



Australian
Institute of
Management

2015 GENDER PAY GAP REPORT.

Findings from the
2015 AIM Pay database.

**AIM
RESEARCH**

TABLE OF CONTENTS.

Introduction	1
Report Methodology	1
Summary of Results	2
Report Findings	3
Overall Pay Differentials	3
Pay Differentials by Job Level	4
Pay Differentials by Job Family	5
Conclusions	6

Introduction

Our 2015 analysis of gender pay differentials indicates that significant differences continue to exist in the amount of pay provided to full-time female and male employees in Australia, although the level of pay differentials appears to be narrowing.

Report Methodology

This report presents findings from an analysis of pay differentials (in 2015 and since 2011) between male and female full-time employees within the Australian workforce, across different job levels and job families.

The analysis has been conducted using the AIM National Salary Survey database, last updated in April 2015, comprising data collected from 557 organisations across Australia, covering over 280 job roles.

The AIM National Salary Survey database incorporates an overall composition of 42.8% female and 57.2% male employees. This compares to the 45.8% female and 54.2% male overall (full-time/part-time) workforce composition reported by the Australian Bureau of Statistics (Labour Force, April 2015; ABS 6202.0).

In the process of determining an appropriate methodology for the analysis and reporting of gender pay differentials, significant variations have been found within the overall sample which can be primarily attributed to a range of job roles not employing any females.

In order to effectively compare 'like against like' and help reduce the impact of the resulting (skew) from more male dominated job roles, a sub sample has been created from the overall database using only those job roles that contain pay data for both males and females. Further, only those positions that contain a minimum number of 5 cases for both genders have been included in this analysis.

Based on the above criteria, a total of 158 job roles have been selected from the AIM National Salary Survey database and used for the comparative analysis contained in this report. The composition of gender pay data contained in the sub sample (of 45.1% female and 54.9% male full-time employees) remains largely consistent with that of the overall sample composition.

Calculations used to determine the level of pay differentials are based on Total Package remuneration, which comprises all salary and pay benefit items received by employees, excluding overtime and variable performance based pay elements such as profit share, commission and incentive payments. The same methodology has been employed for the provision of the 2011, 2012, 2013, 2014 and 2015 analysis of pay differentials used for comparative purposes in this report.

Summary of Results

Findings from this year's (2015) analysis of Gender pay differentials have been summarised below:

- Gender bias, in terms of pay, continues to exist within Australian organisations;
- On average, male staff are paid 8.0% more than their female counterparts, for undertaking the same role;
- The overall (average) gap between male and female earnings appears to be narrowing, although large variations exist across Job Level and Job Families, with increases in pay gaps recorded within some of these subgroups over recent years.
- The widest pay gap exists:
 - › at the Other Management Job Level;
 - › within the Administration & Other Specialists job family;
- The narrowest pay gap exists:
 - › at the Support Staff job level;
 - › within the Information Technology job family;
- Since 2011, pay gaps have narrowed:
 - › at the Senior Executive and the Professional & Technical job levels;
 - › within the Engineering & Science and Administration & Other Specialists job families;
- Since 2011, pay gaps have widened:
 - › at the Support Staff job levels;
 - › within Information Technology and Manufacturing/Supply & Distribution job families.

Report Findings

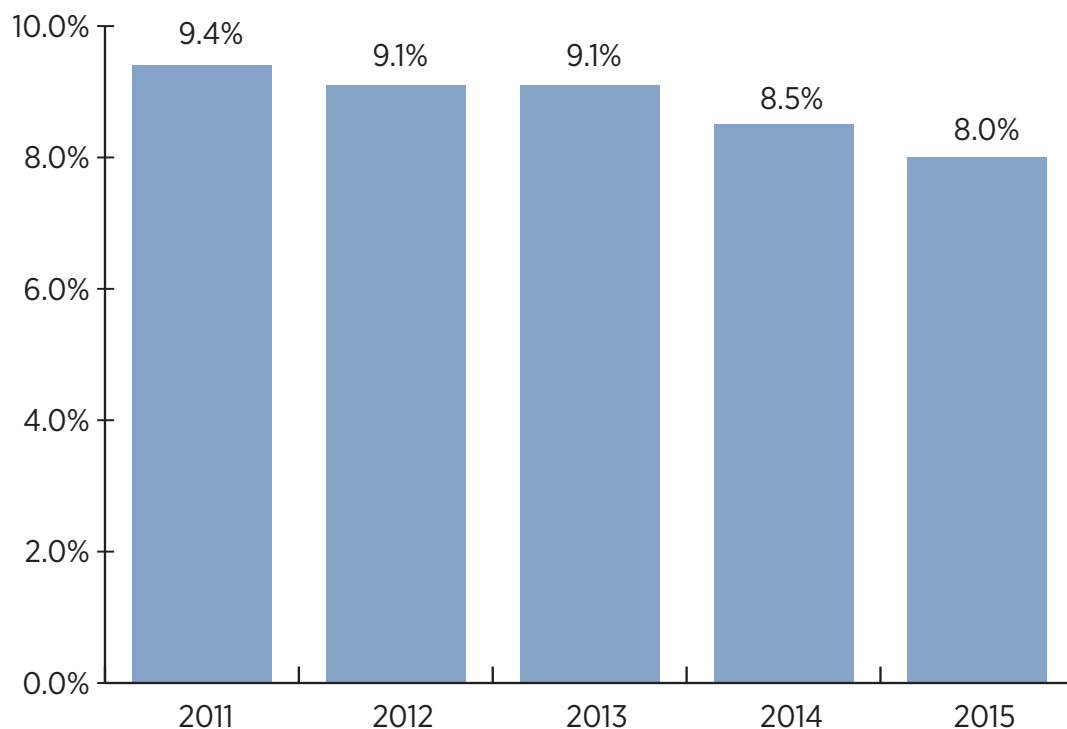
Overall Pay Differentials

On average, female employees are paid 8.0% less than their male counterparts for undertaking the same job role.

Our analysis indicates that, over the past five years the pay gap between males and females has been narrowing.

The following graph shows the overall percentage differences in Total Package received by male full-time employees when compared to their female colleagues, over the past five years.

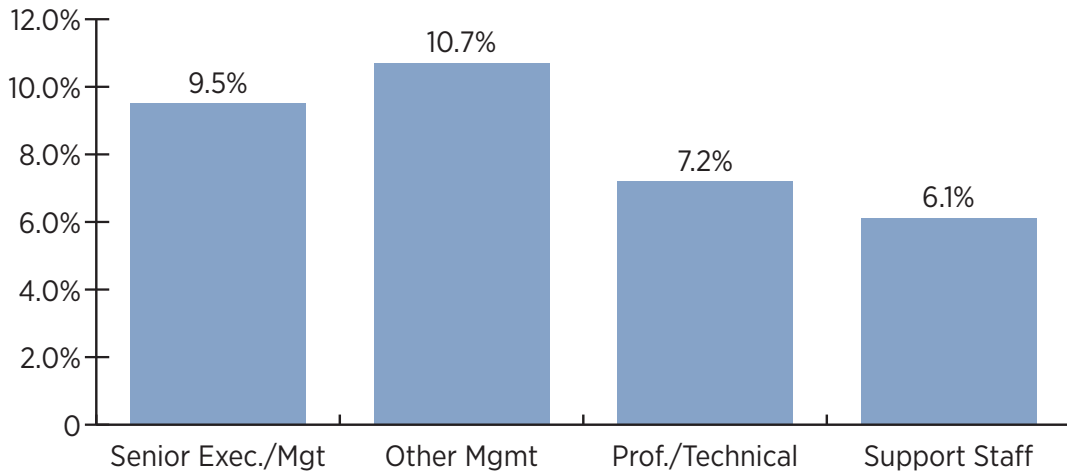
Figure 1: Overall Pay Differentials (Total Package)



Pay Differentials by Job Level

Our analysis reveals that, on average, females earn less than their male colleagues across all job levels. The following graph shows percentage differences in Total Package received by male full-time employees, when compared to their female colleagues, across each job level.

Figure 2: Pay Differentials by Job Level (Total Package)

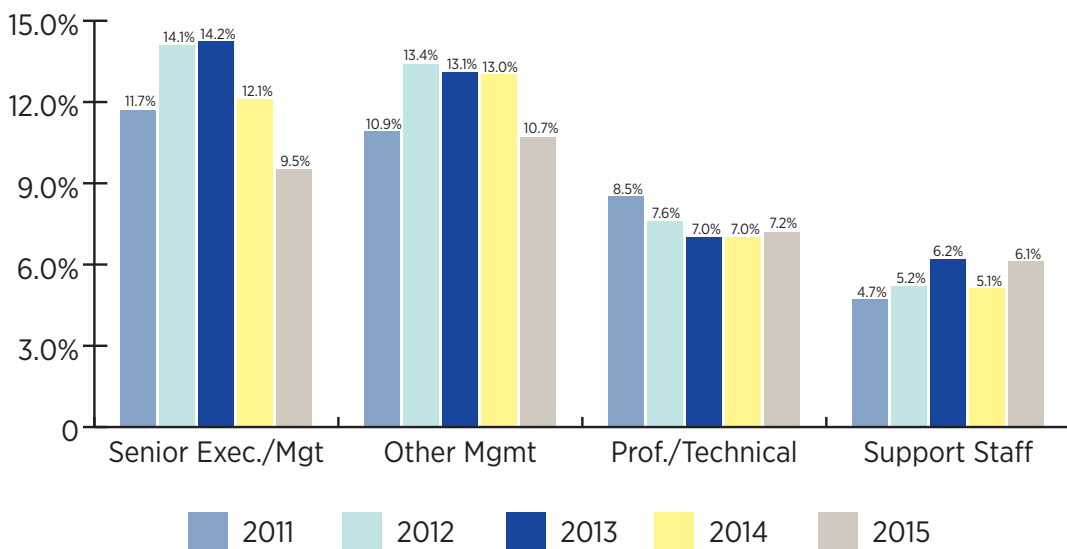


The most significant difference occurs at the Other Management job level, where males earn 10.7% more than their female counterparts for undertaking the same job role.

The proportion of pay differential is notably less at lower job levels, particularly at the Support Staff job level, which recorded a pay differential of 6.1%.

As illustrated in the following graph, since 2011 pay differentials have decreased across all job levels, except for the Support Staff.

Figure 3: 2011 – 2015 Pay Differentials by Job Level (Total Package)



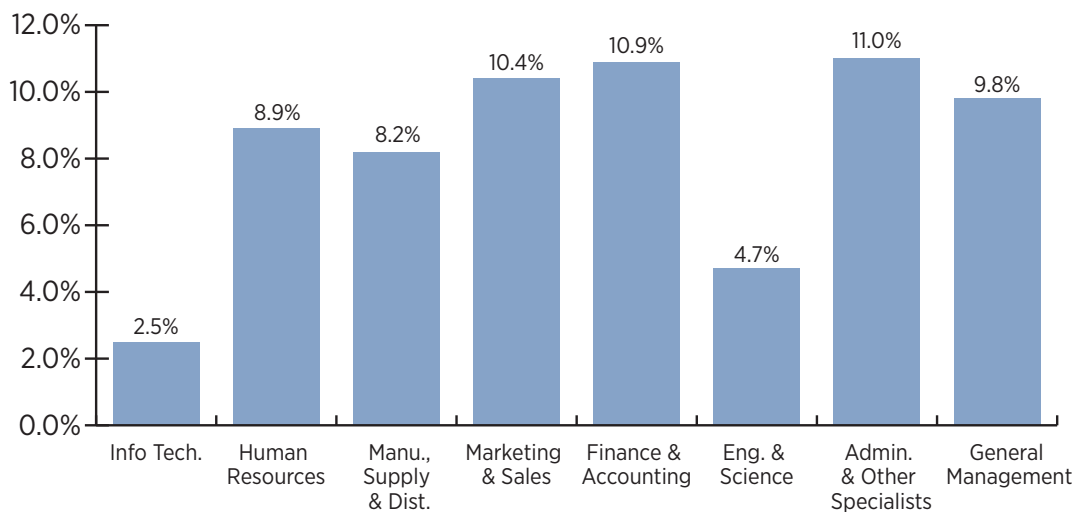
Pay Differentials by Job Family

Consistent with the trend recorded across job levels, our analysis reveals that, on average, females earn less than their male colleagues across all job families.

Pay differentials (at 2.5%) are lowest within the Information Technology job family.

The following graph shows percentage differences in Total Package received by male full-time employees, when compared to their female colleagues, across job families.

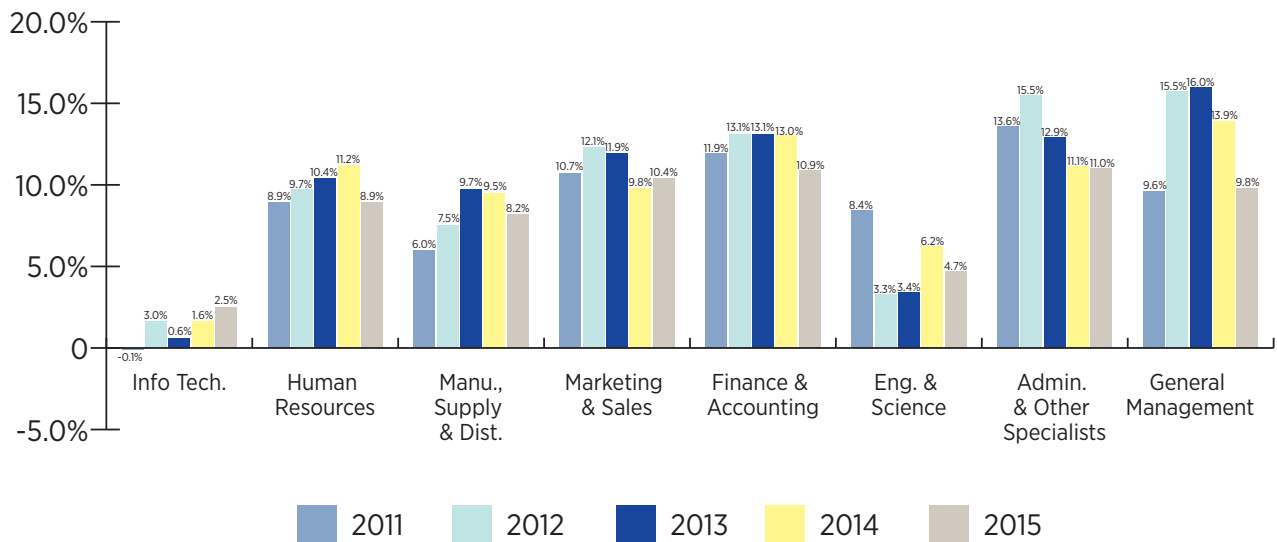
Figure 4: Pay Differentials by Job Family (Total Package)



The most significant difference in pay occurs within the Finance & Accounting job family, where males earn, on average, 11.0% more than their female counterparts for undertaking the same job role.

As illustrated in the following graph, since 2011 pay differentials have decreased across the Marketing & Sales, Finance & Accounting, Engineering & Science, and the Administration & Other Specialists job families, but have increased across the Information & Technology, Manufacturing Supply & Distribution, and General Management job families. The Human Resources job family has steadily increased from 2011 to 2014, but has decreased significantly, back to 2011 levels.

Figure 5: 2011 – 2015 Pay Differentials by Job Family (Total Package)



Conclusions

The pay differences presented in this report may surprise many managers. Unconscious biases and organisational policies may be contributing factors but the situation can be remedied.

Unlike capital investment in infrastructure, human capital is mobile. Knowing the staying rate and the going rate is a conscious decision that underwrites the sustainability of competitive advantage. Reference to market rates and other components of salary packages such as bonus payments and performance pay are available in AIM’s 2015 National Salary Survey.

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