

New Zealand Human Rights Commission

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Crown entities and the Good Employer: Annual Report Review 2011



Human Rights
Commission

Te Kāhui Tika Tangata

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Crown entities and the 'good employer'



This is the fifth year the Human Rights Commission has reviewed and analysed the reporting of good employer obligations by Crown entities.

Under the Crown Entities Act 2004, Crown entities are required to be “good employers” (section 118). Under section 151(1)(g) they must include in their annual reports “information on compliance with the obligation to be a good employer including its equal opportunities programme”.

The following sections of the Crown Entities Act 2004, refer to the ‘good employer’.

Crown entity to be good employer

(1) A Crown entity must, if it employs employees,—

- (a) operate a personnel policy that complies with the principle of being a good employer; and
- (b) make that policy (including the equal employment opportunities programme) available to its employees; and
- (c) ensure its compliance with that policy (including its equal employment opportunities programme) and report in its annual report on the extent of its compliance.

(2) For the purposes of this section, a **good employer** is an employer who operates a personnel policy containing provisions generally accepted as necessary for the fair and proper treatment of employees in all aspects of their employment, including provisions requiring—

- (a) good and safe working conditions; and
- (b) an equal employment opportunities programme; and
- (c) the impartial selection of suitably qualified persons for appointment; and
- (d) recognition of—
 - (i) the aims and aspirations of Māori; and
 - (ii) the employment requirements of Māori; and
 - (iii) the need for involvement of Māori as employees of the entity; and
- (e) opportunities for the enhancement of the abilities of individual employees; and
- (f) recognition of the aims and aspirations and employment requirements, and the cultural differences, of ethnic or minority groups; and
- (g) recognition of the employment requirements of women; and
- (h) recognition of the employment requirements of persons with disabilities.

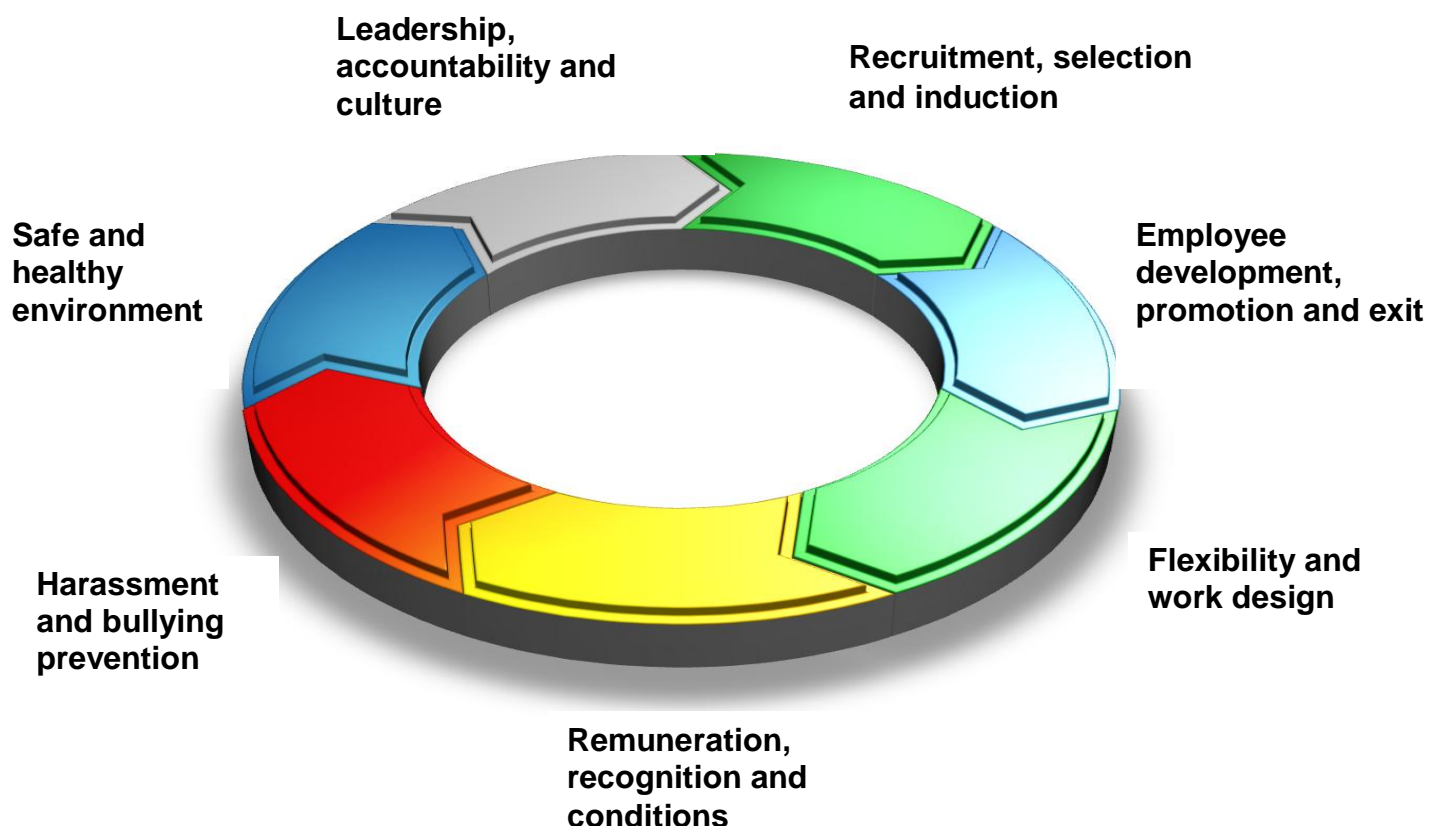
(3) For the purposes of this section, an **equal employment opportunities programme** means a programme that is aimed at the identification and elimination of all aspects of policies, procedures, and other institutional barriers that cause or perpetuate, or tend to cause or perpetuate, inequality in respect of the employment of any persons or group of persons.

The Commission’s advice is that it is not enough for a Crown entity to state in its Annual Report that the obligation to be a “good employer” has been met or that it has an Equal Employment Opportunities (EEO) programme in place. A Crown entity must provide evidence of compliance.

In July 2011 the Human Rights Commission held a ‘Good employer writing clinic’ to assist Crown entities in their reporting of good employer initiatives. The workshop was attended by 22 of the 96 Crown entities.

Feedback from participants was positive illustrated by one participant’s feedback who said the clinic provided, *“Practical suggestions of how reporting can be enhanced in a way that is easy to create and design”*. All who attended the clinic have improved reporting in this year’s analysis.

This review of the Crown entities’ Annual Reports analyses the reporting of the good employer obligation and EEO across seven organisational features:



These elements have been developed by the Commission to help Crown entities meet their 'good employer' obligations. Further guidance gives EEO advice and is aimed at improving employment policy and practice. All 'good employer' information is available on the Commission's NEON website www.neon.org.nz and has been regularly and widely promoted.

This year organisations were asked to identify which of the elements they needed help with. The Commission also asked about the gender pay gap and the number of Māori employed in individual Crown entities. This report is an analysis of the responses.

In the context of mounting pressure on the public sector, including financial pressure and service delivery reforms, compliance with the good employer obligation becomes even more important. Those Crown entities who tap into the rich and varied skills of their workforce, and who develop work practices that create an inclusive work environment are those most likely to retain a motivated and productive workforce.

Methodology



All 96 Crown entities were sent letters in November 2011 requesting a copy of their latest Annual Reports.

The Commission also sent a survey asking Crown entities to identify their gender pay gap, indicate the number of Māori staff and Māori senior managers they employed, and to rank the seven good employer elements in terms of which elements they felt they needed the most additional help and guidance to achieve better performance and progress.

Objectives

The aims of the review were to examine:

- whether Crown entities reported as required in their Annual Reports;
- what they reported;
- what evidence was supplied;
- responses to survey questions.

Process

Crown entities were also asked to provide contact details of appropriate staff to verify a summary of the information in the Annual Report. Follow up phone calls and internet searches were made to ensure Annual Reports from all Crown entities could be included in the data set.

Annual Reports were assessed against criteria developed by EEO staff in the Human Rights Commission. These criteria reflected compliance with the legislation and reference to the guidance provided by the EEO Commissioner.

Criteria

The criteria were:

- Reference to being a “good employer”
- Reference to equal employment opportunities (EEO)
- Reporting on the 7 key elements of being a good employer. These were:
 1. *Leadership, accountability and culture*
 2. *Recruitment, selection and induction*
 3. *Employee development, promotion and exit*
 4. *Flexibility and work design*
 5. *Remuneration, recognition and conditions*
 6. *Harassment and bullying prevention*
 7. *Safe and healthy environment*
- Reporting on an ongoing process of developing policies and practices
- Reporting on the workplace profile
- Reference to staff participation in the development of good employer programmes.

Analysis

Annual Reports and survey data were examined and the data collated. Each Crown entity was sent a summary of the review of its Annual Report and asked for feedback about the accuracy of the information in the Annual Report.

Responses were considered and information amended if the Commission was convinced that the suggested amendments were consistent with the evaluation criteria used.

The assessment considered:

- ▶ Reference to being a “good employer”
 - The words “good employer” appeared somewhere in the Annual Report.
- ▶ Reference to EEO
 - The words “equal employment opportunities” or EEO appeared in the Annual Report.
- ▶ Reporting on the 7 key elements
 - Listing the key elements with some detail was credited. The key is to describe the initiatives under each element in relation to the good employer principles of equity and fairness.

- ▶ Reference to ongoing review and renewal of programmes and policies
 - Credit was given if a process or intention to review policies and programmes was included.
- ▶ Workplace profile
 - Crown entities who either reported on the actual profile of their workforce or who had reported that they had undertaken a profile were credited. Assessors looked for profiles that covered gender, ethnicity, number of Māori and Pacific peoples, people with disabilities and age.
- ▶ Reference to staff participation in the development of good employer programmes.
 - Noted if staff participation in the development of good employer programmes and policies was reported.

Limitations

This analysis benchmarks only what is actually reported in Annual Reports of Crown entities to ensure compliance with the Crown Entities Act 2004. This may be different in some cases from the reality of what is performed in relation to EEO within Crown entities.

Description and commentary in the Annual Reports is not on its own, therefore, an indication of how well an employer is actually doing as a good employer. Because the Crown Entities Act, section 118, refers to what is included in the annual report, the Commission limits its analysis to annual reports and does not consider additional website postings or internal policy documents in its analysis.

This approach has been consistent since the Commission began monitoring good employer compliance and has been regularly communicated to Crown entity Chief Executives.

Clearly many Crown entities undertake a range of internal and external policies, processes and practices around being a good employer that they have not reported in their Annual Reports.

Despite these limitations, this benchmark report provides a clear picture of a sector responding to the benefits, challenges and opportunities inherent in being a good employer.

Findings

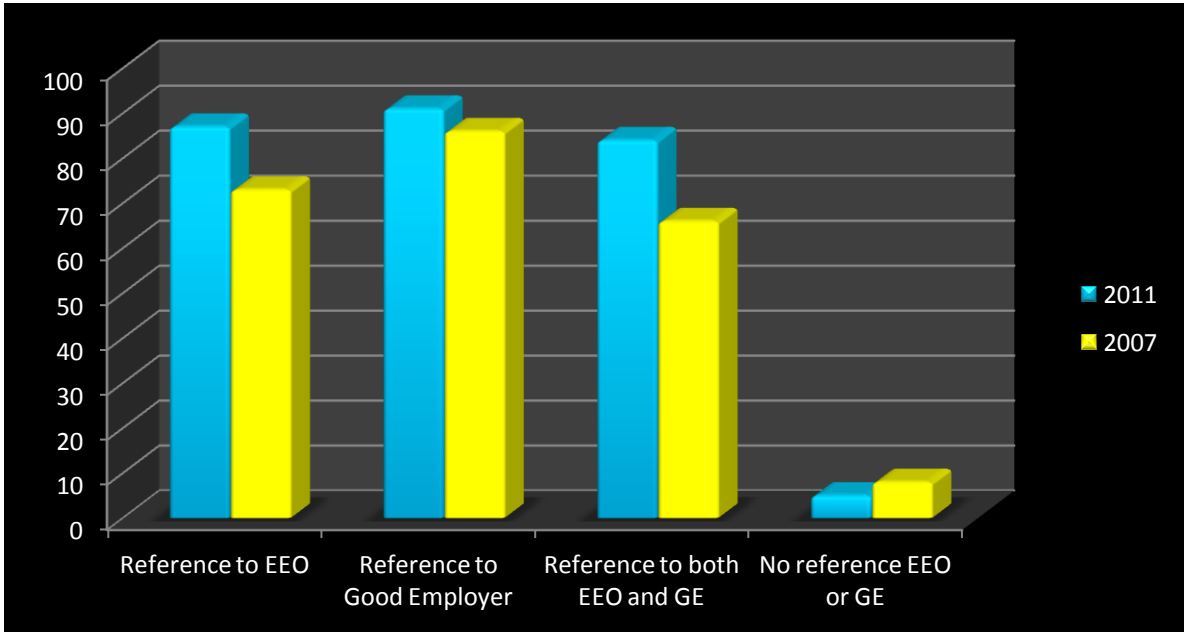


The analysis of Annual Reports found that almost all Crown entities had complied to some extent with their legal obligations to report on being a good employer. The Commission will contact the CEOs of four Crown entities who have not complied to remind them of their legal obligations.

Another four of the 96 Crown entities were established in 2011 and did not produce annual reports. The findings therefore relate to those 92 Crown entities that published annual reports for the 2010-2011 financial year.

Table 1 shows that in 2011, 84% of Crown entities referred to both being a good employer and EEO in their annual reports. This compares to 66% in 2007. Referencing both good employer and EEO demonstrates an understanding of the requirement to be a good employer and the associated commitment to provide equal employment opportunities. The inclusion of reference to EEO is a basic requirement when reporting good employer obligations.

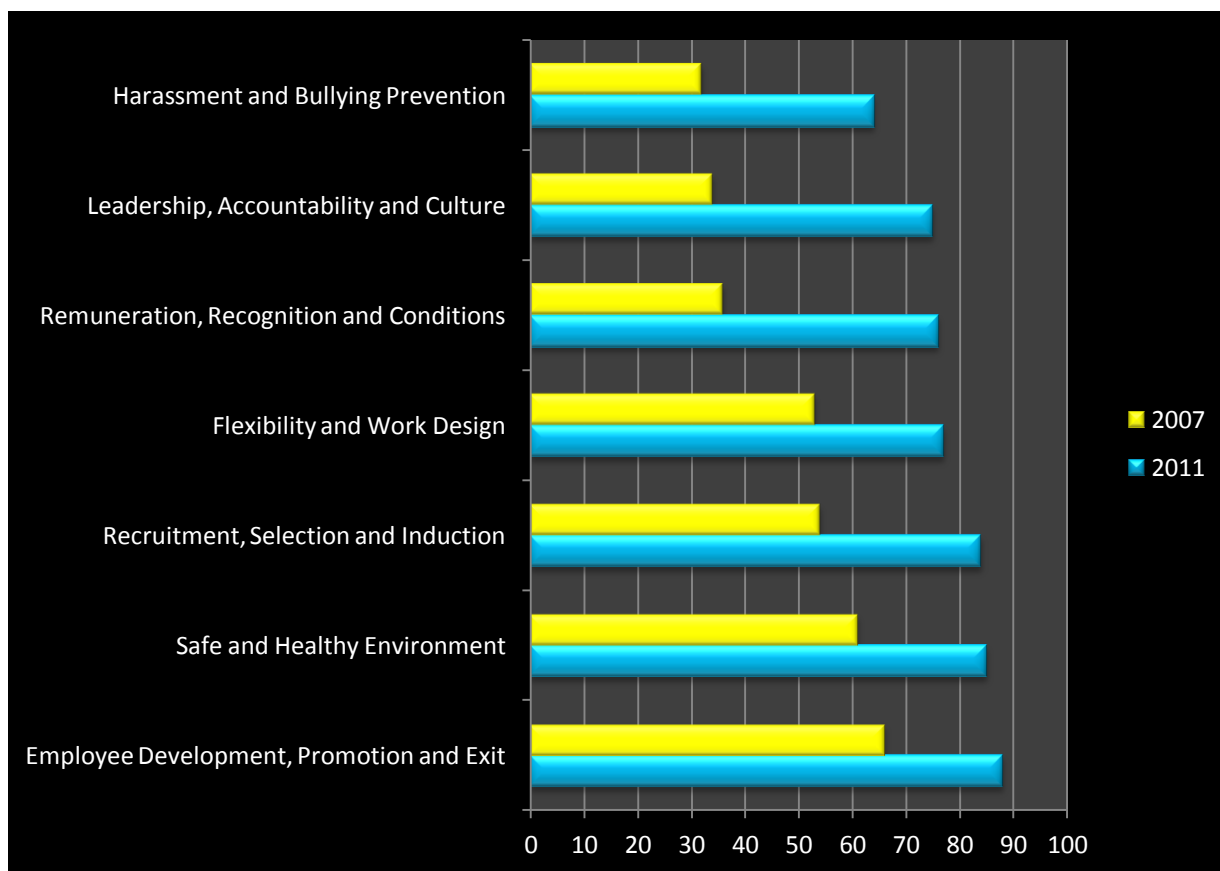
Table 1 – References in Annual Reports



A total of 92% of Crown entities provided evidence of programmes, policies or practices that related to at least one of the seven key elements. Fifty nine per cent reported on all seven elements compared to 17% in 2007 and 35% in 2008.¹

Table 2 shows the response rate for each of the elements and is compared with data from 2007.

Table 2 – Reporting of key elements in Annual Reports



The elements of ‘employee development’, ‘health and safety’ and ‘recruitment and selection’ are most reported by Crown entities. ‘Flexible work’, ‘leadership’, ‘remuneration’ and ‘harassment and bullying’ are less frequently reported.

Eighty-eight per cent of Crown entities reported development opportunities and the benefit to individuals and the organisation. However, the links between these and the goal of equitable treatment are rarely explained. The Commission is keen to see more commentary about the equal opportunity for all employees to access and receive development.

¹ In 2009 the Commission reported on District Health Boards and the gender pay gap. There was no benchmarking report produced in 2010.

Eighty-five per cent of Crown entities reported on safe and healthy work environments compared with 61% in 2007 and 78% in 2008. Many organisations provided positive examples of their commitment to proactive employee health, safety and well-being programmes. Several reported healthy food and fitness programmes, access to counselling services, and health and safety training opportunities.

Reporting on recruitment and selection also improved with 84% of Crown entities complying with the requirement compared to 54% in 2007 and 81% in 2009. Many referred to fair, transparent and merit-based recruitment practices.

Flexibility and work design were reported by 77% of Crown entities. Many organisations are open to flexible work arrangements that accommodate both business and individual staff needs. Many also reported the desire to create greater work-life balance.

Seventy-six per cent of Crown entities wrote about remuneration up from 36% in 2007 and 57% in 2008. Many reported the use of independent job evaluation and market remuneration information to set salary ranges. The Commission believes the transparent and equitable nature of remuneration systems is an element requiring further development so that those who work in Crown entities can see that fair pay systems are operating.

Leadership accountability was reported by 75% of Crown entities. A number of Crown entities wrote strong statements about commitment to EEO and a vision where people are valued. There are some, however, who continue to write about leadership development under this element. The Commission urges Crown entities to report more about staff involvement in the development of EEO policies and programmes.

Sixty-four per cent of Crown entities reported harassment and bullying prevention up from 32% in 2007 and 45% in 2008. The Commission would like to see more organisations commit to and report on zero tolerance policies and procedures.

Fifty-three per cent of Crown entities reported a workplace profile (refer Table 3) compared to 38% in 2007 and 42% in 2008. Fifty-two per cent reported gender, 39% ethnicity other than Māori or Pacific, 37% reported Māori, 34% age, 32% Pacific and only 15% reported disability. One Crown entity reported on the number of gay, lesbian, bi-sexual and transgender staff it employed.

In terms of demographic characteristics that would help Crown entities with workforce planning, age and disability remain the least reported. Age is relevant because New Zealand has an ageing work population and cannot anticipate active labour market interventions such as retention and succession planning strategies if organisations do not know the extent and nature of retirement intentions, for example.

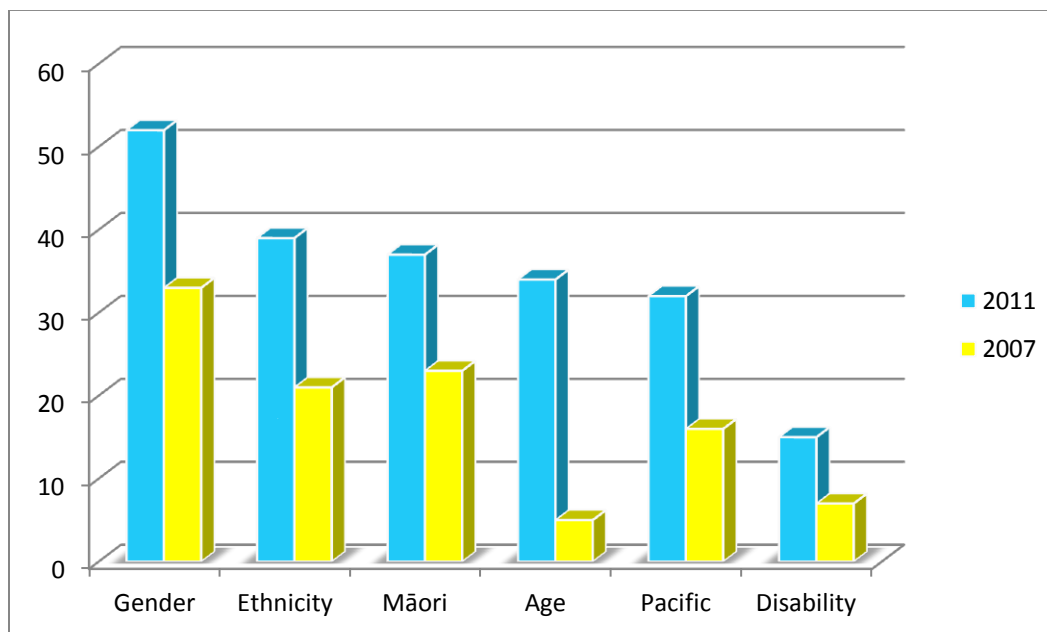
Article 27(1)(g) of the Convention on the Rights of Persons with Disabilities (CRPD) says State parties will, “employ persons with disabilities in the public sector” and “collect data”. New Zealand has ratified the convention and has clear responsibilities to employ more disabled persons in the public sector including in Crown entities.

Unless organisations know their obligations, they cannot respond and there is clear scope for greater consideration of how to recruit disabled candidates for public service positions.

An understanding of workforce composition is an essential component of any effective EEO programme. Without it, EEO outcomes are unlikely to be fully realised and progress cannot be accurately traced. The Commission urges Crown entities to prioritise the establishment and ongoing monitoring of a profile of their workforces.

The Commission developed an online reporting tool that includes the template for a workplace profile. The tool can be found at <http://www.neon.org.nz/reportingtool/>.

Table 3 – Reporting on EEO groups



Eighty-three per cent of Crown entities described an ongoing process of good employer/ EEO development and 69% reported staff engagement in the process. Engaging staff in the process of analysing employment areas and addressing EEO concerns is critical to ensuring that the right areas are addressed and the most effective changes made. It is also a statutory requirement.

Table 4 provides an opportunity for Crown entities to benchmark their own progress against others in the sector. Clearly organisations will be interested in the results of Crown entities of similar size and function.

A key to reading Table 4 is provided below:

Estimated staff numbers

Staff numbers are based on full-time equivalent (FTE) information in the Annual Report or information sent to the Commission at the time of verification.

Good employer reference

The words “good employer” appear in the Annual Report.

EEO reference

“Equal Employment Opportunity or “EEO” appears in the Annual Report.

Good employer elements

- 1= Leadership, accountability and culture
- 2= Recruitment, selection and induction
- 3= Employee, development, promotion and exit
- 4= Flexibility and work design
- 5= Remuneration, recognition and conditions
- 6= Harassment and bullying prevention
- 7= Safe and healthy environment

The number of the element appears if the Crown entity reported on or provided evidence of related EEO programmes or activities in full or implied by the narrative. None indicates where no detail was reported.

Ongoing review/renewal of programmes/policies

Yes appears if a process or intention to review programmes and policies was mentioned or implied, and No if this was absent.

EEO groups

- G = Gender
- M = Māori
- P = Pacific
- D = Disability
- E = Ethnicity
- A = Age
- Nil = No reported profile

Staff participation

Yes appears if staff participation in the development of policy and practice is mentioned or is implied by the narrative, No, if this was absent.

Table 4 – Analysis of Annual Reports

Crown Entity	Estimated	Good employer	EEO	Good employer	Ongoing review/renewal	Workplace	Staff participation
	Staff nos.	reference	reference	elements	of programmes/policies	profile	EEO programmes development
		Yes/No	Yes/No	List #	Yes/No	G,M,P,D,E,A	Yes/No
Accident Compensation Corporation	2551	Y	Y	1,2,3,4,5,6,7	Y*	G,E,D,A	Y*
Agresearch Limited	850	Y	Y	1,2,3,4,5,6,7	Y*	Nil	Y*
Alcohol Advisory Council	32	Y	Y	1,2,3,4,5,6,7	Y	G,M,P,E	Y
Arts Council of New Zealand - Toi Aotearoa	52.2	Y	Y	1,2,3,4,5,6,7	N	G,M,A	N
Auckland District Health Board	7500	Y	Y	1,2,3,4,5,6,7	Y	G,M,P,E,A	Y*
Aviation Security Service	755	Y	Y	1,2,3,4,5,6,7	Y*	Nil	N
Bay of Plenty District Health Board	-	Y	Y	1,2,3,4,5,6,7	Y*	G,M,P,E,A	Y
Broadcasting Standards Authority	6.5	Y	Y	1,2,3,4,5,6,7	Y*	Nil	Y*
Canterbury District Health Board	9500	Y	Y	2,3,5,7	Y	G,M,P,E,A	Y
Capital and Coast District Health Board	5355	Y	N	2,3,7	Y*	Nil	Y
Career Services	146	Y	Y	1,2,3,4,5,6,7	Y	G,M,P,D,E	Y
Charities Commission	44	Y	Y	1,2,3,4,5,6,7	Y	G,M,P,E,D,A	Y
Children's Commissioner	15.4	Y	Y	1,2,3,4,5,6,7	Y	G,M,P,E	Y
Civil Aviation Authority	186.9	Y	Y	1,2,3,4,5,6,7	Y*	Nil	N
Commerce Commission	189	Y	Y	1,2,3,4,5,6,7	Y	G,M,P,E,D,A	Y
Commission for Financial Literacy & Retirement Income	9	Y	Y	1,2,3,4,5,6,7	Y*	Nil	Y
Counties Manukau District Health Board	-	Y	Y	1,2,3,7	Y*	Nil	N
Crown Health Financing Agency	8	Y	Y	1,2,3,4,5,6,7	Y	Nil	Y
Drug Free Sport New Zealand	7.5	N	N	None	N	Nil	N
Earthquake Commission	-	Y	Y	1,2,3,4,5,6,7	Y*	Nil	Y*
Education New Zealand	#	#	#	#	#	#	#

Crown Entity	Estimated Staff nos.	Good employer	EEO	Good employer	Ongoing review/renewal	Workplace	Staff participation
		reference	reference	elements	of programmes/policies	profile	EEO programmes development
		Yes/No	Yes/No	List #	Yes/No	G,M,P,D,E,A	Yes/No
Electoral Commission	23	Y	Y	1,2,3,4,5,6,7	Y	Nil	Y
Electricity Authority	48	Y	Y	1,2,3,4,5,6,7	Y	Nil	Y
Energy Efficiency & Conservation Authority	96	Y	Y	1,2,3,4,5,7	Y	Nil	Y
Environmental Risk Management Authority (EPA)	90.3	Y	Y	1,2,3,5,6,7	Y	G,M,P,E	Y
External Reporting Board	#	#	#	#	#	#	#
Families Commission	39.7	Y	Y	1,2,3,4,5,6,7	Y	G,M,P,E	Y
Financial Markets Authority	#	#	#	#	#	#	#
GNS Science	373.9	Y	Y	1,2,3,4,5,7	Y	Nil	Y
Government Superannuation Fund Authority	-	N	N	None	N	Nil	N
Guardians of NZ Superannuation	66	Y	Y	1,2,3,5	Y	G,A	N
Hawke's Bay District Health Board	2002	Y	Y	1,2,3,4,5,6,7	Y	M,P,E,A	Y
Health & Disability Commissioner	50	Y	Y	1,2,3,4,5,6,7	Y	G,M,P,E,D,A	Y
Health Quality and Safety Commission	-	Y	Y	2,4	Y	Nil	N
Health Research Council	26.6	N	Y*	2,4	N	Nil	N
Health Sponsorship Council	30	Y	Y	1,2,3,4,5,6,7	Y*	Nil	Y*
Housing New Zealand Corporation	1064.4	Y	Y	1,2,3,7	Y	Nil	Y
Human Rights Commission	64	Y	Y	1,2,3,4,5,6,7	Y*	Nil	Y*
Hutt District Health Board	-	Y	Y	2,3,7	N	Nil	N
Independent Police Conduct Authority	27.9	Y	Y	2,3,4,5	Y	Nil	Y
Industrial Research Limited	342	Y	N	1,2,3,4,5,6,7	Y	Nil	N
Institute of Environmental Sciences & Research	327	Y	N	2,3,7	Y*	G,A	Y

Crown Entity	Estimated Staff nos.	Good employer	EEO	Good employer	Ongoing review/renewal	Workplace	Staff participation
		reference	reference	elements	of programmes/policies	profile	EEO programmes development
		Yes/No	Yes/No	List #	Yes/No	G,M,P,D,E,A	Yes/No
Lakes District Health Board	1349	Y	Y	1,2,3,4,5,6,7	Y	G,M,P,A	Y
Landcare Research New Zealand Ltd	379	Y	Y	1,2,3,4*,5,6*,7	Y	G,E,A*	Y
Law Commission	16.3	Y	Y	1,3,4,7	N	G	N
Maritime New Zealand	128	N	Y	2,3,5	N	G,A	N
Mental Health Commission	-	Y	Y	1,2,3,4,5,6,7	Y*	Nil	Y
Midcentral District Health Board	2006	Y	Y	1,2,3,4,5,6,7	Y*	G,M,P,E,D,A	Y
Museum of New Zealand - Te Papa Tongrewa	348	Y	Y	1,2,3,4,5,6,7	Y*	G,E,D,A	Y
National Institute of Water & Atmospheric Research	642.7	Y	N	3,4,5*,7	N	Nil	N
Nelson Marlborough District Health Board	2330	Y	Y	1,2,3,6,7	Y	Nil	N
NZ Antarctic Institute	42	Y	Y	1,2,3,4,5,6,7	Y	G	Y
NZ Artificial Limb Board	45.3	Y	Y	3,4,5,6,7	Y	G,M,P,E,D	N
NZ Blood Service	-	Y	Y	1,2,3,4,5,6,7	Y	G,M,P,E,D,A	Y*
NZ Film Commission	22	Y	Y	2	N	Nil	N
NZ Fire Service Commission	-	Y	Y	1,2,3,4,5,6,7	Y	G,M,P	Y
NZ Historic Places Trust – Pouhere Taonga	107	Y	Y	1,2,3,4,5,6,7	Y*	G	Y
NZ Institute for Plant and Food Research Ltd	810	Y	Y	1,2,3,5,7	Y	G	Y
NZ Lotteries Commission	-	Y	Y	1,2,3,4,5,6,7	Y*	G,M,P,E,A	N
NZ On Air	16	Y	Y	1,2,3,4,5,6,7	Y*	G,M,E	Y
NZ Productivity Commission	#	#	#	#	#	#	#
NZ Qualifications Authority	431	Y	Y	1,2,3,4,5,6,7	Y	G,M,P,E,A	Y
NZ Symphony Orchestra	-	Y	Y	2,5,7	Y*	Nil	Y

Crown Entity	Estimated	Good employer	EEO	Good employer	Ongoing review/renewal	Workplace	Staff participation
	Staff nos.	reference	reference	elements	of programmes/policies	profile	EEO programmes development
		Yes/No	Yes/No	List #	Yes/No	G,M,P,D,E,A	Yes/No
NZ Teachers Council	-	N	N	4	N	Nil	N
NZ Tourism Board	-	Y	Y	1,2,3,4,5,6,7	Y	G,M,P,E	Y
NZ Trade & Enterprise	518	N	Y	1	N	G,M,P,E	N
NZ Transport Agency	1372	Y	Y	1,2,3,4,5,6,7	Y	G,A	Y
NZ Venture Investment Fund	7	Y	Y	1,2,3,4,5,6,7	Y	Nil	N
NZ Walking Access Commission	5.7	Y	Y	2,3,4,5,7	Y*	G,E,A	Y
Northland District Health Board	2533	Y	Y	1,2,3,4,5,6,7	Y	G,M,P,E,D,A	Y
Office of Film & Literature Classification	29	Y	Y	1,2,3,4,5,6,7	Y	G,E,D,A	Y
Pharmac	62.8	Y	Y	1,2,3,4,5,6,7	Y	G	Y*
Privacy Commission	-	Y	Y	4,7	Y	G,M,P,E	Y
Public Trust	429	Y	Y	1,2,3,4,5,6,7	Y	Nil	Y
Radio New Zealand	268	Y	Y	1,2,3,4,5,6,7	Y*	G,M,P,E,A	Y
Real Estate Agents Authority	34	Y	Y	1,2,3,4,5,6,7	N	G,E,D,A	N
Scion Research	304.8	Y	Y	1,2,3,4,5,6,7	Y*	G,M,E,D,A	Y*
Social Workers Registration Board	5	Y	Y	3,4	N	Nil	N
South Canterbury District Health Board	583.3	Y	Y*	1,2,3,4,5,6,7	Y	G,M,P,E,A	Y
Southern District Health Board	-	Y	Y	1,2,3,4,5,6,7	Y*	Nil	Y*
Sport & Recreation NZ	78.8	Y	Y	1,2,3,4,5,7	Y	Nil	Y
Standards NZ	43	Y	Y	1,2,3,4,7	Y	Nil	Y
Tairāwhiti District Health Board	-	Y	Y	1,2,3,4,5,6,7	Y	M	Y
Takeovers Panel	-	Y	Y	1,2,3,4,5,6,7	Y	Nil	Y

Crown Entity	Estimated Staff nos.	Good employer	EEO	Good employer	Ongoing review/renewal	Workplace	Staff participation
		reference	reference	elements	of programmes/policies	profile	EEO programmes development
		Yes/No	Yes/No	List #	Yes/No	G,M,P,D,E,A	Yes/No
Taranaki District Health Board	1657	Y	Y	1,2,3,4,5,6,7	Y*	G,M,P,E	Y
Te Reo Whakapuaki Irirangi – Te Mangai Paho	11	Y	Y	1,2,3,4,5,6,7	Y	G,E,A	Y
Te Taura Whiri i Te Reo Māori	19	N	N	None	N	Nil	N
Television New Zealand	943.3	Y	N	6	N	Nil	Y*
Tertiary Education Commission	176	N	N	3,7	Y*	Nil	Y
Testing Laboratory Registration Council	65	Y	Y*	1,2,3,5,6,7	N	G,M,P,E,D,A	Y
Transport Accident Investigation Commission	17.8	Y	Y	1,2,3,4,5,7	Y	G,M,P	Y
Waikato District Health Board	5066	Y	N	1,2,3,4,7	N	G,M,E,A	N
Wairarapa District Health Board	-	Y	Y	1,2,3,4,5,6,7	Y*	G,M,P,E,A	Y
Waitemata District Health Board	5103	Y	Y	1,2,3,4,5,6,7	Y*	Nil	Y*
West Coast District Health Board	1119	Y	Y	2,3,7	Y	M,D	Y
Whanganui District Health Board	740	Y	Y	1,2,3,4,5,6,7	Y	Nil	Y

* Indicates where information is not specifically mentioned in the Annual report but can be inferred from the written narrative

Crown entities that did not produce an Annual report in 2011

Survey findings

A total of 83 Crown entities, 86%, responded to the Commission's survey. Most answered all questions relating to their gender pay gap, the number of Māori staff and Māori managers employed and the good employer elements. The results are as follows:

Gender pay gap

Of the 76 Crown entities that indicated their gender pay gaps, 23 had pay gaps of more than 25 per cent. The highest was 49% and the lowest 0%. Seven Crown entities had pay gaps of 40% or more. Only two Crown entities indicated their gender pay gaps were in favour of women.

Crown entities were asked to calculate their gender pay gaps using the formula promoted by the Commission in its pay and employment equity monitoring tool that can be found at <http://www.neon.org.nz/payequitymonitoringtool/>. The measure is a consistent and worldwide method used by the World Economic Forum and others to measure pay equity globally.

Compared to the core public service where the highest gender pay gap is 39%, several Crown entities indicate gender pay gaps that are higher. This is a concern. The latest Human Resource Capability Survey (HRCS) of Public Service Departments by the State Services Commission shows the average gender pay gap in the public service is 14.3%.

One Crown entity with a gender pay gap of 47.4% had a portfolio department with a pay gap of 18.45%. Similarly another Crown entity with a gender pay gap of 39.38% had a portfolio department with a pay gap of 30.65%.

In 2009 the Commission reported on gender pay gaps in district health boards (DHBs). At that time only seven DHBs responded, six of whom reported no gaps and one did not know. In 2011, eighteen of the 20 DHBs sent pay gap information. Twelve indicated they had pay gaps of 13% and below, two had pay gaps between 20 and 30 per cent, and four had gender pay gaps between 30 and 40 per cent.

One DHB that showed a pay gap just below 40% said, *"In looking at the result for the DHBs pay gap it is useful to know that if the DHB removes senior doctors from the data, female staff in the DHB are on average paid 1.01% more than male staff."*

Some Crown entities suggested the method for calculating the gender pay gap is inadequate. One said, *"We consider the method described for calculating the gender pay gap results is a very crude measure which is not particularly meaningful. The calculation takes no account of the positions held by employees which is the biggest determinant of pay."*

Latest figures show the gender pay gap in New Zealand is 9.6%. Factors that contribute to the gender pay gap include; female dominated jobs being lower paid than male dominated jobs; women predominating among the lowest paid staff and forming a minority of those in the best paid jobs; and significant gender differences in opportunities to participate in all roles at all levels.² The gender pay gap is not just about whether women on a particular band are paid the same as men on the same band.

Remuneration is one of seven good employer elements. A good employer recognises the need for equitable, transparent and gender neutral pay systems and will take steps to identify and address pay inequalities. The Commission recommends Crown entities conduct pay equity reviews to identify any gender pay gaps, then ensure any differences are explainable and justifiable, and rectify any that are not.

Māori

The overall percentage of Māori employed in Crown entities is low. The Commission found from its survey that only 6.36% of Crown entity employees are Māori. This is compared to 16.4% of Māori employed across the core public sector according to the 2011 Human Resource Capability Survey (HRCS).³

The proportion of Māori staff in Crown entities varied between 64 and zero percent. Of the 79 Crown entities that responded to the Commission's questions about Māori, 19 reported more than 10% Māori staff, and 3 reported above 20% Māori staff.

Eighteen Crown entities indicated they had no Māori staff, while almost half of respondents said they did not actively promote or have programmes to support the employment or advancement of Māori.

Survey results show no discernible trend between the proportion of Māori staff and the size or nature of the organisation, although a higher proportion of Māori staff is more likely for those providing services primarily to Māori.

The biggest employer of Māori in the Crown entity sector was the Electoral Commission which employed 2332 Māori part-time for the 2011 elections. However, these were short-term appointments. The largest full-time employers of Māori in the sector are District Health Boards. For example, 26.2% of Tairāwhiti District Health Board staff are Māori.

Survey responses show there are two Māori Chief Executives of Crown entities. One of those two Crown entities also had the highest percentage of Tier 2 managers at 75%. One DHB had the highest percentage of Tier 3 managers at 29.5%. HRCS figures show only 9.2% of (tier 1, 2 and 3) managers in the core Public service are Māori.

² Human Rights Commission. (2010). *New Zealand Census of Women's Participation*

³ The Human Resource Capability Survey is produced by the State Services Commission

These low numbers and lack of Māori in higher positions is of concern and warrants immediate attention.

Section 118 (2)(d) of the Crown Entities Act 2004 requires a Crown entity to operate a personnel policy that includes:

“Recognition of— (i) the aims and aspirations of Māori; and
(ii) the employment requirements of Māori; and
(iii) the need for involvement of Māori as employees of
the entity.”

Active recruitment strategies aimed at employing more Māori are needed if Crown entities are to honour their good employer obligations of recognising the aims and aspirations of Māori and providing a more diverse base of senior managers in the sector.

More positively, many Crown entities indicated they actively promoted the employment and progression of Māori in their organisations. Most initiatives were oriented toward development opportunities or Te Reo and Tikanga lessons. Only one Crown entity said it was “actively seeking to redress the absence of Māori staff”.

District Health Boards appeared the most active in responding to the aims and aspirations of Māori with scholarship programmes, graduate recruitment and Māori health workforce plans.

Good employer elements

Crown entities indicated they required most assistance around the good employer element of Leadership. This was followed by flexibility, then remuneration and development. Recruitment, bullying and harassment and health and safety all ranked equally as the elements where Crown entities require the least help.

It is the Commission’s intention to refresh the seven good employer elements in 2012 and promote those to Crown entities as part of the EEO Commissioner’s mandate under section 17 of the Human Rights Act 1993. This will require the Commission to review its online good employer advice and information in light of changes to the economic, political and social environment, advances in EEO and management practices, and changes in employment law.

Challenges and next steps



How can Crown entities improve their good employer practice and reporting in their next Annual Reports 2011/12?

► **Māori participation**

- Active recruitment strategies aimed at employing Māori are needed if Crown entities are to honour their good employer obligations of recognising the aims and aspirations of Māori.
- Greater development and promotion of Māori is needed to provide a more diverse base of senior managers in the sector.

► **Pay equity**

- Crown entities are encouraged to perform pay equity reviews and address any inequalities identified. The Commission's guidance on pay equity including its online tool can be found at <http://www.neon.org.nz/payequitymonitoringtool/>.

► **Improve workplace profile reporting**

- The workplace profile needs to include factual information about the composition of the workforce. As a minimum, information relating to gender, Māori, Pacific, other ethnicities, age and disability should be included.
- Workplace profiles are essential for workforce planning and provide a basis by which policies can be developed that address inequalities and contribute to greater diversity.
- An online workplace profile developed by the Commission can be found at <http://www.neon.org.nz/reportingtool/>

► **Data collection**

- Formalise the collection of EEO data – this should be seen within the normal context of gathering human resource data.

► **Encourage and report employee participation**

- Active engagement and participation of staff and their unions is important at all stages of EEO planning, development and implementation. Crown entities should indicate in their annual reports how it is that staff are able to participate in the development of EEO policies.

► **Reporting good practices**

- Identify good practices and report on them with a lens that values equity and fairness. Be more descriptive and analytical when reporting.

► **Keep up the good reporting**

- What is reported and how it is reported has improved significantly and Crown entities are encouraged to keep up this momentum given the positive benefits of being a 'good employer'.

Best practice examples – Annual reports



Some of the Crown entities demonstrated in their Annual Reports that they have developed and are implementing best practice in equal employment opportunities.

The following best practice examples relate to the seven elements of being a good employer that have been the core of the guidance to Crown entities from the Human Rights Commission. These examples provide an illustration for other Crown entities wanting to compare themselves within the sector.

1. Leadership, accountability and culture

The Charities Commission⁴ provides a clear statement about how staff are valued, the importance of being a Good Employer and commitment to EEO, the involvement of staff in the development of policies and the ongoing nature of policy development.

The Commission is committed to the principles of being a 'good employer' and providing equal employment opportunities for all employees. The Commission develops a Good Employer Plan annually. This programme values equity and fairness, promotes the seven elements of being a "good employer" and supports the Commission in its goal of being an organisation for which people want to work.

⁴ The Charities Commission will cease to be a Crown entity from 1 July 2012 subject to legislation change.

When developing the Good Employer plan for 2010-11, staff were widely consulted, and provided input through staff workshops and suggestion boxes. Staff were consulted on new policies and procedures implemented by the Commission.

The chief executive and management team continued to meet regularly with staff to communicate the Commission's vision and share progress against organisational goals. The Commission defined its values in a consultative "bottom up" project involving all staff. The Commission's five core values underpin its culture, and they have been integrated into all Commission policies and processes.

2. Recruitment, selection and induction

The Accident Compensation Corporation (ACC) indicates it has robust recruitment and selection processes that include:

- Active monitoring of candidates and workforce demographics according to age, ethnicity, gender and disability;
- Delivery of the employer brand using innovative advertising channels to attract diverse applicants; and
- Profiles of staff from diverse backgrounds promoted on the ACC website.

These initiatives show ACC's efforts and willingness to attract a diverse range of candidates. The organisation says a key focus is to increase cultural and disability competency amongst frontline staff to deliver effective services to clients.

3. Employee development, promotion and exit

Tourism New Zealand says it focuses on growing key talent within the organisation regardless of gender, ethnicity or any other demographic factor.

It also states that it has an active management and leadership development programme. In terms of effective leadership including understanding and knowledge of kaupapa and tikanga Māori and Matariki Tourism New Zealand actively supports this with a planned programme to provide additional skills training and learning opportunities.

The Waitemata DHB's workforce development strategies are designed to build a workforce that reflects the diverse nature of its diverse population with an increasing focus on the needs of its current ageing workforce.

Professional placements and other scholarship and other career development opportunities provided by the DHB recognise the aims, aspirations, cultural differences and employment requirements of its diverse employees.

4. Flexibility and work design

The Electricity Authority says non-standard work arrangements are considered, usually on the basis of exceptional circumstances, and are implemented where reasonable and practical.

Staff dealing with exceptional circumstances and those returning from maternity leave, injury, or serious illness are supported in their integration back into the workforce.

The New Zealand Qualifications Authority (NZQA) maintains a working from home policy, provides flexible working hours and says it provides tailored responses to individual requests to support work/life balance and for people with temporary or permanent disabilities.

5. Remuneration, recognition and conditions

Te Mangai Paho says it maintains equitable gender-neutral remuneration policies that are periodically tested against the market for external parity.

The Electoral Commission also talks about having transparent, equitable and gender neutral job evaluation practices.

6. Harassment and bullying prevention

The Families Commission has a zero-tolerance approach and says harassment in any form is unacceptable behaviour in the Commission. The Code of Conduct, which all employees are required to sign, states the requirement that all staff respect the rights of others. It rejects:

- Discrimination against any person because of their sex, marital status, colour, race, ethnic or national origins, age, political opinion, employment status, family status, sexual orientation, ethnicity, disability, or religious or ethical beliefs;
- Harassment, bullying or intimidation of colleagues and clients.

All staff completed training on their rights and responsibilities in September 2010.

7. Safe and healthy environment

The Office of the Health and Disability Commissioner (HDC) has an environment that supports and encourages employee participation in health and safety through its Health and Safety Employee Participation System and its Health and Safety Committee, which meets regularly.

Health and safety is a regular agenda item at monthly staff forums, and hazards are actively managed in the office. Support is given to those staff with acknowledged disabilities by way of New Zealand Sign Language interpreters, special equipment, and assistance to get to and from work.

The HDC has a number of initiatives in place to promote a healthy and safe working environment, including sponsorship for health and wellness activities, Employee Assistance Programme incident and confidential counselling programme, provision of fruit in each office and flexible hours.

Workplace profiles

The New Zealand Blood Service (NZBS) as part of its workplace profile states: “All staff were surveyed in the last 12 months to enhance understanding of our workforce demographics. The figures below represent a 94% response rate to the survey.”

Policies are in place to manage the ongoing collection of this information, which is provided on a voluntary basis by our staff. This information is now being utilised in workforce planning.

Assessment of the NZBS workforce confirms that the majority of staff are women (77% female compared to 23% male). It is similar to the female-dominated composition of the DHB workforce in New Zealand.

NZBS produced statistics and graphics depicting gender distribution, ethnicity, age distribution and disability.

Resources

Getting It Right: The Good employer
<http://www.neon.org.nz/crownentitiesadvice/>

Online reporting tool for Crown entities
<http://www.neon.org.nz/reportingtool/>

Pay equity tool
<http://www.neon.org.nz/payequitymonitoringtool/>

Flexible working arrangements – a guide for employers and employees
<http://www.dol.govt.nz/worklife/flexible/flexi-work-generic-guidelines.pdf>

Work Life Balance
<http://www.dol.govt.nz/worklife/index.asp>

Quick Guide to the Good Employer
<http://www.neon.org.nz/newsarchive/quickguide/>

National Conversation about Work
www.haveyoursayaboutwork.org.nz

Tracking equality at work
<http://www.neon.org.nz/trackingequalityatwork/>

A-Z, Pre-employment Guidelines
<http://www.neon.org.nz/azindex/>

Pregnancy Fact Sheet
http://www.hrc.co.nz/hrc_new/hrc/cms/files/documents/19-Oct-2010_15-02-36_Your-rights-as-a-pregnant-worker.html

Religious diversity at Work
[Religious diversity in the workplace - Human Rights in New Zealand // New Zealand Human Rights Commission](#)

The Good Employer

7 Key Elements

The 'good employer' values equity and fairness and has policies, programmes and practices that promote these values.

The 'good employer' makes maximum use of skills and strengths of all staff but has special regard for those groups often overlooked or marginalised - including women, Māori, other ethnic communities, people with disabilities and other minority groups.

Key elements of being a 'good employer' relate to recruiting, developing, managing and retaining staff to achieve the results set out in each Crown entity's Statement of Intent and output agreement.

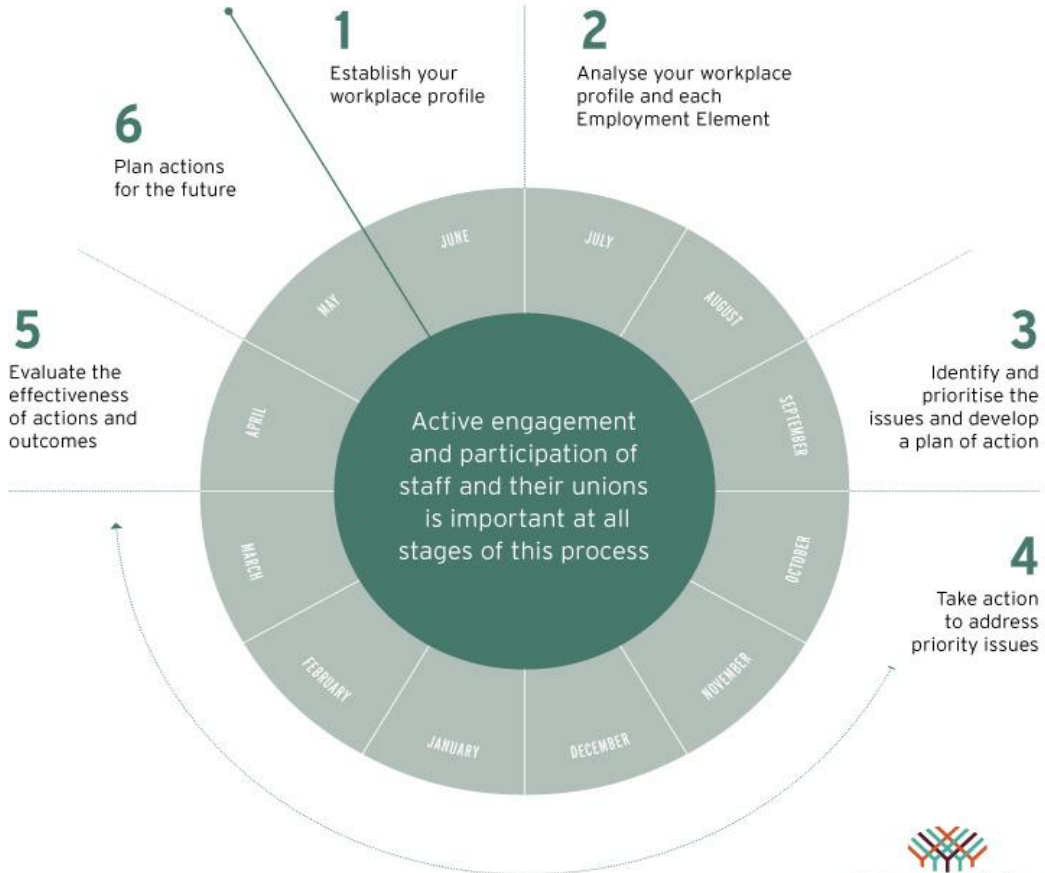


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- 1 Leadership, Accountability and Culture**
 - > strong leadership and clear vision where people are valued
 - > engagement processes with employees and their representatives and opportunities for them to engage and participate in organisational decisions.
 - > managers accountable for providing EEO and managing diversity
- 2 Recruitment, Selection and Induction**
 - > impartial, transparent employment process
 - > no barriers or biases to employing the best person for the job
- 3 Employee Development, Promotion and Exit**
 - > positive, equitable approach to developing all employees
 - > equitable treatment for all employees to move up, through and out of the organisation
 - > transparent and fair staff development practices in training, coaching, mentoring, promotion and performance management
- 4 Flexibility and Work Design**
 - > workplace design that assists employees balance work with the rest of their lives
 - > consideration of flexible work practices to accommodate staff employment requirements
- 5 Remuneration, Recognition and Conditions**
 - > equitable, transparent and gender neutral remuneration system
 - > equal access to job opportunities and conditions
 - > recognition of employee contributions
- 6 Harassment and Bullying Prevention**
 - > zero-tolerance of all forms of harassment and bullying
 - > managers and staff trained on their rights and responsibilities
 - > policies for addressing harassment complaints
- 7 Safe and Healthy Environment**
 - > pro-active approach to employee health, safety and well-being
 - > managers and staff trained on their rights and responsibilities
 - > obstacles for people with disabilities reduced
 - > environment that supports and encourages employee participation in health and safety

Development of Equal Employment Opportunities

A Change Model



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