

8. PAY AND EMPLOYMENT EQUITY

"No, I don't really think there is a problem of discrimination for women who work in the sector. After all, most of us who work here are women. I think the problem is the difference between what we get paid and what they pay people in the other sectors."

Stevens, J. (2005) "Exploring Employment and Pay Equity in the Aotearoa/New Zealand Not-for-Profit Sector." Research paper for a Postgraduate Diploma in Not-for-Profit Management, University of Waikato, p. 7.

This response from an employee interviewed back in 2005 regarding pay and employment equity in our sector is not uncommon. However, the very fact that the sector is predominantly staffed by women means that its work has traditionally been undervalued. The issue of pay and employment equity in our sector is therefore worth looking at more deeply.

WHAT IS PAY AND EMPLOYMENT EQUITY?

Pay and employment equity is about ensuring that pay, conditions, access to the full range of jobs at all levels of the workplace, and experiences in the workplace, are not affected by gender.

THE GENDER PAY GAP

Quarterly employment surveys produced by Statistics New Zealand show that women continue to earn less than men for doing the same work. In June 2008, women earned 87.4% of men's average hourly earnings and 79.6% of men's average weekly earnings.

Factors that contribute to the gender pay gap are inter-related and include:

- The jobs women do - women are often clustered in a narrow range of occupations
- The value put on women's jobs - the skills and knowledge that women bring to female-intensive occupations may not be acknowledged or valued appropriately
- Work arrangements and caring responsibilities - more women than men combine primary care-giving with part-time work.

The cumulative impact of low pay during a woman's working life affects her ability to prepare for retirement, support her family and disadvantages her standard of living during her old age.

Tackling employment equity in areas like recruitment and promotion, flexible work arrangements, and leave for caring responsibilities are all critical to helping close the gender pay and employment gap, and can benefit employers too.

WHAT DOES IT MEAN FOR OUR SECTOR?

In our sector, as in other female-dominated workforces, pay and employment equity means properly valuing the work that is done - on its own terms.

It is true that we cannot ignore the problems caused by lack of pay parity with the public sector and general market. As discussed elsewhere in this resource (see remuneration discussion in Guide 9), remuneration in this sector lags behind that of the public sector and general market by a margin of 20 per cent or more. It is important that this gap be closed.

However to simply use this as a focus for valuing the work of the sector potentially does the sector a disservice. Firstly, the public service has its own pay equity issues. But secondly, and perhaps most importantly, sector work needs to be valued on its own terms. Jobs in the tangata whenua, community and voluntary sector utilise a complex range of skills and responsibilities, and employees characteristically have to deal with a very wide range of relationships. Employees in our sector are very skilled generalists - which makes them very attractive recruitment prospects. So, with all due respect to public sector employees, comparing sector roles with public sector ones may actually undervalue the sector's work.

Returning to issues of gender equity, it is undeniable that our sector, particularly at the lower-paid end, is predominantly female. Because occupations in the sector are seen as traditionally female, they tend to be undervalued. Each reinforces the other.

Māori and Pacific Island women employees in our sector are particularly at risk of suffering from pay inequity as a result of both gender and racial discrimination.

"There's too many of our Māori women who will just up and leave and never speak of the discrimination they suffer. There needs to be organisations that Māori can go to safely to get advocacy around employment issues."

(Stevens, 2005:7)

What does all this mean for our sector? As values-based organisations with a caring kaupapa, it becomes even more important that sector organisations operate from a values base, highlighting their role in the community, and not competing with each other to become the cheapest service deliverer. As a sector we must start to make more visible the real value of the work done in the sector, work that is complex, highly skilled, and mostly done by women.

WHY PAY AND EMPLOYMENT EQUITY MATTERS FOR SECTOR EMPLOYERS

Pay and employment equity benefits sector employers, because employees who are valued are more competent, upskilled, committed to the organisation, work harder, and show more initiative - and are therefore able to offer more effective service to their communities.

Pay and employment equity also assists with staff retention, as employees who are valued and respected are less likely to leave. Each time an employee leaves, an employer incurs turnover costs (often up to three times the employee's pay rate). This cost is multiplied by the number of employees who leave an organisation because they can't get flexible hours, are treated

disrespectfully or believe their pay rate or the recruitment practices to be unfair.

Implementing pay and employment equity across an organisation will help increase the diversity of the workforce at all levels. The employer can gain a wider range of applicants, styles, backgrounds, knowledge and experience, and the organisation can benefit from a wider range of approaches - and can respond to a broader range of community needs.

PAY AND EMPLOYMENT REVIEWS

The Pay and Employment Review process developed by the Department of Labour identifies how employment in organisations is working, including what's working well, and any opportunities for progress. This evidence assists employers to refine and improve their existing pay and employment practices.

The Equitable Job Evaluation tool *Working Towards Gender Equity* provides rigorous evidence to identify whether, and if so to what extent, gender affects pay levels. Any job evaluation system can be used in a pay investigation, as long as it meets the Standards New Zealand *Gender-Inclusive Job Evaluation Standard*.

Information

- www.dol.govt.nz/services/payandemploymentequity - The Department of Labour's Pay and Employment Equity Unit can provide information about pay and employment reviews. Contact the Unit via its website or phone 04 915 4613
- www.hrinz.org.nz/Site/HR_Info/Pay_and_Employment_Equity - The National Advisory Council on the Employment of Women (NACEW) in collaboration with the Human Resources Institute of New Zealand (HRINZ) have adapted on-line and downloadable tools to assess pay and employment equity practices. Any employer who has an interest in pay and employment equity can use them. The tools encourage employers and human resource professionals to gain a better understanding of pay and employment equity issues by looking deeply at current practices, as it is often difficult to see discrepancies on the surface.