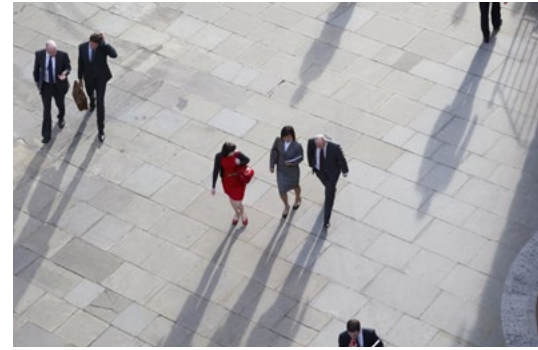




Addressing gender bias in global mobility
March 2015/In association with the Centre for
Ethical Leadership, The University of Melbourne

Developing female leaders



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Key Findings



Seven out of 10 female employees want to work outside their home country yet only 1 in 4 expatriates are female.



Nearly half of females on assignment are single, whereas 70 per cent of male assignees are married.



Nearly half women surveyed worry over repatriation and the impact on their career.



Over half of overseas roles are filled through employees initiating the opportunity or using their networks and informal communication.



Twenty-eight per cent of surveyed females cited a lack of role models as a reason for declining an assignment.

Introduction

In many global organisations, international experience is viewed as a pre-requisite for executive and leadership roles. With just one in four outbound expatriates from Australia being female¹, organisations may unintentionally be limiting the progression of their high potential female employees. By exploring and addressing the barriers to female mobility, there is an opportunity to enhance both individual careers and organisational performance.

A year-long joint research project between PwC Australia and Melbourne University's Centre for Ethical Leadership (CEL) has explored this issue in depth. Using data from interviews with Human Resources leaders, online surveys of both female and male assignees, academic literature reviews and PwC's expatriate tax client base, a number of "hotspots" for gender bias in the assignment lifecycle have been identified. In this report we explore those bias hotspots, and provide seven strategies organisations can employ to increase female participation in global mobility programs.

Organisations which are ready to take active steps to increase female participation in global mobility stand to benefit from developing and retaining female talent, and the positive impact this will have on diversity of their future leadership teams.

With the diversity agenda in global mobility lagging so far behind the progress made in other aspects of diversity in recent years, there is a pressing need for change.



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Identifying bias hotspots

To identify bias hotspots it is useful to contrast the motivations and experiences of men and women in international assignments with the expectations, views and practices of those who make decisions about assignments, such as HR managers. We start this analysis by exploring men and women's motivations to go on international assignments.

Why do females accept or decline international assignments?

The PwC/CEL in-depth survey (which was completed by over 100 male and female expatriates) confirmed that the motivations behind accepting an assignment were strikingly similar for both men and women. Common reasons included enhancing careers and networks, offering distinctive skills to the host country employer, and more personal reasons such as interest in international travel, other cultures and other ways of working.

Similarly, when asked why they would decline an international assignment, two consistent responses from both men and women were:

- Potential negative impact on family life; and
- Life partner did not agree with move

However, putting these two common responses to one side, the remaining reasons cited for declining an international assignment were much more revealing of the different viewpoints of men and women.

In this article we will explore these themes and address how organisations can respond to the particular needs of female assignees in order to create a more balanced and representative expatriate workforce.

“If female employees get international experience early in their careers they will not only deliver a greater ROI for the bank but will also be more engaged and confident to do it again when they return”

Susie Babani
Group Chief
Human
Resources
Officer,
ANZ Bank

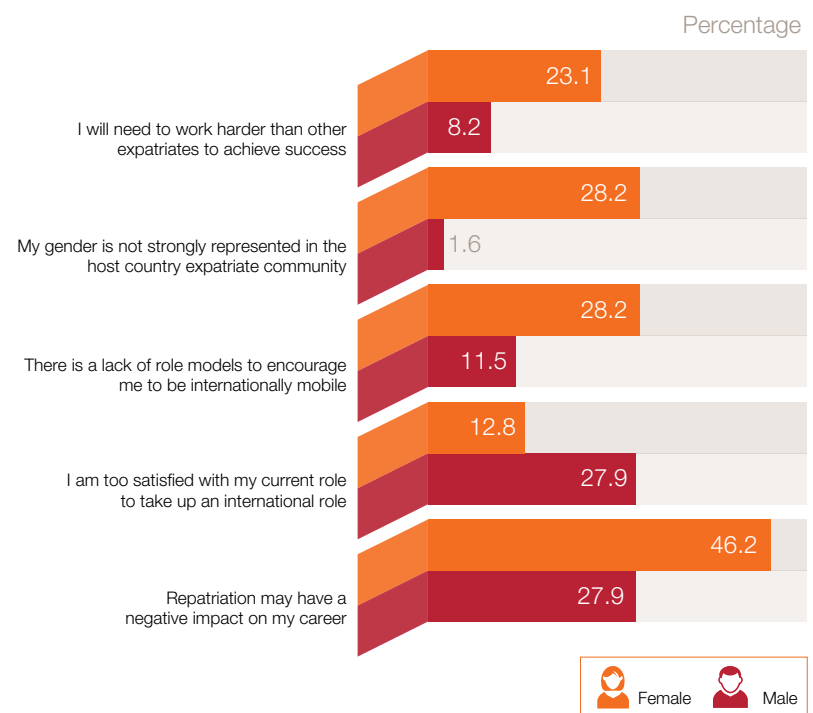
Where are the bias “hotspots” driving this low participation rate of female employees in global mobility?

Assumptions about female candidates

Research shows that women are no less interested than men in international assignmentsⁱⁱ. However, assumptions amongst both home and host country management about the availability, suitability and willingness of female candidates is seen as a significant factor in the under-representation of females amongst international assignee populations.

These assumptions do not stand up to scrutiny. A recent PwC surveyⁱⁱⁱ showed that 69% of female employees want to work outside their home country during their career, whilst 63% saw international experience as critical to furthering their career.

Fig 1. Reasons for not accepting an international assignment





“There is a need to overcome the “blokes are easier to move” mentality which can lead to bias in the allocation of assignment opportunities.”

Kirrily Lansdown
Director
Remuneration
Amcor Ltd

Assumptions around the availability and willingness of female employees to move overseas can result in viable female candidates being overlooked before the selection process has even begun. The fact that one HR leader stated that they “just know” when they are looking at the right candidate for an assignment, along with some of the male-centric language which was frequently used when HR leaders were asked to describe an ideal candidate for an assignment, suggests these assumptions could be deeply embedded in many organisations.

This use of male-centric language and the attitude of “just knowing” when a candidate is appropriate for an international opportunity is a concern, as it is indicative of bias whereby good management characteristics are equated with male managers. Whilst there has been a positive shift at a domestic level in addressing this type of bias, it may be that these assumptions remain embedded to a much greater extent when male and female employees are being considered for international opportunities.

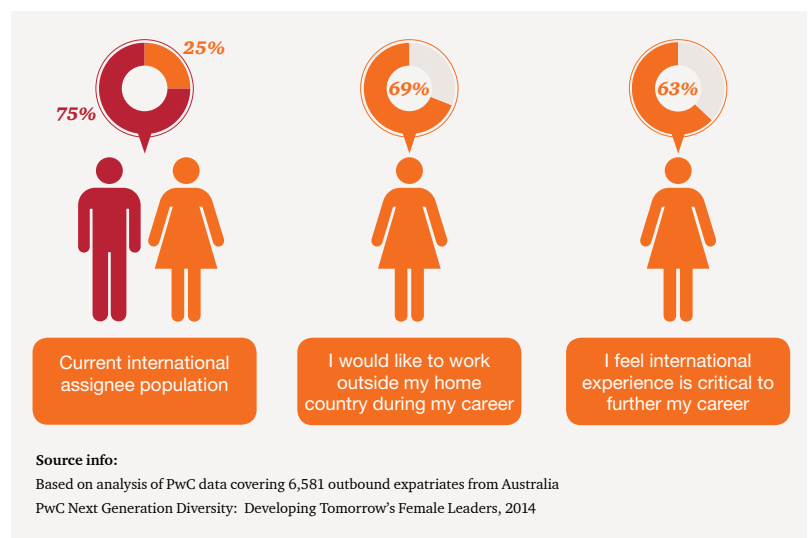
A positive first step for employers is to focus on the fact that nearly 70% of females want to work overseas, and recognise it is a responsibility of the employer to help make this happen. In these situations, a female employee’s career coach and line manager have a critical role to play in exploring that willingness to move overseas and connecting the candidate to the opportunity.

Lack of formality and process in recruitment and candidate selection

Despite the strategic importance of global mobility, a number of studies show that the use of formal or structured candidate selection is surprisingly low^{iv}. As a result, closed and informal systems for selecting candidates are often the norm. As more than one HR leader interviewed by PwC/CEL explained, very simply “it comes down to who you know”.

This closed approach to candidate selection negatively impacts females, as research indicates females in management are often “denied policy information, opportunities, contacts and social support”^v. Furthermore, research also suggests that informal corporate activities such as fast track programs, individual career counselling and career workshops are less available to women, which further limits their ability to be “in the know” about international assignment opportunities.

Such informal approaches to candidate selection severely restrict the pool of potential female assignees. They have the potential to facilitate the impact of bias on the decision making process, allowing assumptions and stereotyping to influence the final outcome.



These insights are supported by the data from the PwC/CEL survey. When asked how they became aware of the opportunity which led to their current international assignment, 35.6% of respondents (both male and female) said they initiated the opportunity themselves. The second most common means of securing the international opportunity was through personal networks and informal communication (17.8%). This points to a lack of an open, objective and fair approach to identifying candidates.

Furthermore, as HR leaders interviewed by PwC/CEL identified, when there is a pressing need to fill an overseas role, management will typically select someone on their immediate radar, and someone similar to them. Given the imbalance between males and females in both expatriate positions and leadership positions, this “knee-jerk” approach to candidate selection is much more likely to result in the selection of “mini-me’s” and perpetuate the gender imbalance.

Interestingly, some HR leaders we interviewed took the opposite view. Their view was that not having a formal selection process helped the right candidates present themselves – by the candidates pushing themselves forward for the role, those individuals showed behaviours which indicated they would be a successful assignee. However, the majority of HR leaders saw that these behaviours are more frequently demonstrated by men than women, and taking this approach to candidate selection will not lead to a higher proportion of female assignees.

A recurring view amongst HR leader interviewees, and also in academic research, is that women are more conservative in their approach to pursuing international opportunities. There can be a reluctance for female candidates to put themselves forward unless they are certain they can deliver on every requirement of the role, and that they stand a very high chance of being the successful candidate. A formalised recruitment and selection process may help, but would not eliminate this concern.

Closed and informal approaches to candidate selection severely restricts the pool of potential female assignees



Case Study #1 - Telstra

With a focus on pursuing further opportunities outside Australia, Telstra sees global mobility as critical to future growth. Unencumbered by historical mobility practices, Telstra have built their global mobility function with a focus on global best practice. The Telstra Group is very active in the gender equality space, with a comprehensive Diversity & Inclusion policy and a strong focus on female representation at all levels of the organisation. Female representation across the Group was 30.2% for the year ended 30 June 2014, with over 35% of current international assignees being women. The fact that the female expatriate percentage is higher than the percentage of females across the business is unusual and is a positive reflection of Telstra's approach to candidate selection and assignment management.

To achieve this outcome, Telstra focused heavily on selection, support networks and repatriation.

Selection: Telstra has already acknowledged that it cannot come down to "who you know" when choosing the right talent for international assignments. Telstra are implementing a new platform that will hold a centralised talent database with information about each employee such as skills, experience, location, education and whether they would be interested in international opportunities. This approach will allow managers to objectively identify who might be the best candidate to work in a specific international posting.

Support networks in the host location: Telstra encourages, both formally and informally, the creation of support networks amongst their assignees to help improve the international assignment experience for expatriates. This is also a useful mechanism for connecting new female assignees with role models and potential mentors in the host country.

Repatriation: As in any organisation, Telstra employees are understandably concerned about the repatriation process, particularly in the case where there is no guaranteed role upon their return. To combat this, Telstra has put in place a structured repatriation program whereby the employee receives support from the Telstra Career Centre 12 months prior to their return to discuss suitable opportunities and begin planning how to best utilise the skills and experience gained on assignment. This is an area in which Telstra plan to further invest to ensure the highest possible retention rate for repatriating talent.

Case Study #2 - ANZ Generalist Bankers

Recognising the need to create accelerated development opportunities for future leaders of the bank in order to build an internal pipeline of Country CEOs and International Bankers, ANZ implemented the Generalist Banker program in 2010.

This is a 15-year program with the aim of providing high potential staff, at a comparatively early stage in their career, with the experiences to make them well-rounded bankers with a broad experience across ANZ's "super-regional" footprint. International mobility plays a key role in this program.

The program begins with a standard two year international rotation phase around ANZ's major business units. After this initial two years, the individual is placed in a permanent role in one of ANZ's 33 markets, moving every two to three years, building experiences across different markets (developed and emerging) and banking disciplines.

Currently there are around 10 individuals entering the program every year with approximately half of them being women. The carefully formulated selection process for the Generalist Banker scheme is designed to eliminate bias, most notably gender bias, and promote diversity.

Through the rigorous, objective selection process, and by identifying high potential female leaders at an early stage of their career, ANZ is maximising the opportunity for women to get vital international experience. To date, almost 45% of international assignments for Generalist Bankers have been undertaken by women. Whilst the Generalist Banker program is only in its 6th year, the feeling within ANZ is that it is already making a positive contribution to the pipeline of future leaders.

What are the strategies for addressing this bias?

1) Timing is everything

Female assignees are typically single and young. An analysis of over 10,000 assignees^{vi} shows that almost 50% of females on assignment are single, whereas 70% of male assignees are married. Furthermore, 40% of female assignees are aged between 30 and 39 (compared to 33% of males).

The graph to the right (based on data for over 10,000 assignees inbound to, or outbound from, Australia and receiving tax services from PwC) shows that women are more likely than men to take up assignments earlier in the career, but the balance changes at around the age of 40.

Using the same dataset, the graph (Fig 3) shows that there are now more single female assignees than married assignees. However, both percentages remain low. The more striking trend relates to male assignee demographics, and the split between married and single male assignees.

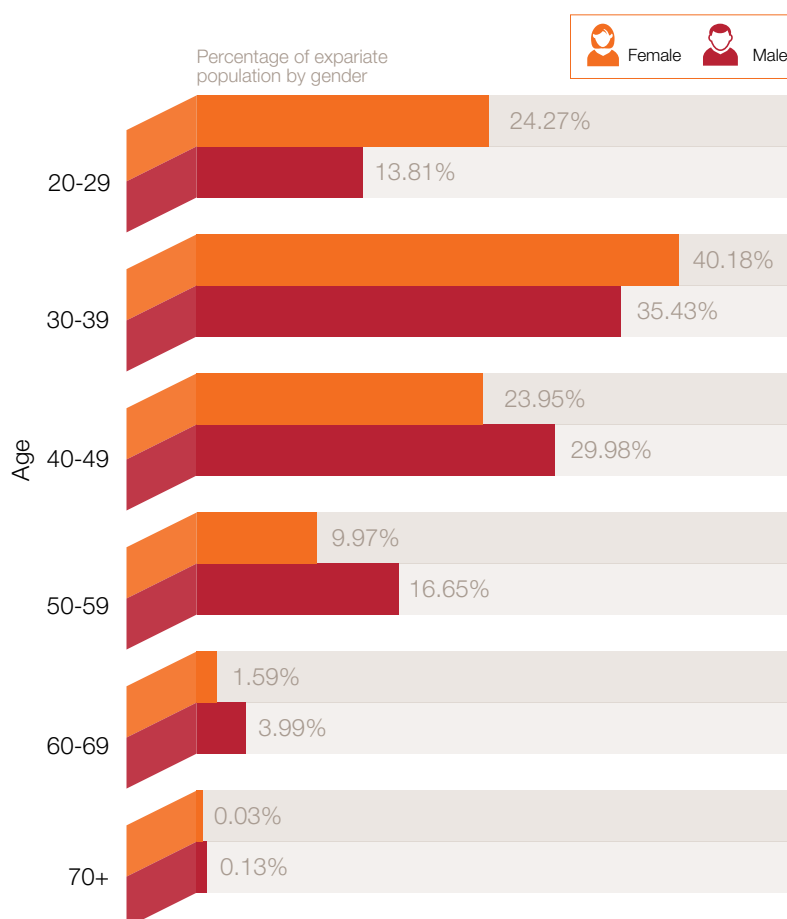
Making international opportunities available to female employees at an earlier stage of their career is critical to increasing female participation in mobility. As one Global HR Head told us, her view on female mobility is “start early, and start small” – identify high performing females at junior levels who are considered top talent, create short term secondments (as brief as one month) to give them a flavour of working overseas, and increase their likelihood of accepting a longer term, more strategic role later in their career.

2) Engagement is critical

Research^{vii} shows that the more committed a female employee is to her employer, the more willing she will be to accept an international assignment. The opposite is true for men.

Any activities undertaken by an organisation to improve staff engagement and commitment should increase the number of female employees willing to take an overseas role.

Fig 2. Assignments vs age



Research shows the more committed a female employee is to her employer, the more willing she will be to accept an international assignment. The opposite is true for men.

A challenge for employers is that “high potential” and “leadership” programmes, which can have a very positive impact on an employee’s commitment to an organisation, tend to be most relevant to employees in their mid-30s onwards. Making accelerated development programmes available to female employees at an earlier stage in their career can increase commitment and engagement, and improve both the quantity and calibre of female assignees.

3) Location, not duration

Many HR leaders hold the view that short term secondments could be more attractive to female employees, and this bias no doubt impacts on candidate selection. An analysis of PwC client data shows that female assignees show no greater preference for short term secondments than male assignees.

What is more important is the location. The level of development in the host country, perceived cultural differences between home and host locations, and political risk are of greater concern to female assignees than males^{viii}.

On this basis, working with female candidates to identify suitable host locations will have a greater impact on female participation than simply focusing on short term mobility.

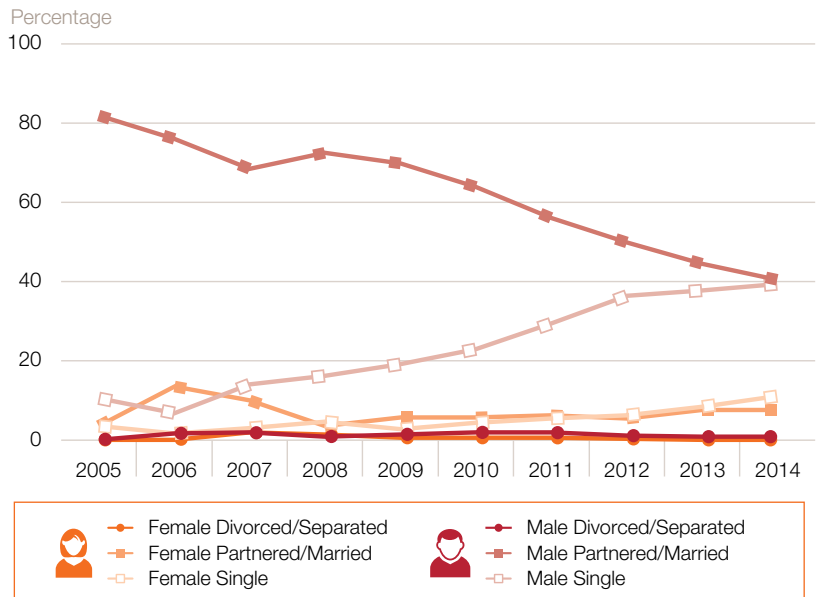
4) Champion your role models

It is widely recognised that a lack of role models is considered a barrier to female leadership. This issue surfaced in almost all of the interviews. Similarly, in the PwC/CEL survey, when asked why they might decline an international assignment, 28.2% of females cited a lack of role models (compared to just 11.5% of male respondents). Furthermore, the same percentage of females cited their gender not being strongly represented in the host country expatriate community as a reason for declining an assignment.



Fig 3. Marital status and participation in mobility

Based on demographic data for over 10,000 recipients of PwC tax services



28% of surveyed females cited a lack of role models as a reason for declining an assignment

Given many of the additional challenges females may face in securing international roles, there is a pressing need to celebrate and champion success stories. One approach to addressing this opportunity is for high profile, successful female leaders with international experience to be available to play coaching and mentoring roles to potential or current female assignees within their organisation.

5) Tackle the dual-career issue

Both men and women rank a happy and supportive spouse as highly important to a successful assignment^{ix}. However, in a 2011 study^x 90% of female assignees stated that their assignment satisfaction was largely influenced by their spouse's adjustment.

Many organisations, consciously or unconsciously, still adhere to the traditional view that expatriates are male with homemaker wives, with the critical role of family integration into host country life typically left to the non-working spouse^{xi}. The PwC/CEL survey shows a higher percentage of spouses of female assignees work full time in the host location than do spouses of male assignees (78.3 vs 51.1%). If an employer can play a role in helping a trailing spouse of a female assignee find full time work in the host country, this is likely to help host country integration and increase the chances of a successful assignment.

Non-working male spouses can find adjustment particularly difficult when they were previously part of a dual career couple. Unresolved dual-career issues can lead to resentment and loss of identity (both for males and females), but expectations of traditional gender roles can make this a greater problem for female assignees.

There is a need for organisational policies which specifically target the issue of dual career couples. During our interviews we found that some organisations provide additional support for trailing spouses to help them find jobs, learn the local language and integrate in host country society, but these organisations were in the minority.

Including spousal support as a core, non-negotiable benefit under an organisation's assignment policy could be a positive first step towards tackling this complex issue which touches on professional, social and household dynamics.

6) Build gender-specific support networks

There is a critical role for professional support networks for female assignees. Best practice would suggest that an assignee should have both a home and host country mentor. Prior to departure, the home country mentor can help address unrealistic expectations around the upcoming assignment, as well as enhancing organisational knowledge, job performance on assignment and promotion potential of the female assignee upon her return^{xiii}.

Once on assignment, providing buddying and mentoring systems (particularly with other senior female employees or assignees), can increase the chances of a successful assignment.

Furthermore, cultural adjustment is thought to be the biggest influence behind an assignee's decision to disengage or withdraw from an assignment, male or female. Given the role of



Traditional, male-centric social and support networks may not be the best fit for a female assignee and her family

social support as a coping factor, this is an issue which can be challenging for couples where the woman is the assignee and the man is the trailing, non-working spouse. Typically, without a workplace of likeminded individuals, the man may struggle to find relevant social networks. This can place pressure on both partners.

Any steps an employer can take to help female assignees and their families build social networks, whether formal or informal, in the host location can significantly contribute towards the success of the assignment. This is an area where employers may need to be creative – traditional, male centric social and support networks may not be the best fit for a female assignee and her family.

As Global Mobility functions take on an increasingly strategic role around global talent identification, mapping and tracking, there is an opportunity for Global Mobility teams to take the lead in ensuring their female assignees feel supported throughout the assignment cycle.

7) Focus on repatriation

Most HR leaders are familiar with the concept of the “career wobble” which can occur shortly after repatriation. Dissatisfaction around perceived under-utilisation of skills and experience acquired during the assignment, and potential frustrations with the seniority of the role they have returned to, can greatly increase the chance of losing that individual from the organisation. Equally, where the original home country assignment sponsors have moved on to other roles or organisations, and returning expatriates find themselves in “holding patterns” awaiting meaningful roles (or redundancy), individuals can very quickly disengage.

One global HR head we spoke to insisted that any proposed redundancies of repatriating assignees should receive her sign-off. However, there was also a recognition that by the time the paperwork reached her, the situation was most likely unrecoverable.

Research has shown that 44% of repatriates leave their companies within the first two years of returning to their home organisation^{xiii}. Given the current focus on the Return on Investment (ROI) of global mobility, this is clearly a matter which needs to be addressed, irrespective of gender.



Assumptions that women are less interested in international secondments than men do not stand up to scrutiny – nearly 70% of female employees want to work overseas

This is an issue which impacts upon both male and female expatriates. However, where a female assignee may have experienced difficulties during the assignment (such as the failure of a non-working spouse to adjust to life in the host country), the failure of her employer to adequately manage repatriation can be particularly damaging.

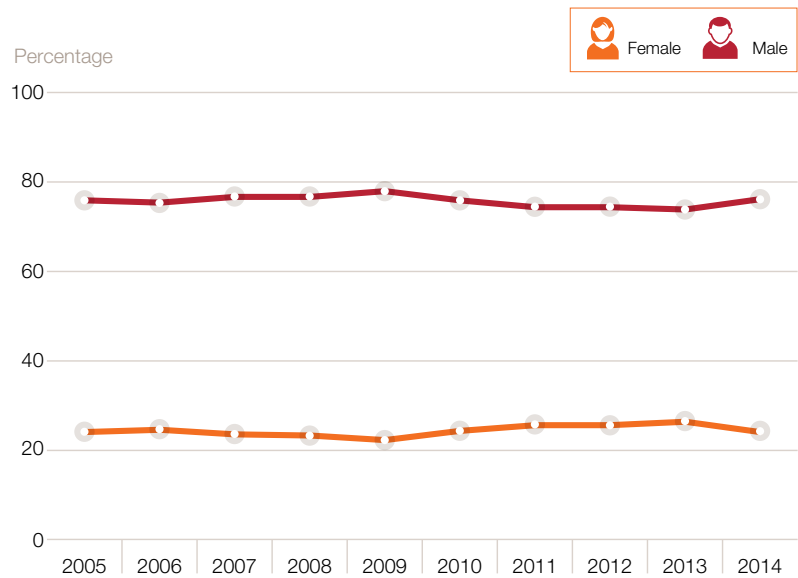
Through being mindful of the “reverse culture shock” which can occur upon repatriation, as well as taking steps to plan repatriation at least 6 to 12 months prior to the return, organisations can mitigate the career wobble and resultant flight risk.

Summary

Historical PwC data for over 10,000 assignees for the period 2005 onwards captured in the table below shows that there is no discernible upward trend in the percentage of female expatriates. Despite the increasing focus on gender equality in the workplace over the last 10 years, progress in female participation in global mobility has been worryingly slow, and action is required by employers.

Our research suggests that many organisations need an overhaul of their approach to global mobility in order to address unconscious bias in the candidate selection process. Organisations need to implement a strategy and policy framework which ensures mobility is equally accessible and attractive to both men and women. If successful, such an approach will provide a greater proportion of female employees with leadership development opportunities, a great personal and professional experience for the employee, and a positive return on investment for the employer.

Fig 4. Male/female expats over the last 10 years



Based on an analysis of 10,000 assignees over a 10 year period, there is no discernible upward trend in the percentage of female expatriates

Acknowledgements

We would like to express our thanks to the 17 organisations and their Human Resources leaders around Australia who have contributed to this project, including:

AMCOR

ANZ Bank

Aurecon

Coffey

Department of
Foreign Affairs and Trade

Fluor

LendLease

National Australia Bank

Royal Australian Air Force

Sun Rice

Telstra



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