

Take It from the Top: Accelerating Women's Representation in Executive Leadership

A deep dive into how Australia's leading organisations foster gender balance on their executive teams

Chief Executive Women

BAIN & COMPANY

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Foreword from Chief Executive Women

The year 2022 represents a watershed moment for women in Australia. We have seen positive commitments to achieving gender-balanced leadership across government, the private sector, and the community sector. A gender-balanced Federal Cabinet was appointed, and the Australian Parliament is now more representative of the country. The new Federal Government has committed to reforming childcare and has linked the Women's portfolio with Finance, led by Senator Katy Gallagher, the Minister for Finance and Minister for Women. NSW and Victoria have committed to once-in-a-generation investments in early childhood education and care that will unlock women's workforce participation and leadership.

The benefits of gender-balanced leadership have been widely known and studied for a long time. Better decision-making, execution, and performance that generate higher profitability and stronger value propositions are just a few of the benefits the evidence reveals.

CEW's 2021 Senior Executive Census showed that targets are one of the most effective mechanisms to drive the changes needed to increase the representation of women in senior executive leadership teams (ELTs). Thirty-four percent of ASX300 companies with gender-balanced leadership targets (at least 40% women) have achieved gender balance in ELTs compared with 13% of ASX300 companies without any targets, demonstrating a correlation between targets and gender-balanced leadership.

The research shared in this report was driven by our desire to understand the journey undertaken by organisations that had set and achieved gender-balance targets for their leadership teams. We wanted to understand the motivations, pushbacks, and success factors that led to these achievements, with a view to being able to identify the key accelerators for progress. Often the slow rate of progress on gender-balanced leadership implies that such change will take many years to achieve, and in some cases that is true. This research shows that in other cases progress has been relatively quick.

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CEW commend all the organisations that have been leaders in achieving gender-balanced leadership and thanks the organisations that so generously shared their journeys and experiences with us.

It was particularly striking that every organisation we interviewed spoke of the multiple benefits generated from the changes they had introduced—to their leadership teams, their employees, and their organisation's operations—both now and for their future. Many revealed that their policies around flexibility, respect, and culture had contributed to their resilience during the Covid 19 pandemic and placed their organisations in a better position for the competitive labour shortages we now face.

The experiences captured in this report demonstrate that now more than ever, gender-balanced leadership is critical to success and, importantly, it is achievable across all sectors, with commitment and application. The national environment now being set by governments for gender equality and women in leadership has raised the bar for all. This report aims to encourage all organisations to exceed those expectations.

On behalf of CEW, I want to sincerely thank Bain & Company and the team who worked on this report, led by Agathe Gross, who brought rigour, in-depth analysis, and valuable insights to the research.

Sam Mostyn
President, Chief Executive Women

Introduction

At a Glance

- In corporate Australia, women are underrepresented at the senior leadership level. This prevents organisations from reaching their full potential and has negative economic consequences for the entire country.
- Organisations that commit to gender-balance targets are almost three times as likely to achieve gender-balanced leadership teams. Nearly 60% of ASX300 companies have committed to gender-balance targets.
- Bain & Company and Chief Executive Women (CEW) interviewed 22 Australian companies that are outperforming the ASX300 average in terms of gender-balanced leadership teams. We identified five accelerators that increase women's representation in executive leadership.
- Organisations of every size and industry can accelerate gender balance through the five accelerators. While the interviews were conducted in Australia, the findings can be applied globally.
- The five accelerators are: executive commitment and accountability, translating commitments to actions, targeted talent management, succession planning, and equitable recruiting.
- These accelerators are a consolidation of practical, "tried and tested" practices that lead to a step change in gender balance in multiple organisations.

Overview: We identified five accelerators for success that increase women's representation at the executive level

1. Executives must be committed and accountable.
2. Commitments must translate into actions—for everyone.
3. Targeted talent management unlocks equal opportunities.
4. Succession plans must be deliberate and long term.
5. Recruiting must be equitable.

Why we all win by having more women in executive leadership

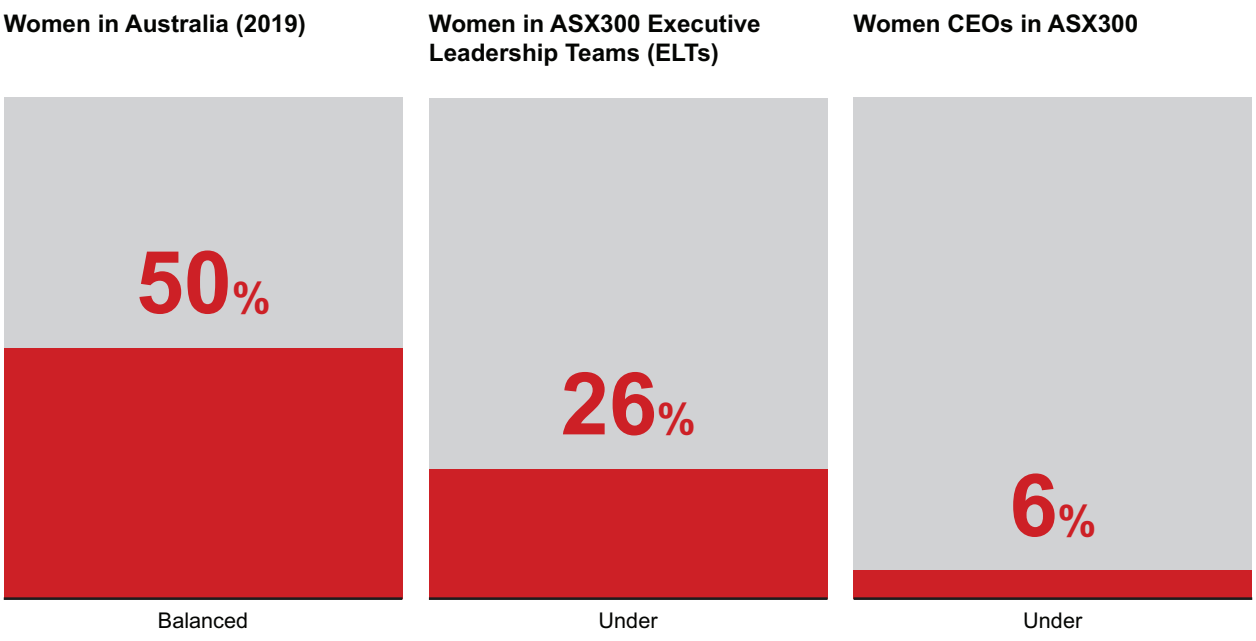
Women make up about 50% of the Australian workforce but hold only a quarter of ASX300 executive leadership team (ELT) positions, according to the 2021 Chief Executive Women (CEW) Senior Executive Census *(see Figure 1)*. This leadership gap means organisations are not capitalising on all their available talent. As a nation, as we recover from the pandemic and continue to experience a skills shortage, we cannot afford the missed opportunities resulting from this leadership gap.

Australia's annual GDP could increase by 8% if we closed the workforce participation gap between men and women, according to economic modelling by Goldman Sachs Australia. Per Goldman Sachs' "Womenomics in Australia" report, rebalancing gender disparities could boost labour productivity overall and further GDP gains.

At the company level, research shows that inclusive workplaces have higher profitability, better decision-making processes, and stronger value propositions. (For a comprehensive summary of research on the business benefits of inclusivity, see Catalyst, "Why Diversity and Inclusion Matter: Financial Performance.")

Gender balance has also been shown to increase any group's collective intelligence, which is a better predictor of performance than average or maximum individual intelligence. According to Adjunct Professor Juliet Bourke's research summary, "Which Two Heads Are Better Than One?" gender diversity elicits a safer and more productive conversation dynamic, introduces a broader

Figure 1: Women are underrepresented in leadership positions



Source: Chief Executive Women (CEW) Senior Executive Census 2021

range of perspectives, and enhances group cooperation. Research shows that teams are more likely to experience better decision-making, execution, and performance when individuals freely share their perspectives.

Additionally, the Bain report "The Fabric of Belonging" shows that diverse and inclusive organisations are five times more innovative and up to six times more likely to retain employees, which further enhances organisational performance and outcomes.

Finally, companies with diverse leadership teams demonstrate bolder commitments and progress towards environmental, social, and governance (ESG) goals. ESG goals are increasingly important to investors and consumers when making investment or purchasing decisions. 40:40 Vision (led by HESTA) demonstrates that investors directly link diversity to a company's ability to execute long-term strategy and produce strong long-term company value.

Moving from "why" to "how"

The evidence for gender-balanced leadership is clear. Now is the time to act.

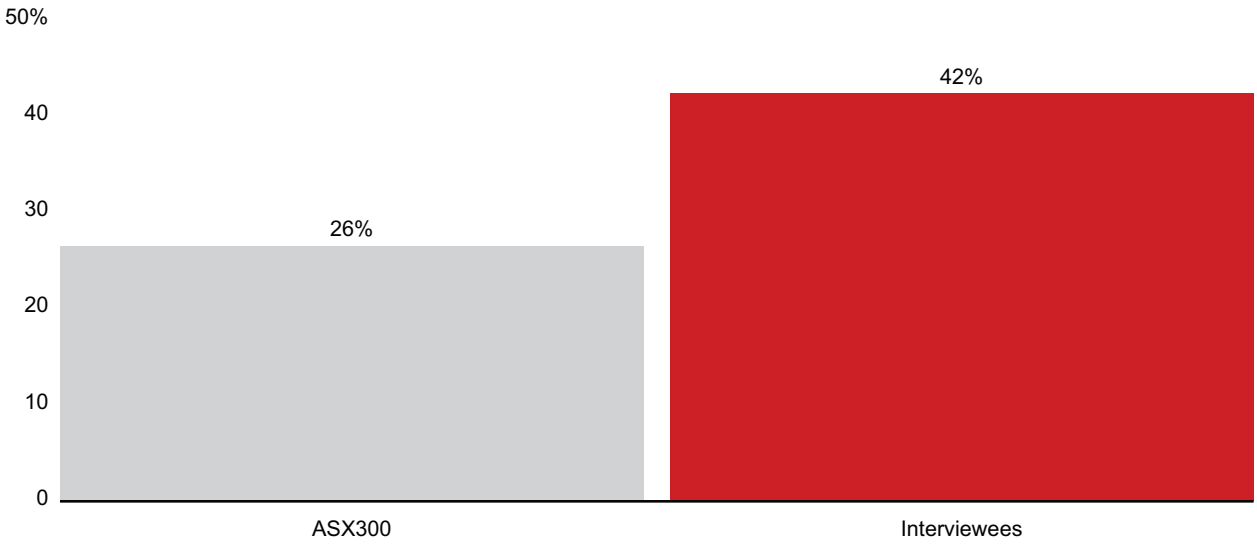
This report aims to support companies that want to achieve gender balance—and may have set aspirational targets—but have not yet worked out *how* to get there. It provides practical lessons and accelerators to help organisations achieve gender balance on their leadership teams.

Bain & Company and CEW conducted deep-dive interviews with 22 Australian organisations that have achieved significant progress towards gender balance on their leadership teams. On average, about 26% of ASX300 executives are women; in the companies we studied, more than 40% of executive leaders are women *(see Figure 2)*.

We interviewed a combination of ASX300 firms and private companies to learn how they increased their number of women in leadership. The organisations represented a range of industries and company sizes, demonstrating that gender balance is achievable for every company. Each organisation had a different starting point in terms of gender diversity, and many are still grappling with challenges and setbacks as they work towards gender balance. These companies are success stories on how to achieve or rapidly accelerate progress in gender equity.

Our research identified five accelerators that companies can use to increase women's participation at the senior level. The strategies are tried and tested as well as simple and actionable. When purposefully deployed, these accelerators are extraordinarily effective.

Figure 2: Our interviewees outperformed the ASX300 average on gender balance



Source: CEW Senior Executive Census 2021

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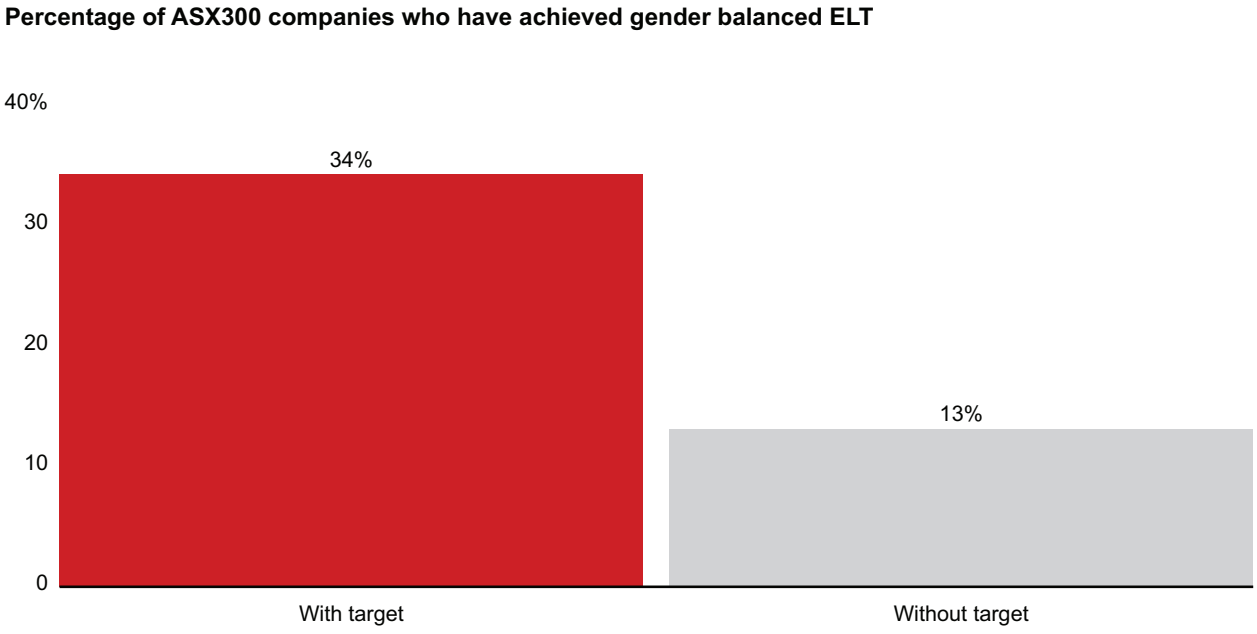
Setting targets is a crucial first step—and perhaps the most effective mechanism to drive change. Companies that set gender-balanced leadership targets are more likely to achieve gender balance. Thirty-four percent of ASX300 companies with gender-based leadership targets (i.e., targets of 40:40 or better) have achieved gender balance on their ELTs compared with only 13% of ASX300 companies that have achieved ELT gender balance without any targets, according to the 2021 CEW Senior Executive Census *(see Figure 3)*. As targets are so effective, 40:40 Vision encourages companies to set, disclose, and report on interim targets to help them achieve gender balance by 2030.

Most of the organisations we interviewed have met or exceeded a 40:40:20 target, meaning their ELTs comprise 40% men, 40% women, and 20% any gender *(see Figure 4)*. Nearly 60% of ASX300 companies have committed to targets for their ELTs, with half of those committing to 40:40:20 targets or better.

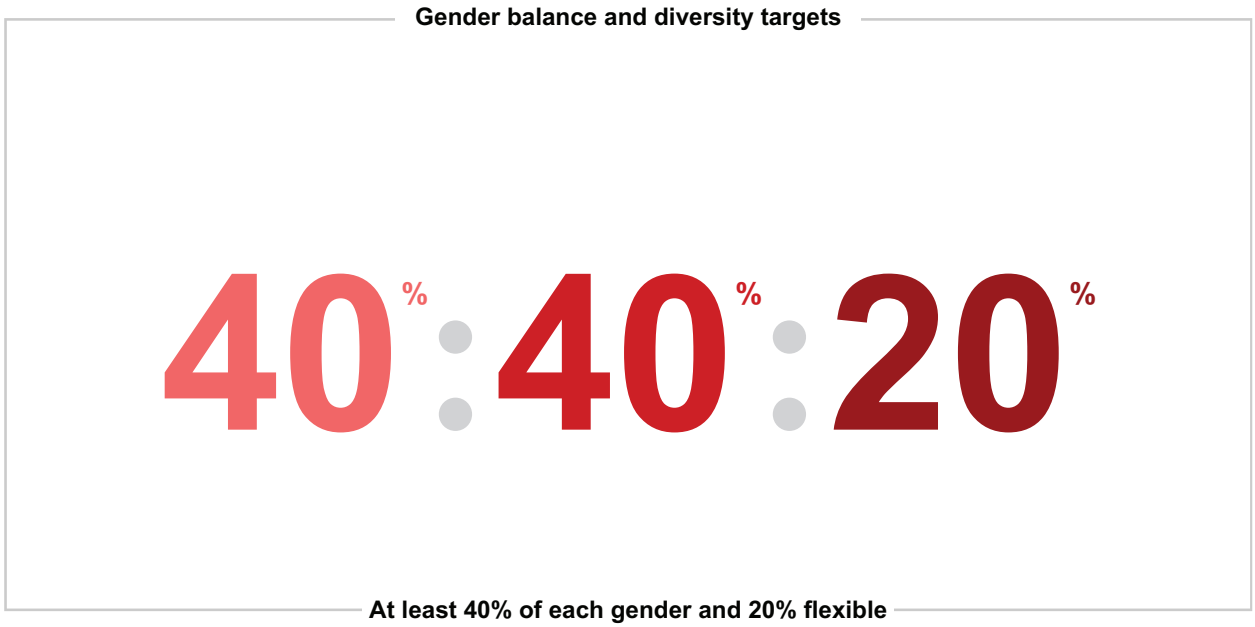
Achieving gender balance requires deliberate action. To prepare for executive leadership roles, women need more experience in line roles that drive key commercial outcomes, with profit and loss responsibility. Companies that set gender targets for executive roles can build a pipeline of diverse leaders—and set everyone up to succeed.

Figure 3: Organisations that set targets are more likely to achieve gender balance



Source: CEW Senior Executive Census 2021, based on targets data provided by Melior Investment Management

Figure 4: The 40:40 vision creates leadership teams that are 40% women, 40% men, and 20% unprescribed



Source: HESTA 40:40:20

Key findings

We examined initiatives, themes, and strategies that companies have implemented related to gender equity at the leadership level. By investigating 22 of Australia's leading organisations in terms of gender balance, we learnt that:

- **There are five accelerators for success.** Numerous levers contribute to gender-balanced leadership. However, five strategies were present in nearly all 22 companies. These accelerators were instrumental in companies' ability to achieve equity at the senior leadership level.
- **One size does not fit all.** Organisations applied the lessons differently and still achieved results. The lessons can be tailored to an organisation's starting point, nuanced "problem areas," or culture—instead of just blindly followed.
- **There are no excuses.** The lessons learnt were effective across industries, including traditionally male-dominated sectors. Many companies made significant progress in achieving or maintaining gender balance despite significant business disruptions, including the Covid-19 pandemic and restructuring.
- **Every level is involved.** Whilst this report is focused on gender balance at the executive level, diversity strategies must be broader and include all genders. To achieve greater representation of women, interviewees emphasised the importance of gender balance throughout the organisation—from graduate cohorts to the board of directors—to build a pipeline of women leaders.
- **Challenges and setbacks will occur.** Many of the organisations we interviewed encountered significant challenges on the journey towards gender balance, such as organisational change and external events. Well-intentioned initiatives did not always deliver the desired impact. When this occurred, our interviewees adopted a resilient and purpose-driven approach. They returned to their initial principles, revised their strategies, sought feedback from employees, and used data to overcome obstacles.
- **Achieving gender balance is not the end.** Each interviewee recognised that gender balance does not happen overnight, nor is it easy to achieve. The journey does not end when a company achieves gender balance; it takes on a slightly different focus. Momentum must become focus and endurance; otherwise, companies risk sliding backwards and losing progress. Some interviewees said that maintaining gender-balanced leadership is just as difficult as achieving it.

The five accelerators for success

Five accelerators increase women's representation at the executive level:

1. Executives must be committed and accountable.
2. Commitments must translate into actions—for everyone.
3. Targeted talent management unlocks equal opportunities.
4. Succession plans must be deliberate and long term.
5. Recruiting must be equitable.

Accelerator 1: Executives must be committed and accountable

Build executive commitment to and accountability for balanced leadership through regular scorecard reviews and by linking compensation to diversity, equity, and inclusion (DEI) targets.

Gender balance is an organisational mindset, not an HR programme. For inclusion to become a fundamental part of the workforce culture, the entire executive team must support gender-balancing priorities. Gender balance needs to be embedded in everyday behaviours, processes, business practices, and communications.

Line leaders also need to feel accountable for inclusion. Most of the hiring, deployment, and promotion decisions that result in diverse representation sit with these leaders rather than with chief diversity officers, so line leaders must be accountable for delivering results.

Line leaders and executives should be supported to drive change. They need data to identify current issues, inform actions, and track progress towards DEI targets.

Create detailed dashboards and use data to drive action

Every leader we interviewed maintained some form of DEI dashboard; most dashboards were reviewed during monthly executive meetings.

Dashboards deliver two benefits. First, "what gets measured gets done." Second, dashboards help leaders understand current performance and know where to focus.

In some companies, such as Mercer, data driven dashboards drive conversations and action plans about gender representation. Mercer uses its "Internal Labour Market Analysis" to show the relationships between labour flows focusing on head count, hires, promotions, and exits by gender.

Mercer's People & Culture team add callouts, comparisons, and suggested actions to help leaders contextualise the data and make it actionable. Insights are clear, and leaders are handed a ready-made list of practical next steps. As a result, gender diversity conversations are more efficient and productive.

Some companies combine DEI dashboards with other data, such as employee pulse survey feedback, to celebrate progress or uncover systemic barriers to diversity. When IGO overlayed pulse survey findings with DEI metrics, the company learnt that employees who were unsuccessful with promotions needed more formal feedback. With that insight, business unit leaders were able to create more specific and actionable learning and development plans—and be held accountable to them. To celebrate "inclusivity progress," Lendlease added a category to their annual employee awards ceremony. Now, the company use employee pulse survey feedback to recognise leaders who excel on inclusivity measures.

DEI data must be delivered to decision-makers when it can be most impactful. Mirvac share detailed gender pay gap data with their leaders before annual remuneration reviews so corrective actions can be taken in time for the next remuneration cycle. The company also continually monitor internal gender pay gap data to address off-cycle changes that could affect the pay gap overall. By doing so, Mirvac have maintained a zero like-for-like pay gap for six years.

Some companies take data to the next level by adding predictive analytics and forecasting tools to proactively address gender imbalances. Deloitte recently built a forecasting tool that will allow leaders to project the impact of different scenarios related to hiring and promotion decisions as far out as 2026. IAG use predictive analytics to forecast hiring opportunities within divisions (based on tenure and attrition averages), giving the company longer lead times to recruit diverse pools of candidates.

Drive accountability and link outcomes to compensation

To be effective—and not just numbers to crunch—gender targets must be translated into relevant metrics for each division and leader. In addition, executives need to be held accountable for progress. The numbers must matter.

In the companies we interviewed, executive buy-in was achieved in two ways: the business case and compensation.

First, the business case. Link Group knew that their board and ELT needed to be "in absolute unison" to achieve a long-term commitment towards gender-balanced leadership. Link Group ensured that every member of the ELT was actively involved in the conversation before establishing DEI goals. The company also demonstrated how diversity correlated to stronger business performance and a better company overall. Alignment between business goals and diversity targets encouraged Link Group's leaders to introduce DEI targets into their scorecards.

Scorecards help managers focus on the end goal and the correct measures—not just hire more women. When ANZ started their gender-balance journey, the company introduced targets to increase the percentage of women in each division. Then, the company noticed that some functions (e.g., Talent &

Culture) needed to increase the percentage of men to become balanced. ANZ changed their scorecards to focus on gender balance in each division, instead. The company continue to use data to inform goals, rather than adopting blanket targets for every leader and scorecard.

The second motivator is compensation. More than 60% of the companies we interviewed currently link DEI metrics to executive performance and compensation. Others have plans to do so.

More than 60% of interviewed organisations tie DEI outcomes to executive compensation.

This matches a global trend. Almost half of financial services companies in the UK tie executive compensation to gender representation, according to a 2022 Bain report, "Women in Finance Charter: The Blueprint."

Tying DEI to compensation is not an overnight solution—it is a longer-term strategy to embed sustainable diversity into a company's culture. IAG are on a three-year journey towards that level of commitment. The company refreshed their DEI strategy, then introduced divisional targets a year later. Leader scorecards are starting to be linked to DEI metrics now, and they will be enforced through performance plans within the next 12 months.

Many organisations iterated their approaches with lessons learnt. BHP found that blanket percentage targets were not fair to some leaders as they could not control when roles became available. Instead, leaders must now demonstrate contribution to an annual goal of a 3% increase in representation of women across the company. In addition, compensation is tied to metrics that focus on gender-balancing hiring and attrition, which leaders have more influence over.

Be externally transparent

Consumers, investors, and staff often look at annual reports, impact documents, and Workplace Gender Equality Agency (WGEA) data to see if companies are meeting ESG and equity commitments. South32 says that their investors appreciate the transparency that DEI targets provide. The company's progress towards achieving an inclusive and diverse culture is an important signal to investors that South32 can deliver on their long-term strategy. Mirvac said that their investors see the company's gender equality as a proxy for their culture overall.

At Telstra, executives have set and disclosed gender targets for more than 12 years to demonstrate the company's values. Coles executives believe that external targets helped step-change the company's progress towards gender balance. Their percentage of women in leadership was stuck in the "low 30s" until the company introduced public targets. Having a goal prompted leaders to put focused

plans into place. Transparency led to action at these companies, and external reporting became a touchstone to keep leaders accountable.

Ways to apply Accelerator 1: Executives must be committed and accountable

- Use the business case to motivate executive leaders.
- Use metrics and scorecards as signposts for the long-term journey. Choose metrics that not only accelerate inclusion now but also support sustainable cultural change.
- Review DEI scorecards in leadership forums regularly. Stay focused on the goal of gender balance and use data to pinpoint root causes of inequity and identify corrective actions.
- Hold leaders accountable by linking DEI performance to compensation.
- Share progress with customers, staff, and investors. Leverage transparency to stay accountable.

Accelerator 2: Commitments must translate into actions—for everyone

Translate your commitment to diverse leadership into actions, such as executive role modelling, equitable flexibility options, and empowering employee groups

What you do is more important than what you say—and ultimately, what you do becomes your culture.

Culture matters because it is a key driver of retention—and of attrition, if tended poorly. Culture enables people to thrive, contribute, and progress *in* and *with* the organisation. Recent Bain research outlined in "The Fabric of Belonging" has shown that workplace cultures that have greater inclusion and higher diversity result in employees with more ability to innovate and challenge the status quo *(see Figure 5)*.

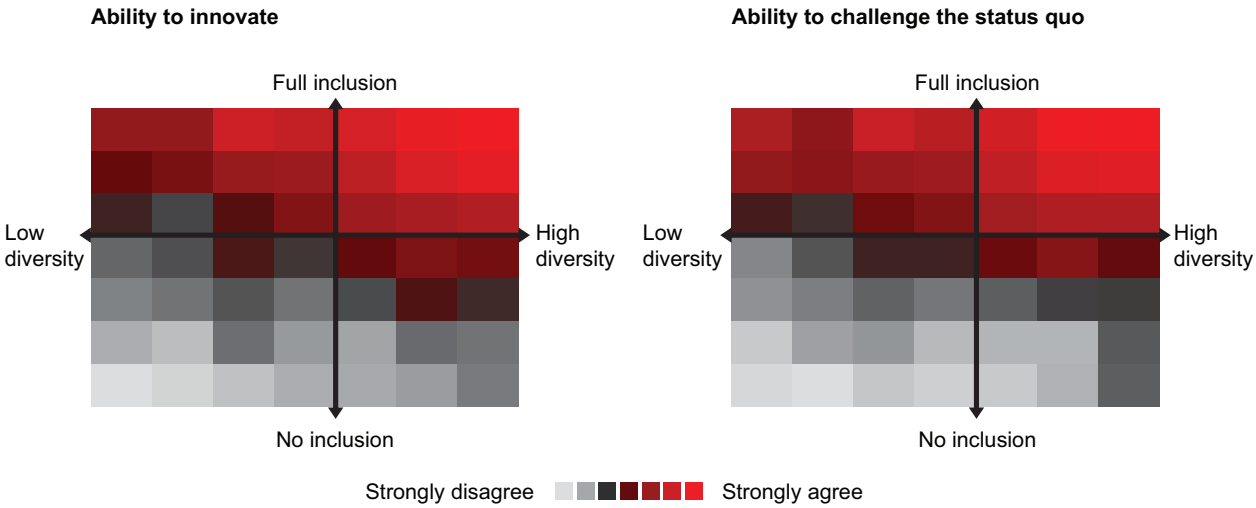
For a company to achieve diversity (and unlock the power of diverse teams), every individual must feel a strong sense of inclusion at work. This means all genders feel like they belong in the organisation; are treated with dignity; and are encouraged to fully participate and bring their whole, unique selves to work every day.

Every company we interviewed noted the importance of an inclusive culture; some said it was the key to achieving gender-balanced leadership. They said inclusivity should underpin corporate commitments to gender balance because inclusive initiatives help senior-level women—even if they are not directed at senior-level women.

Why? Because inclusion attracts and retains talent, regardless of gender.

Figure 5: Diversity and inclusion create business benefits like innovation

Employees were asked if their organisation had two abilities, based on the organisation's levels of diversity and inclusion:



Notes: Each step increment on heat map represents step increase in diversity/inclusion on scale of 1 (low diversity, no inclusion) to 7 (high diversity, full inclusion); color-coded scale represents average respondent ratings in answer to the question of how they would rate their organisation on ability to offer new and creative solutions (left-hand side) and ability to challenge the status quo (right-hand side)
Source: Bain Inclusive Organization Survey (n=9,494)

Inclusive actions have halo effects beyond their intended targets. When QBE launched programmes for pregnancy loss and family domestic violence support, employee pride increased overall—not just among those who accessed the services. Employees were proud to work for an organisation that authentically cared for its staff. Now QBE approach "employee well-being" from a broader perspective. Leaders said the company "moved the conversation away from policy and towards lived experiences" and encouraged empathy to get everyone involved.

Inclusive culture needs to be led from the top, with visible actions by the CEO and leadership team that drive inclusivity. To signal their inclusive culture, Mirvac's CEO personally welcomes each cohort of new employees at an orientation session every 4–6 weeks to share the company's vision, strategy, and values. New Mirvac employees are amazed to meet the CEO within their first month as many have rarely spoken to a CEO before.

Create inclusive workplaces with honesty and respect

Building an inclusive culture starts during the recruiting process. New hires must be a strong behavioural match with the organisation. To find candidates who fit their "no ego" requirement, Starpharma involve leaders from different teams as well as the CEO in the interview process. This approach helps the company gather diverse perspectives on potential employees.

Open conversations also build inclusion—especially if the company is not afraid to tackle "difficult" topics. BHP recognise that the mining industry has a history of reports of sexual harassment and sexual assault, especially among fly-in fly-out workers. The company want everyone to feel safe at work, so they confronted these truths and are working to normalise conversations about sexual harassment and assault. In 2018, BHP introduced a sustained programme of work—the "Respectful Behaviours Campaign"—designed to help employees identify and call out disrespectful behaviour, with stories of employee experiences shared as part of the campaign. BHP want to empower people impacted to come forward, not only to provide them with support but also to help create a safer and more inclusive environment.

BlueScope are clear about their zero-tolerance stance on workplace sexism and harassment. The company have a "How we work" doctrine that is cascaded down from leaders, a "Speak Up" policy, and a hotline for anonymous reporting.

Normalise flexibility for all roles and genders

Every organisation we interviewed said flexibility is a critical component for employee retention, but it is not enough for flexibility to just be available—it must also be practiced.

Every organisation we interviewed said flexibility is a critical component for employee retention, but it is not enough for flexibility to just be available—it must also be practiced.

In this regard, Covid-19 was an unlikely champion for gender balance. Organisations embraced flexibility as a normal, gender-neutral practice and learnt that flexible working arrangements can be successful in any business and for everyone involved.

Flexibility for "everyone" includes senior executives and C-suite leaders. Role-modelling flexible work at the top of an organisation demonstrates that it is achievable—and acceptable—at all levels. BHP recently created their first job-share position at the vice-president level, and QBE split a senior manager position into a job-shared role. South32 have a comprehensive and inclusive parental leave offering that is available to all employees upon commencement, including senior leaders. Company leaders not only support parental leave but also actively use the leave themselves. South32 also ensure that employees on parental leave feel included during their time off by proactively sharing key business updates and organisational changes as well as making sure those employees are considered for internal opportunities, including promotions.

Normalising flexibility also extends to return-to-work activities. After an extended leave, a difficult re-entry into the workforce can be a barrier for women who want to advance into senior roles. To

counteract this, both ANZ and Deloitte have specific "return-to-work" programmes to recruit people who have taken career breaks of two or more years. They provide tailored induction, training, mentorship, and flexible working arrangements to help employees transition back into work.

If policies are not intentional, flexible work can negatively affect hiring, assignment, and promotion decisions. SEEK have designed people processes to ensure there is no bias against those who have been on parental leave or other forms of extended leave. Annual performance reviews, including pay review and promotion considerations, are inclusive. This means they include employees who have been or currently are on extended leave for whatever reason, such as taking time out for career responsibilities or parental leave. Further, SEEK assess employee performance and contribution based on the time frame an employee has worked during the performance period. This ensures that behaviours and outcomes are considered in context and that people who take extended periods of leave are not penalised by comparison to others who have worked the full year.

Empower employee resource groups to co-design DEI strategies

Employee resource groups play an important role in DEI programmes in about 60% of the organisations we interviewed. These companies directly involve employees to build inclusive, gender-balanced cultures.

Telstra's employee resource groups have executive sponsors and a direct line into DEI strategies and policies. Using data analysis, they present issues and help share the company's diversity agenda. The programmes and care they deliver to staff are appreciated, and leaders said women are more engaged and have more positive workplace experiences than men. Retention after maternity leave is also very high for women at Telstra.

ANZ consulted various employee resource groups during the pandemic to ensure that their response plans and communications were inclusive. ANZ's employee resource groups helped design plans to support employees and address a range of needs (not just those of parents).

Some organisations warned against becoming overly dependent on employee resource groups to lead the diversity agenda. Executive leaders cannot outsource their DEI commitments to employee resource group volunteers; they must take ownership of the issue. The most effective approach is to co-design DEI strategies with employee resource groups whilst ensuring that executive leaders stay responsible and accountable for execution.

Ways to apply Accelerator 2: Commitments must translate into actions—for everyone

- Start with inclusion. An inclusive, respectful environment for everyone will help women leaders thrive.
- Encourage open dialogue about culture, inclusivity, and "tough topics," and include multiple voices in the conversations.

- Normalise and promote gender-neutral flexibility at every level of the organisation.
- Eliminate exclusive behaviour. Engage employee resource groups for feedback and direction and to remove (or avoid) bias.

Accelerator 3: Targeted talent management unlocks equal opportunities

Accelerate women into leadership through targeted talent management, development programmes, and sponsorship

Yale's Insights 2021 report title sums up the problem: "Women Aren't Promoted Because Managers Underestimate Their Potential". Despite having higher average performance scores than men, women are 14% less likely to be promoted each year, the study found. There is a damaging pattern of managers misunderstanding women's leadership potential.

Organisations need to develop, promote, and sponsor women at a higher rate to create a pipeline of executive-level candidates. High-potential women who are sponsored—specifically by senior male leaders—are more likely to receive growth opportunities and the feedback they need to advance their careers and prepare for executive roles.

Design targeted talent management programmes focused on advancement

Organisations that provide equal development opportunities for men and women successfully place more women into leadership positions.

Corelogic offer accelerator opportunities to high-potential employees. Because participation is performance based, 40% or more of the candidates are women, without any quotas. Participants are offered lateral moves to become exposed to new skills, places in longer-term development programmes, and—most importantly—an appointment to CoreLogic's operational or senior leadership team. Whilst these teams do not report directly to the executive team, they do shape and drive company-wide strategy, lead key initiatives, and present at all-employee town halls. Participating in such visible roles has helped these employees get promoted into senior positions faster, sometimes skipping multiple levels.

IAG target development cohorts of mid-level women managers for their three-month "Game-changers" mentorship and skills development programme. For the capstone project, participants solve a real business problem for an executive team member. IAG say this is one of their most successful development programmes for women and that it has resulted in strong retention and a high number of promotions among women.

Provide sponsorship, not just mentorship

Women are half as likely to have a sponsor as their male peers, according to *Harvard Business Review*'s "The Real Benefit of Finding a Sponsor."

To rise to the executive level, women may need more than a mentor or confidante. They may need someone to publicly advocate for their career and give them opportunities to learn and grow. Formal sponsorship programmes for women are necessary to address the imbalance between men and women.

KPMG has been matching executive-level sponsors with high-potential women for more than eight years under its "Bird-Walton" program. During a six- to nine-month program, the women participate in workshops and one-on-one sessions and have access to senior board members. Male sponsors attend workshops to better understand the experiences of the women they sponsor and to practice active sponsorship. Both parties benefit from the relationship. The sponsors said they gained confidence in their coaching abilities and developed a deeper sense of empathy. The women sponsored are more confident in their leadership goals and what they bring to senior leadership teams. As a result, more women were promoted into leadership. Since the inception of the Bird-Walton program in 2015, 42% of women in the program have been promoted into more senior roles at KPMG. At the partner level, 25 women from the program have been promoted into the partnership, with total representation of women in the KPMG partnership increasing by over four percentage points within the first three years of the program.

Since the inception of the Bird-Walton programme in 2015, 42% of women in the programme have been promoted into more senior roles at KPMG, with 25 new women becoming partners.

Share career journeys to inspire future leaders

Lendlease share personal backgrounds on their senior leaders with all internal staff to make career advancement seem attainable. The company produce "career stories" that track leaders' trajectories, including senior women leaders. In these stories, leaders talk about their careers and major life events, and they explain why they made certain career moves.

Mercer share their leadership stories as one-page "career journey maps." The company are intentional about inclusion, so anyone at Mercer can find a leader who "looks like them"—and creating a map is open to everyone. One of the company's most powerful stories is about a leader who affirmed their gender while working with Mercer. The leader talks freely and safely about her family, her career journey, and what it is like to be a transgender woman in business—inspiring others to be their true selves at work, too.

Build a healthy pipeline of talent into all levels

Nobody starts at the top. Women cannot advance into executive leadership positions unless they are recruited into junior- and mid-level positions and have support at every level of the organisation.

Companies need strong pipelines of talented women to achieve gender-balance targets and to increase representation overall.

Some companies, like Telstra, use programmes such as Career ArchiTECH to deliberately develop women's skills so they are equipped to lead male-dominated industries or teams. Career ArchiTECH is a six-month development programme that is heavy on technical skills and includes workshops, coaching, networking, mentorship, and exposure to real-world technical problems. Participants also get access to a digital learning hub to practice their skills.

Other leading companies build pipelines of women even earlier. To increase their number of women pilots, Qantas engage university and high school students with career development support, scholarships, and mentors. About 7% of the airline's pilots are women today, but the company are targeting a 40% women cadet pilot intake by 2028 via their Nancy Bird-Walton initiative.

Ways to apply Accelerator 3: Targeted talent management unlocks equal opportunities

- Train with intent. Talent development programmes should be directly linked to career-accelerating skills and opportunities.
- Sponsor rather than just mentor high-potential women.
- Share diverse personal stories to inspire future leaders. Tell the whole story, including how leaders balanced work and life events.
- Recruit women early in their careers to increase representation throughout the organisation and build strong pipelines of women executives.

Accelerator 4: Succession plans must be deliberate and long term

Make deliberate, long-term succession plans to build a gender-balanced pipeline

Sustainable gender balance is a long-term task that requires near-term and long-range candidate pools. Organisations like Deloitte told us they have been nurturing talented women for years. As a result, they are on the cusp of achieving gender balance (38% women) on their Australian ELT.

A first step is to simply talk about succession. BHP have succession planning discussions at the executive level and require all executives and key leadership roles to have a succession plan. These discussions help BHP identify high-performing women as potential successors and prompt proactive conversations about their potential career paths and opportunities. BHP said this succession plan addressed attrition among emerging women leaders who were exiting before they could be promoted. Giving women a clear view of their upward career opportunities prevented premature departures. This contributed to an increase in representation of women for direct reports to the ELT from 25% to 38% in FY21.

Talk about succession plans regularly and with the right stakeholders

Many organisations identify future skills or market gaps they want to address through future hiring. The companies we interviewed include gender requirements for their succession pools, too.

These companies involve their boards in succession planning for key management personnel decisions, too. If the board are comfortable with a role's requirements and objectives, it may be more open to successors with the right skills and potential even if they lack specific industry or role experience. This is particularly important for women as they are less likely to have previous key management personnel experience at large ASX companies. SEEK are one such company that have used this approach with success. When it comes to executive succession and decision-making, the company engage the board early to ensure alignment on the objectives in filling the position. This involves agreeing on the mandatory experience and capabilities required of candidates as well as areas where some flexibility may be considered for the right candidate.

Deloitte increased the percentage of women on their Australian leadership team from 15% in 2015 to 38% in 2019 by proactively identifying and developing high-potential women for leadership roles as part of succession planning.

Australia's top companies also test their succession assumptions amongst the leadership group, and sometimes with external partners.

Ramsay Health Care require executives to look beyond their own team for potential successors and empower their leaders to push back on succession plans if there is not enough diversity among the candidates.

Lendlease use an external partner to evaluate emerging talent and determine employees' leadership potential and readiness. Lendlease said external assessments challenge inherent bias that can occur when nominating internal successors. The company said women candidates often score higher on both "potential" and "readiness" when evaluated by an external partner. External assessment has resulted in women moving onto succession shortlists for several executive roles.

Have multi-layered succession pools and plans to progress candidate readiness

There is no "one and done" effort to increase the number of women in leadership roles. The companies we interviewed have multi-layered and detailed plans to advance candidate readiness.

Mirvac distinguish three levels of readiness for executive succession: ready-now candidates; short-term candidates who could be ready within a couple of years; and mid- to longer-term candidates who need more preparation. Executives are required to assess and report on the gender representation of their succession pipelines. This helps Mirvac understand diversity amongst the longer-term pipeline of leadership candidates and provide opportunities to develop skills and capabilities amongst a broader pool of candidates.

Women are drastically under-represented in profit and loss "line" roles. According to CEW Senior Executive Census data, in 2021, women held only 14% of executive line roles but 36% of functional roles. This matters because CEOs are overwhelmingly appointed from line roles. In 2021, nearly 80% of CEO appointments came from line roles (17% from the CFO position) and only 5% from other functional leadership roles. Gender balance at the CEO level is dependent on gender balance in line roles and CFO roles. Breaking the pattern requires long-term development plans and deliberate activities to increase line role experiences among women.

Almost 80% of CEO appointments are from line roles, according to the 2021 CEW Senior Executive Census.

Coles do this by rotating their general managers through different parts of the business so they gain experience across both line and functional roles. "Talent swirling," as the company have termed it, gives emerging leaders experiences and skills they need to succeed in both functional and line roles on the executive team.

Leading companies also understand that relevant skills are not always available internally. They therefore encourage emerging leaders to develop in non-traditional ways. A practical example is how SEEK have supported a select number of executives to take on board appointments, either with a subsidiary company or with an external organisation. SEEK recognise that board experience is critical for those pursuing CEO-level positions and have applied this strategy to accelerate the development of top talent.

Ways to apply Accelerator 4: Succession plans must be deliberate and long term

- Talk about succession—especially with potential candidates. Make sure high-performing women know they have a long-term career path with your organisation.
- Outline the requirements for your succession pool, including gender targets. Establish short- and long-term leadership needs plus near- and long-term candidate lists.
- Create opportunities for women to gain broad business experience so they are strong candidates for line roles.

Accelerator 5: Recruiting must be equitable

Create an equitable recruiting process for senior-level positions, and redefine leadership requirements to broaden the talent pool

Traditional recruiting processes may unintentionally disadvantage women. Finding the right woman for a senior management role can take more time and effort, mainly because women apply for senior-level roles less often than men do: They apply for roles only when they meet 100% of the job criteria, whereas men apply if they believe they meet 60% of the qualifications, according to LinkedIn's 2018 Gender Insights Report.

As time goes on, the issue compounds. Companies see a drop in mid- and senior-level women in the workforce due to attrition—and there are fewer women candidates for higher-level roles.

Equitable recruiting practices are a key lever for filling senior-level positions and achieving gender balance.

Enhance the recruiting process to ensure equal opportunities for all

Leading companies ensure that vacancies, including executive positions, are visible and advertised to all staff. They also have deliberate conversations with staff, particularly women, to encourage applications. Lendlease are implementing an AI platform to identify qualified candidates (men and women) and invite them to apply. This is significant for women as they are less likely to view job postings or apply, according to LinkedIn's 2018 Gender Insights Report.

Since senior-level recruiting is often supported by external agencies, make sure recruiters have similar priorities related to gender balance—and that they clearly understand your goals. This includes external recruiters delivering gender-balanced candidate shortlists. IAG require their external recruiting agencies to share their own DEI metrics to demonstrate a commitment to gender-balanced leadership.

Some of the leading companies expanded recruiting timelines to attract more high-quality, senior-level women candidates. Link Group introduced longer recruiting timelines for key roles, used specialised recruiters, and developed clear search briefs to help the company find more talented women candidates.

Adopt skills-based criteria

To increase the number of women in leadership roles in male-dominated fields, many companies are recruiting candidates based on skills instead of deep industry or role experience. When organisations prioritise transferable skills in their hiring decisions, they can access a wider talent pool and include candidates from adjacent "job families" or even adjacent industries. Coles introduced a management acceleration programme to recruit managers from outside the supermarket sector. This initiative invited more women leaders, addressed gender balance amongst store managers, and introduced fresh and innovative thinking. Coles executives described the effect as "a flywheel that starts to self-prophesise." Getting great women into the business attracted more women and amplified the results.

The Bank of Queensland do not always wait for a job posting to recruit the best people. The company have an open and flexible hiring approach that allows recruiters to present high-potential candidates, even if there is no job opening. The bank prioritise diversity so they can appear more authentically to customers, many of whom are family businesses.

Companies can also use recruitment data to identify biased hiring. As an international example, Unilever's Appointment Ratio analyses the gender breakdown of hiring decisions by manager to draw attention to unconsciously biased decisions.

Ensure that new leaders are set up for success

Comprehensive onboarding and support programmes reduce the risk of "hiring for potential," especially when new employees do not have direct prior experience. When leading companies find great candidates, they immediately set them up for success.

Link Group created an onboarding guide for new senior leaders and assign them a "buddy," training, and resources for the first three months. The company want new senior staff to clearly understand their role and expectations—especially if they were external candidates. Although sponsors are crucial for all emerging leaders, they are particularly important when someone is joining a company, to help support and advocate for them from the start. The companies we interviewed said it is vital that companies identify sponsors up front to support new hires.

Redbubble's People team have regular check-ins with new hires to understand how the transition is going. Redbubble's programme is focused on meeting employees' expectations and creating a positive experience—rather than on detailed policy training or paperwork. New hires are interviewed three times within the first six months. Executive-level hires also have a transition coach and weekly meetings to ensure that they have strong support and avenues for feedback.

Ways to apply Accelerator 5: Recruiting must be equitable

- Expand timelines, work with specialised and like-minded recruiters, and encourage women to apply for leadership positions.
- Ensure that hiring practices are equitable for all candidates.
- Make hiring selections based on skill sets and behaviours, not specific job experiences. This approach widens the talent pool and invites fresh thinking into the organisation.
- Support new employees from the start. Make sure roles and expectations are clear and offer feedback loops for new employees.

Conclusion

Achieving gender balance at the highest levels of corporate Australia does not happen by accident. Leading companies are taking deliberate and strategic actions to improve gender diversity at the leadership level, and they are progressing towards gender targets in relatively short periods.

The companies with the highest levels of diversity and equity set goals and objectives to accelerate women's participation and build steady pipelines of potential leaders. They make intentional and strategic decisions that require ongoing commitment, and they deliver results. The evidence shows that inclusive workplaces produce different ideas and more diverse conversations—and everyone benefits.

Achieving gender balance at the highest levels of corporate Australia does not happen by accident. Leading companies are taking deliberate and strategic actions to improve gender diversity at the leadership level, and they are progressing towards gender targets in relatively short periods.

Five accelerators have been proven to increase women's representation at the executive level. These accelerators are available to every Australian company that wants to improve performance by achieving gender balance in the top tiers of leadership. The accelerators are accessible, customisable, and effective.

The majority of leading companies implement all five accelerators, not just one or two—although in different ways and to varying degrees. Applied together, these practical strategies will sharpen your diversity priorities and enhance women's workforce participation—all the way to the top of your company.

Gender balance on executive teams is a strategic play for corporate Australia, not to mention a moral and social imperative. The business benefits are abundant. The impact on women, their families, the economy, and productivity are undeniable. We can—and must—do better for all. With deliberate and concerted action, these companies have proven that change is possible.

Methodology

Our findings are based on in-depth interviews with 22 Australian companies representing a diversity of sectors and company sizes. We spoke with senior executives from these organisations to understand how they set and achieve gender-balance targets for senior leadership positions.

We selected the subject companies based on a variety of criteria, including their performance in the CEW Senior Executive Census (for those publicly listed) and their progress towards achieving gender diversity targets. The companies we interviewed have either achieved a 40:40 target or made significant or accelerated progress. Some achieved progress faster than others. Some have long-standing diversity and gender-balance programmes, while others have made relatively recent progress.

Where appropriate, Bain & Company experience and recent global research also informed the report.

This report is focused specifically on women's representation in senior leadership roles, which is just one of several crucial levers to advance gender parity.

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About the authors and acknowledgements

Agathe Gross is a partner with Bain & Company in Sydney and leads the firm's Asia Pacific Diversity, Equity & Inclusion programme. Contact her at *agathe.gross@bain.com*.

Sam Mostyn is president of Chief Executive Women. Contact her at *cewpresident@cew.org.au*.

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Since 1985, CEW has influenced and engaged all levels of Australian business and government to achieve gender balance. Through advocacy, research, targeted programmes, and scholarships, CEW helps remove barriers to women's progression and ensures equal opportunity for prosperity. CEW's members work actively to realise our vision of a community where women and men have equal economic and social choices and responsibilities.

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