



Australian Institute of  
**Project Management**

8 Imperatives for  
Gender Equity in  
the Workplace  
**2020**

# The Gender Diversity Challenge

The Australian Institute of Project Management (AIPM) has identified 'diversity by default' as one of its primary values. While the percentage of AIPM's female members has improved 2% in the past 12 months, women represent less than a quarter of the membership at 22%. This low level is a reflection of both Australian society and male domination of the industries that are project management based.

Australia is lagging the world in its move to gender equality, despite important legislation having been put in place. In 2018, OECD's figures show Australia's female workplace participation rate for 25-54 year olds was 75.1%, compared to Canada 79.1%, New Zealand 73.7% and Germany 80.6%. Women working full time represent only 26%<sup>1</sup> of the Australian workforce, only 25% of the ASX executive leadership team<sup>2</sup> are women and the gender pay gap, although declining at a glacial pace, is 21.3% or \$25,717 p.a.<sup>3</sup>.

A contributing factor to these statistics is the current childcare rebate scheme, which places significant financial disincentives on professional, university educated women from returning to work. Not only does this impede women developing mastery in their careers relative to men of the same age, but also impedes Australia's GDP.

To improve the level of women returning to the workforce either part time or full time, both parents need flexible work, and all Australians need a workplace free from bullying and sexual harassment.

Australian women and men have traditionally worked in different industries and different jobs. Six out of ten Australians still work in industries dominated by one gender. AIPM's membership

comes predominantly from project-based organisations in male dominated industry groups including mining, construction, manufacturing, information, media & telecommunications, and professional, scientific & technical services.

As project-based organisations face challenges of increasing skill shortages, leveraging female management talent could meet this demand and also, as indicated by research<sup>4</sup>, improve organisational competitiveness and outcomes.

AIPM believes its female membership base will expand as project management is adopted by more widely by sectors that employ more women, such as health, finance and legal services. However, AIPM is looking to accelerate this change, and address potential future skill shortages by advocating to remove the barriers to women's progression generally, and project management careers in particular. In doing so we seek to improve both the profession and the economy.

Through our research, we have identified the eight imperatives that Australian governments, society, AIPM members and industry need to urgently address to speed up the journey to gender equality in the workplace to the benefit of all Australians.

We hope you can support AIPM in this endeavour.

## ELIZABETH FOLEY

*Chief Executive Officer*

## MIKE KING

*Chairman*



<sup>1</sup> ABS 2019 Labour Force

<sup>2</sup> CEW ASX200 Senior Executive Census 2019

<sup>3</sup> WEGA Australia's Gender Pay Gap Statistics 15 August 2019

<sup>4</sup> M. Baker et al./ International Journal of Project Management 37 (2019) 872-883

# AIPM's 8 Gender Equity Imperatives

- ◆ 1 Valuing Women
- ◆ 2 Workforce Participation
- ◆ 3 Affordable Childcare
- ◆ 4 Flexible Work
- ◆ 5 Industry & Occupational Segregation
- ◆ 6 Gender Pay Gap
- ◆ 7 Superannuation Gap
- ◆ 8 Workplace Psychological Safety

# Valuing Women

There are still pre-conceived ideas of traditional female skills in our society. Women have long been positioned as the primary carer and homemaker, where traditionally these skills have been unpaid and given no commercial value. To fulfil these important but undervalued areas of our society, women spend less time in the paid full-time workforce than men.

Female dominated industries, like retail, healthcare and teaching have also tended to be less well paid than male dominated industries. There is a compelling business case for improved gender balance in organisations. Gender balance allows organisations to draw from a broader range of talent and achieve better long-term business and organisational outcomes. There is a broad range of research which has shown that having a diverse workforce provides tangible and measurable benefits to an organisation.

More specifically to project management, research by Queensland University of Technology, published in 2019<sup>4</sup>, found pioneering evidence for positive effects on profit (EBITDA) of more women in management in project-based organisations (PBOs). The results support the argument that

PBOs are better able to capitalise on the benefits of increased representation of women because of the greater value in creativity and innovation achieved through mixed gender teams.

Due to the project-based operational structure and team-based working environments in PBO's, more women in management roles represent a more valuable resource. This is due to the high levels of skills and qualifications, multiple perspectives, market insights, and management styles - all having a positive impact on decision-making<sup>5</sup>, leading to improved performance.

Gender balance is now becoming part of an organisation's 'social licence to operate'. Organisations are seeking diversity, not as an end in itself, but because diverse teams have proven to be more effective in an increasingly complex world.

## BHP: A SHINING EXAMPLE

To better reflect the communities in which BHP works, they set an ambitious, aspirational goal to achieve gender balance across BHP globally by FY2025.

Since 2016 when they announced their aspiration goal, overall female representation has increased from 17.6 per cent to 22.4 per cent and the number of women in the business globally has increased by over 2,000 or 40 per cent.

**BHP website**

## AIPM advocates for

❖ organisations to commit to improving gender equality at work.

<sup>4</sup> M. Baker et al./ International Journal of Project Management 37 (2019) 872-883

<sup>5</sup> Dezso and Ross, 2012; Marinova et al., 2010; Opstrup and Villadsen, 2014.

# Workforce Participation

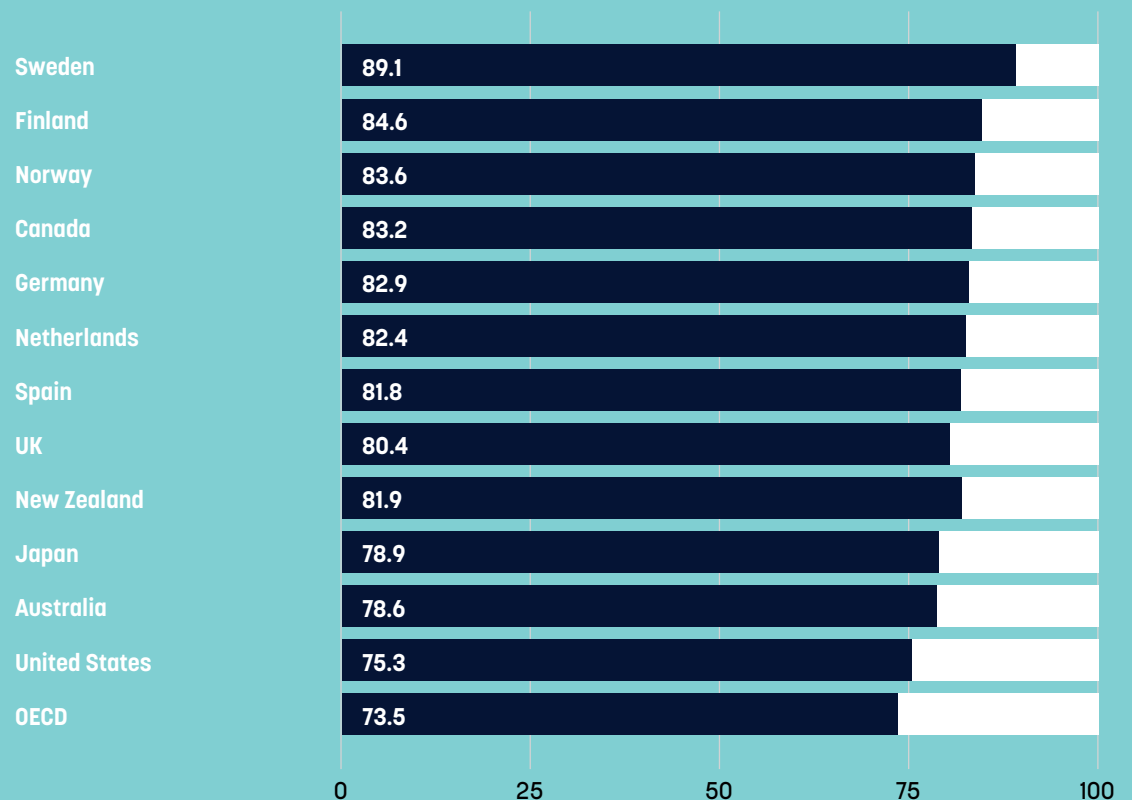
Australian female workforce participation is low by international standards, particularly for fulltime work. There are more women working two or three days a week in Australia compared to other developed countries. If Australia could boost its workforce participation level for females aged 25 to 55 years to the level of Canada - a comparable country which in 2018 had nearly 5%<sup>6</sup> more women in the workforce - Australia's GDP would be \$25 billion higher.<sup>7</sup>

The high level of part-time work is partly cultural, partly the interaction of our tax,welfare and childcare systems, and partly due to lack of flexibility in our workplaces. Increasing female workforce participation, particularly full time or at a 4-day week level, would have a positive impact on many of the other issues facing women in Australia.

It would

- ✦ Increase the talent pool of women experienced enough move into executive line positions and CEO roles
- ✦ Improve gender balance at all levels of organisations
- ✦ Reduce the gender pay gap and superannuation gap
- ✦ Improve workplace psychological safety.

## Females aged 25 - 55 years Workforce participation rate<sup>6</sup> % 2018

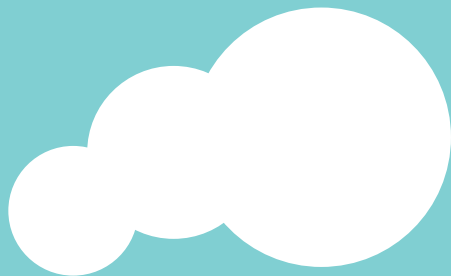


### AIPM advocates for

- ✦ the removal of barriers to women participating more fully in the workforce.

<sup>6</sup> OECD Labour force Participation by sex and age

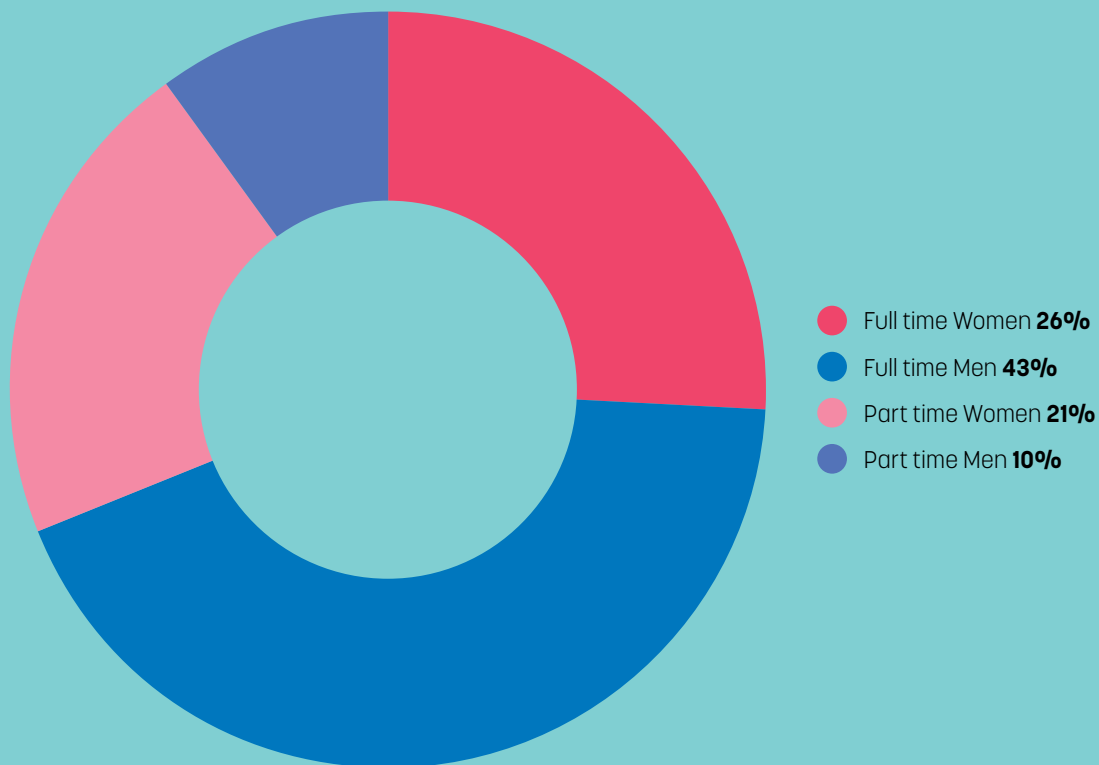
<sup>7</sup> Game Changers: Economic Reform Priorities for Australia, Grattan Institute 2012



'If untapped female workforce participation was a massive coal deposit, we would have governments lining up to give tax concessions to get it out of the ground.'

**Danielle Wood** Program Director, Budget Policy and Institution Reform, Grattan Institute

## Workforce by Gender 2019



❖ Six out of ten Australians still work in industries dominated by one gender.

❖ Female dominated industries tend to have lower pay rates.

Affordable, available, quality childcare is fundamental to women with children returning to the workforce. Since 1996 there has been a significant shift from informal care (e.g. grandparents) to formal care (e.g. Long Day Care), so that both are now equal in terms of usage (see table).

| Care Attended Last Week | 1996 | 2017 |   |
|-------------------------|------|------|---|
| Formal Care             | 9%   | 19%  | ▲ |
| Informal Care           | 31%  | 19%  | ▼ |
| Both                    | 6%   | 9%   | ▲ |

Source: ABS 4402.0 Childhood Education and Care, Australia June 2017

Approximately 1.3 million children aged 12 and under were expected to attend some form of government-approved or government-funded childcare service in the Child Care Services industry in 2017-18.

The childcare industry has been reporting overcapacity since 2017. However, there are also reports of insufficient out-of-school-hours care places generally, with the biggest issue preventing provision being finding appropriate space.

On 2 July 2018, the Federal Government's new Child Care Subsidy Scheme (CCS) came into being, replacing the Child Care Rebate and the Child Care Benefit schemes, which AIPM believes is an improvement on the previous system. However, there is a need to consider the interaction of the personal tax, family payments and childcare support systems and its impact on Australian women with young children from participating more fully in the workforce.

The CCS has two financial 'cliffs' that exacerbate the work disincentives facing younger working mothers;

- ◆ If the family income is over \$186,958, the CCS is capped at \$10,190 per child. An extra dollar of income would cause the CCS to plunge by as much as \$5,111.
- ◆ The abrupt cut-off of the CCS at an annual family income of \$351,248 p.a. An extra dollar of income would cost the family almost \$6,000.

KPMG estimates reducing these workforce disincentives facing professional, university educated women could add up to 12 million working hours to the economy annually. This is the equivalent of an additional 6,500 highly talented women in the Australian workforce.<sup>8</sup>

In terms of equity, the interplays of the tax and transfer systems is aggravating the negative consequences of social biases against women.

## AIPM advocates that

- ◆ Australians need to rethink equity around careers and child rearing responsibilities. There is much advantage for all if there was a societal change where both fathers and mothers work 4 days a week and better share the childcare workload
- ◆ The Productivity Commission should undertake a review of the interaction of the personal tax, family payments and childcare support systems and its impact on Australian women with young children from participating more fully in the workforce
- ◆ The Federal Government should undertake a review of out-of-school hours care industry

<sup>8</sup>"The cost of coming back: Achieving a better deal for working mothers". KPMG Oct 2018

A major disincentive for women returning to the workforce following a career break is the availability of, and attitudes towards, flexible work. Only 18 per cent of working men work part-time or flexibly, compared with 46 per cent of women.<sup>9</sup>

If we aspire to adapt to the workplace of the future and the increasing desires of both genders to play meaningful parenting roles, then we need strong leadership from CEOs and active support from all managers and significant role models to make flexible working a success for men and women.

If Australian employers embrace flexible working arrangements that recognise family circumstances they will benefit from their increased access to the skills and experience they need.

Based on research by Chief Executive Women and Bain and Company<sup>10</sup>, AIPM has identified several key actions to normalise and accelerate the success of flexible working.

**AIPM advocates for organisations and their leaders to:**

- ◆ Actively encourage and role model the uptake of flexible work arrangements
- ◆ Ensure flexible arrangements are supported and working successfully for all genders
- ◆ Create the right culture and support employee career progression, with visible support from the CEO, leadership team and colleagues
- ◆ Create clear policies around promotion and compensation for employees working flexibly
- ◆ Ensure appropriate technology and an adaptable work environment are in place



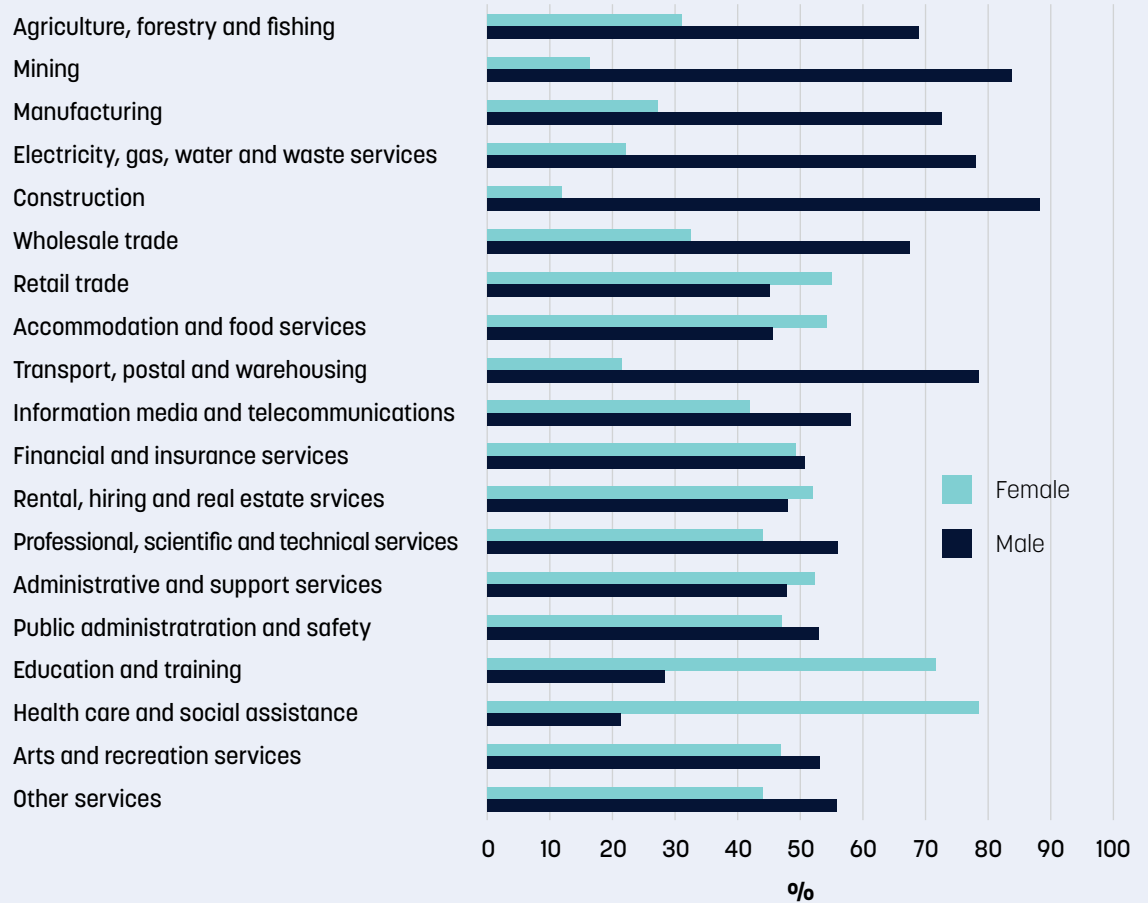
<sup>9</sup> Women's Economic Security Statement 2018

<sup>10</sup> 2019 - CEW/Bain: Better Together: Increasing Male Engagement in Gender Equality Efforts in Australia

2016 - CEW/Bain: The Power of Flexibility: A Key Enabler to Boost Gender Parity and Employee Engagement



## Proportion of Males and Females (20-74 years old) employed by Industry, 2017-18



Source: 4125.0 - Gender Indicators, Australia, Sep 2018

Industry segregation refers to the fact that traditionally female dominated industries, such as teaching, childcare and nursing, as opposed to male dominated industries such as advanced manufacturing, construction and mining.

Occupational segregation refers to the fact that women generally occupy lower level positions as opposed to senior management positions in most industries across Australia.

While there has been small improvements in occupational segregation, men and women are still doing different jobs.

Women still make up low numbers in most project-based industry sectors. For instance, the Australian construction industry - the third highest employing sector of the economy at 10% and fourth fastest growing industry at an annual average growth rate of 4.8% for the past 2 decades - is one of the industries with the lowest female participation rate of 11.7%.<sup>11</sup>

Both of these factors are complex and multi-faceted problems that encompass a number of different social and economic issues. Collectively this results in a pay gap, even where there may not be any like-for-like discrimination.

Both industry and occupational segregation between men and women contribute to the Gender Pay Gap.

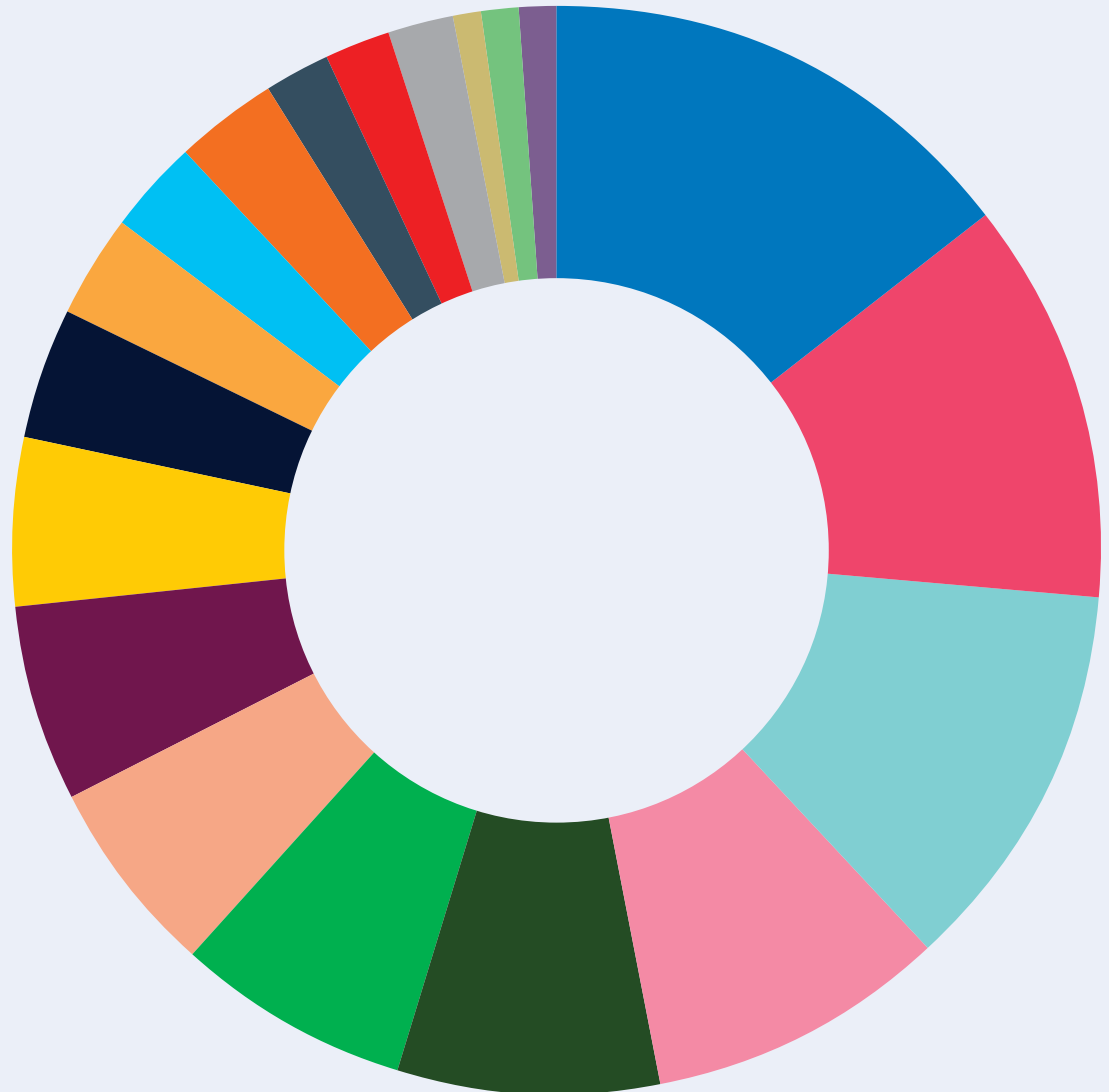
### AIPM advocates for medium to large organisations to:

- ❖ Set targets for gender equity across all occupational categories
- ❖ Review hiring and promotion processes to ensure unconscious biases are identified and avoided
- ❖ Appoint on 'merit', where merit is well defined and agreed, from both a team and individual perspective

<sup>11</sup> M. Baker et al./ International Journal of Project Management 37 (2019) 872-883

## AIPM Membership sectors

AIPM membership primarily comes from male dominated industry sectors



- Construction **15%**
- Defence **12%**
- Professional, Scientific and Technical Services **12%**
- Electricity, Gas, Water and Waste Services **9%**
- Information Media and Telecommunications **8%**
- State Government **7%**
- Other **6%**
- Education and Training **6%**
- Federal Government **5%**
- Local Government **4%**
- Transport, Postal and Warehousing **3%**
- Financial and Insurance Services **3%**
- Mining **3%**
- Public Administration and Safety **2%**
- Manufacturing **2%**
- Health Care and Social Assistance **2%**
- Administrative and Support Services **1%**
- Agriculture, Forestry and Fishing **1%**
- Retail Trade **1%**

# Gender Pay Gap

The gender pay gap is the difference between women’s and men’s earnings and is generally expressed as a percentage of men’s earnings. The national gender pay gap is calculated by the Workplace Gender Equality Agency (WGEA) using data from the Australian Bureau of Statistics (ABS). As at August 2019, the national average full-time base salary pay gap, across all industries and occupations is 14%. That is, women’s base salary is \$241.50 less than men’s per week.<sup>12</sup>

In terms of total remuneration the gap is even bigger, 21.3% or \$25,717 per annum.<sup>12</sup>

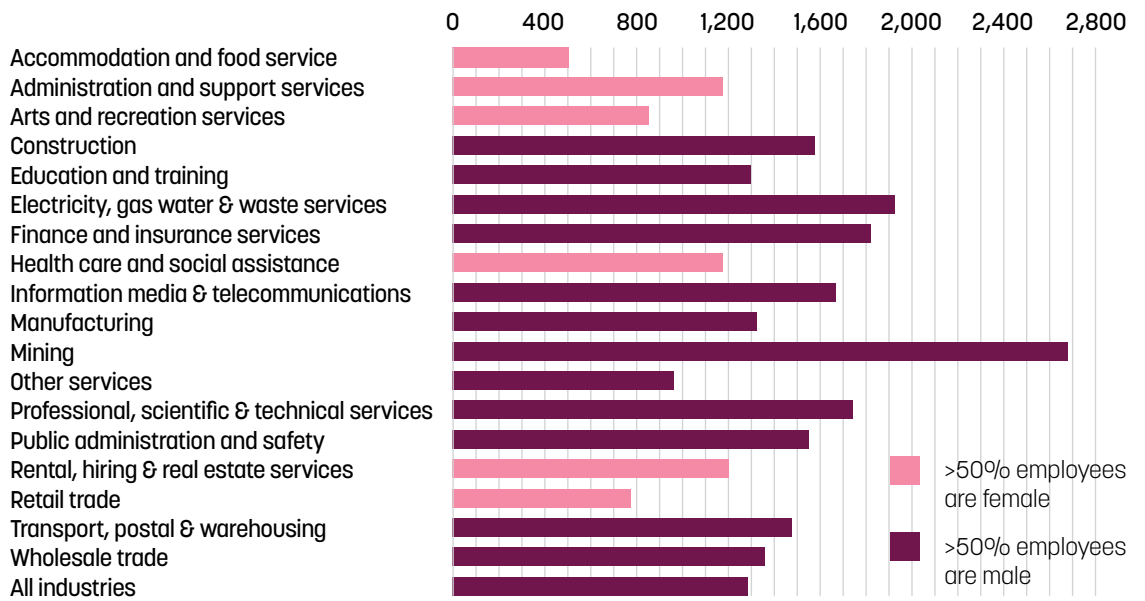
The causes of the gap are complex and its impact is cumulative in terms of financial equity between men and women, as evidenced by the gap in men and women’s superannuation balances.

A 2016 study by KPMG<sup>13</sup> broke down the gender pay gap into several different factors. KPMG found the three primary factors driving the pay gap were:

- ◆ Direct sex discrimination and bias in pay and hiring decisions;
- ◆ The breaks in women’s career paths to accommodate caring responsibilities; and
- ◆ Women and men working in different industries and different jobs.

There has been very little movement in gender segregation across Australian industries over the past five years. While there has been small improvements in occupational segregation, men and women are still doing different jobs.

## \$ Average Weekly Total Cash Earnings by Industry, May 2018



Source ABS Employee Earnings and Hours, Australia May 2018 & Gender Indicators, Australia Sep 2018

### AIPM advocates for medium to large organisations to

- ◆ Undertake regular gender pay audits to identify and rectify gender pay gaps
- ◆ Examine their recruitment and employment practices to avoid unconscious bias against women
- ◆ Remove pay non-disclosure clauses from contracts which prevent employees from discussing the terms of their employment with their fellow colleagues

### AIPM advocates for Government to

- ◆ Amend the Fair Work Act 2009 to make non-disclosure clauses in employment contracts void and provide relevant employees with protection when they seek to discuss their employment information with others
- ◆ Like the UK, mandate for private sector organisations employing more than 250 people publication of standard employment terms and conditions online
- ◆ AIPM also encourages women to pursue STEM subjects and STEM based careers

<sup>12</sup> WGEA Australia’s Gender Pay Gap Statistics

<sup>13</sup> “She is Price(d) Less”. KPMG Oct 2016

# Superannuation Gap

The gap in between men and women's superannuation balances on average is well acknowledged by the Superannuation Industry and the Government. Women retire with 42 per cent lower superannuation balances than men.<sup>14</sup>

The main causes of the gender gap on superannuation balances are twofold:

- ❖ Women spend less time in the paid, fulltime work force
- and
- ❖ The gender pay gap.

Recent research has shown the financial literacy of Australian women to be lower than that of men, and that low levels of financial literacy are linked to poverty. Women's low superannuation balances compounds the impact of low financial literacy on women's economic security in retirement.



## AIPM Advocates for

- ❖ Improving the financial literacy of women
- ❖ Government to add a Superannuation Guarantee Contribution to the government paid parental leave scheme
- ❖ Businesses to offer superannuation payments on top of existing employer paid parental leave, or for those with no employer paid parental leave, to at least pay some superannuation instead
- ❖ More visibility of both partners' superannuation assets in divorce proceedings

Every Australian employee has the right to have a safe workplace. This includes psychological safety, free from bullying and sexual harassment. Research has shown that psychological safety impacts on team efficiency which in turn affects organisational outcomes. Ensuring the psychological safety and wellbeing of employees ultimately benefits organisations as a whole.

Historically, Australia has been a trailblazer in this field, enacting sex discrimination legislation two years before the US recognised it as a valid form of discrimination.

The #MeToo movement caused organisations across the globe to examine their standards of professional behaviour and question behaviours that may have been traditionally accepted as the norm.

The Australian Human Rights Commission's (AHRC) 2018 national survey on sexual harassment in Australian workplaces found that:

- ❖ In the last five years, 39% of women and 26% of men have experienced sexual harassment at work.
- ❖ Fewer than one in five people (17%) made a formal report or complaint about workplace sexual harassment.

AIPM applauds the national enquiry into workplace sexual harassment by the AHRC, announced in October 2018.

## AIPM advocates for organisations

- ❖ To ensure their workplace culture results in a safe environment for all employees
- ❖ To ensure their policy and procedures are reviewed and updated to be best practice
- ❖ To ensure that employees have a safe way to report workplace sexual harassment
- ❖ To ensure those who do report are not labelled as troublemaker or are ostracised, victimised or ignored by colleagues
- ❖ To encourage their staff to call out sexist or inappropriate behaviour when it happens

# Australian Institute of Project Management

## About

As the national peak body for project management, AIPM supports its approximately 8,000 members through their project management career, maximizing their project knowledge, competency and performance. AIPM's seeks to develop, drive and promote project management professional practice to enable sustainable economic and social outcomes for the national benefit.

## Values



## AIPM Chapter Presidents

| Chapter | President        | Email addresses  |
|---------|------------------|--|
| NSW     | Mark Adams       | <a href="mailto:NSW_president@aipm.com.au">NSW_president@aipm.com.au</a> |
| VIC     | Chris Latcham    | <a href="mailto:VIC_president@aipm.com.au">VIC_president@aipm.com.au</a> |
| QLD     | Lachlan Waite    | <a href="mailto:QLD_President@aipm.com.au">QLD_President@aipm.com.au</a> |
| SA      | Brad Hajek       | <a href="mailto:SA_President@aipm.com.au">SA_President@aipm.com.au</a>   |
| WA      | Peter Tilley     | <a href="mailto:WA_President@aipm.com.au">WA_President@aipm.com.au</a>   |
| TAS     | Vaidehi Hardikar | <a href="mailto:TAS_President@aipm.com.au">TAS_President@aipm.com.au</a> |
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| ACT     | Sylvia Boyle     | <a href="mailto:ACT_President@aipm.com.au">ACT_President@aipm.com.au</a> |

(As at January 2020)

## Organisational Partners



## Organisational Members



## Academic Partners & Members



