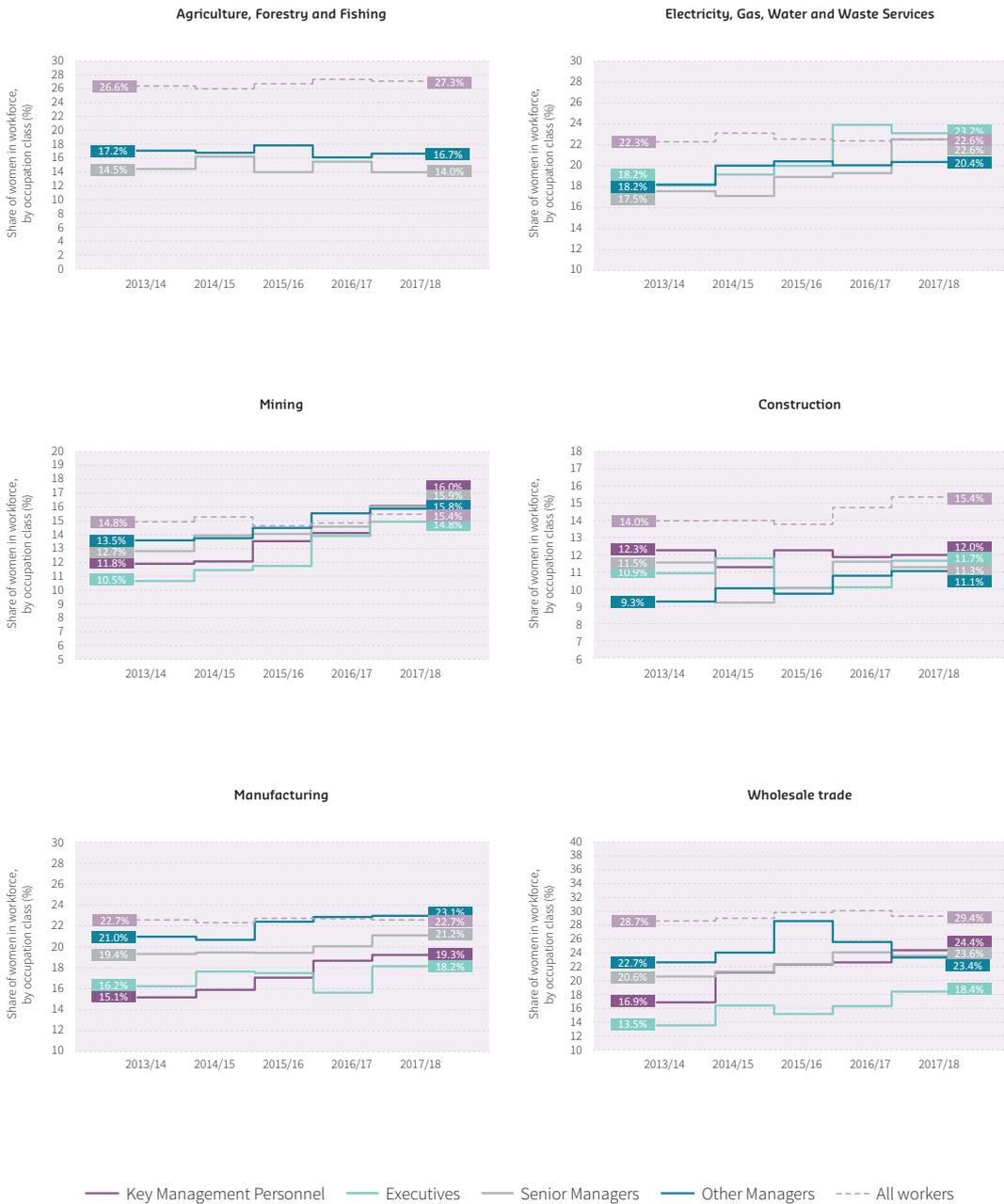
Finance and Insurance's full-time workforce consists of 48.1% women, yet the share of female full-time managers is only 37.7% - a 10 percentage point difference. Progress has been reasonably strong in the last five years, with top-tier managers and middle-level managers increasing by over 4ppts. The share of female Executives, however have remained relatively stable in this time frame, shifting only slightly from 24.6% to 25.3%.

Rental Hiring and Real Estate is similar to the Finance sector, with under-representation of women in management relative to their workforce presence. Female managers are more likely to be in lower-level management tiers, but there has been a reasonably strong growth trajectory over the last five years.

"FINANCE AND INSURANCE'S FULL-TIME WORKFORCE CONSISTS OF 48.1% WOMEN, YET THE SHARE OF FEMALE FULL-TIME MANAGERS IS ONLY 37.7% - A 10 PERCENTAGE POINT DIFFERENCE."



**FIGURE 2**  
Share of women in management positions by industry, 2014 to 2018



Source: Bankwest Curtin Economics Centre | WGEA Gender Equality data 2013 to 2018.



**FIGURE 2 (CONTINUED)**

Share of women in management positions by industry, 2014 to 2018



Source: Bankwest Curtin Economics Centre | WGEA Gender Equality data 2013 to 2018.

**FIGURE 2 (CONTINUED)**

Share of women in management positions by industry, 2014 to 2018



Source: Bankwest Curtin Economics Centre | WGEA Gender Equality data 2013 to 2018.





# PAY GAPS & GLASS CEILINGS

## PAY GAPS & GLASS CEILINGS



**Just because women have reached a certain level within an organisation or industry, may not mean they will be paid as well as their male peers.**

Women's representation in management positions, particularly very senior management has been progressing well over the last five years. However, just because women have reached a certain level within an organisation or industry, may not mean they will be able to reach the same salary level as their male peers.

Ranking salaries across management levels allows us to assess the degree of separation between men and women at various points in the distribution (Figure 3). For example, the 50th percentile or median tells us about the 'typical' manager and their salary. The 90th percentile tells us about the highest earners and the 10th percentile the lowest earners. A clear observation is that at every management tier the spread of salaries available to men is much wider and higher than those available to women, indicating an additional glass ceiling.



**At every management tier the spread of salaries available to men is much wider and higher than those available to women indicating an additional glass ceiling.**

An interesting pattern for the managerial groupings is that the lowest (Other Managers) and highest management tiers (Key Management Personnel) tend to have the widest pay gaps across the distribution.

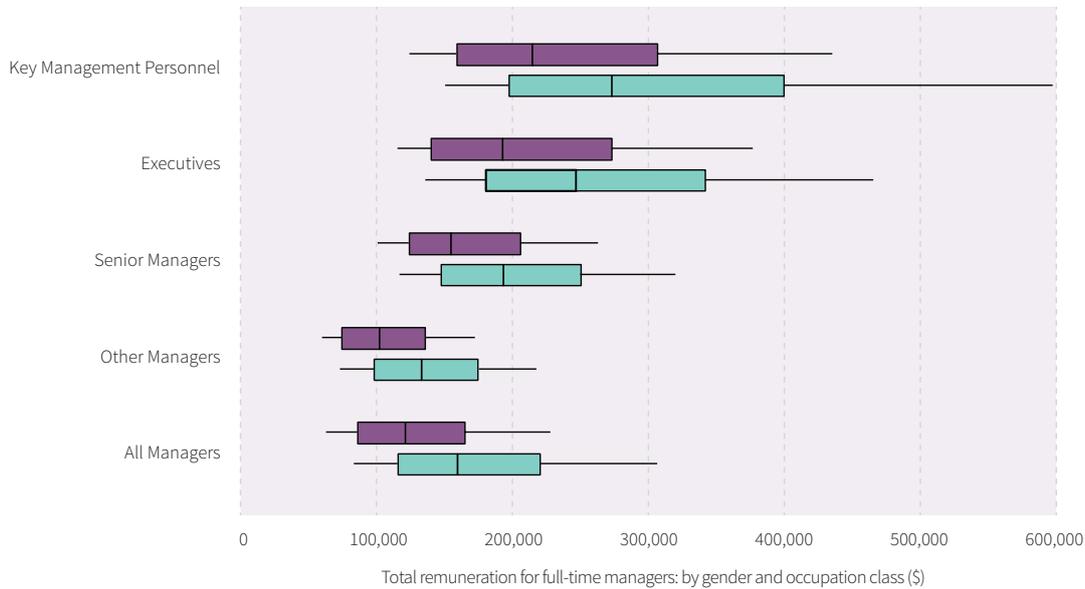
Women are more likely to be employed as Other Managers than any other management grouping. This management tier is usually responsible for day to day operations, with responsibilities including time and line-management. Given the nature of this lower-tier management group, we might expect earnings differences between men and women to be narrower, but this is not the case and suggests that even at the early management stages a glass ceiling effect exists.

The top 25% of women managers earn only as much as the typical male manager. That is, the median salary a male manager can expect to receive.

Among top-tier managers, the highest paid 10% of men will earn at least \$598,745 in total salary, whereas the highest paid 10% of women will reach only \$436,369, a difference of over \$162,000. This 27% gender pay gap is the highest across all management levels and points in the distribution.

Senior Managers and Executives reveal a similar pattern, with a smaller gender pay gap for the lowest-paid managers (14%). This pay gap then widens as we move along the salary distribution, reaching the widest point at the median, before shrinking slightly among the top 25% of earners.

**FIGURE 3**  
Distribution of total remuneration by year, full-time managers, men and women



The highest paid 10% men will earn at least \$598,745 in total salary, whereas the highest paid 10% women will reach only \$436,369, a difference of over \$162,000.

	10th percentile	25th percentile	Median (50th percentile)	75th percentile	90th percentile
<b>Men</b>	(\$)	(\$)	(\$)	(\$)	(\$)
All Managers	82,203	114,743	158,664	219,751	306,245
Other Managers	72,001	97,050	132,033	173,723	217,431
Senior Managers	115,202	146,621	192,658	250,001	319,756
Executives	134,242	179,606	246,375	341,845	466,000
Key Management Personnel	149,039	196,823	272,784	400,000	598,745
<b>Women</b>	(\$)	(\$)	(\$)	(\$)	(\$)
All Managers	61,614	84,449	120,438	164,250	227,680
Other Managers	57,995	73,173	101,497	134,845	172,064
Senior Managers	99,010	122,543	154,545	205,578	262,716
Executives	114,934	139,749	191,675	272,735	376,900
Key Management Personnel	123,643	157,670	213,327	306,385	436,369
<b>Gender Pay Gap</b>	(%)	(%)	(%)	(%)	(%)
All Managers	25.0	26.4	24.1	25.3	25.7
Other Managers	19.5	24.6	23.1	22.4	20.9
Senior Managers	14.1	16.4	19.8	17.8	17.8
Executives	14.4	22.2	22.2	20.2	19.1
Key Management Personnel	17.0	19.9	21.8	23.4	27.1

Source: Bankwest Curtin Economics Centre | Authors' calculations using WGEA Gender Equality unit record data 2018.





**Rental, Hiring and Real Estate Services has the highest glass ceiling.**

## Industry Glass Ceilings

A glass ceiling is evident when it comes to the pay that female managers and leaders are able to access, but how much are differences in the sectors that men and women work in driving these patterns and which industry has the highest glass ceiling?

Table 2 shows the base and total salary gender pay gaps among managers at various points across an industry's earnings distribution.

For example, the median base salary gender pay gap (50th percentile) among managers in the Retail Trade sector is 15.1 per cent.

Looking at the pay gap in total salaries for those on the highest pay (90th percentile), Rental, Hiring and Real Estate Services is in first place with a gap of 35.6%. Access to greater commissions and bonuses is undoubtedly driving the gaps we can see in this sector.

**TABLE 2**  
Managerial gender pay gaps by salary quantiles and industry, 2018

Industry	Distribution of base pay gap					Rank of Glass ceiling	Distribution of total rem pay gap					Rank of Glass ceiling
	10th percentile	25th percentile	Median (50th percentile)	75th percentile	90th percentile		10th percentile	25th percentile	Median (50th percentile)	75th percentile	90th percentile	
Rental, Hiring and Real Estate Services	20.7%	13.6%	15.1%	17.0%	23.2%	5	15.7%	15.8%	19.7%	24.9%	35.6%	1
Retail Trade	9.5%	14.1%	25.9%	32.3%	27.8%	1	11.6%	19.6%	35.8%	40.7%	34.9%	2
Financial and Insurance Services	17.7%	22.4%	18.8%	21.8%	23.1%	6	18.2%	22.4%	20.2%	26.2%	30.8%	3
Health Care and Social Assistance	5.6%	11.5%	15.3%	19.9%	27.1%	2	6.3%	11.3%	16.8%	20.9%	27.7%	4
Arts and Recreation Services	4.8%	14.4%	17.5%	23.2%	25.1%	3	4.6%	15.5%	18.6%	24.8%	27.5%	5
Information Media and Telecommunications	16.8%	19.7%	19.7%	19.4%	20.0%	8	15.4%	21.2%	20.9%	23.4%	26.3%	6
Administrative and Support Services	16.6%	27.2%	20.1%	24.7%	24.6%	4	10.9%	15.8%	18.9%	20.8%	23.5%	7
Accommodation and Food Services	2.4%	4.6%	12.0%	18.6%	22.5%	7	1.6%	6.2%	11.1%	19.1%	23.3%	8
Professional, Scientific and Technical Services	14.3%	14.9%	14.1%	15.0%	13.1%	11	13.8%	15.5%	16.2%	16.7%	17.3%	9
Other Services	13.6%	15.3%	14.6%	10.3%	13.1%	10	14.2%	16.4%	16.8%	19.1%	17.1%	10
Education and Training	5.3%	3.6%	7.7%	14.1%	9.4%	13	6.6%	5.0%	7.3%	14.7%	15.8%	11
Agriculture, Forestry and Fishing	17.5%	13.4%	14.1%	9.0%	7.1%	17	19.2%	13.5%	19.0%	12.8%	14.5%	12
Construction	22.4%	21.7%	15.9%	13.2%	14.1%	9	25.4%	24.4%	17.1%	16.0%	12.5%	13
Electricity, Gas, Water and Waste Services	10.5%	5.7%	4.8%	7.8%	9.6%	12	8.1%	5.0%	7.0%	8.2%	10.3%	14
Transport, Postal and Warehousing	9.4%	10.7%	10.8%	10.1%	9.1%	14	11.3%	11.4%	10.7%	10.1%	8.2%	15
Manufacturing	15.1%	8.6%	6.7%	5.9%	7.7%	16	15.8%	9.9%	7.3%	7.1%	8.1%	16
Mining	13.5%	7.1%	7.0%	9.8%	8.6%	15	14.4%	6.7%	7.2%	8.3%	6.9%	17
Public Administration and Safety	7.0%	6.0%	4.9%	4.6%	1.5%	19	6.7%	15.2%	12.7%	8.8%	1.6%	18
Wholesale Trade	9.4%	2.9%	3.3%	0.3%	4.9%	18	11.8%	4.7%	3.3%	0.1%	1.4%	19
<b>All industries</b>	<b>23.0%</b>	<b>24.8%</b>	<b>21.4%</b>	<b>22.0%</b>	<b>22.2%</b>		<b>25.0%</b>	<b>26.4%</b>	<b>24.1%</b>	<b>25.3%</b>	<b>25.7%</b>	

Source: Bankwest Curtin Economics Centre | WGEA Gender Equality unit record data 2018.

Rental, Hiring and Real Estate Services has the highest glass ceiling.

Following closely is the Retail and Financial and Insurance Services sectors, both of which have gender pay gaps of above 30% among the highest 10% of male and female earners.

The Wholesale Trade, Public Administration and Safety, Mining, Manufacturing and Transport sectors have the lowest glass ceiling ranks. In each case, the gender pay gaps for the top 10% of earners is less than 10%.

### How fast are wages progressing?

Examining the change in salaries over the last five years for different management groups and at different points in the distribution gives an indication of whether and when the pay inequalities between male and female managers might dissipate.

Across nearly all management groups and points in the distribution – women’s salaries have been growing at a much faster rate than men’s in the last five years of the WGEA reporting data.

If progress continues at the same rate, there should be a point in the not too distant future at which women’s salaries catch up to men’s.

The rate at which the gap is closing tends to be greater among the lower tiers of management. The lowest-paid male Senior Managers have seen their salaries rise by 17.2% in the last five years, whereas among low-paid women the rate of growth has been some 33.2% - almost double the pace of men’s.

When looking at salary growth of the highest paid top-tier managers the gap has widened slightly. Wages among male Key Management Personnel in the top 10% of earners grew by 18.1% in nominal terms in the last five years – for women this was slightly lower at 17.3%.

There’s also some evidence that the distribution of pay among top-tier managers is widening for women, with salary growth much faster the further along the earnings distribution.

The lowest-paid managerial women are likely to see a re-dress in the gender pay gap more quickly than the highest paid workers.



**The lowest-paid managerial women are likely to see a re-dress in the gender pay gap more quickly than the highest paid workers.**

**TABLE 3**  
Salary growth across the male and female distribution, 2014 to 2018

	10th percentile	25th percentile	Median (50th percentile)	75th percentile	90th percentile
<b>Men</b>	(%)	(%)	(%)	(%)	(%)
Other Managers	9.9	6.4	5.3	4.4	1.1
Senior Managers	17.2	12.8	9.5	7.9	5.8
Executives	11.9	11.1	8.7	8.8	9.2
Key Management Personnel	16.5	12.5	10.5	9.8	18.1
<b>Women</b>	(%)	(%)	(%)	(%)	(%)
Other Managers	16.5	15.0	9.8	8.9	5.4
Senior Managers	33.2	22.3	18.1	13.8	11.7
Executives	21.0	16.6	17.0	13.4	10.9
Key Management Personnel	13.4	15.5	14.9	16.9	17.3
<b>Difference</b>	(%)	(%)	(%)	(%)	(%)
Other Managers	6.6	8.7	4.4	4.5	4.3
Senior Managers	16.1	9.5	8.6	6.0	5.9
Executives	9.2	5.5	8.2	4.6	1.6
Key Management Personnel	-3.1	3.0	4.5	7.0	-0.8

Note: Nominal wage growth is measured. Total remuneration.  
Source: Bankwest Curtin Economics Centre | WGEA Gender Equality unit record data 2014 to 2018.







**WORKER  
RETENTION  
AND CAREER  
PROGRESSION  
– WHAT WORKS?**

## WORKER RETENTION AND CAREER PROGRESSION – WHAT WORKS?

The commitment of companies to create supportive work environments, and setting the ‘tone from the top’, are regarded to be important drivers in promoting greater gender equity in management progression, but to what extent is this borne out by evidence?

Do companies led by women create a positive environment or ambition for progression? How much is career progression affected by positive role modelling and female representation in governance positions? And what benefits do companies and their employees draw from paid parental leave schemes, and flexible working arrangements?

### What drives the share of women in management?

The earlier analysis in this *BCEC / WGEA Gender Equity insights* report shows that the share of women working in management positions has been rising over time, but the pattern is by no means uniform. Analysis of the WGEA data collection reveals some considerable variation across companies, which begs the question: what factors – both positive and negative – contribute to these differences? What works when it comes to progressing women in management and breaking through the glass ceiling and what acts as a deterrent?

**TABLE 4**  
Potential drivers and barriers to career progression

Deterrents	Encouragement
Gender pay gaps at peer level	Gender pay equity
Gender pay gaps above peer level	Flexible working arrangements
Lack of female role models in leadership	Accountability in governance
Lack of flexible work options	Employer-funded Paid Parental Leave

Our research approach uses regression<sup>1</sup> methods to assess collectively those factors that explain the differences across companies in the share of female managers employed. Estimates are reported both for full-time managers and part-time managers. This is because the influence of specific factors may be stronger or weaker depending on employment status.

We test for a range of specific factors that may influence the progression of women into management positions. These include:

- the share of women on Boards;
- the share of female Board chairs;
- whether the Chief Executive Officer or company leader is a woman;
- whether firms adopt flexible work policies and strategies;
- whether flexible work policies are reported at Board level; and
- gender pay gaps at and above peer level

Each regression additionally includes controls for industry sector, firm size and the overall gender composition of the workforce. Evidence of the link between policies and gender equity outcomes is strengthened when differences in the share of women in management positions can be traced to changes in firm policies, pay outcomes or actions in previous years, while controlling as far as possible for other factors that may also be driving changes in employment shares.

Full regression results that capture the strength of associations between specific company policies and the shares of women employed in managerial positions are presented in Table 5 Appendix A, while Figure 4 provides a more accessible summary of the most important findings.

A number of general conclusions can be drawn from these results. First, leadership, female representation and accountability are critical drivers of progress towards gender equity. Female representation on company Boards and in Executive roles leads to a greater share of women in management positions, even after controlling for industry sector, firm size and the gender balance of the company workforce. The share of female managers also rises where gender equity policies are reinforced through Board reporting - accountability.

Our results also highlight a ‘glass ceiling effect’ in which the presence of significant gender pay gaps at management level also contribute to lower shares of female managers. This may be reflective of the disincentive effects of gender pay inequities for women’s career progression aspirations, but could also be a proxy for biases within companies towards the progression of women and men into management and leadership positions.



**Leadership, female representation and accountability are critical drivers of progress towards gender equity.**

<sup>1</sup> See Glossary and Technical Notes for further detail about regression analysis as a methodology.



The presence of significant gender pay gaps at management level contributes to a lower overall share of female managers in an organisation.

**FIGURE 4**

Effects of company policies and characteristics on shares of female managers, full-time and part-time workers, 2018



Notes: Figures show the percentage changes in shares of female managers attributable to specific policies, or to changes in company characteristics. Data include only those organisations present in both the 2016-17 and 2017-18 WGEA reporting data. Marginal effects of policies and characteristics on outcomes are marked as statistically significant at 1% (\*\*\*) or 5% (\*\*).  
Source: Bankwest Curtin Economics Centre | Authors' estimates based on WGEA workplace data collection, 2016-17 and 2017-18.



The share of part-time female managers increases by 13.6ppts where flexible work policies are reinforced by formal reporting to company Boards.

Figure 4 summarises the marginal effects of specific company characteristics and policies on the gender balance in management positions – after controlling for industry sector, firm size and the gender balance of the company workforce. The following findings are especially worth noting:

- The share of female full-time managers **increases by an average of 8.6ppts** for companies with a **female CEO**.
- Moving from **zero to equal female representation on company Boards** increases the share of **full-time female managers** by **7.3ppts** and the share of **part-time female managers** by **13.7ppts**.
- The share of **part-time female managers** **increases by 7.5ppts** for companies that implement a policy of formal support for flexible work.

- The share of **part-time female managers** **increases by 13.6ppts** where flexible work policies are reinforced by formal reporting to company Boards.
- Gender pay gaps at different levels of management seniority combine to **reduce the share of full-time female managers** by an average of **9.9ppts**, and the share of part-time female managers by **7.9ppts**.

### Paid Parental Leave and employee retention – what works?

Paid parental leave schemes have been introduced around the world by both employers and governments to increase labour force attachment and retention of women, to acknowledge the role that child bearing and rearing contributes to society, to enhance equality between men and women and to promote the health and wellbeing of mothers and babies.

In 2011, the Australian Government Paid Parental Leave Scheme was introduced and supports primary carers with up to 18 weeks of paid leave at the national minimum wage – currently \$719.35. Employers may also provide paid parental leave to their employees, through contractual entitlements, registered agreements or in workplace policies. Employer-funded parental leave doesn't affect eligibility for the Australian Government Paid Parental Leave Scheme – employees can access both.

But how prevalent is employer-funded paid parental leave in Australia? What do parental leave schemes

offered by companies look like? And what influence do the features of Employer Paid Parental Leave schemes have on the likelihood of employees' return to work?

Just over half of Australian organisations offer no employer-funded paid parental leave (Figure 5). This share has dropped by around 2.1 percentage points between 2017 and 2018, to 51%. This means that most companies in Australia limit employees' parental leave access to only the Australian Government Paid Parental Leave Scheme, where payment is restricted to the relevant national minimum wage.

Around 19.3% of companies provide funding to support between 7 and 12 weeks of parental leave to primary carers in 2018 – up 0.9 percentage points since 2017, while a further 11.7% of companies support between 13 and 17 weeks of employer-funded paid leave. Four in five of the companies that do offer employer-funded schemes provide full funding, that is, they pay the employees full salary in addition to the government's paid scheme.



**Just over half of Australian organisations offer no employer-funded paid parental leave.**



**Around 19.3% of companies provide funding to support between 7 and 12 weeks of parental leave to primary carers in 2018 – up 0.9 percentage points since 2017.**

**FIGURE 5**  
Typical weeks of employer-funded Paid Parental Leave, 2017 and 2018



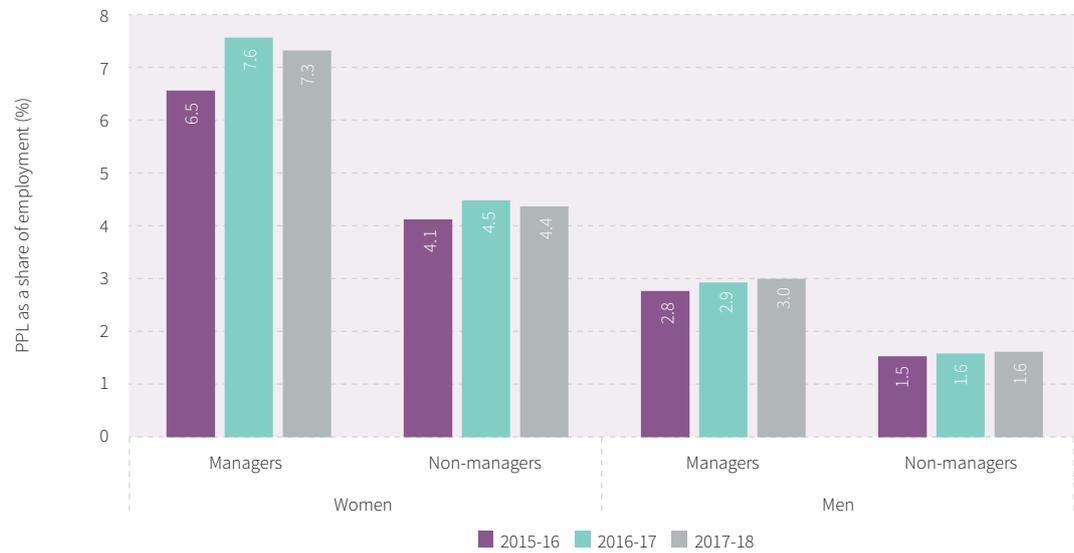
Source: Bankwest Curtin Economics Centre | Authors' calculations based on WGEA Gender Equality unit record data 2018.



Figure 6 shows the rates of take-up of paid parental leave by gender and managerial status between 2016 and 2018. The rate is highest among female managers, around 7.3% of whom accessed employer-paid parental leave in 2018. A greater share of female managers now access PPL compared to

2016 (a rise of 0.8 percentage points), although the rate did fall fractionally over the last year. Around 1 in 20 female non-managers access paid parental leave, compared with just 3% of male managers. There is some evidence of a rise in PPL take-up for men, but the rate of growth is really quite marginal.

**FIGURE 6**  
Rates of employer-Paid Parental Leave, by gender and managerial status, 2016 to 2018



Source: Bankwest Curtin Economics Centre | Authors' calculations based on WGEA Gender Equality unit record data 2018.



"THE LOSS OF SKILLED WORKERS CAN BE A SIGNIFICANT COST TO COMPANIES, BOTH THROUGH THE LOSS OF EXPERIENCE AND LEADERSHIP, AND THROUGH THE COST OF RECRUITING AND TRAINING NEW APPOINTEES."

### Paid Parental Leave and workforce retention

The WGEA data collection not only captures the prevalence and structure of paid parental leave over time across Australian companies, but also includes important information about how many workers cease employment with a particular organisation while on PPL – either government only or government with employer-funded PPL.

The loss of skilled workers represents a potentially significant cost to companies, both through the loss of experience and leadership, and through the cost of recruiting and training new appointees. Career breaks have also been shown to impose a disproportionate cost on women, both in terms of lifetime earnings but also by disadvantaging future career progression and earnings.

In this section, we consider whether the structure of PPL plays any role in worker retention. That is, whether or not employers also provide PPL and if so, how many weeks are offered and what level of payment.

Figure 7 looks at the share of workers who cease employment with their company before the end of PPL, expressed as a proportion of the number of workers currently taking PPL. In 2018, around 6.9% of female managers and 8.0% of female non-managers stopped working for their current organisation during PPL. For male workers, the corresponding shares are far lower, at 1.3% for both managers and non-managers.

Interestingly, the shares of those ceasing employment while on PPL have fallen substantially over the course of the last three years of WGEA reporting data - down by 1.5ppt from 8.4% for female managers since 2016, and by 1.8ppt from 9.8% for female non-managers.

For this *BCEC | WGEA Gender Equity Insights* report, we look to establish whether the nature and characteristics of paid parental leave - specifically the number of weeks of employer-funded paid parental leave, and whether employers provide full or partial funding for PPL - has an impact on employee retention.

**FIGURE 7**

Share ceasing employment during Paid Parental Leave, by gender and managerial status, 2016 to 2018



Source: Bankwest Curtin Economics Centre | Authors' calculations based on WGEA Gender Equality unit record data 2018.



**Strong evidence that more generous employer-funded PPL schemes are associated with better rates of worker retention.**

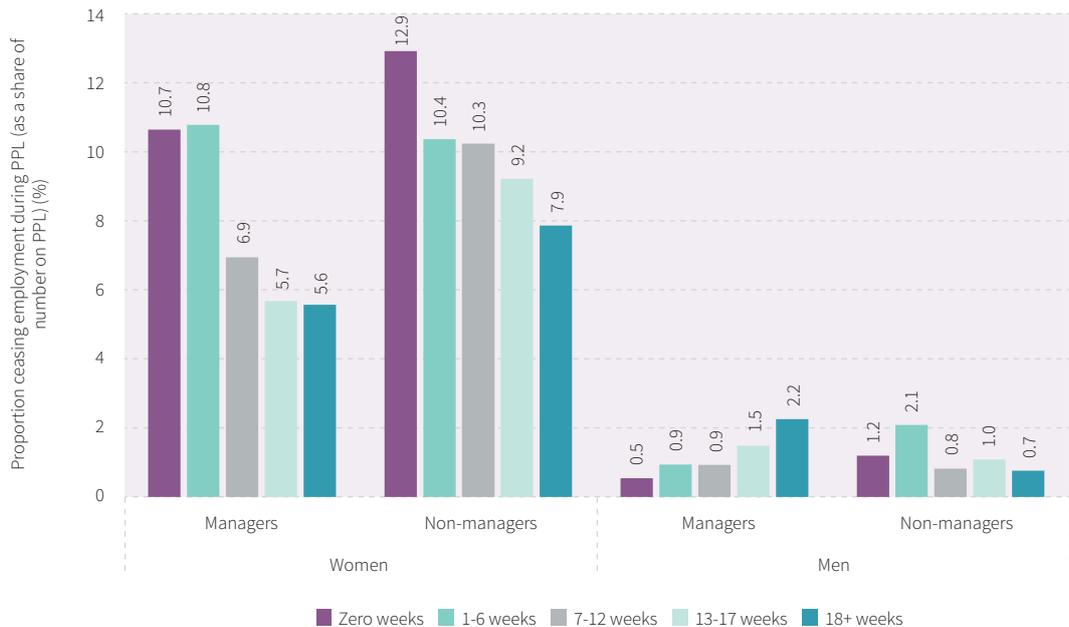
Among female managers, the share who cease employment while on PPL virtually halved from 10.7% in companies with no employer-funded PPL, to 5.6% for companies that support 18 or more weeks of employer-funded PPL (Figure 8). A similar pattern emerges among female non-managers, with rates of loss while on PPL falling from 13% to 7.9% across the same PPL comparison.

These findings provide strong evidence that more generous employer-funded PPL schemes are associated with better rates of worker retention.

We again use regression methods to explore whether there are other factors at play to explain the higher worker retention rate following PPL. Specifically, we seek to identify which combinations of drivers influence the likelihood that workers return to their jobs, or cease employment with their current organisation during PPL.

**FIGURE 8**

Shares of workers ceasing employment during Paid Parental Leave, by gender, management status and length of employer-funded PPL, 2018



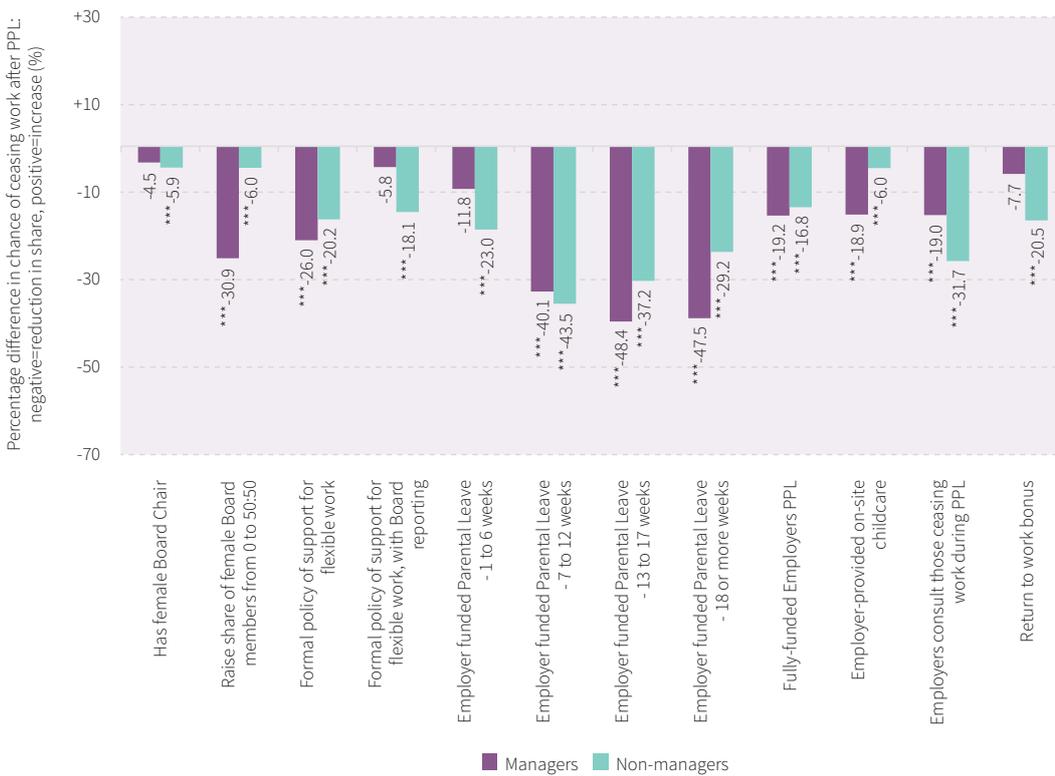
Note: Workers ceasing employment during Paid Parental Leave includes those that access government leave.  
Source: Bankwest Curtin Economics Centre | Authors' calculations based on WGEA Gender Equality unit record data 2018.



Along with controls for industry sector, firm size and gender workforce composition, we test whether the following specific factors, in combination, affect worker retention following PPL:

- the share of women on company Boards;
- the share of female Board chairs;
- whether the Chief Executive Officer or company leader is a woman;
- whether firms adopt flexible work policies and strategies;
- whether flexible work policies are reported at Board level;
- the number of weeks of employer-funded PPL available to primary carers;
- whether employer supported PPL is fully funded;
- whether employers consult with those who cease work during PPL;
- the availability of employer-provided onsite childcare;
- the availability of Return To Work bonuses.

**FIGURE 9**  
Effects of policies on the share of those ceasing employment while on Paid Parental Leave, female managers and non-managers, 2018



Notes: Figures show the percentage changes in shares of those ceasing employment while on paid parental leave attributable to specific policies, or to changes in company characteristics. Data include only those organisations present in both the 2016-17 and 2017-18 WGEA reporting data. Marginal effects of policies and characteristics on outcomes are marked as statistically significant at 1% (\*\*\*) or 10% (\*). Source: Bankwest Curtin Economics Centre | Authors' estimates based on WGEA workplace data collection, 2016-17 and 2017-18.

The full regression analysis of the drivers of worker retention following PPL are reported in Table 6 in Appendix A, while Figure 9 presents a summary of our key findings. Results are presented separately for female managers and non-managers.

The following are among most important results to emerge from this analysis:

- **Moving from zero to equal female Board representation** is associated with **nearly a third (30.9%) fewer women managers** ceasing work during PPL;
- **Formal policies supporting flexible work** result in a **quarter (26%) fewer female managers** and **one in five (20.2%) fewer non-managers** ceasing work during PPL;
- Employer-funded paid parental leave schemes covering **13 weeks or more** would **halve the share of female managers who cease work during PPL** (48.4%) relative to those who access only the Australian Government PPL scheme.

- **Employer provided on-site childcare** reduces the loss of female managers during PPL by **almost one fifth** (18.9%)
- Worker retention following PPL substantially improves when companies consult workers **who cease employment while on PPL** – by one fifth among female managers and nearly one third among non-managers.

These results again emphasise the importance of leadership (with accountability), workplace flexibility, employer-funded paid parental leave schemes and demonstrated gender pay equity in retaining workers.

"EMPLOYER-FUNDED PAID PARENTAL LEAVE SCHEMES COVERING **13 WEEKS OR MORE** WOULD **HALVE THE SHARE OF FEMALE MANAGERS WHO CEASE WORK DURING PPL** RELATIVE TO THOSE WHO ACCESS ONLY THE AUSTRALIAN GOVERNMENT PPL SCHEME."



"EMPLOYER PROVIDED ON-SITE  
CHILDCARE REDUCES THE LOSS  
OF FEMALE MANAGERS DURING  
PAID PARENTAL LEAVE BY  
ALMOST ONE FIFTH."



# DISCUSSION & SUMMARY

## DISCUSSION & SUMMARY

Limits have been placed upon women for many years. In modern Australian society, many of these limits have been removed or lowered – a number remain. In our workplaces women are now participating at similar rates to men, and hold 40% of all full-time jobs and 70% of part-time roles. In our schools and universities, young women have both higher participation and success rates, with a much greater likelihood of obtaining a Bachelor degree compared to young men.

This progress should mean that women are also able to hold senior management and leadership positions in our workplaces at rates at least similar to their participation. Our analysis using five years of WGEA reporting data shows that this is more often than not the case, and where it isn't, change is for the most part heading in the right direction.

***Women are almost equally represented in full-time management roles overall relative to their representation in the workforce.*** And a number of industries are doing well when the representation of women in leadership is compared to their overall representation within a particular sector. In Mining, for example, 15% of the sector's workforce are women, and 16% of key management personnel operating in the industry are women.

But some limits - or ceilings - remain and this report shows that reaching the most senior position in an organisation - CEO - is a feat that looks to be unattainable in this century. Women are also far more likely to hold lower-tier management positions, operating as line or day-to-day managers, rather than strategic executives and key management personnel. The good news is that this is changing and parity may be closer than expected, with women as likely as men to hold key management positions within the next twenty years if current trends continue.

But this can only happen if companies remain focused on the goal of achieving gender equity in progression and pay, and commit to specific actions to drive change.

These findings also give us cause to reflect on what type of outcome we should be seeking in our workplaces. ***Is gender equity enough or do we want gender equality?*** How do we know when we have achieved an equitable outcome? And what type of gender balance should we be looking for in our workplaces and in senior leadership roles?

Should we be satisfied with women holding 16% of top-tier management roles, when their overall representation in a sector is 15%? On balance, this is a good starting point, but the optimal position may be a more gender balanced workforce overall. And there is likely an even stronger case to aspire to equal representation of men and women in the most senior leadership positions of organisations, including CEO and Board positions, regardless of the overall gender balance of the sector.

The business case for more women in senior leadership roles has been well established, with evidence that greater gender diversity leads to better decision making, a reduced risk of fraudulent behavior and increased social responsiveness<sup>2</sup>. It makes sense that seeking gender diversity in these roles regardless of overall gender balance would be a smart business objective for any organisation.

<sup>2</sup> See for example Adams and Ragnathan, 2013; Anderson *et al.*, 2011; Capezio and Mavisakalyan 2015 and Galbreath 2011 & Williams 2003.

"THERE IS A STRONG ASSOCIATION BETWEEN EMPLOYER ACTIONS AND THE WORKPLACE ENVIRONMENT AND THE NUMBER OF WOMEN IN MANAGEMENT AND LEADERSHIP ROLES."

While women are progressing into management and leadership roles, this does not mean they will be paid as well as their male peers. **Another ceiling exists.** At every management tier the spread of salaries available to men is much wider and higher than those available to women. This reveals an additional glass ceiling that is yet to be broken. The highest paid 10% men will earn at least \$600K in total salary, whereas the highest paid 10% women will reach only \$436K, a difference of over \$160K.

Some industries have higher ceilings than others. The Rental, Hiring and Real Estate sector has the highest glass ceiling, with pay gaps between men and women on the highest salaries reaching nearly 36%. Access to greater commissions and bonuses is undoubtedly a key driver, with pay gaps in this sector moving from fifth place across all industries when comparing base salary to first when taking into account additional pay. Retail Trade, Finance and Insurance, Health Care and the Arts and Recreation sectors are also among the top five industries with the highest glass ceiling in their management ranks.

While these sectors do reasonably well in terms of women's representation in management roles relative to the workforce, women tend to dominate the lowest-tier management positions while the highest tiers of management are still predominantly occupied by men. This exacerbates the gender pay gap and adds an additional glass ceiling. Our analysis has shown that this ceiling acts to deter women from progressing within their organisations, with gender pay gaps at different levels of management seniority having the combined effect of reducing the share of full-time female managers by an average of 9.9ppts, and the share of part-time female managers by 7.9ppts.

And it may be easy to see why this would be the case. Why would women want to progress into positions of higher responsibility if they know they won't be able to access similar wages to their male peers?

The good news is that the gender pay gap among male and female managers is narrowing – albeit more gradually for some industries than others. Women's salaries have been growing across nearly all management positions at a faster rate than men's according to the last five years of WGEA reporting data. If this pattern continues, the gender pay gap will continue to narrow.

A question remains about whether the recent trends we have been seeing are driven by the business cycle, with male-dominated industries experiencing a down-turn and female-dominated sectors expanding in the last five years. It's likely that some of these patterns are driven by the business cycle, but structural changes in the economy combined with real change and action from within organisations and sectors are also clearly a driving force.

Our findings in this report demonstrate again that there is a strong association between employer actions and the workplace environment and the number of women in management and leadership roles. Employer support to combine work and family, including flexible workplace policies, employer provided on-site child care and employer-funded paid parental leave has a tangible impact on staff retention and will contribute to helping women move up the management ladder.

Importantly, leadership and accountability really matters. In fact, the share of female full-time managers increases by an average of 8.6ppts for companies with a female CEO. And moving from zero to equal female representation on company boards increases the share of full-time female managers by 7.3ppts and the share of part-time female managers by 13.7ppts.

This is a common finding across the *BCEC / WGEA Gender Equity Insights* series, and a compelling prospectus for action. Leadership, female representation on Boards and accountability are critical drivers of progress towards gender equity – and possibly equality.





"THERE IS STRONG EVIDENCE  
THAT MORE GENEROUS  
EMPLOYER-FUNDED PPL  
SCHEMES ARE ASSOCIATED  
WITH BETTER RATES OF  
WORKER RETENTION."





APPENDIX

A

## APPENDIX A

**TABLE 5**

Drivers of the shares of female managers employed by companies, 2018 and change, 2013 to 2018

Dependent Variable	Female managers		Female managers	
	Share of female managers		Change in the share of female managers	
	Full-time	Part-time	Full-time	Part-time
<i>Regressors</i>				
<b>Firm size (relative to 100-249 employees)</b>				
Firm size: 250 to 499 employees	-0.004	0.0392 *	0.0047	0.0342
Firm size: 500 to 999 employees	0.0085	0.1216 ***	0.0196 ***	0.0854 *
Firm size: 1000 to 4999 employees	-0.0023	0.1638 ***	0.0015	0.1201 ***
Firm size: 5000+ employees	0.0288 ***	0.2176 ***	0.0211 **	0.2102 ***
<b>Industry (relative to all industry average)</b>				
Agriculture, forestry and fishing	-0.0474 **	-0.1138	-0.0111	-0.0904
Mining	-0.018 *	0.0476	0.0138	0.1221
Manufacturing	-0.0177 ***	-0.0068	0.0118 *	0.013
Electricity, Gas, Water and Waste Servi	-0.0153	0.1841 ***	0.0399 **	-0.0774
Construction	-0.037 ***	0.0311	0.001	0.0338
Wholesale Trade	-0.0293 ***	-0.0294	0.0039	-0.1551 **
Retail Trade	0.0165 **	-0.0699 **	-0.0024	-0.0863
Accommodation and Food Services	0.0432 ***	-0.1111 ***	-0.0079	-0.1683 **
Transport, Postal and Warehousing	-0.004	-0.0536	-0.0113	-0.132 **
Information Media and Telecommunication	0.0042	0.097 **	-0.0104	0.0332
Financial and Insurance Services	-0.0069	0.0798 **	0.0075	-0.0008
Rental, Hiring and Real Estate Services	-0.0081	0.0698	0.0286 **	-0.0308
Professional, Scientific and Technical	-0.0123 **	0.0418	-0.0029	0.0189
Administrative and Support Services	0.0589 ***	-0.0735 *	-0.0077	-0.0932
Public Administration and Safety	-0.0213	-0.0214	-0.0371	0.5122 *
Education and Training	0.0237 ***	-0.0374	-0.0037	0.0078
Health Care and Social Assistance	0.0678 ***	-0.0465	-0.0211 **	-0.0674
Arts and Recreation Services	0.0014	-0.0237	0.0236	0.0996
Other Services	0.0016	0.036	-0.0107	0.061
<b>Female dominance (relative to 40% to 60% women)</b>				
Firm has 0-20% female workers	-0.1642 ***	-0.2585 ***	-0.0208 ***	-0.1337 **
Firm has 20%-40% female workers	-0.1096 ***	-0.0908 ***	-0.0035	-0.0209
Firm has 60%-80% female workers	0.1482 ***	0.0996 ***	0.0121 *	-0.0013
Firm has 80%-100% female workers	0.2783 ***	0.1663 ***	-0.0063	0.0333
Has female CEO	0.0286 ***	0.0135	-0.0022	0.0173
Proportion of female Board chairs	0.0086	0.0343 **	0.0078	0.0402
Proportion of female Board members	0.0484 ***	0.1529 ***	0.0001	0.06
<b>Policies and strategies</b>				
Commitment to flexible work	0.0027	0.0416 **	0.0006	-0.0446
Commitment to flexible work, including Board report	0.0011	0.0759 **	-0.0059	-0.0534
<b>Glass ceiling effect</b>				
Executive gender pay gap	-0.0359 ***	-0.0394 **	-0.0094 **	0.0119
Senior Manager gender pay gap	-0.0493 ***	-0.0217	-0.024 ***	0.043
Other Manager gender pay gap	-0.057 ***	-0.1588 ***	-0.0394 ***	-0.1115 **
Constant	0.346 ***	0.5158 ***	0.0151 *	-0.0927 *
N	2265	2265	1253	877
R-squared	0.194	0.21	0.133	0.145
F-statistic	252.008	18.593	3.13	1.88

Source: Bankwest Curtin Economics Centre | WGEA Gender Equality unit record data 2018.

**TABLE 6**  
Drivers of employees' return from Paid Parental Leave, 2018

Dependent Variable	Female managers		Male workers	
	Share returning to work from PPL		Share returning to work from PPL	
	Managers	Non-managers	Managers	Non-managers
<i>Regressors</i>				
<b>Firm size (relative to 100-249 employees)</b>				
Firm size: 250 to 499 employees	0.012	0.0045 **	-0.0045	-0.0031 *
Firm size: 500 to 999 employees	-0.0133 *	0.0005	-0.0019	-0.0083 ***
Firm size: 1000 to 4999 employees	0.0081	0.0146 ***	-0.0127 ***	-0.0167 ***
Firm size: 5000+ employees	-0.0076	0.017 ***	-0.0136 ***	-0.0178 ***
<b>Industry (relative to all industry average)</b>				
Agriculture, forestry and fishing	0.0624 *	-0.0419 ***	0.0051	-0.0123 ***
Mining	0.0057	0.009 ***	0.007 *	0.004 ***
Manufacturing	-0.0188 ***	-0.0003	-0.0035	-0.0034 ***
Electricity, Gas, Water and Waste Servi	0.0032	0.0148 ***	-0.0141 ***	0.0037 ***
Construction	-0.0377 ***	0.0013	0.001	-0.007 ***
Wholesale Trade	0.0092	-0.0094 ***	-0.0111 **	0.0045 ***
Retail Trade	0.0116 **	0.0146 ***	-0.0004	0.0087 ***
Accommodation and Food Services	-0.0502 ***	-0.0536 ***	-0.0244 ***	-0.0174 ***
Transport, Postal and Warehousing	-0.0154 *	-0.0156 ***	-0.0048	-0.0048 ***
Information Media and Telecommunication	-0.0689 ***	-0.0111 ***	-0.0031	0.0011
Financial and Insurance Services	0.0157 ***	0.0057 ***	0.0033	0.0106 ***
Rental, Hiring and Real Estate Services	0.0003	-0.0305 ***	0.0098 *	0.0115 ***
Professional, Scientific and Technical	-0.0056	-0.0004	-0.0096 ***	-0.0099 ***
Administrative and Support Services	-0.0098	-0.0463 ***	0.0122 **	-0.0238 ***
Public Administration and Safety	0.0746 *	0.0705 ***	0.0068	0.0033
Education and Training	0.0041	0.0314 ***	0.01 ***	0.0181 ***
Health Care and Social Assistance	-0.0054	0.0336 ***	0.0031	-0.0072 ***
Arts and Recreation Services	-0.0172	0.0275 ***	0.0143 ***	0.014 ***
Other Services	0.0423 ***	0.0006	-0.0005	0.0065 ***
<b>Female dominance (relative to 40% to 60% women)</b>				
Firm has 0-20% female workers	0.0063	0.0075 ***	0.0147 ***	0.0215 ***
Firm has 20%-40% female workers	0.0093 **	0.0173 ***	0.0112 ***	0.0136 ***
Firm has 60%-80% female workers	-0.0309 ***	-0.0082 ***	-0.012 ***	0.0009
Firm has 80%-100% female workers	-0.0227 ***	-0.025 ***	-0.0118	-0.0177 ***
Proportion of female Board chairs	0.0061	0.008 ***	-0.0033 *	-0.0087 *
Proportion of female Board members	0.0419 ***	0.0081 ***	0.0105 **	0.0003
<b>Policies and strategies</b>				
Commitment to flexible work	0.0176 ***	0.0137 ***		0.0018 *
Commitment to flexible work, including Board report	0.0039	0.0123 ***	0.0001	0.0037 ***
Employer funded Parental Leave - 1 to 6 weeks	0.008	0.0156 ***	0.0051	0.0072 ***
Employer funded Parental Leave - 7 to 12 weeks	0.0272 ***	0.0295 ***	0.0094 **	0.0024 *
Employer funded Parental Leave - 13 to 17 weeks	0.0328 ***	0.0252 ***	0.0014	-0.0006
Employer funded Parental Leave - 18 or more weeks	0.0322 ***	0.0198 ***	-0.0022	0.0014
Fully-funded Employers PPL	0.013 ***	0.0114 ***	-0.0093 ***	-0.0015
Employer-provided on-site childcare	0.0128 ***	0.0041 ***	-0.0109 ***	0.0018 **
Employers consult those ceasing work during PPL	0.0129 *	0.0215 ***	0.0071 *	0.0138 ***
Return to work bonus	0.0052	0.0139 ***	0.0187 ***	0.0056 ***
<b>Glass ceiling effect</b>				
Executive gender pay gap	-0.0192 ***	-0.0123 ***	-0.002	-0.0026 ***
Senior Manager gender pay gap	-0.0253 ***	-0.0075 ***	-0.0089 **	-0.0092 ***
Other Manager gender pay gap	-0.0126		0.0003	
Professionals' gender pay gap		-0.029 ***		0.0001
Constant	0.8979 ***	0.8799 ***	0.9948 ***	0.9917 ***
N	9141	66273	6018	24281
R-squared	0.194	0.21	0.133	0.145
F-statistic	22.65	239.704	10.567	51.735

Source: Bankwest Curtin Economics Centre | WGEA Gender Equality unit record data 2018.







# GLOSSARY AND TECHNICAL NOTES

"WOMEN ARE ALMOST EQUALLY  
REPRESENTED IN FULL-  
TIME MANAGEMENT ROLES  
OVERALL RELATIVE TO THEIR  
REPRESENTATION IN THE  
WORKFORCE."

## GLOSSARY AND TECHNICAL NOTES

### About the WGEA Gender Equality Data Collection

This report uses the 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18 WGEA Gender Equality datasets, which are a unique data collection within Australia. The dataset came to existence through the introduction of the *Workplace Gender Equality Act 2012*, which was legislated to promote and improve gender equality in remuneration and employment within Australian workplaces. The Act requires relevant<sup>4</sup> employers to report annually against a number of Gender Equality indicators. The dataset is effectively a Census of all private businesses that have 100 or more employees and can be considered population level data. The first reporting year of the WGEA data was 2013-14.

The 2017-18 WGEA Gender Equality dataset is based on 4,621 reports submitted on behalf of more than 11,000 employers in accordance with the Act for reporting period 1 April 2017 to 31 March 2018. The dataset captures more than 4 million employees – which equates to approximately 40% of all employees in Australia.

The WGEA Gender Equality data collection does not cover public sector organisations, and is therefore likely to demonstrate different patterns because of this, particularly when assessing the characteristics of these organisations within industry groupings that have a large public sector presence. It also does not cover small businesses and a significant proportion of medium sized businesses that have less than 100 employees.

### Measurement of Pay

Two principal measurements of remuneration are captured within the WGEA data, with organisations reporting both the average ‘base’ salary and ‘total’ remuneration each employee receives.

Base salary is considered to be the annual salary, including salary sacrificed items, but excluding allowances, superannuation and any other additional payments. Total remuneration includes base salary plus any additional benefits whether payable directly or indirectly, whether in cash or in a form other than cash.

Includes among other things, bonus payments (including performance pay), superannuation, discretionary pay, other allowances, and other (for example share allocations). Overtime is included as the actual overtime amount paid.

Part-time and casual remuneration data collected within the WGEA Workplace profile dataset is based upon a full-time equivalent (FTE) annualised value that is estimated by each reporting organisation. A calculator is provided to organisations as a support tool to convert part-time wages and salaries to annual FTE values.

## Regression Analysis

Regression is a statistical approach that captures multiple associations between explanatory factors and an outcome of key interest (in our case, gender pay gaps). The main benefit of regression methods is that one can isolate the 'marginal' impact of specific factors on an outcome of interest, having 'controlled' for other coincidental factors that may also have an influence on the outcome. A brief description of the benefits, limitations and assumptions for this modelling method is provided in the Glossary section of this report.

There may be other coincidental associations and drivers of gender pay gaps that cause such patterns to emerge. For example, there may be systematic differences in the characteristics of organisations that initiate actions to reduce gender pay gaps, compared with those that don't. It is important that these additional characteristics are accounted for when seeking to capture the impact of pay actions on gender pay outcomes.

Otherwise, the attribution of a change in gender pay gaps to a pay action may in reality be caused by some other firm characteristic.

## Management Definitions

### CEO (or equivalent)

The Chief Executive Officer (CEO) (or equivalent, however named) is the highest ranking corporate officer (executive) or an administrator in charge of management of an organisation. The CEO (or equivalent) is reported on separately to other key management personnel. Examples of the CEO could (depending upon the nature of the organisation) also be the managing director, general manager, managing partner, principal or vice chancellor.

### Key management personnel (KMP)

Have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, in accordance with Australian Accounting Standards Board AASB124.

The KMP is a manager who represents at least one of the major functions of the organisation and participates in organisation-wide decisions with the CEO.

### Other executives/general managers

An 'other executive/general manager' holds primary responsibility for the equivalent of a department or a business unit. In a large organisation, this manager might not participate in organisation-wide decisions with the CEO.

### Senior managers

'Senior managers' are charged with one or more defined functions, departments or outcomes. They are more likely to be involved in a balance of strategic and operational aspects of management. Some decision making at this level would require approval from either of the two management levels above it. 'Senior managers' are responsible for resourcing, a budget and assets (capital expenditure).



### Other managers

'Other managers' plan, organise, direct, control and coordinate an operational function. They usually oversee day to day operations, working within and enforcing defined company parameters. An 'other manager' is accountable for a defined business outcome which usually involves the management of resources that also includes time management, coordination of different functions or people, financial resources, and other assets (for example facilities or IT infrastructure). Line managers would be included in this category.

### References

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"LEADERSHIP, FEMALE REPRESENTATION ON BOARDS AND ACCOUNTABILITY ARE CRITICAL DRIVERS OF PROGRESS TOWARDS GENDER EQUITY."





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