

EEO Trust Diversity Index 2001 Summary

This year's Diversity Index shows a country of contrasts; a country which is internationally noted for women holding the top four public posts yet where discrimination still wastes talent.

Even with a woman Prime Minister, Governor General, Attorney-General and Chief Justice, women are still a novelty amongst the country's business leaders, they continue to earn less than men, and they are seriously under-represented in some influential industries.

However, it would be rash to dismiss either the value to New Zealand of having women in high profile public positions or the gains that have been made in workplaces in the five years since the Diversity Index was first published.

Women holding the top jobs demonstrate internationally that we are a progressive, inclusive society which rewards on the basis of merit. This is a persuasive message for the international talent pool.

New Zealand business is getting the message that tapping the whole talent pool requires the creation of an inclusive workplace culture that recognises that talented individuals come in a variety of guises.

An international comparison

This year the EEO Trust Diversity Index includes more data comparing New Zealand's performance with that of Australia, the UK and the US.

Only gender comparisons could be made but New Zealand generally stacks up well. Five years of research for the Diversity Index show that New Zealand's diverse population is increasingly represented in education and industry, and that New Zealand is performing as well as or better than some of its international counterparts in a number of areas.

An obvious example is the leadership of the country. Women comprise 31% of New Zealand's Parliament compared with 18% in the UK and 22% in Australia. An International Labour Organisation publication showed that New Zealand has one of the highest percentages of women legislators, senior officials and managers.

And we also compare well in our student population. We have a higher proportion of women law and engineering students and graduates than

www.eeotrust.org.nz



T R U S T
EQUAL EMPLOYMENT
OPPORTUNITIES TRUST



EMPLOYERS
GROUP

success through diversity
Ahakoa whakaaro kē, ka puta a ihu

November
2001

The EEO Trust Diversity Index is an annual measure of diversity in New Zealand workplaces and places of influence. For five years it has provided New Zealand and international data against which organisations can benchmark their progress in achieving success through diversity. Janice Burns, a partner with Top Drawer Consultants, carries out independent research for the EEO Trust Diversity Index, drawing on material from a wide variety of sources. This includes the results of the EEO Trust's annual Diversity Survey, this year distributed to 1795 organisations, mostly of over 50 employees, with a 24.8 percent response rate.

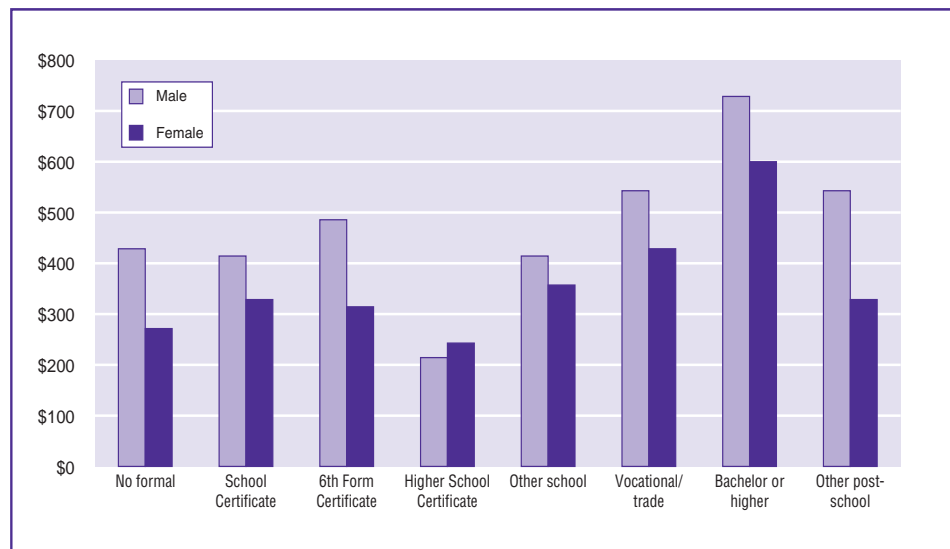
the UK or Australia, and a higher proportion of women information technology students and graduates than the UK or the US.

Women still under utilised

However, women still struggle to take their place in higher status (and higher paid) jobs in New Zealand. Even in the education sector where women make up the majority of the workforce, they are under-represented at the most senior levels. Of concern for the future is the participation of women in engineering and information technology, in particular the international trend for women's participation to fall rather than increase.

The gender earnings gap persists. Regardless of how the relative earnings of men and women are measured, women still have less earned income. For the February 2001 quarter women earned only 83.9% of men's average ordinary time hourly earnings. Women wage and salary earners earned 66% of men's median weekly earnings and less than men across all standard occupation classifications.

Median weekly income for all employed people by sex and qualifications June 2000



Discrimination and its cost

A UMR Insight poll has shown that the vast majority of New Zealanders believe there is discrimination against Maori, Pacific peoples, Asians, people on benefits and gays and lesbians.

In the employment arena, an EEO Trust survey undertaken last year showed that 95% of human resource professionals and recruitment consultants believe that some groups of people are discriminated against

when they seek employment. The groups said to be most likely to experience this discrimination were older workers and people with a non-New Zealand accent.

Research by the University of Auckland and Auckland City Council showed that most Asian immigrants believe that the New Zealand business community undervalues their qualifications and skills. They feel that businesses put an unduly high emphasis on local experience and language proficiency at the expense of qualifications, skill and experience.

This obviously limits the immigrants' ability to participate and contribute, and limits the ability of the New Zealand economy to take advantage of their skills.

Do these disparities matter?

Regardless of social justice concerns, discrimination and exclusion means we are wasting valuable national resources. Changing demographics, a changing economy and international competition are all likely to increase the impact of this short-sighted approach.

Demographics

Due to the younger age structure of our Maori and Pacific populations, they will in future make up a larger proportion of the labour market. This age group will be increasingly relied on to support an ageing population both through taxation and the supply of services. Their education and success in the workplace is therefore critical to everyone.

A changing economy

Our economy will increasingly be built on wealth derived from work that depends on technology and innovation. The economy will become increasingly globalised. All kinds of work will be affected, in the way it is done and in the way it is conceptualised. To succeed we need a skilled and motivated workforce.

The international talent war

The recently released report from the Science and Innovation Advisory Council outlines seven challenges for the New Zealand of the future. One is that New Zealand should become "a magnet nation for talent", saying that that we "need to both attract more talent and make more of the talent we have already".

Competition for skilled migrants is likely to increase as other countries also seek to attract the talents and energy they need to prosper. Home-grown and trained New Zealanders are also in demand elsewhere. The

In order to compete for talent globally and nurture it locally, government, businesses, communities and individuals need to take on the challenge of creating a stronger, more supportive society.



T R U S T
EQUAL EMPLOYMENT
OPPORTUNITIES TRUST



success through diversity
Ahakoia whakaaro kē, ka puta a ihu

Workforce 2010 summary said that competition for talent is the largest risk to New Zealand's ongoing market capacity.

Factors impacting on whether New Zealand becomes a home for new migrants or merely a transit point include:

- the willingness of communities to include them,
- racism in communities and workplaces, and
- the ability of migrants to fully utilise the skills and talents New Zealand says it wants.

Work and life balance

Acknowledging diversity means recognising that people have lives outside work which may be quite different from our own or those of the people we know best.

International research shows that both men and women want to achieve more balance between work and the rest of their lives, particularly their family life. The Diversity Survey shows that initiatives which encourage work/life balance are the most common of all EEO measures.

The future

New Zealand will not be alone in facing skill shortages, ageing populations and high international interdependency. Our challenge is to compete effectively on all fronts. We are unlikely to attract talent through high financial rewards, our path must be to focus on some of the other issues that are important to employees.

Conditions that attract talent from overseas will be the same or similar to those that nurture and keep talent here.

Our ability to recognise and reward talent is demonstrated by the diversity of New Zealand's political and legislative leaders. This sends a strong signal to the international talent pool. We can build on this message by ensuring our workplaces recognise talent and provide the sorts of jobs and lives the international talent pool dreams of. This will also be important in developing and keeping our own talent, as well as encouraging it to return.

This publication summarises the key findings of this year's *EEO Trust Diversity Index*. The full *EEO Trust Diversity Index 2001* is available as a free download from the EEO Trust website www.eeotrust.org.nz to all EEO Employers Group members. Hard copies are available for \$30 from the EEO Trust.

Level 6 Ellerslie Tower
60 Cawley Street
Ellerslie
Auckland

PO Box 12929
Penrose, Auckland

Ph: 09 525 3023
Fax: 09 525 7076
E-mail:
admin@eeotrust.org.nz
Internet:
www.eeotrust.org.nz

