



MEDIA RELEASE

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Australian leaders say it's time to face up to the gender 'merit trap'

Senior leaders in business, government, education and community are calling on all employers to confront the way they use the concept of 'merit' when making decisions about appointment or promotion.

A report released today by Chief Executive Women and Male Champions of Change shows that although 'appointing on merit' sounds fair, it is often used to mask a variety of biases that prevent the progress of women.

The report argues Australian organisations must face up to the merit trap if they are to benefit from gender diversity.

"If we believe that men and women are equally able in a company or a country, then we should be expecting a 50:50 outcome. If we don't get that, then there is either bias or constraints to natural merit," said Lieutenant General Angus Campbell, Chief of Army and Male Champion of Change.

"When we use merit as shorthand for a package of admirable qualities that we innately recognise—that's devaluing merit. Merit is hard. It needs to be assessed for each and every appointment," said Diane Smith-Gander, President of Chief Executive Women.

Leaders from many of Australia's largest and most powerful institutions are behind the report *In the eye of the beholder: Avoiding the merit trap*, including: Alan Joyce, CEO of Qantas; Martin Parkinson, Secretary of the Department of Prime Minister & Cabinet; Shayne Elliott, CEO of ANZ; Jayne Hrdlicka, CEO Jetstar Group; Andrew Penn, CEO of Telstra; Ian Narev, CEO of CBA; Michael Spence, Vice-Chancellor University of Sydney; Angus Campbell, Chief of Army; Cindy Hook, CEO of Deloitte, Kathryn Fagg, NED; John Lydon, Managing Partner of McKinsey & Company; Meredith Hellicar, CEO of Merryck & Co; and Kevin McCann, NED.

The report explains what the merit trap is and why it's a problem, and provides guidance to help organisations spot the warning signs.

It draws on recent research to show that the way merit is currently used in appointment decisions can, in fact, hide gender bias and protect the status quo.

Indeed, the more an organisation promotes itself as meritocratic, the more inequitable it was found to be.

“We take it for granted that merit is objective. But in fact, it’s been shown to be highly subjective, particularly when trying to assess someone’s potential for a role. And wherever there’s subjectivity, we’re at risk of bias,” said Elizabeth Broderick, Convener of the Male Champions of Change.

“Too often decision-makers think they’re selecting the best person for the job on the basis of merit, but in fact they’re favouring people who look like them or think like them and ignoring the organisation’s future needs. When this happens, they’ve fallen into the merit trap,” said Ms Smith-Gander.

“The definition of what is needed to be a good manager has changed over a long period of time and its really important to get it right because we are competing against other companies and we want the best people in the roles,” said Alan Joyce, CEO of Qantas.

“Roles are changing quickly. I need people for the roles of the future. This means hiring for core capabilities—not technical capabilities, which can be taught or bought. I need agility, broad-mindedness, ability to operate in an unknown environment,” said Shayne Elliott, CEO of ANZ.

The report provides guidance for any organisation, regardless of size or sector to identify how they are at risk of falling into the merit trap, and what they can do to create a true meritocracy.

Download a copy at: <http://cew.org.au/wp-content/uploads/2016/08/MCC-CEW-Merit-Paper-FINAL-for-web.pdf>

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