

PERSPECTIVE

Top women, but not top dollar

In business negotiations women can be as tough as men, but when it comes to pay they still lose out.

Story Annabel Hepworth and Alex Boxsell

Some things never change. When it comes to pay, women are still lagging behind men. "Chief executives will tell you that men are constantly telling them how fabulous they are," says Anna McPhee, director of the federal Equal Opportunity for Women in the Workplace Agency.

"Women generally don't blow their own trumpet or don't blow it as loudly. So come performance and remuneration time, perhaps some of their wins are not as well known or recalled or recognised."

McPhee is talking about an issue which her female counterparts across business can also identify: that women often have a different style of negotiating pay than men. It's one of the many subtleties in the debate about why there are still such big salary gaps between women and men.

Eileen Aitken has climbed the corporate ladder and is general manager of technology at sharemarket-listed human resources company Talent2, where she has a leadership team that's a 50-50 mix of women and men.

She says when it comes to most business negotiations, "women are equally as tough as men". But when it comes to talks about pay, "it's the one thing that I do see differences in".

"And I don't know why," she says. "We seem to apologise for it. I do it myself."

But McPhee believes the gap is narrowing. "In my experience, things are getting better."

Wendy McCarthy, chairman of McGrath Estate Agents, who also mentors businesswomen, says she would see a woman in her mentoring practice every third day for whom the issue is a struggle.

"It's not the only issue."

McCarthy says.

"Many women would be earning money that their mothers wouldn't

The salary story

Total remuneration of the highest paid women executives in S&P/ASX 200 companies* Latest reporting period

Company	Name	Position	\$
Westpac	G. Kelly	Chief executive officer	8,539,593
NAB	L. Peacock	CEO, United Kingdom	5,155,161
BHP Billiton	K. Wood	Chief people officer and group executive	3,476,764
Westpac	D. Sias	Executive, business & technology solutions & services	3,437,402
Telstra	D. Shiff	GM, Telstra business	3,185,379
SingTel	S. Chua	Chief executive officer	2,706,128
Commonwealth Bank	B. Chapman	Executive, human resources & group services	2,661,301
Wesfarmers	L. Inman	MD, Target division	2,441,866
Origin Energy	K. Moses	Chief operating officer	2,326,806
Babcock & Brown	M. Cole	General counsel	2,291,862
Westpac	I. Atlas	Executive, people & performance	2,221,898
Suncorp	B. Inglis	Executive, strategy, people and corporate services	2,108,251
BlueScope Steel	K. Fagg	President, Asia	1,941,252
Pacific Brands	S. Morphet	Chief executive officer	1,860,649
Austar	D. Strong	Chief operating officer	1,792,363
David Jones	C. Garnsey	GM, apparel, accessories, footwear and cosmetics	1,756,714
Telstra	K. McKenzie	MD, wholesale	1,693,392
Woolworths	J. Coates	Chief logistics officer	1,603,643
Austar	D. Weir	Director, corporate, development & legal affairs	1,522,193
IAG	C. McLoughlin	Executive, strategy, people & reputation	1,511,000
IAG	J. Johnson	CEO, eVentures	1,439,000
Harvey Norman	K. Page	Chief executive officer	1,426,524

* May include base salary, superannuation, sign-on bonus, short and long-term incentives subject to performance hurdles, and other benefits. Some started during reporting period: D.Sias, K.Fagg, C.McLoughlin have left.



Going up . . . Westpac's Gail Kelly, left, and Sue Morphet of Pacific Brands.

even be able to write down. I think that's a part of it."

McPhee has little doubt about the existence of the gap: "You are more likely to be a top earner if you are a man," she says and points to a report by her agency of companies in the S&P/ASX200, based on figures from 2006. It found that only 7 per cent of "top earners" were women. (Top earners are the five most highly paid key management executives disclosed by listed companies.)

McPhee attributes the gap to many factors, including that women are concentrated in the smaller S&P/ASX200 companies and have less exposure to the big-paying roles with responsibility for profit and loss.

She says the pay gap starts

emerging when people are graduates. "And we all know that pay can equate to status and then promotion and then opportunity."

But she stresses that the structural issues are important. On her comment about what CEOs will say, she stresses this is but a component of a broader picture. "Regardless of how good you are at negotiating, when you enter the workplace, because of your gender I believe, assumptions are being made about you, about your value and your commitment," she says.

Sex Discrimination Commissioner Elizabeth Broderick recalls discussing the pay issue while running a focus group in a law firm. "It was funny," she says. "I had a male and a female lawyer, they were in the same

practice area. The woman was saying to me, 'I just say in my annual appraisal, I know we're in a tight market'. The guy said, 'Are you kidding me, I go in and I say, my area is red hot, and I know in New York I can get X, Y, and Z, so basically I am paid 20 per cent more or I am there'."

Transfield Services chief counsel and company secretary Kate Munnings echoes this: "Women focus on getting the job done a lot more than they focus on furthering their own interests."

Broderick objects to suggestions that pay disparity is women's fault. "It's not," she says. "That might be a small contributing factor. And I'm sure it is but if we lived in a fair and equal society, it would be incumbent on all of us to say, 'No, actually, you are as valuable as your male counterpart'."

She believes much of the answer lies in greater shareholder activism. "Define it as a business issue rather than a gender issue," she says. "And that shareholders start asking around performance, because there is a growing body of research that shows that having diversity and particularly around women at the top of business delivers superior performance."