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.

Ethnicity is self-identified by Public Service employees, who may choose to identify with more than one ethnicity.

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.

Additionally, the Commission has not collected data on people with disabilities in the Public Service since 2005. This is because a review conducted by the State Services Commission at the time concluded that the data being collected gave an inaccurate picture of the number of people with disabilities in the Public Service. This was due to a number of factors, including reliance on self-identification, reluctance by employees to disclose a disability, and the accuracy of the collection and maintenance of data by Public Service departments.

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.

Please note: as Public Service chief executives are employed by the State Services Commission, anonymised data on CEs is collected from the Commission and not from their respective departments. Therefore, data on chief executives cannot be matched to their departments. Therefore, any quantitative statistics on senior management presented on a specific department, with the exception of the State Services Commission and the Crown Law Office, do not include that department’s CE.
Chapter One: 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. 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. 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 data

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1 EEO groups are defined in the State Sector Act 1988.
2 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.
3 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.⁴ 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.

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⁴ 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. 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.

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 peoples
- 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.

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5 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.

6 The survey includes all permanent and temporary employees but does not include contractors or employees who work on a casual or as-required basis.

7 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

<table>
<thead>
<tr>
<th>Descriptor</th>
<th>2001</th>
<th>2004</th>
<th>2007</th>
<th>2009</th>
<th>2010</th>
<th>Change from 2001 to 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Service headcount</td>
<td>31,439</td>
<td>37,865</td>
<td>44,335</td>
<td>47,052</td>
<td>46,822</td>
<td>49%</td>
</tr>
<tr>
<td>Managers’ headcount</td>
<td>2,874</td>
<td>3,348</td>
<td>3,912</td>
<td>4,861</td>
<td>4952</td>
<td>72%</td>
</tr>
<tr>
<td>Senior managers’ headcount</td>
<td>1,228</td>
<td>1,135</td>
<td>1,026</td>
<td>1,154</td>
<td>1,113</td>
<td>-9%</td>
</tr>
<tr>
<td>Tier 1 headcount</td>
<td>35</td>
<td>33</td>
<td>34</td>
<td>35</td>
<td>34</td>
<td>-3%</td>
</tr>
<tr>
<td>Tier 2 headcount</td>
<td>244</td>
<td>222</td>
<td>202</td>
<td>212</td>
<td>206</td>
<td>-16%</td>
</tr>
<tr>
<td>Tier 3 headcount</td>
<td>949</td>
<td>880</td>
<td>790</td>
<td>910</td>
<td>876</td>
<td>-8%</td>
</tr>
<tr>
<td>Females in PS</td>
<td>56.5%</td>
<td>59.0%</td>
<td>59.2%</td>
<td>59.0%</td>
<td>59.7%</td>
<td>3.2 percentage points</td>
</tr>
<tr>
<td>Female managers</td>
<td>40.8%</td>
<td>45.6%</td>
<td>45.9%</td>
<td>47.0%</td>
<td>47.4%</td>
<td>6.6 percentage points</td>
</tr>
<tr>
<td>Female senior managers</td>
<td>32.7%</td>
<td>36.2%</td>
<td>37.8%</td>
<td>37.8%</td>
<td>39.8%</td>
<td>7.1 percentage points</td>
</tr>
<tr>
<td>Females in tier 1</td>
<td>22.9%</td>
<td>25.8%</td>
<td>21.9%</td>
<td>18.8%</td>
<td>16.1%</td>
<td>-6.8 percentage points</td>
</tr>
<tr>
<td>Māori in PS</td>
<td>17.0%</td>
<td>17.4%</td>
<td>16.8%</td>
<td>16.2%</td>
<td>16.4%</td>
<td>-0.6 percentage points</td>
</tr>
<tr>
<td>Māori managers</td>
<td>11.2%</td>
<td>12.7%</td>
<td>12.6%</td>
<td>13.3%</td>
<td>13.3%</td>
<td>2.1 percentage points</td>
</tr>
<tr>
<td>Māori senior managers</td>
<td>9.7%</td>
<td>10.1%</td>
<td>9.1%</td>
<td>7.6%</td>
<td>8.3%</td>
<td>-1.4 percentage points</td>
</tr>
<tr>
<td>Pacific peoples in PS</td>
<td>6.6%</td>
<td>7.1%</td>
<td>7.6%</td>
<td>7.4%</td>
<td>7.6%</td>
<td>1 percentage point</td>
</tr>
<tr>
<td>Pacific managers</td>
<td>3.2%</td>
<td>3.8%</td>
<td>3.5%</td>
<td>3.6%</td>
<td>4.4%</td>
<td>1.2 percentage points</td>
</tr>
<tr>
<td>Pacific senior managers</td>
<td>1.9%</td>
<td>1.3%</td>
<td>1.7%</td>
<td>1.5%</td>
<td>1.5%</td>
<td>-0.4 percentage points</td>
</tr>
<tr>
<td>Asian peoples in PS</td>
<td>3.4%</td>
<td>4.7%</td>
<td>6.5%</td>
<td>7.2%</td>
<td>7.4%</td>
<td>4 percentage points</td>
</tr>
<tr>
<td>Asian managers</td>
<td>1.5%</td>
<td>2.0%</td>
<td>2.7%</td>
<td>3.1%</td>
<td>2.8%</td>
<td>1.3 percentage points</td>
</tr>
<tr>
<td>Asian senior managers</td>
<td>1.7%</td>
<td>1.3%</td>
<td>1.5%</td>
<td>1.5%</td>
<td>1.7%</td>
<td>0 percentage points</td>
</tr>
<tr>
<td>Average age female</td>
<td>40.0 years</td>
<td>41.0 years</td>
<td>41.5 years</td>
<td>42.4 years</td>
<td>42.9 years</td>
<td>2.9 years</td>
</tr>
<tr>
<td>Average age male</td>
<td>42.7 years</td>
<td>43.6 years</td>
<td>43.9 years</td>
<td>44.5 years</td>
<td>45.0 years</td>
<td>2.3 years</td>
</tr>
<tr>
<td>Average age Māori</td>
<td>39.0 years</td>
<td>40.0 years</td>
<td>41.1 years</td>
<td>42.0 years</td>
<td>42.7 years</td>
<td>3.7 years</td>
</tr>
<tr>
<td>Average age Pacific peoples</td>
<td>35.1 years</td>
<td>36.0 years</td>
<td>36.8 years</td>
<td>38.1 years</td>
<td>38.8 years</td>
<td>3.7 years</td>
</tr>
<tr>
<td>Average age Asian peoples</td>
<td>38.9 years</td>
<td>39.2 years</td>
<td>38.8 years</td>
<td>39.4 years</td>
<td>40.0 years</td>
<td>1.1 years</td>
</tr>
<tr>
<td>Gender pay gap</td>
<td>17.3%</td>
<td>17.0%</td>
<td>16.0%</td>
<td>15.4%</td>
<td>14.4%</td>
<td>-2.9 percentage points</td>
</tr>
<tr>
<td>Māori pay gap</td>
<td>12.6%</td>
<td>13.6%</td>
<td>11.4%</td>
<td>11.3%</td>
<td>11.4%</td>
<td>-1.2 percentage points</td>
</tr>
<tr>
<td>Pacific pay gap</td>
<td>19.2%</td>
<td>19.8%</td>
<td>19.8%</td>
<td>19.7%</td>
<td>19.2%</td>
<td>No change</td>
</tr>
<tr>
<td>Asian pay gap</td>
<td>3.3%</td>
<td>7.9%</td>
<td>10.1%</td>
<td>10.3%</td>
<td>10.9%</td>
<td>6.6 percentage points</td>
</tr>
</tbody>
</table>

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* 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.9

**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.

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9 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 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 Māori 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 Māori 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 Māori 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 Māori (the Māori
• 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 Māori 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 2009-2112 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

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<th>Pacific peoples (%)</th>
<th>Asian peoples (%)</th>
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<td>9.0</td>
<td>1.5</td>
<td>1.5</td>
<td>1.5</td>
</tr>
<tr>
<td>2009</td>
<td>37.8</td>
<td>7.7</td>
<td>1.5</td>
<td>1.5</td>
<td>1.7</td>
</tr>
<tr>
<td>2010</td>
<td>39.8</td>
<td>8.3</td>
<td>1.5</td>
<td>1.7</td>
<td>7.4</td>
</tr>
</tbody>
</table>

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%)
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

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender Pay Gap</td>
<td>17.4%</td>
<td>15.6%</td>
<td>15.8%</td>
<td>16.9%</td>
<td>16.4%</td>
<td>16.1%</td>
<td>16%</td>
<td>15.4%</td>
<td>15.4%</td>
<td>14.4%</td>
</tr>
</tbody>
</table>

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. 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

<table>
<thead>
<tr>
<th></th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Māori (%)</td>
<td>17.0</td>
<td>17.6</td>
<td>17.6</td>
<td>17.4</td>
<td>17.5</td>
<td>16.7</td>
<td>16.8</td>
<td>16.7</td>
<td>16.2</td>
<td>16.4</td>
</tr>
<tr>
<td>Pacific peoples (%)</td>
<td>6.6</td>
<td>6.8</td>
<td>7.1</td>
<td>7.1</td>
<td>7.3</td>
<td>7.4</td>
<td>7.6</td>
<td>7.8</td>
<td>7.4</td>
<td>7.6</td>
</tr>
<tr>
<td>Asian peoples (%)</td>
<td>3.4</td>
<td>3.6</td>
<td>4.2</td>
<td>4.7</td>
<td>5.4</td>
<td>5.9</td>
<td>6.5</td>
<td>6.9</td>
<td>7.2</td>
<td>7.4</td>
</tr>
<tr>
<td>European, including New Zealand European (%)</td>
<td>82.5</td>
<td>82.5</td>
<td>81.6</td>
<td>79.4</td>
<td>79.0</td>
<td>77.5</td>
<td>76.3</td>
<td>75.6</td>
<td>74.0</td>
<td>75.7</td>
</tr>
<tr>
<td>Middle Eastern, Latin American, African (%)</td>
<td>0.2</td>
<td>0.3</td>
<td>0.3</td>
<td>0.4</td>
<td>0.4</td>
<td>0.5</td>
<td>0.7</td>
<td>0.9</td>
<td>0.9</td>
<td>1.0</td>
</tr>
<tr>
<td>Other Ethnic Groups, including those responding as New Zealanders (%)</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>1.4</td>
<td>1.2</td>
<td>3.5</td>
<td>3.4</td>
<td>3.4</td>
<td>4.2</td>
<td>4.0</td>
</tr>
</tbody>
</table>

10 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.

11 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 has 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 the 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
- Ministry of Women’s Affairs.

The following departments have a high representation of Māori in their workforce but comparatively low representation of Māori in senior management:

- Department of Corrections – 24.0% 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 for the Environment – 3.0 % Māori and 20.0% Māori in senior management
- Ministry of Education – 12.6% Māori and 16.2% Māori in senior management
- Ministry of Health – 9.9% Māori and 12.9% in senior management
- Ministry of Fisheries – 14.2% Māori and 15.2% in senior management
- Education Review Office – 20.1% and 21.2% in senior management.
- Ministry of Defence – 7.1% and 16.7% in senior management.

The Ministry for Māori Development (Te Puni Kōkiri) has about the same level of Māori representation in their workforce (68.9 percent) as in senior management (66.7 percent).

**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

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Māori (%)</td>
<td>12.6</td>
<td>12.1</td>
<td>13.4</td>
<td>13.6</td>
<td>12.7</td>
<td>12.1</td>
<td>11.5</td>
<td>11.7</td>
<td>11.3</td>
<td>11.4</td>
<td>11.9</td>
</tr>
<tr>
<td>Pacific peoples (%)</td>
<td>19.2</td>
<td>19.2</td>
<td>20.6</td>
<td>19.8</td>
<td>20.8</td>
<td>20.8</td>
<td>19.8</td>
<td>19.7</td>
<td>19.2</td>
<td>18.3</td>
<td></td>
</tr>
<tr>
<td>Asian peoples (%)</td>
<td>3.3</td>
<td>4.7</td>
<td>7.1</td>
<td>7.9</td>
<td>9.6</td>
<td>9.3</td>
<td>10.1</td>
<td>9.8</td>
<td>10.3</td>
<td>10.9</td>
<td>9.2</td>
</tr>
</tbody>
</table>

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 : Bibliography


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[www.emeraldinsight.com/Insight/ViewContentServlet?contentType=Article&Fi](www.emeraldinsight.com/Insight/ViewContentServlet?contentType=Article&Fi)


Appendix Three: Individual Public Service department statistics

Appendix Three provides the statistics for the following Public Service departments, for the years 2001-2010. The Appendix Three department statistics can be viewed/downloaded as separate PDF files from the State Services Commission website at: www.ssc.govt.nz/2010-equality-and-diversity-report

Ministry of Agriculture and Forestry
Archives New Zealand
Department of Building and Housing
Department of Conservation
Department of Corrections
Crown Law Office
Ministry for Culture and Heritage
New Zealand Customs Service
Ministry of Defence
Ministry of Economic Development
Education Review Office
Ministry of Education
Ministry for the Environment
Ministry of Fisheries
Ministry of Foreign Affairs and Trade
Government Communications Security Bureau
Ministry of Health
Inland Revenue Department
Department of Internal Affairs
Ministry of Justice
Department of Labour
Land Information New Zealand
Te Puni Kōkiri
National Library of New Zealand
Ministry of Pacific Island Affairs
Department of the Prime Minister and Cabinet
Ministry of Research, Science and Technology
Serious Fraud Office
Ministry of Social Development
State Services Commission
Statistics New Zealand
Ministry of Transport
The Treasury
Ministry of Women’s Affairs