



Te Kawa Mataaho

Public Service Commission

20 February 2023

9(2)(a) privacy

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Official Information Request

Our Ref: OIA 2023-0015

I refer to your official information request received on 20 January 2023 where you asked:

“I am a researcher at the University of Auckland trying to find some previous reports from the State Services Commission. These include:

- *State Services Commission. (1995). Growing a Difference. Pacific Islands Public Service Conference Proceedings. Wellington, New Zealand.*
- *State Services Commission. (1997). EEO Policy to 2010: Future Directions of EEO in the New Zealand Public Service. Wellington: SSC.*
- *State Services Commission. (2004). Pacific People’s Experience of the Public Sector. Retrieved from <http://www.ssc.govt.nz/node/4604>.*
- *State Services Commission. (2004). EEO progress in the public service: With a special focus on Pacific peoples. Wellington, NZ: State Services Commission.*
- *State Services Commission. (2010). Equality and diversity report: Diversity in the senior management of the Public Service: Increase of Pacific Public Servants. Wellington, NZ: State Services Commission. Retrieved from <https://www.ssc.govt.nz/sites/all/files/2010-e&d-report.pdf>*
- *State Services Commission. (2015) Pacific staff in the Public Service. Retrieved from <http://www.ssc.govt.nz/pacific-staff-public-service>*

I retrieved the references from a doctoral thesis by Dr Betty Ofe-Grant completed in 2018. Do you have e-copies on record?

The University is working on developing a Pacific staffing plan. I’m interested in reviewing historical/contemporary efforts by the Public Sector to improve Pacific staff proportions and engagement.”

Information about Diversity and Inclusion in the Public Service

Te Kawa Mataaho Public Service Commission (the Commission) supports the delivery of the comprehensive diversity and inclusion work programme, Papa Pounamu, for the Public Service. The [Papa Pounamu](#) work programme was established in 2017 to bring together diversity and inclusion practices across the Public Service and to support Public Sector chief executives to meet their diversity and inclusion obligations and goals.

We initially started with a focus on gender and improving the gender balance in leadership and closing the gender pay gap. We have made good progress and are now focusing on a programme of work that will make the most positive difference across all diversity dimensions. All Public Service chief executives have committed to the Papa Pounamu five focus areas, which they have made mandatory in their agencies. These are to:

- Address bias
- Build inclusive leadership
- Support employee-led networks
- Enhance cultural competence; and
- Build positive relationships

We also have a programme of work that is concentrated on increasing diversity in the Public Service, with an initial focus on ethnic diversity and increasing representation for Māori, Pacific and Ethnic communities, particularly in leadership levels. Papa Pounamu sits alongside other work programmes to strengthen Public Sector capability [Māori Crown Relations](#), building [positive and safe workplaces](#) and closing Public Service pay gaps through [Kia Toipoto the Pay Gap Action Plan](#).

Information being released

Please find enclosed and listed in the table below the following documents:

Item	Date	Document Description	Decision
1	November 1997	EEO Policy to 2010: Future directions of EEO in the New Zealand Public Service	Released in full
2	June 2004	EEO Progress in the Public Service with a special focus on Pacific Peoples	Released in full
3	June 2005	EEO Progress in the Public Service 2000 – 2004: The Data Stories	Released in full
4	November 2010	2010 Equality and Diversity Report: Diversity in the Senior Management of the Public Service	Released in full
5	November 2015	Human Resource Capability in the New Zealand State Sector	Released in full

With regards to the 2004 *Pacific People's Experience of the Public Sector* and the and the 2015 *Pacific staff in the Public Service* reports you have requested, we have found that they are not stand alone documents, but are chapters contained within the June 2005 - EEO Progress in the Public Service 2000 – 2004: The Data Stories and the Human Resource Capability in the New Zealand State Sector 2015 documents listed in the table above.

Information publicly available

The information listed in the table below is also covered by your request and is available on request from the National Library using the link also provided in the table below. Accordingly, I have refused this part of your request under section 18(d) of the Official Information Act 1982 (OIA) on the grounds the information requested is publicly available.

Item	Date	Document Description	Website Address
6	June 1995	Growing a difference: Pacific Islands Public Service Conference proceedings, Wellington New Zealand	https://natlib.govt.nz/records/21708297?search%5Bpath%5D=items

Information not held

You have also requested a copy of a 2018 doctoral thesis by Dr Betty Ofe-Grant, however the Commission does not hold a copy of this document therefore I have refused this part of your request under section 18(g) of the OIA on the grounds the information requested is not held by the Commission.

If you wish to discuss this decision with us, please feel free to contact Ministerial.Services@publicservice.govt.nz.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Please note that we intend to publish this letter (with your personal details removed) and enclosed documents on the Te Kawa Mataaho Public Service Commission's website.

Yours sincerely



Nicky Dirks
Manager – Ministerial and Executive Services
Te Kawa Mataaho Public Service Commission



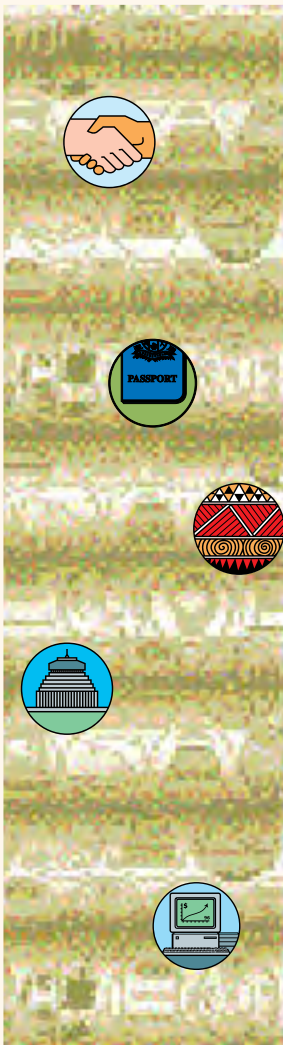
POLICY TO 2010

Future directions of EEO in the New Zealand Public Service



STATE
SERVICES
COMMISSION

Te Komihana
O Nga Tari Kāwanatanga





The EEO Policy to 2010 results from the work of the project *Future Directions of EEO in the New Zealand Public Service*. The steering group for the project was chaired by the State Services Commissioner and comprised the following chief executives:

Margaret Bazley	Department of Social Welfare
Len Cook	Statistics NZ (until June 1996)
John Chetwin	Department of Labour
Catherine Gibson	Ministry of Youth Affairs (until June 1997)
Graham Holland	Inland Revenue Department
Judy Lawrence	Ministry of Women's Affairs
Ngatata Love	Te Puni Kokiri
Richard Nottage	Ministry of Foreign Affairs and Trade
Peter Scott	National Library (until October 1996).

Two other chief executives made significant contributions to the project:

Roger Blakeley	Department of Internal Affairs
David Hutton	Public Trust Office.









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Each of the symbols represents one of the EEO groups designated in the State Sector Act 1988 or an aspect of the Public Service business environment.

The symbols are:

 Maori	 ethnic groups
 women	 technology
 Pacific Islands people	 transaction of business
 people with disabilities	 the Public Service environment

Design by Manu Smith Graphics

Typography by Jungle Payne





Foreword

The Public Service has been committed to the implementation of equal employment opportunities in the workplace for over a decade. The *EEO Policy to 2010* confirms this commitment to EEO as a long-term, strategic response to addressing discrimination in the workplace and building Public Service capability and performance. It provides clear direction for progress in the next decade.

The first Statement by Government Employing Authorities on EEO was signed in 1984, and four years later the government as an employer confirmed its intention to implement EEO through provisions within the State Sector Act 1988. A review of EEO progress published in 1995 by the State Services Commission indicated there was a need to refocus and revitalise EEO in a devolved Public Service environment.

In 1996 the then State Services Commissioner, Don Hunn, convened a steering group of chief executives to plan for the future direction of EEO. The *EEO Policy to 2010* results from the work of this project. All Public Service chief executives have endorsed the policy and it has been approved by Government.

The policy aims to ensure continuing Public Service leadership in EEO and establishes both a new environment and a new era for EEO. The policy explicitly shifts the responsibility for EEO leadership in the Public Service from the SSC to all chief executives supported by SSC (and sits alongside their current responsibility for delivery of EEO within their own departments). The policy also emphasises that for the next decade the focus for EEO will be the delivery of results: to realise a diverse Public Service which reflects the community it serves and which will be more effective at formulating and testing policy advice, and ensuring that services are delivered appropriately.

The publication of this policy brings to a close some eighteen months of intensive activity. On behalf of the steering group I would like to thank the many people who invested their energy, expertise and time in the development of the policy in a range of capacities – as a member of the SSC project team or one of the nine sub-project teams, as a contributor to particular aspects of the project, or as a provider of comprehensive feedback to drafts of the policy.

I am confident that these contributions and future effort in implementing the policy in all departments will ensure ongoing EEO progress in the Public Service, which will in turn improve the quality of the service we provide to the wider public.

M C Wintringham
State Services Commissioner





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EXECUTIVE SUMMARY





Public Service Commitment to EEO to 2010

This policy on equal employment opportunities (EEO) is made and endorsed by chief executives on behalf of Public Service departments.

The Role of Chief Executives and the State Services Commission

Chief executives recognise that they must all take a leading role in promoting Government's EEO policy by accepting responsibility for implementing *EEO Policy to 2010: Future Directions of EEO in the New Zealand Public Service* (the policy) within their departments. The State Services Commission (SSC) reaffirms its role in the promotion, development and monitoring of EEO. These responsibilities for EEO are mandated under the State Sector Act 1988.

EEO in the Public Service

The Government and Public Service rationale for promoting and implementing EEO is to ensure the development of a diverse Public Service that is capable of delivering on Government outcomes in all areas of policy development and service delivery, so that successive governments can rely on the Public Service having the capability both to respond to social and economic demands of the day and to serve the people of New Zealand efficiently and effectively. Reflection of community diversity at all levels in the Public Service, especially management, and in all types of work will contribute to public and Government confidence that policy advice has considered the full range of views in the community and that services are appropriately delivered.

EEO to 2010

EEO is firmly based on the application of the merit principle, and will continue to be concerned with removing unfair discriminatory practices and building inclusive systems and structures which promote equal opportunities in the workplace.

Key features of the policy to 2010 are:

- four areas of EEO focus – leadership, organisational culture and strategic human resource management, employment of EEO groups, and monitoring and evaluation; and
- a requirement that each department will specify its expected EEO achievements, against which progress will be measured, as a deliberate part of its overall employment strategy.

Overall Outcome for EEO

The long-term outcome for EEO is the elimination of all forms of unfair discrimination in employment. This will be achieved when three conditions prevail in organisations:

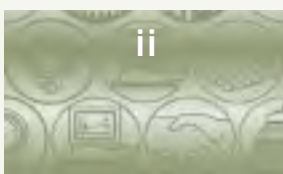
- inclusive, respectful and responsive organisational cultures which enable access to work, equitable career opportunities, and maximum participation for members of designated groups and all employees;
- procedural fairness as a feature of all human resource strategies, systems and practices;
- employment of EEO groups at all levels in the workplace.





Four Areas of EEO Focus and Objectives to 2000 and 2010

	To 2000	To 2010
Leadership	All Public Service departments have a shared understanding of the rationale for EEO policy and practice, which is actively promoted and demonstrated in their business.	The Public Service departments demonstrate leadership, both as employer and policy adviser, in ensuring the achievement of EEO. Public Service leaders model and actively promote EEO.
Organisational culture and strategic human resource management	<p>Departments recognise and fully understand how human resource practices and organisational culture can create barriers to employment and progression of EEO groups, and have identified strategies to overcome these barriers.</p> <p><i>Human resource policies and practice:</i> EEO is increasingly 'mainstreamed' into all aspects of human resource strategy, planning and systems.</p> <p><i>Management of a diverse workforce:</i> Chief executives and departments are planning for a diverse workforce.</p> <p><i>Access (physical, attitudinal, structural, technological barriers):</i> Each department has identified the range of organisational barriers that can prevent the full participation of EEO groups at work.</p> <p><i>Affirmative action:</i> Each department has identified specific strategies for meeting the employment needs of members of EEO groups.</p>	<p>Departments have integrated EEO into all strategic management practices, viz:</p> <ul style="list-style-type: none"> • human resource systems and practices are non-discriminatory; • managers effectively manage a diverse workforce; • barriers to full participation of EEO groups are removed; • specific strategies to address the employment needs of EEO groups are a fundamental feature of human resource practice. <p><i>Human resource policies and practice:</i> EEO is embedded as an active and visible part of all human resource strategy and planning, and all human resource systems and practices are non-discriminatory.</p> <p><i>Management of a diverse workforce:</i> Each department demonstrates effective management of a diverse workforce.</p> <p><i>Access (physical, attitudinal, structural, technological barriers):</i> Organisational barriers that can prevent the full participation of EEO groups at work are removed.</p> <p><i>Affirmative action:</i> The ongoing development of specific strategies to address the employment needs of EEO groups is a fundamental feature of human resource practice.</p>
Employment of EEO groups	<p><i>Maori:</i> Maori will increasingly comprise a critical mass in each department in order to build Public Service capability.</p> <p><i>Other EEO groups:</i> The staff profile of each department will more closely reflect – at all levels and at all occupational groups – the proportions of EEO groups in the labour force than it did in June 1996.</p>	<p><i>Maori:</i> Each department has a critical mass of Maori staff at requisite levels, contributing to managerial, policy and service delivery capability.</p> <p><i>Other EEO groups:</i> The staff profile of each department will more closely reflect – at all levels and at all occupational groups – the proportions of EEO groups in the labour force than it did in June 2000.</p>
Monitoring and evaluation	Both departments and the SSC have improved their capability to collect more robust EEO information, analyse the effectiveness of EEO strategies, and assess EEO progress more effectively.	The quality and delivery of EEO policy and practice is improved as a result of a well-established monitoring and evaluation capability at the departmental and central agency levels.





Implementation and Monitoring of the Policy

Implementation of the Policy

Flexibility is central to the policy, so that EEO implementation can be appropriate for each department. While each department's application of this policy will be integral to its overall strategic human resource management strategy, there are particular requirements to be met. Using the four areas of focus and related objectives outlined in the framework – leadership, organisational culture and strategic human resource management, employment of EEO groups, and monitoring and evaluation – each department will:

- provide a status report which transparently describes its current EEO position;
- develop a plan which outlines the positive changes to be made in terms of the numbers and employment status of staff, and culture shifts; and
- provide realistic and measurable standards against which achievement will be assessed.

Critical dates for implementation of the policy are 30 June 1998, 2000 and 2005, when departmental self-review of EEO performance, culminating in a status report, will provide the basis of planning for the next extended period. Each department's plan will specify, in the first instance to the year 2000, how it will contribute to achievement of each of the four objectives. A key element of this will be to identify how the policy objectives link with the department's identification of its own EEO needs (planning, implementation and monitoring) which are embedded in its business strategy. Plans will subsequently be developed for the years 2005 and 2010.

Annual Reporting and Monitoring

Responsibility for implementation rests explicitly with each chief executive. By 30 June 1998 each department will have provided a status report on its own EEO position and identified the way in which it is addressing the objectives of the EEO policy to 2000. Each department will report to the SSC against these plans for the next two years. Similarly, a status report will be required in the year 2000, with a plan to 2005; and again in the year 2005, with a plan to the year 2010.

The SSC will continue to monitor EEO as part of the departmental performance assessment process. In monitoring the policy, a key interest of the SSC will be in departments' specification of their future EEO activity – that is, in evidence that the department has built 'stretch' into its planning and has developed standards for assessing future progress. The collation and analysis of departments' performance in EEO will provide the information necessary to assess Public Service-wide progress against the objectives in the policy.

A chief executive standing committee on EEO will meet annually with the State Services Commissioner (beginning 1998) to oversee the implementation of the policy, and specifically to:

- ensure that there are clear criteria specified for monitoring the policy;
- review progress, identify key trends, review which EEO groups need to be given special consideration as part of EEO policy, and make adjustments to the specifications for the following year if necessary.





EEO POLICY TO 2010





1. Introduction

This statement on equal employment opportunities¹ (EEO) is made and endorsed by chief executives on behalf of the following Public Service departments.²

Ministry of Agriculture	Ministry of Foreign Affairs and Trade	Department of Prime Minister and Cabinet
Audit Department		
Ministry of Commerce	Ministry of Forestry	Public Trust Office
Department of Conservation	Ministry of Health	Ministry of Research, Science and Technology
Department of Corrections	Ministry of Housing	Serious Fraud Office
Department for Courts	Inland Revenue Department	Department of Social Welfare
Crown Law Office	Department of Internal Affairs	State Services Commission
Ministry of Cultural Affairs	Ministry of Justice	Statistics New Zealand
New Zealand Customs Service	Department of Labour	Te Puni Kokiri
Ministry of Defence	Land Information New Zealand	Ministry of Transport
Ministry of Education	National Library of New Zealand	The Treasury
Education Review Office	Ministry of Pacific Island Affairs	Valuation New Zealand
Ministry for the Environment	Parliamentary Service	Ministry of Women's Affairs
Ministry of Fisheries		Ministry of Youth Affairs

Chief executives recognise that they must all take a leading role in promoting Government's EEO policy by accepting responsibility for implementation of the *EEO Policy to 2010: Future Directions of EEO in the New Zealand Public Service* policy within their departments. The State Services Commission (SSC) reaffirms its role in the promotion, development and monitoring of EEO.

This policy signals a significant shift in leadership for EEO – from the SSC as a central agency, to leadership by chief executives supported by the SSC. Personal responsibility for good EEO practice rests explicitly with each chief executive. The SSC continues to provide whole of government EEO policy advice and monitoring.

This statement is also supported by the chief executive of the New Zealand Police and New Zealand Defence Force.

1 A definition of EEO and detailed descriptions of key concepts and terms important for an understanding of EEO in New Zealand are contained in Appendix 1, page 10.

2 Appendix 2, page 13, gives a brief background to EEO in the New Zealand Public Service.





2. Statement of Government Commitment to EEO

The Government is committed to the practice and promotion of EEO in all employment sectors as a strategy which supports its strategic plan for the future. A commitment to fairness and equality of opportunity in employment and in management systems and practices, and to the development of inclusive workplace cultures, will promote business integrity, capability and performance.

As 'owner' of the Public Service, successive governments need to be able to rely on a Public Service which has the capability to respond to the economic and social demands of the day. Government demonstrates its commitment to building capability through EEO by a legislative requirement on all departments to operate an EEO programme. The Government provides leadership to other employers by promoting and modelling EEO policies and practices.

The EEO Trust and the EEO Fund were established in 1990 to promote a voluntary approach to EEO in the private sector. Part of Government's commitment to EEO can be evidenced by its ongoing involvement in, and resourcing of, these two bodies.

3. Statement of Public Service Commitment to EEO

The Government and Public Service rationale for promoting and implementing EEO is to ensure the development of a diverse Public Service that is capable of delivering on Government outcomes in all areas of policy development and service delivery.

The principles and practice of EEO remain a core Public Service value, contributing to its integrity and to its high performance. Reflecting community diversity at all levels of the Public Service, especially management, and in all types of work will contribute to public and Government confidence that policy advice has considered the full range of views and that services are appropriately delivered.

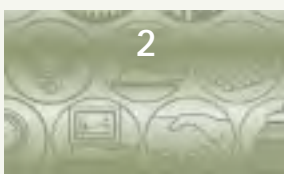
The Public Service is committed, through EEO, to eliminating all forms of unfair discrimination – direct, indirect or structural.

4. Legislative Foundations of EEO in the Public Service

Under section 58 of the State Sector Act 1988, each chief executive is required to develop each year an EEO programme for the department, and to report on EEO progress for the past year. Section 6 of the Act requires the SSC to 'promote, develop and monitor equal employment opportunities policies and programmes for the Public Service'.

There is a range of other domestic anti-discrimination legislation which contributes to protection from unfair discrimination and to which departments must adhere. There are also a number of relevant international instruments.³

³ Information on the domestic and international legal environment is included at Appendix 2, page 14.





5. The Overall Outcome for EEO

The long-term outcome for EEO is the elimination of all forms of unfair discrimination in employment. This will be achieved when three conditions prevail in organisations:

- inclusive, respectful and responsive organisational cultures which enable access to work, equitable career opportunities, and maximum participation for members of designated groups and all employees;
- procedural fairness as a feature of all human resource strategies, systems and practices;
- employment of EEO groups at all levels in the workplace.

EEO is firmly based on the application of the merit principle. This principle requires that merit is carefully defined in job specifications to eliminate both direct and indirect bias, and that appointment to any position or selection for career opportunity is made on the basis of an objective assessment of candidates against merit criteria.

6. The Public Service Context to 2010

To the year 2010, the Public Service is concerned with its strategic positioning to ensure its effectiveness in serving a diverse society. Departments are concerned with the efficient and effective delivery of their business. Continuing change, increased customer focus and a changing workforce demography are some of the conditions facing workplaces now and in the future. New Zealand society is underpinned by the principle of fairness, and the Government seeks, in the delivery of both policy and services, to develop a fair society which recognises that people in this country have a right to be free of unfair discrimination. Moreover, as Treaty of Waitangi grievances continue to be addressed and a better understanding of the Treaty evolves in terms of New Zealand's historical, political, judicial and constitutional arrangements, greater consideration is being given to the Treaty in the name of good government.

In order to have credibility and to withstand criticism, the Public Service must reflect in its composition a commitment to tolerance, cultural consciousness and fair-mindedness. In order to support both the current and future governments, the Public Service must be open to consider all points of view and to work with a wide range of groups.

EEO contributes to these ends by delivering a Public Service workforce better able to respond to a diverse and demanding public. EEO contributes to effective management by attracting and drawing on a wider pool of talented people, by appointing the best people and by encouraging the full participation of all staff. EEO promotes fairness in employment as one facet of a fair and just society, recognises the status of Maori as tangata whenua and acknowledges the need for greater responsiveness to Maori

7. EEO Focus to 2010

Having completed the establishment phase of EEO, the Public Service's emphasis for the next decade will be the delivery of results: to realise a diverse Public Service which reflects the community it serves and which contributes to improved efficiency and effectiveness in policy advice and service delivery.





What this means is that, like other aspects of business practice, EEO strategies in the Public Service to the year 2010 will have a sharper and more strategic focus. EEO will be a deliberate part of each department's overall strategic human resource management strategy. Key features of the policy include:

- four areas of EEO focus – leadership, organisational culture and strategic human resource management, employment of EEO groups, and monitoring and evaluation; and
- a requirement that each department will specify its expected EEO achievements, against which progress will be measured.

The areas of organisational culture and strategic human resource management, and the employment of EEO groups, represent a continuation of earlier approaches to EEO in the Public Service. In addition, in recognition of a devolved Public Service environment and increased chief executive accountability, there are two new areas of focus – leadership, and monitoring and evaluation.

In each of these areas, objectives have been developed at the departmental level for the years 2000 and 2010. These are indicative only, as variation in the business, size and shape of Public Service departments necessitates flexibility in departmental EEO objectives. The intention, however, is that departmental objectives will be quite explicit about intended changes in the areas of leadership, strategic human resource management and organisational culture, and that they will likewise set realistic, quantitative objectives for the employment of EEO groups. Both departmental and SSC monitoring of EEO activities will increasingly focus on the effectiveness or impact of such strategies in progressing the department towards its intended objectives. Each chief executive will specify the nature of their departmental contribution to the policy for the years 2000, 2005 and 2010.

8. Four Areas of EEO Focus and Objectives to 2000 and 2010

I Leadership

This area outlines the expectations of chief executives in providing leadership for the Public Service in the achievement of EEO.

	To 2000	To 2010
Leadership	All Public Service departments have a shared understanding of the rationale for EEO policy and practice, which is actively promoted and demonstrated in their business.	Public Service departments, both as employer and policy adviser, demonstrate leadership in ensuring the achievement of EEO. Public Service leaders model and actively promote EEO.

II Organisational Culture and Strategic Human Resource Management

This area specifies aspects of the departmental culture and environment which need to be addressed if all staff are to participate and contribute successfully in the workplace. While each aspect is discussed discretely, it is expected that EEO initiatives will be increasingly integrated with human resource strategies and plans aimed at ensuring that current delivery requirements and future capability requirements are met.





Objectives to 2000 and to 2010 are organised under four different headings:

- *human resource policies and practice* – addresses the development of fair human resource management systems and structures;
- *management of a diverse workforce* – recognises that departments have, or shortly will have, a diverse workforce, and that planning must occur to manage this;
- *access (physical, attitudinal, structural, technological barriers)* – recognises that barriers to full participation occur in people as well as in systems and structures, and that the identification of these precedes the development of affirmative action strategies;
- *affirmative action* – refers to the strategies developed to address the employment needs of members of EEO groups. This generally includes developing the skills and career aspirations of members of EEO groups so that individuals can compete on an equal footing with those from 'mainstream' groups. Affirmative action is not preferential treatment, and does not require employers to hire or promote unqualified people (see Appendix 1 for further discussion).

	To 2000	To 2010
Organisational culture and strategic human resource management	<p>Departments recognise and fully understand how human resource practices and organisational culture can create barriers to employment and progression of EEO groups, and have identified strategies to overcome these barriers.</p> <p><i>Human resource policies and practice:</i> EEO is increasingly 'mainstreamed' into all aspects of human resource strategy, planning and systems.</p> <p><i>Management of a diverse workforce:</i> Chief executives and departments are planning for a diverse workforce.</p> <p><i>Access (physical, attitudinal, structural, technological barriers):</i> Each department has identified the range of organisational barriers that can prevent the full participation of EEO groups at work.</p> <p><i>Affirmative action:</i> Each department has identified specific strategies for meeting the employment needs of members of EEO groups.</p>	<p>Departments have integrated EEO into all strategic management practices, viz:</p> <ul style="list-style-type: none"> • human resource systems and practices are non-discriminatory; • managers effectively manage a diverse workforce; • barriers to full participation of EEO groups are removed; • specific strategies to address the employment needs of EEO groups are a fundamental feature of human resource practice. <p><i>Human resource policies and practice:</i> EEO is embedded as an active and visible part of all human resource strategy and planning, and all human resource systems and practices are non-discriminatory.</p> <p><i>Management of a diverse workforce:</i> Each department demonstrates effective management of a diverse workforce.</p> <p><i>Access (physical, attitudinal, structural, technological barriers):</i> Organisational barriers that can prevent the full participation of EEO groups at work are removed.</p> <p><i>Affirmative action:</i> The ongoing development of specific strategies to address the employment needs of EEO groups is a fundamental feature of human resource practice.</p>



III Employment of EEO groups⁴

This area seeks to encourage positive movement in the employment and promotion of EEO group members both in each department and collectively across the Public Service.⁵ It is expected that the positive changes in both the numbers and the distribution of some EEO groups from 1984 to 1994 will be built on to the year 2010 while establishing a Public Service which reflects the diversity of the people it serves.

Objectives for this section are couched in quantitative terms. Each department will determine its numerical objectives to the years 2000 and 2010. These will identify what the department is aiming to achieve – the 'stretch' that is appropriate for the department – and are set for the purpose of monitoring progress. The development of numerical objectives should be realistic and based on relevant contextual information, e.g. devolution of services to iwi and a projected loss of Maori staff, or the difficulties of numerical projections in small departments. These objectives are targets similar to those which are defined in other aspects of departmental business. The objectives are not quotas, which specify a number of positions to be filled by particular groups (and where the perception is often that they are to be applied regardless of the calibre of the pool of candidates).

Objectives for this section are organised under the following headings:

Maori

This policy has a particular emphasis on the achievement of EEO for Maori. This reflects the need for the Public Service to give effect to section 56 of the State Sector Act and to ensure that the Public Service has Maori staff with the managerial, policy and service delivery capability to achieve Government outcomes appropriately.

Other EEO groups

'EEO group' in this section refers, in the first instance, to those covered by the State Sector Act 1988 – women, Maori, Pacific Islands people, ethnic or minority groups, and people with disabilities – as the SSC will undertake Public Service-wide monitoring in respect of these groups. In addition, some departments recognise other EEO groups, and it would be beneficial to be able to collect information on these groups across the Public Service.

-
- 4 EEO groups are defined by under-representation in the Public Service compared with labour force availability, and/or concentration in particular areas and levels of employment which tend to be poorly remunerated and lack influence, and/or by slower progression through the organisation than the mainstream or dominant group. This may be because of discriminatory treatment and practices now or in the past, or different social or educational experience.
- 5 The starting point for EEO is that ability and talent are evenly spread between men and women, and throughout ethnic groups and people of differing sexual persuasions and, allowing for particular requirements, among people with disabilities; and that movement towards the presence of all groups at all levels in all departments is desirable. Such movement must be firmly based on application of the merit principle.

Research indicates that where EEO is a significant and deliberate intervention which provides focused action in the employment arena to eliminate the present and residual effects of discrimination, measurable results are obtained in terms of the benefits to individuals and groups.





	To 2000	To 2010
Employment of EEO groups	<p>Maori: Maori will increasingly comprise a critical mass in each department in order to build Public Service capability.</p> <p>Other EEO groups: The staff profile of each department will more closely reflect – at all levels and at all occupational groups – the proportions of EEO groups in the labour force than it did in June 1996.</p>	<p>Maori: Each department has a critical mass of Maori staff at requisite levels, contributing to managerial, policy and service delivery capability.</p> <p>Other EEO groups: The staff profile of each department will more closely reflect – at all levels and at all occupational groups – the proportions of EEO groups in the labour force than it did in June 2000.</p>

IV Monitoring and Evaluation

This section specifies the information requirements, research practices and monitoring activities which:

- i departments will need to assess their progress in the achievement of EEO goals; and
- ii the SSC will need to assure Government that the Public Service is making progress in the achievement of the EEO objectives outlined in this policy statement.

In addition, this information will alert the Public Service to new areas or forms of discrimination, and will identify areas in which Public Service-wide EEO strategies may need to be developed.

Monitoring and evaluation	Both departments and the SSC have improved their capability to collect more robust EEO information, analyse the effectiveness of EEO strategies, and assess EEO progress more effectively.	The quality and delivery of EEO policy and practice is improved as a result of a well-established monitoring and evaluation capability at the departmental and central agency levels.
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9. Implementation to 2010

Responsibility for implementation of this policy and the delivery of results rests explicitly with each chief executive.

A number of features are expected to characterise implementation to the year 2010:

- alignment of the department's EEO activities with the department's business and organisational strategies;
- continuation of a comprehensive approach – strengthening a qualitative focus on organisational cultural change as well as evaluation against numerical objectives;
- ongoing devolution of responsibility for EEO to senior managers;
- a group and an individual focus;
- ongoing integration of EEO and human resource practice.

Flexibility is central to the policy so that EEO implementation can be appropriate for each department. While the application of this policy in each department will be integral to its overall, long-term employment strategy, there are particular requirements to be met. Using the four areas of focus and related objectives outlined in the framework – leadership, organisational culture and





strategic human resource management, employment of EEO groups, and monitoring and evaluation – each department will:

- provide a status report which transparently describes its current position;
- develop a plan (explicitly developed around the Public Service-wide objectives in this policy) which outlines the positive changes to be made in terms of numbers and employment status of staff, and culture shifts; and
- set realistic and measurable standards against which achievement will be assessed.

Critical dates for implementation of the policy are 30 June 1998, 2000 and 2005, when departmental self-review of EEO performance, culminating in a status report, will provide the basis of planning for the next extended period. Each department's plan will specify, in the first instance to the year 2000, how it will contribute to achievement of each of the four objectives. A key element of this will be to identify how the policy objectives link with the department's identification of its own EEO needs (planning, implementation and monitoring) which are embedded in its business strategy. Plans will subsequently be developed for the years 2005 and 2010.

10. Annual Reporting and Monitoring

By 30 June 1998 each department will have provided a status report on its own EEO position and identified the way in which it will address the objectives of the EEO policy to 2000. Each department will report to the SSC against these 'plans' for the next two years. A similar self-review and production of a status report will be required in the year 2000, with a plan to 2005; and in the year 2005, with planning to the year 2010.

The SSC will continue to monitor EEO as part of the departmental performance assessment process. In monitoring the policy, a key interest of the SSC will be in departments' specification of their future EEO activity – in evidence that the department has built 'stretch' into its planning and is developing standards for assessing future progress. The collation and analysis of departments' performance in EEO will provide the information necessary to assess Public Service-wide progress against the objectives in the policy.

Beyond 1998, there is a need to review the SSC's current approaches to monitoring EEO in order to take into account the longer-term, strategic focus of the policy and the increasing integration or mainstreaming of EEO with the business of the department. During the 1997/98 financial year, the SSC will sponsor an inter-departmental working group to consider future EEO monitoring.

A chief executive standing committee on EEO will meet annually with the State Services Commissioner (beginning 1998) to oversee the implementation of the policy, and specifically to:

- ensure that there are clear criteria specified for monitoring the policy;
- review progress, identify key trends, review which EEO groups need to be given special consideration as part of EEO policy, and make adjustments to the specifications for the following year if necessary.





APPENDICES





Appendix 1 Definitions and Key Concepts

The following points help describe the scope of EEO as it is applied in New Zealand in 1997, and are the working definitions used in this policy. An understanding of the meaning of the following terms is important, as the development and practice of EEO in countries around the world has given rise to local understandings of the direction and scope of EEO. The development and practice of EEO in New Zealand has been shaped by the adoption of particular aspects of international good practice as well as by factors specific to New Zealand such as the Treaty of Waitangi, the state sector reforms and employment law.

It is important to note that the explanations in this appendix describe our understanding of EEO in 1997. This has evolved since the initial Government commitment to EEO in 1984, and will continue to evolve to match changing environments over the period to 2010.

Equal employment opportunities

Equal employment opportunities (EEO) is a term used to describe both a strategy for change and the result of that change. The result is a workplace in which everyone is able to participate and compete equitably, to develop to their full potential and be rewarded fairly for this contribution regardless of gender, ethnicity, disability, sexual orientation, age or family circumstances.⁶

As a strategy for change, EEO covers a range of activities. Firmly based on the application of the merit principle, EEO is concerned with identifying and eliminating unfair discriminatory practices, creating an environment which encourages and supports the full participation of staff, and attracting and retaining a diverse staff.

Affirmative action

Affirmative action is one aspect of a three-pronged approach (together with the removal of bias from human resource systems and the changing of workplace cultures) to achieving EEO goals. It is aimed at removing, or compensating for, barriers to employment opportunities for members of EEO groups, and developing strategies to address their employment needs. This generally includes developing the skills and career aspirations of members of EEO groups so that individuals can compete on an equal footing with those from 'mainstream' groups.

Affirmative action is not preferential treatment and does not require employers to hire or promote unqualified people. Affirmative action in employment in New Zealand has always been firmly associated with the application of the merit principle, which means that strategies such as positive discrimination or quotas have never been adopted here.

Comprehensive approach

EEO in New Zealand has always taken a three-pronged, comprehensive approach, based on affirmative action, removal of bias from human resource management systems and other organisational systems, and changing of workplace cultures.

6 The specific EEO groups listed in section 56 of the State Sector Act 1988 are Maori, ethnic or minority groups, women, and persons with disabilities. Discrimination on the basis of sexual orientation, age or family status is unlawful under the Human Rights Act 1993.



Direct, indirect and structural discrimination

EEO sets out to address all unfair discrimination in employment, whether direct, indirect or structural.

Direct discrimination is overt, both verbal and non-verbal, and occurs when personal characteristics irrelevant to the capacity to do the job (such as gender or ethnicity) are taken into account in employment decisions.

Indirect discrimination occurs when policies, procedures and practices which appear to be fair in fact suit a particular group of people and disadvantage other groups, i.e. when applied equally, they affect different groups unequally.

Structural (often referred to as systemic) discrimination occurs when an entire network of rules and practices disadvantages less empowered groups while serving at the same time to advantage the dominant group.

EEO groups

The 'collective' characteristic of discrimination is fundamental to understanding EEO, and underpins the concept of EEO groups. Unfair discrimination refers to the way in which a person or a group of people are treated because they have a common characteristic that puts them outside the mainstream or dominant group (in terms of numbers or power, or both). Traditionally these characteristics include ethnicity, race, colour, gender and disability.

EEO concentrates on groups of people who experience unfair discrimination and are excluded from full participation in the workforce. The result is that they may be located at the lower salary levels, and may lack access to decision-making roles and influence. Even early career success may end at a point where the 'glass ceiling' is met.

In 1988 section 56 of the State Sector Act recognised groups considered to be most adversely affected in employment in New Zealand. These groups are: Maori, ethnic or minority groups (in the Public Service this has always been separated into Pacific Islands people and ethnic groups), women, and persons with disabilities. This is consistent with approaches taken internationally.⁷ There has not been sufficient change or development in the employment position of these groups to consider that they no longer need a specific focus. Section 58 of the State Sector Act allows for the naming of additional groups if necessary.

In the past seven years several departments in the Public Service have developed a focus on additional groups of employees who are experiencing discrimination. Most commonly these groups have been lesbian and gay staff, people with family responsibilities, and older employees.⁸

7 In the Public Service of Canada designated groups are Aboriginal peoples, persons with disabilities, persons in a visible minority, and women; in the Australian Public Service the groups are Aboriginal and Torres Strait Islander people, people with disabilities, people of non-English speaking background, and women.

8 The existence of network groups in departments has tended to be used as a (conservative) proxy for those departments which have developed a focus on additional groups. In 1995 there were 10 departments with lesbian and gay networks (or some variation on this) and 5 departments with networks for people with family responsibilities.





Departments can designate additional EEO groups as appropriate, e.g. if the nature of the department's business suggests the need for a focus on particular groups. In future, there is likely to be an increased emphasis on unfair discrimination based on life-stage (a term that encompasses all who experience unfair discrimination because of age), whether older or younger.

Equity filters

An equity filter comprises a series of deliberate (mental or written) checks undertaken to ensure equitable outcomes for all groups of staff. An example would be a checklist for developing job descriptions to ensure appropriate language, and a focus on skills and knowledge necessary for the position (rather than irrelevant qualities and characteristics) and ways of developing these.

Integration

Since 1990 there has been a trend for EEO to be integrated into the human resource systems, management practices and core business of departments. Integration has been encouraged in departments in which EEO baseline practices are well established.

The SSC report *EEO: 1984 to 1994 and Beyond* proposed three particular components for integration of EEO:

- alignment of EEO with departmental business goals;
- integration with strategic human resource planning and practice; and
- customisation of the implementation and operation of EEO in terms of organisational culture, size, structure and systems.

In considering the increased integration of EEO into the structures, functions and processes of departments, a number of issues appear. These include:

- ensuring that integration represents maintenance and development of the EEO agenda (rather than extinction); and
- the need to develop practical methods for the implementation of EEO as part of an integrated management approach.

There is a clear need for any organisation moving toward integration of EEO to have met identified baseline practices such as a clear organisational commitment to EEO, an established database and monitoring system, and appropriate training, particularly for managers. Once this is achieved, there needs to be a clear strategy for maintaining and developing EEO as an integral part of the business by providing an equity filter on all aspects of the business, and for tracking EEO progress.

Merit

EEO in New Zealand has always been associated with the merit principle where merit is carefully defined to eliminate both direct and indirect bias. The best person for the position is then appointed, based on an objective assessment of candidates against merit criteria. The definition of merit is not fixed but is related to the particular requirements of a specific position.

In effect EEO places a spotlight on merit. An EEO approach to merit critically evaluates 'standards and practices and selection criteria to ensure they do not exclude qualified people from consideration for positions and employment benefits. This involves not only removing arbitrary, artificial and unnecessary barriers to employment opportunities, but a re-assessment of current



standards so that a more realistic interpretation of what “merit” actually involves for particular jobs or benefits is applied.⁹

Responsibility for EEO

EEO is the responsibility of everyone in the organisation. Management are responsible for developing and implementing EEO policy and practice. Staff have an individual responsibility to behave according to organisational values and standards, particularly those related to fairness and non-discriminatory behaviour.

Appendix 2 Background of EEO in the Public Service, 1984–1996

Development of EEO

EEO in New Zealand initially grew out of a strong social justice and anti-discrimination agenda. In 1984, 12 of the Government’s major employing authorities jointly endorsed a policy statement on EEO – *Statement of Government Employing Authorities on Equal Employment Opportunities*.

In 1988 the Government’s commitment to EEO was shown by its inclusion in the State Sector Act. At this time leadership in EEO was largely assumed by the State Services Commission. Over the past few years the ‘business case’ for EEO has become increasingly important to government departments as they strive to respond better to the community through enhanced policy development and service delivery. With the development of a strategic approach to EEO, chief executives and their departments have gradually assumed greater leadership, alongside the leadership provided by the SSC for the whole Public Service.

In 1994 the SSC undertook a review of the first 10 years of EEO implementation to assess what has been achieved and to consider the future direction of EEO in the Public Service.¹⁰ The review highlighted many achievements within the Public Service, including the development of an EEO infrastructure, positive changes in representation and distribution, changes in workplace cultures, and a significant impact on direct discrimination. It also identified areas for future work.

In 1996 the State Services Commissioner convened a steering group of chief executives to develop a Public Service direction for EEO and strategies for implementation. This policy is a result of that work.

6.9 Burton, C. *Redefining Merit*, monograph No. 2, Affirmative Action Agency, Commonwealth of Australia, 1988.

10 The findings of the review were published by the SSC in 1995 in a document entitled *EEO: 1984-1994 and Beyond*.





EEO

POLICY TO 2010

Future directions of EEO in the New Zealand Public Service





Domestic and International Legal Environment¹¹

Domestic Legislation

To identify implications for a future policy for EEO arising from the current legislative environment, it is necessary first to clarify the relationship between the law and EEO. Five relationships have been identified. These should not be viewed as mutually exclusive; rather, they are different parts of a single whole. Further, as both the anti-discrimination legislation and EEO practice are relatively new, both are in a dynamic state.

- EEO is a legislative requirement in the Public Service.
- Anti-discrimination legislation sets bottom lines – EEO is an organisation's prime strategy for achieving these.
- Legislation provides a recourse for redress – EEO creates an environment in which the need for redress is minimised.
- Legislation is employed to limit individuals' freedom of action in the public interest – EEO encourages individuals to do the 'right thing' of their own volition.
- Both foster the attainment of fairness in the workplace.

The main statutes that provide protection from unfair discrimination in the area of employment within the Public Service are the:

- Equal Pay Act 1972;
- State Sector Act 1988
- New Zealand Bill of Rights Act 1990;
- Employment Contracts Act 1991; and
- Human Rights Act 1993;

There are a number of other relevant statutes which contribute toward protection from unfair discrimination, e.g. Parental Leave and Employment Protection Act 1987.

International Instruments

The following international conventions or covenants may be taken into account by the courts in their consideration of any cases related to breaches of the anti-discrimination laws:

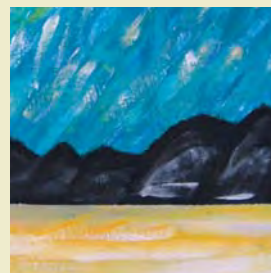
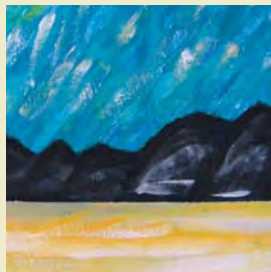
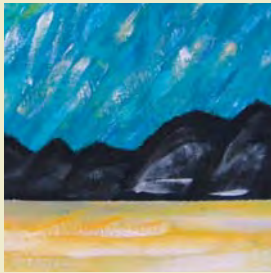
- Universal Declaration of Human Rights, 1948
- ILO Convention 100: Equal Remuneration, 1951;
- ILO Convention 111: Discrimination (Employment and Occupation), 1958;
- International Convention on the Elimination of All Forms of Racial Discrimination, 1966;
- International Covenant on Civil and Political Rights, 1966;
- International Covenant on Economic, Social and Cultural Rights, 1966;
- Convention on the Elimination of All Forms of Discrimination against Women, 1979;
- United Nations Declaration on the Rights of Indigenous People; and
- International Convention on the Rights of the Child, 1989;

The *Platform for Action* adopted by participants, including New Zealand, at the *Fourth World Conference on Women* in Beijing in 1995 builds on the Government's ratification of a number of the above instruments. The platform includes objectives that address women's economic rights and independence, and the elimination of occupational segregation and employment discrimination.

11 This summary was extracted from the findings of sub-project 4 of the *Future Directions of EEO in the New Zealand Public Service* project, which looked at anti-discrimination legislation and its implications for EEO. Detailed information will be available from the working paper series associated with the project.



EEO Progress in the Public Service with special focus on Pacific Peoples



Front cover: images courtesy of the Ministry of Pacific Island Affairs.

The painted images are by Samoan artist Fatu Feu'u. These were taken from Nuanua Malama (Light of the Rainbow) which was commissioned by the Ministry in 1989. The painting depicts the migration of Pacific peoples to New Zealand.

EEO Progress in the Public Service

with special focus on Pacific peoples

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Foreword

The promotion of Equal Employment Opportunities is a critical area of work for the State Services Commission. It is important that the public of New Zealand is well served by a Public Service that represents all facets of our communities. This is central both to our effectiveness in providing services to the various groups in New Zealand, and also to our ability to be a good employer for all public servants.

This year's report has a special focus on Pacific peoples. This enables more meaningful analysis of the employment of Pacific peoples in the Public Service. It also highlights areas where improvement can be made.

Overall, the data show that the Public Service employs a relatively high proportion of Pacific peoples when compared with the overall labour force. Pacific people are mostly employed in frontline and clerical occupations, they generally earn less than non-Pacific public servants and they are under-represented in management positions. The age structure of Pacific public servants is considerably younger than other groups.

This report also tells us that Pacific public servants have a desire to improve their formal qualifications, to widen their work experience and also to have their diverse skills valued and formally recognised. They also have strong ambitions to move into senior management positions and other positions of influence in the Public Service. This is encouraging, and provides the Public Service with an opportunity to better utilise the expertise and skills of this emerging talent pool.

More broadly, this report shows continued overall positive trends. The Public Service has higher proportions of all EEO groups (except Asian peoples) than in the employed labour force, but there is always room for improvement.

I wish to acknowledge the recent release of the Human Rights Commission Report, *Framework for the Future – Equal Employment Opportunities in New Zealand*. This report provides a useful evaluation of the progress in EEO across New Zealand, including the Public Service. The State Services Commission will work closely with the Human Rights Commission on the recommendations raised by their research.

The Government has also signalled that it expects the State sector to lead in providing equitable employment opportunities, with the release of the Pay and Employment Equity Taskforce Report in May and endorsement of a five-year plan of action. The Commission and Public Service departments will need to work together to make sure this plan is implemented.



Mark Prebble
State Services Commissioner

Executive Summary

Equal Employment Opportunities (EEO) is about equity and fairness in employment for all, but with particular attention to groups that face employment disadvantage. The policy and practice of EEO are important components of the Government's aim of building a diverse, capable Public Service that both reflects the New Zealand community it serves and is able to deliver better services to that community.

Each year, the State Services Commission publishes an EEO Progress Report for the Public Service. This year's report has a special focus on Pacific peoples, but also includes Appendices with information on overall representation of EEO groups in the Public Service, and Fair Pay.

The workforce profile of Pacific public servants

The proportion of those in the Public Service who are Pacific people – especially Pacific women – has been gradually growing since the late 1980s. As at 30 June 2003, 2,132 Pacific people were employed in the Public Service, equivalent to 7.1% compared with 4.5% in the employed labour force. The proportion of public servants who are women is greater in the Pacific group than in the non-Pacific group, and has grown faster than the number of Pacific men.

Pacific people in the Public Service are a young group, with a median age of 35 years in 2003, compared with 41 for the non-Pacific group. In general, Pacific people in the Public Service are less qualified than others. They are also a highly unionised group, with a strong growth in union membership over the last three years.

Most Pacific staff in the Public Service are employed in frontline and clerical occupations and tend to be under-represented in the professional, science and technical, and management occupations. In 2003, the five most common occupations for Pacific public servants were case worker, general clerk, technical representative, social worker and prison officer. Pacific people in the Public Service are more likely than non-Pacific staff to work in service departments.

Almost half of Pacific public servants work in the Auckland region, which is consistent with the population distribution of Pacific people.

In almost all age groups, the turnover rate for Pacific public servants is lower than that for non-Pacific staff. However, there is a higher turnover rate for Pacific people in the 35 to 44 years age group, compared with non-Pacific people in this age group. This is worthy of notice because this age group is considered the labour pool for potential managers.

Pacific people in the Public Service, as well as in the wider labour force, generally earn less than non-Pacific people. This is partly accounted for by their younger age structure and their lack of qualifications. Another contributor to the overall pay gap is the low number of Pacific people in management positions, especially in senior management. The age profile, turnover rate and lack of qualifications are relevant factors. However, increasing movement into professional and technical occupations may lead over time to more representation in senior positions.

The experiences of Pacific public servants

This report draws a picture of the aims and aspirations of Pacific staff and of barriers they face, based on the proceedings from a conference for Pacific public servants, the Career Progression and Development Survey and on recent interviews.

Pacific staff want their differences to be recognised as an asset, and valued accordingly. In particular, they want their special skills and contributions to the workplace to be recognised in the formal systems of job specifications, performance management and remuneration.

The under-representation of Pacific staff in management positions and policy advisory positions results in fewer opportunities for their direct input into decision-making. It also limits their access to information, technology, training and resources. However, results from the Career Development and Progression Survey showed that there is an ambitious and willing group of Pacific staff to target in terms of improving the diversity of the senior ranks of the Public Service. They want to improve their formal qualifications and to widen their work experience, with many feeling trapped on a short career ladder. Access to study leave and secondments are regarded as highly important, and there appears to be a link between retention of Pacific employees and their access to development opportunities.

Pacific public servants want managers to give them active support and encouragement, and to set clear goals and guidelines for their development. They are deterred from applying for more senior positions by their lack of qualifications, lack of experience, concerns about the fairness of selection processes and a lack of other people's confidence in them.

Many strategies have been suggested by Pacific public servants to address the issues they have identified. These include:

- acknowledging cultural skills as being relevant to the business of the organisation, by recognising them in remuneration and appraisal systems
- recruiting and developing Pacific policy analysts
- setting up formal mentoring schemes
- providing training for non-Pacific staff on cultural issues
- monitoring the organisation's cultural environment
- developing a Public Service job experience scheme.

Public Service initiatives to attract and retain Pacific peoples

Between 1991 and 2003, activities undertaken by departments to improve the participation of Pacific staff included: scholarships; career development programmes; assertiveness training for Pacific women; Pacific staff newsletters; mentoring schemes; networks for Pacific staff; cadet training schemes; and management courses.

Public Service-wide initiatives over 2003/2004 have included a guidance document, *Creating a Positive Work Environment*, which assists departments to ensure through their policies and practices that discrimination and unwelcome behaviour are eliminated from the workplace. This should help to create conditions in which Pacific public servants will thrive.

The Human Resource Framework project, initiated in 2003, has as one of its objectives “Enhance the ability to attract and retain diverse and capable talent”. Several HR Framework projects should benefit Pacific staff. For example, the Career, Learning and Development Service project is investigating new ways of providing increased coordination of training and development activities across departments, and access to career planning services for employees below senior management level. This may assist with moving Pacific public servants into leadership roles and senior positions. The Work-Life Balance project should provide greater opportunities for Pacific staff members’ circumstances to be included as part of departments’ development of work-life balance initiatives.

Examples from departments of current initiatives to recruit and retain Pacific staff include:

- making changes to performance competencies to ensure cultural skills are recognised through remuneration systems
- identification of the training needs and career development options for Pacific staff
- a succession framework for advancing Pacific staff to senior management positions
- funding for supervisory/management training
- Pacific staff networks, with many involving an advisory role on both policy and career development issues
- departmental fono
- development of Pacific responsiveness strategies
- building and managing positive external relationships with key Pacific stakeholders
- a Chief Executive Pacific Advisory Group
- recruitment drives in Pacific communities
- a leadership forum for Pacific officers.

From the information supplied by Pacific public servants, it would seem that there are two major areas where departments could focus attention. The first is in ensuring that performance management systems recognise the specific skills of Pacific employees, and that such skills are valued as an essential part of reflecting New Zealand’s diversity. The second is in offering opportunities for development, including formal qualifications. Pacific staff believe that such development would contribute to their moving into positions of greater responsibility.

Overall representation of EEO groups in the Public Service

The Public Service continues to employ higher proportions of Māori, Pacific and women staff than does the employed labour force. The overall representation of Pacific and Asian peoples in the Public Service has continued to grow, with the representation of Māori showing little change.

In regard to the proportion of senior managers who were Māori, Pacific and Asian people and women over the last six years most groups showed growth from 1998 to 2002, but all groups showed small falls in representation in 2003. Asian managers have steadily declined in representation over the six years; however, the numbers involved are very small.

Fair pay in the Public Service

As part of the EEO Assessment process for 2003, departments were asked various questions about ensuring equity and fairness in salary matters and job evaluations. The responses indicate that, while departments do have comprehensive pay policies and processes in place, many do not recognise potential areas of gender bias.

Chapter One: Introduction

The policy and practice of equal employment opportunities (EEO) are an important component of the Government's aim of building a diverse, capable Public Service that both reflects the New Zealand community it serves and is able to deliver better services to that community. EEO is about equity and fairness in employment for all, but with particular attention to those who face employment disadvantage.

The State Services Commissioner has a role under section 6g of the State Sector Act 1988 to "promote, develop and monitor EEO across the Public Service". Each year, an EEO Progress Report is published by the State Services Commission. This year's report focuses mainly on Pacific employees. It also provides a brief summary of data on progress for other EEO groups in the Public Service.

State Sector Act 1988

While the Public Service aims to be a 'good employer' for all its staff, the State Sector Act good employer provisions refer to recognising the employment requirements, the aims and aspirations, and/or the cultural differences, of some specific groups of employees who may be disadvantaged: Māori; women; ethnic and other minority groups; and people with disabilities. Under Section 58 of the Act, each chief executive is required to develop and publish annually an EEO programme for their department that should identify and aim to eliminate "all aspects of policies, procedures and other institutional barriers that cause or perpetuate...inequality in respect to the employment of any persons or groups of persons". Each department is expected to "operate a personnel policy containing provisions generally accepted as necessary for the fair and proper treatment of employees in all aspects of their employment".

EEO Policy to 2010 – Future Directions of EEO in the New Zealand Public Service

*EEO Policy to 2010*¹, which was developed by Public Service chief executives in 1997, provides a policy framework for departments to include EEO in their overall strategic human resource management strategy. It has four areas of focus within which departments are to specify their EEO achievements and measure EEO progress:

- leadership
- organisational culture and strategic human resource management
- employment of EEO groups
- monitoring and evaluation.

One aim of the policy is to have the staff profile of each department more closely reflecting, at all levels and in all occupational groups, the proportions of EEO groups in the labour force. Departments were to have improved upon the 1996 situation by 2000, and to have improved further by 2010.

EEO Policy to 2010 also states that the long-term outcome of EEO will be the elimination of all forms of unfair discrimination in employment, and that this will be achieved when three conditions prevail in organisations:

¹ State Services Commission. *EEO Policy to 2010: Future Directions of EEO in the New Zealand Public Service*. Wellington: SSC, 1997.

- Inclusive, respectful and responsive organisational cultures enable access to work, equitable career opportunities, and maximum participation for members of designated groups and all employees.
- Procedural fairness is a feature of all human resource strategies, systems and practices.
- EEO groups are employed at all levels in the workplace.

Structure of this report

In Chapter Two of this report, the changing workforce profile of Pacific staff in the New Zealand Public Service is conveyed through statistical data. The chapter illustrates the gradually increased representation of Pacific peoples and such features as their age and occupation profiles. Comparisons are shown between the Public Service and the wider employed labour force.

The experiences of Pacific public servants are told in Chapter Three, where feedback from a conference and a Public Service survey are the main sources of information. The aims and aspirations of Pacific staff, as well as the barriers they face, are recounted.

Departmental responses and initiatives to improve the participation of Pacific people in the Public Service are detailed in Chapter Four. Public Service-wide activities are also reported.

Information on the overall representation of EEO groups in the Public Service is supplied as Appendix 1.

Appendix 2 is a report on fair pay practices in the Public Service. This draws on information submitted by Public Service departments to the State Services Commission as part of the 2003 EEO Assessment process. The report was supplied to the Pay and Employment Equity Taskforce to assist its work.

Chapter Two: Pacific People in the Public Service – the Data Story

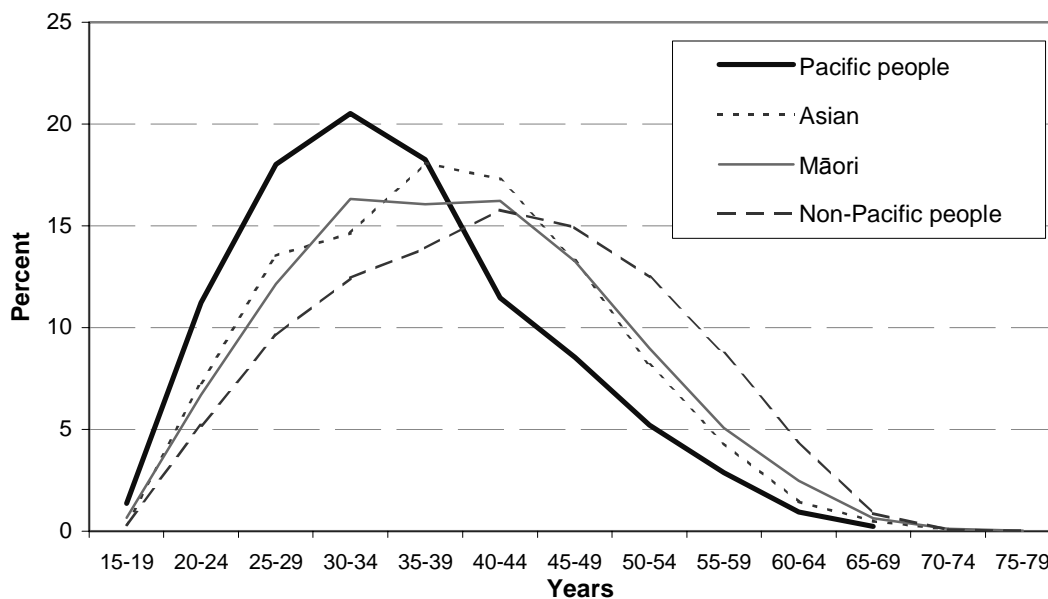
The Pacific population in New Zealand numbered almost 232,000 in 2001, making up 6.5% of the total New Zealand population. Over half of Pacific people living in New Zealand in 2001 were born in this country. Pacific peoples have a much younger age structure than the total population, with a median age of just 21 years in 2001 compared with 35 years for the total population.

This chapter outlines the changing workforce profile of Pacific people in the Public Service, giving some comparisons with the wider employed labour force. A summary of key points is provided at the end of the chapter.

Who are the Pacific People in the Public Service?

Pacific people in the Public Service are a young group. They have a younger age structure than non-Pacific people, with a median age of 35 years in 2003² compared with 41 years for the non-Pacific group. The age structure of Pacific people is also younger than that of the Māori and Asian ethnic groups in the Public Service, which had median ages of 39 years and 38 years respectively in 2003 (see Figure 1).

Figure 1. Age Profiles of Pacific People and Other Groups in the Public Service, 2003



Source: State Services Commission. *Human Resource Capability Survey*, 2003

The age profile for Pacific females is slightly younger than that for Pacific males, with the median age for females 33 years and males 35 years.

The proportion of women among the Pacific staff (63%) is greater than the proportion of women in the non-Pacific group (57%).

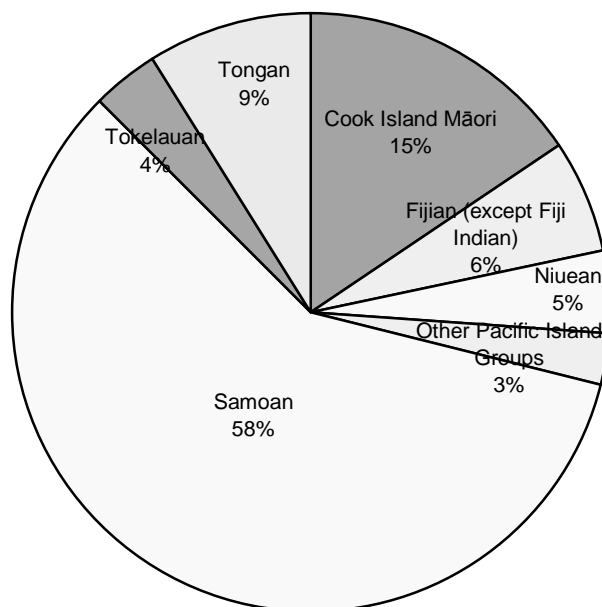
Pacific peoples comprise many ethnic groups. The 2001 Census recorded the six main Pacific

² State Services Commission: *Human Resource Capability Survey*, 2003.

ethnic groups resident in New Zealand³ as Samoans, Cook Islanders, Tongans, Niueans, Fijians and Tokelauans – with Samoans accounting for half the Pacific population. These main groups are also represented in the Public Service.

Figures 2 and 3 show the ethnic breakdown of the Public Service and the employed labour force. These graphs show that Samoans are more strongly represented in the Public Service (58%) than in the general labour force (48%), while Cook Islanders (15%) and Tongans (9%) are less well represented in the Public Service than in the labour force (19% and 15%). However, these differences are likely to be due to the ethnic composition of the Pacific group residing in Wellington, differing from the national Pacific group. The 2001 Census reported that Samoans made up 62% of the Pacific group residing in Wellington compared with 50% of the national Pacific group.

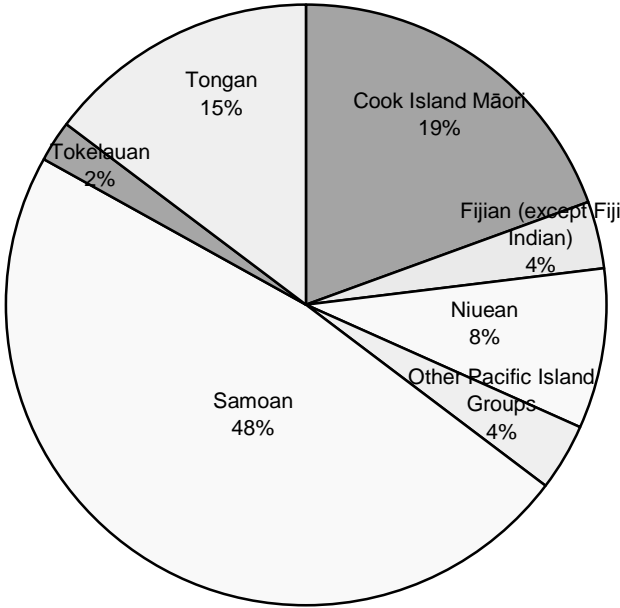
Figure 2. Ethnic Breakdown of Pacific People in the Public Service, 2003



Source: State Services Commission. *Human Resource Capability Survey*, 2003

³ Double counting occurs in these groups, as respondents who identified with more than one ethnic group (or Pacific Island) are included in all categories.

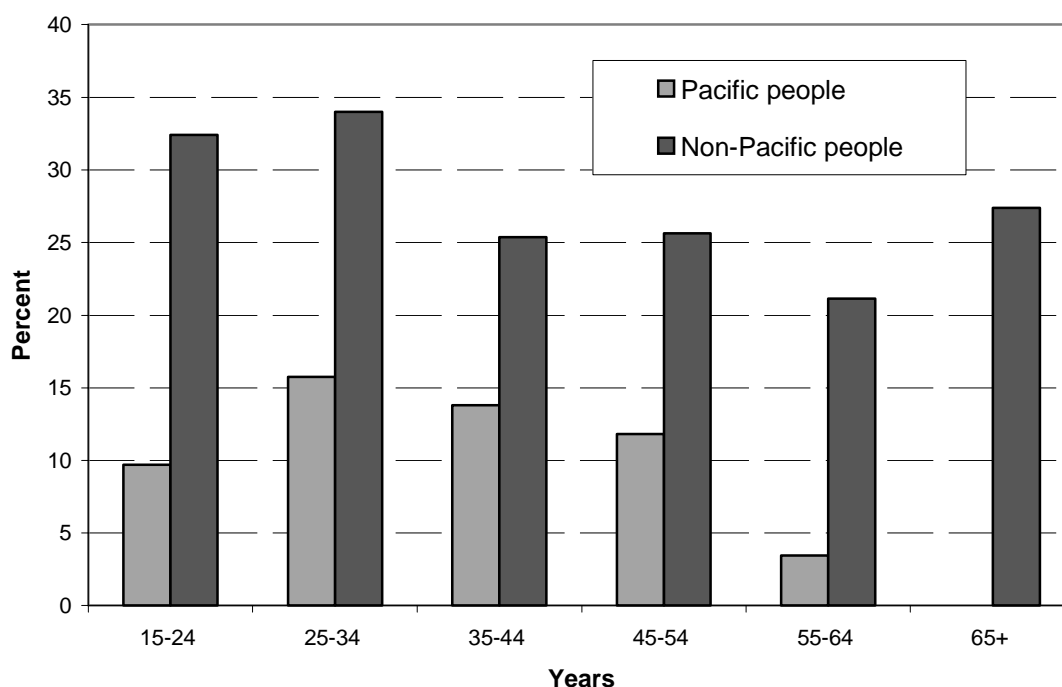
Figure 3. Ethnic Breakdown of Pacific People in the Employed Labour Force, 2001



Source: Statistics New Zealand. *Census of Population and Dwellings, 2001*

Pacific people in the Public Service generally have fewer qualifications than non-Pacific people. Census 2001 reported that 14% of Pacific public servants had university qualifications, compared with 28% of non-Pacific public servants. Figure 4 shows that this pattern occurs within age groups, with Pacific people having a lower proportion of university qualifications in each age group.

Figure 4. University Qualifications by Age Group, Public Service⁴, 2001 Census



Source: Statistics New Zealand. *Census of Population and Dwellings, 2001*

Pacific staff in the Public Service are more highly unionised than non-Pacific staff, with a strong growth in union membership over the last three years – 70% of the Pacific workforce belonged to a union in 2003, compared with 58% of non-Pacific staff.

Table 1. Union Representation of Pacific and Non-Pacific People, Public Service, 2001-2003

	Pacific people	Non-Pacific people ¹
2001	60%	57%
2002	64%	55%
2003	70%	58%

Source: State Services Commission. *Human Resource Capability Survey, (2001- 2003)*

1. 2001 and 2002 data includes unknown ethnicities

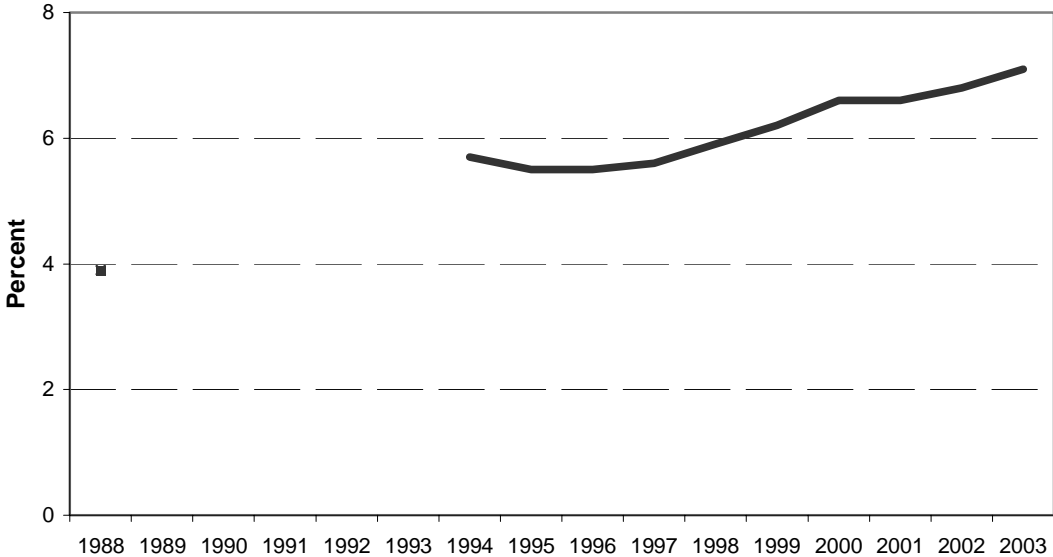
Strong union membership is reflected in the coverage by collective agreements, with 68% of Pacific people covered by either current (62%) or expired (6%) collective agreements as at 30 June 2003.

How many Pacific public servants are there?

There were 2,132 Pacific people employed in the Public Service as at 30 June 2003 – equivalent to 7.1% of the Public Service. Growth in the proportion of Pacific people in the Public Service has been gradual since the late 1980s – the 10-year period from 1994 to 2003, for example, saw an increase of 1.4 percentage points.

⁴ Using proxy group for the Public Service – see footnote 5.

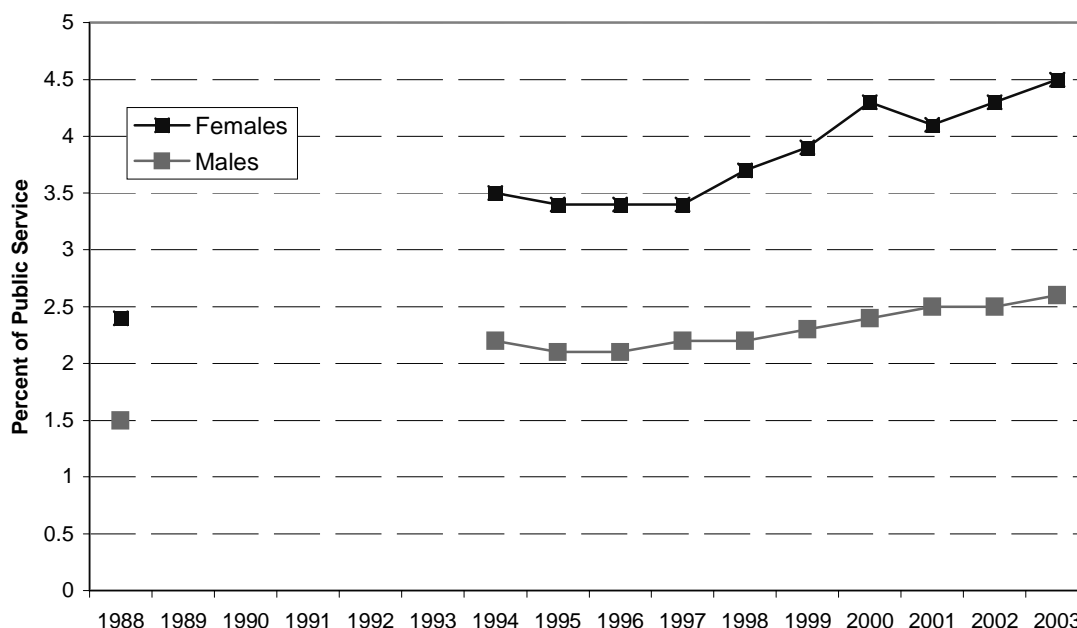
Figure 5. Pacific People’s Representation in the Public Service, 1988-2003



Source: 1988, State Services Commission. *Results of the 1988 Public Service Census on Ethnicity and Disability*
 1994 –2001, State Services Commission. *EEO Progress in the Public Service as at June 2001*
 2002 –2003, State Services Commission. *Human Resource Capability Survey (2002 - 2003)*

The number of Pacific women in the Public Service has grown faster than the number of Pacific men. Figure 6 shows that from 1988 to 2003, the proportion of Pacific women more than doubled, from 2.1% to 4.5% (i.e. a 2.4 percentage point increase), while the proportion of Pacific males rose more gradually, from 1.5% to 2.6% (a 1.1 percentage point increase).

Figure 6. Pacific People’s Representation in the Public Service by Gender, 1988-2003



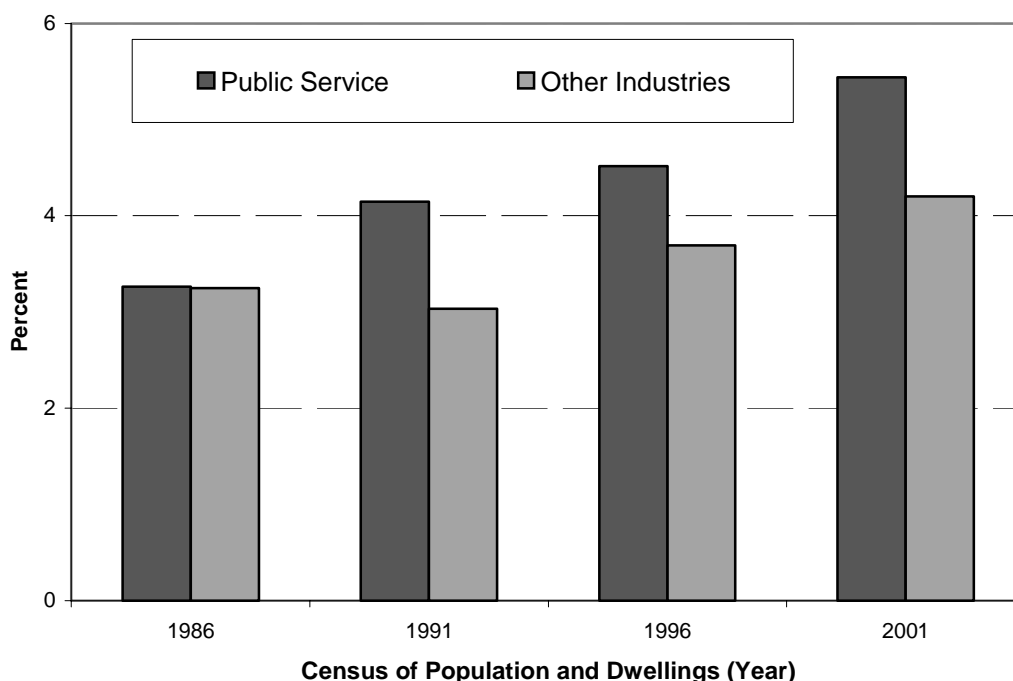
Source: 1988, State Services Commission. *Results of the 1988 Public Service Census on Ethnicity and Disability*
 1994 –2001, State Services Commission. *EEO Progress in the Public Service as at June 2001*
 2002 –2003, State Services Commission. *Human Resource Capability Survey (2002 - 2003)*

Using proxy groups for the Public Service ⁵ and the rest of the labour force,⁶ Figure 7 (based on Census data) shows that since 1986, the Public Service has employed higher proportions of Pacific people than has the rest of the labour force. This is surprising, considering the occupational composition and qualification requirements of the Public Service workforce compared with the characteristics of the Pacific labour force population. The Public Service workforce tends to be older than the private sector workforce, due to many occupations in the Public Service requiring tertiary-level qualifications or life experience, whereas the Pacific labour force is more youthful, with lower levels of educational attainment.

⁵ A proxy for the Public Service is based on the following industries: 1986-1996 NZSIC codes 91011 Central Government General Administration, 91013 Central Government Education Administration, 91014 Central Government Health Administration, 91015 Central Government Social Welfare Services Administration, and 91016 Central Government Industrial, Commercial and Labour Services Administration. The 2001 codes are based on ANZSIC M8111 Central Government Administration, M8120 Justice, Q9631 Police Services, and Q9632 Corrective Centres. The proxy group controls for some of the major machinery of government changes that occurred pre-1988, because the organisations that contribute to the industry group (although some are not Public Service departments) and the number of staff employed have been fairly consistent over time.

⁶ Other Industries is the term used for the proxy group for the rest of the labour force (i.e. not included in the Public Service proxy group).

Figure 7. Pacific People’s Representation in the Public Service and Other Industries, 1986 - 2001



Source: Statistics New Zealand. *Census of Population and Dwellings* (1986, 1991, 1996 & 2001)

Figure 7 also shows the gradual increase in Pacific peoples in the Public Service. In 1986, the proportion of Pacific people in the Central Government sector was 3.3%, increasing to 5.4% by 2001. By comparison, the proportion of Pacific people in Other Industries increased more gradually, from 3.2% to 4.2%.

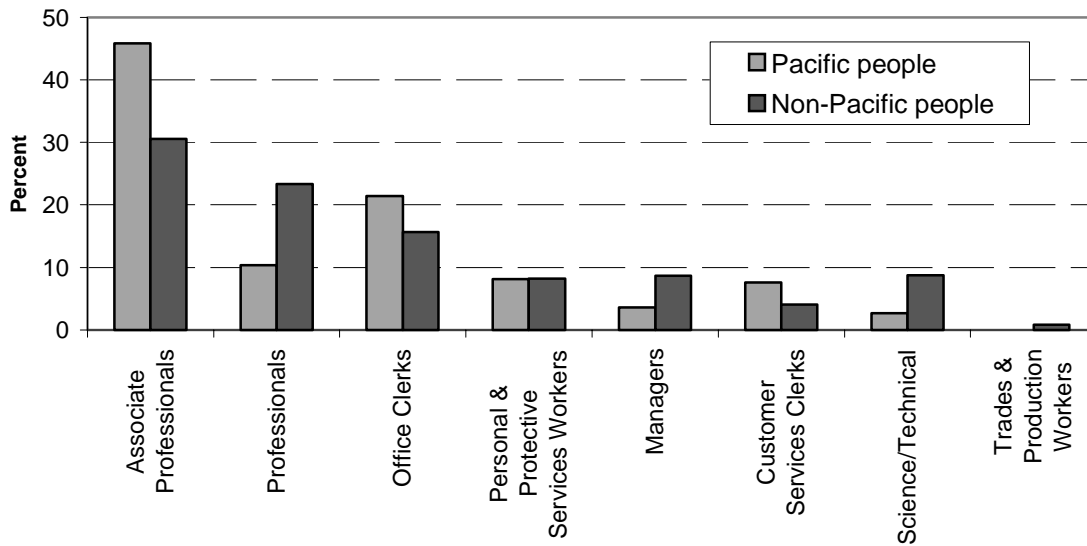
Where are Pacific people in the Public Service employed?

Most Pacific staff in the Public Service are employed in associate professional and clerical occupations and tend to be under-represented in the professional, science and technical and management occupations (see Figure 8). In 2003, the five most common occupations for Pacific people in the Public Service were: case worker (18%), general clerk (15%), technical representative⁷ (7%), social worker (7%) and prison officer (7%).

Younger (under 40 years) Pacific public servants are more likely than older Pacific staff to be employed as case workers and technical representative, while those 40+ are more likely to be employed as social workers and prison officers. General clerks have high representation in the youngest and oldest age groups and are fairly evenly represented in the other age groups.

⁷ Technical representative includes call centre operators and customer service representatives.

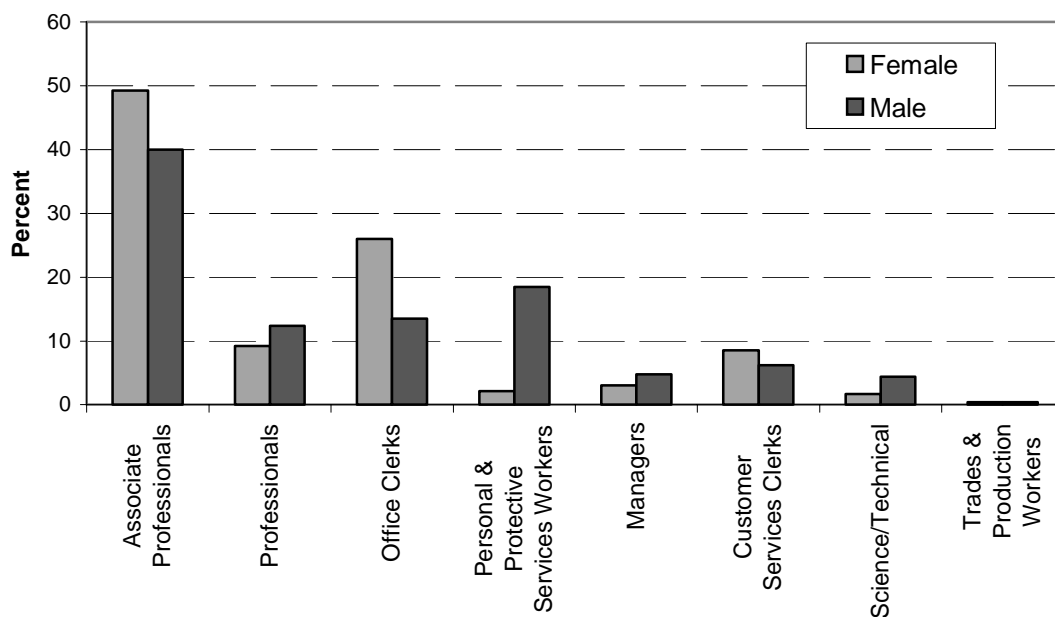
Figure 8. Pacific and Non-Pacific People's Occupation Distribution⁸ in the Public Service, 2003



Source: State Services Commission. *Human Resource Capability Survey, 2003*

Looking at the occupation distribution of Pacific females and males in the Public Service, Figure 9 shows that the females tend to be clustered in the associate professional⁹ and clerical occupations and the males in the associate professional and the protective service workers occupations.

Figure 9. Distribution of Pacific Females and Males by Occupation, Public Service, 2003



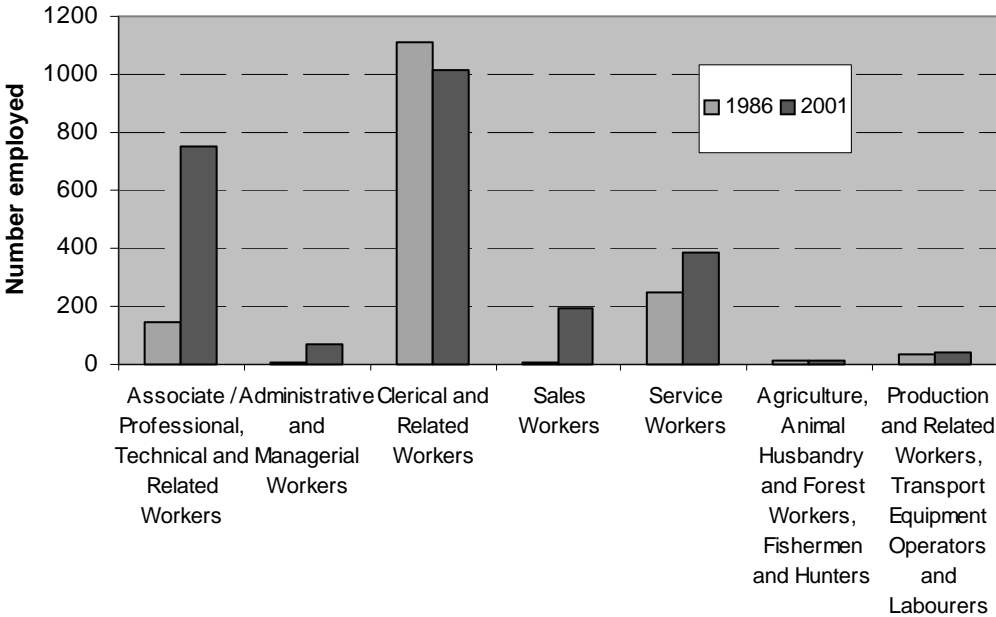
Source: State Services Commission *Human Resource Capability Survey, 2003*

⁸ Occupational distribution refers to the spread of a group *across* different occupations.

⁹ Associate professional includes the following occupations: social worker, case worker, probation worker, customs officer, immigration officer, quarantine and agriculture ports officer and call centre operator.

Census data in Figure 10 shows that there have been increasing numbers of Pacific people employed in the professional and technical-related occupations since 1986. The clerical and related workers group was the only occupation group where numbers fell. The Human Resource Capability survey, which has data from 2000, shows that the increase in numbers in the professional and technical-related group has mostly been driven by higher numbers of case workers, social workers, customs officers, quarantine and agricultural port officers and immigration officers.

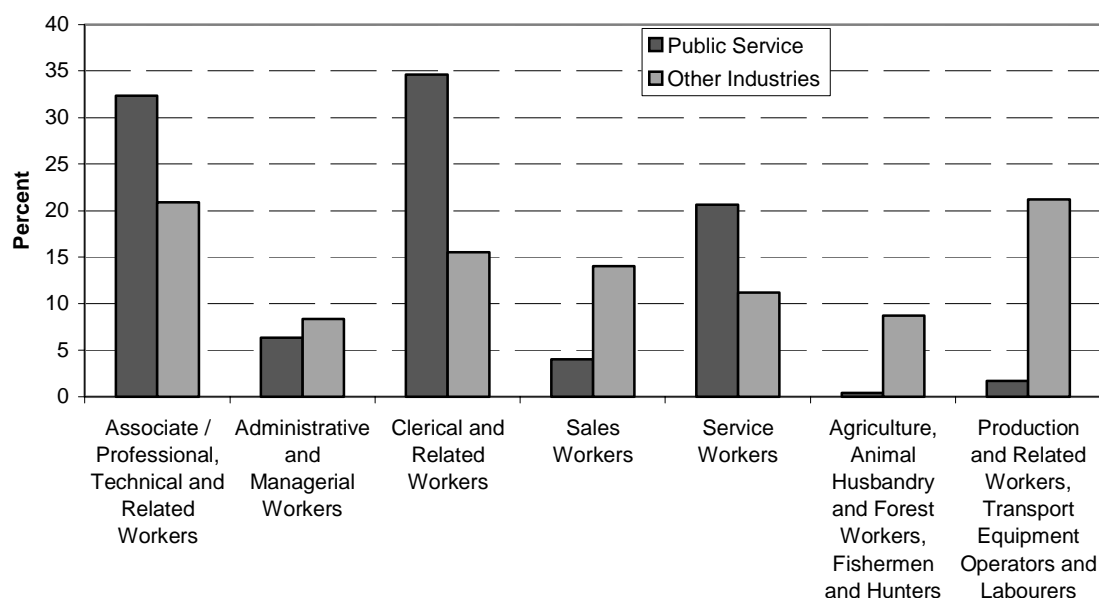
Figure 10. Numbers of Pacific People Employed, by Occupation, Public Service, 1986 and 2001



Source: Statistics New Zealand. *Census of Population and Dwellings* (1986 and 2001)

Occupational distribution in the Public Service differs from that of the Other Industries group, as shown in Figure 11. In 2001, the majority of Public Service workers were in clerical, professional and service occupations. In Other Industries, the labour force had a larger blue-collar component, with large numbers involved in agriculture, trades, machine operation and production-related jobs. The Other Industries group also had a larger proportion of sales workers than the Public Service group.

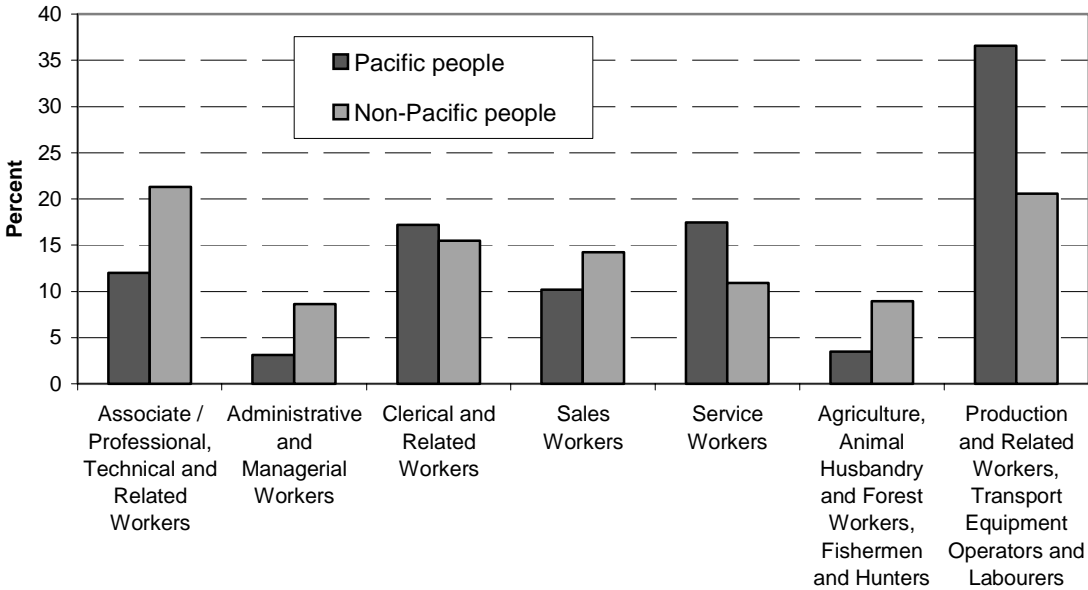
Figure 11. Occupational Distribution, Public Service and Other Industries, 2001



Source: Statistics New Zealand. *Census of Population and Dwellings, 2001*

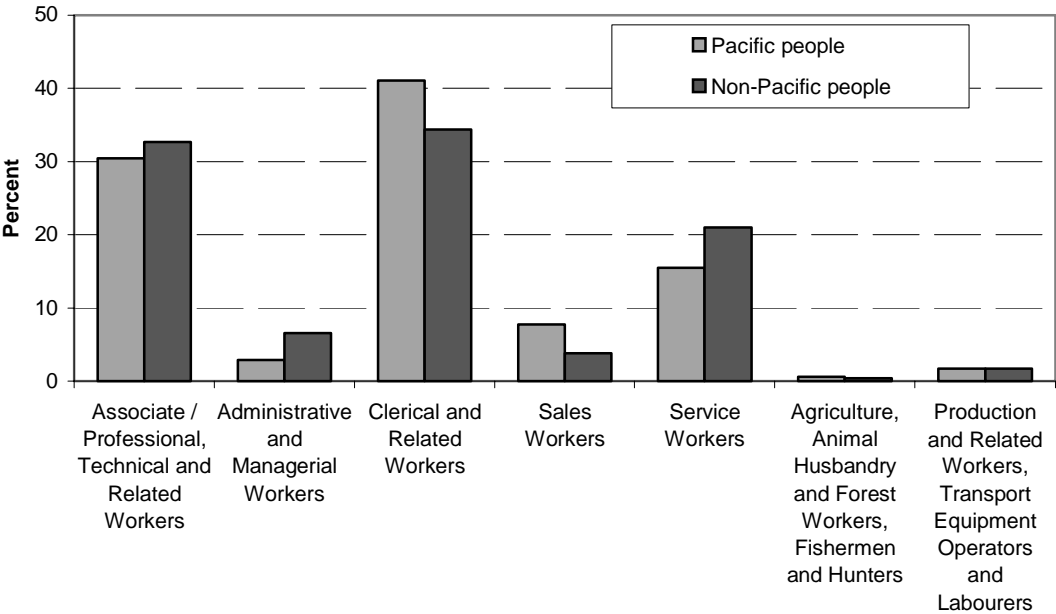
Figure 12 below shows the differences between Pacific and non-Pacific people’s employment in the Other Industries group, with proportionately fewer Pacific people in the professional and managerial occupations, and proportionately more Pacific people in the production and service-related occupations. By contrast, Figure 13 shows more similarities in the distribution of Pacific and non-Pacific people’s employment in the Public Service group. However, there were still proportionately fewer Pacific than non-Pacific people in the Public Service group managerial occupations.

Figure 12. Distribution of Pacific and Non-Pacific People's Employment, by Occupation, Other Industries, 2001



Source: Statistics New Zealand. *Census of Population and Dwellings, 2001*

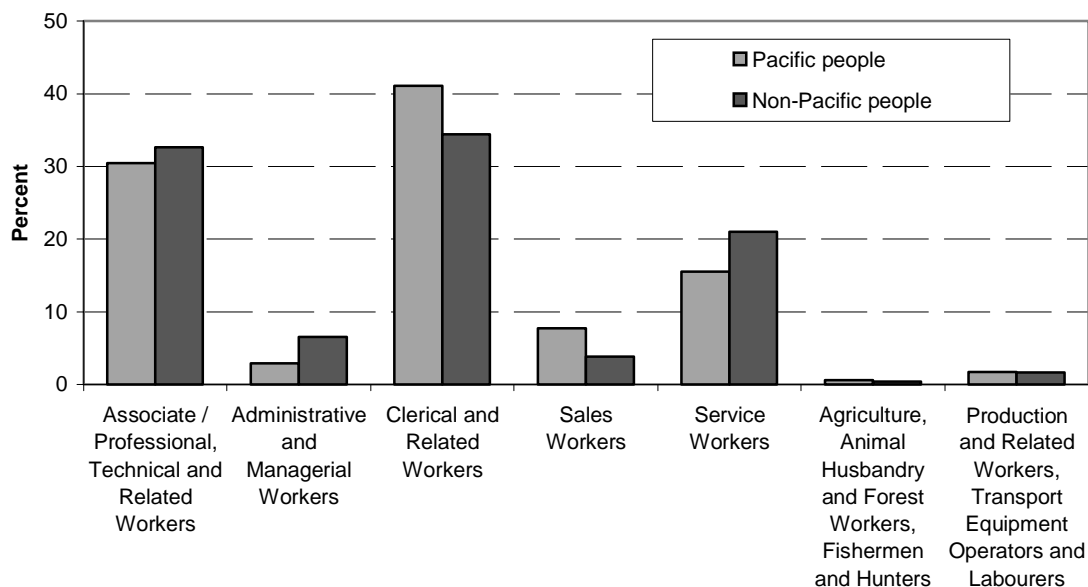
Figure 13. Distribution of Pacific and Non-Pacific People's Employment, by Occupation, Public Service, 2001



Source: Statistics New Zealand. *Census of Population and Dwellings, 2001*

Figure 14 below shows higher representation¹⁰ of Pacific people in the Public Service than in Other Industries for most occupation groups (with the exception of service and production-related occupations).

Figure 14. Representation of Pacific Peoples within Occupations, Public Service and Other Industries, 2001



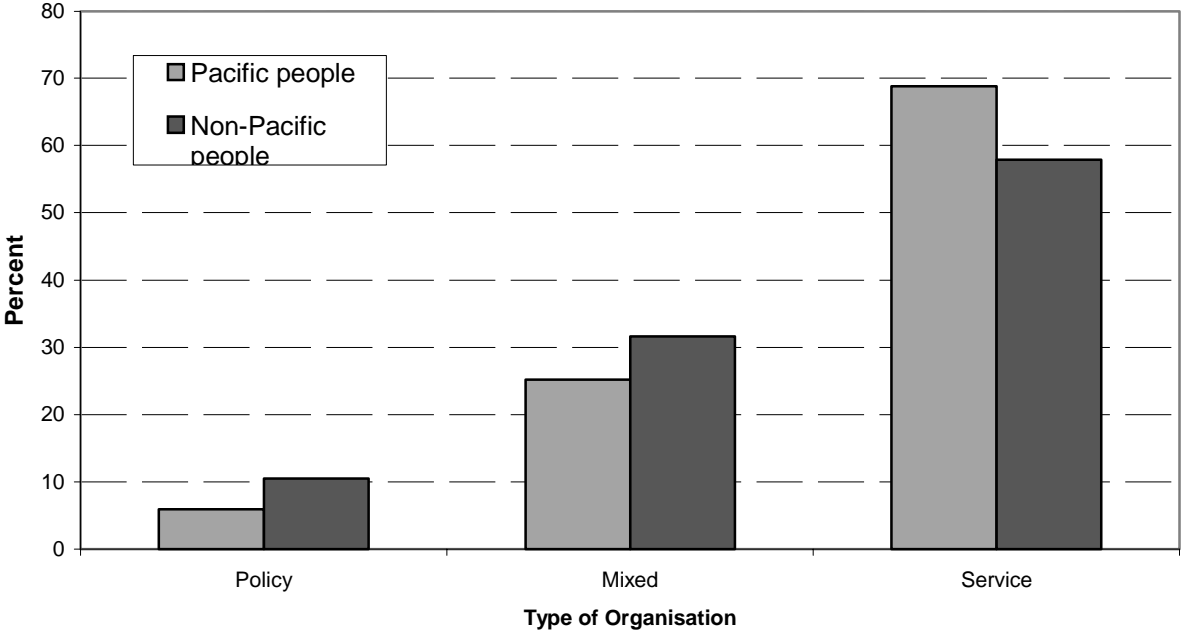
Source: Statistics New Zealand. *Census of Population and Dwellings, 2001*

Public Service organisations can be divided into three categories¹¹: organisations with a predominantly policy function; organisations with a predominantly service delivery function; and organisations that are split between these two functions. Figure 15 shows that the majority (69%) of Pacific people are located in organisations that are predominantly service-focused, and they are more likely to be in service departments than are non-Pacific people (58%). In 2003, 60% of Pacific public servants, compared with 48% of non-Pacific staff, were employed in four departments: the Ministry of Social Development, Department of Corrections, Department of Child, Youth and Family and the Inland Revenue Department.

¹⁰ Occupational representation refers to the proportion within each occupation group.

¹¹ The 14 policy organisations are: Culture & Heritage; Defence; Environment; Foreign Affairs & Trade; Health; Justice; Māori Development (TPK); Prime Minister & Cabinet; Research, Science & Technology; State Services Commission; Transport; Treasury; Women’s Affairs; Youth Affairs. The 11 mixed organisations are: Agriculture & Forestry; Economic Development; Crown Law; Education; Education Review; Fisheries; Internal Affairs; Inland Revenue; Labour; Social Development. The 12 service delivery organisations are: Archives; Child, Youth & Family; Conservation; Corrections; Courts; Customs; Land Information; National Library; Statistics; Government Communications Security Bureau; Serious Fraud Office; Housing.

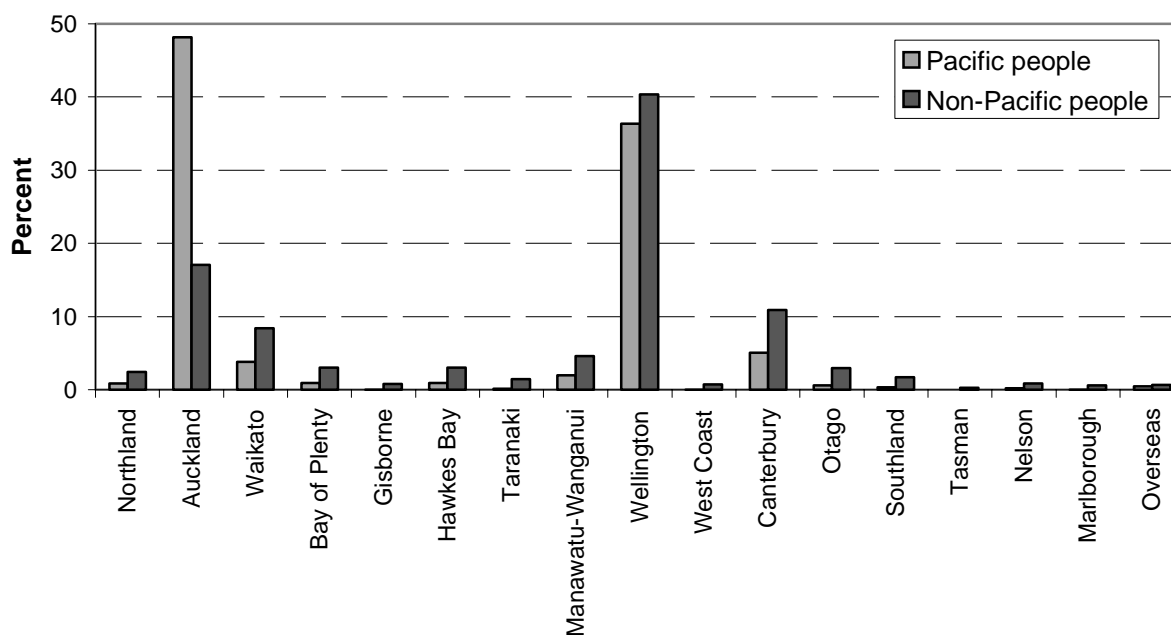
Figure 15. Organisational Distribution of Pacific and Non-Pacific People in the Public Service, 2003



Source: State Services Commission. *Human Resource Capability Survey, 2003*

Pacific public servants are more likely to work in Auckland than are non-Pacific public servants (see Figure 16). Forty eight percent of Pacific public servants were based in the Auckland region in 2003, compared with 17% of non-Pacific people. This is consistent with the population distribution of Pacific people in the 2001 Census, which reported that 67% of the Pacific population lived in Auckland.

Figure 16. Regional Distribution of Pacific and Non-Pacific People in the Public Service, 2003



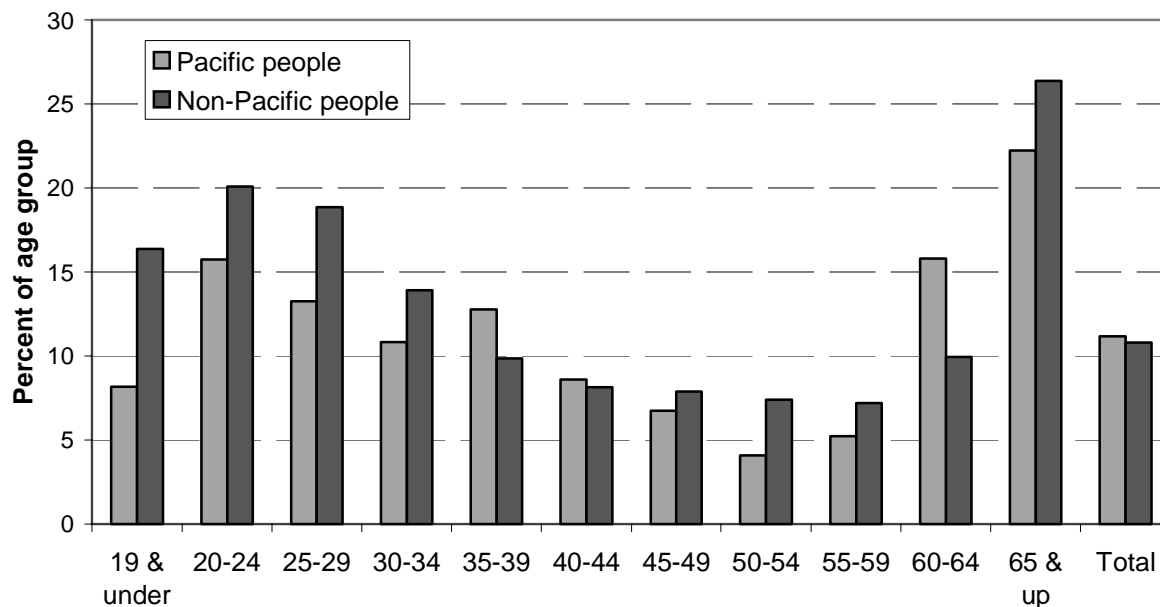
Source: State Services Commission. *Human Resource Capability Survey*, 2003

How mobile are Pacific public servants?

The turnover rate by age group (see Figure 17) for Pacific people in the Public Service is generally lower than that of non-Pacific people. However, due to a large proportion of the Pacific group (68%) being in the 20 to 39 years age group, where the turnover rate is greater than 10% for each five-year cohort, the overall turnover rate for Pacific people is slightly higher (11.2%) than that of non-Pacific people (10.8%). For the five occupations¹² in which Pacific people are mainly employed, the turnover rate for Pacific people is lower than that of non-Pacific people. It is not possible at present to identify how much of the turnover is due to people moving to another Public Service department. Of possible concern are the higher turnover rates for Pacific people in the 35 to 44 years age group, compared to non-Pacific people in this age group, as this is considered the labour pool for potential managers.

¹² Case worker, general clerk, technical representative, social worker and prison officer.

Figure 17. Turnover Rate by Age Group for Pacific and Non-Pacific People, 2003



Source: State Services Commission. *Human Resource Capability Survey, 2003*

Pacific public servants are likely to be on open-term contracts. The proportion of Pacific people on open-term contracts has remained relatively constant at 95% for the last three years, after increasing from 90% in 2000 (similarly to non-Pacific staff).

As at 30 June 2003, 5% of Pacific public servants were employed in part-time positions, with similar proportions recorded in the previous three years. Pacific staff are less likely than non-Pacific staff to work part-time – 10% of non-Pacific staff worked part-time in 2003.

Pay and progression for Pacific people

Pacific people are generally paid less than non-Pacific staff, both in the Public Service and in the labour force. This can be seen by looking at a distribution index for the Public Service and pay gaps in the Public Service and labour force.

A distribution index provides one way of looking at pay distribution within the Public Service, giving an indicator of the extent to which groups are clustered in the lower pay ranges of either an organisation or the Public Service as a whole.

An index score below 100 shows the group is ‘compressed’ or clustered into the lower pay ranges. The lower the index, the greater the degree of compression into these lower pay ranges. An index score above 100 shows that the group is well represented in the higher pay ranges.

Table 2 shows the relative distribution index scores for women, men, Māori, Pacific people, Pacific women and Pacific men in the Public Service. It shows that Pacific people are clustered into the lower pay ranges and their index scores are more compressed than Māori scores. Over the last three years, the compression has gradually increased. The younger age structure and

lack of qualifications of Pacific people partly accounts for this clustering in the lower pay ranges.

Table 2. Public Service Distribution Scores – June 2000-2003

	2000	2001	2002	2003
Women	89	90	91	92
Men	115	113	112	112
Maori	90	90	90	88
Pacific people	76	77	76	74
Pacific women	70	71	71	69
Pacific men	88	88	86	82

Source: State Services Commission. *Human Resource Capability Survey* (2000-2003)

The lower educational attainment rate of Pacific employees means they have traditionally been concentrated in ‘blue collar’ occupations, although in recent years more have moved into ‘white collar’ occupations. The Public Service tends to have fewer lower-paid occupations than the rest of the labour force, so the average and median hourly pay rates are higher for Pacific people in the Public Service than for those in the wider labour force, as shown in Table 3. However, their pay rates are lower than those for the overall Public Service.

Table 3. Hourly Pay Rates (\$) – June 2003

	Pacific – Public Service	Public Service	Pacific – Labour force	Labour force
Average	18.54	23.05	13.85	17.82
Median	17.40	20.08	12.50	14.97

Source: State Services Commission. *Human Resource Capability Survey*, 2003
 Statistics New Zealand. *New Zealand Income Survey*, June 2003

A pay gap shows the relationship between the pay rates of two different groups. In 2003, the median salary of Pacific people was 85% that of non-Pacific people in the Public Service, i.e. Pacific public servants earned 15% less than non-Pacific public servants. The pay gap data in Table 4 shows that the pay gap between Pacific and non-Pacific public servants has been growing over the last three years. The pay gap between Pacific women and Pacific men has shown little change over the last four years.

Table 4. Unadjusted Pay Gap for Pacific People – Median Salary, 2000-2003

(Pacific people’s median salary as % of comparator group median salary)

	Pacific people’s pay as % of non-Pacific people’s pay	Pacific women’s pay as % of Pacific men’s pay
2000	89	93
2001	89	94
2002	87	93
2003	85	94

Source: State Services Commission. *Human Resource Capability Survey*, 2003

Table 5 shows that the overall ethnicity pay gap for Pacific people in the Public Service (15%) is less than the gap in the labour force (23%). In most cases, the gap is reduced when broken down by occupation. The noticeable exception in the Public Service is the managers' occupation category, where the median salary of Pacific people is 77% of the median salary for non-Pacific people (i.e. the gap is greater).

Table 5. Unadjusted Pay Gap for Pacific People, by Occupation – Public Service and Labour Force, 2003

(Pacific people's median salary as % of non-Pacific people's median salary)

Pacific as % of non-Pacific people		
	<i>Public Service</i>	<i>Labour Force</i>
Associate Professionals	95	84
Professionals	86	77
Customer Service Clerks	94	91
Personal & Protective Service Workers	89	96
Managers	77	78
Office Clerks	92	79
Science/Technical	89	84
Total	85	77

Source: State Services Commission. *Human Resource Capability Survey, 2003*
 Statistics New Zealand. *New Zealand Income Survey, June 2003*

The Public Service pay gap for Pacific people is further reduced when the effects of age – as well as occupation and gender – are taken into account, as shown in Table 6. When adjusted for age, the overall pay gap fell from 15% to 10%. The extent of the pay gap varies across the different groups, with Pacific people almost consistently being paid less than non-Pacific people (with the exception of the associate professionals group, where Pacific men are paid more than non-Pacific men).

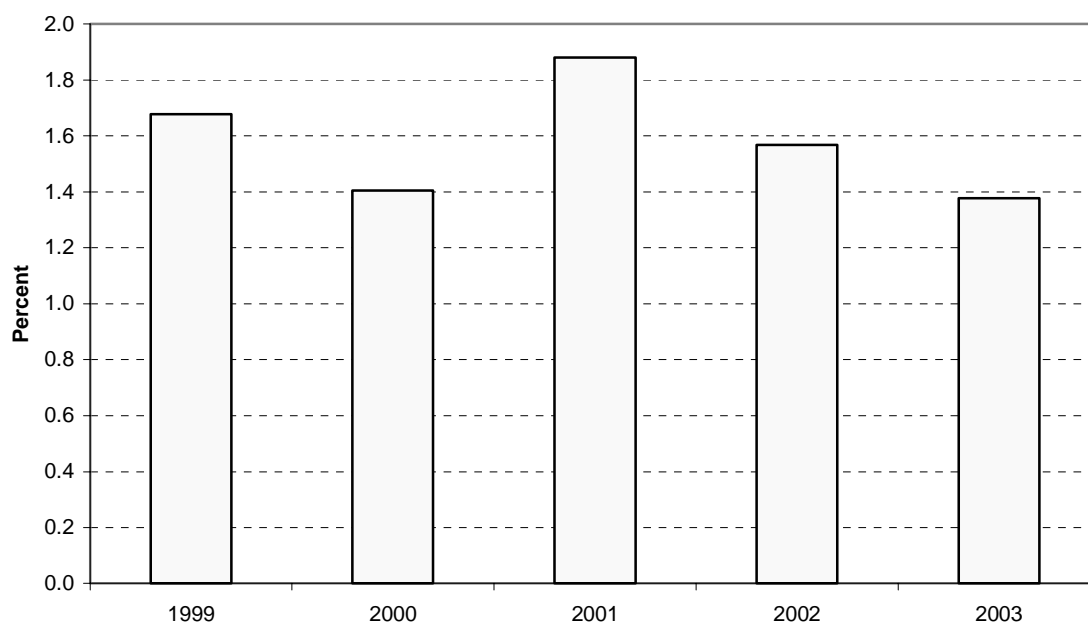
Table 6. Age-adjusted Pay Gap for Pacific People, by Occupation – Median Salary, 2003

Public Service				
	Pacific women as % of Pacific men	Pacific men as % of non-Pacific men	Pacific women as % of non-Pacific women	Pacific people as % of non-Pacific people
Associate Professionals	95	103	98	97
Professionals	89	86	84	85
Customer Service Clerks	118	83	97	99
Personal & Protective Service Workers	73	94	74	97
Managers	88	80	79	87
Office Clerks	119	81	96	98
Science/Technical	97	78	81	77
Total	98	86	92	90

Source: State Services Commission. *Human Resource Capability Survey, 2003*

Another contributor to the overall pay gap is the low number of Pacific people in management positions. Only 3.7% of Pacific people in the Public Service were in the managerial occupational group, compared to 8.7% of non-Pacific staff. In 1986, fewer than 1% of Pacific people in Central Government were managers. By the 2001 Census, this figure had increased to only 2.5%. Over the same period, the representation of Māori in managerial positions increased from 1% to 5%. At the senior management level in the Public Service (tier 1, 2 and 3 managers) in 2003, Pacific people accounted for only 1.4 percent. Figure 19 shows that the proportion of Pacific senior managers has fluctuated over the last five years but has always been low. Pacific women accounted for 31% of Pacific managers in 2003.

Figure 18. Pacific Representation in Public Service Senior Management, 1999-2003



Source: State Services Commission. *Senior Management Profile* (1999-2000) and *Human Resource Capability Survey* (2001-2003)

Factors contributing to the relatively low proportion of Pacific people in senior management positions are the age profile, turnover rate and lack of education.

The much younger age profile of Pacific staff in the Public Service compared with non-Pacific staff means there is a much smaller pool of potential managers in the 40+ age group. Figure 1 highlights the high proportion of Pacific people aged 34 years and younger and the low proportions in the older age groups, compared with the overall Public Service.

The higher turnover rates for Pacific people in the 35 to 44 years age group compared to non-Pacific people also affects the numbers going through to the pool of potential senior managers.

Lack of qualifications, as shown in Figure 4, also prevents Pacific people from reaching managerial positions. In the Career Progression and Development Survey¹³, lack of qualifications was cited by Pacific staff as the main deterrent to their applying for a more senior job. However, movement into professional, technical and related workers' occupations may lead over time to more representation in senior positions.

¹³ State Services Commission. *Career and Development Survey 2000 — Results for the New Zealand Public Service*. Wellington: SSC, 2002.

The Career Progression and Development Survey showed that Pacific staff are ambitious. Almost three-quarters aspired to a higher-level job and one-quarter had their sights set on a chief executive position. That their jobs provided them with opportunities for advancement was more important to them than to other staff.

Summary of key points

- Pacific employees in the Public Service have a younger age profile than non-Pacific staff.
- The proportion of females in the Public Service is greater in the Pacific group than in the non-Pacific group.
- Pacific employees in the Public Service are generally less qualified than non-Pacific staff.
- Pacific public servants are a highly unionised group.
- The proportion of Pacific people in the Public Service has been gradually growing since the late 1980s, especially Pacific women.
- The Public Service employs higher proportions of Pacific people than the employed labour force.
- The proportion of Pacific people in the Public Service has grown faster than the proportion in Other Industries.
- Pacific staff in the Public Service are mostly employed in frontline and clerical occupations.
- About 70% of Pacific people in the Public Service work in service departments.
- Almost half of Pacific public servants work in Auckland.
- The overall turnover rate of Pacific public servants is higher than that of non-Pacific staff, as could be expected because of their younger age profile.
- The turnover rate for Pacific public servants is lower than that of the non-Pacific group within most age bands, but higher in the 35 to 44 age range.
- Pacific people in the Public Service generally earn less than non-Pacific people.
- Pacific people in the Public Service earn more than Pacific people in the overall labour force in comparable occupations.
- The number of Pacific people in senior management in the Public Service is low.
- Increasing numbers of Pacific people in professional and technical occupations may signal further movement into management in future years.

Chapter Three: Pacific People's Experience of the Public Service

This chapter begins with a brief historical background covering initiatives over the last twenty years that have paid attention to the position of Pacific staff in the Public Service. It then goes on to describe the employment aspirations of Pacific public servants, as identified by them. Barriers to progress are detailed, with a summary of suggested strategies. The chapter concludes with a summary of key points.

Background

The Employment Summit Conference of 1984 highlighted the need to improve the status of the segment of the population that was of Pacific origins. One outcome of that conference was a Cabinet request to the State Services Commission to investigate ways of facilitating the promotion of Pacific public servants to management positions.

A working group was established, comprising officials from the State Services Commission and the Pacific Island Unit of Internal Affairs. As a result, a Pacific Islands Management Development Programme was established in 1987, followed by a series of fono for junior public servants, and Pacific Islands middle and senior management courses.

In May 1991, the Cabinet State Sector Committee directed¹⁴ chief executives to adopt and implement strategies for increasing the participation of Pacific Island people at all levels within individual departments, while still maintaining the merit principle. In response to the Cabinet directive, the State Services Commission published a *Pacific Islands Participation* handbook in May 1993¹⁵. This identified issues and barriers for Pacific employees, and provided chief executives with a range of practical strategies and programmes for enhancing the participation of Pacific public servants at all levels of the Service.

The State Services Commission held a Pacific Islands Public Service conference in June 1995. This was an opportunity for the Commission to find out, among other things, how Pacific people regarded their career opportunities and progression in the Public Service. In his Foreword to the conference proceedings¹⁶, the then State Services Commissioner stated:

At a time when most government agencies are undergoing continuous organisational change, it is important that human resource strategies target the unique skills and perspectives that Pacific Islands people can bring to the Public Service. Their presence in the service has increased its ability to respond to the needs of Pacific Islands citizens. As well as this, their skills and knowledge can provide creative and innovative ways of dealing with issues and problems in other areas of the Public Service. I encourage Pacific Islands public servants to look beyond their current work environment, and seek to realise their employment potential. The abundance of opportunities and possibilities is endless.

I suggest to chief executives and senior managers that they...continually assess their organisations with a view to eliminating the impediments that Pacific

¹⁴ CAB (91) M 18/11 refers.

¹⁵ State Services Commission. *Pacific Islands Participation: Strategies for Government Departments*. Wellington: SSC, [1993].

¹⁶ See State Services Commission. "Growing a Difference" – *Pacific Islands Public Service Conference Proceedings*. Wellington: SSC, 1995.

Islands people face. If we do not tackle these issues in the context of good and proper management, we risk under-utilising Pacific Islands skills and perspective, and losing a potential strategic advantage in the long term development of the Public Service.

Two years later, in 1997, the *EEO Policy to 2010* was promulgated, setting milestones and targets for a planned overall outcome of “employment of EEO groups at all levels in the workplace”¹⁷. Pacific Islands people were, and are, a designated EEO group, and annual EEO Progress Reports have documented their position in the Public Service workforce.

In July 1999, the Ministry of Pacific Island Affairs convened the Pacific Vision International Conference. The conference reinforced the need for increased participation by Pacific people in leadership positions in the Public Service and the public sector. The resulting *Pacific Directions Report*¹⁸ included a key objective of having a significant presence of Pacific peoples in positions of influence within the Public Service by 2010.

A Career Progression and Development Survey was carried out by the State Services Commission in 2000¹⁹. This offered public servants the opportunity to express their perceptions of their career progression opportunities and of the work environment in the Public Service. Responses from public servants identifying as of Pacific ethnicity were analysed separately. Results from the survey appear below.

Most recently, a Pacific public servants’ leadership fono, *Pathways to Leadership: Goal 2010*, was held in May 2004. From the conference, a forward-looking report is to be presented to Ministers and to the Leadership Development Centre Board of Trustees. The report will provide practical advice on how agencies can foster and develop their Pacific leadership talent for senior management roles and positions of influence in the Public Service.

Aims, aspirations and employment requirements

The two main published sources of information on the aims and aspirations of Pacific public servants relating to their employment are the 1995 Pacific public servants’ conference report, *Growing a Difference*, and the *Career Progression and Development Survey 2000* report. The material reported below is different in approach, since the conference drew its information from workshop discussions, while the survey gleaned its data from responses to questionnaires.

The “Growing a Difference” conference, 1995

At this conference, Pacific public servants discussed professional development in terms of a partnership approach between the Public Service organisation and themselves as employees. They wanted managers to set clear goals and guidelines, to offer personal guidance and advice on their staff’s development, to support them when they made mistakes, and to encourage them when they achieved. They suggested a number of strategies for professional development:

- Implementing strategies suggested in the *Pacific Islands Participation* handbook, along with monitoring and review mechanisms.
- Greater clarity about what training and development managers will fund.

¹⁷ The actual establishment of targets and milestones did not begin to be actioned by departments until 1999.

¹⁸ Ministry of Pacific Island Affairs. *Pacific Directions Report: a Report to Government on a Possible Pathway for Achieving Pacific Peoples’ Aspirations*. MPIA: 1999.

¹⁹ State Services Commission. *Career and Development Survey 2000 – Results for the New Zealand Public Service*. Wellington: SSC, 2002.

- Professional support for developing sequential personal development plans.
- Opportunities to exchange information on the roles and functions of various units in organisations and across departments.
- A variety of schemes for skills development (e.g. project-based opportunities).
- A formal mentor/role model system to provide encouragement and direction for people undertaking more challenging tasks and positions.
- Full-time and part-time scholarships for staff.
- Performance reviews recognising personal initiatives in upskilling.

Conference participants suggested the following strategies to increase the numbers of Pacific public servants so that the composition of the Public Service would reflect the population of New Zealand:

- Using targeted recruitment programmes.
- Using Pacific networks for input into business project teams.
- Pacific staff taking responsibility for contributing to EEO and corporate plans.
- Making EEO and corporate plan measures explicit and clear to all, particularly targeted groups.

The Career Progression and Development Survey, 2000

At the time of the Survey, Pacific staff made up 7% of the Public Service, but only just over 1% of senior managers. The survey showed high levels of ambition among Pacific staff:

- 74% aspired to a higher-level job, compared with 59% of non-Pacific staff.
- 23% indicated they would want to become a chief executive, compared with 15% of their non-Pacific colleagues.

In terms of development and training opportunities, the Survey found that:

- access to study leave was considered “Highly important” by proportionately more Pacific (63%) than non-Pacific public servants (38%)
- secondments were also considered “Highly important” by proportionately more Pacific (46%) than non-Pacific staff (28%)
- there was no difference between Pacific and other groups in terms of their willingness to move into another work area or into the private sector to further their careers
- Pacific staff (17%) appeared less deterred than other staff (25%) by the prospect of relocating to take up a higher-level position. Proportionately fewer (13%) Pacific staff than non-Pacific staff (20%) indicated they were deterred by the prospect of working the longer hours associated with higher-level positions. (The report noted that there may be some age effect in these results, as, in general, staff aged under 30 were the group least deterred by potential relocation and long hours.)

Generally, public servants value job interest and the Career Progression and Development Survey showed this to be no different for Pacific staff. However, the results also suggested that the practical aspects of work, such as job security and standard hours, were more important to Pacific staff than to their non-Pacific colleagues.

A striking 71% of Pacific staff considered opportunities for advancement “Highly important” to their jobs and career, compared with just under half of non-Pacific staff. The younger age

profile might explain some of this difference. The State Service Commission's "Public Service as Employer of Choice" project also found that Pacific university students were seeking an employer who offered them development opportunities and a chance to move ahead.

Like other public servants, Pacific staff attached high importance to being treated fairly, working co-operatively, having their ideas valued, and equitable access to rewards. Good work-area design was important to proportionately more Pacific staff (71%) than other staff, perhaps reflecting the high representation of Pacific staff in clerical and frontline positions.

Work-life balance was highly important to Pacific staff, perhaps because they reported a higher incidence of primary responsibility for the care of dependants. Pacific staff attached higher importance than non-Pacific staff to:

- being able to work flexible hours (65% compared with 45%)
- having access to parental leave (51%, compared with 25%)
- having access to caregiver leave (38%, compared with 23%).

Pacific staff also attached greater importance to having access to leave for cultural reasons (50%, compared with 13%).

Barriers

The two sources quoted above also outlined the perceived barriers to participation and advancement for Pacific public servants.

The "Growing a Difference" conference

Participants at the 1995 conference pointed out that many of the issues they discussed had been identified in the *Participation Handbook* of 1993. The main barriers were as follows.

Lack of recognition of Pacific people's skills and culture

Participants emphasised the vital need for recognising the unique skills and knowledge that Pacific public servants contribute to their organisations. They wanted to have their backgrounds embraced and acknowledged as part of their capacity to contribute to their jobs.

Pacific staff were often asked to perform tasks because of their cultural knowledge (e.g. translating during consultation processes, and providing Pacific perspectives and input on specific issues). Yet these contributions were not acknowledged or rewarded, particularly when these tasks were outside their job specification. The value they added to the organisation's work not recognised within the formal systems of performance management.

Need to value diversity

Public Service organisations needed to emphasise the value of diversity. Participants did not feel their way of thinking was valued in their organisations. The extent to which individuals felt able to express their views, ideas and suggestions was limited by the extent to which they felt the environment was receptive. They felt that EEO policies and programmes were not clear and that there was little accountability and monitoring to ensure progress was achieved.

Unclear communication

Unclear communication processes and poor access to information were a barrier to enhanced participation. Chief executives and managers needed to make explicit the core messages they wished to convey. They needed to consider which methods of communication would appeal to their target audience. Management systems, such as job specifications, rewards and

compensation systems, were often not clear. They sometimes confused accountability lines, making it difficult for Pacific staff to work on behalf of their Public Service organisation among their own people.

Insufficient education, training and development

Pacific staff saw a need for continuous education, training and development, and they accepted their own responsibilities in this regard. They felt that continued upskilling was only possible within an environment where there were clear signals about the directions and needs of the organisation, and opportunities for development.

Further information about the importance of development opportunities came from a survey carried out among the “Growing a Difference” conference participants. One hundred Pacific public servants completed a questionnaire that surveyed the employment profile of the group. The survey was prompted by concern at the high rate of attrition of Pacific staff within government departments. The results revealed that:

- there was a link between retention and staff development opportunities for Pacific staff
- the training Pacific staff had received more often led to improved ability to do their job than it did to career advancement
- a perceived lack of reward, in terms of increased salary or career development, may have led many Pacific staff to leave one government department for another. Departments with good staff development opportunities appeared to be more attractive employers
- departments willing to provide training that resulted in personal benefits, as well as organisational benefits, were more likely not only to retain their own Pacific staff but also to attract other Pacific public servants.

Lack of input into decision-making

Pacific public servants continued to be the largest group in the lowest salary level, and the smallest in the higher salary levels. Under-representation in management positions and policy advisory positions resulted in fewer opportunities for direct input into decision-making.

Lack of access to information and opportunities

The ability of Pacific public servants to access information, technology, training and resources was limited by their low profile in management. This in turn restricted the contribution they were able to make to the Public Service. A lack of information on the way the Public Service works limited their ability to consider new career pathways. Moreover, career development was difficult if access to opportunities and support for training and development was severely limited. Conference participants felt that managers’ commitment to continuous learning and ongoing training was not backed by sufficient resources.

Organisational culture

Organisational ‘cultures’ could make it difficult and uncomfortable for Pacific public servants to network as a group and to “just be themselves”. Expecting individuals to conform to behaviours that made them suppress their natural ways could damage their self-esteem and affect their ability to perform.

Trapped within a confined structure

Participants expressed concern at being trapped on a short career ladder. They felt they were not gaining the experience that would enable them to take opportunities beyond those provided within that structure.

The Career Progression and Development Survey

Barriers identified in the Career Progression and Development Survey in 2000 fell into the categories of: lack of qualifications and/or experience; concerns about fairness of selection processes; and perceptions of unfair treatment and/or unwelcome behaviour.

Deterrents to seeking more senior positions

- 41% of Pacific staff, compared with 20% of non-Pacific staff, cited *lack of qualifications* as having deterred them from applying for a more senior job. Pacific staff had generally lower levels of academic qualifications than non-Pacific staff. The majority reported having a school-level qualification (76%, compared with 59% of non-Pacific staff), and while proportionately more reported having a polytechnic degree or diploma (21% compared with 13%), proportionately fewer held a university qualification: 19%, compared with 29%, had an undergraduate degree.
- 39% of Pacific staff compared with 25% of non-Pacific staff, cited *lack of experience* as a deterrent to seeking a more senior job. Again, there is likely to be some age effect in these results, given the younger age profile of Pacific staff.
- *Concerns about the fairness of selection processes* had deterred proportionately more Pacific than non-Pacific staff from applying for a higher-level job. More than a quarter (28%) of Pacific staff gave this response, compared with 17% of non-Pacific staff.
- Proportionately twice as many Pacific staff (14% compared with 7%) cited a *lack of other people's confidence in them* as having put them off applying for a higher-level job in the Public Service.
- Like other public servants, a quarter of Pacific staff cited concerns about being able to *balance family and work responsibilities* as a deterrent to seeking a more senior job.

Access to development opportunities

Like other staff, Pacific public servants showed that their overall satisfaction with their access to development and training opportunities was not high. They were more dissatisfied than non-Pacific staff in two areas:

- A quarter of Pacific staff, compared with 17% of non-Pacific staff, rated their opportunities to gain experience in a range of tasks as "Poor".
- Proportionately fewer Pacific staff (22%) than their non-Pacific counterparts (34%) rated their access to study leave as "Good".

Unfair treatment and unwelcome behaviour

The survey report pointed out that experiencing discrimination and harassment can explicitly or implicitly affect an individual's employment by undermining their job satisfaction and impairing the development and advancement of their careers. Pacific public servants reported higher incidence of these experiences than did non-Pacific staff.

- Proportionately more Pacific staff (29%) than non-Pacific staff (20%) reported that they had experienced a situation or event in their organisation within the previous 12 months in which they felt they had been *treated less favourably* than others because of a personal attribute. Pacific staff (13%) were more likely than non-Pacific staff (5%) to indicate they thought the less favourable treatment was due to their ethnicity, although less than half of the Pacific staff reporting less favourable treatment said ethnicity was the cause.

- 45% of Pacific staff, compared with 34% of non-Pacific public servants, reported experiencing unwelcome behaviour in the 12 months prior to the survey. 13% considered these occurrences to be due to their ethnicity.

Work environment

Pacific staff were less satisfied than their non-Pacific counterparts on a number of work environment factors:

- 32% of Pacific staff, compared with 42% of non-Pacific staff, rated their organisation as “Good” on *being treated fairly*.
- 22% of Pacific staff, compared with 37% of non-Pacific staff, gave a “Good” rating on *having their ideas valued*.
- 10% of Pacific staff, compared with 23% of non-Pacific staff, rated their department as “Good” at allowing *equitable access to rewards*.
- 24% of Pacific staff, compared with 37% of their non-Pacific colleagues, gave a “Good” rating on *accommodation of outside commitments*.

Recent interviews

Recent (2004) interviews with departmental human resource staff and Pacific public servants indicate that many of the issues identified in 1995 and in 2000 still remain. A consistent theme in interviews concerned the valuing of skills such as knowledge of Pacific cultures and languages. Pacific staff said that they were frequently called upon to provide these skills within their working environment, although this was not part of their core role, and that departments were not attaching formal value to these skills. A number of Pacific interviewees said there was no provision within their performance management processes to enable them to *describe* these skills.

Strategies for addressing these barriers

From the 1995 conference, a number of strategies were suggested for addressing identified barriers. Some of these were:

- Identifying cultural skills as being relevant to the business of the organisation, by recognising them in remuneration and appraisal systems.
- Introducing pay parity that recognises experience as being equal to qualifications.
- Clearly defining job competencies, e.g. translation competencies, to be included in job descriptions and supported by performance measures and rewards.
- Developing a formal mentoring programme.
- Utilising community resources e.g. Pacific chaplains.
- Promoting and funding appropriate networking and conference opportunities.
- Allowing for freedom of method where job specifications/tasks are clear, and allowing individuals to draw on their cultural abilities to achieve the task.
- Providing training for non-Pacific staff on cultural issues and on differences between Island groups.
- Developing Pacific responsiveness policies.
- Building up the organisation’s own community networks, or formalising and rewarding contributions of internal Pacific networks.

- Formalising direct communication between Pacific public servants' networks and chief executives.
- Using a variety of different methods to present information.
- Simplifying language, e.g. reducing jargon.
- Targeted middle and senior management training.
- More scholarships for full-time or part-time study.
- Developing and utilising Pacific trainers.
- Recruiting and developing Pacific policy analysts.
- Instigating personalised development programmes that take account of both the individual's need for career development and the needs of the organisation.
- Undertaking continual monitoring to check on the organisation's cultural environment.
- Developing a Public Service job experience scheme.
- Recognising the importance of a diverse workforce in job descriptions and performance agreements.
- Developing a flexible work practice policy.

The extent to which such strategies have been taken on board by departments is outlined in Chapter Four of this report.

Summary of key points

The following conclusions can be drawn about the experiences of Pacific people in the Public Service:

- Pacific staff want difference to be recognised as an asset, and valued accordingly. This means valuing different ways of thinking and of carrying out tasks.
- Pacific public servants want their special skills and contributions recognised concretely in the formal systems of job specifications, performance management and remuneration.
- Under-representation in management positions and policy advisory positions results in fewer opportunities for direct input from Pacific people into decision-making. It also limits their access to information, technology, training and resources.
- There is an ambitious and willing group of staff to target in terms of improving the diversity of the senior ranks of the Public Service.
- Pacific staff have a desire to improve their formal qualifications and to widen their work experience. Many feel trapped on a short career ladder.
- Pacific staff want managers to give active support and encouragement, and to set clear goals and guidelines for their development.
- Pacific staff are more likely to have primary responsibility for the care of dependants. The outside commitments of Pacific staff will need to be accommodated in the process of encouraging their advancement.
- Pacific staff are deterred from applying for more senior positions by their lack of qualifications, lack of experience, concerns about the fairness of selection processes and a lack of other people's confidence in them.

- Access to study leave and secondments are regarded as highly important by Pacific staff.
- Pacific staff are more likely than others to perceive that they have been discriminated against and are more likely to have experienced unwelcome behaviour.
- They are less satisfied than others with being treated fairly, having their ideas valued, equitable access to rewards and accommodation of outside commitments.
- There appears to be a link between retention of Pacific staff and their access to development opportunities.

Chapter Four: Public Service Initiatives to Attract and Retain Pacific Peoples

This chapter begins with a brief summary of activities undertaken by departments since 1991 to enhance the recruitment and retention of Pacific staff. This is followed by information on relevant Public Service-wide activities. Recent initiatives in individual departments are then detailed, as recounted in their EEO reporting for 2003/2004. The chapter ends with documentation of the progress of departments against *EEO Policy to 2010* employment targets for Pacific people.

Past departmental initiatives

Past annual EEO Progress Reports record departmental initiatives to address barriers and enhance the participation of Pacific people. Unfortunately, because the reporting methods have varied over the years, it is not possible in most cases to indicate the duration of programmes or activities, how often they took place, whether or when the initiatives increased, decreased or stopped, or how effective they were.

A senior management programme for Pacific people, begun in 1991, was found to be of value to the individuals concerned in terms of their confidence and job satisfaction, but it did not lead to greater representation in the senior levels of management.

Targeted training and development opportunities reported by departments during the 1990s included assertiveness training for Pacific women and career development programmes for Pacific staff. Mentoring schemes and cadet training schemes were also established by some departments.

Networking opportunities included national departmental fono and Pacific staff newsletters, as well as the setting up of Pacific networks within departments.

Relevant training opportunities offered to non-Pacific staff included courses on Pacific cultures, languages and traditions, awareness training for frontline staff and affirmative action training.

Scholarships

As at February 2003, ten departments offered a total of 15 scholarships for graduate or post-graduate study by Pacific people. Almost all were offered for one year, e.g. for the final year of a degree or post-graduate qualification, although some were for the full course duration. The dollar value was usually between \$3,000 and \$5,000, and paid vacation employment was common.

Scholarships have long been used as a strategy to increase the recruitment of staff from EEO groups into organisations, but until 2000, little evaluation of their success had been carried out. At the end of that year, the State Services Commission undertook a review across the Public Service of the impact of EEO scholarships in relation to three EEO groups – Māori, Pacific peoples, and people with disabilities.

Departments that had offered scholarships over a number of years were well placed to assess the impact of these on changes in the recruitment and representation of Māori and Pacific peoples in their own workplaces. Both the Ministry of Foreign Affairs and Trade and the

Department of Corrections Psychological Service, for example, were able to state that scholarships had definitely improved the recruitment of Māori and Pacific people into their departments.

Some departments noted that their scholarship programme had, as yet, had little impact on changes in the recruitment or representation of Māori and Pacific peoples in their own workplaces. However, most considered that the period of their scholarship programmes had been too short to draw any conclusions at that stage. Not only had there been a time delay between providing scholarships and students graduating and being available as potential employees, but a number of students had gone overseas or explored other employment options before returning to a career with their 'parent' department.

Three departments (Parliamentary Service, Audit New Zealand, Department of Corrections Psychological Service) explicitly aimed to encourage Māori and/or Pacific people into a particular, non-traditional discipline. All three felt that EEO scholarships had provided them with a pool of applicants they would otherwise not have attracted. Other departments commented that the EEO scholarships had given them access to a level of talent and calibre of student that they had not previously had, with the resulting potential for recruitment of these individuals at a later date.

All departments stated that the EEO scholarship programme had had a positive impact on their business. While there had been a time delay between offering scholarships and seeing an impact on the organisation's statistical profile, other changes had accrued almost immediately as part of the process of offering the scholarships. These included impacts internal to the organisation – such as changes in the workplace culture in terms of safety and responsiveness (e.g. Department of Corrections Psychological Service, Parliamentary Services) – and improvement in organisational capability. The latter was due to different styles of working and a wider range of perspectives contributed by scholars, both when they were working during vacation time and after their appointment.

Most often mentioned was the impact on departments' core business. Effects included a sense of goodwill and influence being generated within Māori and Pacific Islands communities, the increased profile of departments within these communities, the development of relationships between the Crown and iwi, and the development of potential new recruitment markets.

Public Service-wide initiatives, 2003/2004

In 2003, the State Services Commission published a guidance document, *Creating a Positive Work Environment*, which assists departments to ensure through their policies and practices that discrimination and unwelcome behaviour are eliminated from the workplace. The document has been well received by many departments and human resource staff, and should help to create conditions in which Pacific public servants will thrive.

The Human Resource Framework project, approved by Cabinet in May 2003, arose from the Review of the Centre, which acknowledged the diversity of human resources needs in the State sector. One of the objectives of the Framework is to "Enhance the ability to attract and retain diverse and capable talent". Many HR Framework projects now underway will benefit Pacific staff. For instance, the HR Framework Work-Life Balance project should provide greater opportunity for Pacific staff to be able to have their circumstances included as part of their department's development of work-life initiatives. In the Career Progression and Development Survey, Pacific staff cited being able to work flexible hours, having access to caregiver leave

and parental leave as very important to pursuing their Public Service careers. One of the principles of the Work-Life Balance project is that organisations will need to have a variety of work-life initiatives that reflect the unique backgrounds and aspirations of staff from different cultures.

Another project may assist with moving Pacific public servants into leadership roles and senior positions. The Career, Learning and Development Service project is investigating new ways of providing increased coordination of training and development activities across departments, and access to career planning services for employees below senior management level. The project is looking at building on the current functionality of Career Services and the Public Sector Training Organisation (PSTO) to provide enhanced, focused services for public servants.

The workplace-based learning and development programmes run through PSTO are attractive to Pacific people employed in the public sector, with 11.7% of current learners registered with PSTO identifying themselves as Pacific people. Because of this positive level of interest, PSTO plans to research the need for specific programmes to meet the needs of Pacific peoples, particularly in the area of leadership development. This research should be completed in 2004.

Examples of recent departmental initiatives

Archives New Zealand

Archives' Pacific Peoples Network was formed in 2001 and has members in both Auckland and Wellington. Initially, the Network's role was to provide support to Archives' Pacific staff, but they are increasingly being involved in other activities, such as providing advice in corporate matters and having input into draft policies.

Network members have also put together a guide for staff on Pacific protocol. Members also take an active role if Pacific people need particular assistance to feel comfortable in the Archives environment. The Network is dedicated to improving access to archives of interest and importance to Pacific peoples. Work has begun on a reference guide to Pacific holdings.

The department has three Pacific staff based in Auckland, and four in Wellington. Most are concentrated in the administration section of the organisation. The Pacific Peoples Network meets with managers and the training coordinator to discuss opportunities for Pacific staff, to ensure their personal and professional development needs are met. Two Pacific staff are archivists.

Pacific staff of Archives New Zealand had the positive experience in 2003 of involvement in the PARBICA conference, which was hosted by Archives New Zealand in July and held in Wellington. PARBICA is the Pacific arm of the International Council of Archives. It consists of government archivists and a few others from all over the Pacific, from Niue to the Northern Marianas. The conference was a great learning opportunity for Archives' Pacific staff, making it possible to network with Pacific colleagues. Archives Pacific Network members had a significant involvement with the organisation and hosting of the conference.

Archives supports an annual fono, to which the chief executive is invited.

Department of Corrections

The Department of Corrections developed its first ever *Pacific Strategy* for July 2002–June 2005. This is aligned to the Department's strategic goals and objectives for reducing re-

offending by all offenders and specifically offending by Pacific offenders. The strategy includes a goal to enhance organisational capability to be responsive to the needs of Pacific people. This requires each business group within the Department to review its human resources capacity in relation to Pacific staff and training needs. This is based on a “More Pacific staff, more Pacific solutions” theme, to enable the Department to recruit, train, develop and retain an adequate number of Pacific staff, from operational positions through to policy and management.

The objectives in the Pacific Strategy are directly linked to building capability and are included in the Human Resources Management Operational Strategy. Some of the initiatives under development include:

- actively encouraging people from diverse groups (including Pacific) to apply for positions, including management roles
- developing family-friendly workplace approaches, as far as is possible within the context of the 24-hour prisons environment
- incorporating a component of cultural and diversity awareness and understanding into all training programmes
- building cultural language and diversity competencies into staff progression and manager competencies
- making changes to performance competencies relating to represented cultures, to ensure they are recognised through remuneration systems
- systematically reviewing all existing human resource policies to ensure they do not directly or indirectly create barriers to progress for Pacific and other staff groups. The Department is involving relevant groups in the reviews.

The *Chief Executive Pacific Advisory Group* has been formed to provide the chief executive with advice on strategic and operational matters in relation to Pacific peoples. This group, which is representative of three Pacific Island peoples, meets with the chief executive on a quarterly basis.

The Department provides ongoing support for *Pacific staff networks* in all regions. This work involves Pacific staff in strategic decisions and policies through their involvement in consultation, project teams, etc. Staff networks are considered to be a crucial support structure for Pacific staff and local managers, and are also a driving force to support management in implementing Pacific initiatives. A national fono is planned for November 2004.

New Zealand Customs Service

Since 1994, the Customs Service has recruited a number of staff in the Auckland area to undertake the role of Primary Processing Officer (PPO). These part-time roles have been predominantly filled by Māori and Pacific staff living in the Mangere area near Auckland Airport. The duties relate to immigration passport clearance (border crossing) and PPOs are the first “meet and greet” point for people entering New Zealand. In order to retain and provide improved career prospects for these staff, Customs has implemented the following steps:

- The PPO roster has been changed, to reduce the number of split shifts and increase the number of continuous shifts (i.e. one 8-hour rather than two 4-hour shifts). The shift roster is now also published well in advance, which allows the PPOs to organise their

personal time better. Both these initiatives have had a positive effect on staff morale as well as saving administration costs.

- Primary Processing Officers have been given profiling training.
- Action has been taken to provide each staff member with a mentor/buddy to assist with a range of on-the-job tasks.
- The PPOs have been given a dedicated team leader to provide leadership and guidance.
- The improved performance of the PPOs has enabled their salaries to be adjusted to reflect their increased levels of competence and performance.

Early indications are that the above strategies have already resulted in a marked decrease in PPO turnover.

Ministry of Economic Development

The Ministry of Economic Development supports a *Pacific Staff Network*, which provides both social and professional support to staff of Pacific descent. The Network also encourages career development for staff, promotes a work environment that understands and supports Pacific people and provides an environment that allows staff to share and reflect their individual cultures. The Network is currently refining its goals and objectives to better reflect the needs of its members and to strengthen its relationship with the Ministry and is also developing a resource kit on Pacific people and culture for Ministry staff. It is involved in the selection of students for scholarships (see below).

The Ministry supported a Pacific staff planning day and from this a *Pacific Network Strategic Action Plan* will be developed.

As part of the Ministry's EEO initiatives, one *scholarship* a year is offered to Pacific students studying towards a university degree in subjects such as economics, law, commerce, science or engineering. The scholarship is valued at \$5,000 and is awarded for one year. Applicants are required to complete at least one successful year of study prior to being eligible. Preference is given to students in their third, fourth or postgraduate year. The Ministry also places emphasis on students who have good networks with their own communities.

Ministry of Education

The *Pasifika Caucus* is one of the EEO Networks within the Ministry of Education. It assists the Ministry achieve its business goals and strategic priorities in relation to the Pasifika Education Plan. The key goals and objectives of the Caucus include:

- raising the profile of and strengthening the Pasifika Education Plan across the Ministry
- increasing awareness across the Ministry of the importance of Pasifika stakeholders in the education system and how they could help in lifting the levels of Pasifika students' educational achievement
- promoting the importance of all staff recognising that Pasifika perspectives need to be factored into their work at the beginning of the process, rather than at the end
- developing a knowledge base to better inform Ministry staff about Pasifika issues, customs, values, cultures and networks. These actions also help increase the Ministry's capacity and capability in working with Pasifika families, educators, communities and students

- working with the Ministry's Human Resource Division to develop resource materials to guide Ministry staff in the recruitment and retention of Pasifika staff.

Headed by the Pule Ma'ata Pasifika, the *Pasifika Education Unit* provides strategic oversight and leadership for the Pasifika work across the Ministry. It is responsible for developing and monitoring delivery of the Pasifika Education Plan, its links to tertiary and other policy issues, and liaison with other education agencies regarding Pasifika education. The Unit has close working relationships across the Ministry.

As part of strengthening the Ministry's responsiveness to Pasifika peoples, the Unit undertakes a stocktake of staff competency in Pasifika languages and knowledge of Pasifika education issues. This is used in discussions with staff, both within teams and individually, regarding their development plans for building capability in responding to Pacific education issues.

Ministry of Housing

The Ministry sees a clear link between capability and service delivery. It has recognised the Pacific community as key customers and has focused on implementing a number of initiatives that will achieve specific outcomes for Pacific tenants.

One of these initiatives involved the establishment of a *Pacific Development Coordinator's* position, reporting directly to the Chief Executive. Part of the responsibility of this position is to assist and support the newly established *Vanua Pasifika Network* (see below) in activities aimed at building positive and effective relationships with Pacific communities and other key stakeholders. It involves establishing networks with other government and non-government agencies, with the specific focus of sharing information on effective and efficient ways of delivering quality service to a major customer group in the social services sector.

A *Pacific tertiary scholarship* was also established, aimed at attracting Pacific people to work in the housing sector.

The Vanua Pasifika Network is seen as a vehicle that will assist the Ministry achieve its outcomes for the Pacific community. The Network holds an annual fono, where Pacific staff members develop and recommend an annual plan of initiatives for approval by the senior management team. It is also a time for reflecting on the previous twelve months' initiatives and assessing the success, relevancy and outcomes achieved.

The Vanua Pasifika Network Fono-2004 was held in Wellington. The theme and focus of workshops was "Growing capability within the Ministry of Housing". Discussions focused on ways to increase skills of all Ministry staff to work with and establish positive relations with Pacific communities. The fono also looked at ways to utilise Pacific staff members' specialist knowledge to assist the Ministry to better engage with Pacific communities and to build the Ministry's internal capability to deliver its services.

The fono ended with a list of potential initiatives that will form the basis of a report to the Ministry's chief executive and senior management team, recommending focus on:

- public education programmes for Pacific communities, to improve knowledge and understanding of the Ministry's services
- building greater knowledge and understanding of Pacific cultures within the Ministry
- improving the Ministry's ability to better engage on the ground with Pacific communities
- career development for Pacific staff.

Department of Internal Affairs

The Department of Internal Affairs has been re-energising its EEO Network groups during the past year. The DIA Human Resources Capability Team has been encouraging the networks to produce business plans containing details of objectives, roles and activities and budget proposals for local and national activities.

The DIA *Pacific Peoples Network* has been working on its draft business plan, outlining its structure and representation across the Department, proposals for outreach and fono activities internally and across the Public Service, and consultation protocol.

The *Community Development Group Pacific Caucus* has linked its role and activities to the group's business plan, and its activities include providing support and advice to managers and staff on the provision of services to Pacific communities.

DIA offers up to ten *Chief Executive Scholarships* per year. These are aimed at enhancing leadership capability by providing career development opportunities to current and future leaders, to equip them with the skills, experience and confidence to progress to key decision-making roles. At least one place is awarded to a Pacific staff member, but currently two are held by Pacific staff from 2002 and 2003. Provision for up to two awards to attend the Australia and New Zealand School of Government (ANZSOG) Executive Master of Public Administration is also available through this programme.

Within Identity Services, funding is available for *supervisory/management training* for one Pacific and one Māori staff member. The respective networks nominate the recipients.

National Library

The *Tagata Pasefika Network* within the National Library has been established primarily to provide support to other staff members. The Network does not provide a policy advisory function. However, the two convenors of the Network liaise with management on relevant issues. An information page on the Library Intranet gives the purpose of the Network as: to provide support to other Pacific staff; to keep Pacific cultures alive and knowing each others' cultures; being a place of safety and learning for Pacific people. The Intranet page also includes web links to other Pacific Islands information sources outside the National Library.

The National Library has supported a *study scholarship* for Pacific staff since 1997. The current scheme is open to Pacific staff who are permanent full-time or part-time employees. The main aim of the scholarship is to increase the number of Pacific staff within the National Library who have library qualifications. Consideration is also given to staff wishing to pursue qualifications outside the field of librarianship. Fees are paid up front and support is continued as long as there is successful completion of papers. Paid study leave support is available and the Library also lends surplus computers to scholarship recipients for their use at home during the course of their study. Mentoring is available on request.

New Zealand Police

Although not part of the Public Service, Police actively participate in the State Services Commission EEO self-assessment process and in other regular EEO activities. In response to the need to reduce inequalities within the broader justice sector, the New Zealand Police established a national office for *Māori, Pacific and Ethnic Services* in March 2003.

Police has committed to achieving a number of programmes of action as part of the Ministry of Pacific Island Affairs Pacific Capacity Building Framework. Responsiveness to Pacific peoples has been integrated into existing strategic frameworks and business planning documents at both district and national levels.

Policing programmes and policies have focused on building capability to be responsive, and on developing and implementing targeted initiatives to bring the voice of Pacific peoples into policing. The Office for Māori, Pacific and Ethnic Services contributes to human resource and other policy development processes when required.

During the last twelve months, major *recruitment activities* to attract new recruits from Pacific communities have been undertaken by Police. There are thirteen specialist recruiting staff within Police who are supported by internal *Pacific networks* and *Pacific Liaison Officers* in the Auckland, Wellington and Christchurch regions. Police seek input from Pacific church groups and actively encourage churches to put forward candidates for recruitment. Major Pacific festivals, such as the ASB Festival and Kirikiti Tournaments, have generated positive responses to Police recruitment activities.

A mentoring *programme* for Pacific staff, organised by recruitment officers, has been operating in Wellington to provide support for Pacific recruits.

A *Leadership Forum for Pacific Officers* has been operating for two years. This group was created as part of a training strategy and provides feedback and advice on areas of professional development.

Ministry of Social Development

The Ministry has a *Pacific Strategy* to provide policy advice, purchase strategies, service development and service delivery, and to enhance the contribution and development of Pacific people in social and economic life. One of the key directions of this strategy is to build internal capabilities and knowledge to enhance responsiveness to Pacific peoples. The Ministry has a variety of programmes and initiatives in place or under development to achieve this key direction.

Three key programmes form the succession framework for advancing Pacific (and Māori) staff to senior management positions:

- *Te Putake (The Foundation)* is a cadet programme to bring into the Ministry Pacific and Māori people who show the potential – with appropriate development opportunities and experience – to move into positions of leadership. Cadets complete one year of development and learning before taking up their permanent role in the Ministry.
- *Te Aratiatia (The Pathway Ahead)* is aimed at enhancing the potential of Pacific and Māori staff who are not currently in management, and who are identified as showing leadership, to move into management positions. This programme involves ten weeks of training, covering a wide range of management skills and knowledge. Each week of training is followed by the participants returning to their usual work site to undertake management projects.
- *Te Aka Matua (The Climb to Prominence), Senior Pacific Peoples and Māori Management Development programme.* This is an executive development programme designed to assist Pacific and Māori first-level managers who show potential for

leadership at a more senior level. It is a two-year programme, which involves participants undertaking study as well as attending training over that period.

The Ministry has a *Pacifika cultural awareness training* programme posted on the Intranet for all staff. This includes language phrases for meeting and greeting, appropriate behaviours and frequently asked questions.

The Ministry funds and supports *regional fono* every two years. These provide motivation and information sharing amongst Pacific staff. Career development and assistance with personal development plans are part of the programme.

Progress against EEO Policy to 2010 employment targets for Pacific peoples

Departments provide annual self-assessments of their progress towards achieving their employment targets for EEO groups. *EEO Policy to 2010* requires departments to set their own numerical targets for the EEO groups to 2010 and a milestone for 2005.

Targets can be thought of as employment projections based on the effective implementation of EEO policies and practices. The purpose of the targets is not to encourage departments to simply appoint staff on the basis of the EEO group status, but to assist them to think clearly about the outcomes they expect from their EEO programmes and about scope for change.

The development of these targets should be realistic, based on relevant contextual information and involving some degree of ‘stretch’ for the department. They should be set individually by each department, according to its size and business focus, taking into account relevant labour market characteristics and the community served by the department. It should be noted that some departments were not required to set targets or milestones, because of small staff numbers or organisational restructuring.

The data summarise departments’ own assessments of progress towards achieving their EEO group targets and milestones, and do not include any judgement from the State Services Commission.

Departments assessed their progress by using the five-point scale of multiple-choice responses, as described in the following table.

Response	Definition
[No Response]	Default response if none of the other options are selected.
No progress	This refers to no change, or a negative change, in the figures since the previous year. If there are mitigating circumstances, departments have the opportunity to record this in the comments box provided on the EEO assessment form.
Little progress, significant activity required to reach 2010 target on time	There is some positive change, but less than one would expect if the 2005 milestone or 2010 target is to be reached.
The 2010 target is achievable at current rate of progress	There is significant positive change and the 2005 milestone or 2010 target will be achieved if progress continues at the current rate.
Milestone reached or passed	<i>Before or at 2005:</i> the 2005 milestone has been reached or surpassed. <i>After 2005:</i> the 2010 target has been reached or surpassed.

The reported targets relate to the representation of Pacific peoples in the department as a whole, and in senior management. In setting targets, departments take account of:

- the representation of Pacific peoples in similar occupation groups in the employed labour force – the external labour supply
- the representation of Pacific peoples at junior levels of the department and turnover rates in senior management – the internal labour supply and demand
- the composition of the sector of the community that the department serves.

The balance of these factors requires a judgement on the part of the department in setting their targets, as the factors may each imply a different level of representation or distribution.

Proportion of all staff who are Pacific people

Of the 39 departments that provided a self assessment for this EEO Progress Report, three have not set a 2010 target figure for the overall representation of Pacific peoples as a percentage of staff, and four have not set a 2005 milestone. The results for the year to June 2003 are as follows:

- already exceeded 2010 target – 11 departments (28%)
- 2005 milestone reached or passed – 17 departments (44%)
- 2010 target achievable at the current rate of progress – 8 departments (21%)
- little progress, significant activity required to reach 2010 target – 10 departments (25%)
- no progress – 2 departments (5%)
- no response – 2 departments (5%).

Proportion of senior managers who are Pacific people

Of the 39 participating departments, ten have not set a 2010 target figure for the proportion of senior managers who are Pacific people, and 19 have not set a 2005 milestone. The results for the departments that provided a self-assessment for the year to June 2003 are as follows:

- already exceeded 2010 target – 1 department (3%)
- 2005 milestone reached or passed – 3 departments (8%)
- 2010 target achievable at the current rate of progress – 3 departments (8%)
- little progress, significant activity required to reach 2010 target – 6 departments (15%)
- no progress – 22 departments (56%)
- no response – 5 departments (13%).

The progress being made by departments towards achieving milestones and targets for the overall representation of Pacific peoples is encouraging, with at least 65% of departments either having achieved their target or on track toward achieving their 2010 target at the current rate of progress.

The situation for senior managers shows a different picture. As senior managers tend to have an older age profile than for all employees, it would be expected that groups with young age profiles would have lower representation in senior management. Pacific peoples have the youngest age profile of all the EEO groups. The lowest level of progress towards meeting the senior management targets applies to this group. It is notable that the departments that have not set targets or milestones also do not have any senior managers who are Pacific people.

Conclusions

The overall picture of Public Service responses to the employment aspirations of Pacific peoples is a fragmented and uneven one. However, representation of Pacific peoples in the Public Service is gradually growing, and Public Service-wide initiatives, such as the HR Framework, should assist departments to more closely focus on the recruitment and retention of Pacific people in the context of business requirements.

It is positive to see that 65% of departments have met or exceeded milestones and targets for 2005 or 2010 in relation to the overall representation of Pacific peoples, or are on track to do. Some departments that have a client base with a significant Pacific presence have responded with specific recruitment policies, enhanced career development opportunities for Pacific staff, and cultural awareness training for non-Pacific staff. The role of Pacific networks in departments has in some instances changed from primarily providing support for Pacific staff to having input into policy areas, including advising chief executives. Many of the networks now have a role, too, in career development assistance for their members. Fono, planning days, business plans, a leadership forum, a succession framework, are all positive signs of more formal and professional attention being paid to the position of Pacific employees.

Given the information supplied in the previous chapter, on Pacific public servants' experiences of the Public Service, it would seem that there are two major areas of concern to Pacific staff where departments could improve their delivery. The first is in ensuring that performance management systems recognise the specific skills of Pacific employees, and that such skills are valued as an essential part of reflecting New Zealand's diversity. The second is in offering on-the-job experience and training. Pacific staff believe that such development opportunities would contribute to their moving into positions of greater responsibility.

It perhaps needs also to be pointed out that while departments can make targeted efforts to provide training and development opportunities for Pacific staff, the major problem of the lower educational levels with which they arrive in the Public Service is one which has to be addressed by others. Encouragement by families, by school authorities and others in a position to influence the career choices of young Pacific people, is needed to bring Pacific entrants to the Public Service up to the same starting line as their non-Pacific peers.

APPENDIX 1. Overall Representation of EEO Groups in the Public Service

The Public Service continues to employ higher proportions of EEO group members when compared with the employed labour force. The overall levels of representation are shown in Table 7. The representation of women, Pacific and Asian peoples in the Public Service has continued to grow, with the representation of Māori showing little change.

Table 7. Representation of EEO groups, 1998-2003

EEO Groups ¹			1998	1999	2000	2001	2002	2003
			%	%	%	%	%	%
Ethnicity²	Māori	Public Service	15.5	16.1	16.9	17.0	17.6	17.4
		Employed labour force	8.1	7.6	8.9	8.8	9.5	9.4
	Pacific peoples	Public Service	5.9	6.2	6.6	6.6	6.8	7.1
		Employed labour force	3.6	4.0	4.0	4.0	4.5	4.5
	Asian peoples	Public Service	3.0	3.0	3.3	3.4	3.6	4.1
		Employed labour ³ force				4.8		
People with disabilities⁴		Public Service				18.5		
		Employed labour force				14.6		
Women		Public Service	54.5	56.3	56.2	56.5	57.5	57.8
		Employed labour force	44.9	45.4	45.1	45.7	45.4	45.5

1 Representation is calculated as a proportion of known ethnicities, which is consistent with Statistics New Zealand practice. **2** Public Service ethnicity data double counts people with more than one ethnicity, so that a person who is Māori and Samoan will be counted in both the Māori and Pacific people's categories. The labour force figures shown, which are sourced from the *Household Labour Force Survey*, use a priority system that has the effect of slightly reducing the figure for Pacific peoples. **3** Employed labour force figures for Asian people are only available from the five-yearly Census of Population and Dwellings. **4** Based on the Statistics New Zealand 2001 *New Zealand Disability Survey*.

Source: *State Services Commission*

In 1998, Public Service departments began collecting disability data on their employees, using the standard definition of disability. This information is based on those employees who identify themselves as having a disability that restricts them in performing everyday activities and which is long-term (lasting six months or more). In practice, in many cases the new definition of disability was applied to new staff, while information on existing employees was based on old data using idiosyncratic definitions that tended to result in very high disability rates (for example, the disability rate for the Public Service in 1988 was 20.8%). This seems to explain much of the apparent decline in the Public Service disability rate between 1998 and 2002, as old data were gradually replaced by new data. In some cases, departments have re-

surveyed all their employees, usually resulting in sharp falls in the disability rate in that department.

In contrast to the self-identification criteria used by Public Service departments, Statistics New Zealand’s Disability Survey, following World Health Organisation guidelines, uses objective criteria to identify functional limitation (i.e. what people can or cannot do). Far more people seem to meet the objective criteria than the number who identify themselves as having a disability; hence the data are not comparable.

Since 2002, the State Services Commission has not published Human Resource Capability data on people with disabilities, preferring to rely on data from Statistics New Zealand’s 2001 Disability Survey. This is because it enables comparisons with other sectors of the economy, is closer to internationally accepted definitions of disability and is collected in a more comprehensive way.

However, as time goes by, the Statistics New Zealand data will become more and more out of date and the State Services Commission is reviewing the way it collects and uses the Human Resource Capability data.

Representation in senior management

Table 8 shows the proportion of senior managers who were Māori, Pacific and Asian people and women over the last six years. Most groups showed growth from 1998 to 2002, but all groups showed small falls in representation in 2003. Asian managers have steadily declined in representation over the six years. However, the senior management patterns for these groups are based on a small number of employees. For example, the reduction in the proportion of Asian senior managers between 1998 and 2003 is equivalent to the loss of 8 employees.

Table 8. Representation of EEO Groups in Senior Management 1998–2003

Groups	1998	1999	2000	2001	2002	2003
Pacific people	1.4	1.7	1.4	1.9	1.6	1.4
Māori	8.2	7.6	8.7	9.8	10.4	10.2
Asian people	2.4	2.3	1.8	1.6	1.5	1.4
Women	29.4	32.7	33.6	33.0	35.9	35.1

APPENDIX 2. Fair Pay in the Public Service

In 2003, a Pay and Employment Equity Taskforce was established to investigate how the factors that contribute to the gender pay gap apply in particular parts of the Public Service and in the public health and education sectors. Because the State Service Commissioner has a specific mandate to promote, develop and monitor EEO policies and programmes for the Public Service, it was decided to utilise the 2003 EEO departmental self-assessment process by including some questions on fair pay practices. The questions related to the inclusion of equity and fairness considerations in the development, implementation and review of pay systems, including the use of job evaluation systems.

Survey questions

Departments were asked to respond to the following general questions on fair pay:

- What steps does your organisation take to ensure equity and fairness when setting starting salaries and conducting annual or other salary reviews (e.g. reviews of salary progression)?
- Do you evaluate the results/outcomes of your pay decisions?
- If yes, how do you use the results of that evaluation?

They were also asked the following questions to gather more specific information on job evaluation:

- Do you use a job evaluation system?
- If yes, what have you done to ensure the system produces fair outcomes for different staff groups? (Consider gender, ethnicity and/or disability.)

Results

The survey was sent to 41 organisations, including all Public Service departments and four non-Public Service departments that participate in the SSC's EEO assessment process on a voluntary basis. Responses were received from 38 organisations. Key themes from the responses are outlined below.

Approaches adopted in setting starting salaries

The following approaches were those most commonly described as used in setting salaries:

- *Job evaluation* (used by 35 departments) to provide a measure of relative job size for particular positions.
- *Independent salary surveys* for relevant 'public sector' market rates (used together with job evaluation information in setting salary ranges for jobs or job families).
- *Internal relativities* (described as an assessment of the position and remuneration relative to others in the office or organisation).
- *Skills, knowledge, experience and qualifications* of the individual compared with the requirements for the role (used to locate person at appropriate point in salary band).

Other factors mentioned by a smaller number of organisations were:

- the organisation's *ability to pay*
- the *ease or difficulty in recruiting*
- *the ability of individuals to negotiate for themselves.*

Line managers played a key role in setting starting salaries. In some cases, discretion on salary decisions was limited, usually to a small range of values relative to the mid-point of the salary range. In others, there was considerably more discretion around setting salary within (or, in exceptional circumstances, outside) the salary range for the position. (These differences are likely to be associated with occupational and career structure differences.)

Approaches adopted in annual and other salary reviews and progression

The main steps in annual and other salary reviews were:

- use of job evaluations and market information to review salary ranges for positions
- annual review of performance (and development) against pre-agreed performance objectives and/or competency statements, in line with departmental performance management policies
- review of salary in line with the departmental remuneration policy.

A smaller number of respondents mentioned salaries being reviewed through collective employment agreement negotiations.

Processes for ensuring equity and fairness in remuneration decisions

The processes most commonly employed to address bias were:

- the use of job evaluation – assumed by many to ensure equity because the position, not the person, was being evaluated (see also comments below)
- some form of moderation process involving managers (e.g. meetings of management team to consider salary review decisions), corporate Human Resources oversight of decisions, and/or sign-off by senior managers on salary recommendations (this process did not necessarily include consideration of gender bias)
- the communication and use of clear, standardised performance management and remuneration policies and processes throughout the organisation.

A smaller number of respondents mentioned:

- training of staff and managers on performance expectations and standards and/or competency assessment processes
- the use of job evaluation committees, sometimes including members specifically trained in equity issues. Some said that consultants had assured them that their job evaluation systems were bias-free, or that equity issues were addressed in the original design of their scheme. Only one mentioned ongoing review of the factors and outcomes of job evaluation for different groups
- oversight of human resource processes by staff trained and skilled in addressing equity issues
- PSA involvement either in the moderation process or as part of contract negotiations where issues of pay were discussed (e.g. in setting salary ranges)
- providing staff with the opportunity to request a review
- training all new managers on how to assess and set starting salaries, with regular refresher training (one department).

Evaluation of the results/outcomes of pay decisions

Thirty departments said they evaluated the results of their pay decisions; eight said they did not.

How the results of pay reviews are used

The results of pay reviews were used:

- to check compliance with remuneration policies
- to assess the effectiveness of remuneration and performance management guidelines, and redevelop them as required
- to determine whether salary ranges for various job families were in line with the rest of the public sector market, especially where there were recruitment and retention difficulties
- to ensure consistency and fairness in pay decisions between business areas/job families/job levels/people on different contractual arrangements (with gender/ethnicity examined as part of the review in a few of the departments)
- to provide information to various groups:
 - several departments provide a report on pay movement to managers, senior managers, and/or the chief executive
 - a few distribute the report on pay outcomes to staff
 - a few inform the Public Service Association of the results
- to contribute to budget forecasting
- to analyse any link to changes in recruitment and retention.

Discussion

Many departments described comprehensive, systematic approaches to setting and reviewing pay. They often appeared to assume that having a standardised approach was sufficient to ensure freedom from gender bias. Relatively few commented on potential areas of bias, or described specific strategies to address possible gender bias. This was especially the case with job evaluation, where the majority assumed that the process was free from bias because the position was evaluated, not the person. A small number said that a job evaluation consultant had assured them that their scheme was free from bias, but in most cases they did not provide information on how this freedom from bias had been assessed. Only a handful of respondents described specific measures undertaken by their department to address potential bias in job evaluation (e.g. through involving an independent consultant at the design stage) and only one described an ongoing equity review of its job evaluation questions, factors and overall scheme to ensure that the scheme was free from structural discrimination or bias against any particular gender or ethnic group.

Management decision-making is another potential source of bias, especially where there is wide discretion. Only a small number of departments described training for managers in any of the stages of the process leading to remuneration decisions. Bias can occur at several points, including:

- the description and assessment of relevant skills and experience for the position (e.g. are both paid and unpaid skills and experience valued?)
- performance review judgements and write-ups (which can be affected by stereotypes about performance of difference groups)
- differences in the negotiating ability of individuals (an important source of gender pay differences in starting salaries, according to some literature)

- individual/group decision-making on remuneration. (While moderation methods for remuneration decisions were described by a number of departments, it was not clear that training in gender and other forms of bias had been provided to those involved, except in a very small set of cases.)

While the majority of departments undertook some form of systematic review of their pay decisions, relatively few said they analysed the results in terms of gender (or other EEO variables).

Conclusion

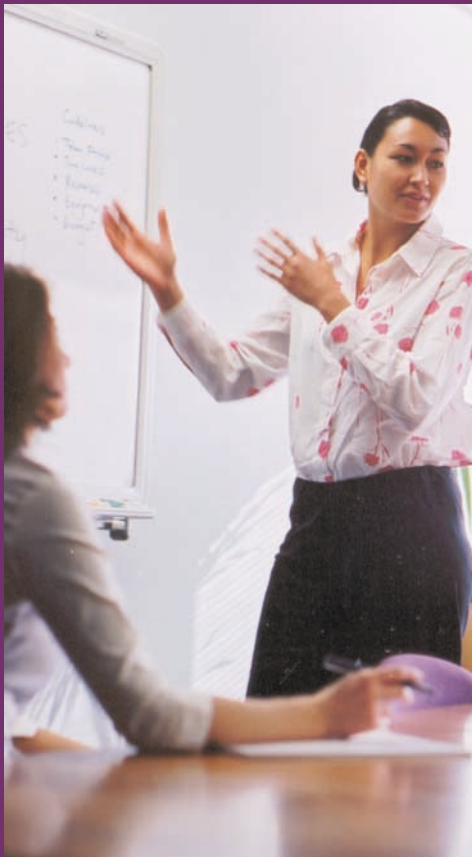
These results indicate that, while departments do have comprehensive pay policies and processes in place, many do not recognise potential areas of gender bias. There are several areas for attention in reducing the potential for gender bias in remuneration decisions. These include the various steps involved in recruitment, performance management, and remuneration decisions. A small number of departments did describe methods for addressing the principles of equity and fairness in their remuneration practices that could usefully be shared with others.

State Services Commission
100 Molesworth Street
PO Box 329 Wellington
New Zealand
Phone 64 4 495 6600
Fax 64 4 495 6686
www.ssc.govt.nz



EEO Progress in the Public Service 2000 - 2004

The Data Stories



EEO Progress in the Public Service 2000 – 2004:

The Data Stories

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Foreword

The Public Service works to deliver services to all New Zealanders. It is therefore important that the Public Service, and the wider State Services, reflect the diversity of New Zealand. To attract talented people from a range of backgrounds the State Services needs to be considered an ‘employer of choice¹’ and this an important area of work for the State Services Commission going forward.

Equal Employment Opportunities (EEO) is about equity and fairness in employment for all, but with particular attention to groups that face employment disadvantage. A commitment to EEO is an important aspect of what it means for the State Services to be considered a good employer.

Each year, the State Services Commission publishes an EEO Progress Report for the Public Service. This year’s report, based on quantitative data from the Public Service, looks at all the ethnic groups (Māori, Pacific peoples, Asians, ‘Other’ groups and Europeans) and women. The report’s focus is on the trends between 2000 and 2004, which is the period when detailed data have been collected on all public servants via the Human Resource Capability survey.

It is pleasing that several positive trends have emerged from this analysis. These include increased representation of Pacific peoples and Asians in the Public Service, increased representation of all the EEO groups in the managerial occupation group and improved representation of women in senior management roles.

However, the report also indicates areas of concern that will require further analysis and work. These include pay gaps and low representation in senior management for several of the EEO groups. This work will encompass looking beyond the Public Service into the wider State Services.

The Government’s recent amendments to the State Sector Act enable the State Services Commissioner to take an interest in EEO issues across the State Services and in the development of potential leaders across the State Services. The first steps of this work are already underway with the Leadership Development Centre providing senior leadership development and the continuing implementation of the Pay and Employment Equity plan of action.



Mark Prebble
State Services Commissioner

¹ Refer to Goal 1, Development Goals for the State Services, SSC

Executive Summary

This report presents data on all the ethnic groups represented in the Public Service and on women. The report focuses on changes in the Public Service between 2000 and 2004, using data from the State Services Commission's Human Resource Capability survey. This survey supports the detailed analysis of patterns and trends for EEO groups, which was not available from previous surveys before 2000.

The results for each group were as described below.

Māori public servants were relatively young, a high proportion were female and 90% lived in the North Island. Māori made up 17% of the Public Service throughout the period 2000 – 2004 (compared with 10% of the employed labour force). However, there was an increase in the number of Māori in professional and managerial occupations. The number of Māori *senior* managers (tiers one to three) hardly changed, but the number of women rose and the number of men fell. The retention rate for Māori public servants was similar to the rate for all public servants. However, retention rates for Māori managers and professionals were markedly lower than the overall rates for those occupations.

The pay gap between Māori public servants and the Public Service as a whole increased slightly. The pay gap between Māori women and Māori men remained at 10%.

Pacific public servants had the youngest age profile of all the ethnic groups, 64% were women and almost half lived in Auckland. The number of Pacific public servants rose from 6.3% of the Public Service in 2000 to 7.1% in 2004, and this increase was reflected within most occupation groups. However, the number of Pacific senior managers was low, and decreased between 2000 and 2004. Retention rates for Pacific public servants were slightly below those for the Public Service as a whole, although retention rates for Pacific managers were higher than the rate for all managers.

The pay gap between Pacific staff and all public servants increased slightly between 2000 and 2004. Pacific employees tended to receive slightly lower pay increases than public servants as a whole, although Pacific managers received slightly higher increases than the overall average for managers.

Asian public servants were, on average, younger than other public servants but a higher proportion were men. 45% of Asian public servants lived in the Wellington region and 43% in Auckland. The number of Asian public servants almost doubled between 2000 and 2004, and the proportion rose from 3.3% to 4.7% of the Public Service. This increase was reflected within all occupation groups except the professionals group. The proportion of Asian senior managers remained low, and decreased.

The 'Other' ethnic groups category was the smallest of the ethnic groups in the Public Service. It includes Arabs, Iranians, Somalis and Latin Americans. The 'Other' ethnic groups were generally well educated. The professional occupation group was the main occupation group for these public servants. The proportion of the 'Other' ethnic group in senior management was generally higher than that of the Maori, Pacific peoples and Asian groups. Overall, they were paid more than public servants in general.

European public servants had an older age profile than the other ethnic groups. They were the largest ethnic group in the Public Service, but their representation showed a gradual decline over the period. Europeans were particularly highly represented in the professionals, managers and science/technical occupation groups. The proportion of *senior* managers who were Europeans was static over the last four years, at about 89%.

The turnover rate for European public servants was generally slightly lower than the overall Public Service rate and retention rates were slightly higher. The median salary for European public servants was higher than that for public servants overall, with an increase in the proportion of Europeans in the professional occupation group.

The pay gap between European public servants and others remained largely unchanged between 2000 and 2004. However, Europeans who remained in the Public Service throughout the 2000 to 2004 period received slightly lower pay increases than non-Europeans. The pay gap between European men and European women was about 15% - a higher gender pay gap than for any other ethnic group.

Women's representation in the Public Service increased from 56% in 2000 to 59% in 2004. The proportion of female public servants in the managerial occupation group increased by 6 percentage points, with a 3 percentage point growth in the proportion of senior management positions held by women. Retention rates for women were, on average, 8 percentage points lower than for men, and turnover rates for women continued to be higher than for male public servants. There was little change to the pay gap between female and male public servants. If the effect of departments entering or leaving the Public Service is removed, the gap reduced from 17% in 2000 to 15% in 2004.

Some of the trends shown in this report were affected by compositional change. Between 2000 and 2004, the number of employees in the Public Service increased by almost 8,000. Around 25% of this growth was due to the effect of agencies moving in and out of the Public Service.

For some groups, an increase in representation in the Public Service was accompanied by an increase in the pay gap between that group and the Public Service as a whole. In part, this was because the salary of new recruits to the Public Service was lower, on average, than that of existing staff (20% lower in 2004). This means that groups who make up a higher proportion of the new jobs in the Public Service may also experience falls in the average salary of the group as a whole. For example, the number of Asians in the Public Service almost doubled between 2000 and 2004, while their average salary fell from 98% of the Public Service average in 2000 to 91% in 2004. However, the Asians who remained in the Public Service throughout the 2000 to 2004 period received pay increases that were similar to the Public Service average pay increase.

Some patterns were affected by demographic differences between the groups. Pacific public servants were markedly younger, on average, than other Public Service groups. In part, this may explain differences in representation in occupations, such as managers, where the average age is higher than for other occupations.

Introduction

Equal Employment Opportunities (EEO) is about equity and fairness in employment for all, but with particular attention to those who face employment disadvantage. Making progress in achieving EEO will be an essential element in achieving the new “State Services as an Employer of Choice” Development Goal.

The State Services Commissioner has a role under section 6(g) of the State Sector Act 1988 to “promote, develop and monitor EEO across the Public Service”. Each year, the Commission publishes an EEO Progress Report. The present report summarises quantitative data on EEO progress for different ethnic groups and for women, focusing on the period 2000 – 2004. This is the period for which the Commission has unit record data, allowing detailed trend analysis.

The Commission has reviewed its collection of disability data from departments because of concerns about its quality. Departments will be consulted about an alternative collection method, with decisions to be made later in 2005. Disability data is not included in this report.

Background

Brief information is provided below on departmental EEO requirements under the State Sector Act and *EEO Policy to 2010*.

State Sector Act 1988

While the Public Service aims to be a ‘good employer’ for all its staff, the State Sector Act good employer provisions refer to recognising the employment requirements, the aims and aspirations, and/or the cultural differences, of some specific groups of employees who may be disadvantaged: Māori; women; ethnic and other minority groups; and people with disabilities. Each chief executive is required to operate, ensure compliance with, and report on an EEO programme for their department that should identify and aim to eliminate “all aspects of policies, procedures and other institutional barriers that cause or perpetuate...inequality in respect to the employment of any persons or groups of persons”. Each department is expected to “operate a personnel policy containing provisions generally accepted as necessary for the fair and proper treatment of employees in all aspects of their employment”.

EEO Policy to 2010 – Future directions of EEO in the New Zealand Public Service

*EEO Policy to 2010*², which was developed by Public Service chief executives and approved by Government in 1997, provides a policy framework for departments to include EEO in their overall strategic human resource management strategy. It has four areas of focus within which departments are to specify their EEO achievements and measure EEO progress:

- leadership
- organisational culture and strategic human resource management
- employment of EEO groups
- monitoring and evaluation.

² State Services Commission. *EEO Policy to 2010: Future Directions of EEO in the New Zealand Public Service*. Wellington: SSC, 1997.

One aim of the policy is to have the staff profile of each department more closely reflecting, at all levels and in all occupational groups, the proportions of EEO groups in the labour force. Departments were to have improved upon the 1996 situation by 2000, and to have improved further by 2010.

EEO Policy to 2010 also states that the long-term outcome of EEO will be the elimination of all forms of unfair discrimination in employment, and that this will be achieved when three conditions prevail in organisations:

- Inclusive, respectful and responsive organisational cultures enable access to work, equitable career opportunities, and maximum participation for members of designated groups and all employees.
- Procedural fairness is a feature of all human resource strategies, systems and practices.
- EEO groups are employed at all levels in the workplace.

The Commission is undertaking a mid-point review of *EEO Policy to 2010*, which will be reported early in 2006. The analysis of EEO progress based on quantitative data outlined in this report will be drawn on for the policy review, and will be supplemented with qualitative information on progress from various stakeholders.

EEO Data

Two main data sources were used to compile this report. The data collected by the State Services Commission's Human Resource Capability (HRC) survey is the main data source for the report. The HRC survey is an annual survey, which began in 2000. This survey collects a wide range of data on each public servant and provides a comprehensive picture of the Public Service workforce and allows trends to be monitored over time. Data was also used from Statistics New Zealand's Censuses for 1986 and 2001 and Statistics New Zealand's New Zealand Income Survey.

Special runs of data from the 1986 and 2001 Censuses of Population and Dwellings were commissioned from Statistics New Zealand. A Combined Central Government Industries (CCGI)³ group has been used as a proxy for the Public Service. An Other Industries (OI) group has been used as a proxy for the rest of the labour force.

The primary convention used by the State Services Commission in EEO reporting has been to double count people with more than one ethnicity, so that a person who is Māori and Samoan will be counted in **both** Māori **and** Pacific peoples. This report uses that convention.

The report uses two key measures of progress for EEO groups, *representation* and *distribution*.

- *Representation* refers to the proportion of the Public Service or, for example, an occupation who are members of a group of people. For example, this might be the proportion of Auckland public servants who are Māori.

³ The Combined Central Government Industries group is made up of the following industries: 1986-1996 NZSIC codes 91011 Central Government General Administration, 91013 Central Government Education Administration, 91014 Central Government Health Administration, 91015 Central Government Social Welfare Services Administration, and 91016 Central Government Industrial, Commercial and Labour Services Administration. The 2001 codes are based on ANZSIC M8111 Central Government Administration, M8120 Justice, Q9631 Police Services, and Q9632 Corrective Centres.

- *Distribution* refers to the spread of a group of people across the Public Service. For example, this might be the proportion of Māori public servants who work in Auckland.

When calculating representation of an ethnic group, the proportion is based on those of known ethnicity. For example at 30 June 2004, there were 37,865 people employed in the Public Service but the ethnicity of only 33,362 (88%) public servants was known.

When referring to numbers in EEO groups, the practice at the State Services Commission is to use head counts rather than full time equivalents. This is the method used in this report.

The occupational groups used in this report are the occupational groupings used in the HRC survey reports. These groups are based on Statistics New Zealand's New Zealand Standard Classification of Occupations (NZSCO99). Sub-major groups (i.e. 2 digit level) are combined into relevant groups at the highest level of detail to reflect the occupation groups in the Public Service. See Appendix 2 for more detail on the occupation groups.

Chapter One: Progress for Māori in the Public Service, 2000–2004

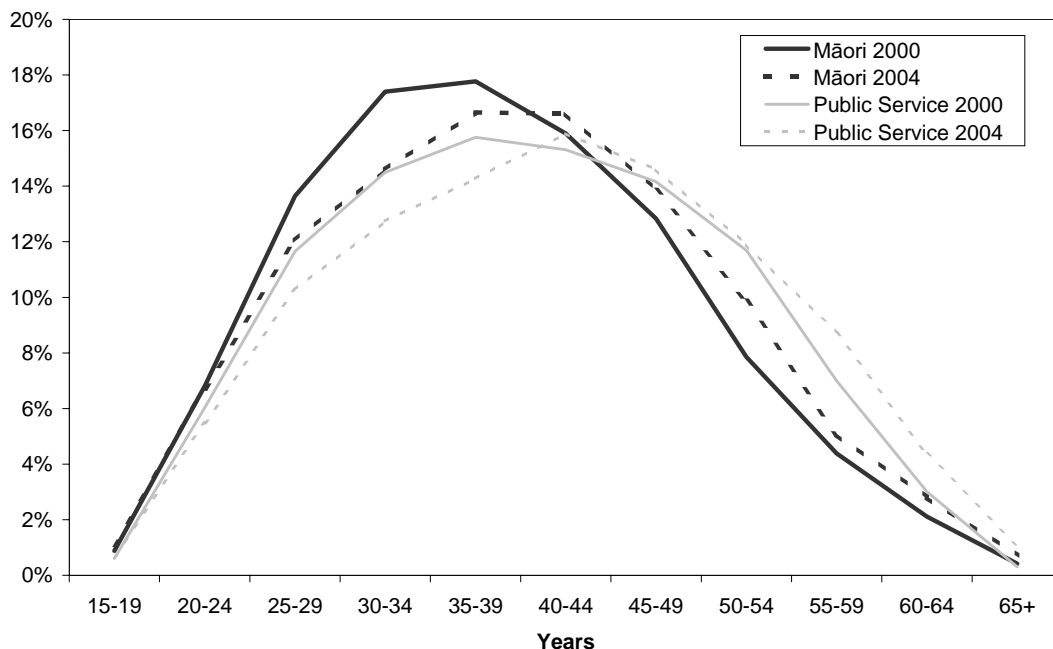
What are the characteristics of the Māori People in the Public Service?

Māori public servants are a young group who are mostly female and live in the North Island.

Māori public servants are younger than public servants in general. In 2004, the median age for Māori public servants was 39 years, compared to 42 years for all public servants. However, the age structure for Māori was older than that for Asian and Pacific public servants, who had median ages of 38 years and 35 years respectively.

The Māori public servants group aged over the four years, with 49% of the group aged 40 years or more in 2004 compared to 43% in 2000 (see Figure 1.1). The median age increased by one year over this period.

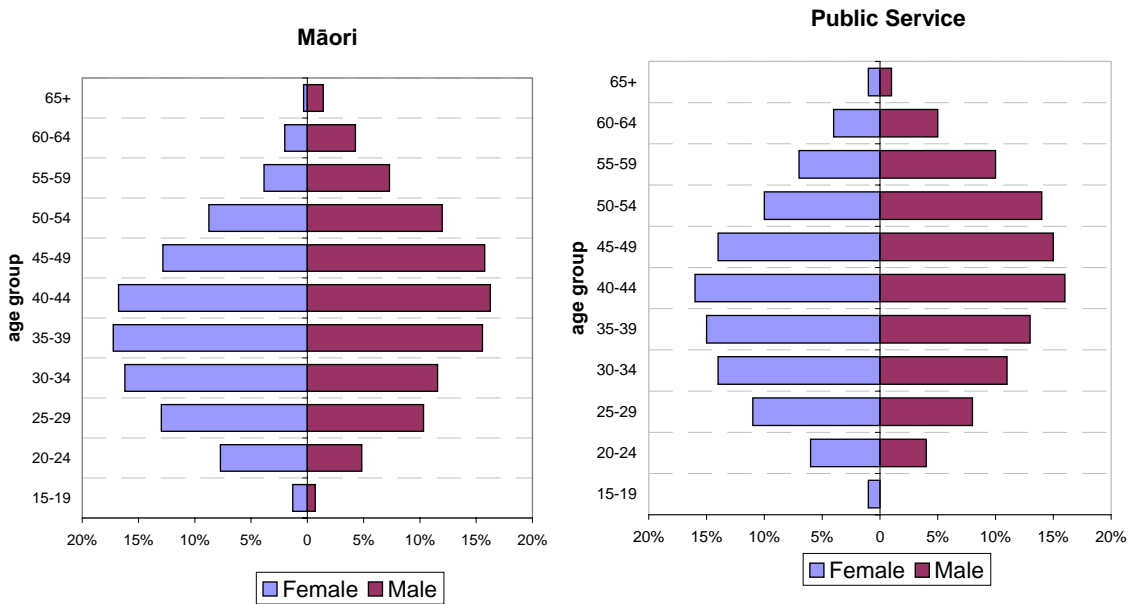
Figure 1.1. Age profile of Māori public servants and the Public Service, 2000 and 2004



Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

The age profile for Māori female public servants continues to be younger than that for Māori male public servants, with the median age for females 38 years and males 42 years in 2004. In 2004, 55% of Māori female public servants were aged less than 40 years, compared with 43% of Māori male public servants (see Figure 1.2). This differs from the overall Public Service, where 47% of female public servants and 36% of male public servants were aged less than 40 years.

Figure 1.2. Age profile of Māori public servants and the Public Service, by gender, 2004

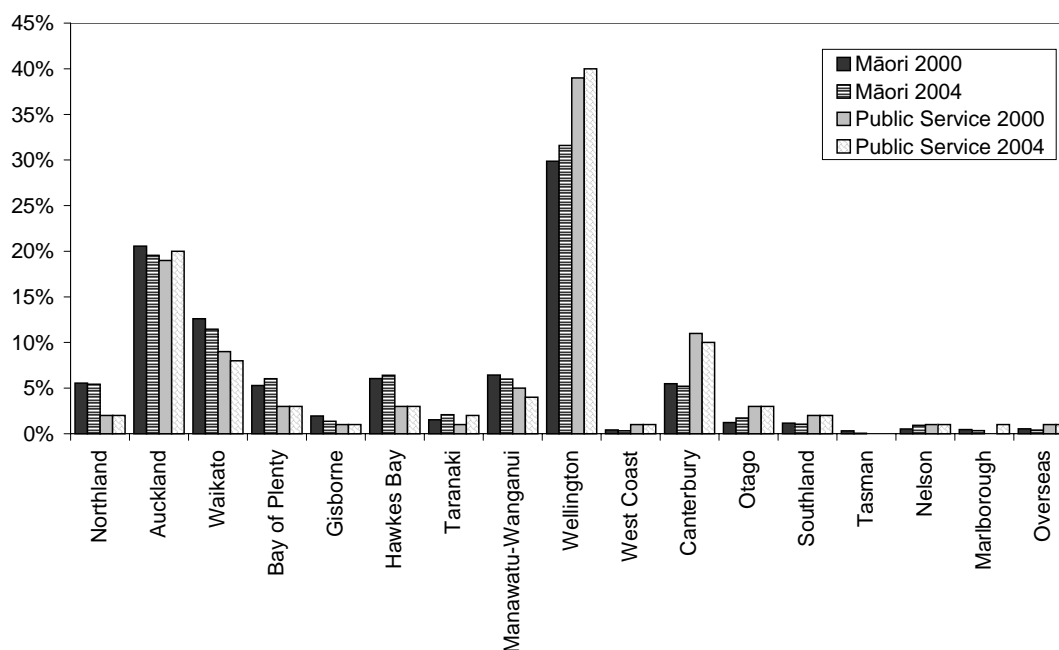


Source: State Services Commission. *Human Resource Capability Survey* (2004)

Female Māori public servants outnumbered male Māori public servants by almost two to one. In 2004, the gender split between Māori females and males was 65:35. This is higher than the proportion of women in the Public Service, which has a female:male split of 59:41.

Ninety percent of Māori public servants lived in the North Island, with 32% based in the Wellington region and 20% in the Auckland region in 2004 (see Figure 1.3). In the other North Island regions, Māori public servants had higher representation than the overall Public Service. Between 2000 and 2004, the proportion of Māori in the Auckland region decreased by 1%, which is the opposite to the trend shown by most other groups.

Figure 1.3. Regional distribution of Māori public servants and the Public Service, 2000 and 2004



Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

How many are there?

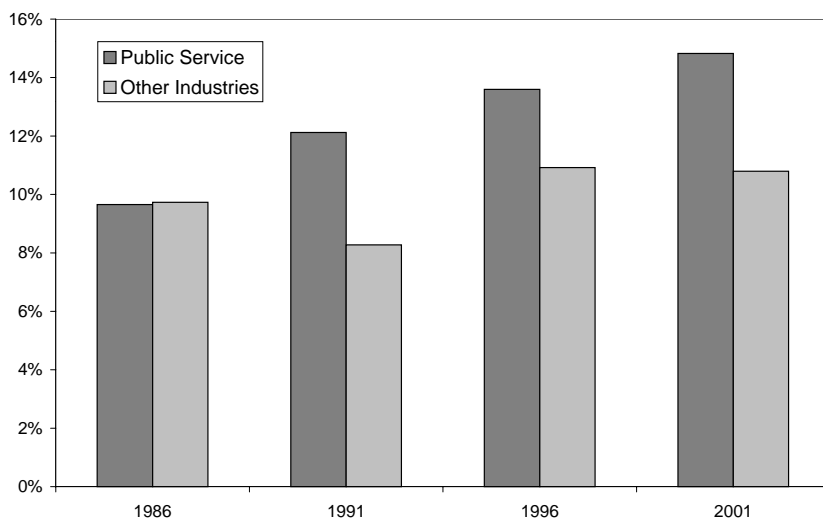
There were 5,763 Māori employed in the Public Service as at 30 June 2004 – equivalent to 17.3% of the Public Service. Over the four-year period there was little change in the representation of Māori in the Public Service. However, the number of Māori public servants grew by 33% (1,415), which is the same proportion by which the Public Service increased over this period.

Over the longer term, using proxy groups for the Public Service⁴ and the rest of the labour force⁵, Figure 1.4 shows that the increase in representation of Māori in the Public Service has been considerably greater than that in the rest of the labour force. In 1986, Māori made up approximately 10% of the proxy Public Service group, increasing to 15% in 2001. By comparison, the proportion of Māori in the Other Industries group increased from 10% in 1986 to just 11% in 2001.

⁴ See footnote 3.

⁵ Other Industries is the term used for the proxy group for the rest of the labour force (i.e. not included in the Public Service proxy group).

Figure 1.4. Māori representation in the Public Service and Other Industries, 1986 –2001



Source: Statistics New Zealand. *Census of Population and Dwellings* (1986, 1991, 1996 and 2001)

There was little change to the proportions of Māori women and Māori men in the Public Service between 2000 and 2004. Māori women increased slightly from 10.7% to 11.2% and Māori men decreased slightly from 6.3% to 6.1% over this period.

What do they do?

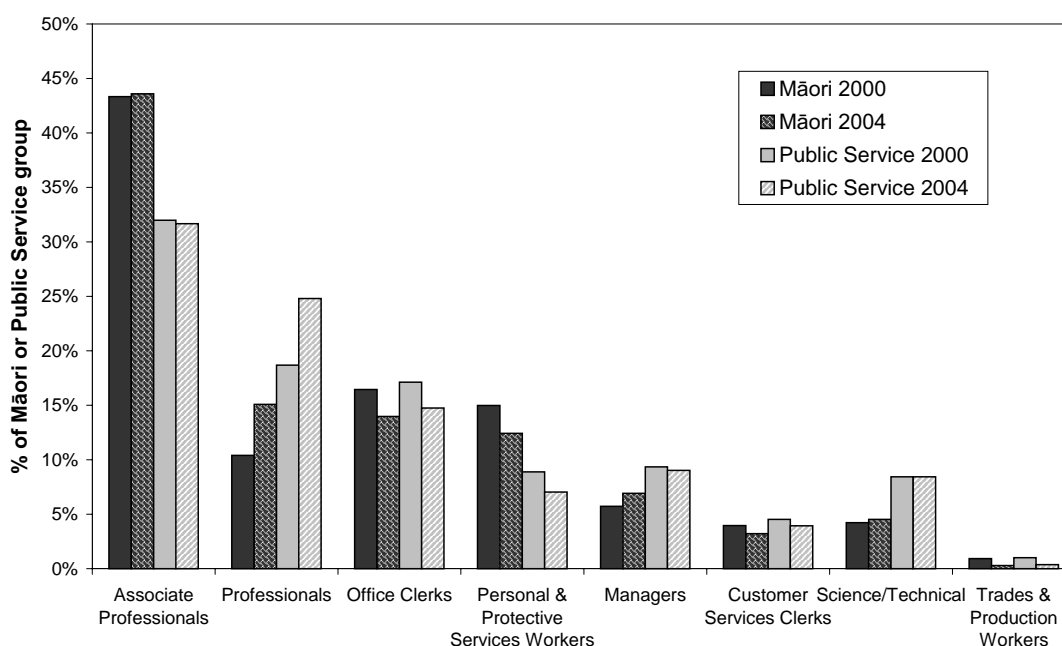
The five most common occupations for Māori in the Public Service remained unchanged between 2000 and 2004. In 2004 these were: case worker (15%), prison officer (11%), general clerk (10%), social worker (7%) and technical representative⁶ (5%).

Maori public servants tend to be clustered into the associate professionals group⁷ and under-represented in the professionals, managerial and science/technical occupation groups (see Figure 1.5). However, between 2000 and 2004, the proportions of Māori public servants in the professionals and managerial occupation groups increased.

⁶ Most technical representative are call centre operators.

⁷ Associate professionals is the largest occupation group in the Public Service and includes occupations such as case workers, social workers, customs officers, administration officers and call centre operators.

Figure 1.5. Māori public servants and Public Service occupation distribution, 2000 and 2004



Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

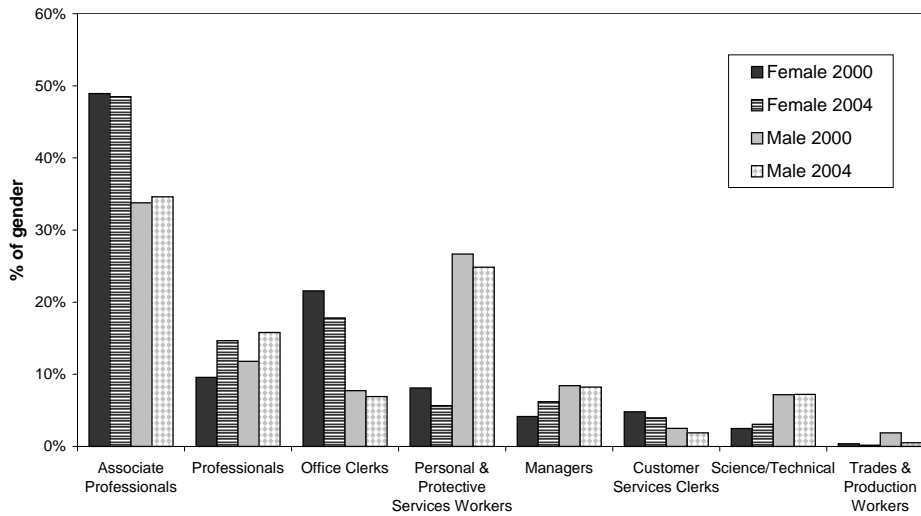
Figure 1.6 compares the occupation distribution of Māori females and Māori males in the Public Service in 2004 with 2000. It shows an increasing proportion of Māori females in the professionals group⁸ (up 5 percentage points) and managerial group (up 2 percentage points) and a decrease in most other occupation groups, particularly the clerical occupation group (down 4 percentage points). The increase of Māori in the managerial group seen in Figure 1.5 was driven by an increase in Māori women managers. Māori females continue to be clustered in the associate professionals occupations.

For Māori males, the main changes between 2000 and 2004 were an increase in the proportion in the professionals occupation group (up 4 percentage points) and a decrease in the personal and protective service workers occupation group (down 2 percentage points).

An increase in Māori policy staff was the main contributor to the increased proportion of Māori in the professionals occupation group for both the male and female groups. Also contributing to the increase of Māori women in the professionals occupation group were special education teachers and education advisers, occupations that entered the Public Service after 2000 with the incorporation of the Early Childhood Unit and Special Education Services into the Ministry of Education.

⁸ The professional occupation group includes policy analysts, accountants, human resources officers, social scientists, lawyers and archivists.

Figure 1.6. Distribution of Māori females and males by occupation, Public Service, 2000 and 2004

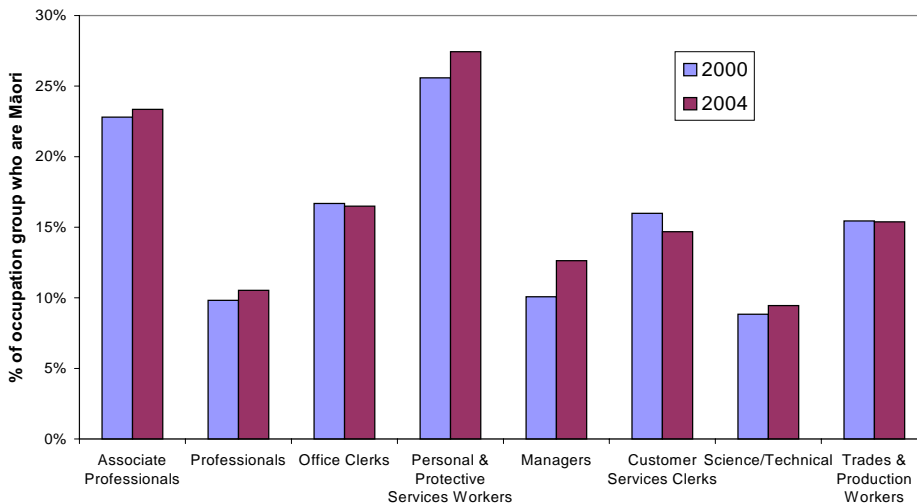


Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

What proportion of each occupation group is Māori?

Figure 1.7 shows the representation of Māori in each occupation group for 2000 and 2004. Over this period, the proportion of Māori public servants increased in most occupation groups, with the largest increase recorded in the managerial occupation group – from 10% to 13%. Māori continued to have high representation within the personal and protective service workers occupation group.

Figure 1.7. Representation of Māori within occupations in the Public Service, 2000 and 2004

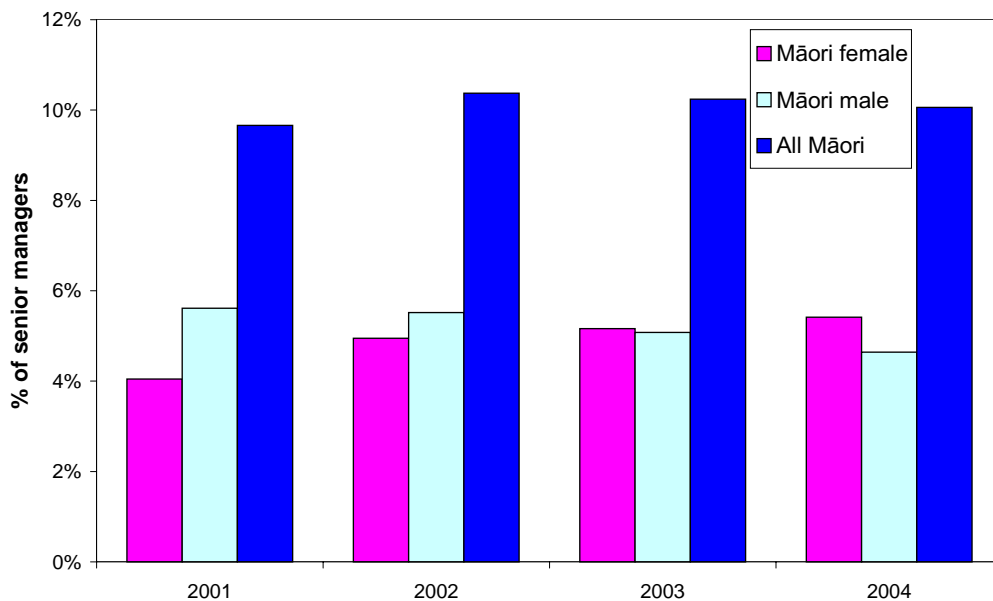


Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

How many Māori are in senior management?

Although representation of Māori in the managerial occupation group increased between 2000 and 2004 (see Figure 1.7), there was little change in the representation of Māori in the senior management⁹ group (tier 1,2 and 3 managers) over this period. The proportion of Māori senior managers in the Public Service was static (about 10%) over the four years (see Figure 1.8). In 2004, 17% of new senior managers were Māori, but the rate of exits was slightly higher, resulting in a small net loss overall. However, the representation of females in the Māori senior management group steadily increased, from 42% in 2001 to 54% in 2004. The proportion of females in the Māori senior management group differs from that of all Public Service senior managers, of whom 36% were females in 2004.

Figure 1.8. Māori representation in Public Service senior management, 2001 –2004



Source: State Services Commission. *Human Resource Capability Survey* (2001–2004)

How mobile are Māori public servants?

Turnover for Māori public servants is higher than turnover for the Public Service overall. Table 1.1 shows that between 2000 and 2004 turnover for Māori public servants was higher than that of the overall Public Service and the difference in rates between the two groups increased in the last two years of the period.

⁹ Data on senior managers has only been collected in the HRC survey since 2001.

Table 1.1. Turnover for Māori public servants and the Public Service, 2000–2004

	Māori public servants	Public Service
2000	11.3%	10.8%
2001	13.3%	12.8%
2002	11.6%	11.5%
2003	11.8%	11.1%
2004	12.9%	11.8%

Source: State Services Commission. *Human Resource Capability Survey* (2000–2004)

Turnover by age (see Table 1.2) for Māori is similar to the pattern seen in the Public Service, with higher turnover rates in the lower age groups. Excluding the 65–69 years age group, increases in turnover between 2000 and 2004 were highest in the 25–34 years age group.

Table 1.2. Turnover for Māori public servants and the Public Service, by age group, 2000 and 2004

Age Group	Māori 2000	Māori 2004	Public Service 2004
20–24	22.7%	22.1%	23.2%
25–29	19.1%	22.4%	22.2%
30–34	12.4%	16.7%	15.2%
35–39	9.5%	11.2%	11.7%
40–44	8.9%	10.9%	9.2%
45–49	7.3%	8.5%	7.7%
50–54	8.4%	5.9%	7.2%
55–59	4.8%	8.9%	7.7%
60–64	11.6%	7.7%	7.8%
65–69	11.8%	30.6%	21.8%
All	11.3%	12.9%	11.8%

Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

Tracking the cohort of public servants who were in permanent positions in 2000 through to 2004, Table 1.3 shows that there was little difference in the retention rate of Māori and the overall Public Service (62% and 63% respectively). However, the retention rate for Māori was considerably lower in the managerial occupation group (58% compared to 65%) and the professional occupation group (48% compared to 57%).

Table 1.3. Retention rates for Māori public servants and the Public Service, 2000 -2004

Occupation	Māori	Public Service
Associate Professionals	59%	62%
Professionals	48%	57%
Office Clerks	59%	61%
Personal & Protective Services Workers	79%	76%
Managers	58%	65%
Customer Services Clerks	63%	59%
Science/Technical	68%	65%
Trades & Production Workers	65%	56%
Total	62%	63%

Source: State Services Commission. *Human Resource Capability Survey* (2000-2004)

Of the 2001 cohort of senior managers, only 55% of the Māori senior managers remained in the Public Service by 2004, compared to 60% of all senior managers.

Pay and progression

A distribution index provides one way of looking at pay distribution within the Public Service, giving an indicator of the extent to which groups are clustered in the lower pay ranges of either an organisation or the Public Service as a whole.

An index score below 100 shows the group is ‘compressed’ or clustered into the lower pay ranges. The lower the index, the greater the degree of compression into these lower pay ranges. An index score above 100 shows that the group is well represented in the higher pay ranges. The comparator group is all people not in the group for which the index score has been calculated.

Table 1.4 shows the relative distribution index scores for women, men, Māori, Māori men and Māori women in the Public Service. It shows that Māori as a group were clustered into the lower pay ranges and became slightly more so between 2000 and 2004. The low distribution scores were driven by the low distribution scores for Māori women. Maori men were paid more highly than Māori women, although their distribution score dropped 5 points between 2000 and 2004.

Table 1.4. Distribution scores for Māori in the Public Service, 2000–2004

	2000	2001	2002	2003	2004
Public Service men	115	113	112	112	112
Public Service women	89	90	91	92	92
Māori	90	90	90	88	88
Māori men	103	102	101	97	98
Māori women	81	83	84	82	83

Source: State Services Commission. *Human Resource Capability Survey* (2000–2004)

Pay rates for Māori in the Public Service increased between 2000 and 2004, but were still lower than those for the overall Public Service (see Table 1.5). However, they were higher than those in the wider labour force. This is largely due to the type of occupation prevalent in each group; Māori are relatively more concentrated in ‘blue collar’ occupations, of which the Public Service has fewer than the rest of the labour force.

Table 1.5. Hourly pay rates (\$)

	Māori – Public Service		Public Service		Māori – Labour force		Labour force	
	2000	2004	2000	2004	2000	2004	2000	2004
Average	18.08	20.82	20.24	23.43	13.84	15.52	15.61	18.24
Median	16.91	18.34	17.72	20.26	12.00	13.76	13.55	15.34

Sources: State Services Commission. *Human Resource Capability Survey* (2000 and 2004); Statistics New Zealand. *New Zealand Income Survey* (June 2000 and June 2004)

The pay gap between Māori public servants and public servants overall widened between 2000 and 2004 (see Table 1.6). In 2000, the median salary for Māori public servants was 5% less than for all public servants and by 2004 it was 9% less. The pay gap between Māori women and Māori men was 12% in 2004 and showed little change over the four-year period.

Table 1.6. Unadjusted pay gap for Māori, 2000–2004

(Māori public servants' median salary as % of Public Service median salary)

	Pay for Māori as % of Public Service pay	Māori women's pay as % of Māori men's pay
2000	95	89
2001	96	89
2002	93	90
2003	90	89
2004	91	88

Source: State Services Commission. *Human Resource Capability Survey* (2000–2004)

The pay gap is reduced when the effects of age and occupation are taken into account, as shown in Table 1.7. When adjusted for age, the overall pay gap reduced from 9% to 5% for 2004. However, in most occupation groups Māori were paid less than public servants in general, and for several occupation groups this gap widened between 2000 and 2004. An exception was the associate professionals group, where Māori were paid more and there was no change to the pay gap. Decreases in the pay gap between 2000 and 2004 were seen in the professionals and science/technical occupation groups. The main contributors to the pay gap are the managerial group and science/technical group. In the managerial group, the median salary for Māori was \$6,000 to \$13,000 less than that of the overall Public Service managerial group in the age groups between 30 and 59 years.

Table 1.7. Age-adjusted pay gap for Māori, by occupation, 2000 and 2004
(Māori public servants' median salary as % of Public Service median salary)

Māori pay as % of Public Service pay		
	2000	2004
Associate Professionals	101	101
Professionals	93	96
Office Clerks	98	97
Personal & Protective Services Workers	101	100
Managers	91	90
Customer Services Clerks	101	99
Science/Technical	88	91
Total	97	95

Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

Pay progression for the 2000 cohort of permanent public servants (see Table 1.8) who remained in the Public Service from 2000 to 2004 shows that the increase in average salary for Māori was lower than for the Public Service overall (21% compared to 24%). Pay progression for Māori was lower in most occupation groups.

Table 1.8. Pay Progression for Māori public servants and the Public Service, 2000-2004
(Increase in average salary for the 2000 cohort of permanent staff who remained in the Public Service throughout 2000–2004)

Occupation	Māori	Public Service
Associate Professionals	21%	22%
Professionals	30%	31%
Office Clerks	24%	21%
Personal & Protective Services Workers	14%	15%
Managers	28%	30%
Customer Services Clerks	21%	23%
Science/Technical	23%	22%
Trades & Production Workers	18%	17%
Total	21%	24%

Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

How many Māori public servants belong to a union?

Māori public servants are highly unionised, with almost two thirds of Māori staff belonging to a union in 2004. This was higher than the Public Service rate of 57%. Between 2001 and 2004, union membership for Māori public servants increased from 59% to 64%. In most occupation groups, Māori union membership is higher than that for the Public Service overall (see Table 1.9).

Table 1.9. Union representation of Māori public servants and the Public Service, by occupation, 2004

Occupation group	Māori	Public Service
Associate Professionals	72%	70%
Professionals	48%	44%
Office Clerks	63%	59%
Personal & Protective Services Workers	83%	78%
Managers	34%	27%
Customer Services Clerks	71%	73%
Science/Technical	51%	52%
Trades & Production Workers	63%	60%
Total	64%	57%

Source: State Services Commission. *Human Resource Capability Survey* (2004)

Summary of key points

Between 2000 and 2004:

- The median age for Māori in the Public Service increased from 38 years to 39 years, but they were still younger than the overall Public Service.
- There was little change in the gender split for Māori in the Public Service (65% female).
- There was little change in the overall representation of Māori in the Public Service (about 17% compared to 10% in the employed labour force).
- There was an increase in the proportion of Māori in the professionals and managerial occupation groups and a decrease in the clerical and protective services occupation groups.
- The increased proportion of Māori public servants in the managerial occupation group was mainly from an increase in numbers of women.
- The proportion of Māori public servants increased within most occupation groups.
- There was little change in the proportion of Māori in senior management, but increasing numbers of Māori women moved into senior management.
- The turnover rates for Māori were higher than the overall Public Service.
- Overall retention rates for Māori were similar to those for the Public Service as a whole although retention rates for the professional and managers occupation groups were lower for Māori.
- The retention rate for Māori senior managers was lower than for all senior managers.
- The pay gap between Māori public servants and the Public Service as a whole increased from 5% to 9%.
- Māori who remained in the Public Service throughout the 2000-2004 period received pay increases that were, on average, 3 percentage points lower than those for all public servants.
- Union membership grew among Māori public servants, from 59% to 64%.

Chapter Two: Progress for Pacific peoples in the Public Service, 2000–2004

Who are the Pacific peoples?

Pacific peoples comprise of many ethnic groups. The 2001 Census recorded the six main Pacific ethnic groups resident in New Zealand as Samoans, Cook Islanders, Tongans, Niueans, Fijians and Tokelauans – with Samoans accounting for half the Pacific population. These main groups are all represented in the Public Service.

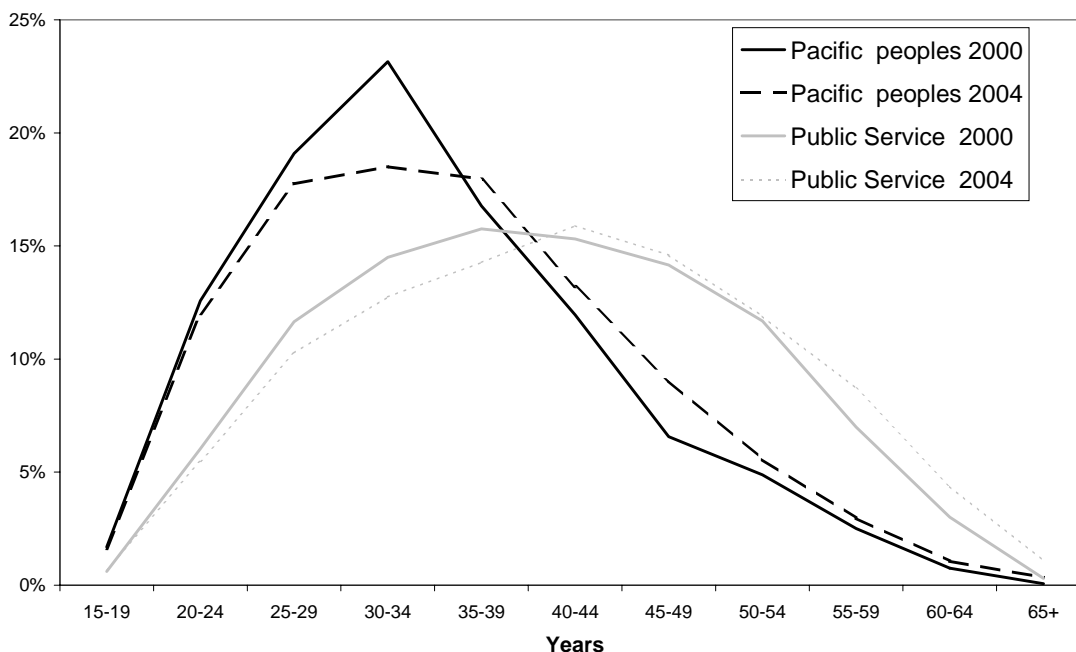
What are the characteristics of Pacific peoples in the Public Service?

Pacific public servants are the youngest ethnic group in the Public Service. They are mostly female and almost half live in Auckland.

Public servants of Pacific ethnicity have a younger age profile than the other ethnic groups in the Public Service. In 2004, their median age was 35 years, compared to 42 years for all public servants.

The Pacific public servants group aged over the four-year period, with the median age increasing from 33 years in 2000. In 2004, 32% of the group were aged 40 years or more, compared to 27% in 2000.

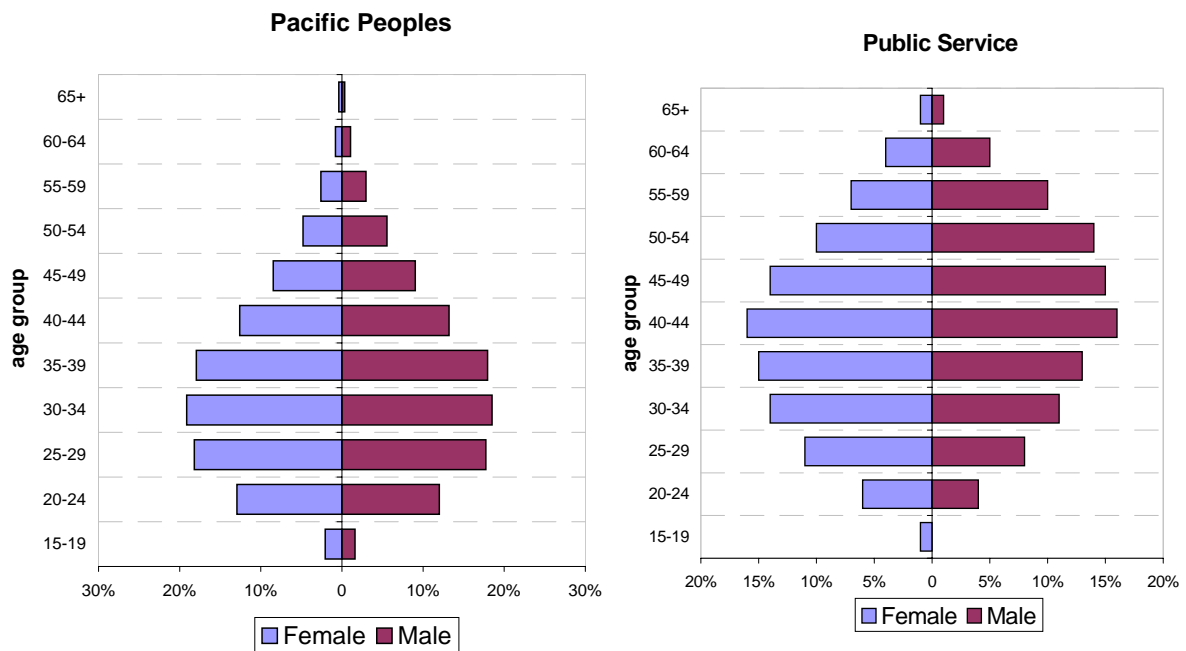
Figure 2.1. Age profile of Pacific peoples and the Public Service, 2000 and 2004



Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

The age profile for Pacific female public servants continued to be younger than that of Pacific male public servants, although they aged faster than Pacific men. In 2004, the median age for Pacific women had increased to 34 years from 32 years in 2000, whereas over the same period the median age for Pacific men had remained at 36 years.

Figure 2.2. Age profile of Pacific peoples and the Public Service, by gender, 2004

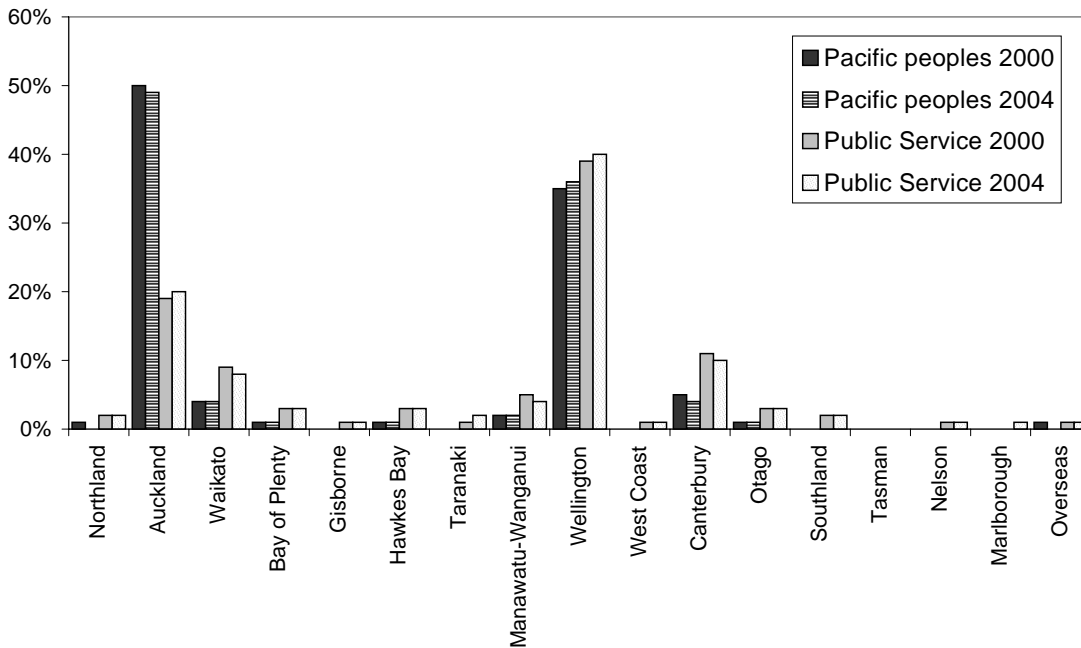


Source: State Services Commission. *Human Resource Capability Survey* (2004)

There are more Pacific women than Pacific men in the Public Service. Pacific women accounted for 64% of Pacific public servants in 2004, which was higher than the proportion of women in the Public Service overall (59%). The proportion of women in the Pacific group has not varied much over the last five years.

The majority of Pacific public servants are based in the Auckland (49%) or Wellington (36%) regions, with low proportions in the other regions. Between 2000 and 2004, the proportion of Pacific public servants fell by 1% in the Auckland region and increased by 1% in the Wellington region.

Figure 2.3. Regional distribution of Pacific peoples and the Public Service, 2000 and 2004

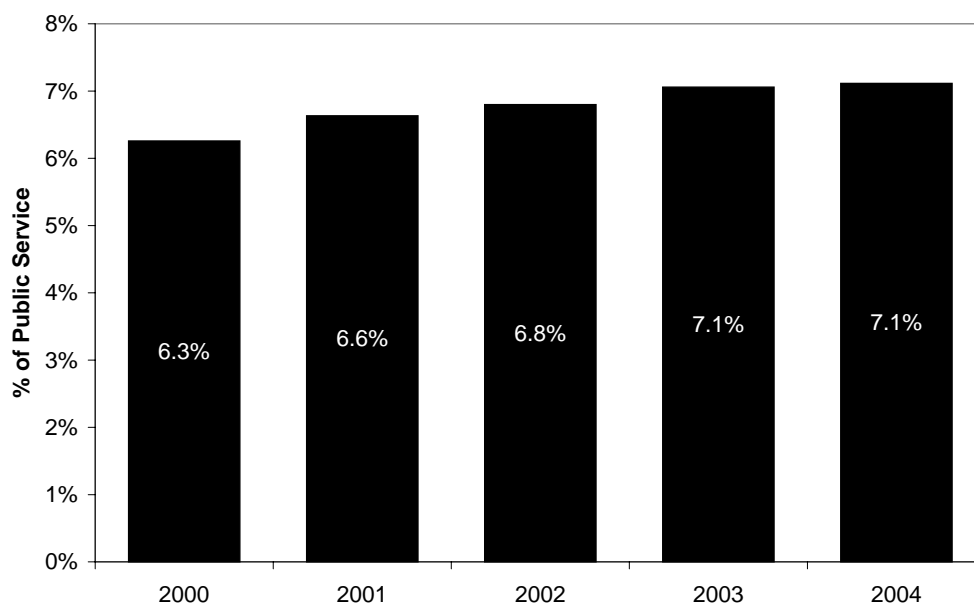


Source: State Services Commission. *Human Resource Capability Survey* (2004)

How many are there?

There were 2,373 Pacific public servants at 30 June 2004 – equivalent to 7.1% of the Public Service. Over the four-year period there was gradual growth in Pacific representation in the Public Service, increasing from 6.3% in 2000 but with no change between 2003 and 2004. By head count, the number of people of Pacific ethnicity in the Public Service increased by 48% (767 people) between 2000 and 2004. There was no difference in the rate of increase between Pacific men and Pacific women over this period.

Figure 2.4. Representation of Pacific peoples in the Public Service, 2000–2004



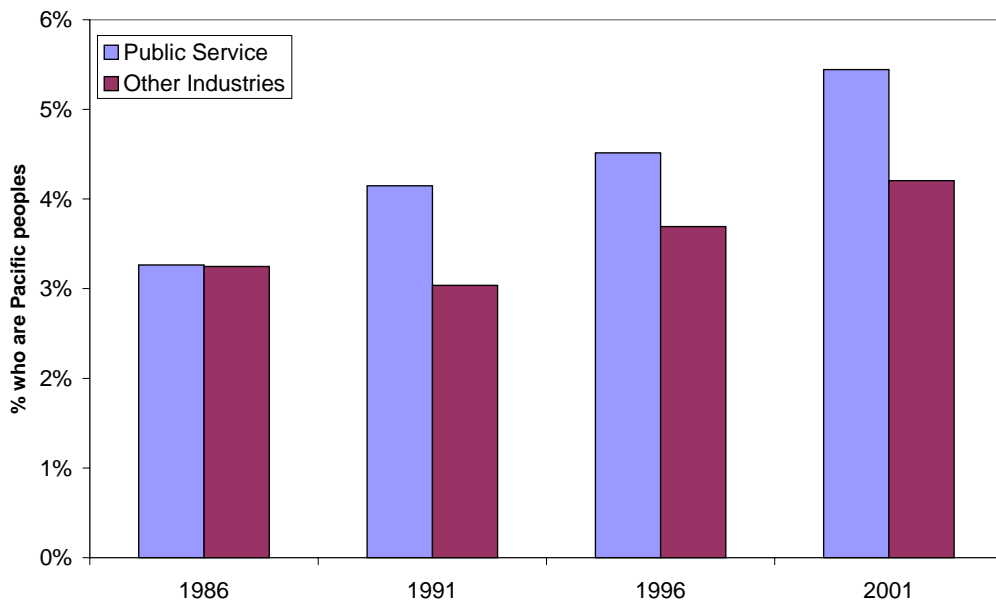
Source: State Services Commission. *Human Resource Capability Survey* (2000–2004)

Over the longer term, using proxy groups for the Public Service¹⁰ and the rest of the labour force¹¹, Figure 2.5 shows that the increase in representation of Pacific peoples in the rest of the labour force has been even more gradual than that of the Public Service. Pacific peoples in the rest of the labour force increased by 1 percentage point between 1986 and 2001, whereas in the Public Service the increase was 2.2 percentage points.

¹⁰ See footnote 3.

¹¹ Other Industries is the term used for the proxy group for the rest of the labour force (i.e. not included in the Public Service proxy group).

Figure 2.5. Pacific peoples' representation in the Public Service and Other Industries, 1986–2001



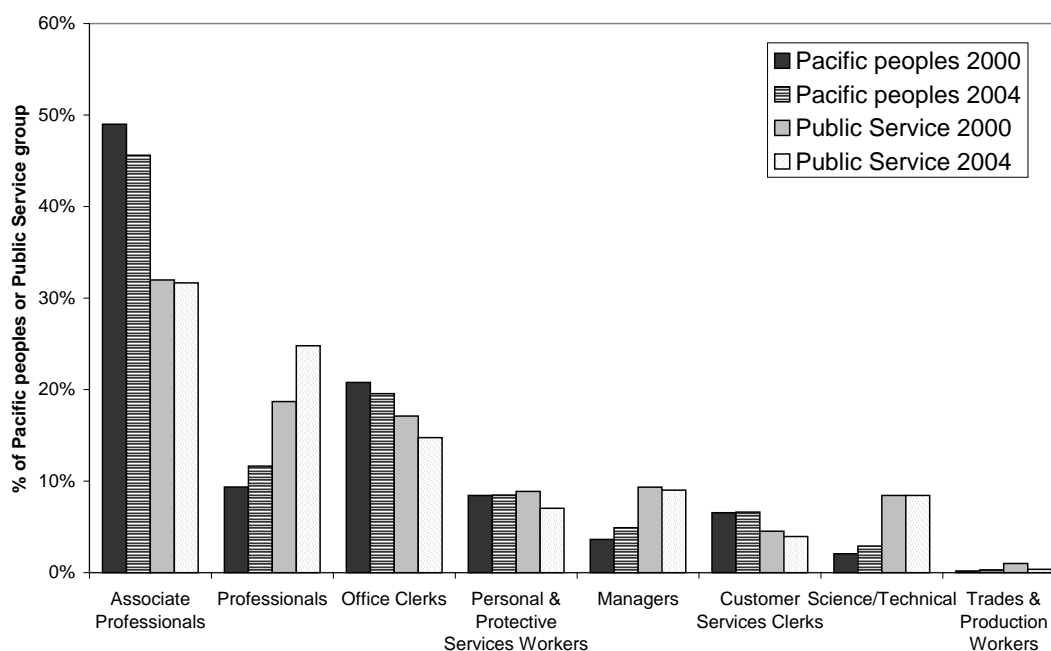
Source: Statistics New Zealand. *Census of Population and Dwellings* (1986, 1991, 1996 and 2001)

What do they do?

The five most common occupations for Pacific public servants remained unchanged between 2000 and 2004. In 2004 these were: case worker (18%), general clerk (14%), technical representative (7%), prison officer (7%) and social worker (7%). This differs by gender, with prison officers being the most common occupation for Pacific men (17%); policy analysts are present and technical representatives absent in their five main occupations. For Pacific women, prison officers are absent and administration officers present in their top five occupations.

Pacific public servants are predominantly found in the associate professionals and office clerks occupation groups, where their representation is higher than that of the overall Public Service (see Figure 2.6). They are under-represented in the professionals, managerial and science/technical occupation groups. However, between 2000 and 2004, Pacific representation increased in the professionals (up 2 percentage points) and managerial (up 1 percentage point) occupation groups.

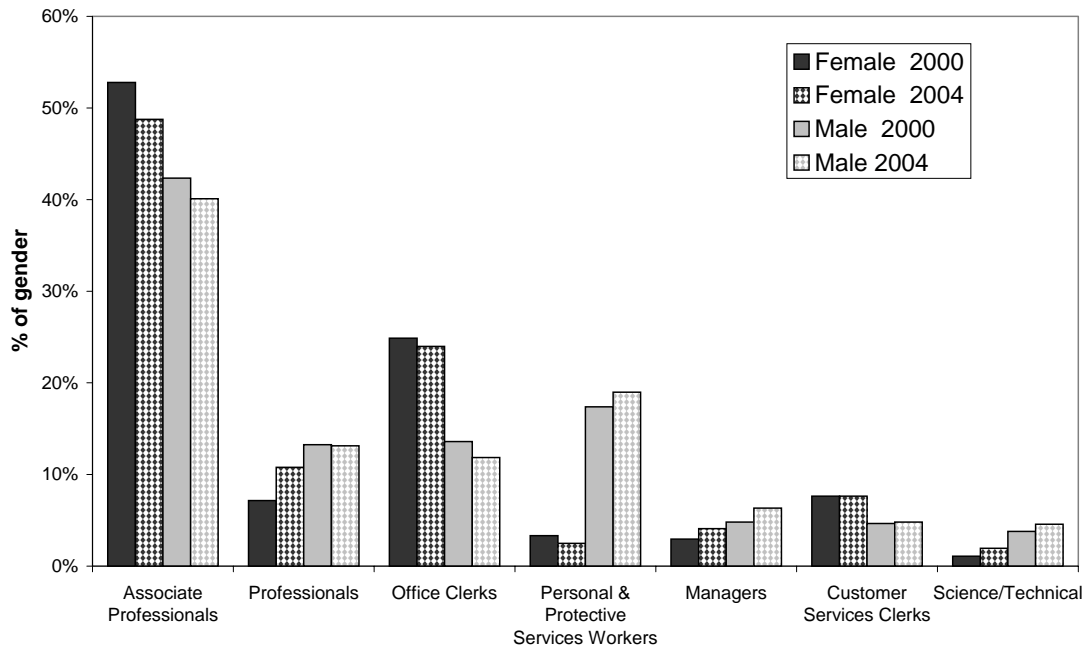
Figure 2.6. Pacific public servants and Public Service occupation distribution, 2000 and 2004



Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

Figure 2.7 shows that in the Public Service there are considerably higher proportions of Pacific females than Pacific males in the associate professionals and office clerk occupation groups; Pacific men have higher representation in the personal and protective service workers occupation group. Between 2000 and 2004, Pacific women increased their representation in the professionals group by 4 percentage points, while there was no change for Pacific men. Over the same period, both Pacific men and Pacific women increased their representation by 1 percentage point in the managerial and science/technical occupation groups.

Figure 2.7. Distribution of Pacific females and males by occupation, Public Service, 2000 and 2004

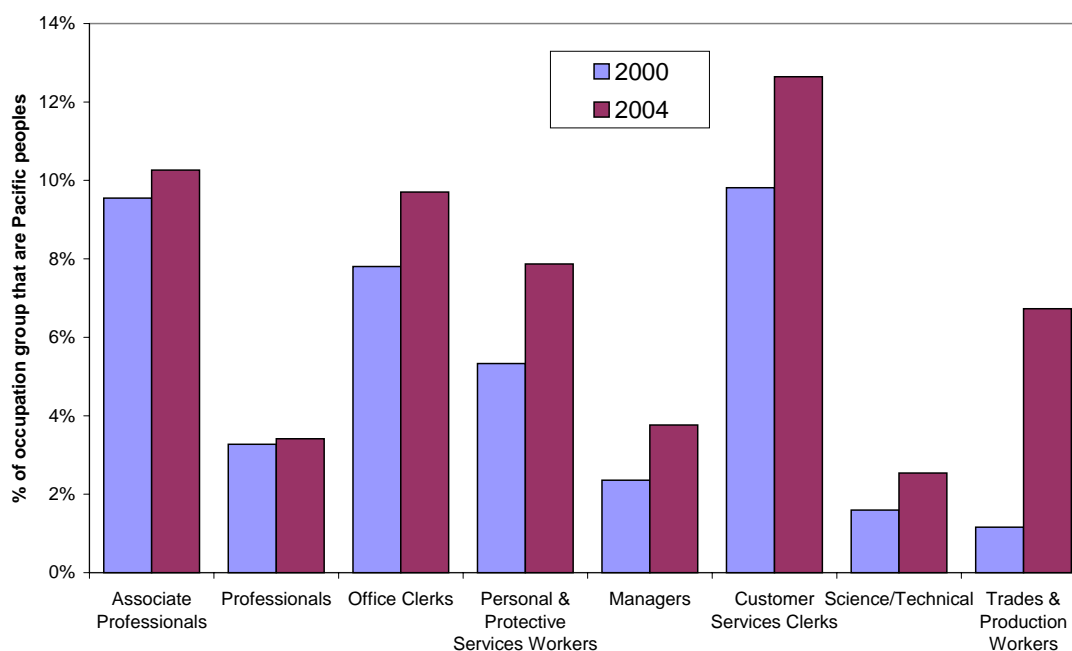


Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

What proportion of each occupation group is of Pacific ethnicity?

Figure 2.8 shows the representation of Pacific peoples in each occupation group for 2000 and 2004. Over this period, the proportion of Pacific public servants increased in most occupation groups. The proportion in the managerial group increased by 1.4%. However, the larger increases were recorded in the smaller occupation groups – trade and production workers and customer services clerks – where a small increase in numbers translates to a large percentage increase.

Figure 2.8. Representation of Pacific peoples within occupations in the Public Service, 2000 and 2004

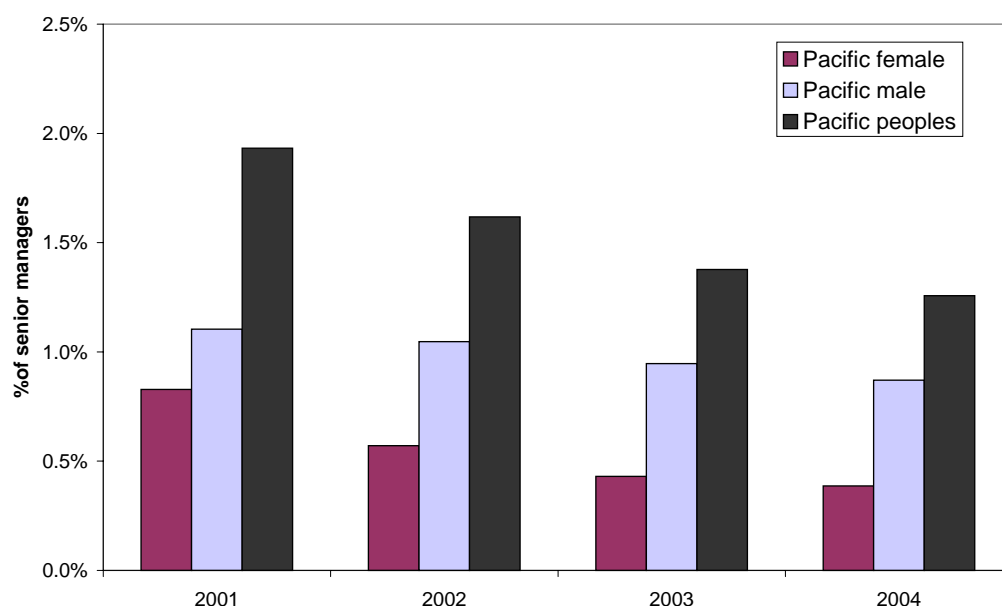


Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

How many Pacific peoples are in senior management?

The proportion of Pacific public servants in senior management positions (tier 1, 2 and 3 managers) is low, and decreased between 2001 and 2004. Over the same period, the proportion of Pacific women in the Pacific senior management group declined from 43% to 31%, which was the opposite of the trend shown in the Public Service as a whole (an increase from 32% to 36%). The younger age profile of Pacific staff in the managerial occupation group compared to the overall Public Service is likely to be a contributor to the low representation of Pacific peoples in senior management. In 2004, 60% of Pacific staff in the managerial occupation group were less than 40 years old, compared to 26% for the overall Public Service.

Figure 2.9. Pacific peoples' representation in Public Service management, 2001–2004



Source: State Services Commission. *Human Resource Capability Survey* (2001–2004)

How mobile are Pacific public servants?

Table 2.1 shows that for the five years 2000–2004, turnover for Pacific public servants was generally higher than that of the overall Public Service.

Table 2.1. Turnover for Pacific public servants and the Public Service, 2000–2004

	Pacific public servants	Public Service
2000	13.2%	10.8%
2001	13.2%	12.8%
2002	12.3%	11.5%
2003	11.1%	11.1%
2004	13.5%	11.8%

Source: State Services Commission. *Human Resource Capability Survey* (2000–2004)

In 2004, turnover by age for Pacific public servants and the overall Public Service showed similar patterns for most age groups (see Table 2.2). The exception was in the age range 55 years to 64 years, where turnover was higher for Pacific public servants than the overall Public Service. This effect was largely due to the small numbers of Pacific public servants in the age groups within this range, rather than implying a preference for early retirement.

Table 2.2. Turnover for Pacific public servants and the Public Service, by age group, 2000 and 2004

Age group	Pacific peoples 2000	Pacific peoples 2004	Public Service 2004
20-24	20.1%	16.9%	23.2%
25-29	20.7%	21.1%	22.2%
30-34	12.5%	15.2%	15.2%
35-39	12.2%	11.6%	11.7%
40-44	7.8%	7.3%	9.2%
45-49	12.9%	8.8%	7.7%
50-54	5.1%	8.1%	7.2%
55-59	4.8%	11.6%	7.7%
60-64	6.9%	18.2%	7.8%
65-69	0.0%	0.0%	21.8%
All	13.2%	13.3%	11.8%

Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

Tracking the cohort of public servants who were in permanent positions in 2000 through to 2004, Table 2.3 shows that the retention rate of Pacific public servants (59%) was lower than that of the overall Public Service (63%). By occupation group, the retention rate was generally lower; one exception was the managerial occupation group, where the retention rate was higher for Pacific public servants (68%) than for the overall Public Service (65%).

Table 2.3. Retention rates for Pacific public servants and the Public Service, 2000–2004

Occupation	Pacific	Public Service
Associate Professionals	58%	62%
Professionals	56%	57%
Office Clerks	57%	61%
Personal & Protective Services Workers	78%	76%
Managers	68%	65%
Customer Services Clerks	51%	59%
Science/Technical	59%	65%
Trades & Production Workers	67%	56%
Total	59%	63%

Source: State Services Commission. *Human Resource Capability Survey* (2000–2004)

Of the 2001 cohort of senior managers, only 48% of the Pacific senior managers remained in the Public Service by 2004, compared to 60% of all senior managers.

Pay and progression

A distribution index provides one way of looking at pay distribution within the Public Service, giving an indicator of the extent to which groups are clustered in the lower pay ranges of either an organisation or the Public Service as a whole.

An index score below 100 shows the group is ‘compressed’ or clustered into the lower pay ranges. The lower the index, the greater the degree of compression into these lower pay ranges. An index score above 100 shows that the group is well represented in the higher pay ranges. The comparator group is all people not in the group for which the index score has been calculated.

Table 2.4 shows the relative distribution index scores for women, men, Pacific peoples, Pacific men and Pacific women in the Public Service. It shows that Pacific peoples were clustered into the lower pay ranges, and apart from 2003 there was little change over the years. The distribution scores show that Pacific women are paid less than Pacific men. However, the scores for Pacific women showed a gradual upward trend over the years, while the scores for Pacific men fell.

Table 2.4. Distribution scores for Pacific public servants, 2000–2004

	2000	2001	2002	2003	2004
Public Service men	115	113	112	112	112
Public Service women	89	90	91	92	92
Pacific peoples	76	77	76	74	77
Pacific men	88	88	86	82	85
Pacific women	70	71	71	69	72

Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

Hourly pay rates for Pacific public servants are lower than those for the overall Public Service (see Table 2.5), but they are higher than those in the wider labour force. However, this is largely due to the type of occupation prevalent in each group.

Table 2.5. Hourly pay rates (\$)

	Pacific peoples – Public Service		Public Service		Pacific peoples – labour force		Labour force	
	2000	2004	2000	2004	2000	2004	2000	2004
Average	16.64	19.15	20.24	23.43	12.84	14.30	15.61	18.21
Median	16.10	17.85	17.72	20.26	11.65	12.98	13.55	15.34

Sources: State Services Commission. *Human Resource Capability Survey* (2000 and 2004); Statistics New Zealand. *New Zealand Income Survey* (June 2000 and June 2004)

The pay gap between Pacific public servants and public servants overall increased between 2000 and 2004 from 9% to 12% (see Table 2.6). The pay gap between Pacific women and Pacific men decreased between 2002 and 2004, from 7% to 5%.

Table 2.6. Unadjusted pay gap for Pacific staff, 2000–2004

(Pacific public servants' median salary as % of Public Service median salary)

	Pacific staff pay as % of Public Service pay	Pacific women's pay as % of Pacific men's pay
2000	91%	93%
2001	91%	94%
2002	89%	93%
2003	87%	94%
2004	88%	95%

Source: State Services Commission. *Human Resource Capability Survey* (2000–2004)

The pay gap is reduced when the effects of age and occupation are taken into account (see Table 2.7). When adjusted for age, the overall pay gap reduced from 12% to 8% for 2004. By occupation, the pay gap was particularly large in the professionals and managerial occupation groups. However, due to the small numbers of Pacific staff in some of the age groups, the median salary per age group can vary greatly between years.

Table 2.7. Age-adjusted pay gap for Pacific staff, by occupation, 2000 and 2004

(Pacific public servants' median salary as % of Public Service median salary)

	Pacific staff pay as % of Public Service pay	
	2000	2004
Associate Professionals	99%	100%
Professionals	88%	88%
Office Clerks	95%	100%
Personal & Protective Services Workers	96%	95%
Managers	95%	83%
Customer Services Clerks	99%	90%
Science/Technical	92%	92%
Total	93%	92%

Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

Table 2.8. Pay progression for Pacific staff and the Public Service, 2000–2004

(Increase in average salary for the 2000 cohort of permanent staff who remained in the Public Service throughout 2000–2004)

Occupation	Pacific staff	Public Service
Associate Professionals	22%	22%
Professionals	36%	31%
Office Clerks	21%	21%
Personal & Protective Services Workers	14%	15%
Managers	33%	30%
Customer Services Clerk	23%	23%
Science/Technical	27%	22%
Total	23%	24%

Source: State Services Commission. *Human Resource Capability Survey* (2000–2004)

How many Pacific public servants belong to a union?

Pacific public servants were highly unionised, with over two thirds belonging to a union in 2004. Between 2001 and 2004, union membership for Pacific public servants increased from 59% to 68%. In most occupation groups, Pacific staff union membership was higher than for the Public Service overall (see Table 2.8).

Table 2.8. Union representation of Pacific public servants and the Public Service, by occupation, 2004

Occupation group	Pacific staff	Public Service
Associate Professionals	77%	70%
Professionals	40%	44%
Office Clerks	66%	59%
Personal & Protective Services Workers	80%	78%
Managers	30%	27%
Customer Services Clerks	78%	73%
Science/Technical	51%	52%
Trades & Production Workers	43%	60%
Total	68%	57%

Source: State Services Commission. *Human Resource Capability Survey* (2004)

Summary of key points

Between 2000 and 2004:

- Pacific public servants had the youngest age profile of all the main ethnic groups.

- The median age for Pacific staff increased from 33 years to 35 years.
- There was little change to the gender split for Pacific staff in the Public Service (64% female in 2004).
- There was gradual growth in the representation of Pacific peoples in the Public Service, increasing from 6.3% in 2000 to 7.1% in 2004.
- Pacific public servants remained under-represented in the professionals, managerial and science/technical occupation groups, although over this period their representation in these groups increased.
- The increased proportion of Pacific staff in the professionals group was due to an increase in the numbers of Pacific women joining this group.
- The proportion of Pacific public servants increased within most occupation groups.
- The proportion of Pacific peoples in senior management was low, and decreased.
- Pacific managers had a much younger age profile than Public Service managers overall.
- The turnover rate for Pacific staff was higher than the overall Public Service.
- The retention rate of the 2000 cohort of Pacific public servants was lower than that of the same cohort for the overall Public Service.
- The age-adjusted pay gap for Pacific staff showed little change, 7% in 2000 and 8% in 2004.
- Pacific public servants who remained in the Public Service throughout 2000-2004 received pay increases that were, on average, 1 percentage point lower than for all public servants (although increases in nearly all occupation groups were higher for Pacific public servants).
- Union membership increased from 59% in 2001 to 68% in 2004.

Chapter Three: Progress for Asian people in the Public Service, 2000–2004

Who are the Asian public servants?

Within the broad category of ‘Asians’ there are many individual ethnic groups. The eight largest Asian ethnic groups in New Zealand are: Chinese, Indian, Korean, Filipino, Japanese, Sri Lankan, Cambodian and Thai. Of the two thirds of the Asian public servants group that could be identified by their individual ethnic group, Indians were the dominant ethnic group in 2004. They accounted for almost half of Asian public servants, while the Chinese were the second largest ethnic group. This differs from the total employed labour force statistics (based on Census 2001 data), where the Chinese ethnic group had higher representation than the Indian ethnic group.

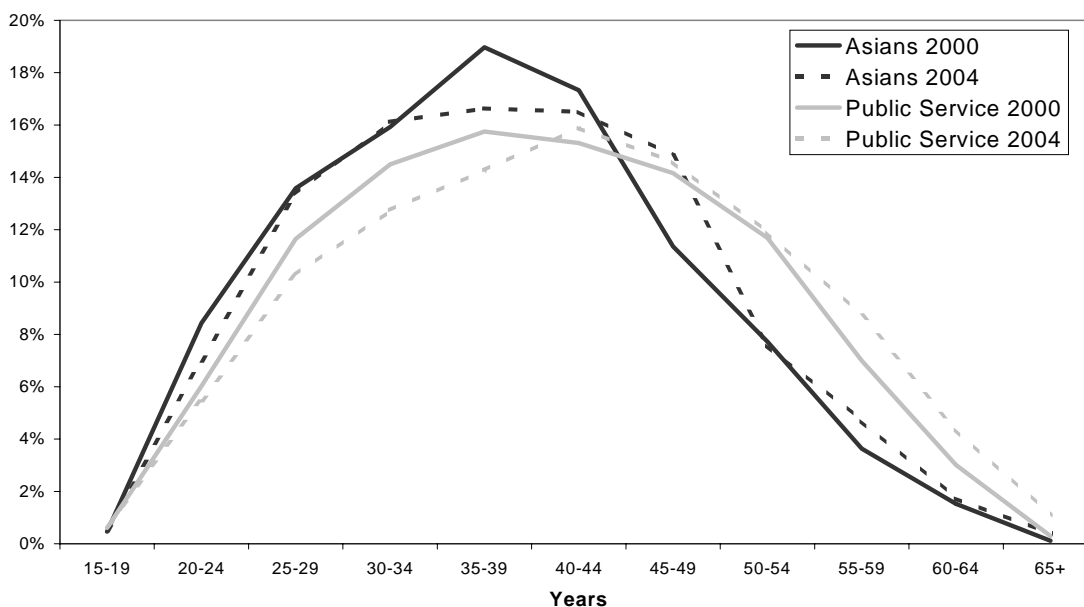
What are the characteristics of Asian people in the Public Service?

Asian public servants are younger than public servants overall. They are likely to be female and live in Wellington or Auckland.

Asians in the Public Service have a younger age structure than the overall Public Service (see Figure 3.1). In 2004, the median age for Asian people was 38 years, compared to 42 years for the overall Public Service. Of the five main ethnic groups, the Asian group was the second youngest in the Public Service in 2004; Pacific people were younger, with a median age of 35 years.

The Asian public servants group has aged over the last four years, with 46% of the group in 2004 over 40 years compared with 43% in 2000. However, there has been no change to the median age.

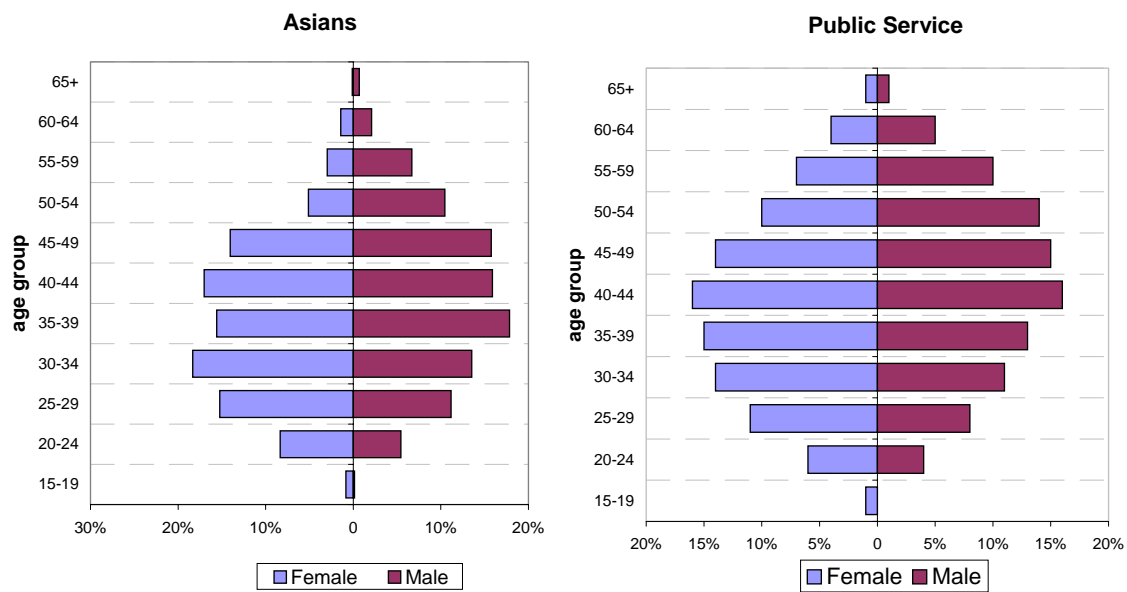
Figure 3.1. Age profile of Asians and the Public Service, 2000 and 2004



Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

The age profile for female Asian public servants is younger than that for male Asian public servants, with the median age for females 37 years and males 40 years. In 2004, 59% of Asian female public servants were less than 40 years old, compared with 48% of male Asian public servants (see Figure 3.2). This differs from the overall Public Service, where 47% of female public servants and 36% of male public servants were less than 40 years old.

Figure 3.2. Age profile of Asians and the Public Service, by gender, 2004

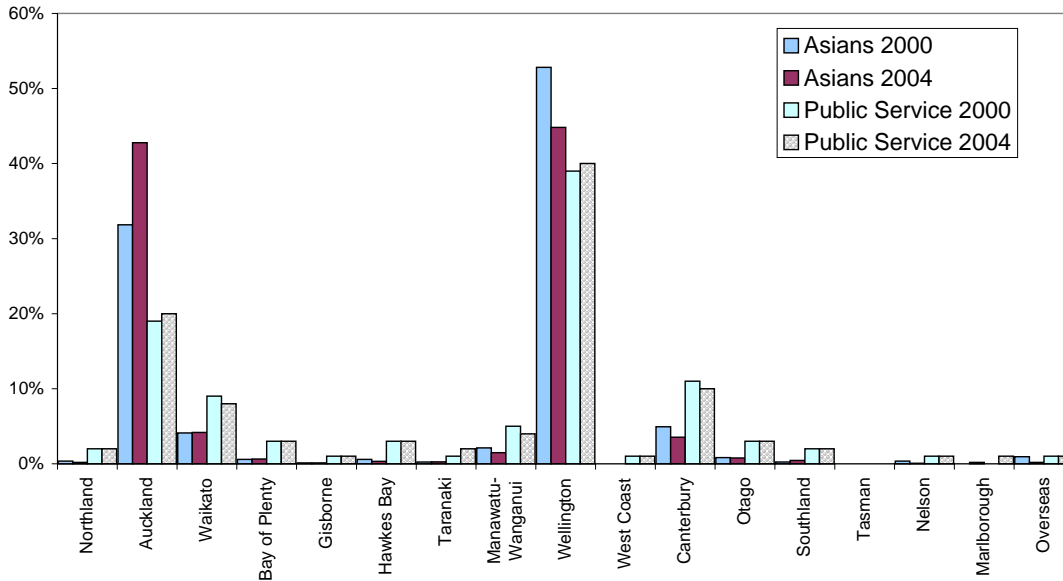


Source: State Services Commission. *Human Resource Capability Survey* (2004)

There are more female than male Asian public servants, but there was strong growth in the representation of males between 2000 and 2004. Female representation in the Asian public servants group decreased from 57% to 54% over this period. This differs from the Public Service trend, which over the same period saw the representation of females increase by 3 percentage points.

Asian public servants are more likely than public servants in general to work in Wellington or Auckland and they are unlikely to work in the South Island (see Figure 3.3). The most notable change between 2000 and 2004 was the increase in the number of Asian public servants in the Auckland region (up 11 percentage points). In 2004, there was little difference between the proportions based in Wellington (45%) and Auckland (43%). Over the same period, little change in these proportions was recorded for the overall Public Service.

Figure 3.3. Regional distribution of Asians and the Public Service, 2000 and 2004

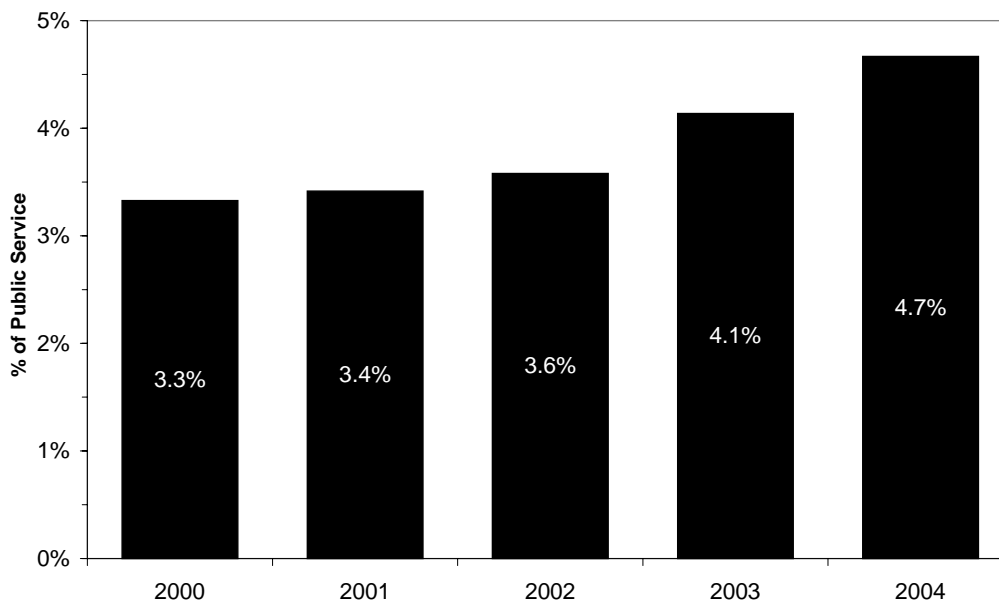


Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

How many are there?

There were 1,557 Asian people employed in the Public Service as at 30 June 2004 – equivalent to 4.7% of the Public Service. By representation (i.e. proportion of the Public Service), Asian people were the fastest growing ethnic group in the Public Service between 2000 and 2004 (see Figure 3.4), increasing by 1.3 percentage points over this period (up from 854 people in 2000).

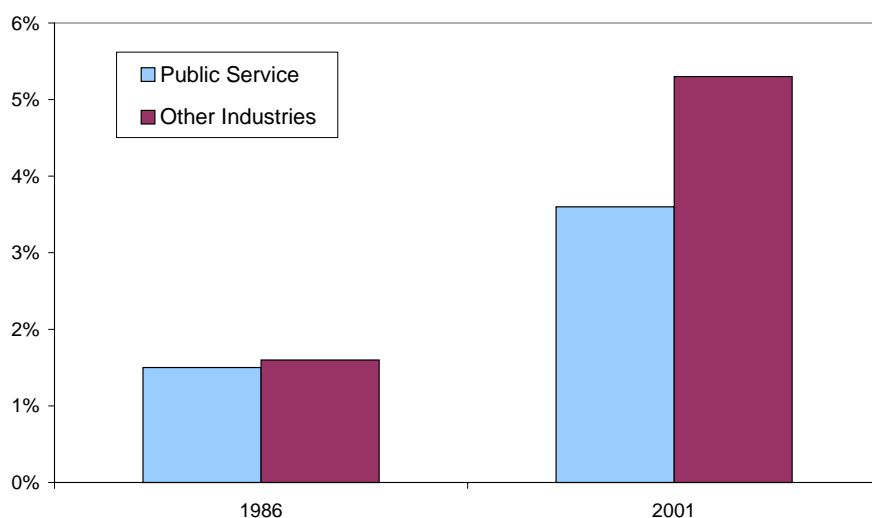
Figure 3.4. Representation of Asians in the Public Service, 2000–2004



Source: State Services Commission. *Human Resource Capability Survey* (2000–2004)

Over the longer term, using proxy groups for the Public Service¹² and the rest of the labour force¹³, Figure 3.5 shows there has been growth in representation of Asian people in these groups, but considerably higher in the Other Industries group. In 1986, there was little difference in the representation of Asian people in the Public Service and the rest of the labour force (1.5% compared to 1.6%), but by 2001 representation in the Other Industries group was greater than that in the Public Service (5.3% compared to 3.6%). Over this period, the Asian population in New Zealand more than doubled.

Figure 3.5. Representation of Asians in the Public Service and Other Industries, 1986 and 2001



Source: Statistics New Zealand. *Census of Population and Dwellings* (1986 and 2001)

There was similar growth in the representation of Asian females and Asian males in the Public Service between 2000 and 2004. In 2004, Asian females accounted for 2.5% of the Public Service, up from 1.9% in 2000; Asian males accounted for 2.1% in 2004, up from 1.4% in 2000.

What do they do?

There was no change to the five most common occupations for Asian people in the Public Service between 2000 and 2004, but their ranking did change. In 2000, auditor was the most common occupation; by 2004, it had been replaced by case manager. In 2004, the main occupations were: case manager (10%), general clerk (9%), auditor (8%), technical representative¹⁴ (7%), and policy analyst (6%).

The main occupation group for Asian public servants changed (see Figure 3.6) from the professionals occupation group in 2000 to the associate professionals occupation group in 2004. The rise in numbers in the associate professionals group was due mostly to an increase in Asian case managers and technical representatives between 2000 and 2004. Over the same period, the proportion of the overall Public Service in the professionals group increased and

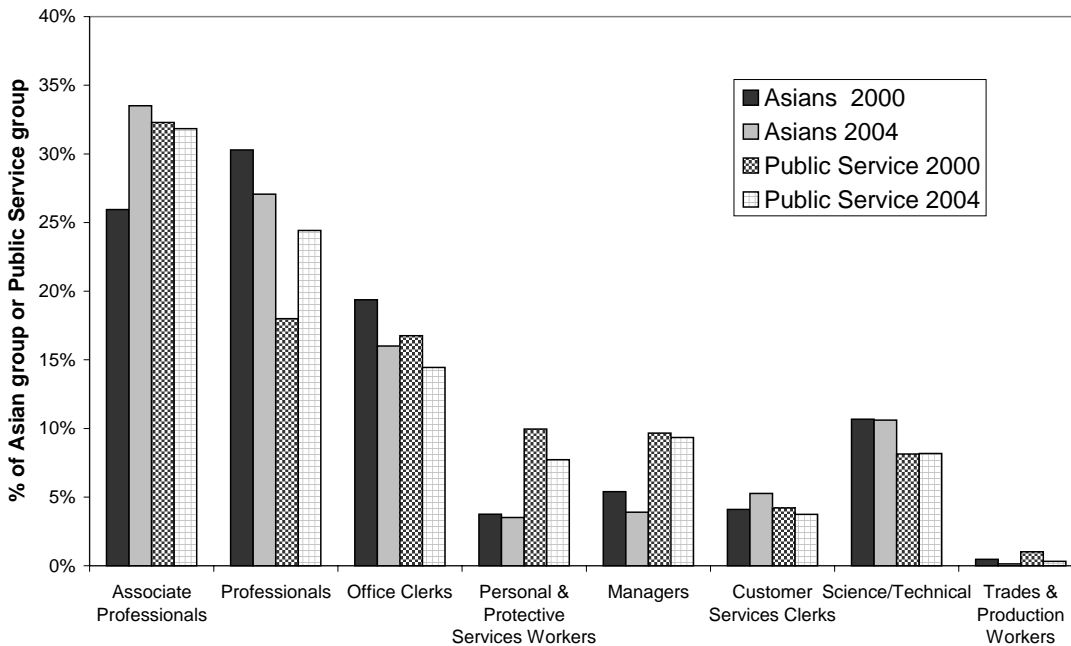
¹² See footnote 3.

¹³ Other Industries is the term used for the proxy group for the rest of the labour force (i.e. not included in the Public Service proxy group).

¹⁴ Most technical representative are call centre operators.

there was little change in the associate professionals group. Movements in the other occupation groups were similar for Asian people and the overall Public Service, with the exception of the customer services clerks group (increased for Asian people, decreased for the Public Service). The decrease in proportion of Asian managers (down 1%) was greater than the fall for the overall Public Service (down 0.3%).

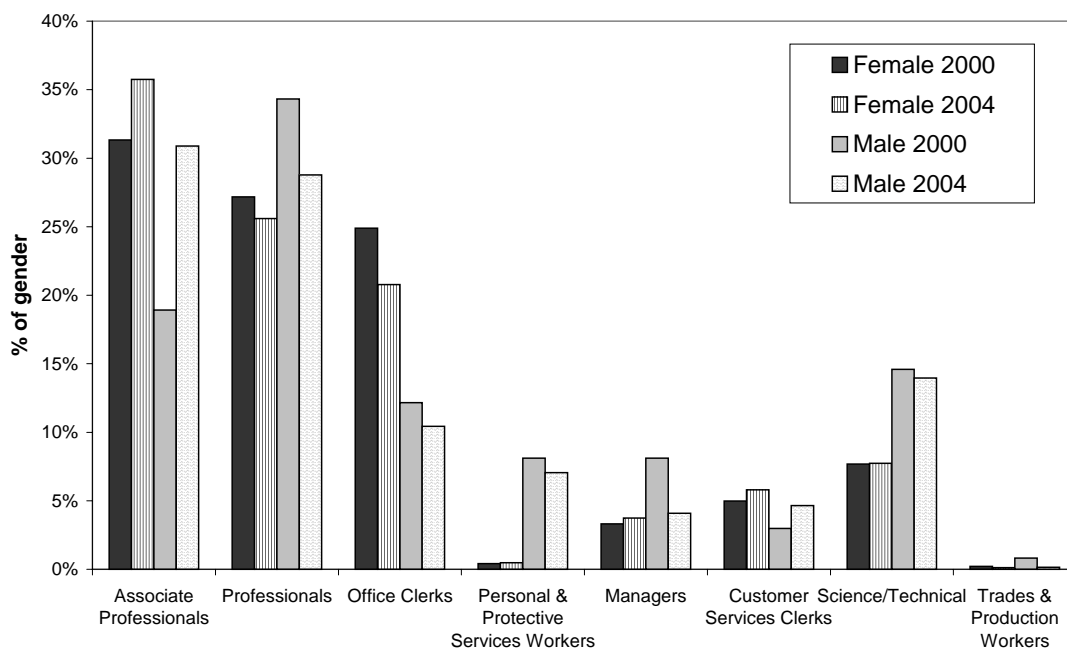
Figure 3.6. Asians and Public Service occupation distribution, 2000 and 2004



Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

Figure 3.7 compares the occupation distribution of Asian females and males in the Public Service in 2004 with 2000. The change in the main occupation group from professionals to associate professionals between 2000 and 2004 was also reflected in the occupation distribution by gender. The proportion of Asian females and males in the associate professionals group increased significantly (up 5 percentage points for females and 12 percentage points for males), while the proportions in the professionals group fell 2 percentage points and 5 percentage points respectively. In 2004, Asian females were more obviously clustered in the associate professionals group, whereas Asian males were more evenly distributed between the associate professionals group and the professionals group.

Figure 3.7. Distribution of Asian females and males by occupation, Public Service, 2000 and 2004



Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

What proportion of each occupation group are Asians?

Figure 3.8 shows the representation of Asian public servants in each occupation group for 2000 and 2004. Over this period, Asian public servants increased representation in all occupation groups except the professionals group. The largest increases were recorded in the customer service clerks group (up 3.3%) and associate professionals group (up 2.3%).

Figure 3.8. Representation of Asians within occupations in the Public Service, 2000 and 2004

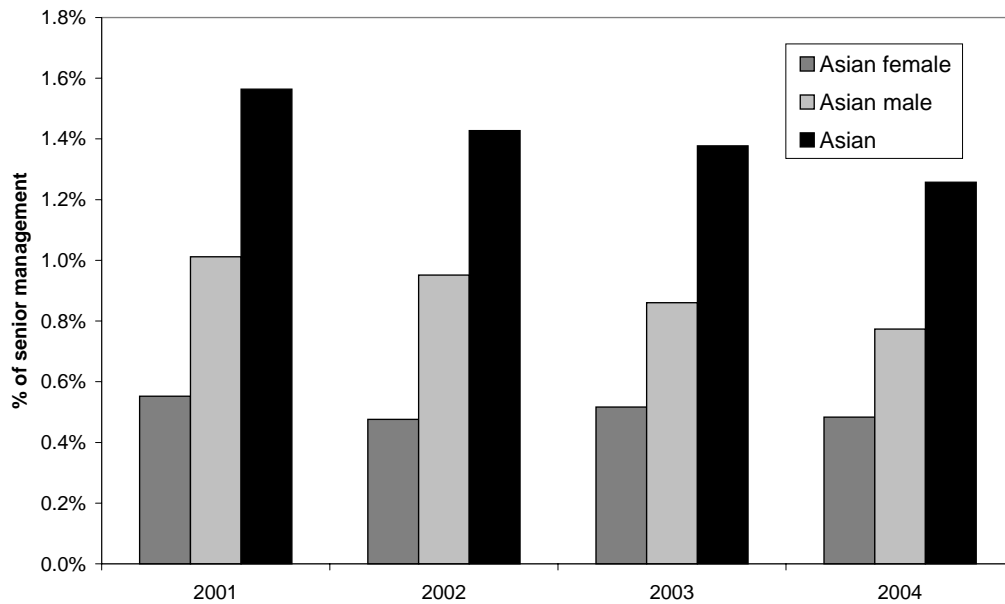


Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

How many Asians are in senior management?

Asian public servants have low representation at senior management levels (tier 1, 2 and 3 managers). In 2004, there were 13 Asian senior managers and they accounted for 1.3% of the senior management group. Figure 3.9 shows that the proportion of Asian senior managers was low and decreasing between 2001 and 2004. Over this period, no Asian senior managers held a tier 1 position. Asian females accounted for 38% of Asian senior managers in 2004, which is higher than the proportion of women in the overall Public Service senior management group (36%).

Figure 3.9. Asian representation in Public Service senior management, 2001–2004



Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

How mobile are Asian public servants?

From 2003, the turnover rates for Asian public servants were lower than turnover for the overall Public Service, but prior to 2003 the rates were higher (see Table 3.1).

Table 3.1. Turnover for Asian public servants and the Public Service, 2000–2004

	Asian public servants	Public Service
2000	11.4%	10.8%
2001	14.6%	12.8%
2002	14.3%	11.5%
2003	9%	11.1%
2004	10.2%	11.8%

Source: State Services Commission. *Human Resource Capability Survey* (2000–2004)

Turnover by age for Asian public servants (see Table 3.2) was higher in the lower age groups, which is similar to the pattern for the overall Public Service. The most significant change between 2000 and 2004 was the decrease in turnover for Asian public servants in the 25–29 years age group.

Table 3.2. Turnover for Asian public servants and the Public Service, by age group, 2000 and 2004

Age group	Asians 2000	Asians 2004	Public Service 2004
20-24	14.6%	16.3%	23.2%
25-29	26.5%	17.3%	22.2%
30-34	12.1%	12.5%	15.2%
35-39	9.7%	9.2%	11.7%
40-44	8.9%	7.6%	9.2%
45-49	7.5%	5.9%	7.7%
50-54	6.4%	10.6%	7.2%
55-59	..s	..s	7.7%
60-64	..s	..s	7.8%
65-69	..s	..s	21.8%
All	11.4%	10.2%	11.8%

Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

Note: Calculated percentages are suppressed (marked as ..s) when they are based on populations of less than 10 people.

Table 3.3 shows that retention rates for Asian public servants were about the same as for all public servants, but varied by occupation. Retention rates for Asian professional, science/technical and office clerk occupation groups were higher than for all public servants while the reverse was true for other occupations.

Table 3.3. Retention rates for Asian public servants and the Public Service, 2000-2004

Occupation	Asians	Public Service
Associate Professionals	58%	62%
Professionals	63%	57%
Office Clerks	70%	61%
Personal & Protective Services Workers	71%	76%
Managers	48%	65%
Customer Services Clerks	45%	59%
Science/Technical	72%	65%
Total	63%	63%

Source: State Services Commission. *Human Resource Capability Survey* (2000 - 2004)

Pay and progression

A distribution index provides one way of looking at pay distribution within the Public Service, giving an indicator of the extent to which groups are clustered in the lower pay ranges of either an organisation or the Public Service as a whole.

An index score below 100 shows the group is ‘compressed’ or clustered into the lower pay ranges. The lower the index, the greater the degree of compression into these lower pay ranges. An index score above 100 shows that the group is well represented in the higher pay ranges. The comparator group is all people not in the group for which the index score has been calculated.

Table 3.4 shows the relative distribution index scores for women, men, Asian people, Asian men and Asian women in the Public Service. It shows that in 2000, the salaries for Asian people were not compressed into the lower pay ranges, but became compressed in the following years. This result is mainly due to the fall in distribution scores for Asian men from the higher pay ranges to the lower pay ranges between 2000 and 2004. Increasing proportions of Asian males in the associate professionals group and fewer in the professionals group is likely to have contributed to falling distribution scores between 2000 and 2004. Asian women were consistently in the lower pay ranges over this period.

Table 3.4. Distribution scores for Asians in the Public Service, 2000–2004

	2000	2001	2002	2003	2004
Public Service men	115	113	112	112	112
Public Service women	89	90	91	92	92
Asians	100	97	95	93	91
Asian men	113	108	104	99	98
Asian women	89	88	86	87	85

Source: State Services Commission. *Human Resource Capability Survey (2000–2004)*

The pay gap between Asian public servants and all public servants widened between 2000 and 2004 (see Table 3.5). In 2000, the median salary for Asian public servants was 2% less than for all public servants and by 2004 it was 9%. Over the same period, there was a reduction in the pay gap between Asian women and Asian men from 14% to 8%.

Table 3.5. Unadjusted pay gap for Asians in the Public Service, 2000–2004

(Asian public servants’ median salary as % of Public Service median salary)

	Asians’ pay as % of Public Service pay	Asian women’s pay as % of Asian men’s pay
2000	98	86
2001	97	86
2002	95	90
2003	93	92
2004	91	92

Source: State Services Commission. *Human Resource Capability Survey (2000–2004)*

The pay gap is reduced when the effects of age and occupation are taken into account, as shown in Table 3.6. When adjusted for age, the overall pay gap reduced from 9% to 6% for 2004. For most occupations there continued to be a pay gap, even when adjusted for age. The

exceptions were for the professionals group and science/technical group. In 2000, Asian public servants had a pay advantage of 1%.

Table 3.6. Age-adjusted pay gap for Asian public servants, by occupation, 2000 and 2004

(Asian public servants' median salary as % of Public Service median salary)

Asians' pay as % of Public Service pay		
	2000	2004
Associate Professionals	97	95
Professionals	98	101
Office Clerks	100	97
Personal & Protective Services Workers	79	91
Managers	110	93
Customer Services Clerks	82	94
Science/Technical	111	105
Total	101	94

Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

Table 3.7 shows that pay increases for Asian staff overall were at the same level as for all public servants. However pay increases for Asian managers and professionals were below those for all public servants, while pay increases for Asians in other occupations were higher than for all public servants.

Table 3.7. Pay progression for Asian public servants and the Public Service, 2000–2004

(Increase in average salary for the 2000 cohort of permanent staff who remained in the Public Service throughout 2000–2004)

Occupation	Asians	Public Service
Associate Professionals	24%	22%
Professionals	26%	31%
Office Clerks	22%	21%
Personal & Protective Services Workers	18%	15%
Managers	25%	30%
Customer Services Clerks	24%	23%
Science/Technical	23%	22%
Total	24%	24%

Source: State Services Commission. *Human Resource Capability Survey* (2000 – 2004)

How many Asian public servants belong to a union?

The union membership of Asian public servants mirrored that of the Public Service overall, with 57% of both groups belonging to unions. Between 2001 and 2004, union membership for

Asian public servants increased by 4 percentage points, the same as for all of the Public Service.

Table 3.8. Union representation of Asian public servants and the Public Service, by occupation

Occupation group	Asians	Public Service
Associate Professionals	70%	70%
Professionals	46%	44%
Office Clerks	59%	59%
Personal & Protective Services Workers	76%	78%
Managers	22%	27%
Customer Services Clerks	72%	73%
Science/Technical	45%	52%
Total	57%	57%

Source: State Services Commission. *Human Resource Capability Survey* (2004)

Summary of key points

Between 2000 and 2004:

- The number of Asian people in the Public Service increased from 854 to 1,557 people. The proportion of Asian people increased more than any other ethnic group in the Public Service over this period (from 3.3% to 4.7% of the Public Service).
- There was no change to the median age (38 years) of Asian public servants and they had a younger age profile than the other main ethnic groups, except for Pacific peoples.
- The proportion of Asian females in the Public Service decreased, which is the opposite of the Public Service trend. However, there continued to be a higher proportion of Asian females than Asian males in the Public Service.
- There was an increase in the proportion of Asian public servants based in Auckland, so that by 2004 there was little difference between the proportions based in Auckland and Wellington.
- The main occupation group employing Asian public servants changed from the professionals group to the associate professionals group.
- The proportion of Asian public servants increased within all occupation groups except the professionals group.
- Mobility for Asian public servants fluctuated, but from 2003 the turnover rates were lower than for the overall Public Service.
- Retention rates for Asian public servants were similar to those for the Public Service as a whole.
- The proportion of Asian senior managers remained low, and decreased.
- The age-adjusted pay gap between Asian public servants and the overall Public Service changed to a pay gap of 6% in 2004 from a pay advantage of 1% in 2000.

- Pay increases for Asians who remained in the Public Service were similar to those for all public servants.
- Union membership of Asian public servants was the same as for the overall Public Service (57%).

Chapter Four: Progress for the 'Other' ethnic groups category in the Public Service, 2000–2004

Who are the 'Other' ethnic groups?

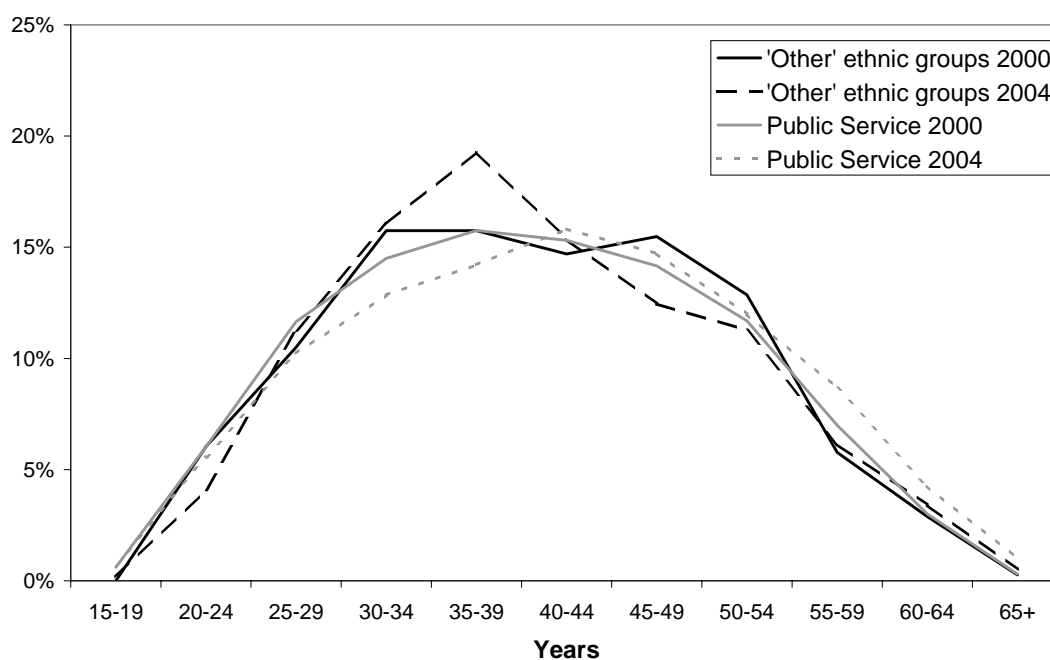
The 'Other' ethnic groups category includes ethnicities that do not fall within the European, Māori, Pacific peoples and Asian ethnic groups. It includes Arabs, Iranians, Somalis and Latin Americans. It was the smallest of the five main ethnic groups in the 2001 Census¹⁵, accounting for 0.7% of New Zealand's population, and is also the smallest ethnic group in the Public Service.

What are the characteristics of the 'Other' ethnic groups in the Public Service?

The 'Other' ethnic group of public servants have decreased in age. They are likely to be female and more likely to work in Wellington than public servants overall.

The 'Other' ethnic groups category in the Public Service was the only main ethnic group to show a decrease in median age between 2000 and 2004. This decreased from 41 years to 39 years over the period. In 2000, the median age of the 'Other' ethnic groups was higher than the median age for the Public Service overall (40 years), but by 2004 it was lower.

Figure 4.1. Age profile of 'Other' ethnic groups and the Public Service, 2000 and 2004

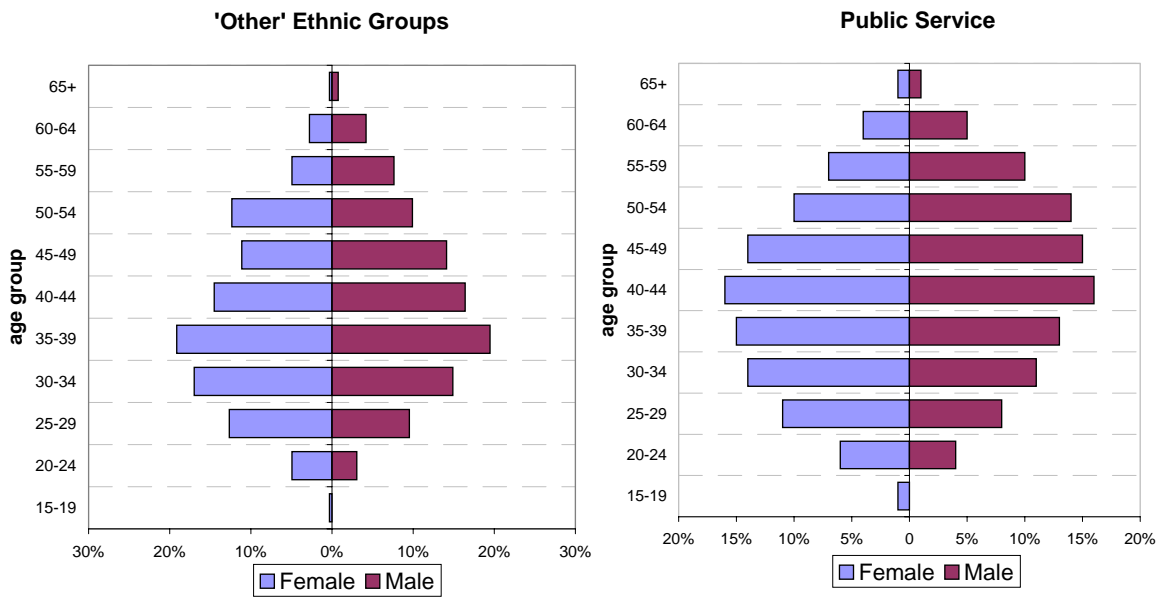


Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

Between 2000 and 2004, the age profile for women in the 'Other' ethnic groups category was younger than that of men in this group, with the median age for women 39 years and men 41 years in 2004.

¹⁵ Statistics New Zealand. *Census of Population and Dwellings* (2001)

Figure 4.2. Age profile of 'Other' ethnic groups and the Public Service, by gender, 2004



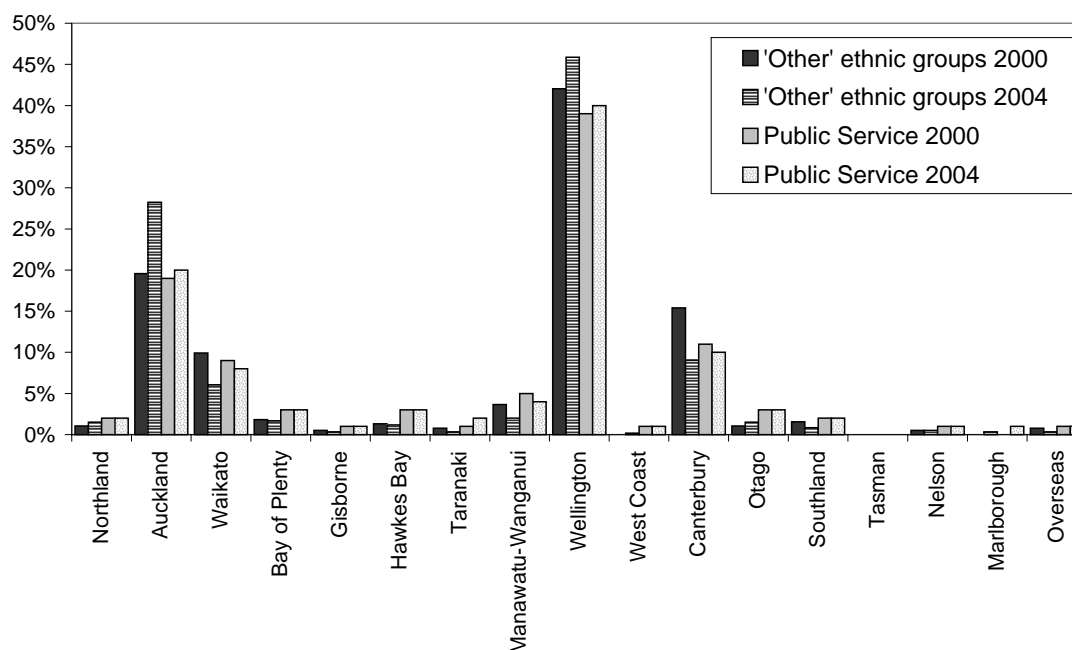
Source: State Services Commission. *Human Resource Capability Survey* (2004)

The 'Other' ethnic groups category in the Public Service had a higher proportion of females than males. In 2004, 56% were female, which is lower than the proportion of females in the Public Service overall (59%). Between 2000 and 2004, the proportion of women in the 'Other' ethnic groups category increased by 4 percentage points.

People in the 'Other' ethnic group are generally well educated. In the 2001 Census, of the ethnic groups, they had the highest percentage of people with a bachelors or higher degree.

In 2004, 46% of 'Other' ethnic public servants were based in the Wellington region and 28% in the Auckland region. These are higher proportions than seen for the Public Service overall (see Figure 4.3). Between 2000 and 2004, the proportion of 'Other' ethnic public servants in the Auckland region increased by 9 percentage points and in the Wellington region by 4 percentage points, with falls recorded in most of the other regions.

Figure 4.3. Regional distribution of 'Other' ethnic groups and the Public Service, 2000 and 2004

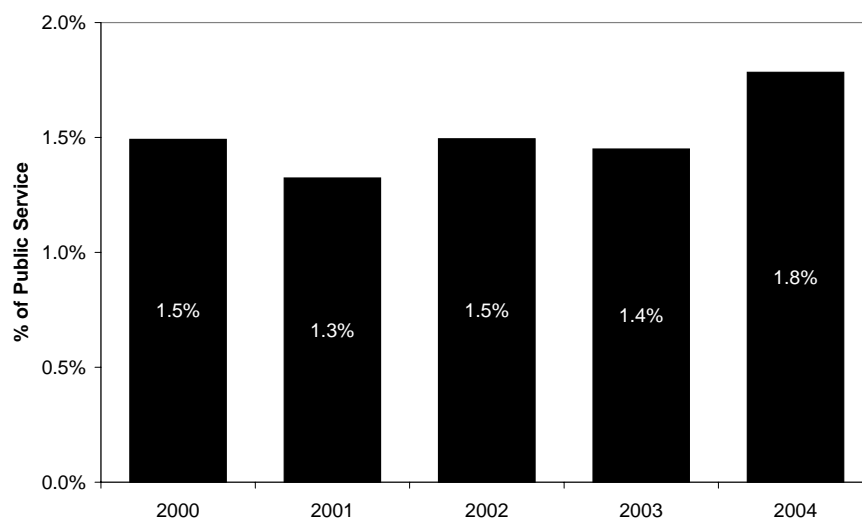


Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

How many are there?

There were 595 members of the 'Other' ethnic groups category employed in the Public Service at 30 June 2004 – equivalent to 1.8% of the Public Service. The 'Other' ethnic groups category is the smallest of the main ethnic groups in the Public Service. Over the last four years there has been little change in the representation of this category, with rises and falls of less than 0.5 percentage points between years (see Figure 4.4). By head count, the number in the 'Other' ethnic groups category in the Public Service increased from 383 in 2000 to 595 in 2004.

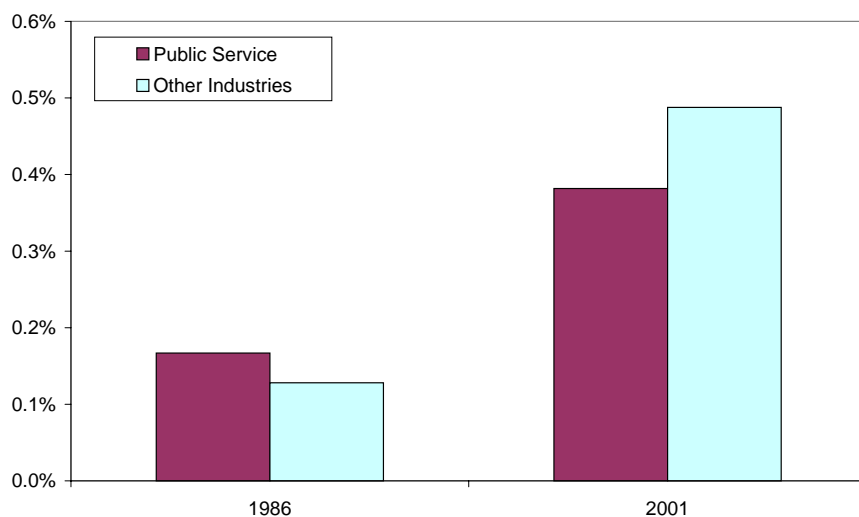
Figure 4.4. Representation of the 'Other' ethnic groups in the Public Service, 2000–2004



Source: State Services Commission. *Human Resource Capability Survey* (2000–2004)

Over the longer term, using proxy groups for the Public Service¹⁶ and the rest of the labour force¹⁷, Figure 4.5 shows that the representation of ‘Other’ ethnic groups has been low in both proxy groups. Between 1986 and 2001, the increase in representation of ‘Other’ ethnic groups was greater in the rest of the labour force than in the Public Service.

Figure 4.5. Representation of ‘Other’ ethnic groups in the Public Service and Other Industries, 1986 and 2001



Source: Statistics New Zealand. *Census of Population and Dwellings* (1986 and 2001)

What do they do?

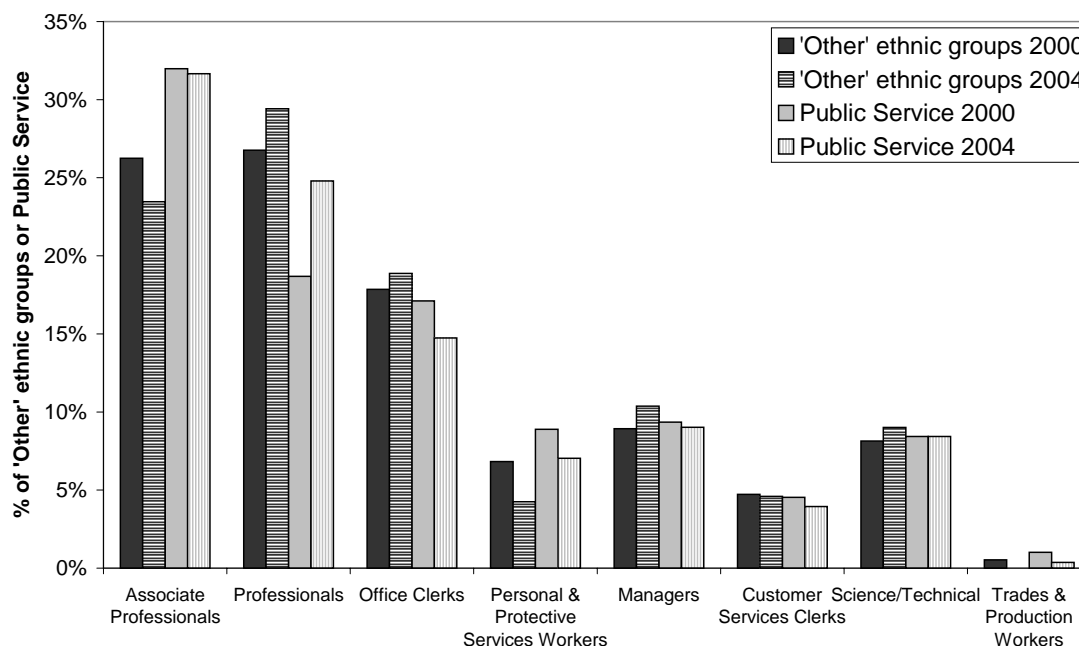
In 2001 and 2004, the two occupations that employed the highest numbers of public servants from the ‘Other’ ethnic groups category were general clerk (12% in 2004) and policy analyst (9% in 2004). Over this period, the numbers of ‘Other’ ethnic public servants in these occupations more than doubled.

In 2004, ‘Other’ ethnic staff were clustered into the professionals (29%) and associate professionals (23%) occupation groups (see Figure 4.6). Between 2000 and 2004, there was an increase in the proportions of ‘Other’ ethnic public servants in occupation groups requiring more highly qualified people, e.g. professionals, managers and science/technical, as well as the office clerks occupation group.

¹⁶ See footnote 3.

¹⁷ Other Industries is the term used for the proxy group for the rest of the labour force (i.e. not included in the Public Service proxy group).

Figure 4.6. 'Other' ethnic public servants and Public Service occupation distribution, 2000 and 2004

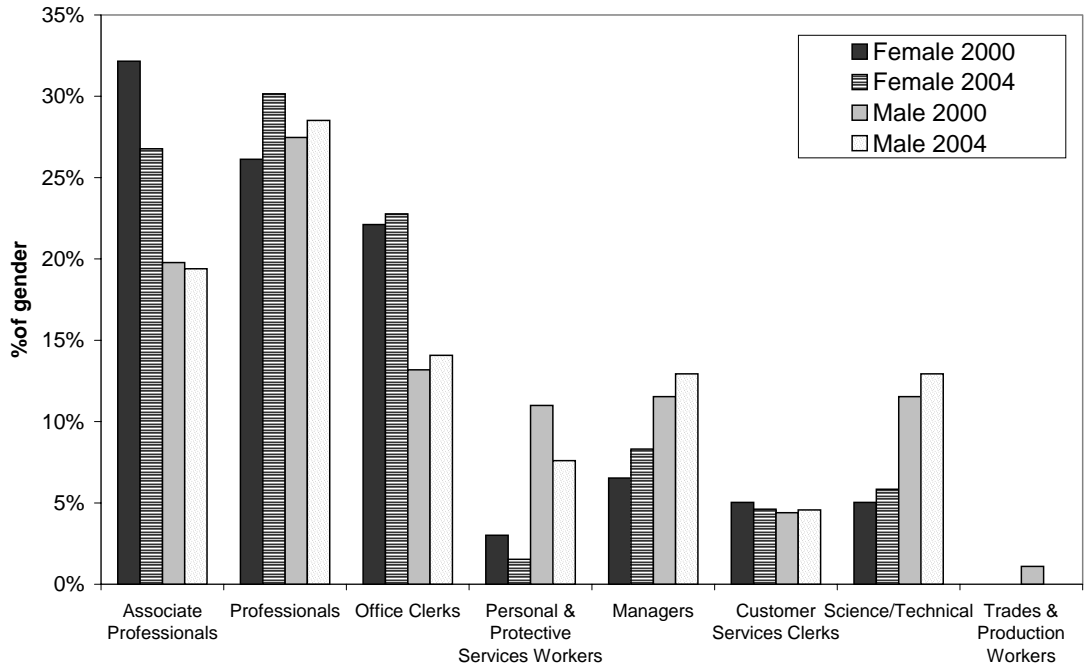


Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

Figure 4.7 compares the occupation distribution of females and males from the 'Other' ethnic groups category in the Public Service in 2004 with 2000. The main changes for females were increasing proportions in the professionals group (up 4 percentage points) and managerial group (up 2 percentage points) and a decrease in the associate professionals group (down 5 percentage points). About half of the increased proportion in the professionals group was due to occupations coming into the Public Service after 2000 with the incorporation of the Early Childhood Unit and Special Education Services into the Ministry of Education (e.g. speech language therapists and special education teachers). Increasing numbers of policy analysts were also a main contributor to the increased proportion of females in the professionals occupation group.

For males in the 'Other' ethnic groups category, the changes to the occupation distribution between 2000 and 2004 were smaller, with an increase of 1 percentage point in the professionals, office clerks, managers, and science/technical occupation groups.

Figure 4.7. Distribution of 'Other' ethnic females and males, Public Service, 2000 and 2004

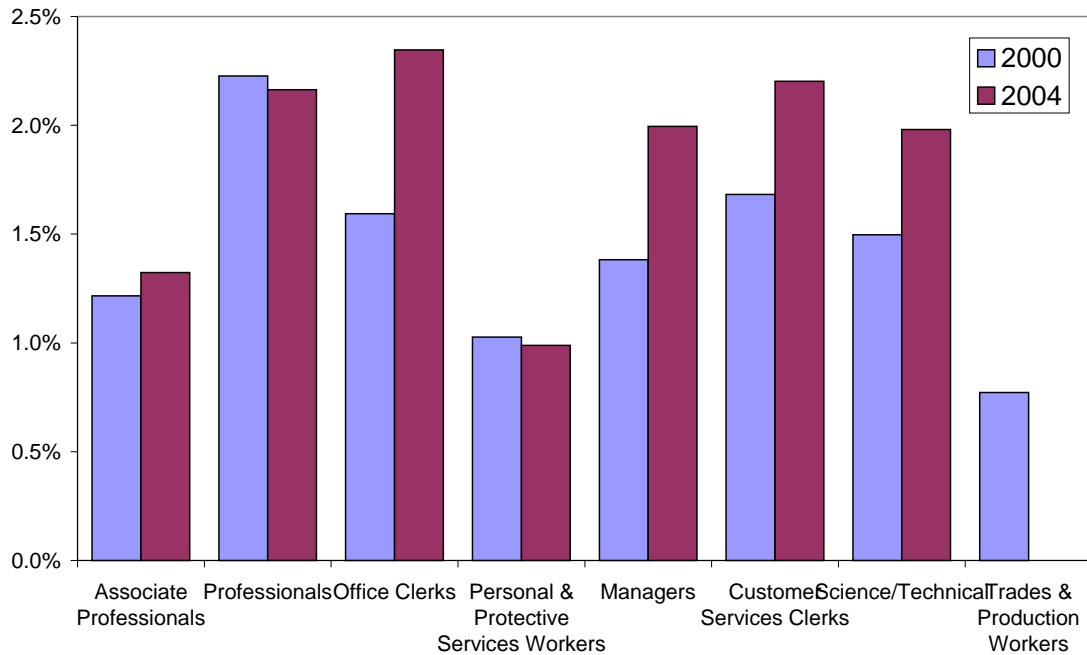


Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

What proportion of each occupation group is the 'Other' ethnic groups category?

Figure 4.8 shows the representation of the 'Other' ethnic groups category in each occupation group for 2000 and 2004. In most occupations there was a slight increase in the proportions of 'Other' ethnic groups over this period.

Figure 4.8. Representation of 'Other' ethnic groups within occupations in the Public Service, 2000 and 2004

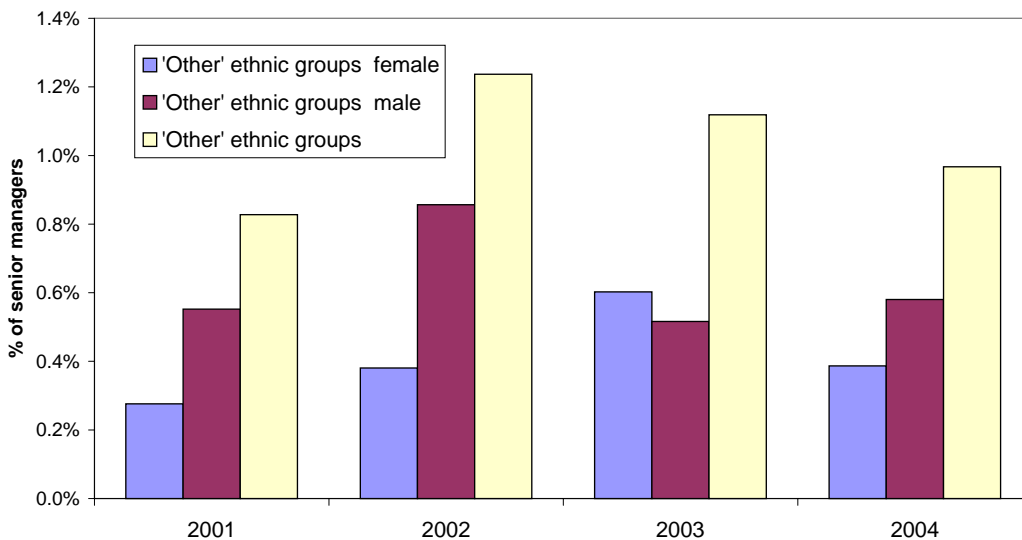


Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

How many from the 'Other' ethnic groups are in senior management?

The representation of 'Other' ethnic groups in senior management (tier 1, 2 and 3 managers) was about 1% each year between 2000 and 2004 (see Figure 4.9). The proportion of the category who were senior managers was generally higher than the proportions of senior managers in the Māori, Pacific and Asian public servants groups over this period.

Figure 4.9. 'Other' ethnic groups' representation in Public Service senior management, 2001–2004



Source: State Services Commission. *Human Resource Capability Survey* (2001–2004)

How mobile are 'Other' ethnic public servants?

The turnover rate for 'Other' ethnic public servants has fluctuated over the years, with the rate being considerably higher in 2000 and 2001 than in the more recent years.

Table 4.1. Turnover for 'Other' ethnic public servants and the Public Service, 2000–2004

	'Other' ethnic public servants	Public Service
2000	17.6%	10.8%
2001	17.7%	12.8%
2002	9.1%	11.5%
2003	14.5%	11.1%
2004	11.6%	11.8%

Source: State Services Commission. *Human Resource Capability Survey* (2000–2004)

Tracking the cohort of public servants who were in permanent positions in 2000 through to 2004, Table 4.2 shows that retention rates were slightly lower for this group than for all public servants. However, there were only 202 employees in the 'Other' ethnic groups cohort.

Table 4.2. Retention rates for 'Other' ethnic public servants and the Public Service, 2000 – 2004

Occupation	'Other' ethnic groups	Public Service
Associate Professionals	55%	62%
Professionals	56%	57%
Office Clerks	62%	61%
Personal & Protective Services Workers	71%	76%
Managers	59%	65%
Customer Services Clerks	65%	59%
Science/Technical	63%	65%
Total	59%	63%

Source: State Services Commission. *Human Resource Capability Survey* (2000–2004)

Pay and progression

A distribution index provides one way of looking at pay distribution within the Public Service, giving an indicator of the extent to which groups are clustered in the lower pay ranges of either an organisation or the Public Service as a whole.

An index score below 100 shows the group is 'compressed' or clustered into the lower pay ranges. The lower the index, the greater the degree of compression into these lower pay ranges. An index score above 100 shows that the group is well represented in the higher pay ranges. The comparator group is all people not in the group for which the index score has been calculated.

Table 4.2 shows the relative distribution index scores for women, men, the ‘Other’ ethnic groups category, ‘Other’ ethnic men and ‘Other’ ethnic women in the Public Service. It shows that ‘Other’ ethnic men were clustered into the higher pay ranges, with little change over the years, and that ‘Other’ ethnic women were paid less than ‘Other’ ethnic men. The scores for ‘Other’ ethnic women were generally trending upwards and were higher than those for women in the Public Service overall.

Table 4.2. Distribution scores for ‘Other’ ethnic groups in the Public Service, 2000–2004

	2000	2001	2002	2003	2004
Public Service men	115	113	112	112	112
Public Service women	89	90	91	92	92
‘Other’ ethnic groups	100	102	105	106	102
‘Other’ ethnic men	109	110	112	110	108
‘Other’ ethnic women	93	94	98	102	97

Source: State Services Commission. *Human Resource Capability Survey* (2000–2004)

Table 4.3 shows that between 2000 and 2004 the median salary for ‘Other’ ethnic public servants was higher than the median salary of public servants overall. Over the same period, the pay gap between ‘Other’ ethnic women and ‘Other’ ethnic men fluctuated between 4% and 12%.

Table 4.3. Unadjusted pay gap for ‘Other’ ethnic groups, 2000–2004

(‘Other’ ethnic public servants’ median salary as % of Public Service median salary)

	‘Other’ ethnic groups’ pay as % of Public Service pay	‘Other’ ethnic women’s pay as % of ‘Other’ ethnic men’s pay
2000	105	88
2001	105	90
2002	104	91
2003	105	96
2004	102	93

Source: State Services Commission. *Human Resource Capability Survey* (2000–2004)

When the effects of age and occupation are taken into account (see Table 4.4), ‘Other’ ethnic public servants were paid less than public servants overall in most occupations. However, due to the greater representation of ‘Other’ ethnic public servants compared to all public servants in the higher paying occupation groups, such as professionals, managers and science/technical, the overall adjusted pay gap shows ‘Other’ ethnic public servants to be paid 2% more than public servants overall.

Table 4.4. Age-adjusted pay gap for ‘Other’ ethnic groups, by occupation, 2000 and 2004

(‘Other’ ethnic public servants’ median salary as % of Public Service median salary)

‘Other’ ethnic groups’ pay as % of Public Service pay		
	2000	2004
Associate Professionals	96	95
Professionals	93	106
Office Clerks	100	96
Personal & Protective Services Workers	78	71
Managers	94	83
Customer Services Clerks	100	93
Science/Technical	88	97
Total	96	102

Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

Table 4.5 shows that pay progression for ‘Other’ ethnic groups was similar to that for all public servants. While there were differences at the occupational level, these were affected by the small size of the ‘Other’ ethnic groups cohort, 202 in total.

Table 4.5. Pay progression for ‘Other’ ethnic public servants and the Public Service, 2000 – 2004

(Increase in average salary for the 2000 cohort of permanent staff who remained in the Public Service throughout 2000–2004)

Occupation	‘Other’ ethnic groups	Public Service
Associate Professionals	24%	22%
Professionals	22%	31%
Office Clerks	21%	21%
Personal & Protective Services Workers	16%	15%
Managers	26%	30%
Customer Services Clerks	20%	23%
Science/Technical	18%	22%
Total	22%	24%

Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

How many ‘Other’ ethnic public servants belong to a union?

Less than half of ‘Other’ ethnic public servants were union members in 2004, which is lower than membership for the Public Service overall (57%) (see Table 4.6). Between 2000 and 2004, the proportion of union members in ‘Other’ ethnic groups decreased from 54% to 48%. In the associate professionals occupation group, which is generally a highly unionised

occupation group, the membership rate for the ‘Other’ ethnic groups was much lower than the rate for the overall Public Service.

Table 4.6. Union representation of ‘Other’ ethnic public servants and the Public Service, by occupation, 2004

Occupation group	‘Other’ ethnic groups	Public Service
Associate Professionals	55%	70%
Professionals	40%	44%
Office Clerks	50%	59%
Personal & Protective Services Workers	76%	78%
Managers	28%	27%
Customer Services Clerks	74%	73%
Science/Technical	49%	52%
Total	48%	57%

Source: State Services Commission. *Human Resource Capability Survey, 2004*

Summary of key points

Between 2000 and 2004:

- The ‘Other’ ethnic groups category remained the smallest of the main ethnic groups in the Public Service.
- There was little change in the representation of ‘Other’ ethnic groups in the Public Service.
- The median age in this group decreased from 41 years to 39 years.
- The professionals occupation group was the main occupation group for ‘Other’ ethnic public servants.
- There was a slight increase in the proportion of ‘Other’ ethnic public servants in most occupation groups.
- The proportion of senior managers in the ‘Other’ ethnic groups category was generally higher than that of the Māori, Pacific peoples and Asian groups in the Public Service.
- Overall, ‘Other’ ethnic public servants were paid more than public servants in general.
- Union membership among ‘Other’ ethnic groups decreased from 54% to 48%.

Chapter Five: Progress for Europeans in the Public Service, 2000–2004

Who is in the European group?

New Zealand Europeans accounted for 88% of the European group in the Public Service in 2004. About 77% of the group recorded New Zealand European as their sole ethnicity.

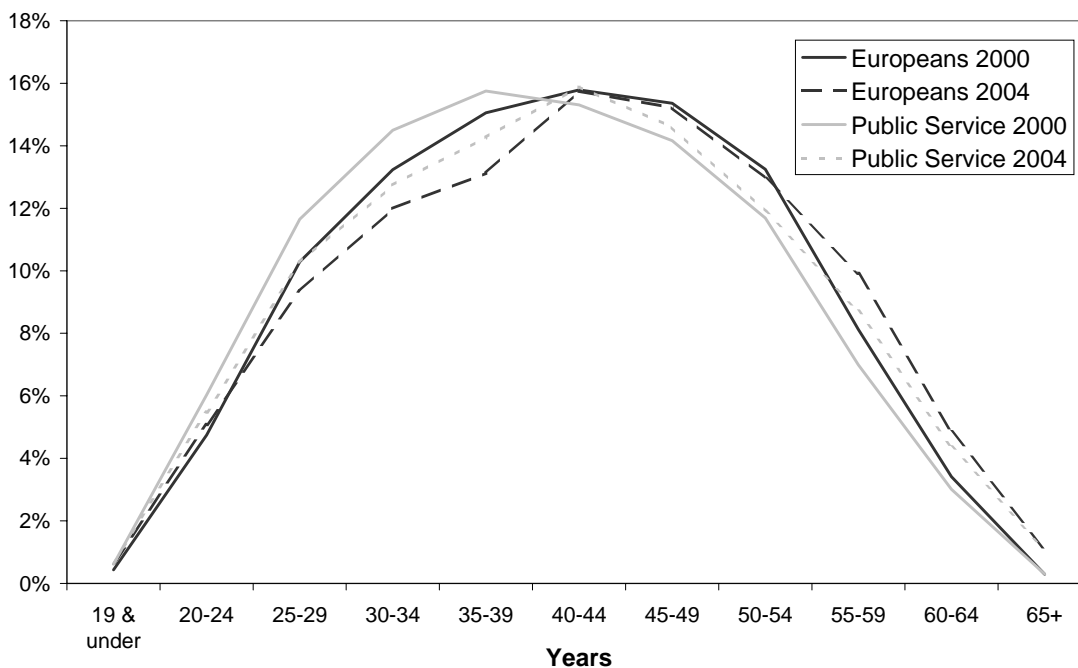
What are the characteristics of European people in the Public Service?

European public servants are older than public servants overall, are likely to be female and live in Wellington.

Public servants of European ethnicity are older than public servants in general and have an older age profile than the other main ethnic groups. In 2004, their median age was 43 years, up from 42 years in 2000. Over the same period, the median age for the overall Public Service was 40 years in 2000 and 42 years in 2004.

In 2004, 60% of European public servants were 40 years or more, up 4 percentage points from 2000.

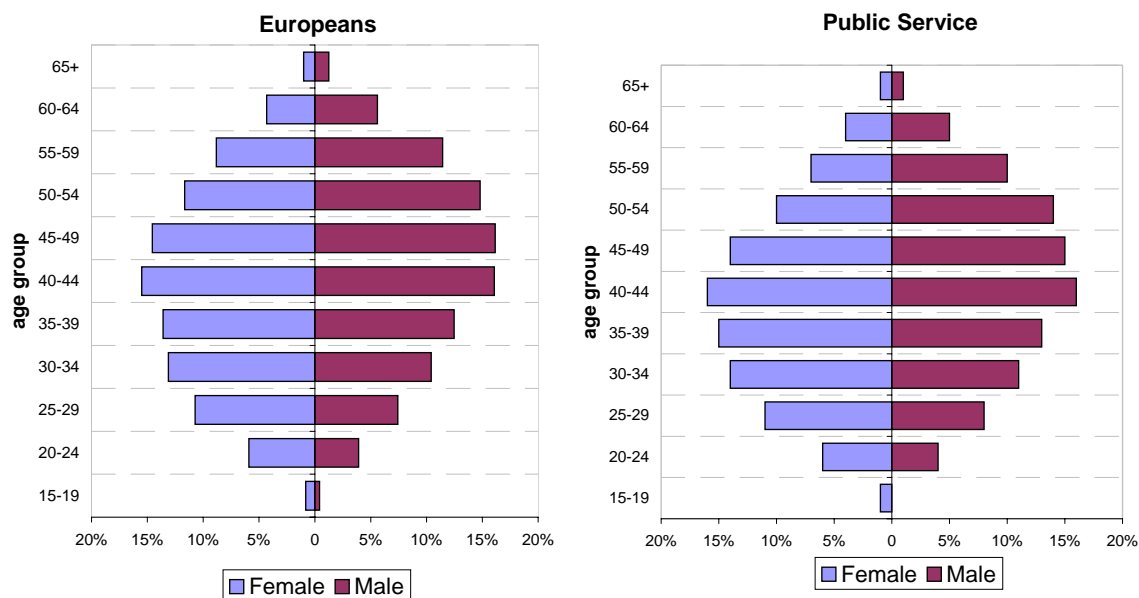
Figure 5.1. Age profile of European public servants and the Public Service, 2000 and 2004



Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

Female European public servants are younger than male European public servants, with the median age for females 41 years and males 44 years in 2004. However, between 2000 and 2004 the median age for women increased by 1 year, whereas there was no change for men.

Figure 5.2. Age profile of European public servants and the Public Service, by gender, 2004

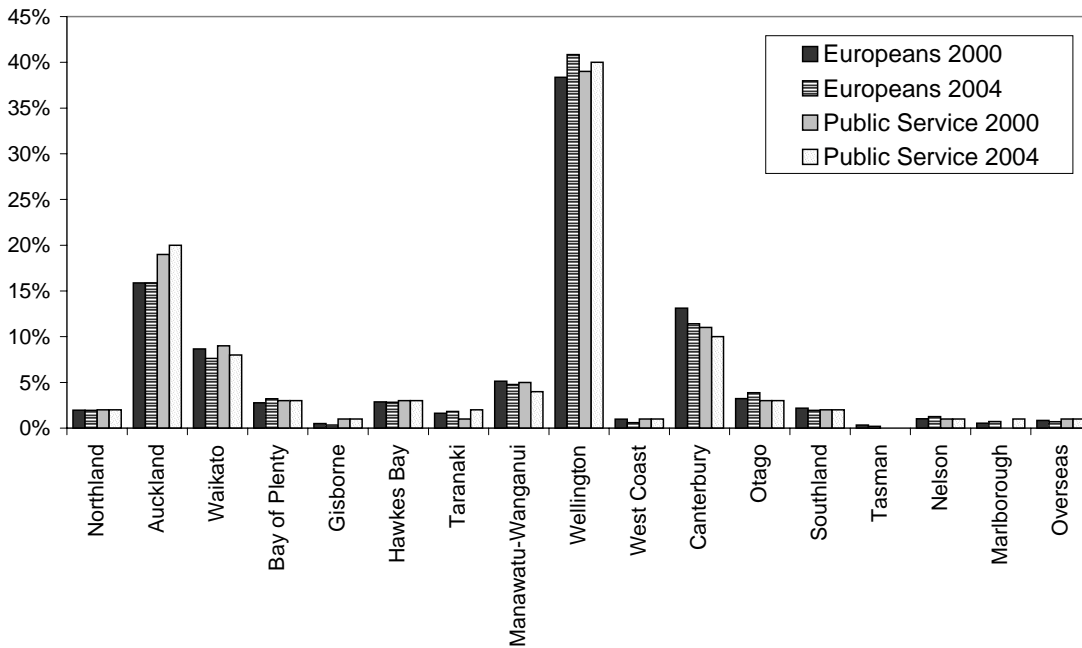


Source: State Services Commission. *Human Resource Capability Survey* (2004)

There are more female Europeans than male Europeans in the Public Service. In 2004 females accounted for 58% of European public servants, up 3 percentage points from 2000. This was slightly lower than the proportion of females in the Public Service overall in 2004 (59%).

European public servants predominantly work in Wellington, with 41% based there in 2004. This is slightly higher than the proportion for the Public Service overall, and up from 38% in 2000. European public servants are more likely than any of the other main ethnic groups to work in the South Island, with 21% of European public servants based there in 2004.

Figure 5.3. Regional distribution of European public servants and the Public Service, 2000 and 2004

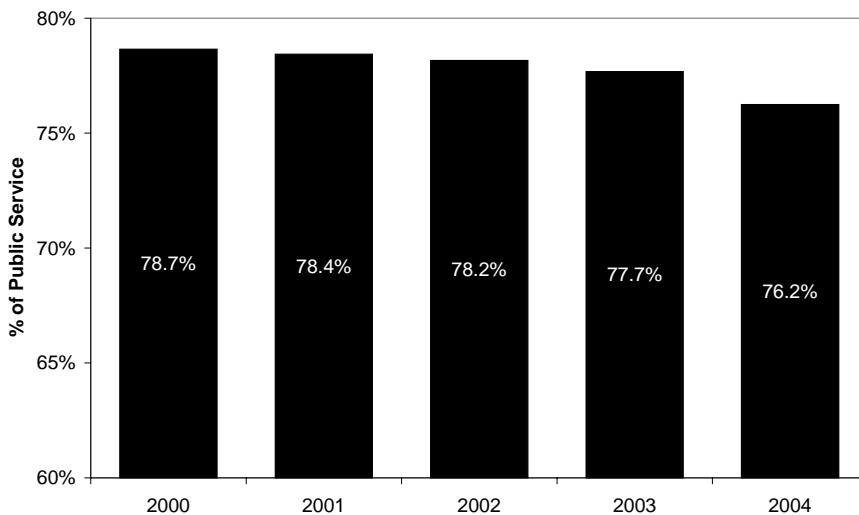


Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

How many are there?

There were 25,436 Europeans employed in the Public Service at 30 June 2004 – equivalent to 76.2% of the Public Service. Over the four-year period, there was a gradual decline in the representation of Europeans in the Public Service (see Figure 5.4). However, the head count for European public servants increased by 5,246 between 2000 and 2004.

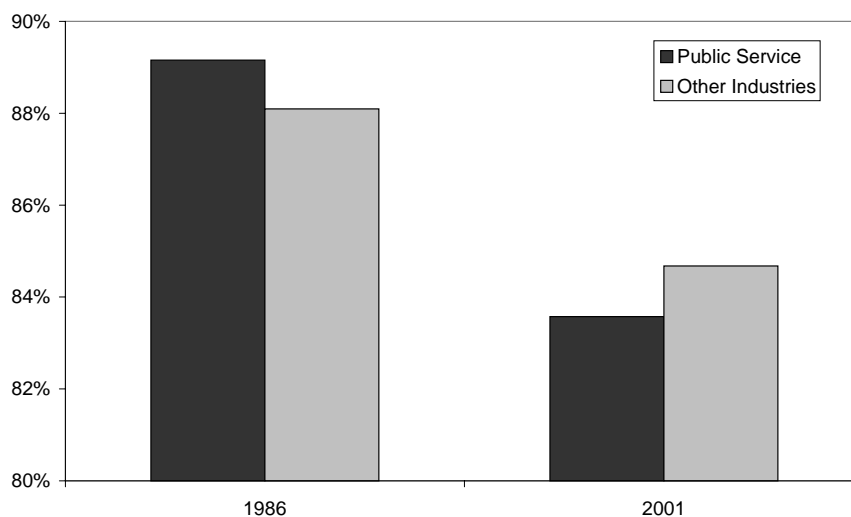
Figure 5.4. Representation of Europeans in the Public Service, 2000–2004



Source: State Services Commission. *Human Resource Capability Survey* (2000–2004)

Over the longer term, using proxy groups for the Public Service¹⁸ and the rest of the labour force¹⁹, Figure 5.5 shows that the representation of Europeans, although still high, declined in both proxy groups between 1986 and 2001. The decrease in representation was greater in the Public Service proxy group than in the rest of the labour force.

Figure 5.5 Representation of Europeans in the Public Service and Other Industries, 1986 and 2001



Source: Statistics New Zealand. *Census of Population and Dwellings* (1986 and 2001)

What do they do?

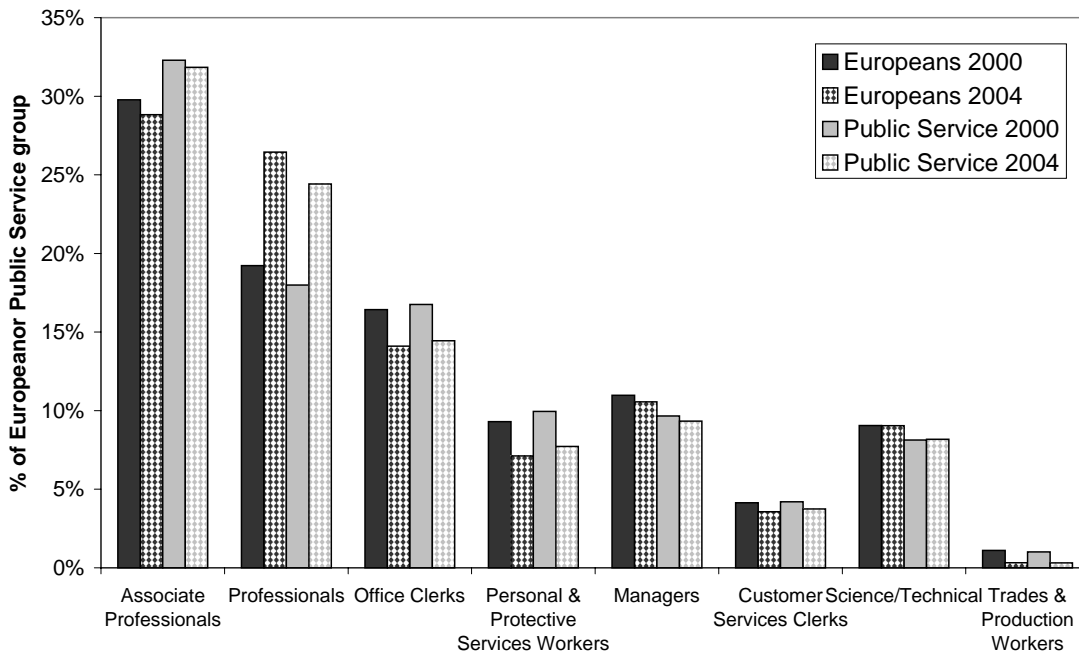
The five most common occupations for Europeans in the Public Service remained unchanged between 2000 and 2004, although there was some change in their ranking. In 2004, these were: general clerk (9%), policy analyst (8%), case worker (7%), prison officer (6%), and administration manager (5%).

The associate professionals occupation group employed the largest proportion of European public servants between 2000 and 2004 (see Figure 5.6). However, the proportion in this occupation group decreased over the period as the proportion in the professionals occupation group increased. About 60% of the increased proportion in the professionals group was due to the incorporation of the Special Education Services and the Early Childhood Development Unit into the Ministry of Education. If we adjusted for this effect, the professionals occupation group would have increased by about 3 percentage points in 2004 and the associate professionals group would have increased by 1 percentage point. Policy analysts were also a main contributor to the increased proportion in the professionals occupation group in 2004, with numbers increasing by 50% between 2000 and 2004.

¹⁸ See footnote 3.

¹⁹ Other Industries is the term used for the proxy group for the rest of the labour force (i.e. not included in the Public Service proxy group).

Figure 5.6. European public servants and Public Service occupation distribution, 2000 and 2004

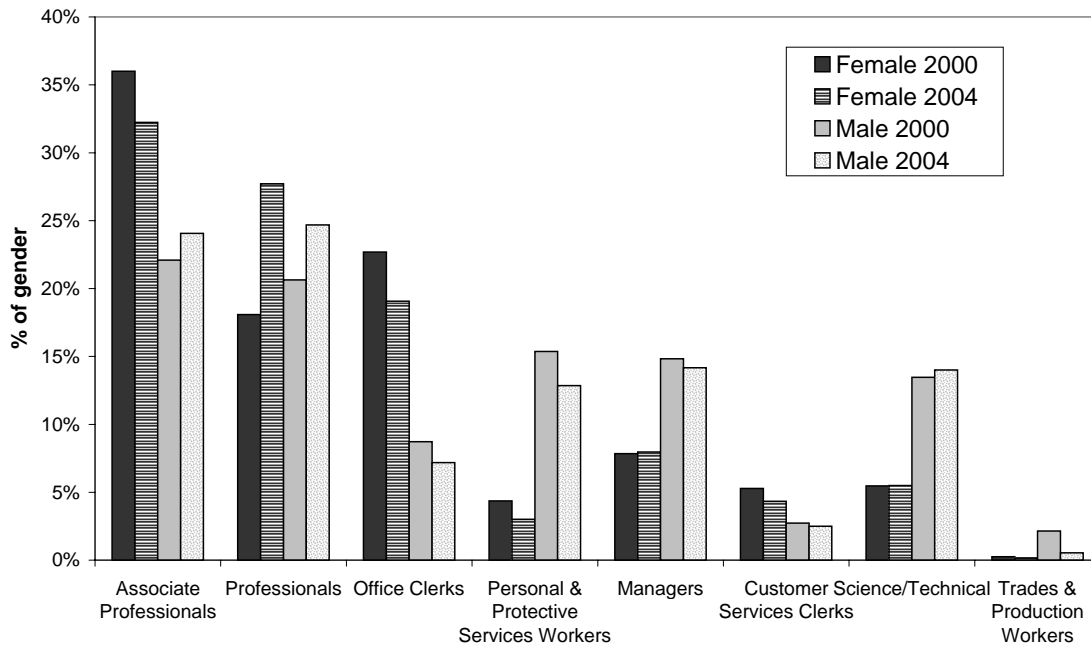


Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

Figure 5.7 compares the occupation distribution of European females and males in the Public Service in 2000 and 2004. It shows European women clustered into the associate professionals, professionals and office clerk occupation groups. The increased proportion of European females in the professionals occupation group was largely driven by the expansion of the Ministry of Education, as outlined in the previous paragraph. Increasing numbers of policy analysts (up 645) also contributed to the higher proportion of European females in the professionals occupation group.

European males had a more even distribution over a wider range of occupation groups, although they were also somewhat clustered into the associate professionals and professionals groups. The increased proportion in the professionals occupation group was not driven by changes to the Ministry of Education. Higher numbers of policy analysts, tutors (Department of Corrections) and systems analysts were the main contributors to the increased proportion in this group. The higher representation in the associate professionals occupation group was due largely to higher numbers of customs officers, technical representatives and park rangers.

Figure 5.7. Distribution of European females and males by occupation, Public Service, 2000 and 2004

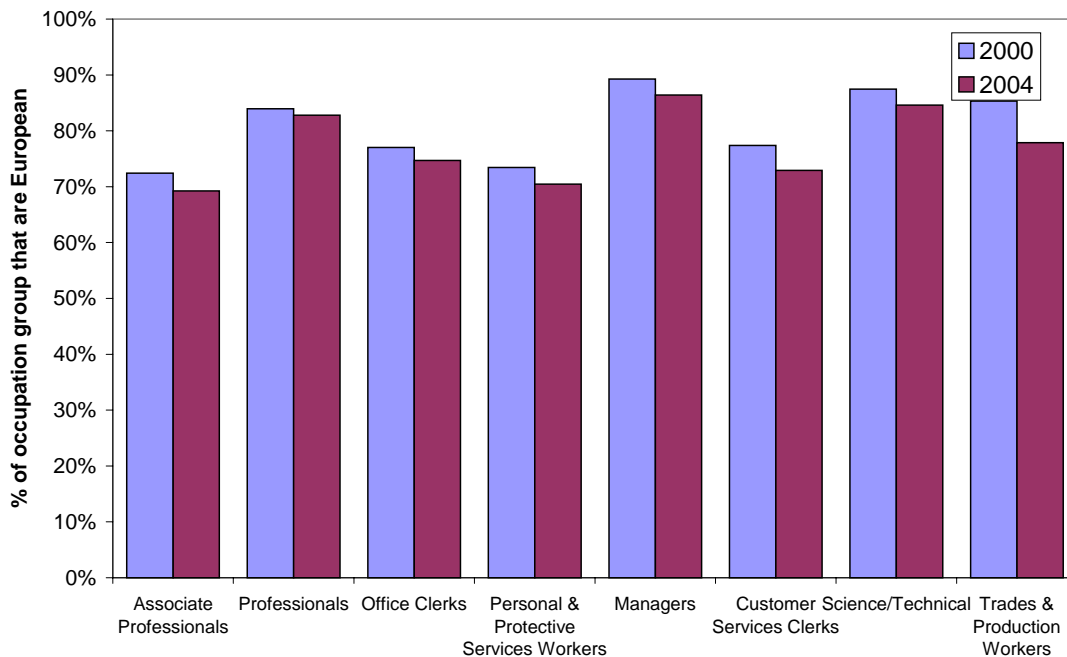


Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

What proportion of each occupation group is European?

Figure 5.8 shows the representation of Europeans in each occupation group for 2000 and 2004. Over this period, European public servants representation decreased in all occupation groups.

Figure 5.8. Representation of Europeans within occupations in the Public Service, 2000 and 2004

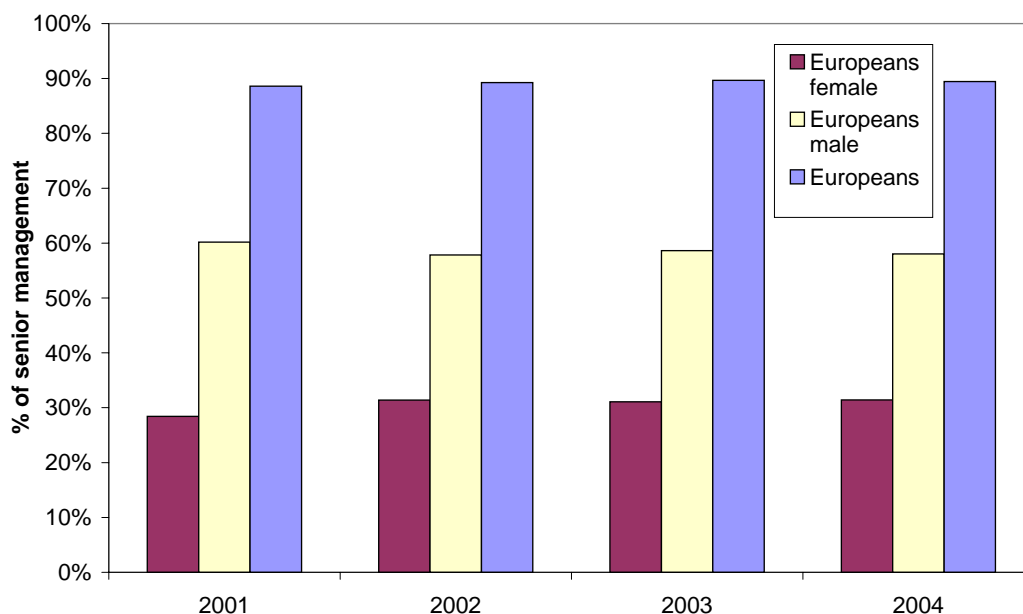


Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

How many Europeans are in senior management?

The proportion of Europeans in senior management has been static over the last four years at about 89% (see Figure 5.9). However, European senior managers as a proportion of all European public servants decreased by 1 percentage point between 2001 and 2004. Between 2001 and 2002, the proportion of European women in senior management increased by 3 percentage points; it has remained unchanged since then.

Figure 5.9. European representation in Public Service senior management, 2001–2004



Source: State Services Commission. *Human Resource Capability Survey* (2001–2004)

How mobile are European public servants?

Turnover for European public servants was generally slightly lower than turnover for the Public Service overall between 2000 and 2004 (see Table 5.1).

Table 5.1. Turnover for European public servants and the Public Service, 2000–2004

	European public servants	Public Service
2000	9.8%	10.8%
2001	12.1%	12.8%
2002	11.5%	11.5%
2003	10.9%	11.1%
2004	11.1%	11.8%

Source: State Services Commission. *Human Resource Capability Survey* (2000–2004)

Turnover by age (see Table 5.2) shows higher turnover in the younger age groups. In 2004, turnover for Europeans younger than 30 was higher than the rates for the Public Service overall. Turnover for Europeans in 2004 was higher in all age groups less than 60 years, when compared with 2000.

Table 5.2. Turnover for European public servants and the Public Service, by age group, 2000 and 2004

Age group	European 2000	European 2004	Public Service 2004
20-24	21.8%	24.4%	23.2%
25-29	20.1%	22.6%	22.2%
30-34	13.8%	14.2%	15.2%
35-39	9.6%	11.2%	11.7%
40-44	7.5%	8.8%	9.2%
45-49	5.7%	6.9%	7.7%
50-54	5.3%	6.9%	7.2%
55-59	5.2%	7.2%	7.7%
60-64	10.8%	7.7%	7.8%
65-69	23.3%	22.5%	21.8%
All	9.8%	11.1%	11.8%

Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

Table 5.3 shows that retention rates for Europeans (64%) were slightly higher than for all public servants (63%) and for non-Europeans (61%). This was true across most occupation groups and age groups.

Table 5.3. Retention rates for European public servants and the Public Service, 2000-2004

Occupation	European	Non-European	Public Service
Associate Professionals	63%	59%	62%
Professionals	57%	57%	57%
Office Clerks	62%	59%	61%
Personal & Protective Services Workers	75%	76%	76%
Managers	66%	61%	65%
Customer Services Clerks	61%	57%	59%
Science/Technical	65%	67%	65%
Trades & Production Workers	60%	45%	56%
Total	64%	61%	63%

Source: State Services Commission. *Human Resource Capability Survey*, (2000 and 2004)

Pay and progression

A distribution index provides one way of looking at pay distribution within the Public Service, giving an indicator of the extent to which groups are clustered in the lower pay ranges of either an organisation or the Public Service as a whole.

An index score below 100 shows the group is ‘compressed’ or clustered into the lower pay ranges. The lower the index, the greater the degree of compression into these lower pay ranges. An index score above 100 shows that the group is well represented in the higher pay ranges. The comparator group is all people not in the group for which the index score has been calculated.

Table 5.4 shows the relative distribution index scores for women, men, Europeans, European men and European women in the Public Service. It shows that Europeans as a group were clustered into the higher pay ranges and there was little change between 2000 and 2004. European men and European women were in higher pay ranges than men and women in the overall Public Service. Over the period shown, European men were paid more highly than European women. However, European women’s distribution scores showed a gradual increase over the years, while the European men’s scores fell and then rose, finishing at a lower level than they were in 2000.

Table 5.4 Distribution scores for Europeans in the Public Service, 2000–2004

	2000	2001	2002	2003	2004
Public Service men	115	113	112	112	112
Public Service women	89	90	91	92	92
Europeans	106	105	105	105	106
European men	119	118	116	117	118
European women	94	95	96	96	97

Source: State Services Commission. *Human Resource Capability Survey* (2000–2004)

Pay rates for Europeans were higher in both the Public Service and the overall labour force, when compared to the overall rates for these groups in 2000 and 2004 (see Table 5.5).

Table 5.5. Hourly pay rates (\$)

	European – Public Service		Public Service		European – Labour force		Labour force	
	2000	2004	2000	2004	2000	2004	2000	2004
Average	20.89	24.43	20.24	23.43	15.99	20.56	15.61	18.24
Median	18.20	21.06	17.72	20.26	14.00	17.23	13.55	15.34

Sources: State Services Commission. *Human Resource Capability Survey* (2000 and 2004); Statistics New Zealand. *New Zealand Income Survey* (June 2000 and June 2004)

Table 5.6 shows that the median salary for Europeans was 3% to 4% higher than the Public Service median salary between 2000 and 2004. However, European women’s pay was generally about 15% less than European men’s pay over this period.

Table 5.6. Unadjusted pay gap for European public servants, 2000–2004

(European public servants' median salary as % of Public Service median salary)

	Europeans' pay as % of Public Service pay	European women's pay as % of European men's pay
2000	103	83
2001	103	85
2002	103	85
2003	104	86
2004	104	85

Source: State Services Commission. *Human Resource Capability Survey* (2000–2004)

When adjusted for age, European public servants' pay was still generally more than that of public servants overall, but the advantage was slightly reduced (see Table 5.7).

Table 5.7. Age-adjusted pay gap for European public servants, by occupation, 2000 and 2004

(European public servants' median salary as % of Public Service median salary)

	Europeans' pay as % of Public Service pay	
	2000	2004
Associate Professionals	101	100
Professionals	101	102
Office Clerks	101	101
Personal & Protective Services Workers	100	100
Managers	100	101
Customer Services Clerks	103	100
Science/Technical	99	101
Total	102	102

Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

Table 5.8 shows that pay progression for Europeans was one percentage point lower than for all public servants and this was found across most occupation groups. While average salaries for Europeans are still higher than for non-Europeans, these figures suggest that this gap is closing.

Table 5.8. Pay progression for European public servants and the Public Service, 2000–2004

(Increase in average salary for the 2000 cohort of permanent staff who remained in the Public Service throughout 2000–2004)

Occupation	European	Public Service
Associate Professionals	21%	22%
Professionals	30%	31%
Office Clerks	20%	21%
Personal & Protective Services Workers	15%	15%
Managers	30%	30%
Customer Services Clerks	23%	23%
Science/Technical	21%	22%
Trades & Production Workers	17%	17%
Total	23%	24%

Source: State Services Commission. *Human Resource Capability Survey* (2000- 2004)

How many European public servants belong to a union?

In 2004, 55% of European public servants were members of a union (see Figure 5.9). Of all the main ethnic groups, only the ‘Other’ ethnic group had a lower membership rate (48%) in 2004. There was no change in the membership rate for European public servants between 2001 and 2004.

Table 5.9. Union representation of European public servants and the Public Service, by occupation, 2004

Occupation group	Europeans	Public Service
Associate Professionals	69%	70%
Professionals	44%	44%
Office Clerks	57%	59%
Personal & Protective Services Workers	77%	78%
Managers	27%	27%
Customer Services Clerk	72%	73%
Science/Technical	53%	52%
Trades & Production Workers	57%	60%
Total	55%	57%

Source: State Services Commission. *Human Resource Capability Survey* (2004)

Summary of key points

Between 2000 and 2004:

- Europeans had an older age profile than the other ethnic groups in the Public Service.
- The proportion of females in the European group increased by 3 percentage points to 58%.
- Europeans were the largest ethnic group in the Public Service, but their representation showed a gradual decline over this period.
- The proportion of Europeans in all occupation groups decreased.
- There was little change in the proportion of Europeans in senior management.
- The turnover rate for European public servants was generally slightly lower than the overall Public Service rate.
- Retention rates for Europeans were higher than those for all public servants.
- The median salary for European public servants was higher than that for public servants overall.
- The pay gap between European men and European women was about 15%.
- Europeans who remained in the Public Service throughout the 2000-2004 period received, on average, lower pay increases than those for all public servants.
- Union membership was stable.

Chapter Six: Progress for women in the Public Service, 2000–2004

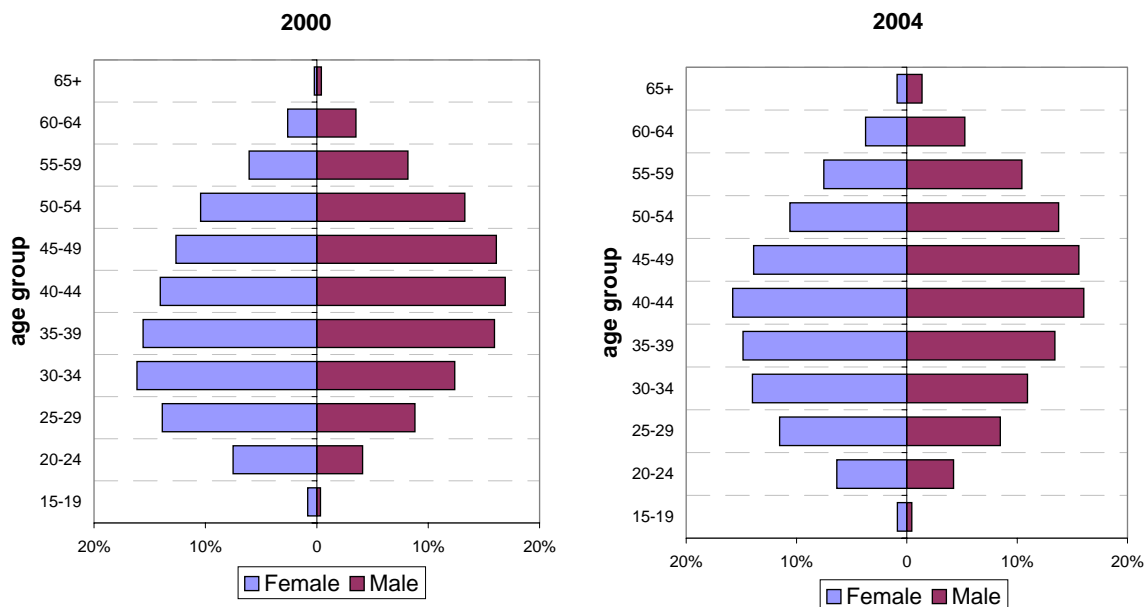
What are the characteristics of women in the Public Service?

Women in the Public Service are likely to be younger than male public servants, European and based in Wellington or Auckland.

Women in the Public Service have a younger age structure than men in the Public Service (see Figure 6.1). In 2004, the median age for women was 40 years, compared to 43 years for men.

The female public servants group aged over the four years, with 52% of the group over 40 years old in 2004, compared to 46% in 2000. Male public servants as a group aged at a lower rate over this period, increasing from 58% being 40 years or more in 2000 to 62% in 2004 (i.e. an increase of 4 percentage points for males compared to 6 percentage points for females).

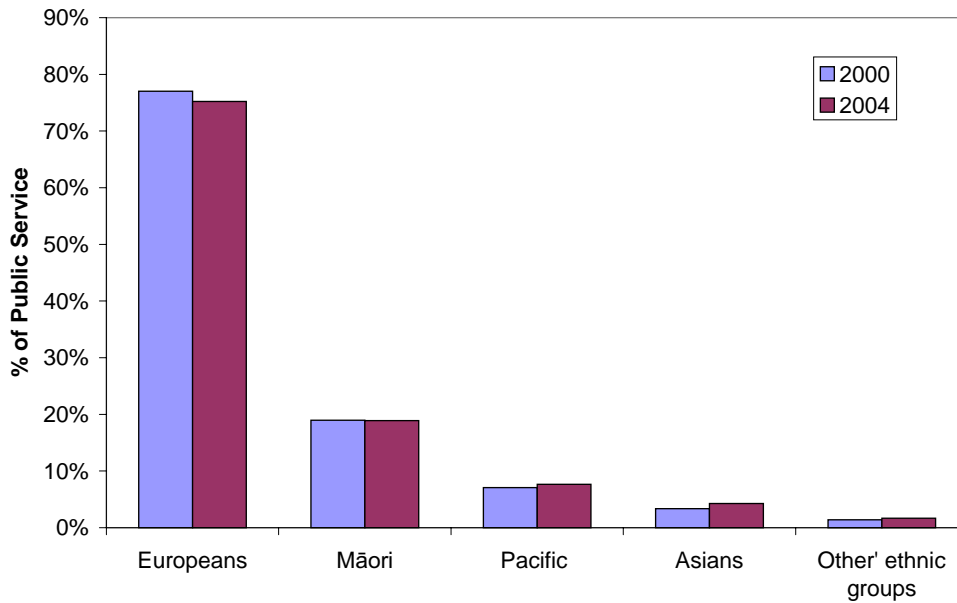
Figure 6.1. Age profile of women and men in the Public Service, 2000 and 2004



Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

Women working in the Public Service are mostly European (75% in 2004). However, European representation has dropped by 2% since 2000 as the representation of Pacific and Asian females increased (see Figure 6.2). Comparing the ethnic composition of female public servants with that of male public servants shows that generally the proportions of each ethnic group are similar, the main differences being in the representation of Māori and Europeans. Māori account for 19% of female public servants compared to 15% of male public servants, while Europeans account for 78% of male public servants and 75% of female public servants.

Figure 6.2. Ethnic breakdown of female public servants, 2000 and 2004



Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

Women in the Public Service are more likely to work part-time²⁰ than are male public servants. In 2004, 13% of the women in the Public Service worked part-time, compared with 3% of men. In comparison, 37% of females and 13% of males worked part-time in the overall labour force²¹. The proportion of female public servants working part-time has been trending upwards since 2000 (9%) with a significant increase between 2003 and 2004 (up 4 percentage points) due to changes to the scope of the Human Resource Capability survey²². European female public servants are the most likely of the ethnic groups to work part-time in the Public Service, while Pacific women are the least likely to work part-time.

In 2004, 38% of the women in the Public Service were based in Wellington and 21% in Auckland (see Figure 6.3). Between 2000 and 2004 the changes were minor, with increased representation of female public servants by 1 percentage point in Auckland, Bay of Plenty and Otago and decreases of 1 percentage point in Waikato and Canterbury.

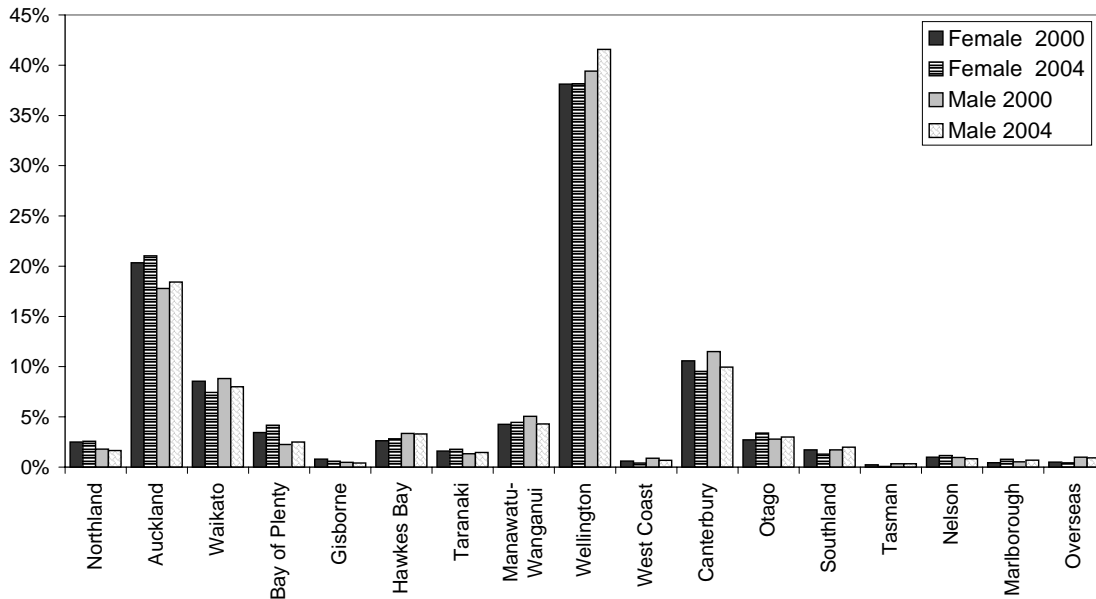
The proportion of female public servants in Wellington remained unchanged between 2000 and 2004, whereas male public servants in Wellington increased by 3 percentage points.

²⁰ Part-time refers to less than 30 hours per week.

²¹ Source: Statistics New Zealand. *New Zealand Income Survey* (June 2004 quarter). Based on population receiving income from wage and salary jobs.

²² Part-time special education teachers and speech language therapists had previously been classified as casuals and excluded from the survey.

Figure 6.3. Regional distribution of women and men in the Public Service, 2000 and 2004

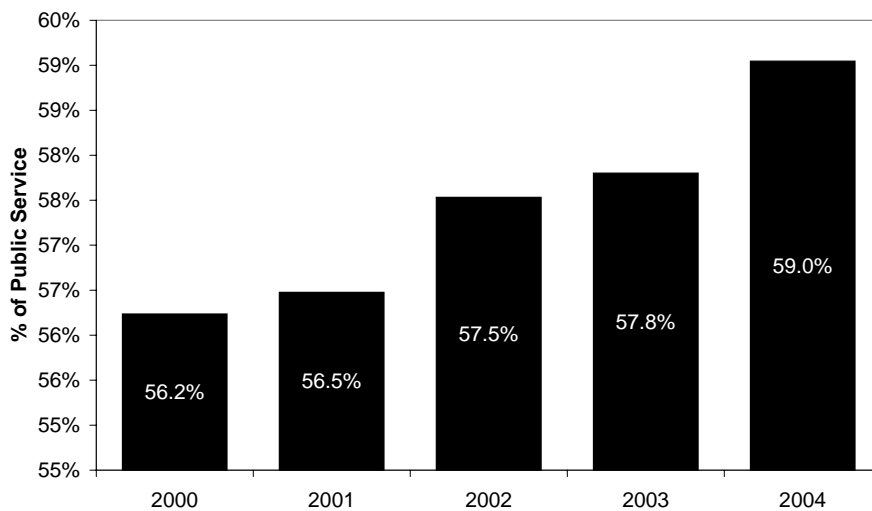


Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

How many are there?

There were 22,357 women employed in the Public Service as at 30 June 2004 – equivalent to 59% of the Public Service. Between 2000 and 2004, the proportion of women in the Public Service increased 3 percentage points, up from 56% in 2000 (see Figure 6.4). In terms of numbers, women in the Public Service increased by 5,484 over this period; men increased by 2,376.

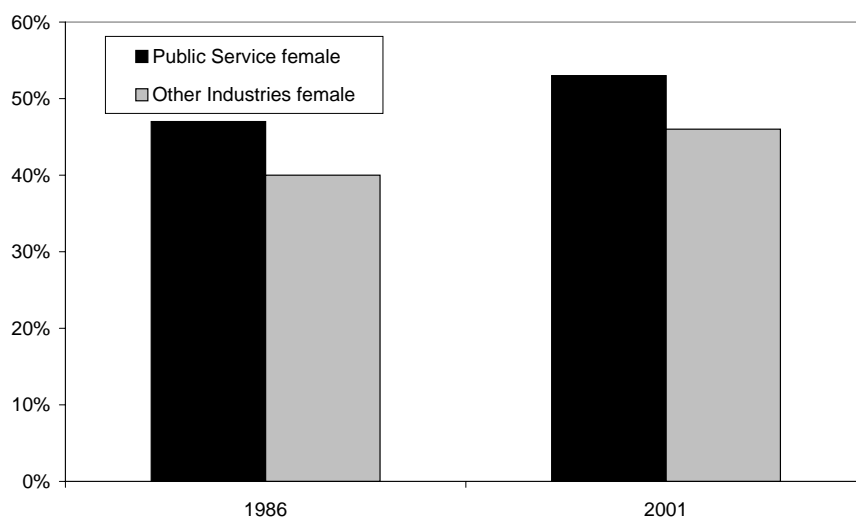
Figure 6.4. Representation of women in the Public Service, 2000–2004



Source: State Services Commission. *Human Resource Capability Survey* (2000–2004)

Over the longer term, using proxy groups for the Public Service²³ and the rest of the labour force²⁴, Figure 6.5 shows that the increase in representation of women in the Public Service between 1986 and 2001 was the same as that of the rest of the labour force (up 6 percentage points). In the case of the Public Service, this meant females became the predominant gender in the workforce.

Figure 6.5. Gender representation in the Public Service and Other Industries, 1986 and 2001



Source: Statistics New Zealand. *Census of Population and Dwellings* (1986 and 2001)

What do they do?

The five most common occupations for women in the Public Service in 2004 were: general clerk (12%), case worker (10%), policy analyst (6%), social worker (5%) and technical representative²⁵ (5%). There was no change in the five main occupations between 2000 and 2004, but there was a change in the ranking, with case worker ranked first and technical representative third in 2000.

The associate professionals occupation group was the main occupation group for women in the Public Service between 2000 and 2004, but the proportion of women employed in this group declined over the period (see Figure 6.6). Also over this period, a higher proportion of women were employed in the professionals occupation group (up 8 percentage points) and a lower proportion in the office clerk occupation group (down 4 percentage points). However, the increase in the proportion of women in the professionals occupation group is mostly due to the Early Childhood Development Unit and Special Education Services being incorporated into the Ministry of Education after 2000. If the education occupations related to this change were excluded, the professionals occupation group would have increased by about 2 percentage points. Other occupations that showed significant increases in numbers in the professionals

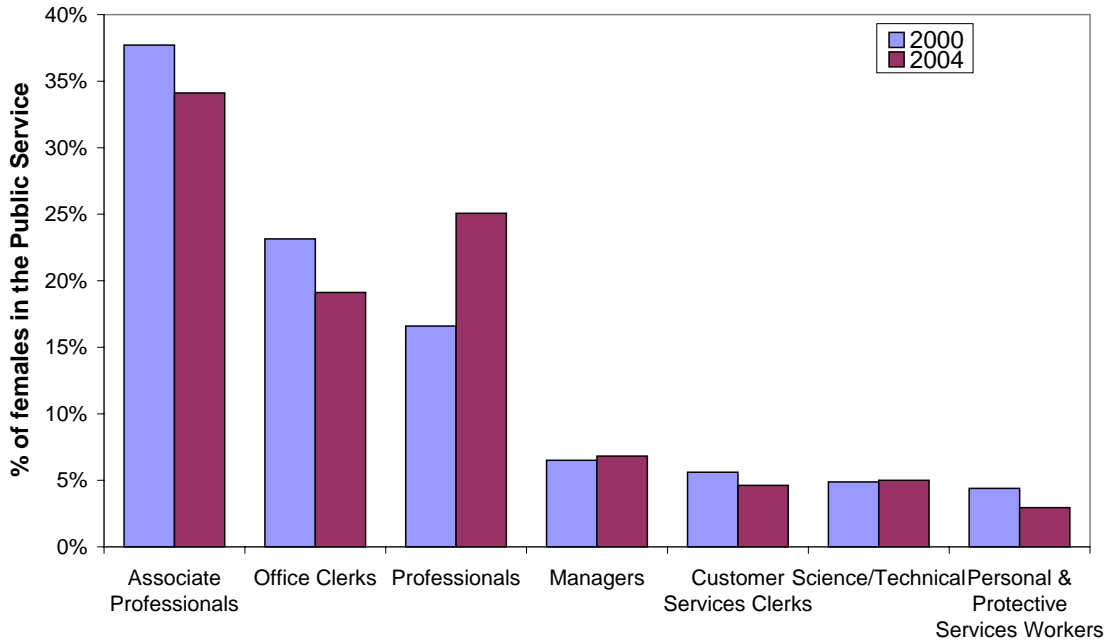
²³ See footnote 3.

²⁴ Other Industries is the term used for the proxy group for the rest of the labour force (i.e. not included in the Public Service proxy group).

²⁵ Most technical representatives are call centre operators.

occupational group were policy analysts (up 464), human resources officers (up 91) and financial advisers (up 88).

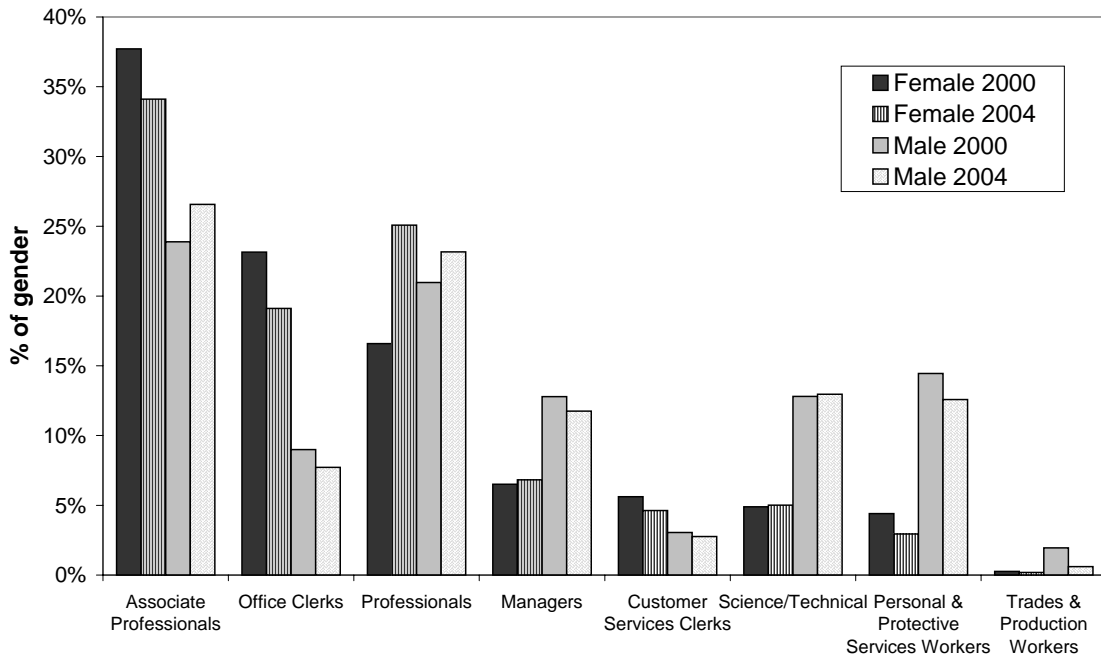
Figure 6.6. Female public servants' occupation distribution, 2000 and 2004



Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

Figure 6.7 compares the distribution of women by occupation group in the Public Service with that of men for 2000 and 2004. Public Service males had considerably higher representation than female public servants in the managers, science/technical and personal and protective services workers occupation groups, with female public servants having considerably higher representation in the associate professionals and office clerks occupation groups. There was a slight fall in the proportion of male public servants in the managerial occupation group (down 1 percentage point) between 2000 and 2004, whereas the proportion of females in this group remained constant over the same period.

Figure 6.7. Distribution of females and males by occupation in the Public Service, 2000 and 2004



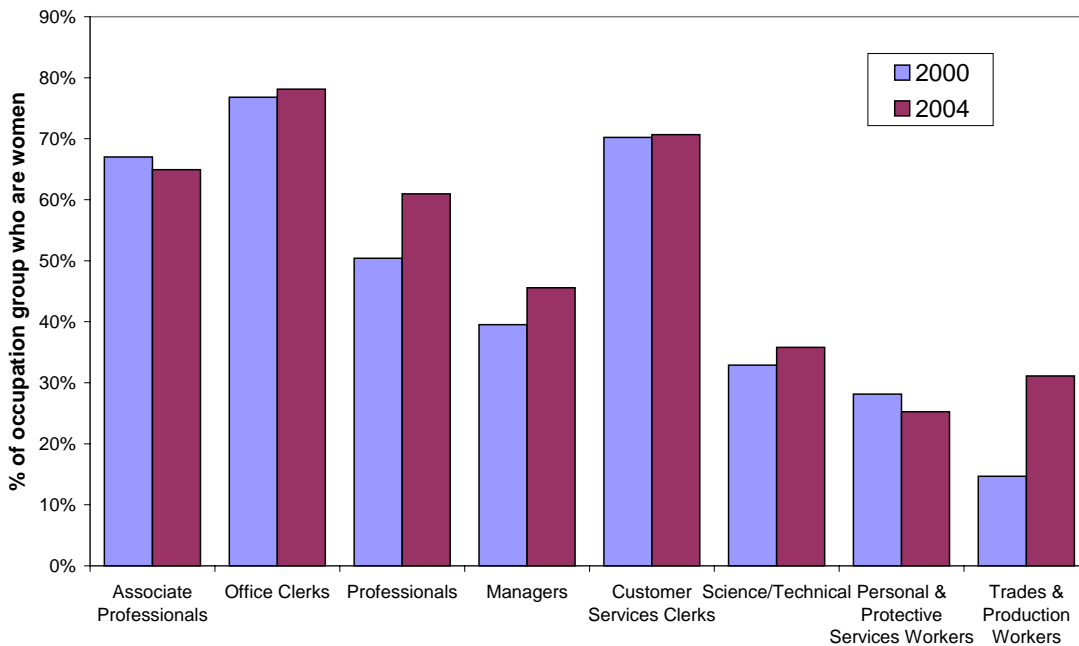
Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

What proportion of each occupation group is female?

Figure 6.8 shows the proportion of female public servants in each occupation group for 2000 and 2004. Ignoring the professionals occupation group²⁶, the main increases in representation have been in the managers occupation group and the science/technical occupation group. The proportion of women in the managerial occupation group increased from 40% to 46% over this period. The increased representation for women in the trades and production workers occupation group is due to a large decrease in the number of men employed in this group between 2000 and 2004 as these positions became less prevalent in the Public Service.

²⁶ The increase in the professionals occupation group was driven by the incorporation of Special Education Services and the Early Childhood Education Unit into the Ministry of Education after 2000.

Figure 6.8. Representation of women within occupations in the Public Service, 2000 and 2004

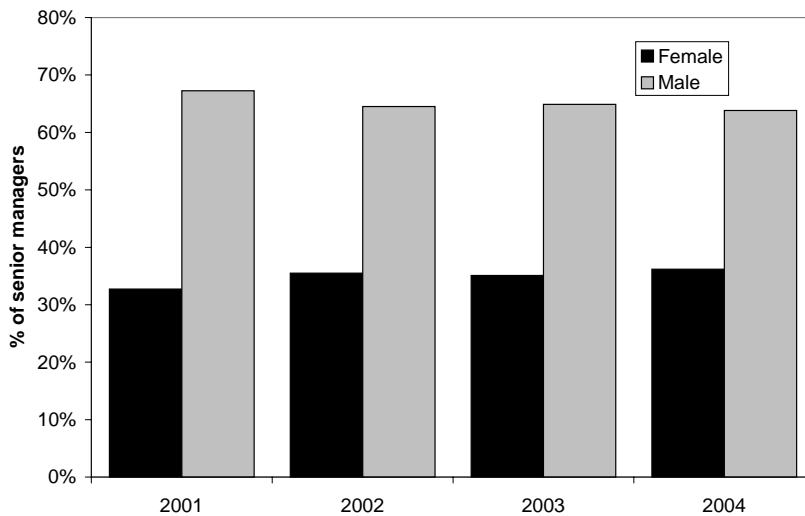


Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

How many female public servants are in senior management?

Female public servants accounted for 36% of senior managers (tier 1, 2 and 3 managers) in the Public Service in 2004 (see Figure 6.9). Growth in the proportion of female senior managers was gradual after 2001, increasing 3 percentage points. In 2004, 47% of new senior managers were women; however, they also left the senior management ranks at a high rate, so that overall the increase was 1 percentage point. The proportion of women in tier 1 positions has been between 22% and 26% since 2001.

Figure 6.9. Female representation in Public Service senior management, 2001–2004



Source: State Services Commission. *Human Resource Capability Survey* (2001–2004)

How mobile are female public servants?

The turnover rate for female public servants has been higher than the rate for male public servants since 2000 (see Table 6.1). From 2002 to 2004, the turnover rate for women in the Public Service remained constant at 13%.

Table 6.1. Turnover for female and male public servants, 2000–2004

	Female public servants	Male public servants
2000	12%	10%
2001	14%	11%
2002	13%	10%
2003	13%	9%
2004	13%	10%

Source: State Services Commission. *Human Resource Capability Survey* (2001–2004)

Turnover by age (see Table 6.2) for female public servants is higher in the lower age groups, which is similar to the pattern for male public servants.

Table 6.2. Turnover for female and male public servants, by age group, 2004

Age group	Female public servants	Male public servants
20-24	22%	20%
25-29	23%	21%
30-34	16%	14%
35-39	13%	10%
40-44	10%	8%
45-49	8%	7%
50-54	8%	6%
55-59	9%	7%
60-64	7%	9%
65-69	20%	24%
All	13%	10%

Source: State Services Commission. *Human Resource Capability Survey* (2004)

Tracking the cohort of women who were in permanent positions in the Public Service in 2000 shows that their retention rate was considerably lower than that of the male cohort. Table 6.3 shows that, by 2004, only 59% of these women remained in the Public Service, compared with 67% of the men. The retention rate of this cohort of women in the professional occupation group was particularly low, 53% compared with 62% for men. Women who are on parental leave are included as retained employees.

Table 6.3. Retention rates for female and male public servants, 2000-2004

Occupation	Female public servants	Male public servants
Associate Professionals	60%	66%
Professionals	53%	62%
Office Clerks	60%	63%
Personal & Protective Services Workers	71%	77%
Managers	63%	66%
Customer Services Clerks	59%	62%
Science/Technical	58%	69%
Trades & Production Workers	68%	54%
Total	59%	67%

Source: State Services Commission. *Human Resource Capability Survey* (2000-2004)

Of the 2001 cohort²⁷ of senior managers, only 55% of the women in this group remained in the Public Service in 2004, compared with 62% of the male senior managers.

Pay and progression

A distribution index provides one way of looking at pay distribution within the Public Service, giving an indicator of the extent to which groups are clustered in the lower pay ranges of either an organisation or the Public Service as a whole.

An index score below 100 shows the group is ‘compressed’ or clustered into the lower pay ranges. The lower the index, the greater the degree of compression into these lower pay ranges. An index score above 100 shows that the group is well represented in the higher pay ranges. The comparator group is all people not in the group for which the index score has been calculated.

Table 6.4 shows the relative distribution index scores for women and men in the Public Service. It shows that women as a group were clustered into the lower pay ranges, but the index score showed a gradual upward trend from 2000.

Table 6.4. Distribution scores for the Public Service, 2000–2004

	2000	2001	2002	2003	2004
Public Service men	115	113	112	112	112
Public Service women	89	90	91	92	92

Source: State Services Commission. *Human Resource Capability Survey* (2000–2004)

Table 6.5 shows the differences in hourly rates between males and females in the Public Service and the wider labour force. Women had lower pay rates than men in both workforces. However, women in the Public Service had higher rates than those in the wider labour force.

²⁷ 2000 cohort data are not available for senior managers.

Table 6.5. Hourly pay rates (\$)

	Women Public Service		Men Public Service		Women Labour force		Men Labour force	
	2000	2004	2000	2004	2000	2004	2000	2004
Average	18.40	21.62	22.60	26.04	14.47	16.80	16.70	19.58
Median	16.76	18.74	20.11	22.21	12.56	14.40	14.60	16.50

Sources: State Services Commission. *Human Resource Capability Survey* (2000 and 2004); Statistics New Zealand. *New Zealand Income Survey* (June 2000 and 2004)

The pay gap between female and male public servants in 2004 was 16%. There was little change in the pay gap between 2000 and 2004. The widening pay gap between 2003 and 2004 was due to the inclusion of the Special Education Services staff in the Human Resource Capability survey in 2004. This group comprises mainly part-time workers and if excluded from the 2004 data there would have been no change in the pay gap between 2003 and 2004.

Table 6.6. Unadjusted pay gap for female public servants, 2000–2004

(Female public servants' median salary as % of male public servants' median salary)

	Female public servants' pay as % of male public servants' pay
2000	83%
2001	85%
2002	84%
2003	86%
2004	84%

Source: State Services Commission. *Human Resource Capability Survey* (2000–2004)

The pay gap was reduced when the effects of age and occupation were taken into account, as shown in Table 6.7. When adjusted for age, the overall pay gap fell from 16% to 11%. A pay gap existed for all the occupation groups and widened in the professionals, science/technical and customer services clerks occupation groups between 2000 and 2004.

Table 6.7. Age-adjusted pay gap for female public servants, by occupation, 2000 and 2004

(Female public servants' median salary as % of male public servants' median salary)

Female public servants' pay as % of male public servants' pay		
	2000	2004
Associate Professionals	96%	98%
Professionals	91%	86%
Office Clerks	93%	96%
Personal & Protective Services Workers	95%	96%
Managers	87%	88%
Customer Services Clerks	98%	97%
Science/Technical	93%	90%
Total	88%	89%

Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

Pay progression for the 2000 cohort of permanent public servants (see Table 6.8) who have remained in the Public Service from 2000 to 2004 shows that the increase in average salary was slightly greater for women (24%) than for men (23%). Pay progression for women was consistently higher in almost all occupation groups.

Table 6.8. Pay progression for female and male public servants, 2000–2004

(Increase in average salary for the 2000 cohort of permanent staff who remained in the Public Service throughout 2000–2004)

Occupation group	Female public servants	Male public servants
Associate Professionals	22%	21%
Professionals	32%	30%
Office Clerks	21%	22%
Personal & Protective Services Workers	18%	14%
Managers	31%	29%
Customer Services Clerks	24%	23%
Science/Technical	24%	21%
Trades & Production Workers	17%	17%
Total	24%	23%

Source: State Services Commission. *Human Resource Capability Survey* (2000–2004)

How many female public servants belong to a union?

The overall union membership of female public servants (56%) is similar to that of male public servants (57%), but by occupation the proportions vary (see Table 6.9). Between 2001 and

2004, union membership for female public servants increased by 4 percentage points, whereas for male public servants there was no change.

Table 6.9. Union representation of female and male public servants, by occupation, 2004

Occupation group	Female public servants	Male public servants
Associate Professionals	69%	72%
Professionals	42%	46%
Office Clerks	58%	63%
Personal & Protective Services Workers	68%	82%
Managers	31%	25%
Customer Services Clerks	72%	74%
Science/Technical	55%	50%
Trades & Production Workers	43%	68%
Total	56%	57%

Source: State Services Commission. *Human Resource Capability Survey* (2004)

Summary of key points

Between 2000 and 2004:

- The representation of women in the Public Service increased from 56% to 59%.
- The median age for female public servants increased from 39 years to 40 years, while the median age for males remained at 43 years.
- Women as a group in the Public Service aged more than men as a group in the Public Service, with an increase of 6 percentage points in the group of 40 years or more compared with 4 percentage points for men.
- There was little change in the regional representation for female public servants.
- Associate professionals continued to be the main occupation group for women in the Public Service.
- The proportion of female public servants in the managerial occupation group increased by 6 percentage points.
- There was gradual growth of female public servants in senior management positions (up 3 percentage points).
- Retention rates for women were 8 percentage points lower than for men.
- There was little change in the turnover rates for women in the Public Service, which have been consistently higher than for male public servants.
- There was little change to the pay gap between female and male public servants.
- Women who remained in the Public Service throughout the 2000-2004 period received pay increases that were, on average, 1 percentage point higher than those for men.

- Union membership for women in the Public Service grew by 4 percentage points.

Chapter Seven: Cohort analysis 2000–2004

This chapter introduces a Public Service cohort analysis, a method that has not been available for previous EEO Progress Reports. The cohort has been identified using Human Resource Capability data from 2000–2004, on open-term (permanent) employees.

The method involved:

- matching records for employees who remained in the same department throughout the 2000–2004 period, using their employee number. Where employee numbers were not consistent across the years, a combination of start date and date of birth was used.
- identifying people who had moved between departments, using date of birth and gender where their start date with the new department was no later than one month after their end date with the previous department.

This cohort dataset has been used to measure two important indicators of EEO group progress:

- *Retention rates* – This refers to the proportion of permanent staff in EEO groups who were employed in the Public Service in 2000 and who were retained in subsequent years. This is an important indicator of how effective EEO policies and practices are, and whether they are impacting evenly on groups.
- *Salary progression* – This is an objective indicator of the extent to which EEO groups are progressing through the Public Service ranks, and is not affected by the overall growth of the Public Service.

Together, these indicators move us beyond the simple point-in-time estimates that have been available in the past. They get behind a good deal of the ‘noise’ in the data and provide a richer picture of the experience of individuals and groups in the Public Service. In particular, they allow us to distinguish between changes that are caused by compositional effects.

Summary of cohort results

Women

Retention rates for women were markedly lower than for men. 59% of female public servants who were employed in 2000 were continuously employed, including periods of parental leave, up to June 2004, compared with 67% of males. This difference was found in all the major occupation groups. However, this cohort of women received pay increases that were 1 percentage point higher than those for men over the four-year period.

Māori

Māori retention rates (62%) were similar to those for all public servants (63%), although there was variation between occupations. Retention rates for Māori prison officers and customer services clerks were relatively high, while those for Māori managers and professionals were 7 to 9 percentage points lower than for all public servants in these occupations. Salary increases for Māori public servants in the 2000 cohort were 3 percentage points lower than those for all public servants, and this applied across occupation groups.

Pacific peoples

Retention rates for Pacific public servants were, on average, 4% lower than those for all public servants, although retention of Pacific managers was higher than for all managers. Pay increases for Pacific staff were slightly below the overall average; however, this varied across

occupational groups, with Pacific managers and professionals receiving above-average increases.

Asians

Retention rates for Asian public servants were about the same as for all public servants, but varied by occupation. Retention rates for Asian professionals or science/technical occupations were higher than for all public servants, while the reverse was true for other occupations. Pay increases for Asian staff overall were about the same level as for all public servants. However, pay increases for Asian managers or professionals were below those for all public servants, while pay increases for Asians in other occupations were higher than for all public servants.

'Other' ethnic groups

Retention rates and pay movements were slightly lower for this group than for all public servants, but there were only 202 employees in the 'Other' ethnic groups cohort.

Europeans

Retention rates for Europeans (61%) were slightly higher than for all public servants (63%), and markedly higher than for non-Europeans (56%). This was true across most occupation groups and age groups. Pay progression for Europeans was 1 percentage point lower than for all public servants, and this was found across most occupation groups. While average salaries for Europeans are still higher than for non-Europeans, these figures suggest this gap is closing.

Appendix 1. Summary Data Tables

1.1. Representation of groups in the Public Service

		2000 %	2001 %	2002 %	2003 %	2004 %
Māori	Public Service	16.9	17.0	17.6	17.4	17.3
	Employed labour force ²⁸	10.2	9.8	10.7	10.6	9.8
Pacific peoples	Public Service	6.3	6.6	6.8	7.1	7.1
	Employed labour force	4.8	4.5	5.2	5.2	5.2
Asians²⁹	Public Service	3.3	3.4	3.6	4.1	4.7
'Other' ethnic groups	Public Service	1.5	1.3	1.5	1.4	1.8
Europeans	Public Service	78.7	78.4	78.2	77.7	76.2
	Employed labour force	79.5	79.3	77.4	76.8	77.1
Women	Public Service	56.2	56.5	57.5	57.8	59.0
	Employed labour force	49.0	49.3	49.1	49.2	48.5
Men	Public Service	43.8	43.5	42.5	42.2	41.0
	Employed labour force	51.0	50.7	50.9	50.8	51.5

Sources: State Services Commission. *Human Resource Capability Survey* (2000–2004); Statistics New Zealand. *New Zealand Income Survey* (June 2000–June 2004)

1.2. Gender split of groups, 2004

	Female %	Male %
Māori	65	35
Pacific peoples	64	36
Asians	54	46
'Other' ethnic groups	56	44
Europeans	58	42
Public Service	59	41
Employed labour force	48	52

Sources: State Services Commission. *Human Resource Capability Survey* (2004); Statistics New Zealand. *New Zealand Income Survey* (June 2004)

²⁸ Labour force figures are based on the number of employees in the labour force (i.e. excluding the self employed).

²⁹ There are no labour force figures available for Asians or 'Other' ethnic groups.

1.3. Median age of groups, 2000 and 2004

	2000	2004
Māori	38	39
Pacific peoples	33	35
Asians	38	38
'Other' ethnic groups	41	39
Europeans	42	43
Women	39	40
Men	43	43
Public Service	40	42

Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

1.4. Representation of groups in senior management

	2001 %	2002 %	2003 %	2004 %
Māori	9.7	10.4	10.2	10.1
Pacific peoples	1.9	1.6	1.4	1.3
Asians	1.6	1.4	1.4	1.3
'Other' ethnic groups	0.8	1.2	1.1	1.0
Europeans	88.6	89.2	89.7	89.5
Women	32.7	35.5	35.1	36.2
Men	67.3	64.5	64.9	63.8

Source: State Services Commission. *Human Resource Capability Survey* (2001–2004)

1.5. Union membership of groups, 2004

	2004 %
Māori	64
Pacific peoples	68
Asians	57
'Other' ethnic groups	48
Europeans	55
Women	56
Men	57
Public Service	57

Source: State Services Commission. *Human Resource Capability Survey* (2004)

1.6. Distribution of ethnic groups by occupation, 2000

	Māori	Pacific peoples	Asians	'Other' ethnic groups	Europeans
	%	%	%	%	%
Associate Professionals	43	49	26	26	30
Professionals	10	9	30	27	19
Office Clerks	16	21	19	18	16
Personal & Protective Services Workers	15	8	4	7	9
Managers	6	4	5	9	11
Customer Service Clerks	4	7	4	5	4
Science/Technical	4	2	11	8	9
Trades & Production Workers	1	0	0	1	1
Total ³⁰	100	100	100	100	100

Source: State Services Commission. *Human Resource Capability Survey* (2000)

1.7. Distribution of ethnic groups by occupation, 2004

	Māori	Pacific peoples	Asians	'Other' ethnic groups	Europeans
	%	%	%	%	%
Associate Professionals	44	46	34	23	29
Professionals	15	12	27	30	26
Office Clerks	14	20	16	19	14
Personal & Protective Services Workers	12	8	4	4	7
Managers	7	5	4	10	11
Customer Service Clerks	3	7	5	5	4
Science/Technical	4	3	11	9	9
Trades & Production Workers	0	0	0	0	0
Total	100	100	100	100	100

Source: State Services Commission. *Human Resource Capability Survey* (2004)

³⁰ Columns may not add to 100 due to rounding.

1.8. Distribution of male and female public servants and the Public Service by occupation, 2000 and 2004

	2000			2004		
	Women	Men	Public Service	Women	Men	Public Service
	%	%	%	%	%	%
Associate Professionals	38	24	32	35	27	32
Professionals	17	21	19	26	24	25
Office Clerks	23	9	17	20	8	15
Personal & Protective Services Workers	4	15	9	3	13	7
Managers	7	13	5	7	12	9
Customer Service Clerks	6	3	8	5	3	4
Science/Technical	5	13	9	3	13	8
Trades & Production Workers	0	2	1	0	1	0
Total	100	100	100	100	100	100

Source: State Services Commission. Human Resource Capability Survey (2000 and 2004)

1.9. Median salary of groups, 2000 and 2004

	2000	2004
Māori	35,312	38,300
Pacific peoples	33,623	38,532
Asians	36,398	37,265
'Other' ethnic groups	38,727	43,260
Europeans	38,000	43,981
Women	35,000	39,140
Men	42,000	46,366
Public Service	37,000	42,310

Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

1.10. Age adjusted pay gap for groups, 2000 and 2004

(Ethnic group median salary as % of Public Service median salary, women's median salary as % of men's median salary)

	2000 %	2004 %
Māori	97	95
Pacific peoples	93	92
Asians	101	94
'Other' ethnic groups	96	102
Europeans	102	102
Women	88	89

Source: State Services Commission. *Human Resource Capability Survey* (2000 and 2004)

Appendix 2. Occupation Groups

SSC Occupation Group	NZSCO (Sub-major group)	Job Title Examples
Associate Professionals	Other Associate Professionals	Legal clerk, Social Worker, Case Worker, Customs Officer, Administration Officer, Call Centre Operator
Professionals	Other Professionals Teaching Professionals	Accountant, Human Resources Officer, Policy Analyst, Social Scientist University Lecturer, Education Adviser, Education Support Worker, School Teacher
Office Clerks	Office Clerks	Typist & Word Processor Operator, Secretary, General Clerk
Personal & Protective Services Workers	Personal & Protective Services Workers Salespersons, Demonstrators & Models	Chef, Security Officer, Prison Officer Sales Assistant
Managers	Corporate Managers Legislators & Administrators	Administration Manager, Information Technology, Policy Manager Chief Executive, Diplomatic Representative
Customer Services	Customer Services Clerks	Information Clerk & Other Receptionist, Telephone Switchboard Operator, Debt Collectors
Science/Technical	Life Science & Health Professionals Life Science & Health Associate Professionals Physical Science & Engineering Science Professionals Physical Mathematical & Engineering Science Professionals	Biologist, Conservation Officer Occupational Therapist, Medical Lab Technician Computer Support Technician, Safety Inspector Systems Analyst, Surveyor
Trades	Building Trades Workers Drivers & Mobile Machinery Operators Industrial Plant Operators Labourers & Related Elementary Service Workers Market Oriented Agricultural & Fishery Workers Metal & Machinery Trades Workers Other Craft & Related Trades Workers Precision Trades Workers Stationary Machine Operators & Assemblers	Plumber, Electrician Taxi Driver Boiler Attendant, Welder Cleaner, Courier Farmer, Hunter & Trapper Mechanic Tailor, Canvas Worker Book Binder, Desktop Publisher Dry Cleaner

State Services Commission
100 Molesworth Street
PO Box 329 Wellington
New Zealand
Phone 64 4 495 6600
Fax 64 4 495 6686
www.ssc.govt.nz



2010 EQUALITY AND DIVERSITY REPORT:

DIVERSITY IN THE SENIOR MANAGEMENT OF THE PUBLIC SERVICE

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Definition of terms used in this report

Definition of diversity

For the purposes of this report, the categories for senior managers' diversity include the following:

- women
- Māori
- Pacific peoples
- Asian peoples.

Please note that an examination of people with disabilities in the Public Service has been excluded from this report, as this was examined separately in the 2008 Equality and Diversity Report, *Enabling Ability: meeting the employment requirements of people with disabilities in the Public Service*, and the Commission no longer collects this data.¹

Definition of senior management

Senior managers are defined separately from the occupational categories, although they are generally a subset of the 'managers' occupation group. The senior management profile is based on a three-tier system, with the tiers defined to achieve consistency across the Public Service. The definitions recognise that a range of management positions exist. These depend on the nature of the business conducted within each organisation, its size, and its geographical and corporate structure. While all organisations have a tier 1 manager (a CE), some smaller organisations, or those with flatter structures, may only have two tiers of management.

Senior management does not include professional or supervisory staff, unless they have a primary management function or support staff.

¹ The Commission no longer collects data on people with disabilities employed in the Public Service as data collected in previous years was of inadequate quality for the Commission's purposes.

Executive Summary

Introduction

The policy and practice of equality and diversity are important components of building a diverse, capable Public Service that both reflects the New Zealand community it serves and is able to deliver better services to that community. Equality and diversity are about equity and fairness in employment for all, while recognising the employment aspirations of equal employment opportunities (EEO) groups: women, Māori, ethnic and minority groups, and people with disabilities.² The Commission has published reports on equality and diversity in the Public Service on a regular basis over the last two decades. Currently, such reports are published biennially. This report is the latest in this series.

In 1997, the State Services Commission (the Commission) set ambitious targets for EEO in the Public Service as part of the *EEO Policy to 2010: Future directions of EEO in the New Zealand Public Service*. The desired outcome of this policy was that all forms of unfair discrimination in employment would be eliminated by 2010. This was measured by three factors, including that *there would be employment of EEO groups at all levels in the workplace* (State Services Commission, 1997).

These targets were aggressive, and the Public Service has yet to meet them – although good progress, particularly in the representation of women at more senior levels of the Public Service, has been made. Women now account for 39.8 percent of senior management in the public service, up from 32.7 percent in 2001. As an indicator of equality, the representation of women in the senior management of the Public Service outstrips the private sector by a considerable margin. The latest Human Rights Commission *2010 Census of Women's Participation* found that women made up only 19 percent of senior management teams in the top 100 companies in the New Zealand Stock Exchange (NZSX), a representation level half that of the Public Service.

Gains have also been made in ethnic diversity, with increases in the percentages of Pacific and Asian peoples working in the Public Service, and increases in the respective percentages of Māori, Pacific and Asian managers in the Public Service.

The State Services Commissioner has a role under section 6(g) of the State Sector Act 1988 to '*promote, develop and monitor equal employment opportunities across the Public Service*'. This year the State Services Commission's (the Commission's) Equality and Diversity report has focussed on diversity in senior management.³ Its findings provide useful research and information to influence the Commission's current work programme on Leadership Development and Talent Management (LDTM), and to inform the wider State sector audience of progress and best practice for equality and diversity.

This report is based on:

- trend analysis of quantitative Public Service data relating to diversity from 2001 to 2010
- an international literature review of both the private and public sectors to provide context for the data⁴

² EEO groups are defined in the State Sector Act 1988.

³ This report focuses on women, Māori, Pacific and Asian peoples. Disability has been excluded from this report as, in addition to being the focus of the 2008 Equality and Diversity report, the Commission no longer keeps statistics.

⁴ Much of the literature focuses on gender rather than ethnicity.

- interviews with Public Service Chief Executives (CEs) and one State Services CE, Public Service senior managers, and executive recruiters to identify best practice initiatives to promote and support diversity in senior management, barriers to the growth of diversity, and advice for future leaders seeking more senior roles in the Public Service.

Diversity enhances performance

The literature indicates that workplace diversity improves performance. In mature Organisation for Economic Co-operation and Development (OECD) economies, countries with dominant male-centred policies and weak family policies experience low female labour market participation, birth rates and growth (Mortvik and Spant, 2010). Organisations that have women most strongly represented in senior management and on boards perform the best (McKinsey, 2007). Teams with a gender mix are more likely to experiment, share knowledge, complete tasks and consider a wide range of issues and options, resulting in better decision-making and service delivery that reflects the experiences and needs of the people being served (Ministry of Women’s Affairs, 2009).

These results hold true in both the private and public sectors. The OECD concludes that *‘diversity plays a part in maintaining core public values, increasing managerial efficiency, improving policy effectiveness, raising the quality of public services and enhancing social mobility’* (OECD, 2009). While most of the international literature focuses on women, many findings have wider application for other under-represented groups.

What works

International literature indicates that widespread, sustainable workplace diversity in the Public Service has four main features:

- **a widespread vision**, based on an understanding that diversity enhances performance, as well as being fair and equitable
- proactive, committed **leadership from the top down**
- **action in all areas**, including recruitment and appointment processes, flexible work practices, mentoring, coaching, up-skilling and diversity training for all managers and staff
- **accountability**, including performance indicators and targets to monitor the performance of agencies and individuals.

The New Zealand Public Service Equal Employment Opportunities Policy (the EEO Policy), published by the Commission in 2008, reflects these four features and provides government-wide advice, stating: *“the integration of equality and diversity throughout the Public Service will be a key aspect of strategic planning and performance, and CEs will provide the lead in working towards this”*.

What gets in the way

At the beginning of the decade there was a strong belief in the ‘pipeline’ theory; that is, organisations only had to get under-represented groups through the door at entry level and they would automatically rise up through the ranks, creating diversity at all levels. The reality has proved more challenging.

Key barriers that continue to affect women’s career progression may include the challenges of balancing work and family responsibilities, stereotyping and preconceptions about women’s roles and abilities, and lack of visibly successful senior role models. For Māori, Pacific and

Asian peoples, cultural differences may also come into play, along with direct and indirect discrimination. It is possible that the younger populations of Māori, Pacific and Asian populations may inhibit their representation in senior management. Meanwhile, the location of Parliament in Wellington requires Public Service head offices and most senior management roles to be based in the capital, when Māori, Pacific and Asian populations are primarily based in Auckland.

How the Public Service is doing

Since 2001, there have been gains in gender and ethnic diversity in the New Zealand Public Service.⁵ There has been a trend towards a greater proportion of female public servants, with women now making up 59.7 percent of the workforce. There have also been small increases in the percentage of Pacific and Asian peoples, although the percentage of Māori has dropped slightly. In senior management, progress in gender diversity is slow, but positive in some areas. As discussed above, the proportion of female senior managers has risen from 32.7 percent in 2001 to 39.8 percent in 2010, although the number of female CEs has declined.

The proportion of Māori in senior management has declined since 2001 to 8.3 percent, approximately half of the 16.4 percent Māori representation in the public service. The proportion of Pacific peoples in senior management has also declined slightly, while the percentage of Asian peoples remains unchanged. However, there has been an increase in overall representation in the Public Service to above seven percent each for both Pacific and Asian peoples.

Interviews conducted with State services CEs, Public Service senior managers and executive recruiters for this report indicates that their perceptions and experiences correlate with the data findings. No one interviewed questioned the benefits of diversity. However, concern was raised about the rate of progress in diversity, particularly at senior management level.

Interviews indicated there was a perception that the situation has stalled or, in some cases, is getting worse. There was also a perception that CE roles are increasingly daunting for under-represented groups, and that *'like begets like'*, creating a self-perpetuating cycle. Compounding this problem is the length of tenure of senior roles and lower turnover rate for senior managers compared with the Public Service as a whole, which means that new initiatives to improve diversity may take many years to yield results.

All interviewees stressed there is no lack of goodwill or good intentions on the part of Public Service leaders. However, current initiatives have failed to produce improved diversity in important areas, particularly CE appointments and representation of Māori and Pacific and Asian peoples in senior management.

The challenges to implementing diversity in the New Zealand Public Service align with experiences in both other jurisdictions and the private sector. Findings from international literature show that both public and private organisations around the world are grappling with the best ways to attract and retain workforces that truly reflect the diverse range of their populations, customers and client groups.

The New Zealand Public Service is doing as well as, or slightly better than, its counterparts in Australia and the United Kingdom, particularly when it comes to women in senior management. Our public sector is well ahead of the private sector if the representation of women on boards and in senior management is an accurate indicator.

⁵ The statistics in this report are for the period 30 June 2001 to 30 June 2010.

Chapter Two

Findings from the quantitative data

The quantitative data used in this report has been sourced from the Commission's Human Resource Capability (HRC) survey data (2001 – 2010) which summarises the workforce statistics on the Public Service as at 30 June each year.⁶ The data collected is anonymous unit-record data on staff in Public Service departments since 2000. Data from Statistics New Zealand's labour market surveys are also used to allow comparisons with the labour force as a whole.⁷

Table One contains snapshot diversity data as at 30 June 2010 for the Public Service and for senior managers, as well as trend data from 30 June 2001 to 30 June 2010. For the purposes of this report headcount is used rather than Full-Time Equivalent (FTE) count, as this is the standard method used to analyse diversity data.

The criteria used in this report include the following data for the Public Service and senior managers:

- gender
- ethnicity:
 - Māori
 - Pacific peoples
 - Asian peoples⁸
- agency
- hours of work:
 - full and part-time
- pay and benefits or wages and salaries.

More detailed interpretation of the data, including tables and figures, is available in Appendix One.

⁶ The Public Service covers those departments listed in the First Schedule of the State Sector Act 1988. There were 34 departments as at 30 June 2010.

⁷ The survey includes all permanent and temporary employees but does not include contractors or employees who work on a casual or as-required basis.

⁸ Ethnicity is recorded and reported based on the Statistics New Zealand 'Statistical Standard for Ethnicity 2005.' People recording more than one ethnic group are counted multiple times. Graphs and tables for ethnicity in this report are of those with a known ethnicity.

Table 1: Diversity in the Public Service

Descriptor	2001	2005	2009	2010	Change from 2001 to 2010
Public Service headcount	31,439	40,325	47,052	46,822	49%
Managers' headcount	2,874	4,005	4,861	4,952	72%
Senior managers' headcount	1,228	1,156	1,154	1,113	-9%
Tier 1 headcount	35	35	35	34	-3%
Tier 2 headcount	244	229	212	206	-16%
Tier 3 headcount	949	892	910	876	-8% ⁹
Females in PS	56.5%	59.1%	59.0%	59.7%	3.2 percentage points
Female managers	40.8%	47.2%	47.0%	47.4%	6.6 percentage points
Female senior managers	32.7%	35.6%	37.8%	39.8%	7.1 percentage points
Females in tier 1	22.9%	25.7%	18.8%	16.1%	- 6.8 percentage points
Māori in PS	17.0%	17.5%	16.2%	16.4%	-0.6 percentage points
Māori managers	11.2%	13.7%	13.3%	13.3%	2.1 percentage points
Māori senior managers	9.7%	8.3%	7.6%	8.3%	-1.4 percentage points
Pacific peoples in PS	6.6%	7.3%	7.4%	7.6%	1 percentage point
Pacific managers	3.2%	3.9%	3.6%	4.4%	1.2 percentage points
Pacific senior managers	1.9%	1.7%	1.5%	1.5%	- 0.4 percentage points
Asian peoples in PS	3.4%	5.4%	7.2%	7.4%	4 percentage points
Asian managers	1.5%	2.7%	3.1%	2.8%	1.3 percentage points
Asian senior managers	1.7%	1.5%	1.5%	1.7%	0 percentage points
Average age female	40.0 years	41.1 years	42.4 years	42.9 years	2.9 years
Average age male	42.7 years	43.7 years	44.5 years	45.0 years	2.3 years
Average age Māori	39.0 years	40.3 years	42.0 years	42.7 years	3.7 years
Average age Pacific peoples	35.1 years	36.0 years	38.1 years	38.8 years	3.7 years
Average age Asian peoples	38.9 years	38.4 years	39.4 years	40.0 years	1.1 years
Gender pay gap	17.3%	16.4%	15.4%	14.4%	- 2.9 percentage points
Māori pay gap	12.6%	12.7%	11.3%	11.4%	-1.2 percentage points
Pacific pay gap	19.2%	20.8%	19.7%	19.2%	No change
Asian pay gap	3.3%	9.6%	10.3%	10.9%	6.6 percentage points

⁹ Figures followed by a '%' symbol are based in changes in numbers, while figures followed by "percentage points" are based on a change in percentage.

Chapter Three

International literature review

Diversity enhances performance

There is growing evidence that diversity in the workplace is not just fair and equitable, it can also improve the performance and profitability of organisations and countries. Mortvik and Spant (2010) found that OECD countries with more progressive attitudes to gender equality in the workplace are likely to experience greater economic growth. Global investment banking firm Goldman Sachs (2007) went further, calculating that gender equality in the workplace could boost Gross Domestic Product by 9 percent in the United States, 13 percent in Europe and 16 percent in Japan. Closer to home, Business New Zealand CE Phil O'Reilly is on record as saying, "*If Māori and Pasifika don't succeed in the next twenty years, New Zealand will fail as a nation. It's that simple.*" (Listener, 2010)

Maitland (2009) cites London Business School research that shows the most innovative teams are those with a 50/50 gender balance. These findings are backed by Dezso and Ross (2008) whose study of United States firms found a positive association between "*innovative intensive*" firms' performance and female participation below the CE level, but no positive effects from simply having a female CE. The authors say their findings provide evidence of a "*female management style that enhances teamwork and innovation but is rendered less effective by the leadership attributes of the CE position.*"

An international study by McKinsey (2007) shows that international companies where women are most strongly represented at board or top management level are also the ones that perform best. However, there is no marked difference in organisational excellence until there are at least three women on governing bodies – in other words, when true gender diversity replaces tokenism.

A New Zealand Ministry of Women's Affairs review of international research (2009) also shows companies with women on their boards outperform those that do not. Teams with a mix of men and women are more likely to experiment, share knowledge, complete tasks and consider a wide range of issues and options, resulting in commercial decisions more in touch with customer needs. Having women on boards also provides role models that lead to more women in senior management.

In its 2008 literature review of diversity and equality, the Equal Employment Opportunities (EEO) Trust says, while it is difficult to demonstrate a direct link between workforce diversity and business outcomes, potential benefits are improved staff recruitment and retention; improved creativity, innovation and problem-solving; and improved marketing strategies and outcomes.

Pio (2010) expands on this list to include "*transnational interconnectedness, problem solving, widening the creative horizon, cooperative behaviours, reputational benefits, resource acquisition, increase of business, a wider customer base, along with singing in tune with EEO policies and HR legislation.*"

However, the EEO Trust (2008) warns that "*both positive and negative business outcomes can arise from diverse workforces*" and stresses that "*successful support of diversity depends on how policies and practices are implemented, with supportive management and workplace culture identified as critical factors.*" It also highlights the limitations of the business case approach, quoting Kirton and Greene's findings (2005) that it will not necessarily lead to fair

or equal representation of disadvantaged groups ‘as there are too many cases when it could be argued it will not pay to pursue diversity.’

A combination of approaches – ethical, social, business and legal – is most likely to produce the best workplace diversity results. In the public sector, the OECD (2009) observes that “*diversity plays a part in maintaining core public values, increasing managerial efficiency, improving policy effectiveness, raising the quality of public services, and enhancing social mobility.*” It notes that a commitment to diversity and encouragement of diverse opinions and perspectives will lead to public servants who are motivated, committed and able to develop innovative reform strategies.

The United Kingdom (UK) Cabinet Office (2008) agrees: “*Through understanding the diversity of society, by better reflecting the aspirations, experiences and needs to the people we serve and by respecting and valuing differences, we can provide the policies and services that people want from us. To do this effectively, we need a workforce with the best possible mix of existing and future talent.*”

International situation

Most of the international literature focuses on women, although many findings also apply to minority groups facing workplace barriers.

The pipeline for women is in peril, according to Catalyst, a New York City-based non-profit research group that specialises in women in business. Its survey of MBA graduates in Asia, Canada, Europe and the United States (2010) shows that when it comes to top talent, women lag behind men in advancement, compensation and career satisfaction. The findings hold true even when considering men and women with the same aspirations, and only those who did not have children.

As early as 1990, Thomas said the ‘pipeline’ approach generates a recruitment-oriented cycle that is doomed to fail. He said that while affirmative action is necessary to gain a diverse workforce, it fails to deal with the root causes of prejudice and inequality within a company and puts the burden of cultural change on the newcomers. Increasingly, the problem is not getting women and minorities in at entry level, but making better use of their potential at every level, especially middle and senior management.

Another *Catalyst/Opportunity Now* UK study of the attitudes of top-level women executives and CEs (2000) showed both groups agreed that the key barriers to women’s advancement were commitment to family responsibilities, male stereotyping and preconceptions about women’s roles and abilities, and lack of visibly successful senior female role models. However, CEs were more than twice as likely as senior women to believe that opportunities for women to advance to senior leadership in their organisations had greatly improved in the previous five years, and were more likely to believe that women hadn’t been in the pipeline long enough.

A decade later, little has changed. In the *New Zealand Listener* (2010), Barnett says most women who make it to the top are childless or keep their children from view. She quotes a recent issue of *The Economist*: “*Motherhood, not sexism, is the issue. In America, childless women earn almost as much as men, but mothers earn significantly less.*”

An unexpected finding from McKinsey (2007) was that the career choices of both male and female middle and senior managers are mainly influenced by their professional environment and personal aspirations rather than family considerations. However, almost twice as many women as men in the international survey were childless and almost twice as many were single, suggesting that women pay a higher price for success. This is confirmed by a Harvard

Business Review survey that shows the higher women climb up the corporate ladders, the fewer children they have, whereas the reverse is true for men.

McKinsey says the ‘double burden’ syndrome – the combination of work and family responsibilities – weighs heavily on women, especially when combined with the dominant ‘male’ model for rising through the ranks. They say women’s ambitions are restrained by “*an acute awareness of barriers,*” and that the decision by many to ‘opt out’ of the workforce at some point in their careers is both a result of those barriers and an additional cause of the shortfall of women in top management.

O’Neil and Bilimoria’s study of US professional women from their 20s to their 50s (2010) finds three distinct phases in women’s careers:

- idealistic achievement (ages 24-35)
- pragmatic endurance (ages 36-45)
- reinventive contribution (ages 45-59).

Organisations need to understand, recognise and support these phases to retain talented professional women.

New Zealand situation

Diversity in both public and private sector New Zealand organisations has slipped or stagnated in recent years. Most of the 364 respondents in an EEO Trust Diversity Survey (2007) said their organisation had a positive diversity culture. However, even best practice organisations showed a decline in Māori and women in senior management since 2005 (with a small increase in the number of Asian and ‘other’ ethnicities). There was also a decline in the proportion that integrated their diversity strategy into their core business strategy, prepared written action plans and trained managers in diversity management. Only 21 percent measured the effectiveness of their diversity practices.

Early indications for the 2010 Human Rights Commission stocktake of women in leadership in public and private life also suggests that improvement in many areas is likely to be minimal and has in some cases regressed. The Commission notes that the New Zealand Government ratified the United Nations’ Convention on the Elimination of Discrimination against Women (CEDAW’s) in 1985 (United Nations, 2010).

The Ministry of Women’s Affairs recorded that women made up 42.3 percent of ministerial appointees on State sector boards and committees by the end of 2008, compared with 8.7 percent on private sector boards.¹⁰

International public sector

An OECD report (2009) identifies a number of obstacles to diversity in the Public Service. Many of these obstacles relate to unclear or complex regulatory frameworks, lack of financial resources, rigid human resource management frameworks, and cultural barriers. “*These limitations need to be addressed from a whole-of-government perspective to be overcome,*” it says.

¹⁰ However, the overall percentage of women on state sector boards may be lower, as not all members are ministerial appointments.

The need for a big picture approach is a common theme. Hutchison and Eveline argue that the lack of a systematic and coordinated response to women's leadership development has resulted in a limited talent pool for leadership recruitment in the Western Australia public sector. Public sector women interviewed by Kathleen Townsend (2009) identified a number of factors in their low representation in senior management in the South Australian public service, including:

- 'anointment versus opportunity' for senior roles
- slow and bureaucratic recruitment system
- women waiting for opportunities to occur rather than looking outside their own divisions or departments
- having to give up tenure to accept an executive position
- the perceived difficulty of work/life balance
- the male culture of organisations
- low turnover of top jobs
- women going to work for the private sector or setting up their own businesses.

Hooker's study of the recruitment of under-represented groups into the senior UK civil service (2008) mentions 'old boy's networks', flat organisational structures, racial discrimination, bullying and harassment as barriers to progression.

New Zealand public sector

Australia New Zealand School of Government (ANZSOG) research (2009) looks at ways to attract more women to CE positions in the New Zealand Public Service, and makes comparisons with the Australian Commonwealth and Victorian public services. Although Australia has a slightly lower proportion of women in tiers 2 and 3, they started from a lower base and appear to have greater momentum. Key findings of the research are:

- New Zealand women are less interested than their Australian counterparts in applying for a CE position and are more likely to perceive the role negatively
- some women are more reticent than men to put themselves forward for promotion
- women need greater encouragement to apply for CE jobs
- access to targeted career support, training and development is important
- female trailblazers can encourage women to aspire to CE positions in the longer term
- women face additional trade-offs because of family commitments and child rearing.

The Commission's *Equal Employment Opportunities: Progress in the Public Service (2001)* reported "encouraging signs for the progression of women, Māori and Pacific peoples into professional and managerial roles... at a much higher rate than their current overall representation in those occupations". While noting that some barriers may still remain for women, it said, "the proportion of senior positions that are occupied by women is moving to match the overall proportion of women in the public service".

Just five years later, the Commission's midpoint review of EEO policy (2006) revealed that the policy had largely failed to meet its objectives. Reasons were not always clear. However "for most of the Public Service EEO has tended to be regarded and implemented as a human

resource practice.” The lack of sector-wide leadership, and what was perceived as “*inconsistent advice*” from the Commission further complicated the policy.

The report found departments were unclear about the right level of representation for certain groups. It said patchy progress across different departments was masked by an overall improvement for EEO groups across the sector. Smaller organisations faced capability issues, along with lack of resources and specialisation to implement the policy. Self-assessment was deemed to have failed, and uneven leadership from CEs stymied implementation and progress: “*...in the main, attempts to achieve political equality – such as EEO – have operated in such a way that ‘target groups’ have continued to be defined in relation to the existing dominant groups. In other words, these ‘target groups’ are simply added to the existing dominant power structure but the essential qualities of the structure remain the same*”.

The Commission’s second *Career Progression and Development Survey* (2005) showed an increase in levels of ambition in the New Zealand Public Service since an earlier survey in 2000, particularly for Māori and Pacific public servants. Women were less likely than men to want a senior job, but the gap between the two had significantly decreased.

The survey identified the greatest deterrents to applying for a higher-level position were lack of the right experience and qualifications, concern about balancing work and family responsibilities, no desire to locate to another area, and no desire to work additional hours.

Women were more satisfied with their careers than men, in spite of the gender pay gap, their under-representation in senior management and their high representation in low-paid occupations. However, the report warned that women are not a homogeneous group and that differences in seniority and ethnicity were likely to affect their perspectives. It also noted that some of the findings for Māori, Pacific peoples and women reflected their younger age profile. The greatest difference between Māori and Pacific peoples and other workers was the relative importance they attached to leave to meet cultural, religious or community obligations.

Research conducted (but not published) by the Commission in 2009 into the recruitment and appointment of CEs finds no evidence of intentional bias or barriers for women, Māori and other minority groups. However, it highlights the potential for indirect or unintentional bias. Key findings are that women’s rate of application for CE positions has decreased, women are less likely to be appointed when they do apply, and fewer women than men are in the ‘feeder pool’ of senior managers. If these trends continue, there will be fewer women CEs in future. The position for Māori appears to be similar, while representation of Pacific and Asian peoples in senior management positions needs to increase before there is likely to be an increase in their applications for CE roles.

Best practice

Culture change and leadership

As stated earlier in this literature review, a combination of approaches (including ethical, social, business and legal approaches) is the best way to encourage diversity. Many commentators warn that without an over-arching framework, specific initiatives will inevitably fail.

McKinsey (2007) says the efforts of European companies that are champions of gender diversity “*amount to nothing less than a cultural revolution.*” Practices will only develop when top management is convinced that diversity brings a competitive advantage and commits to implementing change, under the leadership of the CE.

Maitland (2009) agrees. She says companies leading in gender diversity display three characteristics. They have:

- understood the wider reasons for change and why their own company culture must change
- led the gender drive from the top and ensured that male, as well as female, leaders are deeply involved
- shifted their focus from getting women to adopt, and adapt to, ‘male’ patterns of behaviour.

Thomas (1990) argues that a move from affirmative action to affirming diversity is required. Organisations need to be clear about their motivation and vision to fully tap the human resource potential of every member of the workforce; change corporate culture, assumptions, systems and models; expand the focus of diversity to include age, background, education, function and personality differences; and understand that managing diversity is a change process, and managers need support to implement it.

Pio (2010) says while blatant racism is practically non-existent in New Zealand workplaces, hidden bias is “*alive and kicking.*” Proactive policies and practices are needed, including mentoring, recurring and mandatory training of managers and supervisors, organisational diversity assessment with periodic monitoring and analysis, along with appropriate authority and resources.

With regard to the public sector, the OECD (2009) says, “... *the most advanced diversity initiatives contain a vision statement linked to political commitment of government to pursue diversity as part of the government’s political, social and economic agenda. A government-wide vision helps to tie diversity initiatives with broader strategic and reform objectives.*”

Changing behaviour to create a civil service-wide inclusive culture is the key theme of the 2008 UK strategy ‘to embed diversity in every aspect of civil service’, underpinned by strong leadership and talent management systems. A Diversity Champions’ Network has been formed to guide the strategy and support individual departments’ action plans.

Hutchison and Eveline (2007) identify the need for public sector organisations in Western Australia to adopt a holistic approach if they want to attract and retain women leaders. They recommend implementation of a sector-wide leadership development framework and appointment of a government minister solely responsible for women’s leadership development, supported by a single unit.

Recruitment

Adapting the human resources management system to ensure recruitment, appraisal and career management systems do not hold women back is one of four best practices identified by McKinsey (2007) as essential for the development of gender diversity.

The Corporate Leadership Council's research into Fortune's 50 best companies for minorities (2004) suggests those that have the best diversity practice in senior positions hire internally (and that external recruitment companies place very few candidates of this kind). Instead, effective employee development programmes, mentoring, affinity groups and strategic entry-level hiring produce effective succession options.

On the other hand, Kathleen Townsend (2009) says the use of external agencies is critical to 'widen the net' and increase the volume of applications from women and candidates outside the public sector. She says approaching candidates directly is an effective way of targeting specific groups, and setting requirements for firms to show evidence of their efforts to attract female candidates would not be unreasonable. *"Having a target of a minimum percentage of women, unless there is clear counter argument, is worth considering."*

In 2009, the Commission looked at how to encourage diversity and support candidates throughout the CE recruitment and appointment process. The research provided recommendations on improved systems for collecting and monitoring information on the gender and ethnicity of candidates, understanding candidates' aspirations, perceptions and experiences of the process, and setting expectations of those involved in recruitment and appointment to ensure they encourage and support diversity. The research also provided an implementation plan to improve care of candidates throughout the process, particularly to ensure that unsuccessful candidates are not discouraged from applying for other CE roles.

A year earlier, the Commission analysed the impact of the Leadership Development Centre on CE appointments. From February 2007 to September 2008, 48 candidates were short listed for 12 Public Service appointments and the Parliamentary Counsel Office. Of the 44 from the state sector, almost half (fifteen men and five women) were or had been in the Leadership Development Centre executive leadership programme and, of these, four men were appointed. Ten other members of the ELP/ALP (nine men, one woman) also applied for roles but were not short-listed.

Positive discrimination

Implementing key performance indicators (such as the proportion of women in various business groups and levels of management, pay levels and attrition rates between men and women in similar functions, and the ratio of women promoted to those eligible for promotion) is the first of four best practices identified by McKinsey (2007) as essential for the development of gender diversity. This will raise awareness of the gaps and define priorities for action, they say. However, quotas are not appropriate *"as their secondary effects are viewed as unacceptable by our interviewees."*

Other commentators also question the appropriateness of targets. Greer and Virick (2008) say a 'talent pool' approach is better than a targeted position-specific approach. Positive discrimination, or special programmes may be hampered by the stigma of special treatment and often fail when their champions leave.

On the other hand, research by Rutherford and Ollerearnshaw (2002) into private and public sector organisations in the UK shows that "despite reservations about terminology and fear of a 'quota' mentality, the leading organisations felt that they needed to set some specific equality and diversity targets or goals." Seventy-nine percent of respondents explicitly considered

diversity and equality in setting organisation-wide objectives and many had senior executive and board objectives on diversity.

The UK diversity strategy also sets targets for representation of women, people from minority ethnic backgrounds and disabled people in the senior civil service, as do some Australian state governments. Australian women interviewed by Townsend (2009) did not want to gain or hold a position merely because of a target mandated by government. However, recently appointed executives noted that the targets probably did influence the decision-makers making their appointments.

Training and development

McKinsey (2007) says women's under-representation in some fields, especially engineering and management, deprives them of a large number of potential jobs, especially in top management. To speed up change, they say, requires redefinitions of 'men's jobs' and 'women's jobs' at an early age, giving greater prominence to career advice in secondary schools, and redesigning top executive profiles to enable leadership positions to be reached through other career tracks than those currently in favour.

The Commission's *Career Progression and Development Survey* (2005) says the two most significant barriers to career advancement for Māori and Pacific staff are not having the right experience or qualifications. It says supporting staff to gain further qualifications and access to study leave will improve career advancement opportunities for these groups, while providing opportunities for on-the-job training and experience in a range of tasks is also important.

Mentoring

Helping women to "*master the dominant codes*" and nurturing their ambition through coaching, network-building and mentoring is one of four best practices identified by McKinsey (2007) as essential for the development of gender diversity.

Most commentators agree about the importance of mentoring. Greer and Virick (2008) say mentoring is particularly successful when mentors are paired with those coming from the same group as the person being mentored. However, Hewlett (2010) warns that women's networks sometimes offer support without assisting women to successfully progress to the next level. She says what women need is a sponsor. "*More than a mentor, this is someone in a senior position who's willing to advocate for and facilitate career moves, make introductions to the right people, translate and teach the secret language of success.*"

In 2010, the Australian Institute of Company Directors launched the ASX 200 Chairman's Mentoring Programme, involving 56 of Australia's leading ASX 200 chairmen and experienced directors mentoring 63 'highly talented' women over a period of 12 months. Townsend (2009) notes a similar scheme has been initiated by American Express.

The Commission's *Career Progression and Development Survey* 2005 shows nearly all public servants who had mentors reported that it had assisted their career development. Managers, women, Māori and Pacific public servants were most likely to be mentored, and most mentoring relationships were informal.

Flexible work practices

Implementing measures to facilitate work-life balance (including flexible working hours and career flexibility and support during breaks such as maternity leave) is the second of four best practices identified by McKinsey (2007) as essential for the development of gender diversity.

Townsend (2009) says some women are concerned that taking flexible work options early in their careers may slow their promotion prospects. However, such options are generally seen as positive, especially when accompanied by committed leadership from the CE and the HR director. She gives the example of eight new work/life balance policies introduced by the South Australian Department of Premier and Cabinet in 2007, which led to an increase of women in the senior executive from 32 percent to 41 percent the following year.

The Commission's *Career Progression and Development Survey* (2005) found that flexible working hours were highly valued by both genders, and was the work-life factor both were most satisfied with. However, results showed women still take more responsibility than men for the care of dependants and that this impacts more on their working lives.

A Human Rights Commission review (2009) reports that of the 77 Crown entities that reported on flexible work practices, a little more than half provided evidence of formal flexible work policies, many of which go beyond legislative requirements, and the rest said they offered staff a variety of flexible work arrangements.

Age

An Equal Employment Opportunities Trust (EEO) report on workplace ageing and gender (July 2009) concludes that changing demographics mean employers in all occupational areas need to adopt employment practices that are more attractive to older workers. This is backed up by a KPMG International study (2009) that says many public sector organisations appear worryingly slow to react to the challenges of an aging society. While New Zealand was not included in the countries surveyed, it showed only around a third believe that that its senior management is serious about this issue and taking active steps to address its implications.

Personal responsibility

Some commentators note that credit must go to women and minorities who do succeed in rising through the ranks. Senior UK women executives and CEs in a *Catalyst/Opportunity Now* study (2000) attributed their career success to consistently exceeding performance expectations, developing a style with which male managers were comfortable, and developing and adhering to their own career goals.

Kathleen Townsend came to a similar conclusion after interviewing women in the South Australian public service. “Overall, those who were successful at the executive level had realised that they had taken responsibility for their career advancement themselves,” she says.

Chapter 4

Findings from the qualitative data (interviews)

Interview methodology

Fourteen Public Service CEs and one State Services CE were interviewed, from a range of sectors and sizes of agency. Fifteen tier 2 and 3 managers were interviewed from a range of agencies and sectors including a mix of male and female, Māori, and Pacific and Asian peoples. The tier 2 and 3 managers who were invited to be interviewed were drawn from the Leadership Development Centre (LDC) database, or were recommended by CEs or SSC Deputy Commissioners and State Sector Performance Specialists. Two executive recruiters were also interviewed.

The interviews were 30 to 60 minutes long and consisted of three broad questions listed below.

Question 1

- Can you describe any examples of initiatives/policies which promote, and/or are seen as successfully increasing diversity in senior leadership, either in your current organisation or another one?

Question 2

- What do you see as some of the barriers to becoming a CE, either from your own experience or what you have observed?

Question 3

- Do you have any advice for anyone wishing to become and/or prepare to become a CE?

Hand notes were taken at each interview and interviewees were given the opportunity to review and amend any text from their interviews which was included in the report. All attempts have been made to ensure that direct quotes are not attributable to individuals and confidentiality maintained.

It should be emphasised that these interviews do not provide quantitative data or necessarily record issues of fact. Their aim is to highlight the perceptions and attitudes of a sample of New Zealand Public Service CEs and senior managers, and to demonstrate the thinking that is likely to be highly influential in determining their behaviour.

No CEs who were approached declined to be interviewed and one CE volunteered to be interviewed. However, several tier 2 and 3 managers who were invited for interview declined to do so giving a range of reasons.

- Some deferred to the human resources manager or a more senior manager than themselves (perhaps misunderstanding that one of the main purposes of the interview was not seeking an organisational perspective but a personal one).
- Some Māori and Pacific managers stated they did not wish to be interviewed as they were “*tired of being singled out for such things on the basis of being Māori or Pacific.*”
- Some female, Māori and Pacific managers stated they did not wish to be seen as ‘*role models*’ as they didn’t consider themselves as such.
- Some female managers declined, saying they were “*jaded and cynical – had heard it all before and nothing changes.*”

Some CEs and several of the tier 2 and 3 managers chose not to speak so much from their own personal perspective, carefully speaking about the organisation, issues in general or in the third person.

Interview findings

Introduction

No one interviewed questioned the benefits of diverse representation of women, Māori, Pacific peoples and other ethnicities in the public sector. However, many interviewees, both men and women, expressed concern about diversity progress, particularly at senior management level. In fact, there was a strong perception that gender diversity is getting worse, symbolised by the inclusion of only one woman in 19 CE appointments from November 2004 to June 2009.

Concern about ethnic diversity was stronger. Most interviewees focussed on Māori whose representation in senior management has declined slightly in the last decade. The situation is even worse for Pacific and Asian peoples who each make up around seven percent of the public sector workforce, but less than two percent of senior management.

In line with the literature review, several interviewees stressed the direct relationship between diversity and organisational performance, citing a loss of creativity, talent and understanding in leadership teams without gender and ethnic diversity. One said a senior management team can never reflect the whole of New Zealand so the focus of their agency was to be able to access diverse networks. Another said it is harder to make an argument for positive discrimination in a department that doesn't have a large Māori or Pacific client base, adding that more diversity of perspective leads to richer outcomes and better group dynamics, but would not necessarily make the department more productive.

Culture change and leadership

Several interviewees said a complete culture change is needed to make workplace diversity a reality in the public sector. One expected the situation to get worse as small agencies were merged into larger ones. Another said women will start to fight back, but the situation is so bad for Maori that they may not have the numbers to do so.

A number of women said there was a lot of sexism in the sector, particularly in the Commission and other key 'feeder' agencies. Several had left departments because of inflexible working conditions, lack of encouragement and perceived discrimination. Most said discrimination was usually indirect rather than overt, partly because of the difficulty of proving a direct link with decision-making.

Many women said female characteristics were judged unfairly. Most were reluctant to give specific examples, one expressing the view that "*it wouldn't be particularly safe.*" However, a few spoke of deliberately deciding to feminise or tone down their appearance and style to be seen as less challenging by men.

Racism was another area of concern, mostly but not always covert. One interviewee said the accent of people who speak English as a second language was a barrier to progression, citing "*a real lack of support for groups who are not Māori or Pacific that flows through into policy development.*"

While most CEs were keen to support diversity in principle, some found the reality more challenging. However, a female CE said she could only assume from the lack of progress that people were not thinking hard enough about diversity. "*If we really wanted it to be different, it would be.*"

Lack of leadership from the Commissioner, the Commission and the government was a common complaint. Interviewees also spoke of the need for better role modelling, a planned approach and active management to improve the diversity of the sector. *“There is no sense of urgency and commitment,”* said one CE.

CE recruitment

Many interview comments mirrored the findings of the Commission’s 2009 research into its processes for the recruitment and appointment of CEs.

There was general agreement that the application process is gruelling and time-consuming. A number of people mentioned the demanding workload, lack of support and loneliness of the CE job. Many referred to its increasing complexity, politicisation and public scrutiny. Several said it is difficult to attract applicants from outside New Zealand because of relatively generous public service pension schemes in other countries.

For some, the pitfalls of the CE role outweigh the rewards. Second tier roles can be meaty and interesting, they said, without the same exposure or risks. However, one female CE questioned whether the myths are accurate, and said anyone wanting to become a CE should talk to those already doing the job *“to demystify it.”*

Another female CE concluded that the barriers are not to do with gender or ethnicity but *“personal issues”*. Many others, however, felt the selection process, and the CE role itself, is weighted against women, Māori, Pacific peoples and other minority groups.

Everyone stressed the importance of appointing on merit. However core criteria (such as being assertive and other ‘masculine’ qualities) were seen to inadvertently exclude women and minority groups who internalised such barriers and lost confidence in their ability to go for top roles.

A number of interviewees, both men and women, described the current group of CEs as an *“old boys’ club.”* Many stressed that CEs are generally supportive and welcoming, and *“there is no bad behaviour as such.”* However, there was a widespread view that the make-up and style of the group, and the focus on financial experience, is too narrow and exclusive.

A number of interviewees said the net for CE applicants should be spread more widely, particularly to people in crown entities and local government. Opinion was divided about the transferability of private sector skills, particularly at the top level. Several people commented on the Australian system of talent management, ‘shoulder-tapping’ CEs and moving them around. While there was a feeling that this is too directive, one person said *“we need some mid-point between that and our laissez-faire approach.”*

Senior management recruitment

Many of the same issues around diversity arose for senior managers as for CEs, including invisible bias in their recruitment and selection.

Several CEs pointed the finger at recruiters. One said a recruiter had suggested that payment could be withheld until recruiters produce a diverse pool of candidates. Another said, *“An open contest that is merit-based will not deliver diversity. Departments need an EEO programme that will reach down and pull those groups [women, Māori and Pacific peoples] through.”*

A few CEs said they consciously consider the overall mix of their workforce and senior management team, rather than making individual appointments in a vacuum. To be effective, there must be at least two Māori in the team, one said. However, a recruiter said he didn’t

often hear CEs talk about getting a diversity balance in their senior management teams. *“They are focussed on the individual, not the demographics.”*

Lack of confidence in their ability to be senior managers – believing that it’s possible and putting themselves forward – was seen as a barrier for women, Māori, Pacific peoples and other minorities. *“When it comes to applying for a future role, women worry about the 25 percent of the job they can’t do, men focus on the 75 percent they feel they can do,”* said one CE.

The location of most senior roles in Wellington, requiring those working in the regions to uproot their families, was also cited as a barrier to progression.

A number of interviewees said Māori and Pacific peoples face an additional burden in terms of the expectations of their communities. Several said talented Māori are being attracted to work for iwi, especially as their asset bases increase. However, others saw this as a convenient excuse for the poor representation of Maori in public sector senior management. Few brought up the representation of other ethnic minorities in senior management except to acknowledge their absence. None spoke of specific initiatives to encourage greater diversity in this area.

Positive discrimination

Many organisations have generic leadership development and talent management programmes. However, only a few interviewees gave examples of specific initiatives to improve diversity. This does not mean there are none. HR staff sometimes emailed through examples following the interviews but it does suggest that senior managers (including CEs) are not always aware of diversity programmes operating in their own departments.

As in the literature review, people were ambivalent about special treatment for disadvantaged groups. They said quotas risk putting people in positions they’re not equipped for and setting them up to fail, while others said special treatment often created resentment and ghettos.

However, one CE said a lot of preliminary work was necessary to get minorities ready for mainstream programmes. Another said a balance of women, Māori and Pacific peoples should be considered for all training opportunities. *“You have to be thinking about it all the time.”*

Training and Development

‘Increasing diversity’ is one goal of the sector’s flagship leadership initiative, the Public Sector Advanced Leadership Programme. A number of interviewees said they had found the programme a good way to expand their networks. However, there was some criticism about its relevance and outcomes. Concern was also expressed about the fairness of selection processes.

Some interviewees, including a CE, did not appear to know about Maranga Tira, the Commission’s leadership and mentoring programme for Māori managers. One CE said several staff had found Maranga Tira useful, but several people said it was seen as a *“second-class”* programme and was not taken seriously.

One person said diversity needs to be explicitly built into the development of talent, *“including the barriers to ethnicity.”* Another said training for all managers should include a component of diversity training.

A number of interviewees considered secondments and acting roles the best way to learn new skills, provide a breadth of experience, and create bridges within and between organisations, at relatively low risk to the person and the organisation. Disappointment was expressed that a number of graduate and internship programmes have been axed.

Mentoring/role models

Most interviewees stressed the importance of mentoring as a way of building confidence and skills. This concurs with the Commission's Career Progression and Development Survey 2005 that showed nearly all public servants who had mentors said it had assisted their career development. It also found that managers, women, Māori and Pacific public servants were most likely to be mentored. Some women referred to the informal support provided by women's networks.

Most interviewees said women, Māori, Pacific people and minorities in senior management are role models, whether they like it or not. A number said strong support from someone higher up had been critical in their own career development.

Flexible work practices

Several CEs stressed that their agencies' flexible work practices are designed to help all staff manage their family responsibilities.

A number of women (including CEs and some who had children) denied that family responsibilities had been a barrier to their success. One woman who chose to have children before pursuing her career said raising a family develops valuable skills and shouldn't be viewed as a loss. However, another felt the same choice had held her back, while a third made the point that *"women choose consultancy rather than going up the ladder as it offers more flexibility."*

The location of CE roles and head offices in Wellington was generally seen as a given, because of the need for proximity to Ministers and the political process. An interviewee said that having to relocate to the capital for most senior roles is a barrier. *"My family lives here in Auckland; we're a large family and we do a lot together."* They didn't mind travelling but *"it's the length of time away that is an issue. My [child] comes first."* At the same time, a male CE observed that men are more willing to uproot their families to get advancement, while women *"won't or can't."*

CEs of both sexes said there had to be a balance between flexible work practices and the organisation's performance. A female CE said a business group created a performance problem when they allowed too many people to take part-time work. *"You don't want to be making allowances for individual's lives to the detriment of the business. It also fosters discontent among employees who are still working full-time."*

Opinion differed around the feasibility of part-time work for senior managers, with most saying it would be difficult to be a part-time CE.

Advice for those aspiring to become a CE

The most common advice for anyone wanting to become a CE is to get a broad range of experience. However, one CE warned that diverse experience is not always desirable if it forces people to work in an environment they don't enjoy.

Equality and diversity programmes operating in Public Service departments

This section identifies a number of initiatives to encourage gender and ethnic diversity in Public Service agencies. It is not comprehensive.

- The **Department of Corrections**, in line with its strategic goal to succeed with Maori offenders, has recognised it needs to deliver its programmes in a context where all leaders and staff understand and are skilled and confident in Te Ao Maori (the Maori

world view). This has been integrated throughout all its new leadership competencies, rather than being relegated to a single competency. The department says confidence and competence in Te Ao Maori can only come from repeated exposure to te reo, processes such as mihimihi and powhiri, and key concepts such as manaakitanga and whanaungatanga, and this is being built into all departmental leadership training as appropriate.

- The **Inland Revenue Department** has created a Diversity Framework 2009-2012 that aims to support the development of its diverse workforce, build organisational understanding of diversity and promote an inclusive culture. The immediate focus is on ethnicity, age and disability because, it says, there is high representation of women in the organisation as a whole and good representation at senior management levels.
- The **Ministry of Pacific Island Affairs (MPIA)** has set up a programme to improve analytical and research skills among Pacific staff within MPIA that also has participants from other State Sector agencies. Auckland University of Technology provides academic oversight and teaching in the first half of the year, and the second-half programme content is designed with input from the Ministry and participating agencies. Teaching is done onsite and offered via videoconference in its Auckland and Christchurch regional offices.
- **MPIA** is also involved in setting up the Leadership Development Centre (LDC) Pacific Leadership Development Programme, designed for Pacific State Sector servants capable of assuming senior leadership and management roles in the sector.
- The **Ministry of Social Development (MSD)** has set up the Te Aratiatia programme to prepare potential Māori and Pacific staff to progress into a management role. The programme is based around formal assessment, on and off the job learning opportunities, and ongoing coaching and development. It is unique in that it combines Māori and Pacific cultures.
- **MSD** also runs Te Aka Matua, a senior development programme for Māori and Pacific managers who show potential to lead and manage at a senior management level. There are six places, and the programme includes support to complete a Masters level tertiary qualification.
- **MSD** has created a Women's Development Forum for current and emerging MSD female leaders, to hear from successful role models and learn new strategies to manage their own careers.
- **MSD** has a full-time talent scout whose job is to look for talent both inside and outside MSD. It also holds a 'People Forum' twice a year where senior managers consider every individual staff member down to tier 4, looking at their careers and potential.
- The **National Library** has an internship programme for hiring young Māori in particular and supporting them in tertiary qualifications while they work.

Actions

The actions listed below, drawn from the data collection and analysis, literature review and interviews, have provided a rich source of material to form a picture of the state of diversity in senior management in the New Zealand Public Service. The Commission acknowledges and notes the findings presented in this report.

It is the Commission's intention that these findings should inform strategy and action for encouraging and growing diversity for the Commission, CEs and Public Service agencies, and other stakeholders such as the Leadership Development Centre. The activities that will be used to do this are listed below.

The Commission is committed to integrating its diversity efforts into its existing work programmes in a number of ways.

It will:

- include measures on growing and supporting diversity in senior management (and at other levels) in CEs' performance plans and assessments
- use the report findings to influence the Leadership Development and Talent Management (LDTM) work programme
- address its role in facilitating formal talent mentoring across the Public Service, with all Deputy Commissioners having a formal mentoring role.

CEs and Public Service departments are encouraged to:

- collect and analyse diversity in senior management data regularly and use this to inform organisation development strategies and programmes including recruitment and retention, leadership and development, career development, secondments and talent management
- include measures on growing and supporting diversity in senior management (and at other levels) in managers' and senior managers' performance plans and assessments
- collaborate and communicate with each other and provide input into senior management recruitment across the system; eg talent identification and development.

Appendix 1

Detail of quantitative data

Table 1 shows the proportion of women, Māori, and Pacific and Asian peoples in senior management roles. The proportion of women in senior management increased from 32.7 percent as at 30 June 2001 to 39.8 percent as at 30 June 2010. Representation of Māori and Pacific peoples dropped slightly in the same period, from 9.7 percent to 8.3 percent, and from 1.9 to 1.5 percent respectively. The representation of Asian peoples fluctuated slightly through the decade, but was at the same level (1.7 percent) in 2010 as it was in 2001.

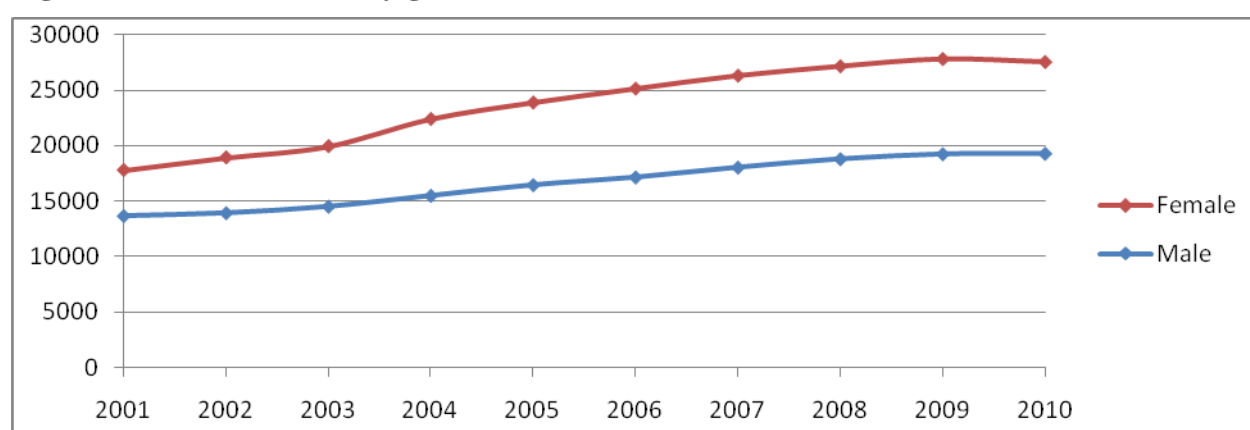
Table 1 Diversity in senior management, 30 June 2001 to 30 June 2010

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Public Service Workforce (2010)
Women (%)	32.7	35.5	35.1	36.2	35.6	37.7	37.8	38.4	37.8	39.8	58.7
Māori (%)	9.7	10.4	10.2	10.1	8.3	8.2	9.1	9.0	7.7	8.3	16.4
Pacific peoples (%)	1.9	1.6	1.4	1.3	1.7	1.7	1.7	1.3	1.5	1.5	7.6
Asian peoples (%)	1.7	1.4	1.4	1.3	1.5	1.6	1.5	1.4	1.5	1.7	7.4

Gender

The proportion of women in the Public Service as at 30 June 2010 was 59 percent, compared with 47 percent in the employed labour force.

Figure 1 Staff numbers by gender, 30 June 2001 to 30 June 2010



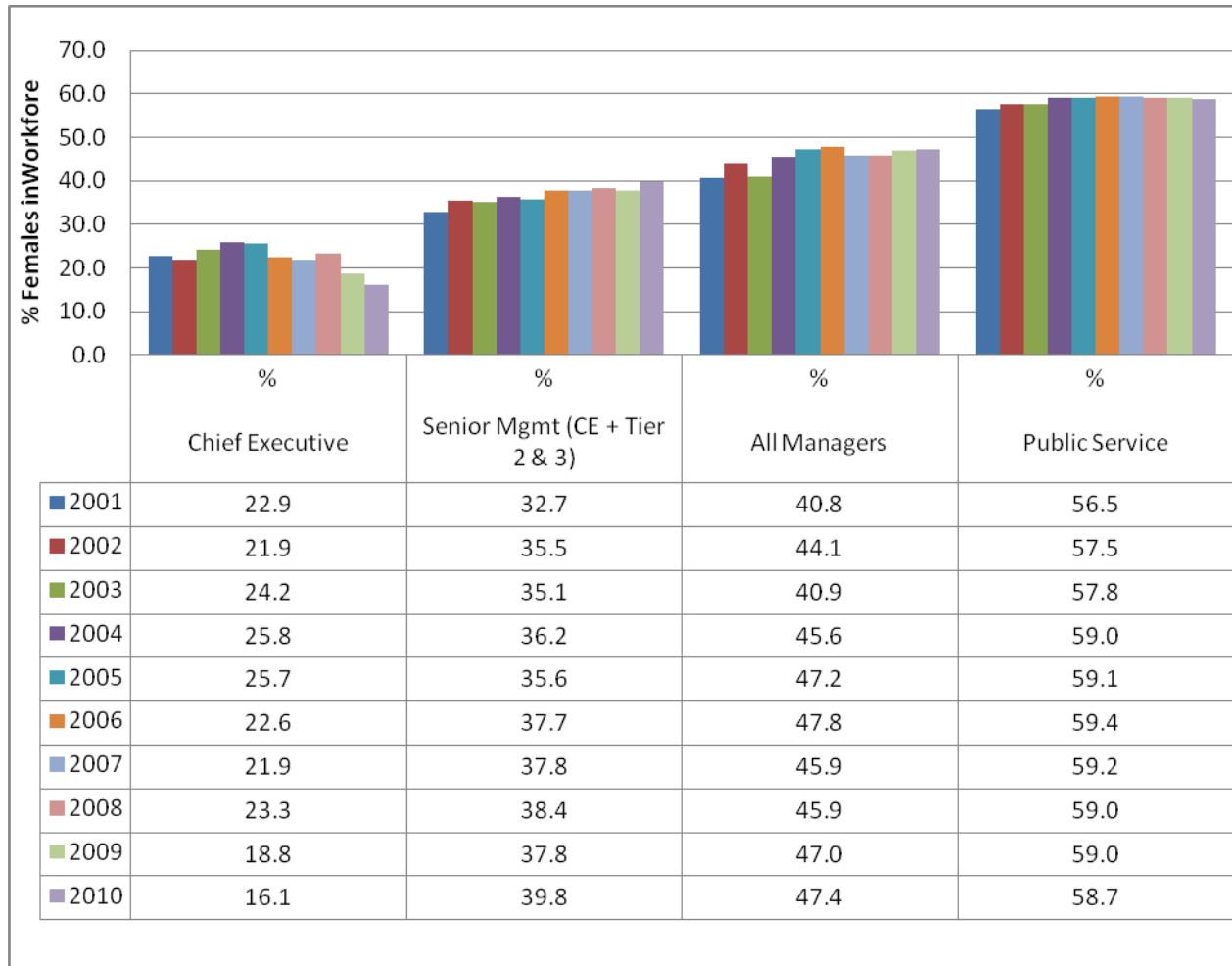
As can be seen in Figure 1 above, the number of women in the Public Service has increased at a faster rate than the number of men at certain points in the decade.

For the period 30 June 2001 to 30 June 2010 the percentage of women in the following categories were as listed below (refer also to Figure 2):

- Public Service increased from 56.5 percent to 59.7 percent

- women managers increased from 40.8 percent to 47.4 percent
- women in senior management increased from 32.7 percent to 39.8 percent
- women CEs decreased from 22.9 percent to 16.1 percent.

Figure 2 Female representation in the Public Service and management, 30 June 2001 to 30 June 2010



The data suggests that there is a link between the number of females in a department and their representation in senior management. As a general rule, better female representation at all levels of the department is reflected in higher female representation at senior management levels. This is demonstrated in Figure 3, which compares female representation in the Public Service and senior management by department (as at 30 June 2010).

The three departments with the highest representation of women were the Ministry of Women’s Affairs (82.9%), the Ministry of Education (80.1%) and MSD (72.8%). The three departments with the lowest representation of women were the Government Communications Security Bureau (30.4%), the Ministry of Defence (33.3%) and the Ministry of Fisheries (33.5%)

Figure 3 Percentage of females by department and percentage of females in senior management, as at 30 June 2010



Gender and pay

As at 30 June 2010, the average salary for men in the Public Service was \$69,544 and \$59,522 for women. The gender pay gap has reduced from 15.4 percent at 30 June 2009 to 14.4 percent at 30 June 2010. The rate of increase in average salary was 1.9% percent for women and 0.8% for men. The gender pay gap in the Public Service for the years 2001 to 2010 has dropped from 17.4 to 14.4 percent.

Figure 4 Average female salaries as percentage of average male salary, 30 June 2001 to 30 June 2010

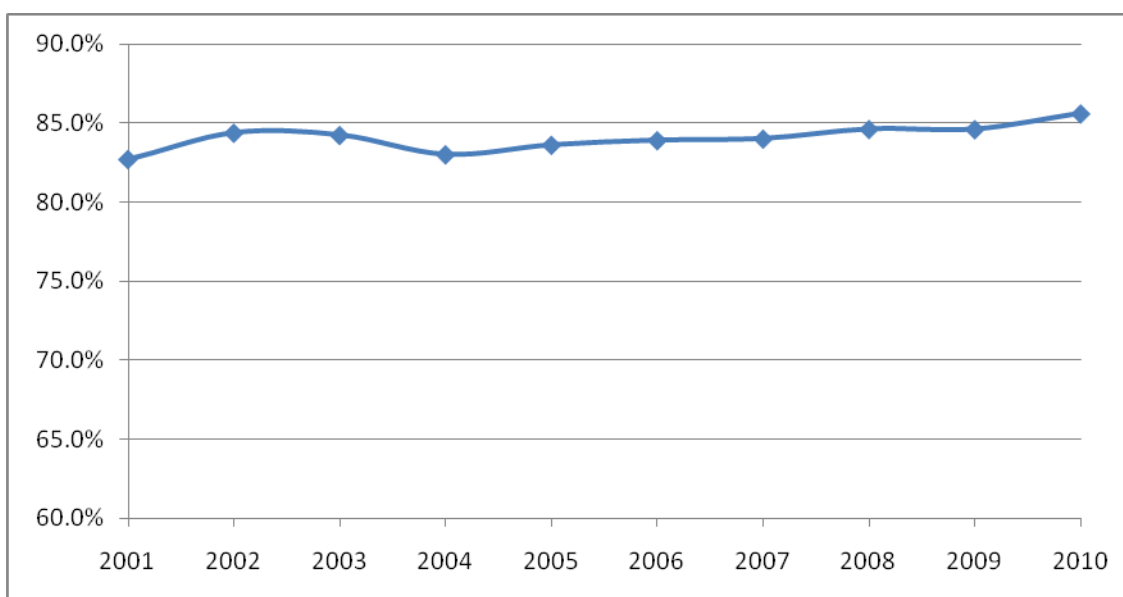


Table 2 Percentage gender pay gaps, 30 June 2001 to 30 June 2010

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Gender Pay Gap	17.4%	15.6%	15.8%	16.9%	16.4%	16.1%	16%	15.4%	15.4%	14.4%

Table 2 gives the percentage gender pay gaps from 30 June 2001 to 30 June 2010. Pay gaps by occupation group are lower than the overall pay gap, and range from 1.0 percent for contact centre workers through to 13.6 percent for managers.

Ethnicity

The ethnic diversity of the Public Service for the period 30 June 2001 to 30 June 2010 is shown in Table 3 below.¹¹ The representation of Asian peoples in the Public Service increased again in the year to 30 June 2010, although at a slightly slower rate compared to the past five years. If the Asian ethnic group continues to increase at similar rates, it may overtake Pacific peoples as the third largest ethnic group in the Public Service within the next few years.

Ethnicity statistics are representative of Public Service employees who have chosen to declare an ethnicity. Percentages will equal more than 100% as a person can identify with more than one ethnicity.

Table 3 Representation of ethnic groups in the Public Service, 30 June 2001 to 30 June 2010

	2001	2002	2003	2004	2005	2006	2007	2008	2009 ¹²	2010
Māori (%)	17.0	17.6	17.6	17.4	17.5	16.7	16.8	16.7	16.2	16.4
Pacific peoples (%)	6.6	6.8	7.1	7.1	7.3	7.4	7.6	7.8	7.4	7.6
Asian peoples (%)	3.4	3.6	4.2	4.7	5.4	5.9	6.5	6.9	7.2	7.4
European, including New Zealand European (%)	82.5	82.5	81.6	79.4	79.0	77.5	76.3	75.6	74.0	75.7
Middle Eastern, Latin American, African (%)	0.2	0.3	0.3	0.4	0.4	0.5	0.7	0.9	0.9	1.0
Other Ethnic Groups, including those responding as New Zealanders (%)	NA	NA	NA	1.4	1.2	3.5	3.4	3.4	4.2	4.0

¹¹ Ethnicity is recorded and reported based on the Statistics New Zealand 'Statistical Standard for Ethnicity 2005'. People recording more than one ethnic group are counted multiple times. Percentages in Table 3 are of those with a known ethnicity.

¹² Since the 2008 survey, a new payroll system was introduced at IRD. As part of this change employees had the option to review their ethnicity which resulted in a reduction in the proportion of employees with an unknown or unrecorded ethnicity and an increase in the number of employees responding as New Zealander.

Ethnicity by department

Māori representation across Public Service departments compared with the representation of Māori in senior management is shown in the individual department summaries as at 30 June 2010.

The Serious Fraud Office and the CEs have no employees identifying as Māori in their workforce or in senior management.

The following agencies have Māori representation in their workforces but no Māori in senior management:

- Ministry of Economic Development
- Ministry for Culture and Heritage
- New Zealand Customs Service
- Department of Prime Minister and Cabinet
- Land Information New Zealand
- The Treasury
- Inland Revenue Department
- Ministry of Transport
- State Services Commission
- Ministry of Pacific Island Affairs
- Ministry of Research, Science and Technology.

The following departments have a high representation of Māori in their workforce but comparatively low representation of Māori in senior management:

- Ministry for the Environment – 20% Māori and 3.0% Māori in senior management
- Department of Corrections – 24% Māori and 7.4% Māori in senior management
- Ministry of Social Development – 23.2% Māori and 11.2% Māori in senior management.

The following departments have a higher representation of Māori in senior management than in their total workforce:

- Ministry of Education
- Ministry of Health
- Ministry of Fisheries
- Education Review Office
- Ministry of Defence.

The Ministry for Māori Development has about the same level of Māori representation in their workforce as in senior management.

Ethnicity and pay

Table 4 below shows ethnic pay gaps in the Public Service from 30 June 2001 to 30 June 2010. The pay gap between Māori and non-Māori decreased from 12.6 to 11.4 percent. The pay gap between Pacific peoples and non-Pacific peoples fluctuated slightly with the decade, but has

remained the same at 19.2 percent in 2010 as it had been in 2001. The pay gap between Asian peoples and non-Asian peoples grew from 3.3 to 10.9 within the same period.

These pay gaps closely match the Labour Force Survey ethnic pay gaps for Māori and Pacific and Asian peoples.

Table 4 Ethnic pay gaps, 30 June 2001 to 30 June 2010

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Labour Force Survey 2010
Māori (%)	12.6	12.1	13.4	13.6	12.7	12.1	11.5	11.7	11.3	11.4	11.9
Pacific peoples (%)	19.2	19.2	20.6	19.8	20.8	20.8	19.8	19.8	19.7	19.2	18.3
Asian peoples (%)	3.3	4.7	7.1	7.9	9.6	9.3	10.1	9.8	10.3	10.9	9.2

Hours of work

Statistics New Zealand define ‘full-time’ employment as usually working more than 30 hours per week. For the purposes of this report part-time has been defined as an employee working <1 Full-Time Equivalent.

More female employees work part-time in the Public Service than do males. The data has changed little in the period 30 June 2001 to 30 June 2010, as depicted in Figures 17 and 18 below.

Figure 5 Public Service female employee numbers by full and part-time, 30 June 2001 to 30 June 2010

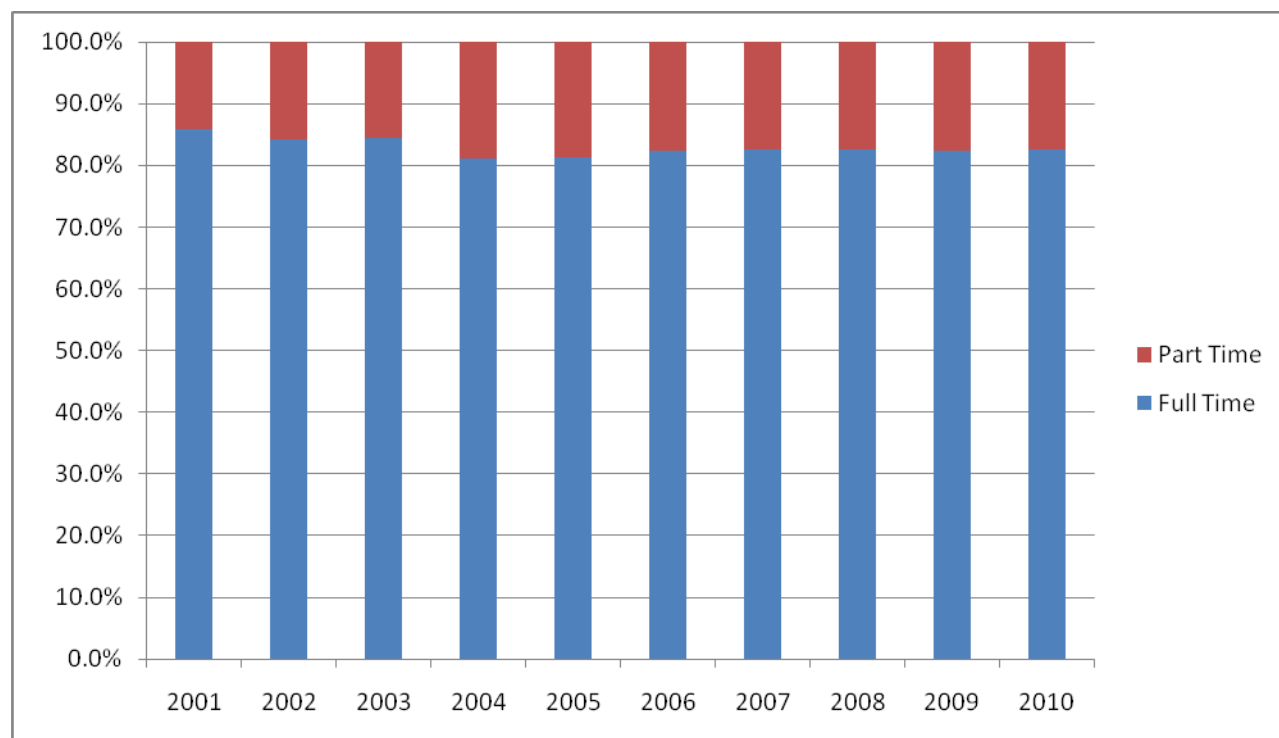
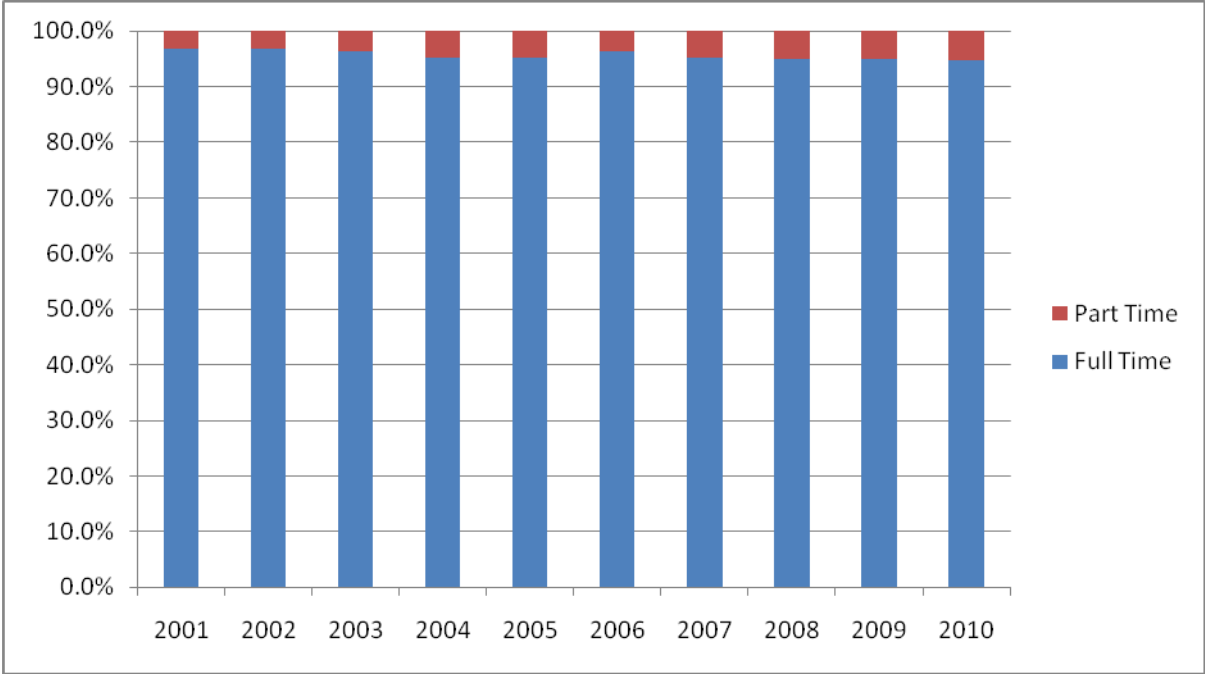


Figure 6 Public Service male employees by full- and part-time, 30 June 2001 to 30 June 2010



Appendix Two

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Human Resource Capability

IN THE NEW ZEALAND STATE SECTOR

— 2015 —

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Commissioner's Foreword



This Human Resource Capability (HRC) survey of Public Service departments provides a wide range of insights and information on New Zealand's Public Service and State services workforce. The report gives information on trends and changes that individual agencies and the Public Service 'system' can draw on to plan for future

needs and address current or forecast workforce pressure points.

It is vital that the Public Service represents the public it serves. We need to have a workforce that reflects the diverse population of New Zealand, and is led by people who, regardless of their personal background, can engage with and respond to our many different communities. This is especially true in Auckland, which continues to grow rapidly and is now one of the most ethnically diverse cities in the world.

This report is a snapshot of how diverse the Public Service is, both as a total workforce and the senior leadership as a group. As State Services Commissioner I am responsible for the appointment of most Public Service Chief Executives. I am very pleased that there has been a marked and ongoing increase in the number of female Chief Executives appointed. Between 2010 and 2015 the percentage of female Chief Executives has grown from 16% to 39%. The number of females in the wider senior leadership group (Chief Executives and tier two and three managers) has increased from 39.8% to 44.2% over the same period.

Ensuring we can attract and retain the people we need to deliver high quality public services has to be carefully

balanced against making sure there is good value for the taxpayer. This report sets out a range of information on wage and salary movements in public agencies. There are a number of different ways to measure remuneration movement, but the consistent finding is that remuneration growth in the Public Service continues to be moderate and slower than seen in the private sector.

Costs only represent part of the value for money equation though, performance and results are just as important. I am confident that, while there will inevitably be particular issues that will be identified and dealt with, our public agencies are performing at a high standard overall and are continuing to improve their performance.

One of the most visible ways of assessing this performance is to look at the progress being made against the Government's Ten Results for Better Public Services. The Results include reducing long-term welfare dependency, reducing crime and reoffending, and providing businesses with an online shop for all government advice and support.

I invite you to visit the SSC website to see an up to date dashboard showing how well the Public Service is performing against these targets. You will see that there is real and sustained progress towards achieving all the results. This is down to a lot of hard work and dedication by Public Servants who are increasingly working together with their colleagues in other agencies in new ways to try new and innovative approaches to address important issues.

A handwritten signature in black ink that reads "Iain Rennie". The signature is written in a cursive, flowing style.

Iain Rennie
State Services Commissioner

.....

Executive Summary

This report provides information about trends in the State sector workforce with a focus on the Public Service. The report is produced annually and looks at both annual and historical changes, as well as highlighting areas of focus for the State Services Commission (SSC). In the year to 30 June 2015:



45,348 FTE employees

Public Service staff numbers are similar to last year

Public Service FTEs increased slightly by 0.1% (or +68) to 45,348 in year to 30 June 2015. Over the same period, the size of the State sector increased by 0.6%, health sector by 2.4%, education sector by 3.0%, total public sector by 0.8% and the private sector by 3.4%.

There was little change in the regional distribution of Public Service employees in 2015. Wellington region remains the largest share (41.1% down slightly from 41.4% in 2014), followed by Auckland (20.2%), Canterbury (9.7%) and Waikato (8.4%).



Wages and salaries

The average salary of Public Service employees has increased by 2.7%

The average salary in the Public Service has increased to \$72,177, up from \$70,248 last year. This movement is not a direct reflection of the salary increases staff receive, as it reflects overall changes in workforce structure and occupational mix, and the movement in staff pay due to both bargaining movements and pay progression.

In the year to June 2015, the Labour Cost Index (a measure of wage inflation controlling for both compositional and quality changes in the workforce) measured an increase in wages and salaries of 1.2% for the Public sector. Within the Public sector, the Public Service wage increased by 0.9%, the education sector by 0.8% and the health sector by 0.5%. In comparison, the private sector wage increased by 1.8% and 2.2% in local government.



Redundancy payments totalled \$18.8 million

Redundancies continue to decrease

In the year to 30 June 2015, 380 employees in the Public Service were made redundant (down from 440 in 2014, and 696 in 2013). The total cost of redundancy decreased by 23.6% to \$18.8 million (from \$24.6 million in 2014).



Retention of policy analysts

There is better retention of policy analyst graduates this year, compared to previous years.

The retention of policy analyst graduates employed in the Public Service is increasing. On average, around 73% of policy analyst graduates who began employment in the Public Service between 2012 and 2013 were still employed after two years, compared to a 54% retention after two years for those employed between 2010 and 2011.



Senior leadership mobility

Mobility of senior leadership has increased

Mobility around the Public Service of tier 2 leaders has increased over the past five years – from 45% having been in the same position for at least three years in 2009 to 29% in 2014. There was also a doubling in the number of tier two leaders who were employed in another Public Service agency three years ago – from 11% in 2009 to 22% in 2014.



44.2% Women in senior leadership roles

The number of women in management and senior leadership continues to increase

The proportion of women in the Public Service has continued to increase to 60.5%, compared with 47.0% in the overall New Zealand workforce.

There is increasing diversity at senior levels with the proportion of women in tiers 1, 2 and 3 rising from 39.6% in 2011 to 44.2% in 2015. If the trend of the last five years continues, the Public Service will reach 50% female representation in senior leadership by 2021.

Introduction

Information in this report comes primarily from the HRC survey, which collects payroll data on staff in all 29 Public Service departments. The survey has been conducted annually since the year 2000. The SSC has a statutory role of employing Public Service chief executives and reviewing their performance. The HRC survey provides insights into performance from a Human Resource Information System (HRIS) perspective.

This report provides information about characteristics and trends within the Public Sector, and provides an extra level of analysis of the Public Service in the five main topic areas:

- Workforce
- Career
- Remuneration
- Diversity
- Workplace.

The survey data is a resource for agencies to use in benchmarking themselves with other agencies, sectors and the Public Service as a whole. HRC information also feeds into university research, parliamentary questions, international benchmarks on government performance, policy advice and is an example of the Public Service's commitment to open government.

Technical aspects of the survey

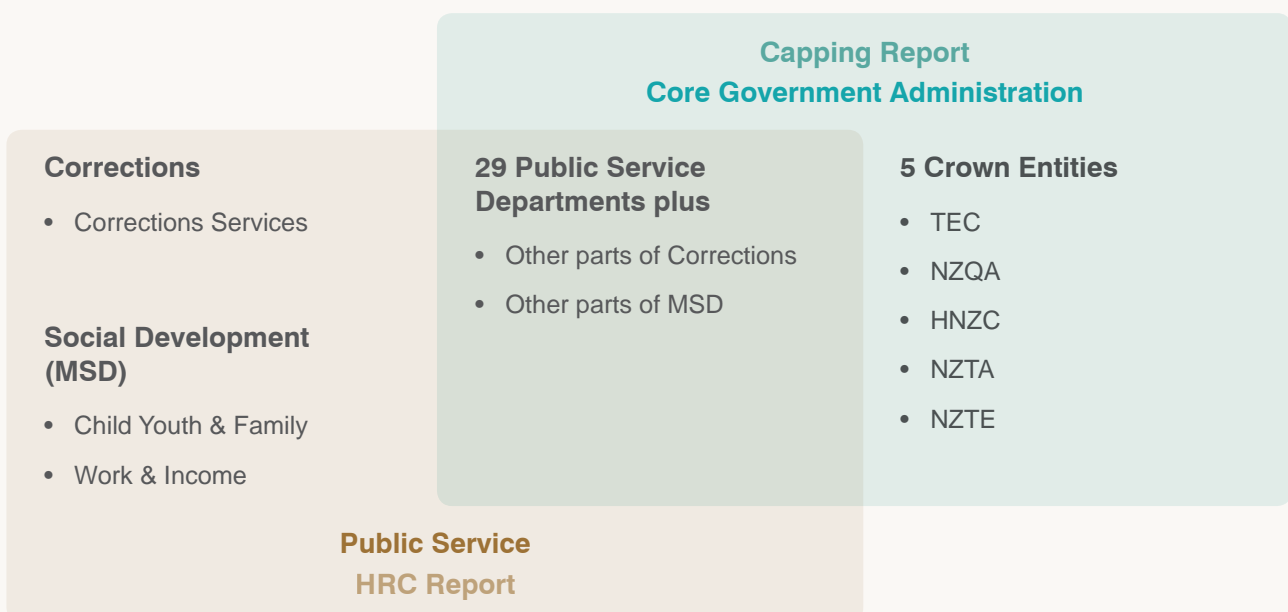
The survey collects employee and organisational level information from departments. The survey covers permanent and fixed-term staff. The database of information is managed by the Strategic Information team within the State Services Commission, which holds information on Public Service employment dating back to 1913. Information on the survey structure, definitions, and contact details are available on the SSC website: <http://www.ssc.govt.nz/hrc-survey-materials>.

HRC reporting and capping reporting

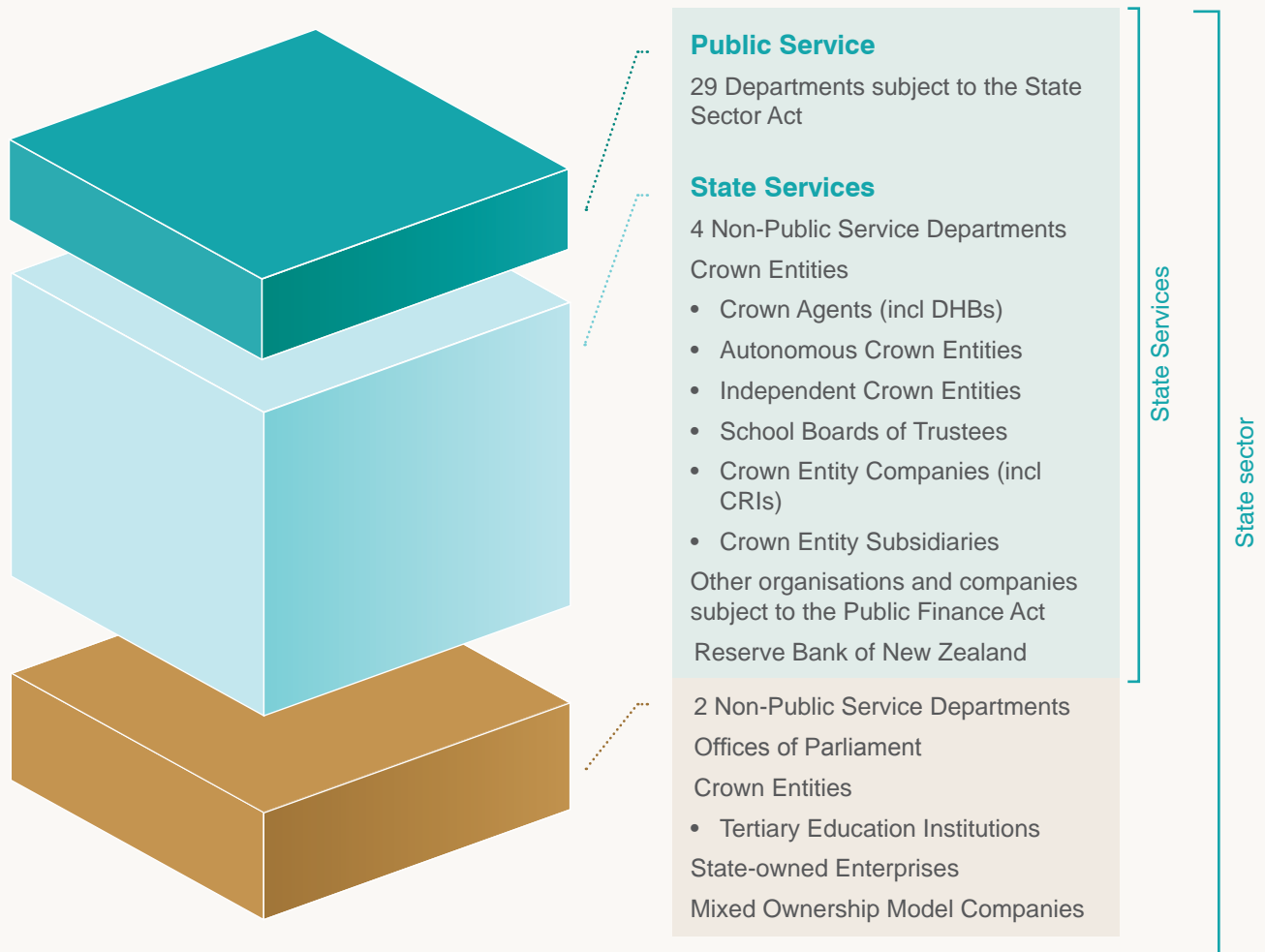
This report complements the Capping of Core Government Administration update on the total number of positions (FTE staff numbers plus vacancy numbers) in the Core Government Administration group, and the number of communication staff in each department. For the full capping report, see <http://www.ssc.govt.nz/capping-june15>.

There is a significant overlap between the staff covered by the cap on Core Government Administration and staff in the Public Service. The diagram below highlights the overlaps and differences between these two groups.

Core Government Administration and the Public Service



A guide to New Zealand's central government agencies



Public Service

By definition, the Public Service comprises the departments listed on the 1st Schedule of the State Sector Act 1988. Irrespective of being called a department, ministry or some other title, they are all Public Service departments.

State Services

By definition, the State Services comprises the agencies that operate as instruments of the Crown in respect of the Government of New Zealand (i.e. the Executive Branch of Government). This includes the Public Service, most Crown entities, the Reserve Bank, a range of agencies listed on the 4th Schedule of the Public Finance Act 1989, companies listed on Schedule 4A of the Public Finance Act, and a small number of departments that are not part of the Public Service.

State sector

By convention, the State sector comprises the agencies whose financial situation and performance is included in the Crown accounts as part of the Government reporting entity under the Public Finance Act 1989. This includes the State Services, tertiary education institutions, State-owned Enterprises and Mixed Ownership Model companies, as well as a small number of agencies that operate as instruments of the Legislative Branch of Government.

1 Workforce

Public sector workforce

The New Zealand public sector employed around 353,000 people at 30 June 2015. This represents 15% of the total workforce. The public sector is separated into the State sector and Local Government as shown in Figure 1.1.

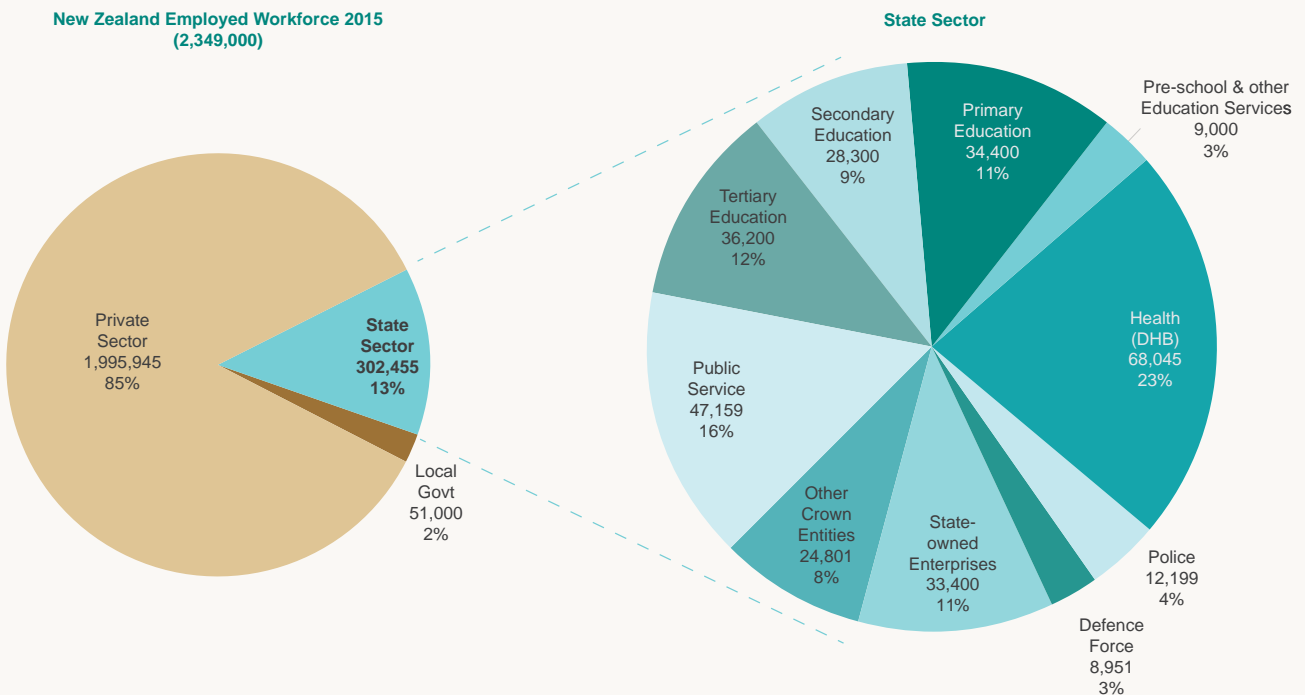
The State sector employed around 302,000 people, and can be further broken down into several sub-sectors. The broad Education sector (36%) is the largest, followed by the Health sector (23%), the Public Service (16%), State-owned Enterprises (11%) and the remaining 15% comprising the Police, the Defence Force and other Crown entities.

Public sector agencies

At present the New Zealand public sector consists of around 2,600 organisations. They include a wide range of agencies – 29 Public Service departments, 20 District Health Boards, 26 tertiary education institutions, 67 Territorial Local Authorities, 16 Regional Councils, 17 state-owned enterprises and mixed ownership companies, approximately 2,435 school boards of trustees, 76 other Crown entities and around 200 Crown entity subsidiaries.

Traditionally, agencies in the State sector have operated autonomously in making decisions on functional business areas. As part of Better Public Services reform, changes are being made to provide for stronger system-wide leadership across agencies to achieve results for the people of New Zealand.

Figure 1.1 The public sector workforce (headcount), June 2015



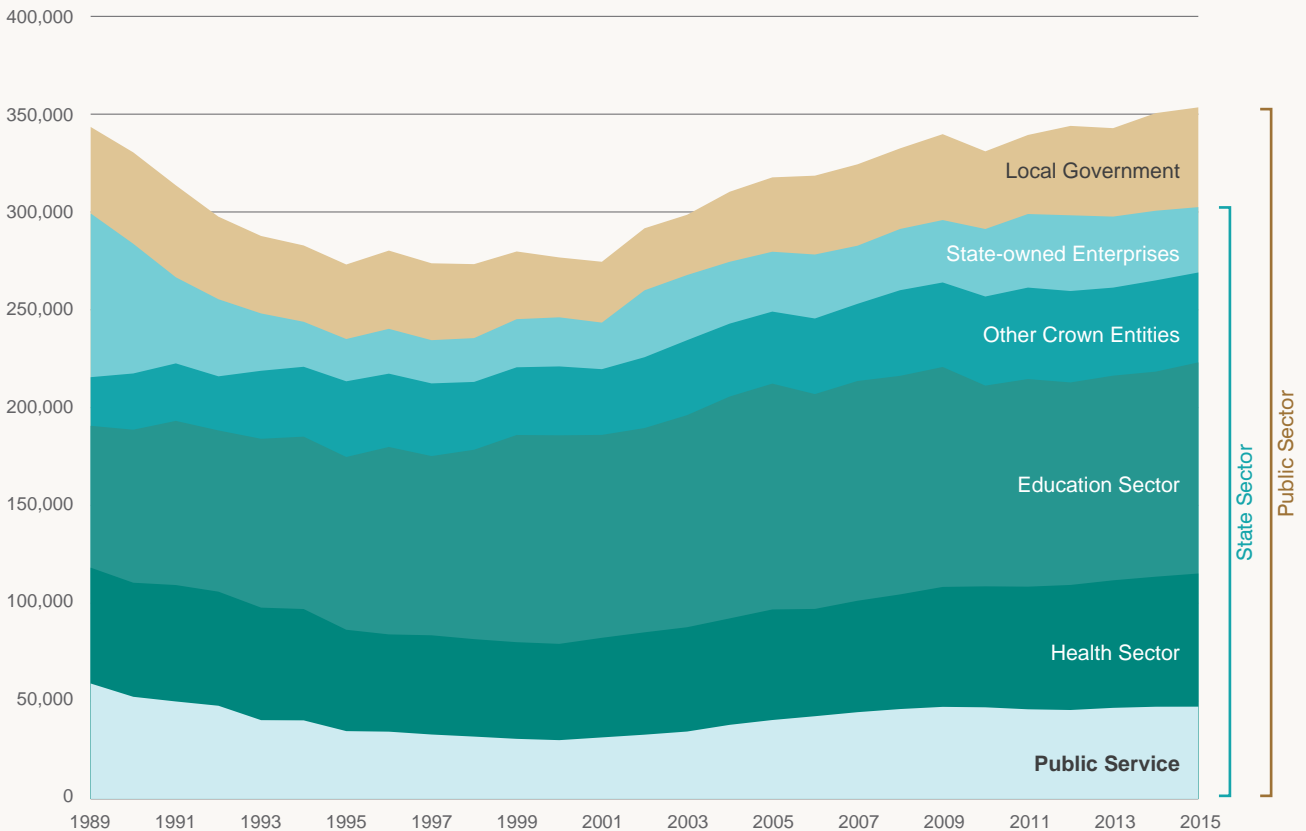
Workforce trend

The public sector workforce has undergone significant changes over the last two and a half decades as shown in Figure 1.2. Major state sector reforms during the 1990s saw a 20% contraction of the workforce from 343,000 people in 1989 to around 273,000 in the mid-1990s. Privatisation in the early 1990s resulted in a

significant decrease in the workforce of State-owned Enterprises. Since 2001 the public sector workforce has grown by 29%, to 353,000 people in 2015. Growth has varied in each sector, which is related to an increasing population and changing demographics. Over the 2001-2015 period, the population of New Zealand has increased by 18% and the median age has increased by about three years.

Figure 1.2 The public sector workforce, 1989–2015

Number of employees (headcount)



Over the four-year period, 2011-2015, the public sector workforce grew by 4.2%, which compares to private sector growth of 8.4%. Public sector growth was driven by Local Government (+26.2%) and modest growth in the State sector (+1.2%) as shown in Table 1.1.

Within the State sector, growth has varied widely in each sector between 2011 and 2015. The workforce in State-owned Enterprises decreased by 11.2%. The Health sector increased by 8.6% while the Public Service grew by 3%.

The Public Service

The Public Service (which comprises 29 government departments) is the main focus of this report, with extensive analysis on various aspects of its workforce.

Within the wider context of the State sector, the Public Service is a relatively small part at 16%, compared to the Education (36%) and Health (23%) sectors as shown in Figure 1.1.

Over the last 60 years, the Public Service workforce has ranged in size from a low of 30,000 people in 2000 to a peak of 72,000 people in 1987. These changes are influenced by functions moving into or out of the Public Service as well as changes within departments. Staffing trends in recent years are shown in Table 1.2 and Figure 1.3.

In the year to 30 June 2015, the number of FTE employees in the Public Service increased marginally by 0.1% (or +68) to 45,348. Staff numbers have remained relatively flat in the last 18 months.

Table 1.1 Public Sector workforce by sector (headcount), 30 June 2011–2015

Sectors	2011	2012	2013	2014	2015	% change 2011–15
Public Sector	339,339	343,984	342,825	350,521	353,455	4.2%
State Sector	298,939	298,284	297,625	300,621	302,455	1.2%
Public Service	45,807	45,444	46,546	47,120	47,159	3.0%
Health Sector (DHB)	62,674	63,914	65,177	66,460	68,045	8.6%
Education Sector	106,100	103,500	104,600	104,800	107,900	1.7%
State-owned Enterprises	37,600	38,700	36,300	35,600	33,400	-11.2%
Other	46,758	46,726	45,002	46,641	45,951	-1.7%
Local Government	40,400	45,700	45,200	49,900	51,000	26.2%
Private Sector	1,841,661	1,845,216	1,859,075	1,931,079	1,995,945	8.4%
Total Sector	2,181,000	2,189,200	2,201,900	2,281,600	2,349,400	7.7%

Table 1.2 Public Service staff numbers, 30 June 2011–2015

	2011	2012	2013	2014	2015
Total Headcount	45,807	45,444	46,546	47,120	47,159
Total FTE employees	43,595	43,345	44,500	45,280	45,348
Annual change in FTE (%)	-2.2	-0.6	2.7	1.8	0.1

Capping of Core Government Administration

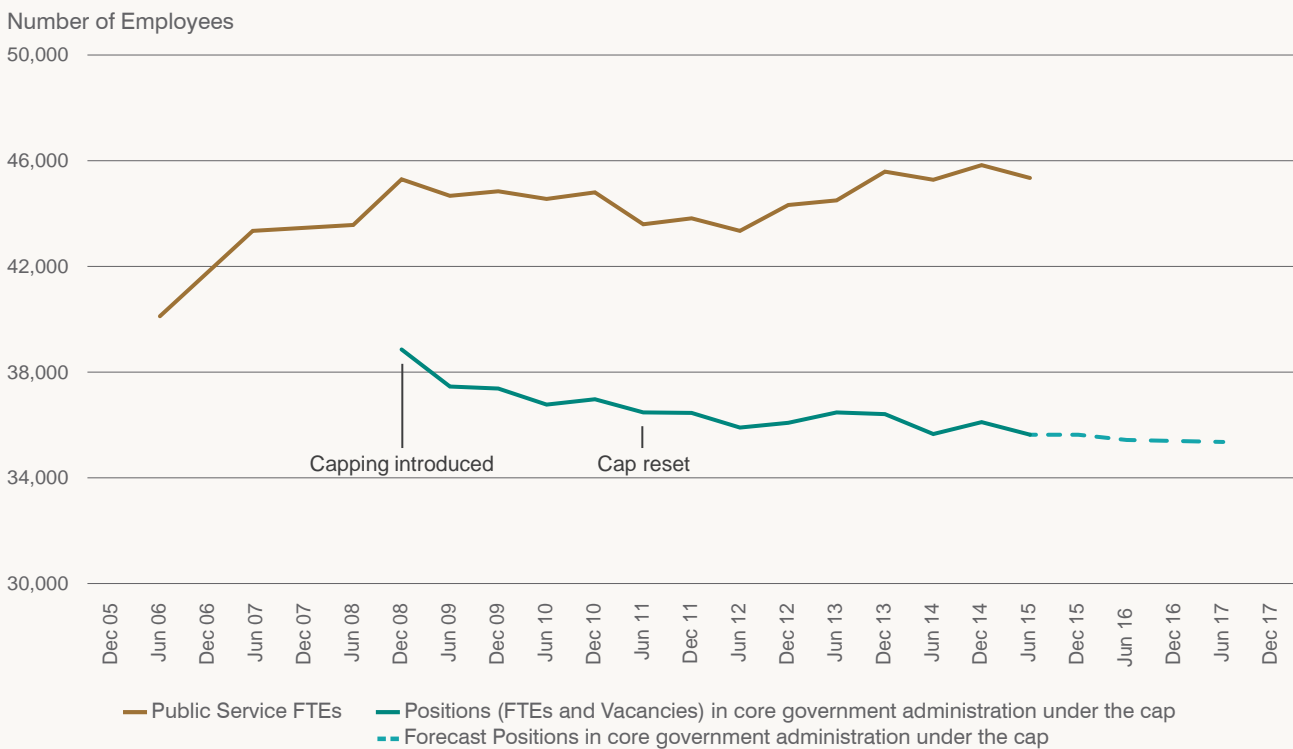
Figure 1.3 also shows the number of staff under the cap on Core Government Administration (lower line), compared to the Public Service (higher line). The two lines cover different groups of staff. The Public Service line covers FTE staff in 29 Public Service departments, including three front line business units: Work and Income, Child Youth and Family within the Ministry of Social Development and Corrections Services within the Department of Corrections.

The Core Government Administration line tracks progress against the government's capping policy. It measures staff positions (FTE staff plus vacancies) and covers the Public Service, excluding the three

front line business units mentioned above, and includes five large Crown entities (NZTA, NZTE, NZQA, TEC and HNZC) that are outside the Public Service. (Six-monthly update reports on capping are available at the State Services Commission website: <http://www.ssc.govt.nz/capping>).

Despite the overall increase in the Public Service employees over the last three years, the number of positions in Core Government Administration has generally been declining and remained below the cap, reaching 35,632 at 30 June 2015.

Figure 1.3 Staff numbers in the Public Service and Core Administration



Changes in staff numbers in Public Service departments

The Public Service workforce has increased in size by 0.1% or 68 FTE employees during the 2015 June year. Fifteen departments had an increase in FTE employees and fourteen departments had a decrease, as shown in Figure 1.4.

The largest increases in staff numbers are in the Ministry of Social Development (MSD +147) and the Ministry for Primary Industries (MPI +101), while the largest decreases in size were the Ministry of Justice (MoJ -157) and the Ministry of Education (MoE -147).

Staff numbers by occupation

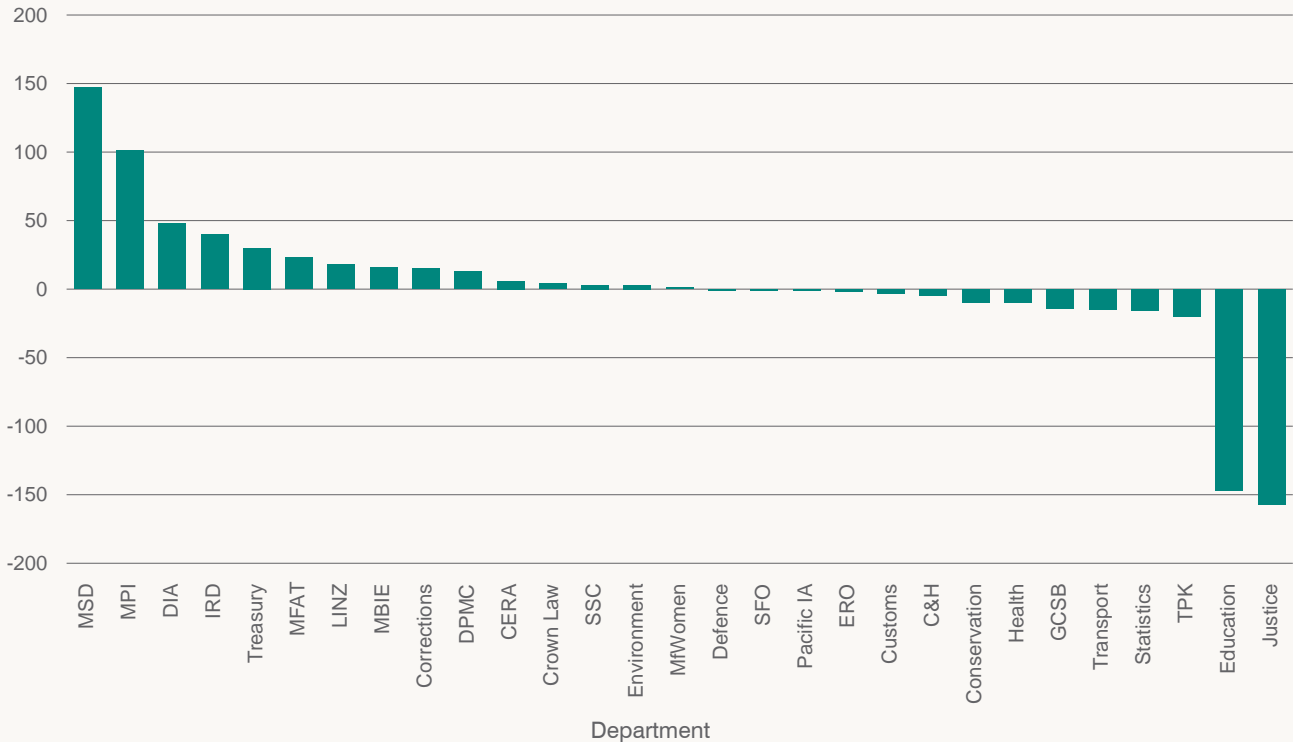
Occupational information within the Public Service is collected using the Australian and New Zealand Standard Classification of Occupations (ANZSCO). A

set of HRC customised occupational groups is used to report on occupations in the Public Service. A breakdown of the most common occupations in these customised groups is provided in Appendix 5. Table 1.3 shows FTE staff numbers by occupational group for the last five years.

In 2015, over 45,000 Public Service staff were employed in 29 departments which provide a wide range of services including social welfare, health, education, employment, business, industry, security, taxation, corrections, transport, etc. Their work spreads across 255 different occupations which are divided into ten broad occupation groups as shown in Table 1.3. The two largest groups are “Inspectors and Regulatory Officers” and “Social, Health and Education Workers” which account for 39% of the Public Service workforce.

Figure 1.4 Changes in department FTE staff numbers, June year 2014–2015

Changes in FTEs (2014 to 2015)



Over the four-year period, 2011-2015, there has been a steady increase in Information Professionals (56.9%) and steady decrease in Clerical and Administrative Workers (-17.6%).

In 2015, eight of the eleven occupational groups have increased in size. Information Professionals increased by 21%, while Managers (+0.1%) and Policy Analysts (+0.8%) had small increases in size. The increase in the Information Professionals occurred largely in two agencies (MBIE and MSD), partly due to changes in the use of ANZSCO codes.

While these occupational groups have been collected on the same basis each year, departments periodically review their occupation codes to ensure that the most appropriate codes are used. This can impact on the growth pattern of different occupation groups. More detailed descriptions of the different occupation groups are given in Appendix 5.

Fixed-term staff and inter-agency secondments

Collaboration enables better decisions, based on more diverse perspectives. Staffing arrangements such as secondments, fixed-term agreements and acting roles enable collaboration by creating new relationships and generating more horizontal movement across the sector than the use of permanent employment alone. Table 1.4 shows the number and proportion of employees on fixed-term agreements and inter-agency secondments. Secondments within departments are not included. The overall proportion of fixed-term employees in the Public Service decreased to 7.0% in 2015. There were 195 people on secondment as at 30 June 2015, which is about the same level as last year.

Table 1.3 FTE staff numbers by occupation group, 30 June 2011–2015

HRC Occupational Groups	2011	2012	2013	2014	2015	% change 2011-2015
Managers	5,050	5,172	5,120	5,281	5,290	4.7%
Policy Analysts	2,603	2,624	2,760	2,514	2,535	-2.6%
Information Professionals	3,333	3,530	3,956	4,327	5,230	56.9%
Social, Health and Education Workers	8,078	7,992	8,330	8,502	8,399	4.0%
ICT Professionals and Technicians	1,738	1,677	1,794	1,807	1,737	-0.1%
Legal, HR and Finance Professionals	2,075	2,182	2,202	2,111	2,077	0.1%
Other Professionals not elsewhere included	1,813	1,660	1,938	2,282	2,256	24.4%
Inspectors and Regulatory Officers	9,334	9,234	9,480	9,688	9,456	1.3%
Contact Centre Workers	4,426	4,361	4,154	4,217	4,070	-8.1%
Clerical and Administrative Workers	4,821	4,565	4,393	4,191	3,971	-17.6%
Other	324	347	373	361	327	0.9%
Total	43,595	43,345	44,500	45,280	45,348	4.0%

Table 1.4 Number and proportion of employees on permanent fixed-term agreements and secondments, 30 June 2011-2015

Employees (headcount)	2011	2012	2013	2014	2015
Permanent employees	42,522	42,060	42,661	43,181	43,837
Fixed-term employees	3,285	3,384	3,885	3,939	3,322
Proportion of current employees on fixed term agreements	7.2%	7.4%	8.3%	8.4%	7.0%
Number of inter-agency secondments	130	148	148	196	195

The SSC is working with departments and the Public Service Association (PSA) to identify initiatives to enable more horizontal movement across the sector. In the first instance this will look at modernising the approach to seconding staff between agencies.

Regional Public Service staff

In 2015, there were 45,348 Public Service FTE employees across New Zealand. The Wellington region, being the main central administration, had the largest proportion of this workforce with 41.1%. This was followed by Auckland (20.2%), Canterbury (9.7%) and Waikato (8.4%) as shown in Table 1.5. These four regions accounted for 79.4% of the Public Service workforce. The regional distribution has been relatively stable in recent years.

Regional State sector workforce

At the broader State sector level comparable 2015 workforce data by region is not available on the same basis as for the Public Service as they are outside the scope of the HRC survey. However, the 2013 Census data (from Statistics New Zealand) provides a useful snapshot of regional State sector workforce.

At the 2013 Census (3 March), there were 296,100 people employed in the State sector (this is slight lower than the 30 June 2013 estimate total of 297,625 provided in Table 1.1, partly due to undercount at the Census and different dates of both measures). Auckland region had the largest proportion of the State sector workforce at 28.2% (or 83,400 people), followed by Wellington (19.9%), Canterbury (12.7%) and Waikato (8.9%) as shown in Figure 1.5. These four regions accounted for almost 70% of the state sector workforce.

Table 1.5 Regional staff (FTE) in the Public Service, 30 June 2011-2015

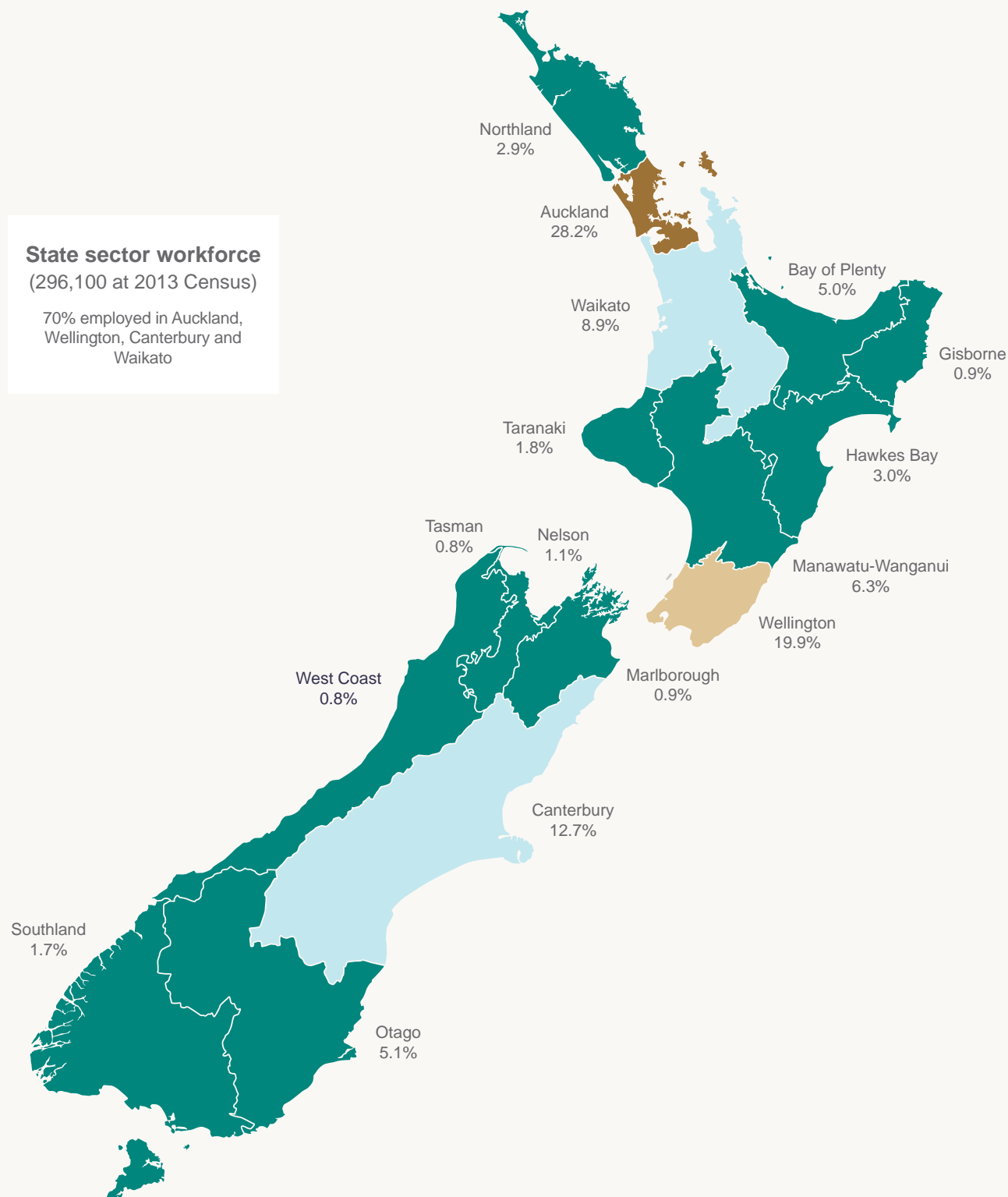
Regions	2011	2012	2013	2014	2015	% of the Public Sector 2015
Wellington	17,672	17,568	18,493	18,734	18,637	41.1%
Auckland	8,748	8,782	8,950	9,041	9,159	20.2%
Canterbury	4,210	4,071	4,237	4,354	4,386	9.7%
Waikato	3,524	3,725	3,640	3,798	3,816	8.4%
Manawatu-Wanganui	1,685	1,756	1,674	1,879	1,875	4.1%
Bay of Plenty	1,561	1,537	1,544	1,632	1,648	3.6%
Northland	1,152	1,176	1,191	1,213	1,244	2.7%
Otago	1,269	1,221	1,207	1,227	1,202	2.6%
Hawke's Bay	1,055	1,021	1,073	1,051	1,090	2.4%
Southland	705	658	661	572	564	1.2%
Nelson	512	475	467	474	505	1.1%
Taranaki	536	441	489	410	345	0.8%
Gisborne	237	245	248	253	251	0.6%
West Coast	256	238	217	218	191	0.4%
Marlborough	136	126	129	126	126	0.3%
Tasman	25	26	31	34	36	0.1%
Overseas	313	278	251	264	273	0.6%
Total	43,595	43,345	44,500	45,280	45,348	100.0%

Table 1.6 provides additional information on the distribution of State sector workforce across the five sub-sectors within each region. For most regions the Education sector was the largest employer, followed by the Health Sector. These two sectors accounted for over half of each region's State sector workforce, with the exception of Wellington region, where the Public Service being the largest sector. Other crown agencies were also significant employers in Wellington, Manawatu-Wanganui and Marlborough regions, accounted for over 20% of the State sector workforce in each of these regions. State-owned Enterprises were also relatively significant employers in Marlborough and the West Coast regions, accounted for 18% and 17% of their State sector workforce respectively.

Table 1.6 Regional State sector workforce, 2013 Census (3 March)

Regional council areas	Distribution by region		Distribution across sub-sectors within each region (%)					Total
	State sector employees	Regional share (%)	Education sector	Health sector	Public Service	Other crown agencies	State-owned enterprises	
Auckland	83,400	28.2%	39%	22%	11%	15%	13%	100%
Wellington	59,100	19.9%	23%	12%	31%	23%	11%	100%
Canterbury	37,500	12.7%	36%	24%	14%	13%	13%	100%
Waikato	26,300	8.9%	40%	22%	16%	9%	12%	100%
Manawatu-Wanganui	18,800	6.3%	39%	18%	14%	22%	7%	100%
Otago	15,100	5.1%	48%	17%	12%	9%	14%	100%
Bay of Plenty	14,800	5.0%	44%	25%	13%	11%	6%	100%
Hawke's Bay	8,900	3.0%	46%	25%	14%	9%	6%	100%
Northland	8,600	2.9%	44%	22%	16%	11%	5%	100%
Taranaki	5,400	1.8%	47%	27%	11%	8%	8%	100%
Southland	5,000	1.7%	45%	23%	14%	8%	10%	100%
Nelson	3,200	1.1%	37%	32%	11%	8%	12%	100%
Gisborne	2,700	0.9%	48%	28%	13%	8%	4%	100%
Marlborough	2,600	0.9%	32%	19%	10%	21%	18%	100%
West Coast	2,400	0.8%	32%	30%	13%	7%	17%	100%
Tasman	2,400	0.8%	47%	22%	14%	9%	8%	100%
All Regions	296,100	100.0%	37%	20%	17%	15%	11%	100%

Figure 1.5 Regional share of State sector workforce, 2013 Census



2 Career

SSC work programme

The State Services needs leaders who are focused on whole-of-system transformation and strategy. To enable this it is critical that leaders can influence beyond their agency boundary to deliver on key government outcomes for the people of New Zealand.

In 2013 the State Services Commissioner was given statutory responsibility for putting in place a strategy for developing senior leadership and management capability in the Public Service.

Chief executives formally signed up in 2014 and that commitment has been reinforced in their annual performance expectations set by the Commissioner.

SSC is helping the chief executives bring those commitments to life. This is not a traditional leadership development programme where people are identified and developed across a core curriculum over a period of time. It is an interconnected set of strategic, all-of-system actions that will lift leadership capability across the State Services.

SSC is building leadership and talent across the system by:

- identifying, developing and deploying capability to priority areas
- strengthening leadership by building a system culture across the State Services
- encouraging and supporting leaders to step into more challenging and complex roles
- supporting the move away from a Wellington centric-view of talent, encouraging diversity within and beyond the Public Service.

Early in Careers – new data on graduate retention

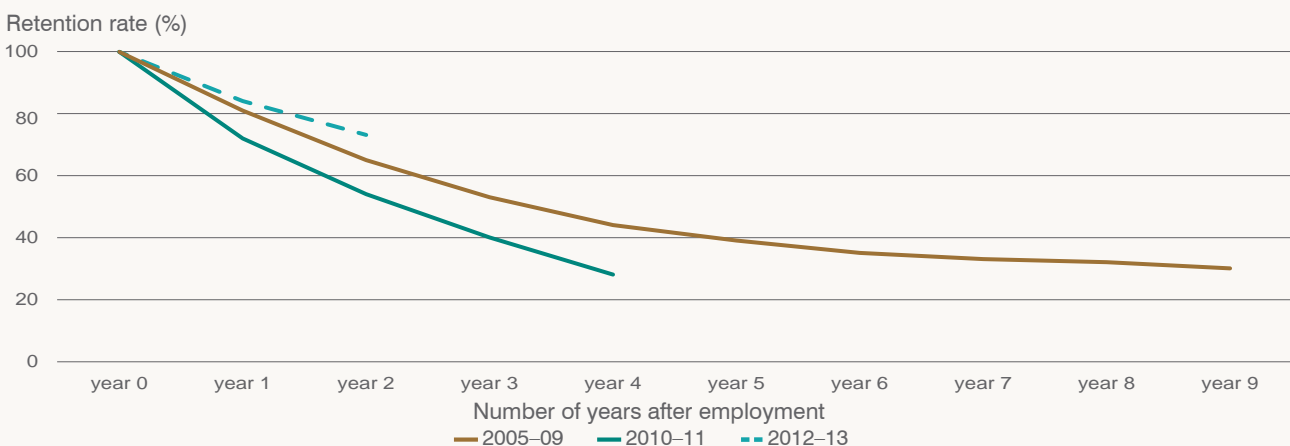
With the Early in Careers work stream, SSC is investing in attracting, developing and retaining new talent for future leadership. Key highlights of this work stream include:

- Events for summer interns and graduates, providing induction and showcasing career opportunities in the Public Service will be offered between December 2015 and April 2016.
- The Emerging Leaders Fast Stream Programme will be launched by December 2015. This is a multi-year pilot with a focus on providing accelerated development for identified high potential emerging leaders in the Justice sector.
- Online introduction to working in the Public Service for all new staff will be launched by December 2015. This will be available to all agencies across the Public Service to support them in effectively on-boarding new staff.

The development of the Early in Careers work programme will be assisted by a new source of information on career pathways. The development of the prototype HRC-IDI dataset (see insert at end of this chapter) sheds new light on graduate retention in the Public Service, as it allows graduates who join the Public Service to be more accurately identified, and it also allows their subsequent employment to be followed.

The prototype results presented in Figure 2.1 shows the potential of this dataset as a tool to understand how graduate retention is changing over time. Here the retention rates for different policy analyst graduates cohorts are summarised. Retention rates have changed for different cohorts. On average, around 65% of

Figure 2.1 Graduate retention in the Public Service for policy analysts



graduates who begun employment as a policy analyst in the Public Service between 2005 and 2009, were employed in the Public Service (in any role) after two years, 44% after four years and 30% after nine years. The 2010-11 cohort had lower retention rates, with 54% employed after two years and 28% after four years. So far, the retention rate for the 2012-13 cohort has bounced back with 73% employed after two years.

The 2010-11 cohort was the most affected by the impact of Global Financial Crisis (GFC) both in terms of fiscal restraint in the public services and on labour market conditions in general (the unemployment rate was relatively high at around 6.5% – 7.0% between 2009 to 2012). The first impact can be seen in the relative sizes of the cohorts. On average, the Public Service employed around 170 policy analyst graduates a year between 2005 and 2009. In comparison, around 100 graduates a year were employed between 2010 and 2011, and 140 between 2012 and 2013.

From good agency leaders to great system leaders

The big challenges facing the State Services require leaders who can operate at both an agency and a system level. Leaders need to understand different organisational cultures within and outside the State

Services, and think differently about how agencies collectively achieve outcomes. As a result, there is a renewed emphasis on people management - how to attract, develop and retain people, as well as help them be most effective. The shift in leadership SSC seeks is defined in Table 2.1.

Within the senior leaders work stream, SSC is developing people for senior leadership. Key highlights across this work stream includes:

- From July 2015 there has been a consistent talent management process for all senior leaders across the Public Service. This will be extended to include all Public Service employees by 2017.
- A Talent Management Information System has been procured and by December 2015 will be implemented. This will support the Career Board process and more effective deployment of senior leaders to where they are needed most, both for system critical roles or to support their development.
- SSC has worked with an assessment provider to develop a common approach to assessment and benchmarking. This will enable us to develop a better understanding of the current leadership capability in the Public Service and the strengths and development needs of individual leaders. This common

Table 2.1 From good agency leaders to great system leaders

From good agency leaders...	To great system leaders...
<ul style="list-style-type: none"> • Leaders who operate with authority over things they are accountable for (Agency Leaders). • Leaders who lead their agency and are mostly internally focused. • Leaders who are focused on managing risk and delivering results safely. • Leaders who consult the community on their solutions. • Leaders who get everything expected of them done. • Leaders who focus on agency achievement and protect their resources. • Leaders who 'manage' their senior team members. 	<ul style="list-style-type: none"> • Leaders who operate with influence over things they feel responsible for (Public Service leaders). • Leaders who lead in the cross-sectoral and wider State Services context and are mostly externally focused. • Leaders who reflect and respond to the needs of diverse New Zealanders. • Leaders who know when to take calculated risks and are not scared to experiment and learn from failure. • Leaders who engage the community in their questions. • Leaders who concentrate their resources on their top priorities. • Leaders who also contribute to collective achievement. • Leaders who build powerful teams and who lead highly engaged organisations.

assessment approach is called Leadership Insight. The assessment of senior leaders commenced in August 2015. By December 2015 SSC plans to have all tier two leaders and a number of tier three leaders from across the system assessed using this tool.

- The basis for the Leadership Insight assessment approach is the Leadership Success Profile. This has been updated to ensure it is reflective of the needs of our leaders and the challenges they face. Over the 2015/16 year this will be implemented in a range of people management processes by SSC, the Leadership Development Centre and agencies.

Trends in senior leadership in the Public Service

Senior leadership in the context of the HRC data is defined as the top three tiers of managers within Public Service departments.

As at 30 June 2015, there were 968 senior leaders in the Public Service. This compares to 1,025 senior leaders last year. This continues the trend over the last 14 years of declining senior leader numbers as shown in Figure 2.2. This is largely due to machinery of government changes that have reduced the number of Public Service departments over this period from 39 to 29. The

decrease in 2015 is partly due to improvements in how senior leaders are identified in the data.

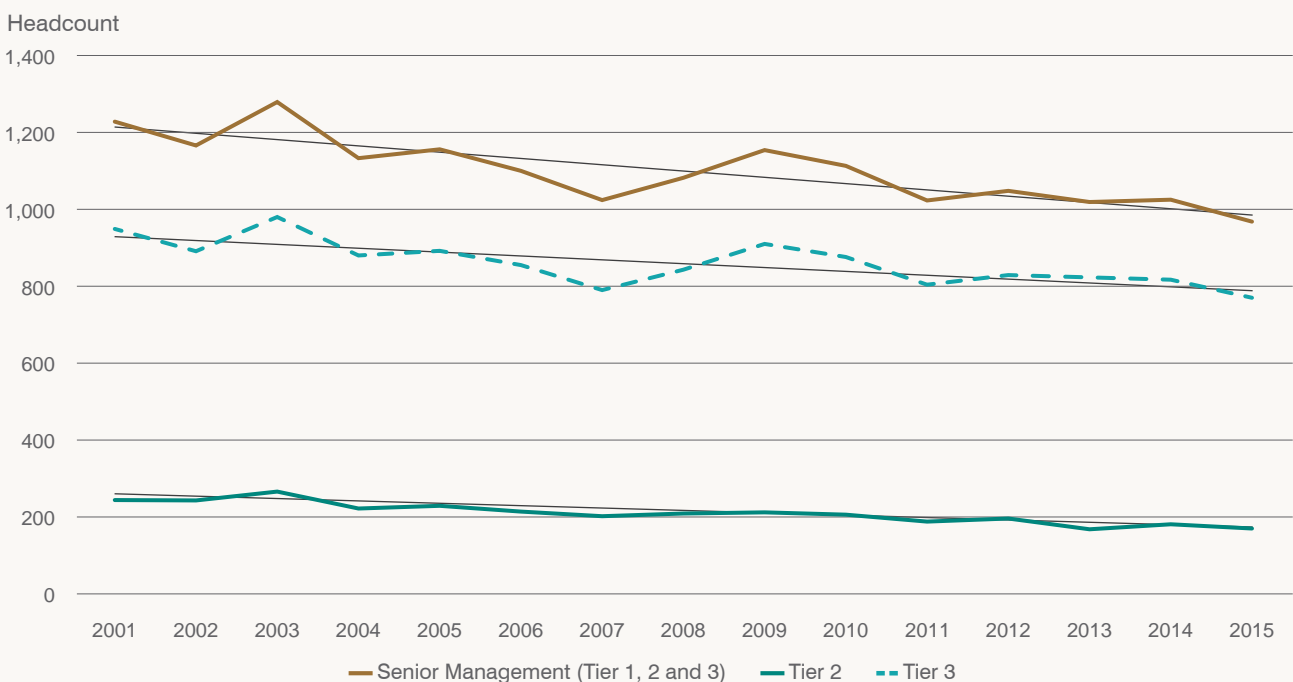
The average length of service within their department for tier two leaders, excluding those on fixed-term contracts, is 8.0 years in 2015, down from 9.5 years in 2010. The equivalent tenure for tier three leaders in 2015 was 11.3 years and this was unchanged from 2010.

Sick leave usage for senior leadership is very low, at 3.7 days in 2015. This compares with 5.8 days for the all managers group, and 8.3 days on average, for all Public Service employees.

Mobility in senior leadership and management

Senior Leaders are expected to have experience in a range of contexts to be able to perform effectively in delivering better public services. As mentioned in the Workforce chapter, secondments are a good way of promoting exchange of ideas, building new relationships and broadening perspectives. The number of secondments in the senior leadership group can act as a measure for increased collaboration in practice. As shown in Figure 2.3 the number of secondments in leadership and management positions has been increasing over the last seven years.

Figure 2.2 The trend in the size of senior leadership, June 2001-2015



Changing pathways of new tier two leaders

The new prototype HRC-IDI dataset (see insert at end of this chapter) also shows that mobility in senior leadership has increased over the past five years. The prototype data in Figure 2.4 shows where tier two leaders were employed three years previously. For example, of those that were tier two leaders in 2004, 51% were a tier two at the same department three years earlier, 20% were at the same department but below tier two level, 13% were at another public service department, 6% were working in the wider public sector, 8% were working in the private sector and 3% were overseas or were not employed three years earlier.

The pattern for the 2009 tier two cohort was fairly similar to the 2004 cohort, except for an increase in those who had been promoted internally and those who were employed in the wider public sector.

However, there were some larger changes for the 2014 cohort, with a drop in the proportion who had been a tier two at the same agency three years earlier. All other pathways increased their share in 2014, with the largest increase being the doubling in share of tier two leaders who were employed in another public service department three years ago. This indicates much greater movement in tier two leaders around the Public Service in recent years.

Note that further analysis shows that this change in cohort pathways between 2004/09 and 2014 was not the result of major restructurings such as the creation of MBIE.

Diversity in senior leadership

The figures for diversity in senior leadership are shown in Table 2.2 below. Because of the relatively low turnover in tier 1, 2 and 3 roles, the ethnic and gender composition of senior leaders does not change much year on year. The trend over time is more important. The proportion of women in senior leadership roles has been increasing over the last decade. As at 30 June 2015, the percentage of women in senior management is 44.2%, up from 39.6% in 2011. If the trend of the last 5 years continues, the Public Service will reach 50% female representation in senior leadership by 2021.

There has been less of an increase in ethnic diversity in senior leadership and Māori, Pacific and Asian ethnicities are still under-represented compared to the overall Public Service workforce. There has been an increase in the proportion of Pacific senior leaders, from 1.8% in 2014 to 2.6% in 2015.

Gender pay gap in senior leadership

Table 2.3 shows the change in senior leadership pay gap over the last five years. It shows that the average salary of female senior leaders has been around 9% lower than their male counterparts over the last five years. As at 30 June 2015 the gender pay gap in senior leadership was 8.9%. This is low compared to the gender pay gap for all management roles (13.7%) and compared to the Public Service as a whole (14.0%).

Further information on pay for senior leaders is discussed in the Remuneration chapter.

Figure 2.3 Secondments in Public Service leadership and management positions, 30 June 2008-2015

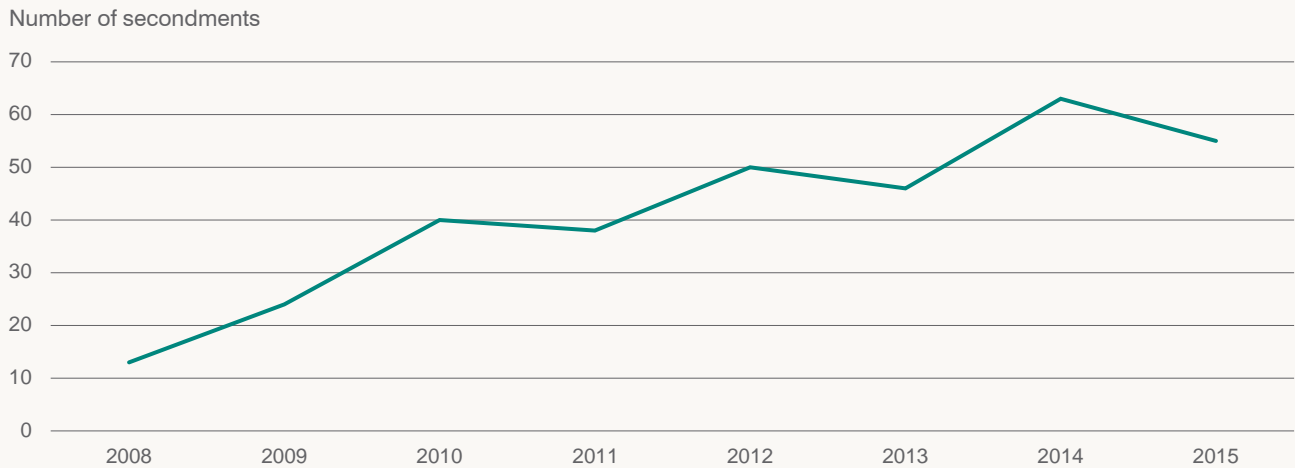


Figure 2.4 Where tier two leaders were three years earlier

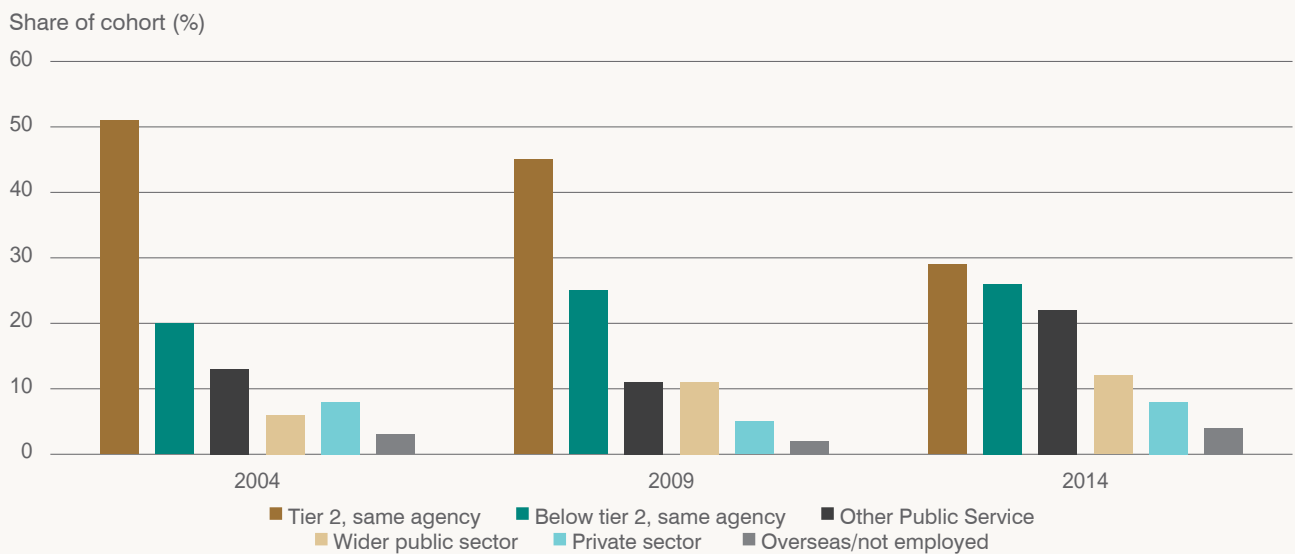


Table 2.2 Diversity in senior leadership, 30 June 2011–2015

	2011	2012	2013	2014	2015	Public Service workforce (2015)
Women	39.6%	42.1%	41.5%	42.0%	44.2%	60.5%
Māori	9.2%	9.6%	11.2%	12.0%	11.1%	16.4%
Pacific people	1.6%	1.7%	1.8%	1.8%	2.6%	8.0%
Asian	1.9%	2.6%	2.3%	2.4%	2.1%	8.5%

Table 2.3 Senior leadership gender pay gap, 30 June 2011–2015

	2011	2012	2013	2014	2015
Senior leadership gender pay gap	8.0%	11.0%	9.1%	8.3%	8.9%

Prototype HRC-IDI dataset – dynamic workforce data

SSC has been working with Statistics New Zealand to test the integration of the HRC dataset into the Integrated Data Infrastructure (IDI). The IDI combines data from a range of organisations (see Figure 2.5) into a powerful dataset for government and academic research purposes. It provides the insights government needs to improve social and economic outcomes for New Zealanders. Integrated data is particularly useful to help address complex social issues such as crime and vulnerable children.

Statistics NZ operates the IDI within a ‘five safes’ framework that ensures that:

- researchers can be trusted to use data appropriately and follow procedures
- the project has a statistical purpose and is in the public interest
- security arrangements prevent unauthorised access to the data
- the data itself inherently limits the risk of disclosure (e.g. all personal information is removed from the IDI)
- the statistical results produced do not disclose any identifying information.

Integrating the HRC into the IDI enhances the HRC’s usefulness in a number of ways:

- allows employees to be followed anonymously through the Public Service and beyond thereby creating new information on career pathways

- provides additional information on employees not captured by the HRC (e.g. highest qualification, migration, nationality, job history)
- makes it easier to produce workforce information for the wider State sector and the private sectors that are comparable to the Public Service
- allows easier access to HRC data for researchers and opens up the use of more advanced statistical modelling techniques.

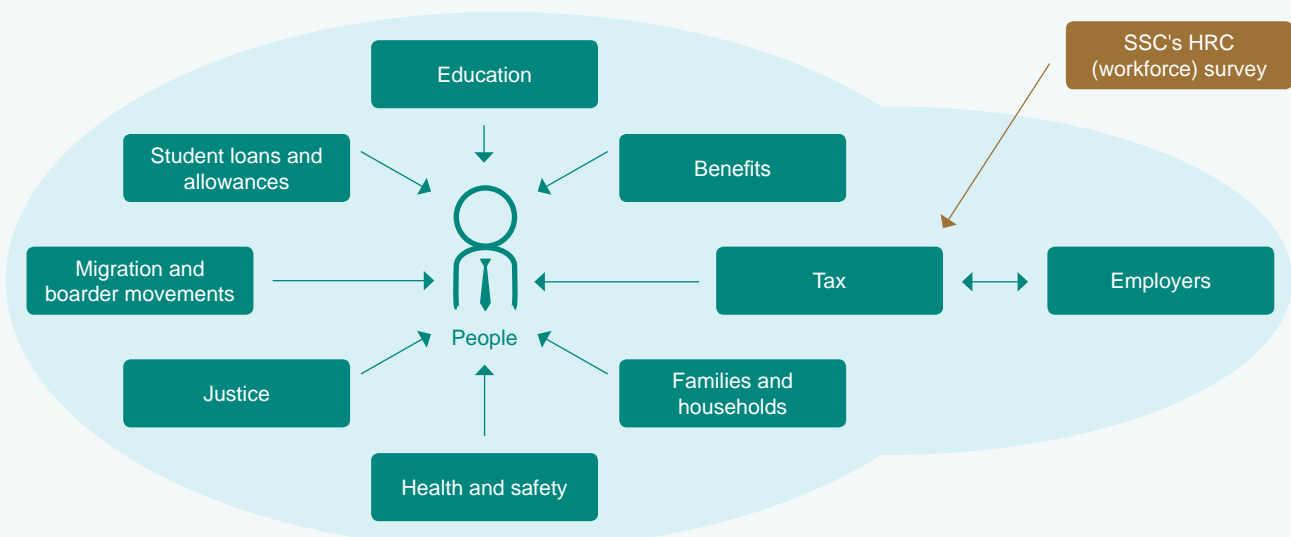
Work to date has shown that it is feasible to integrate the HRC into the IDI. Although the HRC is an anonymised dataset (i.e. it does not collect names or IRD numbers), the relatively small size of Public Service departments has made it possible to integrate the data using other payroll variables. The match rates between HRC and IDI data are generally high – they were around 90% to 95% for the prototype data underlying Figures 2.1 and 2.5. The quality of the match appears very high, with testing showing a very low rate of false-positive matches. The key limitations at this stage are a lack of timeliness (the HRC-IDI results in this report are historic, rather than for 2015) and missing data for one of the larger Public Service agencies.

SSC will work with Statistics NZ on the feasibility of integrating the HRC data into the IDI on an ongoing basis, addressing these limitations and looking to further develop the range of information that is produced.

See Appendix 6 for further information on the IDI.

Figure 2.5 Statistics NZ’s Integrated Data Infrastructure

Linking data into Statistics NZ’s IDI



3 Remuneration

On average, around forty percent of departmental costs are staff employment related, including wages and salaries, superannuation, performance pay, redundancy and retirement. Agencies also have costs associated with their HR function, which run the people policies and processes to effectively recruit, develop and manage staff.

Remuneration of employees is an important employment condition that is necessary to support an organisation’s workforce to achieve its business objectives. Annual remuneration adjustments are done through a combination of collective agreement bargaining and organisational remuneration system review processes.

All State sector agencies, except state-owned enterprises, must take into account the Government’s expectations for pay and employment conditions including all processes for adjusting remuneration and conditions, including collective bargaining. Adjustment must be affordable and sustainable within baseline funding, and should not lead wider labour market movements and trends. The section below on sector wage movements indicates that in general the Government’s expectations related to pay and employment conditions have been met. For further information on the Government’s expectations refer to: <http://www.ssc.govt.nz/govt-expectations-pay-employment>

Sector wage movements comparison

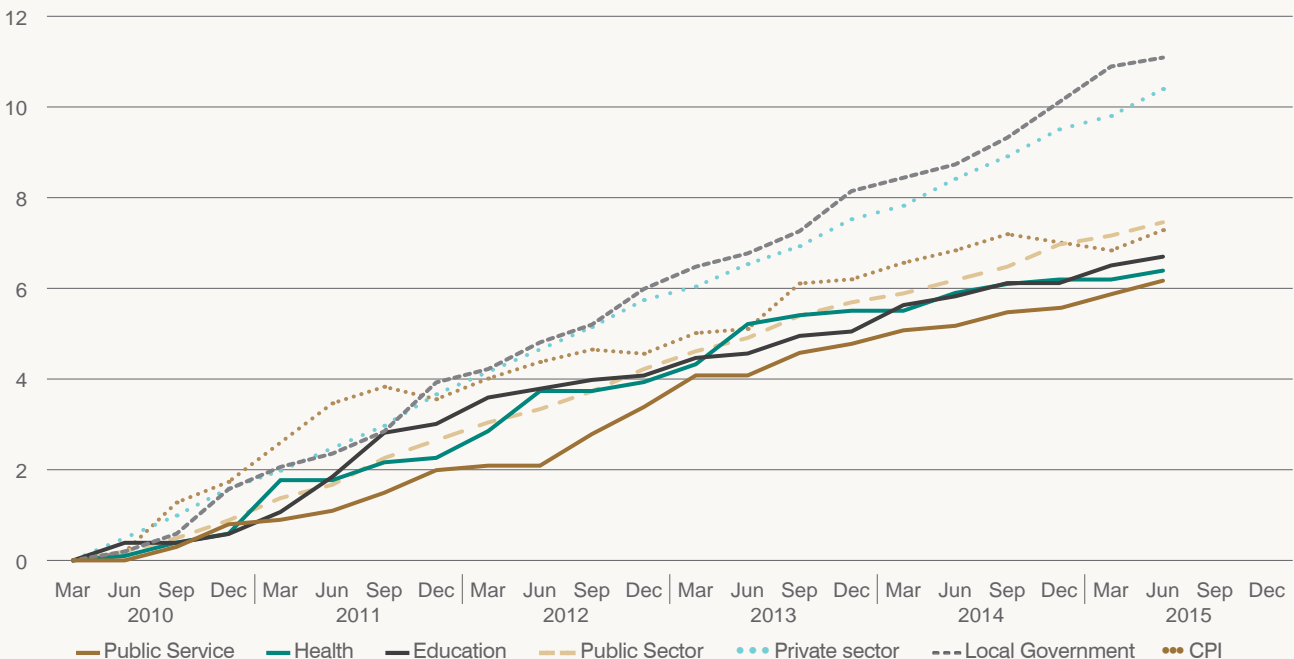
To supplement the annual HRC survey salary information, SSC acquired a customised dataset from Statistics New Zealand’s Labour Cost Index (LCI) to monitor wage movements in the Public Service and other sectors on a quarterly basis. The LCI measures movements in salary and wage rates, or wage inflation, for the New Zealand workforce.

In the year to June 2015, the LCI measured an increase in wages and salaries of 1.2% for the public sector and 1.8% for the private sector. Within the public sector, the Public Service’s overall wage increased by 0.9%, the education sector by 0.8%, the health sector by 0.5% and local government by 2.2%. General inflation as measured by the Consumer Price Index (CPI) increased by 0.4%.

Figure 3.1 shows the LCI long term trend in salary and wage movements of selected sectors since March 2010 on a quarterly cumulative basis. Generally the gap in wages and salaries movement has been widening between the public and private sectors. Public sector wages and salaries have increased by 7.5% over the last five and a half years, compared to 10.4% for the private sector. Within the public sector, the Public Service has

Figure 3.1 Public and private sector wage movements, 2010–2015

Cumulative % movement since March 2010



increased by 6.2%, compared with 6.4% for the health sector, 6.7% for the education sector, and 11.1% for the local government sector. The Public Service movement has been lower than those in the private sector and other government sectors. The CPI increased by 7.3% over the same period (excluding the effect of GST increase in 1st October 2010 from 12.5% to 15%).

It should be noted that salary movements measured by LCI and HRC figures are based on different concepts and are not directly comparable. The LCI figures are adjusted to ensure a constant quality and quantity of labour is measured, whereas the HRC salary movements (discussed in the following sections) reflect overall changes in workforce structure and occupational mix, and the movement in staff pay due to both bargaining movements and pay progression. The HRC movements are a composite measure and are generally higher.

Personnel expenses

The Treasury publishes annual Financial Statements of the Government. These statements include personnel expenditure, which covers total remuneration paid by

employers to employees, and includes payments such as wages, superannuation contributions and leave entitlements. Personnel expenditure¹ for core Crown government agencies has increased by 5.1% in 2015, while the total Crown personnel expenditure (that also includes Crown entities and SOEs) has increased by 3.1% (Table 3.1). Definitions for Core Crown and Total Crown are given in Appendix 6.

The Public Service annual salary movement

The HRC survey provides a snapshot of the base salaries of staff in the Public Service as at 30 June each year. In the year to 30 June 2015, the movement of the average salary was 2.7%. This movement is affected by the occupational structure of the workforce, movement in staff pay, and the salaries of new and departing staff. It measures the salary change of the Public Service as a whole, as opposed to measuring salary movements for individuals. The trend since 2011 is shown in Table 3.2. This group is slightly different from the core Crown group that is mentioned above.

¹ Source: The Treasury, Financial Statements of the Government of New Zealand for the Year Ended 30 June 2015. <http://www.treasury.govt.nz/government/financialstatements/yearend/jun15>

Table 3.1 Personnel expenditure in core Crown and total Crown, June year 2011-2015

	2011	2012	2013	2014	2015
Core Crown Personnel expenditure	\$5,996m	\$5,915m	\$6,037m	\$6,232m	\$6,552m
Total Crown Personnel expenditure	\$19,088m	\$19,475m	\$19,935m	\$20,484m	\$21,124m
% Change in Core Crown personnel expenditure from previous year	0.1%	-1.4%	2.1%	3.2%	5.1%
% Change in Total Crown personnel expenditure from previous year	3.3%	2.0%	2.4%	2.8%	3.1%

Note: The Core Crown segment consists of government departments, Offices of Parliament, the NZS Fund and the Reserve Bank of New Zealand. Total Crown includes the core Crown plus Crown entities and State-owned Enterprises.

Table 3.2 Average and median salary in Public Service, 30 June 2011-2015

	2011	2012	2013	2014	2015
Median (\$)	56,119	57,560	58,425	60,000	61,984
Average salary (\$)	65,179	67,119	68,561	70,248	72,177
Movement in average salary (%)	2.4%	3.0%	2.1%	2.5%	2.7%

Total salary cost

Expenditure on base salaries is the single largest people expense. Other components of personnel costs include superannuation, performance payments, redundancy costs and ACC levies. Total salary cost presented in Figure 3.2 is calculated by multiplying the total number of FTE employees in the Public Service by the average annual FTE salary. These are indicative salary costs and do not represent exact annual salary expenditure. The total salary cost in the Public Service rose by 2.8% to \$3.27 billion in 2015, up from \$3.18 billion in 2014. The growth trend since 2000 reflects the increase in staff numbers and average salary.

Senior pay

The State Services Commissioner employs and sets the remuneration of chief executives of Public Service departments (except for the Crown Law Office, Government Communication Security Bureau, and the State Services Commission whose chief executive remuneration is set by the Remuneration Authority). Chief executives, set the remuneration for their staff.

In the Public Service staff are on a mixture of permanent and fixed-term contracts and their remuneration packages

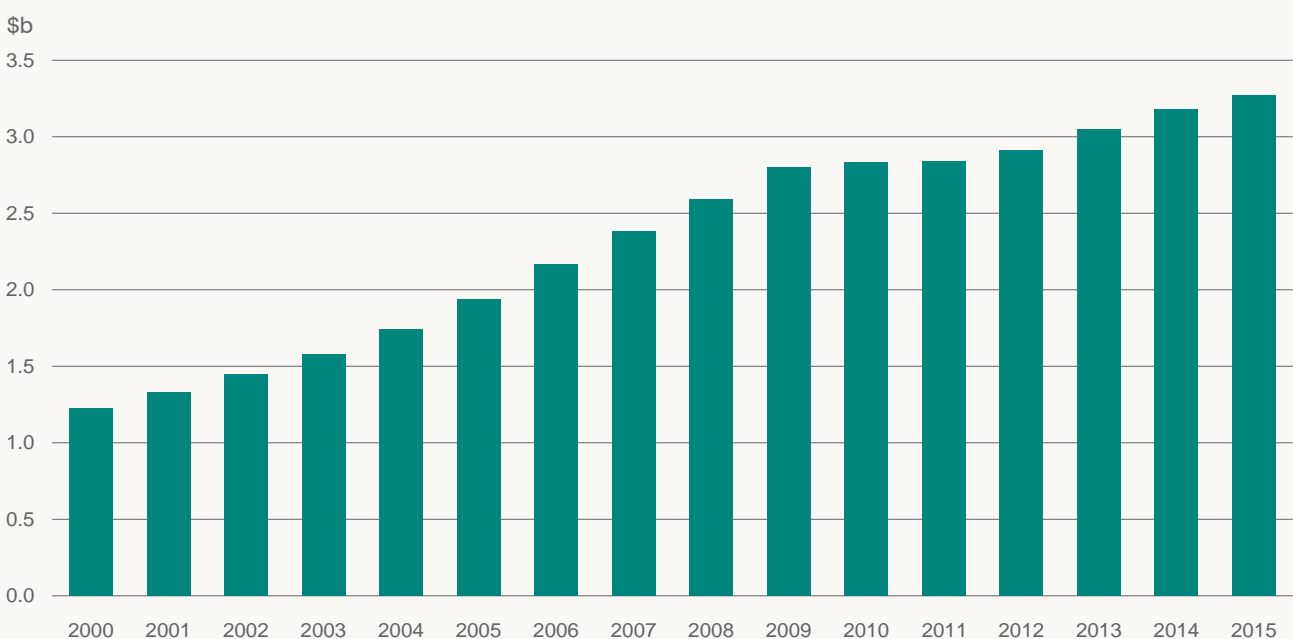
are more commonly structured around a base salary component, which is adjusted through annual performance review process or collective bargaining.

In contrast, Public Service chief executives are on fixed-term contracts of between three and five years, which may be extended for a further term. Their remuneration consists of a total remuneration package, parts of which are at-risk and must be earned through individual performance and contribution to broader sector outcomes.

Public Service chief executive remuneration was redesigned in 2014 to create a stronger and clearer link between chief executives' performance expectations and remuneration. Chief executives' total potential remuneration is typically comprised of:

- Target remuneration which is made up of 90% base salary and a 10% earn-back component which is linked to very good performance over the year against achievement of the expectations for chief executives. Payment of the earn-back component is withheld until after performance has been assessed at the end of the year.
- Exceptional performance payment of up to 15% of target remuneration, specifically linked to chief executives demonstrating exceptional performance

Figure 3.2 Total salary cost of Public Service (FTE employees x average salary), June year 2000-2015



against the system-wide stewardship expectations, paid at the State Services Commissioner's discretion.

- Employer contribution to superannuation arrangements, typically 10% of salary.

For further information on Public Service chief executive remuneration refer to SSC webpage: <http://www.ssc.govt.nz/ssw-pay>.

As at 30 June 2015, the Public Service workforce was made up of 11% managers and 89% in other occupational groups. There were 28 chief executives (one vacancy), 940 tier 2 and 3 managers and 4,375 other managers employed on 30 June 2015 as shown in Table 3.3.

The average base salary of staff increases along with seniority as shown in Figure 3.3, reflecting the increasing job size and responsibilities of their roles. Base salary is used for general comparison because data for individual employee's superannuation and performance pay are not collected in the HRC survey. It is also less relevant to compare total remuneration of chief executives with other employees because their remuneration structures are different.

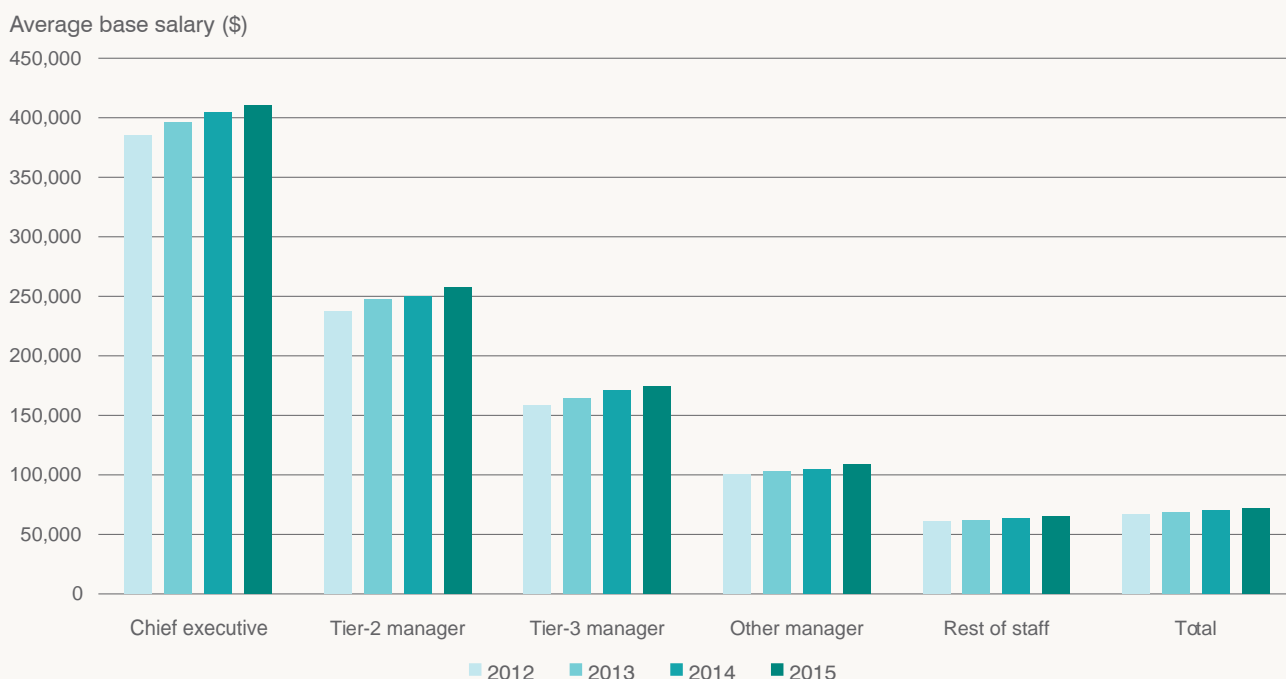
The average annual base salary of Public Service chief executives in 2015 ranged from \$215,000 to \$630,000, with the average being \$410,000.

Figure 3.4 shows the ratios of average salary for the four management levels over the rest of non-management staff.

Table 3.3 Public Service staff by seniority, 30 June 2015

Seniority	Headcount	% share
Chief executive	28	0.1%
Tier-2 manager	170	0.4%
Tier-3 manager	770	1.6%
Other manager	4,375	9.3%
Rest of staff	41,816	88.7%
Total	47,159	100.00%

Figure 3.3 Average base salary of Public Service staff by seniority, June year 2012-2015



These ratios were quite stable over the last three years. In 2015, the average base salary of chief executives in the Public Service is on average 6.3 times that of the rest of non-management staff. The ratios for other management levels are: tier-2 manager at 3.9, tier-3 manager at 2.7 and other manager at 1.7 times. At a broader level the average salary ratio for chief executives to all other staff (including managers) was lower at 5.7 times.

While salary ratios generally remain stable from year to year, annual salary movements can be volatile at management levels owing to their relatively smaller cohorts, which are more susceptible to influence by staff movement and organisational changes. Table 3.4 shows the annual rates of salary movement for the last three years. The average movement for Public Service chief

executives was 2.1%, lower than other management and non-management groups.

Disclosure of remuneration of Public Service and State sector senior staff

In addition to the HRC survey data, the State Services Commission also conducts an annual survey of remuneration of Public Service and State sector chief executives, as well as compiling information on the number of staff earning more than \$100,000 across a number of State sector organisations.

Cabinet has agreed that remuneration paid to Public Service and State sector senior staff should be disclosed annually in one location. This provides transparency for

Figure 3.4 Average salary ratio by seniority, June year 2015

Salary ratio (Management:Rest of Staff)

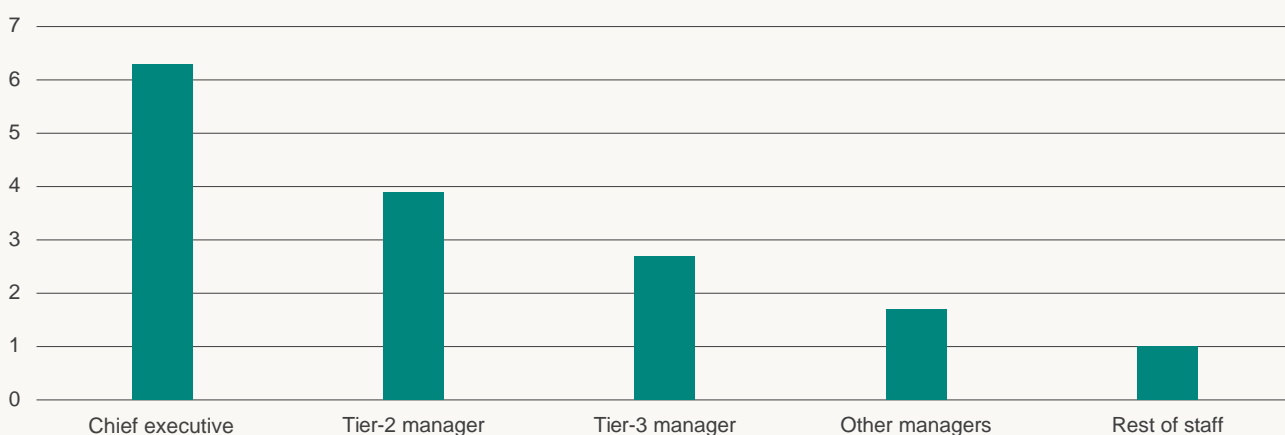


Table 3.4 Annual salary increase by seniority 2013 - 2015

Year	Chief executive	Tier-2 manager	Tier-3 manager	Other manager	Rest of staff	Total
2013	2.8%	4.3%	3.6%	3.2%	2.4%	2.1%
2014	2.1%	1.0%	4.4%	1.2%	2.4%	2.5%
2015	1.5%	3.2%	1.7%	4.0%	2.9%	2.7%
Average 2013-15	2.1%	2.8%	3.2%	2.8%	2.6%	2.5%

Note: These annual increases in base salary reflect the impact of changes in the Public Service workforce structure, occupational mix, movement in staff pay through performance review process or collective bargaining, and the salaries of new and departing staff. It measures the salary change of the Public Service as a whole, as opposed to measuring salary movements for individuals.

the public around the level of remuneration received by senior State servants. The total remuneration of individual chief executives in 2015 is published at: <https://www.ssc.govt.nz/ssw-pay>

The numbers of senior staff (excluding chief executives) who received \$100,000 or more in total remuneration (including base salary, and any superannuation, performance and redundancy payments) are shown in Appendices 4a and 4b. In the year to 30 June 2015, there were 7,559 such senior staff in the Public Service and selected Crown Entities group. In the year to 31 December 2014, there were 6,004 Tertiary Education employees in this category. In both groups about 8% of them received over \$200,000 in their total remuneration.

Salary and total cost by occupation in Public Service

Average salary levels vary across different occupation groups reflecting differences in job size, skills and responsibilities as shown in Table 3.5. Managers had the highest average salary, followed by Policy Analysts, ICT Professional and Technicians, and Legal, HR and Finance Professionals. Contact Centre Workers, and Clerical and Administrative workers had the lowest average salary.

Total salary cost by occupation group is calculated by multiplying the average salary for the group by the number of FTE staff in that group as shown in Table 3.5.

Table 3.5 Average salary and estimated total cost by occupation group 2015

HRC customised occupation groups	Average salary 2015	Salary change (%) 2014-2015	Number of employees (FTE) 2015	Employee change (%) 2014-2015	Total salary cost (\$million)	Salary cost change (%) 2014-2015
Managers	\$124,388	3.7%	5,290	0.2%	\$658	3.9%
Policy Analysts	\$93,666	2.4%	2,535	0.8%	\$237	3.2%
Information Professionals	\$78,612	1.4%	5,230	20.9%	\$411	22.5%
Social, Health and Education Workers	\$60,498	1.9%	8,399	-1.2%	\$508	0.7%
ICT Professionals and Technicians	\$86,673	3.1%	1,737	-3.9%	\$151	-0.9%
Legal, HR and Finance Professionals	\$86,447	1.3%	2,077	-1.6%	\$180	-0.3%
Other Professionals not elsewhere included	\$72,017	1.3%	2,256	-1.1%	\$162	0.1%
Inspectors and Regulatory Officers	\$57,598	2.2%	9,456	-2.4%	\$545	-0.3%
Contact Centre Workers	\$47,469	1.1%	4,070	-3.5%	\$193	-2.4%
Clerical and Administrative Workers	\$55,336	0.6%	3,971	-5.2%	\$220	-4.7%

The Manager group is the largest cost in absolute dollar terms, at \$658 million in 2015. This has increased by 3.9% since last year. The second largest cost is the Inspectors and Regulatory Officers group at \$545 million, followed by the Social, Health and Education Workers at \$508 million as shown in Figure 3.5. These three groups account for over half of Public Service employee numbers and salary costs.

The largest percentage increase in salary cost in 2015 is the Information Professionals group (up 22.5%). In contrast, two groups have had an overall salary cost decrease, including Clerical and Administrative Workers (down by 4.7%) and Contact Centre Workers (down by 2.4%), mainly due to decrease in employee numbers.

Performance pay

Performance payments are defined as any lump sum payments made to staff (whether as part of an individual performance assessment or a collective agreement settlement) that relate to performance, incentive, productivity, exceeding expectations, collaborative or innovative work or achieving results. In 2015, the number of employees receiving performance payments has dropped to 1,308 which is 3% of all staff. The average performance payment is \$3,061 which is 14% higher than in 2014. The trend since 2011 is shown in Table 3.6.

Figure 3.5 Estimated salary cost by occupation group, June year 2012-2015

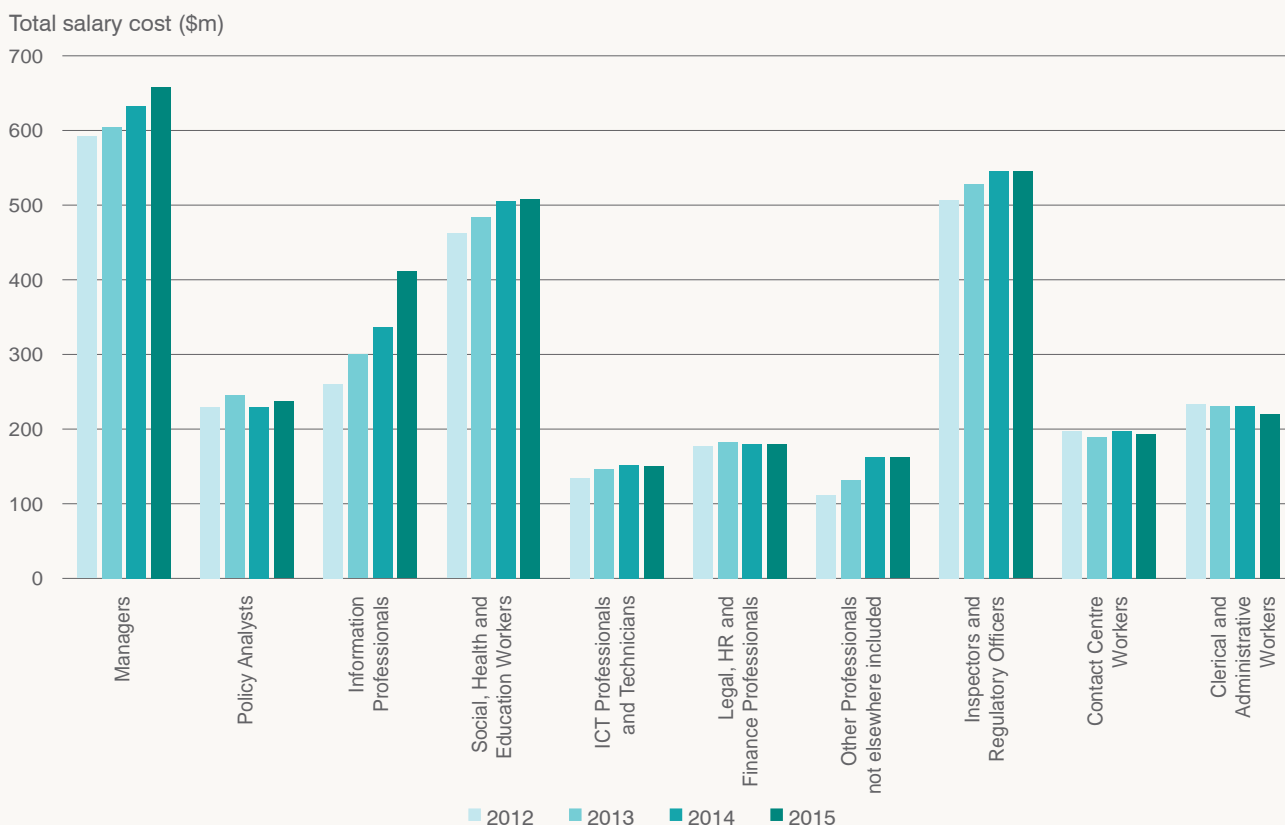


Table 3.6 Lump sum performance payments, June year 2011 to 2015

	2011	2012	2013	2014	2015
Number of staff receiving performance payments	1,667	5,361	6,092	1,634	1,308
Percentage of staff receiving performance payments (%)	4%	12%	13%	4%	3%
Average value of performance payment (\$)	\$3,538	\$1,345	\$1,626	\$2,688	\$3,061

The large decrease in the number of performance payments in 2014 compared to 2012 and 2013 was a result of the Ministry of Social Development collective agreement settlement to make productivity dividend payments for the 2011/12 and 2012/13 years only.

Twenty two departments made performance payments in 2015 while seven agencies did not. Around 73% of performance payments were given by six departments: Foreign Affairs and Trade, Land Information New Zealand, Business, Innovation and Employment, Internal Affairs, Treasury and Corrections.

Superannuation

As at 30 June 2015, 84% of Public Service employees were members of at least one employer-subsidised

superannuation scheme (up from 81% in 2014). The majority of staff (64%) belong to KiwiSaver, followed by 22% in the State Sector Retirement Savings Scheme (SSRSS). Since the introduction of KiwiSaver in 2007, membership continues to increase steadily as new employees enter the Public Service. In contrast, the proportion of employees belonging to SSRSS and GSF (Government Superannuation Fund) schemes, which were closed to new members in 2008 and 1992 respectively, has been decreasing gradually as members leave the workforce. Figure 3.6 shows the trend of Public Service employees participation in superannuation schemes over the seven years, 2009-2015.

Figure 3.6 Proportion of Public Service employees in subsidised superannuation schemes, June year 2009-2015

Proportion of Employees (%)

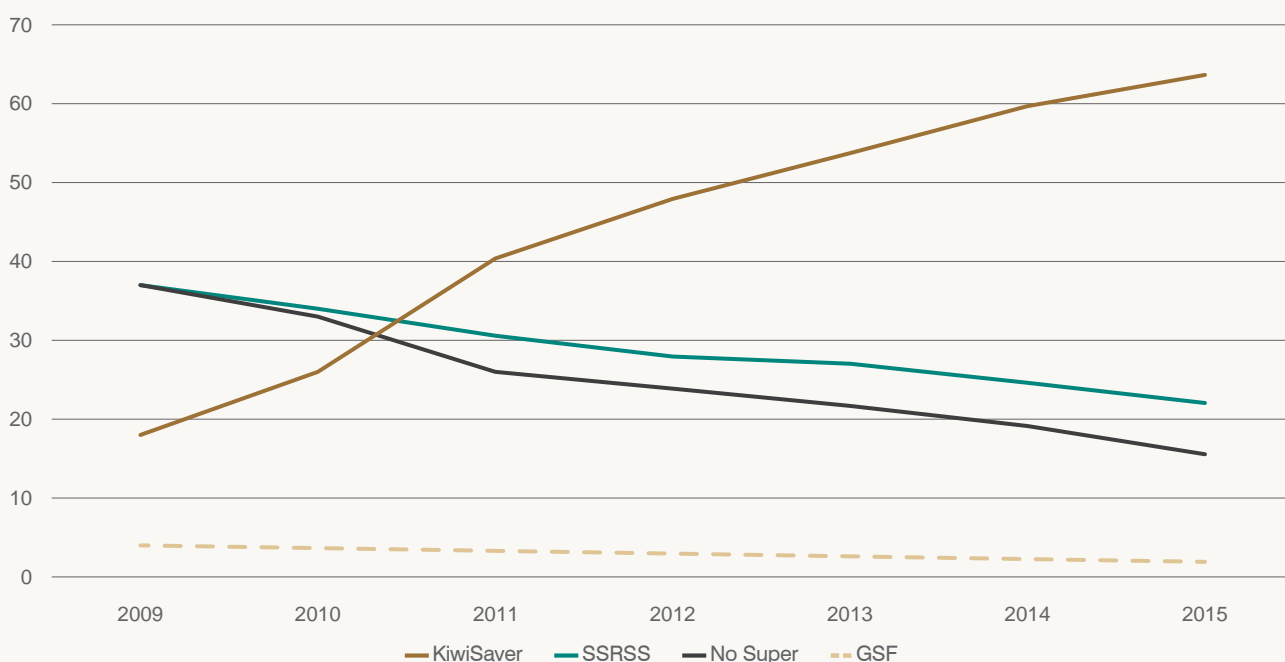


Table 3.7 New employees, June year 2011-2015

	2011	2012	2013	2014	2015
Number of new employees	7,357	7,865	8,679	8,550	7,723
Proportion on fixed-term	43%	40%	39%	39%	36%

Recruitment

Recruitment activity in the Public Service has dropped by 9.7% to 7,723 new employees in the 12 months to 30 June 2015, as shown in Table 3.7. About 36% of the new recruits were on fixed-term employment agreements. In the total Public Service workforce the proportion of fixed-term staff has decreased to 7.0%, from 8.4% in 2014.

The Better Administrative and Support Services (BASS) programme has identified recruiting employees as an expensive HR process. Larger agencies have more efficient recruitment processes than small agencies because of the advantages of scale. The decrease in recruitment in 2015 was due to lower gross turnover (refer to Chapter 5) in the workforce, which impacts on total recruitment costs.

Redundancies

Redundancies are a part of staff turnover that agencies have planned for. In the year to 30 June 2015, 380 employees in the Public Service were made redundant (down from 440 in 2014). The average redundancy payment decreased to \$49,382 (from \$55,825 in 2014). The total cost of redundancy decreased by 23.6% to \$18.8 million (from \$24.6 million in 2014). Table 3.8 shows the number and total cost of redundancies in the Public Service have been decreasing since 2011.

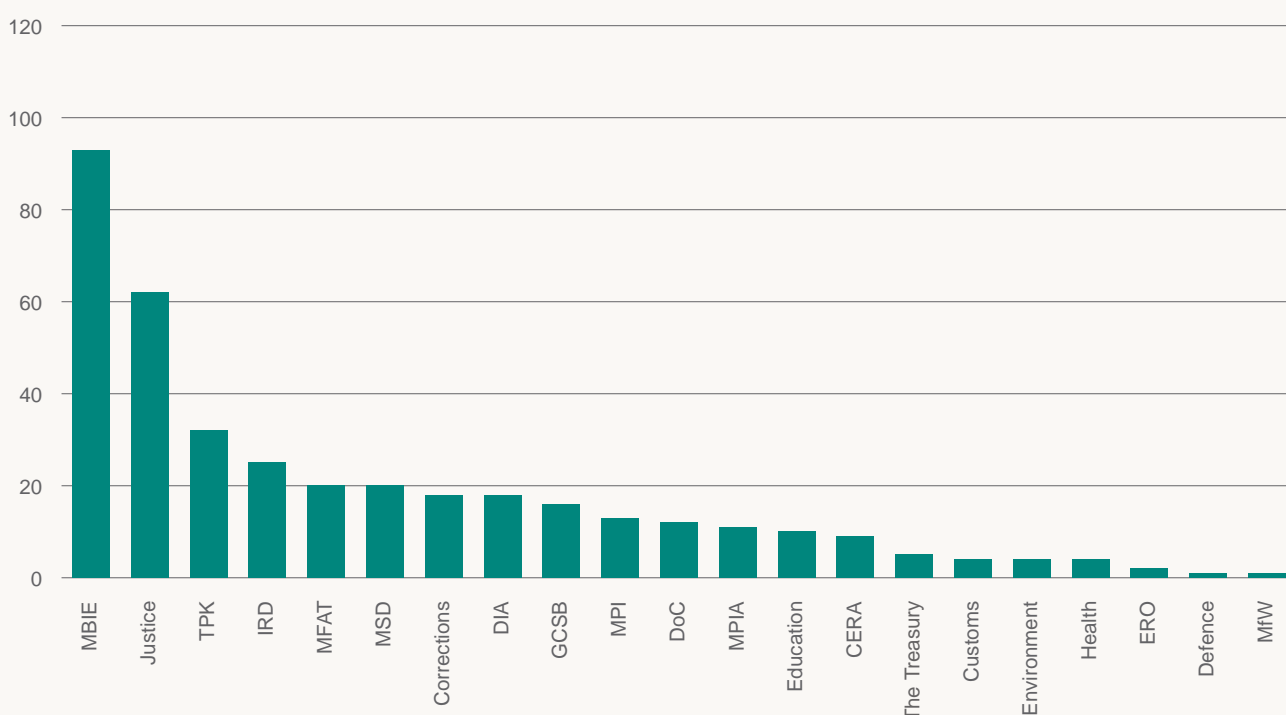
The redundancies in 2015 were spread across 21 agencies, as shown in Figure 3.7. About 41% occurred in two agencies (MBIE and Justice). Most of the redundancies were due to agencies reviewing their operational and workforce requirement.

Table 3.8 Redundancies and average payments, June year 2011-2015

	2011	2012	2013	2014	2015
Number of redundancies	888	764	696	440	380
Average payment (\$)	45,728	50,650	47,696	55,825	49,382
Total cost of redundancy payments (\$ millions)	40.6	38.7	33.2	24.6	18.8

Figure 3.7 Redundancies by department, June year 2015

Number of Redundancies



4 Diversity

SSC's approach to diversity and inclusion

SSC's vision for diversity and inclusion is a Public Service that better serves New Zealanders by ensuring that diverse perspectives, experience and backgrounds are better reflected in how public servants work and what they deliver.

Why it's important?

New Zealand is a diverse country, in fact Auckland is one of the most ethnically diverse cities in the world with a very large migrant population. In order to provide services that communities need, the Public Service needs to engage with and understand those communities. There is also extensive research showing that organisations that are more inclusive are more innovative, especially when organisations can harness a wide range of perspectives.

What is the SSC doing?

SSC has a leadership and enabling role for increasing diversity across the Public Service, using both an agency and cross-agency focus. This is achieved through applying a diversity lens to existing work programmes and relationships and delivering key initiatives in partnership with agencies and others. SSC is also working with agencies to ensure that diversity and inclusion is effectively leveraged, enabling more customer-centred services.

SSC applies a diversity and inclusion lens to the following key system areas:

- Leadership
- Chief Executive Expectations
- Four-year plans
- Employment Relations
- People Capability
- Data and Analytics
- Legislative Framework and Integrity.

There are also a number of system-level pieces of work that SSC will be progressing. These include: promoting flexible work initiatives across agencies; intensifying and influencing recruitment and supply for diversity; growing positive, inclusive workplaces and building communities of practice around diversity.

Monitoring progress in diversity and inclusion is vital to ensure transparency and awareness. Clear data and insights enable evidence-based decision-making. The diversity part of this report has been developed this year to

highlight new insights from a broader range of data. New sections for this report include:

- more extensive information on Auckland
- a discussion on disability information, and disability data
- part-time and flexible work
- customer perception, and integrity and conduct.

How is the Public Service doing?

Women in the Public Service

The proportion of women in the Public Service continued to increase to 60.5% at 30 June 2015 (compared with 47.0% in the overall New Zealand workforce). This is the highest proportion recorded, up from 60.2% in 2014, and 56.2% in 2000. The type of work in the Public Service may partly explain this high representation as many Public Service occupations such as 'social workers', 'case workers' and 'clerical and administration workers' have a high representation of women in the wider labour market. The proportion of women in each Public Service department is shown in Appendix 2.

Table 4.1 shows how female representation varies across occupational groups. Women's representation in management has been increasing slowly over the past 5 years, and has reached 52.5% in 2015. It also shows that women are more heavily represented in social, health and education roles, as well as contact centre and clerical/administrative roles whilst being under represented in ICT and Inspector/Regulatory roles, although representation in the latter roles has increased over the past five years.

The unadjusted gender pay gap

As at 30 June 2015, the average salary was \$78,850 for men and \$67,820 for women. The average salary increased by 2.7% for men and 2.9% women since 30 June 2014. This has meant the unadjusted gender pay gap has decreased slightly, by 0.1 percentage points, to 14.0%. Table 4.2 and Figure 4.1 shows that the historic narrowing of the gender pay gap has slowed since 2010. The definition for calculating the gender pay gap is given in Appendix 6. Gender pay gap varies greatly amongst departments as shown in Appendix 2, ranging from 39% in Ministry of Defence to -37% in Ministry for Women (where the average salary for women is higher than for men). These salary gaps are influenced by relative numbers of women and men in different occupations and seniority level in their workforces.

Table 4.1 Women representation in occupational groups, 30 June 2011-2015

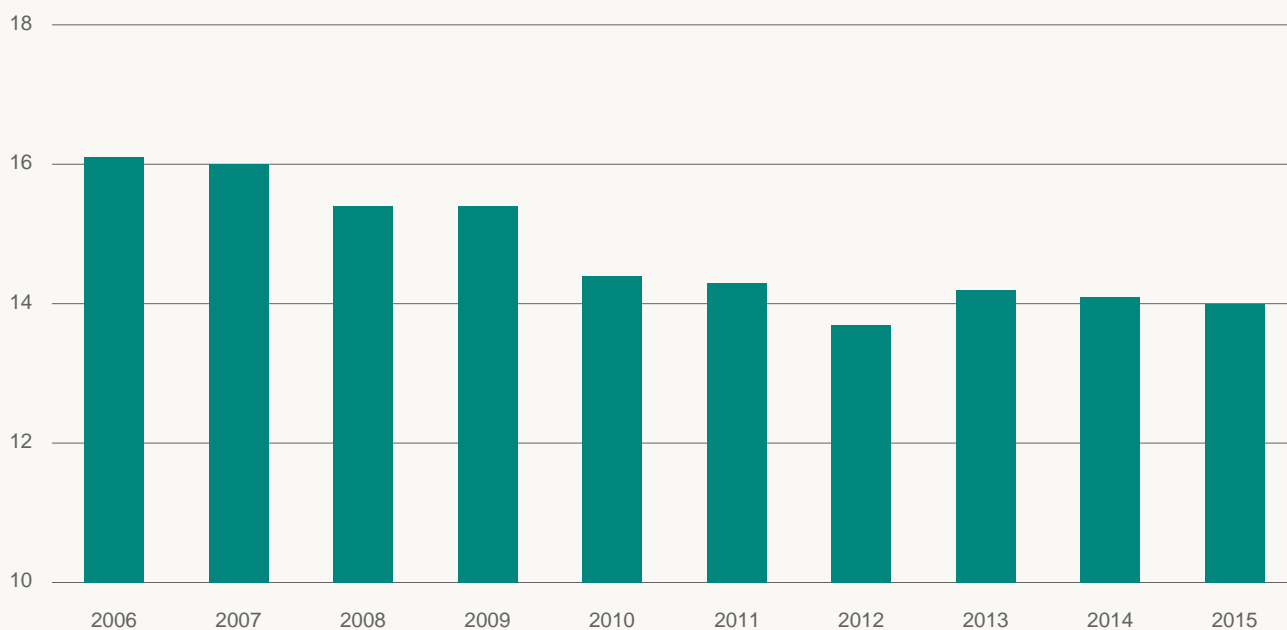
HRC customised occupation groups	2011	2012	2013	2014	2015
Managers	48.8%	49.5%	51.0%	51.3%	52.5%
Policy Analysts	55.1%	55.0%	54.5%	56.2%	55.6%
Information Professionals	57.8%	58.5%	59.6%	59.7%	60.6%
Social, Health and Education Workers	75.2%	75.3%	75.6%	75.6%	75.7%
ICT Professionals and Technicians	30.9%	31.3%	31.9%	31.9%	32.3%
Legal, HR and Finance Professionals	62.0%	61.6%	60.0%	60.8%	61.4%
Inspectors and Regulatory Officers	41.6%	41.5%	43.1%	44.9%	45.2%
Contact Centre Workers	75.9%	76.4%	76.4%	77.0%	76.2%
Clerical and Administrative Workers	80.2%	80.6%	82.2%	81.2%	82.2%
Other Occupations	44.3%	47.5%	48.2%	47.9%	46.4%

Table 4.2 Average salary by gender, 30 June 2011-2015

	2011	2012	2013	2014	2015
Female salary (average)	\$61,012	\$63,033	\$64,297	\$65,932	\$67,820
Male salary (average)	\$71,219	\$73,066	\$74,903	\$76,784	\$78,850
Gender pay gap (%)	14.3%	13.7%	14.2%	14.1%	14.0%

Figure 4.1 Unadjusted gender pay gap, June 2006-2015

Gender pay gap (%)



A higher proportion of women work in the lower-paid occupational groups compared to men and this contributes to the gender pay gap. For example, women make up 60% of the Public Service workforce in 2015, but make up 82% of Clerical and Administrative roles. Table 4.3 shows that pay gaps by occupation are all lower than the overall pay gap because people in more equivalent roles are being compared.

Some occupational groups, such as managers, still have high gender pay gaps. These gaps can be better seen by looking at the difference in the gender distribution of salaries by occupational groups as in Figure 4.2.

These box plots show how salary is distributed for each occupation and gender. Note that the whiskers of the distributions can be affected by occupational miscoding. Box plots are more fully explained in Appendix 6.

To some extent, gender pay gaps within occupational groups still reflect compositional differences between the genders in terms of seniority and experience. For example, women make up 52% of managers in the Public Service in 2015, but only 44% of senior managers (although this is up from 38% in 2008). Table 4.4 shows that controlling for occupation, seniority and experience (through age) reduces the size of the gender pay gap by around two-thirds.

Table 4.3 Gender pay gaps by occupation group, 30 June 2011-2015

HRC customised occupation groups	2011	2012	2013	2014	2015
Managers	13.8%	13.4%	13.9%	13.9%	13.7%
Policy Analysts	11.2%	11.1%	10.2%	9.7%	9.8%
Information Professionals	8.4%	7.7%	9.1%	9.7%	11.2%
Social, Health and Education Workers	4.9%	4.5%	5.4%	3.5%	3.6%
ICT Professionals and Technicians	9.4%	9.8%	9.6%	8.8%	7.8%
Legal, HR and Finance Professionals	9.9%	9.4%	10.6%	12.6%	12.4%
Inspectors and Regulatory Officers	4.6%	4.1%	4.5%	4.2%	5.1%
Contact Centre Workers	2.0%	2.7%	2.0%	3.3%	1.7%
Clerical and Administrative Workers	9.9%	6.8%	8.5%	13.4%*	11.0%
Other Occupations	11.9%	8.8%	8.9%	8.9%	12.0%

* The 2014 figure for 'Clerical and Administrative Workers' is unusually high due to miscoding of some procurement roles into the group.

Table 4.4 Gender pay gaps adjusted for compositional differences, 30 June 2008-2015

Year	Unadjusted	Adjusted for:		
	Raw gender pay gap	Occupation	Occupation & seniority*	Occupation, seniority* & age
2008	15.4%	6.9%	6.0%	5.1%
2009	15.4%	7.1%	6.2%	5.4%
2010	14.4%	6.2%	5.4%	4.5%
2011	14.3%	6.7%	5.7%	4.7%
2012	13.7%	6.1%	5.1%	4.4%
2013	14.2%	6.8%	5.9%	4.9%
2014	14.1%	7.2%	6.3%	5.3%
2015	14.0%	7.1%	6.4%	5.3%

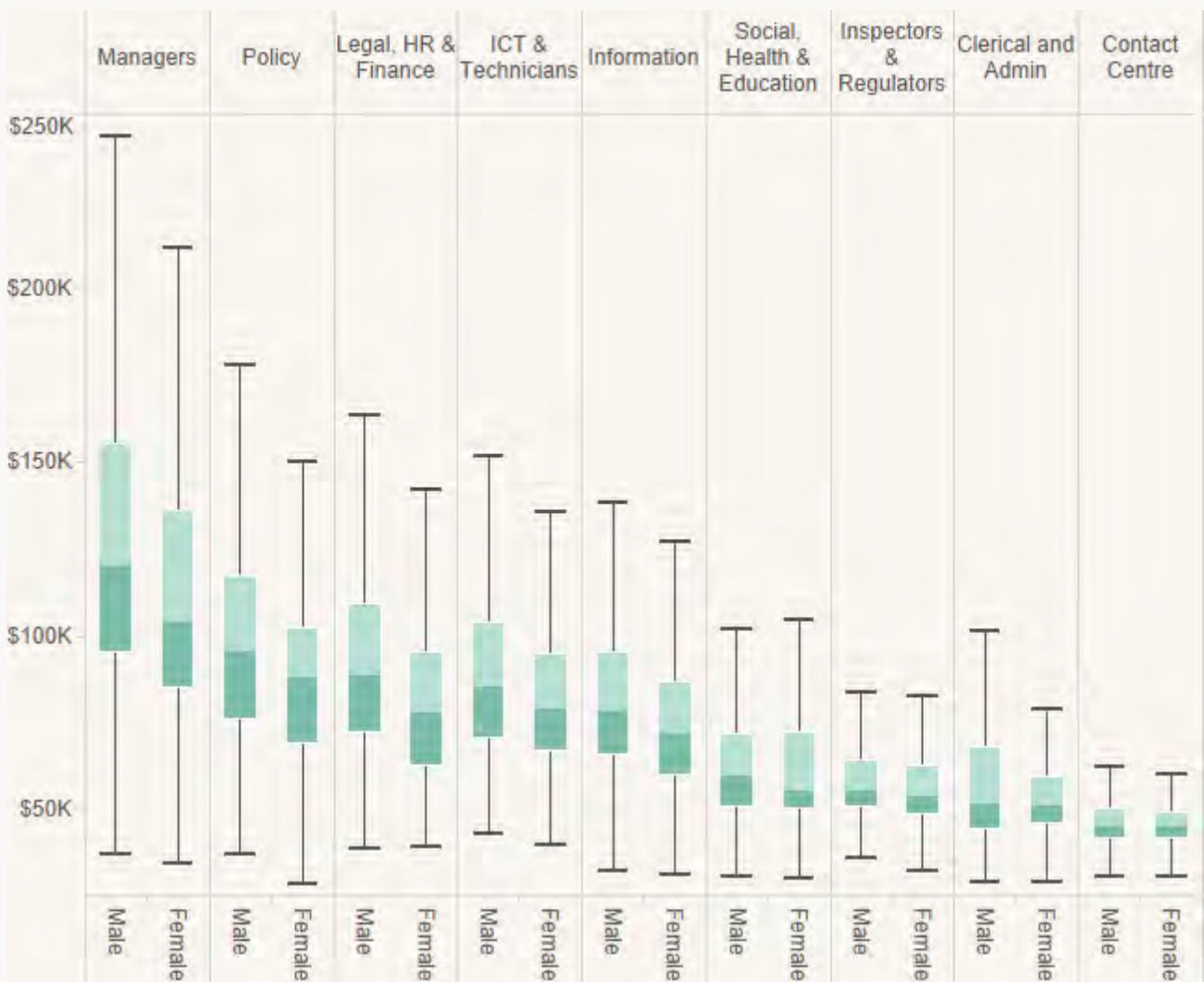
* Seniority is only controlled for those in the manager and policy analyst occupation groups, due to the unavailability of data for other groups.

The factors contributing to the gender pay gap are complex. Understanding these factors better will contribute to more effective strategies to address the pay gap. One factor that hasn't been adjusted for in this analysis is the impact of caring responsibilities on career progression and pay. Anecdotally this is a key factor, alongside occupational segregation, affecting the gender pay gap. The data to represent this factor is more attainable than it has been in the past. Through the development of the prototype HRC-IDI dataset (see the Career chapter 2), SSC can begin to look at the effect of caring responsibilities on progression and retention in the Public Service.

Caring responsibilities vary significantly across gender. As at 30 June 2015, there were 642 employees on parental leave (1.4% of the Public Service workforce), made up of 637 females and 5 males. As a percentage, 99% of people who are taking parental leave are women.

While data analysis can help to understand some of the factors that contribute to pay gaps, it does not negate them as factors that need to be addressed if we are to reduce the gender pay gap further.

Figure 4.2 Gender salary box plots by occupational group, June year 2015



Ethnic diversity in the Public Service

The ethnic diversity of the Public Service workforce over the last five years is shown in Table 4.5. The ethnic composition of the Public Service broadly resembles that of the New Zealand working-age population, based on the Household Labour Force Survey information from Statistics NZ.

In 2015, the European group remained the largest group in the Public Service at 70.6%. The proportion of European staff has been decreasing over the past 5 years, while the proportion of Asian staff is increasing. The proportion of Māori and Pacific staff has remained about the same. The increase in Asian staff is particularly pronounced in Auckland, as described in the challenge for Auckland section.

Ethnic pay gaps

Table 4.6 shows ethnic pay gaps in the Public Service. Like the gender pay gap, ethnic pay gaps can relate to the occupation profile of a particular ethnic group. Māori, Pacific and Asian public servants are more highly represented in the lower-paid occupation groups

(‘Social, Health, and Education workers’, ‘Inspectors and Regulatory officers’, ‘Contact Centre workers’ and ‘Clerical and Administrative workers’).

The pay gap for Pacific and Asian staff shows a small increase over time, whereas the pay gap for Māori has remained about the same. A more detailed analysis of Pacific staff is given later in the chapter.

Challenges

Prominent academic and demographer Paul Spoonley defines super-diversity as ‘having a large number or percentage of immigrants and people of different ethnicities in a society or area. Super-diversity can also refer to religious or linguistic diversity, especially as these have implications for a shared civic culture or economic outcomes.’²

Governments need to ensure that they are aligned to the needs of communities, as part of ensuring cohesive societies and providing better public services. One way of ensuring the diverse perspectives are incorporated is by having a diverse workforce. It is also imperative that public servants work towards having the relevant cultural competencies. In a super-diverse city such as

² Spoonley ‘Superdiversity, social cohesion, and economic benefits’ IZA World of Labor 2014:46

Table 4.5 Representation of ethnic groups in the Public Service, 30 June 2011-2015

	2011	2012	2013	2014	2015	New Zealand working-age population (2015)
Māori (%)	16.4	16.4	16.5	16.6	16.4	12.9
Pacific people (%)	7.6	8.0	7.7	8.0	8.0	5.8
Asian (%)	7.4	7.0	7.6	8.2	8.5	11.7
Middle Eastern, Latin American, African (%)	1.0	1.1	1.2	1.1	1.0	1.0
European (%)	72.5	73.1	72.0	70.7	70.6	74.1

Table 4.6 Ethnic pay gaps, 30 June 2011-2015

	2011	2012	2013	2014	2015
Māori (%)	11.5%	11.3%	11.2%	10.4%	11.0%
Pacific peoples (%)	19.3%	19.0%	19.4%	19.6%	20.5%
Asian (%)	10.6%	11.7%	11.2%	11.6%	12.1%

Auckland, this need is heightened. Figure 4.3 shows that Auckland is a much more ethnically diverse region than the New Zealand population as a whole.

Figure 4.4 shows that Auckland is becoming an increasingly diverse city. Increasing numbers of migrants are moving to Auckland from overseas. On the other hand, more Aucklanders leave New Zealand each year on a permanent or long-term basis, than are replaced by New Zealanders returning to live in Auckland, although this has improved in recent years.

Table 4.7 shows representation of ethnic groups in the Public Service workforce in Auckland. The number of Asian staff has been steadily increasing, reaching 18.7% in 2015. This compares to the Wellington figure of 8.3%. The proportion of Pacific staff in Auckland has also been steadily increasing, whilst Māori representation has remained similar/slightly declined.

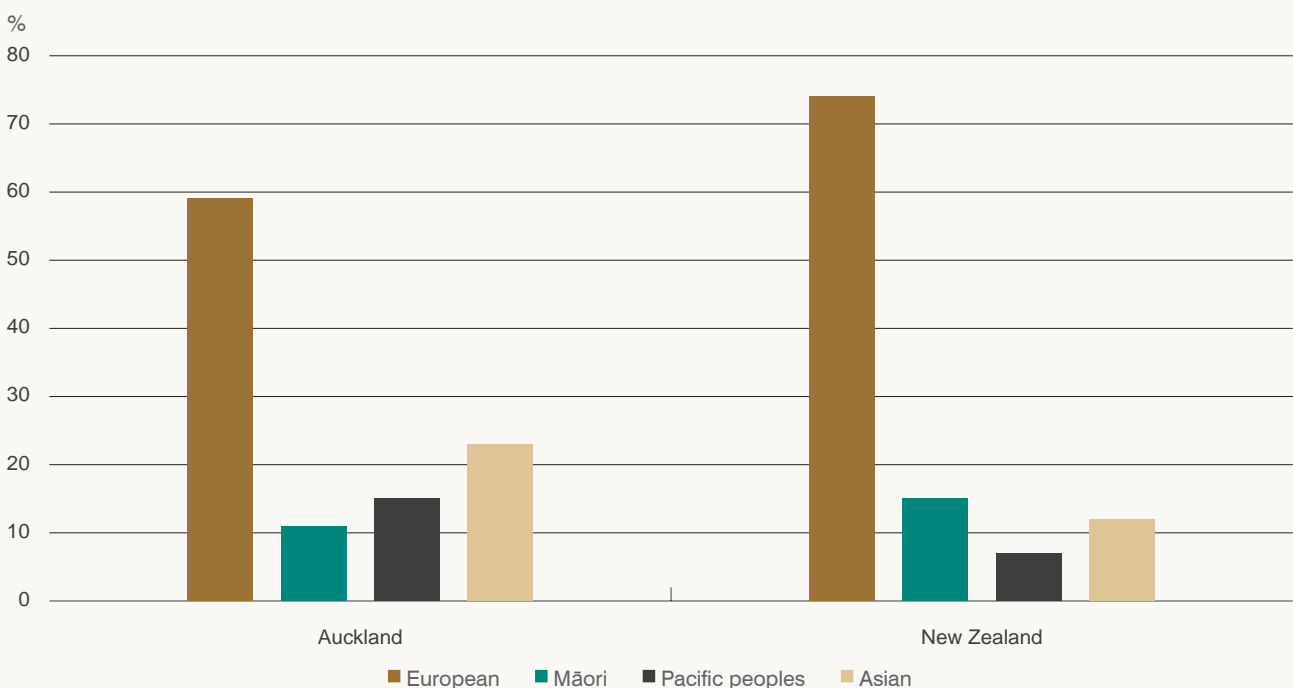
The challenge for Auckland

“Auckland is already one of the world’s most diverse cities; second only to Vancouver, Canada in terms of its proportion of foreign born residents. Strong migration flows into Auckland mean that the city’s rate of diversification is accelerating. While this creates enormous opportunities for Auckland and for New Zealand, it also presents some challenges. Public service, along with other Auckland employers, need to find ways of attracting, retaining and developing staff from the range of communities that now make up the Auckland population.

Ensuring the Public Service is seen as an attractive career choice for the widest cross-section of New Zealanders is not just about broadening the talent pool. Ultimately, both the effectiveness and the legitimacy of our state services depends on them reflecting the perspectives and the characteristics of the people they are designed to serve.”

Lewis Holden,
SSC’s Deputy Commissioner Auckland

Figure 4.3 Ethnic makeup of the Auckland population compared to NZ, 2013 Census



As well as a higher representation of Pacific and Asian staff in Auckland, these groups are more highly represented across most occupational groups, compared to Wellington. In particular, Asian staff are highly represented in ICT, Information Professional, and Contact Centre roles, and Pacific staff are highly represented in Social, Health and Education roles and Contact Centre roles.

In contrast to Wellington, where Pacific staff only make up 3% of managerial roles, in Auckland Pacific staff make up 12%. Similarly Pacific representation is 4-5 times higher in policy roles and corporate support roles in Auckland compared to Wellington.

Inclusive workplaces

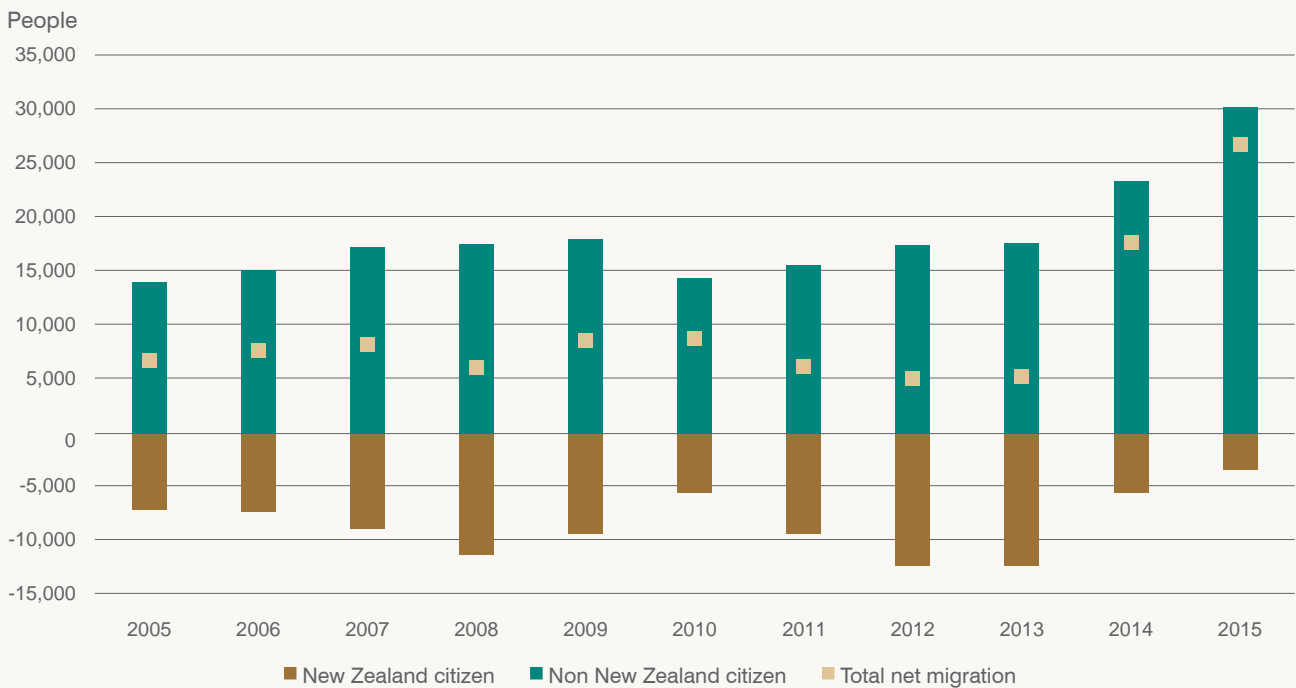
To access the whole range of potential, experience and opportunities that our diverse communities provide, it is important that workplace cultures in the Public Service are inclusive and that they support a range of people to succeed. A diverse workforce can work to better address the needs of the diverse community that it provides

services to, and interacts with. SSC collects information that can contribute to better understanding of workplace culture, through its Integrity and Conduct Survey, and New Zealanders' satisfaction and trust in government, through the Kiwis Count Survey.

In 2013, SSC measured staff views on fair workplaces and processes, opportunities for development, staff feeling valued, and likeliness of staff to leave through the Integrity and Conduct Survey. Staff felt valued in their role, with a vast majority of staff agreeing or strongly agreeing that their job allows them to use their knowledge, skills and abilities. Staff also had a high level of agreement that they had enough flexibility to do their jobs. Pacific, Asian and Māori staff have a more positive perception of their manager's effort to ensure equality and diversity, and are more likely to feel proud to work for their agency, compared to New Zealand European staff.

For more findings from the Integrity and Conduct Survey see <http://www.ssc.govt.nz/integrity-and-conduct-survey-2013-report>.

Figure 4.4 New Zealand external migration trends over the last 10 years



It is important that New Zealanders, as customers, trust and value their interactions with government. SSC regularly measures New Zealanders' experience and trust with government services through the Kiwis Count survey. The 2009 SSC report 'How different groups of New Zealanders experience public services', showed that Māori were a little less satisfied with the quality of services compared to non-Māori, and had lower levels of trust in the Public Service. The research also showed that for Māori, staff being non-judgemental and treating people with respect are key elements for fair treatment. This research highlights the importance of the Public Service workforce culture being inclusive, and how this can flow into improving service delivery and trust. For more information on trust and service delivery for demographic groups see the 'How different groups of New Zealanders experience public services' report – <https://www.ssc.govt.nz/sites/all/files/kiwis-count-demographics-report.pdf>

An ageing workforce

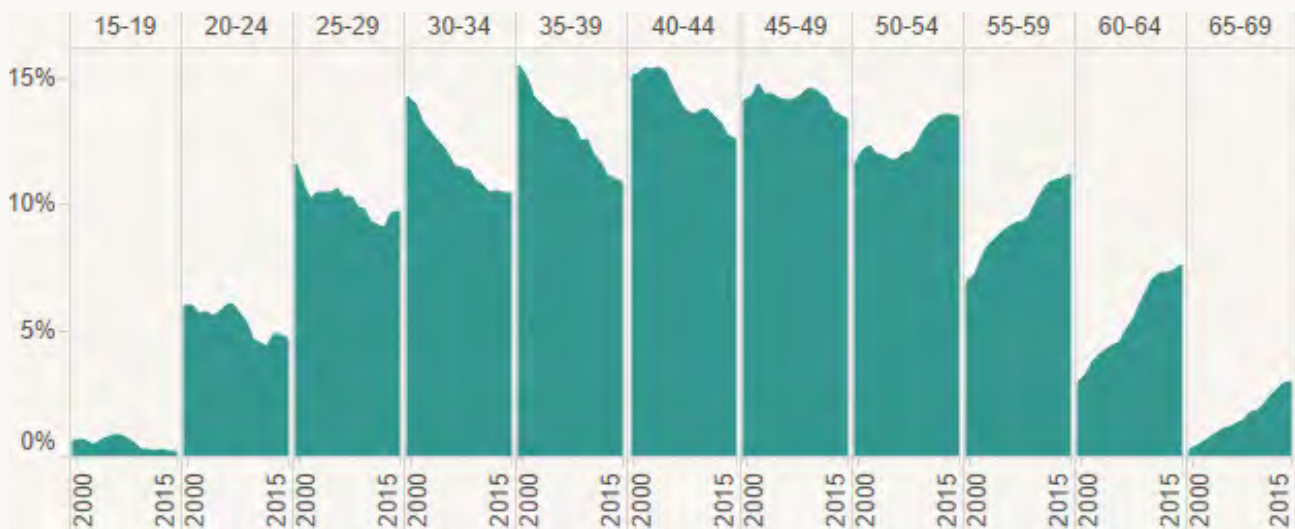
Like the population of New Zealand, the Public Service workforce is aging gradually as increasing number of baby boomers are reaching retirement age. Figure 4.5 shows the trends of aging Public Service workforce over the period 2000-2015, with increasing proportion in the over 50 years age groups and decreasing proportion the younger age groups. Figure 4.6 also shows the percentage of staff that are over 55 years of age has been increasing year on year for the last 15 years. In 2015, the Public Service had a similar proportion of older workers as the general workforce.

Table 4.8 shows that over the last 14 years, staff in the Public Service are retiring later. In 2015, 47% of staff who retired were in the 65-69 age group (10.6% in 2001). This increase in retirement age is partly related to the increase in the age of eligibility for New Zealand Superannuation to 65 in the early 2000s, but it is also seen in older age groups.

Table 4.7 Representation of ethnic groups in the Auckland Public Service, 30 June 2011-2015

	2011	2012	2013	2014	2015
Māori (%)	15.5%	15.3%	14.9%	15.1%	14.7%
Pacific peoples (%)	17.8%	18.9%	18.5%	19.3%	19.9%
Asian peoples (%)	15.8%	14.7%	16.3%	17.8%	18.7%

Figure 4.5 Public Service employee age profile, June 2015



There are several impacts of staff retiring later – there is more opportunity for:

- retaining public sector knowledge
- effective succession management
- better responding to the needs of ageing staff
- maximising the investment in human capital.

In 2004, a SSC survey of departments showed that, as well as having a vast amount of experience and organisational knowledge, there was a perception that older staff can be averse to change and can be seen to limit the career opportunities for younger staff.

In responding to an increasing proportion of older workers, survey respondents indicated that the most important factors for managing the ageing workforce are work-life balance and flexible work practices, and workforce planning. More findings are available at <http://www.ssc.govt.nz/information-ageing-ps-workforce>.

Migrant flow

In addition to skill sets, staff bring a wide array of experiences into their roles. Diversity of staff from a perspective of where they have come from in the world, paints an interesting picture of cultural diversity and of experience. The SSC has obtained customised 2013 census data from Statistics NZ to get a better picture of migrant flow into the Public Service.

Figure 4.7 uses census data to explore the international diversity of the Public Service. Using country of birth data, the figure shows where public servants (who were not born in New Zealand) were born. It shows that England, Australia and South Africa have the largest level of migration and representation in the Public Service, followed by India, Fiji and Samoa. The diversity of the Public Service spans over 50 countries.

Around 25% of public servants in 2013 were born overseas, compared to around 27% of those working in the private sector. The private sector is representative of a more diverse range of countries. Asian countries such as China,

Figure 4.6 Percentage of staff over 55 years of age in the Public Service, 30 June 2015

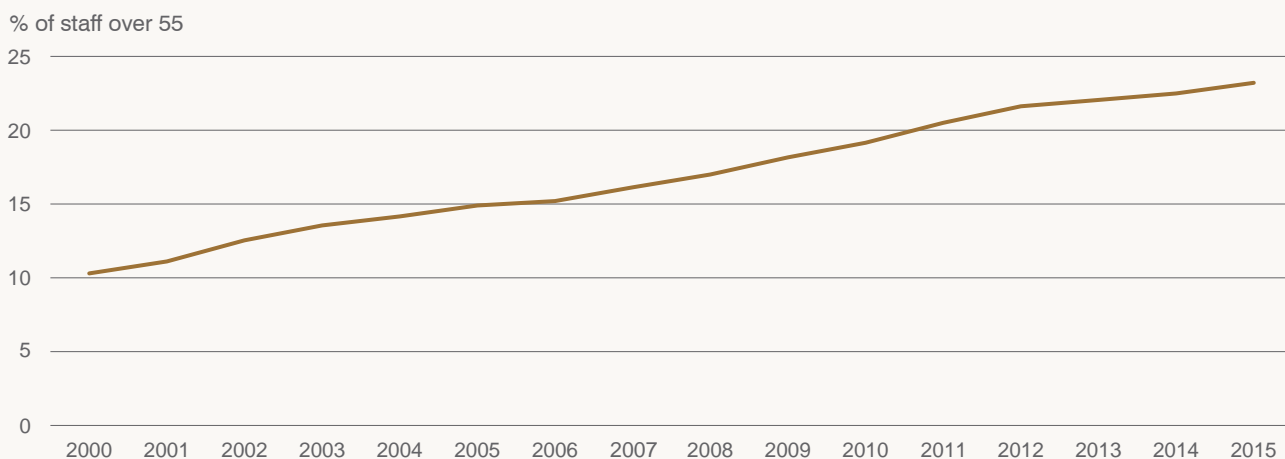


Table 4.8 Trends in retirement age, 30 June 2001-2015

Age group	2001	2005	2010	2015
50-54	19.2%	17.7%	13.8%	4.6%
55-59	31.1%	24.0%	11.7%	11.1%
60-64	39.1%	32.5%	32.2%	25.1%
65-69	10.6%	25.5%	35.0%	47.0%
70-74	0.0%	0.4%	6.0%	10.4%
75-79	0.0%	0.0%	1.4%	1.8%

India, Korea and Philippines all have higher representation in the private sector compared to the Public Service, whereas England, the United States and Scotland, all have higher representation in the Public Service.

There are many reasons for this, the private sector is much larger than the Public Service in size, and covers a broader range of occupations. The regional distribution of people across New Zealand also explains the difference, with many more private sector roles in Auckland, which is a more culturally diverse city (around 44% of the 2013 Auckland workforce was born overseas).

Pacific staff in the Public Service

SSC has previously highlighted barriers that Pacific public servants face while working in New Zealand, including: difficulties in recognition of their cultural values as important skills that contribute to the workplace, fewer opportunities for direct input into decision making, and a lack of development opportunities.

(<http://www.ssc.govt.nz/node/4602>). This report has shown that Pacific public servants have the highest pay gap relative to other ethnic groups, and are under-represented in management and policy roles and over-represented in front-line occupations such as corrections officers and case workers.

On average Pacific staff are significantly younger than non-Pacific staff, with a much larger proportion of staff in the 20-40 age bracket and less staff in the 50-65 age bracket. This partly explains the high pay gap for Pacific staff.

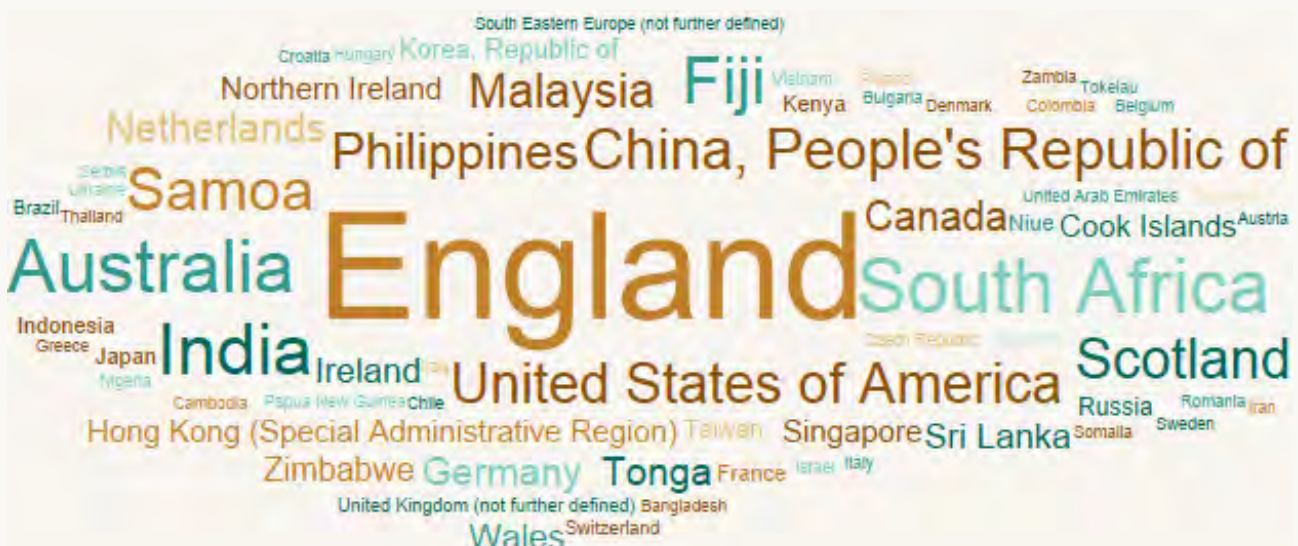
Pacific public servants predominantly work in the North Island. 50% of Pacific public servants work in Auckland, and 30% work in Wellington.

Gender barriers

Women are still under-represented in senior management and a pay gap between men and women still exists. In the policy quarterly article 'Engendering Diversity: women's

³ Washington, Peak and Fahey "Engendering Diversity – women's employment in the public service." Policy Quarterly, 2015 11-17

Figure 4.7 Country of birth for public servants in 2013 Census



employment in the Public Service³, the authors have looked at the progress of women in the Public Service over the last 15 years. Although progress has been made, a gap still exists, and the paper suggests that Better Public Services reforms present an opportunity for system-wide capability development and a more joined-up approach to promoting and encouraging talented women.

Working together, Ministry for Women and the SSC have brought the diversity discussion to the top table, through the SSC's career board process. It has encouraged sectors to think about gender and ethnic diversity as they look to find top talent and fill vacant positions in their leadership groups. Ministry for Women have been sharing its evidence about what organisations need to do to improve progression of women.

The New Zealand Public Service is well-placed compared to other countries for its representation of women in middle and senior management. It has reached equal representation for management as a whole, and is in the top five countries in the OECD for its representation of women in senior management. Only Poland stands out for this figure, at 47%, compared to 40% for New Zealand (measured by OECD in 2010)⁴.

Within certain occupational groups, there is a large under/over-representation of women, particularly in clerical and administrative roles, and ICT and regulatory roles. The small number of women in ICT roles is a global issue, with a number of large technology companies hitting the spotlight for gender discriminative policies or cultures.

⁴ OECD (2013), Government at a Glance 2013, OECD Publishing, Paris

Actions for organisations to increase the representation of women in leadership

There is a fast growing body of literature on what works to improve women's leadership representation in organisations. This is a summary of common actions taken by organisations that have made progress.

- 1 Leadership by the Chief Executive and executive team.** A CE and executive team who communicate a clear business case and visibly take action is a precondition for change.
- 2 Analyse staff data.** Data disaggregated by gender and ethnicity enables organisations to identify where women are not progressing. Many organisations also survey male and female staff on their career experiences and perceptions.
- 3 Implement unconscious bias training for all managers.** Raising awareness about unconscious biases can reduce its impact on recruitment, development, evaluation and progression decisions.
- 4 Amend talent management policies and practices.** Transparent, consistent and moderated recruitment, performance, evaluation and progression systems also reduce the scope for unconscious bias to affect decision-making.
- 5 Mainstream flexible working arrangements.** Promoting the benefits of flexible work to men and women and making it a normal part of organisational practice can reduce the negative impact flexible and part-time work has on women's career progression.
- 6 Target specific initiatives to the problem points that have been identified.** These include:
 - actively identifying and supporting high-performing women
 - maintaining contact with women on career breaks and providing refresher programmes when they return.
- 7 Set measurable objectives, monitor and report on progress.**

Suggested reading:

Realising the Opportunity: Addressing New Zealand's leadership pipeline by attracting and retaining talented women (A review of literature on women's progress into leadership roles) http://women.govt.nz/sites/public_files/Realising%20the%20opportunity.pdf

Inspiring action (A bibliography of articles on ways to improve women's career paths) http://women.govt.nz/sites/public_files/MWA_bibliography%20complete%20%28large%29.pdf

DiverseNZ Toolkit (A snapshot of resources and guidelines for senior leaders) <http://www.diversenzt.org/Toolkit.html>

Male Champions of Change (A number of reports from the point of view of Australian business and public sector leaders) <https://www.humanrights.gov.au/male-champions-change>



New Zealand stands out in OECD comparisons for its high level of women in administrative roles (81% vs an OECD average of 65%).

Disability

The information from the 2013 Disability Survey (Statistics NZ) shows that the rate of disability in the Public Service workforce is estimated to be around 16%, lower than that for the overall workforce of 19% as shown in Figure 4.8, although the difference is not statistically significant (i.e. the difference is within the margin of error for the survey).

The Public Service has similar disability rates for sensory and physical disability, but much lower rates for psychiatric or psychological disability and other limitations (this includes impaired speaking, learning, and remembering).

The Public Service has a lower rate for disabilities caused by accident, which may be related to risk of injury being lower in a predominately white collar industry ('other business services' also have a lower rate for disabilities caused by accident).

The disability rate for managers and professionals is lower in the Public Service than for managers and professionals in the total workforce. However, for lower skilled Public Service staff the disability rate is similar.

SSC is committed to developing an effective method for collecting disability data. As a first step SSC has received a special cut from the 2013 Disability Survey to identify a baseline.

SSC collected data until 2004, when it stopped due to concerns about the integrity of data collected. Disability

data is complex due to the self-reported nature, and people are less likely to report that they have a disability especially if they are worried about stigma. SSC is cognisant of these difficulties and will work with agencies and other experts to develop a sound method of collecting disability data.

SSC has also been in discussion with the Disability Data and Evidence Working Group coordinated by the Office of Disability Issues (<http://www.odi.govt.nz/what-we-do/better-evidence/>) which is running concurrent to the Commission's process. This group will establish a common definition of disability, which the Commission will use in designing the relevant data collection method.

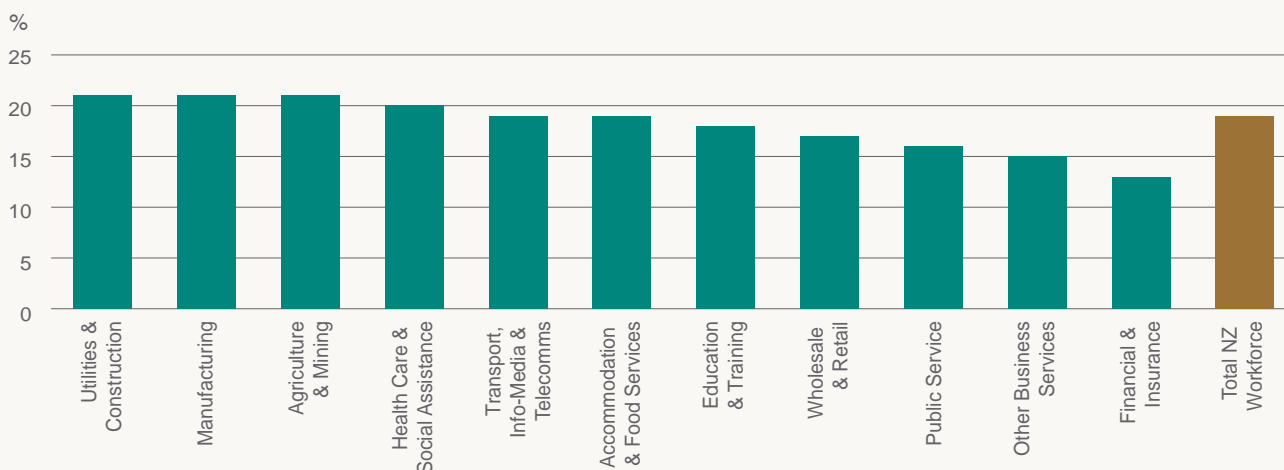
Through this process SSC will establish a robust method of disability data collection, at a level that will enable effective monitoring of progress within agencies.

Flexible work

What is flexible working?

The Ministry of Building, Innovation and Employment describes flexible work as the opportunity for people to make changes to: the hours they work (over a day, a week or year), the times and days they work, and where they work. Flexible work also affects: how careers are organised, how transitions in and out of work are managed, and how work is managed in the workplace so that employees and businesses benefit. Examples of flexible working arrangements include: part-time working, term-time working, job-sharing, and flexi-time, compressed hours, annual hours, working from home, mobile working/teleworking, career breaks and commissioned outcomes.

Figure 4.8 Percentage of staff with disability in each sector, 2013



Benefits of flexible working arrangements

Flexible working arrangements (FWA) are increasingly sought after by employees, to pursue greater work life balance and different career models⁵. Organisations that have encouraged flexible working are typically high-performing, with a stronger ability to attract and retain staff. Engagement amongst staff who maintain FWA is typically higher too.⁶

There is strong evidence that greater flexibility in working arrangements is a key solution in addressing the leaky career pipeline of female talent, where it has been observed that many women leave organisations long before reaching the 'glass ceiling'⁷. This departure is partly due to competing demands on their time and work environments that are not accommodating of this need for balance.

Similarly, flexible work can make the workplace more suited to people with disabilities. Workbridge, a New Zealand employment agency for people with disabilities, promotes flexible working for this reason. Flexible working enables people to work with hours and environments that are best suited to their abilities, enabling more effective work and longer tenure.

Furthermore, as Millennial's and members of Generation X make up more of the workforce, the demand for flexible working is going to increase. Other generations are also increasingly interested in greater work-life balance. It is apparent that providing options and a culture of flexible working is a key part of a modern organisation's employee value proposition, with benefits for both the organisation and the employee.

⁵ Cabrera, E. (2009). Fixing the leaky pipeline: Five ways to retain female talent. People and Strategy, 32 (1), pp 40-45. More information is available in the Ministry for Women's Inspiring Action report (2014)

⁶ Coffman and Hagey "Flexible working models: How to bring sustainability to a 24/7 world. Boston: Bain and Company. 2010

⁷ Cabrera "Fixing the leaky pipeline: Five ways to retain female talent" People and Strategy 2009 32 1, 40-45

Figure 4.9 Part-time use rates in the Public Service, 30 June 2000-2015

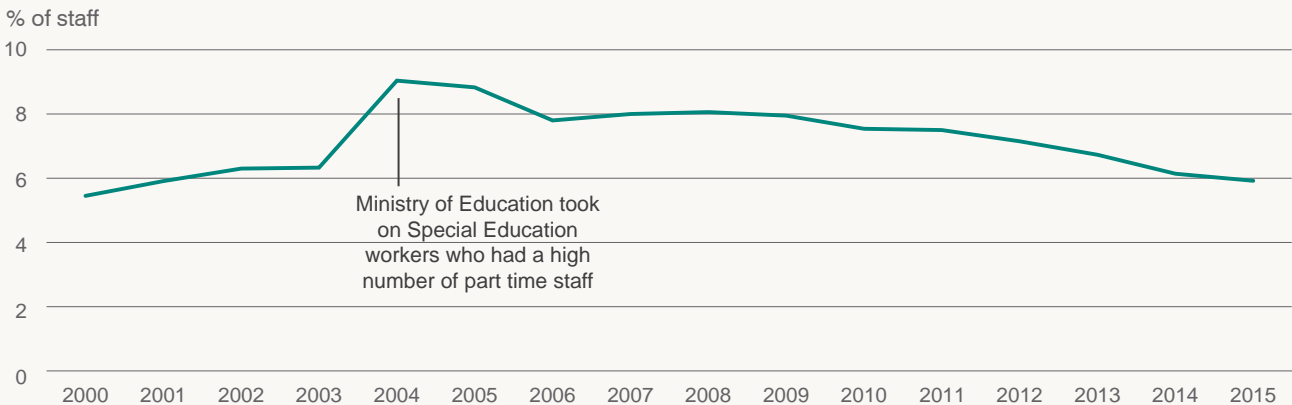
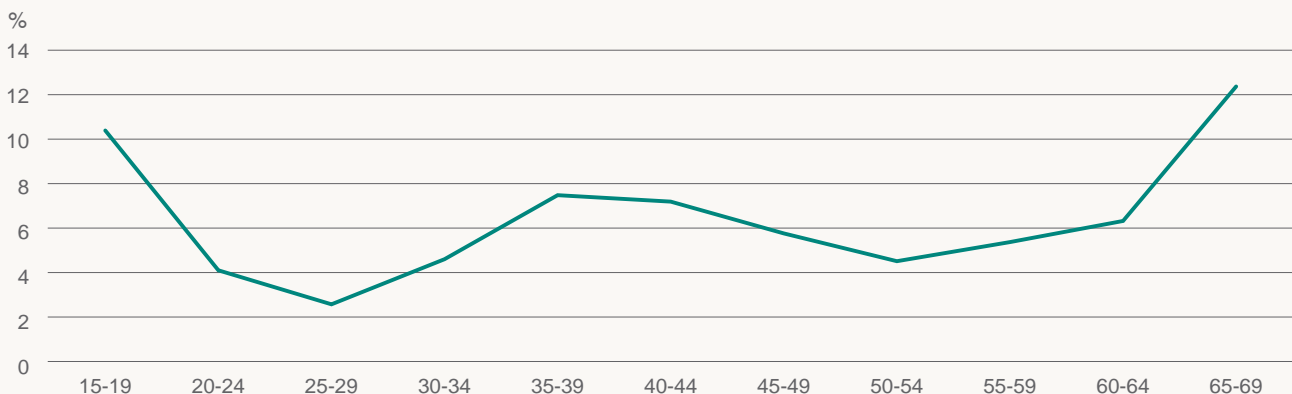


Figure 4.10 Proportion of Public Service staff working part-time by age group, 30 June 2015



Interestingly, SSC's Integrity and Conduct survey (<http://www.ssc.govt.nz/integrity-and-conduct-survey-2013-report>) of people employed in the Public Service found high proportions of staff reporting flexible work. The 2013 Workplace Dynamics survey released by the PSA and Victoria University found that while over 50% of respondents felt they had access to flexible work to some extent, there is a gendered element to flexible work, where '72% of women compared to 29% of men strongly disagreed that their working hours were determined entirely by themselves.'

Figure 4.9 shows the proportion of Public Service staff in part-time work over the period 2000-2015. The proportion varied around 6-9%. The high level in 2014 was due to part-time Special Education workers employed by Ministry of Education, and since then the proportion has been trending downwards.

Age profile analysis of part-time work shows that part-time work matches life stages. Figure 4.10 identifies that part-time work is most often used early in career (probably in

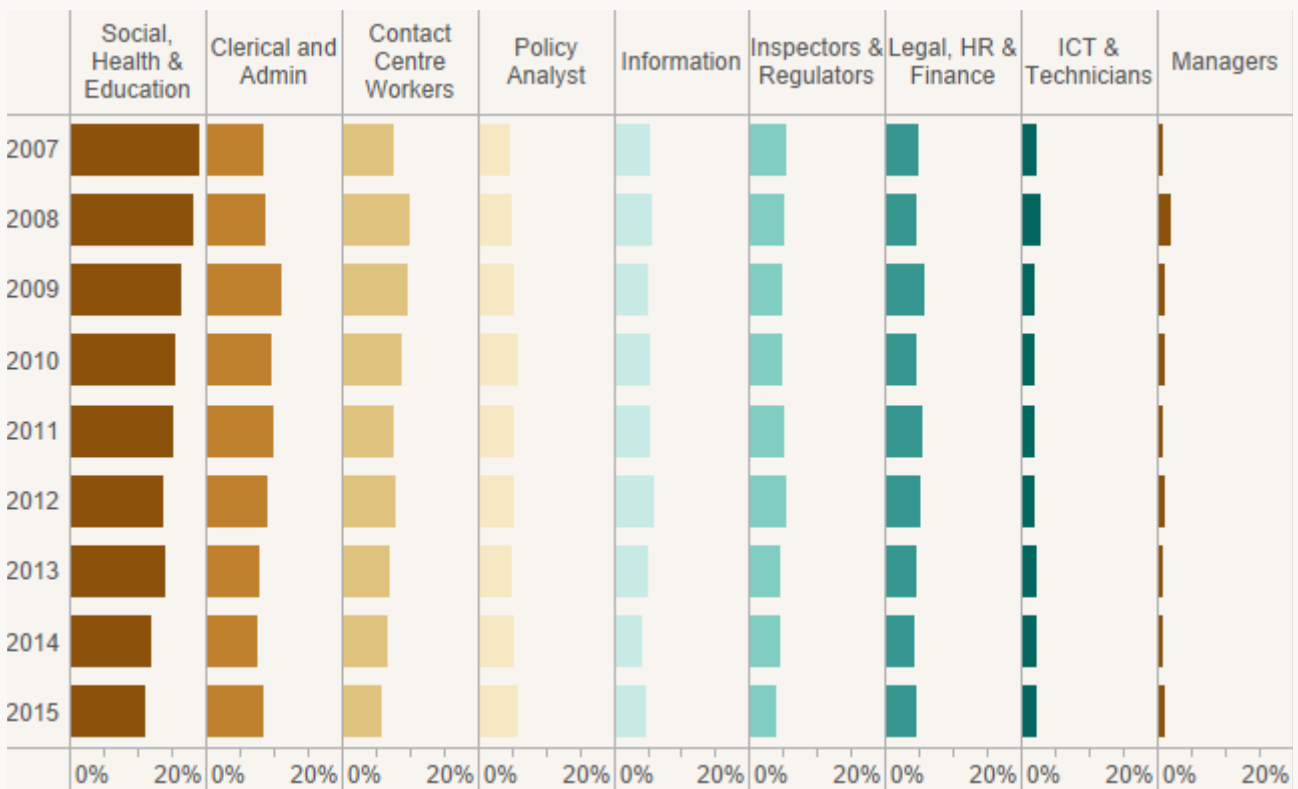
conjunction with study), then increasing again during the ages when caregiving for children is likely, and increasing again near retirement age.

Part-time work is considerably more likely to be held by females than males. This is expected to be caused by the increased likelihood that women are the primary caregiver among other factors.

Some occupations are much more likely to engage part-time workers, most notably social, health and education workers. Managers and ICT workers are less likely to use part-time work as shown in Figure 4.11.

These graphs identify the importance of having flexible work arrangements that enable better outcomes for people who engage in part-time work during different life-stages and from different careers. As noted earlier, flexible work enables greater retention of talent in the workforce and better outcomes for the organisations that utilise them.

Figure 4.11 Part-time use rates by occupation, 30 June 2007-2015



5 Workplace

The 2011 Better Public Services Advisory Group Report stated that improved State sector performance will require a culture that supports collaboration, innovation, continuous improvement and citizen/business centred service delivery. This has been supported by findings from the Performance Improvement Framework (PIF) that show the need to build a culture of high performance, to strengthen processes of identifying and managing poor performance and to improve employee engagement. It is also critical that public servants operate in a way that is fair, impartial, responsible and trustworthy. All these factors are driven to some degree by culture.

A great place to work is one where there is a high degree of mutual trust, where people respect the integrity of their leaders and colleagues, and enjoy working together harmoniously to achieve meaningful results. The “Great Workplaces” initiative is focussed on State Service agencies aspiring to high standards of behaviour as an integral part of their performance. The work initiative aims to inform the State Services’ collective understanding of workplace behaviours and culture, and the ability to make positive and sustainable change; and provide agencies with information, tools, training and practical resources to support behaviours, skills and processes that will achieve and maintain a high integrity culture in the Public Service.

Human resource indicators, such as staff engagement, turnover and sick leave usage, provide insights into organisational workplace culture. These measures should be used in conjunction with other contextual information, to provide richer insights to organisational performance.

Staff engagement

Staff engagement is seen as important because the more engaged an employee is, the more likely they are to apply the extra “discretionary effort” that leads to high performance. There is evidence for this, with a number of studies finding a relationship between staff engagement and organisational performance, in both the public and private sectors⁸. Given this evidence, it is not surprising that agencies regularly survey their staff to gauge their level of engagement.

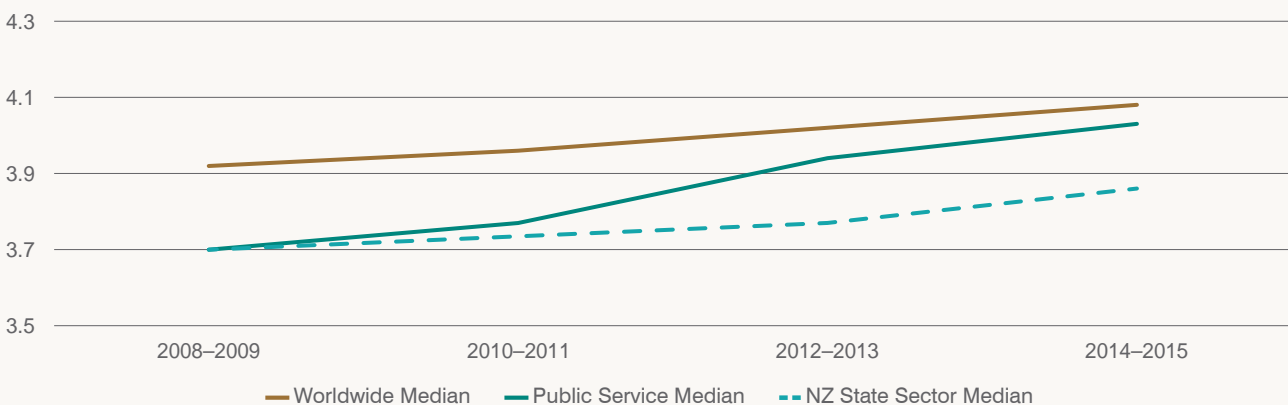
Information on department results from staff engagement surveys were collected as part of the HRC survey for the first time last year. The goal is to better understand how engagement results vary across agencies over time, and how these results relate to improved department performance.

It will take time to develop this kind of understanding of the staff engagement data. One issue that will need to be resolved is the extent to which staff engagement results can be compared across agencies. There are complications in this regard. First, agencies use different providers to survey staff engagement and results are not easily comparable across the different methodologies. Second, agencies survey staff engagement with differing levels of frequency – currently only around a third of Public Service agencies carry out these surveys annually.

⁸ Good summaries of the relationship between staff engagement and organisational performance can be found in chapter two of *Engaging for Success: Enhancing Performance through Employee Engagement*, a 2009 report to the UK Government and the follow-up 2012 report: *The Evidence: Employee Engagement Task Force “Nailing the evidence” workgroup*.

Figure 5.1 Gallup aggregate engagement scores by sector, 2008-09 to 2014-15

Score out of 5



However, all 29 Public Service agencies have carried out at least one staff engagement survey over the past three years. Of these:

- 16 agencies used Kenexa (IBM)
- 10 agencies used Gallup
- 2 agencies used Winsborough
- 1 agency had developed an internal staff engagement survey.

Figure 5.1 shows how the median aggregate engagement score across all Public Service agencies that use Gallup has increased since 2008. Over this same period, Gallup engagement scores have tended to increase across the wider State Sector and worldwide. However, the increase for Public Service agencies has been stronger, and staff engagement is now far closer to the worldwide median, than for other State sector agencies.

We do not have data for Public Service agencies who use Kenexa before 2012. Between 2012-13 and 2014-15 the median aggregate engagement score for these agencies increased by 0.5%. The increase over the same period for agencies using Gallup was 2.3%.

Turnover

Turnover measures the rate at which staff change in an organisation. Turnover increases when departments are restructuring and when significant change is occurring in the wider labour market. Some turnover is healthy for

organisations, as new staff bring fresh ideas, and the recruitment process gives the employer the opportunity to adapt to changing capability needs. However, turnover also comes at a cost – the loss of institutional knowledge and recruitment and training costs to replace staff.

Gross turnover includes both turnover that is planned and unplanned from the department's point of view. Planned turnover includes staff who leave due to redundancy and staff who finish fixed-term agreements. Table 5.1 shows that turnover rates in the Public Service have been fairly stable in recent years.

Unplanned turnover

Core unplanned turnover measures the rate at which organisations lose permanent staff due to reasons the organisation has not planned for such as resignations, retirements and dismissals. Unplanned turnover can be used as an indicator of organisational health – less engaged staff are more likely to leave an organisation. Table 5.1 shows that core unplanned turnover across the Public Service has been steady since 2011, at around 11%. The unplanned turnover rate for female staff is around one percentage point higher than for male staff.

Turnover by department

Figure 5.2 shows the variation in core unplanned and gross turnover rates for individual departments. Higher gross turnover can indicate an above average use of fixed-term staff or significant change programmes within an organisation.

Table 5.1 Turnover rates in the Public Service, June year 2011-2015

	2011	2012	2013	2014	2015
Gross turnover rate (%)	17.8	17.3	16.4	17.0	16.2
Core unplanned turnover rate (%)	10.9	11.4	10.5	10.7	10.9
Male core unplanned turnover rate (%)	10.3	10.3	9.8	9.7	10.3
Female core unplanned turnover rate (%)	11.3	12.1	11.1	11.3	11.3

Turnover tends to be higher for small departments. This relationship is also seen in the private sector⁹. There are a number of potential reasons for this. There are often fewer opportunities for advancement within smaller organisations so employees need to move to gain experience or to advance their careers. Also, turnover rates are more volatile in smaller organisations. For example, one person leaving in an organisation of only 30 people will increase the turnover rate by over three percentage points.

Note in Figure 5.2, the large difference between gross and unplanned turnover for the Department of Conservation, CERA and the Ministry of Pacific Island Affairs is due to the relatively high number of fixed-term contracts coming to an end during the year. In particular, all staff at CERA are on fixed-term contracts, therefore by definition CERA cannot have any unplanned turnover.

Turnover by occupation group

Another reason for the difference in turnover by department is the variation in occupational composition of their workforces. For example, certain groups such as leadership and management have lower turnover than occupations such as policy analysts, contact centre and clerical and administrative staff. Specialised roles also have low turnover as there is less scope for these skills to be transferable. Departments that feature at the lower end of the unplanned turnover spectrum, such as Government Communications Security Bureau, New Zealand Customs Service, and the Ministry for Primary Industries all have a large number of roles that are specific to their area of expertise.

⁹ As shown by Statistics New Zealand's Linked Employer-Employee Dataset (LEED) worker turnover statistics.

Figure 5.2 Gross and core unplanned staff turnover by department, June year 2015

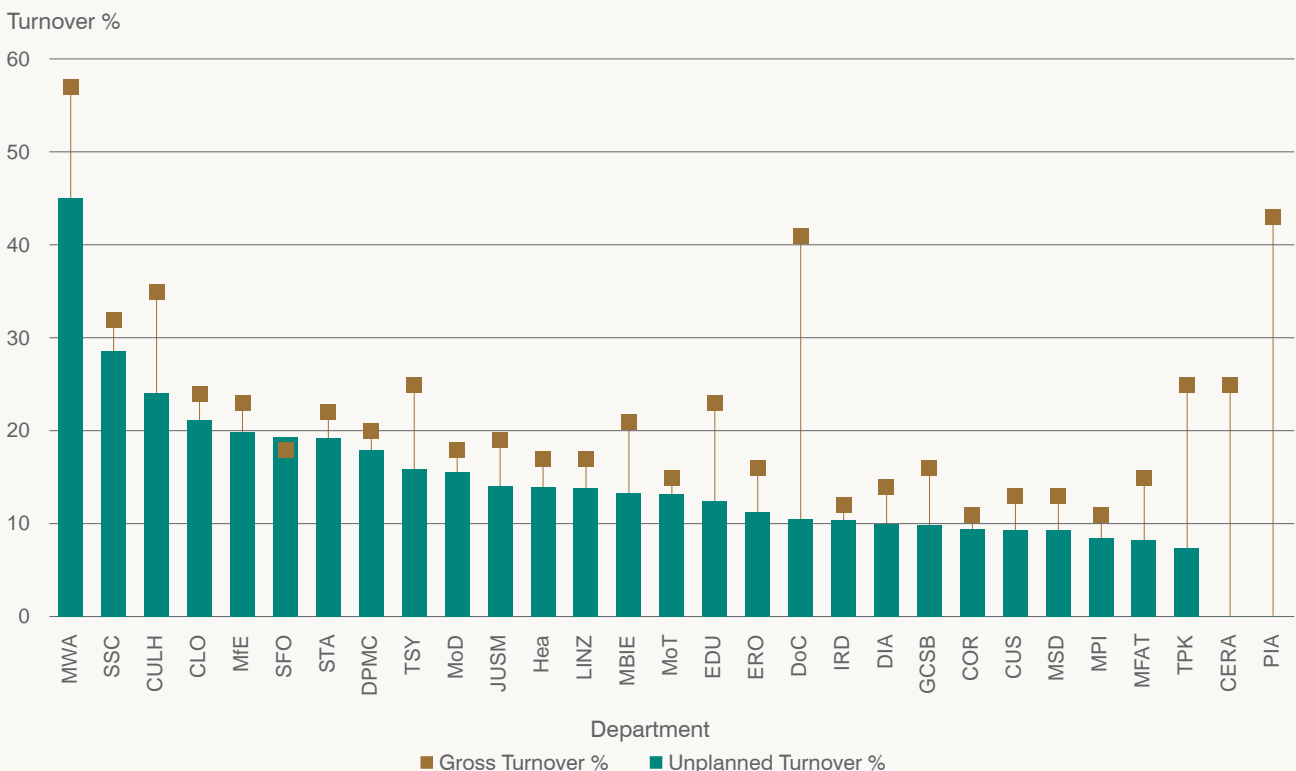


Table 5.2 shows core unplanned turnover by occupation group. The 'Manager' group and the 'Inspectors and Regulatory Officer' group have the lowest turnover rates in the Public Service. The 'Inspector and Regulatory Officer' occupational group contains specialised roles, such as customs officers and security and intelligence officers, which generally have lower turnover than the general workforce. The 'Manager' group contains senior leaders and the management pool. This group traditionally has longer tenure within specific roles than the rest of the workforce.

Sick and domestic leave taken

Sick and domestic leave taken can be used as an indicator of organisational health. High levels can indicate staff disengagement or intention to leave, although there are many other factors that influence sick and domestic leave use, such as age, gender and occupation. In the year to 30 June 2015, Public Service employees took, on average, 8.0 days of sick and domestic leave, up from 7.7 days in 2014.

As shown in Table 5.4, sick and domestic leave use is affected by the occupational makeup of the workforce – overall front line occupational groups such as contact centre operators and social, health and education workers take more sick leave than policy or manager roles. The average amount of sick and domestic leave taken varies by department from 4 to 10 days. Data on sick and domestic days taken by department is provided in Appendix 3.

Length of service and age

The 2015 HRC data shows that the average length of service of Public Service employees has increased slightly by 0.1 of a year to 9.3 years. This figure is based on tenure within a single agency, not the Public Service as a whole and excludes those on fixed-term contracts.

The New Zealand workforce is ageing as a whole. Tenure and age trends since 2011 are shown in Table 5.5. More detail on the age profile of the Public Service is discussed in the Diversity chapter.

Table 5.2 Core unplanned turnover by occupation group, June year 2011-2015

HRC customised occupation groups	2011	2012	2013	2014	2015
Managers	8%	9%	9%	9%	8%
Policy Analysts	15%	15%	15%	16%	16%
Information Professionals	10%	11%	11%	11%	12%
Social, Health and Education Workers	10%	11%	10%	10%	10%
ICT Professionals and Technicians	16%	16%	11%	9%	11%
Legal, HR and Finance Professionals	13%	13%	12%	13%	15%
Other Professionals not elsewhere included	10%	11%	9%	11%	10%
Inspectors and Regulatory Officers	8%	8%	9%	8%	9%
Contact Centre Workers	13%	15%	14%	15%	14%
Clerical and Administrative Workers	12%	14%	12%	12%	13%

Table 5.3 Sick and domestic leave taken, June year 2011-2015

	2011	2012	2013	2014	2015
Average sick and domestic leave taken (days)	7.4	7.6	7.9	7.7	8.0R

R: Revised (refer to footnote in Appendix 3).

Table 5.4 Sick and domestic leave taken by occupational group, June year 2015

HRC customised occupation groups	Average sick and domestic leave taken (days)
Managers	5.6 R
Policy Analysts	4.9
Information Professionals	7.3 R
Social, Health and Education Workers	9.6
ICT Professionals and Technicians	7.4
Legal, HR and Finance Professionals	5.8
Other Professionals not elsewhere included	6.1 R
Inspectors and Regulatory Officers	8.8
Contact Centre Workers	10.5
Clerical and Administrative Workers	8.0 R

R: Revised (refer to footnote in Appendix 3).

Table 5.5 Tenure and average age in the Public Service, 30 June 2011-2015

	2011	2012	2013	2014	2015
Tenure (years)	9.0	9.2	9.2	9.2	9.3
Average age (years)	44.3	44.6	44.6	44.6	44.8

Appendix 1

FTE employees by department, 30 June 2011 - 2015

Department	2011	2012	2013	2014	2015
Business, Innovation and Employment	-	-	2,859	2,806	2,822
Canterbury Earthquake Recovery Authority	5	106	182	323	329
Conservation	2,039	1,831	1,880	1,952	1,942
Corrections	7,290	7,509	7,593	7,555	7,571
Crown Law Office	184	186	164	148	152
Culture and Heritage	115	122	118	105	101
Customs	1,161	1,140	1,118	1,070	1,067
Defence	61	59	62	61	60
Education	2,467	2,334	2,570	2,664	2,517
Education Review Office	216	210	211	208	206
Environment	306	258	270	300	302
Foreign Affairs & Trade	841	797	761	798	821
Government Communications Security Bureau	282	294	305	316	301
Health	1,122	1,078	1,089	1,131	1,120
Inland Revenue	5,646	5,301	5,475	5,641	5,681
Internal Affairs	1,964	1,924	2,013	1,982	2,030
Justice	3,068	3,473	3,450	3,540	3,383
Land Information New Zealand	425	427	473	469	487
Māori Development	336	310	306	287	267
Ministry for Women	20	23	24	23	24
Pacific Island Affairs	42	39	35	35	34
Primary Industries	-	1,962	2,070	2,176	2,277
Prime Minister & Cabinet	108	102	102	141	154
Serious Fraud Office	33	50	50	45	44
Social Development	9,210	9,193	9,567	9,931	10,078
State Services Commission	108	105	112	110	114
Statistics New Zealand	853	965	1,074	864	848
Transport	151	140	142	149	134
Treasury	363	378	401	426	456
Total¹⁰	43,595	43,345	44,500	45,280	45,348

¹⁰ The total includes chief executives, who are not part of the departmental figures.

Appendix 2

Department diversity information, 30 June 2015

Department	Asian (%)	Māori (%)	Pacific (%)	Average Age	Fixed-term (%)	Women (%)	Women in snr mgmt ¹¹ (%)	Gender pay gap ¹² (%)
Business, Innovation and Employment	12	6	7	42	14	60	29	21
CERA	-	-	-	41	100	66	59	28
Conservation	2	12	-	46	17	42	28	4
Corrections	6	23	9	48	3	45	36	2
Crown Law Office	6	6	1	40	13	68	29	39
Culture & Heritage	6	10	-	46	29	60	47	20
Customs	11	9	7	44	2	45	21	13
Defence	3	-	2	44	3	43	15	39
Education	6	13	3	48	12	79	59	26
Education Review Office	3	22	5	56	2	75	64	10
Environment	4	4	1	39	4	63	38	20
Foreign Affairs & Trade	5	13	4	42	11	55	39	17
Government Communications Security Bureau	7	8	3	45	3	36	58	10
Health	10	8	4	45	5	67	47	17
Inland Revenue Department	14	12	7	43	2	64	27	20
Internal Affairs	8	10	7	43	14	59	52	18
Justice	8	18	9	44	5	67	36	18
Land Information New Zealand	4	8	3	44	4	52	30	16
Māori Development	3	74	6	48	15	61	76	1
Ministry for Women	4	12	4	45	26	93	100	-37
Pacific Island Affairs	3	12	85	43	12	62	43	3
Primary Industries	8	6	3	44	6	49	32	11
Prime Minister & Cabinet	-	10	3	47	13	55	47	7
Serious Fraud Office	7	-	2	44	7	51	38	11
Social Development	10	24	14	45	4	73	61	10
State Services Commission	7	6	-	46	16	65	42	27
Statistics New Zealand	17	5	4	45	4	54	61	11
Transport	11	6	1	43	4	47	48	17
Treasury	7	3	2	41	11	45	53	18
Public Service Average	8	16	8	45	7	60	44	14

¹¹ Senior Management figures for individual departments include tier 2 and 3 senior managers only. The Public Service average includes chief executives as well as tier 2 and 3 managers.

¹² Chief executives are excluded from gender pay gap for individual departments but not from the overall Public Service average.

Appendix 3 Tenure, annual leave, sick leave and salary by department, June year 2015

Department	Annual leave balance average (# of days)	Annual leave balance > 5 weeks %	Average tenure (years)	Average sick/ domestic leave days taken	Average salary ¹³ (\$)
Business, Innovation and Employment	16	18	7	6	78,979
CERA ¹⁴	11	14	-	-	109,810
Conservation	16	19	11	6 R	65,826
Corrections	21	38	9	7	63,891
Crown Law Office	13	11	6	5	96,997
Culture and Heritage	12	17	7	6	81,875
Customs	15	15	14	10	65,502
Defence	18	28	7	4	107,165
Education	14	12	8	6	76,583
Education Review Office	15	11	9	6	87,451
Environment	9	6	4	6	89,810
Foreign Affairs & Trade	24	40	9	4	104,192
Government Communications Security Bureau	18	28	9	6	86,285
Health	14	9	7	7	90,998
Inland Revenue Department	14	16	11	10	69,089
Internal Affairs	14	13	6	8	77,087
Justice	12	9	8	8	64,893
Land Information New Zealand	16	5	11	6	84,020
Māori Development	14	14	9	5	87,692
Ministry for Women	9	7	3	8	98,622
Pacific Island Affairs	9	5	6	4	81,295
Primary Industries	16	21	10	6	82,424
Prime Minister & Cabinet	14	16	6	4	98,296
Serious Fraud Office	12	2	5	5	110,080
Social Development	17	24	10	10	64,389
State Services Commission	10	5	4	6	125,917
Statistics New Zealand	15	11	9	7	77,207
Transport	17	19	7	5	102,529
Treasury	11	14	6	6	111,461
Public Service Average	16	21	9	8 R	72,177

R: Revised - based on Department of Conservation's revised data on sick/domestic leave. This revision is also reflected in other figures for sick/domestic leave on pages 49 and 50.

¹³ Chief Executives are excluded from average salaries for individual departments but not from the overall Public Service average.

¹⁴ Figures for average tenure and average sick/domestic leave are not available for CERA as these measures refer to open-term staff, whereas all CERA employees are on fixed-term contracts.

Appendix 4a

Public Service and selected Crown Entities* employees who received total remuneration of \$100,000 or more in year ended 30 June 2014 and 2015

Remuneration band	Number of staff 2014 / 2015	Number of staff 2013 / 2014	Change
\$100,000 to \$109,999	1,906	1,756	150
\$110,000 to \$119,999	1,305	1,300	5
\$120,000 to \$129,999	977	917	60
\$130,000 to \$139,999	772	731	41
\$140,000 to \$149,999	586	525	61
\$150,000 to \$159,999	473	378	95
\$160,000 to \$169,999	309	281	28
\$170,000 to \$179,999	241	249	-8
\$180,000 to \$189,999	190	160	30
\$190,000 to \$199,999	167	160	7
\$200,000 to \$209,999	105	144	-39
\$210,000 to \$219,999	113	97	16
\$220,000 to \$229,999	85	84	1
\$230,000 to \$239,999	56	50	6
\$240,000 to \$249,999	48	44	4
\$250,000 to \$259,999	49	32	17
\$260,000 to \$269,999	28	44	-16
\$270,000 to \$279,999	26	28	-2
\$280,000 to \$289,999	18	24	-6
\$290,000 to \$299,999	15	14	1
\$300,000 to \$309,999	15	20	-5
\$310,000 to \$319,999	16	15	1
\$320,000 to \$329,999	17	15	2
\$330,000 to \$339,999	8	2	6
\$340,000 to \$349,999	10	9	1
\$350,000 to \$359,999	3	3	0
\$360,000 to \$369,999	3	8	-5
\$370,000 to \$379,999	5	6	-1
\$380,000 to \$389,999	5	0	5
\$390,000 to \$399,999	2	1	1
\$400,000 to \$409,999	1	5	-4
\$410,000 to \$419,999	1	0	1
\$420,000 to \$429,999	2	2	0
\$430,000 to \$439,999	2	3	-1
\$440,000 to \$449,999	0	0	0
\$450,000 to \$459,999	0	1	-1
\$460,000 to \$469,999	0	0	0
\$470,000 to \$479,999	0	3	-3
Total	7,559	7,111	448

* Selected Crown Entities include 13 agencies whose chief executives are under Remuneration Authority jurisdiction. Total remuneration received by employees include – base salary and any superannuation, performance and redundancy payments.

Appendix 4b

Tertiary Education employees who received total remuneration* of \$100,000 or more in year ended 31 December 2013 and 2014

Remuneration band	Number of staff 2014	Number of staff 2013	Change
\$100,000 to \$109,999	1,325	1,346	-21
\$110,000 to \$119,999	1,219	1,095	124
\$120,000 to \$129,999	792	787	5
\$130,000 to \$139,999	684	599	85
\$140,000 to \$149,999	437	433	4
\$150,000 to \$159,999	339	333	6
\$160,000 to \$169,999	233	222	11
\$170,000 to \$179,999	200	177	23
\$180,000 to \$189,999	162	141	21
\$190,000 to \$199,999	134	128	6
\$200,000 to \$209,999	101	65	36
\$210,000 to \$219,999	81	74	7
\$220,000 to \$229,999	53	51	2
\$230,000 to \$239,999	48	34	14
\$240,000 to \$249,999	43	27	16
\$250,000 to \$259,999	27	39	-12
\$260,000 to \$269,999	31	18	13
\$270,000 to \$279,999	15	15	0
\$280,000 to \$289,999	20	24	-4
\$290,000 to \$299,999	12	11	1
\$300,000 to \$309,999	11	9	2
\$310,000 to \$319,999	11	8	3
\$320,000 to \$329,999	5	5	0
\$330,000 to \$339,999	2	5	-3
\$340,000 to \$349,999	5	5	0
\$350,000 to \$359,999	4	3	1
\$360,000 to \$369,999	0	4	-4
\$370,000 to \$379,999	4	1	3
\$380,000 to \$389,999	1	0	1
\$390,000 to \$399,999	1	2	-1
\$400,000 to \$409,999	1	1	0
\$410,000 to \$419,999	1	0	1
\$420,000 to \$429,999	0	0	0
\$430,000 to \$439,999	0	0	0
\$440,000 to \$449,999	0	1	-1
\$450,000 to \$459,999	0	0	0
\$460,000 to \$469,999	0	0	0
\$470,000 to \$479,999	0	0	0
\$480,000 to \$489,999	0	0	0
\$490,000 to \$499,999	0	1	-1
\$500,000 to \$509,999	1	0	1
\$510,000 to \$519,999	0	0	0
\$520,000 to \$529,999	0	0	0
\$530,000 to \$539,999	0	1	-1
\$540,000 to \$549,999	1	0	1
Total	6,004	5,665	339

* Total remuneration received by employees include – base salary and any superannuation, performance and redundancy payments.

Appendix 5

Occupations in the HR customised occupation groups

HRC customised reporting group	Description	Common occupations
Managers ¹⁵	All managers in the Public Service.	Chief Executive Office Manager Policy and Planning Manager Corporate Services Manager Finance Manager ICT Manager
Policy Analysts	The code Policy Analyst is also used for employees in advisory roles.	Policy Analyst Advisor
Information Professionals	Professionals who analyse and manage information and data. Also included are professionals who provide advice on business and organisational methods.	Management Consultant Liaison Officer Statistician Intelligence Officer Librarian
Social, Health and Education Workers	Professionals who work in the Social, Health and Education sectors.	Welfare and Social Worker Teacher Aide Residential Care Officer Education Adviser Careers Counsellor
ICT Professionals and Technicians	Covers all ICT staff at the Professional and Technical Level	Systems Analyst Business Analyst Programmer Customer Support Officer Systems Administrator
Legal, Human Resources and Finance Professionals	Professionals who provide services in legal, financial accounting and human resource matters.	Solicitor Training and Development Professional Accountant Auditor Human Resource Adviser
Other Professionals not elsewhere included ¹⁶	All other Professionals not covered elsewhere.	Park Ranger Public Relations Professional Conservation Officer Environmental Consultant Veterinarian
Inspectors and Regulatory Officers	Staff who administer and enforce government and corporate regulations and standards.	Prison Officer Parole or Probation Officer Customs Officer Taxation Inspector Court Registry Officer Quarantine Officer
Contact Centre Workers	Contact and Call Centre workers, Inquiry Clerks, and their immediate supervisors.	Call or Contact Centre Operator Inquiry Clerk Call or Contact Centre Team Leader

¹⁵ This group includes communications managers.

¹⁶ This group includes communications staff in non-management roles.

HRC customised reporting group	Description	Common occupations
Clerical and Administrative Workers	General Administrative and Office Support staff at the clerical level.	General Clerk Personal Assistant Program or Project Administrator Accounts Clerk Clerk of Court Receptionist (General) Filing or Registry Clerk
Other Occupations	All occupations not classified elsewhere	All occupations not classified elsewhere
Unknown	Unknown or unclassifiable occupations	Unknown occupations

Appendix 6 Definitions

Box plots

Box plots are used in this report to graphically represent the distribution of salaries. The line in the middle of the box is the median salary. Half of employees have a salary greater than the median and half have a salary of less than the median. Median salary is less affected by extreme values than mean (or average) salary.

The bottom of the box indicates the 25th percentile. Twenty-five percent of employees have salaries below the 25th percentile. The top of the box represents the 75th percentile. Twenty-five percent of employees have salaries above the 75th percentile. This means that 50% of employees earn salaries within the range of the box.

The two t-bars or whiskers capture data that is within 1.5 times the range of the box. The salaries that lie outside this range have been excluded.

Core Government Administration

Core Government Administration refers to:

- all Public Service departments (excluding the Corrections Services section of the Department of Corrections, and the Child, Youth and Family, and Work and Income sections of the Ministry of Social Development)
- five selected Crown entities: Housing New Zealand Corporation; New Zealand Qualifications Authority; New Zealand Transport Agency; New Zealand Trade and Enterprise; and Tertiary Education Commission.

Core Government Administration excludes:

- the Corrections Services section of the Department of Corrections
- the Child, Youth and Family, and Work and Income sections of the Ministry of Social Development
- Crown entities (apart from the five noted above)
- non Public Service departments (New Zealand Defence Force, New Zealand Police, Parliamentary Service, New Zealand Security Intelligence Service, Office of the Clerk, Parliamentary Counsel Office).

State services

The State services comprises the agencies that operate as instruments of the Crown in respect of the Government of New Zealand (i.e. the Executive Branch of Government). This includes the Public Service, most Crown entities, the Reserve Bank, a range of agencies listed on the 4th Schedule of the Public Finance Act 1989, companies listed on Schedule 4A of the Public Finance Act, and a small number of departments that are not part of the Public Service.

Public Service

Public Service departments are defined in section 27 of the State Sector Act 1988 as comprising the departments specified in Schedule 1 of the State Sector Act. As at 30 June 2014 there were 29 Public Service departments.

Core Crown

A reporting segment consisting of departments, Offices of Parliament, the NZS Fund and the Reserve Bank of New Zealand.

Total Crown

Includes the core Crown (defined above) plus Crown entities and State-owned Enterprises.

Full Time Equivalent (FTE)

Each employee is assigned a FTE value between 0 and 1 depending on the proportion of full-time hours (however defined by each department) worked. For example, an employee working full-time equals 1 FTE while an employee working 60% of full time hours equals 0.6 of an FTE. The FTE values of all employees are added up to give the total number of FTE employees in an organisation.

Turnover

Turnover rates for the Public Service are derived from the exits of staff from departments. As a result, turnover includes movements between departments and so the actual level of 'loss' to the Public Service is below the figures reported in this report. Two turnover measures are used:

- Core unplanned turnover – primarily due to resignations of open-term employees, but also includes retirements, dismissals and deaths. Core turnover rate is calculated as follows:

Core turnover = (terminated permanent staff, who left due to resignation, retirement, dismissal, death or unknown reasons) / [(current year's permanent headcount + previous year's permanent headcount) / 2] x 100, (excludes fixed-term employees)

- Gross turnover – includes both core unplanned and planned turnover. Planned turnover includes cessations of staff on fixed-term employment agreements and cessations due to restructuring. Gross turnover rate is calculated as follows:

Gross turnover = (terminated staff on permanent and fixed-term contracts who left for any reason) / [(current year's headcount + previous year's headcount) / 2] x 100

Gender pay gap

The gender pay gap is defined as the difference between the average salary for women and the average salary for men, and is expressed as a percentage of the average salary for men.

Ethnic pay gap

Ethnic pay gaps are defined as the difference between the average salary for an ethnic group and the average salary of those not in that ethnic group, and are expressed as a percentage of the average salary of those not in the ethnic group.

Integrated Data Infrastructure (IDI)

The results in this report that have been derived from data sourced from the IDI, managed by Statistics NZ, are not official statistics, they have been created for research purposes. The opinions, findings, recommendations, and conclusions expressed in relation to these results are those of the State Services Commission, not Statistics NZ.

Access to the anonymised data used in this study was provided by Statistics NZ in accordance with security and confidentiality provisions of the Statistics Act 1975. Only people authorised by the Statistics Act 1975 are allowed to see data about a particular person, household, business, or organisation, and the results in this report have been confidentialised to protect these groups from identification.

Careful consideration has been given to the privacy, security, and confidentiality issues associated with using administrative and survey data in the IDI. Further detail can be found in the Privacy impact assessment for the Integrated Data Infrastructure available from www.stats.govt.nz.

The results are based in part on tax data supplied by Inland Revenue to Statistics NZ under the Tax Administration Act 1994. This tax data must be used only for statistical purposes, and no individual information may be published or disclosed in any other form, or provided to Inland Revenue for administrative or regulatory purposes.

Any person who has had access to the unit record data has certified that they have been shown, have read, and have understood section 81 of the Tax Administration Act 1994, which relates to secrecy. Any discussion of data limitations or weaknesses is in the context of using the IDI for statistical purposes, and is not related to the data's ability to support Inland Revenue's core operational requirements.

