



WORKFORCE DIVERSITY
INDUSTRY SNAPSHOT 2013

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1. Introduction

1.1 About Consult Australia

Consult Australia is the industry association that represents the business interests of consulting firms operating in the built and natural environment. Our member firms' services include, but are not limited to: design; architecture; technology; engineering; surveying; legal; and management solutions.

We represent an industry comprising some 48,000 firms across Australia, ranging from sole practitioners through to some of Australia's top 500 firms. Collectively, our industry is estimated to employ over 240,000 people, and generate combined revenue exceeding \$40 billion a year.

Consult Australia is a proud member of the Australian Sustainable Built Environment Council (ASBEC), the Australian Construction Industry Forum (ACIF), the Australian Services Roundtable (ASR) and a host organisation for the annual Built Environment Meets Parliament summit (BEMP).

1.2 Executive summary

This report, *Workforce Diversity: Industry snapshot 2013*, is a follow-up to a similar survey conducted in 2011.

The objective of the survey is to provide quantitative data to identify areas in the careers of female employees which may require greater attention to ensure that the business benefits of diverse and inclusive workplaces are reaped. The survey identifies differences in pay, turnover, age at seniority levels and other factors to indicate where further work should be directed.

Two years ago the consulting sector was in the early stages of its investment in activities to meet workforce diversity and inclusion goals and the survey results of 2011 reflected expectations: low numbers of women, evidence of a systemic gender pay gap, and higher turnover of female staff.

Today, it appears that not much has changed. Some indicators have improved and some have gone backwards. This may be caused by the low numbers of women in each data set making the results volatile, but even accounting for that there are still strong indications that the action taken by the industry since 2011 has not resulted in measurable industry-wide change.

Headline results

The survey shows that the consulting industry workforce is 28.7 per cent female, well below the national workforce average of 47.7 per cent for all companies with 100 or more employees that reported to the Workplace Gender Equality Agency (WGEA) in 2012.ⁱ

Over 15 per cent of Board positions are filled by women, 24.3 per cent of professional services staff are women, and this rises to 57.7 per cent for corporate and support services staff.

Most people work in full time roles, though of those who work part time the great majority are women, with men more likely to work as casual or contract staff.

The average ages of staff, and years in their current company, are usually quite similar for men and women but there is a very clear gender pay gap in almost all career streams and levels, especially for those working in corporate and support services roles. Average turnover rates are usually higher for women.

Parental leave offerings are becoming more generous, though this is yet to be reflected in improvements to return-to-work statistics and suggests that more attention needs to be paid to what happens in the months after primary carers return to work.

In good news for employers, average retirement ages are above the national average and it appears that most companies will have about 10 years for succession planning with senior staff. Furthermore, at each stage of the talent pipeline from executives right down to graduates, there is a smooth average age difference of four to six years between each level.

Overall, although it is not especially surprising that any positive changes to the survey data are small, the continued existence of a gender pay gap, low numbers of—and high turnover in—women, is proof positive of a systemic problem that demands even more efforts to overcome. Recommendations for action are made throughout the report and summarized below.

Summary of recommendations

The following 10 recommendations provide industry leaders with a basis for, and framework to take, action. The recommendations and the context for them are also contained in the commentary at *Section 2: Survey Results*.

Recommendation 1: Company leaders should determine the true extent of and the causes for a gender pay gap in corporate leadership roles and take action to ensure that men and women are provided with equal pay for equal work. The usual hypotheses for pay disparity, such as the comparative value of roles or the value of traditional working arrangements, must be challenged.

Recommendation 2: Company leaders should expand identification and promotion of women with talent to positions of leadership beyond the entry level leadership roles, and continue this throughout the leadership career stream.

Recommendation 3: Company leaders should determine the true extent of, and the causes for, a gender pay gap in professional services roles and take action to ensure that men and women are provided with equal pay for equal work. The usual hypotheses for pay disparity, such as the comparative value of different consulting services or the value of traditional working arrangements, must be challenged.

Recommendation 4: Company leaders should examine flexible working arrangements (FWA) to determine how to utilise them more effectively. To ensure company-wide buy-in of the importance of flexible working and understanding of how to make it work effectively, this work should include the individuals who want to work flexibly, their peers, line managers and business unit leaders. The examination of FWA should encompass all forms of employment: full time with flexibility, fixed non-standard hours, casual and contracting, and all other forms of FWA required to ensure staff are able to work effectively while balancing personal needs.

Recommendation 5: As a matter of urgency, company leaders should investigate the gender pay gap in the Corporate and Support Services career stream, noting the very large pay advantage for men in a career stream dominated by women.

Recommendation 6: Company leaders should examine the causes for the relatively high turnover of women in the Corporate and Support Services career stream, especially in comparison with the turnover of women in the Professional Services career stream.

Recommendation 7: Company leaders should find out what employees who are parents of young children need from employers to enable them to be productive workers who can focus on their job. This should focus on their views in the months leading up to having a baby, on their return to work, and as exit interviews if they decide to resign.

Recommendation 8: In conjunction with recommendation 4 to investigate flexible working arrangements (FWA), company leaders should examine the trend of limiting FWA options for certain types of roles and determine if FWA should be a restricted or open workplace tool.

Recommendation 9: Company leaders should use data on the average ages of employees across career streams and grades to aid succession planning.

Recommendation 10: Company leaders should commit resources to benchmark their firm against the survey results presented in *Workforce Diversity Industry Snapshot 2013*. This should be followed by writing a report on the steps necessary to meet recommendations 1-9 and providing regular reports on progress to meet subsequently agreed actions.

1.3 Diversity and Inclusion for the consulting industry

Women represent just 29 per cent of our member firms' workforces and are even less-well represented at senior levels. Consult Australia member firms understand that addressing this imbalance is a business issue and are taking action to strengthen the pipeline of female talent in traditionally male-dominated industries.

The low level of workforce diversity is a problem because employing a more diverse workforce makes sound business sense: A 2007 report by McKinsey & Company, *Women Matter: Gender diversity, a corporate performance driver* showed that companies with a higher proportion of women in their top management have better financial performance.ⁱⁱ This is not to say that women are the only driver for success, but that firms which value diversity and inclusiveness are better performers.

At an even more basic level, a profession or industry that does not generally employ women is halving the pool of potential talent. Workforce diversity, including attracting more women to, and retaining them in, the engineering and technical professions will be significant factors in addressing labour supply issues in the long term.

1.4 Current action taken by Consult Australia and its members

In response to the 2011 survey, Consult Australia committed to helping its members and the industry more broadly understand the need for workforce diversity and inclusion, and how to take

action to achieve their diversity and inclusion goals. Two leading projects to help do this are the formation of the Consult Australia Champions of Change and the Workforce Diversity Roundtable.

Consult Australia Champions of Change

In May 2013, CEOs and regional Managing Directors of Consult Australia's member firms met to sign a Charter of commitment to workplace equality, and walked away having pledged personal action.

The Consult Australia Champions of Change is a group modeled on Sex Discrimination Commissioner Elizabeth Broderick's Male Champions of Change. It was created because to bring about change within the upper echelons of this industry would be a significant step in advancing equality in this traditional and male dominated world.

The Charter is the *Charter of the Consult Australia Champions of Change*. It commits the signatories to actively advance equality across their businesses and to act as advocates for the consulting industry. They believe that this is important because the talents of employees with broad experiences in their professional and personal lives deliver productivity, problem solving and business success dividends.

Led by Hyder Consulting's Greg Steele as Chair, the number of Champions is growing and currently includes the following, who collectively lead over 22,500 Australian workers:

- Arup Chair and Chief Executive Officer - Australasia Region, Peter Bailey
- Brown Consulting Managing Director, Gary Spence
- GHD General Manager - Australia/New Zealand, Phil Duthie
- Golder Associates Managing Director and Principal, Adam Kilsby
- Hyder Consulting Managing Director — Australasia
- MWH Managing Director, Government & Infrastructure, Australia, Mark Bruzzone
- NDY Chief Executive Officer, Ian Hopkins
- Opus Managing Director Australia, Melvyn Maylin
- Parsons Brinckerhoff Managing Director Australia-Pacific, Mark Dimmock
- Pitt & Sherry Managing Director, John Pitt
- SKM Chief Executive Officer & Managing Director, Santo Rizzuto
- SMEC Chief Operating Officer, Australia and New Zealand, Hari Poologasundram
- URS Managing Director, Australia & New Zealand, Jim Mantle

The Chair of the group, Greg Steele believes the initiative will be a catalyst for genuine change, particularly given the buy-in from so many CEOs from within the industry.

"If we are going to make headway towards achieving workforce diversity, there has to be visible leadership from the top," said Mr Steele.

"The Champions of Change initiative is by far the most ambitious and high profile step the industry has taken towards successfully addressing this issue to date."

Before the Champions group was set up, the industry simply had not had a cohesive high-level approach to address this issue, nor did it have buy-in from all the players that such a transformation needs. Consult Australia's Champions of Change is critical to ensuring this transformation becomes a reality.



Charter of the Consult Australia Champions of Change

As Consult Australia Champions of Change, we commit to actively advancing equality across our business and to acting as advocates for the consulting industry.

We believe that this is important because the talents of employees with broad experiences in their professional and personal lives deliver productivity, problem solving and businesses success dividends.

Supportive of the social responsibility of, and commercial advantages to, organisations with respect to all aspects of diversity and inclusion, the Consult Australia Champions of Change have chosen to focus on gender diversity.

Our activities include the following:

Business leadership

- Building gender equality into the strategy and goals of the company operations, driven by the CEO and leadership team.
- Changing workplace culture and mindset and empowering both women and men to advance gender equality in the company.
- Adopting and implementing employment policies and practices that eliminate gender discrimination in careers in areas such as recruitment, hiring, succession, pay, promotion and development.
- Addressing systematic barriers that prevent women from fully and meaningfully participating in the workforce.

Recruitment of talent

- Recruiting, developing and retaining diverse candidates as a priority.

Health, safety and freedom from violence

- Prohibiting all forms of violence in the workplace, including verbal, physical, or sexual harassment.

Work and family

- Developing mechanisms to foster balance between work and family life for women and men.

Advocacy

- Through the Consult Australia Champions of Change network, sharing experiences and strategies for advancing gender equality within Australia's consulting sector.
- Creating a catalogue of best practices for achieving gender equality.
- Being spokespersons for the promotion of gender equality, both individually and collectively within the consulting sector.

Build the CEO Champion network

- Working together to increase the dialogue among our peers—and create peer pressure—to build our network of consulting CEO Champions.

The Workforce Diversity Roundtable

A second forum for senior human resources officers, diversity and inclusion specialists and business unit managers is the Workforce Diversity Roundtable. It is a vehicle for sharing best practice, both within the industry and by collaborating with other sectors, and exploring opportunities to influence public policy.

Its first action, in 2012, was to lead a critical examination of the industry's workplaces in order to identify best practice for the development of Consult Australia's *Diverse Approaches* report. Following its release, Consult Australia Chief Executive Officer, Megan Motto called on CEOs and firm leaders to adopt the recommendations outlined in the report and champion the commitment to improving diversity within the workforce. *Workforce Diversity: Industry snapshot 2013* is the latest product of the Roundtable.

1.5 Objectives of the survey

The objective of the survey is to provide quantitative data to identify areas in the careers of female employees which may require greater attention to ensure that the business benefits of diverse and inclusive workplaces are reaped. The survey identifies differences in pay, turnover, age at seniority levels and other factors to indicate where further work should be directed.

The survey explores three different career streams:

- Board, executive and other managers
- Professional services staff
- Corporate and support services staff

Professional service providers in Consult Australia member firms are often engineers, scientists and technicians, but may also include, among others, project management consultants, surveyors, architects or economic advisors.

The Corporate and support services stream includes human resources, administration, legal counsel, technical support and functions that support the operations of a company. In 2011, only the senior levels of the corporate and support services career stream was surveyed because it was assumed that employment equity issues were less of an issue in this career stream. The results however indicated that a broader analysis of the full corporate & support services career stream would improve the data and this has been done for the 2013 report.

Although focussed on an acknowledged need to attract and retain more women to the industry, by virtue of being a comparison of the female and male workforces and flexible working arrangements open to all staff, the data also provide an opportunity to identify issues that may be of concern to the whole workforce.

A new perspective for the 2013 survey is the study of retirement ages. The engineering and technical consulting industry population is relatively old compared to the general employed population. Analysis of average retirement ages is important for companies to make better succession plans as the ageing workforce transitions into retirement.

1.6 About the 2013 survey

Participants

The survey was open to Consult Australia member firms from 7 May to 5 July 2013. The large firm respondents supplied data for over 19,500 employees in Australia who represent a broad cross section of the association's membership.

A key difference between the surveys of 2011 and 2013 is the low number of small firm respondents. The data provided by the small firms that did participate in 2013 was significantly different to that provided by medium and large companies. As such, it was not appropriate to combine the two, nor was there sufficient data to warrant a separate set of results for the small firm respondents.

The data provided in this report is useful for companies of all sizes. It represents current practice among Australia's leading built environment consulting firms and provides clear indications of where more can be done. Recommendations throughout the report light the way for employers looking for where to focus attention to meet diversity and inclusion goals.

Survey questions

The survey collected data across several key areas:

- The number of men and women working in full time, part time, casual and contractor roles in each career stream and across grades.
- The average age, time in company and full time equivalent pay for men and women in each career stream and across grades.
- The average turnover for men and women in each career stream and across grades.
- Flexible work offerings for each career stream.
- Parental leave provisions.
- Average ages of people at retirement.

Grades surveyed in each career stream

Corporate Leadership	
Board	On the Board of Management.
Third Level (or Executive) Managers	The most senior executive manager, determining strategic direction for the organisation. For example: C-Suite staff such as CEO, CFO, COO, or Senior Executive such as Senior Risk Manager. Nb: do not double-count Third level (or Executive) Managers if they are also a Board member.
Second Level (or Senior) Managers	Provides business/technical leadership and strategic advice. For example: Business unit or Regional Manager (NSW Manager or Manager of Roads) or Division or Market Sector Director (Director of Infrastructure or Director of Human Resource).
First Level Managers	This level may overlap with level 5 Principal Engineers and Technicians and may represent a dual career ladder. For example: Project Team Leaders/Managers - leaders of projects within business or regional units.

Professional Services AND Corporate & Support Services	
Principal	Reserved for those with skills and abilities of a high order. Will typically be recognised throughout their company as “the final word” in a specialised area and may be used as a national resource.
Senior	A senior role that requires specialised abilities. Progression to this level may not be available to all.
Proficient in specialisation	This is the “full” career position.
Associate/ Junior	A transition role where learning and acquisition of practical skills continues.
Graduate	The entry level position with few pre-requisites.

2. Survey Results

2.1 Board, executive and other managers

Relative to the other ranks within this career stream, women have a foothold at the most junior level of First Level Manager, but that is yet to be translated to the more senior grades of Executive and Senior managers. At the Board level, by contrast, there are a significant percentage of women represented.

Compared to the results of the 2011 survey, it appears to be a case of two steps forwards and two steps backwards: there is an increasing proportion of women in First Level Manager and Board roles, but a lesser proportion in the middle ranks. The relatively small sample size may make the results prone to fluctuations in turnover, but does indicate that more investigation is required to determine the real cause for the dip in results.

Examination of the breakdown of staff working in full time, part time, casual and contractor roles shows that women are more likely than men to work part time, especially at the First Level Manager and Senior Manager ranks. In contrast, engagement as a casual staff member or contractor is almost exclusively the domain of men.

The average ages of men and women show that men are on average three to four years older than women at the same level, except at the Executive Manager grade. At this grade, men are an average of nine years younger than female peers are. However, this figure is likely to be skewed due to the very small number of women in the survey sample at this grade (four women to 180 men).

Survey respondents also reported on the number of years that staff had been with the company. The average tenure is equal for men and women at the two lower levels. The results indicate that men need to be with the company for an average of six years longer than women to be promoted to Executive Manager but, again, the very small sample size at this grade means that the results may not be representative of the wider industry.

Results for Board level positions are slightly more robust and indicate that women are an average of four years younger than their male peers.

Review of average full time equivalent pay for men and women presents interesting, though not conclusive, data. At the Board level, there was not enough pay data available to make useful comparisons. For the Executive level, the low number of women at this level makes it difficult to draw conclusions, despite the apparent 28.5 per cent pay differential in favour of men.

The data capture for Senior Managers and First Level Managers is however significant, and the pay differential of 5.7 per cent and 10.1 per cent respectively can be relied on. This pay differential is interesting as the average tenure of men and women at these ranks is equal, and the average age difference is only three or four years.

Turnover data is reliable only for the Senior and First Level Managers. It shows that women have a slightly higher turnover than men at the more junior level, and there is a much lower turnover for women at the Senior Manager level.

Commentary

Although the data set for the Board, Executive and Other Managers stream includes 3,161 individuals, the number of women is only significant at the Senior Manager (53 women) and First Level Manager (343 women) grades. As such, the data for these grades is the most reliable. At these grades, it appears that improvements are being made in terms of promoting women to manager roles, but it is yet to result in moves further up the chain into Senior Manager roles.

The pay differential at these grades is significant. It can be evidence of a predominance of women leading business units that do not draw premium salaries, but the data nonetheless warrants further examination. The average tenure of incumbents at these grades is equal for men and women, and the average ages are within three or four years, which indicates that the reasons usually cited for pay differential—seniority within the firm or years of experience as a professional—appear unlikely to be valid. The increase in average pay differences since the 2011 survey is an issue for more investigation.

Recommendation 1: Company leaders should determine the true extent of and the causes for a gender pay gap in corporate leadership roles and take action to ensure that men and women are provided with equal pay for equal work. The usual hypotheses for pay disparity, such as the comparative value of roles or the value of traditional working arrangements, must be challenged.

A lot of public attention is made to women on boards, and the survey data indicates that the consulting industry is taking action on this issue. Though the number of women on boards is low (nine women), this represents 15.5 per cent of all board positions. This is roughly the same as the percentage of female directors in the ASX 200, which in 2013 was 15.8 per cent.

The data on turnover rates for women is not conclusive due to the small data size and absence of a clear trend.

A significant difference to the data seen for the 2011 survey is the percentage of women employed as First Level managers, and the fact that their average tenure within the company is the same as for male peers.

The increase in the percentage of women on boards is welcome, and may be a product of intensive efforts across Australia to recognise and appoint women suitable for such high-level leadership roles.

Recommendation 2: Company leaders should expand identification and promotion of women with talent to positions of leadership beyond the entry level leadership roles, and continue this throughout the leadership career stream.

Greater differences in the data were not necessarily expected as the time between surveys is only two years. More significant changes are expected to become apparent over future surveys.

Survey data

All staff: permanent full and part time, casual and contractor					
Board, Executive & Other Managers	Women	Men	Total	% women (*)	% men (*)
- Board	9	49	58	15.5 (11)	84.5 (89)
- Third Level (or Executive) Manager	4	180	184	2.2 (6)	97.8 (94)
- Second Level (or Senior) Manager	53	818	871	6.1 (9)	93.9 (91)
- First Level Manager	343	1,705	2,048	16.7 (13)	83.3 (82)
Total: All Staff	409	2,752	3,161	12.9	87.1

Permanent Full Time Staff					
- Board	7	45	52	13.5	86.5
- Third Level (or Executive) Manager	4	155	159	2.5	97.5
- Second Level (or Senior) Manager	42	734	776	5.4	94.6
- First Level Manager	261	1,562	1,823	14.3	85.7
Total: Permanent FT Staff	314	2,496	2,810	11.2	88.7

Permanent Part Time Staff					
- Board	1	1	2	50.0	50
- Third Level (or Executive) Manager	0	4	4	0.0	100
- Second Level (or Senior) Manager	11	21	32	34.4	65.6
- First Level Manager	71	39	110	64.5	35.5
Total: Permanent PT Staff	83	65	148	56.1	43.9

Casual Staff					
- Board	0	2	2	0.0	100
- Third Level (or Executive) Manager	0	17	17	0.0	100
- Second Level (or Senior) Manager	0	38	38	0.0	100
- First Level Manager	8	60	68	11.8	88.2
Total: Casual Staff	8	117	125	6.4	93.6

Contractor Staff					
- Board	1	1	2	50.0	50
- Third Level (or Executive) Manager	0	4	4	0.0	100
- Second Level (or Senior) Manager	0	25	25	0.0	100
- First Level Manager	3	44	47	6.4	93.6
Total: Contractor Staff	4	74	78	5.1	94.9

* Data in brackets is for 2011

Average Age				
Board, Executive & Other Managers	Women	Men	Total	Average extra years for men (*)
- Board	50	54	52	4 (2)
- Third Level (or Executive) Manager	61	52	57	-9 (4)
- Second Level (or Senior) Manager	45	49	47	4 (4)
- First Level Manager	42	45	44	3 (3)
Total	49	50	50	1

Average tenure in existing company				
Board, Executive & Other Managers	Women	Men	Total	Average extra years for men (*)
- Board	13	17	15	4 (4)
- Third Level (or Executive) Manager	5	11	8	6 (4)
- Second Level (or Senior) Manager	9	9	9	0 (3)
- First Level Manager	7	7	7	0 (3)
Total	8	11	10	3

Average Full Time Equivalent Pay				
Board, Executive & Other Managers	Women	Men	Total	% extra pay for men (*)
- Board	No data	\$338,372	n/a	n/a (n/a)
- Third Level (or Executive) Manager	\$216,227	\$277,843	247,035	28.5 (1)
- Second Level (or Senior) Manager	\$208,959	\$220,887	214,923	5.7 (2)
- First Level Manager	\$151,617	\$166,886	159,252	10.1 (6)

Turnover			
Board, Executive & Other Managers	Women	Men	Overall
- Board	0.0	10.3	10.1
- Third Level (or Executive) Manager	0.0	12.8	11.6
- Second Level (or Senior) Manager	4.4	10.0	9.6
- First Level Manager	11.5	8.2	9.8
Whole of company turnover	19.3	14.7	16.6

* Data in brackets is for 2011

2.2 Professional services staff

The amount of data captured for professional services staff makes the results robust.

Compared with the data for 2011, there is an increase in the percentage of women employed at each career level in the professional services stream, except at the “proficient in specialisation” level, which saw a drop of 5.6 percentage points.

Overall for this stream, 24.3 per cent of workers are women which is lower than the percentage of women in the broader Australian workforce, which is 45.8 per cent.

Professional, scientific and technical services companies with over 100 employees that reported statistics to the Workplace Gender Equality Agency in 2012 have workforces that are 37.2 per cent female, though it should be noted that this includes companies that provide legal, accounting and other services that differ markedly from built environment consulting.

Most workers (81.8 per cent) are permanent full time workers. Of those who work part time, 70.8 per cent are women, and their use of part time working arrangements covers a broad range of people from the “associate/junior” to the “Senior” grades. This coincides with average ages of 30-39 years.

The percentage of people working as casual staff or as contractors is low (11.9 per cent), yet the prominence of men in this work situation is strong.

Compared with the data for 2011, the age differential between men and women is closing across all career grades within the professional service staff stream and the average is no greater than three years. Average tenure is also extremely close, though at the “Principal” level men are on average three years older than women.

Average pay differences between women and men fluctuated across levels within the professional services stream. For Graduates, the pay gap has closed in favour of men, but the average gap in pay between men and women has widened at the Associate/Junior, Proficient in Specialisation and Principal levels. Only Senior grade women have closed the pay gap from nine per cent in 2011 to 7.6 per cent in 2013.

Turnover is typically higher for women, except at the Proficient in Specialisation grade. The difference in average turnover is greatest at the Associate/Junior grade.

Commentary

Differences between the survey data of 2011 and 2013 are not great and provide mixed signals. Women make a greater proportion of the workforce, but the pay gap is generally widening. A possible reason for pay disparity that was provided to Consult Australia outside of this survey is that women are more likely to work in professions that command a lower consulting fee such as environmental science.

Causes for the relatively high turnover of women at the associate/junior grade are likely to be complex, but the widening pay gap at this grade is a clear factor to be addressed. The average age of women at this grade is 30, which again suggests that improving flexible working arrangements for parents is likely to deliver workforce retention benefits.

Recommendation 3: Company leaders should determine the true extent of, and the causes for, a gender pay gap in professional services roles and take action to ensure that men and women are provided with equal pay for equal work. The usual hypotheses for pay disparity, such as the comparative value of different consulting services or the value of traditional working arrangements, must be challenged.

The predominance of women in part time roles indicates that improving flexible working practices may provide opportunities to retain more women, rather than lose them soon after progressing beyond Graduate levels which is suggested by the average turnover data.

The predominance of men in casual and contractor roles is interesting and investigation for the reasons for this may shed light on the different typical needs of, not just men and women but, people with different work/life needs.

Recommendation 4: Company leaders should examine flexible working arrangements (FWA) to determine how to utilise them more effectively. To ensure company-wide buy-in of the importance of flexible working and understanding of how to make it work effectively, this work should include the individuals who want to work flexibly, their peers, line managers and business unit leaders. The examination of FWA should encompass all forms of employment: full time with flexibility, fixed non-standard hours, casual and contracting, and all other forms of FWA required to ensure staff are able to work effectively while balancing personal needs.

Survey data

All Staff: permanent full and part time, casual and contractor					
Professional services staff	Women	Men	Total	% Women (*)	% Men (*)
- Principal	437	2,609	3,046	14.3 (11)	85.7 (89)
- Senior	641	1,763	2,404	26.7 (16)	73.3 (84)
- Proficient in specialisation	683	2,506	3,189	21.4 (27)	78.6 (73)
- Associate/Junior	697	1,441	2,138	32.6 (30)	67.4 (70)
- Graduate	637	1,332	1,969	32.4 (29)	67.6 (71)
Total: All Staff	3,095	9,651	12,746	24.3	75.7

Permanent Full Time Staff					
- Principal	303	2,154	2,457	12.3	87.7
- Senior	437	1,508	1,945	22.5	77.5
- Proficient in specialisation	451	2,104	2,555	17.7	82.3
- Associate/Junior	528	1,230	1,758	30.0	70
- Graduate	531	1,183	1,714	31.0	69
Total: Permanent FT Staff	2,250	8,179	10,429	21.6	78.4

Permanent Part Time Staff					
- Principal	114	85	199	57.3	42.7
- Senior	142	49	191	74.3	25.7
- Proficient in specialisation	164	54	218	75.2	24.8
- Associate/Junior	104	25	129	80.6	19.4
- Graduate	42	21	63	66.7	33.3
Total: Permanent PT Staff	566	234	800	70.8	29.2

Casual Staff					
- Principal	17	166	183	9.3	90.7
- Senior	28	110	138	20.3	79.7
- Proficient in specialisation	35	124	159	22.0	78
- Associate/Junior	38	82	120	31.7	68.3
- Graduate	56	111	167	33.5	66.5
Total: Casual Staff	174	593	767	22.7	77.3

Contractor Staff					
- Principal	3	204	207	1.4	98.6
- Senior	34	96	130	26.2	73.8
- Proficient in specialisation	33	224	257	12.8	87.2
- Associate/Junior	27	104	131	20.6	79.4
- Graduate	8	17	25	32.0	68
Total: Contractor Staff	105	645	750	14	86

* Data in brackets is for 2011

Average Age				
Professional services staff	Women	Men	Total	Average extra years for men (*)
- Principal	44	46	45	2 (3)
- Senior	39	42	41	3 (4)
- Proficient in specialisation	34	35	35	1 (1)
- Associate/Junior	30	29	30	-1 (0)
- Graduate	25	25	25	0 (0)
Average Ages	34.4	35.4	35.2	1

Average Tenure in Existing Company				
Professional services staff	Women	Men	Total	Average extra years for men (*)
- Principal	5	8	7	3 (1)
- Senior	5	6	6	1 (1)
- Proficient in specialisation	4	4	4	0 (0)
- Associate/Junior	3	3	3	0 (0)
- Graduate	2	2	2	0 (0)
Average Tenure	3.8	4.6	4.4	0.8

Average Full Time Equivalent Pay				
Professional services staff	Women	Men	Total	% extra pay for men
- Principal	\$154,460	\$161,196	\$157,828	4.4 (1)
- Senior	\$119,786	\$128,893	\$124,340	7.6 (9)
- Proficient in specialisation	\$88,901	\$95,646	\$92,274	7.6 (7)
- Associate/Junior	\$71,204	\$75,962	\$73,583	6.7 (3)
- Graduate	\$61,124	\$60,201	\$60,663	-1.5 (-2)

Turnover			
Professional services staff	Women	Men	Overall
- Principal	6.0	5.9	6.3
- Senior	16.7	16.4	16.8
- Proficient in specialisation	15.9	19.4	20.1
- Associate/Junior	17.1	11.8	14.2
- Graduate	10.2	7.8	9.9
Whole of company turnover	19.3	14.7	16.6

* Data in brackets is for 2011

2.3 Corporate and support services

In 2011, only the senior levels of the corporate and support services career stream was surveyed because it was assumed that employment equity issues were less of an issue for this group. The 2011 results however indicated that a broader analysis of the full corporate & support services career stream would improve the data and this has been done for the 2013 report.

The gender make-up of the corporate and support services stream is a reversal of what is seen for the professional services stream, but only at the junior grades. Although women make up between 71 and 83.2 per cent of the workforce at the three most junior grades, the Senior and Principal grades are predominantly populated by men.

Of those working part time, the percentage of men is extremely low at just 3.9 to 7.7 per cent, except at the Senior grade where almost a quarter of men work part time. Women are much more likely to work as casual or contracted staff, which is the reverse of the situation for women working in the professional services career stream.

The average age differences at each grade switch from women being older than men by an average of seven years at the Graduate level, to women being younger by six years at the Principal level. Average tenure within their current company is roughly the same for both men and women, except at the Principal level.

The 2013 survey shows that women are paid one per cent more than men at the Graduate level, but men quickly overtake with a 4.2 per cent positive pay difference at the next level of Junior/Associate. This difference rises steadily to a 28 per cent pay differential in favour of men at the Principal level. The pay differential at the two most senior levels is similar to what was found in the 2011 survey results.

The average turnover of female staff is much higher than for men at all grades except the Senior level, and much higher than the company-wide averages.

Commentary

It is common for pay differentials between men and women to be attributed to the different types of roles typically performed by people of each gender. For the Corporate and support services stream however, such an argument is more difficult to make.

The pay difference is even more stark because it roughly matches the results seen in 2011, which indicates that this is not a data anomaly. The very high levels of turnover for women might be typical of the professions within the Corporate and support services stream, but this argument is less robust when the low turnover of men is considered.

Recommendation 5: As a matter of urgency, company leaders should investigate the gender pay gap in the Corporate and Support Services career stream, noting the very large pay advantage for men in a career stream dominated by women.

A lot of employer activity to promote diversity and inclusion is related to changing the culture of the company. The very high turnover and pay gap for women in the female-dominated Corporate and Support Services stream of a male-dominated industry is strong signal that more attention could be given to the support roles within professional services firms.

Recommendation 6: Company leaders should examine the causes for the relatively high turnover of women in the Corporate and Support Services career stream, especially in comparison with the turnover of women in the Professional Services career stream.

Survey data

All Staff: permanent full and part time, casual and contractor					
Corporate & support services	Women	Men	Total	% Women (*)	% Men (*)
- Principal	85	99	184	46.2 (42)	53.8 (58)
- Senior	390	968	1,358	28.7 (49)	71.3 (51)
- Proficient in specialisation	665	271	936	71.0	29
- Associate/Junior	879	190	1,069	82.2	17.8
- Graduate	94	19	113	83.2	16.8
Total	2,113	1,547	3,660	57.7	42.3

Permanent Full Time Staff					
- Principal	74	89	163	45.4	54.6
- Senior	295	547	842	35.0	65
- Proficient in specialisation	495	228	723	68.5	31.5
- Associate/Junior	555	145	700	79.3	20.7
- Graduate	42	13	55	76.4	23.6
Total	1,461	1,022	2,483	59	41

Permanent Part Time Staff					
- Principal	9	0	9	100.0	0
- Senior	63	20	83	75.9	24.1
- Proficient in specialisation	106	7	113	93.8	6.2
- Associate/Junior	172	7	179	96.1	3.9
- Graduate	12	1	13	92.3	7.7
Total	362	35	397	91	9

Casual Staff					
- Principal	0	0	0	n/a	n/a
- Senior	10	71	81	12.3	87.7
- Proficient in specialisation	32	9	41	78.0	22
- Associate/Junior	72	27	99	72.7	27.3
- Graduate	34	5	39	87.2	12.8
Total	148	112	260	56.9	43.1

Contractor Staff					
- Principal	2	10	12	16.7	83.3
- Senior	22	330	352	6.3	93.7
- Proficient in specialisation	32	27	59	54.2	45.8
- Associate/Junior	80	11	91	87.9	12.1
- Graduate	6	0	6	100.0	0
Total	142	378	520	27.3	72.7

* Data in brackets is for 2011

Average age				
Corporate & support services	Women	Men	Total	Average years men are older than women (*)
- Principal	42	48	45	6 (5)
- Senior	41	40	41	-1 (0)
- Proficient in specialisation	37	38	38	1
- Associate/Junior	36	32	34	-4
- Graduate	34	27	31	-7

Average tenure in existing company				
Corporate & support services	Women	Men	Total	Average years men are older than women (*)
- Principal	6	10	8	4 (4)
- Senior	7	5	6	-2 (-1)
- Proficient in specialisation	4	5	5	1
- Associate/Junior	4	4	4	0
- Graduate	3	2	3	-1
Total	5	5	5	0

Average Full Time Equivalent Pay				
Corporate & support services	Women	Men	Total	% extra pay for men (*)
- Principal	\$131,818	\$168,730	150,274	28.0 (22)
- Senior	\$100,434	\$115,025	107,730	14.5 (20)
- Proficient in specialisation	\$83,414	\$88,926	86,170	6.6
- Associate/Junior	\$63,896	\$66,578	65,237	4.2
- Graduate	\$56,398	\$55,831	56,115	-1.0

Turnover			
Corporate & support services	Women	Men	Overall
- Principal	3.5	13.4	6.6
- Senior	12.6	15.1	13.0
- Proficient in specialisation	21.4	7.5	19.6
- Associate/Junior	22.0	3.4	20.3
- Graduate	34.9	10.8	28.8
Whole of company turnover	19.3	14.7	16.6

* Data in brackets is for 2011

2.4 Parental leave

Leave offerings, survey data

Survey participants were asked if, with respect to parental leave, their company provides the minimum required under legislation, or if they provide the minimum required by legislation plus extra benefits.

Parental leave options	% respondents (*)
The minimum required under legislation.	14 (48)
The minimum required by legislation plus extra benefits.	86 (52)

* Data in brackets is for 2011

Those companies that offer more than the bare minimum required by legislation shared the detail of their offering. These are described in the table below.

In addition to Government PPL scheme in Australia, we also offer 12 weeks paid parental leave.
10 Weeks paid parental leave.
We provide the statutory leave entitlement but include additional paid leave of six weeks at the employee's total fixed remuneration (TFR) rate. Staff who are partners have an entitlement to two weeks paid leave at their TFR rate.
Employees who have been with the company for at least 12 months of continuous service and who are absent on parental leave as the primary care-giver for a child shall be entitled to (where absent for six weeks or more) to six weeks paid parental leave at normal pay. If the absence exceeds 12 weeks, and if requested by the employee, payment may be made at half-pay for 12 weeks instead of six. Employees receiving paid parental leave must provide written commitment of intention to return to work at the end of parental leave.
12 weeks company-funded paid leave, 50% paid up-front and 50% paid on return.
(1) Parental leave provisions: 8 weeks paid leave; (2) Supporting parent leave: 1 week paid leave; (3) Primary care giver: 8 weeks leave.
Paid maternity leave after 12 months continuous service: 6 weeks salary or 12 weeks at 50% of salary.
Eligible employees are entitled to a maximum combined continuous period of 52 weeks of unpaid parental leave until the child's first birthday, provided they are the ongoing primary caregiver of the child. For eligible employees 12 weeks (full-time equivalent) of this period of leave will be paid, and the remainder will be unpaid. Employees can choose the payment method they prefer, either 12 weeks at full pay or 24 weeks at half pay.
(1) An eligible employee, who is the primary care giver of a child, is entitled to our Paid Parental Leave 'Top Up': paid over 18 weeks. 'Top Up' pay means we will pay the difference between the National Minimum Wage paid by the government's Paid Parental Leave Scheme to the employee's normal weekly earnings over the 18 week period; (2) An eligible employee, who is

the secondary care giver of a child, is entitled to our Paid Paternity Leave: one week (five days) of paid leave is available.
(1) Parental Leave Payment of up to 8 weeks pay for permanent eligible employees who will be the primary carer (6 weeks pay on commencement of parental leave, and 2 weeks pay on return to work); (2) One week paid parental leave for permanent eligible employees who will be the non-primary carer.
For full-time staff employed for at least 2 years: 12 weeks paid maternity leave, paid at 75% of base wage including leave loading and superannuation; For full-time staff employed for less than 2 years, 1 week of leave is paid for every 2 months of service completed, paid at the same 75% rate; Part time staff are given the same entitlements on a pro-rata basis.
16 weeks paid for mother, 12 weeks while on parental leave plus four weeks' worth as a lump sum on return. This is available to father if he can demonstrate mother is returning to work and he is the primary carer.

Return from parental leave, survey data

Parental leave - rate of return	
How many employees were due to return to work from parental leave in the past 12 months?	397
Of those employees, what percentage did actually return to work?	81% (89%*)
Of those employees who returned, what percentage were still at work after 6 months?	78%

* Data in brackets is for 2011

Commentary

A large proportion of employers are offering much more than the minimum parental leave required by legislation. The introduction of government-funded leave for 18 weeks appears to have prompted some to extend the paid leave period to 18 weeks, though others keep the fully paid portion of leave to a shorter period.

Twelve is the most common number of weeks that companies provide paid parental leave for, and most offer the secondary carer one week of paid leave.

The large change on 2011 survey data could be because companies increasingly see paid parental leave as a good tool for attracting women. There is no evidence that the paid parental leave improves the rate at which women return to work after their leave period. In 2011, 89 per cent of women who were expected to return from leave did so, and the 2013 survey shows a similar result of 81 per cent.

A new measure for 2013 was the percentage of women who not only returned from work after leave, but were still there six months later. Over a fifth did not stay beyond six months. Exit interviews to find out why they leave would provide good information for new initiatives to retain new parents in the workforce and future surveys will show if this rate can reduce. It may be that

affordable, convenient child care of a suitable quality is difficult to secure and could be the focus of further investigations to find ways to retain employees after they start caring for a baby.

Recommendation 7: Company leaders should find out what employees who are parents of young children need from employers to enable them to be productive workers who can focus on their job. This should focus on their views in the months leading up to having a baby, on their return to work, and as exit interviews if they decide to resign.

2.5 Attraction, retention and working conditions

Attraction and retention, survey data

Survey participants were asked about initiatives they use to attract and retain female employees. The following table shows the options provided and the percent of respondents that selected each option.

Which of the following tools does your company use?	% respondents (*)
Guaranteed interview for female job applicants	7 (0)
At least one female on an interview shortlist	7 (15)
Quotas for women in management	7** (0)
Flexible working arrangements	100 (92)
Development programs for women	29 (46)
Other: please specify	21 (n/a)

* Data in brackets is for 2011

** Note that two respondents stated that they do not have quotas for women in management, but do set targets.

The following was provided by respondents that selected “other”:

(1) While there is no specific development program for our women, we do ensure inclusion of females on all leadership development programs; (2) Purchased annual leave (3) Pilot keep in touch program.
(1) Parental leave tool kit; (2) “[Company] Women achieving Women” events and networking program; (3) gender equity salary reviews.
(1) Quota for number of female participants on internal leadership programs; (2) Women In Consulting (WIC); Expect a Start program; At least one female on recruitment panels for leadership positions.

Flexible working arrangements, survey data

Survey participants reported on the types of flexible working arrangements available to staff in each career stream.

Which working arrangement options are available?	Board and other senior managers	Prof Services	Corp Support
4 day weeks	73	93	93
3 day weeks	73	86	86
2 day weeks	64	79	79
9 day fortnights	64	79	79
Early or late start/finish times	91	93	93
Working from home on a regular basis	73	86	86
Job re-design to accommodate employee needs	64	86	86
Purchase additional leave	100	86	86
Job sharing	46	71	71
Phased retirement	73	79	79
Time in lieu for overtime	46	79	79
We are open to any suggestion by an employee	100	100	100

Commentary

There is still very little take-up of initiatives such as guaranteeing interviews to female job applicants or having at least one female on interview shortlists. More interesting is that 100 per cent of respondents said that they offer flexible working arrangements, but the suite of options is restricted despite all respondents also saying that they are open to any suggestion by an employee.

This suggests that while employers have begun to see flexible working arrangements as a valid tool, there is probably some hesitancy around its actual use. Most noticeable is the lower range of flexible working options available to people on the board and in senior management roles.

Recommendation 8: In conjunction with recommendation 4 to investigate flexible working arrangements (FWA), company leaders should examine the trend of limiting FWA options for certain types of roles and determine if FWA should be a restricted or open workplace tool.

2.6 Retirement

Survey respondents were asked for the number and average age of anyone who had retired from the company in the past 12 months. From 79 retirements, the average age was 64.1 years.

Survey data

Retirements	
How many people retired in the past 12 months?	79 retirements
What is the average age of people who retired in the past 12 months?	64.1 years

Commentary

The 'baby boomers' are now aged 49-67. The Australian Bureau of Statistics reports that in 2007 the average age at retirement for women was 47, compared with 58 for men.ⁱⁱⁱ

The survey indicates that those in the consulting industry work for an additional six years for men or 17 years for women (though the sex of those retiring was not given by survey respondents and it is not known if there were any women represented in the survey data).

Succession planning is an important activity for companies and the survey data suggests that most companies have senior leaders who are at least 10 years away from retirement, and Principal and Senior level staff in the Professional services and Corporate support streams who are about 20 years from retirement.

Furthermore, at each stage of the talent pipeline from executives right down to graduates, there is a smooth average age difference of four to six years between each level.

Employers can examine the time and process required to develop staff into key roles and use this to make succession plans based on likely retirement trends. The timing of retirement is very different for individuals based on financial, health and family considerations which means that employers may like to combine the statistical results with tailor-made programs for each team.

Recommendation 9: Company leaders should use data on the average ages of employees across career streams and grades to aid succession planning.

3. Concluding commentary and final recommendation

Workforce Diversity: Industry snapshot 2013 has shown that there has only been incremental change since the last survey in 2011, that changes have been inconsistent and sometimes reversed trends for improvement.

This should not however deter employers from pursuing activities to promote workforce diversity and inclusion as long-term and systemic improvements in the data will only become apparent over several survey cycles.

The survey has highlighted several issues that demand more attention:

- The gender pay gap
- Advancement of women through the ranks to senior leadership roles
- Retention of women in general
- Retention of parents of young children.

Continuing efforts to identify and promote women to positions of leadership is important, and should expand beyond the junior management roles and appointments to boards. It appears that a pipeline of female talent is being built but it is important for company owners, CEOs and business unit leaders to maintain pressure for change.

Paid parental leave schemes do not appear to improve staff retention, but probably do help with attraction. Further investigations of this premise is however required before conclusions can be made. It may be that access to affordable and conveniently located child care is the key to retention of new parents, especially as it is a major cost for parents and continues for several years beyond the first year of a child's life.

This report provides industry leaders with a basis for and framework to take action. A commitment to provide resources to take action is essential, can be done on an individual or collective basis, and will make a big difference towards meeting workforce diversity and inclusion goals.

Recommendation 10: Company leaders should commit resources to benchmark their firm against the survey results presented in *Workforce Diversity Industry Snapshot 2013*. This should be followed by writing a report on the steps necessary to meet recommendations 1-9 and providing regular reports on progress to meet subsequently agreed actions.

Contact Consult Australia

For more information about this survey and the activities of Consult Australia, contact Jonathan Russell, Senior Policy Advisor, on (02) 9922 4711 or by e-mail at j.russell@consultaustalia.com.au.

Annex A Review of 2011 survey results

In 2011, Consult Australia conducted the first survey of member firms to measure the extent to which women are represented in the industry, with a focus on technical and managerial roles. The survey represented data for over 15,000 employees.

Pay inequity and the ratio of genders were the most obvious differentiators between men and women working at the same level of seniority in the same career stream. Below are the headline findings for the three career streams and parental leave and attraction initiatives surveyed in 2011.

Career stream 1: Corporate leadership

- Eleven per cent of Board members were women.
- Thirty three per cent of Female Board members worked part time.
- The percentage of women dropped by half from 13 per cent to six per cent from 1st Level to 3rd level Manager.
- The survey results indicated that women are paid up to six per cent less than men.
- Women were usually three to four years younger than their male colleagues and had spent between three to four years less with their employer.
- Female First and Second level managers were three to six times more likely than men to work part time.
- Voluntary turnover rates for women were twice as high as for men at the 1st and 2nd Level managers, and more than four times as high for 3rd Level managers.

Career stream 2: Professional service providers

- The proportion of women was 29, 30 and 27 per cent for the three junior levels (average female ages 25-33), and drops to 16 and 11 per cent for the “Senior” and “Principal” levels (average female ages 38-44).
- Female Graduates earned two per cent more than men but between three and nine per cent less at the Associate/Junior, Proficient and Senior levels. Principal level women earned one per cent less than men at the same level.
- Women at the Senior and Proficient levels were an average of three to four years younger than men at the same levels and had spent an average of just one year less time with their employer.
- Women were more likely to work part time and their rate of usage increased steadily over time. Just two to four percent of men worked part time except for those at the “Proficient” level with an average age of 33 years, at which moment 11 per cent of men worked part time.
- Turnover rates for men and women were very similar and reduced as seniority increased from about 16-17 per cent for “Graduates”, down to 11-12 per cent for “Principal” level staff.

Career stream 3: Corporate & support services staff

- The gender balance for corporate and support services staff was much more even, with a 49 per cent women to 51 per cent men split at the “Senior” level and a relatively small percentage decrease for female participation (44 per cent) at the Principal level.

- On average, the data suggested that men in this career stream earn 20 or 22 per cent more than women. This difference was far greater than that experienced in corporate leadership and professional services career streams.
- Women at the “Principal” level were an average of five years younger than their male colleagues and had been with their employer for an average of four fewer years.
- Women were more likely than men to work part time, but less likely than women in other career streams. Although the percentage of men who utilised part time working arrangements was low compared to women, at four to seven per cent it was a higher number than for men in other surveyed career streams.
- The level of turnover for women at the “Senior” level was two per cent lower than for men, but at the “Principal” level it was four per cent higher.

Parental leave and attraction initiatives

Forty five per cent of respondent firms offered more than the minimum parental leave provisions required by legislation. This figure increased to 73 per cent if only large firms (which employ 96 per cent of surveyed staff) were considered. Eighty-two per cent of all firms provided flexible working arrangements, but none had quotas for the number of women in leadership positions.

The survey also showed that parents who take parental leave are very likely to return to their employer at the end of the leave period.

Fifty two per cent of respondent firms offered more than the minimum parental leave provisions required by legislation. This figure increased to 75 per cent if only large firms (which employ 96 per cent of surveyed staff) are considered.

ⁱ Workplace Gender Equality Agency statistics are available from: <http://www.wgea.gov.au/learn/research-and-resources>

ⁱⁱ Desvaux, G, Devillard-Hoellinger, S, and Baumgarten, P, *Women Matter: Gender diversity, a corporate performance driver*, McKinsey & Company (2007).

ⁱⁱⁱ Australian Bureau of Statistics, 4102.0 - Australian Social Trends, March 2009, Downloaded 20 August 2013 from: [http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/LookupAttach/4102.0Publication25.03.096/\\$File/41020_Retirement.pdf](http://www.ausstats.abs.gov.au/ausstats/subscriber.nsf/LookupAttach/4102.0Publication25.03.096/$File/41020_Retirement.pdf)