

# **Framework for the Future**

## **Equal Employment Opportunities in New Zealand**

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## ► Foreword

Getting it right in the workplace is the ideal for the vast majority of employers and employees. But how do we know that equal employment opportunities (EEO) are being achieved in New Zealand? This report provides the first broad overview of the status of EEO across public and private sectors and allows for an international comparison of legislation, policy and practices.

The findings show that the reality for many New Zealanders does not match the rhetoric of a “fair go for everyone at work.”

The report, *Framework for the Future: Equal Employment Opportunities in New Zealand*, is important for a number of reasons:

- It provides a benchmark by which we can monitor progress in the future by using eleven criteria including policy development, leadership, reporting requirements, training, workplace practices and the participation of employers and employees in best practices,
- It describes the business case for EEO, explains how human rights can help promote equality at work, discusses EEO and the Treaty of Waitangi, and explains why good EEO policies serve to benefit everyone,
- It assesses EEO progress for women, people with disabilities, Māori and Pacific peoples in detail and examines progress and other issues for older workers and new migrants,
- It recommends a number of practical steps to improve equal employment opportunities including the development of a network that better connects the separate groups that work with equal employment opportunities.

The report will be an important reference for employers, employees, equal opportunities agencies, human resource practitioners, policy analysts and researchers. It is stuffed with statistics, research and information from New Zealand and overseas. It points to strategies for future activities. All of us have an interest in the framework outlined to help New Zealand achieve equality in the workplace.

Dr Judy McGregor  
EEO Commissioner

## ► Contents

►	<i>List of Figures</i> .....	4
►	<i>About the Authors</i> .....	5
►	<i>Acknowledgements</i> .....	6
►	<i>Executive Summary</i> .....	7
	Definition .....	7
	Background to EEO in New Zealand .....	7
	Rationales for EEO in New Zealand .....	7
	EEO Reporting in New Zealand .....	8
	EEO Progress in New Zealand .....	8
	Benchmarking EEO in New Zealand .....	8
	Factors Shaping EEO Progress .....	9
►	<i>Recommendations</i> .....	10
► 1	<i>Introduction</i> .....	12
► 2	<i>Background and Rationales for EEO in New Zealand</i> .....	14
	Background .....	14
	Rationales for Promoting EEO in New Zealand .....	15
	<i>EEO and Human Rights</i> .....	16
	<i>EEO and the Treaty of Waitangi</i> .....	18
	<i>Social Change and Diversity</i> .....	19
	<i>Quality of Service and Firm Performance</i> .....	21
	<i>National Economic Growth</i> .....	22
	<i>The Enabling Society</i> .....	23
	Conclusion .....	24
► 3	<i>EEO Reporting in New Zealand</i> .....	25
	Policy Steps Mandating EEO Efforts .....	25
	Current EEO Reporting .....	27
	The Public Service .....	28
	The State Sector .....	29
	<i>The Education Sector</i> .....	29
	<i>Annual Reports of District Health Boards</i> .....	30
	Local Government Authorities .....	31
	The Private Sector .....	32
	<i>The EEO Trust</i> .....	32
	<i>Annual Reports of New Zealand Top 100 Companies</i> .....	33
	Conclusion .....	34

## ► Contents Continued

► 4	<i>Assessing EEO Progress in New Zealand</i> .....	37
	Progress for Women .....	39
	<i>Participation in the Paid Labour Force</i> .....	39
	<i>Participation by Industry</i> .....	42
	<i>Occupations and Earnings</i> .....	44
	<i>Women in Leadership and Management</i> .....	47
	<i>The Public Service</i> .....	49
	<i>The Defence Force</i> .....	50
	<i>Education and Training Enrolments and Attainment</i> .....	51
	<i>The Education Labour Force</i> .....	53
	<i>Other Professions</i> .....	57
	<i>Discrimination Complaints</i> .....	59
	<i>Summary</i> .....	61
	Progress for People with Disabilities .....	62
	<i>The Moving Targets Problem</i> .....	63
	<i>Labour Force Participation</i> .....	64
	<i>Educational Attainment</i> .....	65
	<i>Occupations and Earnings</i> .....	65
	<i>Discrimination Complaints</i> .....	66
	<i>The Public Service</i> .....	67
	<i>Summary</i> .....	69
	Progress for Māori .....	70
	<i>Labour Force Participation</i> .....	70
	<i>Participation by Industry</i> .....	71
	<i>Occupations and Earnings</i> .....	72
	<i>Educational Attainment and its Labour Market Implications</i> .....	74
	<i>Māori in Management</i> .....	76
	<i>The Public Service</i> .....	77
	<i>The Defence Force</i> .....	79
	<i>Summary</i> .....	79
	Progress for Pacific Peoples .....	80
	<i>Labour Force Participation</i> .....	80
	<i>Participation by Industry</i> .....	81
	<i>Occupations, Earnings, and Education</i> .....	82
	<i>Pacific Peoples in Management</i> .....	84
	<i>The Public Service</i> .....	85
	<i>Summary</i> .....	86
	Race and Labour Market Discrimination .....	86
	Progress and Issues For Other Groups .....	87
	<i>Older Workers</i> .....	88
	<i>New Immigrants</i> .....	89
	Conclusion .....	90

## ► Contents *Continued*

► 5	<i>Benchmarking EEO in New Zealand</i>	91
	Enabling Legislation	91
	<i>Positive Duties</i>	92
	Policy Coverage	94
	Inclusiveness	97
	Governance	99
	Leadership	101
	Infrastructure	103
	Reporting Requirements	104
	Measures of Progress	106
	EEO Training	109
	Stakeholder Involvement in EEO	110
	Diffusion of EEO	111
	Conclusion	112
► 6	<i>Factors Shaping EEO Progress</i>	113
	Legislation	113
	Appropriate Support Structures and Resources	114
	Labour Force Development	114
	Employment Relations	115
	Leadership	116
	Networking	117
	Normative Commitment	118
	Conclusion	119
► 7	<i>Future Directions and Recommendations</i>	120
	Towards Major Policy Change	121
	<i>Crafting New Legislation</i>	121
	<i>Using Incentives to Induce Behavioural Change</i>	122
	<i>Minimising Compliance Costs</i>	123
	<i>Establishing a Strong Monitoring Agency</i>	123
	<i>Building on Current Strengths</i>	124
	<i>Promoting Private Initiatives</i>	124
	<i>Promoting Better Educational Outcomes for</i> <i>Disadvantaged Groups</i>	125
	<i>Promoting Greater Public Awareness of EEO</i>	126
	<i>Requiring Exemplary EEO Practice in the Public Service</i>	126
	<i>Building a Strong EEO Advocacy Coalition</i>	127
	<i>New Research and Information Sharing Initiatives</i>	128
	Conclusion	129
►	<i>Bibliography</i>	130

## ► List of Figures

### ► Figures

2.1: <i>Changing Ethnic Composition of Labour Force</i> .....	20
3.1: <i>Location of Employed Labour Force by Sector of Ownership, 2001</i>	28
4.1: <i>Participation Rates by Gender and Ethnicity, June 2003</i> .....	38
4.2: <i>Unemployment Rates by Gender and Ethnicity, June 2003</i> .....	38
4.3: <i>Relative Hourly Earnings by Gender and Ethnicity, 2003</i> .....	39
4.4: <i>Workforce Participation by Age Cohort and Gender, 2003</i> .....	40
4.5: <i>Workforce Participation Changes Over Time by Gender</i> .....	41
4.6: <i>Workforce Participation Changes Over Time for Women Aged 25-29</i> .....	41
4.7: <i>Industry Labour Force Composition by Gender, 2003</i> .....	43
4.8: <i>Composition of Occupational Groupings by Gender, 2001</i> .....	45
4.9: <i>Female Proportion of Student Population by Institutional Type, 2002</i> .....	52
4.10: <i>Female Proportion of Qualification Recipients, 2002</i> .....	53
4.11: <i>Men and Women in the Teaching Profession</i> .....	55
4.12: <i>Gender Composition of University Ranks, 2002</i> .....	56
4.13: <i>Severity Self-Reports by People with Disabilities, 1996-1997 and 2001</i> .....	63
4.14: <i>Māori Proportion of Labour Force by Industry, 2001</i> .....	72
4.15: <i>Māori Representation in Occupational Classes, 2001</i> .....	73
4.16: <i>Comparative Educational Attainment of Māori, 2001</i> .....	75
4.17: <i>Māori Representation in the Education Sector, 2001</i> .....	77
4.18: <i>Pacific Peoples Proportion of Labour Force by Industry, 2001</i> ....	83
4.19: <i>Pacific Peoples Representation in Occupational Classes, 2001</i> ..	84
4.20: <i>Foreign-Born Proportion of Working-Age Population</i> .....	89

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## ► Executive Summary

### *Definition*

Equal Employment Opportunity (EEO) is a practice currently intended to eliminate workplace discrimination on the basis of age (from sixteen years), colour, disability, employment status (unemployed or a recipient of a benefit or compensation), ethical belief (lack of religious belief), ethnic or national origins (includes nationality and citizenship), family status (having dependants, not having dependants, being in a marriage or a relationship with a particular person or being a relative of a particular person), marital status (single, married, separated, a party to a marriage now dissolved, widowed, living in nature of marriage), political opinion (including having no political opinion), race, religious belief, sex (includes childbirth and pregnancy), and sexual orientation (heterosexual, homosexual, lesbian, bisexual).

EEO should be broad enough and sufficiently flexible to recognise and respond to all forms of discrimination, even those that we currently cannot see or testify to. EEO is a definition, a practice and a philosophy that is subject to continual change. For example, the *State Sector Act* 1988 in section 58(3) defines an EEO programme in a specific manner. At a minimum, the definition of who is to be covered by EEO policies tends to expand with time. Further, with greater education and social awareness, people often reinterpret their own circumstances and may view their treatment by employers or other employees as problematic.

### *Background to EEO in New Zealand*

New Zealand has developed a body of laws that, taken together, offer a range of protections to workers, and promote fair treatment for all. In 1984, the Government Employing Authorities issued a statement on equal employment opportunities. Promulgation of this document and implementation of actions consistent with it marked the start of efforts explicitly designed to promote EEO in New Zealand. Subsequent legislation mandates the creation of EEO plans and reporting of EEO progress across the government sector.

### *Rationales for EEO in New Zealand*

Often arguments made to support equal employment opportunities policies have rested on the intrinsic worth of individuals. We call this the human rights rationale for EEO. It is a critically important rationale. But other more context-specific rationales also exist, some of which are more obviously pragmatic in orientation. In addition to the human rights rationale, we discuss five further rationales for pursuing EEO in New Zealand. These are: the importance of fulfilling obligations associated

with the Treaty of Waitangi; the social changes and increasing diversity of New Zealand society which affect the composition of the labour force; the need to assure quality of service and firm performance; the imperative to pursue national economic growth; and the gains that come to all from promoting an enabling society.

### ***EEO Reporting in New Zealand***

EEO is a legislative requirement in the core public service, some of the state sector, and for local governments, although those requirements differ somewhat from sector to sector. No legislation mandates the practice of EEO in the private sector. However, all employers are required to meet their non-discriminatory statutory obligations under the *Equal Pay Act 1972*, the *New Zealand Bill of Rights Act 1990*, the *Human Rights Act 1993*, and the *Employment Relations Act 2000*. We review the current state of EEO reporting in New Zealand. Current EEO reporting is inadequate on several grounds. These include the limited number of organisations subject to reporting requirements, the wide variation in the quality of reporting in the state sector, and the lack of resources that have been devoted to systematic EEO reporting and monitoring in the core public service.

### ***EEO Progress in New Zealand***

Of the four EEO target groups, women have achieved the most progress in their relative position in the New Zealand labour force. Yet, this progress has been quite limited, and equality with men in participation rates, pay, and seniority across occupational classes is a far-off goal. Major gaps exist in our knowledge about the position of people with disabilities in the New Zealand labour force. Greater attention needs to be paid to collecting reliable annual data on the recruitment, retention, pay rates, and seniority of people with disabilities. With the available statistics we assess that there has been little progress, if not regress, in the employment position of people with disabilities. In 2003 significantly more people with disabilities are unemployed, and have complained about discrimination than in the middle 1990s. Some progress has been achieved in the employment position of Māori since 1990. Māori labour force participation rates have increased and their unemployment rate has decreased substantially. However, the Māori unemployment rate is still double that of European/Pakeha New Zealanders. Māori are over-represented in low-skilled, lower-paid sectors of the economy although the last decade has seen significant change in the representation of Māori across occupational classes, including professional and associate-professional classes. The status of Pacific peoples in the New Zealand labour force tends to be worse than the status of Māori.

### ***Benchmarking EEO in New Zealand***

We benchmark New Zealand's EEO experience against the experience of Australia, the United Kingdom, Canada, and the United States. Eleven criteria are used in this benchmarking exercise. We assess differences in: (1) Enabling legislation; (2) Coverage – hiring, training, promotion, termination; (3) Inclusiveness – who are identified as EEO groups; (4) Governance – where responsibility lies for creating and

monitoring policy; (5) Leadership; (6) Infrastructure – resources devoted to the promotion of EEO; (7) Reporting requirements; (8) Measures of progress used; (9) EEO training efforts; (10) Stakeholder involvement in EEO policy-making; and (11) Evidence concerning the diffusion of EEO principles and practices across workplaces.

### ***Factors Shaping EEO Progress***

We discuss seven factors that we consider to be important in shaping EEO progress. They are: strong legislation, appropriate support structures and resources, labour force development, the nature of employment relations, leadership, support networks, and broad normative commitment to EEO. On their own, efforts to improve any one of these factors would yield at least some positive results in terms of EEO outcomes. But these factors are not independent. Improvements in one tend to support improvements in another. Hence, for those seeking to promote better EEO practice, we believe the best strategy would involve working to strengthen all of the factors presented here.

## ► Recommendations

The fourteen recommendations presented here emerge from our discussion in Chapter 7 of future directions for the pursuit of EEO in New Zealand. They fall into two sets. Recommendations 1-6 concern actions intended to secure major policy change, and that would take several years to initiate. Recommendations 7-14 concern actions that could be taken immediately. These would build on current strengths and provide a strong basis for pursuing broader changes.

### *Towards Major Policy Change*

**Recommendation 1:** EEO advocates should work towards the introduction of legislation that places strong positive duties on all employers, starting with large organisations, to develop and implement EEO plans, and regularly report on the outcomes.

**Recommendation 2:** Future EEO legislative initiatives, policy development, and implementation activities should be preceded by reflection on how best to reconcile EEO as a philosophy and practice with the Treaty of Waitangi.

**Recommendation 3:** Any new legislative initiatives should be supported with the use of incentives to encourage positive changes and to discourage lack of action on the part of employers.

**Recommendation 4:** Incentives-based models to promote EEO should be tested and refined in the public service, as part of a renewed commitment to EEO in the state sector. Urgent attention should be given to greater promotion of EEO in the health and education sectors.

**Recommendation 5:** Efforts to compel private companies to establish EEO initiatives should ensure that the business benefits outweigh any compliance costs. New Zealand-based evidence should be developed to support the business case for widespread adoption of EEO initiatives.

**Recommendation 6:** Any agency established to monitor EEO efforts should have sufficient resources to closely analyse EEO practices as well as the power to sanction bad practice and reward good practice. It should also have sufficient resources to track changing outcomes, assess and report on best practices, and work with organisations to help them achieve positive EEO outcomes.

### *Building on Current Strengths*

**Recommendation 7:** Actions by private interests to promote EEO should be encouraged. Branding and other innovative practices would allow organisations that

exemplify EEO good practice to publicise their initiatives and advance their reputation among consumers and potential employees.

**Recommendation 8:** The relationship between the Human Rights Commission and the EEO Trust should be assessed with an eye towards strengthening it. Future joint efforts between the two organisations could involve (1) building capacity for research and analysis, (2) sponsoring original research, and (3) improving information dissemination.

**Recommendation 9:** EEO advocates should jointly explore with educators ways to improve the education outcomes of those who have been traditionally disadvantaged both in the education system and the labour force. For example, the Human Rights Commission could work with the Tertiary Education Commission to forge strategies to promote greater representation of women, people with disabilities, and racial and ethnic minorities across a range of training programmes.

**Recommendation 10:** Political leaders, including Cabinet Ministers (especially those with responsibilities in areas such as State Services, Labour, Disability, Women, Senior Citizens, Pacific Island Affairs and Māori Affairs), should explore new ways to further promote EEO good practice in New Zealand, with the goal of making New Zealand a world leader in efforts that link the pursuit of human rights and human development with the pursuit of economic development.

**Recommendation 11:** Public and private organisations should engage in coordinated efforts to promote greater public awareness of EEO as a philosophy and practice. These should include (1) utilising best practice examples and (2) developing guidelines for small businesses.

**Recommendation 12:** New efforts should be made to ensure that public service departments exhibit exemplary EEO practice. These could be supported by new leadership, more resources, strong incentives for chief executives, the development of effective EEO training programmes for senior managers, and more comprehensive research and monitoring activities.

**Recommendation 13:** Efforts should be made to develop a strong, diverse EEO advocacy coalition. Members should focus on achieving social change, and should keep in close touch through on-going small conferences and task forces designed to explore EEO issues of specific interest to the New Zealand workplace.

**Recommendation 14:** Support should be given to the on-going production of evidence-based research and the provision of statistical analysis relevant to the pursuit of EEO in New Zealand. Efforts should also be made to develop a website-based facility where researchers can freely access datasets and other statistical sources relevant to EEO research.

## ► 1 *Introduction*

The New Zealand labour force is becoming increasingly diverse, and this trend will continue into the future. This can be shown through an assessment of current trends in labour force participation, demographics, and immigration policy. But diversity at the aggregate level may not necessarily be reflected in industrial sectors, or in occupational status, or workplace practices. Diversity of the labour force in general can be accompanied by major forms of horizontal and vertical segregation of workers. In such instances, the gains that could come when organisations leverage diversity may not be realised. The worst-case scenario for New Zealand is greater diversity in the labour force accompanied by more, not less, workplace discrimination. To ensure continuing social and economic development, greater diversity in New Zealand's labour force must translate into positive outcomes across all workplaces. Achievement of those positive outcomes cannot be left to chance. In light of this, the promotion of equal employment opportunity as a universal workplace philosophy and practice must be given high priority.

The definition of EEO is necessarily a moving target, and research on the status of EEO in New Zealand must be undertaken with full knowledge of the dynamic nature of EEO as a philosophy and practice. As a working definition, here we treat EEO as a practice intended to eliminate workplace discrimination on the basis of gender, race and ethnicity, age, and disability. EEO should be broad enough and sufficiently flexible to recognise and respond to all forms of discrimination, even those that we currently cannot see or testify to. We note that the *Human Rights Act 1993* identifies as unlawful discrimination on the grounds of sex, including pregnancy, marital status, religious belief, ethical belief, colour, race, ethnic or national origins, disability, age, political opinion, employment status, family status, and sexual orientation. This list of unlawful forms of discrimination is likely to expand as we become aware of new or previously unseen forms of injustice and exclusion. For instance, pregnancy has only lately been explicitly included as an unlawful form of discrimination under the law.

In July 2003, the newly established EEO Unit of the Human Rights Commission invited us to engage in their EEO Framework Project. The brief was broad. Until then, no comprehensive picture had been developed of EEO policies and practices across all sectors of employment in New Zealand. We were asked to work with publicly available information to produce a thorough analysis of the mechanisms being used to monitor and report on EEO. We were also asked to provide an objective assessment of EEO progress for disadvantaged groups since 1990 and to benchmark New Zealand's EEO initiatives with those of peer nations. Based on our findings from these parts of the study, it was anticipated that we would identify factors shaping EEO progress. Overall, the study was expected to provide an integrated and comprehensive platform for further action.

This report is the result of the EEO Framework Project. It is structured as follows. In Chapter 2, we provide some background on the development of EEO in New Zealand. We also review six rationales for EEO. These range from the most fundamental rationale – the pursuit of human rights – through to the importance in New Zealand of acknowledging and meeting obligations established by the Treaty of Waitangi, and on to more pragmatic rationales, such as the pursuit of national economic development. Having reviewed these rationales, in Chapter 3 we explore EEO reporting requirements in New Zealand. Since over 80.0% of the labour force is employed in the private sector, and there is no requirement on private employers to develop and report on EEO policies, we know very little about workplace practices affecting most New Zealanders. Of course, some evidence points to instances of EEO initiatives being pursued in the private sector to positive effect. But no systematically collected evidence is available about the scope or impacts of activities in the private sector. In some of the state sector, reporting is mandatory. However, often the reports produced are not subject to careful central monitoring.

In Chapter 4 we discuss the progress of four groups traditionally disadvantaged in the New Zealand labour market and workplace. These are women, Māori, Pacific peoples, and people with disabilities. Despite some positive trends, we find that in the period since 1990, labour market and workplace outcomes for each of these groups have changed far too little. Assessing general outcomes using a range of indicators, we find all of these groups continue to be disadvantaged compared to others in the New Zealand labour force. To gain a better understanding of how New Zealand's EEO initiatives compared with those of peer nations, in Chapter 5 we engage in a benchmarking exercise. Using eleven criteria, we assess EEO policies in New Zealand against those in Australia, Canada, the United Kingdom and the United States. We find that New Zealand's EEO initiatives have not kept pace with developments elsewhere. Based on insights gained through the assessment of EEO progress in New Zealand and the benchmarking exercise, in Chapter 6 we discuss factors shaping EEO progress. Finally, in Chapter 7 we propose a range of future directions for the pursuit of EEO in New Zealand. While we contend that major policy change is necessary, we also recommend that efforts directed towards such change begin in incremental ways, building on current strengths.

People like to talk of New Zealand as an egalitarian society, one where everybody gets a fair go, and anybody can make it if they work hard enough. Things are not that simple. This review paints a disappointing picture of the current state of EEO initiatives in New Zealand compared with elsewhere. The mid-1980s seemed a promising time for EEO in New Zealand, however, since the late 1980s there has been minimal EEO leadership. Yet we remain optimistic for the future of EEO in New Zealand. A range of people across sectors of the economy and who represent diverse social and political interests display a willingness to think about how to improve labour market outcomes for traditionally disadvantaged groups. Efforts to build an effective advocacy coalition among these interested parties could create strong commitment to broad social change. Historically, New Zealand governments and citizens have shown that they care about social equity and the pursuit of human rights. That history provides a solid foundation for a country seeking to secure social and economic development for all, and that recognises the paramount importance of protecting and advancing human rights across all fields of social and economic activity.

## ► 2 *Background and Rationales for EEO in New Zealand*

The origin of equal employment opportunities as a concept can be traced to discussions around equal rights that occurred in the United States in the late 1950s. Out of those discussions and the efforts to promote equal employment opportunities for both African Americans and women, the Equal Employment Opportunities Commission was established in 1965 under the Johnson administration (Kessler-Harris 2001). Subsequently, efforts have been undertaken in many countries to give greater employment opportunities to those who have long been marginalised both in the labour force and in society more generally. All countries have their unique histories of settlement, immigration, and interactions between indigenous peoples and later settlers. Historical processes tend to create unique approaches in the social and economic development of nations (North 1981). Consequently, looking across a range of countries today, while all may have adopted policies consistent with an EEO philosophy, the issues to be addressed and the policy particulars tend to differ from place to place. Given its linkages to other countries through membership of international organisations, New Zealand has tended to be a close follower of international trends on issues to do with human rights and the pursuit of fair employment practices. Here, we provide some brief background information on the emergence of EEO as a philosophy and practice in New Zealand. We then introduce a set of six rationales that offer strong justification for the on-going pursuit of equal employment opportunities in New Zealand. These rationales include making good on our basic commitments to human rights, recognising responsibilities associated with the Treaty of Waitangi, harnessing the social changes underway in New Zealand, pursuing greater product and service quality on the part of businesses and other organisations, and the imperative of promoting national economic development and an enabling, inclusive society.

### **BACKGROUND**

New Zealand has developed a body of laws that, taken together, offer a range of protections to workers, and promote fair treatment for all. In 1984, the Government Employing Authorities issued a statement on equal employment opportunities. Promulgation of this document and implementation of actions consistent with it marked the start of efforts explicitly designed to promote EEO in New Zealand. At that time, EEO was designed to cover four main groups: Women, Māori, minority ethnic groups, and people with disabilities.

The timing of this move to promote EEO in New Zealand was not propitious. It occurred against a backdrop of major change in the public sector. As Boston et al. (1996) note, efforts to introduce EEO “ran up against a managerialist restructuring



agenda that aimed to reshape the public sector in the image of successful private sector firms and to do away with bureaucratic restrictions on managerial discretion” (246). One implication is that the core public service – where the policy and reporting requirements concerning EEO were, and remain, the most comprehensive – has been progressively downsized. In 2001, the public service was around 37.0% of its size in 1985, when EEO reporting began in earnest. The downsizing in the late 1980s and 1990s had EEO implications that were not factored into decision-making and that were not closely monitored. The Commission for Employment Equity (1991) observed in 1990: “When two departments did an EEO audit of their restructuring process it was found that a disproportionately large number of designated group members lost their jobs during the restructuring process” (1991: 39). For example, compared to European/Pakeha men and Māori women, Māori men were disproportionately affected by privatisation efforts and redundancies associated with them.

Even under the best of circumstances, EEO as a practice and as a philosophy is likely to be subject to continual change. At a minimum, the definition of who is to be covered by EEO policies tends to expand with time. With greater education and social awareness, people often reinterpret their own circumstances and may view their treatment by employers or other employees as problematic. This is the case with various forms of harassment. The point also holds true for people with disabilities. We believe these are not isolated cases. For example, with increasing Asian immigration into New Zealand we are now seeing the Asian ethnic group becoming more salient as a target for EEO efforts. Likewise, breastfeeding mothers are also becoming more aware of their rights in the workplace due to changing health awareness and social norms about breastfeeding and its benefits for the infant. These observations suggest that we must be willing to view EEO in an expansive way, and be open to new interpretations of the applicability of EEO policies. For researchers seeking to determine the effectiveness of EEO policies, the changing nature of EEO can be somewhat frustrating. This is because the relevant baselines for collecting EEO statistics will often be subject to change. At a practical level this means that good time series data – which would allow for the evaluation of EEO programmes and their success – is unlikely to always be available.

## **RATIONALES FOR PROMOTING EEO IN NEW ZEALAND**

Often arguments made to support equal employment opportunities policies have rested on the intrinsic worth of individuals. We call this the human rights rationale for EEO. It is a critically important one. But other more context-specific rationales also exist, some of which are more obviously pragmatic in orientation. We believe that advocates for EEO should be cognisant of the full range of rationales when determining how best to make their arguments for policy change. Often, efforts to promote EEO policies meet with fierce resistance from people who believe they have done well under past employment practices and who find any talk of change to be quite threatening. In an atmosphere pervaded by scepticism, hostility, and mistrust, staking everything on the human rights rationale can be limiting. In particular, since the human rights rationale is hard to reject, there is a tendency for people to grudgingly take minimal formal steps towards adopting EEO policies. Having done so, they then go through the minimal motions necessary to exhibit compliance, but do

little to change their day to day practices and habits of mind. There is considerable evidence that this has happened in many workplaces in New Zealand. We call it “EEO cynicism.” Yet effective, change-promoting EEO policies can generate a variety of positive outcomes for a society. Further, if presented with a strong case that takes human rights as its core but augments it with more pragmatic justifications, only the most ardently conservative people would choose to stand in the way of future EEO initiatives.

### ***EEO and Human Rights***

The human rights perspective provides our first rationale for EEO. Human rights are recognised as fundamental by the United Nations and, as such, feature prominently in the Preamble of the 1948 Charter of the United Nations: “... to reaffirm faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations large and small...”

According to Article 23 of the *Universal Declaration of Human Rights* adopted by the General Assembly of the United Nations in 1948; “Everyone has the right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment; Everyone, without any discrimination, has the right to equal pay for equal work; Everyone who works has the right to just and favourable remuneration ensuring for himself [sic] and his [sic] family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection; Everyone has the right to form and to join trade unions for the protection of his [sic] interests.” According to Article 24 of the *Declaration*, “Everyone has the right to rest and leisure, including reasonable limitation of working hours and periodic holidays with pay.” Human rights in employment principles are enshrined in several other international instruments, including the International Covenant on Economic, Social and Cultural Rights; the International Covenant on Civil and Political Rights; the Convention on the Elimination of All Forms of Discrimination Against Women; the Convention on the Elimination of All Forms of Racial Discrimination; the Convention on the Rights of the Child; and the International Labour Organisation Conventions, particularly, No. 100 on Equal Pay, No. 111 on equality of opportunity and treatment in employment with a view to eliminating discrimination, and No.122 on freely chosen employment.

The New Zealand *Human Rights Act 1993* seeks to eliminate unlawful discrimination on thirteen designated grounds. As well as extending other protections, the Act’s intention is to ensure that everybody is treated fairly in the area of employment. The thirteen designated grounds are as follows: age (from sixteen years), colour, disability, employment status (unemployed or a recipient of a benefit or compensation), ethical belief (lack of religious belief), ethnic or national origins (includes nationality and citizenship), family status (having dependants, not having dependants, being in a marriage or a relationship in marriage with a particular person or being a relative of a particular person), marital status (single, married, separated, a party to a marriage now dissolved, widowed, living in nature of marriage), political opinion (including having no political opinion), race, religious belief, sex (includes childbirth and pregnancy), and sexual orientation (heterosexual, homosexual, lesbian, bisexual).

The human rights rationale for equal employment opportunities is distinctive from others because it pays attention to the individual worth and the group identity of those both employed and unemployed. Such an approach leads us to consider how far and in what ways people are excluded from the full range of employment opportunities, including employment in any given occupation or industry within the broader labour force, and any employment benefits, promotion and training opportunities. A human rights perspective asks: What are the obstacles to equal employment opportunity? But as well as making visible discriminatory exclusions from employment opportunities and obstacles to EEO, a human rights perspective highlights how employment practices must be adjusted to meet human rights requirements established in national and international law.<sup>1</sup>

The right to employment is linked to the enjoyment of other social, economic, political and civil rights in modern society. Indeed, the comprehensiveness of the right to employment enables the implementation of the indivisibility of human rights. That is, the right to equal employment opportunities has been shown empirically to be interconnected with rights to equality, to political participation, to security, food, shelter, clothing, family formation, and so on. For example, as the Nobel prize-winning development economist Amartyr Sen (2000: 281) demonstrates, the enhancement of economic independence through employment, especially female employment, helps individuals to be participating citizens. Therefore, EEO for women not only enhances the quantity and quality of *human capital* in the labour market, it increases women's *human capabilities* "to lead the lives they have reason to value and to enhance the real choices they have" by reducing gender inequality in intra-family distribution, contributing to greater social and economic well-being for families and children, and improving the quality of democratic debates in the public realm (Sen 2000: 292). Therefore, the human rights rationale for EEO is broad-ranging and fundamental.

A variety of indicators can be used to assess whether or not the human right to just and favourable conditions of work exists in any given country. To take just one example of a human rights application, the International Labour Organisation when assessing country-compliance asks: What procedures exist to ensure that men and women are actually paid equal remuneration for equal work? Do, for instance, equal opportunities commissions exist? By whom are they staffed, and to what extent are they independent? (Green 2001).

The New Zealand Treasury's 1987 brief to the incoming government noted that, "for many day to day purposes, people rely on prejudice, intuition, custom, manners and habit to guide their actions in a principled way". Treasury argued that "these methods are probably reasonable at an individual level and for normal events but when the Government is considering basic issues of social policy and considering the desirable shape of social interaction, then more careful consideration is needed" (1987: 413). While the need for well-justified Government policymaking is clearly called for, a human rights or human capabilities-based approach to equal employment opportunities demands that Government seeks to identify and eliminate arbitrary forms of prejudice, intuition, custom, manners and habit that guide the day to day

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<sup>1</sup> This paragraph adapts Katerina Tomaševski's (2002 a, b, c) framework for understanding the difference between education and the right to education.

actions of employers and employees in the workplace. This government responsibility to eliminate discrimination and promote EEO is not only a means to national economic growth and productivity, but it is a prerequisite for the expansion of the real freedoms human beings enjoy.

### *EEO and the Treaty of Waitangi*

Māori people, Māori culture, and Māori language are indigenous and unique to New Zealand. This distinguishes Māori in New Zealand from others whose culture and language originate elsewhere – and whose culture and language thrive today both here in New Zealand as well as in those countries from which they originate. Based upon the historical processes of its settlement, New Zealand is a bicultural society, where Māori stand in a unique relationship to the land and to the Crown. The Treaty of Waitangi has provided an implied constitutional basis for the peaceful governance of New Zealand and for the country's social and economic development (see Te Puni Kōkiri 2001). The Treaty's third article extends to Māori both protection and "all the Rights and Privileges of British Subjects". The importance of the Treaty and the notion of partnership that has emerged from it requires us to think carefully about how the pursuit of equal employment opportunities relate to discussions of the Treaty.

At a minimum, recognition of the Treaty brings with it the understanding of the uniqueness to New Zealand of Māori culture and language. Recognition of the Treaty also brings the understanding that there are at least two cultures and ways of doing things in New Zealand. When applied to considerations of the workplace, this results in a perspective that is distinct from a monocultural one, where all employees would be expected to adapt themselves to a dominant culture that permeates the structuring of organisations, professions, and occupations. A bicultural perspective brings with it a set of challenges to those who would prefer to believe that there is one best way to do things and that everyone should conform.

Once we recognise Māori cultural distinctiveness and the Treaty commitment to protecting that uniqueness, it becomes apparent that good faith efforts should be made to adjust work practices to ensure that Māori do not feel alienated from their own culture once they enter the world of work. What happens, then, when we recognise that many other New Zealanders come from cultures that are neither Māori nor European/Pakeha? We believe that the precedent set by biculturalism should carry over and inform a perspective that views New Zealand as a multicultural society. However, such a move contains a major danger. That is, we could readily end up adopting a position of cultural relativism. Taking this position, we might argue that no particular cultural perspective has claims to primacy over others in New Zealand. Such a position then negates the unique, and historically grounded, relationship that exists between Māori and the land and Māori and the Crown.

At a practical level, we believe that the Treaty of Waitangi provides another powerful rationale for the pursuit of EEO in New Zealand. Minimally, commitment to the Treaty requires that every effort be made to ensure that Māori have the same employment opportunities as all other groups. Because the history of New Zealand since 1840 is one where many Māori have not been well-served by the education system and many have been marginalised in the paid labour force, we believe that actions should be taken, wherever possible, to redress past wrongs.

When Māori are well represented in positions of leadership and the professions, when they can shape workplace culture, and when they enjoy, on average, the same levels of employment and personal income that are currently enjoyed by European/Pakeha New Zealanders, then we might say that the Treaty commitments are being met. But to attain and sustain those outcomes, considerable effort will need to be made to improve the employment opportunities of Māori. The challenges are great. Efforts to meet them should not be deflected or undermined by recognition of the increasingly multicultural nature of New Zealand society. Rather, we should seek to be culturally sensitive in all instances, while recognising that Māori claims for cultural sensitivity are based on the uniqueness to New Zealand of Māori culture and language. Therefore, Māori should be consulted on aspects of rule-making and the design of EEO initiatives. On this matter, it is important to note, however, that Māori culture itself is not homogenous, and different Māori have different needs. For example, Māori women will often have different sets of employment concerns than Māori men, and Māori with disabilities will have needs that are distinctive from those who are able-bodied.

### ***Social Change and Diversity***

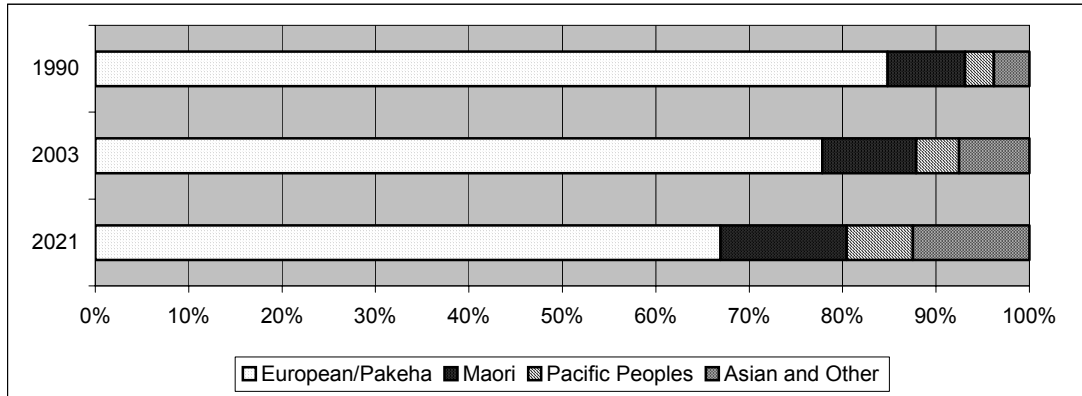
The New Zealand labour force has been changing significantly over recent years (see Department of Labour 2003). From 1990 to 2003, the size of the labour force increased by 25.2%. However, disaggregating the labour force by gender and race reveals the nature of the demographic shifts that have accompanied this overall growth. During this period, the female proportion of the labour force grew from 43.5% to 45.7%. Among Europeans/Pakeha, the size of the male labour force increased from 1990 to 2003 by 9.8% while the size of the female labour force increased by 20.2%. Among Māori, the male labour force increased by 46.6%, while among Māori women it increased by 75.3%. Among Pacific peoples, the size of the male labour force grew by 85.5% over these thirteen years, while for women it grew by 89.1%. In 1990, white males made up 48.3% of the whole labour force. By 2003, they made up 42.3%. Overall, the European/Pakeha share of the labour force dropped from 85.0% in 1990 to 77.6% in 2003.<sup>2</sup> These basic trends are set to continue. According to population projections developed by Statistics New Zealand, in 2021, Europeans/Pakeha are predicted to comprise 67.0% of the labour force, with the remainder of the labour force being composed of Māori (13.5%), Pacific peoples (7.1%), and people of Asian and other ethnicities (12.5%). Figure 2.1 portrays the changing ethnic composition of the New Zealand labour force.

Given these demographic changes, it is clear that the New Zealand labour force is going to become increasingly diverse, and that traditionally under-represented groups, including women, will comprise a much larger share of the labour force than has been the case in the past. These changes and the increasing diversity of the labour force hold important implications. In particular, more effort will need to be made in the future to ensure that women, Māori, and Pacific peoples are well represented across all industries and occupational groupings.

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<sup>2</sup> Source: Authors' calculations based on Statistics New Zealand's Household Labour Force Survey results for June 1990 and June 2003, retrieved via INFOS.

**Figure 2.1: Changing Ethnic Composition of Labour Force**



*Data Sources:* Statistics New Zealand Household Labour Force Survey, June Quarter, for 1990 and 2003. Department of Labour (2003) for 2021.

We cannot expect all employers to necessarily display an appreciation of these demographic changes and their social implications. As a result, a rationale emerges for government interventions in the labour market that ensures the increasing diversity in the labour force is reflected across occupations, industries, and workplaces. What occurs in the labour market and in the workplace cannot be separated from broader social activities. Both affect one another and labour market outcomes shaped by many individual acts of discrimination and bias can exacerbate social inequality and the tensions that come with it. This suggests that EEO policies will become even more crucial in the future in New Zealand and that our notions of good EEO practice will have to be continually expanded.

Labour markets are subject to elements of market failure because hiring and other employment decisions are not always based solely on information regarding the appropriateness of the match between potential employees and the jobs they are applying for. Labour markets give high levels of agency to individuals who might use that freedom to exercise discrimination. That discrimination can – in aggregate – produce less-than-optimal outcomes for society. Of course, employers do have to be discriminating when they make decisions about many aspects of an employment contract and on-going employment relationships. But EEO as a philosophy suggests that organisations should be discriminating in ways that focus on job requirements and performance ability, not on matters that are extraneous to the job at hand. Lacking adequate information on which to judge the suitability of individuals for particular positions, employers might rely on stereotypes or other rules of thumb when making their hiring decisions. If it is believed that these judgments are based on ignorance and fear and that they have detrimental impacts for society as a whole, then a rationale emerges for strong EEO policies that positively influence employment decision-making.

### ***Quality of Service and Firm Performance***

There is both a “business performance” rationale for EEO in the private sector and a “quality” rationale for EEO in the public sector. In the private sector, considerable research shows positive relationships between EEO policies and business performance. The Australian Federal Equal Opportunity for Women Agency lists five ways in which EEO for women can “boost profitability” supported by statistical and case study evidence.<sup>3</sup> These are as follows: EEO helps to attract and retain the best talent by ensuring that the pool of available employees is as large and diverse as possible; EEO helps a company’s productivity and innovation by capitalising on the diverse set of skills and the powerful synergy among a diverse group of employees; EEO helps businesses to attract more female customers by employing more women who may be more in touch with the powerful female consumer base; EEO can enhance company management styles by ensuring that diverse individuals with a mix of traditionally masculine and traditionally feminine characteristics make up the management ranks; and, lastly, having EEO policies and programmes in place reduces the risk that companies will be subject to prosecution under human rights anti-discrimination and employment legislation.<sup>4</sup>

Beyond these general business rationales, in a recent, highly innovative study of more than 2000 organisations in the United Kingdom (each of which had ten employees or more), a statistically significant link was found between the presence of family-friendly policies and bottom-line business performance (Gray 2002: 5). In this study, 84.6% of organisations judged family-friendly policies to be cost effective. Moreover, all family-friendly policies had a statistically significant relationship with at least one of these performance measures: financial strength, labour productivity, or the quality of the good or service. On average, workplaces that offered the full-range of family-friendly policies performed better than those that did not offer any policies. In New Zealand, although no formal analyses have been completed, anecdotal evidence concerning the efforts of organisations such as PricewaterhouseCoopers, 3M, and Westpac Banking Corporation suggest that family-friendly policies increase worker productivity (See EEO Trust 2001, 2002, 2003). Such research bolsters the business rationale for EEO.

The “quality” rationale for EEO in the public sector has been most fully developed by the Commission for Racial Equality in the United Kingdom. This rationale stresses the enhancement to local democracy and accountability that is achieved when EEO policies and programmes are in place and widely publicised. The quality case also highlights the relationship between an employee’s job satisfaction and perception of a fair and equitable workplace, on the one hand, and customer or client satisfaction with the delivery of a public service, on the other (Home Office 2002). Employees who are more content in their workplace are also likely to be more sensitive to customer needs, and generally, more likely to perform to their full ability. Moreover, given that

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<sup>3</sup> For further information and discussion, see the Equal Opportunity for Women Agency’s website, [http://www.eowa.gov.au/Why\\_EO\\_Makes\\_Business\\_Sense.asp](http://www.eowa.gov.au/Why_EO_Makes_Business_Sense.asp).

<sup>4</sup> The US Glass-Ceiling Research Centre tracked the number of women in high-ranking positions at 215 ‘Fortune 500’ companies between 1980 and 1998. The study found a strong correlation between a company’s profits and the number of senior female executives in its ranks. The study was reported in the *Harvard Business Review*, see [http://www.eowa.gov.au/Why\\_EO\\_Makes\\_Business\\_Sense.asp](http://www.eowa.gov.au/Why_EO_Makes_Business_Sense.asp).

public sector wages tend to be on average lower than private sector wages, public employers that strive to be “employers of choice” through the implementation of a range of equal employment opportunity policies, may still maintain an edge in the competition for the best employees. Like the business rationale for EEO in the private sector, the quality rationale for EEO in the public sector also emphasises how adoption of such policies reduces the risk of legal action concerning discrimination and the potential for government organisations to be “shamed” over aspects of their workplace practices.

### ***National Economic Growth***

One of the current government’s objectives in New Zealand has been to promote the economic conditions whereby the country could return to the top half of the OECD rankings, when judged in terms of per-capita income. To achieve the permanent income gains that would allow for such movement up the OECD rankings, two things must happen. First, more people must enter and remain in the paid labour force. Second, productivity gains must be achieved within the workplace, so that there is continual growth in the levels of income generated by each worker. Although it may seem counter-intuitive to some members of the business community, efforts to promote equal employment opportunities can contribute significantly on both counts.

Compared with other OECD countries, New Zealand has recently experienced relatively low unemployment (OECD 2003). However, levels of unemployment differ across social groups. For example, Māori and Pacific peoples are unemployed in far greater proportions than are European/Pakeha New Zealanders. Whenever people are unemployed, they not only reduce the contributions they make to society, but they must also rely on others to support them – either through the community, whanau, family or the tax system. Finding ways to help unemployed Māori and Pacific peoples to secure permanent employment could do much for their individual well-being as well as improving the country’s overall economic performance. Many Māori and Pacific peoples are not able to access employment opportunities at the same levels as European/Pakeha, and this is cause for serious concern.

The labour force participation rate is another key indicator to consider when assessing a nation’s income-generating potential. The participation rate tells us the proportion of the working-age population that is able and willing to work. On this indicator, New Zealand appears well placed relative to other OECD countries. However, participation rates differ dramatically across different groups of New Zealanders. For example, men currently have much higher participation rates than women. While this holds true across all age cohorts, the differences are greatest between men and women in the 20-39 age group. These highest overall economic activity years coincide with peak years for childbearing among women. The challenge, therefore, is to find ways of increasing women’s participation in the paid workforce, while appropriately supporting and fairly redistributing the work of social reproduction. (Social reproduction includes all the work that is involved in the family and household sphere, such as caring for children, the sick, and elderly family members, preparing meals and doing housework.) Based on the statistical evidence alone, it is clear that women with young children in New Zealand are not enjoying the same employment opportunities as their male peers (including their male peers with young children). If appropriate ways could be found to improve the employment situation for New



Zealand women, the country's total income could greatly increase. Further, moves in this direction would allow New Zealand society to reap the full benefits of its investments in women's education and training.

Raising productivity rates is also essential for promoting national economic growth. To do this, efforts must be made to ensure that all people are producing at their full potential appropriately balanced with their unpaid work of social reproduction. Further, innovation in work practices must be continuous so that, over time, the same amount of effort per person yields greater amounts of output. These are major challenges. Yet, in New Zealand at present, it appears that many people have abilities, skills, and knowledge that are not being adequately utilised in the workplace. An analysis of the labour force reveals systematic disparities across groups with respect to their representation in various occupations and industries. This suggests that, through a combination of selection and self-selection mechanisms, many people are being allocated to positions in the workforce based on characteristics unrelated to their potential. The result is under-utilisation of people's talents; a situation that can be disheartening for the individuals involved and inefficient for society as a whole. Efforts to secure equal employment opportunities for all people are fully consistent with the pursuit of greater economic efficiency. Those who are concerned about generating faster national economic growth would do well to promote greater commitment to EEO. Richard Florida (2002) has recently observed a correlation between cities that are socially diverse and the degree of creative intellectual and technological endeavours occurring within them. Based on this finding, Florida argues that greater social tolerance can be good for economic growth. One of his most often cited findings is that cities with a large "creative class" also happen to have large, socially integrated gay communities. When we recognise the linkages between tolerance of difference, creative thinking, and technological innovation, this finding makes a lot of sense. We can learn from this.

### ***The Enabling Society***

Efforts to promote equal employment opportunities tend to originate with the desire to address the labour market disadvantages faced by specific groups. In many instances, members of those disadvantaged groups have served as policy entrepreneurs, spearheading social and legislative changes. For instance, initiatives like the Americans with Disabilities Act (1990) and the New Zealand Disability Strategy (2001) represent the culmination of efforts to eliminate barriers to full social and economic participation by people with disabilities. Yet very often, actions taken to address the special needs of particular groups of people end up having positive benefits for all members of society. Several examples can be given.

Efforts to ensure people are not unfairly discriminated against in job searches or in promotions lead to the development of more formal and transparent procedures being followed by employers. As a result, all people gain greater knowledge about recruitment and promotion processes, and all can have a greater level of confidence that they have been treated fairly. In fact, by making their criteria for appointment or promotion explicit and by following those criteria faithfully, employers make it easier to provide honest and useful feedback to those who were unsuccessful with their applications. While the extra effort needed to generate, agree upon, and follow a set

of screening criteria might appear bothersome to those who claim, “I know what I like when I see it,” ensuring fairness of process can produce benefits for everybody.

To improve accessibility of pedestrian areas for people in wheelchairs, many local authorities now place “curb cuts” on footpaths. Once in place, these curb cuts have proven helpful to many people beside those with disabilities, including cyclists, people making deliveries, roller-bladers, and people pushing strollers. As a result, curb cuts are now often used as a *metaphor* for all kinds of innovations that benefit everybody although they were first developed to address the needs of people with disabilities (Hogan 2003). Recently, people have begun to talk of “electronic curb” cuts. During the 1990s, the World Wide Web Consortium developed a set of Web Content Accessibility Guidelines. These guidelines focused on how to develop websites that are accessible, usable, and useful to people with disabilities. But adherence to these guidelines has resulted in a range of mainstream business benefits.

Given these observations, we conclude that the pursuit of equal employment opportunities should not be viewed as yet another instance of political correctness, pandering to special interests, or government imposing unnecessary compliance costs on business. Rather, good EEO policies serve to benefit everyone. The notion of the enabling society acknowledges that many everyday practices and habits of mind are inherently biased, reflecting approaches that work well for some people, but not for all people. When we turn things around, and view situations from the perspective of those for whom present approaches are marginalising and disabling, we gain fresh perspectives, and insights that can lead to innovations that hold universal benefits.

## **CONCLUSION**

Successive New Zealand governments have demonstrated a commitment to the pursuit of fair and non-discriminatory workplaces. Since the early 1980s, the language of equal employment opportunities has become more commonplace, and governments have promoted the adoption of EEO policies within the public service in particular, and the state sector more broadly. Efforts have also been made to promote practices consistent with EEO in many private sector entities. We contend that continuous commitment to EEO policies, and the careful monitoring of outcomes is essential to ensuring positive economic and social development in New Zealand in the coming years. This country faces a wealth of opportunities, and we benefit greatly from our endowment of a talented and well-trained labour force. Ways must be found to make the most of our people and the opportunities before us. Well-designed and appropriately implemented EEO policies could – and should – play a vital role here. Such policies hold the promise of ensuring New Zealand’s continued economic prosperity. They hold this promise because they promote fairness. When people are treated fairly and rewards are merit-based, they are much more likely to show commitment to collective projects – like striving to make New Zealand a truly great society.

### ► 3 *EEO Reporting in New Zealand*

In New Zealand, EEO is a legislative requirement in the core public service, some of the state sector, and for local governments, although those requirements differ somewhat from sector to sector. Currently, no legislation mandates the practice of EEO in the private sector. However, all employers are required to meet their non-discriminatory statutory obligations under the *Equal Pay Act 1972*, the *New Zealand Bill of Rights Act 1990*, the *Human Rights Act 1993*, and the *Employment Relations Act 2000*. Here, we provide an overview of the current state of EEO reporting in New Zealand, noting the factors that have led to the present situation. Based upon our review, we consider that current EEO reporting in New Zealand is inadequate on several grounds. These include the limited number of organisations subject to reporting requirements, the wide variation in the quality of reporting in the state sector, and the lack of resources that have been devoted to systematic EEO reporting and monitoring in the core public service.

#### **POLICY STEPS MANDATING EEO EFFORTS**

In 1984, the first effort by employers to express their commitment to EEO and establish procedures for meeting that commitment was contained in the *Statement of Government Employing Authorities on Equal Employment Opportunities*. This is sometimes referred to as the State Services Commission policy statement (see State Services Commission 1995). The organisations making up the Government Employing Authorities included all those in the core public service and the broader state sector (including the defence force, all educational institutions, New Zealand Post, the New Zealand Railways Corporation, and so on). The statement recognised the legal obligations placed on employers by the *Human Rights Commission Act 1977* and international covenants ratified by New Zealand. The statement specifically covered women, Māori, minority ethnic groups and people with disabilities. Among other things, the employing authorities undertook to “regularly examine and review existing policies and procedures to detect direct or indirect discrimination” and “to establish and maintain appropriate mechanisms to ensure that policies and procedures are being implemented in a non-discriminatory way.”

EEO was first given legislative intent in the *State Owned Enterprises Act 1986*. This required each State Owned Enterprise (SOE) to be a “good employer” and, as part of this, to establish an EEO programme. The actual nature of an EEO programme was not defined in this legislation and no monitoring or reporting requirements were included within it. The *State Sector Act 1988* (with subsequent amendments to health and education legislation) specified that, as part of being “good employers”, all chief executives in the public service were to maintain EEO programmes designed to eliminate barriers to the advancement in employment of women, Māori, minority

ethnic groups, and people with disabilities. The Act also outlined annual reporting requirements, and required the State Services Commissioner to promote, develop, and monitor EEO policies and programmes for the public service.<sup>5</sup> Each departmental chief executive is compelled to develop and publish an EEO programme for the department, to summarise the programme in the annual report, and to show in that report how well the department has accomplished its EEO goals. The chief executives of every department or ministry are required by the Act to advertise vacancies and appoint the person who is best suited to the position (sections 60 and 61). Local government legislation adopted in 2002 requires local authorities to be “good employers” like central government authorities. But in addition, the new legislation has introduced a requirement for local authorities to prepare a local governance statement that includes an equal employment opportunities policy, and make it publicly available following the triennial general election of members (Part 4, section 4).

The *Employment Equity Act 1990* established a process to promote EEO to be followed by all public and private sector employers of 50 or more workers. The Act was repealed in 1991. Had it remained in place, that law would have dramatically extended the practice of EEO and placed monitoring and reporting requirements on employers in all sectors of the economy. To support the initiative, the Commission for Employment Equity was established under the Act to ensure employer compliance. That Commission operated for just a few months before being disbanded. Consequently, it never undertook the kind of monitoring and enforcement work envisaged of it.

This review of legislative coverage raises a key question. That is, with respect to the elimination of all forms of discrimination, how do laws matter? A report produced in 1991 by the short-lived Commission for Employment Equity contained the following statement:

Despite the best efforts of personnel working in the area, significant progress was not achieved in EEO until legislation was introduced

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<sup>5</sup> The relevant sections of the Act are sections 6, (e) 56, & 58. Section 6 states that the principal functions of the Commissioner are, among other things, “(g) To promote, develop and monitor equal employment opportunities policies and programmes for the Public Service”. Section 56 states, among other things, that “(1) The chief executive of a Department shall operate a personnel policy that complies with the principle of being a good employer. (2) For the purposes of this section, a “good employer” is an employer who operates a personnel policy containing provisions generally accepted as necessary for the fair and proper treatment of employees in all aspects of their employment, including provisions requiring – (a) Good and safe working conditions; and (b) An equal employment opportunities programme; and (d) Recognition of – (i) The aims and aspirations of the Māori people; and (ii) The employment requirements of the Māori people; and (iii) The need for greater involvement of the Māori people in the Public Service; and (e) Opportunities for the enhancement of the abilities of individual employees; and (f) Recognition of the aims and aspirations, and the cultural differences, of ethnic or minority groups; and (g) Recognition of the employment requirements of women; and (h) recognition of the employment requirements of persons with disabilities”. Section 58. “Equal employment opportunities” states: “(1) The chief executive of a Department – (a) Shall in each year develop and publish an equal employment opportunities programme for the Department; (b) Shall ensure in each year that the equal opportunities programme for that year is complied with throughout the Department. (2) The chief executive of a Department shall include in the annual report of the Department – (a) A summary of the equal employment opportunities programme for the year to which the report relates; and (b) An account of the extent to which the Department was able to meet, during the year to which the report relates, the equal employment opportunities programme for that year.

requiring government employers to take action. .... EEO is about systemic and structural organisational change, which aims to promote good employment practices and policies which prevent discrimination. Addressing individual cases of discrimination deals with the effects in a piecemeal manner and does nothing to analyse and change the cause of discrimination (2).

This statement suggests that anti-discrimination legislation must be supported by legislation that forces positive change at the organisational level. Following the repeal of the *Employment Equity Act*, the argument was made that the pursuit of EEO should be construed as a good management practice that minimises the potential for employers to be found guilty of discrimination.

Since EEO is a positive duty in the public service, the State Services Commission has made a set of observations on the relative importance of anti-discrimination legislation, on the one hand, and legislatively-mandated good management practices, on the other. According to the Commission (1997: 14), anti-discrimination legislation can set bottom lines, provide recourse for redress, and, in pursuit of the public interest, limit the freedoms of individuals and organisations. But to achieve its intended goal, anti-discrimination legislation must be supported by appropriate organisation-level management practices. Organisation-level EEO programmes can serve as effective management tools for reducing discrimination. They can also create environments in which the need for redress through anti-discrimination legislation is minimised. Further, EEO programmes can encourage individuals to do the “right thing”, thus reducing the likelihood that others in their organisation will feel discriminated against in the first place.

As the present report was being finalised, the Public Finance (State Sector Management) Bill was before Parliament. This requires Crown entities to do four things. First, they must operate personnel policies that comply with the principle of being a good employer. Second, they must make the policy available to their employees. Third, they must ensure compliance with the policy (including having an equal employment opportunities programme). Finally, as part of their annual reports, they must review the extent of their compliance with the policy. This legislative change recognises that strong anti-discrimination legislation – while essential – is likely to have even more impact when it is supported by organisation-level EEO programmes devised to meet legislative guidelines on appropriate employment practice.

### *CURRENT EEO REPORTING*

In 2002, the 36 departments and ministries of the core public service provided responses to the State Services Commission’s EEO self-assessment questionnaire.<sup>6</sup> In addition to providing these responses to the SSC, the departments and ministries were required to report on the EEO programmes within their annual reports. These EEO reporting requirements were the most rigorous for any New Zealand employers.

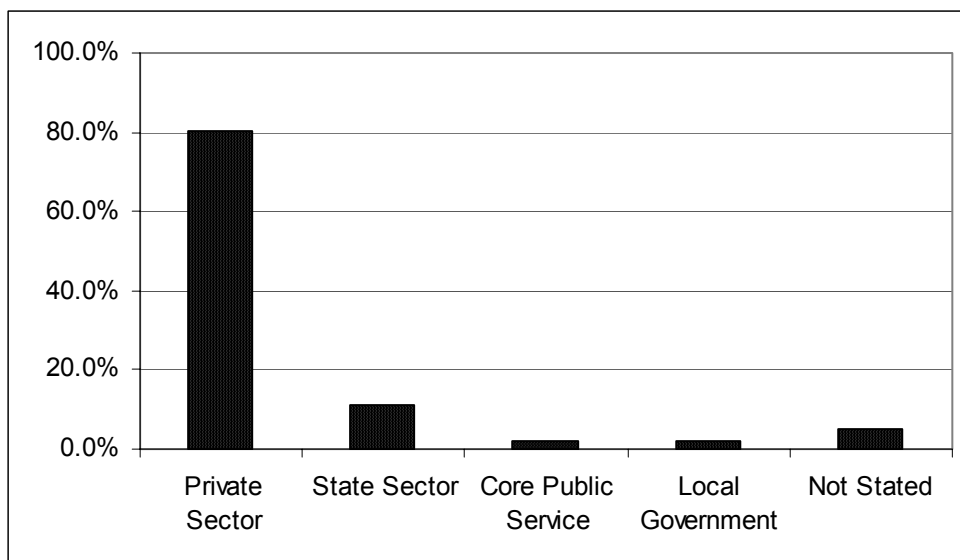
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<sup>6</sup> The Audit Office, the Parliamentary Service, the New Zealand Defence Force, and the New Zealand Police also produced responses to the self-assessment questionnaire. See State Services Commission 2003. *EEO Progress in the Public Service 2003 Report with Special Focus on Māori*. Wellington: State Services Commission (June), p.44.

Local governments are required under the *Local Government Act 2002* to have EEO programmes, but no monitoring is conducted. Private sector organisations are not required to have EEO programmes. Since there is such little mandatory reporting of EEO programmes, and only some collection of voluntary reporting through the EEO Trust, the public record does not document the status of EEO in most workplaces.

To get a sense of the number of employees in New Zealand workplaces that are subject to EEO reporting, we used census and public service data from 2001 to produce the results presented in Figure 3.1. At that time, 80.4% of all full-time and part-time workers were employed in the private sector. In contrast, just 14.4% were employed in government positions. However, only 1.8% of all employees worked in the core public service. Therefore, a relatively limited number of employees in New Zealand work in organisations where EEO reporting is required and monitoring of those reports occurs on a regular basis.

**Figure 3.1:** *Location of Employed Labour Force by Sector of Ownership, 2001*



*Source:* Authors' calculations based on Statistics New Zealand 2001 Census: Work, Table 30 and State Services Commission (2002b: 12).

## THE PUBLIC SERVICE

In terms of reporting requirements and monitoring efforts, the best efforts to promote EEO in New Zealand currently occur in the public service. The State Services Commission produces annual reports on EEO progress in the public service. These reports are based on statistics gathered by the Commission, along with narratives on their EEO programmes supplied to the Commission by each department. Under the Government's *EEO Policy to 2010* each government department is required to set its own targets for the representation of women, Māori, Pacific peoples, and people with disabilities within its overall staff as well as among its senior managers (SSC 1997). Aside from producing annual reports on EEO progress in the public service, the SSC also produces periodic reports on issues associated with EEO policy. In 2002, it produced a major report on the career progression and development survey conducted in the public service in 2000 (see SSC 2002a). This document contained close analysis of issues facing EEO target groups in the public service.

The State Services Commission's efforts to promote EEO have been limited by lack of resources. The Commission's annual reports on the progress of EEO serve to collate and summarise a lot of useful information. However, the lack of systematic analysis of time series data, and the degree of variation across departments in their commitment to EEO limit the overall conclusions that can be drawn from this information.

Given the high level of decentralisation regarding EEO policy implementation in the public service, whether or not an agency or organisation actively pursues EEO goals is left to relevant chief executives and managers. Under such arrangements, excuses can always be made for why resources would be diverted from EEO initiatives into other activities.

## **THE STATE SECTOR**

Under the proposed Public Finance (State Sector Management) Bill Crown entities will be required to be good employers and to report on the extent of its compliance with its personnel policy, including its EEO programme. Currently however, reporting requirements differ across organisations. Frequently, simply attaching a brief explanation of EEO processes to annual reports has been sufficient action. Ultimately, the factor that determines how much effort will occur is the commitment shown by organisational leaders to EEO as a workplace philosophy and practice. The lack of systematic *central* reporting requirements for the state sector beyond the core public service creates serious information problems. State sector organisations are in many cases required to produce EEO plans and reports, but these are sent to different central agencies. Each organisation sets its own goals, implements its own programmes, and – if desired – undertakes its own evaluations. There is no central repository where those reports that are being produced are analysed, evaluated, or even deposited.

### *The Education Sector*

All tertiary education institutions are required under section 77D of the *State Sector Act 1988* to develop EEO plans and to report upon those plans annually.<sup>7</sup> Evidence suggests that most tertiary institutions meet these requirements. Further, in many instances, the reports developed on an annual basis by the tertiary institutions are quite comprehensive in scope, and cover aspects of both equal employment opportunities policies and equal education opportunities policies (see, e.g. University of Auckland 2002). However, the quality of the programmes being implemented and

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<sup>7</sup> Section 77D, "Equal employment opportunities" states: "(1) The chief executive of the Ministry of Education shall be responsible for promoting, developing, and monitoring equal employment opportunities policies and programmes in the Education service. (2) Every employer – (a) Shall in each year develop and publish an equal employment opportunities programme: (b) Shall ensure in each year that the equal opportunities programme for that year is complied with. (3) Every employer shall report annually to the chief executive of the Education Review Office providing – (a) A summary of the equal employment opportunities programme for the year to which the report relates; and (b) An account of the extent to which the employer was able to meet, during the year to which the report relates, the equal employment opportunities programme for that year. (4) The chief executive of the Education Review Office shall incorporate a summary of the reports received under subsection (3) of this section in the annual report of that department. (5) For the purposes of this section ..., an equal employment opportunities programme means a programme that is aimed at the identification and elimination of all aspects of policies, procedures, and other institutional barriers that cause or perpetrate, or tend to cause or perpetrate, inequality in respect to the employment of any person or group of persons".

the reporting of them varies greatly (Rouse 1993). Recently, the Association of University Staff has expressed concern at the lack of central monitoring of reports sent to the Ministry of Education.

School boards of trustees are required to develop and implement EEO plans. The Ministry of Education has made guidelines available to schools, so that boards and those working for them can develop suitable EEO plans. These plans are collected by the Education Review Office (ERO), as part of their general monitoring of schools. However, in 2003 under new legislation, schools were no longer required to report to the ERO. Instead, they are encouraged to use a new guide/checklist for EEO self-assessment (see Ministry of Education 2002). This is a major shift in the primary and secondary school sector away from mandatory reporting toward a voluntary regime of assessment.

While tertiary institutions and schools tend to meet their statutory reporting requirements, limited collation and analysis of reported information is undertaken by the monitoring agencies (e.g., the Ministry of Education and the Education Review Office). This has three effects. First, it sends a signal to the reporting institutions that what they report is not taken seriously. This accounts for why most universities do not have dedicated EEO offices. Second, it wastes a potentially rich resource for promoting good practice learning across individual organisations. Third, it contributes to "EEO cynicism" because the reporting requirements impose compliance costs on organisations yet those organisations gain nothing back in terms of new knowledge and opportunities to benchmark their performance with that of others.

#### *Annual Reports of District Health Boards*

District Health Boards (DHBs) do not have a mandatory requirement to report on their equal employment opportunities policies or outcomes. However, under sections 22 and 42 of the *New Zealand Public Health and Disability Act 2000* they have a requirement to be a "good employer" and report on how they have met this requirement. In the annual reports for 2002, DHBs voluntarily reported on their policies and activities that broadly relate to equal employment opportunities. There was considerable variation among the different DHBs' reporting on EEO issues.

Most DHBs mention equality issues in relation to service delivery and clients rather than with respect to employment and employees. For example, the Auckland DHB states that it is "committed to the principles of the Treaty of Waitangi and of being a good employer." However, its annual report gives only a one sentence explanation of these commitments and does not detail their actual policies and programmes: "ADHB has proactively pursued strategies to optimise the relationship between employees and their work performance in its endeavour to achieve the highest quality of work life for staff and the highest quality of healthcare for our patients". In contrast, four other DHBs (Canterbury, Taranaki, MidCentral, and Northland) give detailed descriptions in their annual reports of their understandings of what being a "good employer" means in practice. For example, in the Taranaki DHB annual report (2002: 35) it states:



Taranaki DHB meets the objective of being a good employer by operating under clearly defined and well documented personnel policies and procedures which are transparent and communicated to all employees and prospective candidates. These include provisions such as recruitment and selection procedures, employee relations, compensation and benefits, training and development and leave policies based on the *Human Rights Act 1993* and other relevant legislation. The Taranaki DHB is proud to embrace and promote the concept of being an Equal Employment Opportunity employer.

For the Taranaki DHB the concept of being a good employer is integrally linked to the promotion of equal employment opportunities. Two DHBs (Otago, Hutt Valley) state in their annual reports that they seek to be an “employer of choice”.

Three DHBs report (Hutt Valley, Otago, Taranaki) that they have policies and initiatives in place to recruit and retain Māori and Pacific employees. The representation of Māori and Pacific peoples as health providers is seen as crucial to the quality of service delivery in communities where Māori and Pacific peoples have distinctive health needs. In addition, Taranaki and Southland DHBs mention that their boards include representatives from Māori iwi. Three DHBs (Hutt Valley, Canterbury, Counties Manukau) report on programmes developed to advance the careers of Māori staff. These programmes include Māori staff fora, leadership workshops, and career development programmes for senior Māori staff. Counties Manukau report that they have a career development programme for Pacific staff. Bay of Plenty DHB mentions in its annual report that it offers educational scholarships for Māori and Pacific employees.

Canterbury DHB reports that it undertook a “culture survey” across the workplace “to assist in further identifying initiatives” (2002: 39). Waikato DHB mentioned within the context of employee benefits in the annual report that it offers “family friendly and flexible working environments (no details of policies are provided) and an onsite early childhood education centre at the Hamilton campus” (2002: 9). To meet their obligations under the Treaty of Waitangi two DHBs (Otago, Capital and Coast) report that they have initiated training programmes in biculturalism and the Treaty itself for all staff. Finally, two DHBs (Hutt Valley and Taranaki) report on their efforts to increase employment opportunities for employees with disabilities. For example, the Taranaki DHB report states that: “Taranaki DHB has played a major role in the employment of people with disabilities, with a total of ten new placements over the last two years...” (2002: 35). Unfortunately, without a stated benchmark, we cannot ascertain whether these numbers constitute EEO progress for people with disabilities.

Overall, Hutt Valley and Taranaki DHBs stand out as the District Health Boards that have the most comprehensive reporting on EEO policies and programmes in their 2002 annual reports.

## **LOCAL GOVERNMENT AUTHORITIES**

To meet their “good employer” provisions, local government authorities are required under the *Local Government Act 2002* to develop and publish an annual equal employment opportunities programme. Local governments are not compelled to deposit their EEO plans with any other entity, and no monitoring of their efforts

occurs. As a result, the chief executives and elected politicians associated with each local government can exercise a large amount of discretion when determining how much they will commit themselves to promoting equal employment opportunities.

In its 2002 annual report, the Auckland City Council (ACC) was explicit about its commitment to EEO. It reported on an internal equal employment opportunity awards programme introduced in 2002 to increase awareness of EEO work practices and benefits across the organisation, and to encourage their consistent application (EEO Trust 2002: 34) Awards were made in five categories – large, small group, first start, innovation and “walking the talk”. The ACC has also instituted a domestic violence free programme in the workplace to support staff experiencing domestic violence. It has engaged in individualised coaching to assist employees manage their work/life balance. The Council provides training programmes in Treaty awareness, and supports training programmes delivered by and for Māori staff.

The Wellington City Council (WCC) also reports on its commitment to providing equal employment opportunities. The organisation views EEO as “good business practice” and “an effective strategy for achieving high performance levels by ensuring that the workforce is diverse, flexible, highly skilled, and responsive and is able to contribute significantly to the provision of quality services” (2002: 226). The WCC’s EEO plan supports staff EEO network groups and seeks feedback from these groups on systems and processes. The Council collects and analyses human resources data and annual employee surveys to monitor the effectiveness of its diversity strategies (2002: 226). It is engaged in policy development and practical responses to assist employees with balancing their work and life commitments. Although the WCC does not have a specific Māori recruitment programme, it consults Wellington Māori on the Council’s internal recruitment and training procedures to “improve its capacity to deal with Māori issues appropriately” (2002: 19).

## **THE PRIVATE SECTOR**

Had the *Employment Equity Act 1990* been kept in place, all public and private sector employers of 50 or more workers – in 2003, this would cover 46% of all workers — would have been required to produce annual reports on the composition of their labour force and their efforts to promote EEO. Since the Act was repealed in 1991, no formal requirements are placed on private firms to create EEO policies or report on them and their effects. Soon after the National Government repealed the Act and abolished the Employment Equity Commission, government funding was set aside to support the establishment of The EEO Trust. This organisation is the only entity in New Zealand that currently works with private firms to promote EEO. Here we discuss the reports produced by the EEO Trust as well as references made to EEO in the annual reports of major New Zealand companies.

### ***The EEO Trust***

Since 1991, the EEO Trust has worked to promote EEO as a practice and philosophy across both the public and private sectors. The Trust acts as a champion for the promotion of EEO as “good management practice”. In addition, since 1997 the Trust has developed an annually updated Diversity Index, based on a survey of member and

non-member employers. Through this work, the Trust has sought to highlight EEO best practice in New Zealand. While the efforts of the EEO Trust are to be welcomed, especially in a climate where mandatory reporting of EEO practices is so constrained, there is room for improvement in the quality of the data collection and analysis that supports the EEO Trust Diversity Index.

The EEO Trust compares survey responses from members with those of non-members. While members are compelled to respond to the annual survey, there is no compulsion for non-members to respond. In recent years, the Trust has greatly increased the number of non-members who have been surveyed. In 2002, the Trust sent out 3,713 surveys. However, the response rate from non-members of the Trust was low. This raises concerns about selection bias. In short, we might expect that the non-member employers who responded to the survey were a distinct group, not representative of employers in general. Therefore, when the Trust reports that, say, 63.0% of non-members had EEO policies in place in 2002, we need to interpret the claim carefully. In 2002, the EEO Trust had 373 members (which include public and private sector employers). It received completed responses from 98.4% of members (367 member responses) and from 5.3% of non-members (177 non-member responses). All we can conclude for sure from this information is that 112 out of 3,340 non-members (3.3%) who could have responded to the EEO Trust's survey reported that they had EEO policies in place. The Trust admits that in 2002 the number of both members and non-members reporting that they had EEO policies in place were "some of the lowest figures since the survey began" (37). Moreover, the Trust survey responses say nothing about the relationship between the presence of EEO plans and policies and progress in EEO outcomes.

The statistical evidence contained in the EEO Trust's Diversity Index suggests that most private sector employers do not recognise the importance of producing EEO policies and plans. When not compelled to comply with reporting requirements, organisations tend not to supply information about their EEO practices.

### ***Annual Reports of New Zealand Top 100 Companies***

Although there are no mandatory reporting requirements for private sector organisations, a number of the "Top 100" New Zealand companies – as measured by turnover – voluntarily report on their EEO and diversity-related policies and programmes in their annual financial reports.<sup>8</sup>

Of the top companies, only Vodafone, Goodman Fielder Heinz Watties, Fletcher Building, Carter Holt Harvey, Westpac, Telecom, Bank of New Zealand and The Warehouse make explicit references to aspects of anti-discrimination and equal employment opportunities in their annual reports. Without detailing its actual EEO policy, IBM International claims to have committed to an "equal pay for equal work" policy twenty-eight years ago before it became law. It also claims to be the first

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<sup>8</sup> The list of 'Top 100' New Zealand companies was generated from the Accident Compensation Corporation's list of companies by turnover, assuming that each full time equivalent employee earns \$37,000 per annum (regarded as a realistic average wage). Thanks to Frances Butcher, Strategic Policy Unit of the Occupational Safety and Health Service for providing this list. Some of the annual reports (Vodafone, IBM, Watties, Goodman Fielder, and Bank of New Zealand) refer to the entire multinational private company, rather than just the New Zealand of that company.

employer to have implemented EEO policies with respect to race (2002: 4). IBM reports that over the last five years the number of female executives has increased from 185 to 692.

Interestingly, The Warehouse has adopted a new form of reporting, currently being promoted internationally. This is a “Triple Bottom Line Report” that includes reporting on corporate social, environmental and employment responsibilities. In this report, The Warehouse details its employee assistance programme that offers counselling for employee – or, as they are called, “team members” – during work time, and a number of other work benefits (2003: 8). Telecom’s annual report refers to fair recruitment efforts, while the Bank of New Zealand discusses its “Diversity Guiding Coalition,” which aims to build a more diverse workforce with respect to gender, nationality, cultural heritage, family responsibilities, and disabilities and lists the Coalition’s achievements to date (2002: 5).

Westpac’s annual report is the only one to comment on efforts to achieve equitable outcomes for women. Westpac reports that it has achieved similar rates of promotion for men and women and provides evidence of this EEO outcome in accompanying tables. Of all Westpac’s managerial positions, 36.0% are held by women. In addition, Westpac reports extensively on a number of initiatives to promote work/life balance and a family-friendly workplace. Westpac is also the only top 100 company to explicitly mention EEO outcomes and plans for older workers (2002: 21-26). Among the group of New Zealand private sector companies reporting on EEO issues, the Westpac annual report is easily the most comprehensive in that it reports on *both* EEO policies and EEO outcomes.

Fletcher Building’s annual report notes the gender imbalance in its workforce which it attributes to the typical history of the industrial and construction sectors (2003: 34). It reports on work/life balance options and benefits for employees, including an award-winning company early childhood care and education centre, a school holiday programme, a health and fitness centre, an education fund for staff and their families, and support for employees in financial hardship (2003: 35).

Vodafone International is the only New Zealand top 100 company to report on policy and efforts to promote the equal employment opportunities, job access, and retention of people with disabilities (2003: 51).

Overall, a review of annual reports by large private sector companies shows that limited and highly selective attention is being paid to EEO efforts and the reporting of them in the private sector in New Zealand. Of course, some companies are doing some very good things for their employees, actions that are definitely consistent with the pursuit of EEO. But the basic story is that, once we move beyond the core public service in New Zealand, EEO reporting is devoted scant attention and scant resources.

## **CONCLUSION**

Due to legislative limitations, EEO reporting in New Zealand is patchy. Based upon our review, we consider that current EEO reporting in New Zealand is inadequate on several grounds. First, over 80% of employees in New Zealand work in organisations

that are subject to no mandated EEO practices and no reporting requirements. For their part, most employers in New Zealand are under no obligation to think carefully about how to ensure their employees and potential employees face equal employment opportunities. The EEO Trust has made a commendable effort over the past decade or so to promote EEO in the private sector and to report on good practices. But the materials produced by the Trust, including its annual Diversity Index, offer quite superficial coverage. This is probably due to the inadequacy of the resources the Trust has at its disposal.

Second, in many instances in the state sector, some kind of reporting is required, but organisations are given no clear guidelines as to the kinds of reports they should produce. Further, much of the reported information is not collated or analysed in any coherent manner. Therefore, much of the reporting that is done appears meaningless, and organisations face no sanctions for non-reporting. This raises questions as to what is actually going on with respect to employment practices in many places, such as schools and hospitals. Keren Brooking (2003: 4) reports an observation made by an advisor to school boards of trustees that the selection processes for school principals are “as loose as a goose.” Good EEO practice, like physical fitness, does not come naturally. It requires adherence to a self-imposed, but publicly sanctioned, discipline. Governments cannot hope to change the hearts and minds of all people making employment decisions. However, they can take actions that make particular regimens easier or harder to follow. Since governments pay the wages of state sector workers, one would think that efforts to promote good EEO practice within the state sector could be quite effective. But this requires both political will on the part of Cabinet Ministers and strong commitment towards promoting EEO on the part of senior civil servants. It also requires vigilance in monitoring the education and health sectors.

Third, in the core public service where reporting is mandated, insufficient resources have been devoted to the development and maintenance of sophisticated EEO databases within individual departments and within the State Services Commission. The reports on EEO produced by the SSC often offer superficial treatments of major topics. There is little continuity from year to year in coverage of relevant material. This makes tracking progress of target groups much more difficult than it should be. For example, Appendix 1 in the Commission’s EEO progress report to June 30 2001 lists the representation of women and Māori by public service departments and provides transparent indication of progress. Such a list is not replicated in other years. Additionally, much of the source material provided to the SSC by departments is treated as “commercially sensitive” and is not made readily available for public scrutiny. This reduces transparency of EEO practices in the public service for a wide range of stakeholders.

In all empirical research, measurement problems arise when the existence of a practice and the reporting of it do not coincide. This observation is relevant to the study of EEO. If all employers were compelled to both implement EEO practices and routinely report on them, then ascertaining the overall status of EEO would be relatively straightforward. But in New Zealand, a limited set of organisations are required to both implement and report on their EEO practices. The widespread reporting gaps that inevitably exist when reporting is not mandatory make it impossible to acquire a comprehensive sense of the extent to which workplace

practices promote equal employment opportunities. Having said that, exploring changes in outcomes for particular groups across different sectors of the economy is possible. While recognising that limitations of EEO practice and reporting hinder this task, we next explore the progress that has been made for EEO target groups in New Zealand over the past decade or so. Despite the limited EEO reporting that currently takes place in New Zealand, much can still be said about the progress of women, people with disabilities, Māori, and Pacific peoples with respect to, among other things, their labour force participation, position within industries and occupations, and their relative earnings.

## ► 4 *Assessing EEO Progress in New Zealand*

In this chapter, we use a range of statistics to assess the progress of four groups traditionally disadvantaged in the New Zealand labour market and workplace. These are women, people with disabilities, Māori, and Pacific peoples. Despite some positive trends, we find that in the period since 1990, labour market and workplace outcomes for each of these groups have changed far too little. Using a range of indicators, we find all of these groups continue to be disadvantaged compared to others in the New Zealand labour force.

Probably for all groups, it can be said that if there is an increase in participation but not in the average remuneration for the group, then it is highly questionable as to how much this represents a gain for the practice of EEO. An increase in the employment participation rates of EEO groups is not, by itself, a sufficient indicator of EEO progress. For example, if women become a greater portion of the labour force but this is not accompanied by more flexible work hours, provision of childcare services and subsidies, and such things as the normalisation of breastfeeding in the workplace, then we need to question the extent to which EEO is being achieved. Perhaps an expansion of part-time work might be good for some women and some people with disabilities, but not necessarily for those who seek full-time employment. Expansion of part-time work might result in a reduction in sustainable employment opportunities for other groups. Throughout this discussion, we show why it is important to think of EEO both in terms of the horizontal and vertical expansion of representation across industrial sectors and occupational classes.

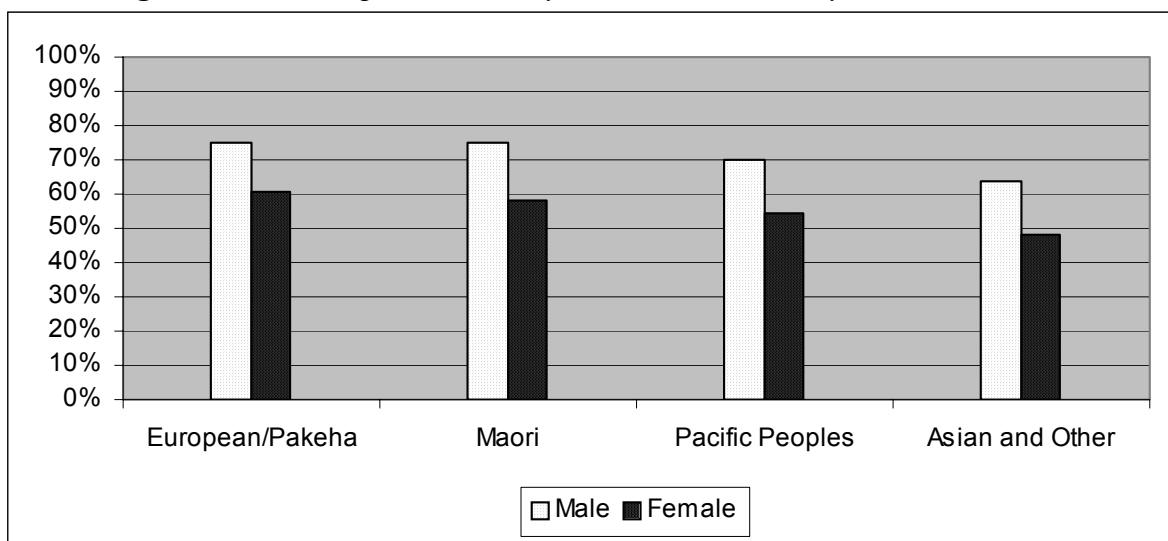
Before focusing on each specific group, it is useful to examine some indicators comparatively. We do this with reference to three figures. Together, these figures offer an overview of the significant differences that currently exist among New Zealanders in their relationships to the labour market and their experiences as employees. Figure 4.1 shows participation rates in the paid labour force for men and women of different ethnic groups as at June 2003. Participation rates measure the proportion of people of working age who are either currently employed or actively seeking employment. This figure indicates that European/Pakeha men have the highest average participation rates. Across all ethnic groups, women always participate at a lower average rate than do men.

Figure 4.2 shows unemployment rates at June 2003 and how they differ between men and women and among ethnic groups. At that time, unemployment rates were lowest for European/Pakeha men and highest for Māori women.

Finally, Figure 4.3 shows how relative hourly earnings of people in the full-time paid labour force differ by gender and ethnicity. Based on data from June 2003, the figure shows that European/Pakeha men are, on average, the highest earners in New Zealand society. The biggest difference in these average figures is between European/Pakeha men and women of Pacific ethnicity. For every dollar made by the average European/Pakeha man, the average woman of Pacific ethnicity made 69 cents.

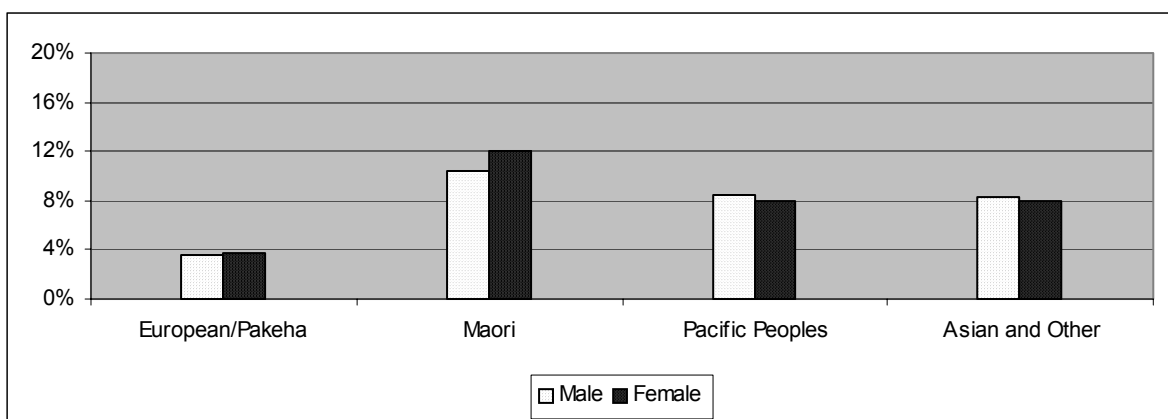
These brief snapshots provide a useful start to our assessment of EEO progress in New Zealand. Even as they offer important information, they all prompt a range of additional questions. The following survey is designed to give a comprehensive picture of how women, people with disabilities, Māori and Pacific peoples fare as employees in New Zealand.

**Figure 4.1:** *Participation Rates by Gender and Ethnicity, June 2003*



*Data Source:* Statistics New Zealand Household Labour Force Survey.

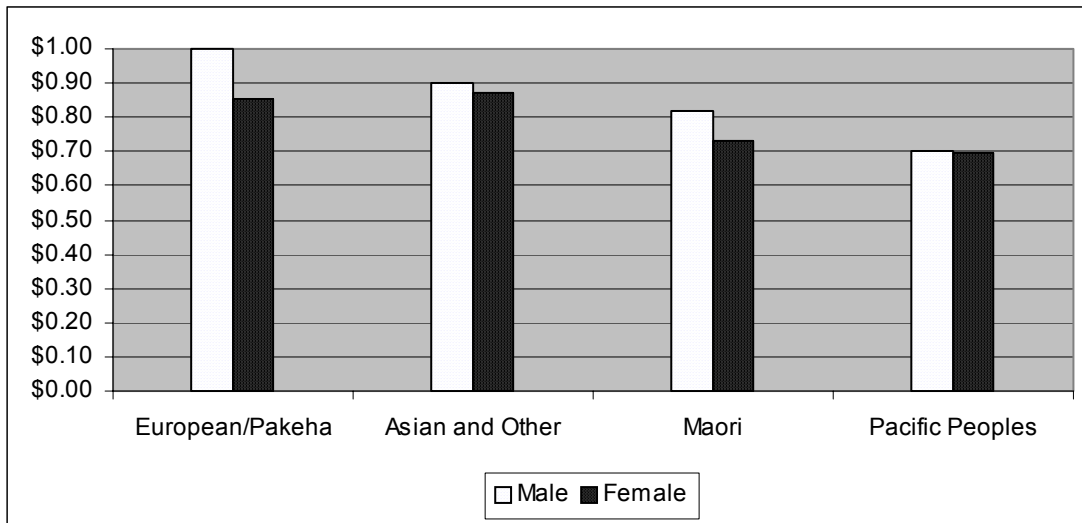
**Figure 4.2:** *Unemployment Rates by Gender and Ethnicity, June 2003*



*Data Source:* Statistics New Zealand Household Labour Force Survey.



**Figure 4.3: Relative Hourly Earnings by Gender and Ethnicity, 2003**



*Note:* The figure shows the average amount members of each group make, for every dollar made by the average *male* European/Pakeha wage or salary earner. For all ethnic groups, the average hourly earnings of women are lower than those for men of the same ethnicity.

*Data Source:* Authors' calculations based on New Zealand Income Survey, June 2003, Table 10.

## PROGRESS FOR WOMEN

Women comprise just over half of the New Zealand population. According to the 2001 Census, 51.2% of New Zealanders were women. The main reason why women constitute a majority of the population is that they tend to live longer than men. Women make up 51.1% of New Zealand's working age population. When judged in terms of their participation rates, the industries they are associated with, and their occupations and earnings, women as a group appear to have quite distinctive experiences of the paid labour force compared with men. Often, the distinctions are striking. Here we discuss these distinctions and explore various explanations for why women have not been attaining the same status in the labour force as men. From the outset, we should note that, as revealed in the *New Zealand Time Use Survey*, while women and men participate in the same amount of productive work, women do more unpaid work, while men do more paid work (Statistics New Zealand 2001). Information contained in the 2001 Census also indicates that women are more likely than men to look after children in the household and to look after others who are ill or disabled.<sup>9</sup>

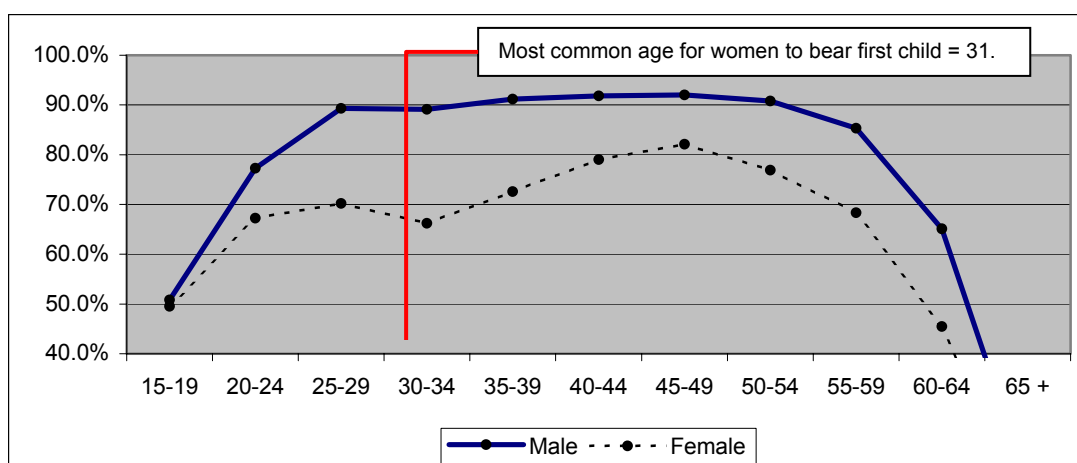
### *Participation in the Paid Labour Force*

Among New Zealand's population of working-age women, 59.0% currently participate in the labour force, either on a full-time or part-time basis. As has been the case historically, women participate at significantly lower rates than men, for whom

<sup>9</sup> For more details, see Statistics New Zealand *2001 Census Snapshot: Women*, available at [www.stats.govt.nz](http://www.stats.govt.nz).

the equivalent rate is 74.1%.<sup>10</sup> As shown in Figure 4.4, over their lives, individuals tend to change their engagement in the labour force. For example, in the 15-19 age group, the participation rate tends to be around 55.0%, and it is much the same for men as for women. This is because many people at this age are focusing on their studies, rather than working. For men, participation rates tend to continuously rise with age until the time when men get into their 50s. For women, a different pattern is observed. While participation rates increase for women during their 20s, they drop back for women in the 30-34 year age group, before picking up again for women in the 35-39 year age group. Participation rates for women are highest when they are in their 40s. This pattern reflects the tendency for women to take time out of the paid labour force to devote to childbearing and caring for children. In 2003, the average age for women in New Zealand to give birth to their first child was 31. Women's prime years for child birth and child rearing also coincide with prime years in employment. But because women must interrupt their careers, at least to some degree, to bear and raise children, women often forgo opportunities to move up the career ladder at a similar pace to men (McGregor 2002: 2). This has significant implications concerning who gets to hold senior positions and key managerial and decision-making roles in the workplace.

**Figure 4.4:** *Workforce Participation by Age Cohort and Gender, 2003*



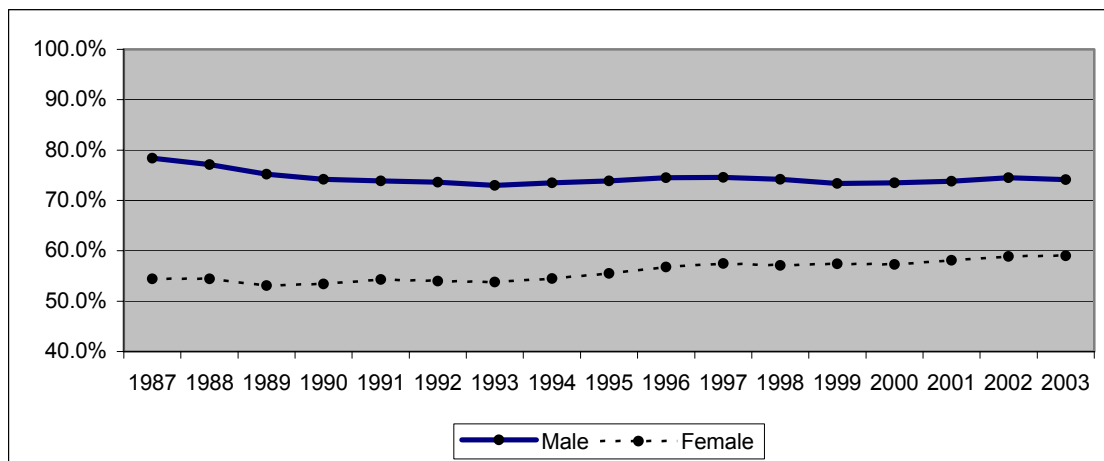
*Data Source:* Statistics New Zealand Household Labour Force Survey, June 2003.

Over the years from 1987 through to 2003, there has been a tendency for the participation rates of men and women to converge somewhat, as shown in Figure 4.5. This convergence has arisen from two sources. The first is a mild decline in the participation rate of men in the paid labour force. The second source is an increase in the participation rate of women. A closer analysis of changes in the participation rates of different age cohorts of women reveals that the overall increases in the participation rates of women have been driven by increasing levels of participation among women aged 25-29. Figure 4.6 shows that the participation rate of this group grew from 60.6% in June 1987 to 69.9% in June 2003. This change can be attributed to both the tendency for women to put off starting a family until they are in their late

<sup>10</sup> Figures reported in Statistics New Zealand's quarterly Household Labour Force Survey, June 2003, retrieved via INFOS. Note that the June 2003 survey was the most recent at the time of writing.

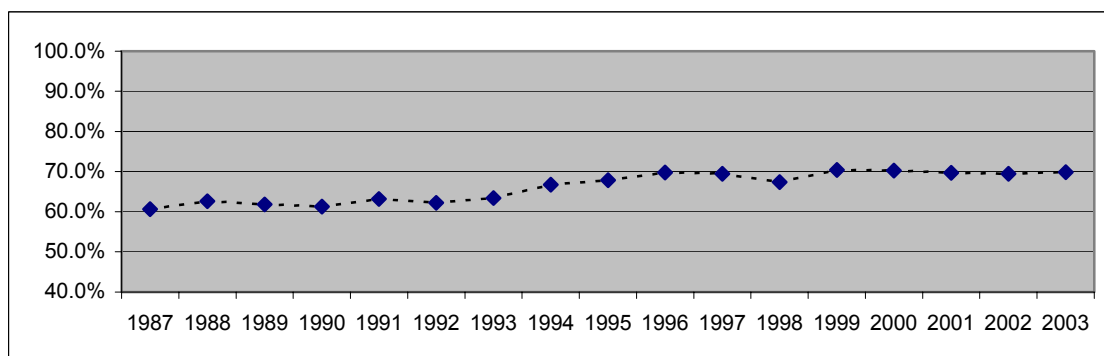
twenties or early thirties and the increasing tendency for women to combine parenting with at least some level of participation in the paid labour force.

**Figure 4.5:** *Workforce Participation Changes over Time by Gender*



*Data Source:* Statistics New Zealand Household Labour Force Survey, 1987-2003, June series.

**Figure 4.6:** *Workforce Participation Changes over Time for Women Aged 25-29*



*Data Source:* Statistics New Zealand Household Labour Force Survey, 1987-2003, June series.

In 2002, the Government adopted a paid parental leave law. This entitles eligible women to twelve weeks of paid parental leave, funded by the government, which they can transfer to their partners, if they wish. To be eligible for this leave, women must have worked for at least one year for at least ten hours per week for the same employer. The payment replaces existing earnings, but only up to the level of 0.7 of the average female wage. In the first year and a half of its operation, 19,000 employees had received paid parental leave (approximately 26,000 employed women have babies each year) at a cost of \$51 million (New Zealand Herald 2004). Of those who took up the scheme in its first six months, 22% had returned to employment and of those 22%, 93% had returned to work for the same employer that they had been

working for before taking parental leave (Gravitas Research and Strategy Ltd 2003).<sup>11</sup> In December 2004 the paid parental scheme will be increased to 14 weeks for employees who have worked in New Zealand for at least six months. While this law represents a positive move, one that recognises the contributions women of childbearing age make both to economic production and social reproduction, it is minimalist in its provisions. It will be interesting to observe in the future the effect that this policy change will have on women's labour force participation rates. We consider that more could be done to support women with young children, so that they need not choose between working and raising children. The economy would greatly benefit from policies that did more to ensure that parents could remain integrated into the labour force while still taking time to spend with their babies and youngsters.

Differences in participation yield a labour force composed of more men than women, with women currently making up 45.6% of participants. When the labour force is divided into those who work part-time and those who work full-time, the gendered nature of labour force participation becomes much more apparent. Currently, women make up just 37.3% of New Zealand's full-time labour force, but 72.4% of the part-time labour force. Such statistics highlight a well-understood feature of employment patterns in New Zealand. That is, men and women tend to have different relationships to the paid labour force, and those differences reflect gendered divisions of labour within the household. Women have long assumed more responsibilities for domestic work and childrearing than have men. They continue to do so. As a result, the many organisations and processes that serve to create the New Zealand labour market are subject to major influence from the informal – but no less significant – institutional arrangements inherent in New Zealand families. Over the period since 1990, changes have been observed in these statistics regarding male and female employment patterns. However, the overall picture is one of continuity rather than change.<sup>12</sup>

### ***Participation by Industry***

An industry-level analysis reveals more about the gendered nature of labour force participation in New Zealand. Such an analysis also offers an essential prelude to discussions about workplace discrimination against women and efforts to secure equal employment opportunities. Here, we focus on employment in the non-agricultural sectors. The International Labour Organisation (2003: 42) suggests that tracking changes in female participation rates in non-agricultural sectors is a useful way to assess progress towards equal employment opportunities for women. Figure 4.7 presents a gender breakdown of industries as at June 2003.

Assessed in terms of full-time equivalent employees, four sectors are female-dominated: accommodation, café, and restaurant; finance and insurance; education; and health and community services. These four sectors employ 27.9% of New

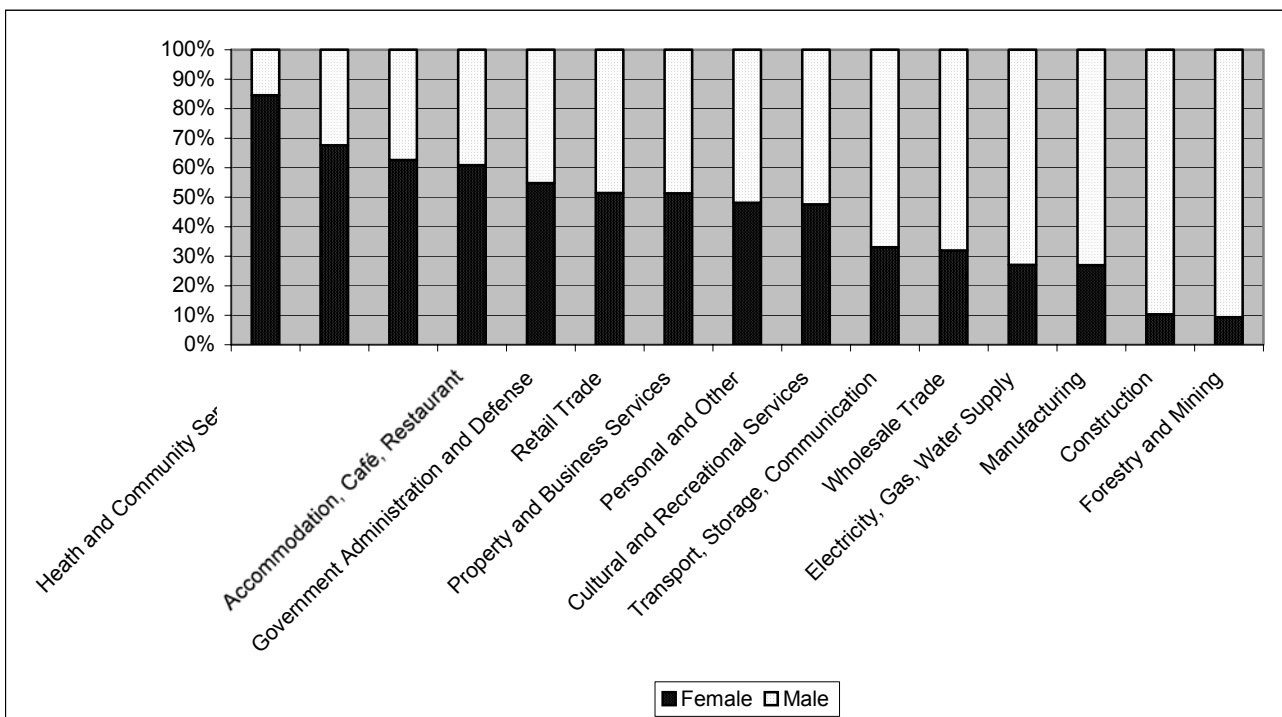
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<sup>11</sup> Although employees are expected to return to employment following a period of paid and unpaid parental leave, should the employee decide not to return to work at the end of that period there is no legal requirement to pay back the leave income to the government.

<sup>12</sup> In June 1990, women constituted 43.5% of the labour force. Breaking this into components, women made up 35.0% of the full-time labour force and 75.4% of the part-time labour force. Source: Household Labour Force Survey, June 1990., acquired via INFOS. We also note that many similarities can be observed when the broader patterns of male and female participation in New Zealand's labour force are compared with those of other developed nations.

Zealand's non-agricultural labour force but 42.6% of the female labour force. Of these sectors, the most heavily female-dominated are health and community services and education. The health and community services labour force has 84.5% female participants. The education labour force has 67.6% female participants. Together, these two sectors employ 31.8% of the female labour force.<sup>13</sup> Five sectors exhibit gender balance. One third (33.1%) of all participants in New Zealand's non-agricultural labour force and 35.9% of female participants can be found in these sectors. They are: retail trade; property and business services; government administration and defence; cultural and recreational services; and personal and other services. Six sectors are male dominated. They are: forestry and mining; manufacturing; electricity, gas, and water supply; construction; wholesale trade; and transport, storage, and communication. Here we find 38.9% of the participants in New Zealand's non-agricultural labour force but 54.5% of male participants. In the manufacturing sector, 73.1% of employees are male. This sector alone employs 24.7% of the men in New Zealand's non-agricultural labour force. In the relatively smaller sectors of construction and forestry and mining, men constitute 90.7% of employees.

**Figure 4.7: Industry Labour Force Composition by Gender, 2003**



Data Source: Statistics New Zealand's Earnings and Employment Survey, June 2003.

<sup>13</sup> Figures reported in Statistics New Zealand's quarterly Earnings and Employment Survey, June 1990 and June 2003 and acquired via INFOS. Note that this survey utilises the Australian New Zealand Standard Industrial Classification (ANZSIC) framework. It includes 15 non-agricultural industrial groups: Forestry and Mining; Manufacturing; Electricity, Gas, and Water Supply; Construction; Wholesale Trade; Retail Trade; Accommodation, Cafes and Restaurants; Transport, Storage and Communications; Finance and Insurance; Property and Business Services; Government Administration and Defence; Education; Health and Community Services; Cultural and Recreational Services; and Personal and Other Services.

These patterns of gender difference in labour force composition have been relatively stable across time, however some changes deserve comment. First, from 1990 to 2003 the labour force of the heavily-masculine electricity, gas, and water supply sector shrunk by 58.4%. This change affected men in the sector more than women. As a result, the sector changed from having 86.6% male employees to one where males comprise 72.9% of the labour force. Likewise, the government administration and defence labour force shrunk by 19.0% over this period, with the male portion of this labour force declining by 29.8% compared with a decline of 7.1% in the female portion. In 1990, women made up 47.8% of the government sector's labour force; in 2003 they made up 54.8%. Second, from 1990 to 2003 major expansions occurred in the education and health and community services sectors. While already heavily-feminised in 1990, expansions in these sectors have seen them become even more female-dominated. With the exception of the relatively small forestry and mining industries, there have been no moves towards greater intensification of male participation in the male-dominated industries.

### ***Occupations and Earnings***

Labour force segregation by gender can manifest itself in a variety of ways. Beyond examining segregation across industries – horizontal segregation – we can also examine segregation by occupational groups. Although some occupational groups tend to cluster within particular industries, it is typically the case that occupational groupings span industries. Therefore, people termed professionals can be found in many industries, as can clerks, while plant and machinery operators tend to be found most in manufacturing, but not exclusively. Since some occupations have higher status and higher levels of remuneration than others, segregation across occupational groups gives us a sense of vertical segregation in the New Zealand labour force.<sup>14</sup> Figure 4.8 presents the gender composition of occupational groupings as of 2001. A reasonable amount of gender balance can be found among professionals, where women constitute 55.7% of the group, and technicians or associate professionals, where women are 51.6% of the group.<sup>15</sup> However, women are under-represented among legislators, administrators, and managers (39.5%). They are even more seriously under-represented among trades workers (5.8%) and plant and machinery operators (20.4%). Women are over-represented among clerks (78.2%) and service and sales workers (64.6%).<sup>16</sup> These patterns of difference across occupational groups remained quite stable in the period from 1991 to 2001. However, the proportion of

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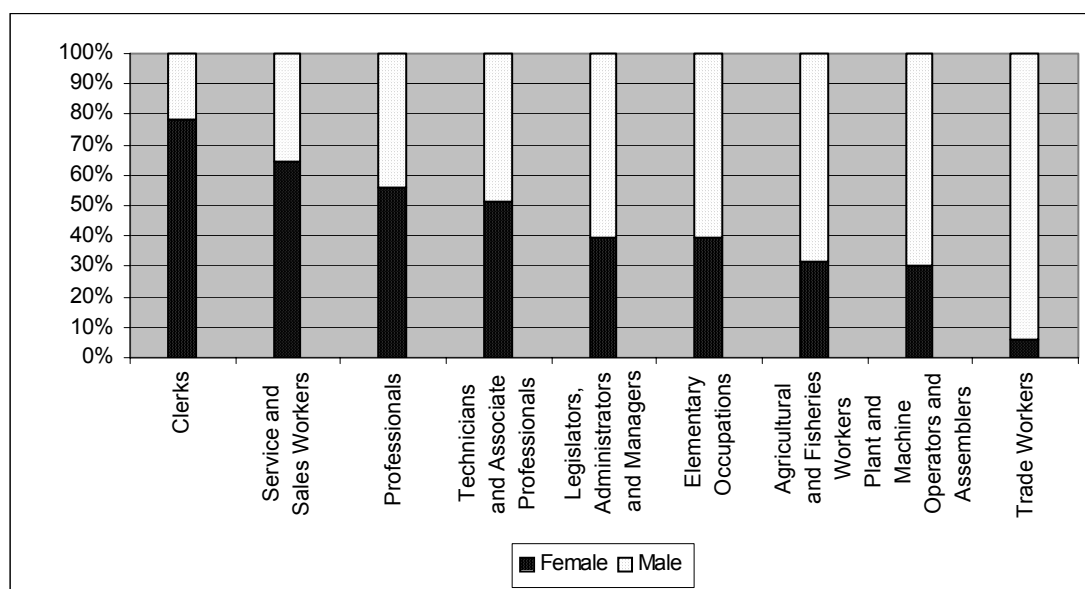
<sup>14</sup> In June 2003, the average hourly earnings across all occupations was \$17.82. But average hourly earnings differed across occupational groupings, as shown by the following figures: Legislators, Administrators and Managers, \$26.67; Professionals, \$23.67; Technicians and Associate Professionals, \$19.91; Clerks, \$17.03; Service and Sales Workers, \$12.16; Agricultural and Fisheries Workers, \$14.01; Trade Workers, \$16.75; Plant and Machine Operators and Assemblers, \$15.09; and Elementary Occupations, \$12.57. Figures reported in Statistics New Zealand's quarterly New Zealand Income Survey, June 2003, Table 10.

<sup>15</sup> The figures reported here come from Statistics New Zealand's Census 2001, specifically the Employed Census Usually Resident Population Count Aged 15 Years and Over. The proportions of women in each of the standard occupational groupings were as follows: Legislators, Administrators and Managers, 39.5%; Professionals, 55.7%; Technicians and Associate Professionals, 51.6%; Clerks, 78.2%; Service and Sales Workers, 64.6%; Agricultural and Fisheries Workers, 31.5%; Trade Workers, 5.8%; Plant and Machine Operators and Assemblers, 20.4%; and Elementary Occupations, 39.4%.

<sup>16</sup> Note also that these sectors with the strongest presence of women also have lower-than-average hourly earnings.

women among the ranks of legislators, administrators, and managers increased from 32.3% to 39.5% – a 22.2% increase in women’s representation. In addition, the proportion of women grouped as technicians or associate professionals increased from 41.4% to 51.6% – a 24.6% increase. In contrast, women’s representation among the highly-masculine plant and machinery operators and assemblers dropped from 23.1% to 20.4%, a reduction of 11.7%.<sup>17</sup>

**Figure 4.8:** *Composition of Occupational Groupings by Gender, 2001*



*Data Source:* Statistics New Zealand’s Census of Populations and Households, 2001.

Vertical segregation by gender in the New Zealand labour force can also be assessed by comparing the earnings of male and female workers. Taking into account full-time and part-time labour force status, in June 2003, women’s average weekly earnings amounted to just 67.2% of those for men.<sup>18</sup> Since women are more likely than men to work part-time, it is inevitable that their average weekly earnings will be lower. Yet this significant difference in the average earnings of women compared with men cannot be attributed solely to differences in labour force participation. Among full-time workers, the average weekly earnings of women amounted to 79.9% of those for

<sup>17</sup> In the 1991 Census, the proportions of women in each of the standard occupational groupings were as follows: Legislators, Administrators and Managers, 32.3%; Professionals, 53.6%; Technicians and Associate Professionals, 41.4%; Clerks, 82.0%; Service and Sales Workers, 62.6%; Agricultural and Fisheries Workers, 29.2%; Trade Workers, 5.9%; Plant and Machine Operators and Assemblers, 23.0%; and Elementary Occupations, 34.5%. Source: Statistics New Zealand’s Census 1991, specifically the Employed Census Usually Resident Population Count Aged 15 Years and Over.

<sup>18</sup> Authors’ calculation based on figures reported in Statistics New Zealand’s quarterly New Zealand Income Survey, June 2003, Table 11. The survey reported that 677,500 men worked full-time and received average weekly earnings of \$857; 104,200 men worked part-time and received average weekly earnings of \$265. In comparison, 464,300 women worked full-time and received average weekly earnings of \$685; 285,100 women worked part-time and received average weekly earnings of \$258. The authors’ calculation is based on comparison of the average weekly earnings of men and women, each appropriately weighted for the number of individuals engaging in full-time and part-time work.

men.<sup>19</sup> Therefore, even when employed full-time, women tend to hold jobs that command considerably less pay than jobs held by men.

To further explore wage gaps between men and women, it is useful to compare average hourly earnings within and across industrial sectors. Across all non-agricultural sectors, in June 2003, on average women earned 85 cents for every dollar earned by men. By comparison, in 1990, on average women earned 82 cents for every dollar earned by men. Clearly, between those years there was little change in the gender wage gap. The ILO has suggested that “the true test of an equal opportunity policy is the way it succeeds in addressing pay inequalities” (2003: 117). In New Zealand, this persistent pattern of women’s average hourly earnings being lower than men’s is observed both across the board and within each sector.

Earnings gaps might be expected to be smaller in those sectors where women make up the highest proportion of the labour force. But the evidence reveals that there is a negative relationship between the proportion of employees in a sector who are women and the size of the earnings gap between men and women in that sector. This relationship has strengthened in the years from 1990 to 2003.<sup>20</sup> While women make up 84.5% of workers in health and community services, on average, women in this sector earn just 64 cents for every dollar earned by men in the sector. Similarly, in education, women make up 67.6% of the labour force but they earn only 86 cents for every dollar earned by their male counterparts. This suggests that even in highly feminised sectors of the economy, women tend to be concentrated in the lower-paid jobs while men in these sectors tend to be the ones holding more senior positions. In contrast, in the construction sector, where women make up just 10 percent of the labour force, women on average earn 93 cents for every dollar earned by men.

Legislation has supported equal employment opportunity policies in much of the state sector and local government. However, within the statistical category of government administration and defence, average hourly earnings for women as a proportion of those for men have hardly changed since 1990. At that time, women in the sector earned 78 cents for every dollar earned by men. In June 2003, the figure was 79 cents. This is despite women moving from 47.8% of the sector’s labour force to 54.8% over the same period. Clearly, equal employment opportunity efforts in the public sector, and their overall effectiveness, deserve close scrutiny.

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<sup>19</sup> The reported average weekly earnings for men working full time and earning income from wage and salary jobs was \$857. The equivalent figure for women was \$685. Figures reported in Statistics New Zealand’s quarterly New Zealand Income Survey, June 2003, Table 11.

<sup>20</sup> Across the fifteen industrial categories used in this analysis, in 1990 the Pearson Product Moment Coefficient of Correlation, that is, the measure of the linear correlation between women as a proportion of the sector labour force and women’s average hourly earnings as a proportion of men’s was  $-0.31$  ( $p < 0.25$ ). In 2003, the corresponding figure was  $-0.63$  ( $p < 0.01$ ). The product moment coefficient can range from  $-1.00$  to  $1.00$ , where  $-1.00$  indicates a perfect negative relationship,  $0.00$  indicates no linear relationship, and  $1.00$  indicates a perfect positive relationship. Therefore, these figures reveal significant negative correlations between women as a proportion of the sector labour force and women’s average hourly earnings as a proportion of men’s in that sector. Further, the strength of this negative relationship has increased over time and gained in its statistical significance.



## *Women in Leadership and Management*

In recent times, women have held several high power and high visibility positions in New Zealand. Prime Minister Helen Clark is the country's first elected female Prime Minister, following the first female Prime Minister, Jenny Shipley. Margaret Wilson serves as Attorney-General, Dame Sian Elias serves as Chief Justice, and Dame Silvia Cartwright serves as Governor-General. In addition, the current Cabinet contains several high-profile women, such as Ruth Dyson, Marian Hobbs and Annette King. Turning to the world of business, we also find powerful and high-profile women, like Telecom's chief executive Theresa Gattung and the chief executive of TelstraClear, Rosemary Howard. We could go on to list other high power and high visibility women in local government, academe, and the health sector. These women represent the changing face of power and influence in New Zealand. They also offer inspiration and serve as outstanding role models for younger women in the earlier stages of their careers. This is the good news. The more depressing story is that women do not populate the leadership ranks in New Zealand in anywhere near the proportions that would be expected, given their numerical presence in the paid labour force. Men continue to occupy the vast majority of top leadership and management positions across the various sectors of New Zealand society.

The New Zealand Business Roundtable, established in 1986, is an organisation of around 50 chief executives of major New Zealand businesses. These business leaders, whose membership is by invitation only, meet several times a year to discuss and develop points of view on matters of common concern. Through their membership fees, they support the development of policy position papers and various forms of policy advocacy. Over the years it has been operating, the Business Roundtable has consisted almost exclusively of men. At present, two women are members, an improvement on the past when often just one woman, or no women at all, were members. Of course, if the leadership of the Business Roundtable wished to make the organisation less male-dominated, a variety of steps could be taken to change the criteria for involvement and to attract women members. As is, the organisation's membership gives an insight into who holds power in the New Zealand business environment.

Information on occupations collected in the 2001 Census serves to confirm the basic picture. Women comprised just 16.2% of those who stated their occupation as a chief executive or a managing director of a company. Other evidence confirms the limited extent to which women are found in the top echelons of business in New Zealand. A survey in 2000 of the country's top 500 companies, as measured by number of employees, indicated that women made up 27.1% of managers. However, further analysis revealed that, of those women who were managers, just 9.0% were in the senior management ranks (McGregor, 2002). It can be concluded that within New Zealand's top 500 companies in 2000, women comprised just 2.4% of senior managers. Even when women serve in management positions, they are typically not as well remunerated as men in the same roles. Through her survey of the top 500 New Zealand companies, McGregor found that women in senior management roles earned 88 cents for every dollar earned by men in senior management roles. Similar differentials were found between men and women in the ranks of middle management and junior management respectively. These pay discrepancies between men and women in similar management positions can be explained by research that shows that

women, as a result of their gender socialisation, tend not to haggle over salaries when being recruited or promoted to the same extent as men (Babcock and Laschever 2003).

Aside from serving as senior managers and chief executives in companies, people can also provide important business leadership through serving on company boards of directors. According to the New Zealand Directors' Fees Survey produced by IBM Business Consulting, in 2003 women comprised 13.8% of company directors in New Zealand. Among the chairpersons of those boards, women comprised 3.1%. The New Zealand Institute of Directors reported in 2003 that women comprised 18.0% of its members. During her term as Prime Minister, Jenny Shipley set a target of having women comprise half the membership of statutory boards by 2000. Although this target was not reached, and is yet to be reached, Shipley's initiative has resulted in major changes in the composition of the boards of New Zealand's State Owned Enterprises and Crown Research Institutes. The Ministry of Women's Affairs *Action Plan for New Zealand Women* lists as a milestone the achievement of 50/50 representation of government boards by 2010. Appointments are based on the skill needs of the boards in the first instance and, in that context Ministers also give consideration to the demographic make up of the board. This tends to be on a case-by-case basis. While there is no set target, the government has continued the approach of endeavouring to move the make up of the boards to better reflect the demographic make up of society. But this is always done in the context of the skills and experience each board requires.

A recent review indicates that women comprised 28.0% of board members of Crown companies in 2001. In 2003, they comprised 37.0%. This change represents a 32.1% increase over a two-year period in the representation of women as board members. Such a dramatic change in the composition of statutory boards offers compelling evidence of how rapidly improvements in representation can be instigated when strong political will and appropriate institutional support are present. In this case, the Crown Company Monitoring Advisory Unit (CCMAU) has gone to some lengths to maintain an up-to-date database of individuals who have been screened and judged to have the experience and merit to serve as effective directors. While this database is still male-dominated, with women making up just 29.0% of those listed on it, CCMAU follows the principle that, "where these [merit] criteria are met and there remains more than one suitable candidate then selection and recommendation should follow the policy dictates of balancing gender and seeking diversity" (Wheeler, 2003). CCMAU makes recommendations for directors that are approved by the responsible Cabinet Ministers. In responding to the position adopted by CCMAU, the Institute of Directors (2001) remarked that "...the government should not move away from merit criteria for the selection of board members for SOEs and CRIs. ...there is no evidence to suggest that their performance is affected by a lack of diversity, real or perceived, on their boards". But as McGregor (2002: 12) has retorted, "equally, of course, there is no evidence that performance is improved by sameness and lack of diversity". The conservative position taken by the Institute of Directors is unfortunate. Yet it is clearly a position that is widely shared (see, e.g., Birchfield 2003). This position reflects the basic disposition of men who currently benefit from a small, clubby, and anachronistic style of business governance that remains common in New Zealand.

## *The Public Service*

Since the early 1990s, women have comprised a majority of the employees in the public service. Fiona Edgar (2001) notes that women have always been better represented there than in private sector organisations, and she explains this as a function of the nature of public service work itself. “The emphasis in this sector has traditionally been placed on social equity and social justice has also served to produce working conditions which are more favourable to women” (220). In 2002, women made up 57.5% of employees in the public service. However, women comprised just 35.9% of senior management. Over time, women’s representation at the management level has grown. For example, in 1992, women comprised 17.0% of managers in the public service and, presumably, at that time, they comprised an even smaller number of senior managers. Current figures show women making up 25.7% of chief executives of government departments.<sup>21</sup> Women do not comprise a majority of employees in every government department. For the most part, women make up a majority of the staff in large service departments, such as Work and Income, Child, Youth, and Family Services, the Courts Service, the Ministry of Health, and the Ministry of Justice. Women are under-represented in some of the major advice-giving departments, including The Treasury. They are also under-represented in departments such as Corrections, Fisheries, and Conservation (State Services Commission 2002b: 42).

In terms of remuneration, pay gaps between men and women in the public service are considerable. In 2000, on average, women in the public service earned 86 cents for every dollar earned by men. This is a better ratio than we reported earlier for the whole sector. According to the State Services Commission (2002b), much of the pay gap can be explained by occupational segregation within the public service and the tendency for female staff to be younger and have less work experience than men. A check of Census figures from 2001 shows that, in the government sector category – that is the statistical category containing the public service – women are mostly located in two occupational groups. These are clerks and technical and associate professionals. In both groups, they are over-represented compared with men.<sup>22</sup> We also know that members of these occupational groups tend to be remunerated at lower levels than those in the professionals and legislators, administrators, and managers groups, where men in the government sector are over-represented. Even so, some of the public sector pay gap remains unexplained. Significantly, the State Services Commission (2002b) has noted that “where women and men work in the same occupation, women on average earn less than men, and the greatest discrepancy is in the managers’ occupational group” (91).

Results of the State Services Commission’s 2000 Career Progression and Development Survey (SSC 2002a) show that 21.0% of female managers reported having experienced discrimination in the previous 12 months, compared to 11.0% of male managers. Aside from the comparative figures on remuneration and discrimination, a lot of evidence exists concerning gender bias in the public service. This statement from the State Services Commission (2002a) is representative:

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<sup>21</sup> Source: Authors’ calculation based on information provided on the State Services Commission website, December 2003.

<sup>22</sup> Source: 2001 Census: Work. Table 22. “Occupation (Major Group) and Sex by Industry (Division)”.

Qualitative responses from women indicated that ... gender discrimination was responsible for inferior access to interesting work, their inability to establish a “profile”, exclusion from networks seen to be important for career advancement (the “boys’ club”) and resulting material rewards and promotions. ...There were numerous comments from women feeling that they were somehow “missing out”, on the basis of their gender (102).

Under the Government’s 1997 *EEO Policy to 2010*, responsibility for implementation of EEO strategy was devolved to the department level. Among other things, under this policy, chief executives of government departments are required to set targets for the representation of women in their organisations as a whole and among their senior managers. The State Services Commission (2003: 40) reports that, as of June 2003, six out of 40 departments had yet to set targets for the representation of women. Of those that had, four were making little or no progress towards attaining their goals. Therefore, 25.0% of government departments appeared to have done nothing towards establishing this quite basic measure of achievement concerning the representation of women among their staff. With respect to setting and achieving targets for the placement of women in senior management roles, the public service record was much worse. By 2003, seven departments were yet to set targets, and of those that had, seven reported having made little or no progress towards their achievement. Therefore, six years following the adoption of *EEO Policy to 2010*, 35.0% of government departments reported having done little or nothing to improve the representation of women among their senior managers. Of course, other activities might have occurred that have not been fully documented. If so, this points to a need for better developed indicators concerning such areas as leadership, organisational culture, and recruitment and retention priorities.

How might we account for the limited progress that has been made with respect to recruiting and promoting women in the public service? A number of explanations might be suggested, including organisational conservatism, retrenchment, differential commitments to EEO among senior public servants, and perceptions that individual women might hold concerning the comparative merits of pursuing careers in the public service.

### ***The Defence Force***

The military has long been a bastion of masculinity, and around the world, women typically make up just a small proportion of people serving in the forces. It is only now becoming more acceptable for women to engage in combat roles in militaries. In New Zealand, women have served in various support roles in the defence force during wartime for most of the country’s history. However, opportunities for women to serve in the military in equivalent roles to men were not fully opened up until July 1977, and even then restrictions were placed on the combat roles women could perform in. Concern about the status of women in the forces led to the commissioning of a report by Clare Burton concerning gender integration in the forces. The resulting document, published in 1998, has served as a blueprint for major change (Burton 1998). All restrictions on the employment of women in combat roles were finally lifted in January 2000. At this time, it was directed that all New Zealand Defence Force communications be written in gender inclusive and non-discriminatory language.

As of 2002, women made up 19.0 percent of personnel in the Royal New Zealand Navy, 13.2% of Army personnel, and 15.6% of personnel in the Royal New Zealand Air Force. Overall, they made up 1,668 of the 10,546 non-commissioned and commissioned personnel in the defence force, comprising 15.8% of the total. In addition, women make up at least 40.0% of the civilian staff in each of the services and in the headquarters of the defence force. Generally, women are represented in greater numbers in the lower ranks of each of the services, and average salaries for women are considerably lower than those for men. However, the Defence Force has shown initiative in recent years in seeking to make military service more attractive, welcoming, and viable for women.<sup>23</sup>

Various forms of harassment have been identified as a major problem in the Defence Force, and staff have been surveyed with the purpose of determining the extent of the problem. One such survey was conducted in 1995 and another in 2002. The most recent of these surveys revealed that 49.0% of female respondents reported having experienced unwelcome or offensive behaviour. However, the 2002 survey also suggested that there have been improvements in the Defence Force since 1995. In particular, most staff surveyed said they had received training to increase their awareness of harassment. Most survey respondents also said they believed their superiors were active in seeking to address harassment concerns.<sup>24</sup> The willingness of the Defence Force to recognise this problem, ask tough questions about it, and then seek to address it is to be commended, even if – at present – the problem remains significant.

### ***Education and Training Enrolments and Attainment***

The evidence presented so far suggests that there is a large amount of gender segregation both across and within workplaces in New Zealand. Although women can be found in many positions of power and responsibility, the overall picture is one of men continuing to hold the majority of top positions, and men across the whole economy typically receiving better wages and salaries than women. These observed gender differences can be viewed as the residue of practices and modes of thinking that were better suited to a time when women did not receive the same educational opportunities as men and when men themselves were paid at levels that could readily support a whole family. But the gendered practices and mentalities that remain with us present major hurdles that must be overcome. This is not a matter of political correctness, but of economic survival. A country where those who showed the highest levels of attainment in the education system were systematically under-represented in a large number of occupations could never remain economically competitive with one where educational attainment was a strong predictor of status on the labour force. The United States most closely approximates this standard, with the least gender-segregated labour market. But right now, New Zealand exhibits the hallmarks of a society where the best and the brightest are not getting ahead as they should.

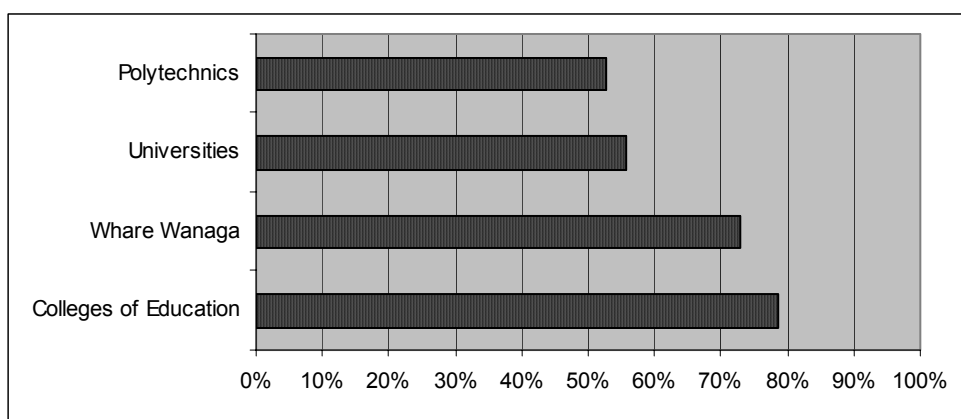
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<sup>23</sup> Source documents: Chief of Defence Force (2002) and New Zealand Defence Force (2002).

<sup>24</sup> The information presented here is based on MacLeod (2003), who used the Official Information Act to acquire the 2002 survey results.

Summary statistics from the New Zealand Qualifications Authority show that more girls put themselves forward as candidates for qualifications and that they are more likely to achieve those qualifications than boys. In 2002, of the boys seeking qualifications, 65.7% achieved them. Of the girls seeking qualifications, 71.6% achieved them.<sup>25</sup> Turning to the tertiary education sector, we find that, in 2001, women made up 56.4% of students enrolled at public tertiary institutions in New Zealand. At the university level, women made up 55.8% of students. At polytechnics, they comprised 52.8% of students. In the colleges of education, they comprised 78.5% of students, and at the *whare wananga*, they made up 72.9% of students.<sup>26</sup> See Figure 4.9. Turning to programme completion statistics, again, women show greater levels of attainment than men. In 2002, among those awarded post-graduate degrees in the universities, 54.3% were women. Women also were the majority of those attaining bachelor degrees in universities, representing 58.1% of graduands. The same pattern existed among those completing diplomas and certificates at polytechnics, with women comprising 62.1% of diploma recipients and 54.1% of those attaining certificates.<sup>27</sup> See Figure 4.10.

**Figure 4.9:** *Female Proportion of Student Population by Institutional Type, 2002*



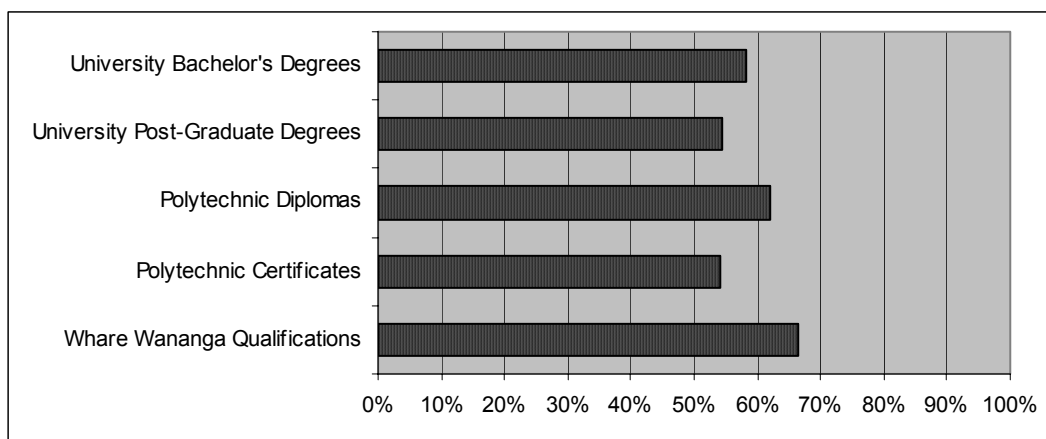
*Data Source:* Ministry of Education, Data Management and Analysis Division, 2002.

<sup>25</sup> Source: New Zealand Qualifications Authority, National Qualification Framework statistics 2002.

<sup>26</sup> Source: Authors' calculations based on information presented by the Ministry of Education in its Tertiary Education Statistics. See Table B.1.2 – All Formal Students by Sector, Nature of Attendance, Level of Qualification and Gender, 2001.

<sup>27</sup> Source: Authors' calculations based on Ministry of Education, Data Management and Analysis Division. Formal Qualifications of Study Completed at Public Tertiary Education Institutions During the 2001 Academic Year. Table 3: Qualifications Completed by Qualification Award Category, Sector and Gender.

**Figure 4.10:** *Female Proportion of Qualification Recipients, 2002*



*Data Source:* Ministry of Education, Data Management and Analysis Division, 2002.

Despite girls showing greater educational attainment in schools, and women making up the majority of tertiary students in New Zealand, major gender segregation exists in the area of trade apprenticeships. In 2001, the Government launched the Modern Apprenticeships scheme that is aimed primarily at youth aged from 16 to 21. Under the scheme, coordinators are paid to recruit, place, and mentor apprentices. Judy McGregor and Lance Gray (2003) have reported that, at the end of June 2003, women comprised just 381 out of the 5,739 people training under the scheme, making them just 6.6% of modern apprentices. Although the proportion of women had increased in the year from June 2002 to June 2003, this growth appeared to be a result of expansion of the scheme to cover more “female-friendly” areas of training, such as hospitality, tourism, and retailing. Many trades in New Zealand are heavily male dominated, and this has been the case historically. This situation is likely to continue unless proactive steps are taken to encourage women to pursue apprenticeships within them.

### ***The Education Labour Force***

Women represent a clear majority of New Zealand’s education labour force. This has long been the case in primary schools, although it was not until the early 1990s that the number of women teachers exceeded the number of men teachers at the secondary school level. The education sector has become increasingly feminised, but this has not occurred in a uniform fashion. Within state primary and intermediate schools, in 2002, women made up 81.5% of all teaching and management staff. However, women made up just 39.7% of school principals. This pattern is repeated at the secondary school level. In 2002, women made up 56.3% of teaching and management staff, but only 27.1% of secondary school principals.<sup>28</sup> Men employed

<sup>28</sup> Source: Authors’ calculations based on data from Ministry of Education School Staffing Statistics presented on website and in downloadable spreadsheets. See: “Statistics on Teaching Staff at March 2002”.

in state primary and secondary schools represent a minority of the staff, but they are over-represented among school principals.<sup>29</sup> See Figure 4.11.

Keren Brooking (2003) provides a closely-observed analysis of the ways that sexism serves to limit opportunities for women to become school principals in New Zealand. “Women are applying and being short-listed for the principalship in roughly equal numbers to men... but the autonomy, power and ‘local logics’ employed by boards, is effectively gate keeping the masculined culture in place” (p.13). Based on Brooking’s evidence, it is clear that the current processes for selecting school principals are highly susceptible to manipulation by board members with sexist agendas. The result is that the best candidates for the jobs are often missing out to others who fit stereotypes of what it takes to be a school leader. That board members are often unreflective about their sexism and how it influences their hiring decisions is all the more cause for concern.

Some significant salary differences can also be observed between men and women teachers. Although women are more likely than men to engage in part-time teaching, salary differences can also be found among full-time staff with permanent appointments. In 2002, female primary school teachers earned an average of 87 cents for every dollar earned by male primary school teachers. In 1992, the difference was 84 cents for every dollar.<sup>30</sup> Clearly, this pay differential between full-time men and women teachers on permanent appointments in primary schools has been relatively stable over time. At the secondary school level, the difference between the average salaries of full-time men and women teachers on permanent appointments is smaller.

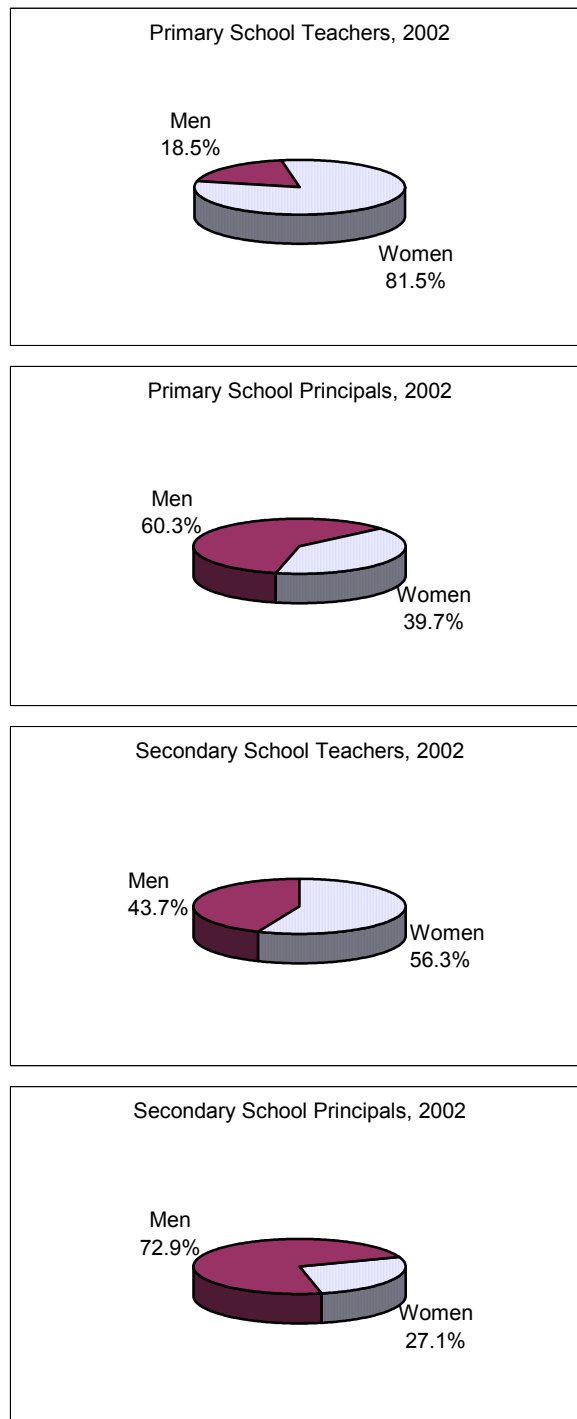
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<sup>29</sup> See Ministry of Education, “Number of State School Teachers by Type of School, Designation, and Gender at March 2002”, available from Ministry of Education School Staffing Statistics presented on website and in downloadable spreadsheets.

<sup>30</sup> See Ministry of Education, “Mean Salary of Regular State School Teachers by School Type, 1992-2002”, available from Ministry of Education School Staffing Statistics presented on website and in downloadable spreadsheets.



**Figure 4.11: Men and Women in the Teaching Profession**

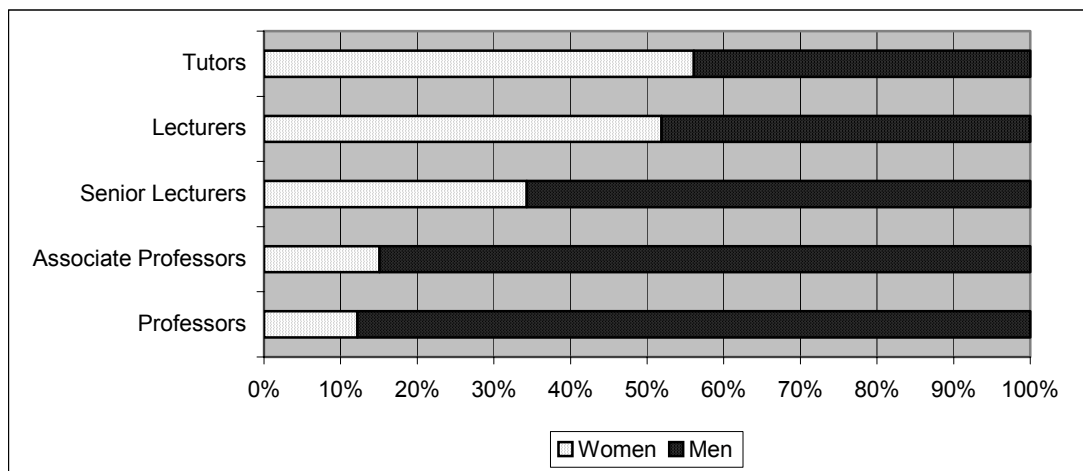


*Data Source:* Ministry of Education Statistics on Teaching Staff, March, 2002.

In 2002, women teachers earned 95 cents for every dollar earned by men. This pay differential has been stable since the early 1990s. In sum, primary and secondary schools are staffed predominantly by women, however men in these sectors tend to receive higher pay and the position of principal in any school is far more likely to be held by a man than by a woman. This situation perpetuates gendered social hierarchies, sending messages to boys and girls about what constitutes a “natural” social order. Schools are not just workplaces. Schools are crucial social institutions where students develop self-awareness and form aspirations for their future employment choices. The processes that sustain this gendered hierarchy in schools – and, in turn, support gendered social hierarchies – deserve careful scrutiny.

At the tertiary education level, some significant differences in the gender composition of staff can be found across institutional type. In 2002, women constituted close to half of the teaching staff in polytechnics – making up 51.0% of lecturers and 47.1% of senior lecturers. Women were also well-represented among deans and heads of schools, making up 40.8% of people in those positions. However, women constituted only 30.0% of chief executives of polytechnics in 2002. Within the Colleges of Education, the presence of women is very strong at every level, except that of Chief Executive or Principal, where, in 2002, all positions were held by men.<sup>31</sup>

**Figure 4.12:** *Gender Composition of University Ranks, 2002*



*Data Source:* Ministry of Education Tertiary Staffing Statistics, University Staff Employed, 29 July- 4 August, 2002.

Within New Zealand’s eight universities, in 2002, all the vice-chancellors were men. (A woman, Professor Judith Kinnear now serves as the vice-chancellor of Massey University.) Among the academic staff, in 2002 women held 39.2% of positions. The representation of women in these positions changes dramatically across academic

<sup>31</sup> Source: Authors’ calculations based on data from Ministry of Education Tertiary Staffing Statistics presented on website and in downloadable spreadsheets. See: “Polytechnic Staff Employed During the Week 29 July – 4 August 2002” and “College of Education Staff Employed During the Week 29 July – 4 August 2002”.

ranks. While women constituted 56.1% of tutoring staff, 51.9% of lecturers, and 34.3% of senior lecturers, they made up only 15.1% of readers or associate professors, and just 12.2% of professors.<sup>32</sup> See Figure 4.12. Over time, women have attained a greater presence among academic staff. In 1990, women held 21.5% of teaching positions and 4.5% of the professorships in New Zealand's universities.<sup>33</sup> Progression up the academic ranks tends to take many years in New Zealand, as elsewhere. It would be unusual for someone entering the system as a lecturer to attain the rank of professor in much less than around 12-15 years. Therefore, the approximately equal representation of women and men currently in lecturing positions could be seen as boding well for on-going improvements in the representation of women at more senior academic levels. However, these aggregate figures mask significant gender differences across academic disciplines.

The University of Auckland has done much to espouse its commitment to equal employment opportunities and equal educational opportunities. Yet that commitment is clearly patchy within the faculties. In 2002, women made up 50.0% of the academic staff in the Faculty of Arts, but only 35.0% of academic staff in the Faculty of Law and just 10% of academic staff in the Faculty of Engineering.<sup>34</sup> In all cases, the student bodies in these faculties have much higher female representation than do the academic staffs. Viewed in terms of offering equal educational opportunities, the relatively low presence of women academic staff in the Faculty of Law and the Faculty of Engineering sends implicit messages to female students concerning how much they are valued in these professions. Of course, faculty-level figures mask the situation at the departmental level. When whole university faculties and departments exhibit high and sustained difference in the proportions of men and women among their academic staffs – particularly when these do not reflect student demographics – we must ask what it is about the local cultures and the procedures of recruitment and promotion that have generated these outcomes.<sup>35</sup>

### ***Other Professions***

Looking across a range of professions, evidence can be found of discrimination against women in the workplace. The legal and medical professions in particular, have generally not engaged in rethinking career life spans and working hours in light of social changes, including the great increase in women lawyers and doctors. Indeed women are now the majority of those training to be lawyers and doctors in New

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<sup>32</sup> Source: Authors' calculations based on data from Ministry of Education Tertiary Staffing Statistics presented on website and in downloadable spreadsheets. See: "University Staff Employed During the Week 29 July – 4 August 2002".

<sup>33</sup> Authors' calculations based on data in Table 11.0 of "New Zealand Universities 1990: University Summary Statistics" (1991). Research and Statistics Division, Ministry of Education.

<sup>34</sup> Source: University of Auckland. (2002) *Equal Opportunities Annual Report Summary*. Tables 21, 22, 25, 26, 27, and 28. Note that women made up 36% of the academic staff at the University of Auckland in 2002; see same source Table 13.

<sup>35</sup> In "Report on the Status of Academic Women in New Zealand" prepared for the Association of University Teachers of New Zealand by Margaret Wilson in 1986, Wilson quotes Professor David Hill, then Chairman of the University of Auckland's Grants Committee, as follows: "At the risk of being unfashionable, I do not quite see that women are disadvantaged in universities.... On the staff side I would have said the universities were models in equal opportunity; appointments have always been made strictly on merit. I'm personally not in favour of reverse discrimination". Some people have learned to be more guarded in expressing views like this, but this kind of sentiment clearly remains within many pockets of the New Zealand academy.

Zealand. Many New Zealand workplaces have long-established practices that tend to privilege male employees simply because there was a time when these professions were almost exclusively male domains, and men had wives/partners at home to care for them and their children. These practices including expectations of long hours, and a sole focus on work/career tend to exclude women and almost anyone who takes child-rearing seriously, frequently today, young men as well as women.

The proportion of women in the medical profession was 32.6% in 2001. In 2000, 49.0% of medical graduates in active employment were women. As a result of changes to the gender makeup of the medical profession, in 2001 the mean age of women doctors was 39 years; significantly younger than that of men at 45 years. The mean hours per week worked for all active doctors were 48, for women the mean was 42 and men 50. The average hours for women doctors decrease to 39 in the 30-44 year range and increase to 41 from 45-60 years. This reduction in working hours reflects the effects of women's unpaid childbearing and childrearing work on their paid employment. Such a change in the balance of paid and unpaid work need not be an EEO concern. However, discrimination against women is present when there is evidence that women are excluded from specialist training and professions and/or promotions because they cannot work unlimited hours due to their caring work. When we look at the overall picture of where women are located in the medical profession there does appear to be evidence of gender-based discrimination. There is also evidence of some progress for women in the medical profession.

Women are a higher proportion of house officers (48%) than in other medical positions. The proportion of women in general practice, registrar, primary care, and medical officer special scale roles is in the range 36-42 per cent. However, only 19% of medical specialists are women. Looking more closely at the various medical specialties, we find that 29% of obstetricians and gynaecologists are women. Of those training to be obstetricians and gynaecologists, 74% are women. (In 1980, just 10% of the trainees in these two specialties were women.) In paediatrics, 29% of specialists are women. Among those training to become paediatricians, 56% are women. (In 1980, women comprised 21% of those training to be paediatricians). More troubling figures emerge in the areas of general surgery and intensive care. At present, women comprise just 3% of general surgeons and 20% of those training for the role. Among intensive care doctors, just 8% are women, and of those training to be intensive care doctors, women comprise 33%.

Currently women are 44% of the doctors working towards vocational registration and 53% of those working towards registration in general practice (Medical Council 2003: 8). At a time when there are serious shortages of general practitioners due to less job security and lower remuneration, more women than men are in training to be general practitioners. There is no gender breakdown of the retention of New Zealand doctors, although the number of medical graduates leaving New Zealand for better working conditions and pay in Australia, Canada and the United Kingdom has recently been increasing from year to year. This has resulted in some severe workplace shortages especially for general practitioners.

Unfortunately there has been little change to New Zealand medical specialties to accommodate doctors with family responsibilities. In the United Kingdom, the National Health Service has introduced changes to specialist professions to allow

doctors to complete their training part-time (or in 40-hour weeks as opposed to 60-or 70- hour weeks) over a greater number of years. Such efforts to promote flexible working conditions in the medical profession are both helping to address medical workforce shortages and employment equity issues.

In 2001, women made up 37.0% of barristers and solicitors in New Zealand. In 1982 46% of law graduates were women but by 2001 women were 60.4% of law graduates. The total proportion of women principals rose from 9% in 1993 to 15% in 2001. Some firms, such as Meredith Connell, have instituted a policy of employing equal numbers of female and male law graduates. However, in 2002 women on average constituted just 12% of the total partners in New Zealand law firms of 10 or more partners. Twenty years is enough time for women to rise to the top of the legal profession, yet they have not risen in numbers proportionate to men. Meredith Connell has two women partners out of 16, Hesketh Henry has one out of 20, Russell McVeagh has two women partners out of 25 Auckland partners and Chapman Tripp in Auckland has three women out of 24 (MacLennan 2002). Considerably more women are judges (30.1%) – where appointments are publicly made – than private law partners in New Zealand.

A number of barriers to women's advancement in the legal profession continue to exist. These barriers include the "male" environment of big law firms and women's exclusion from old boys' networks. For promotion to partner level, partners look for others who are like them "white, male, a certain age..." One partner, explaining why women are only a small minority of partners, is reported to have said that "the top echelons of NZ business are still dominated by men who feel comfortable dealing with male solicitors" (MacLennan 2002). Other factors that tend to exclude women from law partnership include the coinciding of women's childbearing years with those of partnership consideration, the lack of transparency in selection processes, the marginalisation of mothers returning to work, and the lack of value attributed to the non-chargeable "relationship management" work women do in firms.

### ***Discrimination Complaints***

According to the *Human Rights Act 1993*, employers are prohibited from discriminating against people on a variety of grounds in job advertisements, the job application process, or on the job. Grounds for discrimination complaints against employers that are most pertinent to women include: Sexual harassment; discrimination on the basis of sex, including pregnancy; and discrimination on the basis of marital status or family status. People who believe they have been discriminated against by an employer, either at the pre-employment stage or while in employment, may make complaints to the Human Rights Commission. Those who are employed are also covered against discrimination by the *Employment Relations Act 2000*. Employees can choose to complain to either the Human Rights Commission or the Employment Relations Service, but not both.

Human Rights Commission figures offer some insights into the prevalence of discrimination on the grounds of interest to us. However, they do not allow us to determine the gender of the complainants. Therefore, it is possible that our calculations include complaints laid by men who felt they were discriminated against on the basis of marital status or family status or were subject to sexual harassment.

To that extent, we are limited in the implications we might draw from the following information.

From July 1999 to June 2003 – a period of four years – the Human Rights Commission received a total of 1,187 employment and pre-employment complaints. Of these, 532, or 44.8%, were complaints consistent with forms of discrimination against women. Among the complaints, the majority, 272 – that is 51.1% – were on the grounds of sexual harassment. Another 150 – 28.2% – were for discrimination on the basis of sex. Among these, 43 were for discrimination on the basis of pregnancy. A further 110 complaints – 20.7% – related to discrimination on the basis of family status or marital status. In each of the years ending in June 2002 and June 2003, the number of complaints received was lower than for the previous year. Hopefully, this signals a positive trend, but interpretation of the figures requires caution, since it is also possible that lower numbers of complaints received is also being driven by the potential for people to take their complaints to the Employment Relations Service. (No analysis of the Employment Relations Service data was conducted because the Service’s method of data collection is currently less consistent than that used by the Human Rights Commission.)

Several observations based on this analysis are in order. First, a high proportion of complaints received by the Human Rights Commission refer to forms of discrimination against women. Second, for every complaint made to the Human Rights Commission, we can be sure that many instances of discrimination against women go unreported. It takes time and courage for an individual to lay a complaint against an employer. In many instances, potential complainants might calculate that it is easier for them to let the matter drop and move on. Third, there are likely to be many instances in the workplace where acts of sexual harassment or discrimination on the basis of sex, marital status, or family status are subtle and based on the differential power of employers and employees. Take, for example, the case of a pregnant woman who knows she should ask for time off work to attend regular antenatal check-ups but who dares not ask her employer for such time off for fear of losing her job.<sup>36</sup> No overt discriminatory action is observed. Yet, the whole structure of the workplace is discriminatory and it forces those at the sharp-end of that discrimination to trade off one set of needs against another, knowing that the power and pecuniary interests of the employer will dominate.

All of this suggests that women are often the targets of employment discrimination. Whenever such discrimination occurs, it sends messages to the complainants that they are not being taken seriously, or that they are not welcome in the workplace. Complaints received by the Human Rights Commission can be seen as offering more evidence that women are not experiencing equal employment opportunities in the New Zealand workplace.

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<sup>36</sup> Janet McAllister (2003, p.10) states: “Often, pregnant women won’t ask their employer for time off for an antenatal visit because they’re frightened their boss will find an excuse to fire them rather than pay for maternity leave. All this leads to more pressure on South Auckland maternity carers.” Janet McAllister, “A Difficult Birth”, *Weekend Herald Canvas*, December 6-7, pp.8-11.

## *Summary*

Of the four EEO target groups, women have achieved the most progress in their relative position in the New Zealand labour force. Yet, this progress has been quite limited, and equality with men in participation rates, pay, and seniority across occupational classes is a far-off goal. Most women are still clustered in lower paid jobs, at the bottom of occupational hierarchies in the labour force. Moreover, where progress for women has been achieved in some industrial sectors, it has often not been because women have improved their employment positions but because men's employment positions have worsened. It is troubling that there is so much evidence of direct discrimination against women and of sexual harassment of women at work. As a first priority these practices should be eradicated. But indirect forms of discrimination also continue to hold women back. For example, the structuring of the workplace, the intensive nature of some training programmes, and the expectations of the hours people must work to obtain management positions can each serve to preserve competitive, male-dominated cultures. Such formal and informal institutional structures could be changed. But change is unlikely when the institutional power resides with those who most benefit from current arrangements.

## PROGRESS FOR PEOPLE WITH DISABILITIES

People with disabilities face many challenges in their daily lives and often those challenges are met during the performance of activities that able-bodied people take for granted. Consequently, the difficulties faced by people with disabilities can be almost invisible to others. The naming of a Minister for Disability Issues in 1999, the adoption of the *Health and Disability Act 2000*, and the release of the *New Zealand Disability Strategy* in 2001 have helped to raise general awareness of disabilities and the challenges faced by people with disabilities. The *New Zealand Disability Strategy* is built on a vision of a fully inclusive society. According to the strategy document, “New Zealand will be inclusive when people with impairments can say they live in: ‘A society that highly values our lives and continually enhances our full participation’” (2001: p.7). Within the document, disability is described as “the process which happens when one group of people create barriers by designing a world only for their way of living, taking no account of the impairments other people have” (ibid). The Government’s espoused goal is to change New Zealand from a disabling to an inclusive society. When assessing the employment situation of people with disabilities, it is vital to remember that this is a highly diverse group. While some have few needs for support in employment, others have many.

We have relied upon a variety of sources to assess progress for people with disabilities in the creation of equal employment opportunities. The Disability Counts surveys conducted in 1996-1997 and 2001 by Statistics New Zealand greatly enhance our ability to track progress, but gaps remain in the information available concerning the employment circumstances of people with disabilities. We are particularly concerned that very little information is available on the employment of people with disabilities in the private sector. The EEO Trust, established in 1990, has not tracked employment issues for people with disabilities. The Trust’s Diversity Index, published annually since 1997, pays limited attention to people with disabilities. Future efforts to improve EEO outcomes could be assisted by additional data collection. We discuss this matter throughout this section.

Statistics New Zealand defines disability as “any self-perceived limitation in activity resulting from a long-term condition or health problem, lasting or expected to last six months or more and not completely eliminated by an assistive device”.<sup>37</sup> Disabilities can be sensory, physical, intellectual, or psychological in nature. Therefore, the discussion here, while it treats disability in a general way, covers all kinds of disability. By this broad definition, in 2001, 20.1% of the population of New Zealand was identified as having a disability. That represented 743,800 people, a majority of whom experienced multiple forms of disability.<sup>38</sup>

Severity of disability is defined by the level of assistance required. In 1996-1997, of the 608,100 people over 15 years of age who described themselves as having one or more disabilities, 60.7% said they were mildly limited, 27.6% said they were

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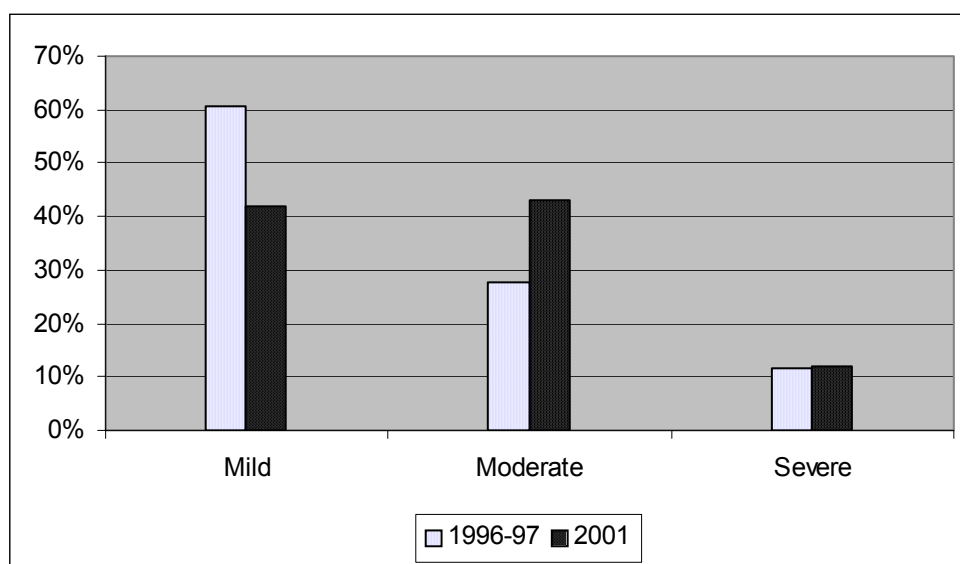
<sup>37</sup> Disability Counts, 2001, Statistics New Zealand website. See “Definitions”.

<sup>38</sup> We calculate that 58.7% of the disabled population in New Zealand in 2001 had multiple disabilities, based on Statistics New Zealand’s *Disability Counts* Table 2.03a, “Single/Multiple Disability By Age Group, Sex and Place of Residence, 2001”.



moderately limited, and 11.7% said they were severely limited.<sup>39</sup> In 2001, responses to this question yielded somewhat different figures. Among the 653,800 people over 15 with disabilities, 42.1% described themselves as mildly limited by them, 43.1% said they were moderately limited, and 11.9% said they were severely limited.<sup>40</sup> See Figure 4.13. Since the New Zealand population is aging, and disability is highly correlated with age, it is possible that large increase in the numbers of people with disabilities from 1996-1997 to 2001 and the changes in self-reports of the severity of disability accord with objective measures. However, the size of the changes in these figures – particularly the changing balance between reports of mild and reports of moderate severity of disability – suggests that self-reporting has itself been influenced by better information concerning what constitutes disability, greater popular awareness of the multiple meanings of disability, and greater politicisation of questions to do with the rights of people with disabilities.

**Figure 4.13:** *Severity Self-Reports by People with Disabilities, 1996-1997 and 2001*



*Data Sources:* Statistics New Zealand, *Disability Counts*, 1996-97 and 2001.

### ***The Moving Targets Problem***

Analysis of progress for people with disabilities in terms of employment opportunities and conditions is made difficult for two reasons. First, only a limited number of statistics are collected that allow for comparisons between the circumstances of people with disabilities and those without. Second, as shown by the dramatic shifts over a five-year period in self-reports of severity of limitation caused by disability, when studying disability, we are inevitably working with moving targets. While characteristics such as race and gender do not change over time, people can change from being able-bodied to having a disability, or from being mildly limited to being

<sup>39</sup> Source: Authors' calculations based on Statistics New Zealand's *Disability Counts* Table 2.04b, "Severity of Limitation By Age group, Sex and Place of Residence, 1996-1997".

<sup>40</sup> Source: Authors' calculations based on Statistics New Zealand's *Disability Counts* Table 2.04a, "Severity of Limitation By Age group, Sex and Place of Residence, 2001".

severely limited by their disability. Further, self-awareness of disability can change as a function of information acquisition. This represents another source of change in our measures. The moving targets problem is of major significance to a study of equal employment opportunities. Demographic changes and changes in perceptions of disability could serve to dramatically change the measured proportions of people with disabilities working in specific occupations or earning in specific income brackets. Ideally, employment-related changes caused by these other variables would be factored out before we would seek to assess the extent to which EEO policies have served to improve the representation of people with disabilities within particular industries, occupations, and earnings categories. In practice, we cannot disentangle the causes of observed changes. As a result, measurement of progress in the employment circumstances of people with disabilities is sometimes based on an assessment of changes in the policies and practices that affect them, rather than on measures of outcomes resulting from such institutional changes. But the linkages between policies, practices, and outcomes are often imperfect and espoused intentions of doing the right thing do not translate into positive changes. Having offered this caveat, we now provide an overview of the current status of people with disabilities in the New Zealand labour force.

### ***Labour Force Participation***

In 2001, 626,520, or 87.4%, of people with disabilities in New Zealand were of working age. However, of this group, just 273,300, or 43.6% actually participated in the full-time or part-time labour force.<sup>41</sup> In contrast, among people of working age who did not have disabilities, 69.8% participated.<sup>42</sup>

Labour force participants include those who are ready for work but currently unemployed. In 1996-1997, the unemployment rate among people with disabilities was 7.7%, while the rate for those without disabilities was 5.9%. In 2001, the unemployment rate among people with disabilities was 9.2%; considerably higher than the rate of 5.9% for those without disabilities.<sup>43</sup> Comparing the figures from 1996-1997 and 2001, we observe that across this five-year period, the unemployment rate for people with disabilities increased by 19.5%. In contrast, the unemployment rate for people without disabilities did not change, standing at 5.9% at both measurement points. This comparison of figures suggests that, in recent years it has become more difficult for those people with disabilities ready and willing to work to actually gain employment. This is troubling because it suggests deterioration in accessibility to employment for people with disabilities. Overall, in 2001, people with disabilities made up 15.1% of the New Zealand labour force and 14.6% of the employed labour force. Yet people with disabilities clearly experience more difficulty finding work than do the able-bodied. Therefore, disability represents a major

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<sup>41</sup> Source: Authors' calculations based on Statistics New Zealand's *Disability Counts* Table 4.02a "Labour Force Status By Disability Status and Sex, 2001".

<sup>42</sup> In 1996-1997, the equivalent figures were 39.9% participation by people with disabilities and 70.0% participation by those without disabilities. Authors' calculations based on Statistics New Zealand's *Disability Counts* Table 4.02b, "Labour Force Status by Disability Status and Sex, 1996-1997".

<sup>43</sup> Source: Authors' calculation of reported unemployed as proportions of the disabled and non-disabled labour forces. Based on Statistics New Zealand's *Disability Counts* Table 4.02a "Labour Force Status By Disability Status and Sex, 2001".

impediment to labour force participation and all the forms of social inclusion that come with it.

### ***Educational Attainment***

People with disabilities face barriers not only with respect to gaining employment but also in obtaining the education and training that usually enhance the attractiveness of job-seekers to employers. In 2001, while 66.3% of able-bodied people had attained school or post-school qualifications, the figure for the disabled was 48.6%. Further, although 20.8% of able-bodied people had no educational qualification, the figure for the disabled was significantly higher, at 31.1%.<sup>44</sup> People with disabilities tend to be educationally disadvantaged, and this can have implications for their employability. In an economy where workers are increasingly expected to bring high levels of knowledge and skills to the workplace, this significant deficit in the educational attainment of people with disabilities as a group harms their on-going employment prospects.

### ***Occupations and Earnings***

Statistics are not available concerning the dispersion of people with disabilities across industrial sectors. Occupational analysis is possible, however. Statistics from 2001 show that people with disabilities are over-represented in elementary occupations and among trade workers.<sup>45</sup> These tend to be lower-paid occupations. In contrast, people with disabilities are under-represented among legislators, administrators, and managers and among professionals, the two occupational groupings with the highest average hourly earnings.<sup>46</sup> Perhaps the most striking fact concerning occupation is that many people with disabilities, while part of the labour force, do not fall within any of the traditional occupational groupings, such as clerks, service and sales workers, professionals, and so on. In 2001, 14.0% of workers with disabilities fell outside traditional groupings, while just 4.0% of able-bodied workers did so.<sup>47</sup> One way to interpret this information is that, in many instances, the notion of what constitutes work differs between disabled and able-bodied workers. For example, sheltered workshops often provide work for people with disabilities, and this work is recognised as different from the kind of work that is undertaken elsewhere in the economy.

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<sup>44</sup> Source: Authors' calculation of reported unemployed as proportions of the disabled and non-disabled labour forces. Based on Statistics New Zealand's *Disability Counts* Table 4.05a "Highest Educational Qualification By Disability Status and Sex, 2001". The figures for 1996-1997 differ somewhat, but the basic patterns were the same for 1996-1997 as for 2001. In 1996-97, while 68.6% of able-bodied people had attained school or post-school qualifications, the figure for the disabled was 52.8%. Although 26.1% of able-bodied people had no educational qualification, the figure for people with disabilities was 42.7%. Statistics New Zealand note that direct comparisons between the 1996-1997 and 2001 figures should not be made since changes were made in 2001 to the education qualification question.

<sup>45</sup> Source: Authors' calculations based on Statistics New Zealand's *Disability Counts* Table 4.03a "Occupation by Disability Status, 2001".

<sup>46</sup> Information on average hourly earnings within occupational groupings, as at June 2003, is presented in End Note 5. The source document is Statistics New Zealand's quarterly New Zealand Income Survey, June 2003, Table 10.

<sup>47</sup> Source: Authors' calculations based on Statistics New Zealand's *Disability Counts* Table 4.03a "Occupation by Disability Status, 2001".

Statistics are not available on the hourly earnings of those people with disabilities who participate in the labour force.<sup>48</sup> However, two different sources of information provide strong indicators that, on average, the hourly earnings of workers with disabilities are less than those of able-bodied workers. First, as noted earlier, people with disabilities tend to be clustered in occupations that command lower-than-average hourly earnings. Second, a comparison of the annual personal incomes of disabled and able-bodied people show a tendency for people with disabilities to have less personal income.<sup>49</sup> In 2001, 48.9% of people with disabilities and 34.8% of able-bodied people reported personal income in the last 12 months of \$15,000 or less. At that time, 33.5% of people with disabilities and 41.6% of able-bodied people reported income of between \$15,000 and \$50,000. Just 5.4% of people with disabilities reported incomes over \$50,000, compared with 11.5% of able-bodied people.<sup>50</sup> These differences remain the same whether we disaggregate by age, sex, and ethnic group, indicating that people with disabilities tend to be disproportionately clustered among those reporting relatively low levels of personal income. Figures for 1996-1997 reveal the same basic pattern.<sup>51</sup> Note, however, that information aggregated in this way does not allow for accurate tracking of changes over time in the earnings of people with disabilities relative to those of able-bodied people. Therefore, we currently lack the means to appropriately assess changes in the hourly earnings of people with disabilities relative to able-bodied people in New Zealand. This lack of data creates a major gap for those seeking to track progress in the attainment of equal employment opportunities.

### ***Discrimination Complaints***

According to the *Human Rights Act 1993*, employers cannot discriminate against people with disabilities in job advertisements, the job application process, or on the job. People with disabilities who believe they have been discriminated against by an employer, either at the pre-employment stage or while in employment, may make complaints to the Human Rights Commission. Those who are employed are also covered against discrimination by the *Employment Relations Act 2000*.<sup>52</sup> Human Rights Commission figures show that over the four-year period from July 1999 to

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<sup>48</sup> Using figures reported by Wicks (1998) we determined that in 1996, on average, disabled men earned 75 cents for every dollar earned by able-bodied men. On average, disabled women earned 80 cents for every dollar earned by able-bodied women. We were unable to obtain data to update these calculations.

<sup>49</sup> It is important to draw a distinction between an individual's income and earnings. Income can come from a number of sources other than wages, including government benefits, investments, and gifts, whereas earnings represent that portion of income that comes from paid employment.

<sup>50</sup> Source: Authors' calculations based on Statistics New Zealand's *Disability Counts* Table 4.04a "Total Personal Income in the Last 12 Months By Disability Status, Age Group, Sex and Ethnic Group, 2001".

<sup>51</sup> In 1996-1997, 55.7% of people with disabilities reported personal income in the last 12 months of \$15,000 or less, 32.2% reported income of between \$15,000 and \$50,000, and 4.1% reported incomes over \$50,000. In contrast, for the same period, 41.0% of able-bodied people reported personal income of \$15,000 or less, 42.6% reported income of between \$15,000 and \$50,000, and 8.1% reported incomes over \$50,000. Source: Authors' calculations based on Statistics New Zealand's *Disability Counts* Table 4.04b "Total Personal Income in the Last 12 Months By Disability Status, Age Group, Sex and Ethnic Group, 1996-1997".

<sup>52</sup> Employees can choose to complain to the Human Rights Commission and to the Employment Relations Service, but they cannot take proceedings before both the Human Rights Review Tribunal and the Employment Relations Authority.

June 2003, the number of pre-employment and employment complaints relating to discrimination on the basis of disability rose each year. During this period, 212 complaints were received. In the July 2002 – June 2003 year, 67 complaints were filed, an increase of 59.5% on the number of complaints received in the July 1999 – June 2000 year.

The *Disabled Persons' Employment Promotion Act 1960* gave sheltered workshops a blanket exemption from paying minimum wages and holiday pay to the people with disabilities working in them. However, the Government is set to repeal the Act because its provisions are deemed discriminatory towards people with disabilities. Existing providers of sheltered employment will be allowed several years to work through the changes. There are 262 sheltered workshops in New Zealand and they provide employment for 3,500 people with disabilities. Typically, these people receive invalids' benefits and payments from the sheltered workshops represent top-ups to those benefits. At present, some sheltered workshops pay as little as \$5.00 per week, and the national average payment per week is approximately \$17.00 (Dearnaley 2003).

### ***The Public Service***

The New Zealand public service has developed a good reputation as an inclusive employer. A recent survey of university students and graduates with significant disabilities indicates that this reputation also exists among people with disabilities. Conducted in 2001, the survey asked twenty-six respondents about their perceptions of the public service as an employment option. Respondents said they believed that disability-related needs would be better met in the public service than in the private sector. The public service was also perceived as an environment offering greater job stability and security for people with disabilities.<sup>53</sup> However, results presented in the *Career Progression and Development Survey, 2000* indicate some dissatisfaction among people with disabilities in the public service. Among other things, people with disabilities who responded to this survey were more likely than their able-bodied counterparts to express concerns that the selection process for promotions would not be fair, that they lacked support from their managers in seeking more senior jobs, and that they missed out on opportunities to work on high-profile projects.<sup>54</sup>

The Government's *EEO Policy to 2010*, published in 1997, called for departments to set their own numerical employment targets for the employment of EEO groups, including people with disabilities. Under this policy, departments have been required to state both a target number for 2010 and a milestone number for 2005. The policy was designed to allow for flexibility so that EEO implementation could be appropriate for each department. With this policy, responsibility for EEO leadership was shifted from the State Services Commission to chief executives.

Beyond developing policies designed to improve its performance as an employer of people with disabilities, the Government has recently taken steps to develop four community-based demonstration projects. These will run until June 2004. Data collected from the evaluation of the projects is expected to provide insights into how

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<sup>53</sup> See *Improving the Effectiveness of Recruitment and Retention for Policy Graduates with Disabilities in the Public Service*, 2001. State Services Commission.

<sup>54</sup> See *Career Progression and Development Survey*, 2000, pp. 124-128.

public policy interventions might serve to assist people with disabilities to obtain and retain employment (Minister for Disability Issues 2002, p.13). Such efforts indicate how governments can offer broader leadership in generating employment opportunities for people with disabilities. The government's EEO policies and its commitment to the New Zealand Disability Strategy offer positive signs for people with disabilities. But the news is not all good.

The public service has espoused a commitment to creating equal employment opportunities for people with disabilities. For the reality to match the rhetoric, several improvements are needed. We begin by noting the state of the disability data. Good and consistent data collection and analysis are required to accurately track progress in EEO. At present, it is impossible to produce a definitive series of figures showing changes over time in the number of people with disabilities employed in the public service. Figures for 1988 and 1991 show that across those three years, the percentage of people with disabilities employed in the public service declined from 20.8% to 14.1%.<sup>55</sup> Figures for 1991 through to 1995 show minor changes in the range from 14.1% to 15.6%, with the figure for 1995 standing at 14.8%.<sup>56</sup> Reported figures for 1998 through to 2001 are said to be not compatible with earlier figures (see footnote 10, State Services Commission 2002: 15). Nonetheless, they show a decline in representation of people with disabilities from 10.6% in 1998 to 8.1% in 2001.<sup>57</sup> However, a revised figure for 2001, puts the representation of people with disabilities at 18.5%.<sup>58</sup> From the Disability Counts survey work we know that in 2001 people with disabilities made up 14.6% of New Zealand's employed labour force. Depending on the figures used, people with disabilities made up either 8.0% or 18.5% of staff in the public service at that time. Since these two figures stand on either side of the percentage of people with disabilities in the employed labour force, one could be used to tell a positive story about progress of people with disabilities, while the other could be used to tell a negative story. The State Services Commission (2003:42) argues that data collected in the public service in the past has not been compatible with data collected for the whole labour force by Statistics New Zealand. The Commission argues that a better figure for 2001 was 18.5% (State Services Commission 2003: 42). We understand that disability data collection is currently under review at the Commission.

The State Services Commission reported in 2002 that "people with disabilities have been leaving the public service in higher numbers than they have been appointed" (39). Information offered by the Commission shows that cessations outpaced appointments for every year from 1993 through to 2001.<sup>59</sup> One explanation for this pattern is the relationship between disability and age. In general, within a cohort of people, we would expect the number who have disabilities to increase over time. Nonetheless, these figures, matched with those showing patterns of decline in the

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<sup>55</sup> Source: State Services Commission (1992), *Equal Employment Opportunities: Progress in the Public Service as at June 1991*, p.25.

<sup>56</sup> Source: State Services Commission (1996), *Equal Employment Opportunities: Progress in the Public Service as at June 1995*, p.40.

<sup>57</sup> Source: State Services Commission (2002), *Equal Employment Opportunities: Progress in the Public Service as at June 2001*, p.15.

<sup>58</sup> Source: State Services Commission (2003), *EEO Progress in the Public Service 2003 Report*, p.42.

<sup>59</sup> Sources: Figures for 1993 and 1994 come from *Equal Employment Opportunities: Progress in the Public Service as at June 1995*, p.45. Figures for 1995-2001 come from *Equal Employment Opportunities: Progress in the Public Service as at June 2001*, Graph 12, p.40.

percentage of people with disabilities working in the public service suggest that inadequate efforts have been made in recent years to promote the employment of people with disabilities into the public service.

Good and consistent measures across time of the proportion of people with disabilities in senior management, and, indeed, within specific pay bands is also lacking. However, what information we have suggests that people with disabilities are under-represented among public service managers, and that they tend to be over-represented within lower salary bands.<sup>60</sup>

In 2002, the State Services Commission (2002c) produced a practical guide for procedures in government agencies called: *Moving Forward: EEO for People with Disabilities in the Public Service*. In that document, it was acknowledged that “[p]rogress with EEO Disability has been slower than with some other areas of EEO” (2002: 3). The devolution of responsibility for implementation of EEO strategy to the department level, encapsulated in *EEO Policy to 2010*, has resulted in little change with respect to creating employment opportunities for people with disabilities. Evidence to support this view is presented in the SSC’s *EEO Progress in the Public Service 2003 Report*. In that year, of the 40 participating departments, 10 had not set a 2010 target figure for the overall representation of people with disabilities as a percentage of staff. In addition, 10 had not set a 2005 milestone. Of the remaining departments, 11 reported making little progress towards achieving their goals for 2010, and 7 reported having made no progress. Therefore, out of 40 departments, 28 – that is 70.0% – reported having done little or nothing to attain targeted improvements in the employment of people with disabilities, despite other initiatives. For example, the State Services Commission has sought to assist the employment of people with disabilities through its Mainstream Supported Employment Programme, the annual disability mentoring day, and efforts to liaise with university careers counsellors to secure work experience for tertiary students with disabilities.

### **Summary**

Major gaps exist in our knowledge about the position of people with disabilities in the New Zealand labour force. Greater attention needs to be paid to collecting reliable annual data on the recruitment, retention, pay rates, and seniority of people with disabilities. With the available statistics we assess that there has been little progress, if not regress, in the employment position of people with disabilities. In 2003 significantly more people with disabilities were unemployed, and complained about discrimination than in the middle 1990s. In the core public service most departments have not made progress in employing people with disabilities, in identifying the barriers to their equal employment opportunities, or in retaining existing employees with disabilities. Indeed, the number of people with disabilities working in the core public service has declined in recent years. Given this report on progress or the lack of it for people with disabilities, we consider people with disabilities to be one of the most disadvantaged groups in the current New Zealand labour force.

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<sup>60</sup> Sources: For representation among management, see *Equal Employment Opportunities: Progress in the Public Service as at June 1995*, Table 5, p.43. For salary distribution, see *Equal Employment Opportunities: Progress in the Public Service as at June 2001*, Table 26, p.44.

## PROGRESS FOR MĀORI

Māori make up 14.1% of New Zealand's population and 10.1% of the country's working-age population.<sup>61</sup> In 2001, the median age for Māori was 22 years, compared with the median age of 35 for the whole population. Therefore, with time, Māori will come to comprise a greater proportion of the working-age population.

### *Labour Force Participation*

Across the whole working-age population, the labour force participation rate is 66.3%. This represents the proportion of people of working age who are able and willing to work. For Māori, the rate is 66.1%; very close to the national rate. For Māori men, the participation rate is 75.2%, compared with 75.3% for European/Pakeha men, and 74.1% for men as a whole. For Māori women, the participation rate is 58.1%, compared with 60.8% for European/Pakeha women, and 59.0% for all women.<sup>62</sup> Looking back to the early 1990s, the participation rate for Māori tended to be considerably less than the national rate and the rate for Europeans/Pakeha. For example, in June 1990, the Māori labour force participation rate was 58.8%, compared with 64.0% of Europeans/Pakeha.<sup>63</sup> Therefore, over the past decade or so, Māori participation in the labour force has increased quite markedly. Viewed in terms of ability and willingness to work, Māori of working age currently differ little from the whole working-age population. Māori participation rates do not differ much either from those of New Zealand's European/Pakeha majority. The proportions of Māori in full-time and part-time employment are also very similar to those for the whole working-age population.<sup>64</sup>

Comparative levels of unemployment offer an initial insight into the dramatic difference between Māori and Europeans/Pakeha in the New Zealand work force. Māori experience much higher unemployment than do other groups. In June 2003, the unemployment rate across the whole working-age population stood at 5.0%. For Europeans/Pakeha, the rate was even lower, at 3.7%. But for Māori, the unemployment rate stood at 11.2%; more than twice the national rate and over three times the rate for Europeans/Pakeha. While the June 2003 unemployment rate for Māori was high compared with other groups, viewed historically the rate represented a major improvement on the recent past. In June 1992, the rate for Māori stood at 25.9%. At that time, the rate for Māori men was even higher, at 27.4%. In contrast, the rate for the whole country at that time was 10.6% and for European/Pakeha men it was 8.6%. The figures for Māori in 1992 were worse than for any subsequent year to the present. Yet, even now, unemployment represents a significant and sustained problem for Māori in New Zealand, although fortunately the present good economic conditions have reduced the severity of the problem. Māori appear more susceptible than other groups to adverse economic conditions because of their over-representation

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<sup>61</sup> Population source: 2001 Census of Population and Dwellings. The population of New Zealand was 3,737,277. The Māori population was 526,281. The working-age population figure is for June 2003, see New Zealand Income survey.

<sup>62</sup> Source: Statistics New Zealand's Household Labour Force Survey June 2003. Retrieved via INFOS.

<sup>63</sup> Source: Statistics New Zealand's Household Labour Force Survey June 1990. Retrieved via INFOS.

<sup>64</sup> Source: Authors' calculation based on information contained in Table 11 of the New Zealand Income Survey: June 2003 Quarter.



within low-skilled occupations.<sup>65</sup> Since people with lower skills are more likely to be laid off when an industry experiences a down-turn in demand for its products, Māori often bear the burden of retrenchment more heavily than Europeans/Pakeha.

### ***Participation by Industry***

An industry-level analysis provides insights into the location of Māori workers in the New Zealand economy. Information collected in the 2001 Census indicates that, at that time, Māori made up 10.9 percent of people in employment. Figure 4.14 shows the representation of Māori in different industrial sectors of the economy. In 2001, Māori were over-represented in government administration and defence (13.7% of the workforce), transport and storage (13.6%), manufacturing (13.1%), accommodation, cafes, and restaurants (12.9%), communication services (12.9%) construction (12.1%), and personal services (12.6%).<sup>66</sup> Much of the over-representation in government administration and defence can be explained by the representation of Māori in the defence force (22.5%).<sup>67</sup> Therefore, aside from aspects of government administration, most of the sectors included here are associated with manual work and, therefore, work that is less well compensated than work of a more professional nature. Māori were under-represented in finance and insurance (6.0%), property and business services (7.5%), wholesale trade (7.9%), and retail trade (8.6%). These sectors – especially the first two – tend to place an emphasis on numeracy and other thinking and interpersonal skills. Therefore, based on an assessment of the sectors of the economy where Māori are over- and under-represented, it might be said that there is a tendency for Māori to be found in lower-skilled, lower-paid areas of the economy. In its report on Māori economic development, the New Zealand Institute of Economic Research (2003) noted that, “Māori employment in New Zealand’s knowledge-based industries remains relatively low. The term ‘knowledge-based’ refers to those businesses that rely on intellectual property and innovation as their primary means of competitive advantage” (p.27). An analysis of occupations and earnings allows us to explore this issue further.

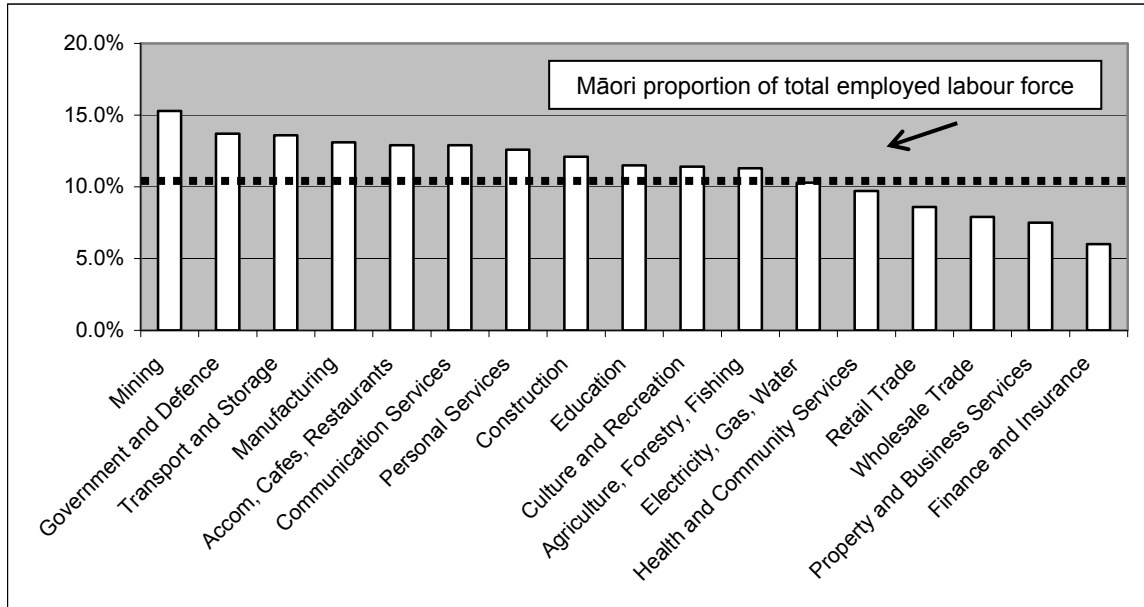
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<sup>65</sup> This matter is discussed below. See also Department of Labour, 2003. *Employment Strategy: Progress to Date July 2001 – December 2002*. Page 16 contains a useful section, “Special Feature: Māori Employment Growth.”

<sup>66</sup> Source: Authors’ calculation from 2001 Census Table 27: Industry and Sex by Ethnic Group.

<sup>67</sup> Source: Authors’ calculation from 2001 Census table listing membership within 5-digit occupations by ethnic group.

**Figure 4.14: Māori Proportion of Labour Force by Industry, 2001**



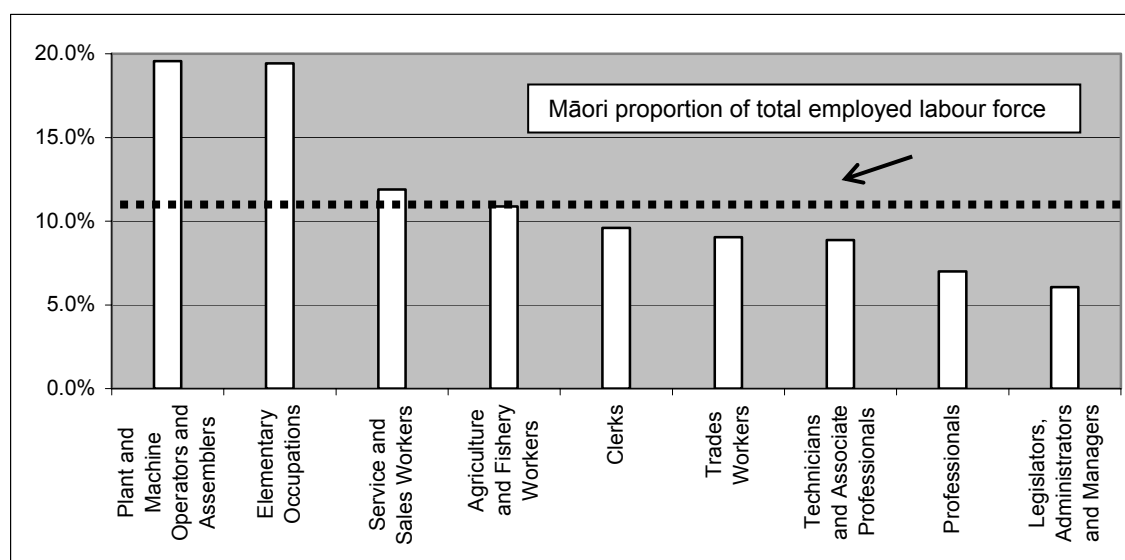
Data Source: Authors' calculations based on Statistics New Zealand 2001 Census, Table 27.

### **Occupations and Earnings**

Information contained in the 2001 Census has been used to construct Figure 4.15, which shows levels of Māori representation in different occupational groupings. Māori are significantly over-represented among plant and machine operators and assemblers (19.6%) and elementary occupations (19.4%). In terms of remuneration, both of these occupational groups are relatively low paid, when judged on the average hourly earnings within them. In contrast, Māori are significantly under-represented in four occupational groupings. These are legislators, administrators and managers (6.1%), professionals (7.0%), technicians and associate professionals (8.9%), and trade workers (9.0%).<sup>68</sup> With the exception of trade workers, members of these occupational groups receive average hourly earnings that are higher than those for any other occupational groupings. All four of these occupational groups in which Māori are under-represented also tend to require workers to have acquired at least a secondary school qualification. Typically, they require considerable tertiary training as well.

<sup>68</sup> Source: Authors' calculations based on figures presented in Statistics New Zealand's 2001 Census: Work Table 19.

**Figure 4.15: Māori Representation in Occupational Classes, 2001**



*Data Source:* Authors' calculations based on Statistics New Zealand 2001 Census, Table 19.

Looking back to 1991, similar patterns can be found in the representation of Māori across these occupational groupings. However, as the presence of Māori in the labour force has increased, positive change has occurred in the distribution of Māori across occupations. For example, in the ten years from 1991 to 2001, the presence of Māori in the category of legislators, administrators, and managers increased from 4.0% to 6.1%, a gain in representation of 52.5%. Among professionals, the gain was 38.7%, among technical and associate professionals it was 57.1%, and for trade workers it was 28.0%.<sup>69</sup> These are major increases, but we must remember that they are increases upon very low base rates of representation in these occupational classes.

In June 2003 the average hourly earnings of Māori in paid employment was \$15.44 an hour. This compares with the average for all earners of \$17.82 an hour, and the average for European/Pakeha workers of \$18.44 an hour. From these figures, we can deduce that, in the paid workforce, the average Māori currently earns 84 cents for every dollar earned by the average European/Pakeha. This is an improvement on the June 1997 figure of 79 cents for every dollar earned by the average European/Pakeha.<sup>70</sup> Since Māori experience higher unemployment than Europeans/Pakeha, there is greater contrast in figures for personal income. In June 2003, the average weekly income of Māori in the labour force (which includes both people who are employed and those who are unemployed) was 77% of the average weekly income of Europeans/Pakeha in the labour force. The same difference existed in June 1997.<sup>71</sup>

<sup>69</sup> Source: Authors' calculations based on figures presented in Statistics New Zealand's *2001 Census: Work* Table 19 and *1991 Census, NZ Māori Population and Dwellings*, Table 16.

<sup>70</sup> Sources: Authors' calculations based on New Zealand Income Survey: June 2003 Quarter, Table 10. June 1997 Quarter, Table 8. Note that the New Zealand Income Survey only began in 1997.

<sup>71</sup> Source: Authors' calculation based on figures presented in New Zealand Income Survey: June 2003 Quarter, Table 7 and June 1997 Quarter, Table 4.

### ***Educational Attainment and Its Labour Market Implications***

Historically, Māori have not performed as well in New Zealand's education system of schools and tertiary institutions as have Europeans/Pakeha. Figure 4.16 presents information from the 2001 Census regarding the highest educational qualifications people hold. In 2001, 37.1% of Māori reported having no educational qualifications, 30.0% had at least one high school qualification, 14.0% held a vocational qualification, 3.1% held a bachelor degree as their highest educational qualification, and 1.0% held a higher degree.<sup>72</sup> In contrast, among Europeans/Pakeha, 23.7% reported having no educational qualifications – a proportionately much smaller group than the group of Māori who fell into this category. Among Europeans/Pakeha, 35.7% reported having at least one high school qualification, 20.0% held vocational qualifications, 7.3% reported a bachelor degree as their highest educational qualification, and 3.7% reported holding a higher degree.<sup>73</sup>

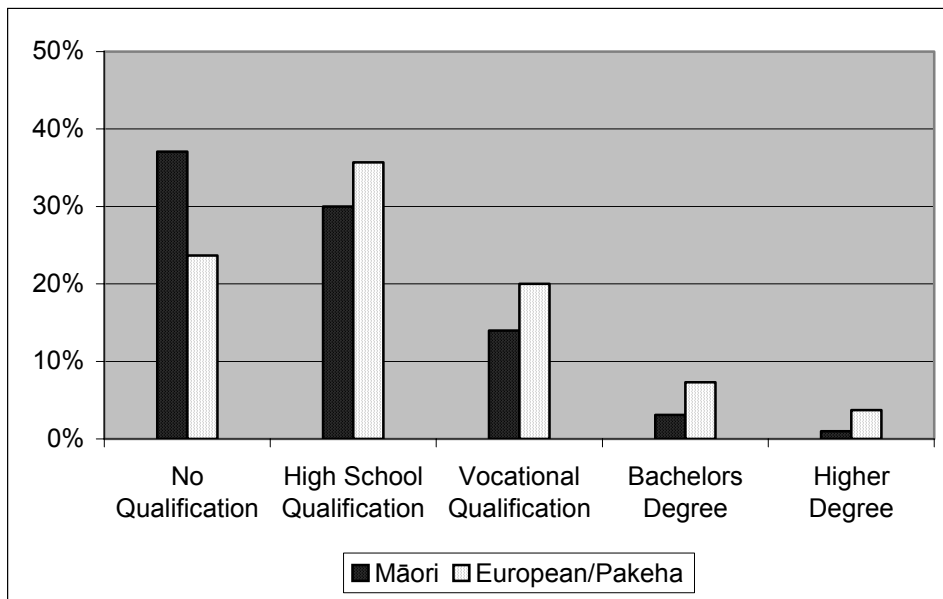
Differences in educational attainment help us to make sense of the pay gap that exists between Māori and Europeans/Pakeha. In June 2003, the average hourly earnings of people with no educational qualification were \$13.32 an hour. For those holding a school qualification, the equivalent sum was around \$15.00 an hour. For those with vocational or trade qualifications, average hourly earnings were \$18.68. For holders of a bachelor or higher degree, the average hourly earnings were \$25.63 per hour. These figures clearly indicate the significant marginal returns from attaining the additional knowledge and skills associated with earning higher educational qualifications. This analysis suggests that differences in relative educational performance are a major cause of the gaps found between Māori and Europeans/Pakeha in terms of relative position in the work force and remuneration for the work being done.

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<sup>72</sup> Source 2001 Census, Table 14b. The figures reported here sum to 85.2%. The remaining 14.8% is made up of those who provided responses that did not fit these categories.

<sup>73</sup> Asian New Zealanders exhibit levels of educational attainment that exceed those for both Māori and Europeans/Pakeha in all categories except the holding of vocational qualifications. In 2001, just 12.6% of Asian New Zealanders reported having no educational qualifications, 45.7% had at least one high school qualification, 9.9% held a vocational qualification, 14.5% held a bachelor degree as their highest educational qualification, and 5.9% held a higher degree.

**Figure 4.16:** *Comparative Educational Attainment of Māori, 2001*



*Data Source:* Statistics New Zealand 2001 Census, Table 14b.

The poor levels of educational attainment by Māori, and the associated labour market outcomes, appear set to continue. In 2002, relative to European/Pakeha students, overall Māori in secondary schools did not perform well. Results from the New Zealand Qualifications Authority show that, in that year, while 71.6% of European/Pakeha students achieved the qualifications they sought, just 58.4% of Māori students did so. At the tertiary level, a more mixed picture emerges. In 2001, Māori made up 16.1% of students at public tertiary institutions.<sup>74</sup> While they were somewhat under-represented among those completing university degrees – for example, Māori comprised 8.5% of those obtaining bachelor degrees or advanced diplomas – they appeared well-represented among those receiving diplomas and certificates, comprising 20.7% and 18.8% of recipients respectively.<sup>75</sup> These relatively high levels of attainment of diplomas and certificates may be driven by enrolments at the *whare wananga* – institutions designed primarily to deliver tertiary education to Māori. In 2002, enrolments at *wananga* comprised 8.6% of all enrolments in public tertiary institutions in New Zealand. At that time, enrolments at the biggest *wananga*, Te Wananga O Aotearoa stood at 25,233, rivalling those of the University of Auckland, which reported 27,429 students.<sup>76</sup>

<sup>74</sup> Source: Authors' calculations based on Ministry of Education, Data Management and Analysis Division. Number of Students Enrolled in Formal Programmes – 2001. Table B.1.4 – All formal students by level of qualification, ethnicity, nature of attendance and gender.

<sup>75</sup> Source: Authors' calculations based on Ministry of Education, Data Management and Analysis Division. Formal Qualifications of Study Completed at Public Tertiary Education Institutions During the 2001 Academic Year. Table 5: Qualifications Completed by Award Group, Ethnicity and Gender.

<sup>76</sup> Source: Authors' calculation based on the Ministry of Education's Tertiary Education Statistics. Number of Formal Tertiary Students by Sector, Institution, and Nature of Attendance at 31 July 2002.

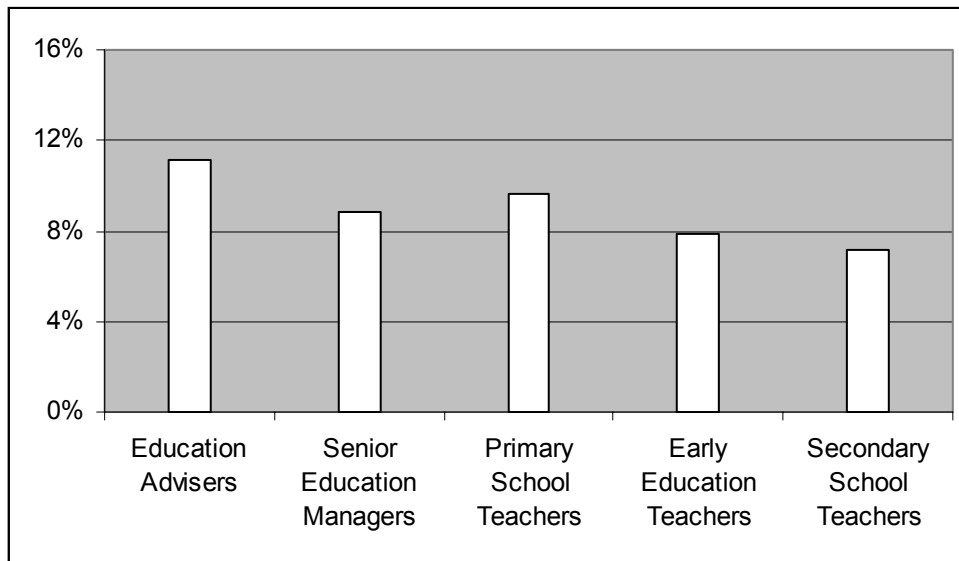
### ***Māori in Management***

So far we have noted a tendency for Māori to be over-represented in low skill occupations. Evidence suggests that even when Māori are over-represented in particular industries, this does not necessarily translate into representation among higher occupational groups within those industries. For example, while Māori make up 13.6% of the transport and storage workforce, only 6.1% of transport managers are Māori and, among electronic and telecommunications engineers, just 3.0% are Māori. Similarly, although Māori make up 12.1% of workers in the construction industry, only 6.5% of construction managers are Māori. Across the whole economy, Māori make up just 3.9% of chief executives or managing directors of companies. Māori women make up just 1.1% of the people holding these positions.

In the education sector, Māori make up 11.5% of the work force. Therefore, numerically, their level of representation here is similar to their representation in the work force as a whole. Figure 4.17 shows that in 2001, at the management level, Māori were fairly well represented in the education sector. Māori comprised 8.8% of senior education managers and 11.1% of education advisers. However, Māori tended to be under-represented among teachers, comprising 9.6% of primary school teachers, and 7.2% of secondary school teachers. Unsurprisingly, Māori comprised 83.2% of Kōhanga Reo teachers at that time, but they comprised only 7.9% of other early education teachers.

Similar patterns can be found in the health sector. Māori comprise 9.7% of workers in the area of health and community services. They are well-represented among health service managers, making up 10.4% of the people in these positions. However, as with education, Māori tend to be under-represented within core activities associated with health care. A selection of figures illustrate the broader patterns. Māori comprise 5.8% of registered nurses and 6.7% of public health and district nurses. Māori make up just 1.9% of general practitioners and 1.6% of surgeons.

**Figure 4.17: Māori Representation in the Education Sector, 2001**



*Data Source: Statistics New Zealand 2001 Census, 5-digit Occupation Table.*

The Health Workforce Advisory Committee (2003) has noted the basic problem of poor representation of Māori among health professionals. In response, it has recommended a series of actions that the government could take to improve the situation. The recommendations include reviewing the ways that tertiary education and other clinical training programmes contribute to the development of Māori as members of the health and disability workforce. The Advisory Committee also called for the Ministry of Education to explicitly market health and science as career options for Māori and to provide “accessible, positive” health career guidance to Māori students at all levels in secondary schools. In addition, the Advisory Committee recommended that district health boards build into their workforce development plans strategies to increase the number of Māori staff, that they provide ongoing education and development for existing Māori health practitioners, and that they consider introducing “second-chance” health education initiatives, that might include work experience and internships for Māori.

### ***The Public Service***

When aggregated statistics are used, Māori appear to be over-represented within the public service. As at June 2002, Māori made up approximately 18.0% of the public service. Since consistent figures began being collected annually in the early 1990s, there has been a steady increase in the number of Māori working for the public service.<sup>77</sup> In addition, since the mid-1980s, various government departments have offered scholarships to help Māori to complete university qualifications before joining their staffs. Many departments have also supported active Māori networks among their staffs. However, several points need to be made about the place of Māori in the public service. First, Māori tend to be concentrated in several large government departments, such as the Ministry for Social Development, Child, Youth, and Family

<sup>77</sup> Source: p.11 of *EEO Progress in the Public Service 2003 Report with Special Focus on Māori*.

Services, and Corrections.<sup>78</sup> Second, Māori mostly perform frontline functions in these departments, such as social workers, probation workers, and prison officers. Third, Māori are under-represented among senior staff and chief executives within the public service. In 2001, about 10.0% of senior managers in the public service were Māori. This is an improvement on previous years. For example, in 1998, Māori comprised just over 8.0% of senior managers.<sup>79</sup> However, Māori senior managers are heavily concentrated in just one department, Te Puni Kōkiri, where, in 1998, 41.0% of all the Māori senior managers in the public service could be found.<sup>80</sup> Finally, there is a pay gap between Māori and Europeans/Pakeha in the public service. In June 2002, the median salary of Māori staff was 91.0% of that for non-Māori staff. This reflects the tendency for Māori to be concentrated in frontline functions, the relative youth of Māori public servants compared with non-Māori, and the lack of Māori in senior positions. The pay gap is biggest among managers, where the Māori median salary was 87.0% of that for non-Māori staff.<sup>81</sup>

The Government's *EEO Policy to 2010*, published in 1997, placed a particular emphasis on achievements for Māori, with specific objectives to establish a "critical mass" of Māori in each department. The stated goal was to build public service managerial, policy and service delivery capability.<sup>82</sup> The policy called for departments to set their own numerical targets for the employment of EEO groups, including Māori. The State Services Commission's *EEO Progress in the Public Service 2003 Report* notes progress on recognising the aims, aspirations, and employment of Māori. In 2003, of the 40 participating departments, 12 (30.0%) had already reached or passed their 2005 milestones and ten (25.0%) had already exceeded their 2010 target. These efforts are positive. However, on the negative side, three departments had not set a 2010 target figure for the overall representation of Māori as a percentage of staff. A further three reported having made little progress and one reported no progress. If setting targets is an important lever for progress, then this failure to set or meet targets is problematic.

Under the *EEO Policy to 2010*, government departments are also required to set targets for the proportion of senior managers who are Māori. By 2003, 11 departments (27.5%) had reached their 2005 milestones. However, five departments were yet to set such targets, five reported no progress on meeting the targets they had set, and nine reported little progress. Therefore, almost half of the government departments were failing to respond adequately to government EEO policy with

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<sup>78</sup> See Table 25: Public Service Departments (Māori) – June 2001. In *Equal Employment Opportunities: Progress in the Public Service as at 30 June 2001*.

<sup>79</sup> Source: *EEO Progress in the Public Service 2003 Report with Special Focus on Māori*, p. 19.

<sup>80</sup> Source: State Services Commission, 1998. *Māori in the Public Service: A Statistical Profile 1993-1998*. Graph 13, p.17.

<sup>81</sup> Sources: Pay gap information is taken from pages 22 and 24 of *EEO Progress in the Public Service 2003 Report with Special Focus on Māori*. The information on the concentration of Māori in frontline positions is noted in *Career Progression and Development Survey, 2000* (April 2002) p.106. This information is supported by analysis of occupations presented in the 2001 Census table listing membership within 5-digit occupations by ethnic group.

<sup>82</sup> See *EEO Policy to 2010* (1997). The term "critical mass" is used on page 7. On page 6 of the document it is stated: "This policy has a particular emphasis on the achievement of EEO for Māori. This reflects the need for the public service to give effect to section 56 of the *State Sector Act 1988* and to ensure that the public service has Māori staff with the managerial, policy and service delivery capability to achieve Government outcomes appropriately."



respect to raising the number of Māori in senior management positions.<sup>83</sup> Yet Māori continue to be significantly under-represented among senior management. Since a disproportionate number of Māori senior managers are concentrated in Te Puni Kōkiri, the aggregate figures typically presented by the State Services Commission mask the generally poor representation of Māori senior managers within public service departments. The lack of progress in achieving targets associated with the *EEO Policy to 2010* is disturbing. It offers an opportunity and presents a significant challenge for leadership within the public service to promote and develop EEO for Māori. This is a matter that, given the Government's obligations under the Treaty of Waitangi, and the provisions of section 56 of the *State Sector Act 1988*, should be accorded high priority.<sup>84</sup> In 2004, the Controller and Auditor General reported on the capability of the State Services Commission to recognise and address issues for Māori and made a number of recommendations.

### ***The Defence Force***

As of 2002, Māori comprised 23.6% of the New Zealand Defence Force. Māori are represented differently across the services, being most concentrated in the Army (29.9% of personnel), followed by the Navy (20.1%), and the Air Force (10.3%). Among the ranks of the Army's regular force soldiers, the proportion comprised of Māori was 32.0%. However, Māori tend to be concentrated among the lower ranks in the services. In 2002, they made up just 1.8% of senior officers in the Army, 0.5% of those at the Lieutenant Commander rank and above in the Navy, and no Māori were included in the senior officer ranks of the Air Force. Analysis over the years from 2000 to 2002 suggests that there has been some progress for Māori up the ranks in all of the services, but the changes have been minor. Overall, the picture for Māori in the Defence Force is similar to that in other sectors of employment. That is to say, even when well-represented numerically, in terms of placement in positions of decision-making, Māori tend to be significantly under-represented.<sup>85</sup>

### ***Summary***

Some progress has been achieved in the employment position of Māori since 1990. Māori labour force participation rates have increased and their unemployment rate has decreased substantially. However, the Māori unemployment rate is still double that of European/Pakeha New Zealanders. Māori are over-represented in low-skilled, lower-paid sectors of the economy although the last decade has seen significant change in

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<sup>83</sup> All data comes from p.8. of *EEO Progress in the Public Service 2003 Report with Special Focus on Māori*.

<sup>84</sup> Section 56 of the *State Sector Act 1988* states, among other things, that "(1) The chief executive of a Department shall operate a personnel policy that complies with the principle of being a good employer. (2) For the purposes of this section, a "good employer" is an employer who operates a personnel policy containing provisions generally accepted as necessary for the fair and proper treatment of employees in all aspects of their employment, including provisions requiring – (a) Good and safe working conditions; and (b) An equal employment opportunities programme; and (d) Recognition of – (i) The aims and aspirations of the Māori people; and (ii) The employment requirements of the Māori people; and (iii) The need for greater involvement of the Māori people in the Public Service; and (e) Opportunities for the enhancement of the abilities of individual employees; and (f) Recognition of the aims and aspirations, and the cultural differences, of ethnic or minority groups; and (g) Recognition of the employment requirements of women; and (h) recognition of the employment requirements of persons with disabilities".

<sup>85</sup> Source: New Zealand Defence Force (2002).

the representation of Māori across occupational classes, including professional and associate-professional classes. The pay gap between Māori and Europeans/Pakeha has decreased by more than 5% over the past 5 years, and Māori increasingly number among those in the management ranks in the public service, education and health sectors. Beyond the health and education sectors though, very few Māori are present in management positions. Further, Māori have had less success in the educational system which would equip them for higher-skilled, higher-paid jobs in the labour force. There is still a long way to go before we can say that Māori have equal employment opportunities in New Zealand.

## **PROGRESS FOR PACIFIC PEOPLES**

At the time of the 2001 Census, 231,801 people in New Zealand were of Pacific ethnicity, making Pacific peoples 6.2% of the country's population. Of this group, almost half were Samoan (115,017). The next largest groups were Cook Island Māori (52,569), Tongan (40,716), Niuean (20,148), Fijian (7,014), Tokelauan (6,204), and Tuvalu Islander (1,965).<sup>86</sup> Like the Māori population, the population of Pacific peoples is relatively youthful. In 2001, the median age of people of Pacific ethnicity was 21 years, compared with the median age for the nation of 35 years.<sup>87</sup> Pacific peoples will become an increasingly large portion of the New Zealand labour force in the future. Currently, they represent 5.0% of the labour force.<sup>88</sup>

### ***Labour Force Participation***

Labour force participation rate for Pacific peoples is 62.1%. This figure represents the proportion of Pacific peoples of working age who are able and willing to work for pay. This overall participation rate for people of Pacific ethnicity has fluctuated somewhat over the past decade or so. In June 1990, the rate was close to the present rate, standing at 63.0%. However, it dropped several points to just below 60.0% in the mid-1990s before progressively moving upwards since then.

For Pacific men, the current participation rate is 69.9%. This represents a considerable decline from the early 1990s. For example, in June 1990, the participation rate for Pacific men stood at 75.5%. This decline is specific to Pacific men and it can be explained by changes that occurred in the manufacturing sector in the mid-1990s. In contrast, the participation rate for Pacific women has not experienced major fluctuations over time. It presently stands at 54.5%. Overall, the current participation rates for people of Pacific ethnicity are relatively low. Across all men in New Zealand regardless of ethnicity, the participation rate is 74.1%. Across all women, it is 59.0%.<sup>89</sup> Compared with other ethnic groups, Pacific peoples are also less likely to participate in part-time work. In June 2003, among all people earning income from salary and wages, 25.4% were in part-time employment. However,

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<sup>86</sup> Source: Statistics New Zealand (2002). *2001 Census Snapshot 6: Pacific Peoples*.

<sup>87</sup> The median age for Pacific Peoples is reported in *2001 Census Snapshot 6: Pacific Peoples*. The median age for the population as a whole is presented in Table 3 of *2001 Census: National Summary*.

<sup>88</sup> Source: Authors' calculation based on information presented in Table 1 of the New Zealand Income Survey, June 2003.

<sup>89</sup> Source: Household Labour Force Survey, June 2003. Retrieved via INFOS.

among Pacific peoples in employment, only 15.7% were employed in this way.<sup>90</sup> This difference in part-time employment is consistent with the generally lower participation rate among Pacific women compared with other women. As we noted earlier, women comprise 72.4% of New Zealand's part-time labour force.

In seeking to explain the tendency for Pacific peoples – and Pacific women in particular – to participate in the labour force at relatively low levels, we offer two explanations. Both concern engagement in unpaid work in the household. First, Pacific people tend to have more children than do others. In 2001, 33.0% of Pacific children were living in families that included four or more dependent children. In contrast, across the nation, 16.0% of children were living in such families. Further, for both cultural and economic reasons, people of Pacific ethnicity tend to live in households that include members of the extended family. In 2001, 28.0% of Pacific peoples were living in households that had seven or more usual residents, while only 5.0% of the total New Zealand population were living in households of that size.<sup>91</sup> The tendency for Pacific households to be large and to include extended family members results in a greater proportion of adult time being spent raising children and looking after ill, elderly, or disabled family members. In 2001, 38.0% of adults of Pacific ethnicity compared with 30.0% of all New Zealand adults reported spending time looking after a child in their household. In addition, 12.0% of Pacific adults reported caring for an ill or disabled person at home, compared with 7.0% of adults in the whole New Zealand population.<sup>92</sup> Therefore, while members of households in any culture must determine the trade-off to be made between paid work in the labour force and unpaid work in the household, for Pacific peoples, the needs of the household often dominate. Judging by labour force participation rates, it is clear that these trade-offs have resulted in a tendency for people of Pacific ethnicity, and especially Pacific women, to be under-represented in the paid labour force.

Like Māori, Pacific peoples experience much higher unemployment than do Europeans/Pakeha. In June 2003, the unemployment rate across the whole of New Zealand's working-age population stood at 5.0%. But for people of Pacific ethnicity, the rate was 8.2% – over twice the rate of 3.7% for Europeans/Pakeha. Again, like Māori, Pacific peoples experienced much higher rates of unemployment in the early 1990s, when the economy was going through a period of restructuring. In June 1992, the rate for people of Pacific ethnicity was 28.0%, higher than the rate of 25.9% for Māori at that time. For Pacific men, the rate then was 30.1%, while for Pacific women it was 25.2%. The rate for the whole country at that time was 10.6%. Since 1992, the unemployment rate for Pacific peoples has progressively fallen. But, again like Māori, people of Pacific ethnicity are more susceptible than other groups to adverse economic conditions because of their over-representation within low-skilled occupations.

### ***Participation by Industry***

During the peak years of Pacific labour migration to New Zealand in the 1960s and early 1970s, Pacific peoples filled labour shortages in the country's manufacturing

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<sup>90</sup> Source: Authors' calculation based on information contained in Table 11 of the New Zealand Income Survey: June 2003 Quarter.

<sup>91</sup> Source: Statistics New Zealand 2002, pages 31-32.

<sup>92</sup> Source: Statistics New Zealand 2002, page 54.

sector. That historical process created a sustained and prominent legacy. In 2001, 22.7% of Pacific peoples in paid employment worked in manufacturing. For Pacific men, the figure was 29.4%, for Pacific women, it was 14.9%. Overall, people of Pacific ethnicity comprised 7.9% of the work force in the manufacturing sector, even though they comprised just 5.0% of the national labour force.<sup>93</sup> Looking back to 1991, we find that there was even more concentration of people of Pacific ethnicity in manufacturing at that time. Of Pacific peoples in paid employment in 1991, 36.1% were employed in manufacturing. For Pacific men, the figure was 43.6%, for Pacific women it was 26.5%.<sup>94</sup> Therefore, while Pacific peoples are over-represented in manufacturing, we can see that there has been a movement over the past decade or so, whereby people of Pacific ethnicity are beginning to migrate from manufacturing work into work in other sectors of the economy.<sup>95</sup>

Figure 4.18 shows the representation of Pacific peoples across industrial sectors. The over-representation of people of Pacific ethnicity in manufacturing compares with slight levels of over-representation in three other sectors of the economy. These are: Communication services, where, in 2001, Pacific peoples made up 7.1% of the labour force, accommodation, cafes, and restaurants, where they comprised 5.8% of the labour force, and transport and storage, where they comprised 5.3%. Pacific peoples were most under-represented in mining (1.0% of the labour force), agriculture, forestry, and fishing (1.5%), electricity, gas, and water supply (2.4%), and education (2.8%). They were also under-represented, but to a lesser degree in such sectors as property and business services (3.6%), health and community services (3.9%), finance and insurance (4.1%), and government administration and defence (4.6%).

### ***Occupations, Earnings, and Education***

Figure 4.19 presents data from the 2001 Census concerning the representation of Pacific peoples within occupational groupings. Consistent with the evidence that Pacific peoples are concentrated in manufacturing, the figure shows that Pacific peoples, like Māori, are significantly over-represented in two occupational groupings. These are elementary occupations (9.4%) and plant and machine operators and assemblers (9.0%). Both of these are relatively low paid occupational groupings. Again, reflecting this historical pattern, people of Pacific ethnicity are under-represented in four occupational groupings. The first is agricultural and fisheries workers (1.6%). The other three are occupational groupings that tend to require high levels of education and training. They are legislators, administrators and managers (1.7%), professional (2.2%), and technicians and associate professionals (3.3%).<sup>96</sup>

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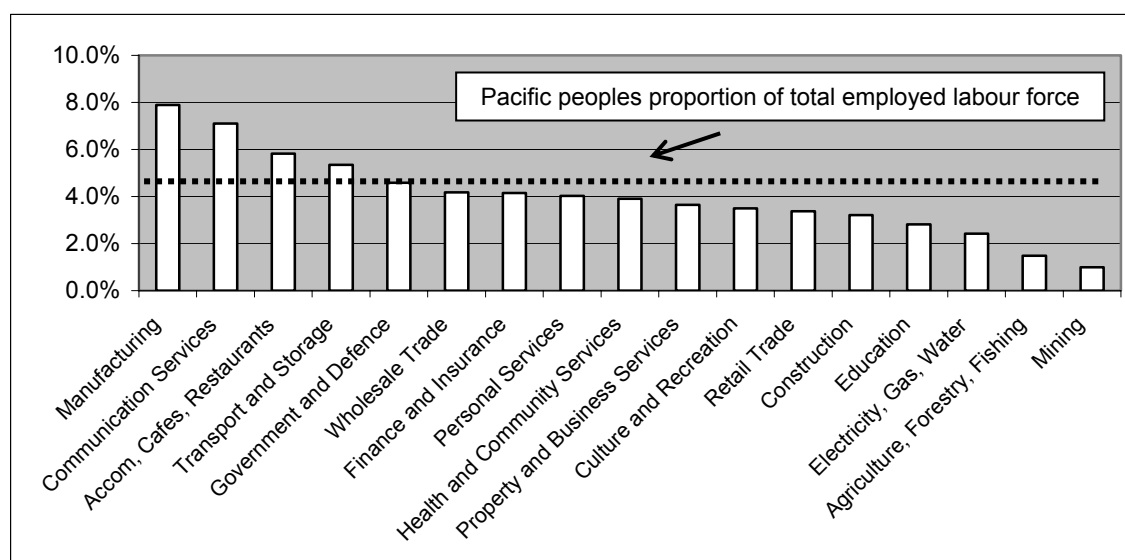
<sup>93</sup> Source: Authors' calculations based on figures presented in Statistics New Zealand's *2001 Census: Work Table 19*.

<sup>94</sup> Source: Authors' calculations based on Table 54 of *1991 Census, Pacific Island Population and Dwellings*.

<sup>95</sup> For more discussion of these trends, see Statistics New Zealand. *Pacific Progress: A Report on the Economic Status of Pacific Peoples in New Zealand* (June 2002), especially Chapter 7, "Occupation and Industry."

<sup>96</sup> Source: Authors' calculations based on figures presented in Statistics New Zealand's *2001 Census: Work Table 19*.

**Figure 4.18:** *Pacific Peoples Proportion of Labour Force by Industry, 2001*



*Data Source:* Authors' calculations based on Statistics New Zealand 2001 Census, Table 27.

Comparing these figures with those for 1991, we find that as the presence of Pacific peoples in the labour force has increased, there has been a degree of diversification away from the manufacturing-related occupations. While Pacific peoples now comprise 5.0% of the labour force, in 1991 they comprised 3.1%. In the interim, the increases in the presence of people of Pacific ethnicity in other occupations have been dramatic compared with increases within the manufacturing-related occupations. Their presence among legislators, administrators and managers has increased by 82.2%, among professionals by 62.2%, and among technicians and associate professionals by over 100.0%.<sup>97</sup> Of course, Pacific peoples have a long way to go before they will be represented in these professions in numbers that are proportionate to their presence in the labour force as a whole. But these observed changes are positive.

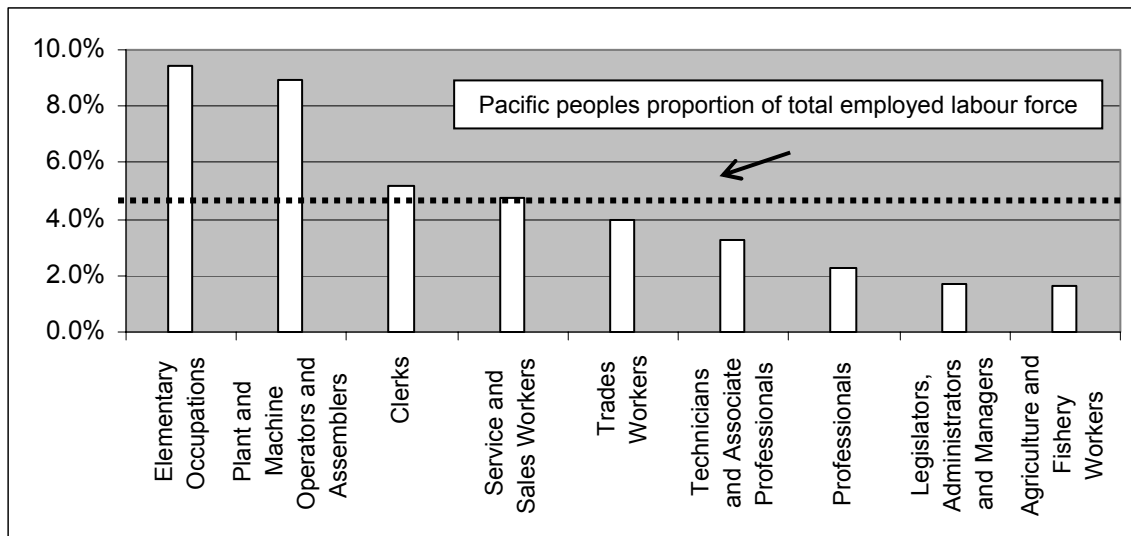
Turning to earnings, in June 2003, the average hourly pay for Pacific peoples was \$13.85 an hour. This was far lower than the average for all earners of \$17.82 an hour, and the average for European/Pakeha workers of \$18.44 an hour. The average Pacific person in the paid workforce currently earns 75 cents for every dollar earned by the average European/Pakeha. In contrast, in June 1997, the ratio was 69 cents for every dollar earned by the average European/Pakeha.<sup>98</sup> In terms of personal income, the contrast is even greater. In June 2003, the average weekly income of Pacific people in the labour force (which includes both people who are employed and those who are unemployed) was 69.0% of the average weekly income of Europeans/Pakeha in the labour force. The equivalent figure in June 1997 was 71.0%.<sup>99</sup>

<sup>97</sup> Source: Authors' calculations based on figures presented in Statistics New Zealand's *2001 Census: Work* Table 19 and *1991 Census, NZ Māori Population and Dwellings*, Table 16.

<sup>98</sup> Sources: New Zealand Income Survey: June 2003 Quarter, Table 10 and June 1997 Quarter, Table 8. Note that the New Zealand Income Survey only began in 1997.

<sup>99</sup> Source: Authors' calculation based on figures presented in New Zealand Income Survey: June 2003 Quarter, Table 7 and June 1997 Quarter, Table 4.

**Figure 4.19:** *Pacific Peoples Representation in Occupational Classes, 2001*



*Data Source:* Authors' calculations based on Statistics New Zealand 2001 Census, Table 19.

A quick review of the comparative educational attainment of Pacific peoples in New Zealand can further help to explain their concentration in low-skilled, low-paid occupations. Census figures from 2001 indicate that 29.3% of people of Pacific ethnicity held no school qualifications, 39.0% reported that their highest qualifications were attained at high school, and 14.0% reported having tertiary qualifications. In contrast, 18.1% of Māori and 30.8% of Europeans/Pakeha reported having tertiary qualifications.<sup>100</sup> Overall, people of Pacific ethnicity in New Zealand are not well educated, especially when compared with Europeans/Pakeha.

Looking to the future, Pacific peoples are unlikely to improve their comparative educational attainment in the medium-term. In 2002, secondary school students of Pacific ethnicity did not perform well on average. Results from the New Zealand Qualifications Authority show that, in that year, just 56.6% of Pacific students achieved the qualifications they sought. The comparative figure for Māori students was 58.4%; for Europeans/Pakeha it was 71.6%. In 2001, Pacific peoples made up just 3.9% of students at public tertiary institutions and 3.8% of those receiving tertiary qualifications.<sup>101</sup>

### ***Pacific Peoples in Management***

Pacific peoples are under-represented in all fields of management. In light of the foregoing analysis, this finding is not surprising, but it is very disappointing. Across the whole economy, Pacific peoples make up less than 1.0% of chief executives or

<sup>100</sup> Source: Statistics New Zealand (2002). *2001 Census: Ethnic Groups*, Table 14b.

<sup>101</sup> Sources: Authors' calculations based on Ministry of Education, Data Management and Analysis Division information. (1) Number of Students Enrolled in Formal Programmes – 2001. Table B.1.4 – All formal students by level of qualification, ethnicity, nature of attendance and gender. (2) Formal Qualifications of Study Completed at Public Tertiary Education Institutions During the 2001 Academic Year. Table 5: Qualifications Completed by Award Group, Ethnicity and Gender.

managing directors of companies. Although we noted earlier that Pacific peoples are over-represented in manufacturing, comprising 7.9% of employees in that sector in 2001, they are under-represented even among managers in that sector, accounting for only 2.1% of production managers at that time. In the education sector, Pacific peoples make up 2.8% of the work force, but just 1.1% of senior education managers, although they comprise 3.3% of education advisers. They are also under-represented among teachers, comprising 2.4% of primary school teachers, and 1.7% of secondary school teachers. They are slightly over-represented among early education teachers, making up 5.3% of such teachers. These teachers are, of course, the lowest paid in the teaching profession. Similar patterns can be found in the health sector. Just as we reported disappointing findings for Māori, were we to report them, our findings for Pacific peoples would be at least as poor. Even while people of Pacific ethnicity make up a relatively small proportion of the New Zealand population, they are almost invisible in positions of decision-making power across the public, private, and community sectors.

### ***The Public Service***

Since the initial development of equal employment opportunity policies in the public service, Pacific peoples have been recognised as one of the groups most adversely affected in employment in New Zealand. Therefore, a range of efforts have been made over the years to establish the public service as a positive and supportive working environment for people of Pacific ethnicity.<sup>102</sup> These efforts have included the provision of scholarships for selected Pacific university students, career development training programmes, and support of networks for Pacific employees.<sup>103</sup> More recently, the initiatives associated with the Public Service's *EEO Policy to 2010* were prompted, in part, by a desire to "realise a diverse Public Service which reflects the community it serves..."<sup>104</sup> Given demographic trends that will see people of Pacific ethnicity becoming a more visible presence in New Zealand society, it is recognised that the public service needs a cadre of Pacific people located throughout its ranks.<sup>105</sup>

In 2002, Pacific peoples made up 6.8% of public service employees, which means that they were over-represented there given their presence in the labour force as a whole. In 1992, people of Pacific ethnicity comprised just 2.6% of public service staff. Since then, their numbers have increased. However, most Pacific people in the public service are employed in frontline and clerical jobs, rather than in management or policy-making positions. Pacific peoples made up just 1.6% of senior managers in the public service in 2002, a fact confirming that Pacific employees tend to be concentrated in lower-ranked positions. This can be partially explained by the relative youth of Pacific peoples compared with others in the public service, and the generally lower level of educational attainment among people of Pacific ethnicity. In addition, in a survey conducted in 2000, 55.0% of Pacific staff reported having care-

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<sup>102</sup> Drafting note: See p.11 of *EEO Policy to 2010* on definition of groups.

<sup>103</sup> See *Equal Employment Opportunities: Progress in the Public Service as at June 1991*, p.35.

<sup>104</sup> *EEO Policy to 2010*, p. 3.

<sup>105</sup> See, e.g. *Career Progression and Development Survey* (April 2002), p.116: "Pacific peoples will ... be an increasingly important part of the future Public Service".

giving responsibilities at home compared with 41.0% of non-Pacific staff.<sup>106</sup> Such responsibilities could reduce individual motivations to seek promotion to management positions, or move to obtain more senior positions.

In accordance with the Government's *EEO Policy to 2010*, published in 1997, public service departments were required to set their own targets for the overall representation of Pacific peoples as a percentage of staff. As of June 2003, out of the 40 government departments, three were yet to set targets for 2010 or milestones for 2005. Of the remaining 37, 29 reported that they had reached their targets or believed that they were achievable. Therefore, 72.5% of government departments appeared to be taking seriously the issue of the representation of Pacific peoples among their staff. However, 8 departments reported little or no progress against their targets. Therefore, 11 out of 40 departments, or 27.5%, indicated that, having had six years to set targets and begin achieving them, they had failed in the task. The *EEO Policy to 2010* also required government departments to set target figures for the proportion of their senior managers who would be of Pacific ethnicity. We would expect this to be an especially important matter, given the very limited representation of Pacific people in senior ranks in the public service. But the matter has not been treated seriously. As of June 2003, seven out of 40 departments – that is, 17.5% – had set no targets for themselves. A total of 19 – or 47.5% – had not set milestones for 2005. The good news is that two departments reported having met their 2010 targets already and seven reported that their 2010 targets were achievable. Nonetheless, 17 departments reported having made little or no progress towards their targets. This means that, in total, 24 departments – or fully 60.0% – reported failing to set targets or failing to make serious progress towards the targets they had set. We understand that in 2004 the State Services Commission's annual survey of EEO progress will highlight the employment conditions of Pacific peoples in the public service.

### ***Summary***

Pacific peoples participate in the labour force at lower rates than do other groups. Among those who are in the labour force, rates of unemployment are high. An industry and occupational analysis reveals that people of Pacific ethnicity tend to be concentrated in the manufacturing sector. But despite their over-representation here, they are poorly represented within management. During the years since 1990, Pacific peoples have begun to exhibit more presence than was previously the case in several occupations. However, overall, Pacific peoples are not well represented in many parts of the New Zealand labour force. Poor educational outcomes, combined with heavy domestic demands, offer important reasons for why we find these disappointing labour force outcomes for Pacific peoples. Beyond this, EEO initiatives in the public service have done little to raise the profile of Pacific peoples in government departments.

## **RACE AND LABOUR MARKET DISCRIMINATION**

Our assessments of the status of Māori and Pacific peoples in the labour force show that, overall, members of these groups tend to experience higher levels of

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<sup>106</sup> *Career Progression and Development Survey* (April 2002), p.120. Note that, as reported, this data was not disaggregated by gender.



unemployment than European/Pakeha New Zealanders and that, in many occupations, they are yet to achieve levels of representation commensurate with their presence in the population. While arguments based on historical legacies, differences in educational attainment, and cultural distinctions offer plausible explanations for these racial disparities in the labour force, a nagging question remains. That is, how much of the disadvantage faced by these groups is driven by racism? Because in New Zealand, as elsewhere, most people understand that overt expressions of racism are offensive and that they corrode the foundations of good social relations. Those holding racist attitudes tend to mask them. Therefore, it is difficult to know the extent to which everyday decisions in the marketplace or workplace are influenced by racism. Even so, some information is available to us. This concerns complaints made against employers for discrimination based on race or for engaging in racial harassment at the workplace.

Until the end of 2001, complaints about racial discrimination in the hiring process and on the job were handled by the Office of the Race Relations Conciliator. Since then, the Human Rights Commission has handled all such complaints. In the year from July 2002 until June 2003, the Human Rights Commission received 193 complaints against employers having to do with race, ethnicity, or national origins. Of these complaints, 65 – or 33.7% – concerned discrimination on the basis of race or colour. An even larger number, 82 – or 42.5% – involved discrimination on the basis of ethnic or national origins. A further 46 – or 23.8% – concerned practices that caused racial disharmony or involved racial harassment. Because these are recent figures that span only one twelve-month period, we cannot tell if these forms of discrimination are becoming more or less prevalent in the New Zealand workplace and all complaints are not necessarily substantiated. In themselves, however, these figures do tell us that a fair amount of discrimination on the basis of race and ethnicity is being reported. This is a source of major concern for two reasons. First, for each occurrence of such discrimination, we can expect that many other instances arise but that they are dealt with informally or not dealt with at all. Second, words and actions that demean people because of their race, ethnicity, or national origins send damaging messages both to the individuals directly concerned and to the groups they come from. As an immigration-based society, we cannot afford to have any individuals feel unwelcome, belittled, or demoralised because of their backgrounds or their colour. Unfortunately, as the figures reported here show, too many employers have yet to understand this point.

## **PROGRESS AND ISSUES FOR OTHER GROUPS**

We have explored the progress of four groups: Women, people with disabilities, Māori, and Pacific peoples. We have focused on these groups because they are relatively large and they have been recognised for some time as being disadvantaged in the labour force. Comprehensive information is available concerning how well these groups have been faring over the past decade or so. There are data gaps, but the available information does offer a range of valuable insights into status of these groups relative to others. Of course, other groups also experience disadvantage in the labour market and workplace, and good EEO policies should address the concerns of all disadvantaged people, with the goal of giving all who are willing and able to participate in the labour force the opportunity to realise their full potential there.

As new groups of people attain greater visibility and greater self-awareness of the ways that they might be disadvantaged in the labour force, it is inevitable that more attention will need to be paid to understanding the problems and challenges they face. This process of problem recognition can lead to analysis of relevant data that is already available, as well as to the collection and analysis of new data. Two groups in New Zealand currently deserve more attention with respect to their tendency to be disadvantaged in the labour force. The first group is older workers, people aged 55 years and over. The second group is new immigrants, people of working age who have come to New Zealand with the ambition of fully participating in the country's economic and social life. Our goal here is to highlight relevant issues and briefly review what is known about these groups and the forms of discrimination they face. More comprehensive data collection and analysis in the future would allow for more depth of understanding concerning EEO progress for these groups.

### ***Older Workers***

For both men and women in New Zealand, their peak years of participation in the labour force tend to be when they are in their forties. An assessment of age cohorts shows that participation rates decline for mature workers. In June 2003, for all workers, regardless of gender, the participation rate for those aged 45-49 was 87.6%. For those aged 50-54, the participation rate was 83.1%. It declined to 75.1% for those aged 55-59, and it stood at 54.8% for those aged 60-65. In many instances, older workers may be choosing to take early retirement. However, evidence suggests that older job-seekers find it difficult to obtain employment because of ageism on the part of employers. Tim Watkin (2000) has observed that "many employers label mature workers as lacking energy and easily bored, hard to train and out of touch with technology". Over the period from July 1999 until June 2003, the Human Rights Commission received 156 complaints concerning employer discrimination on the basis of age. These comprised 11.8% of all employment-related complaints received by the Commission during that period. Therefore, there is a perception that older workers are frequently discriminated against in the labour market and in the workplace.

The experiences of mature job-seekers in New Zealand have been studied by Judy McGregor and Lance Gray (2001). Based on their survey of 954 people, these researchers concluded that the experiences of older women and older men are quite distinctive, with older women being more likely to be in part-time employment. Policy interventions to support unemployed older workers would be most effective if they were focused on people who have recently lost their jobs. The longer that mature job-seekers are out of work, the greater the emotional toll, and the greater the likelihood that – due to discouragement – they will simply drop out of the labour force. Judith Davey (2003) has argued that "[i]f large numbers of people in mid-life are unemployed, underemployed, prematurely retired or otherwise contributing less in economic terms than they are capable of, this has far-reaching implications. Their productivity as workers will be below potential. They will be contributing less as taxpayers and may be dependent on welfare benefits" (159).

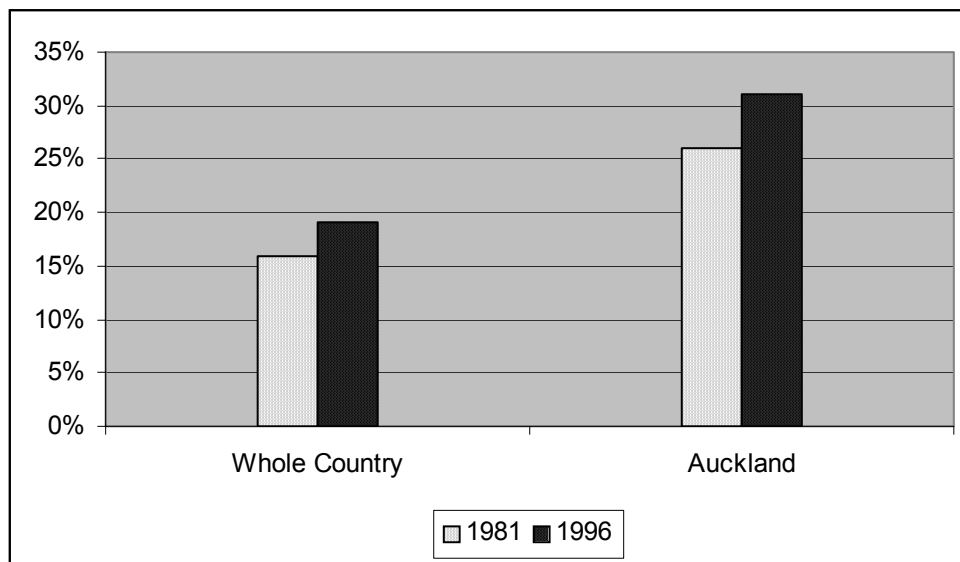
When Social Development and Employment Minister Steve Maharey unveiled the "Jobs Jolt" package in August 2003, the Government showed it is serious about keeping people in the workforce during their 50s. The package included active case

management for work-seekers aged over 45 and work-testing for those aged 55-59. More research needs to be undertaken on older workers and their relationships with the labour market. Efforts should be made to ensure that older workers are able to contribute at levels they desire. As with efforts to allow women to readily re-enter the labour force after taking time to start their families, efforts to support mature job-seekers can serve to simultaneously eliminate discrimination and promote economic growth. That should be the goal of any EEO policies targeted at older workers.

### *New Immigrants*

New immigrants have the potential to add a great deal to the New Zealand economy. Aside from bringing with them new skills and knowledge, they bring social and cultural benefits for the whole society. Further, their on-going links to families in other countries can serve as conduits for the exchange of knowledge and ideas, which can be vital for stimulating local innovation and entrepreneurship. From 1981 to 1996, the share of foreign-born members of New Zealand’s working age population increased from 16.0% to 19.0%. In Auckland, the share grew from 26.0% to 31.0%. See Figure 4.20. Evidence from census data collected in the 1980s and 1990s indicates that the average immigrant tends to have higher qualifications than the average non-immigrant. In 1996, the proportion of working age immigrants with a university qualification was 16.0% for all immigrants, and 25.0% for recent immigrants. At that time, just 8.0% of working age New Zealanders held university qualifications (Winkelmann and Winkelmann 1998).

**Figure 4.20:** *Foreign-Born Proportion of Working-Age Population*



*Data Source:* Winkelmann and Winkelmann 1998.

While New Zealand as a whole benefits from its immigration policies, new immigrants typically face disadvantages in the labour market, as measured by participation rates and average incomes. In the 1990s, the employment rates of skilled immigrants were disappointing. This situation was attributed to insufficient English language skills, although it has also been acknowledged that cultural obstacles to “fitting in” to the close-knit work environment of small firms and

discrimination on the part of employers may have played a part (OECD 2003). A study conducted by Asoka Basnayake (1999) found that, among a selective sample of new immigrants, 47.0% considered that they had faced discrimination while trying to find employment and when in employment. While, with time, immigrants tend to catch up economically with native-born members of the labour force, more could be done to help new immigrants enter the New Zealand labour force. The Department of Labour (2003) has suggested that “doing more to smooth the path of workers born overseas will enhance New Zealand’s ability to survive and thrive in the global market-place” (18). Some voluntary initiatives have been developed. For example, the Auckland Chamber of Commerce in collaboration with Work and Income has supported a pilot scheme called *Newkiwis* that matches qualified new immigrants to workplaces in an effort to give them valuable local work experience. Meanwhile, in July 2003, the Government tightened the immigration rules. The general skills category under which people who scored enough points on set criteria were automatically granted residency has been abolished. It has been replaced with an “invitation only” skilled migrant category. The new system has been designed to avoid the problem of highly qualified new immigrants being unable to find suitable work.

More initiatives to help new immigrants acquire experience in the New Zealand workplace could help to reduce barriers to the acquisition of appropriate employment. Efforts to reduce discriminatory practices on the part of employers are also necessary. In addition, more analysis of the work experiences of new immigrants would be useful. This would allow for disaggregation across groups, since available evidence suggests that the experiences of new immigrants vary considerably, depending upon their country of origin, their qualifications, work experience, and gender (Winkelmann and Winkelmann 1998).<sup>107</sup>

## CONCLUSION

This assessment of progress for traditionally disadvantaged groups in the New Zealand labour force reveals that while there has been some progress in outcomes in the years since 1990, overall, the picture is disappointing. Further, to the extent that changes have been observed, few of these appear to have been the result of deliberate EEO policies and programmes. More to the point, while efforts in the public service to increase the number of Māori employees have had some effect, we find limited evidence of progress in moving Māori, women, Pacific peoples, and people with disabilities into the ranks of senior management. Therefore, even when EEO policies have been in place and they have required targets to be set for representation of these groups, little progress has actually been made.

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<sup>107</sup> We note that the category of “Asian” is increasingly too homogenising to provide an accurate understanding of the experiences of new immigrants from East, South-East and South Asia in the New Zealand labour force. For instance, in the United States, it was found that Koreans were among the most advantaged in the employment, while Cambodians were among the most disadvantaged in terms of average hourly pay. Similarly, differences among “Asian” immigrants have been observed in the British labour force, where 58% of East Indian women are employed compared with just 17% of Bangladeshi women.

## ► 5 *Benchmarking EEO in New Zealand*

Sufficient evidence from New Zealand and elsewhere is available to allow benchmarking of New Zealand's EEO efforts. In this section, we compare and contrast the New Zealand experience with the experience of Australia, the United Kingdom, Canada, and the United States. The purpose is to assess instances where EEO efforts in New Zealand are equivalent with or even surpass those of peer nations and where New Zealand efforts are lacking. Eleven criteria are used in this benchmarking exercise. We assess differences in:

- (1) Enabling legislation;
- (2) Coverage – public and private sectors, hiring, training, promotion, termination;
- (3) Inclusiveness – who are identified as EEO groups;
- (4) Governance – where responsibility lies for creating and monitoring policy;
- (5) Leadership
- (6) Infrastructure – resources devoted to the promotion of EEO;
- (7) Reporting requirements;
- (8) Measures of progress used;
- (9) EEO training efforts;
- (10) Stakeholder involvement in EEO policymaking;
- (11) Evidence concerning the diffusion of EEO principles and practices across workplaces.

### **ENABLING LEGISLATION**

Legislation provides the essential mandate for efforts to increase the equality of employment opportunity. Typically legislation offers remedies for unequal treatment in employment through anti-discrimination provisions. But legislation can also *enable* the development of EEO policy and planning by placing positive duties to promote equal employment on employers, unions, managers, individuals, and other groups.

In New Zealand the *New Zealand Bill of Rights Act 1990* and the *Human Rights Act 1993* are the main legislation underpinning EEO. The Human Rights Act prohibits employment discrimination, specifically on thirteen different grounds: age, colour, disability, employment status, ethical belief, ethnic or national origins, family status, marital status, political opinion, race, religious belief, sex, and sexual orientation. Employers may choose to adopt EEO policies and practices in order to prevent litigation under these *Human Rights Act* provisions. Under this Act, it is not unlawful to take specific measures to assist individuals or groups as long as it is done in good faith, and these individuals or groups need, or may reasonably be supposed to need, assistance with achieving an equal place in society. In addition, the *State Sector Act*

requires EEO processes and monitoring in public service departments and agencies, and these provisions are soon to be extended to Crown entities.

Anti-discrimination legislation is present in all the four peer nations highlighted here. In this respect, New Zealand's legislation is internationally comparable. Australia, Canada, and the United Kingdom (UK) have comprehensive human rights legislation covering most forms of discrimination (or at least the forms currently identified). The UK *Human Rights Act* is rather more recent (1998) and follows European Union (EU) anti-discrimination directives, most recently on race and employment (religion, age, and sexual orientation). The EU *Treaty of Amsterdam 1999* holds anti-discrimination to be a basic founding principle of the Union and Article 13 of the Treaty gives the legal basis for individuals and groups in EU member states to take action. The United States (US) legislation is distinctive from that of the other three nations. US anti-discrimination provisions are contained in the *1964 Civil Rights Act*, covering racial minorities and women, and the *American with Disabilities Act 1990 (ADA)*, covering people with disabilities. Both acts contain specific employment provisions; Title VII of the *Civil Rights Act* and Title I of the *ADA* are the respective EEO provisions.

### ***Positive Duties***

In contrast to the negative duty incumbent on employers to prevent or avoid discrimination complaints under human rights law, a positive duty requires employers to be pro-active in creating a workplace that is fair and equitable to all people taking into account their diversity and not merely free of direct or intentional discrimination. A positive duty does not prescribe the exact way in which employers should ensure fair workplaces. Determining how best to meet the positive duties is left to individual employers, who can then craft workplace policies to meet their specific needs. The duty, therefore, is to create a working policy, not to follow a legal prescription. Importantly, the approach of requiring employers to meet positive duties recognises that individual employers have more knowledge about their workplaces than do government officials, and that such knowledge should inform the development of workplace policies.

Laws that tell employers exactly what to do (e.g., that employees must be granted a minimum amount of holiday leave per year) are not positive duties. Rather, such laws impose negative duties because employers who fail to meet their exact requirements face the threat of prosecution. Going beyond anti-discrimination provisions, in recent years, legislation placing positive duties on employers to implement EEO is present in Australia, Canada, the United Kingdom, and the United States. For example, Canada's *Employment Equity Act 1995* (amended 2002) requires positive steps (set out in the Act) to be taken by all public and private federally regulated employers, including Crown corporations to identify barriers and implement measures to increase the employment of under-represented groups.<sup>108</sup> Moreover, Ontario and Quebec have

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<sup>108</sup> The Canadian Employment Equity Act 1995 requires employers to: identify and eliminate barriers for members of designated groups; develop positive measures; ensure reasonable accommodation; conduct analyses of workforce to ascertain representation; review employment systems to eliminate barriers; correct under-representation; prepare a plan with qualitative and numerical goals; inform employees of the purposes of employment equity; consult and collaborate with employees and their representatives.

pro-active pay equity legislation that requires individual organisations to carry regular equal pay audits within their own organisation.

US civil rights legislation has placed positive duties on federal employers and contractors to attain EEO goals since the 1960s. The EEO *Executive Order 11246* introduced by President Lyndon B. Johnson requires federal contractors (covering one quarter of the US labour force) to make a “good faith effort” to attain “goals and timetable to remedy the underutilization of minorities and women” (Leiter and Leiter 2002). That is, it is mandatory for organisations covering one quarter of the US labour force to implement EEO policies. The US Congress code 4313 (5) also requires performance appraisal in the senior executive services of federal government to take account of individuals “meeting affirmative action goals, achievement of EEO requirements and compliance with merit principles”. Similarly, the comprehensive and path-breaking *1990 Americans with Disabilities Act* introduced the requirement for employers to provide qualified individuals with a disability an equal opportunity to benefit from the full range of employment opportunities, and to make reasonable accommodation for these employees subject to an undue hardship exemption.

Consistent with EU directives, in the UK the onus is on the respondent (“the employer”) to prove discrimination has not occurred. Therefore, positive action is not only permitted, it may be required to prevent litigation. *The Treaty of Amsterdam* recognises that equal treatment may not be sufficient to overcome the weight of accumulated disadvantage, and that positive action may be needed to “prevent or compensate for situations of inequality”. Moreover, the amended *Race Relations Act 1976* includes a positive duty on all UK public authorities to promote race equality and eliminate discrimination, assisted by conducting regular “race audits”. Closely resembling the US ADA, the *1995 Disability Discrimination Act* places on employers a positive duty to provide a workplace that is accessible to workers with disabilities. Most recently, as a result of the passing of the *Employment Act 2002* employers have a positive duty to consider requests for flexible work arrangements from parents (men and women) with children under six. The new Act sets out the process to be followed and the factors to be considered by employers in reaching their decision and an avenue for judicial review for employees who are parents.

New Zealand’s legislation is weak with respect to positive duties that promote implementation of equal employment opportunity policies and programmes. For example, the New Zealand Human Rights Act states that “Nothing in section 22 of this Act shall prevent different treatment based on disability where... it is not reasonable to expect the employer to provide those services or facilities...” (Part II, section 22).<sup>109</sup> When compared with Australian, Canadian, British and American legal mechanisms, New Zealand’s legislation embodies a strongly negative, anti-discrimination approach. The good employer provision in the *State Sector Act 1988*

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<sup>109</sup> It has been suggested that Sections 73 and 74 of the New Zealand Human Rights Act 1993 contain positive duties. In fact, these sections of the Act merely acknowledge that any measures to ensure equality that have been adopted by an organisation or the Crown do not constitute a breach of the anti-discrimination provisions of the Act. For example, an employer who makes special provisions for a staff member to continue working while pregnant cannot be charged for discrimination against other employees who are not pregnant and who are not receiving this special treatment. This is different from a positive duty. A positive duty exists when legislation requires employers to adopt special measures to accommodate pregnant employees.

sets out a very general positive duty. In light of the international legal developments driving employment equality, there is a rigorous case to be made for the strengthening of positive duties in the existing New Zealand human rights legislation.<sup>110</sup> Alternatively, a new law focusing specifically on employment opportunities might specify such duties to promote EEO and provide guidelines for employers and other groups as to how to make good on their responsibilities. In developing new legislation, New Zealand could learn from Canada, the United Kingdom, and the United States.

## **POLICY COVERAGE**

Beyond the enabling legislation, equal employment opportunities policy provides a framework and set of priorities for implementing employment equity. EEO policy can be quite comprehensive covering a range of issues and areas across the work cycle – from training and hiring to promotion and termination or transition to retirement – and an array of types of policies, for example, leave policies, pay equity policies, workplace diversity policies, work-life balance policies, and so on. EEO policy may be present in both the public and the private sectors, covering the majority of the work force, although the types of policies introduced in each of these sectors may vary depending on the legislative environment.

In New Zealand, EEO policy is strongly present in the public service and the public education sector where it is underpinned by legislated duties. In these sectors EEO policy is most developed around hiring and promotion, and in terms of leave and other work-life balance policies that apply to those currently in the organisation's workforce. EEO policies are also monitored by central agencies in some of the state sector, such as the State Services Commission, the Ministry of Education, and the Education Review Office. There is no legal requirement for private sector employers to adopt EEO policies. Nonetheless some organisations have developed EEO policies, as ascertained by the annual reports of New Zealand's 100 largest organisations and the annual diversity index of the EEO Trust that provides information on more than 200 private sector organisation members. Typically private companies have leave policies and work-life balance policies to retain existing employees and attract the best new employees. There is little evidence however that New Zealand private firms have EEO policies to ensure the workplace environment, training, and equal pay for example are available to all employees. There is no monitoring of policy impact and effectiveness in the private sector other than the voluntary annual survey of the EEO Trust.

In the United States, given the constitutional power of the United States Congress to regulate commerce, EEO legislation reaches the enormous private sector labour market as well as the public sector. The legislative requirement that all federal contractors must have an EEO plan in place has led to the widespread adoption of EEO policies in private and not-for-profit organisations. As a result EEO policies are also quite comprehensive in the United States. Moreover, these policies often involve

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<sup>110</sup> At present, under the Human Rights Act 1993, having an anti-sexual harassment policy in place may serve as a defence for employers in the case of an employee sexual harassment complaint. In effect, this constitutes a positive duty. This could serve as a model for the development of positive duties in other areas of EEO.



“affirmative actions”<sup>111</sup> to redress manifest imbalance in the group representation in a given occupation or workplace, or to promote diversity of group representation. For example, the US federal government requires departments and agencies to annually formulate affirmative action plans for their employees and minority recruitment programmes to eliminate minority under-representation in specific federal job categories. Each programme is monitored by the Equal Employment Opportunity Commission and must be accompanied by quantifiable indices by which progress toward eliminating under-representation can be monitored. In the private sector, especially among large corporations, minority recruitment programmes are also common, as are diversity rationales in hiring and promotion. Although the diversity rationale has yet to gain explicit Supreme Court approval, voluntary affirmative action plans are permissible under Title VII of the *Civil Rights Act* in traditionally segregated job categories. Moreover, the Supreme Court has accepted in the recent University of Michigan decision that the diversity of a workplace (or educational institution) is one factor that can be taken into account in recruitment decisions.

In the United Kingdom, equal employment opportunities policies have undergone considerable development and extension in recent years. For example, statutory codes have been drafted to guide public sector organisations in carrying out their “race duties” under the law by among other things completing comprehensive race audits of all their workplace policies (not merely their EEO policies). Parental leave across UK workplaces has been extended and granted to fathers as well as mothers. Also moving away from the traditional focus on women only of some EEO policies, Whitehall has set “gender targets” for some segregation occupations to benefit men and women.<sup>112</sup> Work-life balance policies have also been implemented in a large proportion of UK organisations, prompted by changes to the employment legislation in 2002. In the civil service, the civil management code requires all departments and agencies to monitor their EEO policies. Such monitoring is less commonplace in the private sector. According to the *Work/Life Balance Baseline Survey 2002* (UK Department of Education and Employment 2002), the incidence of EEO policies and take-up is greatest in the public sector and in larger workplaces where written policies are in place. Sixty-four percent of surveyed UK workplaces had no mechanism in place to monitor work-life balance practices.

In Australia, EEO policies are mandatory across the federal and state public sectors. They require public organisations to have EEO plans and to monitor EEO progress. But a variety of EEO policies have also been developed among many private sector organisations. According to a recent International Labour Organisation report 90% of large enterprises and 37% of small and medium enterprises in Australia have EEO plans (Perotin 2002). This relatively high incidence of EEO policies in the Australian private sector is largely the result of two factors. First, organisations with more than 100 employees are required to be registered with the Equal Opportunity for Women Workplace Agency (EOWA) and to report annually on their EEO programmes, the

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<sup>111</sup> “The principle of affirmative action as a remedy for disparate impact [unintentional discrimination] posits that, by its very nature, systemic bias against protected groups requires a cure that goes ‘beyond compensation to individuals for direct individual injury’ which remedy is provided by disparate-treatment law” (Leiter et al 2002: 53).

<sup>112</sup> Two occupations that have been targeted for greater gender balance are childcare where men are currently less than 3 percent of the employees and the science and technology field where women are under-represented.

design of which is not dictated by law but determined by the organisations themselves. The EOWA also gives these private organisations considerable assistance in developing their EEO policies and training their managers and staff in EEO practices. The second factor encouraging the relatively high incidence of EEO policies in Australian private firms is the industrial bargaining process, supported by the *Workplace Relations Act 1996*. Through the bargaining process work/family policies became a new and common feature of collective agreements in the late 1990s (Whitehouse 2001; OECD 2002: 177-9, 202-3).<sup>113</sup> However, concerns have been raised that these work/family policies were introduced in collective agreements in the context of lower overall pay increases.

Canadian EEO policies like those in Australia, the United Kingdom, and the United States have been designed to address systemic, unintentional discrimination as well as the more direct, intentional forms of discrimination. All public and private federally regulated employers (covering approximately one million workers in the Canadian labour force) may voluntarily comply with the *Employment Equity Act* by adopting EEO policies. However, these organisations are subject to a two-stage audit of their policies, which is a major incentive for them to both implement and monitor EEO. Indeed, the Review of the *Employment Equity Act* (Canadian Human Rights Commission, 2002) found that “most employers comply with the Act [and implement EEO policies] only when audited”. As a result of the audit process more than 90% of organisations covered under the Act were found to have satisfactory EEO policies and performance, although only one organisation was found to be in full compliance with the act.<sup>114</sup> At the provincial level, seven out of ten provinces have mandatory EEO policies for the public service; only Quebec requires private sector organisations to adopt EEO policies. However, in recognition of continuing systemic discrimination despite EEO policies, the Canadian government introduced the *Embracing Change* initiative in the federal public service. This initiative sets targets to substantially increase the employment of more visible minorities by 2003.

The coverage and comprehensiveness of New Zealand’s EEO policy has not kept pace with the tendencies and trend of its peer nations in at least three areas. First, in most countries, explicit targets have been set by both governments and organisations to improve the diversity and representativeness of their workforces and to ensure that the merit principle in recruitment and promotion is applied in the most rigorous and equitable manner. There is only limited use of target-setting in New Zealand by individual public service departments under the EEO to 2010 policy. Second, in a number of countries, both the government and union sector have set the standards for work/life balances policies through legislation, their own practices and industrial agreements. Although the Department of Labour in New Zealand has begun to consider what can be done to encourage such policies, no actual employer duties or incentives in this area have been introduced as yet. Third, in contrast to its peer nations, New Zealand’s EEO policies do not apply to private sector organisations nor are they rigorously monitored or audited in the public or private sectors. Therefore, the vast majority of New Zealand workers do not benefit from carefully planned, tested, and continually improved equal employment opportunity policies. In future

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<sup>113</sup> In Australia, work-family policy is the prevalent term, whereas in New Zealand most organisations tend to refer to these policies as work-life balance policies.

<sup>114</sup> This organisation was the federal department, *Status of Women Canada*.

efforts to develop EEO policy, New Zealand should benchmark with Australia and the United States with respect to policy coverage.

## **INCLUSIVENESS**

Depending on historical, institutional and cultural context EEO policies may include a focus on different individuals and groups. As we have argued, EEO policies can be expected to change over time as new individuals and groups are identified as disadvantaged or under-represented in the workforce as a result of intended or unintended discrimination. Formally the Human Rights Act covers 13 grounds of discrimination: age, colour, disability, employment status, ethical belief, ethnic or national origins, family status, marital status, political opinion, race, religious belief, sex, and sexual orientation. Yet in the 1980s, EEO policies in New Zealand tended to cover mainly Māori and women and were developed with the needs of these groups in mind. These policies reflected the increased self-awareness and activism of Māori and women in society and in the labour force. Today, however, EEO policies in New Zealand are beginning to reflect some of the concerns and inequities experienced by people with disabilities in the workplace. To a lesser extent EEO policies are starting to pay attention to the needs of newly settled immigrant workers for whom English is often a second or third language. There is considerable room within the legislated duties of New Zealand public sector organisations to designate their own “equity groups” to be the focus of EEO policies and their monitoring. For example, in some public service and education organisations, parents are recognised as an equity group to be taken into account in the drafting of employment practices and policy.

In Australia, most government and private sector EEO policies focus on women, people with disabilities, Aboriginal and Torres Strait Islander people, and members of racial and ethnic minority groups (sometimes referred to as “migrants”). Australian women have clearly benefited the most from the adoption of EEO policies. A single federal agency is devoted to developing EEO policies specifically for women, providing EEO training, and monitoring women’s employment position within more than 2000 workplaces. The 2003 Equal Employment Opportunities Network Association Survey found that EEO programmes in sixty member organisations *do not* target diverse groups: Women, people with disabilities, persons harassed or responsible for caring were found to be the main targets of these programmes. Moreover, in a study of male managers in Australia, Eveline (2001) found that although parental leave policies were available to men as well as women, fathers were subject to greater employment and career penalties than women for taking longer leave around the birth of a child. Australian society and culture has yet to accept that men and women should be able to benefit equally from EEO practices and policies.

In Canada four designated groups are the explicit target of EEO legislation and policy: women, Aboriginal peoples, people from a visible minority, and people with disabilities. Again, women have been the most visible beneficiaries of EEO policies. However, several Canadian provincial governments have made significant progress in improving outcomes for Aboriginal peoples, while the Canadian federal government has made the employment of visible minorities a key target of a new initiative in the public service. People with disabilities have been well served by Canadian EEO policies. Yet, the 2002 Review of the Canadian *Employment Equity Act* found they continue to make the least progress in the labour force and are severely disadvantaged

especially in the private sector. The review recommended that a concerted employment strategy for people with disabilities be the focus of future Canadian EEO policy and legislation.

In the United States, three broad groups are the focus of efforts to improve equal employment opportunity; women, racial minorities (including, African Americans), and people with disabilities. In contrast to the Canadian and Australian cases, it was not women but African Americans and their movement for civil rights that represented the earliest struggle for equal employment in the United States. Given their history of slavery, African Americans had both a common grievance and visible evidence of discrimination in the labour force to ignite their struggle. The *1964 Civil Rights Act* was the first comprehensive statement of EEO. Following the African American movement, the US women's movement argued for women to be included in Title VII of the *Civil Rights Act*. However, it was not until the creation of the National Organisation of Women in the late 1960s, led by Betty Friedan, that the Equal Employment Opportunity Commission began to take the ban against employment *sex* discrimination in Title VII as seriously as the Title's ban on *race* discrimination (Leiter et al. 2002: 33).

Racial minorities other than African Americans are typically officially included in US EEO policies. However, it has often been argued that US EEO policies are over-inclusive to the detriment of African Americans, who some believe to be the most disadvantaged group in the US labour market. For instance, post 1990 Census statistics on minority business ownership show that treating Asian Americans as a single category is clearly over-inclusive since Korean Americans stood at the very top of all groups surveyed, Laotian Americans at the very bottom (Leiter and Leiter 2002: 35). People with disabilities are among the most disadvantaged in the US labour market with nearly half of those able to work unemployed (Switzer 2003). In addition to the ADA 1990 legislation, the US federal government's *New Freedom Initiative* specifically recognises the employment needs of people with disabilities, delivering programmes and grants to employers who alter their workplaces to employ people with disabilities.

In the United Kingdom, women, racial and ethnic minorities, and people with disabilities are the main target groups in EEO policies. Separate legislation and separate agencies have been created to serve the equity needs of these three broad groups – the Commission for Racial Equality, Equal Opportunity Commission (women), and the Disability Rights Commission. Recently however, following EU directives, Britain has had to adopt new provisions to cover older workers, lesbian and gay workers, and religious minority workers. The addition of these new groups however, did not lead to the adoption of new legislation or institutions. This inconsistency gave rise to a perception that EEO law and policies are piecemeal, and encourage a hierarchy of rights. In response to these concerns, a major review of the existing human rights legislation and institutions took place in 2002-3 with widespread consultation of stakeholders. As a result of this review, in November 2003, the UK government announced that a single Equality Commission would be set up covering all groups, and giving recognition to the notion that human rights are universal and indivisible.

New Zealand's EEO policies are increasingly inclusive, but there is considerable room for improvement. Like peer nations, people with disabilities have not so far received the equal treatment that they deserve in the labour force in part due to the lack of EEO policies and mechanisms targeted to their specific needs.

Women have often benefited the most from EEO policies in New Zealand as well as in Canada and Australia, but unlike these countries, New Zealand women do not have strong legislation or administrative agencies to track their progress and audit policies supporting their employment in both public and private sectors. Given this difference it is not surprising that a greater proportion of women participate in the paid labour force in Canada and the United States than in New Zealand. Overall, while New Zealand could do more to support particular disadvantaged groups, it does well with respect to acknowledging the needs of a broad range of groups. On the criterion of inclusiveness, more could be learned from the United Kingdom.

## GOVERNANCE

Responsibility for creating, developing and monitoring EEO policy is crucial to EEO progress. Institutional mechanisms are required to ensure that employment equity becomes a routine aspect of employment practice and workplace culture. Where the governance arrangements for EEO are dispersed and not given high-level organisational support EEO progress can suffer. Generally, specific institutions are designated by government to be responsible for the implementation and ongoing development of the EEO framework.

In New Zealand the Human Rights Commission, specifically the EEO Commissioner who took up the position in 2003, has assumed the role of guiding EEO policy. Between November 1990 and 2002, following the rescinding of the *1990 Employment Equity Act* and the Commission set up to administer that legislation, there was no administrative agency charged with the task of overseeing EEO policy development and monitoring in New Zealand. The EEO Trust has existed since 1991. However, its brief has been to promote EEO in an educative capacity. It has never had the resources to develop policy through research or the authority to monitor EEO policy. The New Zealand State Services Commission has as one of its roles to promote EEO across the public service. However, since 1997 EEO responsibility has been devolved to individual departments and chief executives. Therefore, the SSC serves primarily as a clearinghouse and a data collection repository rather than an agency which is responsible for the policy direction and monitoring of EEO in the public service.

In Australia there are two federal, independent statutory agencies responsible for the EEO policy and legislative development. The Human Rights and Equal Opportunity Commission administers its own Act, the three group-specific Acts,<sup>115</sup> as well as having specific responsibilities under the *Native Title Act 1993* and the *1996 Workplace Relations Act* with respect to equal pay. The Equality of Opportunity for Women in the Workplace Agency administers the *1999 EOWA Act* and provides significant EEO training and policy assistance to employers and organisations. Both agencies report to the Federal Parliament through the Attorney-General. At the state-

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<sup>115</sup> The three group specific Australian laws are; Racial Discrimination Act 1975, Sex Discrimination Act 1984 and the Disability Discrimination Act 1992.

level, all states have independent statutory commissions devoted to eliminating discrimination and monitoring EEO for all groups in public employment. For example, in New South Wales (NSW) there is an Anti-Discrimination Board (ADB) that administers the *NSW Anti-Discrimination Act* and is therefore responsible for the development of the legislative and policy framework for protecting human rights, including the right to employment. The ADB engages in significant training and research activities in order to promote anti-discriminatory, equal employment practices. In addition, in New South Wales there is an Office of the Director of Equal Opportunities in Public Employment that is responsible for monitoring EEO plans and outcomes in the NSW public service.

In Canada, the Canadian Human Rights Commission (HRC) monitors compliance with the *Human Rights Act* and the *Employment Equity Act* by federal agencies and contractors (covering one quarter of the workforce). Like the New Zealand Human Rights Commission, the Canadian HRC investigates discrimination complaints but it also has the power to initiate complaints, for instance, in cases of systemic discrimination. However, the institution has never used this power. There is also institutional responsibility for EEO policy at the provincial level, at least in seven of the ten provinces. In Saskatchewan, the Human Rights Commission is primarily responsible for monitoring EEO in organisations that volunteer to be audited. In Manitoba, the Public Service Commission monitors EEO in the provincial public service. In British Columbia, there is an Equal Opportunity Secretariat that monitors the progress of EEO policy implementation in the entire public sector, including Crown corporations, and seeks to promote EEO in partnership with non-governmental organisations. The director of the Secretariat reports to a senior cabinet minister.

In the United States, the Federal Equal Employment Opportunity Commission (EEOC) has the major responsibility for developing EEO guidelines and monitoring EEO policies under the law. Since its establishment in 1965, the EEOC has interpreted its legislative purpose as improvement in the objective position of minority groups and not merely the requirement to ensure equal treatment. For example, the EEOC has issued guidelines to protect employers and unions from charges of “reverse discrimination” where they voluntarily take action to correct the effects of past discrimination. It has considered individual complaints at the same time as carrying out a self-initiated programme to investigate systemic discrimination independently of these complaints (Leiter and Leiter 2002). The Office of Federal Contract Compliance Programs is also charged specifically with enforcement of the mandatory affirmative action policy covering one quarter of the total US workforce employed by federal contractors or subcontractors. The office conducts compliance reviews and investigations and responds to request for technical assistance with EEO policy analysis. However, the gap between the small size of its office (800 employees) and the large scope of its coverage limits the effectiveness of the agency (Crosby and Van De Veer 2000: 15). But the scope of the US federal EEO law has not only empowered bureaucratic institutions to promote and monitor EEO it has given rise to a market mechanism for EEO. For example, in competition for minority recruits, large corporations cultivate and market their affirmative action programmes, with numerical goals, such that affirmative action has increasingly become part of the organisational culture of big business in the United States.

In the United Kingdom, the governance of EEO is somewhat diffuse. Currently independent commissions (Racial Equality, Disability Rights (2000), Equal Opportunity) exist to develop and monitor policy for EEO groups primarily through a complaints-based process not unlike New Zealand's Human Rights Commission. These commissions can engage in formal investigations into specific and general matters, institute legal proceedings, and issue non-discrimination notices, which are subject to judicial review. A new single equality commission will soon dissolve these independent commissions and take up the overall responsibility for administering EEO legislation and developing EEO policy. The working title of the body will be the *Commission for Equality and Human Rights*. In addition to the independent commission, the Women and Equality Unit and the Work/Life Balance Unit in Department of Trade and Industry respectively contribute to EEO policy development, although they do not themselves have monitoring functions. In the civil service, the Corporate Strategy and Diversity Division of the Cabinet Office oversees EEO policy development, although policy targets and monitoring have been devolved to individual departments and agencies.

Compared with its international peers New Zealand has relatively limited and under-resourced institutional mechanisms for the ongoing development and monitoring of EEO policy. Employment is just one of many areas of discrimination covered by the Human Rights Commission, and it is primarily monitored through individual complaints rather than through systemic audit and research capacities. When EEO central governance structures were reviewed in Canada and Australia in the late 1990s they were strongly supported, and indeed resources were increased to enhance the audit powers of the institutions charged with monitoring EEO policies and progress. In further developing the governance of EEO in New Zealand, we consider that New Zealand should work to improve on the present structures, rather than seek to attain a particular international benchmark.

## **LEADERSHIP**

Leadership of EEO may involve a variety of efforts "from the top" by managers, politicians, and business leaders to raise awareness of specific or general EEO issues and promote EEO policies and outcomes. Such leadership often involves making explicit, affirming public statements about equity and setting equity goals to which all should aspire to. Above all, it involves demonstrating the political will to go beyond rhetoric by implementing successful EEO initiatives.

In New Zealand since 1990 leadership on EEO has been largely absent. This is despite the championing of diversity in the workplace by the EEO Trust and the statutory duty of the State Services Commissioner and other senior public servants to promote EEO. However, the institutional location and resourcing of the Trust are not sufficiently powerful to lead the way on EEO in New Zealand's public and private sectors.

In Australia, EEO leadership has been present although the role of the Human Rights and Equal Opportunity Commission was challenged in a 1995 decision which deemed its powers to have infringed the Australian Constitution. The legal decision made clear that binding order lies with the Australian federal judiciary and not an administrative agency. Since this decision, funding for HREOC has been reduced.

The Australian EEO Network Association 2003 Survey found that “social justice, personal leadership and legal pressure” are the critical drivers of EEO change in the public sector. But it also found that only 5% of public sector managers are accountable for diversity outcomes.

In Canada, the federal government has recently introduced a more promising development for EEO leadership. In 2002-2003 the Clerk of the Privy Council has included employment equity objectives in the performance agreements of Deputy Ministers (equivalent to New Zealand public service chief executives). It is expected that DPs will pass on these accountability standards to their senior executives in the federal public service, and that they in turn, will have an incentive to take the lead on EEO goal-setting and outcomes.

In the United Kingdom, the need for radical change in the workplace and EEO leadership was prompted in the 1990s by the Lawrence inquiry into racism in the Metropolitan Police.<sup>116</sup> This crisis event led to many high level politicians calling for an overhaul of the public service and its record on race equality in particular. EEO leadership in the civil service has been taken up at the highest level by Prime Minister Tony Blair. Blair has set targets for the representation of ethnic minorities (3.2%), women (35%; 25% of top 600 posts) and staff with disabilities (3%) in the upper echelons of the civil service by 2004/5. The British civil service has also appointed the Chairman of Inland Revenue as the civil service “Diversity Champion”. Despite these initiatives however, in 2003 Lord Anthony Lester criticised the UK government for its lack of political will in prioritising equal opportunities. In her 2001 report on women’s employment in Britain, Denise Kingsmill (2001: 67) called on top managers in the private sector to take a lead in the management of human capital to ensure that women’s employment potential is fully utilised.<sup>117</sup> EEO leadership requires this continual, constructive criticism. In 2003, Trade and Industry Secretary, Patricia Hewitt wrote to five hundred of the UK’s top companies urging them to benchmark staff diversity.

In the United States, President Bill Clinton sustained affirmative action policies within US law by choosing to interpret the Supreme Court decision in *Adarand* as calling for the mending and not the ending of affirmative action. In Clinton’s interpretation, racial and ethnic affirmative action goals were subject to the highest standard of judicial review but nonetheless valid where there was evidence of discrimination. Most recently, President George W. Bush has shown EEO leadership by publicly recognising the difficulties faced by Americans with disabilities in securing and maintaining employment. The Bush administration’s *New Freedom Initiative* aims to increase the labour force participation of people with disabilities by offering a package of practical incentives to both employers and employees with disabilities to work together.

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<sup>116</sup> The Lawrence inquiry found the Metropolitan Police to have knowingly and systemically covered up the murder of a Black teenager (the Jamieson case) of Jamaican origin by white male teenagers. The court case and the inquiry that followed was surrounded by a major public outcry in the United Kingdom.

<sup>117</sup> Only 23% of employers in the Opportunity Now 2002 survey of more than 200 companies had equality/diversity goals in manager’s performance appraisals.



In comparison with peer nations New Zealand has little EEO leadership. A range of EEO leadership models exist in other countries. These models could be emulated by New Zealand politicians and government and private sector leaders wishing to make EEO a priority in the New Zealand labour force. Recent efforts to improve EEO leadership in the United Kingdom offer a good benchmark for New Zealand.

## **INFRASTRUCTURE**

To be innovative and effective equal employment opportunities programmes need to be well resourced. As well as funding programmes and policy analysis, it is generally acknowledged that resources need to be devoted to education campaigns to raise awareness of EEO issues in the workplace and in society at large. In New Zealand since 1990 the infrastructure supporting EEO policy development and awareness has largely consisted of the government EEO contestable research fund (now defunct), a small office in the State Services Commission, the EEO Trust, and the EEO unit in the Human Rights Commission. We estimate that the funding of this infrastructure in total amounted to less than two million New Zealand dollars per annum, a small sum to support equity initiatives across the entire New Zealand workforce. We also note that annual funding for the EEO Unit of the Human Rights Commission is extremely limited. Other countries have devoted considerably more funding to infrastructure projects that support EEO.

In 1998 the Canadian federal government introduced a “federal positive measures programme” to fund innovative projects that could test and refine best practice in EEO and promote cooperation across federal public service departments and agencies. In the first year of this programme, sixty-six new projects were funded amounting to approximately five million Canadian dollars.

In Australia, as well as setting up a Disability Discrimination Unit within the Human Rights and Equal Opportunity Commission following the passage of the 1992 *Disability Discrimination Act* (DDA), the federal government established Disability Discrimination Legal Centres across Australia to assist people with disabilities with the legal and conciliation processes involved in making human rights complaints. Since these processes can be very expensive for individuals, the provision of legal assistance was seen as crucial to the meaningful implementation of DDA. In Australia also, the Equal Opportunity for Women Agency (EOWA) provides considerable support to businesses in preparing their annual reports on EEO progress, and with EEO training and policy implementation.

In the United States, the Equal Employment Opportunity Commission is a large bureaucracy devoted to analysing EEO data to statistically demonstrate racial, ethnic and gender disparities in order to support remedial action and discrimination cases. The EEOC makes this EEO data publicly available for researchers to further analyse and draw policy implications. The US Office of Federal Contract Compliance Programs, although smaller than the EEOC, also engages in data analysis. Yearly it conducts over 4000 compliance reviews of organisations and investigates 800 companies in-depth (Crosby and Van De Veer 2000: 15).

In the United Kingdom, as already noted, the EEO infrastructure is dispersed. In the government there are the Women and Equality and Work/Life Balance Units in Department of Trade and Industry and a Race and Ethnic Equality Unit in the Home

Office that monitor EEO across the United Kingdom. There are also EEO policy units in the devolved administrations in Scotland, Wales and Northern Ireland. Independent commissions for race equality, equal opportunity and disability rights have both an advice-giving and an enforcement role. EU Directives require bodies with the power to assist complainants. For example, at the Commission for Racial Equality there are fifteen Commissioners, 200 staff and a country-wide network of 100 Racial Equality Councils. In the Disability Rights Commission, caseworkers work with individuals on conciliation.

Overall, the infrastructure devoted to EEO implementation in New Zealand is minimal compared with that in other countries. Perhaps New Zealand's small size and the fixed costs associated with such efforts make it harder to justify the costs of such policy efforts. Yet infrastructural resources are crucial if EEO is to be taken seriously by New Zealand employers and employees. New Zealand should learn from the design of infrastructure supporting EEO in Australia, Canada, and the United Kingdom.

## **REPORTING REQUIREMENTS**

EEO reporting provides an opportunity for organisations to take stock of their EEO goals and achievements and consider how they might be improved upon. Reporting may be mandatory or voluntary depending on the legislative framework for EEO. Taken together, the individual organisational reports can be analysed by EEO agencies to assess progress across organisations, occupations and industries in the workplace. EEO agencies can use these reports to identify patterns of where progress has occurred and where it has not, and examples of best practice, with the aim of continually improving a nation's overall EEO report card. The information contained in EEO reports should also be publicly available for researchers and employees so that EEO progress can be compared across organisations and sectors of the economy.

In New Zealand, mandatory EEO reporting is required primarily in the public service and some public sector organisations, for instance, tertiary education organisations. It is anticipated Crown entities will be required to report on their EEO programmes when the Public Finance (State Sector Management) Bill becomes law. However, these public sector organisations do not all report to the same administrative agency. In the private sector, and the public health sector, there is some evidence of voluntary EEO reporting in annual financial reports. Typically, information about various EEO policies is included in these annual reports, although data on the representation of EEO groups in the workforce is generally not provided in these reports, making even rudimentary analysis of EEO progress extremely difficult. The EEO Trust's annual diversity index is developed from yearly surveys of member organisations on a range of EEO and diversity issues. This index does allow some comparative analysis and benchmarking of EEO Trust member organisations. But since most private sector organisations are not members of the EEO Trust this information does not support a scorecard of EEO progress in New Zealand.

In Australia, mandatory EEO reporting is required in the federal and state public services, but beyond this the *Equal Employment Opportunity for Women in the Workplace Act 1999* requires mandatory annual reporting of public and private organisations with more than 100 employees. These organisations are identified and

registered by EOWA. Organisations judged to be “best practice” can have their annual reporting requirement waived for three years. Organisations that do not comply are subject to audits through workplace visits, and further reporting. As a last resort, non-compliant companies can be named in the Federal Parliament. Although reporting is mandatory, the form of reporting is non-prescriptive. Organisations can choose how they wish to report as long as four areas are covered: 1) Analysis of the organisation’s equity issues for women based on workplace profile; 2) Priority areas for achieving equity; 3) Action plan; 4) Measures used and outcomes achieved. The 1998 Regulatory Review of the *1986 Affirmative Action Act* recommended a change from the step-based approach to reporting to a more straightforward, non-prescriptive approach. Such an approach, the Review argued, would be more consistent “with an outcome-focused business environment that leaves managers to determine the processes that are most effective in delivering outcomes at the workplace level consistent with overall corporate objectives”. However, the open-ended, non-prescriptive approach to EEO reporting does present problems for data collection and reliability. Braithwaite and Bush (forthcoming) note that organisations do not record information on all EEO issues even on those issues where there is clear evidence of workplace discrimination.<sup>118</sup> Between 1989 and 2001 99.3% of organisations complied with the equal opportunities for women mandatory reporting requirement; on average 50 companies each year were recalcitrant.

In Canada, there is a *positive duty* for federally regulated employers to report to Human Resources Development Canada and for federal public service departments to report to the Treasury Board. The respective ministers of these departments are responsible for filing annual reports on EEO progress to the federal Parliament. The Canadian Human Rights Commission audits organisations under the *1996 Employment Equity Act* and refers non-compliant cases to the Employment Equity Tribunal for legal proceedings. The 2002 Review of the *Employment Equity Act* found that most employers report only when they are audited. At the provincial level, mandatory EEO reporting is required in two provinces only; British Columbia and Manitoba. In their comparison of EEO across Canada, Bakan and Kobayashi (2000: 59) argued that detailed annual reports on employment equity achievements should be mandatory. They found that, “those provinces with a mandatory reporting system are also the provinces where employment equity is most developed and where there is a higher level of accountability. Reports should be produced and made widely available”.

In the United States, since 1966, the EEOC has instituted a national, annual reporting system covering private and public employers, unions, and apprenticeship committees. These organisations must file annual reports and fill out the EEO-1 survey identifying the number of employees, union members and apprentices by job category, race, sex and national origin. All employers with more than 100 employees or with federal contracts of \$50,000 or more must comply with this reporting requirement. In addition, every justifiable affirmative action plan or programme is required to contain three elements: 1) reasonable self-analysis; 2) reasonable basis for concluding action is appropriate; and 3) reasonable action.

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<sup>118</sup> For instance, Braithwaite and Bush (unpub) note that pregnancy was rarely reported on by registered organisations reporting to the EOWA, although where the HREOC was prompted to conduct two general inquiries into pregnancy discrimination in 1999 and 2001 due to the large number of complaints.

In the United Kingdom, EEO reporting in the civil service has been devolved to individual departments and agencies. However, in recent years, equal pay reviews, reporting, and action plans have been made mandatory across the civil service. These efforts have been initiated primarily to identify and eliminate gender pay gaps. National Health Service organisations use equality indicators in regular reports to the board, and publish an equality statement as part of the annual report and accounts. All public bodies must publish a race equality scheme, with action plans and monitoring exercises. These schemes must identify key equality goals and outcomes, and the progress made toward them. By the 2002 deadline for the publication of these schemes only thirty percent of authorities had complied, and fifty percent of education bodies had not set any race equality outcomes. Denise Kingsmill has recommended that the UK government “use financial levers where there is unacceptable progress or reporting” (2001: 49).

In the UK private sector, the Kingsmill report on women’s employment recommended a new form of annual reporting, an Operating and Performance Review (OPR) for companies with more than 500 employees. Kingsmill argues that human capital management is poorly documented in corporate annual reports. To get beyond “boiler plate reporting”, the OPR would integrate reporting on EEO programmes and outcomes with key corporate objectives to enable shareholders, employees, and others to assess overall corporate performance.<sup>119</sup> A new Equality Bill before the UK Parliament in 2003 includes a *positive duty* on all large employers to carry out periodic reviews of the composition of their workforce and their employment policies and practices.

New Zealand currently has very limited requirements for EEO reporting, mandatory or voluntary. As a result, EEO policies and implementation cannot be effectively monitored and EEO progress cannot be easily ascertained. Reporting requirements in Australia, Canada, and the United Kingdom have been strengthened since the late 1990s, and provide an important stock of information for benchmarking EEO progress across organisations in those countries. For example, in Canada, it has been acknowledged that organisational audits are necessary to encourage employers to comply with their positive duty to report under the *Employment Equity Act*. Moreover, there is a move internationally to promote new models of EEO reporting as part of the human capital management and/or social dimension of private companies annual financial reports (see Suggett and Goodsir 2002). New Zealand has much to learn from these initiatives, as well as practices in the United States, if it seeks to seriously advance EEO in the workplace. New Zealand should work towards a system where as many employers as practicable are required to meet a positive duty to report on their EEO efforts and progress. This should be supported by random audits.

## MEASURES OF PROGRESS

EEO progress can be measured in a variety of ways but it generally requires setting of qualitative criteria or quantitative benchmarks against which progress can be assessed. Benchmarks could be based on the past EEO performance of an organisation in a

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<sup>119</sup> Hermes Investment Management Company argues that “investors will only put value on measures of the employment of women once they have data on which to work. Companies should consider publishing appropriate statistics as part of their non-financial reporting” (Kingsmill 2001: 66).

given year or they might involve normative goals – such as numerical ‘targets’ – that the organisation aspires to achieve and against which its performance can be measured at regular intervals.

In New Zealand EEO progress in the public service is measured, among other things, against five-year targets that individual departments voluntarily set. In the public education sector progress is assessed in a more ad hoc way with increases in the representation of designated EEO groups reported as a measure of progress. For those members of the EEO Trust EEO progress is measured against their previous year’s performance determined by their self-responses to the Diversity Index survey, and in comparison to their peer organisations who are also members of the Trust. Neither the public nor the private sectors in New Zealand engage in rigorous trend analysis or tracking of EEO data, policies and their implementation. By omission, this situation does seem to indicate that there has been lack of progress on EEO issues in New Zealand. Indeed, one of the rudimentary indications of EEO progress is the willingness and the capacity to monitor equality processes and outcomes in the labour force.

In Australia, EEO progress tends to be judged in terms of the representation of groups in the workforce relative to their numbers in the population. Therefore, an increase in the full-time participation rates of designated EEO groups is considered to be an indication of EEO progress. Increases in the proportion of an EEO group in management roles, and in their remuneration relative to the dominant group (e.g. men, able-bodied people, or white Australians) are also considered to be indicators of EEO progress. The New South Wales government has adopted an index of 100 to determine the extent to which the wages of an EEO group are equally represented across all salary categories (NSW Government 2001). Another more complex indicator of EEO progress commonly used in Australia is the extent to which the occupational segregation of EEO groups decreases over time (particular their concentration in low-skilled, low-paid occupations and sectors). Additional indicators to measure EEO progress in Australia include the retention rate of employees, increases in the representation of EEO groups in occupations where they are traditionally under-represented, the proportion of chief executives and managers that have EEO accountability in their performance agreements, and the proportion of employees who perceive a discrimination-free workplace in workplace climate surveys of employees.

The Australian EOWA tracks the increase in numbers of private sector organisation with an EEO policy as an indicator of EEO progress. For example, in 1990 45% of organisations had an EEO policy. By 1995 this number had increased to 76%. Using mandatory annual reports of organisations, the EOWA groups organisations into three stages of EEO development: 1) Starting Out; 2) Moving Forward; 3) Leading the Way. This enables the agency to track the change in the proportion of organisations in these categories over time, and therefore, progress in EEO implementation. In New South Wales, the state government reports EEO progress against three main outcomes criteria based on a survey of departments: 1) A diverse and skilled workforce; 2) Improved employment access and participation for EEO groups; 3) A workplace culture displaying fair practice and behaviours. Moreover, using this same survey the NSW government compares the relative performance of agencies on equity within

ministerial portfolios (i.e. within similar industries) to promote cross-department learning as well as benchmarking EEO progress.

In Canada, EEO progress is measured by tracking reductions in gaps between the organisational representation and the labour market availability of designated groups.<sup>120</sup> The review of the Canadian Employment Equity Act found that the combined workforce of private sector employers in compliance with Act was more representative on this criterion than was the combined workforce of those employers who had not yet been audited or completed the audit process (2002: 16-17).

In the United States, EEO progress is measured primarily in terms of change in the relative occupational distribution, income, and unemployment rate of EEO groups. For instance, Holzer and Neumark (2000) found that the wages of women and minorities in affirmative action workplaces were 10% higher than in non-affirmative action workplaces. In order to qualify for federal contracts as a 'minority-owned business' (MBE), the government must show that the minority capacity in a particular industry is greater than the government utilisation of that capacity in dollar terms. Therefore, over time, EEO progress has been achieved if the federal government equally utilises minority businesses relative to their industry proportion. Darity and Mason (1998) analyse EEO progress in the US using four forms of evidence: 1) wage and employment regressions to reveal wage gaps between groups 2) the presence of discriminatory help-wanted advertisements 3) the findings of random audit and correspondence studies and 4) the number of discrimination suits/complaints. On the basis of their review of this historical evidence, Darity and Mason (1998) concluded that race discrimination has diminished somewhat over time, gender discrimination has been substantially reduced, but both forms of discrimination continue to exist in the United States.

In the United Kingdom, indicators of EEO progress are similar to those in other countries. However, there are some novel approaches to measurement that are also being practiced. For example, the not-for-profit organisation, Opportunity Now (2003) conducts an annual benchmarking survey of its 700 or so members. This survey used a 0-6 point scale across three categories determining EEO motivation, EEO actions, and EEO impact, and tracked the comparative EEO progress of their member organisations. The civil service uses targets for EEO groups against which to measure their progress in the diversity of representation. Similarly the UK government has implemented gender targets against which progress is to be measured.<sup>121</sup> In addition, the UK government conducts a national sample citizenship survey to judge individual and race group perceptions of equal employment in the public sector. Specifically whether people feel they would be treated worse, better or

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<sup>120</sup> The panel reviewing the Canadian *Human Rights Act* in 2000 concluded that, "the Employment Equity Act (EEA) is based on the assumption that the best demonstration that a workplace is free of systemic discrimination is that the representation of disadvantaged groups in the employer's work force reflects their representation in the pool of available workers. In this way, the EEA shows a way in which discrimination may be approached on a systemic basis. Furthermore, the EEA is based on a proactive approach. It requires employers to carry out the steps set out in the EEA aimed at eliminating systemic discrimination" (Report of the Canadian HRA Review Panel 2000).

<sup>121</sup> Among the gender targets are 1) Boards of public bodies to have gender balance by 2005 2) Thirty-five percent of large companies to complete equal pay reviews by 2006 (Women and Equality unit 2003).

the same as people from other races if they worked for the public sector organisations (Commission on Racial Equality 2002).

New Zealand has the ability to use the measures of EEO progress implemented in other countries but at present, neither public nor private organisations do this systematically. Without consistent measurement over time, we cannot know where there has been both EEO progress and a lack of progress. Therefore efforts to advance equal employment opportunities in New Zealand are occurring in a blind alley without the knowledge of past benchmarks. The goal should be to create multiple measures of EEO progress and to develop strong time-series tracking of these measures.

## **EEO TRAINING**

EEO is a moving target and equity issues and priorities may differ according to the workplace, industrial sector, national institutional culture, and so forth. Given this, training programmes tailored to specific organisations and/or sectors are crucial to supporting EEO development and implementation.

In the past, the State Services Commission has provided EEO training in the public service. Today, for the most part, individual departments must define their own training needs and seek out appropriate programmes from private providers. At the same time, the State Services Commission provides guidance to departments through occasional publications, such as its recently produced document, *Creating a Positive Work Environment* (2003c). New Zealand private sector organisations seeking assistance with the EEO dimensions of their human capital development generally contract with private consultancies specializing in EEO and/or diversity issues. One advantage of this approach to EEO training is that programmes can be carefully tailored to the needs of individual organisations. One problem is the potential inconsistency and unevenness in the content and quality of EEO training when there are no prescribed training standards set across organisations. It is unclear whether patterns of systemic discrimination and inequality at the macro economy level could be targeted with such an individualised approach to EEO training.

In Australia, the EOWA offers tailored training and workshops to assist private firms with EEO implementation and reporting. Some consistency in EEO training across organisations with respect to their EEO policies for women is achieved with this approach. In Canada, employees of the federal public services and the British Columbia, Manitoba and Nova Scotia provincial governments have comprehensive two-day EEO induction programmes, ensuring a common standard across public service departments. In the United Kingdom, the independent commissions offer advice on EEO implementation. Not-for-profit organisations such as *Opportunity Now* and *Race for Opportunity* provide consultancy services to private businesses for EEO training. In the civil service, the Cabinet Office provides specialised EEO training to government departments.

At present the training support for EEO implementation in New Zealand is mostly limited to private consultancies. International experience suggests there is a need for government coordinated and/or regulated EEO training especially in the core public service and beyond that to the broader public and private sectors as well. In New

Zealand we should seek to ensure greater uniformity of EEO training provision. Much could be learned from recent practices in Canada and the United Kingdom.

## **STAKEHOLDER INVOLVEMENT IN EEO**

The involvement of stakeholders in the development of EEO legislative and policy frameworks is a critical factor. It affects the degree to which EEO is embraced and normalised by employees and employers as a positive effort to ensure fairness and equity in the workplace. In New Zealand, EEO law and policy have not been a central feature of the consultations among employers, employees, unions, governments and advocacy groups since the early 1990s (in contrast to the considerable discussions about EEO implementation and employment in the 1980s). In the mid-1990s, chief executives and Ministers were involved in the development of the Government's *EEO Policy to 2010* (State Services Commission 1997). In 2003, the New Zealand Government established three distinct projects; one to investigate and advise the Government on pay equity issues in the health and education sectors, another to investigate and advise on work/life balance issues, and a third to develop an action plan for decent work in New Zealand. In addition to government policymakers, these projects have involved union and employer representatives. The situation with respect to stakeholder involvement in EEO development is quite different in the countries with which New Zealand benchmarks its policy.

In Australia, the system of industrial bargaining has involved unions and employers as well as government in debate about EEO policies and programmes. The *Workplace Relations Act 1996* encouraged unions and employers to include work/family balance provisions in their negotiated agreements. As such, over 20% of female-dominated agreements make reference to at least one work/family provision, with a high level of provision in the banking, insurance and retail trade industries (Whitehouse 2001: 123). However, less than 10% of male-dominated agreements mention such policies. Clearly among these stakeholders EEO policies are seen as more pertinent to women's employment than men's. In Canada, stakeholders were extensively consulted during the 2002 Review of the *Employment Equity Act* through an employer survey and meetings with 32 organisations, including employers, unions, designated equity groups, and advocacy groups. The Parliamentary committee review called for continued partnership and sharing of information among stakeholders in the EEO process. Unions and employees, the review argued, should be consulted as part of the implementation of equity plans by individual employers. Toward that end, the Canadian federal government established a national joint council with unions on employment equity (Canadian Human Rights Commission 2002).

In the United States, the African/American civil rights and women's movement have engaged directly in precedent-setting litigation to increase the implementation and the enforcement of EEO laws by employers and the EEOC. The US struggle for EEO through the judicial system has always been highly political, directly involving stakeholders in the development of EEO (Burstein 1998). In the United Kingdom, the commissions must consult stakeholders on the drafting of codes of practice that guide employers in implementing the EEO provisions of anti-discrimination law. Indeed, EU Directives require member states to promote dialogue between both sides of the industry with a view to fostering equal treatment through workplace monitoring, collective agreements, codes of conduct or exchange of good practice (European



Commission 2003a). In Wales, one of the UK's devolved administrations, consultative networks have recently been established to promote equality and participation of marginalised groups in the public service and in public decision-making. Two other initiatives to involve stakeholders with EEO development in the UK should be mentioned. Prime Minister Tony Blair has launched a "Business Race Equality and Diversity Taskforce" to tackle the representation of racial minorities in private sector organisations. Blair's government has also established a task force, with members reflecting different equality interests, to advise on the governance and structure of the new single equality commission. This is to be called the Commission on Equality and Human Rights and will be established in 2006.

While stakeholder involvement in New Zealand appears broad, international comparisons suggest that New Zealand could learn more from practices elsewhere. In this regard, we suggest that New Zealand benchmark with the United Kingdom.

## **DIFFUSION OF EEO**

The very concept of benchmarking is based on the assumption that knowledge about practices and performance of peer organisations can promote organisational learning and the adoption of new practices to improve performance. In terms of EEO, the diffusion of best principles and practices across workplaces and societies is an important mechanism for advancing the goal of improved outcomes for equity groups. New Zealand provides a few examples of attempts to promote the diffusion of best practice, although there is limited evidence that diffusion has actually occurred. Three main mechanisms for the diffusion of best practice in EEO exist in New Zealand. 1) The Diversity index survey conducted by the EEO Trust provides some feedback to member organisations on their EEO performance relative to other member organisations. 2) The annual EEO Trust Work and Life Awards and the accompanying publication of *New Zealand's Best Employers in Work and Life* (EEO Trust 2001, 2002, 2003) offer ways of publicising exemplary practices. 3) The Strategic Development branch of the State Services Commission provides public service departments with a colour-coded table roughly comparing their EEO performance across a range of criteria against that of other departments (based on their responses to an annual survey). The document is not publicly available and we have not had an opportunity to analyse it.

In Australia, the New South Wales government compares EEO outcomes across agencies within each ministerial portfolio, which is a proxy for industry (NSW 2001). The Equal Employment Opportunity Network of Australia with more than 60 member organisations conducts an annual National Diversity and Equality Survey to benchmark EEO performance. In the United Kingdom, the *2002 Employment Act* introduced a fund to support innovative practice in work/life balance and to promote learning across organisations.

In Canada, efforts have been made to make the federal public service a model of EEO practice for the entire workforce. An interdepartmental committee on employment equity was established in the late 1990s together with four consultative committees representing the designated equity groups in order to promote and diffuse information about best practice across the public service. Moreover, a joint committee has been established at the deputy minister's level to increase the flow of information on EEO best practices. Despite these federal initiatives however, Bakan and Kobayashi

(2000) argue that greater efforts need to be made in Canada to promote EEO learning across the ten provinces. Given the diversity of their EEO approaches, an inter-provincial comparison would enable policymakers to determine which EEO policies and practices result in the best overall outcomes for the four designated equity groups.

In the United States, there is evidence that the market for minority employees among large organisations in light of federal contracting laws, serves an indirect mechanism for the diffusion of best practices in minority recruitment (if not in all EEO policies and practices) (Leiter and Leiter 2002). American diversity specialist, R. Roosevelt Thomas Jr. argues that “effective diversity respondents” defined as people with “core diversity skills” and “diversity maturity” can serve as crucial mechanisms for the diffusion of EEO best practice. Effective diversity respondents (EDRs) are individuals who accept personal responsibility for diversity outcomes, who are clear about requirements as opposed to preferences, and who share information with other EDRs in a given organisation.

No country has a perfect system for diffusing EEO practices across workplaces. However, much could be learned from specific practices in particular countries. Greater thought needs to be devoted to designing mechanisms through which best practice in EEO can be diffused across New Zealand organisations, both public and private. The next chapter discusses the factors shaping EEO progress and suggests some ways that learning among organisations could occur on a more regular basis in New Zealand.

## **CONCLUSION**

Through this benchmarking exercise, we have been able to develop a clear sense of how EEO policy efforts in New Zealand compare with efforts in peer nations. The exercise reveals that, in many respects, New Zealand’s EEO policies have not kept pace with changes and improvements elsewhere. Knowing this, we can make better sense of why labour market and workplace progress for traditionally disadvantaged groups, as judged by a range of measures, has been somewhat disappointing over the period since 1990. At the end of each section of this chapter, we have proposed actions that New Zealand could take to improve its EEO policy efforts. Where possible, we have identified a specific country that offers a best practice benchmark for New Zealand. In the next chapter, we turn to discussing factors shaping EEO progress. That discussion is informed by this benchmarking analysis as well as the earlier assessments of progress for EEO groups.

## ► 6 **Factors Shaping EEO Progress**

Our review of EEO reporting in New Zealand showed that, at present, the vast majority of employers face no obligation to establish EEO plans and programmes and report upon them. Further, our assessment of EEO progress since 1990 shows that, for the most part, labour market outcomes for women, people with disabilities, Māori, and Pacific peoples have not improved greatly during this period. Therefore, efforts to pursue equal employment opportunities in New Zealand have been quite limited in scope – confined to the state sector, and the public service in particular. They also appear to have had limited effects. When the New Zealand case is benchmarked against other countries and their EEO policies, it becomes clear that, on a number of indicators of EEO policy effort, New Zealand now lags behind Australia, Canada, the United States, and the United Kingdom. All of this leads us to ask: what factors shape EEO progress? In this section, we discuss seven factors that we consider to be important. The factors are: strong legislation, appropriate support structures and resources, labour force development, the nature of employment relations, leadership, support networks, and broad normative commitment to EEO. On their own, efforts to improve any one of these factors would yield at least some positive results in terms of EEO outcomes. But these factors are not independent. Improvements in one tend to support improvements in another. Therefore, for those seeking to promote better EEO practice, the best strategy would involve working to strengthen all of the factors presented here.

### **LEGISLATION**

EEO policy is most likely to receive serious attention in the workplace if it is required by legislation. Clearly, the impact of legislation will depend on the provisions contained within it. Legislation that bans discrimination but that leaves it up to individuals to lay complaints is likely to have a weaker effect on the advancement of EEO than legislation that requires the development of EEO plans and makes adequate provision for systematic monitoring and enforcement from a central agency. Although, extensive legislation does not itself guarantee rapid or comprehensive results, as Canadian analysts Bakan and Kobayashi argue, EEO “will never work effectively until it is strongly legislated” (2000: 45, 59). A comparison of EEO outcomes in the Canadian province without any EEO legislation – Alberta – and the province with the most enabling legislation – British Columbia – empirically supports this conclusion.

The challenge for advocates of equal employment opportunities is to create positive ways of fostering support for legislation. EEO legislation should be both strong *and* positive in its provisions, incorporating positive duties and incentives as well as enforcement mechanisms and penalties for non-compliance. In New Zealand, the *Human Rights Act*, the *Equal Pay Act*, the *Parental Leave and Employment*

*Protection Act*, and the *Employment Relations Act* make provision for employers to be punished if they engage in discriminatory actions and other behaviours that are inconsistent with the pursuit of equal employment opportunities. However, evidence suggests that the vast majority of employers are likely to pay serious attention to developing and implementing EEO plans only when they face sanctions for not doing so.

## **APPROPRIATE SUPPORT STRUCTURES AND RESOURCES**

Laws are developed to change social and economic practices. While laws can be strong in their language, appearing capable of inducing significant change, typically laws do not become effective until they are supported by government action. Therefore, laws ultimately gain their strength through the design of enforcement structures. In turn, those enforcement structures gain their strength through the resources that are devoted to them.

In New Zealand, the *State Sector Act 1988* requires that each organisation covered by it act as a “good employer”. One of the stipulations of how an organisation becomes a good employer is that it produces EEO plans and reports upon them. However, our review of EEO reporting showed that limited resources have been devoted to the monitoring and analysis of the actions being undertaken at the organisational level both in the core public service and in the state sector more generally. The current situation in New Zealand provides clear evidence that legislative intent will not be fulfilled unless it is backed up with appropriate support structures and resources. Two implications arise. First, efforts to strengthen the legislation underpinning EEO by, for example, imposing positive duties on employers will have little practical effect unless parallel efforts are made to ensure effective implementation. Second, even in the absence of legislative change, by taking steps to bolster current administrative structures, significant improvements could be made to the ways that EEO initiatives are currently managed. This requires political will, leadership, and resources. We discuss the leadership issue later in this report.

## **LABOUR FORCE DEVELOPMENT**

Equal employment opportunity policies can have many goals, and they can be pursued in a range of ways. This suggests that an array of measures could be used to judge the effectiveness of a set of EEO policies. Having said that, some basic outcome measures can tell us a lot about the progress of EEO. For example, were women, disabled people, Māori, and Pacific peoples represented across all occupations and industries in numbers equal to their proportions in the labour force, then this would offer quite compelling evidence that EEO initiatives were meeting with success.

In our assessment of EEO progress, we noted that people with disabilities, Māori, and Pacific peoples currently tend to attain much poorer outcomes in the education system than do members of other groups. As is the case in all developed economies, our understandings of what constitute the basic skills required to participate fully in the labour force have been increasing. For people in the trades, the professions,

management, and all manner of related occupations, a good education – often involving several years of tertiary training – is now a requirement. This holds major implications for the pursuit of EEO. You cannot expect to see high numbers of people from traditionally disadvantaged groups rapidly moving into occupations requiring high levels of skill development if many people from those groups continue to exhibit relatively poor levels of educational attainment. And there is nothing to be gained from placing unqualified people in positions requiring specific skills, knowledge, and experience.

These observations lead us to conclude that the success of EEO policies is strongly dependent on the quality of labour force development efforts. Of course, good EEO policies can involve efforts to work with members of traditionally disadvantaged groups to give them the workplace flexibility, training, and mentoring that will allow them to thrive and, therefore, move into positions that would otherwise appear out of their reach. But there are limits to what can be achieved through even the best of such workplace initiatives. What happens in pre-employment years matters. We contend that lack of education and training among disadvantaged groups imposes a binding constraint on EEO efforts. Therefore, efforts to pursue equal employment opportunities require strong support from educators. At a minimum, the education system must have mechanisms in place to address patterns of disadvantage. In New Zealand at present, more needs to be done to expand the educational opportunities open to disadvantaged groups.

## **EMPLOYMENT RELATIONS**

Collective bargaining arrangements offer greater prospects for the advancement of EEO than do individual contracting arrangements.<sup>122</sup> Research on collective bargaining in Australia and preliminary research on the impact of the *Employment Relations Act* in New Zealand, however, provide only ambiguous support for this contention. More research needs to be conducted to assess the relationship between different employment bargaining regimes and different EEO outcomes.

Australian political scientist, Gillian Whitehouse has conducted several studies that closely analyse the impact of collective agreements in Australia on the prevalence of work/family balance policies and on the gender wage gap. Within registered Australian collective agreements, Whitehouse (2001: 114) found that the presence of work/family balance policies peaked in 1998 after considerable campaigning by the Government and the Australian Council of Trade Unions and has since then declined. Moreover, Whitehouse notes that these work/family balance provisions were far more prevalent in female-dominated collective agreements than in male-dominated agreements, a potential driver of further gender occupational segregation.

In another research project, Whitehouse and Frino (forthcoming) focus on the gendered effects of the current combination of industrial agreements in Australia, both in the

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<sup>122</sup> *The Status of Women in New Zealand 2002, The Fifth Report on New Zealand's Progress on Implementing the United Nations Convention on the Elimination of All Forms of Discrimination Against Women* (Ministry of Women's Affairs, November 2002) claims that the *Employment Relations Act 2001*, which has encouraged collective bargaining, has had a positive impact on women's employment position.

sense of the distribution of men and women across different types of agreements, and gender inequality within agreement types. They draw on Australian Bureau of Statistics data to illustrate the uneven distribution of men and women between different methods of setting pay and conditions, and investigate gender differences in pay increases and working conditions within a recent sample of collective enterprise agreements. Whitehouse and Frino find that the distribution of women among agreement types, specifically their over-representation in the relatively low paying award-only sector, contribute to gender pay inequities. However, they also find that the gender pay gap is more marked in the higher paying individual and collective agreement streams: “Within collective agreements, there is evidence that more advantageous wage outcomes are consistently attained in male dominated agreements, and accrue to significantly larger numbers of males than females”. The implication of this Australian research is that collective agreements may contribute to increasing rather than closing the aggregate gender wage gap.

Research on industrial bargaining in New Zealand reveals different EEO outcomes. Harbridge and Thickett (2003) investigate whether collective bargaining can be used to implement gender equity in pay and working conditions. Reviewing the most recent data on industrial settlements they find that the gender wage gap resulting through collective bargaining is smaller than the gender wage gap across the economy as a whole. Moreover, their research shows that female-dominated collective agreements (where women are the majority of employees covered) in New Zealand have been comparatively more successful than male dominated agreements (where men are the majority of employees covered) in achieving better leave conditions. However, there is at least one caveat to this research conclusion: even in female-dominated industrial sectors such as education and health, male-dominated settlements have achieved higher minimum wages and annual adjustments than mainly female settlements.

In New Zealand’s core public service there is evidence that the gender pay gap is largest among those employees on individual contracts. Additionally, there is evidence that the gender pay gap is largest among employees with relatively high salaries, in management roles, and employees with university degrees. Individuals in these groups are also more likely to have individual employment contracts. These findings suggest that collective bargaining approaches are less likely to exacerbate existing pay inequities but they do not provide evidence that collective agreements are a factor shaping greater pay equity.

## **LEADERSHIP**

Leadership matters. W. Richard Scott (2001) argues that laws and their administrative support are necessary but not sufficient for attaining institutional development and change. Strategies that give people the sense of being socially obliged to conform, and that ultimately lead to shared understandings and a “taken-for-grantedness” are just as important. But how can these less tangible elements of social change be instigated? EEO progress can be greatly advanced by strong leadership, most notably by the presence of EEO champions within organisations.

Although EEO has been espoused as a practice and philosophy in the New Zealand public service for almost two decades, anecdotal evidence (some of which can be confirmed by reference to baseline data) reveals that EEO has not won a place in the hearts and minds of all people now holding chief executive positions. We have been told of several key examples of how changes in particular people in top positions can lead to dramatic changes with respect to both the advancement and the rolling back of EEO within New Zealand organisations. Were EEO to be enforced as a practice, in the same way that budgeting is enforced, the impact of individual EEO champions would be less dramatic. But, for now, the role of passionate individuals in positions where they are able to influence organisational culture does appear to be crucial.

The British civil service has recognised the importance of EEO leadership by appointing an official EEO champion from among the chief executives of the civil service. *Opportunity Now* in the United Kingdom recommends that all private companies nominate board-level EEO champions. Moreover, there is strong consensus among policy analysts that incentivising leadership would increase the chances that individuals would choose to be EEO champions. Tying leadership on equity to annual performance reviews at every level, for instance, would send a clear message to managers about the importance of attending to EEO implementation. It would enable organisations to reward EEO actions (training, mentoring, supporting employee resource groups), and measurable EEO results (improved hiring and retention, positive employee attitudes, reduction in litigation costs).

The devolution of management within New Zealand government is a factor that could equally support or inhibit EEO progress, depending on the institutional incentives in place. On the one hand, an increase in department-level managerial discretion can lead to an increase in discrimination. This can manifest itself through the making of arbitrary appointments, the display of favouritism in promotions, and the erosion of equal opportunity standards within an organisation. On the other hand, the devolution of management can lead to more effective, locally-adapted, and sensitive ways of implementing EEO. Compliance can be enhanced through writing elements of EEO implementation into managerial performance targets.<sup>123</sup>

Another way of promoting leadership involves building more positive reinforcement into the EEO process both within organisations and in the country at large. Such reinforcement could be accomplished through competitions, awards for progress – like the EEO Trust’s Work/Life Balance annual awards – and meaningful systems of achievement recognition based on a national or industry-wide set of benchmarks. In an environment which seeks to positively encourage EEO practices rather than punish non-compliance, it is important to make clear that outcomes matter.

## **NETWORKING**

EEO as a practice and philosophy can be advanced through the presence of strong networks among advocates and implementers. Social and professional networks represent conduits for the transfer of ideas for best practice, war stories, and strategic

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<sup>123</sup> See Bagilhole’s (1997: 237) study of an organisation within Britain’s National Health Service for a discussion of these contrary outcomes of managerial devolution.

advice. Fostering exchange of information within and across organisations helps ensure that the commitment to equal employment opportunities is built on common goals and understandings.

Networks also represent sites where individuals can come together to provide support to one another. Effective change agents never work in isolation. Therefore, there are limits to what any individual can do without a strong network of supporters. In effect, networks provide an informal infrastructure that can drive EEO progress. The EEO Trust has created a range of ways to promote networking and learning across member organisations. A professional network of EEO officers has existed for some time in the public service, although it has not always received the recognition and the resources that it has needed to be most effective. More lately, the power of equity networks has been recognised in the Faculty of Arts at the University of Auckland. In its efforts to make equity in educational and employment opportunities part of the core business of the Faculty, an Equity Network of department-level equity coordinators was formed to assist the Faculty Equity Committee to formulate, disseminate and evaluate equity initiatives and also as a conduit for sharing information from “the coalface” about successful EEO and equal educational opportunities (EEdO) initiatives.<sup>124</sup> However, since this network is new its positive impact on EEO outcomes has yet to be assessed.

## **NORMATIVE COMMITMENT**

Finally, a general commitment to EEO as a workplace philosophy is critical for promoting the advancement of EEO. Of course, there is a question of causality here. If EEO is an embedded workplace practice, then people will adjust their thinking in ways that serve to support it. (The alternative is to experience on-going cognitive dissonance.) More to the point, if you have a workplace with a core group of people (such as an *Equity Network*) who continually think about EEO issues and how they might be advanced, then you are much more likely to see EEO progress there than in an organisation where such a group is not present. Intuitively, we expect EEO to be less of a hard sell in, say, the Ministry of Women’s Affairs or at the Human Rights Commission than in organisations that are less diverse and where equity is not on its face part of the “core business” of the organisation. Above all, EEO progress has occurred where there is widespread acceptance by managers and employees of the need for organisational change to achieve performance goals, be they greater profits or improvements in the quality of service. Empirical research can help to increase this acceptance of change by showing the linkages between bottom-line organisational performance and EEO outcomes. Further research is needed, however, to demonstrate these links in the New Zealand context in a range of organisations as a way of encouraging employers to implement EEO in their own best interest.

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<sup>124</sup> Cluny Macpherson, Associate Dean Equity and Tracey McIntosh, Assistant Dean Equity, “Proposal for establishment of an equity coordinator in schools/departments in the Faculty of Arts”, Faculty of Arts, University of Auckland, 9 September 2003.



## CONCLUSION

Equal employment opportunities initiatives were introduced in New Zealand in the 1980s, at a time when a large amount of government restructuring was taking place. Looking back over the ensuing two decades, it is clear that some of the other initiatives introduced in that period have met with much greater general acceptance and have proven more successful in terms of generating intended results. For example, the financial management changes introduced into the public service in New Zealand have been recognised as path-breaking, effective, and worthy of emulation elsewhere (Boston *et al.* 1996; Kettl 2000). Why have the financial management initiatives introduced in that period met with more commitment and more success than the EEO initiatives introduced at the same time? Much comes down to differences in the strength of the relevant legislation, differences in the development of support structures and the commitment of resources, as well as the presence or absence of strong leadership, support networks, and normative commitments. Of course, all initiatives are shaped, to some extent, by unique factors. In the case of EEO, as noted here, labour force development efforts and the nature of employment relations have also been important factors shaping progress. For those seeking to promote EEO as a practice and a philosophy in New Zealand over the coming years, careful attention should be paid to working on the factors discussed here. In our next and final chapter, we present our views on necessary future directions.

## ► 7 *Future Directions and Recommendations*

Equal employment opportunities in New Zealand are less advanced than they should be. As a result, current employment outcomes for traditionally disadvantaged groups remain poor relative to overall outcomes. Looking at the record since 1990, there have been quite limited accomplishments in terms of improvements in the representation of women, people with disabilities, Māori, and Pacific peoples across industries and occupations, and in managerial and other leadership roles. Even in the core public service, where EEO efforts have been more focused than elsewhere, progress for designated groups has been patchy at best. These workplace and labour market outcomes are of concern, because they suggest that many New Zealanders who have much to contribute through their talents and skills are currently being under-utilised.

From a human rights perspective, we should worry that many people are not reaching their full potential both in the workplace and in society more broadly. Having the opportunity to engage meaningfully in the labour force, and to come to mutually-agreed arrangements with their employers about work-life balance and career development, can improve both the material and the personal rewards that people receive from paid work. In turn, the greater sense of efficacy people acquire through their labour market participation can have positive benefits for broader social development. All in society benefit from people believing that their talents and efforts are appropriately recognised, and that material rewards are distributed based on principles of merit and fairness. From the perspective of national economic development, the under-utilisation of people who have the potential to contribute more through their engagement in paid work is also of concern. To improve New Zealand's relative position in the OECD rankings, concerted efforts must be made to eliminate the large and sustained disparities that exist among groups with respect to levels of education, labour force participation rates, unemployment rates, and their representation in management and leadership positions. The pursuit of equal employment opportunities is fully consistent with both the pursuit of human rights and the pursuit of national economic development.

Here we discuss future directions for the pursuit of equal employment opportunities in New Zealand. Throughout the discussion, recommendations are made. The discussion is divided into two parts. We begin by considering strategies that would greatly advance EEO in New Zealand. However, efforts to promote major social change have little hope of attaining success unless they build on existing institutional structures and enjoy broad support among both political leaders and citizens. The second part of our discussion is more pragmatic. This explores practical strategies that could, with time, increase awareness among the policymaking community and the public of EEO initiatives and their potential benefits. As John Kingdon (1995: 128)

has said of policy work in general, “without this preliminary work, a proposal sprung even at a propitious time is likely to fall on deaf ears.” In seeking to understand why past efforts to promote EEO in New Zealand have produced limited results, a fair amount of blame can be apportioned to problems of argumentation and inadequate efforts to build popular support. Legislative provisions alone do not guarantee behavioural changes. People need to be won over to change, by being convinced that actions consistent with formal laws, rules, and regulations are in their own best interests. Research-based advocacy and the development of policy demonstration projects offer powerful approaches to building support for radical change.

## **TOWARDS MAJOR POLICY CHANGE**

Based on our review of EEO in New Zealand and efforts elsewhere, here we set forth the core components of policy change that would be appropriate and highly effective. These components include legislative change, using incentives to change employer behaviour, and establishing an effective monitoring agency. But even as we discuss these initiatives, we wish to reiterate that major policy changes should never be pursued in a hasty fashion. Effort should be directed over the next few years to making incremental changes within the present legislative and administrative framework, undertaking practical research projects to build evidence that could guide broader policy change, and working with all stakeholders to create the shared sense of purpose and momentum necessary to ensure major policy changes do, in fact, produce the intended effects.

### ***Crafting New Legislation***

Until now, EEO initiatives in New Zealand have yielded limited results. Viewing developments in New Zealand in comparative perspective offers a number of insights as to why such limited results have been attained. At present, New Zealand law typically places only negative duties on employers. That is to say, employers are liable for punishment if they engage in discriminatory behaviours or other actions that have been deemed as unlawful. However, the onus is on individuals who feel that they have been wronged to take action against employers. In most instances, the power differentials in disputes are substantial. Employers tend to have far greater resources than individual employees. Therefore, the chances are high that in any given instance an employer will be more able to be successful in defending an action or set of actions than an employee will be in proving that he or she was subjected to unlawful treatment. Viewed comparatively, New Zealand law has not kept pace with that of peer nations. Elsewhere, it is common for employers to be legally required to engage in positive duties. Under such arrangements, employers can be found to be in breach of the law not only for engaging in wrongful actions but also for failing to take right actions, such as producing EEO plans and processes and carefully monitoring their effects. At present, only government or broader state sector employers in New Zealand are required under the law to engage in positive duties. But the evidence from this country and elsewhere is clear. Few employers will take steps of their own accord towards promoting equal employment opportunities. To secure broad behavioural changes, employers must be compelled by law to promote EEO in their workplaces. The coverage of employers should be phased in over time, beginning with the largest organisations and progressively including workplaces with smaller

numbers of staff. In developing new legislation, careful thought should be given to the uniqueness of the New Zealand context. In particular, efforts should be made to reflect on how EEO as a philosophy and practice can complement efforts to honour the Treaty of Waitangi.

**Recommendation 1:** *EEO advocates should work towards the introduction of legislation that places strong positive duties on all employers, starting with larger organizations, to develop and implement EEO plans, and regularly report on the outcomes.*

**Recommendation 2:** *Future EEO legislative initiatives, policy development, and implementation activities should be preceded by reflection on how best to reconcile EEO as a philosophy and practice with the Treaty of Waitangi.*

### ***Using Incentives to Induce Behavioural Change***

Evidence from New Zealand's state sector over the past two decades shows that even when employers do face positive duties to promote EEO in the workplace this offers no guarantee that the anticipated behavioural changes will occur. All people respond to incentives, from chief executives through the tiers of middle managers and all the way down the line. If, as has been the case in New Zealand, no incentives exist to induce the behavioural changes supportive of EEO initiatives, then those changes are unlikely to occur. In the state sector and even in the core public service, there are not adequate incentives for chief executives and their managerial staffs to promote EEO. Monitoring efforts have been under-resourced and at an operational level those monitoring EEO efforts have not had the power to impose strong sanctions for non-compliance. We call for a renewed commitment to EEO in the public service. Further, a range of incentives-based models to promote EEO should be tested and refined in the public service, with the purpose of developing models that could be progressively applied to all state sector organisations and, eventually, to private sector organisations, beginning with the largest. Urgency should be accorded to applying new models in the education and health sectors.

**Recommendation 3:** *Any new legislative initiatives should be supported with the use of incentives to encourage positive changes and to discourage lack of action on the part of employers.*

**Recommendation 4:** *Incentives-based models to promote EEO should be tested and refined in the public service, as part of a renewed commitment to EEO in the state sector. Urgent attention should be given to greater promotion of EEO in the health and education sectors.*

### ***Minimising Compliance Costs***

While we advocate the extension of EEO planning and reporting requirements beyond the state sector and into the private sector, we take seriously the concerns expressed by business groups regarding reporting and other compliance costs associated with government policies. Therefore, it is imperative that research efforts and well-designed pilot experiments be undertaken to accurately predict the potential costs that strong EEO requirements could impose on businesses. As much as practicable, such costs should be minimised, so that all workplace efforts to pursue EEO generate net benefits for employers and employees alike. A strong business case can be made for adoption of EEO initiatives, but solid, New Zealand-based evidence needs to be generated to make this case persuasive to the business community, and to ensure as many of the potential problems associated with implementation are anticipated and addressed in advance.

**Recommendation 5:** *Efforts to compel private companies to establish EEO initiatives should ensure that the business benefits outweigh any compliance costs. New Zealand-based evidence should be developed to support the business case for widespread adoption of EEO initiatives.*

### ***Establishing a Strong Monitoring Agency***

Evidence from a recent review of Canada's *Employment Equity Act* indicates that employers are only likely to adopt required EEO policies when they know that their efforts are being monitored (Canadian Human Rights Commission 2002). Evidence from the New Zealand public service suggests that a number of government departments have failed to pursue EEO initiatives and set targets for the employment of disadvantaged groups, even though they have been expected to do so under the *EEO Policy to 2010* and even though their efforts are monitored by the State Services Commission. From this evidence, we conclude that a monitoring agency must be driven by strong leadership and sufficiently well-resourced to engage in effective assessments of the actions of individual organisations. This need not mean that every employer should be audited every year. Monitoring systems could involve random checks, such as those used to ensure tax compliance. Additionally, organisations achieving good results from their EEO policies could be given compliance holidays, so that they would need to supply reports much less often than other organisations that are not showing EEO progress. As well as having the authority and resources to monitor organisations, this agency should have the power to "name and shame" and impose significant financial penalties on organisations that show inadequate commitment to promoting EEO.

From time to time, the under-staffed Strategic Development Branch, which has oversight for EEO considerations in the State Services Commission, has attempted to disseminate information among public service departments regarding EEO good practice. Likewise, the EEO Trust has taken a range of steps to increase general awareness among New Zealand businesses of what can be done to promote EEO and to offer examples of EEO best practice. These are worthy initiatives. However, any

monitoring agency established under new legislation must have the resources necessary to maintain a theoretically-informed, creative, and rigorous programme of EEO research and analysis. This work would be undertaken with the express purpose of offering policy advice to the government on EEO issues and to disseminate useful advice to organisations regarding how to improve their EEO efforts. In many instances, the agency could benefit from working with public and private sector partners to explore issues and problems of common concern, such as ways to engage in effective labour force development within specific industries or occupational groupings.

**Recommendation 6:** *Any agency established to monitor EEO efforts should have sufficient resources to closely analyse EEO practices as well as the power to sanction bad practice and reward good practice. It should also have sufficient resources to track changing outcomes, assess and report on best practices, and work with organisations to help them achieve positive EEO outcomes.*

### ***Building on Current Strengths***

Pursued as a group, the strategies reviewed so far could do a great deal to advance EEO in New Zealand. EEO advocates should begin to work on these initiatives. However, it would take several years of concerted effort to generate the broad public and political will that would be needed to ensure they result in major and positive social change. While working towards making these things happen, and to increase the odds that they will happen, several more immediate strategies can begin. They build on current strengths and involve:

- promoting private initiatives
- promoting better educational outcomes for disadvantaged groups
- promoting greater public awareness of EEO
- requiring exemplary EEO practice in the public service
- building a strong EEO advocacy coalition
- new research and information sharing services.

### ***Promoting Private Initiatives***

Government initiatives make their greatest contributions to society when they serve to facilitate worthwhile actions that would not otherwise have occurred. Our assessment of the progress of EEO in New Zealand demonstrates that, over the past decade or so, little has happened to open up greater employment opportunities for traditionally disadvantaged groups. To this extent, a market failure has occurred and this failure has broad social consequences. Government can address the failure through new, stronger EEO legislation supported by administrative arrangements that would allow for its effective implementation. But there are limits to the actions that government can take and, ultimately, government must work with others in the economy and society in order to ensure any laws and policy initiatives achieve their intended effects (Le Grand 2003; Schultze 1977). To a large degree, government is dependent on the

behaviour of private individuals to ensure that it attains desired policy outcomes. Building on this logic, we contend that wherever possible, government should encourage private initiatives that are consistent with the pursuit of EEO.

In New Zealand, the EEO Trust has taken a range of steps that could be seen as consistent with harnessing private interests for public purposes. For example, the annual EEO Trust Work and Life Awards provide a valuable opportunity for companies to gain good publicity as employers. Similarly, members of the EEO Trust can include the Trust's logo in their corporate publicity as well as in their advertisements for new employees. These are low-cost "branding" strategies that allow employers to signal to consumers and potential employees that they are supportive of EEO initiatives. Private initiatives of this sort are extremely valuable. Efforts to further promote EEO as a practice and philosophy in New Zealand would do well to tap into the energy and innovative thinking of private entities. In this way, efforts to shape our collective sense of what it means to practice EEO are shared around, and the claim that EEO is an exercise in government-ordained political correctness becomes all the harder to sustain.

**Recommendation 7:** *Actions by private interests to promote EEO should be encouraged. Branding and other innovative practices would allow organisations that exemplify EEO good practice to publicise their initiatives and advance their reputation among consumers and potential employees.*

**Recommendation 8:** *The relationship between the Human Rights Commission and the EEO Trust should be assessed with an eye towards strengthening it. Future joint efforts between the two organisations could involve (1) building capacity for research and analysis, (2) sponsoring original research, and (3) improving information dissemination.*

### ***Promoting Better Educational Outcomes for Disadvantaged Groups***

The changing nature of the New Zealand economy and the increasing need for employees to have strong general skills and job-specific training places a premium on educational attainment. Unfortunately, many people who are disadvantaged in the labour force also tend to have experienced difficulties in the education system. Therefore, a strong link exists between expanding employment opportunities and expanding educational opportunities. EEO initiatives will be frustrated whenever job candidates from disadvantaged groups display lower levels of educational attainment than other candidates. In short, EEO initiatives might appear to fail if well-trained individuals from traditionally under-represented groups simply are not available to fill various positions. For this reason, advocates of EEO share much common ground with those who would like to make the education system work better for those most at risk of failure within it.

**Recommendation 9:** *EEO advocates should jointly explore with educators ways to improve the education outcomes of those who have been traditionally disadvantaged both in the education system and the labour*

*force. For example, the Human Rights Commission could work with the Tertiary Education Commission to forge strategies to promote greater representation of women, people with disabilities, and racial and ethnic minorities across a range of training programmes.*

### ***Promoting Greater Public Awareness of EEO***

Earlier several rationales for the pursuit of EEO in New Zealand were presented. Among other things, these included justifications based on the importance of human rights, the importance of recognising New Zealand's bicultural heritage, the major social and demographic changes underway, and the need to have a fully inclusive society if we are to enjoy strong and sustained economic development. As much as we would like to believe EEO is well-entrenched as a philosophy and practice in the New Zealand popular conscience, evidence suggests that it is not well advanced either in thinking or practice. But since EEO initiatives will become increasingly central to the promotion of this country's economic and social development, there is considerable value to be gained from promoting greater public awareness of the meaning of EEO and the benefits that can derive from its widespread practice. To raise consciousness and create opportunities for broad discussion and debate about EEO issues, Cabinet Ministers should find ways to continually promote EEO good practice. These efforts should be consciously designed to help people understand how the pursuit of human rights and human development can support greater economic development. Further, EEO advocates should engage in an on-going series of effective public information campaigns (Weiss 1993).

**Recommendation 10:** *Political leaders, including Cabinet Ministers (especially those with responsibilities in areas such as State Services, Labour, Disability, Women, Senior Citizens, Pacific Island Affairs and Māori Affairs), should explore new ways to further promote EEO good practice in New Zealand, with the goal of making New Zealand a world leader in efforts that link the pursuit of human rights and human development with the pursuit of economic development.*

**Recommendation 11:** *Public and private organisations should engage in coordinated efforts to promote greater public awareness of EEO as a philosophy and practice. These should include (1) utilising best practice examples and (2) developing guidelines for small businesses.*

### ***Requiring Exemplary EEO Practice in the Public Service***

In his 2003 Annual report, the State Services Commissioner observed that there is a need for a renewed sense of what is meant by the notion of "public service." He went on to observe that "[i]ncreasing diversity, providing opportunities for people to realise their potential, and ensuring pay and employment equity, are all part of this picture" (3). Elsewhere in his report, the Commissioner called for the exercise of "new leadership" in the public service. Among other things, he suggested that chief



executives need to improve their ability to lead change processes, to find new ways to build and maintain the culture of the state sector, and to become better at “facilitating brokerage and best practices” (9). We have discussed aspects of EEO practice in the public service throughout this report. Although the public service leads all other sectors of New Zealand’s economy and society in terms of its expressed avowal to the principles of EEO, it is clear much of the initial energy with which EEO was launched in the public service in the early 1980s has long since dissipated. There is evidence that the promotion and implementation of EEO in the public service demands revitalisation.

Given the provisions of the *State Sector Act* and the history of efforts to promote EEO in the public service during the 1980s and 1990s, a variety of actions could be taken to reinvigorate EEO in the public service if the political will existed. Chief executives and all people marked out as potential chief executives should undertake mandatory and high-quality training in how to become effective EEO champions in their organisations. There would also be merit in giving chief executives significant incentives to exercise effective EEO leadership, and to promote changes in their department cultures so that EEO initiatives are treated as part of the core business, recognised as equally important as financial management and budgeting efforts. Finally, we suggest that more resources be channelled into the monitoring and analysis of EEO efforts in the public service. Given that the State Services Commission has long been the department responsible for EEO monitoring, it makes good sense to keep that function in the Commission. However, the SSC’s EEO work programme needs to be reconsidered. Mainly due to limited resources, its efforts to monitor and analyse EEO developments in the public service warrant improvement. Its information gathering, data analysis, and research efforts should all be directed towards producing high quality materials that could be readily accessed and widely used by EEO managers, researchers, advocates, and other interested parties. We would also like to see the Commission develop organisational report cards that allow meaningful comparisons to be made across departments on their EEO progress and so that departmental progress across time can be fully assessed (see Gormley and Weimer 1999).

**Recommendation 12:** *New efforts should be made to ensure that public service departments exhibit exemplary EEO practice. These could be supported by new leadership, more resources, strong incentives for chief executives, the development of effective EEO training programmes for senior managers, and more comprehensive research and monitoring activities.*

### ***Building a Strong EEO Advocacy Coalition***

A diverse group of people in New Zealand have common interests in the pursuit of EEO. However, these people often pursue initiatives in isolation, and do not gain opportunities to talk among themselves about common issues and problems. While the initiatives of the EEO Trust and some of the efforts to build networks in the public service have gone some way towards keeping EEO advocates in touch, more could be done. In particular, the diverse group of people who work on EEO issues in New Zealand could serve as the basis of a deliberately crafted advocacy coalition (Sabatier

1988). Such an entity would be comprised of people who hold a variety of positions – elected politicians, public servants, interest group leaders, researchers, journalists, and so on – who share common views about the merits of EEO and how it might best be advanced as a practice and philosophy. With time, this advocacy coalition could become a significant force for the promotion of major legislative and administrative changes to achieve more EEO in New Zealand.

**Recommendation 13:** *Efforts should be made to develop a strong, diverse EEO advocacy coalition. Members should focus on achieving social change, and should keep in close touch through on-going small conferences and task forces designed to explore EEO issues of specific interest to the New Zealand workplace.*

### ***New Research and Information Sharing Initiatives***

Finally, new research and information sharing initiatives could greatly advance the cause of EEO in New Zealand. In the development of this report, we have noted many instances where good information and strong research-based findings concerning EEO in New Zealand were lacking. Findings based on sound research build on each other and eventually can give powerful support to the positions of those seeking to change the minds of policymakers and their advisors (Weiss 1980). But strong, original research findings require researchers to engage in new studies, going into the field to interview people and gather relevant data. These research initiatives could be further supported by efforts to develop a website that gives researchers access to datasets and statistical sources that are relevant to EEO research. Such an initiative could be developed, for example, by a joint effort among the Human Rights Commission, the State Services Commission, Statistics New Zealand, and the EEO Trust.

New research on EEO topics could do much to strengthen the position of those who advocate for a greater commitment to EEO. For example, it would be useful for a study to be undertaken of the effects of work-life balance policies on women workers. Using an experimental design, such a study could assess differences in women's workplace productivity – as judged using a range of measures – between organisations that have introduced work-life balance initiatives and workplaces where no such policies are in place. Likewise, new research should be undertaken to build a strong, New Zealand-based business case for EEO. Such research could investigate the EEO practices of private companies and their relationship to bottom line business performance. Selecting cases from the list of top 100 companies that mention EEO issues in their annual reports, the performance of private companies that have implemented EEO practices could be compared with the performance of matched companies in similar industries that have not implemented EEO.

**Recommendation 14:** *Support should be given to the on-going production of evidence-based research and the provision of statistical analysis relevant to the pursuit of EEO in New Zealand. Efforts should also be made to develop a website-based facility where researchers can freely access datasets and other statistical sources relevant to EEO research.*

## **Conclusion**

The widespread adoption of effective EEO initiatives is critical for New Zealand's continued economic and social development. Insufficient efforts have been made to create new opportunities for traditionally disadvantaged groups in the New Zealand labour force. Our benchmarking of New Zealand's EEO initiatives with those of peer nations indicates that New Zealand now lags behind other countries. This is the bad news. The good news is that New Zealand does have a history of pursuing social justice through government policies. Further, since EEO policies were introduced in the state sector in the 1980s, some important efforts have been made in the right direction. Building on the best of current practice in New Zealand, a range of focused, new initiatives could close the gap between EEO policy efforts in New Zealand and efforts underway elsewhere. More importantly, such efforts could promote positive changes in the New Zealand workplace that would serve to reduce current inequalities in the labour force. In turn, improving the situation of traditionally disadvantaged groups could generate major – and urgently needed – gains for the economy, while allowing New Zealand to remain a model society, in terms of social harmony and the advancement of human rights. Our goal should be a nation where, in the words of Amartyr Sen (2000: 281), everyone may “lead the lives they have reason to value”.

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