

Women in Finance

Beyond the Numbers



The 100% Project and The Group of 100 acknowledge the traditional custodians of country throughout Australia and pay respect to their Elders past, present, and emerging. We celebrate the diversity of First Nations peoples and their continuing connection to land, water, and community. We extend that respect to Aboriginal and Torres Strait Islander people who are part of The 100% Project and G100 communities.



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Forewords

Alison Harrop

Group of 100 Board Member
Board Member on Diversity & Inclusion Committee
Chief Financial Officer, Stockland

When the Group of 100 (G100) formed the Diversity and Inclusion working group (now a sub-committee of the Board), we wanted to do something that would shine a light, not just on the business case for diversity, equity and inclusion and why it is important, but on gender bias in jobs in finance.

While women and men appear to be graduating from university and joining the workforce in equal measure, the statistics tell us that women are less likely than men to stay in the workforce. You simply have to look at the number of women occupying senior leadership roles to see that this rings true. This is even more prevalent in financial jobs, and we were keen to know why.

We wanted to spend time uncovering and exploring the barriers to progression for women working in the finance sector so we could understand this puzzle.

We recognise that there is no one 'silver bullet' solution; simply opening a discussion around why women are not achieving equity in advancement, would not solve for this issue.

After spending time exploring the barriers we identified, we wanted to give organisations practical tools that would allow women to push past them and create a more even playing field in finance functions.

We needed data in order to see what the issues were and look to what had been achieved in other areas. As a result, we met and partnered with The 100% Project, an organisation that conducts research across Australia, challenging mindsets and informing organisational practises with a view to fully realising the leadership potential of all genders.

So, that is our story; please enjoy our research and we hope the six key success factors and 21 recommendations we have put forward for you to consider help to remove the barriers to progression for women working in finance positions and allow us all to create better businesses for tomorrow.

Kathryn Stevenson

Board Member and Chair – Research Committee, The 100% Project

In recent years, the pursuit of gender diversity, equity, and inclusion (DEI) has gained momentum, reshaping various sectors and industries worldwide. There are encouraging changes in Australian leadership, with more women taking up senior roles in public, private and not for profit organisations, and at the same time we are seeing the introduction of new policy initiatives. And yet, there is still much work to be done.

It is with great pleasure that we present this research paper, which sheds light on the challenges, opportunities, and transformative potential that lies within the realms of gender diversity in the Finance industry.

Research plays an indispensable role in leading the charge for gender DEI changes: it helps us to challenge beliefs and paradigms to create systemic and behavioural change so we can achieve 100% gender balance in Australian leadership; sooner rather than later.

We extend our warmest congratulations to the G100 for their leadership and commitment to gender DEI initiatives within the Finance industry. We are grateful for their support and the way in which we have been able to collaborate together to make this research possible.

As a membership organisation representing the Finance profession, the G100 embodies the potential we discuss in Success Factor 5 - Creating the Ecosystem for Change. By providing a platform for collaboration, advocacy, and knowledge-sharing, they provide a supportive ecosystem that enables gender DEI to flourish within the Finance industry.

However, true progress requires collective effort. We call upon all leaders in all industries and professions to lead the change we need and embrace not-for-profit advocacy organisations and research endeavours aimed at advancing gender equity such as that outlined in this report. Only by working together can we create lasting change. All industries, the Finance industry among them, have a pivotal role to play in shaping a more equitable future, and it is our shared responsibility to not only champion the cause, but to actively make change possible.

The pursuit of gender equity is not just an aspiration; it is an imperative. I hope this research paper serves as a catalyst for further dialogue, action, and meaningful change.

Executive Summary

The 100% Project and The Group of 100 partnered in this research project aimed to understand the current gender DEI initiatives in Australian ASX100 organisations, the common barriers to improvement and key factors that differentiate successful initiatives.

In particular, this research focused on finance professionals, giving voice to gender DEI experiences to a profession and a function outside the Human Resources department, where most current gender DEI initiatives originate and operate. The purpose of this report is to inform today's leading CFOs of an unbiased assessment of the key elements underpin successful gender DEI initiatives, which in turn, contribute to creating better businesses for tomorrow.

Six key success factors emerged through this study, and 21 recommendations were put forward for consideration. Each of the success factors encapsulates a component that is well-established in the gender DEI literature, and a component that provides a new lens to the current understanding.

Success Factors

1

Tapping into the Why

Building awareness, recognition, and responsibility for bias

- Recommendation 1.1** Provide training and support to create bias awareness and mitigation.
- Recommendation 1.2** Explain the rationale for people with different values and beliefs and be prepared to address the discomfort.
- Recommendation 1.3** Embed reflective practice into training for people to explore their own why.
- Recommendation 1.4** Use transparent policy and decision-making, alongside targeted training to mitigate potential subjective and systemic biases.

2

Pivotal Leadership

Stewarding the change with commitment and capability

- Recommendation 2.1** Build genuine leader commitment from people with appropriate authority and status to champion DEI projects.
- Recommendation 2.2** Making DEI competencies and skills essential criteria for leader recruitment and promotion, as well as ongoing performance expectations.

3

Using data to rewire the system

Using meaningful measures, targets and data to rewire the system

- Recommendation 3.1** Measure equity progress and outcomes appropriately.
- Recommendation 3.2** Consider the intersectionality of people when selecting measures and targets rather than drawing conclusions based on a single measure.
- Recommendation 3.3** Foster a psychologically safe work environment for people to question the measures or decisions; and for women to fully participate in their leadership roles.
- Recommendation 3.4** Measures and targets should represent the full employee lifecycle, rather than focusing on the initial recruitment alone.
- Recommendation 3.5** Measures and targets should be fair and achievable based on the nature and constraints of the role.

4

Promoting a Pipeline

Internal and external factors influencing talent management

- Recommendation 4.1** Selection of interventions should be based on the causes of the leadership pipeline issues at different levels of the organisation and based on the unique situation of the organisation.
- Recommendation 4.2** Develop multifaceted initiatives that address the complex reality and meet the DEI needs.
- Recommendation 4.3** Create and implement procurement policies that drive gender DEI in the industry.
- Recommendation 4.4** Extend reflective gender DEI practice beyond activities within the organisation.

5

Creating the Ecosystem for Change

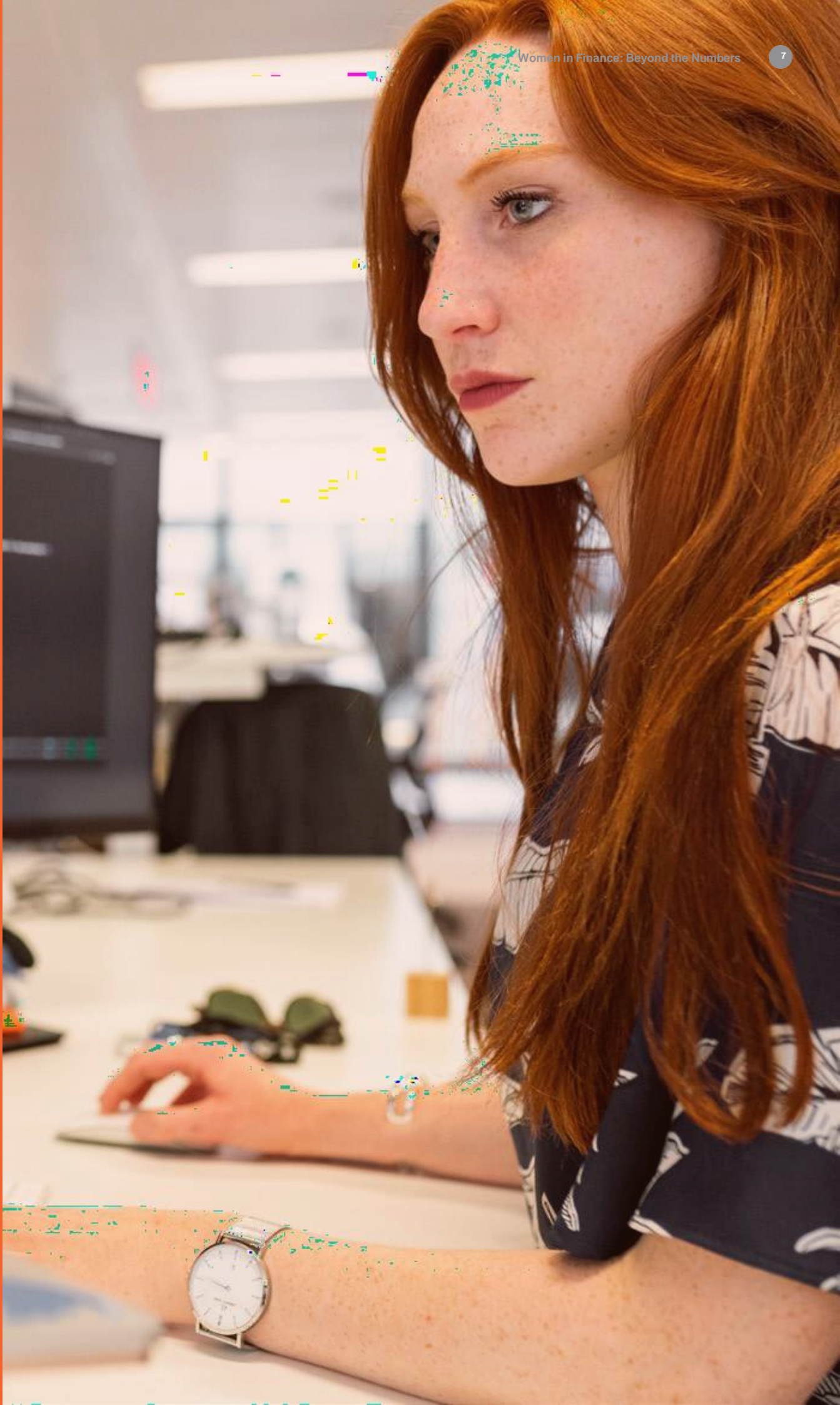
Broad implementation, local fit

- Recommendation 5.1** Creating a DEI culture by embedding gender DEI in the policies, practices and procedures.
- Recommendation 5.2** Create forums and spaces for people to share their thoughts about social norms and cultural expectations.
- Recommendation 5.3** Participate in and sponsor innovative solutions that involve systemic changes.
- Recommendation 5.4** Establish and build alliances that connect the industry or profession.

Maintaining Momentum

Sustained time, effort and resources for gender DEI

- Recommendation 6.1** Understand and accept the costs and compromises required in the short and long term to enable gender DEI success.
- Recommendation 6.2** Being curious rather than judgemental about the different emotional reactions as some may have been on this journey much longer than others.



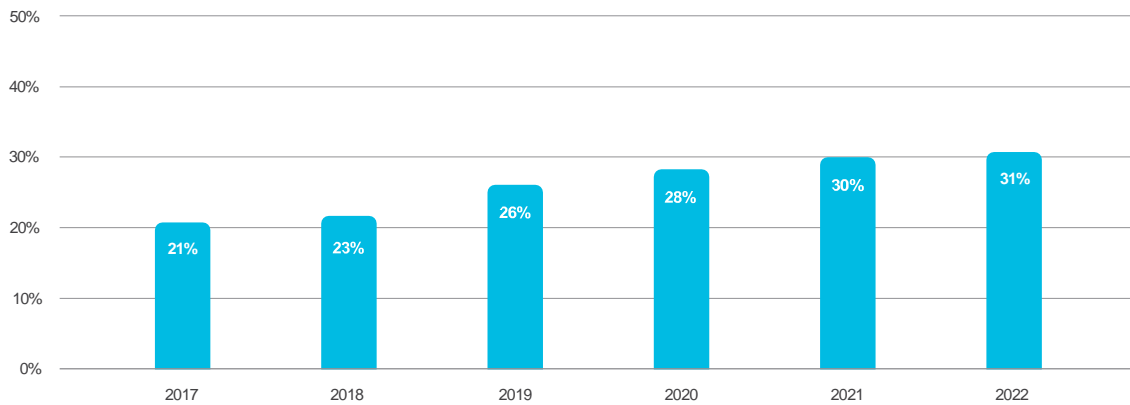
Introduction

It's no secret that achieving gender diversity across corporate Australia has been an ongoing battle for many years now. Despite being awarded equal pay in 1969, the gender pay gap remains entrenched in Australian workplaces^{i,ii}, and workplace discrimination continues to be an issue for all Australiansⁱⁱⁱ.

In addition to this, the number of women occupying senior leadership roles in ASX100 organisations does not reflect the fact that women graduate from universities and take on graduate positions at higher rates than men^{iv}. This would suggest that the issue, for many industries, is not just bringing women into the workforce, but keeping them there.

This is further reflected in the fact that although at lower levels of organisations, gender representation is becoming more balanced, representation of women on leadership and executive teams, as well as on boards, remains low. ASX100 data concerning the number of women in executive leadership positions clearly demonstrates that while there has been some progress in this space over the past six years, the momentum has plateaued (see Figure 1).

Looking at the finance industry in particular, the outlook shares a similar trend. In 2022, only 27% of ASX100 Chief Financial Officers (CFOs) were women. This in an industry where a large proportion of the graduate workforce is female, and diversity should be of particular concern given that CFOs form a large part of the CEO talent pool^v, highlighting the need for finance departments to take active steps in the gender DEI (Diversity, Equity, and Inclusion) space

Figure 1. % Women in executive leadership positions in ASX100 organisations

Source: Chief Executive Women (CEW) Senior Executive Census 2017, 2018, 2019, 2020, 2021; The 100% Project 2022.

Research has consistently pointed to the benefits of having a more gender-balanced workforce, with advantages such as increased collective intelligence, decreased risks of groupthink, and increased collaboration being highlighted in both academic and corporate research. Connected to these individual outcomes, numerous research studies have demonstrated there is a range of business and organisational benefits associated with greater gender diversity, including more positive corporate culture, increased innovation, greater product quality, and improved business performance^{vi, vii}.

For many organisations hoping to either capitalise on these benefits or to be seen as leaders in the gender diversity, equity, and inclusion (DEI) space, increased effort is going to be required if meaningful change is to be achieved. Yet, to focus solely on what still needs to be done ignores the fact that many organisations have been on this journey for years. The people who have worked towards, or witnessed, changes (small or large) in their organisation have a unique perspective of what has worked (and why) and what barriers have gotten in the way. Further to this, as we approach 2023, a year that sees the end of COVID-19 restrictions, we are coming to terms with a new way of working and starting to see the impacts of these changes on our workplaces. This period has highlighted more strongly than ever that workplaces are not stagnant, but rather in a state of constant change, and so this report also highlights a range of new considerations for existing issues.

The current report unpacks the stories, experiences, and warnings of 15 organisations from the perspective of their CFOs and finance teams to better understand what works, what is holding organisations back, and how finance professionals can play a role in achieving gender DEI.

Data was collected from three key channels, that have been integrated into the findings outlined below:

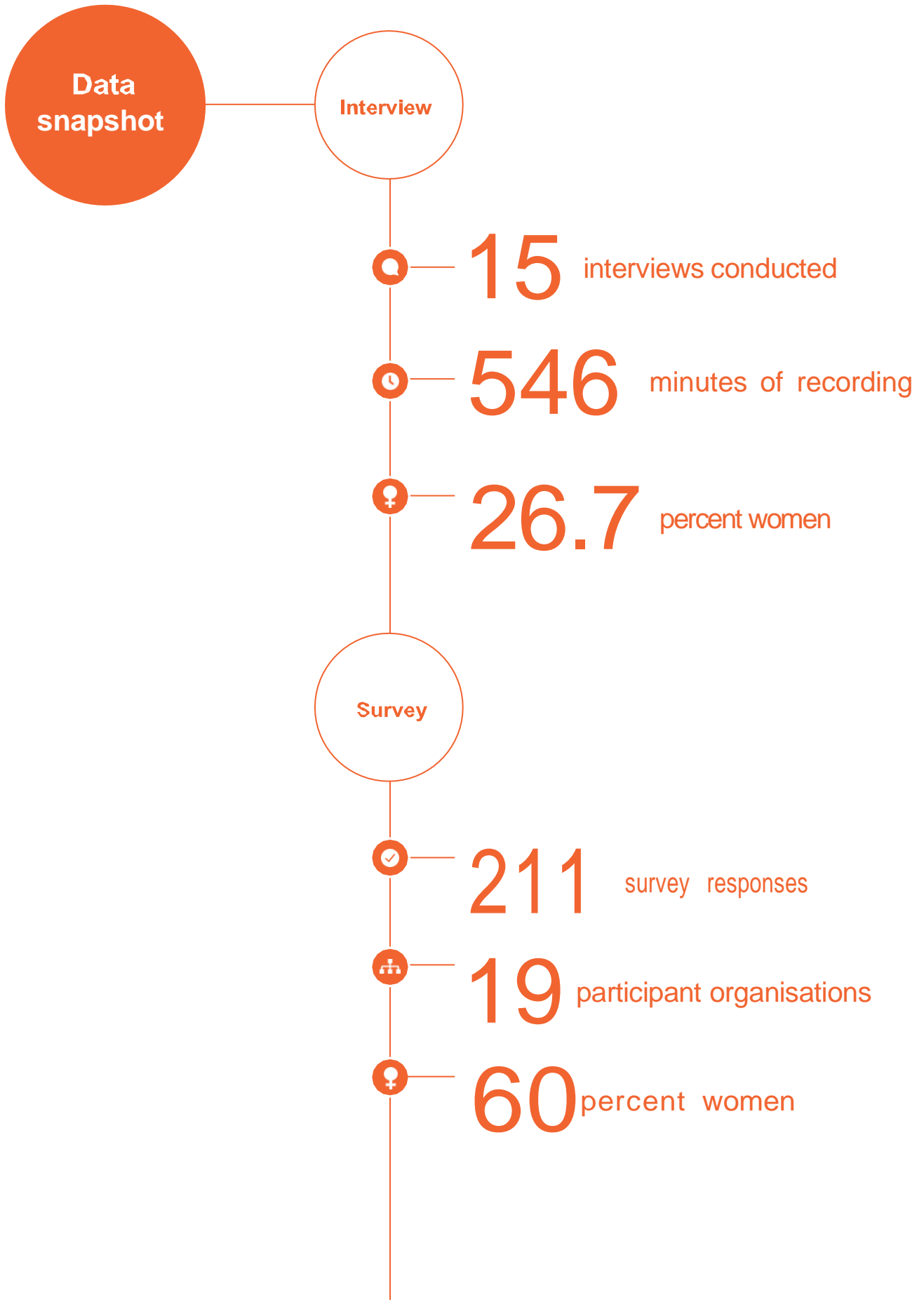
Data channels



Findings

To distil the data we collected through our desktop research, our survey, and our interviews, we have focussed the findings of this report into four key topics: success factors that have contributed to positive change; barriers and challenges organisations are still facing in achieving their gender DEI goals; what they have seen to be the impacts of COVID-19; and what role CFOs can play in the fight for gender DEI.

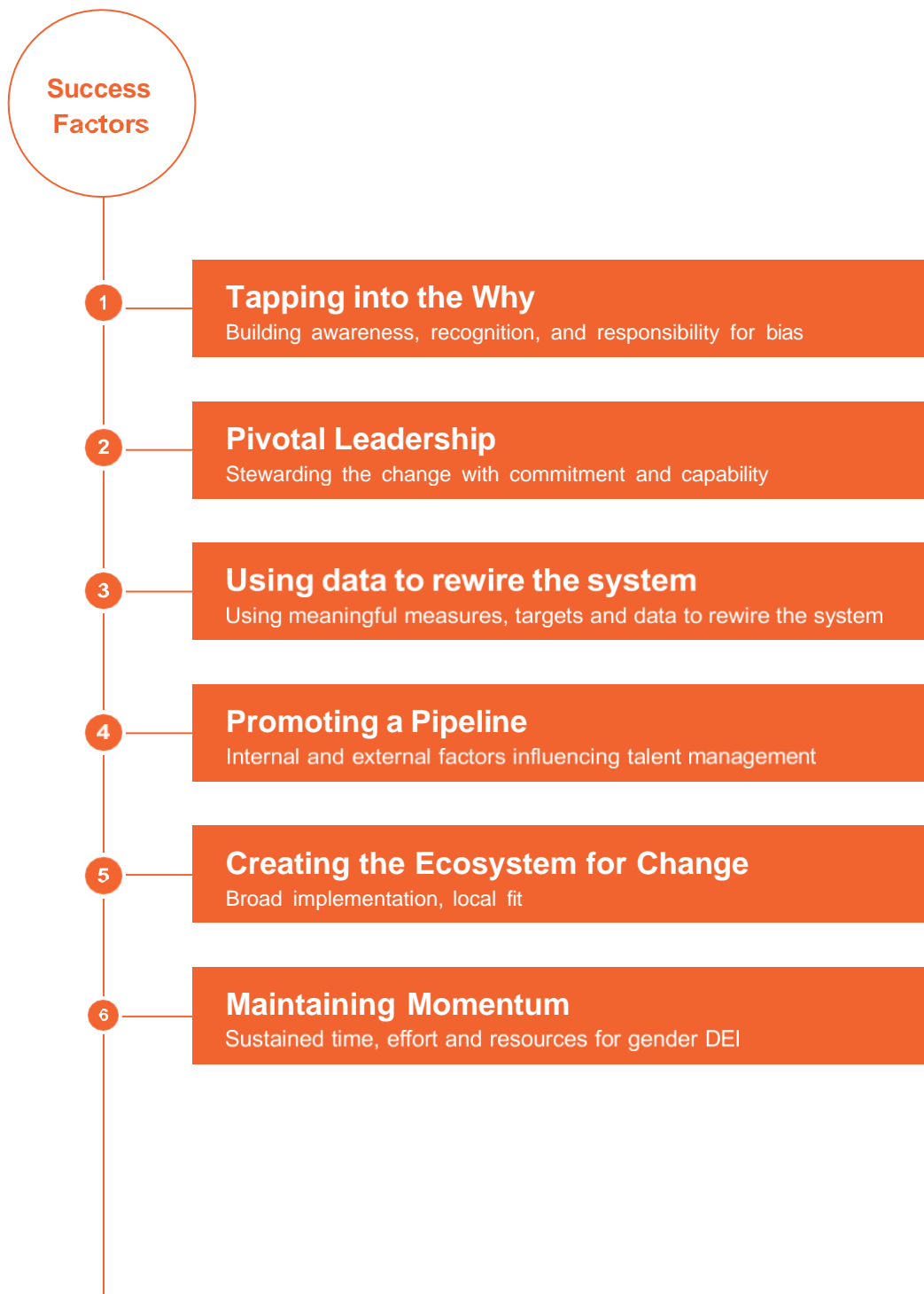




Success Factors

Six critical factors emerged through this study that underpin the success of gender DEI initiatives. Within each success factor, there are elements that have been well documented in the literature or widely discussed in the popular media. There are also elements within each success factor that may extend and challenge our current understanding, and some are particularly pertinent to finance professionals. These 'Provocation to Finance' pieces are presented in callout boxes alongside each success factor. Figure 2 illustrates the Six Success Factors model, and the following sections of the report expand on each factor. While the factors are discussed in sequence, the order is not a reflection of weighted importance.

Figure 2. The Six Success Factors for gender DEI initiatives



1. Tapping into the Why

Awareness, Recognition, and Responsibility for Bias

“If you know the why, you can live any how” — Nietzsche

This sentiment of needing to understand one’s motivation in action has resonated throughout the centuries. From Viktor Frankl – search for meaning and purpose through the sufferings in Auschwitz, to popular author Simon Sinek being quoted prolifically for his book *Start with Why: How great leaders inspire everyone to take action*, the common thread is clear and echoed by the participants of this study.

“Because not everyone gets the ‘why’ – and everyone’s ‘why’ is a little bit different... But for me, I think, ensuring that it matters in the right places, will make it work.”

While the why is important, people can make assumptions or project their own thoughts to explain the behaviours and beliefs of others. Subsequently making decisions or reacting to situations based on these unsubstantiated views. People who are on the other side of the table could also make assumptions about how obvious their rationales are for thinking or acting ‘differently’.

Recognition of Why

Numerous previous research papers and thought pieces discuss the theories and models that leaders can leverage to drive effective transformation. Fundamentally however, most can be traced back to systems justification theory, bias, and cognitive dissonance. The next paragraph will discuss the G100 research results in relation to how uncovering these can help tap into the ‘why’ for change to improve DEI. Systems justification theory suggests that one barrier gender DEI is a motivated tendency to view the organisational system as fair, as it worked for the leaders in the current system, resulting in leaders not wanting to change the status quo^x. Identifying and recognising one’s bias, as one interviewee put it, is “actually really confronting”. If, as systems justification theory suggests, doing so also shakes one’s worldview, it poses the question that change professionals often use to make change stick – what is in it for the individual, why would they support the change? We know that there are organisational and team-level benefits to recognising and bringing awareness to unconscious bias, but what are the benefits for individuals?

“Making it matter. So, all of the leaders have it as a KPI and are remunerated against it. I think that’s an important thing that’s only gonna work if it matters to people. I think we’re lucky too, because our clients, my clients, are asking for more diversity on teams. And so, I think then it becomes a business issue, not a personal issue.”

Literature as well as the G100 research data suggests that it speaks to the motivations and rationales each person formulates to either participate in or distance themselves from gender DEI initiatives. In psychology, this is described as cognitive dissonance. The discomfort experienced when a person confronts conflict within themselves due to a situation such as, for example, a new DEI initiative. One survey respondent gave an example of an unsuccessful gender DEI initiative, i.e., wearing rainbow stickers on name tags to show solidarity for the LGBTI community. This participant reported:

“As a Christian this is not aligned with my religious views. Whilst sexuality is totally unrelated to [the] role and I have no issues working with, being friends with or personally supporting LGBTI people I know, the stickers feel like they are advocating for it, and so I don’t feel comfortable wearing one. Given the strong encouragement to wear one, I feel this is getting to the point of suppressing another minority.”

The cognitive dissonance in this example is salient. This person has a strong personal identity as a Christian, and the act of wearing a rainbow sticker created discomfort within him and felt like he had to take a side between his own identity and conformity to the company initiative. In this scenario, most people would choose to maintain beliefs that are consistent with other parts of their identity. As part of successful gender DEI initiatives, organisations need to acknowledge the internal conflict they are asking their employees to engage with. In psychology, to recognise and reduce the sense of conflict or bias, it is important to understand the cognitive triangle – the interconnected relationships amongst our cognition, behaviour and emotion^{viii}. Research shows that the pattern between thoughts, feelings and behaviour cannot be broken without intervention, and the intervention may start at any of the three points. Traditionally interventions of this nature are used in therapy settings however, the application of this model can be useful in understanding the differing reactions people hold towards any DEI initiatives. For example, the G100 research suggests that unconscious bias training is one way to intervene at each of the three aspects, and tap into the personal why for change.



"One of the most powerful things that we did, both as a board, a leadership team and leaders across the organisation is we went through an exercise of unconscious bias training. It was confronting. It was really, really confronting at times. When you stepped through that, you could see why sometimes it would lead to decisions that may not be as appropriate or [...] why you might talk about something like diversity and inclusion, but it doesn't eventuate."

**Recommendation 1.1:**

Provide training and support to create bias awareness and mitigation.

If an initiative demands change in behaviour, we need to ensure that the why we propose either aligns with people's existing thinking or looks closely at any discomfort we are creating for people. Thoughtful intervention rather than kneejerk action is critical. Failing that, the reaction could be (as was provided in one survey response):

"I am actually getting quite sick and tired of hearing about this topic. Everybody is banging on about it."

**Recommendation 1.2:**

Explain the rationale for people with different values and beliefs and be prepared to address the discomfort.

The why will be different for all and there is nothing wrong with that. The why does not have to be value-based, or internally motivated, it could be externally motivated (e.g., for performance, or financial incentive). The most important thing is that organisations embed coaching and reflective practices into the training to ensure people can find and explore their own why.

**Recommendation 1.3:**

Embed reflective practice into training for people to explore their own why.

The fact that bias is still permeating business decisions across the employee lifecycle gives cause to spotlight this as both a systemic issue and a success factor that can drive change across the DEI space for finance professionals. Our research highlights that the recognition and awareness of bias through training and the responsibility of removing or minimising bias through processes and systems as key factors for success. However, our research also brings to light that without recognising the personal 'why' or motivation for changing biased behaviour, organisations are unlikely to be successful at shifting bias at work. The following will discuss the different types of cognitive biases that may influence our awareness and motivation when it comes to gender DEI initiatives.

Bias Awareness

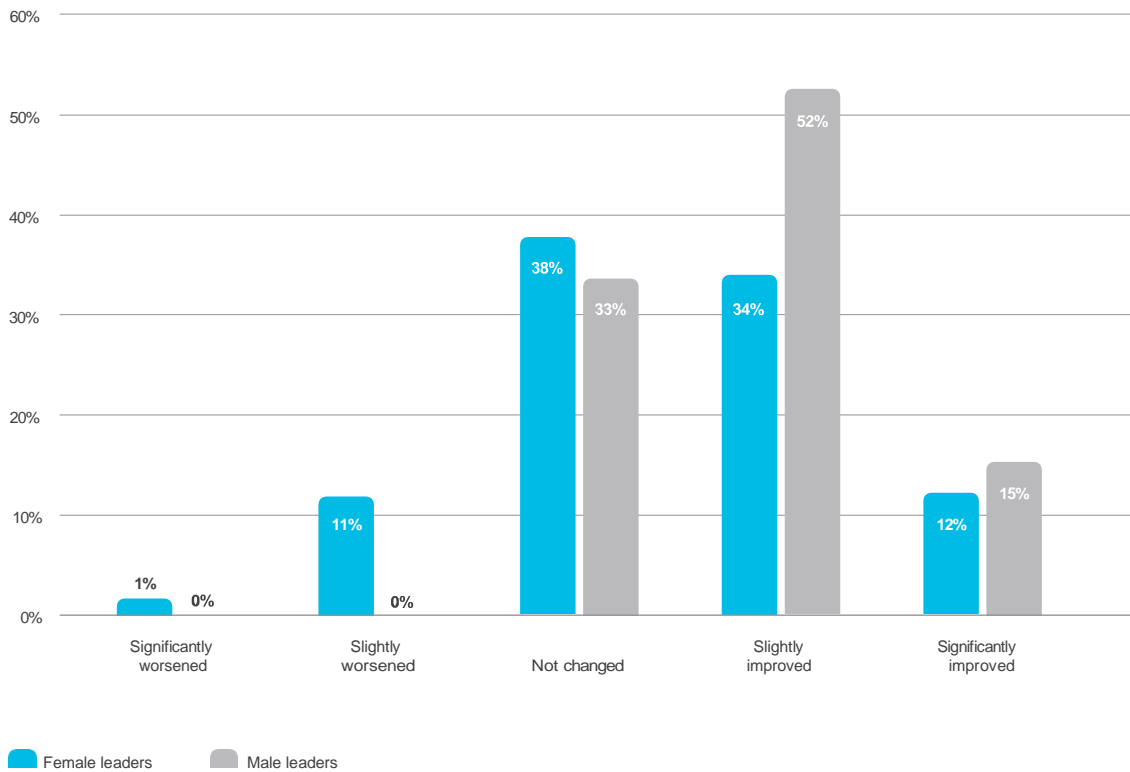
There are three core and one overarching set of biases that literature has shown can inhibit DEI initiative success. The three include, **unconscious bias**, **affinity / like me bias**, and **maternal wall bias**. In the following paragraphs, we present the data in relation to these three biases and how systemic bias and cognitive dissonance have a role to play in perpetuating or alleviating the bias. Both survey and interview responses highlighted **unconscious bias** training as both a successful initiative that has been implemented and a current barrier for achieving DEI across finance roles (see survey data in graphs). One of the challenges seen with overcoming or bringing awareness to unconscious bias is the depth to which biases are ingrained within individuals' thought processes and behaviours. One interviewee stated that "at a very early stage [in life] girls and boys are taught to play with different toys girls with dolls and boys with trucks... [which] creates bias". This highlights that by the time an employee gets to an organisation, they have operated consciously or unconsciously with these biases for many years. If they have successfully operated in a male dominated work environment for many years beyond that, as many finance professionals have, they may support gender equality initiatives or recognise that their biases contribute to gender inequality but might not be incentivised to intervene^{ix}.

"Because if the current leader of an organisation or a team, at whatever level in the organization, has worked in a male-orientated organization or team structure, they are going to be used to working with males. And when the time comes to promote somebody within that team, to the next level, to work for them, or to be part of the leadership in that organization, the bias is going to be there".

This is significant, as research shows that senior leaders, particularly male senior leaders, and those that are male senior leaders, are more likely than lower-level employees to believe that gender equality exists within their organisations^{viii}. This was evidenced in the survey data collected, whereby CFOs tended to believe the greatest barrier to DEI for people in finance was due to a lack of leadership buy-in and/or a lack of female leaders rather than unconscious bias. Additionally, male senior leaders reported a more positive view of the action their organisation had taken to improve DEI in the past twelve months than women leaders (see Figure 3). In finance, this could be due to the historically male workforce promoting an **affinity bias** – the natural tendency to prefer, network and socialise with people who are like us. This is a bias that fosters the 'boys' club' culture and provides men with important career sponsorship. Excluding women from the 'club' because they are 'not like them', causing them to miss out on important networking opportunities^x. Not only do they miss out because they are not in the 'inner circle', but also because those organising the events are unlikely to plan around commitments that women typically assume (e.g., family commitments). Literature demonstrates that women, especially those with children, often feel excluded from the networks men benefit from, which distinctly disadvantages them when attempting to achieve a senior leadership position^{ix}. These ideas were reflected in the comments made by one CFO (Chief Financial Officer):

"If you're trying to create a sense that this is not just a boys club or kind of people that you hang out with, you have to be more inclusive as a leader, just in terms of the people that you engage with, that you bring into the conversation."

Figure 3. Compared to 12 months ago, the performance of your organisation in the gender DEI space has...



Women finance professionals are likely experiencing the same disadvantage due to the societal norms about women's roles as carers and nurturers^{ix}. In the literature this is referred to as **maternal wall bias**. A double bias that causes a drop in career success experienced when a woman becomes pregnant, while on parental leave, or upon return to work after parental leave. This places pressure on women to accept inferior terms and conditions to accommodate their domestic obligations^{xi}.

Responsibility and Action for Bias

As can be seen, it requires ‘a leap to break the bias’, one of awareness, recognition of the personal why and responsibility for action. The G100 data recognised the need to match DEI policies with either KPIs, stronger gender balance in decision-making processes, or training to maximise success. There is a need for CFOs, leaders, and all employees in financial services to stamp out or minimise bias from decision-making processes across the employee lifecycle. Our research and literature suggest that minimising bias in recruitment and selection, performance and promotion and networking or collaboration opportunities can improve DEI significantly.^{iv, ix, xi} For example, an inclusion policy that aligns diversity and inclusion training with bias training is one approach that G100 organisations are taking to bring awareness to bias and its implications. In addition, in recruitment and policy creation, G100 organisations are looking to ‘bring equal numbers of qualified make and females into the decision-making process.’

“So, one of the ways to break the bias I think, is to force that process, to bring equal numbers of qualified males and females into that process.”



Recommendation 1.4:

Use transparent policy and decision making, alongside targeted training to mitigate potential subjective and systemic biases.

Another way to make progress in this area may be to look at leveraging technology to enable women or men to balance family commitments and their work role or to include people of geographical and cultural diversity.

“I think there is a massive opportunity [through technology] for us to make more headway on diversity and more headway on inclusion. I think just even the ability to sort of work and dial into calls means we can include different people from different parts of the world.”

Given the complexity of shifting bias in financial services, given its long-standing male-dominated workforce and limited senior leadership diversity, CFOs have a critical role to play. CFOs need to role model, empower, and collaborate with the business and researchers to build the case for individuals to be motivated to become aware of and responsible for their biases, their why and how that plays out across the workplace.

I think it's really important to be accountable for gender diversity and that if there isn't an important line of accountability sitting with the CFO and finance team, then it becomes someone else's problem to solve.”

Provocation: ‘How effective is unconscious bias training?’

The data collected in our survey supports the growing understanding that unconscious bias training is one of the most popular interventions when it comes to gender DEI in the workplace. Despite its popularity, there is ample data that suggests that bias awareness training can be extremely hit-or-miss when it comes to organisational outcomes.

One of the key risks of this training is that it can become a ‘tick the box’ activity whereby participants breeze through training that doesn’t require them to fully interact, engage, or challenge their thinking, leading to the perception that an organisation is ‘doing something’ about gender DEI even though no change is occurring. This can then become a further barrier to enacting more efficacious initiatives that could result in greater change.

Additionally, while some research suggests that these programs can be effective in changing individual’s views in the short-term, they do little to address systemic and institutional barriers to equality and may also have limited effectiveness at actually creating long-term attitude change. Some research even suggests that this type of training can normalise bias and provide individuals with an excuse to continue behaving in a discriminatory way^{xii}.

Given this research, what should organisations be doing in response? Does unconscious bias training still have value to add? What are the best practice principles of unconscious bias training?



2. Pivotal Leadership

Stewarding the Change with Commitment and Capability

Pivotal leadership describes the need for leaders to commit to and own gender DEI initiatives when they occur within organisations. This emerged as one of the strongest themes from the interviews with CFOs when asked about the key factors that make for a successful gender DEI initiative, and this aligns with established research and theory. Almost all change management frameworks highlight the need for effective change leadership – someone (or more than one person) with the appropriate authority and status to guide the project along and create support within the organisation.

While at a high level, this success factor will not come as a surprise, it emerged in our research with two sub-factors that bring insight into how leaders can be instrumental in DEI success. Firstly, the need for leaders to demonstrate a strong commitment to DEI in their behaviour, and secondly, the need for leaders to show DEI capability – the ability to foster and maintain diversity in their teams. We explore these sub-factors in more detail below.

Leadership Commitment and Conviction

For gender DEI initiatives to be successful in any organisation, the executive team must support this as a priority. As one CFO phrased it:

"You do have to have the leadership team and the executive leadership team, like a hundred percent behind it and actively pushing it and acknowledging it and talking about it and really supporting."

This means that leaders must be the first people brought on board for the initiative. They need an understanding of the reason for the change, genuine commitment to the cause, and a willingness to role-model the required values and behaviours.



Recommendation 2.1:

Build genuine leader commitment from people with appropriate authority and status to champion DEI projects.

Linking back to the first factor outlined in this report, leaders are unlikely to show genuine buy-in and commitment in cases when actions conflict with deeply ingrained biases. This is why just putting forward the business case is not enough. Research shows that leaders need to move hearts, not just minds, starting with their own.

With this in mind, the second sub-factor highlights the growing expectation that leaders of the future will have addressed any barriers that might prevent them from being fully on board with DEI change before moving into leadership roles, and that we should move to explicitly calling this out as an essential leadership capability.

Leadership DEI Capability

“It’s not okay for a leader of any sort to just ignore these concepts. We’ve been trained in it with the expectation that you now apply it and there’ll be someone who will challenge you if you’re not applying it.”

Inherent in the quote from one CFO above, is the idea of a growing expectation being placed on leaders to be trained in, competent in, and accountable to, the DEI outcomes of the organisation – regardless of the leadership position or portfolio they occupy. As we have seen from the sub-factor outlined above, leaders are required to get on board with DEI initiatives for them to be successful. So, if we are not hiring or promoting leaders with the required knowledge, skills, and ability, how can we expect them to be effective in this space?

While in the past an understanding of DEI might have been considered a ‘nice to have’ quality in leadership hires, based on our research we argue that organisations must shift to seeing these skills as essential for all leaders. One way to do this is through the institutionalisation of DEI capability as a required criterion for selection and promotion into leadership roles. Once there, leaders must be held to account both within the organisation and externally, through the collection and reporting of data and success metrics. We explore this further in our next success factor.

Recommendation 2.2:

Making DEI competencies and skills essential criteria for leader recruitment and promotion, as well as ongoing performance expectation.



Provocation: Are you recruiting leaders with DEI skills and competencies?

Our research shows that for gender DEI initiatives to be successful, the executive team must support this as a priority. In addition however, more and more leaders are expected to be competent in the DEI space and have the knowledge, skills and ability to create effective DEI outcomes.

It is possible that such competence comes at the expense of competence in other areas. How important is DEI in your organisation? Are you willing to hire based on DEI competence even if this means the leader is short on some other competencies? What if that affects the bottom line?

3. Using Data to Rewire the System

Selecting Measures and Targets aligned with Data

Our research extends the literature to demonstrate the importance of using evidence-based measures, targets, and data to help make gender DEI initiatives stick. As with the success factors discussed so far, whilst this sounds simple, getting it right can be complex, and the alternative may have severe implications. Our research suggests the need to use and apply gender DEI data, measures, and targets in combination with a view of the system and cultural factors to achieve a deeper and more sustainable change. By focusing on gender DEI numbers alone, businesses risk looking at surface results that may dwindle over time or produce different outcomes than expected because of the system's influence. To do this well, our data suggests two core focus areas.

Selecting Measures and Targets

“Well, it's like anything in life, what gets measured gets done.”

The measures and targets that organisations select and whether they are externally or internally set are critical to DEI success in three ways. Firstly, measures and targets can make or break the business case for initial or continued investment; secondly, if looked at in siloes, measures and targets may fail to tell the full story of DEI impact across the organisation^{xii}; and thirdly, effective measures and targets combined with robust analysis at the right level, can drive change through accountability and transparency around gender DEI initiatives^{xiii}.

“Yeah, look, we've got targets and we always love to meet targets and I think that's a good thing about Australians - we love a good goal, and I think that works well in our industry and our business as well.”

Reflecting on what survey and interview participants said were the biggest barriers to achieving gender DEI across finance, 50% of the female CFO participants highlighted a lack of leadership buy-in for DEI initiatives. In light of what is discussed in the factor above, this demonstrates once again the importance of achieving leadership buy-in, and one way to achieve this is through the use of data. From a change perspective, beyond tapping into the why, gaining buy-in from leadership can be achieved by a strong business case and by bringing people on the journey. To do this in a way that drives sustainable change, research suggests organisations need to measure equity outcomes and that leaders subsequently make decisions based on data that considers social, cultural, gender and wealth factors. The combination of this type of data provides a more accurate picture of equity, and equity impacts from gender DEI initiatives or desired targets than the targets would alone^{xiii}. However, our data shows that organisations are focusing more heavily on equality outcomes measured by ratios of men to women.



Recommendation 3.1:

Measure equity progress and outcomes appropriately.

This assumes that, if given equal opportunity, men and women will both thrive equally in a financial organisation and system. However, this does not account for the organisational system or the social and cultural systems within which a person does and will operate. Differing aspects of a person's identity can expose them to overlapping forms of discrimination and marginalisation, known as intersectionality.



Recommendation 3.2:

Consider the intersectionality of people when selecting measures and targets rather than drawing conclusions based on a single measure.

To tell the full story of gender DEI, build the case for investment, and create sustainable change, multiple meaningful measures and targets are required. It does not mean that ratio targets are not useful. They can be compelling reporting statistics to drive accountability and transparency. For example, many participant organisations have begun implementing the 40:40:20 target. It does mean that they should become a measure amongst a myriad of others.

"We are trying to now hit the 40:40:20 DEI representation. So, 40% of women at C level and above positions, 40% men, 20% gender flexible. And we hope to accomplish that by 2030."

What our research suggests is that to realise the true value of DEI measures and captured data, organisations need to simultaneously create the conditions for change to occur across the system, including fostering a safe environment so that people can question any bias present in selected measures or outcomes and what that means for decisions that flow on from the measures or outcomes.

"If I did not have diversity in the interview panel, someone would tell me, someone would remind me. And so, there is enough people who are alert and trained that someone will call it out and say did you think about, or why didn't you do this?"



Recommendation 3.3:

Foster a psychologically safe work environment for people to question the measures or decision; and for women to fully participate in their leadership role.

This is a demonstration of a psychologically safe workplace, where people share beliefs about being open and candid, speaking up, expressing concerns, and being heard without fear of punishment or humiliation^{xiv}. Organisations also must be mindful of whether their measures and targets are meeting regulatory requirements or are driven by a response to the needs of the industry, profession, business, and employees. Externally set targets and quotas are often met with a ‘tick and flick’ compliance approach and can produce the opposite effects for gender DEI as they may be perceived to be inauthentic. For example, women who are brought in from another industry to fill senior leadership roles so that the organisation can hit their target. This leaves the woman feeling unsafe to advocate for other women in senior leadership roles as they have no networks and are in the minority amongst the senior leadership team. The fear prompts women to fit in with the status quo and group norms, pushing them away from advocating for gender DEI or ultimately to leave the organisation.

“If you bring in one female in isolation that doesn't work. [...] Making sure that you have got enough critical mass, you've got enough mentors and buddies - all of those things together, they're really important.”

Recommendation 3.4:

Measures and targets should represent the full employee lifecycle, rather than focusing on the initial recruitment alone.

Lastly, DEI measures and targets should not just be centred around the attraction of talent, but rather should sit across all aspects of the employee lifecycle to ensure women in finance are supported, empowered, and retained.

Job design should take gender DEI into consideration by selecting measures and targets that are fair and achievable to ensure women are set up for success in the long term. One interviewee gave an example of the system challenges of measuring business success for projects whilst trying to achieve gender diversity without shifting that measure. Highlighting the need for businesses to evaluate operational rhythms, role KPIs, and processes to ensure women can be hired part-time and succeed in the role.

“So that person grappling with juggling the hours and the commitments is probably one of the key things, I imagine, that plays out across many deadline-driven type roles – that the CFOs and others probably have. So that's probably the key challenge, the deal that you sign up to in joining three days a week, it's challenging to meet when there are often project-based deadlines, etc.”

Recommendation 3.5:

Measures and targets should be fair and achievable based on the nature and constraints of the role.

As it widely recognised, women often struggle to return to work after parental leave and increasingly flexible and part-time work arrangements have been used to address this. By getting the measures and targets right (i.e., fair and achievable for non-fulltime roles), organisations can better facilitate this transition and ensure women re-enter and remain in the workforce and ultimately succeed in leadership positions.

Analysing the Data

How data is collected and analysed, and how it is interpreted and used for decision making is important. Research shows that some outcome measures such as productivity may not show up until much later post-DEI intervention^{xv}. Therefore, mapping measures to short-, mid- and longer-term outcomes that could result from DEI initiatives, will be critical for success. In addition, there needs to be a clear definition of what merit means in an organisation and how that is identified. Otherwise, different people could interpret merit in different ways through the lens of their own bias unless trained on what to look for and why. Some CFOs commented that their organisations are starting to invest in automated analytics and reporting capability for DEI to place the focus on interpretation and decision-making.

Given the finance function's strength in quantitative analysis, we could expect that *"the finance team [will play a key role in] bringing a really rational, quantitative view to back up what people are saying with data, with numbers."*



Provocation for Finance: How can the CFO role or the roles of any senior finance leaders be successfully done in a part-time or job-share capacity?

Is your immediate reaction “That would never work!”

You are in good company. However, this conclusion could result from a type of availability bias. The reason that we think that would never work, is the lack of available supporting evidence in our cognition, rather than an evidence-based logical conclusion. There is no official name for this phenomenon, yet! But it is the opposite of the Baader–Meinhof phenomenon, which describes the illusion where something that has recently come to one's attention suddenly seems to appear with improbable frequency shortly afterwards.

The positive side of availability bias is that the more we think about something, i.e., the more ‘available’ it is in our cognition, the more frequently we would notice it and are less likely to dismiss it during attention selection.

To apply this in the job design for finance leaders, it is critical to speak with people who have successfully navigated part-time or job-share positions, and learn from their experience. The more evidence and information we have, the easier it is to make it a reality.

4. Promoting a Pipeline

Internal and External Factors Influencing Talent Management

As gender equality has slowly gained traction in the corporate sphere, many organisations have come to realise that failing to take a long-term perspective on this issue poses a massive barrier to business success. While it might be a good start to put gender DEI on the agenda today, without setting up the necessary supporting systems and taking steps to institutionalise the change, backslide tomorrow is inevitable.

Throughout the course of the interviews, many participants commented on the significant impact that a healthy pipeline makes on the ongoing likelihood of success. This spanned right through the employee lifecycle, from recruiting women into roles, retaining them, and developing talent to promote them up to leadership and executive levels.

As mentioned in the introduction of this report, the finance industry is in the fortunate position of having an excess of female talent entering the workforce in the form of recent university graduates. As one CFO stated:

“It’s easier in functions like finance and marketing because of pipelines there, right? There are really good women candidates out there at various levels.”

However, this is not the case for all industries or professions. Many participants commented on the difficulty of finding and winning female talent in sectors with low supply. Examples of such organisations included companies in the manufacturing, mining, and construction sectors. So, what can organisations do about this? And even when the talent pool exists, how can we ensure that women stay in the organisation and become equally represented at higher levels?

Sustaining a Pipeline of Women

Despite the fact that finance graduate roles are taken up by women at a healthy rate, this statistic is not being translated at the higher organisational levels, a phenomenon that has come to be widely known as ‘the glass ceiling’. Although this term is well known and generally accepted in 2022, surprisingly little has been done that effectively addresses the issue – partly due to its complexity.

Diving deeper into this topic, it rapidly becomes clear that women are not well represented at higher levels for a range of reasons. According to the most recent WGEA She’s Price(d)less report^{xvi}, leading causes of this disparity include outright gender discrimination, followed by family and care giving factors that may detract from women’s participation in the workforce. This was strongly reflected in the views of many interviewees, who recounted stories from within their workplaces of gender discrimination, personal experiences of difficulty re-entering the finance profession after maternity leave, and the difficulty of balancing the demands of work with childcare responsibilities after returning from leave.

To address these issues and see more women in the workplace at all levels, organisations have implemented many and varied initiatives. Looking across the research in this field, examples of these initiatives include flexible work policies, parental leave policies, diversity and bias awareness training, targets and quotas, and mentoring and/or sponsorship, just to name some of the more common ones.

While different initiatives may have different levels of effectiveness, this can vary wildly depending on a huge range of factors such as how comprehensively the organisation has adopted the change, whether the initiative chosen accurately addresses the specific issue related to that organisation, and why the organisation is enacting it in the first place. Take, for example, the implementation of bias awareness training. This can vary in terms of the content and quality of the sessions being run, the number of staff put through the program, and the translation (or lack thereof) of learnings into work practices after the program.

**Recommendation 4.1:**

Selection of interventions should be based on causes of the leadership pipeline issues at different levels of the organisation and based on the unique situation of the organisation.

Another example that organisation might need to consider is the fact that there may not be enough roles or space to achieve those targets in the first place. One CFO participant highlighted their observation:

“I had a lot of female finance people with a lot of potential who all left the company to pursue their career because there was no vacancies or opportunity to step up. And we certainly did not feel that we should just be sacking people just to create gender differentiation.”

Despite the range of challenges, organisations are often tempted to search for the ‘silver bullet’ – the one initiative that will solve the problem of keeping women in the organisation and achieving gender DEI. Both empirical and anecdotal evidence tells us however, that such a simple cure does not exist. Rather, organisations need to shift toward a more holistic approach to gender DEI, where multiple initiatives addressing different aspects of this complex issue are implemented at the same time.

Another important consideration in the decision about where an organisation could start is the role of data. As outlined in the previous success factor, DEI initiatives are most effective when they are shaped based on data and analysis that informs leaders and change-makers of what the current state of play in their organisation is like. If data shows that women are mainly being lost from the organisation due to low rates of promotion, implementing flexible work practices might not be the best path forward. Conversely, flexible work might be highly effective if data shows that many employees are not returning to their roles after having children.

**Recommendation 4.2:**

Develop multifaceted initiatives that address the complex reality and meeting the DEI needs.

Given the many different ways the pipeline might leak, patching it blindly is unlikely to address the issue. The best place to start is by understanding what has caused the issue and then acting accordingly, with a range of initiatives that address the complex reality.

Provocation: 'Helping the Women' vs 'Fixing the System'

Following an awareness of the current issues with female representation in senior roles (and the subsequent desire to shift this), many organisations eventually transition into implementing some form of gender DEI initiative to increase female representation within the workforce.

Looking at the common initiatives that are highlighted in research and practice, two general categories emerge: one where organisations focus on removing the existing barriers to gender DEI, while the other focuses on actively assisting women into roles to 'level the playing field'. Examples of the former might include unconscious bias training and the introduction of flexible work practices, while the latter could include the implementation of women's networks and sponsorship programs, all the way through to gender quotas.

In these differences, questions arise such as if we level the playing field by forming exclusive groups for women, does that lead us down the path of creating a woman's version of the currently male-dominated arena of finance, creating a 'girls club' in place of a 'boys club'? Yet, if we do not use these initiatives that focus on 'helping the women', how long will it take to achieve true equality in leadership?

This tension highlights the nuance and complexity of this issue and shows us that often there is no one 'right' approach to achieving workplace gender DEI.

Influencing External Forces

For many organisations pondering how to sustain a balanced talent pipeline, there is the added complexity of influencing gender DEI in spaces adjacent and external to the organisation. This might be along the supply chain, within professional associations, or within schools and universities. As one CFO stated:

“Half our workforce¹ exists in the supply chain, in Australia or in the US, and it does tend to be pretty male dominated in terms of the intake. So, you know, whether it be setting targets or recruitment, it just hasn’t worked.”

There is a great opportunity here for organisations to start thinking about how they can influence gender DEI across these domains. While the gender composition of the suppliers of the organisation, for example, might not be within the direct control of the organisation, it is certainly within the reach of influence. Two CFOs pointed towards examples where this was possible, with one showing the role that consumers or clients can play in influencing these organisations:

“Clients are definitely asking for it [diversity focus]. Some have their own targets around suppliers and so it plays out in those kinds of ways as well.”

Particularly for those in finance, we can all understand that if nothing else motivates a desire for change within an organisation, a direct link to the bottom line is likely to make a difference. In cases where products and services are evaluated based on an organisation’s diversity policy and DEI achievements, organisations are more likely to be motivated to make the necessary changes. If organisations are able to make the adjustment of making this part of the criteria for organisations they procure from or include in the supply chain, organisational influence in this space can expand exponentially, reshaping the wider industry, community or even society.



Recommendation 4.3:

Create and implement procurement policies that drives gender DEI of the industry.

1. The workforce here refers to direct and indirect employees of the organisation.

Of course, this is likely to make little difference in cases where those suppliers themselves find it difficult to locate female talent. This is where a different type of organisational influence might be necessary. As one CFO explained, it is possible to design programs that target issues further upstream – through school and university education programs that aim to reduce the gender stigma currently associated with particular industries or professions. The challenge when working at this societal level, however, is just how large the target audience can become:

"[Our organisation] had a program where we'd work with schools and invite schoolgirls onto building sites and take them through a program for like six months. And they loved it. They thoroughly loved it. But that's a drop in the ocean, right? That's 20 girls out of 50,000. So it's really hard to do. So I do think there are places where it is difficult and the only way to change that is to go right back to schools and universities and change people's views of what roles they can do."

The key takeaway here for organisations is to broaden their outlook and their thinking around where they have the potential to influence gender DEI for the better. In many cases, organisations might be missing opportunities to enact change due to a lack of self-examination and reflection.

Following the interview, one CFO reached out to the research team to say that they had been thinking more about gender DEI in the finance industry and had reflected on the role of external recruiters in perpetuating the stereotypical white male candidate that often gets put forward for high-level positions.

"In Australia, I have noticed that many [senior] roles actually never get advertised. The preference here is to use recruitment agents, and recruitment agents, they're not misogynist or anything like that, it's just a lot of it is based on networks and those networks are formed around activities which are, in some sense, very often exclusionary. Frankly, not very many women are out having drinks after the footy at the pub. Some are, but not many, right?"

This reflection highlights an issue that exists in our systems now, and it also underscores how important it is for leaders to be aware of the external systems and processes they utilise, and the impact these might also have on the pipeline and promotion of female professionals.



Recommendation 4.4:

Extend reflective gender DEI practice beyond activities within the organisation.

Provocation: Unions - Barriers or Enablers?

Another big external influence on many organisations are unions. While these parties negotiate from the perspective of trying to protect the rights of workers, this can sometime get in the way of well-intentioned interventions to increase female representation in the workplace. As one CFO stated about their organisation's flexible working policy:

"I would love to see a lot more flexible arrangements put in place, particularly for women to work around school hours. And the unions can make that really, really difficult because they don't like flexible work arrangements. And I understand where they're coming from, but our need for flexibility is not driven by trying to whittle away the unions entitlements. We're trying to put in place flexible working arrangements to attract and retain more women."

This is yet another example of the substantial impact external stakeholders can have on the ability of an organisation to make meaningful progress in this space, highlighting the need for change champions to think through these complexities and broaden their network of influence when enacting change.

By bringing these parties into a collaborative conversation early, we are much more likely to see success in the long-term.

5. Creating the Ecosystem for Change

Culture, Participation of All, Broad Programs and Local Fit

As we have explored in previous success factors, there is a huge range of influences within an organisation and the broader environment that can impact the effectiveness of any given DEI initiative. Even with the right leadership buy-in, the appropriate data, and a great initiative in mind, the program or planned change may not work.

The fifth success factor focuses on the role of organisational culture and the need for individual buy-in, the potential benefit of linking into broader programs, and the role of supporting structures within the organisation locally as additional elements that can positively impact the success of an initiative.

Getting the Culture Right

For any and every organisation, culture is a silent yet powerful determinant of the way things are done, the accepted (and acceptable) views and values of individuals, and the definition of acceptable and unacceptable behaviours. In its most basic form, culture can be defined as ‘the way things are done around here’ – demonstrating just how wide-ranging the antecedents and related outcomes of this construct are. Given the influence this factor can have on any organisational initiative, it would be remiss to not consider the impact of culture on the effectiveness of any given DEI initiative. When well-aligned, a culture that supports DEI can be the wind in the sails of change, while failure to create genuine, organisation-wide cultural buy-in can rapidly bring the greatest DEI efforts to a halt. As one CFO shared about the inhospitable environment of a previous workplace:

“In that context, you know, we could have written a book about all the things we’re doing on diversity, but it wouldn’t have made a difference.”

So, how can organisations ensure that the culture is equipped for change? Well, working through the other success factors outlined above is certainly a good start. Most change processes begin with establishing a rationale for change, creating leadership buy-in and implementing organisational changes from that strong base. To truly change the culture, initiatives must also become embedded in policies, practices, and procedures so that these things can become ‘the new normal’, minimising the chance of backsliding.



Recommendation 5.1:

Creating a DEI culture by embedding gender DEI in the policies, practices and procedures.

Participation of All

Another important factor in achieving outcomes in the DEI space is the role that men play in the gender diversity conversation. If the organisational culture is split along gender lines, culture change has not been successful. Previous research from The 100% Project recognises the potential for men to experience feelings of loss when it comes to shifting the dial on gender DEI in organisations. While not all men may experience this (or may not be aware of the experience of it; see section above on unconscious bias), organisations must find ways to overcome these barriers and bring men along on the journey, if for no other reason than that it is often men who occupy positions from which it is most possible to drive change.

Further to this, diversity in our working groups and having men as DEI advocates is important for all the reasons we are striving for diversity, to begin with. When asked about the biggest DEI enablers in his company, one CFO said:

“I think it's getting the right level of male participation in the working groups as well, right? I think it demonstrates then to everybody that this isn't an issue of one gender. It can't be fixed by 50% of the people - it needs to be fixed by 100% of the people [...] All the people that put their hand up to be part of this newer group have all been female. So, I've kind of said, 'Well, no, that's not actually what we're trying to achieve here'. We want that conversation to happen amongst male and female people, so that we can get perspectives on the table; so we can really get a properly understood and well-rounded view.”

One issue that is closely connected to gender DEI is re-socialising male identity. While the issue is complex and too big to be fully explored in this report, it is important for both organisations and leaders to recognise the roles they play in creating the new 'rule book' about male participation in family caring responsibilities and duties at work. To make this issue even more complex, it is something that is strongly tied up with culture as well. As one CFO put it:

“There's certainly a cultural barrier in Australia where there still is an aspiration to have one parent at home. So once you do that, invariably, whether we like it or not, it's normally the mother who stays at home in those relationships. And that's embedded culturally as well.”



Recommendation 5.2:

Create forums and spaces for people to share their thoughts about social norms and cultural expectations.

For parents with children between the ages of zero to four, 91% of men in these situations are employed full-time, while only 68% of these women have a full-time job, demonstrating the higher likelihood that women will be the ones to stay home and manage family duties after having a child^{xvii}. This might have been the perception for centuries, but until we can change the prevalent perspective (conscious or unconscious) that family care and household labour are not as important or meaningful as a day job, we will be unable to achieve equality in our workplaces. While men remain unwilling to support or engage in household labour due to this prevalent bias, women will be left to bear the brunt of this burden. This can then become a mutually reinforcing cycle, whereby women are unable to fully engage in the workforce due to their family commitments, making it less likely that the systems keeping women out of the workforce will change.

To break this cycle, policies, organisations, and jobs need to create space for women and men to achieve their goals in both spaces – work and family. Part of this will require systemic changes such as improved childcare and policies that incentivise men to access parental leave. This change in particular is well supported by European census data which shows that paid parental leave for men has a positive impact on employment figures for women. One country in particular that does this well is Sweden, where there is one of the highest female employment rates in the world. In 2016, the introduction of a parental leave policy that reserved three months of paid parental leave exclusively for fathers was both controversial and innovative. However, it has been shown to work - men will take the leave if failing to access it means a deduction from the couple's total leave allowance (prior to this 'use it or lose it' change, only 6% of men took parental leave)^{xviii}.

This data can act as a guide for Australian organisations hoping to modernise their parental policy and incentivise the participation of men in caring roles. As with most good research, some additional success factors were also highlighted - the need for pay during the leave period to be commensurate with the individual's usual salary (90% is what is offered in Sweden), and that the policy also accounts for women's bodily reality (women are likely to need to take the first section of leave while recovering from birth and potentially breast feeding, therefore later months of parental leave should not be paid at a lower rate or else this can act as a disincentive for men). Meanwhile, organisations can do their part by examining barriers in their systems and enacting changes in areas such as flexible work and other return to work policies.

**Recommendation 5.3:**

Participate in and sponsor innovative solutions that involve systemic changes.



Connected Programs with Local Fit

As it becomes increasingly common for organisations to take action against gender inequality, we are also seeing the increase in organisation-wide policies that span, at times, multiple states or countries. As was raised across several interviews, this can bring challenges of its own, as different parts of the organisation might be at different stages along a journey or have different national cultures, leading to differences in effectiveness of one initiative across several locations.

While consistency across offices and locations can at times make the change more straightforward, it can also lead to missing out on opportunities to tailor initiatives or approaches to what might work best in a particular environment – and get buy-in from staff in doing so. This was demonstrated in one interview where a CFO spoke of the effectiveness of grassroots programs that are staff-led over mandated and leader-led policies:

“I can only describe it as grassroots approach. So, it has executive sponsorship, but it comes from within the organization [...] It's been so successful that you'd say, 'Wow, how can you replicate that in every aspect of diversity so that it's grassroots rather than top down?'. If you left any of these topics to me, it would probably be a bit clunky, a bit less seamless and smooth. So having really passionate people lead those programs is definitely a factor in success.”

An important point here is the fact that leadership buy-in remains a crucial factor for success, yet this approach leaves opportunities to bring others along on the journey too. Finding this balance between broad versus localised programs is an important consideration to create the right ecosystem for change.

Some industries might also have the opportunity to leverage off programs beyond their own organisation, with many CFOs mentioning the importance of linking DEI initiatives in with existing industry-wide programs. These provide excellent extra momentum for organisations to capitalise on, while ensuring the culture in the broader industry is supportive of change, making it that much easier to influence at a wider lever.



Recommendation 5.4:

Establish and build alliances that connects the industry or profession.

6. Maintaining Momentum

Sustained Time, Effort and Resources

“There's a tremendous appetite to bring diversity into that workforce [...] the CEO who is also the founder of the company and set the company up 25 years ago - is publicly very forward-thinking in terms of sponsoring females to come into the workforce in STEM particular roles”.

Success factor 6 reminds us that gender DEI is complex and will not be fixed overnight. The legacy of our organisations, their people, and the systems we have in place will take sustained time, effort, and resources to create deep and lasting change. If we take the quote above as an example, one CFO reported that gender DEI initiatives have been part of the organisational vision for over 25 years. This was particularly difficult because the organisation was operating in STEM, an industry that has a long history of gender imbalance. In this case, for the organisation to succeed in their gender DEI effort, the education system must be cultivating an environment where young girls and women feel there are opportunities for them in STEM roles. They must market and create campaigns that resonate with young girls and women to entice them into STEM courses and then work on retaining them through engagement. This represents just one aspect of the complex situation that is gender DEI. As one participant put it:

“There's no one single thing that you can do to make it [gender DEI] successful. There's a whole raft of things. It's a cultural change, and culture change, by definition, takes time and it takes a hell of a lot of work.”



Recommendation 6.1:

Understand and accept the costs and compromises required in the short and long term to enable gender DEI success.

Participants reported many successful and unsuccessful attempts at implementing gender DEI initiatives. One common factor that differentiates successful or unsuccessful attempts was time and effort. Those initiatives that were successful were observed in organisations that had prioritised the gender DEI initiative as a focus for investment, and maintained the momentum of it over time. Whereas unsuccessful attempts were associated with organisations that struggled to maintain momentum after failed attempts. This was true across a range of gender DEI initiatives from holding a senior leadership or board role vacant for 14 months while looking for the right candidate, and implementing and revamping job-sharing policies over time, to changing the gender DEI across the supply chain or building a pipeline. It was clear from our interviewees' comments that their organisations have felt the impact of the financial, time, and resource intensive investment required to drive and sustain successful DEI initiatives. Two examples that were shared in interviews are provided below:

“Job sharing and those kind of policies were brought around about eight years ago. So no, this has been kind of a long, long time. In the organisation, we probably have 50% of the team doing some form of [flexible work] or different hours.”

“I think the reality is, it takes time to build the talent pipelines and make sure that people have got the right experience, breadth of experience, to be considered for more senior roles in the organisation. So, building those talent pipelines further down in the organisation is critically important, but I also recognise it takes years.”

In summary, there are a range of factors that can derail gender DEI initiatives. From high turnover rates to balancing the time to bring people on the journey while keeping up with the pace of change of the world.

“This is not an organisation that will have people in there for 10, 15, 20 years at leadership level. There will be succession, and so it's about getting that timing right and getting that balance right over a period of time.”

Given the intensity, complexity and the effort and time required for gender DEI, it begs the question of what will go first when things come to a head? Will unsuccessful gender DEI initiatives push gender DEI out of the picture, or will they be used as a launching pad for further investment and focus. Just like any deep and lasting change in any organisation, gender DEI requires sustained investment over time to maintain momentum and enable true equality and gender balance in the finance sector going forward. As one CFO put it, now we have to

“Maintain the rage!”



Recommendation 6.2:

Being curious rather than judgemental about the different emotional reactions as some may have been on this journey much longer than others.



COVID-19 Impacts

Interviewees and survey participants suggest that COVID has led to more flexible and hybrid work practices. However, with this has come both positive and negative impacts on gender DEI in organisations. Flexible and hybrid working arrangements have removed a barrier for women in regard to being able to manage home and work duties without being penalised in their career. One interviewee below shares the positive impact that flexible working has had on women at work:

“Certainly, one of the factors potentially underpinning where there has been inequity in the past has been about flexible working. That has often been associated with women on parental leave or whatever, taking the burden of parenting and that lack of inherent flexibility that a lot of organizations have, has therefore penalized the primary caregiver, which is typically the woman. As we’ve gone through COVID everyone’s working at home, not having to be in the office every day of the week, and being able to work more flexible hours.”

Secondly, the flexibility that resulted from COVID has driven positive change around the imperative for organisations to embrace part time workers, of which 60% are typically women (WGEA Scorecard 20-21). This has not only opened up a broader talent pool for organisations, but great career opportunities and choice for women in finance roles.

“I mean, there’s some awesome talent out there that just doesn’t want to work full-time in an office anymore. And so, I think that it’s almost like a business imperative now to say, ‘Hey, if this really is a thing, if it really is a war for talent, and we’ve proven through this whole pandemic that we can allow people to work that way and they can contribute effectively, stop ignoring it. Just actually embrace it’.”

Thirdly, it has enabled people to unmask their professional selves to reveal the human. It has created empathy and understanding of people’s needs and the multiple roles they may be juggling.

“...but I think in some regards, it has been a lot better in COVID because you do become embedded in people’s personal life a lot more. Hopefully, that’s created a bit of a human element of understanding it’s okay to talk about the little person running around in the background and things like that. So, the more that I think we can break down that bright line between work and life, and build flexibility and the ability to work wherever you need to work.”

Lastly, it levelled the playing field in terms of everyone being a “square box on the screen” and, “everybody therefore got an equal seat at the table”. This rang true for men as well as women. It reduced stereotype bias, and enabled dads to contribute more toward parenting and home duties.

“I think COVID has helped dads be dads, and therefore be able to support women to get back to work as well. I think that there might be still a slight perception, but I think the perception is going away through COVID which is, I can pick up my kids, I can drop them off. That might allow my wife to go to work.”

However, those that felt there had been positive impacts from covid, question whether they will sustain. Many of our interviewees drew our nuances when it came to these effects being long lasting, with the general sentiment being that women may be more likely to choose to continue to work from home than men, which could result in them being less visible, being shifted back into the main parent and home duty carer and therefore cause them to miss out on career opportunities.

“I think a lot of women will say, ‘I really want to just stay at home. I’m happy to just not come into the office very often. Really suits me’. But I think that the by-product of that though, is that it will be those people that will be reluctant to come back to the office so they will remain hidden, if you like. They may well keep working, but will they be back in the office in the thick of things? Will they be seen? Will they be visible?”

In summary, our data shows that COVID has driven some positive change for gender DEI in organisations. However, there are tensions that organisations need to recognise and manage to sustain the positive impacts into the future.



Role of the CFO

Interviewees highlighted that gender DEI “is not a HR issue, it is a business wide issue”. CFOs are influential, well regarded, and respected leaders in most organisations, which puts them in a unique position to be able to bring to light the evidence or business case and value for gender DEI initiatives.

“I think as the CFO of the company, what's interesting is you've got influence across every aspect of the company, whether that's in distribution, whether that's in dealing with shareholders with external rating agencies, with brokers and customers.”

Combining the nature of this role with the skillset of a finance professional should enable CFOs to support gender DEI very effectively. For one, they have the appropriate background information of company finances and an understanding of how the organisation is travelling, while they also possess the skills to gather and examine data about the importance and effectiveness of gender DEI initiatives. This was clearly highlighted by one CFO who commented:

“So, I think as a CFO [...] when I'm calling for diversity in all its forms, I can genuinely hand on heart say “Well, just go look at the research” Being a numbers person, right, I'm all about the numbers and what do the statistics tell me? Well, the statistics say that companies that have greater diversity do better, full stop.”

As leaders in general, CFO can lead the way within their team, providing positive role modelling to other areas of the organisation. Multiple interviewees and survey participants suggest CFOs in financial organisations need to take accountability for building a pipeline and growing talent from acquisition to career break, through to succession. As one CFO said, you need “accountability in the CFO” to drive action and clear responsibility, otherwise “it becomes someone else’s problem to solve”.

In addition to growing a pipeline of women in finance roles across management levels, one participant mentioned the need for CFO’s to also “develop a safe place for all opportunities...”. Signifying the importance of psychological safety in enabling a healthy pipeline to be sustained and retained over time. Additionally, it signifies the role of a CFO in fostering a safe environment that enables everyone to challenge and speak up against decisions, measures, and gender DEI initiatives that are not in line with the broader business vision, goals, and expectations.

Many interviewees suggested that the “they do require the support of HR”, to push or “challenge” their thinking and bias. However, in addition to HR, interviewees recognised that senior leaders, executives, and boards across the organisation all needed to play a strong role to create change by role modelling the expected behaviour and the desired culture.

“There's an expression of leaving loudly. So, when leaders leave the office at four o'clock, they should do it really loudly, so other people see. So, if I've got a meeting at 10 o'clock that's the first thing I've got, then I'll just come in at 10 o'clock and I want to make sure that people know that it's okay to work different hours and if you need to go and drop off your kids, or there's a school sports day or those kinds of things, then it's perfectly fine to do that.”

A common thread throughout this report is that gender DEI in any organisation needs to become “part of the way we do business” to be successful. It is not just going to take leaders to implement the change – everyone needs to be involved and feel safe and empowered to do so. Leaders need to “drive it from the top” to orchestrate a common vision, a clear strategy, and set the tone for expectations across the organisation. This is the process that will enable everyone to “walk to the same drumbeat”.

However, as one interviewee put it “it doesn't matter [who or] what you are, you're responsible for the organisation, and you're responsible for the people in the organisation.” At the end of the day, CFOs sit on the executive leadership team, and therefore have an indisputable role to play in influencing and enacting the changes that we know need to happen.

In summary, the three areas that interviewees felt CFOs had a strong role to play in gender DEI and DEI more broadly were:

1. Quantify the Business Case:

convey the evidence and channel finances data capability to quantify value.

2. Ultimate Accountability: build and grow the talent and succession pipeline, starting with the direct reports.

3. Role Model as a Leader: demonstrating leadership, shared accountability, transparency, behaviours, commitment, and belief.

While the above three areas were strongly echoed in the survey responses, people in finance teams also highlighted the unique demands of the finance roles, which require the attention of the CFOs.

“Finance personnel often have overtime requirements to complete reports within the allotted time. Allows the finance team to organise small departmental activities and give budget support. Will invite family members to participate and get the support of family members. Such as visit company, organise family day and children activities.”

Recommendations

These are some of the many things you can do along each of the six factors...



1. Tapping into the why

Awareness, Recognition, and Responsibility for Bias

Recommendation 1.1

Provide training and support to create bias awareness and mitigation.

Recommendation 1.2

Explain the rationale for people with different values and beliefs and be prepared to address the discomfort.

Recommendation 1.3

Embed reflective practice into training for people to explore their own why.

Recommendation 1.4

Use transparent policy and decision-making, alongside targeted training to mitigate potential subjective and systemic biases.

2. Pivotal leadership

Stewarding the Change with Commitment and Capability

Recommendation 2.1

Build genuine leader commitment from people with appropriate authority and status to champion DEI projects.

Recommendation 2.2

Making DEI competencies and skills essential criteria for leader recruitment and promotion, as well as ongoing performance expectations.

3. Using data to rewire the system

Selecting Measures and Targets aligned with Data

Recommendation 3.1

Measure equity progress and outcomes appropriately.

Recommendation 3.2

Consider the intersectionality of people when selecting measures and targets rather than drawing conclusions based on a single measure.

Recommendation 3.3

Foster a psychologically safe work environment for people to question the measures or decisions; and for women to fully participate in their leadership roles.

Recommendation 3.4

Measures and targets should represent the full employee lifecycle, rather than focusing on the initial recruitment alone.

Recommendation 3.5

Measures and targets should be fair and achievable based on the nature and constraints of the role.

4. Promoting a pipeline

Internal and External Factors Influencing Talent Management

Recommendation 4.1

Selection of interventions should be based on the causes of the leadership pipeline issues at different levels of the organisation and based on the unique situation of the organisation.

Recommendation 4.2

Develop multifaceted initiatives that address the complex reality and meet the DEI needs.

Recommendation 4.3

Create and implement procurement policies that drive gender DEI in the industry.

Recommendation 4.4

Extend reflective gender DEI practice beyond activities within the organisation.

5. Creating the ecosystem for change

Internal and External Factors Influencing Talent Management

Recommendation 5.1

Creating a DEI culture by embedding gender DEI in the policies, practices and procedures.

Recommendation 5.2

Create forums and spaces for people to share their thoughts about social norms and cultural expectations.

Recommendation 5.3

Participate in and sponsor innovative solutions that involve systemic changes.

Recommendation 5.4

Establish and build alliances that connect the industry or profession.

6. Maintaining momentum

Sustained Time, Effort and Resources

Recommendation 6.1

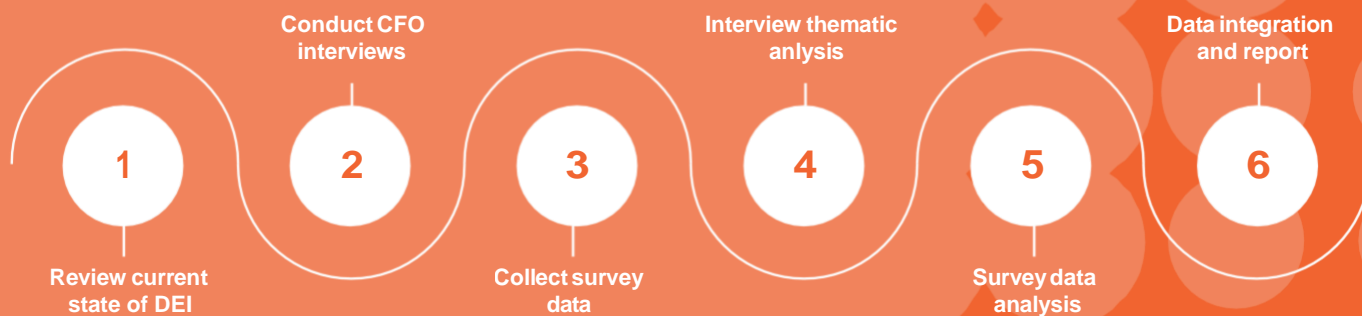
Understand and accept the costs and compromises required in the short and long term to enable gender DEI success.

Recommendation 6.2

Being curious rather than judgemental about the different emotional reactions as some may have been on this journey much longer than others.

Methodology

Five steps were followed to collect, analyse, and interpret the data for this report:



Step 1: Review the Current State of DEI

Data about the current state of DEI in corporate Australia was gathered, examining the gender ratio of ASX100 executive leadership teams, boards, and CFO roles. A broad range of literature was reviewed to establish the current practice in gender DEI.

Step 2: Conduct CFO Interviews

All members of the G100 were invited to participate in a 45-minute interview with researchers from The 100% Project. 15 CFOs and senior Finance leaders responded to the request and participated in the study. The interviews were audio recorded.

Step 3: Collect Survey Data

While interviews were being conducted, the decision was made to create and distribute a survey to broader finance professionals to broaden the dataset and increase the validity of the results. In total, 211 individuals completed the survey.

Step 4: Interview Thematic Analysis

The interviews were transcribed verbatim for data analysis purposes. This then allowed for theming of participant responses and the subsequent creation of the key findings in this report, while keeping individual responses and insights anonymous.

Step 5: Survey Data Analysis

The survey responses included both quantitative and qualitative data. Group comparisons and trend analysis were used for quantitative data, and content analysis was used for qualitative data.

Step 6: Data Integration and Report

The key findings from the interviews were compared with the findings from the survey data to highlight the similarities and differences between the senior leadership and people who report to these leaders. The report used the literature and evidence from this study to address the research questions

About the Research Partners

The 100% Project

The 100% Project is a professional, not-for-profit organisation that specialises in research and advocacy for corporate diversity and inclusion. Our vision is to achieve 100% gender balanced leadership in Australia, contributing to our social and economic future.

The 100% Project conducts research across Australia with our industry partners, through which we challenge mindsets and inform organisational practices to fully realise the leadership potential of all genders. Our recently published 'Breaking Dad' research examines the role of psychological safety in men's ability to access parental leave, highlighting the ongoing barrier that stigma can be in this space.

In addition to our published research, The 100% Project has also recorded several podcast series examining issues related to gender DEI. Our most recent series focussed on achieving gender equity in the construction industry.

Learn more about The 100% Project at our website: www.the100percentproject.com.au

The Group of 100

The Group of 100 (G100)'s purpose is today's leading CFOs creating better businesses for tomorrow. To this end, the G100 works to ensure that Australia's commercial and regulatory environment is one which advances the interests of Australian business and which encourages private and public enterprises to grow and compete in today's highly competitive environment.

Traditionally, the G100 has conducted research to improve on areas including capital markets, financial management, and taxation, amongst other key business topics. This research was initiated and led within the G100 by the Diversity and Inclusion working group, who believe that the topic of gender equity has to potential to benefit both individuals and organisations.

Learn more about The Group of 100 at our website: www.group100.com.au



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Madeleine is a Research Committee Member at The 100% Project, a consultant at Vicissitude, and has recently completed her Masters of Organisational Psychology. Madeleine is particularly passionate about gender diversity, equity, and inclusion in the workplace, and this topic has formed a focus for her in her research and consulting work. Her other research has focussed on the impacts of discriminatory experiences in the workplace on levels of trust and employee engagement.

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Caroline is a Director with The 100% Project, a Lecturer at Deakin University, and an Organisational Psychologist in private practice. Caroline has been an active member of The 100% Project Research Committee since 2017.

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Teagan is a Research Committee Member at The 100% Project who has a passion for workplace wellbeing, systemic behaviour change, capability, learning and leadership. Teagan loves creatively solving problems, making a difference to the lives of employees, and making work a happy and safe space to be. She is currently completing her Masters of Organisational Psychology at Deakin University.

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Frances is a Director with People Measures and a registered organisational psychologist with more than 25 years' experience. Frances is well known for her focus on diversity and inclusion. She was a co-founder of The 100% Project and the inaugural Chair of the organisation from 2008–2013. Since then she has been an active member of the Research Committee. Frances has conducted and supervised applied research in the area of women in leadership for many years.

Report Editor: Tristan Singh

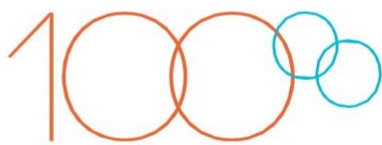
Tristan is a writer and editor who graduated from Swinburne University of Technology with a Bachelor of Arts. He primarily works for The Social Research Centre assisting their research efforts in relation to societal, educational, and health issues. He also currently writes freelance for CLIPPED.TV among other clients.

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