

Q1 What is the overall gender pay gap as at June 2010?

The overall gender pay gap in the public service remained the same between 2008 and 2009 at 15.4%, with a slight improvement from 2007 (16%) according to the Human Resource Capability surveys of the public service collated by SSC.

As the table shows the range of the gender pay gap across government departments is wide. Only one department, the Serious Fraud Office has a gender pay gap in favour of women. Ten departments of a total of 34 have a gender pay gap less than or equal to the gap in the total labour force of 13%.

A number of departments reported the dollar amount of the gap. For example a 23.2% pay gap at the Ministry of Economic Development amounts to an average dollar amount of \$19,636.51 difference in annual pay.

Comments on the gender pay gap mainly focused on occupational segregation effects, that is, of women predominating among the lowest paid staff and forming a minority of those in the best paid jobs:

- "This (the gap) reflects the roles dominated by each gender, with women more significantly represented in our administrative and contact centre roles" *Building and Housing*.
- "The major driver for the pay gap between men and women in the Department is the over-representation of women in lower graded roles and under-representation in the high graded roles. Women tend to dominate administration, secretarial and a number of other business support /clerical type roles with the Department." *Internal Affairs*.
- "However, we believe this (the gender pay gap) somewhat overstates the gap given that currently our senior management team is primarily male and that we have a large cohort of support staff (primarily employed as personal assistants) who are exclusively female. If the senior executive (including both sexes) and the support group are extracted from the data this reduces the gap to 18.9%". *Treasury*.

Q2 What action has your department taken to address gender disparities in starting salaries?

Monitoring starting salaries and determining the salary for the role based on gender neutral job sizing were the most frequent response to this question. Some departments reported that the pay and employment equity review had not identified starting salaries as an issue. They were Ministry of Foreign Affairs and Trade, Ministry of Women's Affairs, Department of Corrections, Ministry for Culture and Heritage, Department of Prime Minister and Cabinet, Statistics New Zealand Archives and Ministry of Fisheries.

- "The Serious Fraud Office has taken the following action to address gender disparities in starting salaries; all new positions are job sized prior to advertising. The successful applicant is offered the same salary whether female or male at the time of the job offer."
- "(We) now include additional actions to our recruitment process to ensure we maintain our lack of bias in recruitment and remuneration. Some examples include: checking gender mix on short-listed applicants, moderation to ensure internal equity for salaries, and a decision justification on starting salary included in a personnel file." *Agriculture and Forestry*.
- "... any graduate will be appointed at 80% of the pay range for the role and they will automatically progress every 6 months until they reach 84% of the pay range." *Government Communications Security Bureau*.
- "The Ministry regularly monitors starting salaries and is pleased to report that the gender gap for starting salaries has reduced in size... there is little difference by gender between where new employees are appointed within the salary bands." *Justice*.
- "The Ministry has undertaken a job size exercise to ensure roles are banded by activity size, and ...recruits to the average salary, band by band, rather than applicant by applicant. This means the appointee, regardless of gender, is paid relative to the role band, not their gender." *Health*.

- “The Department has continued to monitor gender disparities in starting salaries by job size since the 2006 Pay and Employment Equity Review. We are satisfied that there is currently no significant gender disparity in starting rates.” *Labour*.
- “(Education Review Office) identified an equity issue for those review officers who have been recruited from the early childhood education sector. It now recruits all review officers within a reduced salary range.”
- “Over the past year *Treasury* has undertaken a complete review of our remuneration framework and associated performance management system. While this work was not exclusively targeted at gender equity the issue of how any changes may impact women in negotiating starting salaries or pay rises was included.”

Q3 What action has your department taken to increase the representation of women in senior management positions?

Less than one fifth (17.6%) of public service chief executives are women. This is a decline from figures reported in the last 2008 Census report when 23% of chief executives were women.

Women continue to be under-represented in senior management roles, with the proportion of women in tier 2 and 3 management positions at 37.8%. This is the same level as reported in the last Census report. Over the last five years the proportion of women senior managers has increased slightly from a low of 35.6 % in 2005 to a high of 38.4% in 2008. There is a high proportion (59%) of women employed in the public service. Only one department, the Department of Corrections, has women in management positions proportional to their representation within the staff.

Women from ethnic groups other than European are also under-represented. Of the women in senior management positions 10.3% are Māori, 1.5% are Asian, 1.5% are Pacific people, 0.3% are MELAA (Middle Eastern, Latin American & African), 84.2% are European and 4.0% are other.

The overview report of the reviews published by the Department of Labour said, “All but one of the pay and employment equity reviews that provided information on women’s participation at senior levels found that women were under-represented in senior management compared with their representation in the organisation as a whole.”

A number of departments referred to career development programmes and the identification and development of talent in relation to women in management. These programmes were not specifically targeted at women, but women were participating. Specific strategies include identifying barriers to women’s representation in senior management positions, actively supporting talented women and rethinking management roles. Other departments reported that women were well represented in senior management positions and that this was not an identified issue for them. This group included Women’s Affairs, Archives, Culture and Heritage, Statistics, Department of Prime Minister and Cabinet, Transport and Fisheries.

- “We are currently undergoing a large organisational change, which has provided increased opportunities for women to act in senior positions. Any potential barriers to women undertaking these roles have been identified at the initial discussion phase and plans created to overcome them, such as providing flexible working opportunities.” *Ministry of Agriculture and Forestry*.
- “One of the goals which influenced the decision to expand the focus of leadership development beyond the Department’s traditional strengths in technical and people leadership was to provide opportunities for the development and progression of greater numbers of women leaders in the Department.” *Conservation*.
- Actions include: “encourage women to undertake secondment opportunities (both within the Ministry and with other agencies); encourage and support women to undertake management studies such as the (Australia New Zealand School of Government) and Learning Development Centre offerings and

- support appointment to roles based on merit and encourage a gender and ethnic mix on appointment panels." *Justice*.
- The Ministry encourages inclusion of senior female staff in senior leadership/ management programmes. Female employees demonstrating potential are also encouraged to apply for scholarships." *Education*.
 - "We are also supporting the new EEO Trust Cross-Company Mentoring Programme that is designed to give career enhancement opportunity to senior women managers." The Ministry is also planning a women in leadership summit in early 2011. *Social Development*.
 - "Another issue (in the review) was the under-representation of women as managers. *Land Information New Zealand* reorganised its business group structure in 2009 and as a result 3 of the 6 members of the Senior Leadership team are female."
 - "As much as possible, the Department ensures that work life balance and family or personal commitments are accommodated in the design of roles and the provision of development. Women are well represented in the talent management of higher potential senior managers." *Corrections*.
 - "Senior women in the Ministry have started a Women Directors informal staff network to support senior women. The Ministry has also developed a Flexible Working Arrangements policy." *Foreign Affairs and Trade*.
- Q4 What other actions have been taken to implement recommendations detailed in your department's pay and employment equity review response plan?**
- Common responses to this question included changes to human resource practices such as revision of the recruitment process, resizing jobs, revising remuneration systems and policies, increased monitoring and reporting within the department, professional development programmes, flexible work practices and creating a positive work environment.
- "HR take an active role in the recruitment process to ensure the absence of gender bias in candidate short-listing and selection and to see that recruitment panels are presented with a fair and representative mix of candidates at interview." *Prime Minister and Cabinet*.
 - The *State Services Commission* identified the need to address a number of concerns related to the Administration job family in the response plan. Actions taken include "updated job evaluations for Administration roles, researched pay comparisons for Administration roles across the Public Service and moved to narrow banding for the Administration job family."
 - "The Ministry has conducted an audit of the current Performance Management System to ensure that it does not perpetuate any gender bias in its outcome." *Education*.
 - "Groups and Services identify appropriate training and career opportunities for administrative staff with a view towards providing a career path within Administration and across the Department." *Corrections*.
 - "Recruitment data trends are monitored and reported; special notice is taken of remuneration equity issues, all job descriptions outline performance expectations with behavioural competencies that include an equity focus; all of which are assessed in the performance review process." ... "special notice is taken of remuneration equity issues and proactive adjustment taken when required" during the annual review of remuneration data at which performance based remuneration adjustments are made. *Defence*.
 - "The Department recently refreshed its Harassment Policy and procedures and promoted training on creating a positive working environment across business groups." *Internal Affairs*.
 - "Update the Department's Management of Change process to ensure that changes arising from flexible working arrangements and other drivers such as the use of part-time work are considered in the design of jobs to ensure reasonable work-life balance." *Corrections*.

Overall, it is clear that there is a wide-range of activities advancing equal employment opportunities in public service departments. However, a declining percentage of female chief executives and the large number of departments with significant gender pay gaps is unacceptable and requires a whole of government commitment and stronger accountabilities for public service chief executives.

Mean or median?

The calculation of the gender pay gap is controversial both here and internationally. The Commission has reported the gender pay gap between the mean full time equivalent salaries of men and women in the public service because this is the methodology used by the State Services Commission in the annual Human Resource Capability Survey.

The mean refers to the average, calculated by summing all the salaries and dividing by the number of people. The median is the middle salary, half the people in the data set earn more and half earn less. The gender pay gap in SSC reporting is calculated by the following formula: Gender Pay Gap (%) = (Average male salary - average female salary)/average male salary X 100. Salaries are fulltime equivalent in order to control for the effect of working time. Another way to achieve this is to compare hourly rates.

During the pay and employment equity reviews in the state sector, both the median and mean gaps were calculated and sometimes the median indicated a wider gap, whereas other times the gap was wider using the mean. In this report we have compared the mean pay gap across the labour market from the New Zealand Income Survey data with the public service mean gap to ensure consistency and comparability.

Over the years reporting of the gender pay gap has been inconsistent in relation to the methodology used to calculate the gap. The figure used has often been selected to make a point. Further discussion of this issue can be found in the chapter on women's rights in the forthcoming Review of Human Rights in New Zealand.

The Commission has published an on-line tool for monitoring pay and employment equity, which draws on the work of the pay and employment equity unit. The pay equity monitoring tool is designed to provide organisations with a framework with which they can measure current performance and monitor progress towards gender equity. It is available at <http://www.neon.org.nz/payequitymonitoringtool/>

