



EEO Trust Diversity Survey Report 2005



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Foreword

New Zealand's skills shortage is creating an employment climate where employers have to look for talented, energetic people in new places. Some employers are well aware that our diverse population creates an opportunity for innovative ideas, new ways of working and improved productivity. This is how Brett Barclay of Adventure World expressed it, "The more diverse your staff, the more creativity and innovation you're going to get. The pooling of people's knowledge with their different experiences and influences in their life, in terms of education and cultural backgrounds brings to an organisation ways other than the Kiwi way - diversity of thought and ideas and that is positive for the organisation."

In this year's EEO Trust Diversity Survey we looked at the path organisations travel from their initial expression of commitment to EEO and diversity in strategies or policies, to them reaping the rewards of improved recruitment, retention and productivity.

We also drilled down into the results to measure the success of EEO/diversity initiatives. We developed an EEO/diversity score by adding the number of initiatives reported by each organisation and identifying the top 20% or organisations and bottom 20%. By comparing the results on key outcome measures for these two groups we found that those in the top 20% had a more diverse workforce and lower staff turnover, along with a reduction in staff turnover in the past 12 months.

In order to gather additional information on workplace demographics, we asked respondents about the age of their workforce for the first time. The first baby boomers turn 60 this year and many workplaces are experiencing the different demands and expectations of the different generations in their workforce.

The results of the Diversity Survey again indicate that EEO Employers Group members are ahead of their peers on a range of diversity measures. The longer respondents have been associated with the EEO Trust, the more likely they are to be actively encouraging diversity through explicit strategy and implementation.

The EEO Trust encourages business success by demonstrating the benefits of recognising and managing a diverse talent pool. We are the New Zealand thought-leaders on diversity issues and provide information and tools to help employers achieve success through managing diversity. Our vision is a country where versatile workplaces are courageous enough to set aside preconceptions and habit in order to maximise available talent. Contact us whenever you need support or information to help progress your diversity strategies.

Philippa Reed
Chief Executive, EEO Trust

1. Summary

The 2005 EEO Trust Diversity Survey was completed by 487 organisations which together employ 331,676 workers, representing 20% of all employees in New Zealand. This report includes information from this workplace survey and compares it with other relevant national and international research.

This year's Diversity Survey focused on the path organisations travel from developing an EEO/diversity strategy or policy to reaping the rewards offered by New Zealand's diverse population.

Almost all the organisations participating in this year's Diversity Survey with more than 10 employees have an EEO/diversity policy or strategy in place (86%). This compares well with Australia and the UK, although in these countries the policies or strategies are more likely to be integrated into core business objectives and strategies. In New Zealand they tend to lie within the human resources area.

The key reasons for New Zealand organisations having an EEO strategy relate directly to human capital and social responsibility. Australian organisations are more likely to say they are motivated by business benefits.

1.1 Implementation

Compared with the UK and Australia, few New Zealand organisations require managers to be accountable for EEO/diversity outcomes or for collecting data to monitor outcomes. There are also relatively low levels of training in, and communication, of EEO/diversity policies.

The efforts of New Zealand organisations to date have been focussed on the recruitment of diverse talent. Less attention has been paid to initiatives to develop that talent.

Additionally, widespread existence of harassment policies is not yet matched by initiatives to implement these policies, such as training contact people or providing reference material to staff.

1.2 Barriers to implementation

The main barriers to implementation of EEO/diversity strategies relate to a lack of buy-in from senior management and consequent lack of resources for measures like the appointment of an EEO/diversity coordinator or the collection of EEO data or training staff.

1.3 Outcomes

A key indicator of the success of EEO/diversity practices would be the representation of New Zealand's diverse population at senior management level. However, many New Zealanders, including women, Maori, Pacific peoples, other ethnic groups and disabled people remain under-represented at senior management levels.

Respondents to the survey report considerably lower rates of staff turnover than New Zealand organisations as a whole indicating that their commitment to EEO/diversity is paying off.

Respondents said that the attraction and retention of skilled people was a critical motivator for EEO initiatives, and a few noted the benefits of workplace diversity, such as greater creativity and innovation.

1.4 Best practice examples – New Zealand's Top 20

The EEO Trust is interested in measuring the success of EEO/diversity initiatives in terms of diversity outcomes. This year, we developed an EEO/diversity score in order to gauge whether the initiatives undertaken by respondents were reflected in diversity outcomes. The score was reached by adding the number of initiatives reported by each organisation and identifying the top 20% and bottom 20%.

Comparing the results on key outcome measures for these two groups showed that best practice organisations (the top 20%) had higher proportions of staff who were women, disabled, Maori, Pacific, Asian and other ethnic groups. They were also more likely to have women, Maori, other ethnic groups and disabled people in senior management. They had lower staff turnover and were more likely to have had a reduction in staff turnover in the last 12 months.

In comparison, those in the bottom 20% were more likely to have had an increase in staff turnover in the last 12 months.

1.5 Small organisations

Although overseas research shows that small organisations are unlikely to have formal EEO/diversity policies, those participating in the EEO Trust Diversity Survey were just as likely to actively endorse EEO and diversity as large organisations.

Better staff retention is the most common positive outcome of EEO/diversity initiatives for the small organisations, followed by improved recruitment. Small organisations are more likely to report the benefits of matching their staff characteristics to those of their customer base.

2. The EEO Trust Diversity Survey

The 2005 EEO Trust Diversity Survey was sent to 3,605 organisations, primarily those employing 20 or more staff, and was completed by 487 organisations. This survey sample is not a random sample and is likely to be biased toward employers with an interest in EEO/diversity issues. It is also biased towards larger organisations.

The EEO Employers Group consists of members of the EEO Trust who are committed to quality EEO/diversity employment practices. All 359 members were invited to complete the survey and 318 (89%) did.

The other participants in the survey were from a range of organisations in New Zealand that are not currently members of the EEO Trust.

Size	All	EEO Employers Group members
10 or more staff	435	267
Fewer than 10 staff	52	51
All	487	318

A total of 331,676 workers are employed by these respondent organisations. This is 20% of all employees in New Zealand as at February 2004.

Twenty per cent of these workers were employed part-time, which is close to the New Zealand average of 22%.¹

Data in the main section of this report relates to the 90% of responding organisations with 10 or more employees. A separate section for small organisations (fewer than 10 employees) is included at the end of this report.

This year's survey focused on the path from developing an EEO/diversity strategy or policy, to achieving EEO/diversity outcomes. Some respondents noted that as a result of the survey they now knew where to focus their activities in order to achieve EEO/diversity outcomes in their organisation.

For example, one said, "Am finding the survey helpful as the EEO officer can see where we need action." And another, "Piloting a mentoring programme as a direct result of EEO survey."

¹ Statistics New Zealand Labour Market Statistics 2004.

3. New Zealanders and their workplaces

3.1 People

The characteristics of New Zealand workers have changed considerably in the last 10 years. These changes relate to cultural background, age, gender and family roles. During the same period the nature of work has been changing from physical, unskilled work to highly skilled work that increasingly involves computers and other forms of advanced technology. There has also been an increase in jobs in the service sector, such as business and property services, finance and insurance, retail, hospitality, health and community services.

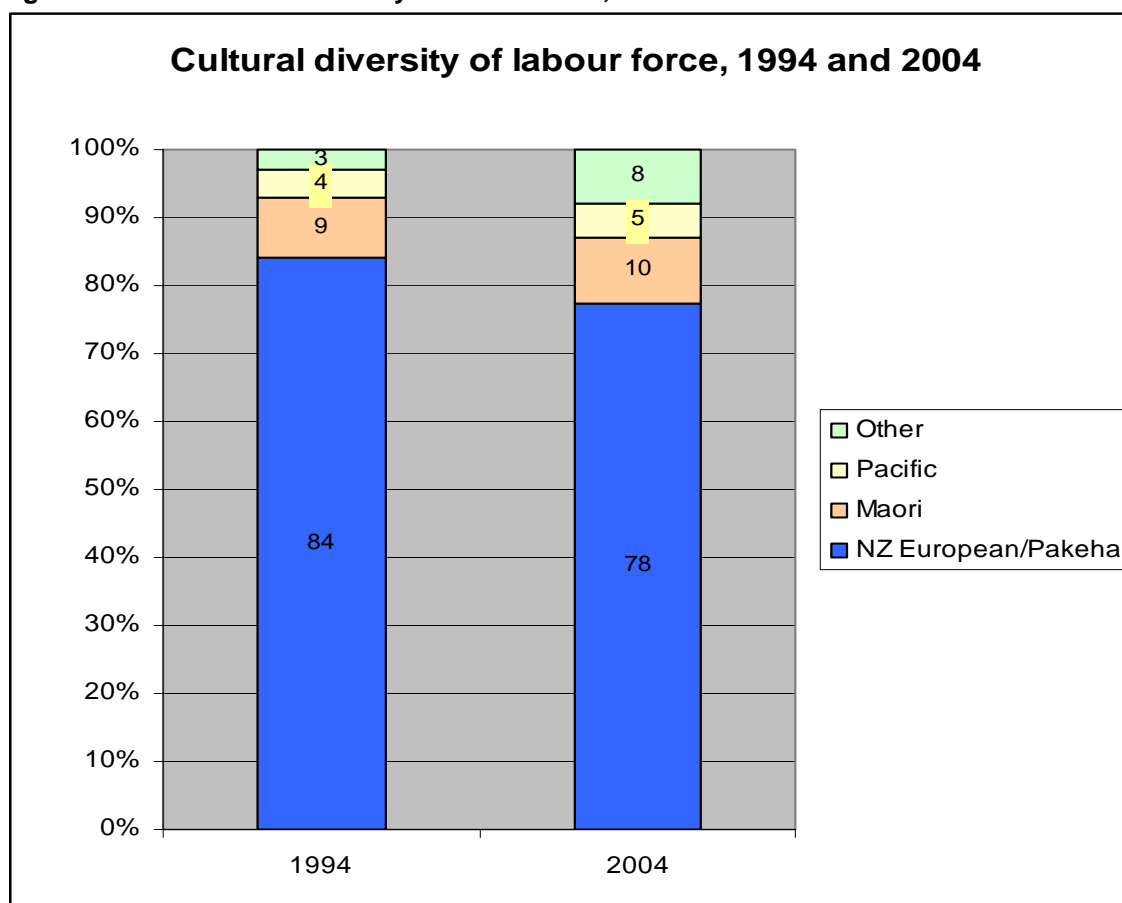
These new types of work require less physical strength and are often more suited to groups that have traditionally been marginalised in the workforce, such as women, older people and disabled people. The increase in highly skilled jobs requires higher levels of education and training, which presents greater challenges to groups such as Maori and Pacific people who were previously over-represented in low skilled, manual type occupations and industries.

New migrants increasingly do not have English as their first language but do have high levels of education and skills. They can be disadvantaged by the high level of English language proficiency required to work in many skilled and professional occupations. In addition, new migrants who do not have New Zealand work experience can find it difficult to break into employment here.

3.2 Cultural diversity

In 2004 almost a quarter of New Zealand workers was not New Zealand European/Pakeha. One in every dozen workers (8%) came from ethnic groups other than Maori, Pacific or NZ European. The group "Other", which includes Asian, has shown the greatest growth since 1994 when only 3% were from "other ethnic groups", and 84% were NZ European/Pakeha. So far there has only been small growth in the proportions of Maori and Pacific people in the New Zealand labour force (Figure 3.1).

Figure 3.1: Cultural diversity of labour force, 1994 and 2004



These trends of increased ethnic diversity in the labour force are projected to continue with the proportion of Maori, Pacific and Asian people increasing from 21% of the workforce in 2004 to 31% in 2021 (Table 3a). In addition, the proportion of “Other” non-New Zealand European is likely to increase, although projections are not available for this group.

Table 3a: Labour force projections by ethnicity²

	2004	2011	2016	2021
	%			
Maori	10	14	15	16
Pacific	5	6	7	7
Asian	6	7	7	8
Total	21	27	29	31

² Labour force projections are only done for Maori, Pacific and Asian ethnic groups. Any “Other” ethnic groups are included with NZ European. The data in this table is from Statistics New Zealand Projected Labour Force and Selected Demographic Characteristics, 1996 (base) – 2021. This was the most recent labour force projection information available.

Unemployment is much higher for Maori and Pacific (7.4%), Asian and other ethnic groups (6.6%) than it is for European New Zealanders (2.8%).³

Although cultural diversity varies in different parts of the country, it is relevant for all employers trying to attract new staff. New workers will increasingly come from immigration and from the young Maori and Pacific populations.

3.3 Gender and family

In 2004 women made up 46% of the New Zealand workforce.⁴ At all ages except 15-19 and 65+, women are more likely to work full-time than part-time. While female labour force participation has been increasing, particularly in part-time work, male labour force participation has been declining, particularly in full-time work. From 1991 to 2001, the increase in the number of women in paid employment was double that for men in the same period.⁵ The biggest increases were in the number of women with pre-school children in paid employment.

Both parents working full-time is the most common pattern for New Zealand couples with school-age children⁶ and for 20% of those with preschool children. More women with children under five years old are in the labour force than at home full-time. Only women with new babies are more likely to be out of the labour force, yet 39% of women with children under one-year-old were in the labour force in 2001.⁷ Women's labour force participation peaks in the 45-49 age group. In the decade from 1991 to 2001 the proportion of women aged 60-64 in the labour force increased from 17% to 42%, and those aged 55-59 from 45% to 66%. For Maori women, 12% aged 65+ are in the labour force.⁸

What with smaller families, later childbearing, more women not having children at all, declining marriage rates, increasing divorce rates and greater life expectancy, most women are now in the labour force for most of their lives. More women, with and without children, spend more of their lives without a partner and need to be economically self-sufficient. Almost half of all women who have children will spend part of their time as a sole parent⁹ and so may also need to financially support their children on their own.

Women's labour force participation is still affected by their role as primary caregivers for children. For example, in 2001 68% of women with dependent children were in paid work compared with 91% of men.¹⁰ Women are more likely

³ Ministry of Social Development, 2005: Social Report 2005: p.48.

⁴ Statistics New Zealand, 2004: Labour Market Statistics 2004, from Household Labour Force Survey.

⁵ Statistics New Zealand, 2005: Focusing on Women, 2005.

⁶ McPherson, 2005a: Part-time work and productivity, EEO Trust, Auckland.

⁷ Statistics New Zealand, 2005: Focusing on Women 2005.

⁸ Statistics New Zealand, 2005: Focusing on Women 2005.

⁹ Dharamlingam, Pool, Sceats and Mackay 2004: Patterns of family formation and change in New Zealand. Ministry of Social Development.

¹⁰ Statistics New Zealand, 2005; Focusing on Women 2005.

than men to work part-time: 36% compared with 12% of men in 2001. However, most women are working full-time and therefore need workplace practices that help them accommodate their dual roles.

The cost of childcare is one factor that may contribute to women's labour force participation; in many cases it is not financially viable for women to work and pay for childcare. Workplace and government subsidised childcare is likely to increase women's participation in paid work.¹¹

Extending paid parental leave may also help women stay in the labour force. A recent survey of 1500 parents found that extending paid parental leave to one year was important for 20% of parents.¹² A similar point was made by about 50% of parents who responded to an open question on paid parental leave in the EEO Trust 2005 survey on work and parenting, where the need for longer paid parental leave was the most frequent open comment made regarding paid parental leave.

3.4 Education

When entering the workforce, women are slightly more qualified than men; 86% of women have school qualifications compared with 81% of men, and women now account for 53% of tertiary education enrolments.¹³ Women are more likely to be qualified in the arts, social sciences, health, law, business and management while men are more likely to be qualified in architecture, engineering, and related technologies.

3.5 Pay equity

Women's full-time hourly earnings in 2003 were 90% of men's.¹⁴ This compares with 2001 when, if factors such as different hours worked are adjusted for, women's earnings were 86% of men's.¹⁵

These findings compare favourably with the UK where in 2004 women's full-time hourly earnings were 82% of men's,¹⁶ and Australia where in 2004 ordinary full-time hourly earnings for non-managerial women staff were 91% of men's, and women's average weekly earnings were 85% of men's.¹⁷

¹¹OECD, 2005: OECD Economic Surveys: New Zealand. July 2005.

¹²Survey by UMR for the Littlies Lobby (which includes Plunket and the Children's Commissioner), 2005: Littlies Lobby summary report – quantitative and qualitative research. www.umar.co.nz

¹³ Statistics New Zealand, 2005: Focusing on Women 2005.

¹⁴ Dixon, Sylvia, 2004: Understanding reductions in the gender wage differential 1997-2003. www.dol.govt.nz

¹⁵ Statistics New Zealand, 2005: Focusing on Women 2005.

¹⁶ Equal Opportunities Commission, 2005: Facts about women and men in Great Britain.

¹⁷ Australian Bureau of Statistics, 2005: Employee earnings and hours, ABS publication number 6306.0

How we compare

New Zealand women rank sixth out of 58 nations covered in the World Economic Forum analysis of the global gender gap over a range of economic, political, educational and health and wellbeing measures. Only the Scandinavian/Nordic countries of Sweden, Norway, Iceland, Denmark and Finland outrank New Zealand. Canada, the UK and Australia are also in the top 10, with the US in 17th place. However, New Zealand's ranking is mostly due to topping the list for political empowerment. Economically New Zealand women are ranked 16th for participation and 47th for economic opportunity.¹⁸ Economic participation measures include unemployment, the gender pay gap, pay equity (pay rates for similar work) and labour force participation. Economic opportunity includes maternity leave and benefits, government provided childcare, impact of maternity legislation on the hiring of women, the proportion of professional and technical workers that are women, and gender equality in private sector employment.

The World Economic Forum recognises the advancement of women as an important strategic issue of economic competitiveness, not just political correctness. "Countries which do not capitalise on the full potential of one half of their societies are misallocating their human resources and compromising their competitive potential."¹⁹

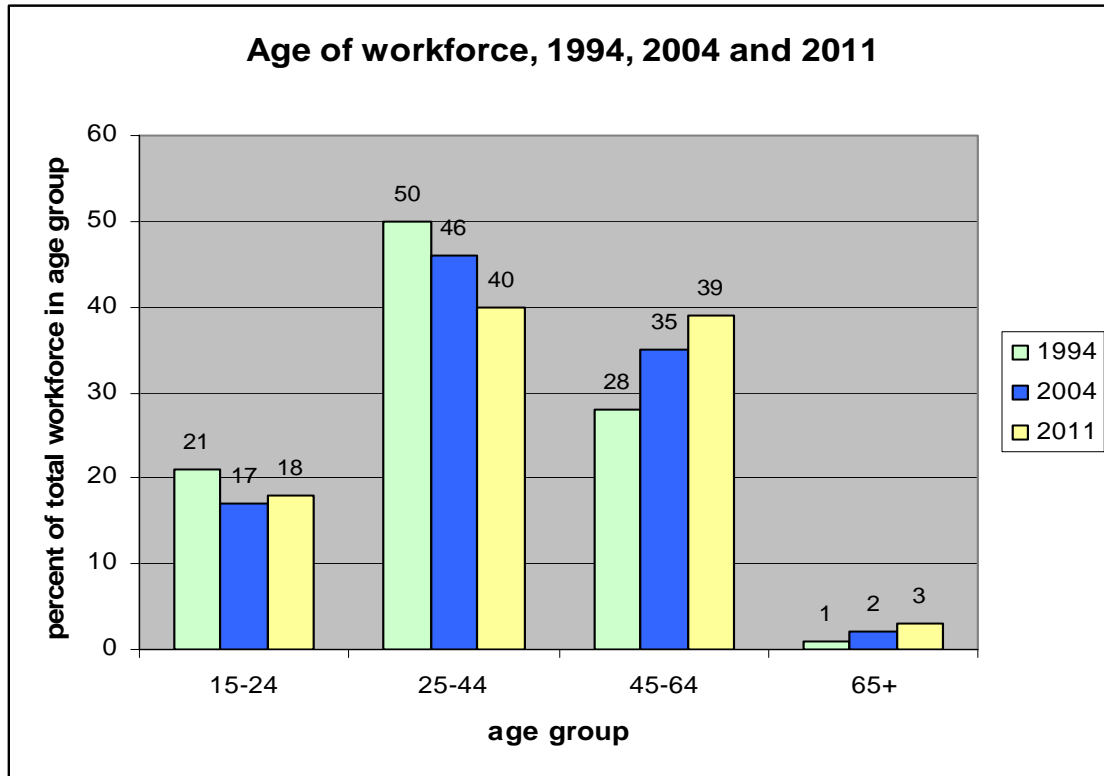
3.6 Age

The population of New Zealand and other countries in the developed world is getting older as people are having fewer children and living longer. This means there are increasing numbers of people aged 45+ in the workforce and fewer younger people (Figure 3.2).

¹⁸ World Economic Forum, 2005: Women's empowerment: measuring the global gender gap. www.weforum.org.

¹⁹ *ibid*

Figure 3.2: Age of workforce, 1994, 2004 and 2011



Note: 2011 projected using series 4A medium assumptions on 2001 base, Statistics New Zealand, National Labour Force Projections, 2004.

The employment rate for people aged 45-64 has been increasing over the last decade, from 70% in 1996 to 77% in 2004. This is due to the shift in age of eligibility for superannuation from 60 to 65 years, increased female labour force participation and growth in demand for labour.²⁰

At the other end of the age continuum, young people aged 15-24 have a very high unemployment rate of 9.3% compared to the national unemployment rate of 3.9% in 2004.²¹

3.7 Disability

A 2001 survey of disabled adult New Zealanders found that almost half of them (over 250,000) were in the labour force, that is, employed or actively seeking work. Disabled people were less likely to be employed than those without a disability (40% compared with 70%).

In 2001, one in five New Zealanders was identified as being disabled.²² As the population ages, the proportion of disabled people will increase. In 2001 the

²⁰ Ministry of Social Development, 2005: Social Report 2005, pp.50-51.

²¹ Ministry of Social Development, 2005: Social Report 2005, pp.48-49. (Unemployment is defined as “not employed and actively seeking and available for paid work” thus it does not include students who are not seeking work.)

government launched the New Zealand Disability Strategy to improve the participation of disabled people in society, including employment. An EEO Trust on-line survey²³ of the employment experiences of disabled people found that they believed the greatest barrier to their employment was the attitudes of employers and other workers.

Another factor affecting the ability of employers to maximise the talents of disabled people is a lack of knowledge of the support systems available to employers. A range of financial and other support is available through government agencies. However, three quarters of those completing the EEO Trust disability survey said did not require any special or adapted equipment in the workplace. Four out of five did not require any ongoing support or special assistance. The most common requirement for disabled workers was the same as for many other workers today; flexible working hours.

Disabled people tend to be over-represented in lower status and lower income occupations. Education and training are factors limiting their participation in paid work, but that is improving for those in younger age groups. Many disabled people feel their talents and skills are overlooked while employers focus on their impairment rather than their abilities.

Positive examples of employment of disabled people can be found in the Department of Labour/EEO Trust publication, *PeoplePower*, with further examples on the EEO Trust website at www.eostrust.org.nz.

3.8 Workplace size

In 2004, 139,813 workplaces in New Zealand employed a total of 1,640,930 people, almost equally spread over workplaces with fewer than 20 employees (37%), 20-99 employees (32%) and 100 or more employees (30%).²⁴ Only 22% of workers were in workplaces with fewer than 10 employees.

At February 2004, the manufacturing sector was the largest employer with 258,570 employees but the property and business services sector has the largest number of enterprises and employed 197,130 staff.

²² Disability is defined as: any self-perceived limitation in activity resulting from a long-term condition or health problem lasting or expected to last six months or more and not completely eliminated by an assistive device. Statistics New Zealand 2002: Disability Counts: 2001.

²³ EEO Trust, 2005: Disability and employment – on-line survey analysis.

²⁴ Statistics New Zealand, 2004: Business Demographics (as at February 2004, published December 2004). Note that this information is now based on employee head counts but was previously based on FTEs (full-time equivalent employees).

3.9 Part-time work

Part-time work has been growing more rapidly than full-time work in New Zealand and internationally. In 2004, 22% of workers were employed part-time, 11% of men and 36% of women. This is an increase from 19% in 1990.²⁵

Part-time work is a preferred option for a growing proportion of the workforce at different life-cycle stages. As young people remain longer in education they require part-time work rather than full-time work. At the other end of the life-cycle, older people are living longer and waiting longer to be eligible for superannuation so are increasingly forgoing complete retirement for a transition to part-time work at the end of their working lives. In the middle, parents are combining raising children with paid employment.

The greatest need now is for part-time work that is at the same level and offers the same conditions as those offered for full-time work, particularly for parents who wish to combine a career and family life.²⁶

Working part-time for more of one's working life is balanced by being in the workforce for longer. Both individual and societal productivity are therefore increased rather than reduced by part-time work. Part-time work options also encourage people who would not otherwise be available for work into the labour force.

²⁵ Statistics New Zealand, Labour Market Statistics 2004, Table 2.02

²⁶ McPherson, Mervyl, 2005: Part-time work and productivity: trends and initiatives. A life course approach. EEO Trust.

4. EEO Trust Diversity Survey – what’s happening in workplaces

In this section, findings have been divided into those relating to the Top 20 workplaces, all respondents’ aggregated results (page 20), and small workplaces employing fewer than 10 staff (page 48).

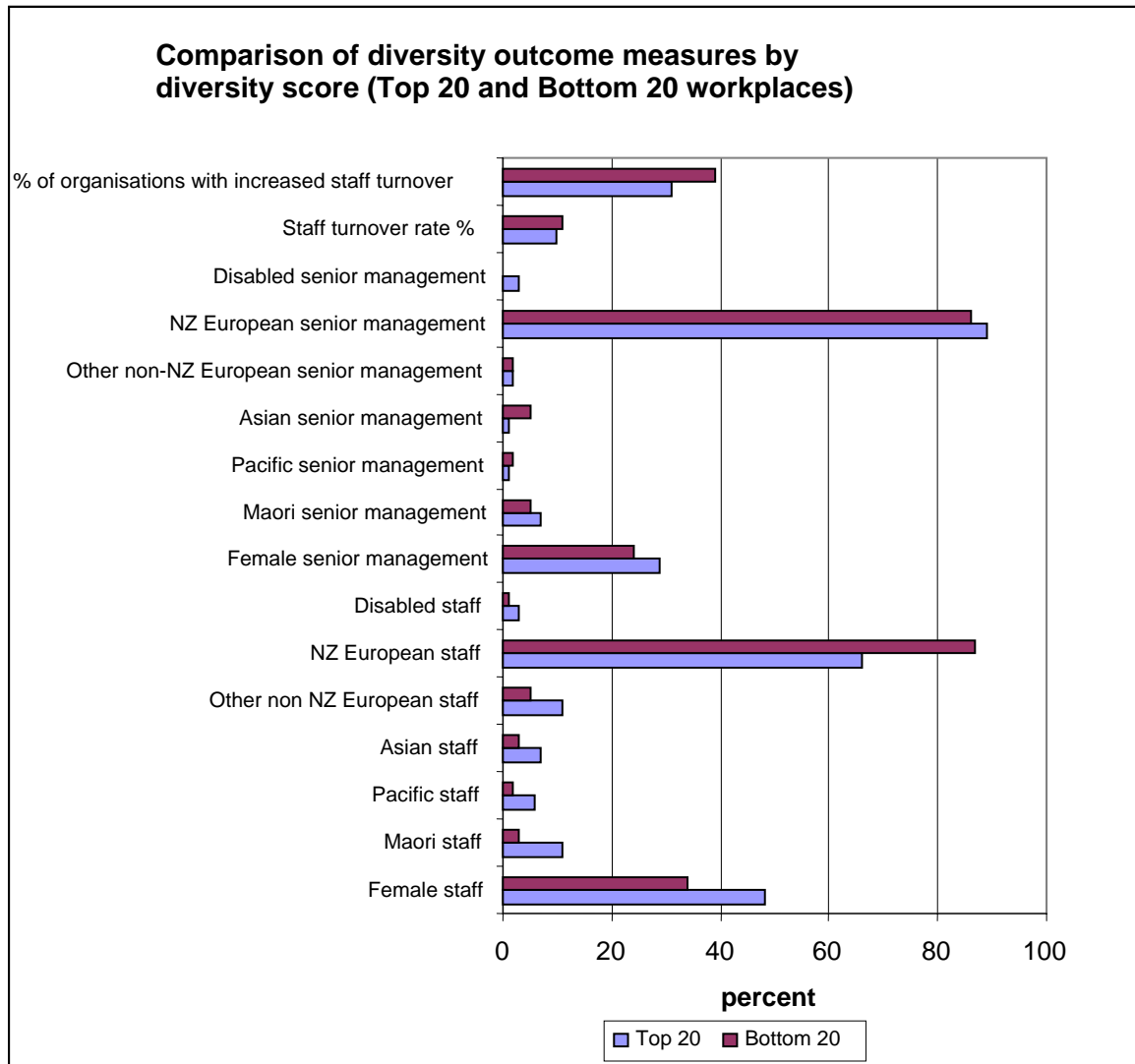
4.1 Best practice examples – New Zealand’s Top 20

This year, in order to gauge whether the initiatives undertaken by respondents were reflected in diversity outcomes, an EEO/diversity score was developed by adding the number of initiatives reported by each organisation. From this the top 20% and bottom 20% of respondents were identified.

Comparing the results on key outcome measures for these two groups showed that best practice organisations ie. those with a high level of EEO/diversity implementation had higher proportions of staff who were women, disabled, Maori, Pacific, Asian and other ethnic groups (Figure 4.1). They were also more likely to have women, Maori, other ethnic groups and disabled people in senior management. They had lower staff turnover and were more likely to have had a reduction in staff turnover in the last 12 months.

In comparison, those in the bottom 20% were more likely to have had an increase in staff turnover in the last 12 months.

Figure 4.1: Comparison of diversity outcome measures by diversity score



4.2 Strategies and policies

The EEO Trust Diversity Survey found that 86% of organisations with 10 or more staff have a written strategy or policy which endorses the principles of EEO or diversity. This is an increase from 77% in 2004, which is qualified by a change in question wording to include strategy as well as policy.

Public sector and not-for-profit organisations remain more likely than private sector organisations to have an EEO/diversity strategy or policy. (Table 4a)

EEO Employers Group members retain their lead in this area, but the gap with other respondent organisations is narrowing. It is important to note, however, that the non-member organisations that respond to the voluntary EEO Trust Diversity Survey are more likely to be interested in EEO/diversity than other New Zealand organisations.

Table 4a: Have an EEO/diversity strategy or policy

	All	EEO members	Public	Private	Not for profit
	%				
2005	86	93	97	78	93
2004	77	89	93	71	74

How we compare

The EEONA Diversity and Equality Survey of Australia 2005 found that 91% of the 32 organisations surveyed had a diversity or EEO strategy in place, up from 83% of the 60 organisations surveyed in 2003.²⁷

The 2004 British Survey of Workplace Employment Relations found that 73% of the almost 400,000 workplaces with 10 or more employees surveyed had a formal EEO policy in place.²⁸

²⁷EEONA, 2005: Moving ahead on equality and diversity. 2005 Australasian Diversity & Equality Survey. Equal Employment Opportunity Network of Australia. This survey is based on 32 organisations who are all members of an EEO network. It is similar to the EEO Trust survey in that it is a non-random sample voluntary completion survey. <http://www.eeona.com.au>

²⁸Inside the Workplace: first findings from the 2004 workplace employment relations survey. Barbara Kersley et al. DTI, http://www.dti.gov.uk/er/insideWP_web_all.pdf July 2005.

4.3 Location of EEO/diversity strategy or policy

Diversity Survey respondents were asked who was responsible for EEO/diversity in their organisation in order to assess the weight given to EEO/diversity initiatives. Almost half the respondents (49%) said their EEO/diversity strategy or policy was integrated into their strategic objectives. EEO Employers Group members and the public sector lead the way in this at 55%. For the remainder, their EEO/diversity strategy was located at HR policy/plan level.

Table 4b: Location of EEO/diversity strategy or policy

	All	EEO members	Public	Private	Not for profit
	%				
Integrated into organisation's strategic objectives	49	55	55	47	43
At HR policy/plan level only	47	42	41	51	54

How we compare

In EEONA's 2005 Australian survey 70% of organisations reported that their diversity/EEO strategy was explicitly considered in organisation-wide business planning and objective setting, up from 68% in 2003.

4.4 Reasons for having an EEO/diversity strategy or policy

Organisations adopt EEO/diversity strategies and policies for different reasons, including legal compliance requirements, business benefits and being socially responsible. A European Commission report identifies three basic motivations; ethical, regulatory and economic.²⁹

A new question in this year’s EEO Trust Diversity Survey explored the motivation of New Zealand organisations and found that both economic and ethical reasons are important. Table 4c shows that business benefits are least likely to be ranked as a “very important” reason for having an EEO/diversity strategy, although the highest ranking reason, “to attract and recruit the best talent” is undoubtedly critical to business success.

Table 4c: Reasons for having an EEO/diversity strategy or policy

	Very important	Quite or some importance	Total importance	Little or no importance	Not sure
	%				
To attract and recruit the best talent	67	26	93	3	5
Social responsibility	63	32	95	1	4
Senior management commitment	59	34	93	3	5
To enhance our reputation in the community	52	38	90	5	5
Statutory requirement/legislation	49	36	85	9	6
Business benefits	41	44	85	9	6

It is noteworthy that EEO/diversity measures are recognised by respondents as being critical to attracting the best talent, indicating that EEO has moved beyond being a “nice to have” human resources tool to being a core element of business success.

Follow-up interviews with some survey participants confirm this view. For example, one respondent said, “(EEO) has helped in recruiting where there have been gaps. Many examples when we have employed relatively new migrants with great skills and lots of enthusiasm and they have turned out to be some of the best performers, often outperforming New Zealand born employees.”

²⁹ European Commission, 2003: The costs and benefits of diversity.
http://europa.eu.int/comm/employment_social/fundamental_rights/prog/studies_en.htm

Another organisation, a crown entity, said that EEO initiatives help with attracting highly skilled staff, as well as with retaining staff, while Dunedin City Council reports that EEO/diversity is critical for recruitment.

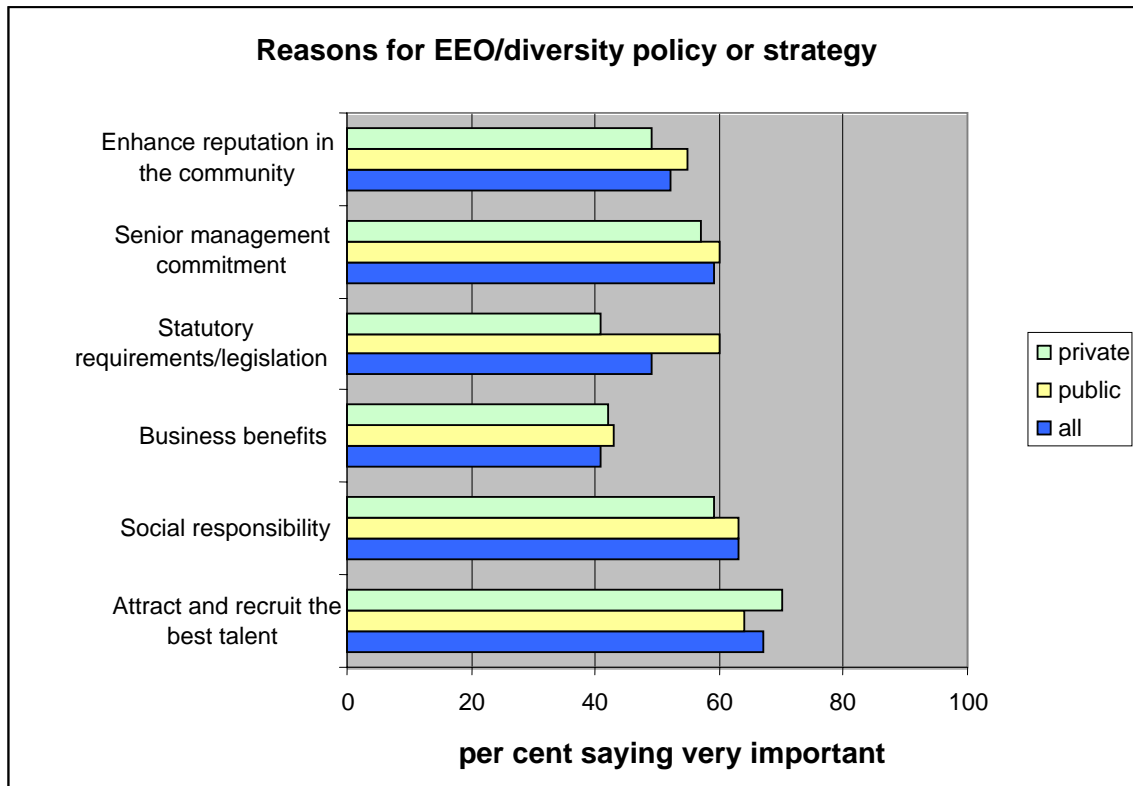
Franklin Kindergarten, which faces a huge shortage of qualified staff and is determined to employ people who reflect the diversity of its parents and children, said that EEO policies and practices have resulted in greater staff diversity.

A leading New Zealand marketing company uses EEO strategies to employ the best people it can. "As a company, our view is that the best person is not limited by background or where they are from," says the human resources manager. "EEO/diversity is important to staff recruitment in that it opens up the whole market by eliminating any barriers to considering all potential applicants.

"We think about this in terms of overall company business needs and goals, so that getting the best person for the job is enhanced by an EEO/diversity approach as that provides the widest market of job seekers, and having the best person is linked to achievement of company goals."

The reasons for having an EEO/diversity strategy or policy varied by sector. Attracting and recruiting talent was the main reason given by both public and private sectors and was relatively more important to the private sector than social reasons. Statutory requirements were more important for the public sector than the private sector with 60% of public sector respondents rating it as very important, alongside senior management commitment, also at 60%.

Figure 4.2: Reasons for EEO/diversity policy or strategy



How we compare

Recruitment also topped the Australian EEONA list, with 92% saying it was very or quite important (83% in the Diversity Survey). Reputation in the community was equal first in Australia at 92% compared with 77% here. The Australian survey did not have a “social responsibility” option.

Business benefit reasons (creativity and innovation, competitive advantage and marketing/sales results) also rated lowest in the Australian survey at 62%, 53% and 33% respectively, which was lower than the EEO Trust Diversity Survey where 64% rated business benefits very or quite important.

4.5 Implementation of EEO/diversity

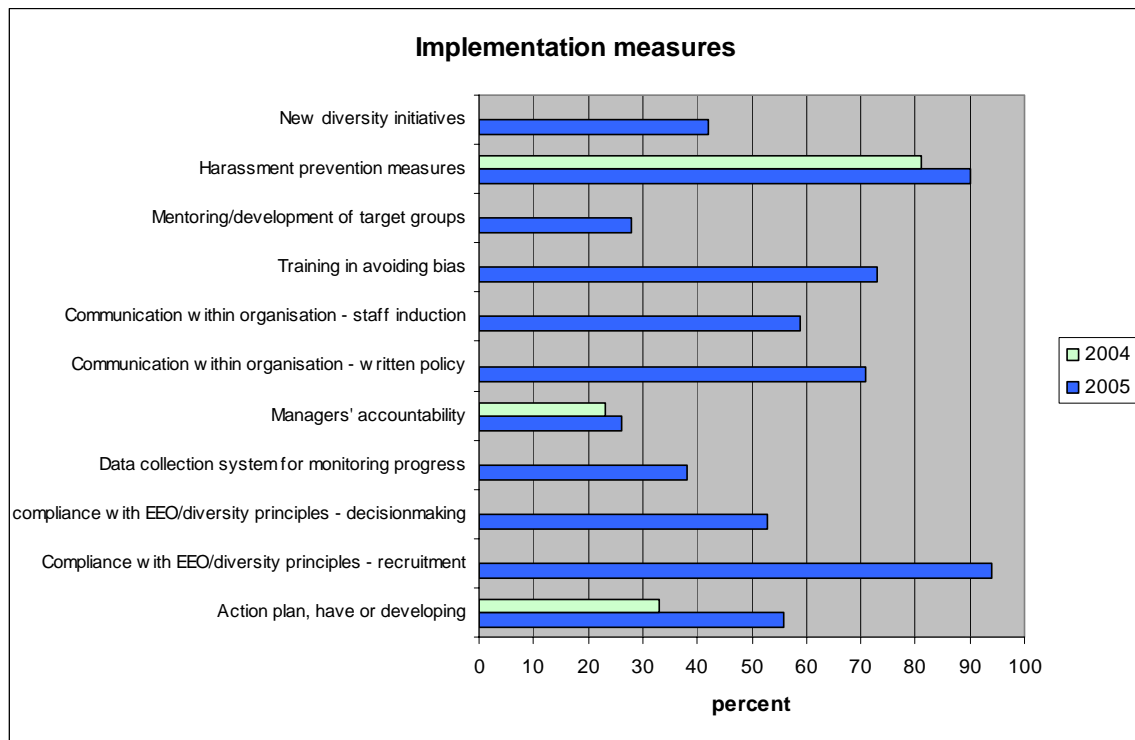
For EEO/diversity initiatives to produce desired outcomes it is necessary to move beyond the preparation of a strategy or policy to implementation. Phases of implementation include action plans, accountability and commitment of management, communication of the strategy throughout the organisation, training in diversity for management and staff, mentoring and training opportunities for all staff and initiatives to prevent harassment.

There is wide variation in the level of implementation of EEO/diversity strategies with a widespread use of them during recruitment but less use once staff are in the organisation e.g. through mentoring and development.

Harassment policies are widely used but awareness material and designated trained contact people are less common. There is also a relatively low level of management accountability for EEO/diversity, despite the widespread provision of EEO/diversity policies or strategies. Fewer than half the respondents have data collection systems for monitoring progress on their EEO/diversity strategies or policies.

More detailed analysis of each of these measures is provided below. This shows improvements since 2004 in the development of action plans for the implementation of EEO/diversity, the requirement for management accountability and the provision of harassment prevention policies.

Figure 4.3: Implementation measures



4.6 Action plans

Just over a third of respondents reported having a written action plan (35%), with another 20% currently developing a plan. This is an increase from last year when 31% had a plan and 12% were developing plans.

EEO Employers Group members and respondents from the public sector are more likely than those from the private sector (which includes members and non-members) and non-members to have a plan or be developing a plan.

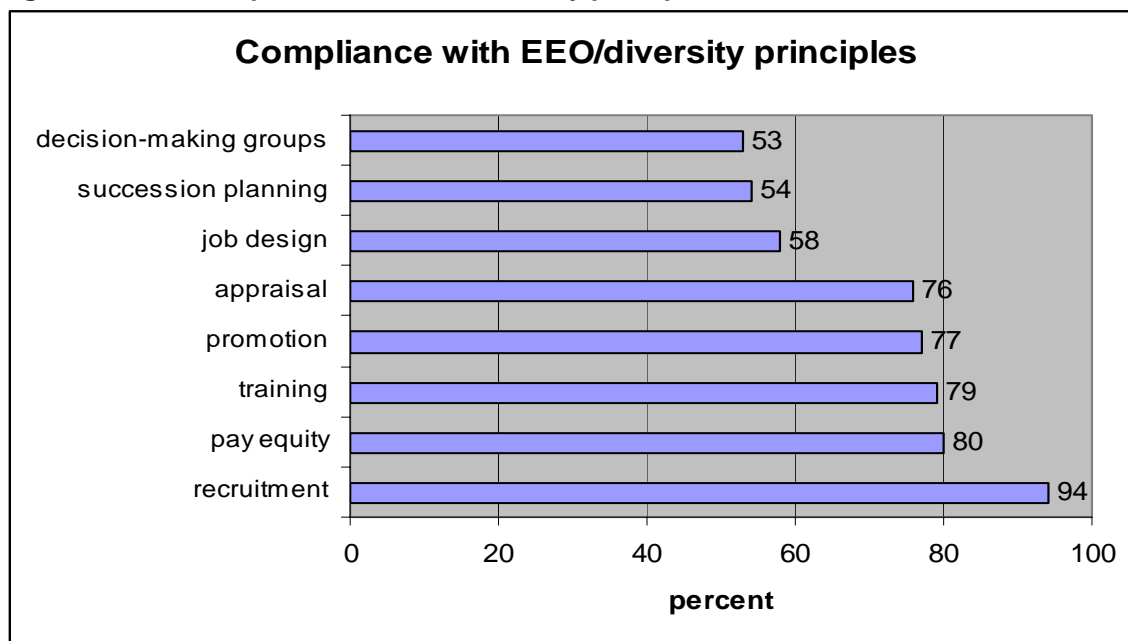
Table 4d: Have a written action plan

	All		EEO	Public	Private	NFP
	2005	2004	members			
	%					
Yes	35	31	46	55	22	30
Under development	21	12	23	23	18	33
No	43	55	29	20	59	38

4.7 Ensuring practices meet EEO/diversity principles

Respondents were asked if they ensure their policies and practices meet EEO/diversity principles in a number of areas. Organisations were most likely to ensure their recruitment policies and practices were aligned with EEO principles. (see Figure 4.4).

Figure 4.4: Compliance with EEO/diversity principles



EEO Employers Group members and the public sector follow the overall pattern of ensuring recruitment policies comply with EEO/diversity principles followed by pay equity, training, promotion and appraisal. The private sector rates lower on recruitment but higher than overall EEO Employers Group members and the public sector on pay equity, training, promotion and appraisal. (Table 4e)

Table 4e: Compliance with EEO/diversity principles in specific areas, by sector

	All	EEO members	Public sector	Private sector	NFP
	%				
Recruitment	94	99	97	91	100
Pay equity	80	80	76	83	78
Training	79	81	78	81	78
Promotion	77	81	75	80	73
Appraisal	76	79	73	78	80
Job design	58	63	57	59	58
Succession planning	54	57	50	56	65
Decision-making groups	53	56	52	51	78

4.8 Managers' accountability

Building accountability for EEO/diversity into managers' contracts is one way of ensuring EEO/diversity moves beyond policy/strategy and into reality. At present, just over a quarter of respondents are doing this, which is similar to last year. EEO Employers Group members and the public sector ranked slightly higher at 31% and 33%.

How we compare

This is similar to the UK where a quarter of respondents to the Opportunity Now 2004 survey include gender equality as part of managers' performance goals; 38% in the public sector and 19% in the private sector.³⁰ Both New Zealand and the UK are well behind Australia where 72% of managers in a 2005 Australian survey were accountable for diversity outcomes, up from 57% in 2003.³¹

4.9 Managers' commitment

Respondents were asked how commitment to EEO/diversity was demonstrated by senior management. Providing resources for data collection and monitoring, and for training in diversity awareness were the main ways (38% and 29% respectively) management showed their commitment. Fifteen per cent of respondents had an EEO/diversity coordinator while 9% had a diversity council. Other examples of senior management commitment to EEO/diversity were reported by 12% of respondents.

³⁰ Opportunity Now Benchmarking Report 2004: Diversity at work: tracking progress on gender.

³¹ Equal Employment Opportunity Network of Australia (EEONA) 2005: Moving ahead on equality and diversity. 2005 Australasian Diversity & Equality Survey. Equal Opportunity Network of Australia. This survey is based on 32 organisations who are all members of an EEO network. It is similar to the EEO Trust survey in that it is a non-random sample voluntary completion survey. <http://www.eeona.com.au>

Demonstration of senior management commitment was highest in the public sector and among EEO Employers Group members.

Table 4f: Demonstration of senior management’s commitment to EEO/diversity

	All	EEO members	Public sector	Private sector	NFP
	%				
Resourcing for data collection and monitoring	38	46	54	27	35
Resourcing for and appointment of EEO/diversity coordinator	15	20	21	12	13
Diversity council	9	13	13	7	5
Resourcing for training in diversity awareness throughout organisation	29	36	37	23	30
Other	12	9	8	15	8

How we compare

About half of the EEO member organisations in the EEONA 2005 Australian survey had a diversity council or committee and 68% had a diversity manager.

4.10 Training for managers

Three quarters of respondents provide some training in avoiding bias for managers. Such training mostly relates to the recruitment process (65%) where there has been a substantial increase since last year, up from 56%. There was no change from 2004 in training for managers in avoiding bias in performance management and general EEO/diversity.

Respondents from private sector organisations were least likely to provide any training for managers in avoiding bias (67% compared with 83% of public sector respondents).

Table 4g: Training for managers in avoiding bias

	All	EEO members	Public sector	Private sector	NFP
	%				
Recruitment processes	65	74	74	61	55
Performance management	51	58	57	47	48
General EEO/diversity	35	40	43	29	43
None of the above	23	17	14	30	25
No response	3	2	3	3	3

4.11 Communication within organisation

For an EEO/diversity strategy or policy to be effective it must be communicated throughout an organisation.

Written policies are the main form of communication of EEO/diversity strategies (71% of respondents). Staff induction and the intranet are used by about half of respondents to convey this information. Employment agreements and staff training are used by 41% and 37% respectively.

Table 4h: Ways of communicating EEO/diversity strategy through organisations

	All	EEO Employers Group members	Public sector	Private sector	NFP
	%				
Written policies	71	79	92	57	75
Staff induction	59	64	67	54	58
Intranet	46	56	69	37	20
Employment agreements	41	40	43	39	48
Staff training	36	39	37	34	38
Staff meetings	25	28	23	23	40
Staff newsletters	17	20	20	15	20
Posters	10	14	16	6	13
Other	11	11	9	12	18

The public sector is most likely to use written policies for communicating their EEO/diversity strategy (92% compared with just over half of private sector respondents). Almost 80% of EEO Employers Group members communicate through written policies.

4.12 Mentoring

Mentoring programmes and providing diverse role models can be important in enabling people to develop their careers, as well as in recruitment.

As the EEO Manager at the University of Auckland, Prue Toft, reports, having successful women in leadership programmes means women are enthusiastic about taking on responsibility. "This leads to confidence and retention and also works to attract women into the organisation. Support programmes which develop people internally for more senior positions also attract women applicants."

More than half the respondents (57%) to the Diversity Survey do not have any mentoring/development programmes for people from diverse backgrounds. Another 15% did not answer this question. Of the rest, mentoring or development programmes were most likely to be aimed at Maori, women and Pacific people. The not-for-profit and public sectors were more likely than the private sector to offer such programmes.

Programmes in the private sector are most likely to be for women, while programmes in the public sector are most likely to be for Maori. EEO Employers Group member organisations are equally likely to have programmes for women and Maori.

The public and private sectors are equally likely to have programmes for new migrants. The private sector is more likely to have programmes for new migrants than for Maori or Pacific peoples.

There is little provision of mentoring/development programmes aimed specifically at disabled people except within the not-for-profit sector.

There is little provision and no sector difference in provision of mentoring or development programmes for older people in the workforce.

Table 4i: Mentoring or development programmes for EEO target groups

	All	EEO Employers Group members	Public sector	Private sector	NFP
	%				
For women	13	18	17	10	20
For Maori	15	18	26	6	35
For Pacific Islands' people	12	14	18	5	25
For new migrants	9	8	7	9	13
For people for whom English is a second language	10	9	12	9	35
For disabled people	5	5	7	3	15
For people aged 45+	4	4	5	4	5
None of the above	57	53	46	65	50
No response	15	18	20	13	5

How we compare

Respondents in the Australian 2005 EEONA survey were twice as likely as New Zealand organisations to have some kind of targeted mentoring programmes; 56% compared with 28%.

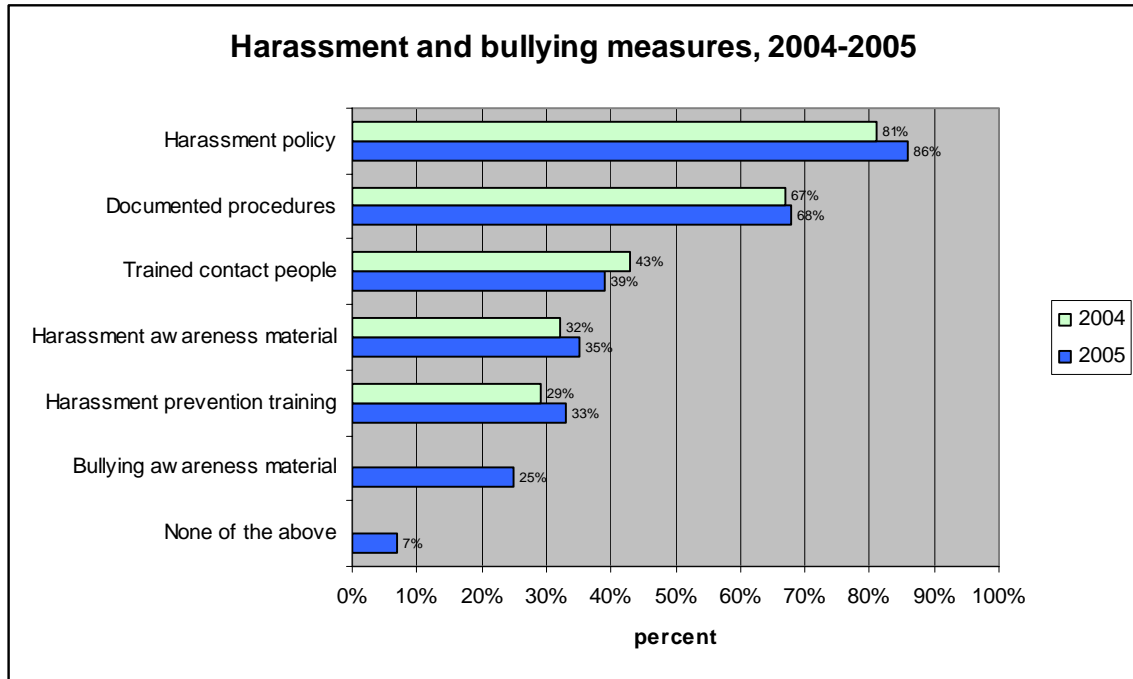
4.13 Harassment and bullying prevention measures

Policies and documented procedures are the most common measures to prevent harassment and bullying, provided by more than two-thirds of respondents. Other measures, such as trained contact people and awareness materials, are provided by less than half the respondents.

There have been small increases in policies, documented procedures, harassment awareness material and harassment prevention training since last year, and a small decline in trained contact or liaison people (Figure 4.5).

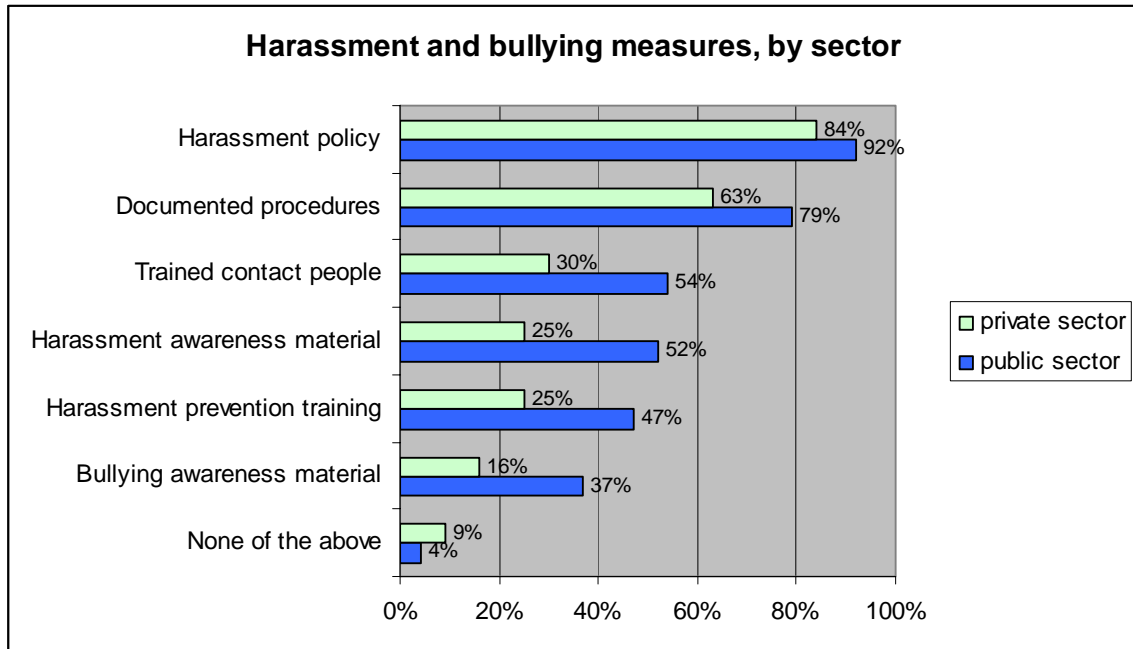
A quarter of respondents provide bullying awareness material. Only 7% do not have any harassment or bullying preventive measures.

Figure 4.5: Harassment and bullying measures, 2004-2005



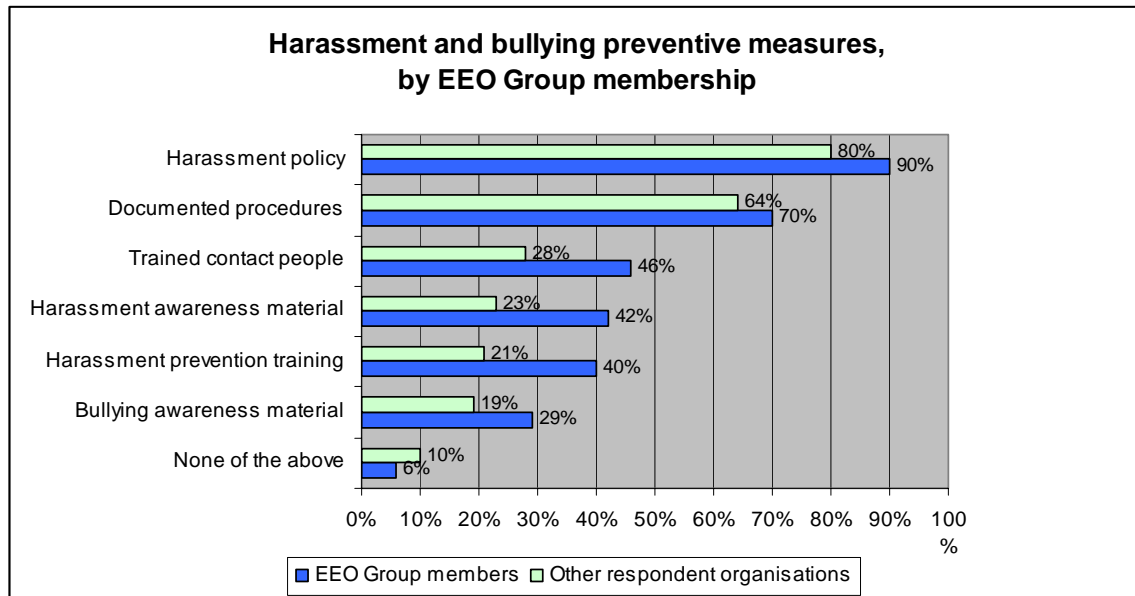
All types of harassment and bullying prevention measures are more common in the public sector than in the private sector (Figure 4.6)

Figure 4.6: Harassment and bullying measures, by sector



Respondents who are not members of the EEO Employers Group are less likely than members to provide designated, trained contact people, awareness material or prevention training.

Figure 4.7: Harassment and bullying preventive measures, by EEO Group membership



How we compare

All the respondents in the Australian 2005 EEONA survey had harassment prevention initiatives.

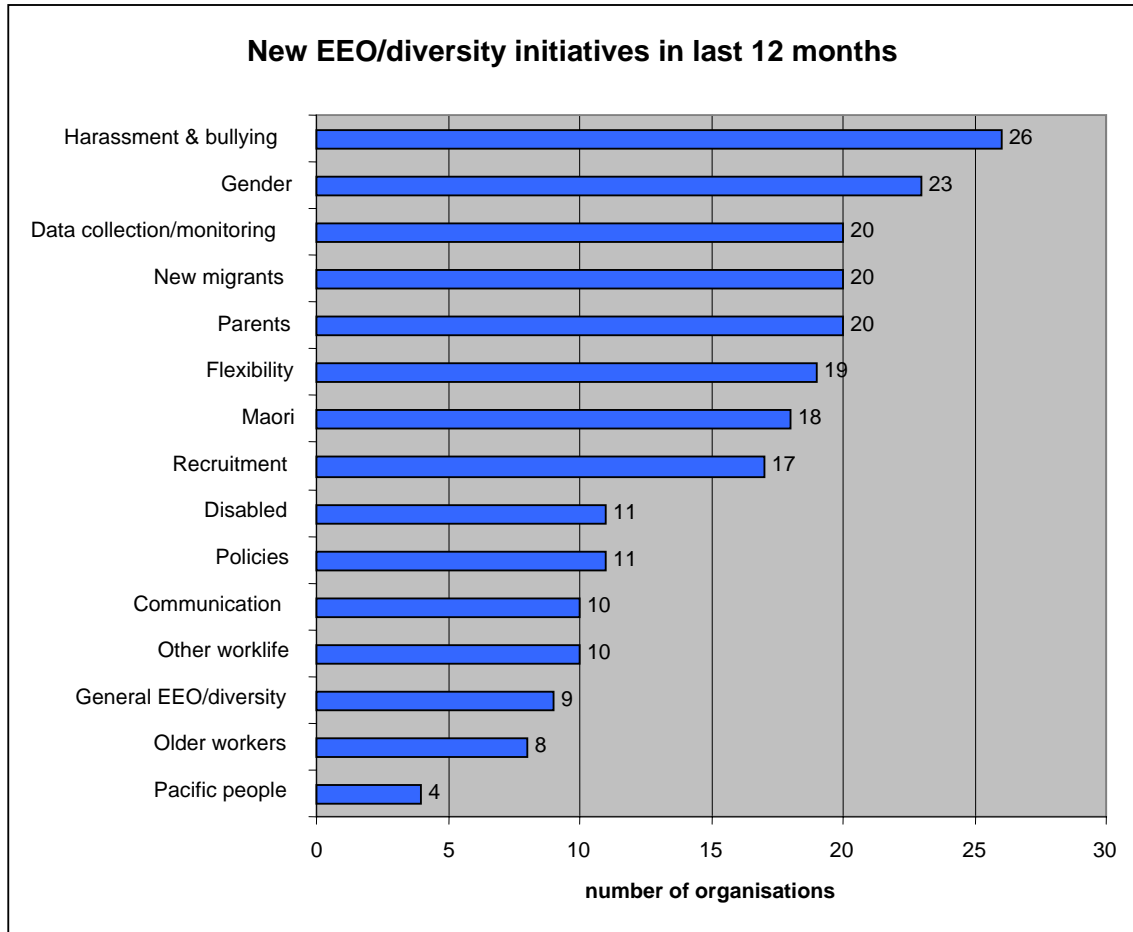
4.14 New diversity initiatives

Of the medium-large organisations (employing 10 or more people) that responded to the survey, 178 (42%) gave examples of new EEO/diversity initiatives introduced in the last 12 months. Almost half of these organisations (48%) were from the private sector. A quarter of those with new initiatives in the last 12 months were not EEO Employers Group members.

The range of initiatives was very broad, covering all aspects of EEO/diversity implementation (with the exception of accountability in manager's contracts) and all target groups. Some organisations had introduced more than one new initiative. The main areas of focus for new initiatives are, in order:

- Harassment and bullying
- Gender
- Data collection and monitoring
- New migrants
- Parents
- Flexibility of hours and location
- Maori
- Recruitment

Figure 4.8: New EEO/diversity initiatives in last 12 months



How we compare

The 2003 and 2005 EEONA Australian surveys found that diversity programmes there focus on harassment, gender, caring responsibilities and disability, but not on nationality/race, religion or sexual orientation. New Zealand is similar in having harassment, gender and parenting/flexibility at the forefront of new initiatives, but new migrants, Pacific and Maori are also a major focus. Disability and older workers are not a key focus of New Zealand diversity initiatives. In Australia, 44% of best practice organisations introduced programmes to address age diversity in 2004, up from 25% in 2003.³²

³²EEONA, 2005: Moving ahead on equality and diversity. 2005 Australasian Diversity & Equality Survey. Equal Opportunity Network of Australia.

4.15 Monitoring

Collection of data on EEO/diversity is necessary in order to know how well an organisation is doing in tapping into the diverse talent pool. Workers cannot be made to provide information on ethnicity, age and disability.

Thirty-eight per cent of respondents have data collection systems specifically for monitoring progress on their EEO/diversity strategy. This is highest in the public sector (62%) where there are more likely to be specific reporting requirements, for example, under the State Sector Act and Local Government Act. Half the EEO Employers Group members collect EEO/diversity data. Only a quarter (25%) of private sector respondents collect EEO/diversity data.

Collection of data is highest on gender (83%) and lowest on disability (37%). Just over half (55%) collect data on ethnicity of staff. Twelve per cent do not collect data on any of these and 3% did not answer this question.

Table 4j: Have data collection systems for monitoring progress on EEO/diversity

	All	EEO members	Public sector	Private sector	NFP
	%				
Yes	38	50	62	25	30
	Collect data on the following				
Gender	83	88	88	79	93
Age	67	70	74	64	63
Ethnicity	55	61	70	43	68
Disability	37	40	39	32	55
None of the above	12	8	8	15	8
No response	3	2	3	3	0

How we compare

In the EEONA Australian survey³³ data collection was higher for gender (97%), age (88%) and disability (50%) and about the same for ethnicity (53%). The UK Opportunity Now 2004 survey³⁴ also had higher data collection rates for gender (96%), disability (65%) and ethnicity (81%).

³³EEONA 2005: Moving ahead on equality and diversity. 2005 Australasian diversity & equality survey. Equal Employment Opportunity Network of Australia.

³⁴Opportunity Now 2004: Diversity at work: tracking progress on gender.

4.16 Outcomes

In this section we look at the outcomes of the diversity strategies by exploring the diversity of respondents' workplaces, firstly in terms of diversity of staff and then diversity of senior management.

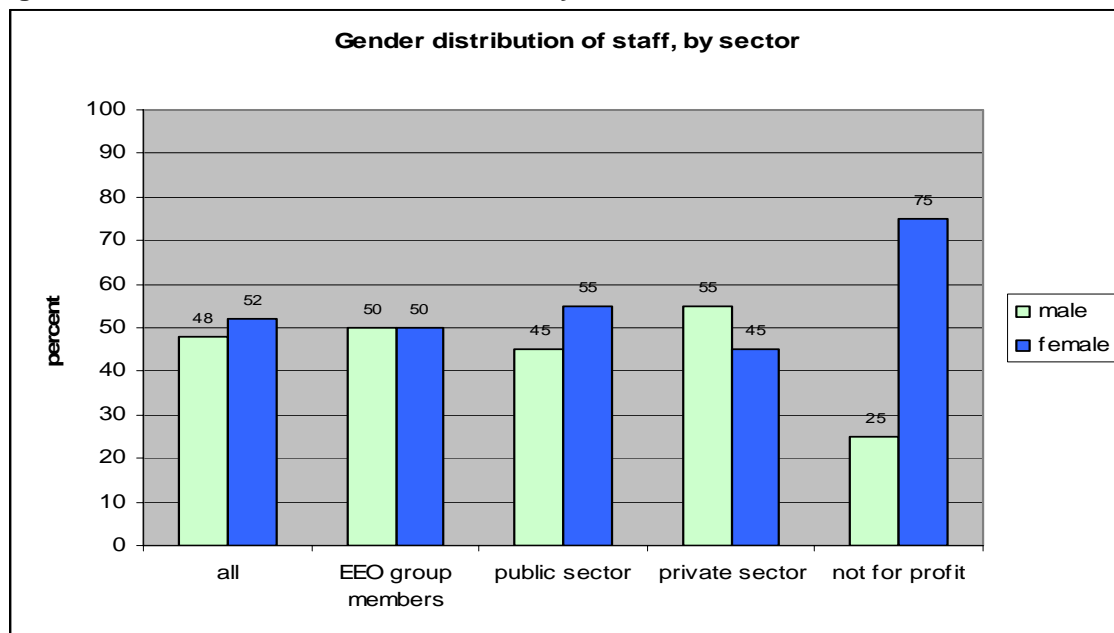
4.16.1 Diversity of staff

Gender

Respondents to the Diversity Survey have more women employees than New Zealand employers generally (46%).³⁵

In comparison with the New Zealand workforce generally, women were over-represented in public sector respondents and slightly under-represented in private sector respondents. Women are highly over-represented in not-for-profit organisations. (Figure 4.9)

Figure 4.9: Gender distribution of staff, by sector



Ethnicity

Issues of sensitivity and privacy make collection of data on ethnicity of employees difficult. As a result it can be difficult to monitor progress on EEO/diversity.

Just over half of survey respondents (55%) said they had information on the ethnicity of their staff. Public sector and not-for-profit organisations were more likely than private sector organisations to have ethnicity data.

³⁵ Statistics New Zealand, Labour Market Statistics 2004.

Of those that had ethnicity data, only 66% of employees were European/Pakeha, compared with 78% of the total workforce while there were 13% in “Other ethnic groups” compared with only 8% “Other including Asian” in the total workforce.³⁶ This suggests ethnicity data collection systems may be unreliable, or the “don’t knows” and “non responses” are being included with “Other”. However, it is possible this data is correct and organisations which belong to the EEO Trust Employers Group or respond to the Diversity Survey do have a high proportion of employees in the “Other” ethnicity category.

The private sector more closely matched the ethnicity of the total New Zealand workforce than the public sector and EEO Employers Group members which had more employees who were not European/Pakeha.

From Table 4k it is apparent that Maori are under-represented in private sector organisations responding to the EEO Trust Diversity Survey and over-represented in the public sector. Pacific people are well represented among all survey respondent organisations, particularly the private sector.

It is not possible to compare representation of Asian workers with the total workforce, but there is little difference among groups of survey respondents with rates slightly below their proportion in the population (6%).

Table 4k: Ethnic distribution of staff

	All	Public	Private	EEO members	NZ workforce
Maori	11	13	6	12	10
Pacific	5	5	6	6	5
Asian	5	5	5	4	
Other	13	15	6	12	
Asian + Other					8
European/Pakeha	66	63	76	66	78
European + Other	79	78	82	78	

Disability

Just over a third of survey respondents know the disability status of their staff. For these respondents, disabled people made up 3% of their total staff numbers. The main variation across sectors was 4% in the public sector and 1% in the private sector. Disabled people make up 9% of the total labour force, based on Statistics New Zealand 2001 census data and disability survey data,³⁷ so are

³⁶ Statistics New Zealand, Labour Market Statistics 2004, Table 8.01.

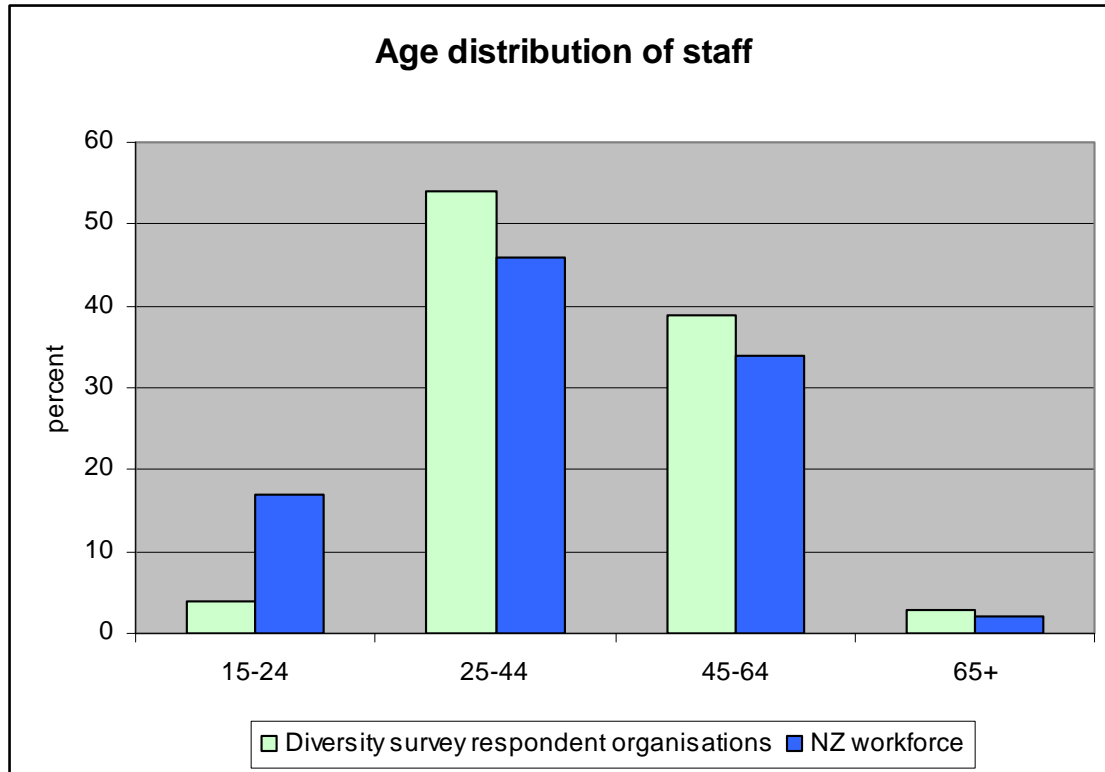
³⁷ Statistics New Zealand 2002: Disability Counts 2001 survey of total number of disabled people in the labour force and Statistics New Zealand 2001: Work, from 2001 Census of Population and Dwellings of total number of people in the labour force in 2001.

very under-represented in the organisations responding to the EEO Trust Diversity Survey. This may in part be due to undisclosed or unidentified disability status.

Age

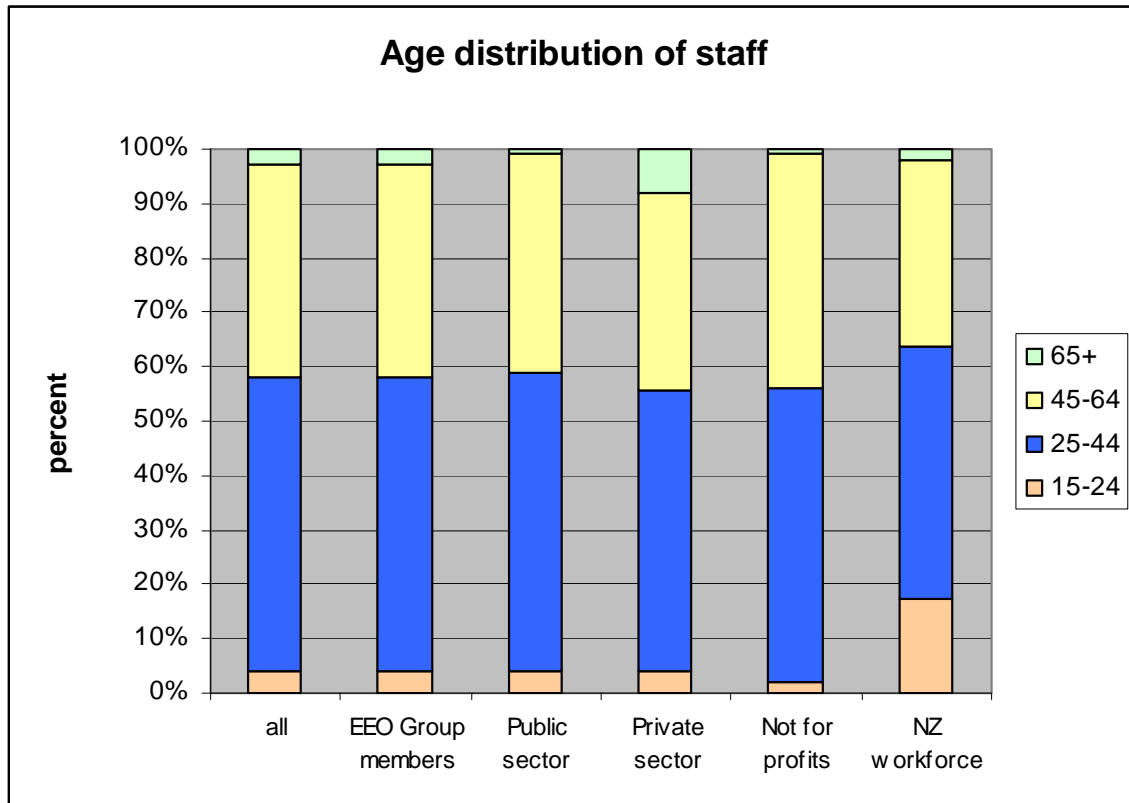
Two-thirds of respondents said they collected data on the age of employees. For these organisations, young people aged 15-24 are under-represented (Figure 4.10). Those aged 25-44 are most over-represented, as are those aged 45-64.

Figure 4.10: Age distribution of staff of New Zealand workforce



The private sector has the largest representation of workers aged 65 and over (8%). The not-for-profit sector has lowest representation of both oldest and youngest age groups of workers. The public sector has a low employment rate of workers aged 65+. (Figure 4.11)

Figure 4.11: Age distribution of respondents' staff



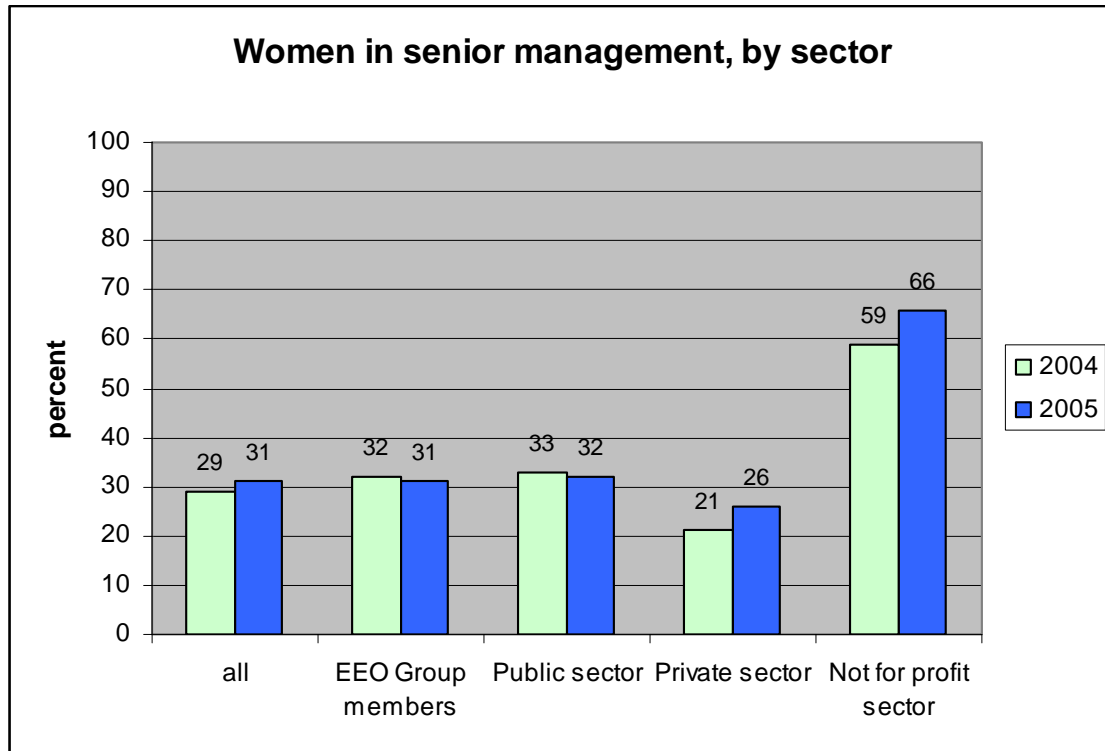
4.16.2 Diversity of senior management

Gender

Over 90% of respondents across all the sectors know the gender composition of senior management. Thirty-one per cent of senior management in public sector respondents and EEO Employers Group members are women compared with 66% in the not-for-profit sector and 26% in private sector respondents.

The greatest increases from last year's survey have been in the private sector and not-for-profit sector (Figure 4.12).

Figure 4.12: Women in senior management, by sector



How we compare

The EEONA 2005 Australian survey found that 28% of senior executives were women and in the UK Opportunity Now 2004 survey, 27% of senior managers were women.

Ethnicity

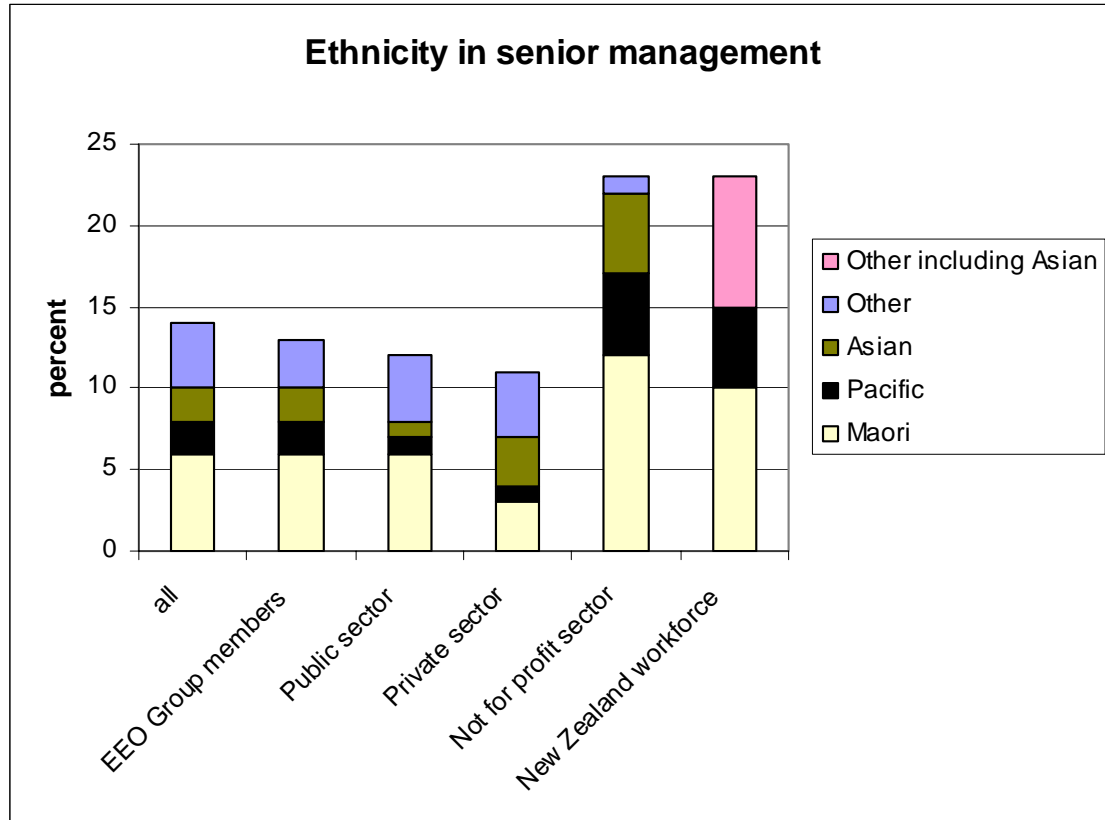
Two-thirds of respondents said they know the ethnic composition of their senior management. In these organisations, European/Pakeha and “Other ethnic groups” are over-represented and Maori, Pacific and Asian are under-represented compared with the New Zealand workforce as a whole.

The senior management ethnic distribution of the not-for-profit sector most closely approximates the ethnic distribution of the New Zealand workforce with 23% being non-European/Pakeha. The other sectors range from 12% to 14% non-European/Pakeha. The private sector has low proportions of Maori and Pacific, but higher for Asian and “Other”. The public sector has high proportions of Maori and “Other”, but not Pacific and Asian.

One respondent described the importance of a diverse ethnic mix to their business: “Our multi-cultural environment provides the strength of diverse perspectives and the ability to play an active role in the global scientific community. In the area of product development, we have seen some innovative steps introduced by staff who have been employed from overseas.”

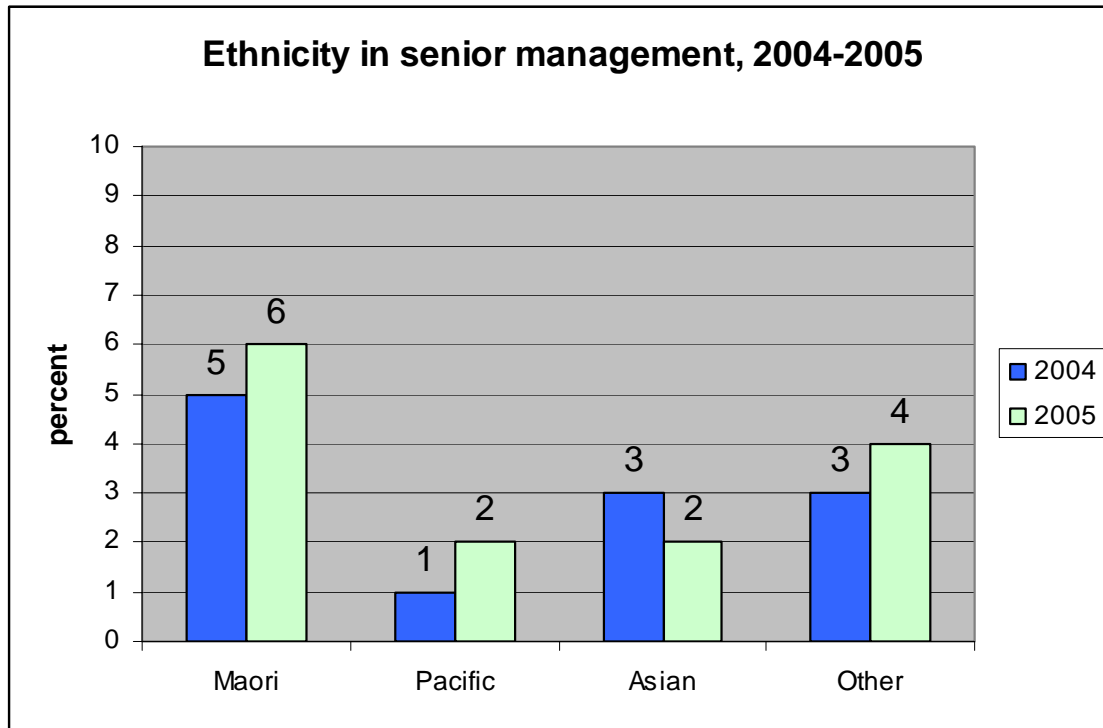
This organisation is determined to build links with Maori as a key client group. It has employed a Maori strategist, and runs Maori focus groups as well as Te Reo (Maori language) and cultural awareness courses.

Figure 4:13: Ethnicity in senior management



There have only been small changes of one percentage point in the ethnicity of senior management from 2004 to 2005. Maori, Pacific and “Other” are up and Asian are down (Figure 4.14).

Figure 4.14: Ethnicity in senior management, 2004-2005



How we compare

Direct comparisons are difficult to find, but the EEONA 2005 Australian survey found only 1% of senior executives did not have English as a first language. The 2004 UK Opportunity Now survey found 3% of senior management were ethnic minority women.

Disability

One in five people living in New Zealand has a disability and New Zealand research shows that they are less likely to be employed than people without impairments.³⁸ Disabled people are also less likely to be employed in the traditionally higher paid professional sector.³⁹

Just over half the respondents to the Diversity Survey say they know the disability status of their senior management. Organisations in the manufacturing, construction and utilities, and primary production industry sectors are more likely to know about management disability status than those in the finance and insurance, or trading and hospitality sectors.

³⁸Disability Counts 2001 and Living with a disability in New Zealand (2004) Wellington, Statistics New Zealand.

³⁹Ministry of Health/Intersectoral Advisory Group (2004) Living with a disability in New Zealand: A descriptive Analysis from the 2001 Household Disability Survey and the 2001 Disability Survey of Residential Facilities. Wellington, Ministry of Health.

For those organisations that know the disability status of management, 3% of their senior management has a disability which is similar to figures in 2004. The not-for-profit sector has the highest proportion of disabled senior management at 7%. For EEO Employers Group members and the public sector it is 4%. For the private sector it is 2%.

4.17 Positive impacts of EEO/diversity initiatives

Almost a quarter (23%) of respondents provided examples of how EEO/diversity initiatives had positively impacted on productivity or financial performance, such as reducing staff turnover or helping with recruitment. Just over half of these examples were from the private sector, and a quarter were from non-EEO Employers Group members.

Table 4I: The most frequently mentioned positive impacts of EEO/diversity initiatives

	%
Attracting and recruiting quality/skilled staff	34
Reduced staff turnover	19
Retaining quality/skilled staff	23
Matching the community/market diversity/attracting clients from diverse groups e.g. Asian	12
Increased staff satisfaction/ commitment/improved workplace atmosphere	10

4.17.1 Retention

A recent survey of 150 New Zealand companies' top risk issues found losing staff to competitors was one of their greatest concerns. While this was especially so for small businesses (fewer than 20 employees), it was also a top rating concern for those with 50-300 employees.⁴⁰

Research shows that good EEO/diversity practices reduces staff turnover,^{41, 42} as reflected in some of the Diversity Survey respondents' comments:

"Our adherence to EEO/diversity initiatives in recruitment and internal promotion has resulted in a significant reduction in staff turnover."

"Low staff turnover plus high staff contentment levels have led to good productivity and a solid financial performance."

⁴⁰ Marsh, 2005: New Zealand Survey of Risk Management Practices. Survey of risk 2004. www.marsh.co.nz

⁴¹ Yasbek, Philippa, 2004: The business case for firm-level work-life balance policies; a review of the literature. Department of labour, Wellington. www.dol.govt.nz

⁴² Equal Employment Opportunity Network of Australia, 2004: Getting serious about diversity. 2003 National Diversity and Equality survey. www.EEONA.co.au.

Some respondents specifically mentioned reduced turnover and better retention of women or Maori staff, and increased return from parental leave. “Engaging women has added additional dimensions and skills we didn’t have in the company.”

The average staff turnover for survey respondents was 15.4%. There was little difference between sectors. EEO Employers Group members and not-for-profit organisations were similar at 15.6% and 15.5%. The public sector had a lower turnover (13.7%) and the private sector a higher one (16.7%).

Twenty-seven per cent of respondents reported reduced staff turnover in the last 12 months. Reduced turnover was most likely among not-for-profit organisations (31%), EEO Employers Group members (29%) and the private sector (29%). Twenty-four per cent of public organisations reported reduced staff turnover.

How we compare

New Zealand’s net turnover was 21% in March 2005 and 17% in June 2005.⁴³

For EEO Trust Diversity Survey respondents, net turnover was highest for public sector organisations (12%) and lowest for private sector organisations (-0.5%) and not-for-profit organisations (-5.5%). Such a low rate of net turnover for members of the EEO Employers Group and those organisations interested enough in EEO/diversity issues to respond to the Diversity Survey indicates that EEO/diversity initiatives do impact on turnover.

4.17.2 Recruitment

Another key benefit of diversity initiatives was improved recruitment, with many respondents describing their success in attracting new staff. For example:

“Our recruitment agency has advised us we have a strong presence in the market and that they have many candidates who ask specifically to be put forward to us because of our culture and values.”

“The firm has a good name in the workplace and is recognised for having good work-life balance. This is important in the legal profession. With the continued shortage of skilled people you need a point of difference.”

“Our flexibility in meeting people’s life-work balance requests has allowed us to attract and hire some excellent people who could not have worked full-time.”

⁴³ NZ Institute of Economic Research in the Quarterly Survey of Business Opinion quoted in the Department of Labour report on Skills in the Labour Market, June 2005.

4.17.3 Improved service

Improved service is another benefit of initiatives which result in a diverse mix of staff, as one respondent explained, “Through implementing our EEO policy when recruiting new staff, we have increased the ethnic diversity of staff and have successfully staffed areas where particular strengths in diversity is an advantage in building links with the community.”

Improved productivity can also result: “Low staff turnover plus high staff contentment levels have led to good productivity and a solid financial performance.”

4.18 Problems and solutions

Barriers to the acceptance and implementation of EEO/diversity initiatives include lack of awareness of the issue and the benefits, institutional/cultural and attitudinal factors, and legal restrictions on the collection and use of sensitive data.⁴⁴ Solutions, therefore, include education, information, communication and training at all levels of the organisation including senior management.

One in five (21%) survey respondents reported experiencing problems with implementing EEO/diversity. The most common problems are outlined in the following table along with solutions.

⁴⁴ European Commission, 2003: The costs and benefits of diversity.
http://europa.eu.int/comm/employment_social/fundamental_rights/prog/studies_en.htm

Table 4m: Barriers and solutions to implementing EEO/diversity

Problems or barriers to implementing EEO/diversity initiatives	Solutions tried and found to be successful by survey respondents
<p>Senior management buy-in</p> <ul style="list-style-type: none"> ▪ Not integrated into core business strategy ▪ Not seen as a priority ▪ No accountability 	<ul style="list-style-type: none"> ▪ Engage with senior management, get them involved in drafting stage ▪ Educate/communicate e.g. use the Diversity Game at conference ▪ Get HR people to champion at local level/branch/department level so not just seen as head office/corporate project ▪ Communicate success stories ▪ Get senior management to role model EEO principles ▪ Integrate EEO into business and HR strategic initiatives
<p>Lack of resources/staffing for EEO/diversity activities such as data collection, monitoring, coordination, awareness development; staff turnover in EEO positions</p>	<ul style="list-style-type: none"> ▪ Make action on and achievement of EEO/diversity goals a performance measure for senior managers ▪ Link to other business/organisational objectives ▪ Employ EEO project manager to get resourcing and provide input ▪ Focus on location critical issues rather than grandiose corporate goals
<p>Time, workloads, organisational changes</p>	<ul style="list-style-type: none"> ▪ Integration into core business strategy and plans ▪ Make priority once structural changes effected
<p>Line manager attitudes, resistance and inconsistency:</p> <ul style="list-style-type: none"> ▪ EEO/diversity not seen as a priority ▪ Resistance to looking beyond own ethnic group ▪ Limited direct involvement of managers in the development and achievement of EEO/diversity objectives ▪ Inconsistency of application of policies 	<ul style="list-style-type: none"> ▪ Provide case study examples ▪ Get HR to sift applications and put forward best person for job ▪ Get managers to take personal responsibility for projects ▪ Embed policy and compliance requirements into performance measures for organisation ▪ Measure and monitor required outcomes/behaviour
<p>Communicating EEO/diversity and new policies throughout a large organisation</p> <ul style="list-style-type: none"> ▪ Ensuring managers are clear about their responsibilities 	<ul style="list-style-type: none"> ▪ Strong leadership and participation by senior management ▪ Dedicated funding for EEO initiatives ▪ Effective communication networks with representatives from all levels of organisation ▪ Comprehensive induction programme ▪ Regular newsletter, Intranet ▪ Use of Diversity Game

Staff attitudes, resistance, lack of interest	<ul style="list-style-type: none"> ▪ Specify and monitor desired behaviour ▪ Communication strategy ▪ Let staff offer solutions/focus groups ▪ Training – make it relevant and specific at group level ▪ Include in induction
Managers/staff who believe Maori/women getting special treatment and everyone should be treated equally	<ul style="list-style-type: none"> ▪ Collect data to show that everyone is not treated equally
Training diverse employees, especially the finer details <ul style="list-style-type: none"> ▪ Communication skills 	<ul style="list-style-type: none"> ▪ Perseverance ▪ Working with them ▪ Provide appropriate job descriptions
Matching staff requirements (e.g. flexibility) to work requirements	<ul style="list-style-type: none"> ▪ Use a pool of casual staff to cover time off ▪ Direct communication between employer and employee ▪ Policy/procedure for notifying of needs for flexibility so alternative arrangements can be made
Shortage of suitably qualified diverse candidates	<ul style="list-style-type: none"> ▪ Networking and word of mouth to attract suitably qualified applicants ▪ Offering training ▪ Bringing new immigrants in on temp/part-time basis
Inability to attract skilled Maori/Pacific staff <ul style="list-style-type: none"> ▪ Public service pay uncompetitive ▪ Competition for Maori and Pacific staff ▪ Difficulty getting bilingual staff (for Maori pre-school) 	<ul style="list-style-type: none"> ▪ Local recruitment initiatives ▪ Samoa specialist recruitment campaign ▪ Future Leader training to attract female and Pacific candidates ▪ Advertising in Maori language ▪ Temporary appointments ▪ Word of mouth ▪ Offering on-job training
Making case for business benefits of EEO/diversity	<ul style="list-style-type: none"> ▪ Raise profile of EEO/diversity in business groups and business plans ▪ Research and development of case for business benefits
Resistance to collecting ethnicity and disability data	<ul style="list-style-type: none"> ▪ Need to make business case for it

4.19 Small business

The EEO Trust Diversity Survey definition of small business is organisations employing fewer than 10 staff.

In New Zealand, 84% of employers have fewer than 10 staff and these small workplaces employ 22% of all workers.

This year a different survey was provided to small businesses in recognition that some of the questions in the main survey are not relevant to them. This section of the report includes an analysis of the results for small business respondents.

4.19.1 Sample details

Fifty-two organisations employing fewer than 10 staff responded to the EEO Trust Diversity Survey. Only one of these was not an EEO Employers Group member. Most (71%) were from the private sector, with 27% from the not-for-profit sector and 2% from the public sector.

A third of small business respondents operate in the business and property services industry sector and another third operate in the education, health and community services sectors.

The small organisations employ 395 staff between them and 21% of these employees work part-time (less than 30 hours per week).

4.19.2 EEO/diversity strategy or policy

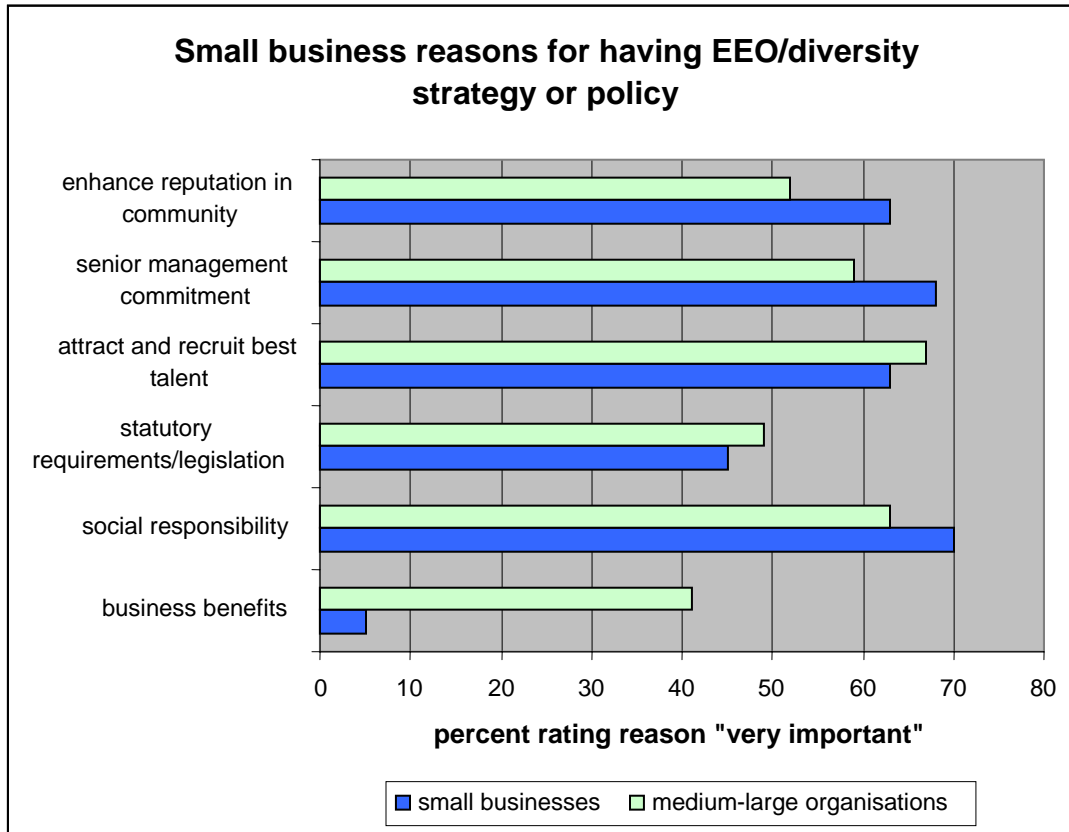
Small businesses are less likely than larger organisations to have formal EEO/diversity strategies or policies, but a high proportion (77%) say they actively endorse EEO/diversity opportunities within their organisation. There was no difference between those employing less than five employees and those employing five to nine employees (73% each), but those with fewer than 10 employees were more likely to actively endorse EEO/diversity (92%).

Small employers in the not-for-profit sector are more likely to endorse EEO/diversity (86%) compared with 73% in the private sector.

Small businesses actively endorse EEO/diversity opportunities for different reasons from the larger organisations. They are less concerned with business benefits and more concerned with social responsibility and enhancing their reputation in the community (Figure 4.15).

The commitment of senior management is also a major factor for small business respondents actively endorsing EEO/diversity opportunities.

Figure 4.15: Small business reasons for having EEO/diversity strategy or policy

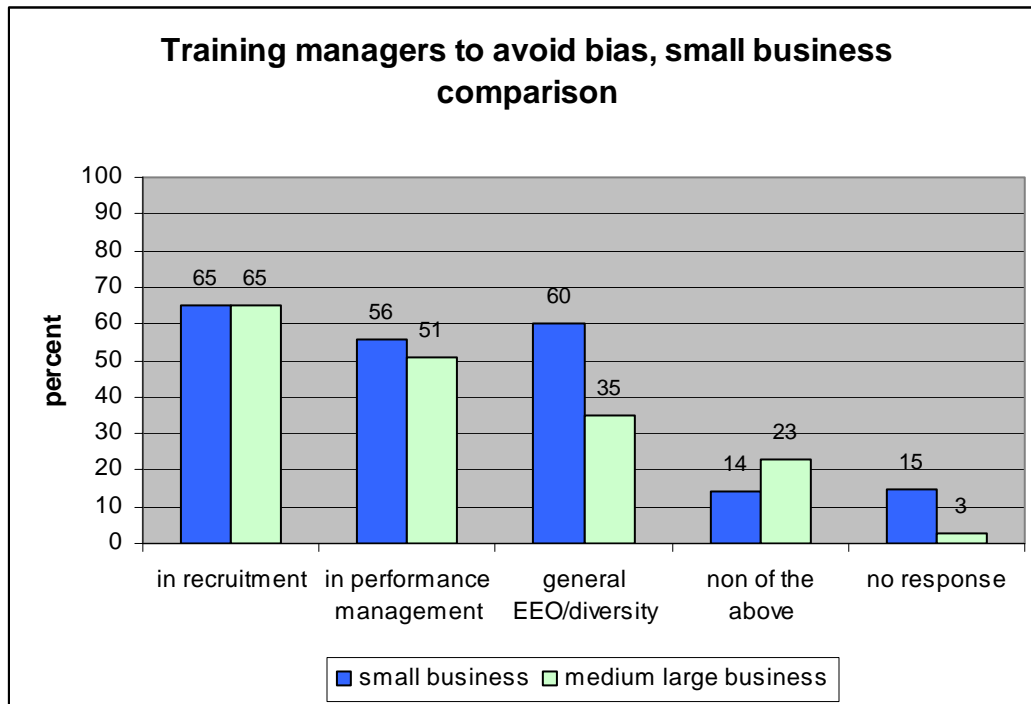


4.19.3 Implementation

Training of managers to avoid bias

Those small businesses who have managers are more likely than larger organisations to train managers in avoiding bias, particularly in general EEO/diversity and performance management. They were equal with larger organisations when it came to training for avoiding bias in recruitment. Fifteen per cent (eight organisations) did not respond to this question, perhaps because it was irrelevant due to their size of organisation.

Figure 4.16: Training managers to avoid bias, small business comparison



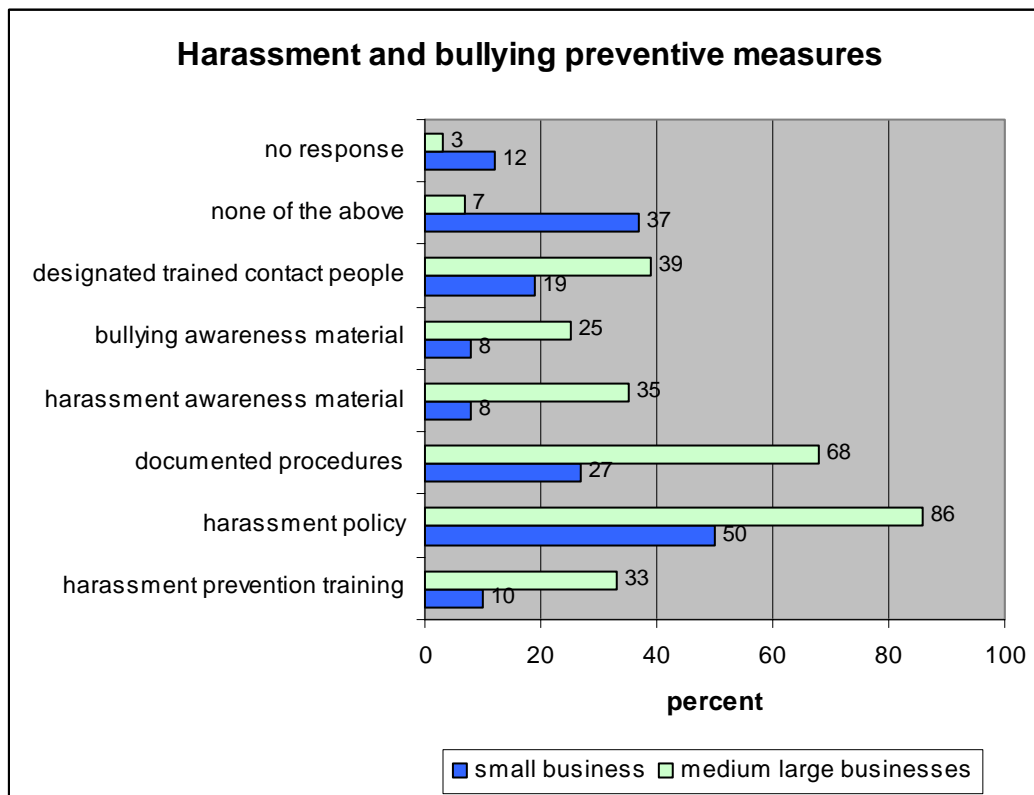
Harassment and bullying prevention measures

Small business respondents are less likely than larger organisations to have formal harassment or bullying prevention measures in place. Half the small business survey respondents have a harassment policy while just over a quarter have documented harassment procedures and one in five have a designated trained contact person.

Almost half the small businesses had no harassment or bullying prevention measures or did not respond to the question, compared with 10% of larger organisations. The likelihood of having documented procedures and designated trained harassment contact person increases as the number of employees increases. However, harassment or bullying awareness materials are most common in the smallest businesses (1-4 employees).

A Human Rights Commission study⁴⁵ of sexual harassment complaints found that small businesses, which are less likely to have formal policies than large organisations, are much more likely to be the subject of sexual harassment complaints.

Figure 4.17: Harassment and bullying preventive measures

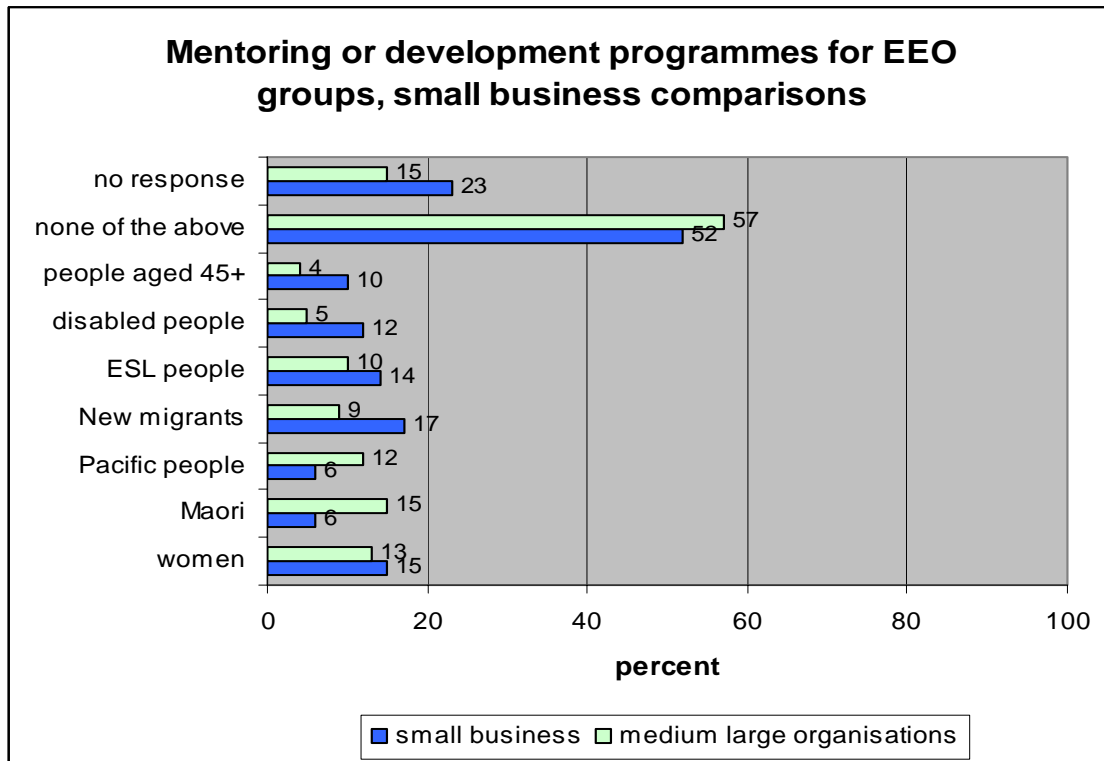


⁴⁵ Unwelcome and Offensive: A Study of Sexual Harassment Complaints to the Human Rights Commission 1995-2000 (October 2002) – Human Rights Commission www.hrc.co.nz/index.php?p=13846

Mentoring or development programmes

About a quarter of small businesses responding to the Diversity Survey had some kind of mentoring or development programmes for diverse people. This is similar to the large organisation respondents. Small businesses were more likely than larger organisations to have programmes for older workers, disabled people, new migrants and people with English as a second language (Figure 4.18). Larger organisations were more likely to have programmes for Maori and Pacific workers. The size of the organisation has little effect on whether mentoring or development programmes were available for women.

Figure 4.18: Mentoring or development programmes for EEO groups, small business comparisons



4.19.4 New EEO/diversity examples in last 12 months

Just over half the small business respondents gave examples of EEO/diversity measures introduced in the last 12 months. The most common examples involved the employment of new migrants/workers with English as a second language (ESL) and disabled employees. In some cases, providing training and work experience for these employees was specifically mentioned. Another example was of “buddying up” an ESL employee with an employee with strengths in written English.

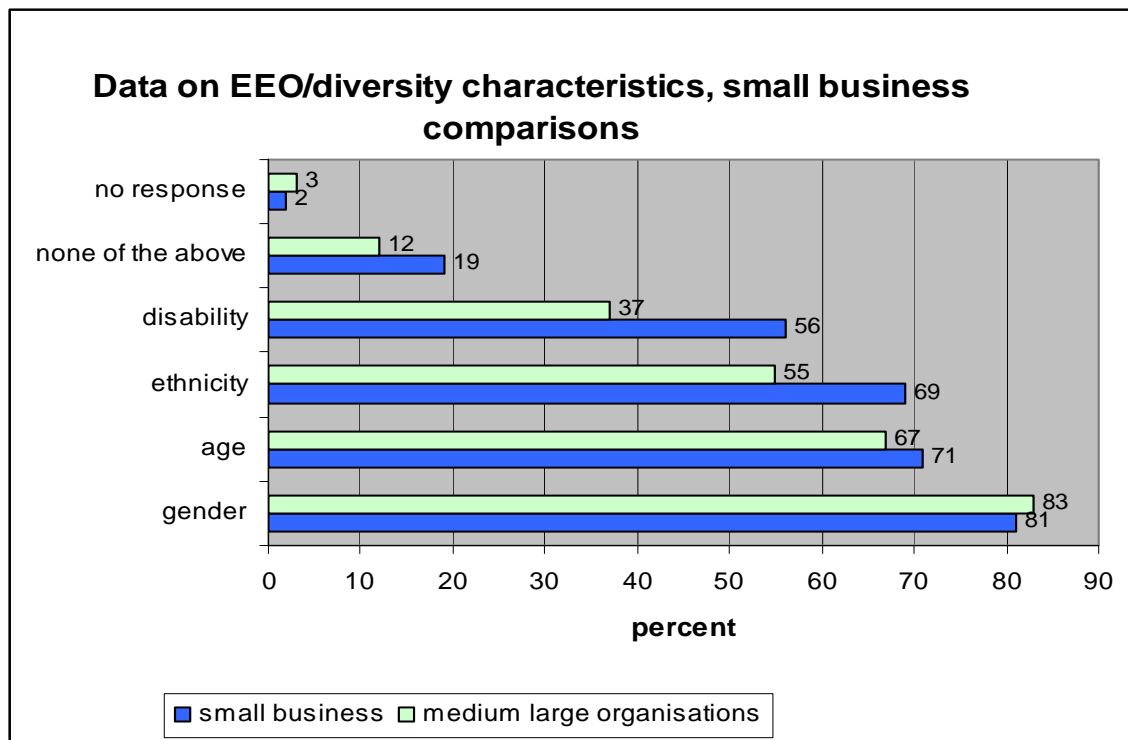
Equal numbers of respondents reported employing women in traditionally male jobs and men in traditionally female jobs. One example was of targeting women for management and trainee management positions.

Examples of work-life balance and flexible working options were also common. These most commonly involved arrangements to suit parents returning from parental leave such as part-time work, four-day weeks, working from home and converting a room to be used for expressing breast milk. They also included providing flexible work hours to accommodate religious observances and chronic illness.

4.19.5 Data on EEO/diversity characteristics of staff

Most small business respondents have information on the EEO/diversity characteristics of staff (79%). This compares with 85% in larger organisations. Small business respondents are more likely than larger organisations to report having information on the ethnicity and disability status of staff (Figure 4.19). This may be due to observation rather than seeking information from staff.

Figure 4.19: Data on EEO/diversity characteristics, small business comparisons



Small businesses were much more likely than larger organisations to employ women and young people. Pacific people were well represented in small businesses but Maori, Asian and other ethnic groups were all under-represented compared with both the total workforce and larger organisations in the EEO Trust Diversity Survey.

4.19.6 Examples of positive impact of EEO/diversity initiatives

Twenty-one small business respondents to the Diversity Survey (40%) provided examples of how implementing EEO/diversity initiatives had impacted positively on their productivity or financial performance.

Low or improved staff turnover was the most commonly cited benefit, for example one respondent wrote, "I have had good loyalty and less staff turnover with the EEO initiatives that are in place."

The next most commonly cited benefit was improved attraction and recruitment of staff and getting the best person for the job, as described by one respondent, "We are a small consulting services business and we recognise that various types of expertise resides within a wide spectrum of diverse peoples, and by being inclusive we do not exclude this valuable resource."

The other most mentioned benefit of EEO/diversity for small businesses was in matching staff characteristics to the reality of the diverse New Zealand marketplace. Some small businesses saw this as essential to their success as one respondent writes, "Our business profitability is based on placing people of all backgrounds so the diversity of the New Zealand workforce, and our ability to encourage this directly enhances our profitability. It would be extremely self limiting not to consider people from diverse backgrounds."

4.19.7 Problems and solutions to implementing EEO/diversity

Only eleven (21%) small business respondents reported problems in implementing EEO/diversity initiatives. The most common problem, which occurred in small recruitment agencies, was their employer clients insisting on non-EEO/diversity recruitment practices. Solutions used were:

- Thoroughly explain the recruitment procedure
- Make employer aware of legal compliance issues
- Sell the business benefits of diversity
- Education and persistence

The next most common problem was a difficulty finding male employees (the small businesses who responded to the survey and are EEO Employers Group members tended to employ mainly women). A not-for-profit organisation suggested it needed more income so it could offer higher salaries to attract male staff.

Another problem shared by more than one small organisation was the difficulty in developing an understanding of the benefits of diversity in a small workplace. Solutions included communication, education, conflict resolution training and the passage of time.

APPENDIX 1

Diversity initiatives introduced in the last 12 months

General EEO/diversity policies and practice

- Formalising informal policies
- Formal / external audit of HR policies and practices re ethnicity and action plan
- Development of EEO goals
- Putting EEO/diversity into employment contracts
- Increased HR support for EEO monitoring and advice/appointment of Diversity Manager/coordinator
- Formed internal EEO group to meet monthly/Diversity Council/Diversity working group
- Action plan
- Pay equity review of practices/audit
- Policies and procedures in place to help managers deal with requests for flexibility
- Held a “Diversity Week” with activities, food, dress, competitions and prizes/Diversity morning tea/Diversity art competition/Promoted Race Relations Day with large display telling the stories of employees from different ethnic and cultural backgrounds/profiles of different backgrounds of staff on intranet./diversity and inclusiveness week
- Diversity area on company intranet
- Review of work life initiatives
- Monitoring diversity issues through exit interviews
- The Diversity Game
- Integrated in core business/policy/inherent in values/Manaaki Tangata Plan/best practice certification standards
- Leadership framework to provide more diverse leadership group
- Rebranded EEO as diversity to better reflect private sector
- Extended rights to casual and contract staff

EEO data collection and monitoring

- Introduction of systems
- Ensuring staff profile reflects community/customer profile
- Identifying where need is greatest/focus groups
- Staff EEO survey
- Identifying EEO group talent pools for development
- Analyse exit data for EEO related issues
- Ethnicity and gender target groups

Harassment and bullying

- Training/workshops

- Enforcement of policy
- Revision of policy
- Provision of awareness material
- Designated contact people
- Documentation
- Coordinator appointed
- Violence in workplace policy

Management training in EEO/diversity

- Performance management training
- In employment law, including Human Rights Act
- Use of the Diversity Game
- Recruitment training

Staff training in EEO/diversity/cultural understanding

- In specific disabilities
- In work-life balance
- Performance management training
- Part of induction process
- In Human Rights Act
- EEO/diversity workshop using material from EEO Trust website

Mentoring

- Buddy system for all new employees
- Succession planning for Maori and Pacific

Recruitment strategies to increase pool of talent

- Revised recruitment policy and training procedures in how to get best person for the job/identify range of channels to broaden catchment for vacancies
- Actively recruit overseas
- School – actively involve parents in discussions in order to attract staff to reflect student community profile
- Training for managers in avoiding bias in recruiting procedures

Promotion, development and performance management

- Longer term professional development training for staff needing to make family arrangements
- Identifying EEO groups for development
- Literacy programmes

Communication

- Booklets on parental leave policy and return options
- Diversity section on intranet
- Links to govt policy on intranet

- EEO/diversity written policy distributed to all employees
- Surveying staff/focus groups to identify awareness and needs
- Seeking funding to develop a workplace diversity poster
- Newsletter and intranet to communicate diversity policy to all staff
- Presentation to all staff
- Publication of recent employee communications in multiple languages
- Provide information about on-site crèche in staff induction packs

Flexible work hours and locations

- Invested in high speed technology to allow staff to work from home
- Analysis of benefits for part-time workers

Other work-life balance initiatives

- Health and wellness programmes – correct seating type and size or older and larger workers
- Staff presentations on work life balance
- Initiatives for staff to access funding to address work/life issues
- Encourage family members to come into office/offer casual work to family members
- Work-life balance days

Maori

- Appointment of kaiwhakareti/Maori strategist/planning group to make work environment more amenable to Maori
- Increase numbers of Maori staff
- Audit of HR policies and practices re Maori
- Treaty of Waitangi and bicultural awareness
- Hui for Maori staff
- Bicultural/te reo language and training throughout organisation (air force)
- Mentoring/succession planning for Maori
- Support for developing qualifications of Maori staff

New migrants/ESL/language

- Prayer room for Muslim employees
- Allowing wearing of headscarves
- Allowing communicate in own language while working
- Encourage wearing of national flag emblems to instil pride, assist in identification and customer communication
- English lessons for new migrant employees to improve career opportunities within organisation
- Obtained Immigration Service Accredited Employer status to expedite recruitment from overseas
- Employment with on the job training for new migrants with no NZ work experience
- Migrant employment coordinator

- Swapping public holidays for religious observance days/celebrating different ways for different groups/floating cultural holiday
- Career development with international focus
- Publication of recent employee communications in multiple languages

Pacific people

- Pacific people's gathering for staff/support network
- Pacific people career development workshop/mentoring succession planning
- Programme to attract Pacific staff

Disability

- Flashing light fire alarms for deaf employees
- Pay for onsite IHC supervisor
- Work experience
- Extra training for those with learning difficulties
- Awareness training for all staff/some in specific impairments
- Development of guidelines for managers
- Set up disability reference group
- Identifying and addressing systemic discrimination
- Employment of staff through mainstream supported employment programme

Older employees

- Gradual retirement policy for older workers/positive ageing strategy
- Part-time work combined with self employment
- Attraction and work design
- Correct seating for back problems

Gender

- Women in senior management
- Women in leadership lunches with CEO to explore gender related issues
- Paying for low paid women staff to attend a women's conference
- Training/course to get women into traditionally male industry
- Recruitment initiatives to get women into traditionally male areas
- Set up women's business group/support network
- Tracking gender recruitment
- Gender audit of work groups and decision making bodies
- Recruitment and promotion targets for gender

Parents

- Graduated return to work from parental or other leave
- Parking near to work
- Parents room, breastfeeding, bring babies/toddlers in

- Information booklet on leave entitlements and return to work options/intranet links to govt policy info
- Morning teas for staff on leave/parental leave tracking and contact
- Development of breastfeeding policy
- Extra parental leave
- Established childcare centres
- Preschool childcare benefits
- Relievers for staff
- Longer term professional development training for staff needing to make family arrangements
- School holiday programmes