



**National Council of
Women of New Zealand**

Te Kaunihera
Wahine O Aotearoa

National Office
Level 4 Central House
26 Brandon Street
PO Box 25-498
Wellington 6146
(04) 473 7623
www.ncwnz.org.nz

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**Submission to Ministry of Women's Affairs on the
Discussion Document: Next Steps Towards Pay Equity**

The National Council of Women (NCWNZ) is an umbrella organisation representing 42 nationally organised societies. It has 34 branches throughout the country attended by representatives of those societies and some 150 other societies as well as individual members. The Council also operates an electronic discussion group for younger women, inviting comment from them on various topical issues. The purpose of the Council is to serve women, the family and the community at national and international level, through study, discussion and action. Ten Standing Committees undertake specialised work for the Council. The members of these Committees are drawn from Branches and the nationally organised societies, and because they are from all over the country, work largely by correspondence and email. A Circular is prepared each month to provide members with up-to-date information on many matters, and to give an opportunity to contribute to current issues.

Copies of the Ministry of Women's Affairs *Next Steps Towards Pay Equity* were distributed by NCWNZ to its membership and comments were invited on the questions raised in the document. This submission has been prepared from responses received from 17 branches, 4 nationally organised societies, 3 standing committees and a number of individuals. The interest shown and the range of opinions that have been expressed indicate the importance women place on this issue. This submission sets out to collate the suggestions made by members in order to add to the discussion.

NCWNZ Policy

NCWNZ has been committed to pay equity since its formation in 1896 and has passed many resolutions on the subject. The first resolution was passed in 1897:

That in all cases where men and women are engaged in the same work either in the employment of Government or of private individuals, equal wage should be paid for equal work.

Thirty-four resolutions or affirmations have been passed supporting pay equity. The last resolution passed in 1986 stated:

That NCW express its concern over the Government delay in undertaking the Equal Pay study it announced in May 1986 and seek assurance from both the Labour and the National Party that the legislative changes to remedy to remedy the defects in the 1972 Equal Pay Act will be introduced with all speed.

NCWNZ had a representative on the Commission of Inquiry on Equal Pay in 1972 and made a significant submission to that Commission. Copies of NCWNZ submissions made to the Commission of Inquiry on Equal Pay 1972 and the Employment Equity Bill 1990 are enclosed (71/3, 72/4, S.90/14, S.90/55). NCWNZ presumes that in preparing this discussion document the researchers have consulted the material submitted to working groups like the Commission of Inquiry 1972 and the Working Party on Employment Equity 1990 in order to gain the historical background.



The gender pay gap and the marginalisation of women employed in casual and part time work are two key areas of concern raised by women during the preparation of the NGO CEDAW Report 2002.

NCWNZ has expressed its concerns recently not only about equal pay for work of equal value but also about equal pay for equal work and would support a review of the compliance with the Equal Pay Act 1972.

Executive summary

NCWNZ:

- has policy supporting pay equity.
- has policy supporting equal pay for equal work and equal pay for work of equal value.
- believes the gender pay gap is discriminatory and it is therefore a human rights issue.
- believes that there has been a traditional undervaluing of women's work.
- recognises that women's involvement in tertiary education is at least equal to, if not greater than, men's in most tertiary institutions. Women attain comparable, if not better, levels of success. A lack of skills cannot be used as a reason why, within 6 months of graduating, women earn less than men in almost all sectors. This indicates systemic discrimination.
- recognises that women tend to congregate in certain sectors such as the caring professions and as a result experience lower rates of pay, because of the perception that this work requires less skills.
- believes that a number of things affect women's opportunity for involvement in paid employment, eg unpaid work, family commitments, role as the main caregiver, availability of child care and elder care, sole parenthood. As a result many compromise their options and bargaining power to seek positions in paid employment that are compatible with their particular circumstances. This can result in being paid less than they are worth.
- recognises the need for Maori and Pacific men and women to increase their uptake of tertiary education.
- recognises that the Government as the largest employer of women should lead the way. It must ensure that it complies with its obligations as a signatory to various UN and ILO Conventions, that it complies with the Equal Pay Act 1972 and acts as a good employer. It must set up a process for gender neutral job evaluation and trial it within the public service, leading onto implementation of equal pay for work of equal value policies within the public sector. Once established this process can be introduced to the private sector.

Discussion

1. Do you think there are jobs or occupations in which New Zealand women are paid less than men for the same or equivalent skills?

While the vast majority of responses replied in the affirmative, this question is not as straightforward as it might appear. The question can be interpreted as men and women with the same or equivalent skills undertaking the same job or occupation not receiving the same remuneration - in other words equal pay for equal work. Or it can be interpreted as jobs and occupations requiring the same skill base not receiving the same remuneration - in other words equal pay for work of equal value. Campaigns over the last fifty years have tended to apply different definitions to "pay equity" "equal pay" and "equal value" and it is important that the focus of the discussion be absolutely clear.

**Can you give examples of jobs in which women's skills are under-rewarded?**

Responses identified the following jobs or occupations in which they considered women's skills are undervalued: caring professions - nursing, care givers of the elderly, child care, care givers of the disabled, home care workers, social workers; teachers - kindergarten, primary; retail workers; service industry - waiting, catering, cleaning; secretarial work - medical secretaries; librarians; factory workers; sportswomen.

While a number of responses compared police work with nursing as having comparable skill levels and yet different levels of remuneration it is interesting to note that many nurses have a degree level entry and the police a six months training course.

What factors do you think contribute to this?

A number of responses mentioned the following:

- The traditional undervaluing of "women's work".
- The lower rates of remuneration in occupations or jobs employing large numbers of women. Teaching and nursing were frequently given as examples. This is seen by some as discrimination and therefore a human rights issue.
- Women are heavily represented in casual and part time employment. Women often choose to undertake casual or part time work because of their family commitments. Some women work part time for 'extra' money. Others work part time so as not to affect their benefit entitlements. Few of these women are unionised. Exercising this choice for whatever reason should not be used as an excuse to justify lower status, and reduced access to pay and conditions.

It is interesting to note that NCWNZ's submission to the Commission of Inquiry into Pay Equity in 1971 requested an increase in part time employment as a means of providing mothers with an opportunity to take part in paid work. At the time a 10% surcharge was payable to all part time workers.

- There is an assumption in some areas that women's incomes are secondary or supplementary to their partners' incomes. This is not so for many women particularly those heading single parent families. Women often have to fit their employment around a male partner's employment commitments.
- The caring occupations often employ untrained staff where the only skills required are those "that come naturally to women". This minimises the importance of these skills and this is reflected in the level of remuneration. On the other hand some occupations involving skills related to "what comes naturally to women" now require formal training eg cooking and serving food, childcare.
- Because women are still the major care givers they have to juggle family and work commitments more so than men and this restricts the type of work and time they are able to put into paid work. One of the reasons that women continue to work in the caring professions is that they employ staff all hours of the day and night, weekends and public holidays, and this provides the flexibility that women need.
- Many care-givers are employed by community organisations who are traditionally under funded and often wrestle with a volunteer mentality.
- Women often choose not to take up positions of responsibility because they know it will conflict with their family responsibilities.



- The negotiating skill of individuals is seen as important in setting rates of pay. Women have historically not been good at bargaining but there is a feeling that young women, especially those in middle management, are becoming more assertive in discussions with their employers about rates of pay and conditions of employment. On the other hand some women, for example immigrant women, are still less likely to be assertive and accept low wages without question. An employer intent on keeping the wage bill down will prefer these women over others.

However, assertive women are often labelled “aggressive, competitive, unwomanly, lacking femininity” and these comments can be made by women as well as men.

Other matters raised include:

- Women less likely to pursue advancement or grievances as they do not want to risk losing their jobs especially if they have responsibility for dependent relatives.
- Women know they have less chance of securing a position because: they may need time off for family commitments; employers are likely to be men who will have a preference for employing one of their own. Consequently women ask for lower remuneration in order to increase their chances of being offered the job.
- Women who have been out of the workforce are often grateful to have a job and therefore accept lower pay. This is supported by work places having individual contracts and not having set pay scales based on experience and skill required for the position. Employees are paid on the basis of what they will accept rather than an amount set for the position.
- Women often undertake voluntary work where there is no need for formal qualifications and often no pay eg parent help rather than teacher aide.
- Lack of employment options in rural areas can restrict women’s choices. This can force women into low paying casual or part time positions.
- As long as centralised pay scales exist then the only way to raise female rich occupations such as nurses is for government to raise rates across the board to equate with male rich occupations such as police officers. The private sector would then have to match or better wages to attract and retain staff.
- Men are not attracted to occupations with lower pay rates, so they remain largely “women’s work”, pay rates remain low and the cycle continues.
- The glass ceiling was thought to operate in the professions. Women’s response is often to set up their own practices. Professional groups must be encouraged to adopt equal pay for equal work. Some believe that legislative change is the only way that this will become a reality.

Some respondents gave actual examples which back up some of the general statements:

- M was employed in the IT department at a tertiary institution before he graduated. He was promoted to manager when his immediate superior moved into the private sector. At his graduation a female colleague said it was embarrassing that he hadn’t been a graduate as he was earning more than she was although she had more experience and qualifications in administration.



- N was employed by a tertiary institution which was reducing staffing levels. N was offered equivalent work in another department but was threatened with redundancy as she was the most recently employed in that department. She was asked to do extra work out of hours and was generally made to feel that if she did not comply she would be made redundant. She successfully applied for another position in the same institution.
- “I have not gone past being a senior teacher as it did not suit me to take on further responsibility while caring for family, ageing ailing parents and in-laws. When I did feel able to apply I discovered I would not get an increase in pay.”
- Women are more likely than men to be principals in small schools. Principals in sole charge or in 2-3 teacher schools tend to be women. They not only have to do the same administrative tasks as a bigger school but they also have to teach. They have no ancillary staff.
- “Our principal left and the Acting Principal X who was a woman applied for the position. Although she had proven leadership qualities, excellent administrative skills and was highly respected by the community she did not get the position. The Board thought she would have trouble with discipline so they selected an authoritative looking man. X has subsequently had two other DP positions before being appointed as a principal at a school which had had a woman principal. There is a preconceived notion in many communities of principals as headmasters.”
- Husband and wife with almost identical qualifications have had different employment experiences. He got a job almost immediately he graduated, she did not and when she did get a position it was at a rate considerably less than her husband. She is now also in the public service. He is being groomed for promotion, she is not despite having superb organisational skills and an excellent ability in personnel management.
- “Over the past year I have been to at least 12 interviews for a job. I was asked without exception how much I expected to be paid. When I stated what I thought my hourly rate was I was asked why. It is very difficult for a prospective employee to know how much is a fair rate of pay for the work as there is no longer any structure to the pay system.”

2. The government currently does a number of things that can help reduce the gender pay gap. What else do you think could be done? Why do you think this could help?

It was suggested that in order to make a difference for the greatest number of women the emphasis should be on the lower paid jobs in large occupational groups and large organisations. Although the difference in remuneration is often greatest in high paid jobs the overall effect on the gender pay gap would be smaller than targeting lower paid jobs.

A number of respondents called for the Government to lead by example and should ensure that all areas of Government are committed to pay equity. It was suggested that the government should undertake a comprehensive analysis of rates of remuneration, conditions of employment, employment record, records of promotions and training for men and women within the public sector. If this information does not exist then an audit of the public service should be undertaken. This would also provide an opportunity to ensure that employees in the public sector are receiving equal pay for equal work. The government must ensure that it is complying as signatories to various UN and ILO Conventions. The private sector will not comply with the Equal Pay Act 1972 if the government is not seen to support equal pay for equal work. There has been some concern that areas of the public service are not operating under the philosophy of pay equity.



Many respondents commented on the need for a better understanding of the employment of women in the private sector. If the information does not currently exist then the government should undertake the necessary research. This research should further the survey carried out by NCWNZ into casual and part time work with a view to determining scientifically to what extent women are marginalised by undertaking casual and part time work. There is a belief among women that casual and part time work makes a major contribution to the gender pay gap. Ninety percent of the respondents in the NCWNZ survey said it was their choice to work part time, but a statistical sample would determine whether this is in fact a true reflection.

When the results of both these audits are known the Government should consider amending the legislation if necessary. There is a feeling among some women that the gender pay gap will only decrease through legislative intervention.

It was suggested that when contracting with the private sector the government should audit the organisation's employment policies with respect to rates of pay and conditions of employment before entering into any formal contract. Evidence of failure to be a good employer should result in no contract.

The importance of EEO policies was mentioned by several respondents. The government must increase support for EEO policies in the first instance within the public sector, and should ensure that adequate funding is made available to support a dedicated EEO agent. Employers operating proven successful EEO policies should be rewarded in some way. There is a suggestion that EEO policies in some sectors eg teaching are little more than tokenism. One respondent said her sons who qualified for education grants were not prepared to apply because they did not want to enter their courses tagged as token Maori or Maori quota. They believed this would imply they had got in with lower qualifications. They felt this would be demeaning.

It was suggested that random monitoring of private sector employers should be introduced to ascertain whether they comply with the Equal Pay Act and whether EEO policies are in place.

Several respondents commented that Government should take the initiative in recognizing the true value of caring skills, and re-educate both business and society on the value of these skills.

Access to affordable quality childcare is still an issue for many women and has a major effect on the type and duration of work that women are able to undertake.

A number of respondents commented on the need to improve the availability of basic information for employers and employees on employee rights, dispute resolution, and union membership. While this could target young employees there is also a need for older women returning to the workforce, different ethnic groups and disabled women. It was suggested that an awareness campaign on employment rights along the lines of the anti-smoking campaign would reach a large sector of the population. This would include TV advertising. The point was made that any information campaign should include young men as many of them will be the employers of tomorrow, and attitudinal change takes time to implement.

It was suggested that the Job Evaluation Kit 1990 could be a valuable starting point for developing a resource for cross occupation comparisons, but it must recognise differences between urban and rural, large and small business.

It was suggested that the government should encourage initiatives that will improve women's negotiating skills eg seminars, website material, articles in the print media. Government could work in partnership with organisations like NCWNZ to run negotiating seminars for young women, immigrant women, Maori women, Pacific women, disabled women.



It was suggested that women should be encouraged to join unions. Unions are considered to be in a better position to negotiate wage rates and undertake collective wage bargaining.

Women are concerned about the cost of tertiary education. Government must ensure that the cost of tertiary education does not get beyond the reach of ordinary New Zealanders and that families are never put in the position of having to choose which of their offspring will proceed to tertiary education. Accessible and affordable tertiary education will ensure that women continue to have the same educational opportunities as men which will in turn ensure that they have the same employment opportunities. Consideration should be given to allowing women to repay a percentage of their student loans commensurate with the percentage they earn of men's hourly rate. It was suggested that students should be given an allowance equal to the unemployment benefit.

Several respondents expressed concern about the negative stereotypes of women portrayed in the media. It was suggested that the Government should raise the Broadcasting Standards so that the media is prevented from stereotyping women in ways which are not indicative of the majority of women's lives. Consider sending out different messages – mothers as the bankers of our futures, work in caring for/managing a family, etc. Encourage the media to profile successful women. They also expressed concern about the lack of women's sport in the media and it was suggested that the Government should instruct the Broadcasting Authority to increase the ratio of coverage of women's sport to men's sport.

The importance of working with Maori and Pacific people was recognised in order to alter perceptions of what women can achieve. Perhaps Ministry of Women's Affairs could develop seminars for women to promote career advancement issues. Many saw a need to upskill and train Maori and Pacific women so as to increase job opportunities. Poor language skills can act as a deterrent to employers. But the need to build self esteem was also recognised and the effect that family violence has on women seeking and retaining employment.

One respondent suggested that a move to individual performance based pay negotiations would go some way to remove gender bias.

Several respondents favoured a return to award rates.

3. In future policy work to address the gender pay gap, what kinds of things could government do to ensure equal pay for work of equal value?

A number of respondents thought legislation was the only way to address this matter. Some believe that there is a need for multi-party agreements to ensure that there is not a repeat of 1990 when the Act was repealed.

There was support for comparing one job with another. One respondent suggested that occupations could be numerically compared using equivalence tables based on:

qualifications/skills required; experience/years of service; responsibility for clients; responsibility for staff; physical difficulty, personal risk to safety; hours of work and flexibility with hours; time away from home/family; etc.

Several respondents thought the most effective way of ensuring pay equity for Maori women was to positively recognise and value their skills in Te Reo/Tikanga Maori.



What are possible features of an effective policy?

Role of Human Rights Commission

There were a range of opinions concerning the Human Rights Commission's involvement. If we regard the gender pay gap as a human rights issue then it is entirely appropriate that the Human Rights Commission should have a role to play. It was suggested that a human rights approach based on individual complaints had limitations and that legislative change should be implemented in the first instance. But we understand that the restructured Human Rights Commission has changed its emphasis from basically complaints oriented to include advocacy and education. This new structure would allow HRC to have a role in complaints resolution, advocating for legislative change, as well as educating employers and employees. HRC was seen as an organisation which would bring about a fair result for women. It is assumed that HRC would be adequately funded to carry out these roles.

Several respondents saw the HRC performing a monitoring role after the job evaluations had been developed by an agency such as the Department of Labour, Ministry of Women's Affairs or Employment Tribunal although the need for independence was also raised.

However we are aware of MWA's role in providing gender advice on government policies and it would seem important that MWA is kept in the loop given its expertise in gender issues.

b. Employment laws and human rights laws working together.

There was strong support for the need for legislation to enforce equal pay for work of equal value and that the legislation should work together.

c. Gender Neutral Job Comparisons

While there was support in principle for gender neutral job evaluations based on a points system it was considered by some to be more relevant for large occupations and organisations. There was some concern expressed about the extra work that this might entail for small businesses who are already complaining about compliance costs. New Zealand has a large number of small businesses in which no two people do the same thing. There was a plea for a commonsense approach taking cognizance of the economic climate.

It was suggested that as a first step Government as the largest employer of women should trial a system within the public service and that this system could be tailored for future use in the private sector. Concern was expressed about the cost of implementing any system. It was also suggested that any system should be implemented slowly within the private sector and that an authoritarian approach might not be in women's best interests.

Bonuses and fringe benefits to individuals were seen as a means of circumventing honest job evaluations.

While cross-firm comparisons were seen as necessary as there are no longer award rates, concern was also raised about cross-firm comparisons because of small business inability to pay comparable wages with larger companies even though the job requirements may be the same. Cross-firm comparisons would on the other hand uncover anomalies. One respondent commented that cross-firm comparisons would not be possible for higher paid jobs as pay rates tend to be negotiated on an individual basis.

d. Union involvement

There was a strong feeling that unions had a role to play in establishing criteria for job evaluations, in advocating for women, and in setting collective wage agreements based on the outcome of the evaluations. Unions were seen as providing support for women if/when needed.



Conclusion

During the past century women have worked very hard to achieve pay equity as demonstrated by the numerous resolutions and submissions prepared by NCWNZ. The response to MWA's latest discussion paper *Next Steps Towards Pay Equity* from the NCWNZ membership was considerable, indicating that women still regard this as an extremely important issue. While a diverse range of opinions have been expressed there is no doubt that women still support equal pay for equal work and equal pay for work of equal value. Government must now move to make this a reality as it is essential if women are to make progress in achieving economic independence. MWA is to be congratulated on putting together such a comprehensive document on pay equity. Its challenge now must be to achieve some positive outcome for women in this area.

Beryl Anderson
National President

B.W. Glenie
Convener, Employment Standing Committee