



Increasing the Number of Women in Senior Executive Positions

The role of the board

International and Australian research stresses the importance of a diverse range of skills and experience for good corporate governance and business performance on boards. Studies including the regular US-based Catalyst group census of Fortune 500 companies and the Australian Reibey Institute analysis of ASX 500 companies, using a variety of financial measures, have found a strong, positive relationship between greater gender diversity on boards and company performance. Similarly, the Australian joint work by Bain & Company and Chief Executive Women also highlights the substantial improvement in effective decision-making in companies where a diversity of perspectives are taken into consideration.

As the Australian Institute of Company Directors has noted, the boards of Australia's companies are uniquely placed to take a leadership role and identify a set of policies and practices suitable to their businesses, in order to achieve greater diversity and the flow-on commercial benefits.

Boards have an essential role in modelling desired gender diversity and inclusive mindsets. The level of involvement of boards in setting companies' people strategies and priorities – and monitoring progress through reports and board discussions – sends a strong signal to the rest of their organisations.

Research and interviews undertaken in the preparation of the *Increasing the Number of Women in Senior Executive Positions* report points to a number of potential actions that boards should consider to support greater gender diversity both on their own boards and in the executive ranks of the companies they lead.

Actions

Boards are increasingly looking to diversify their membership with the view to improving decision-making, company performance and corporate governance. There already exists a range of initiatives designed to improve the gender diversity of boards offered through the Australian Institute of Company Directors and other bodies.

The research undertaken for the BCA notes there is substantial benefit to be gained through training programs for boards and their company senior management teams that address:

- the value of diversity and inclusive leadership
- the identification of unconscious and conscious biases¹ within the board and the company
- awareness of the impact of gendered values and behaviours – including stereotyping² and double-bind judgements against women for displaying stereotypic female or male traits – on a company's performance and achievement of gender diversity goals
- the benefits to a company of understanding different leadership styles and their value, and leading in different situations and contexts
- how to identify, think through, have discussions and make decisions about talent, development, merit, performance and successions
- how to interview potential board members, chief executives and senior management roles
- how to envisage and feel comfortable with a woman as CEO, or CEO successor, when assessing female candidates for CEO or senior team roles

Boards play the critical role of setting the strategic directions of their businesses. Including the achievement of gender diversity within an inclusive culture as a significant strategic objective makes clear to all employees the importance of gender diversity. Regular monitoring and reporting on gender diversity reinforces its strategic importance and tracks progress on achieving desired gender outcomes.

Boards also play a critical role in modelling inclusive mindsets, language and behaviours, including through the frequency and length of time allocated in the board calendar to the company's people and diversity strategies.

Boards, in appointing the chief executive and setting the performance plan and performance criteria of the chief executive and senior management team, have a unique capacity to influence the culture and performance of the company.

Boards are ideally placed to:

- ensure the chief executive and any future chief executive of the company have a demonstrated commitment to diversity and inclusion so they see, as one of their priorities, the sustainable delivery of the board's strategic diversity and inclusion directions
- require clear, specific and time-bounded goals, targets and milestones to increase numbers of women throughout the organisation
- monitor and hold the chief executive accountable for the achievement of goals to increase the number of women, including questioning and challenging outcomes and explanations to uncover and remove barriers, contexts and biases
- discuss with the chief executive the adoption of the relevant recommendations in the *Increasing the Number of Women in Senior Executive Positions* report
- establish key performance indicators for the chief executive and senior management team in relation to gender diversity and inclusion, linking them to incentives and other bonus payments
- discuss with the chief executive what strategies will be put in place across the company to
 - identify potential female successors for critical roles, including the CEO role
 - implement development and retention targets and strategies for potential female successors
- hold any talent and search firms with visibility to the board accountable for supporting their clients in the appointment of women and their record in placing successful female candidates
- ensure an equitable approach to and outcomes for remuneration prevails throughout the company
- participate in socialisation programs with identified potential female internal and external CEO and top team successors
- facilitate the participation of female directors in management's succession planning and talent identification discussions and interviews for senior roles during any interim period where no senior female executives are available.

Benefits

The inclusion of these actions – along with the broader work of the board and chief executive – is designed to support an increase in the number of female directors, ensure the selection and support for a chief executive committed to the achievement of gender diversity within an inclusive culture, facilitate succession planning and talent identification, as well as development processes to increase the numbers of women in senior positions – including as chief executive successors and in the leadership team, as well as in the pipeline to such roles.

Notes

1. Prime, J., Foust-Cummings, H., Salib, E.R. & Moss-Racusin, C.A, 2012, *Calling All White Men: Can Training Help Create Inclusive Workplaces?*, Catalyst; Prime, J. & Moss-Racusin, C.A., 2009, *Engaging Men in Gender Initiatives: What Change Agents Should Know*, Catalyst.
2. Genat, A., Wood, R. & Sojo, V, 2012, *Evaluation Bias and Backlash: Dimensions Predictors and Implications for Organisations*; Pfaff, L., 2000, *Women vs. Men as Managers: Are they different?* Michigan Association of Staffing Services, 17(1).

Checklist 1: The role of the board is the first of 10 checklists developed from the report titled *Increasing the Number of Women in Senior Executive Positions: Improving Recruitment, Selection and Retention Practices*. It can be used by companies and individuals in considering practices aimed at improving gender diversity and inclusion. The 10 checklists are:

Checklist 1: The role of the board

Checklist 2: The role of the CEO

Checklist 3: Targets, measures and accountability

Checklist 4: Culture and merit

Checklist 5: Role definition and recruitment

Checklist 6: Assessing applicants and the interview process

Checklist 7: Improving decision-making processes and the success of women once they are appointed

Checklist 8: Retention, development and succession planning

Checklist 9: Career management and performance reviews

Checklist 10: Remuneration

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Increasing the Number of Women in Senior Executive Positions

The role of the CEO

The chief executive of any organisation plays the critical role of leading it to success, ensuring its culture reflects its values and goals, and exhibiting the desired behaviours of the organisation.

The chief executives of the BCA have set themselves the goal of achieving substantial growth in the numbers of women in the senior ranks of their companies. The target is 50 per cent of senior positions filled by women by 2023.

This is not about removing merit-based processes and appointments, but ensuring the inclusion of all talent, irrespective of gender, and excluding gendered biases in merit-based deliberations. Achieving this target will require chief executives, their boards and their employees to build on policies and programs already in place in many BCA companies.

As research by McKinsey¹ points out, chief executives cannot 'single-handedly change the face of gender diversity', but they can require their senior management teams, human resources teams, line managers and employees to contribute to the implementation of an effective gender diversity and inclusion strategy.

Chief executives can also ensure they are role models, 'walking the talk' and setting and holding themselves and their teams accountable for the achievement of clear targets, regular reporting, and performance and reward mechanisms that reflect the importance of gender diversity and inclusion.

Research and interviews undertaken in the preparation of the *Increasing the Number of Women in Senior Executive Positions* report points to a number of possible actions that chief executives should consider to support greater gender diversity and inclusion in the companies they lead.

Actions

As the leader in their company the chief executive is able to:

- invest their personal and reputational capital in the achievement of gender diversity targets and goals
- actively model the desired inclusive mindsets and behaviours in order to secure gender diversity targets and goals
- overtly take an interest in the numbers and identities of women included in talent identification, development and succession processes
- be the chief advocate in regard to gender diversity and inclusion, and lead the recognition and acceptance of gender diversity and inclusion within the organisation and among the board
- demonstrate commitment to gender diversity and inclusion in all words and actions – including by bringing de-gendered norms and language to the table by listening deeply, and by maintaining awareness of the personal thoughts and feelings that limit leadership effectiveness
- be willing to be held accountable for the achievement of targeted increased numbers of women and their fair and equitable remuneration, and hold others accountable for their part in such achievement, including talent, recruitment and search firms and internal recruitment functions
- openly reject unacceptable mindsets, behaviours and outcomes that adversely impact on gender diversity and inclusion, and challenge decisions that may undermine an inclusive culture and the promotion of gender diversity

- appoint women in equal numbers to men in the top team (if necessary by increasing, for the short term, the numbers in the top team) and stake personal reputation on ensuring their success and the success of the required cultural transformation to inclusiveness²
- monitor the company's culture and treatment of women promoted within or appointed into the organisation, and take early intervention to prevent a culture of rejection
- undertake, and share with direct reports, the chief executive's own results of unconscious bias testing.

In setting and implementing a company's direction and strategy, the chief executive is ideally placed to:

- include the achievement of gender diversity within an inclusive culture as a significant strategic objective of the organisation, and oversee the development and implementation of the strategy to achieve it
- with the senior management team and human resource leaders, consider the recommendations in the *Increasing the Number of Women in Senior Executive Positions* report and ensure the adoption of recommendations that will assist the company in achieving its gender diversity and inclusion strategic objectives
- with the senior management team, build awareness and understanding throughout the organisation of the business case for gender diversity within an inclusive culture for the company
- set and incorporate the company's risk management and performance – monitoring clear and specific goals and targets to increase numbers of women throughout the organisation. Publicise these internally and externally, and visibly monitor and challenge progress and specific explanations
- recommend to the board the inclusion in the key performance indicators of the chief executive and the senior management team of specific gender diversity metrics – along with female successor identification, development and retention – and the linking of success on these indicators with short-term incentives and other bonus payments
- recommend to the board that any CEO successor be required to have a demonstrated commitment to diversity and inclusion so that initiatives in this area are sustainable
- ensure there are clear accountabilities across the company for the achievement of targeted increased numbers of women and their fair and equitable remuneration with associated rewards and penalties for progress
- ensure internal and external processes aligned with talent identification, search, recruitment, interviewing, selection, retention and succession planning are explicitly designed to preclude unconscious bias – and also to consider 100 per cent of the potential talent pool (not just males) and establish performance criteria for internal and external service providers
- ensure the board and senior management team participate in programs that address:
 - the value of diversity and how to demonstrate inclusive leadership
 - the identification, impact and avoidance of unconscious bias,³ of gendered and stereotyped concepts of merit, competencies, preferred leadership styles and language, and of gendered values and behaviours including stereotyping,⁴ on a company's performance and achievement of gender diversity and inclusion goals
 - the benefits to a company of having different leadership styles, and the value of leading in different situations and contexts
 - how to identify, think laterally and inclusively and make decisions about talent, potential, development, performance, career planning, succession and retention
 - how to interview and assess candidates for roles, including by:
 - using behavioural rather than adjectival assessments and improving understanding of competencies and their assessment

- exploring beneath a CV and lessening reliance on years of experience in a similar role, familiar touchstones and demographics, biases, stereotypes and assumptions – each of which may impact both interactions during an interview (resulting from influenced expectations)⁵ and the decision-making process thereafter
- identifying, and guarding against, likely inherent biases in judging women, particularly in respect of double-bind judgements against women for displaying stereotypic female or male traits.
- how to reduce any (often unacknowledged or unconscious) discomfort with leading, giving feedback, having career and succession discussions and developing women – particularly those women who might be significantly younger or older than their colleagues or boss
- sponsor talented women into senior roles and participate in a socialisation program with identified internal and external female talent
- ensure and model the company's approach to flexible working arrangements in ways that do not prevent progression of women within the business
- require the appointment of a diversity and inclusion expert within the company to give direct support to the CEO and senior management team in the implementation of its diversity strategy
- ensure the company has a senior executive able to provide strategic thinking and business-oriented human resource policy leadership and support the chief executive and senior management team in building a culture conducive to gender diversity and inclusiveness
- ensure women participate in equal numbers as men in leadership development and other training and education programs designed to develop the company's leaders and future top leaders
- ensure training that is specifically for women is not provided as a substitute for experience in key business roles and that it is focused on their development by:
 - supplementing 'mainstream' development initiatives in order to deliver, for women, what men receive through their established informal mentoring and sponsorship networks
 - assisting them to adapt and win in the culture, and overcome barriers and biases during an interim period of transformation towards gender diversity in an inclusive culture.

Benefits

The chief executive of any organisation is uniquely placed to set its values and behaviours. The actions outlined in this checklist provide a guide to possible initiatives chief executives can take in support of merit-based gender diversity in line with the broader strategic objectives of the company. Taking such actions has the benefit of creating a more inclusive culture and attracting, recruiting and retaining high-quality talent.

Notes

1. http://www.mckinsey.com/insights/organization/lessons_from_the_leading_edge_of_gender_diversity.
2. Barsh, J. & Yee, L., 2012, Unlocking the full potential of women at work, McKinsey.
3. Prime, J., Foust-Cummings, H., Salib, E.R. & Moss-Racusin, C.A., 2012, Calling All White Men: Can Training Help Create Inclusive Workplaces?, Catalyst; Prime, J. & Moss-Racusin, C.A., 2009, Engaging Men in Gender Initiatives: What Change Agents Should Know, Catalyst.
4. Genat, A., Wood, R. & Sojo, V., 2012, Evaluation Bias and Backlash: Dimensions Predictors and Implications for Organisations; Pfaff, L., 2000, Women vs. Men as Managers: Are they different? Michigan Association of Staffing Services, 17(1).
5. Posthuma, R.A., Morgeson, F.P. & Campion, M.A., 2002, Beyond Employment Interview Validity: A Comprehensive Narrative Review of Recent Research and Trends Over Time, Personnel Psychology, 55(1).

Checklist 2: The role of the CEO is the second of 10 checklists developed from the report titled *Increasing the Number of Women in Senior Executive Positions: Improving Recruitment, Selection and Retention Practices*. It can be used by companies and individuals in considering practices aimed at improving gender diversity and inclusion. The 10 checklists are:

Checklist 1: The role of the board

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Checklist 3: Targets, measures and accountability

Checklist 4: Culture and merit

Checklist 5: Role definition and recruitment

Checklist 6: Assessing applicants and the interview process

Checklist 7: Improving decision-making processes
and the success of women once they are appointed

Checklist 8: Retention, development and succession planning

Checklist 9: Career management and performance reviews

Checklist 10: Remuneration

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Increasing the Number of Women in Senior Executive Positions

Targets, measures and accountability

Many people have said that “What gets measured gets done,” and this would appear to be the case in regard to gender diversity.

McKinsey research has shown that companies with a robust, fact-based understanding of their female metrics are 2.4 times more likely to transform their companies than those less prepared. The most effective measure to enhance gender diversity is for the board and CEO to commit to know and understand such metrics and to set, monitor visibly and reach specific and time-bounded targets (and milestone targets along the way) for women.¹

Actions

There is now substantial evidence through initiatives, such as the Male Champions of Change,² that setting targets and tracking progress (preferably at least quarterly in order to identify any lead indicators of areas needing particular attention) are essential to successful gender diversity in a company.

- The board and chief executive should set, monitor and reach specific time-bound targets (and interim milestones) to reach gender parity through numbers of women:
 - appointed and promoted to roles within each business and function and at each job level, from top to bottom and across the company
 - included in long lists, short lists and interview lists, and the conversion rate from each through recruitment, appointment and promotion
 - included in each tranche of ‘identified talent’ for talent development programs and in each tranche (based on role levels as well as categories of readiness) of identified successors
 - participating in leadership development and other training, and education programs designed to develop the company’s leaders and future top leaders
 - along the performance review bell curve as compared to men
 - departing the organisation at various levels in the organisation.
- As part of the process of setting targets the board, chief executive and senior management team should explicitly consider why the initial short-term target cannot be 50 per cent women in each target category.

Setting targets and having measures are the important first step; however, alone they do not address any underlying issues. There is a need to integrate targets and measures with performance planning and management.

- The board and chief executive should ensure the company’s strategic plan incorporates relevant gender diversity targets and measures that are monitored and reported to the board.
- The board and chief executive should ensure the integration into performance planning and appraisal systems of relevant gender diversity targets and measures. These should be monitored and reported and require that the achievement of such targets and milestones be a significant component of the chief executive, senior management team and other leaders’ (throughout the company) performance. There should also be with a correspondingly significant proportion of short-term incentive or other monetary award at stake.³

- The board and chief executive should consider making public key targets, milestones and outcomes, at least to a level (and format) consistent with various external reporting requirements.⁴
- The board and chief executive, as part of the company's remuneration strategy, should identify remuneration differentials between genders and put in place a process and timeframe to reduce to zero the number of women with differential remuneration to their male counterparts.

Finally, there is benefit in testing progress. Identifying and removing underlying barriers, contexts and biases make it easier to achieve success. Examples of how this could be done include:

- test, understand and challenge outcomes globally and at different levels within the organisation where:
 - individual business units show the same or different trends to the company as a whole or similar units elsewhere in the company
 - apparently acceptable explanations for non-achievement of targets are given on a case-by-case basis, but the global figures are unsatisfactory or where they are satisfactory but individual business units are not
- periodically take a core sampling in various areas of the organisation to dig down and see what is happening on the front line at all levels and report this to the CEO.

Benefits

Including consideration of gender diversity as part of the company's risk and performance metrics, with the associated monitoring and rewarding of success, helps companies address business performance issues in many ways. This includes ensuring 100 per cent of the talent pool is accessed, reducing the 44 per cent 'failure' rate of new hires enhancing team performance and improving the company brand.

Notes

1. McKinsey, Women Matter, 2012: Making the breakthrough; McKinsey, 2010, What Successful transformations share: McKinsey Global Survey results; McKinsey, Women Matter, 2010: Women at the top of corporations: Making it happen recommends including, at a minimum, numbers and proportions of women in each business unit and at each level, salary levels and attrition rates of men and women in comparable positions, and the ratio of women promoted to women eligible for promotion.
2. Male Champions of Change, 2011, Our Experiences in elevating the representation of women in leadership: a letter from business leaders.
3. Petersen, L. & Krings, F., 2009, Are ethical codes of conduct toothless tigers for dealing with discrimination?, Journal of Business Ethics, 85.
4. ASX Corporate Governance Principles and Recommendations with 2010 Amendments; Workplace Gender Equality Act, 2012; For a target-setting tool, see also WGEA's 2013 Guidelines for setting and meeting targets to increase gender diversity in the workplace.

Checklist 3: Targets, measures and accountability is the third of 10 checklists developed from the report titled *Increasing the Number of Women in Senior Executive Positions: Improving Recruitment, Selection and Retention Practices*. It can be used by companies and individuals in considering practices aimed at improving gender diversity and inclusion. The 10 checklists are:

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Increasing the Number of Women in Senior Executive Positions

Culture and merit

A company's culture evolves in response to a range of factors, including its business strategy, history and leadership ethos. *Increasing the Number of Women in Senior Executive Positions* does not address the full range of dimensions related to organisational culture, rather it seeks to identify actions that enhance the acceptance of women across all levels in an organisation.

Research on firm performance has identified that team and organisational performance improves where there is complementarity and diversity of behaviours. It also found that women's performance in leadership behaviours – which improve organisational performance – equal or exceed men's in most categories including the most critical for meeting business challenges.¹

Evidence also indicates that an inclusive culture² – one that recognises and actively embraces the fundamental concepts of diversity – is essential to the retention and progression of women in organisations.

Creating such an environment requires a systemic commitment to a culture, starting with the leadership of the company. It requires policies, processes and visible actions that reinforce such a commitment.

A critical element of such a culture is the recognition that gender diversity is not inconsistent with merit, rather it is integral to it.

Actions

- The board and chief executive can reinforce an inclusive culture by ensuring that:
 - diverse ideas and opinions can be heard
 - diverse ways of being and behaving can happen
 - men and women feel respected, productive and engaged and feel as if they are part of the environment
 - each employee can bring their whole self to work and be appreciated for it
 - the role of unconscious bias is understood and accounted for
 - merit is maintained by ensuring it is de-gendered, and draws from top performers in 100 per cent of the pool of men and women the range of desired effective leadership behaviours for both men and women.³
- The board and chief executive should ensure the senior management team reflects gender-based diversity by embracing de-gendered, merit-based appointments and inclusive leadership styles, and a range of desired effective leadership behaviours for both men and women.⁴
- The board and chief executive should establish and model the required behaviours in support of diversity and inclusion, and ensure risk and reward policies also reinforce these behaviours.
- The board and chief executive should establish systems throughout the company to ensure the company's commitment to gender parity flows through to all levels of the organisation⁵ including its lowest levels.
- The board and chief executive should ensure that its 'public face' – including media material, employee proposition, branding and job advertisements – is inclusive and does not reveal or imply any gender bias.

- The board and chief executive should, during times of pressure or change, guard against a culture that is not inclusive and embracing of diversity.
- The board and chief executive might consider developing, scoring and rewarding against a measure (such as an index) of an individual leader's, a team's and the organisation's inclusiveness, on the basis that this is a leadership asset of long-term benefit to the company's performance.

Benefits

An organisational culture that supports gender diversity and inclusiveness brings performance and reputation benefits to companies. It enables merit-based appointments from 100 per cent of the talent pool with improved retention outcomes, and it helps ensure the company meets broader societal expectations.

Notes

1. McKinsey, 2008, Women Matter 2: Female Leadership, a competitive edge for the future. Zenger Folkman's Extraordinary Leader Assessment, 2011, A Study in Leadership: Women do it Better than Men; Folkman, J., 2012, Are Women Better Leaders than Men? HBR Blog and Gender Shouldn't Matter, But Apparently It Still Does, HBR Blog. Similar results were obtained in the five-year study by Pfaff & Associates, published in 2009.
2. McKinsey, Women Matter 2012: Making the Breakthrough.
3. Prime, J., Carter, N.M. & Welbourne, T., 2009, Women Take Care, Men Take Charge: Managers' Stereotypic Perceptions of Women and Men Leaders, The Psychologist-Manager Journal 12(1); Catalyst, 2007, The Double-Bind Dilemma for Women in Leadership: Damned if You Do, Doomed if You Don't; Rime, J., Jonsten, K., Carter, N.M. & Maznevski, M., 2008, Managers' Perceptions of Women and Men Leaders: A Cross-Cultural Comparison, International Journal of Cross-Cultural Management, 8(2); Ibarra, H. & Obodaru, O., 2009, Women and the Vision Thing, HBR.
4. Prime, J., Carter, N.M. & Welbourne, T., 2009, Women Take Care, Men Take Charge: Managers' Stereotypic Perceptions of Women and Men Leaders, The Psychologist-Manager Journal 12(1); Catalyst, 2007, The Double-Bind Dilemma for Women in Leadership: Damned if You Do, Doomed if You Don't; Rime, J., Jonsten, K., Carter, N.M. & Maznevski, M., 2008, Managers' Perceptions of Women and Men Leaders: A Cross-Cultural Comparison, International Journal of Cross-Cultural Management, 8(2); Ibarra, H. & Obodaru, O., 2009, Women and the Vision Thing, HBR.
5. McKinsey, Women Matter 2012: Making the Breakthrough; Bain & Chief Executive Women, 2011, What stops women from reaching the top? Confronting the tough issues.

Checklist 4: Culture and merit is the fourth of 10 checklists developed from the report titled *Increasing the Number of Women in Senior Executive Positions: Improving Recruitment, Selection and Retention Practices*. It can be used by companies and individuals in considering practices aimed at improving gender diversity and inclusion. The 10 checklists are:

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Role definition and recruitment

The recruitment, selection and promotion processes are key functions in companies where there remains the risk of unconscious bias and stereotyping impeding the progress of women into senior leadership positions in larger numbers. Research continues to point to gaps in the role definition and recruitment, appointment and promotion processes that adversely impact on ensuring gender parity.

As discussed in previous checklists, organisational leadership and strategic objectives around gender diversity are critical overarching factors that contribute to an inclusive organisation. Whether a company is successful in its merit-based recruitment and selection of staff in a gender-neutral manner depends on a number of critical factors. Was the role defined effectively in the first place? Were those involved in identifying candidates given sufficient information, time and resources to do this well? Was there a transparent and independent interview and selection process?

The actions outlined below for consideration by companies are suggested as means to directly reduce the particular barriers to achieving gender parity during the recruitment, appointment and promotion process.

Actions

Role definition

The first step to removing gender bias and supporting gender parity in the recruitment and promotion process is to take the time to understand the company's employment brand proposition in the context of an inclusive culture. It also involves thinking about strategic role and gender diversity requirements, reviewing succession plans and talent pools and specifying the role requirements in a manner that does not just focus on current operating needs, or the most recent incumbent or similarly titled roles in other organisations. Companies can benefit from:

- allocating sufficient time, resources and attention to the development of role requirements to ensure time and other pressures do not lead to reliance on automatic biases and stereotypes¹
- understanding the organisation's prevailing leadership style and the biases that style may create. Understanding the leadership style helps to build selection criteria in ways that are cognisant of that style and its biases and guide decision-makers away from perpetuating it and towards including a diversity of styles
- enhancing the organisation's capability to design jobs and develop role requirements with diverse inputs from a range of perspectives and stakeholders. This is a collaborative effort between the line, HR leadership and any external consultant being used
- prioritising time-bounded future outcomes desired from the role
- including generic or company-wide competencies and behaviours as a starting point only
- analysing and describing the underlying competencies, skills and attributes (and alternative ways of developing these) that a role might require to meet strategic objectives including its part in team performance and dynamics
- understanding the motivational and cultural matching required for the role and the organisation²

- including the requirements and capability of building diversity and inclusion within the organisation, and managing and assessing outcomes in a flexible environment in the role description³
- identifying essential and desirable criteria and their relative priority, and how these criteria could be assessed during the recruitment process, but remaining open to the various pathways that might demonstrate fulfilment of the criteria
- reviewing all role requirements to eliminate any gender biases inherent in them and remove gendered language and terminology⁴
- considering the development of an assessment tool for motivational and cultural fit for the company's desired inclusive culture to aid decision-making around candidate fit and to avoid assessing 'comfort' instead of 'fit'.

Recruitment

Within the context of current best practice recruitment processes, companies wanting to ensure gender-neutral recruitment of talent can improve recruitment outcomes through:

- ensuring company talent identification; performance feedback, training and development; succession planning; and retention measures are comprehensive and seen as the responsibility of all leaders in the company
- ensuring the company's leaders understand the underlying strategic requirements and drivers of particular roles, and how to judge people's ability to perform well in them
- allocating sufficient time, resources and attention to the engagement and briefing of their internal human resources – or recruitment function and external talent, recruitment and search firms – to reduce the pressures that may lead to automatic biases and stereotypes in thinking about roles, their criteria and likely candidates to fill them⁵
- using inclusive language and imagery in any advertising including, in particular, employment advertisements, and seeking out recruitment channels with high female populations, for example www.womensagenda.com.au
- providing training in identifying and guarding against likely inherent biases in judging women for recruitment or promotion, including in respect of double-bind judgements against women for displaying stereotypic female or male traits
- giving consideration to seeking short lists of 100 per cent women or specifically requiring that at least 50 per cent of the recommended short list of candidates be female
- encouraging a review across the company for other potential internal female candidates not initially identified
- appraising the performance of the internal recruitment function and external talent, recruitment and search firms on the basis of:
 - their ability to support line managers in defining role requirements, and how the role interacts with other roles in the team and company
 - their ability to support line managers to think laterally about criteria, their fulfilment and the attributes of the right candidate
 - the quality, range and number of potentially viable candidates identified in short lists and long lists and the comparative analysis provided
 - the support provided during the interview process including by providing recommended interview questions and, in respect of senior positions, their willingness to meet their potential team. Also participating in candidate interviews with the line manager
 - the follow-up with the line manager and candidate at three months, six months and 12 months from commencement

- in respect of recruitment firms, the ability of their databases to capture motivations, skills and competencies, as well as more traditional data. Also that they are experienced in role profiling for skills, competencies and attributes.

The use of recruitment and search firms

Many companies use talent, recruitment and search companies to assist in identifying candidates for roles. Given the significant role these third parties can play, it is important to ensure they fully understand the company's culture and can enhance the fulfilment of the company's strategic objective in regard to gender diversity and inclusion. This requires companies to consider:

- allocating sufficient time and resources to the engagement and briefing of recruitment and search firms to allow for identification of the optimum candidates, including women
- changing the nature of the relationship with talent, recruitment or search firms away from a transactional relationship regarding external recruitment to an advisory relationship introducing both qualitative and quantitative performance metrics – including around proven commitment to gender diversity as part of the selection of a talent, recruitment or search firm
- ensuring the talent, recruitment or search firm used has a strong understanding of the company's ongoing strategic intent and business plans, and will assist in the identification and assessment of talent and the development of role requirements in the context of such plans
- ensuring talent, recruitment and search firms will, if asked, include at least 50 per cent of female candidates in their recommended short lists or compile female-only recommended lists if required by the client (allowed under the *Sex Discrimination Act 1984*, if it is a 'temporary special measure' to achieve gender parity)
- implementing fee arrangements that are blind to the source of the successful candidate
- obtaining evidence from talent, recruitment and search firms of their commitment to gender diversity, including:
 - the diversity of their own staff
 - having a gender diversity policy in respect of their own staff and in relation to their work with clients
 - tracking their gender metrics as a firm and by consultant
 - that their consultants have been trained in eliminating bias
 - percentage of women in their long lists and short lists (divided according to type of role) presented to clients over each of the previous three years
 - percentage of female appointments by clients (divided according to type of role) from presented lists
 - success rate of candidates appointed by clients over each of the previous three years from their recommended short lists (still in or been promoted from the role they were appointed to 18 months after appointment)
- extending 'time to fill' requirements of recruitment firms in respect of mid-level appointments. Such a limitation often does not allow time to secure a sufficient range of female candidates (who may be more difficult to find or have a tendency not to respond to approaches from recruiters with the same speed as men) and leads, instead, to an increased likelihood that the successful candidate will be one who is already doing a similar sounding role in a similar company or is promoted from a traditional feeder role within the company. This increases the likelihood of the selected candidate 'running out of runway' in these roles and decreases the chances of selection of diverse candidates.

Benefits

The recruitment process is critical to the selection of the best candidate for a position. Unsuccessful 'hires' are costly both directly and in terms of their impact on the broader team who have to manage the repercussions of recruits leaving.

Ensuring proper and comprehensive role definition in a manner that is not gender biased as the basis of the recruitment or promotion process ensures clarity about the role and essential and desirable attributes of the candidate, thereby reducing the risk of a mismatch. It also allows for the consideration – in many instances – of a broader pool of candidates facilitating a greater opportunity to find the person with the right fit.

Making sure the internal or external talent, recruitment and search providers understand the company's business strategy and gender diversity objectives, and provide their services in a comprehensive and gender-neutral manner, maximises the opportunities for a successful recruitment or promotion outcome.

Notes

1. Macan, T. & Merritt, S., 2011, Actions Speak Too: Uncovering possible implicit and explicit discrimination in the employment interview process, *International Review of Industrial and Organisational Psychology*, 26(8).
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4. Warren, A.K., 2009, Cascading Gender Biases, *Compounding Effects: An Assessment of Talent Management Systems*, Catalyst.
5. Macan, T. & Merritt, S., 2011, Actions Speak Too: Uncovering possible implicit and explicit discrimination in the employment interview process, *International Review of Industrial and Organisational Psychology*, 26(8).

Checklist 5: Role definition and recruitment is the fifth of 10 checklists developed from the report titled *Increasing the Number of Women in Senior Executive Positions: Improving Recruitment, Selection and Retention Practices*. It can be used by companies and individuals in considering practices aimed at improving gender diversity and inclusion. The 10 checklists are:

Checklist 1: The role of the board

Checklist 2: The role of the CEO

Checklist 3: Targets, measures and accountability

Checklist 4: Culture and merit

Checklist 5: Role definition and recruitment

Checklist 6: Assessing applicants and the interview process

Checklist 7: Improving decision-making processes and the success of women once they are appointed

Checklist 8: Retention, development and succession planning

Checklist 9: Career management and performance reviews

Checklist 10: Remuneration

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Increasing the Number of Women in Senior Executive Positions

Assessing applicants and the interview process

A critical precursor to the interview process is the meaningful consideration of applications and CVs. Research has identified that the process of CV review can be highly subjective and subject to gender bias. Examples include when evaluating identical CVs except for gender, the male is preferred twice as often as the female and when evaluating performance for promotion, the standards are likely to be stricter for a woman than for a man – even when both perform at the same level.¹ Investing the time, skills and self-awareness into meaningful consideration of CVs will help guard against undertaking a process that is merely confirmation of implicit assumptions and biases.

A strong body of research has shown that adding more time and structure to the assessment of CVs and to the interview process can enhance reliability and validity of candidate evaluations. It can also help guard against implicit or automatic attitudes and biases that impact interviewer behaviour, interviewer information-processing and interviewee performance.² Ensuring the interview of each candidate is based around a core set of questions in relation to the success criteria of the role reduces the potential for bias.³ Establishing an interview panel of more than one person and ensuring the diversity of the panel can also guard against selection bias.⁴

Excluding invasive and irrelevant questions, gendered language, terminology or expectations, over-engagement with female candidates on a personal level rather than on content, and avoiding judgements of competence derived from candidates' use or non-use of particular styles of speech and presentation all contribute to gender-neutral interviewing.

Actions

CV assessment

There are a number of actions companies can take in relation to assessing CVs that will reduce the risk of gender bias. These include:

- seeking, on an ad hoc or usual basis, de-identified CVs from external firms or in-house recruitment functions in order to prevent implicit assumptions being made when selecting candidates for interview⁵
- applying role requirements and criteria consistently to each CV, assessment and reference check
- writing reasons, grounded in the role criteria, for and for not deciding to interview each short-listed candidate
- considering the benefit of using objective assessments of preferred candidates, or all short-listed candidates in the case of senior roles. Note it is important to understand where women are generally likely to vary from any 'norms' because the outcomes themselves are biased towards men, given they are still the majority of candidates tested
- interviewing all short-listed women as research suggests increasing the female share of those being rated increases ratings of female applicants and employees⁶
- assessing all candidates for mid- and senior-level roles for their capability and track record in having built diverse and inclusive teams

- when considering references adjust for the tendency to place more weight on the reference of somebody known to the enquirer, than the combined weight of various independent referees with close knowledge of the candidate.⁷ Also adjust for the different focus often taken in providing references for men (longer, more references to work achievements) and women (shorter, more references to personal life and to 'doubt raisers').

The interview process

To improve the interview process and remove the potential for gender bias, companies can:

- allocate sufficient time and resources to a structured interview process
- devise a core set of interview questions that relate to the success factors for the role and ask these questions of all candidates, and do not cut short interviews based on initial impressions or engage around personal issues with female candidates
- ensure all interviewers – including senior leaders and directors – are trained in behaviour-based interviewing in order to explore beneath a CV and lessen reliance on years of experience in a similar role, familiar touchstones and demographics, biases, stereotypes and assumptions
- ensure interviews take place with more than one person, preferably reflecting diversity in gender, style and role type, so they can test their assumptions, impressions and views based on the same data points – but through different lenses – with each other
- leave one-on-one 'chemistry' meetings until the final stage of the interview process, following the identification of a favoured candidate by the group of interviewers
- if there are no or insufficient senior line female role models within the executive team or on the board, consider retaining independent experienced senior women through the recruitment, appointment or promotion process, who can bring an enhanced awareness of gender diversity issues⁸
- for senior roles, where external recruitment or search firms have been used, include the search consultant in interviews to help coach the client around interviewing skills, enrich the consultant's understanding of the client, and improve the quality of feedback to the candidates
- recognise and adjust for any potential differences in interview behaviours between men and women. In particular, specifically advise female candidates ahead of time that the interview will focus on concrete examples of their achievements, on how they personally secured outcomes, on their strategic thinking and of how their strengths are reflected in such outcomes. If this is not done, it is recommended that companies specifically invite women to revert after the interview with examples.

Benefits

Both the company and the candidate are being assessed through the interview process. While the company is seeking to make a merit-based offer to the candidate who 'fits' the role, the candidate is also assessing whether there is a 'fit' with the company.

Enhancing the quality of candidate interviews, the fair comparison of candidates and the reliability and validity of interviewer evaluations will not only provide a sound basis for the identification of the best candidate, but add to the positive reputation of the company.

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Checklist 6: Assessing applicants and the interview process is the sixth of 10 checklists developed from the report titled *Increasing the Number of Women in Senior Executive Positions: Improving Recruitment, Selection and Retention Practices*. It can be used by companies and individuals in considering practices aimed at improving gender diversity and inclusion. The 10 checklists are:

Checklist 1: The role of the board

Checklist 2: The role of the CEO

Checklist 3: Targets, measures and accountability

Checklist 4: Culture and merit

Checklist 5: Role definition and recruitment

Checklist 6: Assessing applicants and the interview process

Checklist 7: Improving decision-making processes and the success of women once they are appointed

Checklist 8: Retention, development and succession planning

Checklist 9: Career management and performance reviews

Checklist 10: Remuneration

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Increasing the Number of Women in Senior Executive Positions

Improving decision-making processes and the success of women once they are appointed

Perceptions of where women excel or not continue to match gender stereotypes, despite the fact that over 40 studies of leadership, spanning more than 15 years, fail to support these perceptions and both women and men hold characteristics stereotypically ascribed as feminine or masculine.¹

Research also suggests that different standards exist when women are evaluated compared to men in similar positions. This is due, in part, to gender stereotyping and also because there are still gendered views on leadership such as 'think leader, think male'. This happens particularly at senior levels where men tend to evaluate women leaders more harshly than women do.² Ensuring recruitment, selection and appointment decisions are as free as possible from unconscious, implicit or automatic perceptions, attitudes and biases reduces the risk of poor decision-making and the rejection – based on gender and stereotyping – of women candidates best placed for the role.

Actions

The board, CEO, senior management team and human resource management team are well placed to review their current approaches to decision-making during selection and integration of women into their new roles. This reduces the risk of decisions being made based on unconscious bias or stereotypical views, and the risk of gender-based rejection. Decision-making processes can be improved by:

- allocating sufficient time, resources and attention to decision-making to ensure that lack of time, and other pressures do not lead to reliance on automatic biases and stereotypes, as well as poor decision-making
- ensuring that the selection process is designed in a manner that includes questions and processes that remove the risks of automatic bias and stereotyping of candidates
- initiating discussion with interviewers and recruitment or search consultants to identify and guard against likely inherent biases in judging women
- recognising and adjusting for implicit beliefs about how women and men ought to behave, which can limit a person's ability to evaluate others without bias³
- recognising and adjusting for the natural preference to make decisions that feel right in the gut, which in an environment where women are a minority and men may feel a level of discomfort with females in leadership roles, can lead to decisions against female candidates
- using a consistent scoring methodology – matched to role criteria – that adjusts for potential inherent biases in decision-making and ensures the full range of skills, competencies, behaviours and attributes of the candidate are considered, and that decisions are not simply made on the basis of prior experience alone
- requiring discussion and decision-making among a diverse group when comparing, ranking and recommending candidates because this encourages greater accountability⁴
- rejecting judgements
 - about competence based on narrow accepted pathways or sources of candidates' skills, attributes, competencies or experience
 - on style, fit or chemistry based on a halo effect or on comfort

- about particular responses and behaviours of women, without examining their contexts and testing whether such responses or behaviours are actually rational and smart reactions to such contexts
- based on assumptions and stereotypes
- based on the natural tendency to interpret ambiguous information in ways that reinforce stereotypes. Also to require fewer pieces of information to make stereotype-consistent inferences and to require larger numbers of counter-stereotypic pieces of information to make counter-stereotypic inferences⁵
- applying
 - a de-gendered concept of merit
 - a conscious regard to diversity targets and the benefits of an inclusive culture
 - the previously agreed strategic role requirements and criteria arising from the strategic plan and capability needs
 - assessments of each candidate's potential for success in the role and beyond it⁶
 - the same standards of behaviour and achievement for women as for men to overcome negatively stereotyped groups performing beyond the levels required for positively stereotyped groups simply in order to be perceived as equivalent⁷
 - the same criteria for candidates put forward by a decision-maker as other candidates
 - behavioural descriptions instead of adjectival labels relating to style, fit and chemistry
- considering asking one of the interviewers to specifically advocate for the female candidates throughout the process
- writing up each decision-maker's reasons (grounded in role requirements) for selections at each stage of the selection process, using behaviourally anchored rating scales.⁸ For internal candidates, it is recommended that reasons be accompanied by the development needed for selection, success in or beyond the particular role
- providing unsuccessful internal candidates with advice regarding the specific development needed for appointment to the role, and actions being taken by the company to provide opportunities for such development
- comparing (for consistency) the feedback given to unsuccessful internal female candidates with their most recent performance reviews, and re-examining and adjusting the development plans of these women to enhance their likelihood of promotion.

Benefits

Reviewing and improving decision-making processes to remove the risk of gender bias or stereotyping will improve decision outcomes. The removal of differential standards ensures better assessment of all candidates and aids merit-based appointments.

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1. Catalyst, 2005, Women 'Take Care', Men 'Take Charge': Stereotyping of U.S. Business Leaders Exposed. See also Eagly, A.H. & Karau, S.J., 2001, Role Congruity Theory of Prejudice Toward Female Leaders, *Psychological Review*, 3; Heilman, M.E., 2001, Description and Prescription: How Gender Stereotypes Prevent Women's Ascent Up the Organisational Ladder, *Journal of Social Issues*, 4; Schein, V.E., 2001, A Global Look at Psychological Barriers to Women's Progress in Management, *Journal of Social Issues*, 4; Schneider, D., 2005, *The Psychology of Stereotyping*, Guilford Press.
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8. Macan, T. & Merritt, S., 2011, Actions Speak Too: Uncovering possible implicit and explicit discrimination in the employment interview process, *International Review of Industrial and Organisational Psychology*, 26(8).

Checklist 7: Improving decision-making processes and the success of women once they are appointed is the seventh of 10 checklists developed from the report titled *Increasing the Number of Women in Senior Executive Positions: Improving Recruitment, Selection and Retention Practices*. It can be used by companies and individuals in considering practices aimed at improving gender diversity and inclusion. The 10 checklists are:

- Checklist 1: The role of the board
- Checklist 2: The role of the CEO
- Checklist 3: Targets, measures and accountability
- Checklist 4: Culture and merit
- Checklist 5: Role definition and recruitment
- Checklist 6: Assessing applicants and the interview process
- Checklist 7: Improving decision-making processes and the success of women once they are appointed
- Checklist 8: Retention, development and succession planning
- Checklist 9: Career management and performance reviews
- Checklist 10: Remuneration

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Increasing the Number of Women in Senior Executive Positions

Retention, development and succession planning

Retention, development and succession planning policies are critical contributors to building an internal pipeline of women ready and able to take on senior management roles, including those of chief executive. If talented women are not being appropriately identified as high potential and developed, sponsored and earmarked as middle and senior role successors, the pipeline to senior roles will inevitably be thinner than it should be.

Effective identification and development of employees, in an inclusive culture and closely linked with long-term succession planning, is an essential pillar of company performance and competitive advantage. Research has shown that women have equally strong career ambitions as men.¹

There is evidence that unless consideration of gender bias is specifically injected into the process, formal succession planning can inadvertently perpetuate traditionally masculine stereotypes of senior leadership characteristics, bias who gets promoted and militate against an inclusive culture.²

Actions

The board and chief executive have important roles in establishing an environment that supports an approach to retention, development and succession planning that is conducive to women. The board and chief executive, as part of the company's broader strategic objectives and risk management strategies, can ensure sufficient weight is given to:

- an inclusive culture that embraces gender diversity, as well as diversity of career backgrounds, styles, competencies, skills, attributes and experiences at all levels
- gender diversity as a strategic priority throughout the company to produce a full, or at least a steady pipeline of talented women, including within the leadership team³
- having female role models in the top team⁴
- targeting development and sponsorship of identified internal female talent and successors to enable role readiness, increase the numbers and quality of internal female appointments, and enhance their retention
- sustained investment in succession planning at least five years out from potential need at all management levels, and ensuring talented women are identified and developed for each key role and that there is follow through on their appointment
- high-quality and de-gendered articulation of criteria for role requirements, talent identification, performance assessment, career management and development of required interview skills. This will produce more successful employment and business outcomes, and avoid over-reliance on experience in the same or similar roles and familiar touchstones as bases for decision-making around filling roles⁵
- understanding the actual, rather than perceived, characteristics that distinguish high performers from low performers
- ensuring that when women are appointed or promoted into new roles in gendered environments, they are well integrated and supported. This includes giving them a clear understanding of what success in the role will look like, supportive mentoring and powerful sponsorship by the chief executive or other line business leaders.

Retention

Once appointed or promoted, integration of women into their new roles, or into the organisation, can be improved by:

- ensuring clarity among decision-makers about why they have selected a particular candidate and what development areas they have for the current and future roles
- advising the successful candidate of the specific time-bounded criteria for their success in the role, their development needs and what arrangements have been made to address these from the start
- 'selling' the successful candidate appropriately inside the company and among her peers
- providing the successful candidate with internal and external mentoring for at least their first six months in the role, and ensuring powerful internal sponsorship of her to integrate and succeed
- discussing any performance and integration issues with the successful candidate three and six months out from her commencement.

Further specific actions that can be taken within the company to help retain women include:

- recognising the role that a genuine commitment to flexible working in all its guises and for all genders may play in retaining women at certain stages of their careers and bringing it into the mainstream of the organisation. At the same time guarding against assumptions about the need or type of flexibility, or level of commitment⁶
- recognising that having female role models increases women's commitment, career satisfaction and ambition⁷
- recognising and redressing the role played in women's decisions not to aspire to the C-suite⁸ by issues of openness, honesty, authenticity and teamwork at the top, thoroughly on-boarding and supporting women appointed to mid- and senior-level roles, paying close attention to their integration and fit with the culture. Also interviewing them at the three and six month marks and by conducting a 360-degree appraisal at six months as an early warning means of identifying areas for attention
- encouraging women who have moved into functional roles during child rearing years to move back into line roles as soon as possible
- requiring line managers of women on parental leave to:
 - invite these women to participate in team activities, training, strategy development and networking
 - include them in performance reviews, in development, succession and career discussions, and in consideration for promotion
 - ask them if they are interested in opportunities that arise when they are on leave, even if the opportunities appear to clash with the previously sought length of leave
 - make it plain to them that they are wanted back as soon as possible and that flexible working, to enable them to return sooner, is available and fully supported
- interviewing all departing women at the time of departure and six months later (by an independent female) to discern trends and act on underlying reasons for their departure
- treating women who are 'regretted departures' in ways that encourage their future return, and establishing a strong network of women within their organisation, and alumni, of talented women who have left the organisation or are on leave from it, with a view to encouraging them to come back to work.

Development

Specific actions that can be taken within the company to develop talented women include:

- developing inclusive and effective organisational goals and objectives⁹
- implementing a talent development strategy, with gender diversity as an explicit focus¹⁰ and a goal of equal representation of men and women in all talent pools and leadership programs. This should unpick what potential looks like and differentiate performance and its consequences, behaviours that matter, transparency and accountability¹¹
- broadsharing of detailed data so everybody relevant to talent identification and development has facts rather than hearsay, assumptions and reliance on exclusionary informal networks
- specifically linking talent identification and development with succession planning, conducted with a long-term perspective to avoid a replacement approach to succession planning¹²
- identifying where talented females sit throughout the organisation, their strengths and development, and augmenting this – in respect of key roles – with a view of the external market (including alumni, non-executive directors and business owners who may wish to resume an executive career) to provide benchmarking or ideas about strategic roles, succession and risk areas
- being flexible regarding upper and lower age criteria for women in identified talent pools in order to allow for periods of leave. This may require a higher upper-age limit, or for lower-age limits where women have the early maturity and ambition to progress faster in their careers before possibly taking time out for parenting¹³
- advising internal women identified as belonging to a key talent pool of this fact, in order to strengthen their loyalty and enable them and the company to accelerate their development and plan their careers in a more open environment (but not as prerequisite or guarantee of promotion)
- implementing a socialisation program with identified internal and external female talent to build affinity and favourable disposition towards the company, and greater knowledge of them by senior executives, the chief executive and, where appropriate, board members
- ensuring regular talent discussions (preferably in gender balance groups) are a high priority and that there is accountability for follow through with planned development of targeted female talent
- ensuring women's development primarily (70%) consists of on-the-job experience in key feeder/mission critical roles, highly visible, whole-of-organisation, cross-functional and challenging projects, and international assignments. This should be supplemented by exposure through networking, mentoring, coaching and other influential relationships (20%), and training and education (10%)¹⁴
- where access to at least 50% females at graduate or other early entry points is limited – either individually or with other companies – target females in appropriate university or TAFE courses and at secondary school level. Encourage them to consider careers in areas of need for the company and keep in touch with them throughout their tertiary training.

Succession planning

Specific actions that can be taken within the company to enhance the inclusion of women in succession planning for critical senior roles include:

- ensuring women's performance and career management plans actively include consideration of their opportunities for progress and future capability needs
- assessing and rewarding all leaders on their success in selecting the right people for roles and retaining them in the company – including how many identified female successors they have actually moved into roles, and the implementation of career development plans within their businesses and across their teams

- appointing women, in equal numbers where feasible, to early career line roles, international opportunities, key project management roles, transformational leadership roles and career-enhancing talent development opportunities.¹⁵ Also give these women exposure to roles that will develop their strategic thinking, not just their tactical skills (which are often a byproduct of project management rather than business leadership roles)
- sponsoring women into key business roles and assignments,¹⁶ selecting and rewarding sponsors on the basis of position power and experience in relevant business areas or oversight of projects – which may provide relevant development – and ensuring the purpose of sponsorship is seen to advocate and help women gain visibility and get into key positions¹⁷
- avoiding early streaming of women into perceived (often without foundation)¹⁸ stereotypical areas of strength, which may take them out of the running for key feeder roles into senior leadership positions
- filling vacant roles on an interim basis to allow sufficient time to secure a permanent female candidate who meets future strategic as well as current operational needs
- developing the capabilities of executives to think laterally and inclusively about succession, and to enable and support the injection of diverse talent into each team in order to access more talent and improve the quality of decision-making
- including several women (senior executive women, female directors or – in their absence, as an interim measure – independent senior external women) among discussants (with board and management) of succession plans and, specifically, the progress and positioning of women in the organisation
- keeping in mind and seeking to retain, during periods of restructuring and retrenchment, identified female successors (who are often lost to the company during such periods if they are in development roles).

Benefits

Neglecting serious succession planning and failing to keep it current and contextualised within the company's business strategies will only result in time-pressured recruitment and promotion processes. Such an approach risks reducing the opportunities to maximise the pool of candidates and disadvantaging the searching out of suitable female candidates. Time-pressured selection processes have also been found to lessen the likelihood of female candidate selection because decision-making under pressure often leads to increased influence of gendered criteria, biases and stereotypes.¹⁹

The right retention, development and succession planning policies save companies significant dollars and time. Failing to retain talent due to poor company culture and inadequate attention to performance development means companies lose the expertise and knowledge that contribute to business performance.

Notes

1. Bain & Chief Executive Women, 2011, What stops women from reaching the top? Confronting the tough issues.
2. Warren, A.K., 2009, Cascading Gender Biases, Compounding Effects: Assessment of Talent Management Systems, Catalyst – see in particular Appendix 2: A Guide for Evaluating Gender-Stereotypic Language.
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Checklist 8: Retention, development and succession planning is the eighth of 10 checklists developed from the report titled *Increasing the Number of Women in Senior Executive Positions: Improving Recruitment, Selection and Retention Practices*. It can be used by companies and individuals in considering practices aimed at improving gender diversity and inclusion. The 10 checklists are:

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Checklist 7: Improving decision-making processes and the success of women once they are appointed

Checklist 8: Retention, development and succession planning

Checklist 9: Career management and performance reviews

Checklist 10: Remuneration

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Increasing the Number of Women in Senior Executive Positions

Career management and performance reviews

Research shows that women are equally as ambitious as men.¹ Research also shows that women remain less deliberate than men in their career progressions.²

The aim of investing time and skills in managing the careers of talented women is to make the most of their talent at every stage of their career. This applies whether they are working full- or part-time; on leave, or newly returned; or able to travel more, or less.³ It also strengthens the likelihood of their being retained and moving through the pipeline to senior leadership roles.

This investment requires actions on the part of the individual woman and the organisation.

Research points to a number of inherent biases in performance appraisal processes, often relating to assumptions about line versus staff roles.⁴ It is important to have processes at the front end of performance reviews to guard against gender bias in evaluations.⁵ Research also points to the interdependency between performance reviews and promotional outcomes such that women's promotional pathways can be limited by the nature of the performance management practices in place.⁶

Boards, CEOs and senior management are well placed to consider a company's internal career development and performance management systems to ensure they are designed in a manner that is not gender biased.

Actions

Boards, CEOs and senior management can enhance their approach to career path planning for women by:

- implementing 'whole of career' planning discussions early in women's careers to ensure the company's understanding of their aspirations. Also that they are aware of any flexibility needs and their awareness of the specific requirements, pivotal experiences and skills and attributes, favoured in success profiles for key roles for progression to top team/CEO roles
- given that the more senior a woman is when she has children, the more likely will be her return to work,⁷ accelerating, where feasible, women's early development to get them further along their career paths before they may have children
- appointing women in equal numbers, where feasible, to early career line roles, international opportunities, key project management roles, transformational leadership roles and career-enhancing talent development opportunities.⁸ Also giving women exposure to roles that will develop their strategic thinking, as well as their tactical skills (which are often a by-product of project management rather than business leadership roles)
- avoiding early streaming of women into perceived stereotypical areas of strength, which may take them out of the running for key feeder roles into senior leadership positions
- recognising and addressing the role played in women's decisions not to aspire to the C-suite⁹ through open discussion and consideration of the actions required – rather than assuming a lack of ability, confidence or ambition

- implementing development programs for women that are:
 - targeted at career advancement and succession fulfilment
 - linked directly with performance reviews, talent, succession, career and promotion discussions
 - split between:
 - training and education (10%)
 - exposure through networking, mentoring, coaching and other influential relationships (20%)
 - on-the-job experience, primarily in key feeder/mission critical roles, highly visible, whole-of-organisation, cross-functional and challenging projects, and international assignments (70%)¹⁰
- focusing the training and education component¹¹ of women's development on:
 - supplementing 'mainstream' development initiatives in order to deliver, for women, what men receive through their established informal mentoring and sponsorship networks
 - assisting them to adapt and win in the culture, and overcome barriers and biases during an interim period of transformation towards gender diversity in an inclusive culture
 - ensuring it is not a substitute for key business roles
- selecting women for 'mainstream' talent development and leadership programs at the rate of 50 per cent of participants.

Boards, CEOs and senior management can enhance their approach to performance management for women by:

- reviewing and calibrating the outcomes of performance reviews throughout the organisation to identify any disparities along the lines of:
 - gender, with a particular focus on ratings in those areas deemed to be critical for future promotions, including specific leadership skills
 - various work patterns, including part-time and full-time work
- committing to the same bell curves of ratings as between males and females within defined cohorts, and ensuring flexible working and parental leave are not penalised
- ensuring performance review documentation does not include gendered and stereotyped measures and language
- monitoring and removing gendered and stereotyped concepts of merit, competencies, preferred leadership styles and language
- ensuring behavioural rather than adjectival assessments, as well as consideration of competencies and their assessment
- seeking lists of achievements, and other qualitative inputs for the purpose of assessment, rather than self-assessed scores from those being assessed
- incorporating feedback from talent, succession and promotion discussions and off-line conversations into performance reviews and assess for 'how', as well as 'what' goals are achieved
- requiring that all performance reviews result from a variety of inputs to reduce the likelihood of bias and, in the context of 360-degree assessments, that 50 per cent of assessors are to be female
- considering the benefits of having executives, in particular, when a male and female are under consideration for the same role. Also undergoing external assessments to obtain an objective comparative supplement to internal 360-degree feedback and performance reviews, and calibrating a consistent approach to assessment throughout the organisation.

Benefits

Expanding the numbers of women in senior management roles will not occur without efforts to redress the imbalance of access women have to career-advancing roles. Improving career management processes and ensuring the removal of any gender bias in performance management systems will facilitate the progression of larger numbers of women into senior management roles reducing the loss of talent within companies.

Notes

1. Bain & Chief Executive Women, 2011, What stops women from reaching the top? Confronting the tough issues.
2. Malloy, R., 2013, Don't Let Your Career "Just Happen", HBR Blog Network, 6 September 2013.
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6. McKinsey, Women Matter, 2012: Making the Breakthrough: McKinsey, 2008, Women Matter 2: Female leadership, a competitive edge for the future.
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8. Warren, A.K., 2009, Cascading Gender Biases, Compounding Effects: Assessment of Talent Management Systems, Catalyst – see in particular Appendix 2: A Guide for Evaluating Gender-Stereotypic Language.
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10. Wilson, M.S, Van Velsor, E., Chandrasekar, A. & Criswell, C., 2011, Grooming Top Leaders, Centre For Creative Leadership; McKinsey, 2008, Women Matter 2: Female leadership, a competitive edge for the future.
11. McKinsey, 2008, Women Matter 2: Female leadership, a competitive edge for the future.

Checklist 9: Career management and performance reviews is the ninth of 10 checklists developed from the report titled *Increasing the Number of Women in Senior Executive Positions: Improving Recruitment, Selection and Retention Practices*. It can be used by companies and individuals in considering practices aimed at improving gender diversity and inclusion. The 10 checklists are:

Checklist 1: The role of the board

Checklist 2: The role of the CEO

Checklist 3: Targets, measures and accountability

Checklist 4: Culture and merit

Checklist 5: Role definition and recruitment

Checklist 6: Assessing applicants and the interview process

Checklist 7: Improving decision-making processes and the success of women once they are appointed

Checklist 8: Retention, development and succession planning

Checklist 9: Career management and performance reviews

Checklist 10: Remuneration

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Increasing the Number of Women in Senior Executive Positions

Remuneration

The latest data on remuneration trends in Australia identifies the ongoing differential between the remuneration of women and men for work requiring the same knowledge, skills and competencies. Australian Bureau of Statistics figures show the gender pay gap stood at 17.5 per cent in May 2013, and has increased around 1 percentage point since May 1995.¹

According to research conducted by the National Centre for Social and Economic Modelling in 2009, into the impact of the gender pay gap on the economy, 'simply being a woman' accounted for 60 per cent of the difference between women's and men's earnings.² Women's earning prospects have actually decreased since 2009, with a 2012 report³ showing that the lifetime earnings gap between men and women with a bachelor's degree was \$1.26 million, with men earning \$3.66 million compared to women's \$2.4 million. A woman aged 25 years with postgraduate qualifications can expect to earn two-thirds of her male counterpart's lifetime earnings and, on average, will have lower lifetime earnings with Year 12 qualifications – \$2.49 million and \$2.55 million respectively.

The remuneration strategies of companies should be reviewed to ensure remuneration decisions are gender neutral and differences are not perpetuated over time.

Actions

- As a first step, companies should review their remuneration outcomes throughout the organisation to identify and rectify areas where women have fallen behind, and anomalies and systemic differences in fixed and variable remuneration⁴ including those that arise from:
 - systemic gender differences in performance ratings
 - criteria that penalise on the basis of gender
 - a female's apparent lack of direct experience for a new role, despite having won the role over a more experienced male due to her other more pertinent attributes and competencies for the role
 - the undervaluing of some roles, in particular 'feminised' roles, (which might be rectified by either revaluing them in accordance with internal and external benchmarking or de-feminising them)
 - lack of visibility or transparency about what will be rewarded
 - differences in the relational access of women to male decision-makers, resulting in higher variable rewards for 'being like me'
- Reward female promotees or appointees fairly in comparison to the rates being sought or offered to males being considered for the same or similar roles, and who are more often paid for potential – whereas women are more often paid for proven performance⁵
- When women are on parental leave, continue remuneration reviews and notional increases in base pay, bonuses and superannuation based on average CPI-related and performance-based increases received across their team/peers
- Initiate fair remuneration increases for women taking on extra roles and responsibilities.

Benefits

A transparent and gender-neutral remuneration strategy can redress the fact that women are still frequently paid less for equivalent work than their male counterparts taking into account industry, prior work experience, aspirations and parenting.⁶

Notes

1. Workplace Gender Equality Agency, 2013a, Gender Pay Gap Statistics.
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