



# Narrowing your gender pay gap

*An agenda for action for the accounting profession*



# Introduction

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In business you trust the numbers. Accountants, in particular, use them to outline and analyse the full picture of a business and chart the best course of action to make a difference into the future.

Our member remuneration survey in 2021 and in previous years revealed uncomfortable numbers: that male accounting partners earn more than their female counterparts, with a significant gender pay gap in both Australia and New Zealand. To quote Professor Michael Kimmel: "Privilege is invisible to those who have it." These numbers paint a challenging picture, for not only women accountants over the lifespan of their careers, but the profession more broadly.

The demographic sands of the profession are shifting under our feet. There has been a trend over the last couple of years of women outnumbering men joining the profession. This message, as it currently stands is that they may not be valued as much for the significant investment it takes to become a Chartered Accountant. This comes at a time where there are talent shortages across the profession and there's a need to maintain a pipeline of talent for the future.

On a hopeful note, some 95 per cent of member respondents said it is important we address the gender pay gap. So how do we make a difference into the future? We go back to the numbers, which tell us 25% of companies in the top quarter for gender diversity were 25% more likely to have

above-average profitability. Fortune-500 companies, with more women directors, had a 42% greater return on sales and a 53% higher return on equity.

This playbook equips you with the data and the tools to build your business case, whether you are a member, employer, recruiter or leader. Those professions and workplaces that have made progress, demonstrate that the gender pay gap requires a targeted, calculated transparent and accountable response.

Sunlight is the best disinfectant. We are determined to be vocal, to track and to fix this issue as part of our broader strategy for Chartered Accountants to be a more diverse and inclusive profession. But for change, we all need to act.



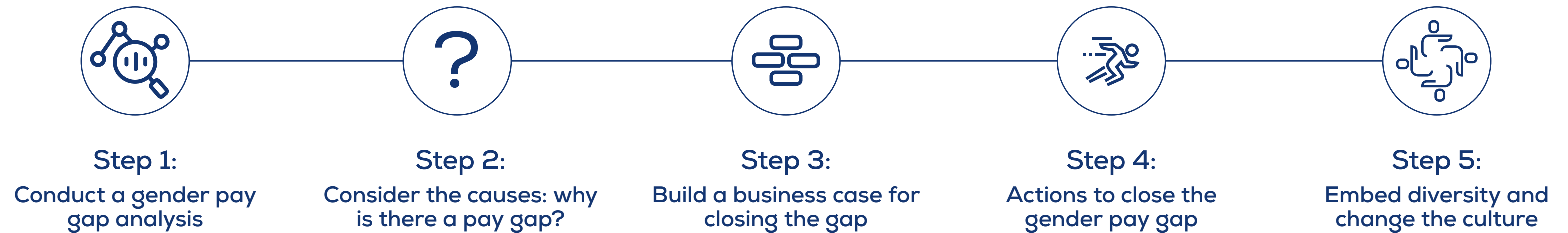
**Ainslie van Onselen LLB MAppFin**  
Chief Executive Officer

A handwritten signature in black ink, appearing to read 'Ainslie'.

# Time for change: an agenda for action

*Being aware of the gender pay gap is not enough. Individuals, employers and the profession as a whole, must take active steps to reduce it.*

This document sets out an agenda for action:



# What is the gender pay gap?

*A measure of inequality between women and men used globally.*

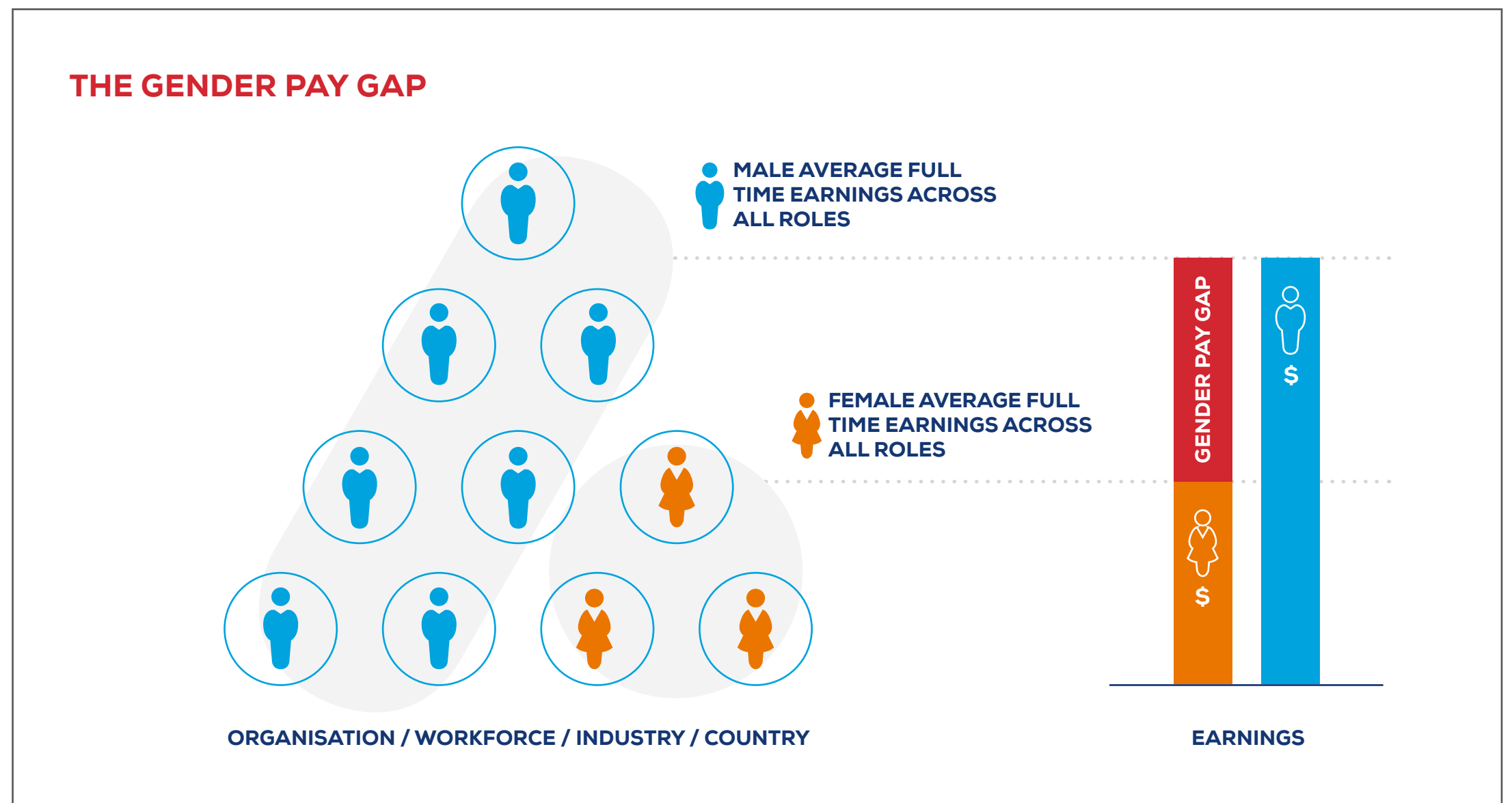
The gender pay gap is the difference in the average earnings of men and women across all roles in a workforce. You can measure the gender pay gap for an organisation, an industry or for the entire workforce of a country.

It measures the pay difference between all women and all men regardless of their role, length of service, location or any other differentiating factors.<sup>1</sup>

The gap is calculated from the average difference in pay and expressed as a percentage of men's average pay. It indicates women's overall financial position in the workforce.

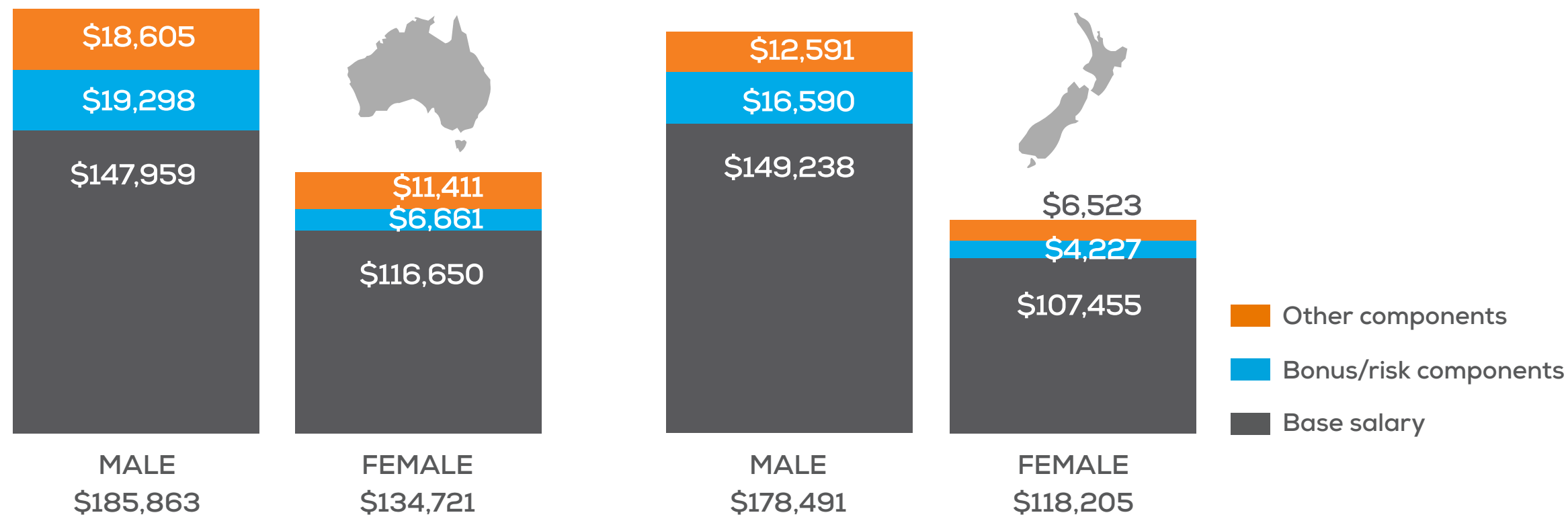
## The Ethnicity Pay Gap

This playbook discusses the gender pay gap. The gender pay gap is important, but so are other factors such as ethnicity. There is a lack of robust data on the ethnicity pay gap in Australia and New Zealand, but research suggests that a significant pay gap exists in both countries. Ethnicity pay gap reporting is more complex than gender pay gap reporting, but many agree that the benefits of collating and examining this data is too great to ignore.

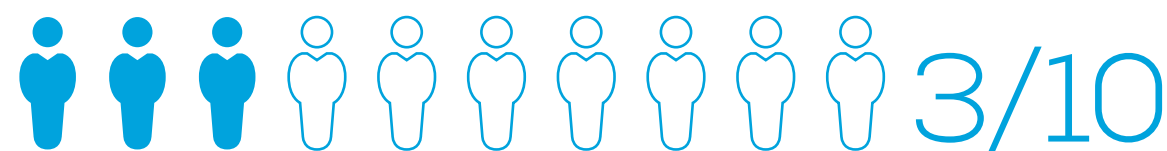


# The gender pay gap in the accounting profession

## Average remuneration by gender



7 IN 10 WOMEN SAY A GENDER PAY GAP EXISTS



3 IN 10 MEN SAY A GENDER PAY GAP EXISTS

The statistics on this page come from a survey of more than 4,000 CA ANZ members in Australia and New Zealand conducted for CA ANZ in its 2021 remuneration survey.

### AUSTRALIA



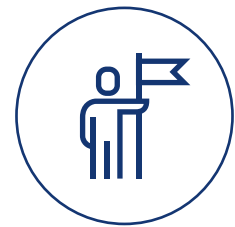
In Australia, for every \$1 a male CA ANZ member earns, a female member earns 73 cents. This means women earn 27% less than men on average.

### NEW ZEALAND



In New Zealand, for every \$1 a male CA ANZ member earns, a female member earns 66 cents. This means women earn 34% less than men on average.

# Types of gender pay gap



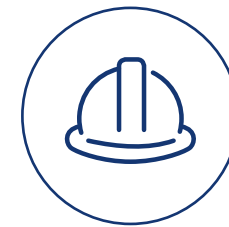
## Leadership

An organisation has more men than women in higher paid leadership roles.



## Occupational

More women are in support roles who are paid less, while men dominate higher paid positions.



## Industry

Women-dominated industries such as teaching and nursing, attract lower pay than industries dominated by men such as mining and engineering.



## Why does it matter?

The gender pay gap is the result of a complex range of social and economic factors that combine to reduce women's earning capacity over their lifetime. It is often used as a measure or indicator of gender inequality. It affects everyone – men and women, the lowest paid and the highest paid – in every industry. Accountancy is no exception.

Addressing the issues underlying the gender pay gap will contribute to women being treated equitably throughout their entire career and into retirement. A study by KPMG found that by halving the gender pay gap and reducing entrenched discrimination against women in the workforce in Australia could increase annual GDP by \$60 billion by 2038.<sup>2</sup>



# Gender Pay Gap FAQs: how to convince a sceptic the pay gap is real

*Significant research demonstrates that the gender pay gap exists, but there are many sceptics who still believe otherwise. Below are some common arguments against the gender pay gap, and answers to counter them.*

## **We don't have a pay gap. We remunerate similar roles equally, regardless of gender.**

Equal pay for equal work is different to the gender pay gap. The gender pay gap examines the average salary of all men and all women across an organisation, industry or workforce. It indicates whether men are advantaged, or women disadvantaged. The gender pay gap starts early and subtly in an individual's career. The playing field is often not level for women right from the start.

**Looking inwards:** Do all your new employees get the same social and engagement opportunities, regardless of gender? Do you know your female employees as well as your male employees? Do you have as many female senior leaders as men?

## **I can't afford inclusion and diversity initiatives in my small business.**

You can't afford not to embed an inclusive culture and practices in your organisation. As an inclusive employer, you will help attract and retain talented employees from 100% of the talent pool. Inclusive organisations routinely outperform their less inclusive counterparts on a range of measures including profitability. It is also the right thing to do.

**Looking inwards:** How much did you invest in recruitment and training last year? How does that compare to the cost of adopting inclusive remuneration and employment practices?

## **The gender pay gap results from women's life choices. Women choose to take a career break or to work part-time to be with their children.**

Even women who are not mothers but are in the 'child bearing' age range are subject to an employment bias. Research by law firm Slater and Gordon found that a third of managers would rather employ a man in his 20s or 30s over a woman of the same age for fear of maternity leave. Women do not choose to have children alone, but women are the only partner able to give birth. As a result, a significant portion of the caring load usually falls on women. Many government and organisational parental leave and flexible work policies do not apply equally to men and women. These policies discourage men financially from taking parental leave or don't provide them part-time work options. This removes women's choices. Parental leave policies that do not discriminate between primary and secondary carers incentivise men to take leave and remove this imbalance.

## Gender Pay Gap FAQs: how to convince a sceptic the pay gap is real

### Women are naturally worse at negotiating pay than men.

Modern and inclusive organisations have removed the need to negotiate salaries. Instead, roles are remunerated based on the required skills and capabilities. Research suggests that women's negotiation power does not result from a lack of skill, but from entrenched views around negotiating styles. A recent study found that women who behave assertively when negotiating tend to be penalised for doing so. Teaching women to 'negotiate better' takes the focus off the systemic issues.

**Looking inwards:** Does your organisation remunerate roles based on skills and capabilities? Are these roles benchmarked externally against other roles requiring similar skills and capabilities, at least annually?

### We have a gender pay gap, but it isn't attributable to bias. Our remuneration is based on performance.

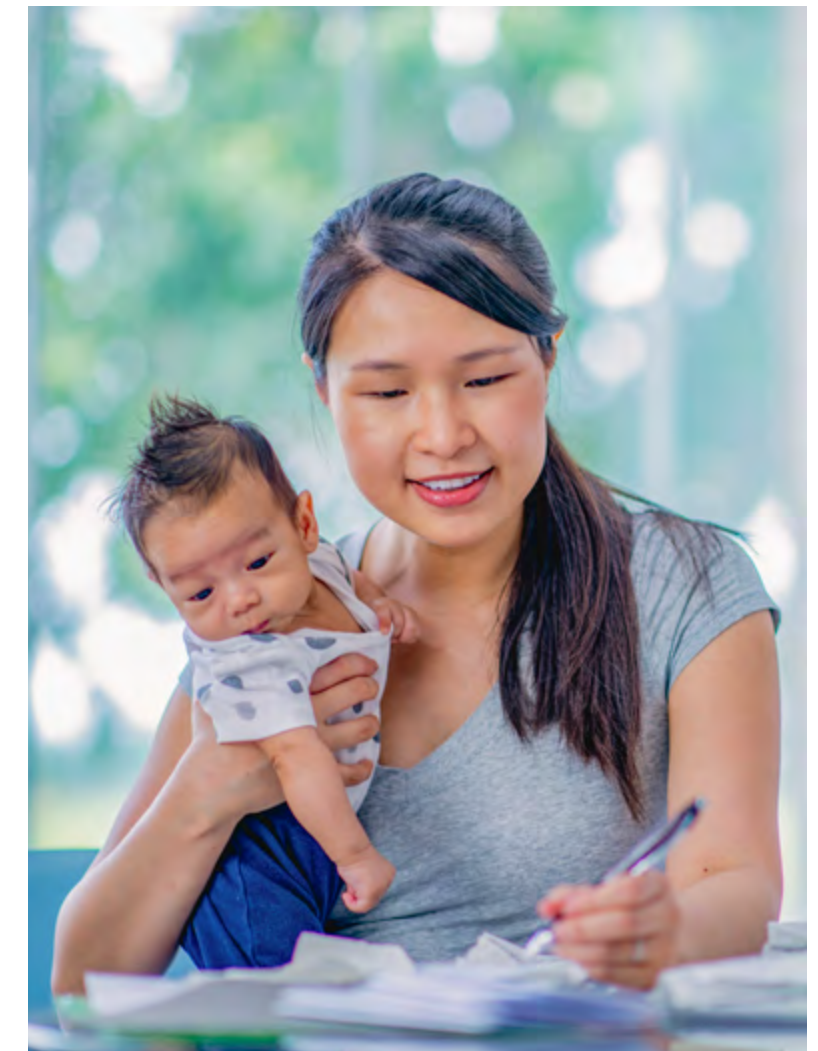
Known as the merit myth, men are sometimes perceived as more capable and competent than women in particular roles, but if the women received the same experience, informal mentoring, and business networking opportunities and training as men, would that still be the case?

**Looking inwards:** Do you provide access to social interactions, experience and training opportunities to your employees in an equitable manner?

### Women don't get noticed because they don't speak up.

Leaders are generally described as outgoing, gregarious, extroverted, and dynamic. However, quiet power brings immense value to an organisation and to a leadership role. Identify progressive men to lead by example to enable women to contribute. Help your organisation expand its definition of leadership to be inclusive of introverted styles.

**Looking inwards:** Do you actively seek out quiet people in meetings so they can share their views? Does your organisation foster an inclusive leadership style by rewarding it? Does your organisation have meeting protocols to ensure everyone is consulted when seeking input on a key decision?





# Step 1: Conduct a gender pay gap analysis

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# Step 1: Conduct a gender pay gap analysis




A lack of transparency around remuneration can make it difficult to identify real cases of gender pay inequity. In Australia, it is mandatory for all 'relevant' employers - non-public sector employers with more than 100 employees - to report on this analysis under the Workplace Gender Equality Act 2012 (the Act).

The gender pay gap can be calculated across an entire industry, such as the accountancy profession and for an organisation. Selecting the right approach for your organisation is an important first step towards eliminating gender discrimination.

Other approaches include a more granular 'by-level' gender pay gap showing the difference in pay between men and women in pay bands or tiers, or by groups such as managers or graduates, or by departments.

Then there's the 'like-for-like job' gender pay gap that shows the difference in pay between men and women in the same jobs/work and in similar jobs/work.

**Your organisation may also choose to focus on:**

-  Starting salary
-  Tenure
-  Full-time versus part-time employees<sup>3</sup>

Conducting a gender pay gap analysis will give your organisation solid data to work with. You may also discover if and why your organisation has a gender pay gap which will provide a platform to consider actions you can take to address the gap.

The gender pay gap is usually presented as a percentage. It is calculated by subtracting female pay from male pay, dividing the result by male pay, and then multiplying by 100. 'Pay' is a reference to full-time equivalent and annualised numbers. For example, if Joe earns a base salary of \$80,000 and works four days a week, their full-time equivalent pay is \$100,000.

$$GPG = \frac{[ \text{MALE AVERAGE EARNINGS} ] - [ \text{FEMALE AVERAGE EARNINGS} ]}{[ \text{MALE AVERAGE EARNINGS} ]} \times 100\%$$

**The Workplace Gender Equality Agency (WGEA)** has an eight-step action plan with measurable objectives, flexible working targets and a focus on outputs to help organisations build a gender equality strategy. WGEA collects data on about four million employees across Australia annually. New Zealand doesn't have this requirement.

- Stats NZ** has produced a guide which outlines important factors to consider such as:
- how to calculate male and female average earnings
  - what to do if your organisation is small (less than 100 employees)
  - who to include in the gender pay gap analysis
  - when and how often you should consider conducting a gender pay gap analysis and review.



SPOTLIGHT

STEM RURAL  
ACCOUNTANTS

## Shorter days pay off

*Introducing flexible working practices enabled Stem Rural Accountants to hire more parents.*

In early 2018, Martin Pipe CA and Trudi Ballantyne FCA, co-owners and directors of Stem Rural Accountants, borrowed an idea from American entrepreneur Stephan Aarstal. In his book, *The Five-Hour Workday*, Aarstal outlines his bold move to increase productivity and employee happiness.

“Something really resonated with us,” says Pipe. “We thought we could introduce a similar concept. It was in December and we thought: ‘How can we give the ultimate gift to our team who are all time-poor?’”

Instead of a five-hour day, they’ve settled on six – two three-hour blocks from 8:30am to 3pm with a half-hour lunch break. Employees are paid for 7.5 hours and all but two, who left the firm, have embraced the six-hour day.

In the first year, because everyone was so focussed on efficiency, they finished all their clients’ end-of-year accounts two weeks early. “We’d never done that since the firm started,” says Pipe.

Stem Rural has three directors, eight accountants and three admin employees - and two-thirds of employees are women.

“Leaving at 3pm is a big carrot,” he says. “People are able to pick up their kids, go to appointments, exercise – all in working hours – but not disturb their own focused workday. They love it.” Men and women can share caring responsibilities, reducing negative career impacts women face working part-time.

Collaboration and technology are key to the 6-hour day’s success. “If someone’s ever struggling with a problem we all stop work and have a pop quiz to help them solve it together really quickly,” says Nick Cole CA, the new third director.

### Life changing

They also have a Tuesday stand-up workflow meeting using Karbon which integrates with Microsoft Office 365. Being early adopters of practice management software and other technology has helped them too.

From a hiring perspective, the 6-hour day has become their real point of difference. “We’ve had no problem getting top employees,” says Cole. “We are in a small town but many people have chosen to commute here to work with us in Te Puke because of our firm’s culture. The 6-hour day has been life changing for our firm.”



Left to Right. Stem Rural directors Nick Cole CA, Trudi Ballantyne FCA and Martin Pipe CA.



## Step 2: Consider the causes

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## Step 2: Consider the causes

*Globally, the reasons for the gender pay gap are complex and due to many historical, cultural and economic reasons.*



In the *Chartered Accountants ANZ 2021 Remuneration Survey*, respondents that acknowledged there was a gender pay gap attributed it to many different factors. Caring for family and children came top of the list, followed by “senior positions filled

by men” and also “a boys’ club mentality” which resulted in social and professional connections and networks between men. They also said men are often more confident than women when negotiating wages and promotion.

The number of women enrolled in accounting, law or architecture and other professional degrees, is equivalent to the number of men.

This is also true for graduates of the Chartered Accountants program. Because of underlying causes of gender inequality, as women progress through their careers, the gender pay gap often widens. Without significant actions by organisations to address this, historically skewed patterns of employment are likely to continue for many decades to come.

### Australian and New Zealand gender pay gap

Australia has an average gender pay gap of 13.5% favouring full-time working men over full-time working women across every industry and occupation.<sup>4</sup>

Data from Manatū Wāhine Ministry for Women in New Zealand highlights an average gender pay gap of 9.3% with marked differences between industries, occupations, age groups and ethnicity.

Across both countries, women are over-represented in lower paying jobs compared to their participation in the workforce overall, even though they increasingly occupy more highly paid roles. Women remain underrepresented in leadership positions, with women in only 27% of all manager positions across industries.<sup>5</sup>

In finance and accounting the numbers are marginally better. In New Zealand at EY, one in three key management roles are women. KPMG reported that 38% of its key managers are women, while at Deloitte four of ten directors are women.<sup>6</sup>



### MYTH BUSTER

A gender pay gap is not just a women’s issue – it affects your organisation’s performance, workplace culture and bottom line.

Organisations that fail to understand and address their gender pay gap risk losing top talent to other, more progressive, organisations. This results in high employee turnover and higher recruitment and training costs.

## Step 2: Consider the causes (continued)

*Reasons for the gender pay gap include:*

### Conscious and unconscious gender discrimination and bias

Hiring, remunerating and promoting women continues to be the single largest factor contributing to the gender pay gap. A 2017 study by KPMG attributed 40% of the gender pay gap to these factors, which they titled 'gender discrimination'.<sup>8</sup>

### The cost of not linking remuneration to skills and capabilities

Salaries and bonuses compound significantly during a career, with research suggesting that women often accept low pay offers without negotiation. This is a significant contributor to the gender pay gap. This can be addressed by removing the need to negotiate salaries and instilling a culture and processes that ensure roles are remunerated based on the skills and capabilities required.

### Female dominated sectors

Female dominated sectors such as nursing, teaching and administrative roles are often paid less than male-dominated sectors. Also, men often hold more highly paid jobs even in these sectors.

### The flexibility penalty

Parental leave policies and biology contribute to a significant portion of the caregiving load being borne by women. Many women find it difficult to balance caregiving responsibilities against the demands of their career. Those people who do work flexibly may face "flexism," discrimination because they choose to work flexibly. In a 2019 survey in the US, mothers with children younger than 18 were more likely than fathers to say they needed to reduce their work hours, felt like they couldn't give full effort at work and turned down a promotion because they were balancing work and parenting responsibilities.

### Higher rates of part-time work

Because of their caring responsibilities, women are more likely to work part-time than men. People in part-time jobs are often considered less 'serious' about their careers than their full-time counterparts, given less career enhancing work and remunerated less accordingly. KPMG found that the part-time work penalty accounted for 7% of the gender pay gap.<sup>7</sup>

### The majority of unpaid work at home is done by women

A 2021 survey found most New Zealand couples do not share the load at home equally. The survey found just one in ten couples where both partners worked full-time said they split the load at home 50:50. On average, women said they did 69% of the unpaid work required in their household, and 34% of the total paid work. Unpaid care and work accounts for 7% of the gender pay gap.<sup>14</sup>

### The parental leave bias

Studies confirm that women take more time out of the workforce than men to care for children and family.<sup>9</sup> This often negatively impacts women's career progression, remuneration and opportunities to take on more challenging projects. Factors related to family and care, including years not working due to interruptions, account for 25% of the gender pay gap.<sup>10</sup>

In New Zealand and Australia, paid parental leave is usually attached to the birth mother or adoptive parent. This leave can often be transferred to the father or a partner, but the father has no entitlement to paid leave in his own right apart from two weeks paid at the national minimum wage in Australia<sup>11</sup> and two weeks unpaid partner's leave in New Zealand.<sup>12</sup> In New Zealand 96.3% of people who received paid parental leave from the Government were women.<sup>13</sup>

This creates workplace bias against women of child-bearing age, as they are perceived as more likely to take parental leave. Modern parental leave policies don't distinguish between primary and secondary carers, this removes financial disadvantage and reduces bias.





SPOTLIGHT

DELOITTE  
NEW ZEALAND

# Accountability narrows the gap

*Deloitte New Zealand has become more inclusive by collaborating with other organisations and being transparent about their gender pay gap.*

Growth was a major reason for Deloitte New Zealand seeking to address the firm's gender pay gap about a decade ago. It had a dearth of women at senior levels which is a major contributor to any pay gap.

"We became aware that we could continue to grow only if we could tap into a much broader pool of talent and bring in more women," says Sonia Breeze, a partner. That included dealing with the reasons why women left the firm.

Deloitte New Zealand collaborated with other organisations who were also addressing diversity and inclusion. This included Champions of Change, a group of New Zealand chairs and CEOs of major companies that together employ more than 100,000

people. A key focus was to increase diversity among their companies' leaders.

"Having senior leaders drive diversity and inclusion from the top is critical to making this succeed," Breeze says. "We developed a lot of transparency and accountability at all levels of the organisation and that's helped us."

Deloitte reports on the numbers of men and women, at the hiring stages, remuneration reviews including bonuses, promotions, in management and on the board, as well as the uptake of parental leave.

"When a male or female employee returns from parental leave they get the average increase in pay they missed out on on their return," says Breeze. "This stems attrition."

Every employee has a mentor or coach. Partners are encouraged to be an informal advocate to sponsor women into senior roles. "You can have all the kinds of leadership programs in the world, but if you don't have someone cheering for you then it's more difficult to get you up there."

## Feed the pipeline

Deloitte also arranges women-only networking events to provide women with wider organisational support and inspiration to achieve their career goals.

"You have to keep feeding the pipeline," says Breeze. "Once you make a woman a partner, then you have one less woman in the senior managerial role she occupied and it needs to be filled."



Sonia Breeze, partner at Deloitte New Zealand



## Step 3: Build your business case for closing the gap





# Step 3: Build your business case for closing the gap

*Closing your gender pay gap improves your organisation's performance, workplace culture, makes you a more attractive employer and ultimately boosts your bottom line.*

## Numbers talk

A clear business case exists for organisations to act to close their gender pay gap. As well as being the right thing to do, research shows that gender diverse businesses outperform businesses where women are not well represented.

When given the chance, most women make great leaders and, in turn, help their organisations succeed. Research shows that more often than men, women leaders demonstrate intellectual stimulation, inspiration and encourage participative decision making enabling their organisations to more effectively address global challenges of the future.<sup>19</sup>

# 25%+

Companies in the top quarter for gender diversity, were 25% more likely to have above-average profitability<sup>18</sup>

# 6/10

Six out of 10 respondents said gender diversity improved business outcomes.<sup>16</sup>



Companies where one in three executives were women are more likely to outperform those with fewer women executives.<sup>15</sup>

# 42%

GREATER RETURN ON SALES

# 53%

HIGHER RETURN ON EQUITY

Fortune-500 companies with more women directors had a 42% greater return on sales and a 53% higher return on equity.<sup>17</sup>

In a study of 1,835 randomly selected people surveyed about women in leadership in the US, respondents said that women were:

**34%** BETTER AT WORKING OUT COMPROMISES

**34%** MORE LIKELY TO BE HONEST AND ETHICAL

**25%** MORE LIKELY TO STAND UP FOR THEIR BELIEFS

**30%** MORE LIKELY TO PROVIDE FAIR PAY AND BENEFITS

**25%** BETTER AT MENTORING THAN MEN<sup>20</sup>



### Step 3: Build your business case for closing the gap (continued)

*If you tackle your gender pay gap, your organisation will adopt a more inclusive culture, a critical factor in retaining and attracting top talent.*

#### Winning the talent war

Demand for many professionals in Australia and New Zealand is particularly strong because of COVID-19 related border closures and a strong economic recovery.

This war for talent in accounting and auditing is particularly acute: reports of organisations outbidding each other for scarce talent are common.<sup>21</sup>

Addressing your organisation's gender pay gap will create a more inclusive and diverse workplace. This provides an edge in the job market with new graduates and more senior accountants likely to favour your organisation over less progressive alternatives.

More than three-quarters of respondents to a survey of 9,000 recruiters in 39 countries said workplace diversity was the top issue for their clients.<sup>22</sup> A diverse workforce foremost improved workplace culture and meant they were more appealing to customers. Gender is only one aspect of diversity, but a very important one nonetheless.



Organisations with more women leaders become more creative, innovative and open. They are more reflective of society and the customers they are serving or selling to. This improves their brand image and they become better at engaging customers. They find attracting and retaining talent easier as their company develops a reputation as a diverse and inclusive place to work.<sup>23</sup>



SPOTLIGHT

XERO

# Celebrating equality and diversity

*Celebrating gender, inclusion and diversity are integral at Xero, the New Zealand-born global accounting technology company.*

In 2021, Xero was one of 380 companies worldwide included in the Bloomberg Global Gender-Equality Index which recognises leaders in advancing gender equality globally. This is the second consecutive year that Xero has been included. It is one of just 13 companies headquartered in Australia and New Zealand in the index.

Xero's efforts to address gender equity run deep. Of more than 3,600 employees globally, 42% are women. Five of eight global executives and three of eight directors on Xero's Board are women.

The company is developing a diverse pipeline of future employees. A high school outreach program encourages girls to choose coding and STEM subjects," says Sue Pak FCA, head of accounting.

Xero employees in New Zealand volunteer in not-for-profits including Code Club, OMG Tech, SheSharp and STEMfest and hold summer holiday workshops with girls interested in the field.

## Every step of the way

Xero offers all employees unconscious bias training, a requirement for a leadership role. The company recognises the value of parental leave. It offers the primary carer 26 weeks paid leave and six weeks paid partner leave.

While on leave, parents are encouraged to participate in 'stay in touch days'. "They stay connected with us. Then, once they're ready, we try to give them adequate support and flexibility to ensure

that they have a comfortable return to work," Pak says.

Xero uses Mentorloop to pair employees with mentors. It also runs "doughnut dates" between employees to learn from those not in their immediate teams, or forums where colleagues can discuss issues such as building resilience or how to hold critical conversations. "It's a chance for mutual learning, sharing experiences and sparking informal conversations later," Pak says.

Focusing on gender equality has made Xero leaders reflect on how to become more inclusive in general and acknowledge gender diversity, disability and ethnicity, she says. "We encourage all employees to be who they are and bring that whole person to work."



Sue Pak FCA, Head of Accounting at Xero





# Step 4: Actions to close your gender pay gap



# Step 4: Actions to close your gender pay gap

*A gender pay gap analysis is not enough. Almost half of the organisations that conduct an audit don't follow up with action.<sup>24</sup> What actions will you take?*

## As an organisation:

<b>START</b>	<ul style="list-style-type: none"> <li>Hold discussions at the executive/partner level to get everyone onside to assess and address this issue.</li> </ul>	<ul style="list-style-type: none"> <li>Get buy-in from business owners or board, if you have one. Highlight the business case for closing the gender pay gap in your organisation.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct a pay gap analysis at the start, decide how and when you'll measure it and set SMART goals (specific, measurable, achievable, realistic and time-bound).</li> </ul>
<b>STRATEGY</b>	<ul style="list-style-type: none"> <li>Educate employees and decision-makers, including partners and the executive team, about unconscious bias. Monitor any gender pay gaps from entry-level and review annually.</li> </ul>	<ul style="list-style-type: none"> <li>Assess the workplace and enact holistic cultural change to ensure women can fully participate as equals.</li> </ul>	<ul style="list-style-type: none"> <li>Embed diversity and inclusion measures in organisational and leadership key performance indicators (KPIs).</li> <li>Budget for closing any gender gap, including reviewing policies on recruitment, parental leave, promotion and remuneration as well as flexible work, leadership and mentorship.</li> </ul>
<b>HIRING</b>	<ul style="list-style-type: none"> <li>Address gender bias in interviews and selection panels. Diversify to include women and minorities.</li> </ul>	<ul style="list-style-type: none"> <li>Know the worth of the role for which you are recruiting. Don't base remuneration on the person's previous salary.</li> </ul>	<ul style="list-style-type: none"> <li>Look out for women who are qualified or suitable internally and haven't applied and encourage them to do so.</li> <li>Create equal opportunities for employees to informally connect and interact socially with key decision makers.</li> </ul>
<b>PROMOTION</b>	<ul style="list-style-type: none"> <li>Hold frequent performance reviews that are more transparent, accountable and fair.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure an equal and transparent promotion process for men and women.</li> </ul>	<ul style="list-style-type: none"> <li>Have men and women assess promotion candidates.</li> <li>Publish promotions and pay.</li> </ul>
<b>REMUNERATION</b>	<ul style="list-style-type: none"> <li>Make sure that you offer men and women equal remuneration for the same role - it's the law.</li> </ul>	<ul style="list-style-type: none"> <li>Change your remuneration structure and scale to reward performance and outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>Transparency is transformative. Provide salary ranges when hiring for new positions.</li> <li>Conduct annual market remuneration reviews through a diversity lens to ensure roles are being remunerated fairly.</li> </ul>
<b>MENTORSHIP</b>	<ul style="list-style-type: none"> <li>Create a formal mentorship program to support employees' progress and widen your talent pool.</li> </ul>	<ul style="list-style-type: none"> <li>Accelerate representation of women at senior levels, including the board, executives, management and team leaders.</li> </ul>	<ul style="list-style-type: none"> <li>Create networks to enable women to learn from and support each other.</li> <li>Encourage women as well as men to sponsor talented women so they reach senior positions.</li> </ul>
<b>FLEXIBILITY</b>	<ul style="list-style-type: none"> <li>Normalise career breaks for men and women for study, travel, parental or carer leave.</li> </ul>	<ul style="list-style-type: none"> <li>Embrace and create a flexible workplace.</li> </ul>	<ul style="list-style-type: none"> <li>Consider shortening the working day.</li> <li>Only require a limited number of face-to-face days and meetings.</li> </ul>

## Step 4: Actions to close your gender pay gap (continued)

### As a leader in your organisation:

- Set targets for the number of women in leadership positions. Continue to monitor the number of women and men at different levels across your organisation.
- Facilitate the creation of networks for women in your organisation. Strong networks provide access to job opportunities, knowledge, and career support and advice. Networks also serve as an avenue for the creation of long term beneficial relationships.
- Be mindful of language choices. Gendered language used in the workplace can encode gendered expectations feeding into who is employed and how employees are assessed and promoted. Language matters.
- Educate leaders and employees in your organisation on the gender pay gap.<sup>26</sup>



### Chartered Accountants ANZ:

Members surveyed in the CA ANZ Member Remuneration Survey said they wanted CA ANZ to:

- continue the annual remuneration survey
- conduct an annual pay gap analysis
- develop programs to encourage leaders, managers and CEOs to be champions of diversity.

### As a society to reduce the gender pay gap we need to:

- Revalue skills normally associated with female dominated roles and increase their pay. The pandemic has resulted in parts of the, typically female, caring and cleaning workforces receiving increased recognition for their work. With this recognition, have come calls to address the pay and conditions of these workers (OECD 2020).
- Stop undervaluing or under-paying part-time and flexible work, mind the part-time pay penalty
- Ensure that part-time roles are valued and remunerated in line with their full-time equivalent
- Normalise and enable both men and women to share caring responsibilities
- Advocate for flexible and affordable childcare
- Create scholarships and support more girls to study Science, Technology, Engineering and Mathematics subjects.<sup>25</sup>







SPOTLIGHT

CHARTERED  
ACCOUNTANTS ANZ

## Changing the lens

*CA ANZ is using a diversity and inclusion lens, reviewing their whole organisation to ensure they have equitable policies for men and women.*

Roshni Kapoor experienced first hand the flexibility measures at CA ANZ when she became a parent.

She was promoted to General Manager People and Culture while pregnant, paid parental leave and is now happily back at work three days a week, balancing personal commitments and professional ambition.

CA ANZ'S flexibility policy matured during successive COVID-19 lockdowns when almost all employees worked from home.

When other organisations reverted to office-based work, CA ANZ continued to embrace flexibility, says Kapoor. An interim hybrid flexibility model called "3-2-1" allows employees to work up to three days remotely and two days in the office, including one with their team.

"It involves an element of prescriptive flexibility but we want people to continue that connection

with their team, and for women it promotes visibility which is important to shift access to opportunities and redistribute power," she says. "It gives everyone the right to decide how and where they work."

Even though 68% of CA ANZ's employees are women, including the CEO and 8 out of 12 Board members, the peak member organisation for Chartered Accountants, like many other organisations, it still has a gender pay gap of 16%.

"Closing the GPG takes years and is multifactorial," says Kapoor. "It's really complex and requires a variety of interventions, thought and unwavering attention from leadership. CA ANZ, is trying to do that."

### Inclusion lens

In other steps to close the gap, the organisation is refreshing its remuneration framework, reviewing recruitment and career-related policies and analysing role by role for pay equity.

Kapoor's team is using an "inclusion lens" to review salary benchmarking focusing on higher and lower paying roles to understand barriers to participation, as well as map talent and succession across gender lines.

"Closing the gender pay gap is embedded as a shared KPI for our executive team, along with other diversity and inclusion measures," Kapoor says. "We are rolling out our inclusive leadership program so leaders understand their impact and have the skills, mindset and capability to create a workplace community where everyone feels they belong."

To gauge employee sentiment and discover any demographic gaps between men and women, CA ANZ conducts regular engagement surveys with questions on fairness and equity in compensation. It is also currently reassessing its parental leave policy as a priority intervention for addressing the 'motherhood penalty'.



Roshni Kapoor, General Manager  
People and Culture



# Step 5: Embed diversity and change the culture





# Step 5: Embed diversity and change the culture

*A diverse workplace makes your organisation desirable for employees and increases opportunities for success.*

## Educate leaders and employees on gender equality

Skewed awareness of the gender pay gap highlights the need for all employees, and men in particular, to understand the difference between pay equality and the gender pay gap.

All employees and leaders also need more education about unconscious bias so they can tackle gender equality issues fairly.

### The bias barrier

Unconscious bias is a significant barrier preventing women from adapting and succeeding in workplaces. It is often extremely difficult to detect, both by those who benefit and by those who are disadvantaged.

Biases influences decisions on hiring, promotions and setting salaries as well as small behaviour decisions, such as who a manager asks

for an opinion, who is offered or volunteers to undertake a challenging task and who is called out at meetings to applaud their achievements.

Although discrimination is illegal in New Zealand and Australia, many people still make decisions unaware they may be influenced by possible biases.

Hold compulsory education on unconscious bias online or face-to-face for all employees, particularly leaders. This must be followed up with specific actions to change your organisation's culture.

Leaders and employees need to understand why your organisation should bridge the gap and understand how it benefits them personally and your organisation generally. Armed with an understanding of diversity, leaders should be then held accountable for their organisation's progress on becoming more inclusive.

## Make recruitment and promotion gender neutral

Gender bias creates inequality in recruitment. To improve this practice, make sure job advertisements contain gender-neutral wording that doesn't perpetuate stereotypes. Gender-neutral scenarios should also be used for selection. Include women on the panels for hiring and then promotion. If necessary, employ external consultants.

Conduct well-considered performance reviews that provide all employees direct feedback about their performance. This helps women in particular build on their strengths and improve their skills. Research shows that hiring diverse talent isn't enough on it's own. Women remain and thrive because of the workplace experience and culture.<sup>27</sup>

Recognise that women also need specific training from mentors or sponsors to encourage them to ask their managers for promotions. Women in general are less confident than men at bargaining with their employers for higher wages. Men are more likely to ask for a pay rise than women.<sup>28</sup>





## Start-up embeds diversity

*A fast-growing digital investing platform is trying to create an inclusive culture to attract more employees.*

Sharesies invests clients' money in publicly listed companies on the New Zealand, Australian and American stock exchanges.

Founded in 2017, Sharesies more than tripled its employees to 145 from 45 people in the past year. About half its employees are women, or non-binary, and 57% of managers are women and/or from minority ethnic groups, says Anna Liumaihetau Darling, Head of People Experience.

Sharesies is embedding inclusive practices to attract the best talent and encourage diversity. "The starting point is to address our language so that we don't exclude anyone," says Liumaihetau Darling. "We don't want everyone to be the same. We want people who are open, positive and are as excited about our purpose as we are – it's definitely not a cookie cutter workforce."

Sharesies conducted its first remuneration review this year and discovered it still lacked women in technology roles. The company is taking steps to grow its talent pipeline and will also shortly publish its pay bands so there's more transparency around pay.

The company recently updated its leave policy so employees who take parental leave will get their leave paid out in its entirety before returning to work, so that they don't miss out. They also receive salary increases in line with other employees while they're away.

The executive is also leading by example. When the CEO went on parental leave, two of the six co-founders shared her role. "When the CEO returned, they decided that the new "3EO" model was working really well, and decided to implement the structure permanently," says Liumaihetau Darling.

Also, because the company has promoted a lot of employees rapidly, it is developing a new leaders induction program to ensure new managers are welcomed and supported by the People Experience team and more experienced managers. In her first year at Sharesies, Liumaihetau Darling has already had two opportunities to step up in her career.



Anna Liumaihetau Darling, Head of People Experience



## Step 5: Embed diversity and change the culture (continued)

### Promote mentoring and leadership training

Offer mentorship, create networking opportunities and leadership training across your organisation, to ensure that men and women get equal opportunities to develop their careers.

Because some women perceive “a boys’ club mentality” persists, organisations need to actively encourage and support women to create networks.

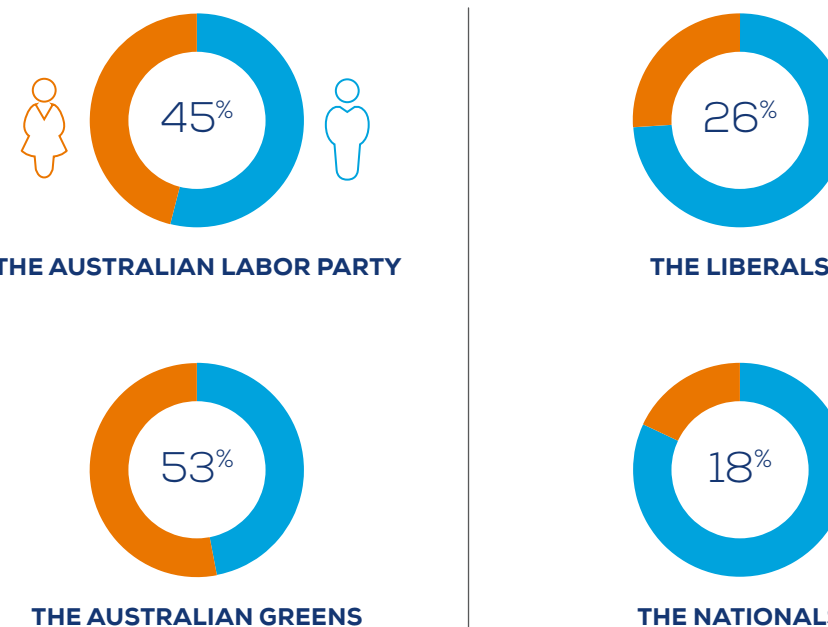
Organisations should also hold networking events during working hours so all employees can attend. In particular, events that spotlight successful women in the organisation provide opportunities for junior women to have role models, to ask questions and network.

Deloitte New Zealand (see case study) has taken an active role in addressing its gender pay gap by focusing on gender targets. The company has set goals for women’s representation at partner level and leadership positions by 2025. Management conducts quarterly reviews of the talent pipeline to ensure this is happening and also reports to the board on attrition and hiring by gender.

Encourage women to reach senior roles by sponsoring them and have partners who also advocate for them. Encourage women employees to participate in leadership programs where they’ll receive customised learning, business development and networking opportunities, and greater exposure to senior employees.<sup>30</sup>

### Gender balance targets

Total seats held by women in the house of representatives in federal and state parliament (2021)



The Australian Labor Party and the Australian Greens have quotas because they have long acknowledged change won’t happen otherwise. The Liberal and National parties have consistently opposed targets. As a result women hold only 31% of seats in Australia’s House of Representatives.<sup>31</sup>



Research shows that a critical mass of women is needed before gender balance targets are effective. Targets often ignite controversy as some view them as unjust or unfair. This can lead to disengagement from or opposition to other diversity initiatives. Also, women selected through targets may be stigmatised or marginalised if they are regarded as unqualified for the role.<sup>29</sup>



SPOTLIGHT

AUSTRALIAN  
SECURITIES EXCHANGE

## Equity leader

*Operating in the male-dominated financial markets, the Australian Securities Exchange (ASX) aims to lead by example.*

One of the world's ten largest stock exchanges, the ASX is one of the only finance organisations in Australia recognised by the government as an Employer of Choice for Gender Equality.

"Gender equality and inclusion are important to everyone at ASX," says Lisa Green, Group Executive Human Resources.

Parental leave is an example. More than a quarter of ASX employees who choose to take the organisation's primary carer parental leave are men. "We position parental leave as a gender neutral policy supporting equality," says Green.

"We know that women continue to fulfill a larger share of household responsibilities. The availability of parental leave for both parents fosters an equal division of caring responsibilities and recognises that both parents are responsible for raising children."

All employees who take parental leave continue to accrue superannuation and are entitled to the same opportunities and benefits while on parental leave.

The proportion of women among the ASX's 800 employees, including about 42 accountants and finance professionals, continues to increase annually. About 4 in 10 employees are women, 5 out of the 12 members of the executive (including the CFO) are women, and 3 out of 8 board members are too.

### Inspired to make a difference

Women are supported and inspired to make a difference in the organisation by the employee-led WE@ASX (Women Empowered) networking group, which enables women to network and learn from others in the company.

The HR team works very closely with the chair of WE@ASX and also other groups that represent LGBTIQ+, cultural heritage, wellbeing and charitable giving, Green says. "We want to ensure that we're representing our whole workforce in everything that we do."

All hiring, promotion and remuneration policies are developed with a diversity and inclusion lens to ensure no language is triggering or exclusive.



Lisa Green, Group Executive Human Resources, ASX



## Step 5: Embed diversity and change the culture (continued)

### Normalise caring and career breaks

Start from the top of your organisation and lead by example to normalise career breaks. As well as for parenthood, offer them to all employees for travel, study or pursuit of hobbies. Most people find career breaks a positive experience that helps them rebalance their lives.

Still many more women than men take parental leave. Between 2010 and 2019, some 1.24 million women in Australia received the government's paid parental leave, compared to just 6,250 men in the same period. Evidently, parental leave is not nearly as socially accepted for men as it is for women.<sup>32</sup> This won't change unless employers encourage it and more employees feel empowered to ask for it.

Women take longer career breaks (almost two years) compared to men (around one year). Almost half of women surveyed by CA ANZ who were over 30 years old had taken career breaks, compared to only one in five men. The women also felt a stronger impact of the breaks on their career compared to male respondents. These included delayed career progression or setbacks including having to take part-time jobs after the break, as well as the difficulties of re-entering the workforce.<sup>33</sup>

More women employees in New Zealand and Australia have caring responsibilities across all industries than men. In the finance and accounting industry in these countries, men working as accountants generally work four or five hours longer than women probably due to the fact that women have more caring responsibilities.<sup>34</sup>



### The motherhood penalty

Researchers in New Zealand found a clear "motherhood penalty".

Once they become mothers, women's hourly wages drop on average by 4.4%.

Mothers who returned to work after more than 12 months faced an average decrease in pay of 8.3%.

Men experienced no significant decrease in hourly wages when they became fathers.<sup>35</sup>

In Australia, the Productivity Commission estimated that 165,000 people, mostly women, would like to work, or work more hours, but can't

because of lack of affordable and suitable childcare.<sup>36</sup>

In the 2021-22 Federal Budget, the Australian government delivered a \$1.7 billion boost to childcare aims to address this and encourage mothers to re-enter the workforce. Also, having access to nearby childcare or even onsite facilities in your organisation encourages women to return to work.

Three-quarters of full-time working fathers in Australia have a partner who was not in the paid workforce or worked part-time, while only 15% of full-time working women had a partner in the same situation.<sup>37</sup>



SPOTLIGHT

BRENDAN HERDER CA

## Parents sharing the caring

*Brendan Herder CA took parental leave for six months to care for his two children and says it improved the quality of his parenting.*

Brendan Herder was a Senior Advisor at the New Zealand Treasury when his first child was born in 2017 and he decided to take an extended period of parental leave.

“It was primarily about spending quality time with our daughter, but also had an added benefit of reducing the interruption to my wife’s time in the workplace – instead of her taking 12 months off,” he says.

His managers were initially surprised but supportive, while many of his male colleagues were particularly encouraging. “I think some of them were actually a little envious that it’s not something that was really considered possible only a short time ago.”

Being the primary carer for six months was very hard and involved a lot of multitasking, he says. Initially, he’d planned several home renovation projects, such as extending the deck, but soon realised he didn’t have time.

Returning to the Treasury was challenging and put his brain into a different gear. “I came back refreshed with a renewed

purpose in what I was there to do. Of course, there was a bit of an adjustment period with a new priority in my life (my child) and getting into a new routine, but it was great.” He says he didn’t face any discrimination with promotion prospects or involvement in interesting work.

Herder enjoyed parental leave so much that he took another six months leave when his second child was born in 2020. By then, he was working at PwC. While on leave this time, with space for reflection he decided to move to his current role as a senior advisor at the New Zealand Infrastructure Commission, Te Waihangā.

Now that both Herder and his wife have both been primary carers, Monday to Friday, Herder says it’s equipped them to be very equal and interchangeable as parents.

“It’s really positively affected the dynamics of our relationship and our parenting. If one of the kids gets sick or wakes in the night, then either of us can be there for them. It’s been huge for me to spend so much time with them when they’re so little.”



Brendan Herder CA, senior adviser at New Zealand Infrastructure Commission, Te Waihangā



## Step 5: Embed diversity and change the culture (continued)

### Embed flexible work practices

Flexible work benefits both men and women. When men work flexibly they can then increase their caring responsibilities and take the burden off their partners, increasing their capacity to progress in the workforce - if that's what they want to do.

Encouraging all members of an organisation to work flexibly empowers your junior employees to work flexibly too. Better still, embed flexible work practices in your organisational structure and redesign roles so they don't have to be 100% face-to-face. Allow employees to work flexibly for any reason as long as they complete tasks and attend face-to-face sessions when required.

The COVID-19 pandemic and ensuing lockdowns has forced every organisation in New Zealand and Australia to embrace flexible work practices to some degree. Some workplaces already had the existing technology and policies set up to do this so the transition was smoother.

Those organisations with this agility had a competitive advantage, others have had to catch up quickly. Organisational financial support to set up a home office is also important. In the longer term, savings from reduced office space could be used to support individuals working remotely.

Working virtually with employees, teams and clients has meant a significant behavioural change from leaders at all levels of the organisation. From a gender pay gap perspective, this has benefitted women because they have more time to balance their professional and personal commitments.

### Straddling home and office

Many organisations have maintained these policies, some allow employees to engage in flexible work others can develop their own schedules straddling home and office.

CA ANZ has developed a 3-2-1 policy where employees can work three days at home, two days in the office and one of those days must be working with their team. It's up to leaders across the broader accounting and finance profession to lead by example and embrace this cultural change, to acknowledge the business case to attract and retain talent to benefit the bottom line.

In the CA ANZ Member Remuneration Survey, eight out of ten women rated flexibility as the most important aspect of their workplace followed by fair remuneration and quality of leadership, while 68% of men rated flexible workplaces as most important and then fair remuneration and meaningful work.







## ACT TO CLOSE YOUR PAY GAP

- We encourage you to use the tools provided in this playbook to investigate and act on the gender pay gap in your organisation.
- CA ANZ is committed to conducting annual remuneration surveys and pay gap analysis to keep you informed about progress in your profession.
- Be part of the change. Act now to close the gender pay gap.
- Join our programs to encourage our leaders, managers and CEOs to be champions of diversity.



# Acknowledgements

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