

Women in Ownership/Partnership in Architecture and Design

Champions of Change Architecture Group
2023



The Champions of Change Architecture Group acknowledge the Traditional Custodians of the many Countries on which we live and work and recognise their continuing connection to lands, waters and communities. We recognise that these lands were never ceded. We pay our respects to Aboriginal and Torres Strait Islander peoples and cultures and to Elders past and present.

We gladly accept the invitation extended in the Uluru Statement from the Heart to walk together in a movement of the Australian people for a better future.

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We recognise women in all their diversity

We recognise that efforts to advance gender equality have not lifted all women equally. By highlighting the specific demographics of people who experience exclusion, we increase the issue's visibility and boost understanding of how exclusion is experienced within organisations and in society more generally.

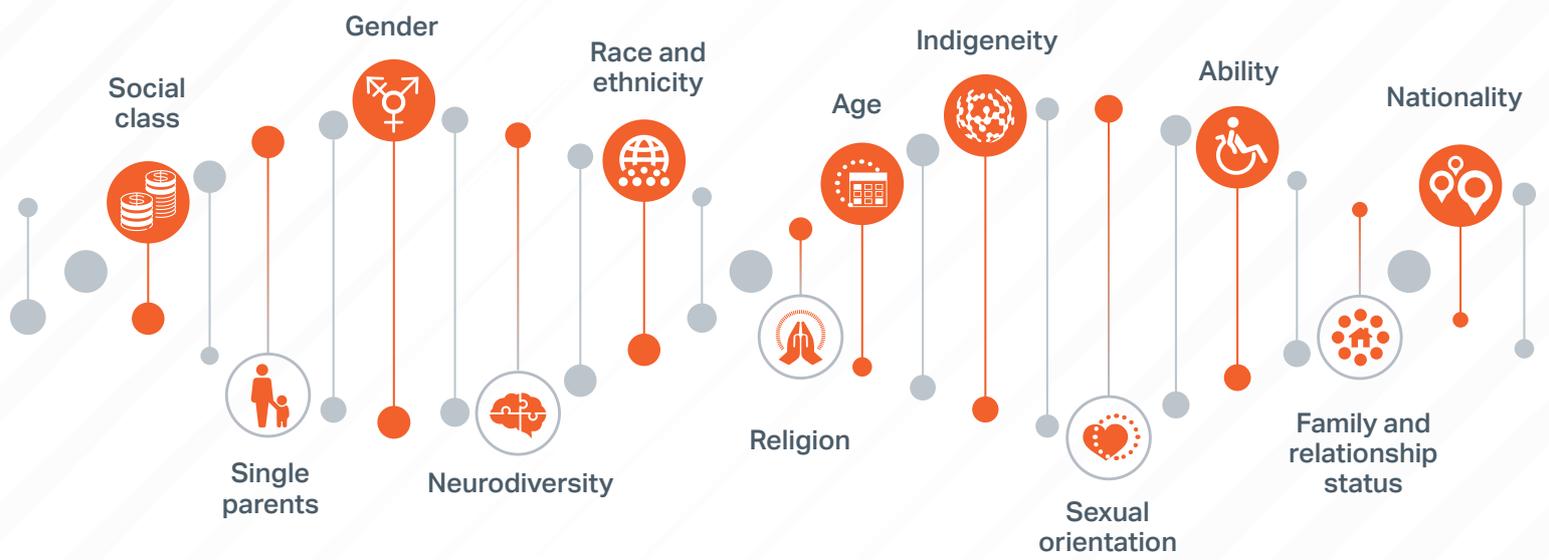
Throughout this document, the terms **women, women in all their diversity, women experiencing intersecting inequalities and diverse people** are used to improve readability. Women includes both cis and trans women.

When referring to **women experiencing intersecting inequalities**, means the structural inequalities and multiple, intersecting and compounding barriers to inclusion and progression faced by:

- **women from socio-economically disadvantaged backgrounds**
- **First Nations women**
- **ethnically and/or racially marginalised women**
- **single parents**
- **women with disability**
- **neurodivergent women**
- **LGBTIQ+ women.**

When referring to **diverse people**, this means the wealth and variety of people who broadly reflect the diversity of our population.

Inclusive gender equality recognises that diversity, equity and inclusion strategies must consider and engage all genders in global efforts to achieve gender equality, with a particular focus on elevating and advancing currently under-represented and marginalised groups. At its core, the intent is to create respectful, safe and inclusive cultures of belonging for all.



Champions of Change is committed to addressing inequity and taking action to create a more equitable and diverse workplace.

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This document is part of a suite of toolkits and resources that support change and promote an inclusive work culture within architectural practices and the profession.

It has been written by the Champions of Change Coalition Architecture Group to assist architectural practices to develop and adopt a more equitable system of ownership within their practice.

It is based on survey and interview-based research exploring ownership issues and outlines key recommendations and considerations when developing or implementing ownership structures, agreements, processes and policies.

Overall representation of women in many architectural firms is approaching 50% and commendable efforts have been made to address inequalities and increase the representation of women at senior levels. However, there is still a substantial disparity when it comes to women's representation in firm ownership and partnership groups.

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Increasing the representation of women in the ownership of Australian architecture and design firms is crucial for addressing gender equity in the profession. Benefits will include cultural transformation, fair distribution of rewards and recognition, enhanced business performance and retention of female talent.

This document identifies many issues that appear to be barriers for women to progress to ownership. Recommendations encourage active engagement by the current ownership/leadership team to look inward and then be open and transparent about ownership, governance and the process to becoming an owner or partner.

It makes recommendations to eliminate or reduce barriers and increase transparency. Key aspects include implementing diversity and inclusion to support the long-term development of women owners/partners; improve transparency and understanding of ownership/partnership structures within the practice; address specific elements of ownership/partnership structures, agreements, processes, mechanisms, and policies.

Research indicates that even in the Architecture Champions of Change member firms, female presence in ownership groups often falls as low as 25%. And the proportion of ownership equity held by these women is even lower.

2.1 Industry Context

The ownership of Australian architecture and design firms shows a significant lack of representation for women. This gender imbalance hinders the effectiveness of broader initiatives aimed at achieving gender equity within our industry.

While the overall representation of women in many firms is approaching 50% and commendable efforts have been made to address inequalities and increase female representation at senior levels, there is still a substantial disparity when it comes to women's representation in firm ownership and partnership groups.

Research indicates that even in the Architecture Champions of Change member firms, female presence in ownership groups often falls as low as 25%. And the proportion of ownership equity held by these women is even lower.

This underrepresentation highlights an unfair distribution of ownership investment and rewards for the work and risks undertaken by women in the industry. It also perpetuates an imbalance in the overall leadership culture, decision-making processes, and undermines the effectiveness of gender equity initiatives in firms and the profession.

Several factors contribute to this imbalance, including broader societal and industry trends, lack of cultural transparency, difficulties in accessing ownership opportunities within the profession, and specific structural issues within each firm's ownership agreements and processes.

2.2 Common Ownership/Partnership Structures

The industry encompasses a wide range of firms, varying in size and ownership structure. This includes small single-owner firms, medium-sized firms with a few owners and infrequent ownership changes, and large firms with sizable ownership groups and established processes for managing changes.

Common ownership/partnership structures include:

- **Limited liability partnership:** Individuals pool funds and resources while retaining individual responsibility and accountability. This structure has become less common with the rise of incorporated models.
- **Incorporated with private tradeable shareholding:** Owners trade shares in an incorporated entity based on agreed terms. However, ownership changes are limited to agreed trades, which can restrict flexibility.
- **Incorporated with nominal untradeable shareholding and variable profit sharing:** Owners hold non-tradeable shares allocated by the firm, entitling them to separate governance and profit-sharing mechanisms. This provides flexibility in changing the ownership group over time.
- **Incorporated with equal untradeable shareholding and equal profit sharing:** Shareholding is equal among all shareholders, removing the need for a separate "points" system. However, this requires a significant investment from each shareholder without entry-level opportunities for progression.

2.3 Benefits of Women in Ownership/ Partnership

Increasing female representation in Australian architecture and design firms' ownership is crucial for addressing gender equity in the profession. Here's why more women owners would be advantageous

- **Cultural transformation:** Women owners can drive change in the profession's culture. Leadership commitment and decisions influence behaviours, systems, and symbols, impacting the effectiveness of gender equality efforts. Improved equity at the ownership level helps foster equity throughout the entire system.
- **Fair distribution of rewards and recognition:** Since women contribute to 50% of the value created in firms/profession, it is only fair that they receive 50% of the returns on that value. This equitable distribution serves as a symbolic representation of systemic gender equity.
- **Enhanced business performance:** Numerous studies demonstrate that greater diversity leads to improved performance. Given that the ownership group often aligns with strategic leadership and management decision-making within the profession, having more women owners can contribute to superior business outcomes.
- **Retention of talented women:** Visibility and attainability of progress into the ownership group are crucial for women aspiring to senior positions in architecture and design. Having a clear pathway to ownership increases the likelihood of retaining women at higher levels of the industry.

2.4 Research Findings (Survey and Interviews)

Interviews with senior women leaders (owners and non-owners) revealed the following insights:

- There is limited knowledge of shareholder agreements outside the ownership group.
- The cost of ownership is a significant consideration and barrier.
- There is a lack of understanding about ownership risks and impacts.
- There is a lack of transparency in the process of becoming an owner.
- There is a lack of transparency in the criteria for being invited to become an owner.
- The importance of a strong support network and sponsored opportunities for career development towards ownership.

A 2022 survey and interviews with 14 Champions of Change member firms uncovered the following findings:

- Most firms have 40/40/20 staff representation, but only 24% of owners/partners are women.
- Older firms with more owners/partners are closer to achieving 40/40/20 ownership.
- Owners/partners are predominantly practitioners, indicating a reliance on practitioners for shareholder capital and governance.
- New owners are generally identified/invited by existing owners/partners.
- Only 22% of firms add new owners every year, although 64% have the flexibility to do so. Youngest owners/partners typically fall within the age range of 34-42, coinciding with family-related pressures.

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- Some firms have outdated ownership/partnership agreements, potentially lagging current practices.
 - Purchase of shares is required by 8 out of 14 firms, with costs ranging from nominal amounts to significant sums. Valuation methods for ownership shares vary.
 - 14% of firms reported female staff declining invitations to be promoted to owner/partner, while no males declined.
 - 90% of firms with paid parental leave for owners have policies aligned with staff, including primary and secondary leave for any gender, either within or outside the shareholder agreement.

2.5 Barriers to Women in Ownership/Partnership

The interview and survey findings highlight various barriers to women entering ownership/partnership in firms, including:

- Bias within existing ownership/partnership groups that control ownership.
- Bias and inertia in processes related to admitting more women to ownership, such as introductions, sponsorship, nominations, voting procedures, support for financial contributions, work-life balance expectations, etc.
- Lack of visibility and transparency regarding ownership structures, mechanisms, risk/reward profiles, remuneration, profit sharing, options for financial contributions, legal structures/agreements, etc.
- Challenges associated with the timing of ownership/partnership admission coinciding with the age when starting a family, impacting career progression and work-life balance considerations.
- Limited opportunities at the top due to long-term incumbency of ownership.

Recommendations/ Initiatives for Increasing Women in Ownership/ Partnership

3.0

3.1 Broad Inclusivity

We propose the following key recommendations:

- Implement broad diversity and inclusion initiatives within the practice to support the long-term development of women owners/partners.
- Improve transparency, accessibility, and understanding of ownership/partnership structures within the practice, with a focus on enhancing these aspects for women.
- Address specific elements of ownership/partnership structures, agreements, processes, mechanisms, and policies that directly impact or encourage the inclusion of more women as owners/partners.

3.1.1 A Culture of Diversity and Inclusion

Recommendation:

Increase the number of women (and the diversity generally) of your ownership, leadership and management cohorts.

Develop an explicit target culture (and aligned enabling attributes) that includes a concept of inclusivity.

Use explicit cultural behaviours as a key performance criterion, especially for leaders.

Create deliberate symbols of your inclusive culture.

Considerations:

- What is the proportional representation within your key leadership groups?
- Have you done everything possible to make leadership more reflective of your broader population?
- How is the make-up of your leadership groups contributing to bias in your culture, processes and policies or creating inertia against greater numbers of women owners?
- How do your people know exactly what kind of culture you are aspiring to?
- Have you articulated exactly how your systems, symbols and behaviours are required to contribute to that aspired culture?
- Do your leaders know what is expected of them? Where and how is that expectation expressed?
- How are cultural and behavioural expectations used to hold people accountable for aligning with the aspired culture?
- Do you actively refer to cultural expectations day-to-day, in regular check-in and feedback conversations, and in performance review/assessment conversations and records?
- Does this framework encourage a diversity of leadership styles to demonstrate that not all leaders or pathways to career progression look the same?
- Which visible rituals, practices and routines express the inclusive and equitable aspects of your aspired culture?
- What additional symbols and behaviours could you create to highlight these aspects?

3.1.2 Diversity and Inclusion Policies

Recommendation:

Review all your HR and work-practice policies against best practices for diversity and inclusion.

Focus on policies and protocols that most affect your women staff or contribute to barriers.

Set clear recruiting and promotions benchmark rates that relate to your representation target over time.

Considerations:

- When did you last review ALL your policies from a diversity and gender equity perspective?
- Which of your policies and protocols need updating to reflect best practice? Which could you push forward to be industry leaders?
- Does your parental leave policy reflect best practice, including superannuation payments, return to work support, and childcare support?
- Do you have explicit part time, job-sharing, and flexible working policies that support women and families to remain in the firm?
- Do your people have a regular and consistent process for career coaching, support and guidance throughout the year?
- What proportion of recruits and promotions are required to reach your targets in your nominated timeframe?
- How does your attrition rate (by gender) affect the required recruitment and promotions rates?
- What level of additional recruitment/promotion is required to replenish the pool for successive years?
- Do your leaders and managers know and understand these ratios required to impact verbal representation as planned?

3.1.3 Talent Development Processes

Recommendation:

Apply clear job roles, capability frameworks, and performance criteria that avoid bias.

Establish clear target ratios for recruitment and promotions that are actively used in workforce forward planning.

Design professional development programs to specifically support requirements of women.

Considerations:

- Is it clear what you expect of your people in various roles? Can this be assessed and discussed as objectively as possible to avoid embedded assumptions or biases?
- Is it clear what is required to progress or be promoted? Are these criteria fair, reasonable and consistently applied? Do they deliberately take part-time work or flexible working into account?
- What ratio of women to men is required to be achieved in each promotions/recruitment round to achieve your overall targets?
- Do your leaders/managers know and understand these targets and ratios and incorporate them into their hiring and promotions process? Are they held accountable for achieving these targets as part of their own performance review process?
- Are you hiring in from outside or developing and promoting women from within? What is your target rate for internal promotion?
- Do you teach and develop specific skills that women in your firm have identified as being required to succeed and progress on their chosen career path?
- Do you provide specific skills programs in the areas you have identified in your capability assessments? Are you supporting women to invest time and effort in their own development?
- How do you specifically target support during career transition points that often lead to lost talent? For example, when commencing new roles, returning from parental leave, working part-time, etc?

3.1.3 Talent Development Processes

Recommendation:

Set clear promotion and external recruitment processes and protocols (and enforce them).

Make sure your recruitment/promotions decisions are made by a balanced panel/group.

Considerations:

- Is there a clear and structured approach to evaluating candidates and determining promotion and recruitment decisions? Is there a clear process, criteria and timing?
- When you recruit externally, do you always require an even (at least) number of female and male candidates on shortlists?
- Do you mandate that all new roles be advertised to allow women to see and apply for roles, and be considered in a fair and equitable process alongside any candidates that may have been identified in your existing network?
- Who decides who gets hired and promoted? Have you audited your processes to eliminate inherent or unconscious biases?
- Do you have specialist Human Resources or Diversity & Inclusion expertise involved in these decisions? Who else could you involve ensuring more balanced decisions? Could you include external expertise where necessary to introduce new perspectives in decision making?

3.1.4 Accountability and Reporting

Recommendation:

Transparently express your representation targets and timeframes (both overall and within each level/cohort of the firm).

Regularly publish your representation statistics and change internally and externally.

Include the ownership level statistics in all gender reporting to make the ownership discrepancy visible.

Considerations:

- Have you been explicit about your current gender representation and how this relates to your targets?
- Is your targeted rate of change achievable when broken down into year-by-year change required to get there? And at each level?
- Do you have specific levels/cohorts within the firm where you are not on track to meet targets or that are skewing your overall representation? Do you know why? How can you target initiatives to improve in these identified areas?
- How do your people see the focus you are placing on gender equity, inclusion, and impacting representation?
- Are you showing them a transparent and honest account of your progress? Do you share your gender reporting?
- Is the visibility and reporting of your statistics driving your leaders and managers to hold gender equity firmly in mind when they are acting or making decision in the day to day?
- Do your people see you holding yourselves to account as leaders?
- Show people the under-representation at ownership level and how this relates to all other gender equity initiatives within the firm.

3.2 Transparency and Accessibility of Ownership/Partnership

While many architectural practices have made progress in enhancing transparency regarding organisational structures, management mechanisms, talent management, and gender balances, ownership/partnership systems remain opaque. Improving understanding of the roles, responsibilities, and risks associated with upper-level practice, particularly in ownership, can support better career planning alignment.

Increased knowledge about the meaning, requirements, functioning, and governing processes and policies of ownership would demystify the path to ownership. This visibility would enable a wider and more diverse group, including women, to confidently engage in discussions and access ownership opportunities.

Concerns around confidentiality and sensitive information often contribute to hesitancy. However, sharing the philosophy, process, and approach to governing ownership can be done without disclosing private, sensitive, or commercially confidential information.

Practices that have achieved good gender balance and implemented objective and fair nomination processes for new owners should share their experiences. This would not only encourage their own staff to consider ownership but also drive change within other practices.

3.2.1 Transparency of Organisational Structures and Governance

Recommendation:

Share and discuss your organisational structure, roles and accountabilities, especially for leaders.

Share and discuss your governance and ownership structure.

Considerations:

- Do your people have a clear understanding how the organisation works? Is everyone's role clear?
- Do your people understand where they fit in the system or organisation structure and how they can progress or change their role?
- Is there a range of different pathways for people to pursue for learning and development and career progression?
- Are you open about what the proportions of ownership are amongst owners of your firm? What system of governance do you use to own the firm? And how are changes made over time?
- Are you clear about the difference between ownership and management?
- Do your owners and leaders need encouragement and coaching on how to discuss these topics with the broader staff? What level of transparency is appropriate? What information should NOT be shared?

3.2.2 Openness/Awareness of Risk and Reward

Recommendation:

Share and discuss your model of ownership and concepts of capital investment, risk and reward.

Share and discuss your financial performance, including exposure to key financial metrics, ratios, and financing.

Encourage and support corporate knowledge advancement.

Considerations:

- Do people in your firm understand the risk and reward basis of ownership? Including the concept of capital at risk, and return on investment?
- Do people in your firm understand how your firm is financed, levels of working capital, debt facilities, return on equity, retained earnings, profits reinvested, and dividends to owners?
- Do you explain who makes the financial decisions and how they are made?
- Do you share and explain the elements and concepts behind the financial performance of the firm? Do people in your firm understand how you arrive at a profit and how this profit is reinvested in the firm or distributed to owners/shareholders?
- Do you support prospective or current owners to increase their knowledge of corporate governance and financial responsibilities?

3.2.3 Targeted Learning and Development

Recommendation:

Considerations:

Have a clearly identified list of prospective future owners, especially women.

- Do you have a candidate pipeline for future ownership? Do they know who they are? Which existing leaders/owners are nominated to discuss and support candidates through their development?

Develop targeted learning and development plans focused on content related to business ownership.

- Governance, risk management, competitive strategy, corporate finance, legal and financial structures, regulation and legal obligations, human resources, information technology governance, Contract law, business development, commercialisation, etc.

Create induction and specific development programs/groups for women.

- Are your learning and development initiatives proactively offered to women and do they help remove barriers for women? Are specific high potential or leadership candidates proactively identified and developed?
- Are women progressing through development at the same rate as men?

Create structured sponsorship and mentorship programs, especially for women.

- Do your people have a nominated sponsor who is there for guidance and support? Does that sponsor actively promote identified talent into learning, promotion and ownership nomination processes?
- How are your leaders accountable to progress talented women through the organisation? Is this a key performance indicator for leaders?
- Are your owners vocal and visible as role models and mentors?

Look outside the team.

- Do you need to include sponsors and mentors outside of the organisation to support talent development?

3.3 Ownership/Partnership Structures, Agreements, Processes, and Policies

Becoming an owner/partner fundamentally changes the nature of engagement between an individual and the firm.

Remuneration undergoes a shift, transitioning from a regular salaried income to a less predictable one through dividends or profit sharing.

Investment is another key aspect, as owners/partners are required to invest capital in exchange for their ownership stake. This investment carries risks associated with the firm's performance, with returns in the form of profits commensurate with assumed risks.

Becoming a partner/shareholder entails complex financial and legal changes that necessitate a comprehensive understanding. Newly nominated partners/owners may face different life stages, including financial responsibilities and potential challenges, particularly for women who may be starting families and experiencing interruptions in earning capacity.

The ownership/partnership/shareholder agreement forms the foundation for ownership and governance of the firm. It is a crucial document that outlines the responsibilities of current owners and their relationship to firm management.

Ownership/partnership roles are often long held, making it difficult to introduce new partners who could bring fresh perspectives, ideas, and diverse qualities to the group. This also contributes to the challenge of achieving gender diversity within existing partnership groups. Establishing clear processes within the ownership group to assess owners based on merit, performance, and facilitating changes in group composition is essential.

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3.3.1 Financial Mechanisms - Funding Buy-in, Capital Contributions

Recommendation:

Make funding arrangements available to new owners/partners.

Establish a clear remuneration approach for owners/partners.

Considerations:

- Do you proactively offer financial arrangements to newly invited owners to help them finance any investment/buy-in/capital contribution required upon entry?
- How can you help offset the initial capital investment for new partners? Does your bank provide a firm guaranteed loan to partners to fund their contribution? Do you have an arrangement to fund contribution from profit distributions over time? Can they fund initial contributions from salary or regular distributions over time?
- Do you have a clear and consistent approach to remuneration for owners/partners that sufficiently rewards them for both effort and investment risk? Does this approach retain regular income to support partners throughout the year as well as profit distributions or dividends for periodic performance?
- Do existing owners/partners know and understand this system well enough to accurately describe and explain it to others? Do they know what they are allowed to share and what they are not?
- Do prospective owners/partners, and longer-term staff prospects, know and understand how this remuneration system works so they know what they are working towards?

Recommendation:

Update your partnership agreement regularly to keep up with current issues/ views/sentiment/themes.

Commit to a regular review timeframe for your ownership agreement and/ or policies for owners.

Considerations:

- When was your partnership agreement drafted? Does it need updating to reflect current issues and how you want the business to function?
- How can you use the next update of your partnership agreement to eliminate any sources of gender bias, and incorporate best practice approaches to equity?
- Can the adjustments you want to make be made via incremental adjustments, or does it require a total redraft of the agreement to incorporate new systems/approaches?
- How often will you prompt yourself to review and adjust/improve your agreement, especially for diversity and inclusion factors?
- Which group within your governance structure is responsible for keeping your agreement/policies up to date and progressive? How are they empowered to do so?
- Do you require external or specialist expertise within these processes to ensure best practice?

3.3.2 Processes for Adding New Owners/Partners

Recommendation:

Create a short, medium and long-term list of prospective future owners/partners within the firm and develop them over time.

Embed in your partnership agreement, a mechanism for evolution in your ownership group.

Be very clear about your assessment criteria for considering nominations for new owners/partners.

Considerations:

- Do you know who your future owners/partners will be? Or who you would like them to be?
 - Do they know they are considered future owners? Are you actively developing them to be ready for ownership/partnership?
 - Do you regularly review this list and their progress? Do you have a timeline in mind for the period over which you want new participants to join the ownership/partnership?
-
- Does your agreement make it as flexible as possible for you to add or change your ownership group in the best interests of the firm? Does it allow you to bring the best talent you can into the ownership without unnecessary barriers (whether procedural, structural or financial)?
 - Does it stipulate a regular schedule of opportunities/processes to review and change the ownership group via a prescribed process?
-
- Are you clear about necessary attributes and performance required for ownership/partnership? And how are these different from other senior management roles?
 - Are your criteria tight enough to be used in a preceded transparent process to help existing owners or decision makers work through ownership changes with confidence and decisiveness?
 - Can you explain to candidates/nominees exactly where they are meeting or not-meeting criteria in a way that can drive their learning/development?
 - Are your assessments and criteria free of gender biases?

Recommendation:

Make sure your nominations/promotions/remuneration panel or decision-making group is equitable.

Introduce mechanisms to make your processes objective and transparent.

Considerations:

- Who is in the group that makes decisions about nominations, evaluation, invitations for new owners/partners? Is that group equally representative to encourage balanced and unbiased decisions?
- If your existing decision-making group has a gender imbalance, how could you add additional members/voices (including possible external participants) to offset existing biases and encourage transparency, objectivity and equitable decisions?
- Are your nomination mechanisms/processes inclusive and equitable? Do you require formats, submissions, presentations that might favour certain genders, styles, roles, strengths, or personality types over others? (For example, verbal presentation style, work winning, alpha personality, extroversion).
- How could these be made more inclusive? Standardised versus variable nomination formats? Blind assessment? Blind voting instead of visible voting, etc?

3.3.3 Policy Support for Equitable Owners/Partners

Recommendation:

Make sure your ownership/partnership agreements (or employment policies for owners) match and support your policies for other staff.

Make sure your ownership/partnership agreements make allowance for part-time owners/partners, or changes in circumstances.

Considerations:

- If your ownership/partnership agreements govern work practices and employment terms for owners, do they allow for the same progressive parental leave, return to work, childcare, career break, long service leave, learning and development etc policies as you provide for staff? Or are owners disadvantaged?
- How does your partnership agreement deal with part-time work for owners/partners?
- How are your owners/partners able to respond to life events or changes in circumstances within the agreement?

3.3.4 Making room in the Ownership/Partnership

Recommendation:

Provide career planning and transition support for senior/retiring owners/partners.

Clearly articulate the roles and contributions you value from senior/experienced owners/partners.

Open space in your ownership/partnership group on a regular basis to invite new owners/partners.

Use your criteria and role descriptions for reducing and/or removing owners/partners where necessary.

Considerations:

- Do you have a clearly articulated approach/process for transitions out of the partners as well as into it?
- Do your senior/retiring owners/partners need support/coaching/planning for retirement and departure from the ownership and/or from the firm?
- Are you clear how experienced/retiring owners/partners can continue to be highly valued and contributing members of the firm even while making room in the ownership/partnership group for new generations?
- Are you using regular performance and planning conversations with owners/partners to encourage long-term thinking about generational succession and transition?
- Is it clear to all owners/partners what the long-term approach/plan is for the ownership of the firm? Sale? Generational evolution? One-off divestment to a new group?
- Do you have a way of making new ownership available on a regular/flexible basis? If not, how can you add this mechanism into your agreement and processes to allow the firm to evolve and regenerate its ownership group as desired?
- How does your partnership agreement deal with part-time work for owners/partners?
- How are your owners/partners able to respond to life events or changes in circumstances within the agreement?
- Do you have a way of removing owners/partners (through a fair process) if they are not aligned and contributing to the agreed future of the firm?

Initiating conversations with representatives from other firms in the Champions of Change industry group can serve as a valuable starting point to discuss different approaches to ownership that can drive a more equitable profession.

Conclusion / Next Steps

The ownership system within your firm represents the final frontier in achieving genuine gender equity in the architecture and design professions. Addressing barriers and biases in ownership is crucial to creating a fair and inclusive environment where all architects and designers can thrive.

As part of your initiatives, conduct an objective review of your firm's ownership model. Examine who owns the firm, how ownership is structured, the governing mechanisms, and how it evolves over time. Identify and highlight barriers and biases within the system, and develop a process to systematically eliminate them, promoting fairness and equity.

This change in the ownership system will not only benefit women and encourage equitable ownership of firms but also enhance your practice by fostering greater female involvement in ownership.

Engage in discussions with other firms to learn about their approaches to ownership. Sharing openness and transparency regarding ownership models and exploring different practices will contribute to positive change.

Initiating conversations with representatives from other firms in the Champions of Change industry group can serve as a valuable starting point to discuss different approaches to ownership that can drive a more equitable profession.

Improving understanding of the roles, responsibilities, and risks associated with upper-level practice, particularly in ownership, can support better career planning alignment.

Appendix

A_ Summary of Interview Findings

We interviewed a sample of senior women leaders from Champions of Change member firms. Interviewees included owners and non-owners. Key topics that emerged across the interviews include:

- The content of a shareholder agreement was unknown
- The cost to own was a consideration
- The risk to own was unknown
- The process to becoming an owner was not transparent
- The criteria to be invited to be an owner was not transparent

We heard that building a strong network that would provide support and provide opportunities was a key component to some of the careers of women who had entered ownership. The lack of role models was often mentioned, with many acknowledging role models outside of their current or past employers.

Finding a mentor or sponsor to help support and advise earlier in a career path was also a vital tool for eventual advancement to ownership. For some, this is key to their career success.

Appendix

B_ Summary of Champions of Change Survey Findings

This work is grounded in a survey of the firms that are members of the Champions of Change Coalition Architecture Group.

- 14 firms were surveyed and 58 questioned asked
- We asked about the company's - structure, size, age, locations
- We asked about the owners – number, age, gender balance, tenure
- We asked about their experience – agreements, policies, costs, timelines, transparency

Common characteristics of firms with highest % female ownership:

- Paid parental leave included for owners / part-time work allowed for owners
- Most allow temporary leave for life events
- Owner votes have equal weighting
- High % of female representation on the Board of Directors
- Employees need a minimum title to become an owner
- Average tenure for women before entering ownership group shorter than males

The study found:

- Most firms have 40/40/20 staff representation, yet only 24% of owners are women
- Most partners/owner also work in the business, suggesting a reliance on practitioners for shareholder capital and governance
- Although all firms say new owners can be added at any time, only 23% add new owners every year

Other key points:

- Ownership agreements – 6 of the 14 firms have an agreement created over 20 years ago. 3 of the 14 firms have not updated their agreement in the last 5 years.
- The cost to own shares - varies greatly. 8 of the 14 firms require new owners to purchase shares. This ranged from a nominal amount to hundreds of thousands. The mechanism to value shares varies from pre-set valuation methods to negotiation.
- Prospective new owners - are generally identified by existing owners/partners. Although 64% of firms can introduce new owners anytime, only 22% add new owners every year.
- Average age of youngest partners - is between 34-42, coinciding directly with the age/life stage most likely to be affected by starting a family.
- Opting out - in the past 5 years, 14% of firms reported female staff declining an invitation to be promoted to the level immediately before owner and 14% of firms reported female staff declining an invitation to become an owner. Compared to no males declining.
- Parental Leave - of the firms with paid parental leave for owners, 90% have the same policy as staff that includes primary and secondary leave for any gender. Either within the shareholder agreement or outside.

Appendix

C _Summary of Literature Review

A literature review about leadership/ownership issues found women are experiencing higher levels of dissatisfaction with the profession and are more likely to leave because of this. Contributing factors are wide ranging and include increased levels of stress and burnout in women.

Other issues noted include low and unequal pay, long hours, frustration with non-advancement, inherent “instability” of architecture and the need to be always available.

- A large proportion of women are likely to turn down a promotion at some point in their careers.
- Parenthood and other home and family obligations weigh most heavily on women and often at times when women are at the peak of their career.
- Biases both conscious and unconscious still exist within the profession and there are ways that these can be targeted or lessened.
- Women are less likely to network, career plan, and self-promote through their careers – some of the key qualities needed for advancement to ownership.

Resources / Recommended Reading:

- Gender Equity Insights 2021 – Making it a Priority, BCEC | WGEA Gender Equity Series.
- Women in Leadership, WGEA - Women in leadership | WGEA.
- Women in the Workplace 2021, McKinsey & Company.
- Dimensions of Gender: Women’s Careers in the Australian Architecture Profession, Gillian Mary Matthewson.
- Women In Business and Management - Improving gender diversity in company boards, International Labour Organisation.
- Women and Leadership in the Australian Architectural Profession: Prolegomena to a Research Project. In Seizing the Initiative: Australian Women Leaders in Politics, Workplaces and Communities, Matthewson, Gill, Naomi Stead and Karen Burns.

Articles regarding Employee-Owned Models:

- How Zaha Hadid Architects' New Ownership Model Could Change the Face of the Profession - Architizer Journal
<https://www.archibiz.com.au/articles/employee-ownership-architecture-practice>
- https://www.architectmagazine.com/practice/the-pros-and-cons-of-employee-owned-companies_o
- <https://archinect.com/features/article/150291107/a-guide-to-employee-owned-architecture-firms-by-those-who-have-made-the-change>
- <https://www.architectsjournal.co.uk/news/power-to-the-people-the-rise-of-the-employee-owned-practice>

Articles regarding generalities of Partnership Structures in Architecture:

- Ownership, structure, and performance of architectural firms
<https://www.sciencedirect.com/science/article/pii/S2095263512000921>
- <https://reader.elsevier.com/reader/sd/pii/S2095263512000921?token=52F1021A3324A6853D8AD497F320E0CFF44E8F107089A6391C3106A0594CB294AF578BFFD09E62E581693385BA0F682D&originRegion=us-east-1&originCreation=20220403060656>

ACUMEN Practice notes:

- <https://acumen.architecture.com.au/practice/business-structure--planning/>

Appendix

C _ Summary of Literature Review

General analysis of different business structures for architecture firms:

- https://mooreks.co.uk/wp-content/uploads/2015/01/Business+Structures+for+Architects_Web.pdf
- https://www.architectmagazine.com/technology/lighting/partnerships-collaborations-and-transitions_o

Analysis of different business structures for architecture firms:

- https://mooreks.co.uk/wp-content/uploads/2015/01/Business+Structures+for+Architects_Web.pdf
- https://www.architectmagazine.com/technology/lighting/partnerships-collaborations-and-transitions_o
- Why architecture graduates do not register as architects: a quantitative and qualitative South Australian study 1999-2011
- https://hekyll.services.adelaide.edu.au/dspace/bitstream/2440/96885/2/hdl_96885.pdf
- Women Still Face Barriers in Construction
<https://sourceable.net/women-still-face-barriers-in-construction/>
- A Gendered Profession, edited by James Benedict Brown, Harriet Harriss, Ruth Morrow, James Soane
<https://books.google.com.au/books?hl=en&lr=&id=G5OpDwAAQBAJ&oi=fnd&pg=PT4&dq=related:evlz-3TpdnYJ:scholar.google.com/&ots=D66axoJ8yZ&sig=F4y6B70OHvCY-2VFfgDAVH1H0z8#v=onepage&q&f=false>
- A Short Survey of Women in Architecture, John Hill
<https://www.world-architects.com/en/architecture-news/insight/a-short-survey-of-women-in-architecture>

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