Diversity and Inclusion System Stocktake

Summary Report

This paper summarises the key points emerging from the stocktake survey of diversity and inclusion that was carried out in September 2017 to form a baseline picture. The survey consisted of 81 questions, offering either a yes/no response or free text. The list of agencies that responded to the survey is given in Appendix One. The response to the survey was broad and in depth, and this report presents some of the excellent work taking place in agencies, split into themes.

All 36 agencies have started their work in different places. Some have formalised organisational frameworks, policies and other settings. Others have focused on building their organisational culture and inclusion. This variation is to be expected. Not everything can be done at once, especially in the case of small sized agencies. Agencies need to focus on the areas that are most relevant to their people and business.

Overall, it is pleasing to see that agencies are actively putting in place infrastructure to build diverse and inclusive workplaces. This is consistent with the aspirations of the State Services Leadership Team (SSLT), which comprises the chief executives of the 36 State sector agencies that participated in the Diversity & Inclusion (D&I) System Stocktake Survey.

Leadership commitment - setting the course

All successful agencies show leadership commitment to D & I. The key is ensuring this commitment is translated into appropriate organisational settings. Agencies can have many different starting points in this process.

A good focus on diversity and inclusion frameworks

Most agencies have good policy and strategic frameworks in place to direct their D & I efforts. Senior leadership teams approve most of these policies, strategies and their related objectives, indicating ownership and governance of diversity and inclusion work.

The stocktake results also highlight the strong understanding that D & I delivers benefits for the workforce and organisational efficiency. D & I also adds value to the production of outcomes or results for citizens and New Zealand and this understanding could be deepened.

There are opportunities to broaden D & I conversations within agencies and across the system to raise employee engagement and awareness of the wider extent of benefits. Agencies could achieve this through their internal communications, potentially using their Agency Profiles.

Other ways of capturing leadership commitment are.

- **Chief Executive statement on D & I**. These are commonly published with the D & I policy on the agencies' intranet and explain the benefits of diversity and inclusion to the broader organisation. All 36 agencies have made the commitment, and this is reinforced by a formal statement in 24 agencies.

- **D & I strategy.** Most agencies have a D & I strategy. It is more common for larger agencies to have a D & I strategy although they are also present in smaller agencies. Many agency strategies are included in other strategies, commonly the People/ HR Strategy and overall business strategy.

- **Clear objectives.** Most agencies have clear objectives for the D & I strategy. The focus for these objectives is assessing and reducing the gender pay gap, reducing unconscious bias and increasing Māori representation across the workforce.

- **A development path for objectives.** Successful agencies are broadening the range of objectives they have around D & I in the next year, often as a programme of review.

- **Formal diversity and inclusion policies.** In the majority of agencies the policies are included with other policies or maybe linked to EEO policies.

Capacity - teaming up

From what agencies told us, the infrastructure supporting diversity and inclusion is reasonably well developed. This provides a good platform for the delivery of initiatives to lift diversity and inclusion. Most commonly, organisational efforts are led by Chief Executives and/or their Senior Leadership Teams, reflecting SSLT's shared commitments.

More specifically, the stocktake survey found:

- **Senior leadership buy in and effective governance.** Successful agencies have responsibility for D & I held at the top with the executive leadership team most commonly responsible. Senior leaders usually oversee or support D & I governance structures or key diversity groups such as a D & I Steering Committee, a D & I Advisory Group and a Women's Advisory Governance Group.

- **Responsibility for reaching objectives.** Not all agencies are able to devote dedicated resources to D & I. This is particularly the case in smaller agencies. If dedicated resources cannot be used, the agency also needs to be clear who will be responsible for reaching established objectives.

- **Shared resourcing.** The majority of agencies utilise part time or shared resourcing for D & I. Some use human resource or organisational development staff to implement D & I programmes as part of their role.

- **Employee networks.** Using employee networks enables bottom up approaches which can support culture and change in organisations. These professional networks are sometimes described as employee resource groups or EEO designated groups, reflecting their foundation within the State Sector Act 1988.

  - The majority of agencies have a Women's Network in some form. Māori staff networks are the second most common form of network. At the time the stocktake survey was taken, there were 13 agencies with LGBTQI+ or Rainbow Staff Networks. A small number of agencies use their network groups to discuss work and bring their perspectives to policies and/or issues, which relate to their group, that the agency is working on.

  - In most agencies, the purpose of network groups is to:
    - create connection with and support for like-minded people
    - have activities that promote and educate to create understanding of that group
    - discuss, learn about and, in some cases, address issues relating to that group. This can include sharing career experiences and supporting professional development.

- **Cross-system networks** are emerging to connect agency employee groups with each other. The most established of these is the Government Women's Network (GWN). A Rainbow Network is also emerging. Employee networks are a key part of infrastructure to build diverse and inclusive workplaces and guide work to achieve system priorities.

Action – the building blocks of change

Agencies are taking a range of actions to increase diversity and inclusion. This can be across any stage of the employment relationship, from employee attraction, recruitment and induction to professional development and career progression. This involves bringing a D & I focus to existing and new programmes and initiatives.

The range of initiatives in place reflect the different organisational contexts of agencies and the diverse communities they serve. It is pleasing to see that in agencies, there are clear priorities on gender, Māori and Pasifika consistent with chief executives shared commitments and current Government policy in addressing inequalities for these groups.

Talent Management

Good D & I practice starts before the recruitment of staff. The majority of agencies are conscious of the need to attract and recruit employees reflective of New Zealand's diverse communities. This capability brings diversity of thought to the work that agencies do.

The majority of agencies have attraction and recruitment strategies to increase their workforce diversity. This is broadly supported by the analysis of job applications and recruitment statistics that can identify issues and highlight areas of focus. The delivery of unconscious bias training also supports talent management practices to increase diversity and inclusion.

More specifically, agencies offer:

> A survey respondent noted that:
>
> *… we frequently review our recruitment processes and tools for effectiveness from many perspectives, including from a diversity perspective. We have, for example, paid particular attention to our graduate and internship recruitment process to improve our ability to broaden our communication to potential applicants and to do so with engagement on their cultural terms. We are currently reviewing our broader recruitment policies and guidelines and looking at further opportunities to incorporate diversity and inclusion principles within them.*

- **Capability building.** A majority of agencies provide opportunities for all staff to build their understanding and skills to better respond to diversity and create an inclusive environment. This can include informal professional development through work assignments, mentoring relationships, networks and other learning opportunities.

- **Opportunities for staff from diverse groups.** Many agencies have professional development opportunities specifically targeted towards Māori employees. Some agencies observed that they do not restrict such opportunities to certain groups of staff.

- **Training.** Opportunities on offer varied between agencies, but a common focus is unconscious bias training.

- **Mentoring.** The majority of agencies have mentoring programmes. Mentoring is a common practice across all sizes of agencies.

Capability Building

Across the system, there is a focus on building organisational capability to respond to diversity. A key focus is growing cultural competency, with the majority of agencies indicating they have cultural competency programmes in place.

There is generally an established focus on making opportunities available to all staff to build skills in understanding tikanga, te reo and other aspects of Te Ao Māori. This opportunity for staff to develop understanding of Treaty relationships, Māori culture, language and practices is extremely common among agencies, giving primacy to Māori as treaty partner.

> A survey respondent noted that:
> *The fourth objective of our new DI Strategy is to 'Build Cultural Competency': a programme will be developed to improve the depth and breadth of cultural competency across the organisation.*

What is not so clear is whether these cultural competency programmes are focused on building knowledge of all cultures, or mostly on Māori, at this time.

One of the most common Diversity and Inclusion initiatives in agencies is Employee Networks, noted earlier. Across agencies, the two most common networks are for Women and Māori employees. Networks are a key element of capability building, activity and part of communication.

Pay Gaps

Pay gaps are an indicator of workforce inequalities in the workplace.

All agencies have a strong commitment to addressing the Gender Pay Gap, with a formal process to review and address any gaps that may exist. This established focus is consistent with priority at system level to close the gender pay gap in the Public Service.

Most agencies are still to develop a formal, documented process to review and address ethnic pay gaps. This reflects that closing ethnic pay gaps is in an earlier stage of understanding and development, relative to the longer historical focus on the gender pay gap. System-level diversity and inclusion work aims to address this as a key priority.

Opportunities for staff from diverse groups

Targeting development opportunities towards diverse groups is not a strong feature across the system. Generally, opportunities are open to all employees. However, there are some agencies that do target capability building, most commonly to Māori employees, and some to Pasifika employees. These approaches may reflect a focus on Māori as tangata whenua and Treaty partner. Workforce gaps and under-representation by occupation and seniority is another area being addressed through these initiatives.

Where agencies that have an Early in Career Programme, the main focus is on ethnic diversity, with a particularly strong focus on Pasifika culture. Agencies are not yet generally tracking retention rates/career progression of diverse groups, and therefore are not targeting development opportunities towards them.

Wider dimensions of diversity

Other dimensions of diversity including disability and the needs of multi-generational workforces are still emerging. This includes a focus on LGBTQI+ and Rainbow across the system. The majority of agencies have not undertaken work or been involved in projects to support the inclusion of LGBTQI+ and Rainbow communities. However, there are good examples of how agencies are supporting LGBTQI+ through having Rainbow or other LGBTQI+ networks and showing support for recognition events, such as annual Pride Parades. Unconscious bias and flexible work are important areas of focus for agencies, with the majority of agencies having unconscious bias training currently available for employees. A number of agencies are in the process of launching it soon.

Communication – telling our story

Communication both within and between agencies is a key building block to success in diversity and inclusion. Whilst there are pockets of excellent communication, in general internal communication can improve. This will help employees to be part of dialogue and support organisational efforts.

Notable aspects of communication are the following:

- The majority of agencies make their D & I reporting accessible to their stakeholders, both internal and external. More activity is undertaken to communicate with stakeholders, than is directed to internal communication with staff.

- Few agencies have an internal communication strategy or activity for D & I and where this exists, this is more common in larger organisations.

> What are some of the key benefits to D & I? An agency told us:
> *The other key benefit we see is that it's 'Mission Critical'. We are an agency that has significant growth through to 2020.*
> *To grow to the extent required within the timeframes provided we must ensure that we are accessing more of the talent available than we currently are. Growth also provides us with a perfect opportunity to improve diversity within our workforce more quickly than would otherwise be possible.*

- D & I information and demographic data of employees are most commonly reported to the Senior Leadership Team and in the organisation's Annual Report.

- The most common communication channel supporting D & I strategies and events is through the intranet, a weekly email/message from Chief Executives, and through an internal employee magazine.

- D & I is widely celebrated across the system, with the most common events being Language Weeks.

- Many agencies have had a Senior Leader/Manager invited to talk on D & I at a public forum in the past 12 months.

Learning – continuous improvement

To ensure success, agencies need ways to track progress so they can improve over time. They need to measure the right things and include review points to refine their D & I approach. This includes creating an end-to-end view throughout each stage of the employee's time in the agency, from recruitment through to departure.

Robust data collection, monitoring and analysis helps agencies to shape and adapt initiatives that will enable agencies to achieve their D & I objectives over time.

Most agencies actively analyse job application and recruitment information. However, most are not yet generally tracking retention rates/career progression of diverse groups, and therefore are not targeting development opportunities towards them.

There is significant potential for agencies to use the data they already collect to assist them to implement and refine their D & I strategies, plans and initiatives. More specifically, successful agencies review recruitment processes for effectiveness from a D & I perspective. The frequency of this review currently varies greatly, from three yearly to 'constantly'.

Increasing data quality and coverage through standardisation is a system priority with developments expected in this area over the coming year.

Next steps

The Stocktake is an information base from which agencies will set their direction individually and collectively decide their next actions to lift diversity and inclusion. The next steps for agencies will be:

- All agencies will confirm the top priorities for their people and workplaces.
- Agencies with less formalised organisational processes will continue to consolidate their baseline.
- Some agencies are positioned to be system leaders and will share their good practices and tools.
- All CEs together will decide priorities for the system that will enable rapid progress, especially in areas that are of low or emergent activity.

Concluding comments

The stocktake survey has highlighted a large range of areas of good practice, along with a number of opportunities for improvement. The survey has shown that whilst many large organisations have formal strategies and policies in place, this is not always the case with small agencies – nor should it necessarily be due to their size.

The findings of the stocktake survey provide a useful baseline for agencies to improve, and also a useful baseline for the system as a whole.

This baseline shows all agencies have started their work in different places. This variation is expected as not everything can be done at once. Agencies are focusing on the areas that are most relevant to their people, business and organisation size. In this way all agencies are together building State Services that reflect, understand and value the diversity of the communities we serve. This equips us to deliver services, results and inclusion that will make a difference for all New Zealanders.

APPENDIX 1

Agencies Participating in the Diversity & Inclusion System Stocktake Survey

- Accident Compensation Corporation
- Crown Law
- Department of Conservation
- Department of Corrections
- Department of Internal Affairs
- Department of the Prime Minister and Cabinet
- Education Review Office
- Government Communications Security Bureau
- Housing New Zealand Corporation
- Inland Revenue Department
- Land Information New Zealand
- Ministry for Culture and Heritage
- Ministry for Pacific Peoples
- Ministry for Primary Industries
- Ministry for the Environment
- Ministry for Women
- Ministry of Business, Innovation and Employment
- Ministry of Defence
- Ministry of Education
- Ministry of Foreign Affairs and Trade
- Ministry of Health
- Ministry of Justice
- Ministry of Social Development
- Ministry of Transport
- New Zealand Customs Service
- New Zealand Defence Force
- New Zealand Police
- New Zealand Security and Intelligence Services
- New Zealand Trade and Enterprise
- New Zealand Transport Authority
- Oranga Tamariki—Ministry for Children
- Serious Fraud Office
- State Services Commission
- Statistics New Zealand
- Te Puni Kōkiri - Ministry of Māori Development
- The Treasury