

# ***Disrupting the status quo***

## How do we increase female leadership in WA's public sector?



# Foreword



## Julie McKay

*Chief Diversity & Inclusion Officer, PwC*

**Former:**

**Executive Director, United Nations Committee for Women;  
Gender Advisor to the Chief of the Defence Force**

Progress towards realising the benefits of gender equality remains painfully slow. With Australia ranked 35th on the Global Gender Gap Index for 2017 (down from 46th last year), our pace of change has slowed over the last three years. Australia has also slipped from 15th position to 16th on PwC's Women in Work Index, which gives a snapshot of female economic empowerment across 33 countries.

Research has been exhaustive on gender diversity – both globally and in Australia – but what about Western Australia? The Committee for Perth released their Filling the Pool report in 2015 which outlined key recommendations for government, organisations and women. The study identified a highly masculine corporate and social culture in WA that differs significantly from the east coast.

What hasn't been widely reported, however, are the barriers to senior women who work in the public sector. The public sector is WA's largest employer, employing over 107,000 FTEs at a wages cost of \$12.5 billion and representing 10% of the total WA workforce. Women make up 72.3% of the total public sector workforce, but only 32.7% of the Senior Executive Service (SES).

The SES is an influential cohort of senior leaders, including many Directors General and CEOs, with specific management or policy responsibilities.

The political landscape in WA has changed. Public sector reform has been identified as a priority for the Government which has resulted in machinery of government (MOG) changes and a number of independent reviews and

inquiries. Despite Premier Mark McGowan explicitly tasking Directors General with increasing the percentage of women in senior management positions, the MOG changes have seen the number of female Tier 1 leaders reduce from 13 to six.

More broadly, there is a new counter-trend to worry about – a sense of fatigue, with some executives feeling they have “done diversity”, despite having made limited progress, and others saying, “We’ve tried that and it hasn’t worked. Let’s focus on other things.” There is also a narrative developing that there will be no opportunities for men in the public service, which is concerning.

I see many opportunities ahead to reshape our public sector leadership cohort, drawing upon the learnings from other jurisdictions, to enable government departments to better reflect the diversity of the community and citizens they serve.

This report outlines six critical recommendations with proven measures and actions to address the issue of declining female leadership numbers in the SES. These recommendations are based on an understanding of what works when it comes to shifting the dial on diversity and inclusion, and the insights from 40 senior leaders across government.

There is no better time for the WA Government to take bold action on gender diversity as it undertakes major public sector reform and seeks to develop a more outcomes focused, diverse and contemporary workforce.



# State Governments commit to gender diversity

*The last three years have seen strong commitments, public statements and Federal and State Government leaders step up their commitment to changing mindsets and cultures through gender diversity strategies and actions.*



- Increase women appointed to Government boards to 50% by 2019
- OnBoardWA, a register to increase number of women on boards introduced Sept 2017
- The Public Sector Commission is developing a strategy for gender equality in public employment which aims to assist public authorities to embed gender equality at all levels in the workplace



- *Safe and Strong* Gender Equality Strategy 2016
- Government commitment to measure progress against preliminary Gender Equality targets including appoint 50% female executives to the Victorian public service
- Women appointed to courts & paid government boards rose from 39% in 2015 to 49% in 2016



- *Premier's 12 Priorities* announced in 2015 to increase women in senior leadership roles from 33% to 50% by 2025
- 2016 progress report 36.1% of senior leadership roles in government sector are held by women
- Some departments already achieved gender equity (eg, DPC) in their senior leadership
- NSW Leadership Academy established with designated positions for both women and Aboriginal people



- SA failed to achieve Target 52 by 2014 (set in 2003)
- In 2015, 45% of executives in SA public sector were women, and only 37% of SA Executive Service (SAES) cohort were women
- On 31 July 2015, 200 senior public sector leaders attended the Driving Innovation and Growth: *The Diversity Dividend Forum*
- This group identified organisational barriers preventing them from advancing gender diversity and are taking action
- The Department of Treasury & Finance have set a vision to achieve gender equality in their leadership cohort by 2020



- *Public Sector Inclusion and Diversity Strategy 2015–2020*
- Leadership Board of DGs introduced and committed to sector-wide diversity targets in 2016 including 50% of women in SES and above. These form part of DGs performance agreements
- Inclusion Champions of Change led by the DG of Premiers
- Currently piloting all roles flex in three departments



- Gender Equity Policy in SES
- Goal to achieve 50/50 gender equality
- Target to achieve 40% women in SES by 2020
- State Service Management Office is working with Heads of Department to implement 3 strategies to achieve gender diversity



- Target to double indigenous employment from 1800 to 3600 employees by 2020
- Initiating Aboriginal employment requirements for all government infrastructure contracts above \$500k
- Women in senior management positions (levels SA02 to EC06) is 51% as at June 2017; an increase of 17% over the past 10 years

# Australian Public Sector: Lessons for WA



## Amanda McIntyre

Partner, PwC

Former:

Head of the Office for Women,  
Chief Financial Officer & First Assistant Secretary,  
Department of the Prime Minister & Cabinet

We have scanned the Australian public sector for examples of where they are disrupting the status quo. Through sustained focus and action, shared learnings across the public sector can achieve the gender equality targets set by federal and state governments. Western Australia has an opportunity to take the lessons learned in other jurisdictions as they seek to increase the number of female leaders in the WA public sector.

The status quo is being disrupted in the Australian Public Service (APS) which employs more than 159,000 Australians, 58% of them women. Through *Balancing the Future: the Australian Public Service Gender Equality Strategy 2016-19*, launched in April 2016, actions are being taken to drive high performance and boost productivity in the APS. This includes individual agency gender equality strategies (40% of agencies had strategies in 2016, with this number continuing to grow in 2017) and targets for the number of women in senior executive positions.

The strategies differ in their focus and approach: The Department of the Prime Minister and Cabinet's strategy recognises intersectionality and calls out different groups of women, including those from diverse cultural backgrounds and those with disability. The Department of Social Services, a department with a female-dominated workforce, has a focus on increasing the numbers of male leaders with disability and breaking down barriers for male employees — particularly those from diversity target groups.

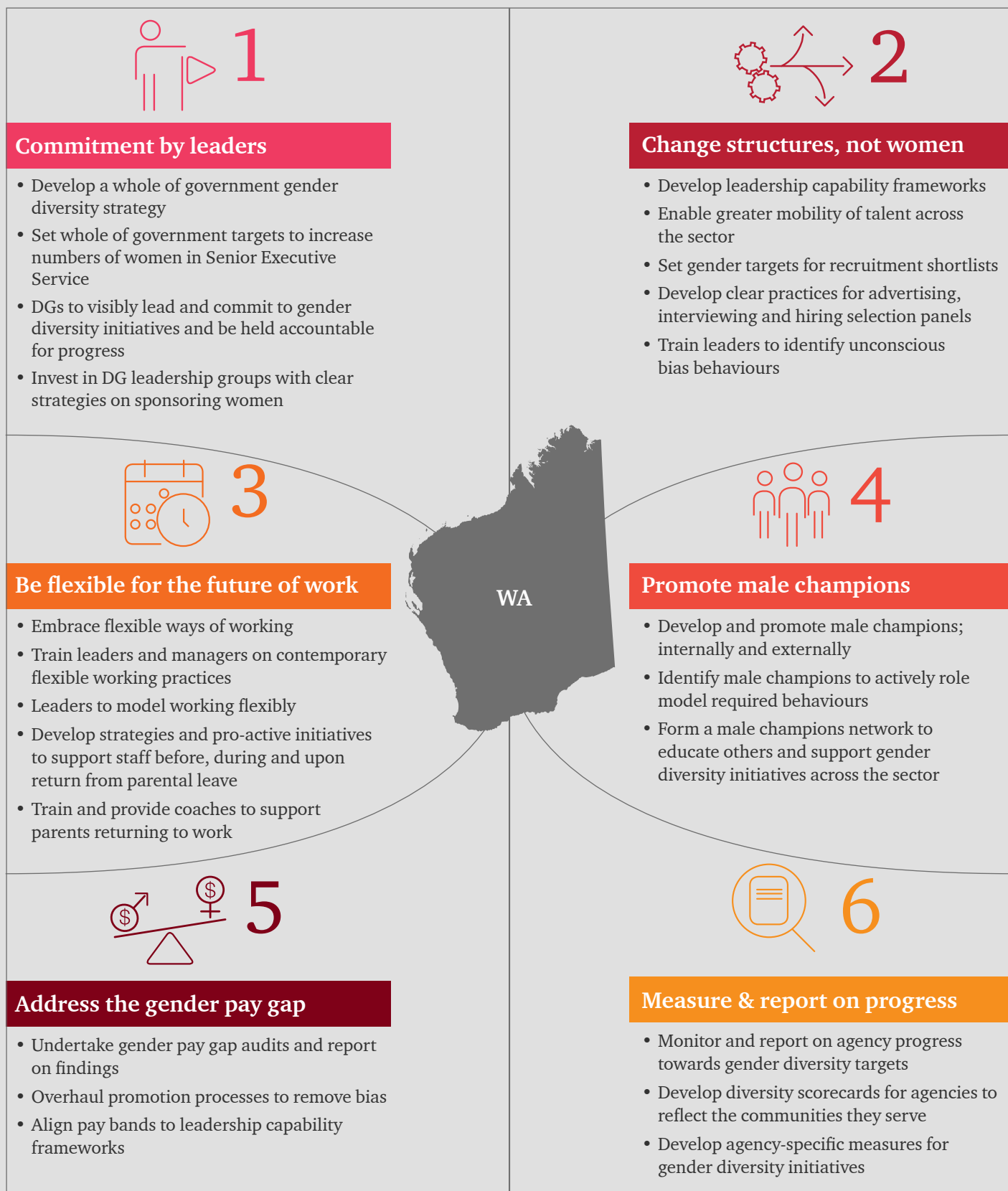
The Department of Employment's strategy recognises the cumulative effect of gender equality initiatives. In the first year the department will trial 'all roles flex', or a system where flexible working is the default working arrangement. In the second and third years, this initiative will be embedded within the department through sharing success stories and the development of training modules to support the roll-out of 'all roles flex'.

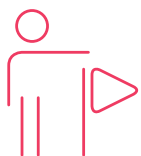
Having strategies in place is a step in the right direction but in order to be effective, there must be strong and visible leadership of agency specific initiatives. Accountability for outcomes must sit with the senior executive, not with managers of HR functions, and engaging all staff in the goal of workplace gender equality is critical.

On 18 September 2017, the APS reached the milestone of more than 30% of female Secretaries – the proportion when critical mass is reached where their voices will be heard in their own right, rather than simply representing the minority<sup>1</sup>. By reinforcing the case for gender diversity and openly discussing inherent biases, misunderstandings and structures that act as barriers to disrupting the status quo, public sector leaders can positively embrace and understand the benefits of gender diversity.

<sup>1</sup> Helena Morrissey <https://30percentclub.org/about/who-we-are>

# Six critical steps to disrupt the status quo and increase female leadership in the WA public sector





# 1

## Commitment by Leaders

***86% of executives interviewed said there were barriers for women when progressing to leadership roles.***

The lack of diversity at the DG/CEO level was cited as a key barrier to understanding the case for change. Many interviewees commented positively on the WA Government's approach to promoting gender diversity in parliament and cabinet; but said this had not yet translated to a commitment for more diversity in the public sector workforce.

In August 2017, WA Premier Mark McGowan announced eight new Director General appointments to lead some of the State's biggest agencies. There was one woman in eight new appointments; meaning six out of a total of 25 WA Directors General are women.

Without a courageous and public commitment to prioritising gender diversity in the leadership ranks, then progress will continue to be frustratingly slow in WA's public sector. There is vast experience across multiple jurisdictions WA can draw upon to demonstrate ways to achieve positive progress towards gender parity. We have seen elsewhere, such as in NSW and VIC, that leadership commitment is always the first step to success.



***Executive targets must have gender diversity, this should become a norm - gone are the days where it was aspirational."***

*Female Executive*



***There is no quick fix to diversity in the workplace. However, I do believe that accelerating the movement of women into senior levels of management is a quick fix because we know there are senior women who are capable and who can be promoted."***

*Iain Rennie, Chair  
WA Services Priority Review Panel 2017*

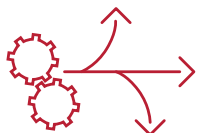
### ***Recommendations for government:***

- Develop a whole of government gender diversity strategy
- Set whole of government targets to increase numbers of women in the SES

### ***Recommendations for agencies:***

- DGs and CEOs to visibly lead and commit to gender diversity initiatives and be held accountable for progress
- Invest in DG/CEO leadership groups with clear strategies on sponsoring and engaging female leaders





## 2 Change structures, not women

### ***70% of executives interviewed said there is not enough support for women in leadership in the public sector.***

Unconscious bias was highlighted as a critical factor blocking women from reaching senior roles. Interviewees also said a lack of opportunities was a critical barrier in a sector where leadership roles do not turn over very often. Tenure in top jobs was cited as having a negative impact on the pipeline of women coming through and directly contributed to a common perception for women getting stuck once they reached a “ceiling”. Protective behaviours by leaders was noted as potentially inhibiting some men and women from advancing their careers.

The Services Priority Review (SPR) commissioned in 2017 found broad systemic issues in WA’s public sector. The report highlighted a culture of process over outcomes and a cultural tendency to avoid risk, driven by internal systems, rules and red tape. Leadership styles have stifled innovation, creativity and diversity – the lack of empowerment means there is an inability to take risks, think outside the box or act upon fresh thinking or new ideas.

Strategies that have been adopted in other States and Territories demonstrate a long-term strategy will shift mindsets and drive cultural change. Establishing the right structures and systems is essential to break the barriers and harness the creativity and diversity of skills and thought needed to drive WA’s major public sector reform.

One key strategy is to increase mobility of talent across agencies. In June 2017, the Australian Public Service Commission launched their 12-month pilot mobility program “Operation Free Range” between a number of participating agencies with secondments being evidence based, flexible and developmental. Expected benefits include retention of valued staff; sharing of expertise; fresh thinking; mobilisation of skills to where it is needed the most; formation of strong links and partnerships between agencies; and an enhanced awareness of whole-of-government priorities.



*Greater mobility throughout the WA public sector is needed to harness the pipeline of female talent – we should be investing to enable more females to lead in different agencies and in different capacities. This includes taking on lateral hires from outside the sector which brings fresh perspectives and deeper insights to challenge the status quo.”*

*Richard Sellers, Director General,  
Department of Transport WA*

### ***Recommendations for government:***

- Develop leadership capability frameworks to assess requirements & accountability in senior executive roles
- Enable greater mobility of talent across agencies with easier access to secondments, rotations and longer-term acting positions

### ***Recommendations for agencies:***

- Set gender targets for recruitment shortlists to include a minimum number of women
- Develop clear, unbiased practices for advertising positions, interviewing and hiring selection panels
- Train leaders to identify unconscious bias behaviours



***You could argue that being too conservative has cost Perth.”***

***Female Executive***



# 3

## Be flexible for the future of work

### ***77% of executives interviewed said flexible working has been important to their career success.***

However, the perception of flexible working was almost always referred to as only for “working mothers”. There is little understanding of how a contemporary approach to a flexible working model can be inclusive of all employees and achieve far greater business outcomes.

The lack of flexible working practices in the WA public sector is also inhibited by the leadership culture of risk averse decision making. Although all executives interviewed said a department policy on flexible working was in place, some cited they were fearful to request flexible working arrangements, or when they had requested it, it was rejected – even in situations where they sought support from colleagues and outlined a plan with no impact to business outcomes.

They also said the working culture makes it difficult for male colleagues to equally access flexible working arrangements – if it was accessed, it was not widely shared or known about.

82% of female millennials identify an employer’s policy on diversity, equality and workforce inclusion as important when deciding whether or not to work for an organisation<sup>1</sup>. The brand of the WA public sector workforce currently reflects the lack of diversity it role models. Adopting a more gender inclusive state and flexible working practices are some of the ways in which other regions in Australia have captured the attention of millennials as governments seek to develop their talent pipelines.



***When discussing promotional opportunities, assumptions were made when I was going on maternity leave; they said, 'let's wait and see - you don't know how you're going to feel as a new mother or if you will even want to return to work.'***

***Female Executive***



***One of the first things I implemented was to advertise that SES roles could be part-time which led to the appointment of a number of part-time senior female executives in DPC. I wanted to send a clear signal that this was important and demonstrated our flexibility agenda – both internally and externally. We have also promoted a number of women to and within the SES before they go on maternity leave to ensure they return at the higher level – this has made quite a difference.”***

***Blair Comley PSM, Former Secretary,  
Department of Premier & Cabinet NSW***

### ***Recommendations for government:***

- Embrace flexible ways of working through all roles flex or with a requirement to justify “if not, why not”

### ***Recommendations for agencies:***

- Train leaders and managers on contemporary flexible working models and practices
- Leaders to model working flexibly; share their stories openly to encourage others and set the tone
- Develop clear strategies and pro-active initiatives to support staff before, during and upon return from parental leave. Ensure staff are given meaningful work and key projects to overcome the “parenthood penalty”
- Train and provide coaches to support parents returning from parental leave





# 4

## Promote male champions

***The majority of executives interviewed cite male mentors and sponsors having a positive impact on their career progression and success.***

Involving men as gender diversity champions is essential for the WA public sector to increase women in senior leadership roles and to address the workforce imbalance.

The big question is: how do we disrupt the status quo in the WA public sector? Undoubtedly, this means working with the creators of the rules and stereotypes – mostly men – to identify the barriers and try to shift the dial. They are the people who can intervene and cause change to happen fast. It's the equivalent to the journey that the mining industry went on around safety, getting senior leaders and managers to understand the what, where and why and then holding people accountable for change.

It's also addressing insecurity around inclusive leadership. There's a lot of fear about what it means to share power. It's not a zero-sum game where if women get opportunities, then men lose. Its conversations with the senior decision makers about how they as an individual can be more inclusive. If it's not their natural state, then making them conscious of things they might be doing that impact team members is vital – often just helping someone to understand how they are perceived can help them identify opportunities for more inclusive leadership.



***I fostered a network of very supportive males over my career who provided great guidance and support.”***

*Female Executive*



***Real progress and improved business outcomes are achieved when male leaders visibly champion diversity and inclusion. Sometimes that means you get push back. Courageous leadership is when we hold others to account for their behaviour and address unconscious bias, especially within ourselves.”***

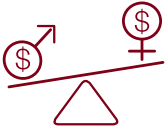
***Darren Foster, Director General  
Department of Premier & Cabinet***

### ***Recommendations for government:***

- Develop and promote male champions through internal and external opportunities (eg: CEOs for Gender Equity, Male Champions for Change)

### ***Recommendations for agencies:***

- Identify male champions to actively role model required behaviours
- Form a male champions network to educate others and support gender diversity initiatives across the sector



# 5 Address the gender pay gap

## ***65% of executives interviewed believe a gender pay gap exists in the WA public sector.***

There were two very distinct groups of experience when discussing gender pay gap. The first group (around 35%) firmly believed that there was no gender pay gap at all – everyone is paid according to their level and applicable band. However, with more senior executives views changed markedly. This group (around 65%) said the gender pay gap was not closing and cited pay gap differences when appointments on merit, subjectivity and salary negotiations came into play.

Even when all measurable factors are taken into account, an unexplained gender pay gap persists. This unexplained gap reflects discrimination, implicit bias, social gender norms, and other difficult-to-measure factors – such as tendencies in negotiation that differ among men and women which can perpetuate pay disparities.<sup>2</sup>

According to the latest Australian Public Service Remuneration Report in June 2017, women in the public service are paid on average 8.6% less than their male colleagues. The report showed the extent of the government gender pay gap for the first time, finding across the entire workforce the average base salary for women was \$84,104, well below the \$92,036 base salary for men. In the highest SES 3 level, women were paid an average of \$322,760, or 97.1% of the median \$332,381 base pay for men. Public Service Commissioner John Lloyd said the 8.6% pay gap "compares favourably with the 19.6% gender pay gap in the private sector".



***Directors General have a really important stewardship role around talent. There should be an expectation they are consciously cultivating talent for the future."***

***Iain Rennie, Chair  
WA Services Priority Review Panel 2017***

### ***Recommendations for government:***

- Government to request agencies undertake gender pay gap audits and report on their findings

### ***Recommendations for agencies:***

- Overhaul promotion processes and review in line with contemporary practices to remove bias
- Align pay bands to leadership capability frameworks



***There's a view that people with policy skills are viewed lesser than people with technical capabilities, which causes an inherent equality issue with the sector and feeds the pay gap"***

***Female Executive***

<sup>2</sup> Author: Stanford Social Innovation Review, web article "Understanding Equal Pay and how to achieve it" published 25 Oct 2017 [https://ssir.org/articles/entry/understanding\\_equal\\_pay\\_and\\_how\\_to\\_achieve\\_it](https://ssir.org/articles/entry/understanding_equal_pay_and_how_to_achieve_it)



## 6 Measure & report on progress

### ***71% of executives interviewed believe in setting gender targets to ensure positive progress is achieved.***

Governments should be aware of the interventions that have a clear return on investment. Where there is genuine progress they can create sustainable change to achieve a more balanced workforce and executive team, reflective of the community they serve. In September 2017, the WA government announced its commitment to increase women on government boards and committees to 50% by 2019. In doing so, it has developed *OnBoardWA*, a website and register which connects women to such opportunities.

Setting meaningful diversity metrics to gauge progress is key. But in order to succeed, efforts must be prioritised and reported on: what gets measured gets done. Western Australia can learn from our South Australian neighbours, where a gender diversity target was set, but failed. They found that an inconsistent approach to targets and other measures to increase female leadership and gender equality initiatives were a low priority. With no purposeful leadership, male champions and clear metrics to gauge progress, then a target on its own is unlikely to succeed.

Other jurisdictions have demonstrated positive outcomes when they combine their gender diversity target with meaningful actions and progress measures. A clearly articulated strategy is communicated and championed by male leaders who genuinely work at shifting mindsets and cultural change.



***Everyone says merit - but who decides that?  
The person on the other side of the table  
sees this as the person they see in the  
mirror every morning.”***

*Female Executive*



***At the North Metropolitan Health Service we are very fortunate in having a good gender balance both on our Board, where 6 out of 10 members are women, and in our Executive where 5 out of 10 members are men. In my experience gender balance improves communication and enhances the organisation’s drive for completion, resulting in better outcomes for our service.”***

***Wayne Salvage, Chief Executive  
North Metropolitan Health Service***

### ***Recommendations for government:***

- Government to set diversity targets and reporting measures

### ***Recommendations for agencies:***

- Develop diversity scorecards for agencies to reflect the communities they serve
- Develop agency-specific measures for their gender diversity initiatives
- Monitor and report on agency progress towards gender diversity targets



# Related publications



# Credits

## Executive sponsors



**Julie McKay**

*Chief Diversity & Inclusion Officer*  
Brisbane  
+617 3257 5436  
julie.mckay@pwc.com



**Amanda McIntyre**

*Partner | Consulting*  
Canberra  
+612 6271 3613  
amanda.b.mcintyre@pwc.com



**Justin Scanlan**

*Partner | WA Consulting Leader*  
Perth  
+618 9238 3265  
justin.a.scanlan@pwc.com



**Dr. Simon Avenell**

*Partner | WA Government Leader*  
Perth  
+618 9238 5332  
simon.avenell@pwc.com

## Lead researcher and author



**Kristy Porter**

*Director | Clients & Strategy*  
Perth  
+618 9238 3241  
kristy.porter@pwc.com

## Special thanks to all of our respondents

Thank you to the 40 senior executives who participated in our research interviews. This report would not have happened without you; the incredible insights and experiences you all openly shared - these are truly valued.

## Methodology

40 individual 1:1 interviews were conducted from June to October 2017 with senior executives across various government agencies in Perth. This report includes the analysis of the quantitative and qualitative data drawn from these interviews, together with research of Australian and international literature on gender diversity; analysis of past research reports and papers from various State Government bodies and associations; and experiences and case studies from national subject matter experts from PwC.

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