



# GLOBAL WOMEN

28 January 2016

Hon Louise Upston  
Parliament Buildings  
Private Bag 18041  
Wellington 6160  
New Zealand

Dear Minister,

Thank you for sharing New Zealand's eighth report on the United Nations Convention on the Elimination of All Forms of Discrimination against Women (the Convention). We congratulate the Government and the Ministry for continuing to commit to improving outcomes for women across New Zealand and the progress made since the release of New Zealand's last seventh periodic report.

## **Executive Summary**

The eighth report shows the demonstrable impacts of targeted and consistent commitments to enable women to fully participate in the country's economic growth. However, Global Women believes more work needs to be done, particularly pay parity, parental leave and greater flexibility, and ensuring organisations are accountable to achieve progress in these areas.

Global Women supports the Government in continuing to address these issues and the following document provides insights and opportunities for consideration moving forward into 2016 and beyond. In particular Global Women would like to see:

- **Greater investment by both the Government and private sector to invest in leadership initiatives to support women's access to opportunities** to improve the numbers, acceptance and progress of women to senior leadership. Global Women encourages government policies which enhance workforce participation and ensure New Zealand women experience full equality guaranteed by law.
- **Broadening of the diversity agenda to include ethnicity and adopting targeted approaches.** As New Zealand moves closer to Asia in economic and trade terms and as the Māori economy continues to grow as a major political and economic force, ethnic diversity is more important than ever. Our growing Asian population and the largest Pacific Island population in the world are changing the make-up of our local society. Yet these areas of ethnic diversity are yet to be reflected in the composition of our senior leadership. Ethnic reporting is on the agenda for the Champions for Change business Summit on 14 March 2016 to establish a baseline and framework for reporting in line with international benchmarks. Truly diverse and inclusive leadership takes into account age, ethnicity and gender, resulting in a greater competitive advantage for New Zealand businesses.
- **A shift of focus from the Government and public and private sectors from setting and reporting on targets for gender to diversity and inclusion of leadership.** Tangible steps taken by both public and private sectors to secure pay parity throughout their organisations including more flexible working practices, support for women and men re-entering the workforce after having children and having structures in place to provide more flexible working options to New Zealand families without negatively impacting on organisations.



## Our recommendations

### 1. **Fostering greater participation in male-dominated industries.**

- Women are under-represented in industries that are traditionally male-dominated (science, mathematics, engineering, technology) and this is problematic for New Zealand's economic growth and overcoming unconscious and conscious bias around gender stereotypes (for example what is deemed men's vs. women's work).
- Global Women believes greater investment to support more women and girls into meaningful education and training, in particular to address under-representation into these traditionally male-dominated industries and sectors where high growth is expected. This is vital if we are to grow business opportunities both here and abroad.
- We must also allocate more resources in preparing women to be competitive candidates in traditionally male-dominated jobs and improving equal employment opportunities for the technical sector and apprenticeship training. This also extends to offering training to help our public institutions and industry partners create culture change to ensure training programmes and workplaces are gender neutral / sensitive to encourage participation.

### 2. **Translating improvements in womens' participation and achievement in education and qualifications to improved leadership diversity.**

- As identified in the eighth report, young women are leaving school with higher qualifications compared to their male counterparts and are more likely to participate in tertiary education, but are still lagging behind in terms of progressing into leadership positions.
- Global Women believes more emphasis needs to be placed on supporting female graduates to fully utilise their skills and talents in employment, including making the workforce more accessible and creating pipelines to ensure women are eventually moving into these leadership roles.
- We would also like to see Government invest further in scholarships and leadership development initiatives to support further access to opportunities for women to strengthen their leadership skills.

### 3. **Overcoming occupational segregation.**

- Occupational segregation is a continued pervasive and persistent problem and this is at the heart of over-representation of women in minimum wage jobs, such as aged care.
- Bidwell and Barbulescu's research out of Wharton University<sup>1</sup> suggests occupational segregation stems from cultural stereotypes, lack of outreach and information, limited pre-vocational skill training, disparate impact of selection criteria, discrimination and unconscious biases in hiring, and the challenge of being minority in a male-dominated environment with limited numbers of visible role models to build aspiration.
- The Ministry for Women work programme is a step in the right direction in addressing occupational segregation concerns; however, we believe the private sector also has a key role to play alongside the public sector using innovation to jointly establish policy and regulation appropriate to the workforce of today and future generations to come.
- The Government and New Zealand's business community need to work together to develop tangible solutions to tackle the origins and underpinning foundations of occupational segregation, such as establishing and enforcing gender equity policy and practice in our job training and career and education systems; changing the way jobs are structured / described to make them more gender neutral with application and hiring information reflective of this; and implement practices that reduce conflicts between work and family demands.

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<sup>1</sup> Bidwell M, Barbulescu R (2012). *Do Women Choose Different Jobs from Men? Mechanisms of Application Segregation in the Market for Managerial Workers*. *Organisation Science, Articles in Advance*, pp. 1-20.

#### 4. Advancing the rights of ethnic women and broadening the diversity agenda.

- Only 17% of the top 60 New Zealand firms have an executive who identifies with an ethnicity other than European/Pakeha (*EY, 2015*). In contrast, by 2033, Māori and Pasifika peoples will make up 30% of the population (*Statistics NZ, 2015*). Global Women has put considerable effort into developing and promoting employment opportunities to improve the current outlook for our Māori and Pasifika communities. We have identified supporting both ethnic diversity as well as the advancement of women in business as crucial to shift to a more inclusive workforce that can reap all the economic and societal benefits diversity can offer. The standards of existing selection criteria, the recruitment process, lack of cultural experience and understanding by recruiters and managers as well as unconscious bias are all current and substantial barriers to successfully hiring Māori and Pasifika interns and graduates today. We need to create more opportunities for the diverse population of New Zealand to have equal opportunities to be successful and prosper both in employment and at home and the community.
- The [Māori and Pasifika Corporate Pathways Project](#) we have catalysed is an innovative national internship and early career development programme to help address some of these issues. Its focus is on delivering sustained support for Māori and Pasifika tertiary students and early career graduates to fulfil their career aspirations and become business and community leaders in New Zealand and internationally.
- The programme launches in July 2016, with interns commencing employment in November 2016 and graduates joining the programme in February 2017.
- New Zealand's public and private sectors need to quickly address ways to provide an inclusive culture that values diverse experience and perspectives, and that allow Māori and Pasifika employees to operate with cultural integrity as critical for their successful retention and development. All employees, regardless of ethnicity, need to believe it is possible for them to succeed within the organisation, but more specifically for Māori and Pasifika, that they can balance their work and community leadership obligations. New Māori and Pasifika graduates can find it hard to see the road ahead, and need support to develop solid career aspirations and the pathway to achieving them. We believe our Māori and Pasifika Corporate Pathways programme could be a game-changer in achieving this.

#### 5. Achieving pay parity for women.

- Gender imbalances continue to hinder New Zealand to reap the full societal and economic benefits of a diverse workforce, particularly around pay parity and leadership opportunities.
- Women continue to be under-represented in remuneration compared to their male counterparts and this is not just a private sector issue, Government also needs to look at what further input they can provide to help close this gap and ensure the business community is kept accountable. However, there is no question that to effect real change more needs to be done from business leadership in both public and private sector industries to ensure their own organisations are making specific endeavours to secure gender parity.
- The agreement to increase parental leave, to be implemented in 2016 by the Government, is a positive move. However, New Zealand still falls behind 25 (out of 34) other developed countries in OECD rankings<sup>2</sup>. Beyond extending paid parental leave, employers need to look at flexible working arrangements for both men and women as society continues to shift the roles of primary care giver and we must develop strategies to help support women (and men) re-entering the workforce after having children. Advancements in technology and the ability to work remotely are speeding this along. However, a structure needs to be put in place to make more options available to New Zealand families without negatively impacting organisations.

<sup>2</sup> OECD statistics compiled by Parliamentary Library, March 30, 2015.



**6. The business case for diverse and inclusive leadership.**

- We need to provide more opportunities for women to be represented at the top level of business. Both the public and private sector has made gains in this area, but much less so in the latter. Encouraging and developing female leaders, especially in private sector, is an ongoing priority for Global Women. As an example, Global Women would like a minimum target of 30% female board composition as a best practice standard within five years, we believe transparency is the first stepping stone in bringing about the cultural change that will be needed to achieve gender diversity on boards.
- A study<sup>3</sup> that focused on 151 firms on the Australian Securities Exchange found that firms with two or more women board directors had higher returns on equity, higher market-to-book value (M/B), and improved corporate sustainability via higher social responsiveness. Gender-diverse boards have been shown time again to have a positive impact on different measures of firm performance and as a society we cannot afford for women to not be better represented in executive and directorship level positions.
- To specifically address women in leadership, Global Women launched Champions for Change in November 2015. The collaboration brings together a collective of New Zealand CEOs and Chairs from across the public and private sectors who are committed to raising the value of diversity and inclusion within their organisations and to implementing strategies to actively promote the concept amongst peers.
- Champions for Change builds on the momentum of the two-year DiverseNZ Inc initiative (convened through Global Women) that has successfully built a platform of knowledge, insights and practical tools for businesses to leverage diversity. Global Women will continue to provide the secretariat services for Champions for Change. A leaders' summit will be held on 14 March 2016 to set globally recognised benchmarks and goals not just for women in leadership but ethnicity as well, and agree on comparable metrics and reporting framework. The Summit will also establish reporting standards to be used, key areas of focus and work streams to be undertaken by the Champions. This is an exciting initiative that we envisage will effect real change throughout New Zealand's business community in the next 12 months.

**Closing word**

Global Women is proud to provide a perspective on this latest report on the United Nations Convention on the Elimination of All Forms of Discrimination against Women. We look forward to continuing to work with the New Zealand Government and our partners and members to further advance diversity and inclusion as core principles for business and a prosperous New Zealand economy and community.

Sincerely,

Faye Langdon,  
Managing Director, New Zealand Global Women

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<sup>3</sup> Jeremy Galbreath, "Are there Gender-Related Influences on Corporate Sustainability? A Study of Women on Boards of Directors," *Journal of Management & Organization*, vol. 17, no 1 (2011): p. 17-38.



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## **About Global Women**

Global Women was established in 2009. It is a collaboration of over 240 of New Zealand's most influential women leaders, 120 Breakthrough alumni, and 40 partner organisations with a commitment to promoting inclusion and diversity for improved societal and economic growth. The four strategic pillars of the organisation are:

1. Measuring and publicising - setting the tone for the debate and change needed to initiate key discussions and influence decisions.
2. Developing a diverse pipeline – understanding and delivering targeted action to reduce bottlenecks and galvanise outstanding diverse leaders.
3. Selectively leading specific initiatives - building on our active membership and delivering influential and expert initiatives to drive impact in diverse leadership.
4. Multiplying internal effort with external leverage - actively engaging with industry leaders as catalysts for change and to generate momentum.

Our long-term vision is that in a generation we will no longer need to discuss or bring attention to diversity as an issue, as it will already have been addressed. Global Women is committed to breaking down unconscious and conscious bias in relation to diversity and inclusion, and encouraging New Zealand business leaders to embrace and champion change. We also continue to strive to improve support networks for women.