As a pioneer in championing women in Australia, Westpac Group has become a global leader in diversity and inclusion. The bank recognized early on that only by creating a workplace where women thrive would it be able to unlock the full value of the female economy.

Its gender diversity and inclusion journey began with a strong commitment from leadership and was bolstered through public transparency, robust measurement and targeting, emphasis on inclusive culture, and strategies tailored to building its female talent pipeline. Today, Westpac has become both the bank and employer of choice for women in Australia, with half of its leadership roles filled by women. And that’s in a country where across industries, women represent less than one-third of senior managers and one-quarter of executives.

The bank is world-renowned for its progress on gender equality. It has received the Employer of Choice for Gender Equity citation from the Australian government for 15 consecutive years, and it ranks in Bloomberg’s Gender Equality Index with a score of 78 percent compared to the index average of 65.
Championing Leaders to Jumpstart Change

Westpac first turned its attention to gender equality in the 1990s, a decade of advances for women in Australia. Young Australian women were becoming more financially independent and educated than previous generations. Women were also challenging traditional societal norms by entering and remaining in the workforce, with a record 10-percentage-point jump in women’s labor force participation from 1985 to 1990.¹ Yet women remained visibly absent from leadership and decision-making roles in the financial sector.

Westpac executives recognized these trends and began taking action to jumpstart change. When Bob Joss was appointed CEO in 1993, he was struck by the lack of women in leadership roles at the bank. He famously coined the phrase, “Where are all the women?” Soon afterward, Joss began appointing both female and male executives who championed gender equality with pioneering practices.

In 1995, Westpac became the first public company in Australia to offer paid parental leave—a remarkable move in a country where up until 1966 it was illegal to hire married women on a full-time basis. By the early 2000s, women were well represented in Westpac’s workforce as a whole, with even greater presence than men in some areas of the business.

However, the higher up the company’s corporate ladder, the less women’s representation—a common problem in financial services even today. Westpac leaders took note and commissioned research to delineate the business case for bringing more women into leadership. They also recognized that promoting women would help Westpac differentiate itself in the market, particularly among the rest of the Big Four Australian banks. Westpac’s board also supported the case for gender equality and elected Gail Kelly in 2008 as the first female CEO of a major Australian bank (despite several male potential successors).

Going Public with Diversity Goals

Aware of the lack of women in leadership roles, Kelly spent her first two years identifying women with senior leadership potential and sponsoring them while she gained her footing and coped with the global financial crisis. But the amount of women in leadership stalled at 35 percent in 2010, which started to foster negative media attention. Kelly realized that moving the needle required more drastic action—including setting aggressive gender diversity targets and publicly announcing them.

In 2010, Kelly publicly announced the bank’s target to reach 40 percent women in leadership roles. After achieving that goal in just two years, she raised the target to 50 percent by 2017—Westpac’s 200-year anniversary. After Kelly stepped down in 2015, the new CEO, Brian Hartzer, continued to push for gender diversity, and the bank achieved its 50-percent target in 2017. Like Kelly, Hartzer continued the communications campaign, publicly acknowledging that more work needed to be done and setting specific targets for representation at the board and general manager levels.

¹ Business Council of Australia et al. Women in Leadership
Hardwiring for Success

To achieve its ambitious targets, Westpac did a fair degree of “hardwiring,” or creating the systems to measure progress. To start, the Group Head of Inclusion and Diversity and the HR Leadership Team collaborated to establish the bank’s baseline to see how many women were entering, exiting, and rising across the bank. Next, they created a robust dashboard for measuring progress and assigned bespoke gender diversity targets to each business unit, informed by their baseline numbers.

Through these efforts, the bank made gender diversity metrics part of its regular measurement and reporting processes. Cross-functional teams from within the business units all the way up to the board began reviewing progress and gaps in achieving gender-balanced leadership.

Bringing women into leadership became non-negotiable as the bank began to track and measure gender diversity like any other business key performance indicator (KPI). Later, the bank made leaders’ remuneration partially dependent on achieving diversity KPIs, which created even greater accountability and ownership.

“There was no question about what we were measuring—we put it in scorecards and tied remuneration to success.”

– Sandra Casinader
Group Head of Inclusion & Diversity

Westpac’s I&D initiative flips the more traditional D&I models, as some progressive companies have recently started doing, to prioritize inclusion. By creating an inclusive culture, companies can ensure that diverse employees are actually valued and engaged.

Creating a Gender-Inclusive Culture

Achieving gender-balanced leadership also required creating a gender-inclusive culture. While Westpac had historically stood out in the sector for a culture of valuing differences, it had not made gender equity a priority. The bank would have to convince the mostly male leadership of the case for change.

Internal champions, including the Head of Diversity, worked to get buy-in by communicating the bottom-line benefits of women in leadership and embedding them in the company’s corporate strategy. In parallel, senior female trailblazers spearheaded a cultural transformation by championing gender diversity across the organization through a number of leadership and development programs.
Establishing Robust Governance Structures

From early on, Westpac recognized the value of a corporate structure that established careful oversight of its women-centered strategy from the top, as well as employee advocacy through action groups. These bottom-up and top-down approaches drive personal commitment across all levels and help the bank respond to evolving needs.

Westpac also established three I&D bodies. At the CEO and executive level there is an I&D Executive Council, which ensures integration of gender I&D into Westpac’s business strategy and tracks progress. Below that, the Head of I&D provides oversight and coordination, liaising directly with the Executive Council and other stakeholders. Ensuring that the Head of I&D has a direct interface with the Executive Council sends a strong message about the bank’s inclusion and diversity priorities. I&D Business Councils and General Manager (GM) Working Group sit below the Head of I&D and set goals, prioritize initiatives across the organization, and hold business units accountable for achieving results.

At the grassroots level, employees banded together in what became the bank’s largest employee action group, Women of Westpac (WOW). The group runs networking, mentoring and educational opportunities for its 4,200 members, as well as public-facing events to boost awareness and engagement around gender diversity and inclusion. The volunteer-based group is not only cost-effective, but it has also played a pivotal role in developing the bank’s culture as a place where women thrive.

The bank’s board of directors has also played an important role in sponsoring these efforts. In 2008, women represented just 8.3 percent of all S&P/ASX 200 board roles, but at Westpac, 3 of 7 board members were women. In 2011, when the board’s longstanding chair stepped down, the bank took a critical look at how it appoints members and how to bring even more women into the mix. Today, Westpac is active in the Women on Boards movement in Australia and continues to push for greater representation beyond the current one-third.

“Without CEO and board sponsorship, even with the best intentions, nothing will happen. If it becomes a priority for them, it becomes a priority for the organization.”

— Sandra Casinader
Group Head of Inclusion & Diversity

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Implementing High-Impact Programs

Through the years, Westpac has implemented a myriad of programs to champion and support female employees. The programs listed below stand out in particular for their high impact on increasing gender inclusion and diversity and women’s leadership at the bank.

100 Women of Influence Awards

Westpac launched the 100 Women of Influence Awards in 2012 to increase visibility of women’s leadership and highlight the important contributions women make to create a bold and diverse future for Australia. The awards program has elevated Westpac's brand in the eyes of employees and the public as a proud supporter of women. Over the years, 600 women have received awards, several of whom were Westpac employees. Today, the annual CEO Awards also recognize an internal woman of influence for her contribution to the bank and a male champion of change.

Equilibrium

Determined to build a pipeline of women leaders, in 2015 Westpac launched Equilibrium, an innovative leadership development program. From hundreds of applicants, Westpac selects a small group of women from outside the financial services industry who have transferrable skills, as well as high-potential women from within the bank, to participate in this program. Equilibrium offers tailored development plans, mentoring and support to ensure a successful transition into a leadership position at Westpac throughout the course of a year. In total, the Equilibrium program has developed 24 “home-grown” leaders and 19 “new to the bank” participants, all of whom secured senior roles at Westpac.

All In Flex

Westpac has been a supporter of flexible work for decades, but the bank has expanded its approach under its most recent focus on women in leadership. For All In Flex, Westpac defined a wide range of flexible working and leave options for employees. Its HR department encourages managers to first respond “yes” to employee requests and then find solutions that work for the team, whether that means flexible hours, working remotely or part time, or taking one of many types of leave. The All In Flex approach has been instrumental in helping the bank achieve a gender-balanced leadership team because it supports employees in balancing their work and personal goals. The program has also positively impacted Westpac’s male employees, with 76% of women and 72% of men now working flexibly.

Career Breaks

Aiming to further support women in balancing work and personal goals throughout their lifetimes, Westpac designed solutions for women who take breaks in their career. The bank implemented generous leave policies so women can care for a child or elder, prepare for retirement, or simply take a step back. In addition, the bank’s Carers@Work program provides support to parents so they can navigate parental leave without suffering a career setback.
Measuring Progress to Effect Change

Westpac’s holistic strategy to become a gender-inclusive and diverse company has resulted in impressive results, which the bank measures across the board and reports publicly. In the last 10 years, Westpac’s total female workforce has hovered around 60%, and its level of women in leadership roles has increased by 15 percentage points. With its significant focus on women in leadership, Westpac continues to track representation across leadership ranks.

Westpac I&D Metrics, Disaggregated by Sex

Recruitment
- Recruitment pipeline funnel metrics including number of applications, shortlisted candidates, interviews, and offers.
- New employees (2019): Women 53% • Men 47%

Remuneration
- Percentage of basic salary, female to male

Latest Results (2019)
- Administrator 104%
- Team Lead/Supervisor 99%
- Manager 99%
- Middle Manager 97%
- Senior Manager 97%
- Executive 78%

Retention

<table>
<thead>
<tr>
<th>Latest Results (2019)</th>
<th>Women</th>
<th>Men</th>
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<tr>
<td>Voluntary attrition</td>
<td>10%</td>
<td>11%</td>
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<tr>
<td>Employee tenure by number of years with bank</td>
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<tr>
<td>&lt; 1 year</td>
<td>9%</td>
<td>12%</td>
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<tr>
<td>1-5 years</td>
<td>32%</td>
<td>40%</td>
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<tr>
<td>6-10 years</td>
<td>19%</td>
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<tr>
<td>11-20 years</td>
<td>25%</td>
<td>19%</td>
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<tr>
<td>21 years +</td>
<td>14%</td>
<td>10%</td>
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Employee experience

<table>
<thead>
<tr>
<th></th>
<th>Women</th>
<th>Men</th>
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<tbody>
<tr>
<td>Parental leave usage</td>
<td>70%</td>
<td>30%</td>
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<td>Rate of return from leave</td>
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<tr>
<td>Employees still employed 12 months after returning</td>
<td>92%</td>
<td>88%</td>
</tr>
<tr>
<td>Flexible work usage</td>
<td>76%</td>
<td>72%</td>
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Aligning Internal and External Gender Strategies

Westpac’s leading work in championing women is based on a 360-degree view that also supports female customers. In 1999, Westpac became the first Australian bank to launch a dedicated Women’s Markets unit. Since then, being the bank of choice for women has become integral to Westpac’s core business strategy.

You need to focus on both areas to be successful: change from inside the organization, but also on how you treat women as customers.

– Felicity Duffy
Head of Women’s Markets

To ensure the bank’s internal and external women-centered strategies are mutually supportive, leaders of Westpac’s Women’s Markets and I&D units regularly coordinate efforts. For example, as part of a bank-wide approach to supporting Australians through critical life moments, the two units worked together to evaluate the impact of having a baby on both employees and customers. They determined the efficacy of the bank’s leave policies on new parents and designed flexible loan processes and terms for customers on parental leave. In addition, the Head of Women’s Markets and the Group Head of Inclusion & Diversity, both participate in the GM Working Group alongside other general managers.

A Holistic Approach to Gender Equity

Championing women is embedded in Westpac’s engagement with all stakeholders: customers, employees, investors, suppliers, communities, government regulators and non-governmental organizations.

Westpac has ranked high in the Dow Jones Sustainability Index for 17 years in a row and in 2020 was included in the Global 100 Most Sustainable Corporations in the World. Supporting gender equity has been a key pillar of Westpac’s sustainability strategy for a number of years, and it’s also embedded in its 2018-2020 strategy. Its 2020 sustainability targets specifically include maintaining 50 percent women in leadership and pay equity.

At the supplier level, Westpac ensures that a large portion of its spend is with diverse businesses, including those owned by women and indigenous individuals. The bank uses third-party certifications like WeConnect, Supply Nation and B Lab to source diverse businesses, and the Supplier Inclusion Team works with leaders across the bank on sourcing and contracting. In 2019 alone, Westpac sourced $18.6 million from diverse suppliers.
The Next Frontier

Westpac’s progress with putting women in leadership roles has been driven mainly by executive support alongside grassroots engagement from the bank’s community at large. Key to its success was also putting metrics, policies and programs in place—and then talking about them. As a result of this focus on gender inclusion and diversity, Westpac has become a global pioneer and model of success for achieving gender parity.

The bank continues to set the bar even higher, tackling not only gender, but age, cultural background, race, accessibility requirements and sexual orientation, to name a few. By cultivating a workplace culture that values women, Westpac is paving the way for diverse groups and differentiating itself in the market.

What Others Can Learn from Westpac

1. Change can only be driven by a commitment from the top, but it must be underpinned by a robust governance structure that cuts across all levels.

2. Setting aggressive diversity goals and publicly announcing them can create the momentum that is needed for action.

3. Championing women goes beyond internal diversity and inclusion—it is about a 360-degree view of all stakeholders.

About Westpac

Westpac is Australia’s first bank and oldest company, and one of the four major banks in the country. As part of the Westpac Group, it provides a broad range of banking and financial services, including consumer, business and institutional banking and wealth management services to more than 13 million customers across Australia, New Zealand and the Asia Pacific region through a portfolio of six brands. Westpac has been historically recognized as one of the most sustainable companies in the world.

About the Financial Alliance for Women

We’re the leading members’ network of financial organizations dedicated to championing the female economy—the world’s largest, fastest-growing market, and yet one that remains untapped. As a unique network with members from over 135 countries, we share the ambition of unlocking the full value of the female economy.

Everything we do is based on a win-win approach where financial organizations grow their businesses by accelerating women’s financial power. From creating real and digital platforms where members can learn from each other’s on-the-ground experiences, to publishing our own proprietary data and research, to advocating for global policy change—we inspire and equip our members to design and refine women-centered products, services and strategies that will bring about a new paradigm for women’s financial experiences.