

# Case Study @ AECOM- Interrupting Bias on the Pay Gap

## Background

In 2015, AECOM's CEO Lara Poloni signed up as a WGEA equal pay ambassador, demonstrating that senior leadership is required to address gender pay gaps. The professional and technical services industry has the fourth highest pay gap in Australia at 25%. Professionals Australia research (2017) finds that women engineers reported average earnings 89% of men engineers, and only 14% of women had worked as an engineer for over 20 years compared with 32% of men. AECOM are one of the biggest employers in the industry with 3300 staff in Australia.

## I&D Audit

AECOM undertook a comprehensive gender pay analysis across pay bands to establish the baseline on where gender pay inequities existed. More than 5% of men and women and men doing the same job were not paid the same. The data revealed the biggest pay gap emerged after women who had been in the workforce for 8 to 15 years, took parental leave or came back from parental leave. AECOM established that bias crept into decision-making around salary at these points in time. The baseline data showed men were negotiating pay rises outside of the normal pay cycle, leaving women behind.

## Bias Interrupter

The design of the bias interrupter has a number of components: 1. Consultancy is in teams; when men win pay increases, women on the same team also get salary rises 2. Ensuring salaries for new women joining the business are sized appropriately for the role they have been hired for, and not based on their salary at previous employers. 3. Women on parental leave have salary reviews in line with the annual review period, can receive pay rises and are offered coaching sessions about how to discuss remuneration with their managers on returning. 4. AECOM's CEO set aside 5 per cent of the company's annual salary review budget identifying women who are underpaid and proactively topping-up their pay to match that of their male peers.

## Bias Interrupter Outcomes

Between May 2015 and May 2016, AECOM reduced the gender pay gap by 3.4% across its 3,000 Australian employees through a number of interventions at point of hire, salary review, promotion and during parental leave.

## Evidence-based approach

According to a [global study](#) on people aged 22-to-35, the main reason women leave their jobs is salary. More women than men cited the answer, "I found a job elsewhere that pays more" as the top reason for switching roles. In all, 65% of women gave that as the main reason, versus 56% of men. Starting a family ranked fifth among the most-cited reasons for women leaving their jobs.

Mitchell Services  
Client

## Bias on negotiating remuneration:

- Many managers and leaders have a bias that 'inherently' women are not confident and therefore not confident to ask for pay rises contributing to the pay gap.
- Australian [research](#) published in the Harvard Business Review found women ask for a raise just as often as men, but men are more likely to be successful. Women who asked obtained a raise 15% of the time, while men obtained a pay increase 20% of the time. While modest difference, over a lifetime it is a significant gap.