



Australian
Institute of
Management

The Australian Institute of Management
Research and HR

2014 Gender Pay Gap Report

(Findings from the 2014 AIM Pay database)

July 2014



Table of Contents

Introduction	3
Report Methodology	3
Summary of Results	5
Report Findings	6
Overall Pay Differentials	6
Pay Differentials by Job Level	7
Pay Differentials by Job Family	8
Conclusions	9

Introduction

Our 2014 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 2014 and since 2010) 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 Pay database, last updated in April 2014, comprising data collected from 600 organisations across Australia, covering over 300 job roles.

The AIM Pay database incorporates an overall composition of 43.1% female and 56.9% 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 Status Australia, May 2014; 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 172 job roles have been selected from the AIM Pay database and used for the comparative analysis contained in this report. The composition of gender pay data contained in the sub sample (of 43.9% female and 56.1% 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 2010, 2011, 2012, 2013 and 2014 analysis of pay differentials used for comparative purposes in this report.

Summary of Results

Findings from this year's (2014) analysis of Gender pay differentials have been summarised below:

- Gender bias, in terms of pay, continues to exist within Australian organisations;
- On average, female staff are paid 8.5% less than their male 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 Finance & Accounting job family;
- The narrowest pay gap exists:
 - at the Support Staff job level;
 - within the Information Technology job family;
- Since 2010, pay gaps have narrowed:
 - at the Professional/Technical and the Support Staff job levels;
 - within the Information Technology, Marketing & Sales and Engineering & Science Job Families;
- Since 2010, pay gaps have widened:
 - at the Senior Executive/Management and Other Management Job Levels;
 - within the Human Resources, Manufacturing/Supply & Distribution and Finance and Accounting Job Families.
- Within the Human Resources Job Family, the pay gap has been consistently widening each year since 2010.

Report Findings

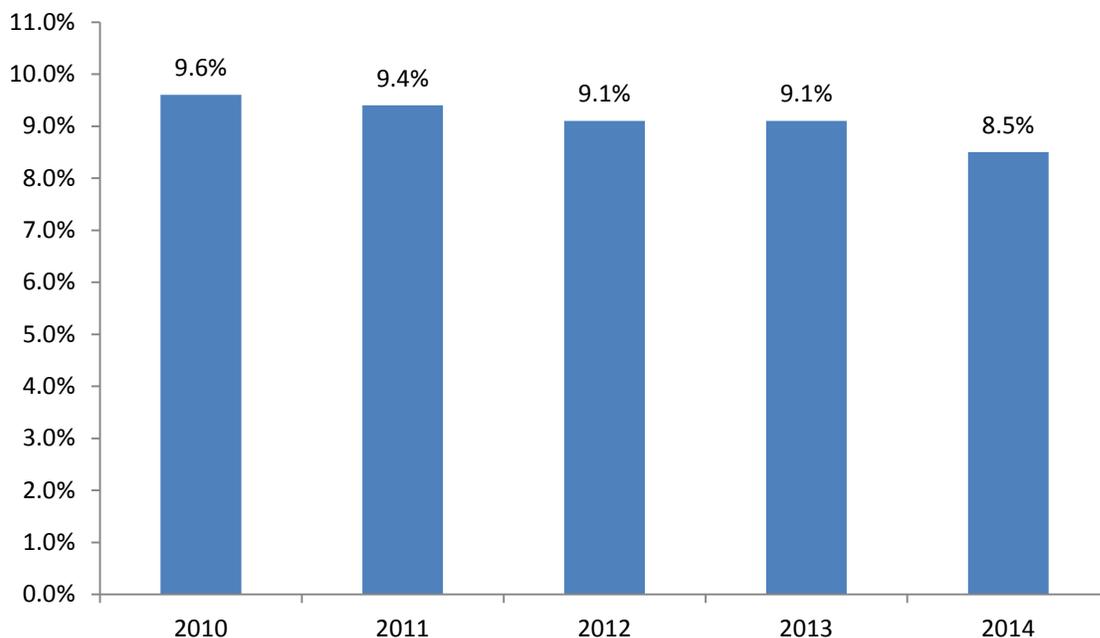
Overall Pay Differentials

On average, female employees are paid 8.5% 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.

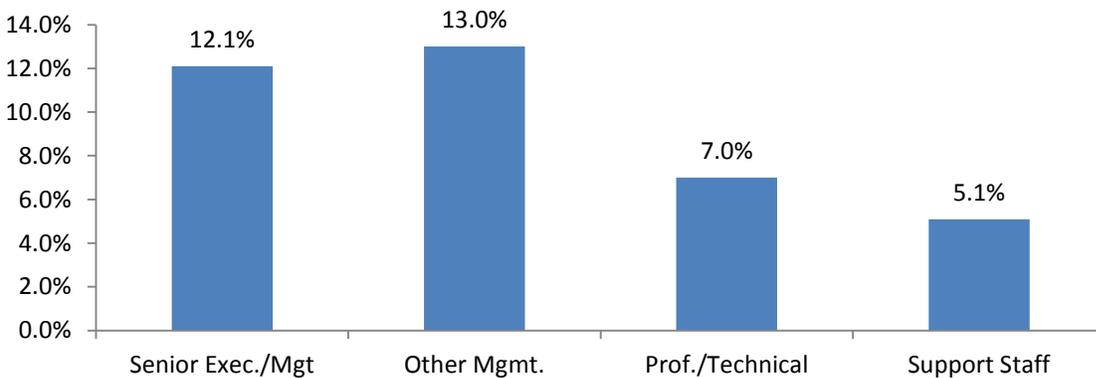
Figure 1: Overall Pay Differentials (Total Package)



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.

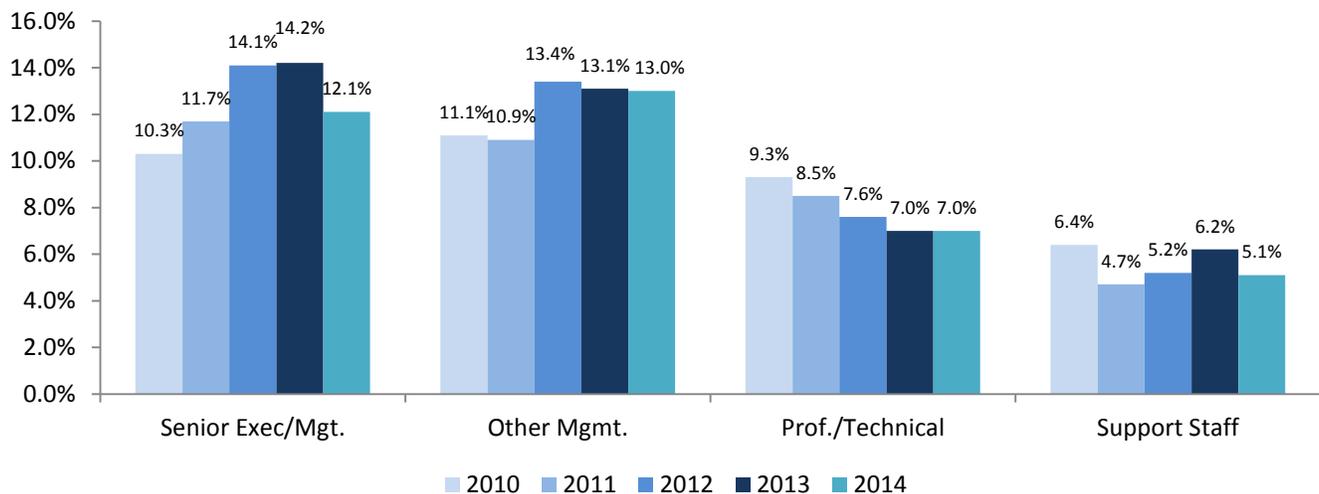
Figure 2: Pay Differentials by Job Level (Total Package)



The most significant difference occurs at the Other Management job level, where females earn 13.0% less than their male 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 5.1%.

As illustrated in the following graph, since 2010 pay differentials have decreased across the Professional/Technical and Support Staff job levels, but have increased across the all Senior Executive/Management and Other Management job levels.

Figure 3: 2010 – 2014 Pay Differentials by Job Level (Total Package)



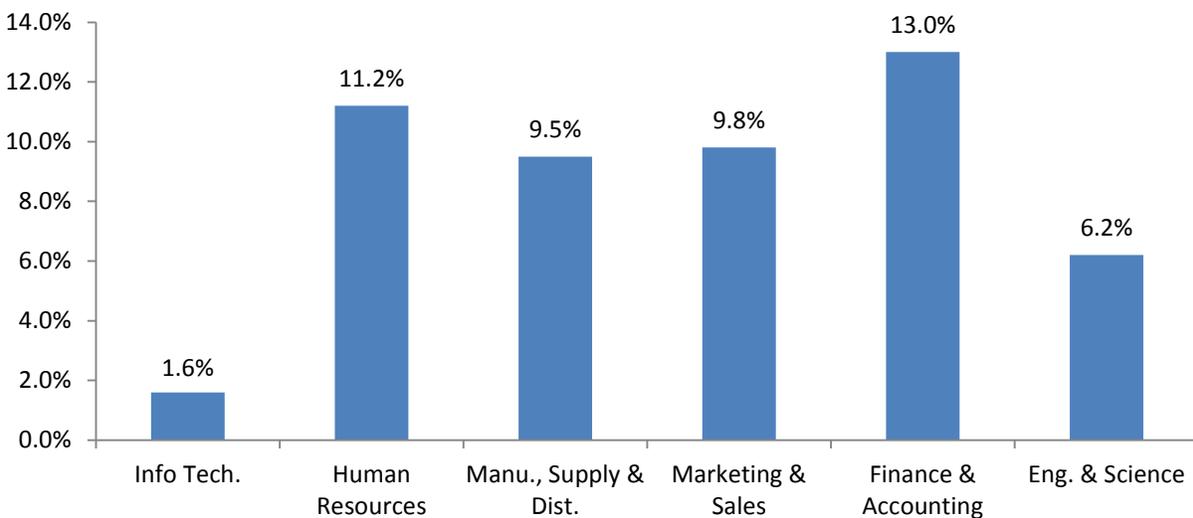
Pay Differentials by Job Family

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 1.6%) 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)

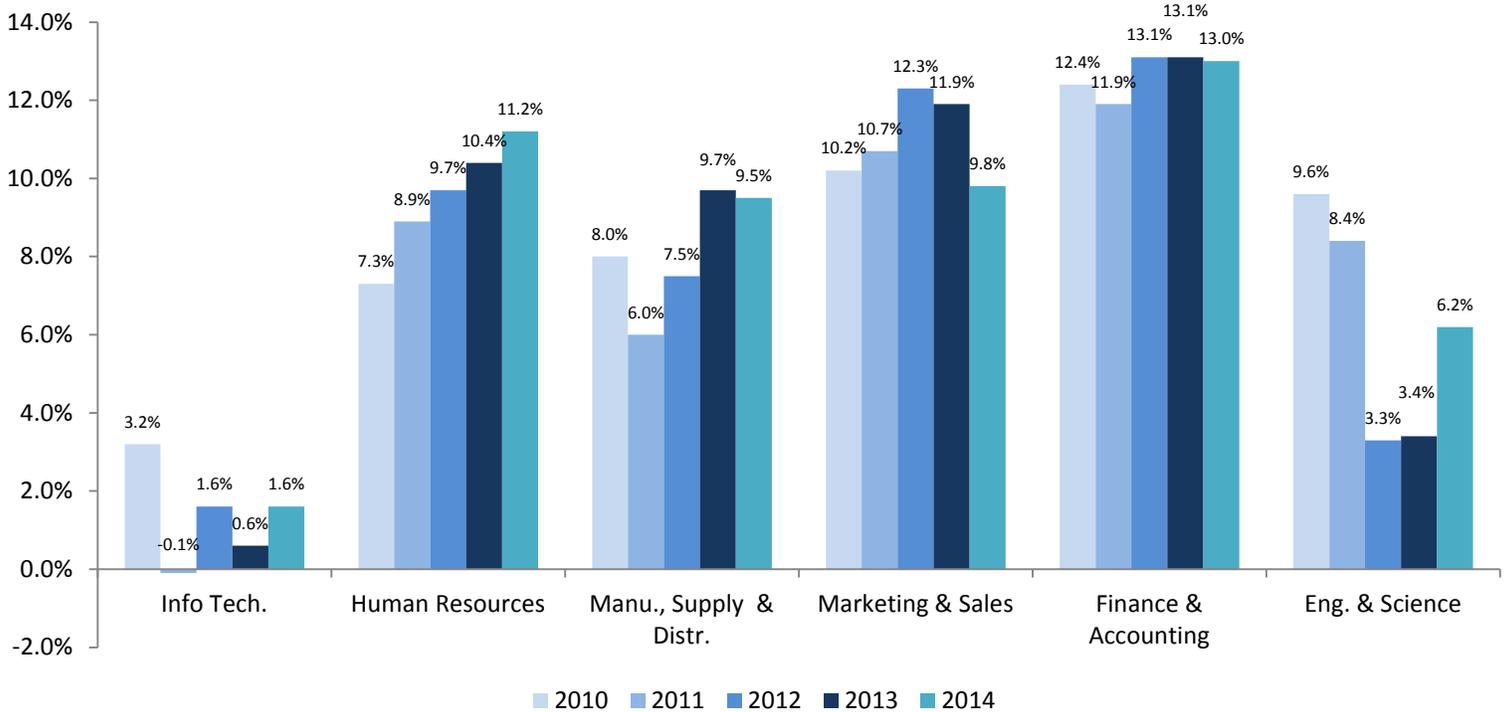


The most significant difference in pay occurs within the Finance & Accounting Job Family, where females earn, on average, 13.0% less than their male counterparts for undertaking the same job role.

As illustrated in the following graph, since 2010 pay differentials have decreased across the Information Technology, Marketing & Sales and Engineering & Science Job Families, but have increased across the Human Resources, Manufacturing Supply & Distribution, Marketing and Sales and Finance and Accounting Job Families.

Since 2010, pay differentials have widened most significantly (and consistently) within the Human Resources Job Family.

Figure 5: 2010 – 2014 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 2014 National Salary Survey.

The Australian Institute of Management collaborates with the Australian Government's Workplace Gender Equality Agency to assist managers make the right decisions.

For further information on this report, please contact AIM Research & HR Consulting 1300 362 631 or on info@aimsurveys.com.au