



ADVANCING WOMEN IN AUSTRALIA: ELIMINATING BIAS IN FEEDBACK AND PROMOTIONS

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Chief Executive Women

Women leaders enabling women leaders

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Introduction

Diversity is good for business. It is well established that a strong link exists between diverse organisations and better business outcomes, where gender balance is the yardstick for overall diversity.¹

Accessing the benefits of diversity demands that our organisations be meritocratic. Yet, defining who has merit and who does not without introducing subjectivity and bias remains challenging in practice. This is especially true when it comes to promotions and senior appointments.

A promotion should be based on an unbiased assessment of both an individual's past performance and their future potential to meet current and future requirements. However, while past performance should be relatively easy to assess, evaluating potential is much more subjective and this is often where biases² can cloud judgement.³

It is therefore not surprising that creating a meritocracy and minimising bias are often viewed as critical enablers of women's progress into senior leadership. In our 2011 Bain & Company and Chief Executive Women (CEW) research, we asked what would be required for women to achieve equal representation in senior leadership. "Removing bias from recruitment and promotion processes" was one of the top three responses women gave, along with "visible leadership" and "creating working models that support men and women with family responsibilities."⁴ Having addressed two of these responses in our 2014⁵ and 2015 reports,⁶ we focused our 2016 survey of 4,481 members of the Australian business, government and not-for-profit communities on the role of bias in assessing performance. We anchored our survey in three fundamental questions:

- How meritocratic are Australian organisations, and does the assessment of merit differ for men and women?
- Given the scarcity of women at the top, do women experience differences in the performance feedback they receive?
- What might explain these differences, and what should organisations and individuals do to counteract bias in performance assessment and feedback processes?

It's an uncomfortable truth that men remain in the majority at the top of Australian organisations by a factor of six. Australia's Workplace Gender Equality Agency found that whilst 34% of senior managers are women, only 16% of CEOs are women (in non-public sector organisations with more than 100 employees).⁷ The statistics are significantly worse within large Australian publicly listed companies, where only 5% of ASX 200 CEOs are women. Therefore, to see any meaningful change in these statistics requires decision makers, who are mostly men, to question their own thinking, embrace new behaviours and appoint qualified women into roles in the C-suite. This often means selecting someone who is different from previous occupants.

For this very reason, promoting—or appointing—a woman to a senior role may seem riskier than promoting a man. It is human nature for decision makers to feel more comfortable promoting individuals similar to themselves or those who have occupied the role previously. Compounding the situation, the scarcity of women in such roles means that fewer female role models exist to act as reference points for decision makers. Too often a female appointment means putting a woman into a senior role for the first time within an organisation. So promoting a woman into a position previously held by a man requires a decision maker to be objective about the skills, attributes and experiences that are required for success—regardless of gender.

Indeed, it's a challenge for anybody to overcome the biases, whether conscious or unconscious, that affect their decisions. In addressing the need for a more objective approach to promotion decisions, ANZ CEO Shayne Elliott said: "Unfortunately, people have interpreted merit to mean 'hiring people who have done this before' and that generally means we get people who look and think like us. The world has shifted, and this approach won't work anymore. To be a better bank that is agile, digital and customer-centric, we want broad-minded, versatile and flexible people, and to get them we have to open our minds and redefine what merit means."

The 2016 Bain & Company/CEW survey revealed three insights into what affects women's prospects for promotion into the C-suite in Australia:

- Despite meritocracy creating significantly higher employee advocacy, Australian organisations are not perceived to be meritocratic by roughly half of all respondents; and women are even less positive.
- Substantial differences identified in feedback provided to women and men point to the perceived riskiness of female appointments. Women are told more frequently than men that they need to display "more confidence" and have "more experience" to be promoted.
- Even worse, the actions and specific development required to be ready for promotion are rarely made clear to employees. This is particularly true for women.

The survey responses help highlight a range of factors that affect the ability of Australian organisations to improve gender diversity in the workplace by raising questions about the gender neutrality of feedback and promotion decisions, particularly at senior levels. Our findings also helped us clearly see the path towards addressing these issues and improving gender diversity and business outcomes. Organisations need to take four actions:

- Train managers to provide all employees with feedback that is specific, measurable, actionable, realistic, timely and thoughtful so that women as well as men can learn about and address any performance issues in a timely fashion.
- Ensure that women and men have effective sponsors to support their career development and advocate on their behalf.
- Ensure that women and men have access to career-development opportunities and specific roles in which they can gain the skills and experiences deemed necessary for promotion.
- Take specific actions aimed at preventing bias in appointment and promotion decisions and processes.

Any organisation serious about its commitment to merit-based promotion and gender diversity must ensure these steps are undertaken.

1. Are Australian organisations perceived to be meritocratic?

Let's start with the good news. It is evident from our findings that there is a solid business imperative for organisations to work hard to create meritocratic workplaces. Building an organisation in which men and women feel that appointments are based on merit can mean the difference between having a workforce of advocates or a workforce of detractors. We found that Net Promoter Score® values⁸ (see the sidebar “Net Promoter Score explained” for details) were significantly higher for both women and men in organisations employees felt were meritocratic as opposed to non-meritocratic (33 vs. negative 20 for women and 45 vs. negative 5 for men) (see *Figure 1*).

In addition, the differences in Net Promoter Score were even starker when survey respondents were asked if they would recommend their organisation as a place where women can progress to senior levels. Here, the difference for women was significant, with a 66-point gap between women who believed their organisation was meritocratic and those who did not.

But how do our respondents view meritocracy? What is clear from our research is that women and men see meritocratic organisations as having two key attributes: “fair and robust processes” and “selection based on candidates displaying requisite skills and potential.” Said one respondent, “We use clear criteria and challenge ourselves to ensure no unconscious bias comes into decision making during recruitment.” Another commented, “Every candidate is fairly assessed on his or her capabilities, past achievements and potential, regardless of gender.”

What is also evident from our research, however, is that there is plenty of room for improvement across Australia when it comes to employees' perception of their organisation's meritocracy (see *Figure 2*). Whilst only 61% of male respondents said that they feel their organisations are meritocratic, women are even less positive, with only 45% of female respondents perceiving their own organisations to be meritocratic. This perception was lowest for both male and female employees in the middle of their careers.

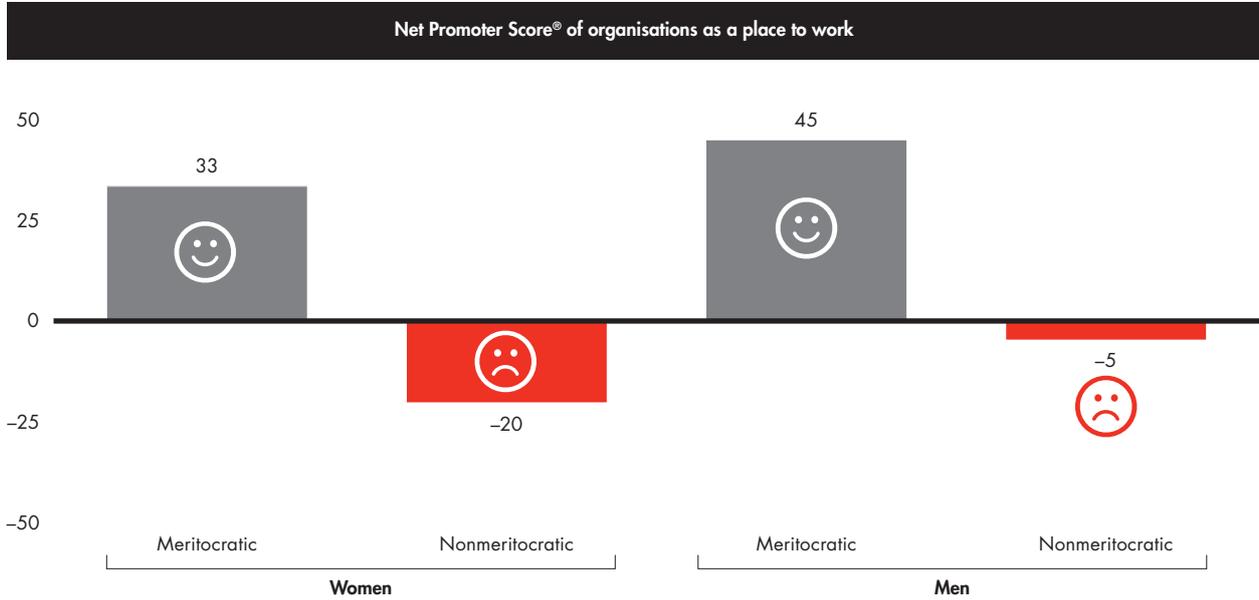
Net Promoter Score explained

The Net Promoter Score® (NPS®) groups respondents into three categories: promoters, passives and detractors.

- **Promoters (score of 9 or 10):** People who feel that their lives have been enriched by their relationship with their organisation or leader. They behave like loyal employees, typically staying longer and talking the organisation up to their friends and colleagues.
- **Passives (score of 7 or 8):** People who are fairly satisfied employees, but not loyal ones. They rarely talk their company up, and when they do, it's likely to be qualified and unenthusiastic. If a better offer comes along, they are likely to defect.
- **Detractors (score of 0 through 6):** People who feel their lives have been diminished by their association with their organisation or leader. They are dissatisfied and even dismayed by how they are treated. They frequently speak negatively about their organisation and are likely to leave as soon as they find something better.

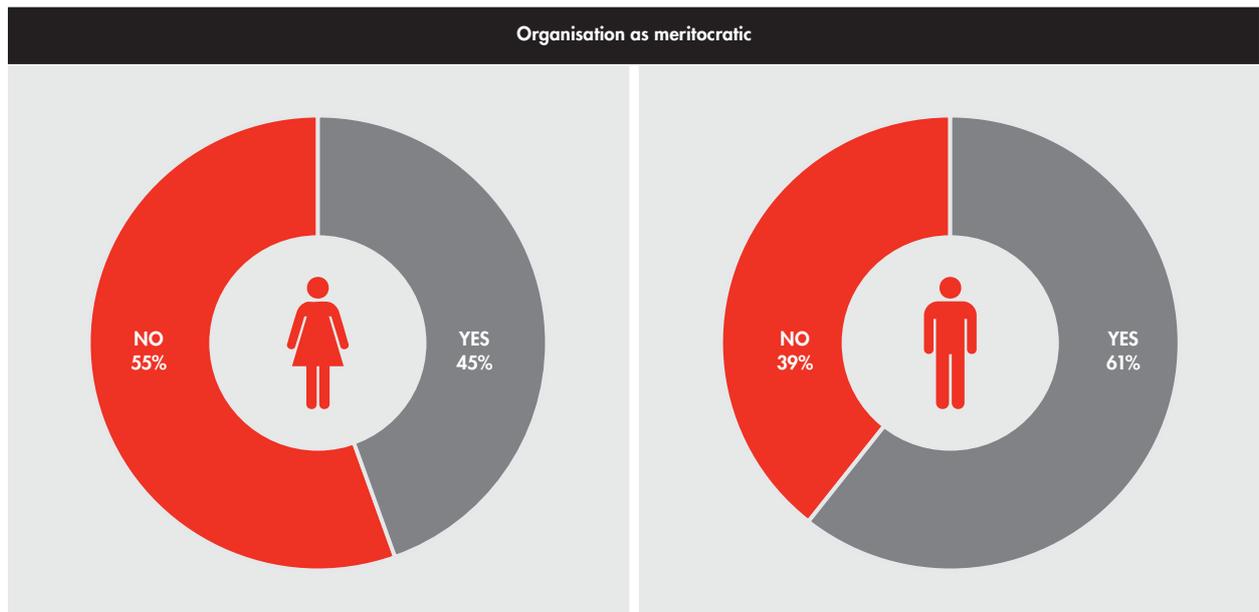
NPS is calculated by subtracting the percentage of detractors from the percentage of promoters.

Figure 1: Organisations can increase employee advocacy by creating meritocratic workplaces



Note: Data has been weighted
 Source: Bain & Company and Chief Executive Women Gender Parity Survey, 2016 (n=4,481)

Figure 2: Roughly half of all respondents do not perceive their organisation to be meritocratic; women are even less positive



Note: Data has been weighted
 Source: Bain & Company and Chief Executive Women Gender Parity Survey, 2016 (n=4,481)

This shouldn't come as a surprise: In the past five years, we have seen little change in our research on women's perception of equal opportunity. Only 30% of women believe that qualified men and women have equal opportunity to be recruited or promoted into management and executive positions across Australian workplaces in general, compared with 60% of men.

Why do female respondents remain so much less positive than men about their opportunities to progress to the top? The three key reasons women attribute to a lack of meritocracy within their organisations are lack of sponsorship, inherent bias and a lack of robust processes.

More than 50% of female respondents saw lack of sponsorship as a significant barrier to their promotion prospects, particularly given that they do not enjoy the same access to traditional networks as men. This view confirms earlier Bain & Company/CEW research that highlighted the importance of sponsorship.⁹ One female respondent reported: "Clearly, female candidates face a handicap given the lack of access to sponsorship and those 'lift-off' roles that some male candidates find access to earlier in their careers." However, it was also clear that many men felt excluded from key networks as well. Said one male respondent, "It's an exclusive club. Even for men. If you're not one of the 'in' crowd, you will be passed over for promotion."

Inherent bias was another key reason cited. "The amount of middle-aged male team members in middle-to-senior management positions is far beyond statistical probability," said one male respondent, adding, "There is currently a clear male bias without a true active path to address this imbalance."

Finally, a lack of robust processes was the third most commonly mentioned factor limiting the progress of women, especially at senior levels. A female respondent reported, "Senior appointments are seldom transparent in the selection criteria." Another respondent said, "Many appointments seem to be based on who you know. This is particularly the case at the senior manager/executive level."

Occupying a line role is recognised as a critical precursor to securing senior executive positions. In our survey, we noted that the number of women who described themselves as holding line roles¹⁰ was low. In fact, less than one-third of women reported working in a line role, and the percentage of women working in line roles was found to be lower than that for men across all levels of seniority. This finding led us to ask the question: Is the lack of meritocracy more profound for women in line positions and, if so, how does this manifest in promotion rates and feedback?

We investigated whether women in line roles in corporate¹¹ Australia felt that their promotion speed had been slower than their peers. What we found was a stark gender difference in responses, with 34% of these women indicating that they had been promoted behind their peers, while their male counterparts were less than half as likely to say they experienced such slow promotion.

Even more important, we analysed the "promotion funnel" by asking women and men to report on how many promotion opportunities in the past five years they (1) had identified; (2) had applied for; (3) were seriously considered for; and, in the end, how many times they (4) were actually promoted. Again, because line experience is often critical for CEO appointments, we were particularly interested in understanding promotion rates for women in line roles.

We found that women in line roles in corporate Australia are consistently moving through the promotion funnel at slower rates than their male counterparts. They are identifying, applying for, being considered for and ultimately being promoted at lower rates than men (58% of men were promoted twice or more in the past five

years compared with only 41% of women). Our previous research confirms that this is not because women are less ambitious for career progression than men.¹² Rather, it suggests that organisations are missing opportunities to proactively reach out to women who are not identifying or applying for promotion.

We found that the gap in promotion rates increased with seniority. Women in line roles in corporate Australia are promoted less often than men from the “experienced employee” level (above graduate level but not in a management role) onwards. The largest gap is at the senior manager level (two to three levels below the CEO or equivalent), where women averaged 1.6 promotions in the past five years vs. 1.9 for men.

Encouragingly, women and men were found to progress at equal rates in functional roles in corporate Australia and in line and functional roles in government organisations.

Our findings confirm that most organisations are not leveraging the full and diverse talent pool available to them. To better understand this phenomenon and add to our previous body of research, we probed the root causes of these gender-based differences specifically relating to feedback content and promotion decisions. We examine the results in the following section.

2. Australian managers need feedback on how they give feedback

The broad notion of “bias in recruitment and promotion” surfaced in our 2011 survey as one of the top three barriers to overcome to enable equal representation of women in senior leadership. Clearly, the presence of bias is the antithesis of a meritocratic organisation, so we sought to understand how bias might manifest itself in appointment and promotion decisions. Specifically, we wanted to understand whether women and men receive different feedback in the lead-up to promotion. We asked women and men to reflect on any feedback about their potential for promotion that they had received in the past five years.

Responses highlighted that the feedback women and men receive in the lead-up to a possible promotion is indeed different (see Figure 3). We found substantial differences in three key areas:

- Women are twice as likely as men to be told that they need to display “more confidence.”
- Women are one-third more likely than men to be told that they need “more experience” to be ready for promotion, but only about 50% of women are given the opportunity to gain the required experience.
- Women are less likely than men to receive clear feedback on what they need to do to be ready for promotion.

Figure 3: Differences in feedback point to discomfort and perceived riskiness of female appointments

To reach a potential promotion...



Notes: Figures show only the top reasons; excludes responses of “other” and “none”; data has been weighted; discrepancies in bar lengths displaying the same values are due to rounding
Source: Bain & Company and Chief Executive Women Gender Parity Survey, 2016 (n=4,481)

We were also interested to see whether these findings were more pronounced for those women in corporate line roles in Australia. Unfortunately, we found that for those in corporate line roles, all three gender-based differences are the same or greater than in the general survey population. This underscores the particular challenges women in these line roles face.

The starkest difference in feedback received by women when compared to men was around the perception of confidence. We found that women are twice as likely as men to receive feedback indicating they need to show “more confidence” to be ready for promotion. Women in this situation also face a double bind in which they are often criticised for coming across as too assertive (as this goes against ingrained feminine stereotypical behaviours).¹³ It remains challenging to strike the “acceptable” balance between appearing confident but not aggressive, pushy or bossy.

Furthermore, the broader topic of leadership style emerged as an issue when we researched the differences in feedback received by women and men in executive roles (defined as CEO or equivalent and their direct reports). Confirming our previous research, we observed a dramatic difference in feedback for women at this level, with nearly twice as many women as men being told that they needed to change their style to be ready for promotion. Also, this is the level at which women are most surprised by negative feedback received. In fact, female executive employees were twice as likely as their male colleagues to be surprised by negative feedback in their last formal review. When asked what the surprising feedback related to, almost half the women claimed it was connected to style. Executive female respondents had been told to “toughen up,” “be more likeable at the expense of efficiency” and “temper [their] enthusiasm.” In addition, across all levels, only 50% of women were given specific examples of situations in which they exhibited behaviours that reflected the attributes they were told to be less or more like vs. 65% of men.

Why could this be? Our hypothesis is that the executive level is the point when the nature of the leadership game changes, and when both women’s and men’s style is scrutinised most closely to ensure they fit in with the norms at the top. Our findings suggest that the potential for the perception of risk when appointing a woman is likely to increase with seniority,¹⁴ hence the higher incidence of “female” leadership styles generating negative feedback.

Women also frequently received feedback that they needed “more experience” at their current level to be ready for promotion. In fact, in our survey, this was the most common feedback women received.

The fact that women are told to show “more confidence” and to get “more experience” to be ready for promotion may reflect a bias that women are somehow perceived to be more “risky” appointments, compared with their male counterparts. Decision makers still need to see women perform at their current level for longer than their male counterparts and perform with more “apparent” confidence before feeling comfortable appointing them.

Finally, few respondents reported receiving clear feedback on what they needed to do to be ready for promotion. Only 12% of women said that they received clear feedback, and men were only slightly ahead at 18%. This matters because clear feedback was found to correlate with promotion speed—more employees reported being promoted ahead of their peers when they received clear feedback than those who did not receive clear feedback.

We found that this disadvantage for women grew with seniority. Men reported receiving increasingly clear feedback over their career, whilst the same improvement was not true for women. Given that the feedback women receive so often lacks clarity, it appears difficult for decision makers to assess female performance against promotion criteria. This lack of clarity also makes it challenging for women to understand where they need to develop their skills and gain experiences to meet such criteria.

To help illustrate this point, CEW members shared examples of both clear and unclear feedback they had received. Examples of clear feedback include: “I value the fact that you think differently than many others in the team. Don’t hold back in expressing those ideas” and “If you start a comment with an apology like ‘I’m sorry, but . . .,’ it undermines your presence in some minds—even if the comment is spot on. Don’t apologise.” Compared to unclear feedback, the difference is stark. For example, one member was unhelpfully told to “Lose your hard edge,” whilst another was informed, “You should have more presence in meetings.”

The lack of clarity about what employees need to do to be promoted, particularly for women, perhaps points again to a different type of discomfort—that men may feel less comfortable delivering clear, specific and constructive feedback to women than they do to men.¹⁵ Our concern is that this fear of providing actionable feedback means that women may be hearing important and helpful feedback much later than their male peers, if they get it at all. Lack of clarity in feedback also means that women are at a disadvantage when it comes to identifying and pursuing opportunities to improve. Hence, having constructive conversations early, equipping managers to have effective feedback conversations and defining a clear action plan to address feedback are critical for both men’s and women’s development, even if those providing the feedback feel uncomfortable.

So, the bottom line is that women are being told to display “more confidence” and to get “more experience,” but they are receiving less clear and actionable feedback than their male peers—likely a significant factor in the growing disparity in the promotion of men vs. women in senior ranks. These differences provide us with prime examples of how biased behaviour manifests in the workplace and how it directly affects promotion rates and perceptions of meritocracy. To address this inequity, decision makers need to acknowledge biased decision making and actively change their behaviours.

3. What actions can organisations and their leaders take?

Australian organisations have plenty of work to do if they want to improve the percentage of employees—currently about half—who consider their organisations meritocratic today.

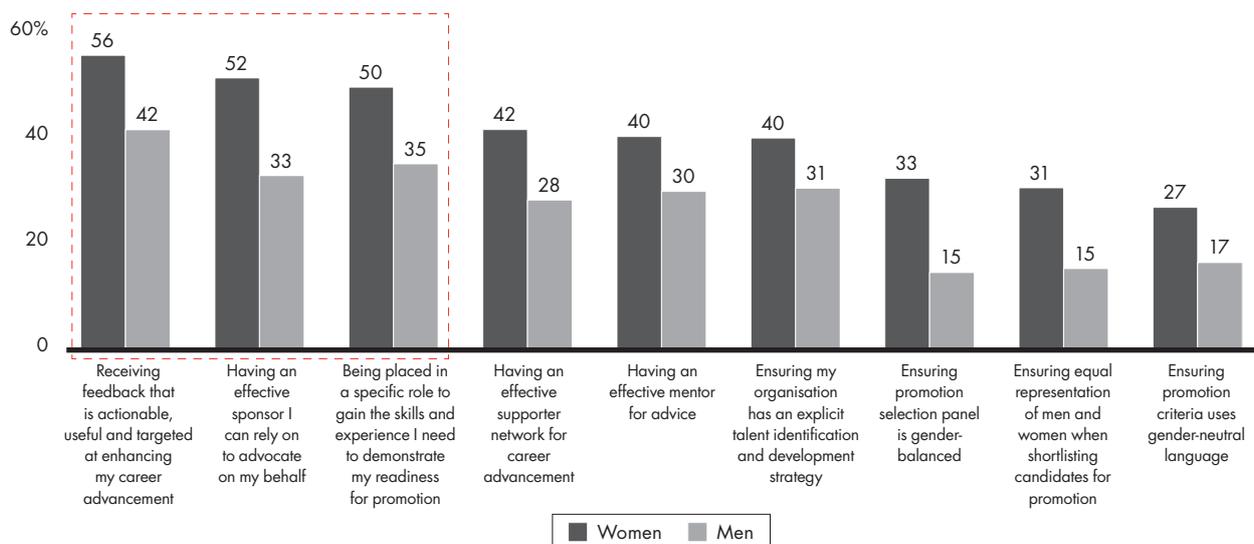
The actions both women and men feel will have the greatest impact on their career development are clear feedback, sponsorship and being placed in a role that allows them to gain relevant experience for promotion. In addition, women feel that it is important that their organisations put processes (gender-balanced selection panels, gender-balanced candidate shortlists and gender-neutral promotion criteria) in place to overcome inherent biases (see Figure 4). Specifically, organisations seeking to improve meritocracy can take four key actions.

Firstly, organisations must ensure that employees receive clear feedback that is specific, measurable, actionable, realistic, timely and thoughtful in relation to their current performance and their potential for promotion (see the sidebar “SMARTT tips to giving clear feedback”¹⁶). To achieve this, organisations could implement the following measures:

- Train all employees in what “good” feedback is and how to effectively deliver it. Training should encourage all employees—even the most senior leaders—to deliver SMARTT feedback, including the hard messages. This will mean that women as well as men can learn about and address any performance issues in a timely fashion.
- Actively tackle myths, biases and assumptions that managers may have about giving feedback to women (i.e., highlight the tendency for both women and men to avoid giving women constructive feedback for fear of an emotional response).

Figure 4: Employees agree that actionable feedback, sponsorship and being placed in a specific role have the most impact on career development

How much of an impact do you think the following events have on your career development?
(percentage of respondents who agree)



Notes: Agree is a response of 5 (from scale of 1 to 5); data has been weighted
Source: Bain & Company and Chief Executive Women Gender Parity Survey, 2016 (n=4,481)

SMARTT tips to giving clear feedback

Specific. Be specific, factual and objective when setting expectations for a role or task. Then, when giving feedback, use specific behavioural examples of what is going well or could be improved—for example, “The presentation you delivered to the board was excellent because it clearly framed the decision we needed to make and provided the timeframe and information required.”

Measurable. Make the feedback as measurable as possible—for example, “For your next project, you should take on a large analytical piece of work to demonstrate your capabilities in that area.”

Actionable. Provide actionable and tactical tips on how to develop and improve performance—for example, “It may help if you vary your negotiating style as sometimes the element of surprise can help.”

Realistic. Give achievable feedback that employees can realistically work on. Pick the top two or three specific development areas, and help your employee focus where it’s critical.

Timely. Give feedback often and in a timely manner. If something has gone wrong (or right), it’s a good idea to give feedback as soon as possible following the event.

Thoughtful. Consider how best to gain the employee’s understanding, acceptance and buy-in to the feedback. If delivering constructive feedback, it’s often a good idea to do this in a private place.

- Establish a 360-degree feedback system to gather and aggregate performance feedback from a range of people. To minimise individual bias, ensure that feedback is discussed and calibrated with a diverse set of relevant managers who are equipped to challenge assumptions and bias.
- Require performance feedback and development plans to be documented as standard practice. Doing so has the potential to raise the bar on the quality, specificity and impartiality of feedback. Relying on clear criteria that link to the inherent requirements for the next role and taking into account future business needs can be a useful forcing function to create a talented, diverse team. Our research suggests that adopting this transparent, future-oriented approach could have a significant impact: We found that 35% of employees who had “received specific advice on the organisation’s plans for their future development and promotion” reported they had been promoted ahead of their peers, compared with only 20% of those who had not received such advice.

Secondly, ensure that women and men have equal access to sponsorship—for example, through a formal sponsorship program. *Sponsors* are those individuals of influence who advocate for people when they are not in the room and ensure that they are considered for relevant roles or opportunities.

Women raised “having an effective sponsor I can rely on to advocate on my behalf” as essential to their career progression. In our survey, those who were promoted ahead of their peers cited sponsorship as the number-one contributor to progression.

Why is sponsorship such an effective mechanism? Effective sponsorship requires the sponsor to be a senior leader who proactively identifies career-accelerating opportunities for the individual he or she is sponsoring and who advocates on that individual's behalf. This is especially important for women, given that research shows that women are penalised for self-promotion in the workplace.¹⁷ Sponsors are also in a position to challenge the organisation and provide a check for bias creeping into promotion considerations and decisions.

Ultimately, our survey found that both men and women with sponsors believe their organisation to be considerably more meritocratic than those without sponsors. This finding underscores the potential for organisations to establish sponsorship programs as a way to support a meritocratic process.

Thirdly, to drive better business performance outcomes, organisations should ensure that both women and men have access to development opportunities and roles in which they can gain the specific skills and experiences they need for promotion into the C-suite. This step requires organisations to:

- Agree on which roles and projects provide the required experiences for appointment to more senior roles and communicate this information broadly.
- Establish a clear process of looking at the organisation's top talent pools that feed these positions and be deliberate about rotating both women and men through these key roles.
- Ensure that top talent knows about the organisation's plans for their future development and promotion.
- Establish opportunities for women and men to gain exposure to senior leaders, gain exposure to different parts of the business and build their profile (i.e., encourage employees to work in line roles; create opportunities to participate in high-profile projects that are relevant to the future needs of the organisation).
- Ensure that roles can be performed flexibly so that they are attractive to both women and men with caring responsibilities.

ANZ serves as a good example of a company that has developed an innovative program to ensure that women have access to experiences they need for promotion (see the sidebar "ANZ case study" for details).

Finally, it is essential that organisations put basic steps in place to minimise bias from affecting each stage of the promotion process, starting with a critical review of current practices. To help ensure that people are appointed or promoted on merit, organisations could:

- Establish and regularly update job descriptions based on the real underlying role requirements and future needs of the organisation (rather than remaining in an old paradigm of judging candidates based on previous occupants or years of experience needed) and ensure that required experiences, skills and attributes are clearly articulated.
- Encourage women to apply—and decision makers to consider them—for promotions and stretch assignments and ensure that women make up 50% of the selection pool.¹⁸
- Ensure that the promotion or appointment selection panel is gender balanced.

- Use gender-neutral selection criteria that consider the organisation's future needs and role requirements rather than a description based on the current incumbent.
- Critically evaluate candidates on both potential and past performance (including the range of experiences gained as opposed to experience in a particular role) and consider the candidate's impact as a team member, not just as a sole contributor.¹⁹

One company that has embarked on the journey of creating a meritorious and diverse workplace is BHP Billiton. The resources company is already seeing the benefits (see the sidebar "BHP Billiton case study").

ANZ case study

ANZ believes in the inherent strength and competitive advantage of a vibrant, diverse and inclusive workforce that reflects the diversity of the communities in which it operates. Diversity of thought is a driver of growth, profitability and risk management for ANZ, and a diverse workforce fosters creativity and innovation.

A critical focus of diversity and key business imperative continues to be improving the gender balance of ANZ's leadership and teams. Ensuring the equal representation of women and men across leadership teams is more than just an issue of gender equality: It's about accessing the talent, markets and economic opportunities that gender equality brings.

ANZ sets annual group targets for improving the representation of women in management. The CEO and Group Executive Committee review progress monthly, and results inform the group's bonus pool and performance outcomes.

In 2015, ANZ set a group-wide target to increase the representation of women in management to nearly 44% by 2018 (up 3 percentage points from September 2015) and is on track to meet this goal. ANZ is achieving this goal through a sustained focus on recruitment activities, an expansion of flexible working policies and a focus on employee training and development programs.

Accelerating Banking Experiences for Women (ABEW) is an innovative development program designed to increase the number of women in senior leadership roles at ANZ. Launched in 2012 within the bank's Australia business, it focuses on providing more of ANZ's talented women with opportunities to develop a generalist banking career and accelerate movement of more women into senior roles. The program is specifically designed to build breadth of experience, confidence and capability across core banking disciplines critical for promotion.²⁰

Following a rigorous application process, successful participants move through three, six-month rotations to build their practical experience across a range of banking disciplines, including front line, credit risk, and operations and product management. Several training and development activities complement this practical experience. A feature of the program, highly valued by participants, is the support of a program sponsor and mentors from amongst the ranks of ANZ's most senior leaders. The program aims to be flexible in order to support women and their careers, whatever their stage of life. Several participants have taken parental leave while on the program, resuming the program upon their return to work, and many of the participants work flexibly. Program graduates are featured in business and succession planning discussions and are highly sought for key leadership roles. The result is impressive: ABEW has a 100% retention rate.

BHP Billiton case study

Resources company BHP Billiton is an example of an organisation that is proactively seeking to build an inclusive, gender-diverse workforce that is a fair representation of the communities in which it operates. The company set the aspirational goal of achieving gender balance globally by 2025. At the end of the 2016 financial year, women represented 17.6% of its total workforce.

For BHP Billiton, the commercial case for action is as compelling as the ethical and moral one. The company's data shows that for the past three years, its most inclusive and diverse operations have outperformed the company average on a range of productivity, safety and culture measures.

To help it pursue its gender balance goal, the company established a CEO-led Inclusion & Diversity Council, leveraged best practices from companies in its supplier networks, and set clear annual KPIs for senior leaders that are linked to gender diversity improvements. Also, it changed the BHP Billiton Charter to include the words: *"We are successful when: Our Teams are Inclusive and Diverse"*—the first significant change to the charter since 1999.

The company established four key priorities for 2017: embedding flexibility in the way the company works; enabling supply chain partners to support BHP Billiton's commitment to inclusion and diversity; uncovering and taking steps to mitigate bias in behaviours, systems, policies and processes; and ensuring that BHP Billiton's brand and the mining industry are attractive to both women and men.

BHP Billiton's new Integrated Remote Operations Centre (IROC) in Brisbane demonstrates the early results of the company's efforts. IROC's new future-oriented appointment approach included identifying the intrinsic attributes required in employees rather than focusing on years of experience and qualifications (e.g., ability to follow a process with logical constructs). The IROC leaders developed a strategy to recruit from non-traditional talent pools by matching required attributes to different target industries outside mining (i.e., air traffic controllers, 000 dispatchers, medical scientists). Management used YouTube videos and alternative forums to reach target talent pools and promote the collaborative team structure and culture. Other key elements of the effort were using a standard assessment centre approach (applicants were all asked the same six questions followed by a group activity) and ensuring that there was at least one woman with an operational background on each panel of three. It further developed diversity by focusing on the mix of attributes in teams and how teams complement each other rather than selecting individuals who "tick all the boxes."

In parallel, BHP Billiton offered flexible working arrangements that were assessed on an individual basis separate from the appointment process. It also took a new and innovative approach to onboarding operators from outside the industry. As a result of this multipronged approach, IROC has achieved an enviable gender balance. Among its 177 controllers, 53% are female, and while 40% came from other parts of the business, this number was supplemented with external personnel, of which 28% had a mining background and 32% were new to mining. Management has deliberately created a collaborative and constructive culture in which employees are empowered to raise and own solutions to identified issues.

Conclusion

So, can we do it? Can we establish meritocratic organisations, address differences in performance feedback and development opportunities, and promote the strong case for gender diversity? Succeeding here would make an invaluable contribution to the performance outcomes and employee advocacy of Australia's businesses, government agencies and not-for-profits—and it is within our grasp. By implementing the measures outlined in this report, our organisations can begin to remove the biases that now strongly influence who is seen to have merit and who is not. These biases systemically limit the opportunities for qualified women to be promoted into management and executive positions at the same rate as their male counterparts, keeping individuals, teams and the organisations they serve from reaching their full potential. Ultimately, we need to take an honest look at ourselves and muster the courage to confront our own biases whilst challenging others to do the same. We must learn what we can from those organisations that are taking serious steps to develop the meritocracies that lead to diverse and thriving cultures that enable better business performance.

Methodology

We received 4,481 responses from employees of large and small Australian businesses, government and not-for-profit organisations. Of the respondents, 65% were women, and 35% held senior management, executive or board positions.

Responses from government department employees were weighted to 16% of all responses to be representative of their share of the Australian workforce as of June 2016²¹; non-government employee responses were weighted up in proportion with the percentage of responses received from each sub-sector. 

- 1 Credit Suisse AG Research Institute, "Gender Diversity and Corporate Performance," 2012, accessed January 9, 2017, <https://publications.credit-suisse.com/tasks/render/file/index.cfm?fileid=88EC32A9-83E8-EB92-9D5A40FF69E66808>; and Catalyst, "The Bottom Line: Corporate Performance and Women's Representation on Boards (2004-2008)," March 1, 2011, accessed January 9, 2017, <http://www.catalyst.org/knowledge/bottom-line-corporate-performance-and-womens-representation-boards-20042008>.
- 2 Such as affinity, confirmation and group think biases: *Affinity bias* is a tendency to favour people who are like us, resulting in homogenous teams and group think; *confirmation bias* happens when we seek to confirm our beliefs, preferences or judgements, ignoring contradictory evidence; *group think bias* is the propensity to agree with the majority to maintain harmony.
- 3 Chief Executive Women and Male Champions of Change, "In the Eye of the Beholder: Avoiding the Merit Trap," 2016, accessed January 9, 2017, <http://cew.org.au/wp-content/uploads/2016/08/MCC-CEW-Merit-Paper-FINAL.pdf>.
- 4 Melanie Sanders, Jayne Hrdlicka, Meredith Hellicar, Dale Cottrell and Joanna Knox, "What Stops Women from Reaching the Top? Confronting the Tough Issues," Bain Brief, November 2011, accessed January 26, 2017, www.bain.com/offices/australia/en_us/publications/what-stops-women-from-reaching-the-top.aspx.
- 5 Melanie Sanders, Meredith Hellicar and Kathryn Fagg, "Actions Speak Louder than Words: CEO Conduct that Counts," Bain Brief, December 2014, accessed January 26, 2017, <http://www.bain.com/publications/articles/actions-speak-louder-than-words.aspx>.
- 6 Melanie Sanders, Jennifer Zeng, Meredith Hellicar and Kathryn Fagg, "The Power of Flexibility: A Key Enabler to Boost Gender Parity and Employee Engagement," Bain Brief, February 2016, accessed January 26, 2017, <http://www.bain.com/publications/articles/the-power-of-flexibility.aspx>.
- 7 Workplace Gender Equality Agency, "Australia's Gender Equality Scorecard: Key Findings from the Workplace Gender Equality Agency's 2015-16 Reporting Data," November 2016, accessed January 9, 2017, www.wgea.gov.au/sites/default/files/80653_2015-16-gender-equality-scorecard.pdf.
- 8 Net Promoter Score® is a registered trademark of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.
- 9 Melanie Sanders, David Zehner, Kathryn Fagg and Meredith Hellicar, "Creating a Positive Cycle: Critical Steps to Achieving Gender Parity in Australia," Bain Brief, February 2013, accessed January 9, 2017, www.bain.com/publications/articles/creating-a-positive-cycle.aspx.
- 10 A *line role* is a role that is responsible for achieving the organisation's main objectives by executing key functions (e.g., sales, manufacturing); a *functional role* refers to a role that supports line functions (e.g., human resources, finance).
- 11 We have included respondents who work for publicly listed and private companies in the "corporate" employee category.
- 12 Melanie Sanders, Jayne Hrdlicka, Meredith Hellicar, Dale Cottrell and Joanna Knox, "What Stops Women from Reaching the Top? Confronting the Tough Issues," Bain Brief, November 2011, accessed January 26, 2017, www.bain.com/offices/australia/en_us/publications/what-stops-women-from-reaching-the-top.aspx.
- 13 Alice H. Eagly and Linda L. Carli, "Women and the Labyrinth of Leadership," *Harvard Business Review*, September 2007, accessed January 9, 2017, <https://hbr.org/2007/09/women-and-the-labyrinth-of-leadership>; and Catalyst, "The Double-Bind Dilemma for Women in Leadership: Damned If You Do, Doomed If You Don't," July 2007, accessed January 9, 2017, www.catalyst.org/knowledge/double-bind.
- 14 Virginia E. Schein and Marilyn J. Davidson, "Think Manager, Think Male," *Management Development Review* 6, no. 3 (1993).
- 15 Barbara Annis and John Gray, *Work with Me: The 8 Blind Spots Between Men and Women in Business*, p. 8 (New York: St. Martin's Press, 2014).
- 16 Built on SMART goals developed by George T. Doran, "There's a S.M.A.R.T. Way to Write Management's Goals and Objectives," *Management Review* 70, no. 11 (1981): 35-36.
- 17 Catalyst, "Sponsoring Women to Success," August 17, 2011, accessed January 9, 2017, www.catalyst.org/knowledge/sponsoring-women-success; and Catalyst, "The Double-Bind Dilemma."
- 18 Stefanie K. Johnson, David R. Hekman and Elsa T. Chan, "If There's Only One Woman in Your Candidate Pool, There's Statistically No Chance She'll Be Hired," *Harvard Business Review*, April 26, 2016, accessed January 9, 2017, <https://hbr.org/2016/04/if-theres-only-one-woman-in-your-candidate-pool-theres-statistically-no-chance-shell-be-hired>.
- 19 Chief Executive Women, "In the Eye of the Beholder."
- 20 ANZ obtained exemptions under antidiscrimination legislation for the program on the basis that it helps redress the inequality in the under-representation of women in senior management roles.
- 21 According to the Australian Bureau of Statistics, there were 11.9 million employees in Australia as of November 2016 (<http://www.abs.gov.au/ausstats%5Cabs@.nsf/0/49A83FBC3DF528CAC257FD800129321?OpenDocument>) and 1.9 million public-sector employees as of June 2016 (www.abs.gov.au/ausstats/abs@.nsf/mf/6248.0.55.002).

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Founded in 1985, CEW has more than 430 members whose shared vision is "women leaders enabling women leaders."

With values of collegiality, respect and vision influencing all that CEW undertakes, it offers innovative and substantive programs aimed at supporting and nurturing women's participation and future leadership. These include scholarships and the highly regarded "Leaders Program" which are offered to emerging female executives throughout Australia. CEW strives to educate and influence all levels of Australian business and government on the importance of gender balance through a range of initiatives including CEO Conversations, an online Gender Diversity Kit and advocacy and research on topics relevant to and informing the gender debate.

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