

RESEARCH NOTES

Equal Employment Opportunity: Outcomes in the New Zealand Public Service

Fiona Edgar*

Two main assumptions have emerged in the literature concerning the most efficient means of achieving desirable Equal Employment Opportunity (EEO) outcomes in the workplace. Some argue that this issue is best dealt with under a voluntarist regime whereby individual organisations have discretion over whether and how they will deal with EEO, whilst others hold the view that positive results are more likely with the imposition of obligations or legislative requirements (Lunt and Pernice, 1999). This paper evaluates the EEO performance of the New Zealand public service, which is required to operate EEO policies and programmes (Section 56, State Sector Act, 1988). The impact of the legislation is assessed by examining the representation rates of women, Maori, and people with disabilities in the public service¹ compared to their rates of representation in the wider labour force.

Introduction

Prejudices and generalisations about certain groups in society lead to unfair discrimination. Discrimination affects members of these groups by disadvantaging them in the employment relationship. The consequence of continued disadvantage manifests itself in the under-representation of these groups in the workplace. The objective of equality in employment is pursued via three main strategies: (a) equal pay legislation aimed at ensuring that where men and women perform the same tasks they are paid the

* Department of Management, University of Otago. I would like to thank Alan Geare for his assistance in the preparation of this article. I would also like to thank the Labour Market Policy Group and FRST who have provided funding for this research.

¹ The State Services Commission (SSC) has also completed a draft discussion paper on EEO Outcomes in the Public Service, and the findings presented in this paper support those found in their study.

same pay; (b) anti-discrimination legislation aimed at ensuring minority groups are not subject to overt or covert discrimination in the workplace; and (c) proactive EEO legislation which requires proactive steps to facilitate the development of strategies designed to lessen the discriminatory barriers which have emerged over time (Whitehouse, 1992: 66). Equality in New Zealand workplaces has, in the main, been addressed through two legislative measures (the Human Rights Act 1993 and the Equal Pay Act 1972). These Acts cover employment practices in both the public and private sectors.

Equal employment opportunity has been dealt with somewhat differently. Some argue that remedies for past discrimination and improvements for future equality should be left to employers, employees, and unions, to discuss and negotiate. However, others argue that nothing significant will happen to effect change unless there is compulsion. New Zealand governments have not legislated for the proactive EEO in the private sector, preferring the non-interventionist view. However, as an employer the Government practices the compulsion approach and under the Good Employer provisions of the State Sector Act 1988, there is a legislative requirement for all government departments to operate EEO policies in their workplaces. This mandate further requires public sector employers to recognise the aims and aspirations of Maori and ethnic minority groups, the employment requirements of Maori, women and people with disabilities, and the cultural differences of ethnic minority groups. This legislation, whilst emphasising a "liberal" approach to EEO policy-making, also embraces some tenets of a "radical"² approach by naming four specific target groups³ the legislation is designed to benefit (Jewson and Mason, 1986: 307). Thus New Zealand provides a unique environment whereby the effectiveness of EEO legislation in terms of equality can be assessed in isolation from other legislative measures (i.e.: pay equity and anti-discrimination) by comparing the outcomes for these groups in the public service with outcomes in the wider labour force. It should be noted that the State Sector Act is not prescriptive with respect to EEO, so how individual employers in the public service achieve compliance is subject to some degree of managerial discretion; as such, the form and content of EEO policies are likely to be varied.

² In describing this approach as having characteristics associated with Affirmative Action, it is prudent to note that this can take various forms, which include (1) the recruitment of under-represented groups; (2) changing management attitudes by attempting to eliminate conscious or unconscious prejudices held by management or supervisory personnel; (3) removing discriminatory obstacles in employment practices which disadvantage certain groups; and (4) preferential treatment.

³ Greenlaw & Kohl (1996) claim that approaches to EEO based on the preferential treatment of certain groups are on the demise in the United States as they have been determined by the judiciary to violate the "equal" protection of all groups in society.

Background

The public sector workforce in New Zealand is not proportionately high compared to public service employment in other countries.⁴ Only 18 percent of the total workforce in this country are employed by the State.⁵ During the 1990s when employment in New Zealand as a whole grew by some 16-17 percent, public sector employment decreased by nearly 20 percent. This decrease was mainly in response to a reform process which began in 1984, aimed at making the public sector more efficient and accountable. The reform agenda was underpinned by managerialist and economic ideologies, and as such threatened the very traditional nature of public sector employment. To somewhat lessen this threat, the State legislated for "good" employment practices in the public sector. Section 56(1) and (2) of the State Sector Act 1988 (SSA), entitled the "Good Employer Obligation", mandates that all public sector employers develop and implement personnel policies in four areas: Recruitment and Selection; Training and Development; Health and Safety; and Equal Employment Opportunity. The inclusion of EEO in this core group helped to ensure that traditional public sector personnel objectives of social equity and social justice remained important goals.

Four groups have been specifically targeted in the EEO component of this legislation – Maori, women, ethnic minorities and people with disabilities. Twelve years have passed since the inception of the legislation, yet very little research has been done to evaluate its impact. This paper assesses the benefits of s.56 for EEO by comparing employment outcomes for three of the four target groups. The fourth group, ethnic minorities, has been omitted from this analysis because of the unavailability of suitable data.

Method

There are two measurable indicators that can be used to evaluate the effectiveness of s.56. The first is any alterations or changes evident in the "representation" of these target groups in the public service compared to changes to their representation in the total labour force – a variable which the legislation was designed to increase. The second is longitudinal changes in the proportional representation of these groups in public sector employment, at various levels throughout the organisation's "structure" or "hierarchy". The latter measure is the subject of a separate research note. Similarly, occupational segregation is another important outcome which may have been

⁴ A high level of variation between estimates of government employment as a percentage of total employment has been found and Whitehouse (1992) found the range varied from 6.3 percent (Japan, 1974) to 33.1 percent (Sweden, 1985).

⁵ The level of Government employment is associated with female participation rates and relative earnings. Whitehouse (1992: 77) found that "if government employment as a percentage of total employment were to increase by one per cent there would be an almost equal (0.96 percentage points) rise in relative earnings of women".

influenced by this legislation, but it has been omitted from this analysis due to the lack of consistent longitudinal data available. By analysing representation rates for the groups designated in s.56, it is anticipated that some assumptions about its effectiveness in this area of employment practice can be made.

Previous research by Whitehouse (1992) looked at the impact of legislation on EEO using "participation rates". This study uses "representation rates", as the latter measure is more useful and appropriate. "Participation rates" relate to the total working age population whereas "representation rates" relate to a particular population (for example: public service). Data for this analysis was obtained from the SSC and Statistics NZ.

Women in the public sector

Over the past decade there has been a gradual increase in the total number of females entering employment. The workforce participation rate⁶ for women⁷ has fluctuated slightly during the period 1987 (54 percent) through to 2000 (58 percent). This figure is similar to the mean combined participation rates for Australia, France, Germany, Netherlands, United Kingdom, Canada, USA, Switzerland, Japan, Denmark, Finland, Norway and Sweden which was 57.4 percent for the period 1974-1986 (1992: 71).

**Table 1: Representation rates for employed females (percent)
Public service and the total labour force**

| Year | 1985 | 1988 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|--------------------|------|------|------|------|------|------|------|------|------|
| Public Service | 37 | 46** | 53 | 54 | 55 | 54 | 55 | 57 | 56 |
| Total Labour Force | 42* | 42 | 45 | 44 | 45 | 45 | 45 | 45 | 45 |

Source: SSC (2000) and Statistics NZ - No public service data was available for the period 1988-1993.

* 1986 figure (data not collected in this format prior to this year).

** This figure has been estimated from a graph showing ratios of male to female staff in the public service (NZ Yearbook, 1990).

⁶ The percentage of this group who are employed as a percentage of the total working age population (not necessarily in paid employment).

⁷ The participation rate of males in New Zealand has decreased gradually (from 79 percent to 74 percent) during this 13 year period.

The data in Table 1 show that the number of women employed in the public service is now much higher (around 11 percent) than their representation rate in the labour force. Even though the rate of representation for women is steadily increasing in the labour force, the increase is occurring at a much faster rate in the public service, and as such the gap between these two groups is growing wider.⁸ The public service rate grew rapidly during the nine year period 1985-1994, and although there is no data for the interceding years, the same level of movement is not evident for the labour force.

However, women have always been significantly better represented in the public service. This high representation has largely been attributed to the very nature of public service work itself. Whitehouse (1992: 70) states that the state sector "provides the sorts of jobs in which women historically have been concentrated". The emphasis this sector has traditionally placed on social equity and social justice has also served to produce working conditions which are more favourable to women (Borland, Hirschberg and Lye, 1998; Disney and Gosling, 1998; among others).

Maori in the public sector

The overall participation rates for Maori in the New Zealand labour force have declined during the period 1987 through to 2000 from 67 percent to 63 percent. The decreased level of participation for this group may be attributable to the effects that flowed from the process of deregulating the New Zealand economy and its subsequent impact on employment. This resulted in a high number of redundancies and job losses during this period, especially in the lower skilled areas of employment, such as the forestry industry, where Maori were heavily concentrated. Unemployment rates for the total working-age population correspondingly increased from four percent in 1987, peaking at 11 percent in 1993, and levelling out at around seven percent in 2000. Maori were disproportionately affected throughout this period, but apart from women, the participation rates for all other groups also declined.

Relative to their rate of representation in the labour force⁹ Maori are much better represented in the public service (see Table 2). But it is unclear whether this high representation in the public service is solely attributable to their inclusion as a target group in the SSA, as Maori have historically been well represented in state sector employment in New Zealand. Notwithstanding this, there has been considerable improvement for Maori since the SSA was introduced, with their representation rate more than doubling during the period 1988-1999. This suggests that there has been a greater emphasis placed on recruiting Maori into State employment post 1988. Table 2 shows the representation rates for Maori in the public service and labour force by gender. From 1994 onwards the public service has outperformed the labour force, with their representation rates for Maori nearly doubling those reported for the labour force.

⁸ In 1988 and 2000 women comprised 51 percent of the working age population.

⁹ In 1988 Maori comprised 9 percent of the working age population and this increased to 10 percent in 2000.

The outcomes for Maori women are especially encouraging. Given that in 1988 the representation rate for Maori was around seven percent, both in the public service and the wider labour force, these findings strongly suggest that the legislation influenced this outcome. However, the missing data makes this inference slightly tenuous, especially when the SSC has documented in a report on EEO that Maori representation in the public service experienced a decrease during the period 1988 to 1992. On the other hand if this decline was prompted by the reforms mentioned previously, then it becomes not unreasonable to suggest that these positive outcomes evident over the past six years are a reflection of legislative impact.

**Table 2: Representation rates for employed Maori (percent)
Public Service and the total labour force by gender**

| | 1988 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|------------------------|------|------|------|------|------|------|------|------|
| Public Service - Total | 7 | 14 | 14 | 15 | 15 | 16 | 16 | 17 |
| Male | - | 6 | 6 | 6 | 6 | 6 | 6 | - |
| Female | - | 9 | 8 | 9 | 9 | 10 | 10 | - |
| Labour Force - Total | 8 | 7 | 7 | 8 | 8 | 8 | 8 | 8 |
| Male | 5 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Female | 3 | 3 | 3 | 4 | 4 | 4 | 4 | 4 |

Source: SSC (Various Reports) and Statistics NZ – No public service data was available for the period 1989-1993.

The majority of Maori staff employed in the public service are located in only six departments – Department of Corrections, Department of Courts, Department of Labour, Department of Social Welfare, Inland Revenue and Te Puni Kokiri (Ministry of Maori Development), with 54 percent being employed within the Department of Labour, Department of Corrections and Department of Social Welfare. It is therefore a possibility that these high representation rates reported for the public service in general are more the result of some departments making excellent progress in this area, whilst the performance of others may only be mediocre.

People with disabilities

Statistics New Zealand do not collate a comprehensive data set for this group. So the analysis of outcomes in terms of people with disabilities can only be inferred using data from the Household Disability Survey conducted in 1996 and the State Services Commission.

**Table 3: Representation rates for employed people with disabilities (percent)
Public service and the total labour force**

| | 1988 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 |
|--------------------|------|------|------|------|------|------|------|------|
| Public Service | 21 | 21 | 23 | 20 | 20 | 15 | 13 | - |
| Total Labour Force | - | - | - | 13 | - | 11 | 10 | 10 |

Source: SSC (2000) and Statistics NZ, 1996 National Disability Survey

Table 3 shows that whilst representation of this group is declining in public service employment, they still have proportional representation with their overall representation in the total labour force. Should this downward trend continue in the public service, then it suggests that the legislation may have had an initial impact for this group, but that the impact has not been a sustained one. A possible explanation for this situation is that there are four groups named in the legislation, and it is reasonable to speculate that there are competing interests among these groups, with the result being that this particular group has not received as much attention as the others (Lunt and Pernice, 1999). It should be borne in mind, however, that the data for this group must be viewed cautiously as classification into this group is based on self-reports, and there is no way of knowing whether individuals change their own classification thinking over time.

Conclusion

The imposition of s.56 has forced public service employers to adopt a range of minimum standards in order to meet compliance with respect to EEO in their organisations. The benefits of legislative compliance for employers can be seen, at one end of the continuum, to minimise the risk of legal action, and at the other end, to promote policies and practices which break down structural barriers which may have served to disadvantage certain groups in the workplace. There are a variety of different initiatives which have been adopted by public service workplaces which have been

aimed at ensuring compliance. For example, a longitudinal comparative analysis of job advertisements placed by both public and private sector organisations found that post-1988 most public service workplaces significantly altered the composition of their advertisements to promote a commitment to EEO, and encourage applications from target group members. This change coincided with the inception of the legislation, and its likely intended objective would have been to provide a wider pool of potential applicants for job vacancies. This, in turn, would enhance the employment opportunities for certain groups. No such change at this time was evident in private sector job advertisements. Given this difference and the timing of this change it is highly plausible that the composition of public service job advertisements altered as a direct result of Section 56, thus contributing to the improved representation rates of EEO target groups in the public service.

In sum, it would appear that members belonging to target groups identified in the State Sector Act legislation fare better in public service employment compared to the wider labour force, especially Maori and women. However, whether we can attribute these outcomes to the legislation is difficult to say given the paucity of longitudinal data available. The public service has documented its own progress though, and this provides an indication of the commitment to EEO, as well as providing a strong impetus for employers to achieve results in this area. There is some strong statistical evidence found in this analysis which supports the conclusion that the legislation has been effective. The results indicate that, with respect to representation rates, the public service consistently and comprehensively outperform the general labour force. The representation rates found in the public service are nearly double those for the wider labour force.

But should this data be viewed with caution? Some would argue the New Zealand public service has always strived to promote equity and social justice in the workplace. Whitehouse, for example, found that the level of government employment was positively correlated with the relative earnings and participation rates of females in the workforce. On the other hand, Oswick and Grant (1996) found that state reforms in the United Kingdom led to the demise of EEO as a business objective for public sector employers. Also many private sector managers have now transferred into the public sector. Therefore it becomes unlikely that past public service traditions and ethos alone are responsible for this outcome. Thus, it appears that Section 56, the "Good Employer" obligation contained in the State Sector Act has had some measure of success in producing better EEO outcomes by increasing the employment opportunities for target group members by affording them improved access to public service employment.

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