Equality Report on the IT industry in Australia

October 2015
EXECUTIVE SUMMARY

Welcome to our report on diversity, discrimination and pay equality within the Australian IT industry.

In Q3, 2015 Greythorn surveyed over 3100 IT professionals regarding their views on diversity, discrimination and gender equality. The survey was conducted via an online questionnaire.

This report collates the opinions and views of respondents from this survey in addition to a previous survey of 1100 IT Hiring Managers conducted in January 2015. Where appropriate the results have been used to compare sentiment and experiences between employees and employers.

It is evident from our study that the impact of inequality and discrimination, whether that be gender, age, race or religion, effects all areas of our business landscape. The burden of awareness is not confined to the victims of discrimination.

The survey covered topics such as gender equality and age discrimination - which unfortunately many respondents had experienced first-hand. Whilst Australia is taking steps towards redressing the gender gap, more needs to be done to begin to see a real impact. Age discrimination however is even more prevalent, and with ageing demographics in the workforce, this needs to be addressed with some urgency within organisations and their respective cultures.

While the conclusions of our research are open for interpretation, what is evident is that conscious and unconscious discrimination is more common across the Australian IT industry than we realise.

I hope you find this report interesting and it promotes robust discussion within organisations, helping to bring about necessary change.

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Women in IT & Leadership

Despite women comprising 45.9% of all employees in Australia (ABS 2014), the IT industry suffers a severe lack of equal representation by gender. Greythorn’s survey found that although the number of women in IT has increased slightly on 2014, only 19% were female. The most common sectors for women are project management and business analytics where they represented a surprising 76%, however this was not the norm across other IT areas.

Even more disappointing is the number of females at senior leadership level. A recent report from the Workplace Gender Equality Agency showed that women equate to just 26% of the top 3 levels of the management hierarchy (Workplace Gender Equality Agency, 2014). Latest figures from the Australian Institute of Company Directors in June 2015, found that the number of women on ASX 200 boards is 20% (AICD, 2015).

Greythorn found that women held 12.8% of the roles at the IT Leader, Manager or Executive level compared to men at 87.2%. Why is this the case? Have female managers been given adequate resources to succeed or is discrimination to blame?

Many studies have found that an improved gender balance can directly affect a company’s bottom line. Research by McKinsey found companies that measured in the top quartile for gender diversity, were 15% more likely to financially outperform those in the bottom quartile (McKinsey&Company, 2015).
Are stereotypes to blame?

Earlier research undertaken by Greythorn also questioned whether respondents preferred to work for male or female managers.

Whilst two thirds were ambivalent regarding gender, stating ‘either sex’, the remaining third preferred to work only for a male boss. This figure rose higher still when comparing female only responses which showed 33% preferring a male boss.

Reasons given were that women were too moody, too emotional, whereas men were seen as more flexible and easier to communicate with. Are women perpetuating their own glass ceiling?

In addition, other studies published by Personality and Social Psychology have found that men can feel threatened by a female manager and begin advocating for their own interests more aggressively (Ruiz, 2015).

What can companies do to change this perception of female managers?

Q. Do you prefer to work for a male or female boss?

- 7% Prefer female
- 66% Prefer either
- 27% Prefer male

Why?

Why?

Why?

- More empathetic and compassionate
- Understands my family needs better
- Less egotistical
- Better team focus and approachable
- Depends on the person, not the gender
- Depends on attitude
- Leadership style is not dictated by gender
- Both have good and bad points
- Management style is most important, regardless of gender
- Less emotional/temperamental
- Easier to communicate with
- More flexible
- Women are competitive with other women
- More decisive and objective driven
- Less political
- Not as moody

“33% of women preferred a male boss over a female boss!”
GENDER EQUALITY: LEADERSHIP

Are quotas the answer?
Greythorn have recognised a growing trend towards clients working to a quota system. Some ask that for every senior leadership role at least 1 CV out of 3 must be from a female. Despite some women stating that they don’t want to feel tokenistic, others feel this is necessary to absolutely redress the imbalance until such a time as it reflects society. According to the latest International Business Report “the proportion of business leaders who support the idea of quotas has risen from 37% in 2013 to 45% in 2014” (Grant Thornton, 2014).

Flexible solutions?
Improved flexible working options to assist with the balance of work and child care is also considered to be a key opportunity for employers to encourage female leaders. Flexible working has been found to have many benefits to an organisation – 56% of employers in the Greythorn Hiring Manager survey stated it improves productivity. It can also reduce staff turnover and absenteeism and improves employee engagement with their jobs and the company. It was ranked as the number one most important benefit for both men and women in the Greythorn survey.

When there is no longer a need to fulfil a diversity quota, we will know enough has been done.

Quotas
Proportion of business leaders supporting quotas

<table>
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<th>Year</th>
<th>Proportion</th>
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<tr>
<td>2013</td>
<td>37%</td>
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<td>2014</td>
<td>45%</td>
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(Source: Grant Thornton, IBR 2014)

Flexible Working

Rank the benefits most important to you when considering a new role

1. Flexible working
2. Annual bonus scheme
3. Over 20 days holiday
4. Flexible benefits
5. Training
Strategies and Initiatives to encourage women in management

- Allow flexibility to manage work and family
- Provide ‘return to work’ skill upgrade programs
- Create a family friendly work culture
- Ensure pay transparency
- Quotas to increase women in senior management positions
- Profiling senior women in IT as role models
- Networks and forums allowing fellow senior women in finance to support each other

**Accenture Women’s Network**

Defining success. Your way — is a global internal website that connects women across the company and provides resources that can help them define their vision of success through education, tools and multimedia.

The online forum offers women a place to share experiences, advice and insights.

**Qantas mentoring program**

Women@Qantas — Hosted by McCarthy mentoring, this program focuses on recognising, promoting and developing its female talent. Of last year’s cohort, 63% have been promoted since beginning the program and, with 31.5% of senior roles currently held by women Qantas is on target to meet its goal of 35% of women in senior roles by 2015.
Do you believe there is a gender gap in salary?

Salary - the great divide

‘On average, annualised full-time earnings for women are 19.9% less than for men’, according to the Workplace Gender Equality Agency (WGEA, 2014).

Disappointingly, the Greythorn survey found that 37% of IT professionals believe there is a gender gap in salary. When females only were asked, the figure jumped to 58%.

There was little difference in the perception of a gender gap in salary by age, with 34% of those aged 18-29 believing there was a gap in salary, compared to 39% of those aged 50-65.

Data released by the WGEA in 2014 showed that the majority (74%) of Australian businesses have made no progress to ensure men and women are paid equally. Nor have they undertaken a gender pay gap analysis to assess what the reality is in their organisations. The report found that most employers believe they pay gender fairly however are often surprised when they do analyse their data and find instances of difference that can’t be adequately justified (WGEA, 2014).

On average, annualised full-time earnings for women are 19.9% less than for men
(Workplace Gender Equality Agency, 2014.)
Pay negotiations favour men?

Salary expectations for a pay increase of up to 3% over the next 12 months were almost even across both genders, with slightly more women expecting this amount than men (24% vs 22% respectively). However, more men expected an increase of over 10% of their salary than women did.

One in three women have not had a salary review in the last 12 months compared to one in four men. There is some recent debate as to whether the nature of salary negotiations favour men. Ellen Pao from Reddit even decided to ban salary negotiations stating that men negotiate harder than women do (resulting in a greater increase in salary) and sometimes women even get penalised when they do negotiate (Harvard Business Review, 2015)... the result over time being a greater divide in salary between men and women in an organisation even if both started on the same salary.
What discrimination do you believe exists in the IT industry? (Tick all that apply)

1. **50%** Against older workers
2. **45%** For not being part of the ‘network’ i.e. nepotism
3. **41%** Against women

**For being female** 73%
**As an older worker** 42%
**Not being part of the ‘network’ i.e. nepotism** 41%

**As an older worker** 53%
**Not being part of the ‘network’ i.e. nepotism** 46%
**For being a foreign national** 36%

**As an older worker** 74%
**Not being part of the ‘network’ i.e. nepotism** 45%
**Women** 34%

The ‘real’ blemish on a CV – age or sex?

Respondents from the Greythorn survey were asked whether discrimination exists in the IT industry, and if so, what it is against? Fifty-two percent believed discrimination exists in the IT industry and of those, half stated age discrimination was the most prevalent. Interestingly this affected more men than women. When results were compared by age of respondents, 74% of those aged over 50 believe there is age discrimination.

Second on the list was ‘not being part of the network’. It would seem the ‘old boy’s network’ doesn’t just affect men, but women too, with 41% of females believing this exists in the industry. Business leaders would do well to understand where key conversations are happening: on the golf course? At a bar? These exclusive networking situations, whilst often seen by those included as good relationship building opportunities, may in fact be ostracising and limiting the input of all stakeholders in a decision making process.

Women overwhelmingly believed they had been discriminated against for being female. Family responsibilities also appeared fourth. According to research by law firm Slater & Gordan, it is a sad fact that 1 in 7 women on maternity leave are made redundant (McVeigh, 2013) – what can be done about this?
Age Discrimination

Over half of respondents had personally been discriminated against, and women have experienced more discrimination than men (64% vs 53%). The dominant reason overall is due to age, however by gender 71% of women who experienced discrimination believed it was due to being female. Further, almost two-thirds of respondents have personally been discriminated against due to age or know someone who has, highlighting the extent to which age discrimination exists in the Australian workplace.

However, what is really alarming is the rate at which this statistic increases dramatically for those aged over 50, which found a significant 80% of professionals had themselves, or knew someone who had, suffered age discrimination. Unfortunately research shows that age discrimination starts early - the Equal Opportunity Commissioner Kate Jenkins said ‘age discrimination in employment starts from about 45 and is pretty systemic and accepted” (Green, 2014).

Is age the real ‘white elephant’ in the room when it comes to discrimination? Respondents commented that the rapidly changing digital age requires IT workers with a different skill set than those who were born pre-80’s. Those who were born before this time are seen to be out of touch with modern technology, particularly the advances of the last 5-10 years. Whether this is true or not, the perception exists.

Women face a higher rate of discrimination than men in the IT industry but both sexes over 50 years old experienced discrimination for age almost twice as often as all other forms of discrimination.
What can organisations do?

Respondents were asked for their thoughts on what organisations could do to encourage mature workers in IT. By far the most prevalent response was to focus on creating a mature-friendly culture. But how does an organisation do this? Part of this cultural change should aim to include reviewing interviewing and selection processes, and addressing any areas where conscious or unconscious bias may exist towards older workers. The Greythorn 2015 Hiring Manager survey asked IT Managers what the number one most important attribute was when choosing new staff? The answer was ‘cultural/team fit’. But what if the rest of the team is all under 30? Does that make the applicant ‘not a good team fit’?

Another key area highlighted by respondents was to offer training and upskill programs to ensure mature workers remain up to date with the latest technological developments.

Respondents were also asked if their own employers had adopted practices to discourage age discrimination and unfortunately only 16% stated yes.

These practices included training on Equal Opportunities, having a zero tolerance culture, implementing strict diversity policies and an equality framework. Is this enough to provide a systematic change?

What can the IT industry do to encourage mature workers?

- Mature friendly culture: 71%
- Offer training/options to upskill: 62%
- Government legislation: 29%
- Government financial incentives: 24%
- Quotas: 12%

Has your company adopted practices to discourage age discrimination?

- Training on EEO
- Zero tolerance
- Equality framework
- Transparent selection process; strict policy
- Program for inclusion promoting non-discrimination

Yes 16%
CONCLUSIONS

Summary

- Women are far less likely to progress to management positions and when they do, the perception of their ability to lead is heavily scrutinised by both men and women.
- Women believe they have been discriminated against more often than men, however almost half of both sexes believe they have faced discrimination.
- Women experience gender discrimination almost twice as much as all other forms of discrimination.
- Age discrimination is a key concern to both sexes, beginning from age 45.
- Infiltrating the ‘network’ is very concerning for those who are not part of it, leaving some employees feeling excluded and ostracised.

Recommendations:

- Make gender diversity a priority, set targets, review existing policies and culture - are there any barriers to women, either explicit or understated?
- Review current hiring procedures, are females on the interview panel? What is the perception of hiring a mature worker and are there any barriers to this?
- Consider more flexible working options.
- Raise awareness of unconscious bias and how it can affect the hiring process.
- Ensure hiring managers understand the value of experience a mature worker can bring to a role.
- Ensure transparency in remuneration schemes and hiring procedures. Make managers more accountable. Undertake a gender pay gap analysis.
- Implement a diversity forum who regularly meet to discuss initiatives to increase diversity.
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Established in 1976, Greythorn have been developing its brand and reputation for almost four decades and is recognised today as one of Australia’s leading specialist recruiters by our candidates and clients. Our consultants are vertically aligned and are pure specialists, passionate about being recognised as leaders in their field.

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- IT Security, Compliance & Risk
- IT Executive
- Project Managers & Business/Systems Analysts
- SAP/ERP/CRM
- Software Development, Testing and QA

**Offices**

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<td>Tel: +61 2 9249 8000 Email: <a href="mailto:sydney@greythorn.com.au">sydney@greythorn.com.au</a></td>
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