



10 Women representation in top 10% employees by compensation

Executive pay transparency a strong signal of board commitment to gender equity

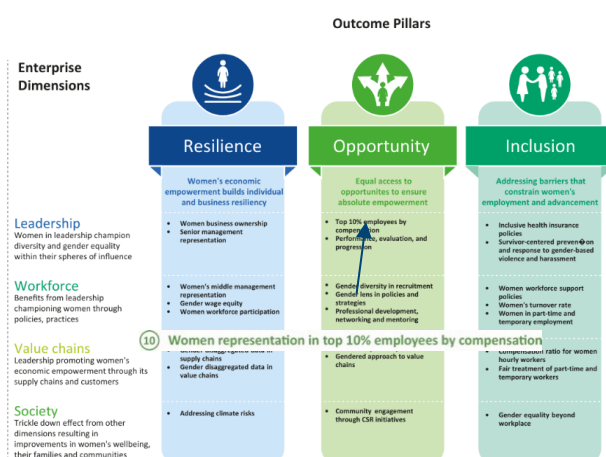
Once shrouded in secrecy, leaders’ remuneration packages are attracting increasing scrutiny from regulators, investors, employees and stakeholders. A specific area of focus is the gender pay gap – how women’s pay compares with that of male peers. There’s still a way to go.

It’s said that a picture paints a thousand words but numbers also tell a powerful story, especially about how organisations value women as leaders and decision-makers. This year Claudia Goldin won the Nobel Prize in economics for her work on the gender gap. Described as an economic detective for her archival research, she uncovered vital data to ‘correct the invisibility of women in official statistics’.

While there’s now greater understanding of the benefits from helping more talented women progress into executive roles, the data on how they’re rewarded when they arrive isn’t encouraging. A Morningstar study of corporate disclosures in the US found the highest-paid senior executive women earned 84.6 cents for every US dollar earned by their male counterparts in 2019. Currently, only an estimated five per cent of chief executives are women.

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Jennifer Buckley, Managing Director of Singapore-based impact investment firm Sweef Capital, says senior women play a critical role as mentors, role-models and changemakers, but progress is slow. “There’s still a lack of women in positions that hold greater decision-making power and clearer pathways to the highest ranks of the enterprise,” Ms Buckley says. “The gender pay gap at the top is a serious disincentive.”



Sweef Capital Gender ROI™ indicator matrix

In Australia, a study of public company directors by proxy advisor Ownership Matters found that while one in three non-executive directors were women, they were still underrepresented as chairs and CEOs, with male directors continuing to dominate higher-paying chair roles.

This pattern repeats across senior executive ranks. While new data from the Workplace Gender Equality Agency (WGEA) shows more women moving into management and a slight reduction in the average Australian gender pay gap to 21.7 per cent, there’s still a higher proportion of women in support roles that are

paid less, while men are more likely to be in higher-paid operational leadership roles. CEO Ms Mary Wooldridge said the WGEA survey results show that while slow, there is momentum for change in Australian



workplaces. “If we want real change, we need employers to take bold action,” she says. “We need employers to look across the drivers of gender inequality and be imaginative in their solutions.”

Internationally recognised director and strategist, Professor Rosemary Addis AM, agrees. “The numbers tell us it’s not a pipeline issue,” says Prof. Addis, who also serves as an impact investment advisor to Sweef Capital. “That’s why indicators around senior women and remuneration are important. They put a focus on the gap and encourage people to set goals and pay attention to how they’re progressing. We have to look at the story behind those numbers.”

As the Founding Managing Partner of global advisory firm Mondiale Impact, Prof. Addis is privy to boardroom conversations about systemic risks and challenges and strategies to manage them (see spotlight article).

The persistent gender imbalance in senior roles and pay is seen as a talent and capability risk and a missed opportunity to benefit from diverse perspectives on big issues like climate readiness and workforce wellbeing,

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*- Prof. Rosemary Addis AM,
Mondiale Impact*

both areas where women are acknowledged as skilful leaders and strategists. Global surveys including the PWC Global Survey and Sustainability Board report indicate that women are leading sustainability conversations and strategies at board level.

Alarm bells are ringing for Australia’s major superannuation funds and investors, who are agitating for more action on gender equity. Managing some AU\$6.3 trillion in funds between them, they have

the country’s top 300 publicly listed companies in their sights as part of an industry-wide campaign, 40:40 Vision.

The 40:40 Vision initiative is led by the superannuation fund HESTA and supported by partners including the Australian Council of Superannuation Investors. HESTA CEO Ms Debby Blakey says they’re on a mission to reshape corporate Australia by pushing top companies to set targets for gender balance at leadership level by 2030.

“As Chair of the 40:40 Vision Steering Committee, I’m echoing our investors’ calls for clear objectives, strategies and transparent reporting on gender diversity,” Ms Blakey says. “This is not just about fairness; it is about smart business.”

AustralianSuper’s Head of ESG and Stewardship, Mr Andrew Gray, says diversity, equity and inclusion are important issues for AustralianSuper, as an organisation and investor. “We believe embracing diversity in thought and perspective helps encourage better ways of doing business,” he says. “From a gender equality perspective, we’re proud to be a WGEA Employer of Choice for the last 12 years.”

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- Mr Andrew Gray, AustralianSuper

Mr Gray says research shows that skilled and diverse boards make for better-governed companies and higher value investments over the long-term. “We have been escalating our gender voting policy since 2017 to advocate for greater representation of women on ASX200 boards,” he says, “and from next year we will require these companies to commit to a minimum of 30 per cent females on their boards.”

Prof. Addis says gender equity is a clear cross-cutting theme and part of a broader set of interrelated challenges boards face as societal and investor sentiments change.



“This is a major shift we’re experiencing,” she says. “It was (once) common practice to talk selectively about social and environmental initiatives and focus on positive stories around that. We’re moving into a world where it’s increasingly important to tell the full story and to understand the full story – positive and negative, intended and unintended. Directors are grappling with transparency around that and how to move forward.”

The ‘how’ may prove crucial as scrutiny intensifies and more boards and executive teams accept the challenge of demonstrating progress on the number and remuneration of talented women at the top.

Prof. Addis chairs the global steering committee that oversaw development of the Sweef Capital Gender ROI™, a diagnostic of 24 indicators, including one focused on women’s representation in the top ten per cent of employees by compensation. The tool is intended to produce a global evidence base over time that executives, investors and practitioners can use to support and develop women as organisational leaders and business owners.

“Women in senior management play an important role in creating more caring, connected and inclusive workplaces,” Ms Buckley says. “It’s important to recognise and fairly reward their contribution.” #

About the contributors



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Mondiale Impact – Helping boards to navigate complex change

As a pioneer of the global impact investment industry, Professor Rosemary Addis AM is no stranger to ambitious challenges. An experienced director and strategist, she has spent decades promoting innovation and investment for positive impact.

Prof. Addis and her five co-founders launched Mondiale Impact in 2022 to help leaders confront and navigate systemic issues like climate change and other sustainability issues and how this is changing expectations for governance beyond financial performance alone.

She says there’s a lot for boards to grapple with and the shifts are coming thick and fast, including regulation and reporting requirements around the globe – and there’s more to come.

“Even prosaic things like the board agenda or how these conversations happen between the board and (responsible) committees are still being worked through,” Prof. Addis says. “It is no longer possible to deal with sustainability neatly on one part of the agenda; that’s not the way these issues work. They permeate the agenda. It can be difficult for boards to find the right questions and understand where different choices are needed. One thing we see is directors are seeking more and different information, and then getting stuck in analysis paralysis or data overwhelm, so clear focus and meaningful metrics matter.”

Being able to identify how key trends influence and intersect with each other is critical.

“We need diverse perspectives and experience around the table to look at different facets of these issues,” Prof. Addis says. “Governance is at the centre of how the pieces move relative to one another. You can set it up so you get a better understanding of what’s important and how key issues are affected. Boards are much better positioned if they’re proactive and engaged.”#

For more about Mondiale Impact, visit <https://mondialeimpact.com>



The **Sweef Capital Gender ROI™** identifies gender equality and diversity gaps and informs interventions to build resilience, equal opportunity and inclusion. This Insight Series explores how each indicator contributes to delivering social, financial and economic returns: <https://sweefcapital.com/gender-roitm/>