The Leaky Pipeline: Gender Diversity in Australia’s Mining & Resources Industry
Moving from having no women in corporate leadership to 30% female representation is associated with a 15% increase in profitability for a typical firm²

Despite some instability in recent years, mining continues to be one of Australia’s largest industries, contributing an all-time high of $26,745m to Australian’s Cross Domestic Product in the second quarter of 2018³ and achieving an average industry growth rate of 4.4% – just behind IT&T and financial services⁴.

However, the industry is teetering on a double-edged sword. Advances in technology and automation are set to bring revolutionary change to the industry, yet this wave of excitement for the future and demand for new skills is tempered by employer uncertainty on the long-term future of many trades and blue collar roles⁵. Significant job opportunities exist in current mining operations and new mine construction, but talent leaders are also grappling with ethical and financial questions around how best to attract, hire, develop and retain people when there are jobs at risk of displacement by automation.

Against this backdrop of clashing opportunity and uncertainty, Australia’s resources and mining industry is working hard to improve gender diversity and attract more women, particularly in technical, trades and other blue collar roles. Leaders understand the clear business case for gender diversity and its direct correlation with increased company performance, yet despite concerted efforts, mining in particular persists as the most male-dominated industry in Australia⁶.

Complex societal, organisational and environmental factors, together with an eroding value proposition for many of the roles where diversity is most needed, are hampering efforts to meet aggressive diversity targets. Just 17% of employees across Australia’s mining industry are women and this figure has changed little over the last 5 years⁷.

THE BUSINESS CASE FOR CHANGE⁸
It’s a long way to the top for women who want to work in the rock and oil businesses.¹
WOMEN AND LEADERSHIP

“Mandating that all interview short-lists should have equal representation of men and women, for example, will only reinforce negative bias of women’s capability to do traditionally ‘male’ roles if you don’t have a sufficient pool of highly engaged, talented women to draw from.”

KELLY QUIRK, CEO HARRIER GROUP

The mining and resources industry in Australia faces a number of unique challenges when it comes to improving gender diversity at leadership level. Data on gender composition across role types within the mining industry shows that men greatly outnumber women in almost all role types, but significantly more so in site-based and leadership positions. Long commutes, fly-in-fly out work and a lack of facilities for young families, together with deep-rooted cultural and societal constructs, create significant barriers to entry and progression for women.

In Australia, men hold 92% of all CEO roles in resources and mining. The majority of those holding operational leadership or CEO positions in the top 10 ASX-listed mining organisations have progressed from technical leadership, supported by tertiary qualifications in engineering, geology, geophysics or similar – areas all under-represented by women. In mining, the only job types where women dominate are administrative, close to Australia’s average where women hold 74% of these roles.

While progress is slow, it’s important to recognise that investment in long-term strategies to create more inclusive workplaces and develop talented women into senior and executive positions is starting to pay off. PwC report that 46% of new board appointments at ASX miners between 2016 and 2017 were women and by 2018, all of the miners in the ASX 200 had at least one woman on the board. In 2017, FMG promoted CFO Elizabeth Gaines to CEO and Julie Shuttleworth, who has over 24 years’ experience in the mining industry with a double major in Extractive Metallurgy and Chemistry, to deputy CEO.

Setting targets around developing women into leadership roles has also proven to be successful. Rio Tinto has a target in place to increase female representation in senior management 2% year on year. Rio has since achieved 30% female representation on its executive committee.

As the numbers of women in leadership grow, the industry will benefit from having visible role models and mentors for aspiring STEM students and early career women. Role models that connect with teachers, parents and students, as well as more broadly in the media are influential factors in ensuring young women are aware of the opportunities available. The industry will gradually mature in this respect and will face less difficulty attracting and developing women.

There has been a step-change in understanding around gender diversity targets and strategies, because there is no quick fix. Strategies focused on attracting women to site-based and technical roles require us to expand our thinking to be more inclusive of alternative pathways and development opportunities that could lead to operational leadership and executive positions. Long-range initiatives, such as supporting young girls and women through STEM subjects at school and universities, building rich talent pools of female candidates and successfully hiring and developing women from non-STEM and trades backgrounds into key roles, will all help support deeper cultural change as the capability and talent of women permeates the organisation.
Until 1986, women were not even permitted underground or to enter mines in Western Australia\(^1\)
As trades and blue collar roles will be the most affected by advances in automation, employers also need to think strategically about the impact this has on their diversity sourcing and hiring strategies. It would be remiss to offer women opportunities to train for skills that will soon be in far less demand, so employers must invest training budgets wisely and develop programs that will offer a long term future to new hires, while also supporting their existing workforce to retrain.

Creating a winning employer brand strategy, offering training and development or using job boards aimed at women might increase the number of women applying to roles at mines and oil and gas facilities, but employers also need to be honest about the reality of women working on site – and why they leave. Collecting reliable, qualitative and quantitative exit data, and analysing it at national, regional and project level is imperative if employers are to understand where in the candidate journey they are failing to deliver on promises made and where they need to improve.

Achieving gender diversity in site-based roles, particularly those based in remote locations on fly-in-fly-out rosters, is perhaps the industry’s biggest challenge. Organisations committed to achieving a more gender diverse workforce need to be informed and realistic about talent availability and take positive steps to invest in raw, untapped talent – because it is out there, if we are willing to offer training and development.

BHP was one of the first mining and resources companies in Australia to publicly commit to achieving gender diversity across its business, including at regional and remote sites, announcing a target of reaching a 50:50 balance by 2025. The company launched a number of policies designed to attract women including more family-friendly rosters, a move that has accelerated a change in attitudes on what organisations should strive to achieve and contributed to a 2.9% increase in female participation in its workforce.

In 2018, Anglo American was successfully granted permission by the Fair Work Commission to establish and recruit for a female-only traineeship at its Moranbah North mine, in an effort to improve diversity. Anglo offered women the opportunity to join the company as trainee underground miners, and work towards recognised trade qualifications while on the job. The company received over 1,000 expressions of interest, proving that women are keen to work in the industry, we just need to be more willing to invest in them.

Women are much less likely to work in trade roles, over the last 10 years, the number of women employed in Australia in construction and engineering trades has increased by only 1%.

Women and site work

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The mining industry has made significant progress in closing the gender pay gap compared to other industries. Gaps in favour of men still remain, but the average total remuneration for women is higher in mining than in any other Australian industry.

The 14% gender pay gap for full-time employees that exists in mining can be attributed to the concentration of women in lower paying, administrative occupations, however this still compares favourably to data from all industries where the gender pay gap is much higher, at 21% on average.

Strong leadership on pay equity from companies such as BHP who, during its FY18 salary review process, allocated $5.6 million to adjust salaries where pay inequity was identified, has created greater awareness and need for others to evolve, not just on ethical grounds but as a key strategy to attracting and retaining women. This year, 84% of mining companies are taking action on pay equity and 64% are implementing an equality strategy, compared to only 62% and 56% respectively across other industries.

Progress in pay equity might be, in part, attributed to the relative ease of reporting on employee salaries compared with the complexity of extracting and analysing the many data points that contribute to sourcing, hiring, developing and retaining women. But what it shows us is that clear reporting drives clear accountability, and that the same rigour applied to the whole employee lifecycle would achieve improved gender diversity outcomes.

![Progress Towards Pay Equity, Mining Compared to Other Industries](image-url)
It’s not just women’s pay that Australia’s mining and resources industry is addressing. Employers are taking a holistic approach to creating and communicating compelling employee value propositions that appeal to women. In recent years we’ve seen more innovative sourcing strategies, the implementation of technology to ensure gender neutral language in advertising, more organisations financially supporting young women through schools and universities, and improved policies around gender-neutral paid parental leave schemes and flexible working.

Australia’s mining and resources employers are thinking beyond the workplace when it comes to diversity, driving change in broader society by challenging how the traditional roles of men and women in Australian society are perceived. Leading the way are organisations including Origin Energy and Rio Tinto that now offer 13 and 18 weeks’ paid parental leave respectively, available to both men and women on an equal basis. Viva Energy also raised the bar to support new parents, as the first Australian company to pay superannuation at an employee’s usual salary while on unpaid parental leave and for up to five years while working part-time following the birth or adoption of a baby. Such policies are designed to help women participate more fully in the workplace by enabling them to access flexibility without financial burden, but also to encourage men to work flexibly in an effort to debunk cultural bias around women as primary caregivers and homemakers.

In 2017, Origin Energy became Australia’s first resources companies to offer breastfeeding facilities at all regional and remote sites to support women returning to work. However, facilities like this in the industry are still limited and the majority of site rosters are not family friendly, commute times are often impractical and essential infrastructure for families, such as schools and medical centre, are not available in some locations.

By offering paid parental leave and greater flexibility to men, organisations are shaping a culture and society where duties traditionally thought of as ‘women’s work’ are more valued, and families have more choices when it comes to how childcare and careers interplay. A choice of shift patterns and options such as job sharing create new opportunities and appeal to women that may have not considered a career in the industry before.

Unfortunately, even when employers in any industry successfully hire and develop talented and ambitious women, they can still hampered by the slow pace of successive Australian governments to reform grossly inadequate policies on parental leave and caring responsibilities to support women to participate fully in the workforce, for example.

It’s important, however, that these enhanced employee value propositions are supported by programs designed to affect deep cultural change. Unconscious bias training, workshops designed to challenge thinking on flexible working and hiring manager toolkits, driven by authentic and clear leadership on diversity are critical to ensuring that the promises made during the hiring process are delivered.
CHALLENGING STEREOTYPES

The issue of gender diversity and equality, both in the workplace in broader society, spans continents and generations. As a result, there are simply not enough women with the appropriate skills, ability and interest to fill the number of roles needed to achieve 50:50 gender diversity across Australia’s mining and resources industry, nor is there likely to be in the near future. As women’s careers progress, we fail to retain them and promote them into leadership positions due to societal pressures and inequity at home, ineffective HR policies, limited development and mentoring opportunities, and sexism relating to suitability and capability.

A study of 1.6 million student grades shows that gender has no influence on academic performance in STEM subjects at school32. Research also shows that young girls are as interested in STEM subjects as young boys, but as they reach high school and beyond, that interest wanes. Gender stereotypes, whether overt or implied, prevail at schools, in social groups, within the broader community and at home. From ‘girls’ toys’ aisles in retail stores, to Johnny going to science club and Julie going to ballet, the way we raise our children and their daily interactions have a profound impact on their future choices, and the opportunities they perceive to be available to them.

Extant research also shows that gendered stereotypes, historical pay gaps, sexism and lack of inclusive environments in traditionally masculine roles and industries are the core reason for the leaky pipeline, and not lack of merit or talent31. Australia loses female talent at every stage of the STEM and trades pipeline from primary school up to paid employment, and we continue to lose female talent as their careers progress.

Changing perceptions of what a career in STEM can offer women is critical and a number of Australia’s mining and resources companies are investing in developing targeted recruitment and employer brand campaigns to help change public, employee and customer perceptions on what a career in mining offers, and what a typical mining professional looks like.
Development programs, networking groups and showing leadership on issues such as parental leave and flexible work are showing women that employers value their contributions, and have positive effects. BHP’s Mt Arthur coal mine training program, which was designed to support female graduates entering the industry, attracted 65% female trainees\(^3\) and Alcoa of Australia has been named an Employer of Choice for Gender Equality by WGEA for the 16 consecutive years based on their commitment to providing an inclusive culture that supports and develops women in technical roles\(^3\).

Finding ways to support and engage more young girls and women in science and technology is a central pillar of long term diversity strategies for several major mining and resources companies. In 2018, Chevron celebrated a 12-year partnership with Scitech, one of WA’s key STEM institutions, funding various outreach programs designed to foster STEM participation in WA schools\(^3\). Evolution Mining has implemented initiatives to encourage engagement with young people, such as offering high school scholarships to final year students to support tertiary education studies, particularly in STEM related fields and partnering with university faculties to host student study tours involving ‘hands on’ experience and mentoring by their geology teams\(^3\). Rio Tinto has teamed up with The University of Western Australia to deliver ‘Girls in Engineering’, a program which challenges the gender stereotypes surrounding STEM and inspire girls to consider engineering as a career choice\(^3\), creating a long-range pipeline of talent.

The federal government has also stepped up in this regard and, as part of its National Innovation and Science Agenda, has invested $13 million over the next five years to encourage women to take up and stay within STEM-related careers\(^3\). Initiatives such as these, supported by the continued lobbying of education providers to set goals on building pipelines of female talent in core STEM subjects, will ensure progression.

“The best person for the job should get the job. We need to be making sure that more of those people are women. We need to encourage more women to pursue careers in STEM, and remove social, cultural and organisational barriers to their progression.”

KELLY QUIRK, CEO HARRIER GROUP

\(^3\) According to the WGEA, an Employer of Choice for Gender Equality is an organization that demonstrates organisational commitment to creating a work environment that is fair, equitable and inclusive for all employees, regardless of gender.
60% of mining companies have gender diversity strategy and training in place, but only 34% hold managers accountable for delivering on the strategy and targets set.
When evaluating the progress of gender diversity and equality in the workplace, it is important to acknowledge that it is a centuries old issue with deeply entrenched cultural and societal barriers to success. Within the Australian mining and resources industry, we are also typically dealing with large, complex and geographically dispersed organisations, with multiple projects competing for talent and a number of specialist teams involved in the employee lifecycle. These challenges require organisations to formulate a cohesive, long-term strategy and effectively bring together a variety of teams to successfully execute it.

When developing a gender diversity strategy, leaders must be realistic about what they hope to achieve, what targets they should be setting across the business and how they will measure success. A sourcing strategy that relies on partnering with specialist job boards and diversity groups, for example, will yield little success if the recruitment technology used cannot provide accurate data on source of hire.

Setting bold time-bound targets around female representation across the business may be premature without extensively market mapping available female talent in all talent verticals and geographies, and devising a suitable learning and development strategy and budget to help bridge any gaps. Similarly, advocating for interview shortlists of 50% women will only reinforce negative stereotypes of women’s ability to perform roles traditionally thought of as masculine if a lack of available talent forces hiring managers to interview, and potentially hire, women less able to do the job than the men put forward.

In any organisation, the responsibility for sourcing, hiring and developing women to achieve gender diversity sits across multiple teams, suppliers and partners. Employer branding, sourcing and recruitment, human resources, learning and development, campus recruitment, technology vendors and partners from specialist industry and community groups, and multiple operational leadership sponsors need to effectively work together, with a cohesive strategy and clearly defined roles and objectives in order for a diversity strategy to be successful.
It’s important when setting targets, that organisations consider the structural and cultural change required to make them possible, and are brutally honest about how well developed current talent sourcing, people development and retention strategies are. Research shows that where targets exist, low accountability for delivering on them actually increases bias against women; employers cannot expect employees to change their behaviour if cultural change is not perceived as authentic\(^42\). Despite this, the Workplace Gender Equality Agency (WGEA) reports that while 60% of mining companies have gender diversity strategy and training in place, only 34% hold managers accountable for delivering on the strategy and targets set\(^43\).

We know that targets, when underpinned by an effective strategy and clear leadership, work. St Barbara, the only Australian mining company to receive WGEA Employer of Choice for Gender Equality citation in 2018\(^44\), conducts a monthly pay gap analysis and an annual like-for-like analysis, resulting in a reduction in pay gap from 43% in 2007 to 14% in 2017\(^45\). In October 2016, BHP announced its aim is to achieve gender balance by 2025, a target measured year-on-year and monitored by a CEO-led Inclusion & Diversity Council to ensure accountability\(^46\). It was a highly visible public call to action that is being closely watched by the industry and one that is already showing solid results.

Without focus and accountability, targets are nothing more than a branding exercise to attract women to companies that will fail to uphold their promises. We risk losing that talent from the industry forever.

KELLY QUIRK, CEO HARRIER

Targets and quotas can focus on much more than the number of women on interview shortlists or appointed to leadership positions. An organisation needs to design the right measures to address its own unique issues, opportunities and needs. Those businesses early in the diversity journey might consider targets around talent pooling and attraction, developing a compelling EVP, staff training and pay equity. Analysing exit data and improving the retention of women in key areas such as trades, technical management and leadership is also critical. While some targets might seem less vigorous, by taking a structured approach and aligning, processes and technology to achieve them, businesses are more likely to support deeper organisational and industry change.

There is no quick fix. Well thought out, sustainable and authentic strategies, targets and reporting will yield stronger results that headline-grabbing announcements and policies implemented without the required cultural change. Diversity strategies should focus on attracting women to site-based and technical roles, and to expand our thinking to be more inclusive of alternative pathways and development opportunities that lead to operational leadership and executive positions.
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