

FACTBase

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Gender in the C-Suite on the WA ASX 100

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Introduction

Among the Organisation for Economic Co-operation and Development (OECD) countries, less than 30 per cent of women occupy senior management positions despite a higher proportion of women graduating from universities (OECD 2012). Women are also more likely to earn less than men. Belgium leads in narrowing the gender pay gap at 3.3 per cent of the male median wage, whereas Australia lags significantly with a gap of 15.4 per cent, but outranks the UK (17.4 per cent) and the USA (17.5 per cent) (OECD 2014). Nationally, Western Australia has the worst gender pay gap, of 24.9 per cent (WGEA 2016a).

Research suggests that increased female representation in the boardroom is associated with reduced gender pay gaps across the organisation (Cassells, Duncan and Ong 2016). In seeking to promote and improve gender equality in Australian workplaces, the Workplace Gender Equality Agency (WGEA) was established by *The Workplace Gender Equality Act 2012*. WGEA is mandated to ensure that non-public sector employers with 100 or more employees in Australia, for six months or more cumulatively, report annually against the following six overarching gender

The key findings of this Bulletin are:

- Approximately 9.5 per cent of C-Suite positions on the WA ASX 100 are held by women and 90.5 per cent by men.
- Female representation in the C-Suite declines sharply from the WA ASX 1-10 (16.7 per cent) to WA ASX 11-20 (3.8 per cent), but rises to 12.0 per cent among the WA ASX 21-50. A stark difference in female representation is observed between the WA ASX 1-50 (11.7 per cent) and WA ASX 51-100 (6.2 per cent).
- Women currently only fill 2.8 per cent (n=4) of Chairperson, CEO, and Managing Director roles on the WA ASX 100. The percentage of women rises over four fold (12.3 per cent, n=47) in the senior management teams, reflecting that there is a larger talent pool in the female leadership pipeline not advancing to the top management tier.
- The most common senior managerial roles to which women are appointed are company secretaries and joint company secretaries (30.5 per cent), general managers and group managers (20.3 per cent) and C-positions, such as Chief of Human Resources, Chief of Operations Officer, Chief of Finances Officer, etc., (15.3 per cent).
- Of those who have a Postgraduate qualification, the majority of women in the C-Suite have a Masters degree (45.2 per cent), Postgraduate Diplomas and Graduate Certificates (32.3 per cent), followed by Masters in Business Administration (16.1 per cent). In terms of professional qualifications held by these women, they include chartered accountants (35.3 per cent), chartered secretaries (17.6 per cent) and chartered practising accountants (11.8 per cent), which complemented the managerial positions.

equality indicators: gender composition of the workforce; gender composition of governing bodies of relevant employers; equal remuneration between women and men; availability and utility of employment terms, conditions and practices relating to flexible working arrangements for employees and working arrangements that support employees with family or caring responsibilities; consultation with employees on issues concerning gender equality in the workplace; and other

matters specified by the Minister, including sex-based harassment and discrimination (WGEA 2017). Non-compliant companies may be ineligible for Commonwealth Government grants and contracts. WGEA's 2016 dataset, comprised of more than 12,000 employers and 40 per cent of Australia's employees, highlighted that whilst women's representation in leadership and board roles is increasing and gender pay gaps are reducing in Australian workplaces, more work needs to be done. A closer

reading of the statistics reveals that 37.4 per cent of the sampled company managers are women and gender balance declines in more senior management and executive categories (WGEA 2016b). Gender pay gaps similarly widens at higher levels of management (WGEA 2016b).

Western Australia has the highest reported gender pay gap nationally at 24.9 per cent (WGEA 2016a). FACTBase Bulletin 53 *Gender in the Boardroom* further found less than 9 per cent of women are currently appointed on the WA ASX 100 company boards (Thu 2017). The low percentage of female directors and CEOs is partly attributed to the high concentration of mining and energy firms located in Perth. Across the major industries in Australia, mining and construction have historically been male-dominated industries and remain so with only 15.8 per cent women in mining and 15.9 per cent women in construction (WGEA 2016b). The latest research in Australia reveals that female managers are more likely to be remunerated closer to parity in a male-dominated managerial environment and that women in part-time employment in mining earn more than their male counterparts at both base salary level and total remuneration level as women are more likely to be in professional, clerical and service roles as compared to the predominantly labour roles held by men (Cassells et al. 2016). Total remuneration includes superannuation, bonuses, overtime, share allocations, allowances, and other discretionary pay. Despite these encouraging trends, the low number of female executives on the WA ASX 100 indicates that women are not advancing through the leadership 'pipeline'.

Female attrition in the workforce may be compounded by inflexible work arrangements or persisting workplace policies, practices and cultures that act as barriers to women from competing or reaching the top of the corporate ladder. In addition, women spend nearly twice as long as men on domestic activities and childcare, and nearly 70 per cent of primary carers are women (ABS 2015; ABS 2016). The disproportionate amount of responsibilities and unpaid care activities carried out by women may therefore inevitably force them to work reduced hours, miss out on job training or promotions, and take career breaks or retire earlier.

Considering the few women on the company boards of the WA ASX 100, this Bulletin casts a wider net to examine if there is more gender balance in the leadership pipeline – that is within the WA ASX 100's senior management teams – also known as the C-Suite. The C-Suite is a popular term used to refer to senior management positions within companies with titles that begin with 'C', such as Chief Executive Officer, Chief Financial Officer, Chief Human Resources Officer, Chief Operations Officer etc... Company board members are typically selected from these C-level and senior management positions. The gender composition and characteristics of WA's ASX 100 C-Suites are therefore examined to discern if there is a pipeline of qualified women who can be appointed into future leadership positions. Findings demonstrate that the lack of female executives found in FACTBase Bulletin 53 is mirrored in the WA ASX 100 C-Suite, with a low female representation in senior management levels. These statistics reflect there are obstacles in the leadership

pipeline that may be preventing women's career progression, which needs to be urgently addressed through further research, policy and action.

The WA ASX 100 C-Suite Gender Composition and Characteristics

WA's ASX 100 companies were selected drawing on Deloitte's January 2017 *WA's Top 100 Listed Companies* (Deloitte 2017). Companies are ranked according to market capitalisation. They must be listed on the ASX (Australian Securities Exchange), have a registered office in WA, and either have an operation or a headquarter in WA. Using this list, individual profiles of the senior management teams, also referred to as leadership teams, executive teams or C-Suites, were compiled drawing on publicly available information from the ASX website, company websites, including annual reports, LinkedIn, Bloomberg, and Wall Street Journal etc... With the exception of Chairpersons, CEOs, and Managing Directors, individuals appointed onto senior management teams are not board members, except in some cases, where individuals may hold multiple positions. Since biographical information was collated from publicly available sources, it was difficult to obtain detailed data for some individuals, particularly those in smaller firms.

For the purposes of this Bulletin, the rate of female representation in the top management tiers of Chairpersons, CEOs, and Managing Directors as well as female representation in the senior management levels are examined. The educational and professional qualifications of women in the C-Suite are

then studied to gain insight into the existing talent pool within the female leadership pipeline. Finally, the number of ASX- and non-ASX-listed firms these senior females have board and senior management positions on, along with the affiliations and memberships they have, based on industry, education, health, and arts and culture sectors, are mapped to explore the women's breadth of influence and networks they can draw on, which can enhance organisational performance but also lead to career advancement.

The WA ASX 100 is dominated by companies in the materials (n=54), energy (n=11), and capital goods (n=10) sectors (see Thu 2017). A total of 526 individuals are appointed onto the WA ASX 100 C-Suites, comprising of 50 women and 476 men, resulting in 9.5 per cent female and 90.5 per cent male representation (Table 1). Whilst the WA ASX 1-10 has the highest female representation at 16.7 per cent, this percentage drops to 3.8 per cent among the WA ASX 11-20 before climbing up to 12.0 per cent among the WA ASX 21-50. Despite this fluctuation, a marked difference is observable in female representation in C-Suite positions between the WA ASX 1-50 (11.7 per cent) and WA ASX 51-100 (6.2 per cent). As the information was collated from public sources, it is possible that there are more men and women who were not sampled, particularly in smaller companies that do not have a large online presence.

Only 2.8 per cent (n=4) of Chairperson, CEO and Managing Director positions on the WA ASX 100 are currently held by women as compared to men, 97.2 per cent (n= 141) (Figure 1). These

Table 1: Female Representation (%) in the C-Suite on the WA ASX 100.

	Total Individuals	Men	Women	Female Representation (%)
WA ASX 1-10	72	60	12	16.7
WA ASX 11-20	53	51	2	3.8
WA ASX 21-50	192	169	23	12.0
WA ASX 1-50	317	280	37	11.7
WA ASX 51-100	209	196	13	6.2
Total	526	476	50	9.5

Figure 1: Female Representation (%) among Chairpersons, CEOs, and Managing Directors on the WA ASX 100.

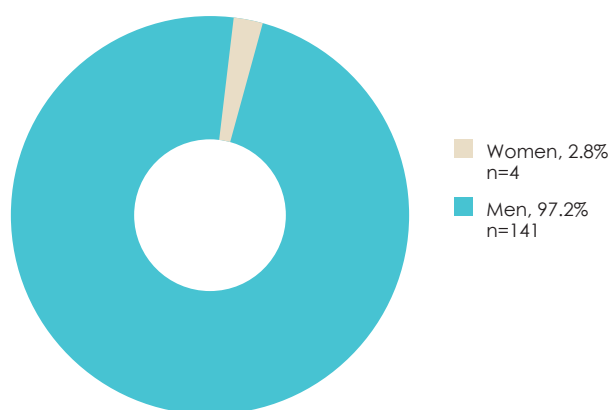


Table 2: Gender Profile of Chairpersons, CEOs, and Managing Directors on the WA ASX 100.

Position	ASX 1-50		ASX 51-100	
	Men	Women	Men	Women
Chairperson	10	0	14	0
CEO	37	3	15	0
Managing Director	29	1	36	0
Total	76	4	65	0

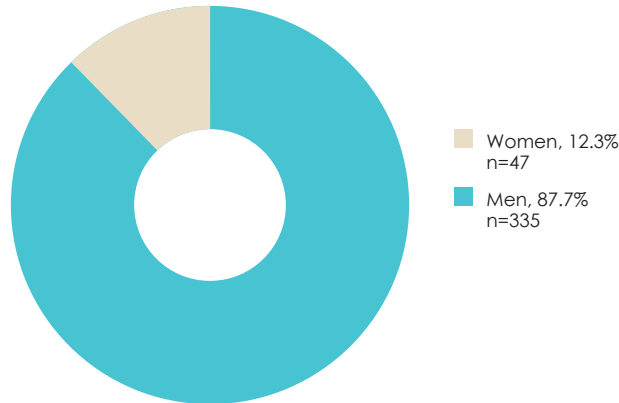
women are concentrated on the WA ASX 1-50, whereas there are presently no women in the top management tier of the WA ASX 51-100 (Table 2). Only one woman is appointed to the dual

positions of CEO and Managing Director, as compared to 21 men holding the same dual roles, and one man holds the dual positions of Chairperson and Managing Director.

The percentage of women rises over four fold, 12.3 per cent (n=47) in the lower tiers of senior management positions but the WA ASX 100 remains a male-dominated management environment, 87.7 per cent (n=335) (Figure 2). The reduction in absolute female numbers and proportions at the top management tier suggests there is a larger talent pool in the female leadership pipeline that is not advancing from the lower management levels or further onto board positions.

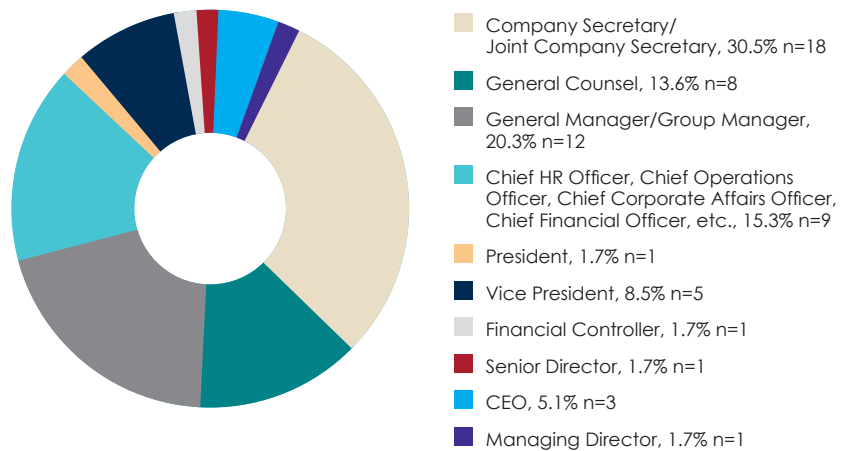
Examining the roles held by women in the C-Suite, a high proportion of them are company secretaries and joint company secretaries, 30.5 per cent (n=18), followed by general managers and group managers, 20.3 per cent (n=12), C-positions, 15.3 per cent (n=9) and general counsels, 13.6 per cent (n=8) (Figure 3). Eight women held two managerial positions.

Figure 2: Female Representation (%) on the Senior Management Teams* of the WA ASX 100.



* Note: Chairpersons, CEOs, and Managing Directors are excluded here, except for individuals who hold multiple positions within a company.

Figure 3: Women's Roles in the C-Suite on the WA ASX 100.



Out of the 50 women on the WA ASX 100 C-Suite, tertiary educational profiles were available for Bachelor degrees, 78 per cent of women (n=39) and Postgraduate degrees, 40 per cent of women (n=20). Four women held two Postgraduate degrees each and one woman held three Postgraduate degrees. Similar to FACTBase Bulletin 53, a larger proportion of Bachelor's degrees were completed in WA, 51.2 per cent (n=20) and in other Australian States, 28.2 per cent (n=11), whereas the majority of Postgraduate degrees were completed in other Australian States, 55.6 per cent (n=15) or abroad, and in WA, 22.2% (n=6) respectively (Figure 4). In terms of Postgraduate qualifications, Master degrees was most commonly held, 45.2 per cent (n=14), then Postgraduate Diplomas and Graduate Certificates, 32.3 per cent (n=10), Master in Business Administration, 16.1 per cent (n=5), and PhD or equivalent, 6.5 per cent (n=2) (Figure 5). These statistics suggest that almost half of the senior female managers have higher levels of tertiary education and that Perth-based companies are able to retain those women educated here, but also attract others educated elsewhere.

Professional qualifications were available for a smaller sample of seventeen women, and most of them were qualified as chartered accountants, 35.3 per cent (n=6), chartered secretaries, 17.6 per cent (n=3), and chartered practising accountants, 11.8 per cent (n=2) (Figure 6). These professional qualifications bring additional knowledge and skills into organisations, and complement the occupational roles the women currently hold in the C-Suite. Taken together, the above statistics demonstrate that

Figure 4: Location of Higher Education Completed by Women in the C-Suite on the WA ASX 100.

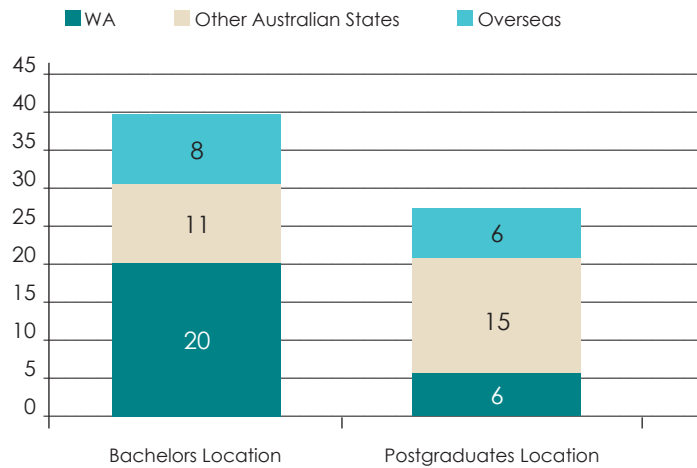


Figure 5: Postgraduate Degrees held by Women in the C-Suite on the WA ASX 100.

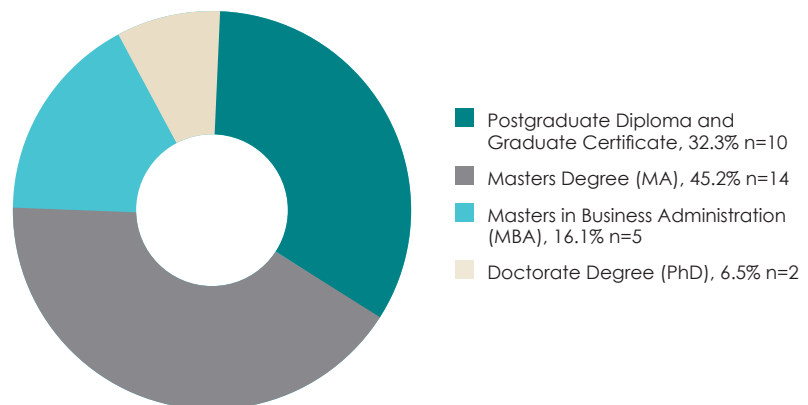
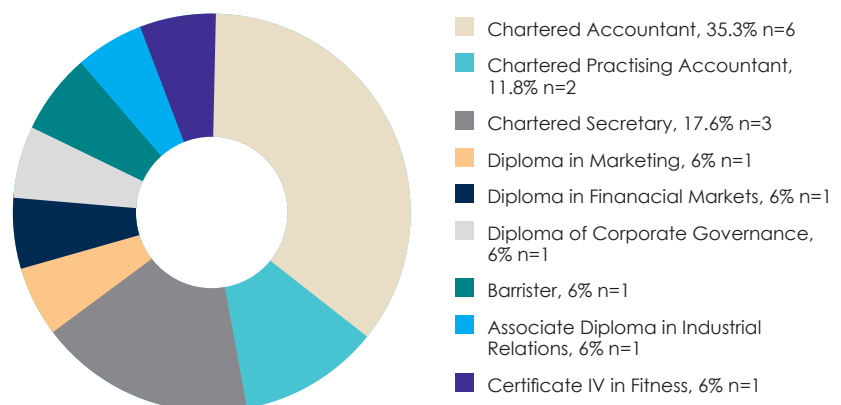


Figure 6: Professional Qualifications held by Women in the C-Suite on the WA ASX 100.



Perth-based companies have access to a diverse pool of skills, experiences and qualifications among the female managers.

Women in the C-Suite of WA's ASX 100 appear to have a range of professional memberships across various sectors (Figure 7). Memberships which include the Australian Institute of Company Directors, Institute of Chartered Accountants of Australia and New Zealand, and among others, the Governance Institute of Australia, provide networking and skills development opportunities for these individuals. Findings from the Committee for Perth's (2015) *Filling the Pool* report highlights that the lack of female role models and the dominance of male executives can be detrimental for female career progression as male employees and peers are unintentionally favoured for mentoring and promotions. Therefore, the breadth and depth of industry experience, together with memberships in associations, community or not-for-profit organisations are critical for women and men to build their professional careers (CfP 2015).

Gaining external board experience is critical for female managers to strengthen and acquire new skills to take on more senior roles. Three individuals are each concurrently on the board of one other ASX-listed company, and one holds a general manager position in another ASX-listed company. Four individuals are each on the board of one non-ASX-listed company, whereas one woman is on the company board of two non-ASX-listed companies and another is on the board of four non-ASX-listed companies. There are no company interlocks among the women on the WA ASX 100 C-Suite (Figure 8).

Figure 7: Professional Affiliations and Networks of Women in the C-Suite on the WA ASX 100.

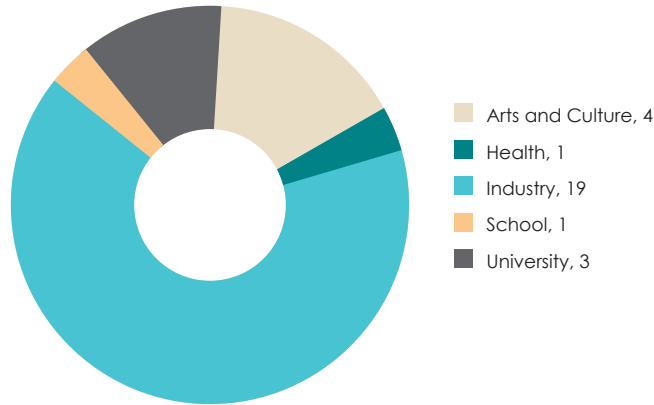
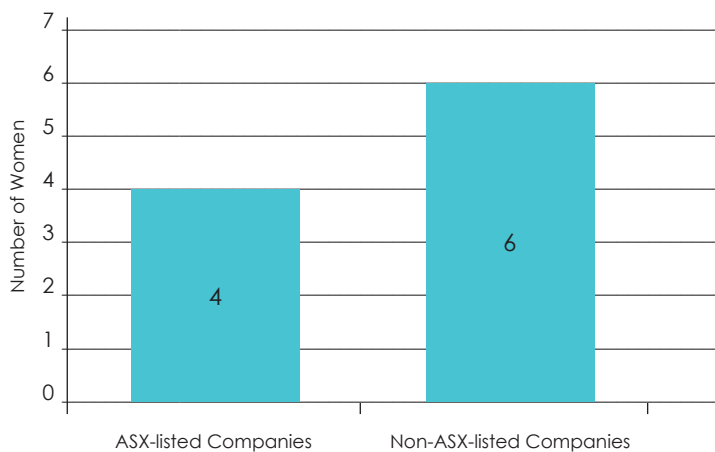


Figure 8: Women with Board and Management Positions on Other Companies in the C-Suite on the WA ASX 100.



Making WA's ASX 100 more Equitable

Women are poorly represented in both the C-Suite and boardrooms of WA's ASX 100. Findings in this Bulletin show that low female representation in the C-Suite declines sharply at the highest decision-making levels of the Chairpersons, CEOs, and Managing Directors. Women are mostly appointed to the senior managerial roles of company secretaries, general managers, C-positions, and general counsels. WA ASX 100 therefore suffers from both vertical and horizontal occupational gender segregation. What can be done to advance greater gender diversity and inclusion on the WA ASX 100?

As recommended in the *Filling the Pool* report, research will play a critical role in identifying factors that hinder but also facilitate women's career advancement into C-level and board positions (CfP 2015). Comparative research can be conducted in the government and not-for-profit sectors, which have higher representation of female leaders, to identify factors that can encourage more women to be promoted into leadership roles in the corporate sector (CfP 2015). Qualitative research that examines women executives' and board members' experiences on the WA ASX 100 may further help to identify persisting issues and possible solutions to addressing female attrition at the top management and board levels.

Evidence-based research can better inform company leaders to take affirmative action to create more gender inclusive workplace environments. Seeking to remove institutional barriers that hinder gender

equality in WA's workplaces, the CEOs for Gender Equity (CGE), a group comprised of some of WA's most influential CEOs from the private, not-for-profit and government sectors are actively working at both the individual and organisational levels to increase women's participation in the workforce, leadership roles, and reach gender parity in wage (CGE 2017). The group has recently proposed implementing gender pay audits in WA companies in an effort to close the wage gap between women and men within the next five years.

The question of whether to implement mandatory gender quotas or to set voluntary gender targets remains hotly debated in Australia and elsewhere. Lessons can be gleaned from Norway, where the government passed a law requiring publicly-listed companies to have at least 40 per cent female board members, with non-compliance leading to companies being delisted (Seierstad, Huse, and Seres 2015). Despite enforcement of the quota law resulting in Norway having one of the world's highest female representation on public listed companies, there is little evidence of trickle-down benefits beyond that for newly appointed female board members to date (Bertrand, Black, Jensen and Lleras-Muney 2014). There has been no statistically significant change in the top tier positions in terms of women's representation or a narrowing of gender wage gap (Bertrand et al. 2014). Nonetheless, young Norwegian women felt optimistic that the reform will improve their future employment opportunities (Bertrand et al. 2014). The latest report on Norway's 200 largest companies by total revenue moreover illustrates the lack of progress beyond

meeting the statutory quota (Centre for Research on Gender Equality (CORE) 2017). Women account for 20 per cent of executive committees in these companies, with only 7.5 per cent female CEOs and 11.5 per cent female Chairpersons (CORE 2017). Surprisingly, private limited companies have more gender balance than publicly limited companies. Men are overrepresented in executive committees in all sectors, with oil and gas having the highest share of companies with all-male executive committees (CORE 2017).

Findings in this Bulletin show that almost half of the women on the WA ASX-100 C-Suite hold postgraduate degrees, which suggests that there is an existing pool of qualified educated women who are potential candidates for executive and board positions. Indeed, research supports that the issue is often in the perception, rather than an actual lack of suitable or qualified women (Bertrand et al. 2014). Attention must be paid not to perpetuate gender segregated occupational roles, which is currently observable on the WA ASX 100 C-Suite with the majority of women appointed to company secretary positions.

Taking a longitudinal perspective additionally reveals that young women and men choose different educational and career pathways that are influenced by their earlier experiences in school (Fitzsimmons, Callan and Paulsen 2014). More young women are likely to enrol in health and the social sciences than STEM subjects, i.e. science, technology, engineering, and mathematics. Self-belief, confidence, as well as gendered norms and expectations, may prevent women from entering

male-dominated professions (CfP 2015). Hence, providing STEM role models for younger girls in schools may encourage them to continue on to study a STEM field in higher education (Professionals Australia 2017). Achieving gender equality will require a multi-dimensional approach which addresses systemic barriers in the workplace, educational opportunities for women and men, girls and boys, but also changing cultural perceptions of what females and males should and can do. An improved leadership pipeline makes good business sense, but more importantly, translates into meaningful social outcomes.

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About FACTBase

FACTBase is a collaborative research project between the Committee for Perth and The University of Western Australia to benchmark the liveability of Perth and its global connectedness through an examination of Perth's economic, social, demographic and political character.

The FACTBase team of academics and researchers condense a plethora of existing information and databases on the major themes, map what is happening in Perth in pictures as well as words, and examine how Perth compares with, and connects to, other cities around the world.

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