GENDER DIVERSITY
WHY AREN’T WE GETTING IT RIGHT?

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As experts in the world of work, Hays consultants are witnessing thousands of selection and hiring decisions every day. We also see the attempts by many corporate entities to identify, educate and implement policies and activities to increase the percentage of women in the workforce. Although many organisations have taken some positive steps towards increasing gender diversity, there is still a need to ensure these policies and initiatives are creating impactful and sustainable change. We wanted to develop a deeper understanding around what can drive positive change in gender diversity, particularly for women in top roles.

As a starting point, the research team at Hays decided to look at the way hiring decisions are made. What influences selection to senior management and executive positions? What part does gender bias play in the process? When presented with two equally qualified candidates, one male and one female, are hiring managers biased towards one gender?

To carry out this important research and to produce this report, we partnered with Insync Surveys, specialists in diversity, employee surveys and related consulting. The survey methodology used in our study was designed to investigate whether unconscious biases play a role in candidate selection decisions, and the extent to which organisations have integrated gender diverse policies in their everyday processes.

Survey responses were received from 1029 hiring managers who were asked to review the CV of a candidate for a hypothetical Regional Sales Manager job. Of these, 515 respondents received a CV of ‘Susan Campbell’. The remaining 514 received the identical CV but with the name of the candidate changed to ‘Simon Cook’. We then asked them a series of questions including about the candidate’s attributes, technical skills and the probability they would be interviewed.

Our findings are presented here in three parts:
1. Corporate Australia and gender diversity. In this section we examine the current state of gender diversity.
2. Key findings. In this section we look at the extent to which hiring managers exhibit unconscious biases in their selection decisions.
3. Asking the right questions to move forward. Finally we reflect on how we can create positive and sustainable change in workforce gender diversity.

Interestingly, overall the results were pretty even and gave a positive nod to a change in culture from the perspective of an unbiased and level approach to evaluating the two candidates. There was, however, evidence that hiring managers in larger organisations (over 500 staff) are more likely to make gender based decisions. People who are more involved in the hiring process were also more likely to make gender-based decisions and our results showed a bias towards women in the public and not-for-profit sectors.

Perhaps not surprisingly, there is also a difference in the way males and females scored the candidates, with females scoring ‘Susan’ higher and males scoring ‘Simon’ higher on most attributes. This shows a general preference for hiring in our own image, demonstrating that still more needs to be done to promote and support gender policies. Furthermore, we found that organisations have not put appropriate plans or resources in place to bring about gender diversity.

While this report focuses on gender, we are acutely aware that real diversity encompasses so much more than gender equality. To address this, Hays recently released a white paper, “The balancing act: Creating a diverse workforce”, in which we map not only gender but age, multicultural, Aboriginal and Torres Strait Islander and disability representation in Australian workplaces and provide practical solutions to create a more diverse workforce for all minority groups. A similar review of diversity in New Zealand will be released shortly.

In this report we turn our focus to gender bias including unconscious gender bias. As unconscious gender bias is complex and often misunderstood, we suggest anyone interested in learning more read a working paper of Insync Surveys’ specialist gender diversity division, Gender Worx, titled; “Getting to grips with unconscious bias”.

We hope our findings are a catalyst that sparks continued and important dialogue about gender diversity in Australia.

“What part does gender bias play in the process?”
Methodology

For this Hays/Insync Surveys study 1029 people completed a survey in May and June 2014, comprising of 507 females and 505 males (17 did not specify a gender). Using Hays and Insync Surveys’ professional network, people were invited via email to complete the online survey confidentially. Respondents were mainly from Australia (90 per cent), while 9 per cent were from New Zealand and 1 per cent of people were from other countries. Most respondents (80 per cent) were very senior professionals, placed four levels or closer to their CEO. Respondents were mostly involved in 1 to 9 recruitment decisions a year. They identified as having an important hiring role in their organisations with 90 per cent saying they’ve had involvement in recommending a successful candidate for a role in the past 12 months and 79 per cent being part of making the final decision on the successful candidate.

Survey respondents were presented with an extract from a candidate’s application for a Regional Sales Manager role. Based on the extract, where the only difference was the gender specific name – either “Susan Campbell” or “Simon Cook” – survey respondents were asked to rate their candidate on a set of 20 attributes. A 1-5 scale, where 1 was “not at all well” and 5 was “extremely well”, was used.

The 20 attributes comprised 10 associated with female gender and 10 associated with male gender. Research has shown that across a range of global societies a set of attributes, generally described as communal, are much more likely to be associated with women, and a distinctly different set of attributes, generally described as agentic, are much more likely to be associated with men. Communal attributes are generally associated with supportive, nurturing roles, while agentic attributes are generally associated with leadership and authority and it is this series of associations which generate gender bias at work. For more on these biases, see Gender Worx Working Paper No 3 on Unconscious Bias.

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1. CORPORATE AUSTRALIA AND GENDER DIVERSITY

Despite years of enthusiasm, commitment, policies and strategy development all aimed at improving gender diversity on corporate boards, equality for women still remains out of reach.

Australia’s population consists of slightly more women than men and more dual-income families than ever. Fifty-seven per cent of university students are women and while women enter the workforce at slightly higher numbers than men, their numbers fall as seniority rises.

This was confirmed by the Australian Women’s Leadership census, which showed that the number of women on the executive teams and boards of Australia’s top organisations remains extremely low. Women hold only 18.2 per cent of board seats in ASX 200 companies and 41 boards in the ASX 200 still have no women. There are just seven female CEOs in the ASX 200 and 12 in the ASX 500.

Ernst & Young report that female participation rates decline once women hit their mid-20s and this lasts for two decades as they move from full-time to part-time employment to accommodate the needs of their families. Furthermore, the 2013 Global Gender Gap report by the World Economic Forum ranks Australia among the group of countries leading the way for women’s education but we fall to number 24 for overall gender gap.

Low female representation in more senior roles is the status quo despite the time and effort many organisations have invested in an attempt to create a gender diverse workforce. The Hays/Insync Surveys study shows (see key finding 5) either more genuine effort needs to be made, or organisational leadership teams needs to genuinely and publicly support gender diversity.

So why are there not sufficient numbers of women at the top?
1. The bigger the business the bigger the bias

In our Hays/Insync Surveys study we asked our respondents to review the CV they received, either ‘Susan’ or ‘Simon’s’, and then rate their technical skills. Despite being the exact same CV, 38 per cent of respondents from larger organisations (those with over 500 staff) thought ‘Susan’ matched the attributes needed for the job ‘extremely well’ compared to just 33 per cent for ‘Simon’.

Interestingly, when we compare these results to the responses of hiring managers in smaller businesses, the gap was less pronounced. 33 per cent of respondents from organisations with less than 500 staff said ‘Susan’ matched the attributes ‘extremely well’ compared to 31 per cent for ‘Simon’.

Thus the gap in the perceived technical skills of ‘Susan’ and ‘Simon’ was more pronounced in favour of ‘Susan’ in organisations with over 500 staff.

Next, our survey revealed a bias towards interviewing men over women in larger businesses. We found that 62 per cent of respondents from organisations with over 500 staff said it was extremely probable that they would interview ‘Simon’. Only 56 per cent would interview ‘Susan’.

In organisations with less than 500 staff this interview bias almost disappears; 57 per cent of respondents rated it extremely probable that they would interview ‘Simon’ compared to 56 per cent for ‘Susan’.

So despite believing that ‘Susan’ has the better technical skills, larger organisations are more likely to interview ‘Simon’.

2. KEY FINDINGS

Implications for the world of work

At Hays, we’ve seen countless cases of hiring managers in large corporate businesses who are presented with a gender diverse shortlist but select more men than women for interview.

Such bias is very subtle. In the words of Janet Holmes à Court, “a man who made anti-woman, misogynistic type comments would get laughed out of the lunchroom unless he adapted his language and behaviours”.

Linda Wayman, General Manager of Southern Cross Austereo, agrees and says that covert sexism has just as big an impact as overt.

It has a huge bearing on the ability of women to reach senior management in the same numbers as men, since “gender biases lead managers to view talent in pre-determined ways, which leads to inequities and a loss of current and future capability and commitment. Bias based on gender plays out in three main domains: the person, the group and society. At the personal level it impacts expectations and behaviours of ourselves and others as men and women. At the level of the group, bias favours dominant group members, men, over non-dominant group members, women".

Few would admit to covert bias but our survey results show it does exist in Australia’s largest businesses. It is however reassuring to reveal that in smaller businesses the bias towards interviewing one gender over another has almost disappeared.

Why is bias more pronounced in big businesses? Is it because men dominate senior management positions in our largest organisations, while there are more women in smaller organisations?
Our results also show that hiring managers possess affinity bias, or in other words a preference for more highly rating someone most like them. We asked our survey respondents how well 20 attributes described ‘Susan’/‘Simon’. Female respondents who received the CV of ‘Susan’ said she matched 14 of the 20 attributes extremely well. In comparison, female respondents who received the CV of ‘Simon’ said he matched 6 of the 20 attributes extremely well.

Male hiring managers demonstrated bias too. Men rated the male candidate more highly than the female. Men said ‘Simon’ matched 14 of the 20 attributes extremely well, but ‘Susan’ matched only 6 of the 20 attributes extremely well.

Thus the findings show that affinity bias affects our perceptions and makes a difference when we’re rating candidates. But when it comes to making a hiring decision, it is gender bias that affects the outcome. Our survey found that both genders were significantly more likely to interview and hire ‘Simon’ rather than ‘Susan’, which shows that the ‘think leader, think male’ bias comes into play for both male and female recruiting managers.

So while men prefer male candidates and women prefer female candidates, both men and women are more likely to hire a man for the job.

**Implications for the world of work**

“Of course I want the best person for the job; as long as it is someone just like me!” While a hiring manager is unlikely to utter such a sentence out loud, affinity bias is the reason that many people unconsciously rate higher the candidate who is the most like them.

When the majority of executive positions are currently held by men, affinity bias is an obvious barrier in women’s ability to achieve such positions in equal numbers to men.

How do we make executives and hiring managers aware of how gender beliefs bias a range of decisions?
3. More recruitment experience means more bias

When we compare the results of survey respondents who hire more than 20 people a year with those of the entire sample pool, we found that those who make more recruitment decisions make more gender biased decisions.

Of those hiring managers who recruit most regularly, 51 per cent said it was extremely likely that they would interview ‘Susan’, but the figure rose to 65 per cent for ‘Simon’. These hiring managers were significantly more likely to see ‘Simon’ as more willing to develop and support others, as well as having the leadership skills to do the job.

For hiring managers who recruited less regularly, the gap between ‘Susan’ and ‘Simon’ reduced to just 3 per cent.

Implications for the world of work

This is an interesting finding since unconscious bias is more likely to impact decisions that are made quickly. People who recruit often may be more likely to rely on their experience to make quick decisions, in which case their decisions are more likely to be biased if they have an unconscious bias. Such managers would say they rely on their experience but possibly their decisions are less deliberate and therefore when an unconscious bias exists it affects their hiring decisions. In comparison, people who do not have as much hiring experience are more considered in their decisions.

How can we encourage technically proficient and experienced hiring managers to examine their recruitment decisions for bias?

“Those who make more recruitment decisions make more gender biased decisions.”
4. Women better at ‘doing good’; men better at ‘doing business’

Some interesting trends emerged when we compared the responses of our private sector hiring managers with those from the public and not-for-profit sector. When it came to assessing the candidates’ attributes, public and not-for-profit sector respondents scored ‘Susan’ higher than ‘Simon’ on 14 of the 20 attributes. While some of the differences were relatively small, there were significant differences on average for a number of attributes linked to ‘Susan’ that are traditionally associated with ‘male’, such as ambitious, assertive, competitive, determined and directive. ‘Susan’ was seen to demonstrate these attributes to a much greater extent than ‘Simon’.

Interestingly, private sector respondents rated ‘Simon’ more highly on 12 of the attributes. Compared to ‘Susan’, ‘Simon’ was seen as significantly more competitive, cooperative, and able to work well under pressure.

Public and not-for-profit sector respondents were significantly more likely to see ‘Susan’ rather than ‘Simon’ as having the technical skills (36 per cent versus 30 per cent) and leadership skills (39 per cent versus 31 per cent) to do the job. However when it came to leadership skills, with 42 per cent versus 39 per cent considering it extremely likely that ‘Simon’ rather than ‘Susan’ had the leadership skills to do the job. They were slightly more likely to interview ‘Simon’ than ‘Susan’ (60 per cent versus 56 per cent), but there was no difference when it came to the probability that ‘Susan’ or ‘Simon’ would be hired.

Public, not-for-profit and private sector respondents agreed on the likelihood that ‘Susan’ had the leadership skills to do the job (39 per cent). However when it came to ‘Simon’ there was a gap, with 42 per cent of our private sector sample considering it extremely likely that ‘Simon’ had the leadership skills to do the job, versus just 31 per cent for him in the public/not-for-profit sector.

So we can conclude that private sector employers presented with two equally qualified candidates, one male and one female, are more likely to be biased in favour of the man. Meanwhile public and not-for-profit sector employers presented with the same candidates are more likely to show bias in favour of the woman.

This reinforces stereotypes of women being better at “taking care” and men at “doing business” and “being decisive”.

Contrast this with private sector results: while private sector respondents were consistent with the public and not-for-profit sector in rating ‘Susan’ as more likely to have sufficient technical skills to do the job, they diverged when it came to leadership skills, with 42 per cent versus 39 per cent considering it extremely likely that ‘Simon’ rather than ‘Susan’ had the leadership skills to do the job. They were slightly more likely to interview ‘Simon’ than ‘Susan’ (60 per cent versus 56 per cent), but there was no difference when it came to the probability that ‘Susan’ or ‘Simon’ would be hired.

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Implications for the world of work

Why does there appear to be a bias towards women in the public and not-for-profit sector? We believe that there are two reasons behind this trend. Firstly, a higher percentage of the workforce is female in the public and not-for-profit sector compared to the private sector. Of our public and not-for-profit sector respondents, 57 per cent were women. This figure dropped to 47 per cent in our private sector survey pool. Affinity bias goes some way to explaining these preferences.

Secondly, jobs in the public and not-for-profit sector tend to have a higher value placed on attributes that are stereotypically female. Since they serve and work for the good of the community, organisations in this sector often seek candidates who are cooperative, empathetic, supportive, caring or selfless. For their part, we often hear candidates in this sector talk about their passion for their work and their desire to help others rather than make money. Thus stereotypically female traits are seen as essential, which differs to the private sector.

Despite this bias towards women, men continue to fill the majority of executive or board positions. As at June 2011 for example, women accounted for 57 per cent of all Commonwealth Public Service employees but just 35 per cent of Government-appointed board members14. However, female representation on government and not-for-profit boards is higher than the private sector, suggesting a positive dividend.

What can private organisations learn from the public and not-for-profit sector to achieve greater gender diversity? How can we encourage hiring managers in the private sector to consider stereotypically female attributes as highly as stereotypically male?
5. Organisations are still not serious (enough) about gender diversity

In our survey, 56 per cent of hiring managers said plans and resources need to be put in place or improved to help achieve gender diversity in their organisation. Furthermore, 44 per cent said their CEO is not serious enough about achieving gender diversity in their organisation.

Over two-thirds of respondents (72 per cent) said their senior executives are involved in recruitment and selection processes, leaving 28 per cent with inadequate levels of involvement.

One fifth of respondents (20 per cent) said recruitment processes are not transparent enough, and 39 per cent said their senior executives need to be better role models of diversity and inclusiveness.

We also asked respondents if they are aware of gender diversity policies in their organisation. Only half said they were aware of such a policy.

Implications for the world of work

Clearly more needs to be done to educate hiring managers of gender diversity policies and to get commitment from senior executives to openly support gender diversity. But no amount of gender diversity policy promotion will, in isolation, overcome gender or affinity bias.

How can HR promote gender diversity policies and gain the support of the organisation’s executive team? And, more importantly, how can they overcome gender or affinity bias in their organisation?
Looking at the results of this survey, it seems that a concerted and coordinated education program could be what’s needed – both from a corporate perspective in terms of what a company expects its employees to do when hiring but also to inform individuals of how their bias (either conscious or unconscious) manifests itself and the impact of that bias. Larger organisations may even consider conducting a similar survey as the one used here across their own hiring population.

If we don’t address this then quotas may be – and perhaps already are – the inevitable solution in order to achieve gender diversity at the executive level. But actually changing the mindset is really at the heart of this issue, and is where the time and effort should be going.

Dr Martin Parkinson, Secretary of the Australian Government’s Treasury, said in a 2014 speech that there is not one obvious solution to gender diversity, “but a range of subtle cultural, attitudinal and behavioural issues that will take time and persistence to change.” He went on to say, “everything we’re doing is fundamentally about changing attitudes and behaviours, not about changing structures”.

Training in unconscious bias and diversity is an obvious first step in changing the mindset. In 2011 legal firm Freehills rolled out unconscious bias training for leaders. In a Deloitte report, their Human Resources Director said, “We all thought we were incredibly fair and then we tested our data against gender, age and full-time vs part-time. Simply instituting a process to test the data has been enough to get people to stop, think and test their decision-making. It has been a really cathartic process for people. We didn’t realise we could be making biased decisions.”

A culture that values differences and supports inclusiveness is also fundamental to achieving gender diversity at the executive level. Such a people-oriented culture not only helps facilitate a diverse workforce but, according to The Wharton School of the University of Pennsylvania, it also creates a workforce where cooperation, sociability, empathy and good interpersonal relationships are valued.

In addition, Deloitte has shown that diversity is leveraged through inclusion, or the “extent to which individuals feel valued and included by an organisation.” Inclusive leadership, they argue, will ensure that all employees can fulfil their potential.

This leads to the importance of an organisation’s leaders publicly supporting diversity. An organisation’s top executive, senior leaders and middle managers all need to publicly support and commit to diversity at all levels in their organisation, and champion an inclusive culture that values differences and encourages all employees to thrive. Many organisations have also chosen to hold leaders accountable for achieving an inclusive team culture and diversity in leadership positions.

For example, legal firm Ashurst has set a number of gender targets and says that management accountability is critical to achieving them. And a Law Council of Australia study found that management accountability is important for a successful diversity initiative.

Another example is the Male Champions of Change. It was established in 2010 and comprises 21 CEOs, department Heads and non-executive directors from across business and federal government. The Male Champions of Change collaboration aims to “achieve significant and sustainable increases in the representation of women in leadership in Australia”, and demonstrates that when diversity is endorsed from the top action follows.

In a similar vein, 10 CEOs from Consult Australia, the industry association for consulting firms operating in the built and natural environment, publicly support gender diversity. They signed a charter of commitment to workplace equality and pledged personal action.
Just as important as training and executive support is the expansion of candidate sourcing networks. For example, rather than looking at the usual candidate groups, at Hays we help organisations broaden their search by presenting them with a diverse shortlist from a wide pool of talent.

This may require organisations to modify their attraction campaign to encourage more women to apply for their vacancies. Many senior executive roles fail to attract women since male attributes are emphasised in job descriptions or advertisements. Thus we should review and create an attraction campaign that emphasises stereotypically male and female traits to encourage women to apply. By placing equal emphasis on the aspects of the job that require both male and female attributes, senior executive roles will be more aligned to women’s aspirations.

In addition, some organisations have taken it upon themselves to set their own voluntary targets. If we look broadly at the world of work, there are almost daily examples of organisations that have elected to set an executive-level diversity target. In Australia, one of the best examples can be found in the national representative body for Aboriginal and Torres Strait Islanders, the National Congress of Australia’s First Peoples. The Executive of the National Congress consists of two fulltime co-chairs, one male and one female, and six part-time members, three men and three women.

It thus stands out in Australia as an example of how targets lead to gender equality in leadership positions.

Other organisations have set their own gender targets. The Australian Government’s Treasury for example set a target for women in its senior executive in order “to indicate to everyone that we are serious about long-term change and we would not settle for short-term tokenism”.

But what about mandated quotas? Several countries have embraced such quotas successfully. Norway was the first country in the world to introduce a gender quota in 2003. Nearly 500 firms raised the proportion of women on boards to 40 per cent, and 11 years on quotas have “made the panels more professional and globally focused”.

More recently, in 2013 India revised its Companies Act and mandated that all publicly listed companies have at least one woman on the board. This was followed by a mandate from the Securities and Exchange Board of India that “the board of every listed company (has) at least one woman director”.

Meanwhile gender quotas are a hot topic in the UK. Cherie Blair, a QC and founder of the Cherie Blair Foundation for Women, is advocating their introduction, while the country’s Labour party announced it could, if elected, introduce boardroom quotas for women and ethnic minorities.

One common argument against the use of quotas is that it eliminates the ability to select based on merit. However Norway’s experience shows us this is not the case. As Elizabeth Broderick recently said, “The introduction of quotas would only mean that if a female candidate was put forward by the Board who was unacceptable to shareholders, then an alternative female candidate would need to be found”.

She goes on to say, “What we’ve seen when it comes to women’s leadership in the corporate sphere is nothing less than market failure. Many companies are not utilising all the available talent and we require intervention by government, and by business to turn this situation around.”

Simon Rothery, CEO of Goldman Sachs and one of the celebrated Male Champions of Change identified that until a couple of years ago, women made up just 25 per cent of graduate recruits at Goldman Sachs Australia, but in 2014 the intake increased to more than 50 per cent. He said, “The change was about making sure the initial vetting of candidates was handled by more senior leaders instead of leaving it with a junior, mainly male, group”.

So should the question we ask in 2015 be “how are we hiring” rather than “how many women are we hiring”?
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