

Gender balance

We believe gender-balanced businesses enable us to better deliver on our objective of satisfactory returns to shareholders. ‘Gender balance’ at Wesfarmers is defined as a minimum of 40 per cent of either gender.

The Wesfarmers Leadership Team is balanced with 45 per cent women, as is our total workforce, comprising 58 per cent women. There is room to strengthen gender balance in senior executive positions with women holding 27 per cent of senior executive roles. There is also room to improve among management and professional roles where women hold 36 per cent of positions.

2019	2018
WESFARMERS LIMITED NON-EXECUTIVE DIRECTORS	
38%	33%
WESFARMERS LEADERSHIP TEAM	
45%	31%
SENIOR EXECUTIVE POSITIONS (GENERAL MANAGER OR ABOVE)	
27%	28%
ALL MANAGEMENT AND PROFESSIONAL POSITIONS	
36%	34%
TOTAL WORKFORCE	
58%	54%

Wesfarmers supports its divisions to build a gender-balanced workforce in a number of ways. The Wesfarmers cross-divisional forum on gender balance, sponsored by our Group Managing Director, continues to be a highly successful medium for sharing practices across the Group as well as hearing from external experts. Over the last year, the forum has heard from experts about flexible work practices, domestic violence and the role of gender in brand marketing.

In early 2019, our Group Managing Director joined the [Male Champions of Change](#), which works with influential leaders to redefine men’s role in taking action. In doing so, he made a personal commitment to take action to advance gender equality. The Male Champions of Change affiliation is Wesfarmers’ newest partnership in promoting gender equality. Existing memberships continue with [Catalyst](#) and the [Diversity Council of Australia](#) which provide us access to thought leadership, leading practice and world class research on diversity and inclusion in the workplace. For more information on these organisations please refer to their websites.



Wesfarmers is also a signatory to the [United Nations Women’s Empowerment Principles](#). Our support of these principles is consistent with our ongoing commitment to gender diversity and aligned to the work we are currently doing across the Group. For more information click [here](#).

Every year, Wesfarmers businesses lodge annual compliance reports with the Workplace Gender Equality Agency (WGEA). A copy of these reports may be obtained via the [WGEA website](#).

During the 2019 financial year, two new Diversity and Inclusion Managers were employed in our businesses which means all of the retail businesses now have team members dedicated to this responsibility. This illustrates the increasing commitment our businesses have to advancing a diverse and inclusive culture and workforce.

Across the group, each Wesfarmers division has developed its own diversity and inclusion plan, with a focus on gender balance and other facets of diversity and inclusion, tailored to the specific needs of that division. Our [Inclusion Policy](#) requires our Board to set measurable objectives which are reported on within our [Corporate Governance Statement](#) each year. The objectives, which are used to measure our progress, are reviewed annually by the Board.

The four current objectives and indications of progress achieved are outlined below, along with some illustrative examples:

1. Foster an inclusive culture

This objective seeks to encourage initiatives that both recognise and bring together the unique backgrounds and perspectives from across our businesses.

At Wesfarmers, understanding the different personal and professional needs of our diverse team members is critical to ensuring that we provide the career path, flexibility and support needed for all team members to be their most fulfilled and productive. Diversity in this context incorporates gender and a broad range of other areas such as age and indigeneity. We also see the need to better understand the drivers, needs and identity of our customers and to strive to reflect the diverse communities we serve.

Building capability in inclusive leadership practices has become a focus area of some of our businesses, to ensure that managers and leaders are equipped with the skills to foster a sense of belonging amongst our increasingly diverse teams. WesCEF introduced inclusive workplace behaviour workshops across the workforce. They also included a module in the induction process for new team members. And after a successful launch, the Blackwoods Respectful Workplaces program will now also be offered to other Wesfarmers Industrial and Safety businesses.

Bunnings is addressing this area too, with an inclusive leadership program which was internally developed and piloted this year. It has been successfully adopted and will continue to be rolled out to leaders across Australia and New Zealand. Bunnings has also embarked on a range of initiatives addressing diversity and inclusion for team members along with support for customers. To assist store leaders to better understand the make-up of the local community around the store, census data highlighting local demographics was provided in addition to internal data on team member diversity. This data included information on gender, cultural diversity by background, languages spoken and age. This approach has equipped store leaders with the data to reflect on both team member and community make-up, so Bunnings can truly reflect the local community it serves. Another initiative addressing ethnic and cultural inclusion has been the introduction of country flags representing language spoken on the name badges of team members in stores. This provides an improved customer experience for customers wishing to interact with team members in another language, and also allows team members to proudly represent and identify with other languages and cultures.

Flexible working in all its forms is encouraged across Wesfarmers and is regarded as a key enabler of an inclusive work environment, team member empowerment and performance. As at 30 June 2019, 47 per cent of our permanent workforce is employed on a part-time basis. All our divisions provide competitive paid parental leave allowances and of all managers that took parental leave in the 12 months prior to 30 June 2019, 92 per cent of these returned to our business.

2. Improve talent management

This objective seeks to ensure that we factor gender balance into our approach to progressing people in our businesses through our talent management processes. Wesfarmers takes several steps to ensure that our development and promotion processes identify, support and encourage a diversity of strengths, styles and working arrangements for male and female team members.

For each of our divisions, we closely monitor the gender balance of our teams by level as well as the proportion of General Manager promotions, new hires and exits that are female.

The Group Managing Director meets twice a year with each divisional Managing Director to discuss succession plans and the pipelines into leadership roles including how divisions are successfully attracting, retaining and promoting current and future female leaders. In the most recent of these reviews:

- 49 women (33 per cent of all nominees) were nominated as potential successors to divisional leadership team roles; and
- 5 women (45 per cent) were nominated as potential successors to divisional Managing Director roles.

Within our divisions, talent reviews and people-planning sessions are conducted every six months. The consideration of gender balance is standard within these discussions, as well as action to sustain or move towards balance.

At Bunnings, key leadership programs have a gender-balanced participation split which forms part of the Bunnings commitment to ensuring equal opportunity for development within the business.

Kmart recently piloted a leadership development program targeting the Zone and State Manager store roles; currently an area where it has been difficult to achieve gender balance. The pilot aimed to provide some objective information on existing internal talent and also to accelerate the development of this talent, which included a greater proportion of women than men.

3. Enhance recruitment practices

We are committed to ensuring equitable processes when seeking the best person for the job, requiring consideration of a broad and diverse talent pool.

Across the Wesfarmers Group, our businesses use a variety of tools to ensure hiring processes highlight the capabilities of all applicants and their potential to enhance the existing skills in our teams.

Proactive sourcing and talent pooling is increasingly being used by a number of our businesses, particularly to assist with identifying female talent earlier, and also to identify from a broader pool of industries. Bunnings, our Industrial and Safety businesses and WesCEF, for example, make use of proactive sourcing to mitigate perceptions of male-dominated businesses by engaging with female candidates earlier and providing time to establish a relationship in the lead-up to an active recruitment process.

Our Industrial and Safety businesses have deployed practices such as promoting flexible work opportunities overtly within job advertisements and utilising varied advertising channels, to boost female applicants. WesCEF has piloted video job advertisements and has used Textio, an augmented writing tool used to achieve gender-neutral adverts. All our businesses strongly encourage a 50/50 candidate shortlist wherever possible to help to correct imbalance early in the pipeline of talent attraction. Some of our businesses require reporting to senior management on explanations for exceptions.

In its Hiring for Leadership Process (HFL), Officeworks has implemented several processes to ensure that the strengths of both men and women are visible for each applicant. Hiring panels are designed to mitigate for bias to ensure the best hiring decision for Officeworks. Interview guides shift some of the focus away from experience towards transferable skills and attributes. An emphasis on balanced candidate pools ensures careful consideration of non-traditional candidates. Careful monitoring of candidate data throughout the applications, shortlist, interview, preferred candidate and offer stages of the process has shown the HFL process results in a proportion of offers that is balanced, even when the proportion of applicants is not.

In the 2019 financial year, 55 per cent of externally recruited positions were filled by women (2018: 50 per cent, including discontinued operations) and 45 per cent of externally recruited manager and above roles were filled by women (2018: 39 per cent, including discontinued operations).

4. Ensure pay equity

This objective aims to ensure that women and men receive equal pay for equal work across our workforce.

Since 2010, a Group review of gender pay equity has been conducted annually, with results reviewed by the Board and divisional Managing Directors.

The 2019 review showed the following gaps, reflecting positive progress on last year at both the general managers level and the managers and senior professionals level:

LEVEL	GENDER PAY GAP %
General managers	7.1%
Senior managers	5.3%
Managers and senior professionals	3.3%

Any apparent gaps are analysed to understand whether such gaps can be explained with reference to market forces which may include, for example, different rates of pay in different industries, location and the relative supply and demand for different qualifications, individual performance and experience.

Our businesses also conduct their own initiatives and internal evaluations into pay equity. This year, Bunnings conducted a 12-month project on how to adjust all department structures and job sizing, to create alignment and consistency to its broader reward principles. The Industrial and Safety businesses are also placing greater scrutiny on starting salaries, to seek to ensure that women are commencing at an appropriate level to remove any gender pay gap at appointment.

Team member (employee) standards

Wesfarmers is deeply committed to treating all team members with respect and fairness. The policies and frameworks that support the Group's day-to-day operations are designed to ensure that all relevant universally recognised human rights are observed and safeguarded. Each division must comply with the principles of the [Wesfarmers Code of Conduct](#) and the Wesfarmers Equal Employment Opportunity Policy or incorporate these principles into their policies and procedures.

GRI Standards reference: GRI 103-1, GRI 103-2, GRI 103-3, GRI 405-1, GRI 406-1

¹ Divisional leadership team roles consist of roles which are direct reports of the divisional Managing Director as well as other major roles (Director and/or General Manager roles). They do not include the division's Managing Director role. Nominees only counted once, regardless of the number of nominations received.

² Nominees only counted once, regardless of the number of nominations to a divisional Managing Director role received.

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1 NO
POVERTY

5 GENDER
EQUALITY



7

AFFORDABLE AND
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