



# Chief Executive Women

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Women leaders enabling women leaders

## CEW CASE STUDIES

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# Westpac



**"CEW's case study on Westpac is the newest addition to our series devoted to understanding how Australia's leading organisations are moving closer to gender equality. This is an important resource for anyone who is serious about more women reaching senior leadership roles."**

**- Diane Smith-Gander, President, Chief Executive Women**

## Who is CEW?

Chief Executive Women is the pre-eminent organisation representing Australia's most senior women leaders from the corporate, public service, academic and not-for-profit sectors.

Our vision is women leaders enabling other women leaders. We strive to educate and influence all levels of Australian business and government on the importance of gender balance.

We offer innovative and substantive programs to support and nurture women's participation and future leadership. This includes:

- Our extensive CEW scholarships program
- CEW's Leaders Program, a twelve month group coaching program attended by female executives throughout Australia
- CEW thought leadership (including collaborations with partners) and engagement with the business community.

## What is a CEW case study?

Chief Executive Women has undertaken a series of case studies analysing the genuine progress made to improve gender equity in organisations across Australia. This analysis has been undertaken in response to strong feedback from organisations which bought and used a key Chief Executive Women tool: the Gender Diversity Toolkit (formerly known as the CEO Toolkit).

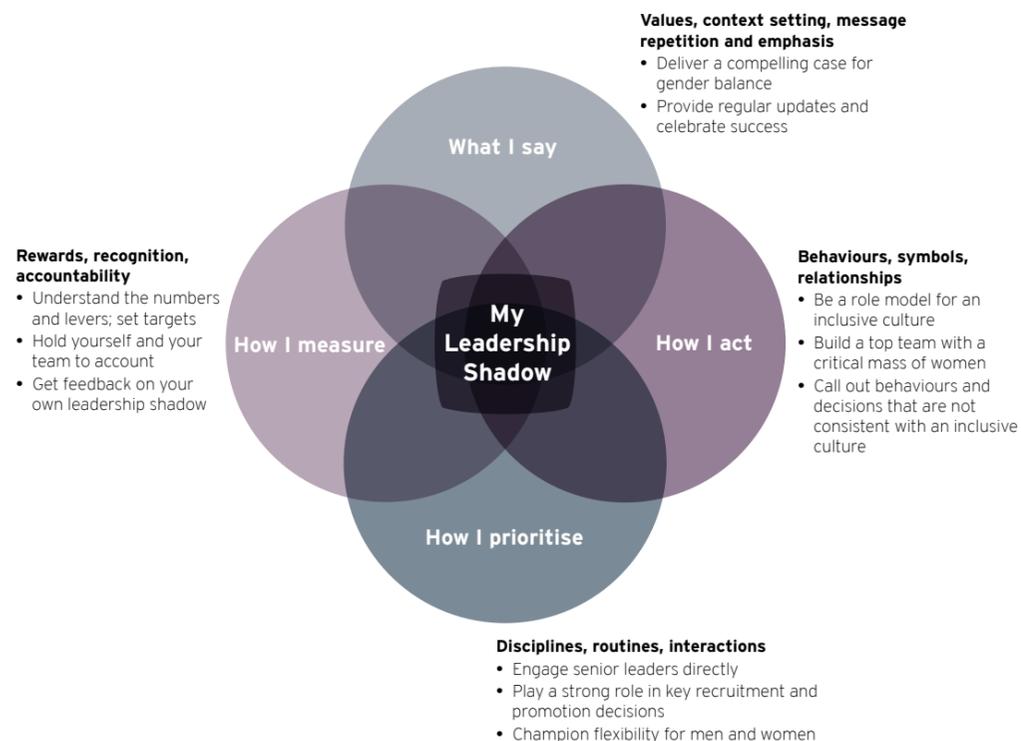
To produce this case study, Chief Executive Women undertook 24 detailed interviews with the CEO, members of the Westpac executive team, members of the Westpac Board, a range of employees from across the business, members of Chief Executive Women (who have been or are members of the Westpac executive team, senior executives and Board members) as well as external experts and commentators. CEW has also undertaken a detailed review and independent assessment of the policies, practices and outcomes at Westpac.

## The Leadership Shadow:

In 2013 Chief Executive Women collaborated with the Male Champions of Change, a group established by Sex Discrimination Commissioner Elizabeth Broderick made up of CEOs from some of Australia's leading private and public organisations. The group is committed to changing the unacceptably low number of women in leadership in Australia. Chief Executive Women worked with the Male Champions of Change to create a model called the Leadership Shadow, which helps leaders everywhere to listen, learn and lead by understanding the impact of their personal actions on creating gender balance.

The model's key elements – what I say, how I act, what I prioritise and how I measure – have been used in this case study.

# The Leadership Shadow



# Introduction

**Australia's oldest bank, Westpac is the first of Australia's largest companies to appoint a woman as CEO.**

**Since it was established in 1817, Westpac has grown to currently employ over 46,000 people working at Westpac Group and serves around 12 million customers, across multiple brands, including Westpac Retail and Business Banking, Westpac Institutional Bank, St. George Bank, Bank of Melbourne, BT Financial Group, BankSA and Westpac New Zealand.**

Westpac has a strong heritage when it comes to women's participation and leadership in the

workplace. By the 1990s, and well ahead of its competitors, the bank had appointed a number of women to senior leadership roles.

Jan Tannock was Australia's first female at manager level, and Helen Lynch AM was the first female branch and then state manager. Sally Herman was the first woman to lead Westpac's foreign banking business. Bettie McNee was the first woman appointed as Westpac General Counsel, followed by Ilana Atlas. When Ilana Atlas moved to head human resources, she became a successor to Ann Sherry AO who had introduced a number of programs to boost female retention, before her appointments as CEO of the Bank of Melbourne and Westpac New Zealand (Westpac subsidiaries). Diane Smith-Gander led the Best Bank program to transform the retail bank and also the implementation of the mergers with Challenge Bank and the Bank of Melbourne.

## KEY POINTS

- Westpac was a pioneer in launching practices to attract and support women from the early 1990s
- Momentum and women in management numbers had slowed by the time Gail Kelly became CEO in 2008, with inertia noted by the board and media
- Targets for 40% women in management announced in 2010 were soon exceeded in 2012. Westpac now strives for a market leading target of 50% Women in Leadership by 2017
- Sustained investment in programs and practices is needed to achieve goals like target of achieving 50% women in leadership roles
- Innovative new programs target women to join male dominated areas like IT and recruitment of women from outside the banking sector to join Westpac
- Three things will need to change if Westpac is to reach 50%:
  1. steps need to be taken to address the absence of women in some pockets of the organization
  2. Westpac must remain constantly focused on identifying ways to attract women to the banking industry at all levels of their career (given the pool of women with the relevant experience is restricted)
  3. Westpac needs to continue to make progress at all levels of seniority, which includes more women being appointed at the most senior leadership ranks.

The board also reflected this diversity and had been a pioneer in appointing female directors with Eve Mahlab AO's appointment in 1993, and followed by Helen Lynch AM in 1997. Gail Kelly was appointed CEO in 2008 and broke several barriers as the first woman to run a large listed company in Australia. Westpac's reputation for inclusive leadership practices was well-founded, according to Gail Kelly:

**"When I arrived at Westpac, Westpac had a**

**very strong culture about treating people equally and sustainably. Westpac was ahead of the curve..."** *Gail Kelly*

Some of this unusual legacy stemmed from the days when American CEO Bob Joss, who ran the bank from 1993 to 1999, expressed his astonishment at the lack of women in senior jobs. His query "where are the women?" became part of Australian business folklore. His successor, David Morgan, continued the emphasis on attracting and retaining women

throughout the bank well before such moves were regarded as legitimate corporate practice. This progress and momentum resulted in an array of firsts for Westpac.

Unsurprisingly this historical solid foundation gave many within and external to the bank the confidence that progress would continue – including Gail Kelly herself.

**"When I arrived I didn't think [gender diversity] was something that would require my**

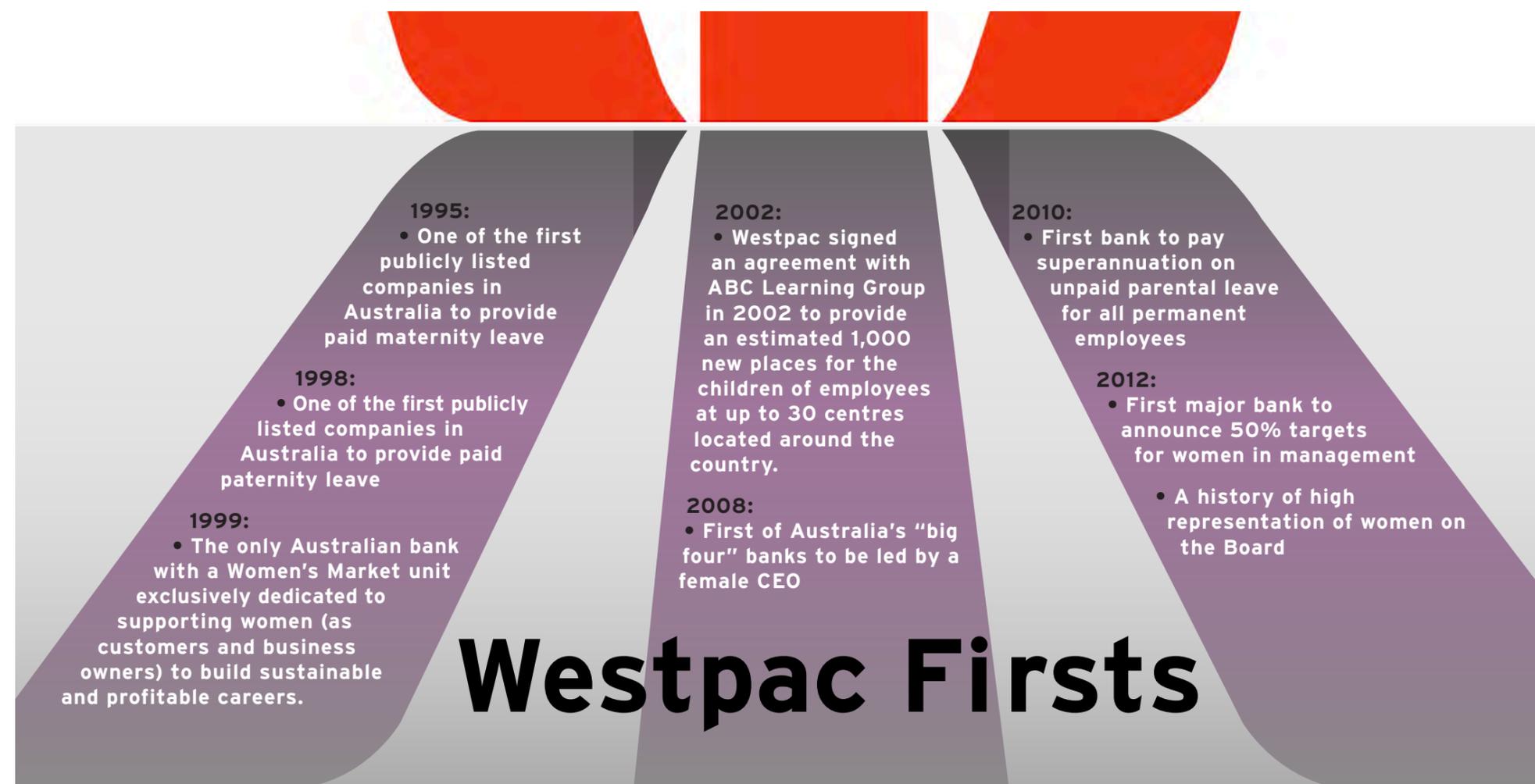
**immediate focus as it was already built in to the Westpac culture and in its DNA"** *Gail Kelly*

But despite this legacy and high expectations for more action under a new female CEO, progress was slowing. As she explains, taking over the role coincided with a tsunami of difficult business conditions.

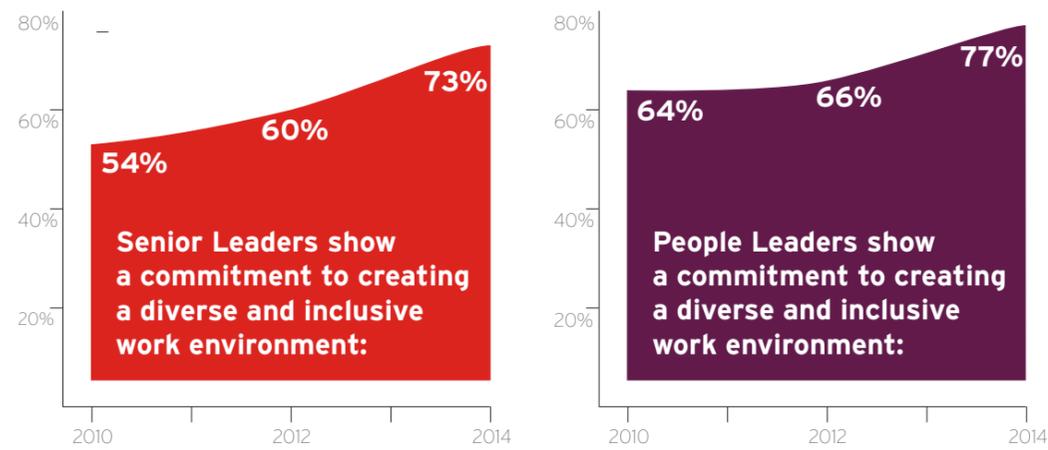
**"When I arrived in the beginning of 2008 there were already significant priorities already on our agenda including the Global Financial Crisis which was a big one and the merger with St George being the second really big one, and at the start of 2010 when I had really come through those two big ones. All of a sudden I stopped and looked and thought, "What's happened? We've actually made no progress at all" and because we really hadn't made any progress, there was a little bit of a sense that for Westpac that felt like we had gone backwards. And for Westpac, going nowhere, is going backwards."** *Gail Kelly*

It became evident that major cultural change around gender had floundered. Anecdotally there was a perception that a number of high-profile female senior executives had moved on. Data made it clear the numbers of women in leadership positions at Westpac had not improved, while competitors had caught up to the bank's early lead. The senior executive team were under no illusions about the picture.

**"I think that during the GFC, when so much of the efforts within the organisation went to**



## PROGRESS IN CULTURE SURVEYS



preserving our strengths, we took our eye off the diversity agenda a little bit. That was remedied and we got our eye back on the ball; but I regret those few years. You can explain it away, but if I had my time again I'd keep pushing the diversity agenda because we have a hole in our pipeline. If you take your eye off the ball you leave a hole in your cohort." *GROUP EXECUTIVE*

More evidence soon emerged. The 2010 Culture Survey results revealed the bank was losing ground and it was the verbatim comments in that survey that brought it home to Gail Kelly. One carried particular weight: "I am not sure that, as an organization, we care about this issue as much as we used to".

"That really struck a personal chord for me because I thought 'wow, the moment of truth

here, to say we need to evidence that this matters more than ever.'" *Gail Kelly*

"We didn't go backwards, but you've got to keep moving. It's like anything – getting deposits in a bank – if you take your focus off of it, the issue comes back." *GROUP EXECUTIVE*

The Board also noted that Westpac's lead on gender diversity had plateaued, and made their views clear.

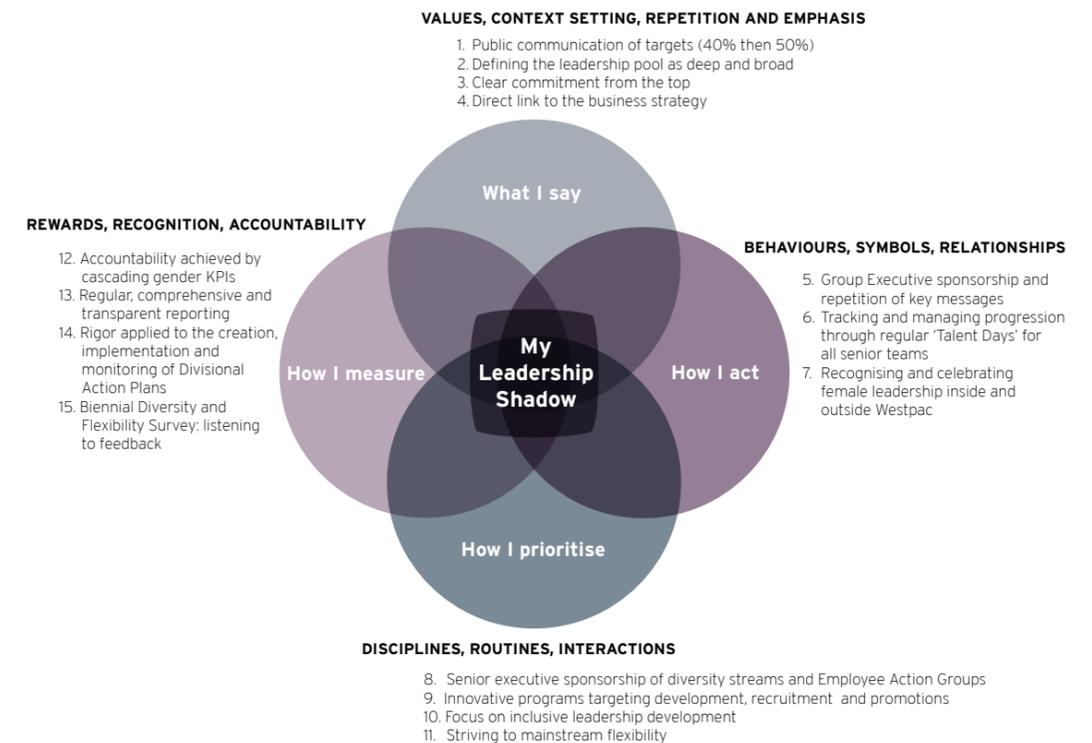
"If [bridging the gender leadership gap] is a board priority, it really helps for the management, the CEO and the organisation to get behind it because it is known that this is a Board priority." *Gail Kelly*

"We have a Board that has a very strong view on this. It's a very active Board." *GROUP EXECUTIVE*

It was time for action.

## Westpac's Organisational Leadership Shadow

The Leadership Shadow is a model created by CEW in collaboration with the Male Champions of Change group (see inside front cover). Westpac's Leadership Shadow shows the actions taken across the organization to drive to gender equity.



## LEADERSHIP SHADOW ELEMENT:

# What I say

The need to refocus on women's progress at Westpac led Gail Kelly to announce a series of changes in strategy, practices, and appointments along with a range of publicly articulated goals.

### 1. Public communication of Targets

Gail Kelly's renewed commitment to the agenda was underlined in October 2010 when she announced a target of achieving 40% women in leadership roles within four years. The decision to announce targets publicly was a statement of the seriousness of Gail Kelly's intent. There is no stronger way for a CEO to communicate her commitment than making an announcement to the market: reaching out to employees, shareholders and competitors simultaneously.

Supported by widespread media coverage as well as internal communications, the very clear statement about targets set the ball rolling for a renewed push. When the 40% target was reached in 2012, Gail Kelly went further and announced the aspirational target of 50% by 2017. This was a first for Australian business.

**"We nailed the target and then in 2012 I upped the ante and said right - two years**

**ahead getting to 40%, now the goal has got to be 50%. That was quite a bold target. It was unscientifically calculated, and it was done in a speech without a lot of discussion with everybody around me. And you could see people's ears pricking up..."** *Gail Kelly*

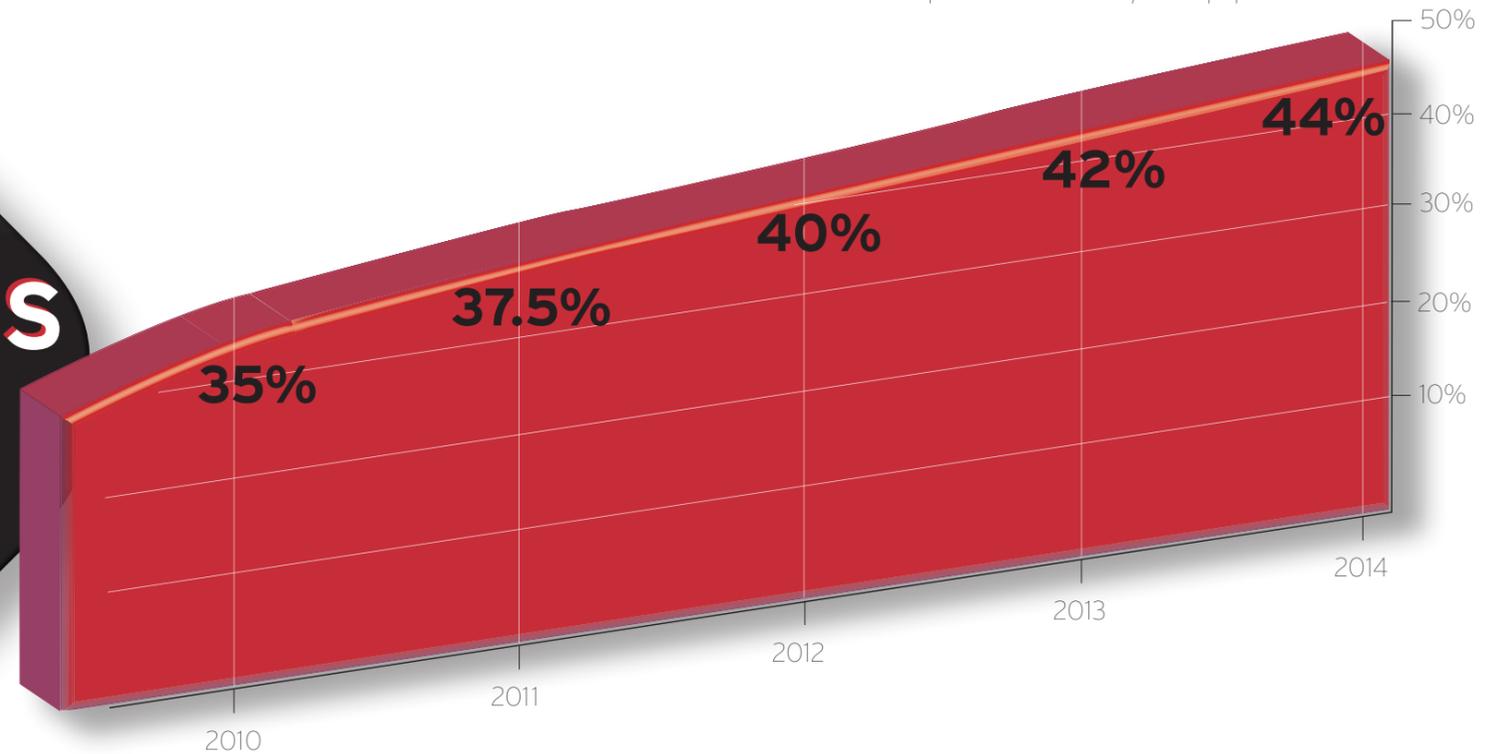


Targets were a public and a measurable sign of serious intention and demanded accountability from leaders throughout the bank. The message was received loud and clear.

**"Measurable targets force people to confront their choices and the decisions that they are making and ask themselves whether or not they are being successful. Targets reverse the burden of proof. You have to start explaining why you aren't at the target as opposed to explaining why somebody should have done more."** *Brian Hartzler*

### 2. Defining the leadership pool as deep and broad

Westpac's targets apply to 5,200 people leaders ranging from group executives to bank managers. Although the range of job categories included in the target pool was perceived by some to be too wide, the Westpac approach was based on two requirements: the need to build a strong pipeline of women and to draw from as broad a pool of positions as possible to avoid distortion i.e. where changes in the gender composition of relatively small populations have



a disproportionately large positive or negative impact on perceived progress towards targets. This focus on 'substantive' progress favours those inclined to a long term perspective rather than seeking short term gains from a small number of high profile female appointments at a senior level.

**"Bank Managers are a large part of the population and it's a key leadership role for us."**  
*GROUP EXECUTIVE*

**"We had just been through the strategy which involved establishing the bank manager role as a key manager role, a real business leader role."**  
*GENERAL MANAGER*

**"A deep population was chosen in order to enhance the pipeline but also to avoid small changes looking like big changes."**  
*HEAD OF DIVISION*

### **3. Clear commitment from the top**

There was no shortage of scepticism from within and outside the bank about the push to meet targets. Media commentary queried the commitment to the targets and whether they would have much impact on the composition of senior ranks. Backlash from male employees centred on potential unfairness from 'favouring' women. To counter those suspicions, both informal and formal communication was needed and one of the most effective immediate rebuttals came in the form of a strong and consistent message from Gail Kelly.

**"The gender diversity target created an amount of noise, mostly with male employees – saying 'does that mean I'm going to be discriminated against.' But that disappeared quickly because Gail was very vocal and present and reinforced her view on meritocracy."**

*GENERAL MANAGER*

**"We did cheeky things like say 'well if it's a 40% target of women it's a 60% target for men.'"**  
*GENERAL MANAGER*

**"We don't [feel the need] when talking about male shortlists [to interject] 'with merit'. It's a given we want the best person for the role."**  
*GROUP EXECUTIVE*

### **4. Direct link to the business strategy**

One of the first steps taken by Gail Kelly and HR & Corporate Affairs Executive Manager Christine Parker to reboot action on women was appointing a Head of Diversity – a role that had existed under former CEO David Morgan, but once vacated had not been re-filled. Rachel Slade, a strong business manager from a line role, was chosen to fill this senior leadership position.

The seniority sent a strong message about the priority of the function as a part of the core business strategy.

**"The goals need to be deeply anchored in our value set; they need to be aligned with the business DNA."**  
*GENERAL MANAGER*

**"You've got to demonstrate the benefits to**

**the business and demonstrate right people right role."**  
*GENERAL MANAGER*

The rationale for better diversity was consistently spoken about by the top team as a commercial need rather than a fairness agenda.

Two strong business reasons for improvement were articulated. First, diversity of experience and appreciating different ways of creating value was thought to produce better results.

**"My starting point when talking about diversity is to say, "this is a business issue." It might be a happy coincidence that there are social justice outcomes as well, but actually you can be totally commercial about this and say that a more diverse and inclusive workforce means we can get better quality people working for us. It means we make more thoughtful and insightful decisions and therefore do better over time."**  
*Brian Hartzler*

**"I'm a trader. So I understand diversification better than anybody from a business perspective. It reduces my risk. I can think quite dispassionately and academically about how I want a diverse workforce."**  
*GENERAL MANAGER*

Second, ignoring or failing to integrate 50% of the educated talent pool in Australia was seen as an unacceptable risk particularly for future capability.

**"This isn't an issue about having women in your workforce—it is about having the best people in your workforce. To get the best**

**possible people you want the deepest and broadest talent pool. Anybody who consciously or even sub-consciously excludes potential talented people from the pool is foolish in the extreme."**  
*GROUP EXECUTIVE*

**"The talent pool is small in Australia. We can't limit it even further by eliminating pools of people."**  
*GENERAL MANAGER*

Third, leading in diversity was positioned as building a strong market reputation for the bank with significant competitive advantages.

**"The fact that we set a goal of 40% women in management is increasingly getting known in professional circles as being something distinctive about Westpac... it helps increase Westpac's chance as a preferred employer. Imagine what the benefits will be when we hit 50%."**  
*Brian Hartzler*

The message about the business case for diversity was consistent and supplemented by the latest data and feedback on what was happening in the organisation to avoid any relapse to a 'set and forget' mentality. A good example involved a finding in the 2012 culture survey showing there was still basic ground to cover, as Gail Kelly recalls:

**"In answer to the question "is it equally easy for a man or a woman to be promoted?" men were saying "absolutely! And women were saying, "no", in certain pockets and cohorts... so you can say right, we have a blockage, a cultural blockage, let's make sure we now run**

a workshop to find why men think it is all fine and why the women don't. Of course the men might then say, its reverse discrimination.

But you get to unlock what the signals are and keep on listening."

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## LEADERSHIP SHADOW ELEMENT:

# How I act

Cultural change only occurs when senior leaders demonstrate visible leadership on gender equity, and so the observed behaviors of the Group Executive were critical to driving momentum.

### **5. Group Executive sponsorship and repetition of key messages**

**"Leaders set the culture. No matter how much momentum you have bottom up you'll hit a ceiling if you don't have momentum from the top."** GENERAL MANAGER

Gail Kelly, her Executive Team and other senior leaders needed to reinforce their commitment through casting a "Leadership Shadow": using their behaviour to role model and set standards for the entire organisation. For many senior leaders, the discipline required to continuously and proactively position Westpac's mission on gender was not always an easy fit, but being 'on message' was essential for creating and maintaining momentum across

the organisation.

**"It's almost political in nature. One almost has to behave like a politician as in "Just keep saying it." You have to keep hammering the point."** GROUP EXECUTIVE

There were also formal structures through which the senior leadership team demonstrated commitment to improving diversity at Westpac. Gail Kelly chairs and the full Executive Team sits on a Westpac Group Diversity Council, which meets three times a year to review statistics, strategy and agree priorities.

### **6. Tracking and managing progression through regular 'Talent Days' for all senior teams**

The Executive Team also formally focused on the pipeline of female leaders during Westpac's quarterly "People Days". A key part of the agenda was a comprehensive discussion about key talent and retention risk with detailed action

plans in place for all senior women at General Management level and one level below. These "People Days" are held not just at the Executive General Management level, but cascaded down into Divisions, giving senior leaders an opportunity to role-model inclusive leadership.

### **7. Recognising and celebrating female leadership inside and outside Westpac**

In 2012 Westpac launched the "100 Women

of Influence Awards" in partnership with the Australian Financial Review newspaper to recognise and profile influential women in Australia across a range of sectors. The bank also launched an internal Westpac Women of Influence awards program, identifying and showcasing female achievers internally, and providing sponsorship and career development opportunities.

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## LEADERSHIP SHADOW ELEMENT:

# What I prioritise

Westpac's renewed focus on women was supported by a range of new programs and practices to remove barriers and support women at all levels of the bank with emphasis on levers that delivered strong visible results.

### **8. Senior executive sponsorship of diversity streams and Employee Action Groups**

The power of Group Executives direct engagement in diversity has delivered results, reflected by large jumps in employees' perceptions of senior leadership commitment and support in the 2014 Diversity and Flexibility survey. Every

member of the Executive Team sponsors a diversity stream and its associated 'Employee Action Group' (known as an EAG). Each EAG focuses on an agenda directly or indirectly related to diversity (Women in Leadership, LGBTI, Flexibility, Accessibility, Cultural Diversity, Indigenous, Prime of Life (50+) and Youth). EAGs are action-oriented, and Group Executives are given scope to drive Westpac's strategy and execution in their area and a formal structure where they have a strong voice and can show authentic commitment. In many cases through the EAG, Group Executives provide the additional resources

and funding required to deliver on specific events or programs.

Personal sponsorship has been essential to the success of the EAGs in impacting change and these powerful signals have reverberated throughout the organisation.

**“Sponsorship ensures each GE has some skin in the game. It creates a bit of competitive tension.”** *HEAD OF DIVISION*

**“Accountability for supporting a stream has made a real difference.”** *HEAD OF DIVISION*

### **9. Innovative programs targeting development, recruitment and promotions**

The drive for results was strong so it was essential the senior team prioritised diversity efforts, and played a strong role in programs affecting recruitment and promotions. Westpac offers a suite of development programs targeted specifically at supporting women at various stages in their career. It also tracks whether women are participating in existing leadership development programs to the same extent as men.

These include “Making my mark”, a three-month program where junior women articulate specific career objectives and get one-on-one coaching to help achieve them. “Women Leading @Westpac” is a program targeted at senior women. Employee networks, mentoring and sponsorship structures such as “Women on the

Move” and “Women at Westpac” are available to many women throughout the bank.

In November 2014 Westpac launched a new program called “Equilibrium” which is aimed at finding mid-management women who have proved themselves as great leaders from other sectors who are interested in switching to financial services. The initiative offers participants a one year development program to help them make the conversion to banking.

**“I’m really excited about it [Equilibrium]. Sometimes the pool of women who have interest or capabilities in running a business have been streamed off to other industries, not financial services. So we need to address our sourcing strategies.”** *Brian Hartzler*

**WOMEN IN TECHNOLOGY**

- Identified 20 women to put into leadership roles and gain practical experience in the male-dominated area
- The program aims to build a pipeline to senior IT careers through early intervention
- Participants given direct reports to help build management experience
- Project work gives participants visibility and responsibility

*28% of the 72 participants in this 12 month group coaching program are now in leadership roles in IT, a male-dominated area at Westpac.*

### **10. Focus on inclusive leadership development**

Westpac has also identified the importance of investing in management capabilities to support diversity and has recognised that better leadership skills are required to support and sustain improved gender diversity. A range of programs reinforces the link between leadership skills, the creation of inclusive teams and understanding the value of diversity in all aspects of the business.

**“Gender inclusive leaders are usually just the best leaders full stop. None of those great leaders say ‘I’m going to lose as a result of this desire to increase the numbers of senior women leaders.’”** *CEW Member/Former Westpac executive*

An example of progress is that managers throughout the organisation are getting better at identifying key female talent within Westpac and creating opportunities to enable them to develop and flourish. Looking beyond traditional pools for potential candidates for progression has had a tangible impact.

**“I moved to Head of Brands. I had never worked in marketing or branding but I worked for an organisation that spotted ambition and talent and gave me a big people management role to fast track my career.”** *HEAD OF DIVISION*

**“For many of the roles I’ve been in my CV wouldn’t have even made it on the long list if**

**I was an external candidate.”** *BANK GENERAL MANAGER*

### **11. Striving to mainstreaming flexibility**

Flexibility in how and where work is done is an increasingly essential element of work practice, and is recognised inside Westpac as a crucial enabler of gender diversity. For Gail Kelly it represents an essential lever to drive change for women and men in the organisation.

**“We have now accompanied that 50% target with an extraordinary focus on flexibility. It is a big part of the key to unlocking the potential of people in the workplace and it’s a personal passion for me. I talk about it a lot. A workplace operating on the basis of empowerment, to design roles such that people can incorporate the elements of what’s in their life.”** *Gail Kelly*

According to the 2014 Culture Survey, 63% of employees are using flexible work options. While this was a very high proportion, the form of flexibility can range from flexible or compressed hours, part-time, job share, working from home regularly or occasionally and purchasing extra leave above the standard four weeks a year. The survey also revealed that 89% of employees believe flexible working would be beneficial to them within the next three years. Although there is clearly a high demand for flexible work opportunities, leaders agree that there is much to be done to main-

stream flexibility as a legitimate practice.

Some leaders noted that there are still people leaders at Westpac who simply do not believe that flexible arrangements can work in the long term, especially in a high performing organisation with demanding roles. Indeed there have been incidences where individuals try out permutations of part-time arrangements and wind up stopping because they are unable to reduce their workload to match the reduced hours.

**“How integrated is flexible work at Westpac? I’ll give you an absolute and a relative answer.**

**Not very. Well ahead of most.”** *GROUP EXECUTIVE*

**“I’m frustrated that we still have so much old school thinking inculcated in the whole of Australian society and that’s reflected at Westpac. But I’m excited by the fact that we already have a brand reputation for sustainability and flexibility. It helps us attract talent. But I think we are still only part of the way there.”** *GROUP EXECUTIVE*

**“A senior male direct report wanted to work nine-day fortnights. He stopped doing that a year later. He said ‘I may as well get paid for the ten days because I’m doing it anyway.’”**

*GENERAL MANAGER*

## LEADERSHIP SHADOW ELEMENT:

# What I measure

Nothing is left to chance at Westpac. Because public targets for gender equity have been set a rigorous approach is taken to measurement and accountability.

### **12. Accountability achieved by cascading gender KPIs from the top down**

Diversity is also fully integrated into leaders’ Key Performance Indicators (KPIs). The Board sets the CEO’s Balanced Scorecard and as part of the re-invigorated focus on women, gender

diversity was included as a ‘soft’ or non-financial item. Gail Kelly then cascaded this down through the organization, to her own Executive team and beyond, which focused senior leaders’ minds and influenced their behaviour. Once again, this role-modelling sent a powerful signal to the rest of Westpac. It was the first diversity KPI to be put in the Scorecard at Westpac. As a result, the issue became seen as non-negotiable: gender diversity was tracked

and measured like any other KPI with rigor and consistency.

**“Having diversity in Scorecards makes a difference, but not in the material sense that it will profoundly move anybody’s bonus. There are a lot of factors, of which this is one. However, when something is in your scorecard you’d be rather silly not to take it seriously.”**

*Brian Hartzler*

**“If you want to influence change in an organisation you have to think about the behaviour you reward. It is important to call out, in every way you practically can, that this is the behaviour you want, and then to reward it. I am a big fan of putting diversity metrics in scorecards.”** *GROUP EXECUTIVE*

### **13. Regular, comprehensive and transparent reporting**

The core elements of the diversity strategy at Westpac are rigorously measured and reported. Gender diversity metrics are tracked by a team of statisticians and progress is reported monthly to the business and quarterly to the Board.

**“It’s about constant checking and testing. Every month we report our women in leadership statistics. We equally look at the exits as well as those coming on and promotions.”** *GROUP EXECUTIVE*

**“After the targets were set, each month middle management’s women in leadership**

**metrics started getting tracked. This was new for us.”** *HEAD OF DIVISION*

**“For the first time we had clear metrics around the number of women in leadership roles. The data was presented to me. That is useful for people who rely on data. It prompted widespread acceptance that “I need to do my bit.”** *GENERAL MANAGER*

At the business unit level, a HR generalist sits within each unit and HR business partners meet at least monthly with their General Manager or Group Executive to discuss progress on diversity figures.

**“The HR role at a senior level is very much a partner with the CEO to make things happen. So they have a very loud voice at the table.”** *GENERAL MANAGER*

**“HR are the “checkers”. If there is a senior role that has opened up, I absolutely get a call from HR saying ‘your pool looks like this... What can you do about it?’”** *GENERAL MANAGER*

### **14. Rigor applied to the creation, implementation and monitoring of Divisional Action Plans**

Following the setting of targets, HR team members work with business managers to develop Diversity Action Plans which detail action needed to achieve the goals. This is an ongoing process that occurs annually and is reviewed and refreshed through the year.

**“Initially many of the Action Plans were structured so that HR was accountable for everything. That’s not a plan - that’s somebody who has outsourced their responsibility. It can’t be that HR is doing it all. The leader has to take it on. The conversation has changed from ‘HR you have to drive this’ to ‘Leaders you are responsible for this.’”** GENERAL MANAGER

A core element of the Action Plans was to change recruitment patterns.

**“I called all of our recruitment partners directly and briefed them as to what our expectations are. Part of that was making sure they had senior women on their panels and also that every short list for a senior role had a woman on it.”** GROUP EXECUTIVE

#### **15. Biennial Diversity and Flexibility Survey: listening to feedback**

Although the numbers of women in senior leadership roles has continued to steadily climb, Westpac uses its biennial ‘Diversity & Flexibility Survey’ as a feedback mechanism, which supplemented its understanding of the

numbers. The Diversity Survey is carried out every two years, and gives senior leaders a chance to hear individual voices and identify where investment should be targeted. For an overview on progress made at Westpac on this measure from 2010-2014, see ‘Progress in Culture Surveys’ on page 6.

**“You may think you know but you actually need to hear.... and you need to listen. The [diversity] survey in 2010, and then in 2012 [had shown] huge progress, but still saw that there were pockets of resistance, pockets where people just couldn’t get through.”**

*Gail Kelly*

There has been continued focus on the perceptions of men and women around gender equity. In the 2014 Diversity survey Westpac found men gave slightly lower scores, suggesting an improvement in men’s understanding of the biases and challenges that women face. The gap in perceptions is still wider than Westpac would like particularly in the middle management ranks which we know is a critical time for many women.

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## Getting to 50%

**“Success is when we stop talking about it because we’ve got a balance and it is just part of everyday. Success is the day a leader walks into a room and the leader’s gender is unremarkable.”** GROUP EXECUTIVE

**“Success for me is when every single person has, and believes they have, equal opportunity.”** GROUP EXECUTIVE

Westpac achieved its target of 40% women in leadership two years early (reaching 42% by 2012) and has now reset the target to 50% by 2017. The dedication to reaching this goal reflects a strong Westpac ethos, Gail Kelly points out:

**“At Westpac the rigor is extraordinary. And Westpac does that very well. If Westpac sets its sights on something we set out to go out and get it. We get the whole organisational framework and architecture that must sit around it.”**

While leaders are confident in the organisation’s momentum, it is apparent that a number of challenges will need to be addressed if Westpac is to reach its goal.

First, it is clear that some divisions of the bank have not made as much progress as others. It is essential to identify and address the lack of women in some pockets of the organisation. Improving mobility between different parts of the bank will be an important component to achieving success.

**“We still are stuck in silos. Taking people out of different units would be good. We don’t move talent well across the organisation.”** GENERAL MANAGER

Second, the pool of women with the right banking and financial services experience gained at the right level is restricted. Westpac must remain constantly focused on identifying ways to attract women to the banking industry at all levels of their career which is why the Equilibrium program could be pivotal.

**“If we fail in the emerging space, the pipeline – if we rely on existing cohorts – we won’t make it.”** GENERAL MANAGER

Third, Westpac needs to focus specifically on areas where there are few women in leadership. There has been much success over the past

few years, but a lot of the movement has been at the lower levels of leadership. There is growing recognition that more emphasis must be focused on senior ranks.

**“Westpac has made some great progress at the GM- 1,-2,-3 level (i.e. Bank Managers up to ‘Head of’ roles). But the 90 or so GMs, GEs & EGMs are still male dominated - that’s where there needs to be progress. Westpac hasn’t cooked the books; they have genuinely made progress.”** *GENERAL MANAGER*

**“The challenge at the senior level is more about turnover and the fact that the numbers of roles aren’t as large and that the experience required is more specific. At the lower levels you can take more risks and provide lateral development opportunities. At the senior levels your ability to take risks on people for your benefit or for theirs is more constrained.”** *Brian Hartzler*

As Gail Kelly steps down as CEO in early 2015 she also recognises this as an area for further attention but says the ingredients for future increases in executive levels and in line management appointments are in place.

**“I am also very aware of the criticism as well. But I am not defensive about it. We have a great stable team... we have done the hard yards with this excellent group of general managers and I would expect that over the next two or three years I have absolutely no doubt that you will have two or three women, who will be ready (a couple of them are ready now), to take on opportunities.”** *Gail Kelly*

The steady increase of women in management at Westpac is a core legacy of Gail Kelly’s tenure as CEO.

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## Next steps

Progress towards meeting the ambitious 50% target will bring some challenges which the leadership team is well aware of, particularly given the lessons of the past and the reality about the number of women required.

**“What would stop Westpac from achieving 50%? I suspect if it doesn’t happen the reason would be that we just eased off a bit. But bear in mind for us to get to 50% by 2017 we are going to need to recruit more than 50% women into leadership roles. That in and of itself presents challenges and what signals does that send if men go into the minority of appointees?”** *GROUP EXECUTIVE*

The groundwork established under Gail Kelly – the targets, data crunching, diversity strategy and shift in attitudes - provides a solid base for her successor Brian Hartzler, who she believes will soon make an impact on the senior executive ranks.

**“You should watch this space with Brian. As opportunities emerge they will fill these roles... There is such good talent at the General Management level. I think it is just a case of the right opportunity at the right time with**

**them. He will probably put his mark on it by making some key appointments, that’s the best way he can make his mark on it.”** *Gail Kelly*

Brian Hartzler has made it clear that progress and the investment needed to support this shift will continue particularly at the top.

**“We need to get more women into line roles, revenue generating roles. Traditionally a lot of women have come through the organisation through professional services or functional specialisation. An element of this is our sourcing strategies.”** *Brian Hartzler*

Will the 50% target be reached under his stewardship? Brian Hartzler’s response is unequivocal.

**“We will achieve that goal. History will recall that we achieved 50% by 2017 and I know because I’ll write that history.”** *Brian Hartzler*

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