

Chapter 5

Women in Leadership Programme, New Zealand

5.1 Context

The Government of New Zealand has a long and vibrant history of promoting gender equality. As the first country where women won the right to vote, it has since championed the participation of women across all levels of society and has been rated one of the best places to work as a woman.¹ In spite of key advances in the workforce, women continue to be under-represented in management and leadership roles. As of 2012, women held 14.75 per cent of private sector directorships. According to Equal Employment Opportunities Commissioner, Dr Judy McGregor: 'A total of 45 companies in the top 100 are still without female representation, which is simply poor business and unacceptable...' (NEON 2012). Although women's representation in public sector leadership is stronger, growth has slowed.²

Based on current trends, the New Zealand Census of Women's Participation estimates another 35 years before boardroom equality is reached (McAteer 2013). A recent study commissioned by New Zealand's Ministry of Women's Affairs has substantiated these claims, demonstrating that at the current rate of change, it will take 21 years to reach the 30 per cent representation mark (McAteer 2013). At every level of the workforce, women drop out or stall below top leadership positions, creating a 'leaking pipeline' of talent for New Zealand's management sector.

5.2 Key institutional actors

The Ministry of Women's Affairs (MWA) is the primary actor responsible for advising the government on how to create a better New Zealand for women. As the national women's machinery, it is responsible for providing policy advice on how to improve the situation of women across the country, as well as suitable women nominees for state sector boards and committees. MWA works closely with other agencies, departments, NGOs and the private sector, particularly in relation to increasing women's leadership potential across the public and private sectors (see *Facilitating strategic partnerships and alliances* section 5.5 Strategies). Additionally, the ministry provides support and policy advice to the National Advisory Council on the Employment of Women, an independent advisory body that monitors women's employment.

5.3 Theory of change

The MWA has championed efforts to increase women's management and leadership positions, focussing on addressing 'pipeline' challenges in two main areas, women on

private sector boards and supporting the government target of 45 per cent of women on state sector boards. For MWA, stronger gender balance is not just a goal unto itself, but has long-lasting and countrywide impacts for organisational performance and productivity. Basing its theory of change on the growing body of international evidence demonstrating the economic value of increasing gender diversity, MWA asserts that more women in leadership will bring diverse views to the decision-making table. This correlates to better decision-making and organisational performance, as well as stronger connections to clients, stakeholders and investors.

MWA has leveraged several arguments in order to make this case: more women in leadership leads to a wider variety of perspectives to generate innovative business solutions; increasing women in leadership positions will strengthen governance performance across both public and private sector entities; it is necessary to leverage the untapped human capital of women, since women outnumber men in educational achievement; and broader social concerns, such as interests of the family or the household are more likely to be taken into account when women are represented. By drawing on this interrelated set of arguments and evidence, MWA presents a business case for why gender diversity and increasing women's leadership must be a priority.³ Through this evidence-based and business framework, MWA aims to increase the percentage of women in leadership roles and their representation in management.

5.4 Social institutions and discriminatory norms

MWA recognises that there is an urgent need to address the 'leaking pipeline' that leads to women stalling or dropping out of their careers before reaching the senior management level, including the lack of flexible working arrangements, support networks and mentoring, and negative attitudes about women as leaders in the workplace. The ministry also recognises that measuring success in terms of increasing women's leadership does not just depend on increasing women on boards, but through a variety of decision-making and leadership positions across society. The realisation of these goals is still hindered by social institutions and discriminatory norms, which deter women from reaching their leadership potential. MWA and its women in leadership programme aim to tackle these issues from several different standpoints:

Informal cultural norms and exclusionary practices: The primary focus of MWA's women in leadership programme is to address the informal norms and discriminatory practices that act as impediments to women's progression along the career pipeline. These manifest in demand and supply side constraints, where women are either perceived as unqualified or have faced barriers to enhancing the skills needed for leadership roles. For example, the 'mummy track' gender stereotype around women as primary caretakers persists with women often having to take extended career breaks to respond to family duties. Additionally, qualities associated with being a 'good leader' are often correlated to traits thought to be inherent to men – self-confidence, individualism or control – which leads to the phenomenon of 'think leader, think male'. As such, these types of cultural norms become diffused throughout organisational cultures, creating an environment where men's leadership

is privileged. Such social beliefs impact the ability of women to progress in their careers as they face widespread stereotypes, influencing wider societal viewpoints on women's capabilities and position in the labour force. As part of the women in leadership programme, MWA champions evidence and research to demonstrate the downsides of these norms.

Women's and men's consciousness: Another major barrier for women's leadership is the unconscious bias of individuals and key decision-makers. As stated by MWA, unconscious bias in the way that we see and evaluate women creates invisible barriers to women's leadership (MWA 2013). Related to the social norms described previously, unconscious bias often manifests in the behaviour of senior leaders and decision-makers, whose negative attitudes may hinder the progression of women into senior roles. MWA's programme works to address these underlying perceptions of gender. Through research and evidence-based advocacy, MWA raises awareness on unconscious bias at the individual level: for example, by disseminating resources such as agendas or checklists in order to assist decision-makers in addressing their unconscious biases (2013).

Access to resources and opportunities: One of the greatest resources that is lacking in the effort to increase women in governance and management roles is a formal channel for accessing qualified, female candidates. As part of the women in leadership programme, MWA provides a platform for realising this goal. Working across a range of ministries, MWA's database facilitates the appointment of women to state sector boards and committees, nominating qualified women to these positions. Additionally, the programme provides access to different career resources in order to strengthen female capacity to participate in senior positions.

Formal policies: The Government of New Zealand has a number of policies and institutional mechanisms in place regarding women's employment. These include: paid parental leave for both male and female parents; and the Employee Relations (Flexible Working Arrangements) Amendment Act, which came into force in 2008, offering flexibility to employees with the aim to assist careers that balance work and family life (MWA 2010). Over the timeframe of the Commonwealth Plan of Action for Gender Equality, several new policies have been implemented in the private sector as well (see *Facilitating strategic partnerships and alliances* in section 5.5 Strategies). These institutional mechanisms aim to increase the monitoring of women in leadership positions and produce results that MWA can then use to advocate for increased gender diversity.

5.5 Strategies

The MWA has launched several strategies to promote and increase women's leadership across New Zealand, including the design and implementation of a comprehensive, multi-pronged strategy to increase women's leadership, focussing on 'pipeline' challenges for women's career progression in New Zealand. Efforts centre on two areas of concern: women on private sector boards and supporting state sector boards. More broadly, MWA works across three priority areas in order to implement the women in leadership agenda:

- **Thought leadership** is provided on how to improve participation rates of women, particularly in governance and board positions. For example, MWA launched several publications on the state of women's leadership roles in New Zealand, commissioning comprehensive studies to provide additional data and analysis. It also assisted private sector actors (both international and domestic), providing information, networks and strategies to increase their ability to address women in leadership issues.
- To support government policies for women in leadership, MWA maintains a **database of women available for appointment to state sector boards**. In 2013, MWA responded to over 190 requests for candidates and provided advice to decision-makers on suitable women candidates for sector boards and committees (MWA 2014).
- To serve as a reliable source of technical expertise and information on women and leadership. In addition to commissioned research and publications, MWA undertakes the **annual gender stocktake of women's representation on state sector boards**, and the results are used to advocate for and encourage progress on appointing women to leadership positions.

Across these priority areas, there are several key strategies that have proved to be particularly effective. For example, much of MWA's success has been built on generating research and facilitating strategic partnerships and alliances. To date, MWA has commissioned three major research reports: *Realizing the Opportunity: Addressing New Zealand's Leadership Pipeline* (2013); *Transforming Cultures to Grow Women Leaders* (2012); and *Women on Boards: Why Women on Company Boards are Good for Business* (2009). These publications have allowed MWA to base its strategies on a strong foundation of evidence-based research and advocacy.

Facilitating strategic partnerships and alliances has also been a particularly effective tactic. MWA has worked with leaders across the private and public sector, regulators, and professional organisations and entities, such as the New Zealand Stock Exchange (NZX). For example, in partnership with MWA, NZX has introduced the NZX Diversity Listing Rule, which requires listed companies to report on the gender composition of their board of directors and senior managers. The ministry has also worked with a group of private sector champions called the 25 Percent Group. Comprising 11 board chairs and chief executive officers (CEOs) from a selection of private and multinational companies, it promotes the goal of 25 per cent women on private sector boards. MWA has worked in partnership with this group to establish the Voluntary Code of Practice for Board Recruitment, to support gender-diverse recruitment strategies. Finally, MWA has worked with NGOs, such as Global Women or Diversity New Zealand, to increase leadership and governance capacity across a range of different industries in New Zealand.

By working with this broad range of actors, MWA creates an environment in which women's leadership is nourished. Instead of only addressing the deficiencies of women candidates, MWA focuses on broader societal and organisational change to foster encouraging environments for women to be able to realise these leadership goals.

5.6 Outcomes to date

To evaluate the women in leadership programme, MWA undertakes annual monitoring on the state of women in both the public and private sectors. Mechanisms such as the New Zealand Census of Women's Participation or MWA's annual Gender Stocktake are used to collect statistical data. New initiatives, such as the NZX Diversity Listing Rule, will be used to monitor private sector progress. Finally, commissioned research and additional publications (including from NGOs and other sources) are used to bolster the evidence base on women's leadership.

In the public sector, the proportion of women in the workforce has been steadily increasing over the last decade. Yet, even with these initiatives, the goal of 45 per cent women in senior leadership positions has not been met. As documented in the 2013 Human Resource Capability Survey of the Public Service Department, women's leadership positions were at 41.5 per cent, while the Gender Stocktake indicated that women comprised 40.5 per cent of state sector board appointees in 2012. Although reaching more than 40 per cent of women in public sector leadership positions should be recognised as a success, stagnant growth continues to hinder the ability to reach the government's targets.

Gains for women have also been seen in the private sector, but to a lesser extent than in the public sector. From 2010 to 2012, the position of women in leadership positions increased from 9.32 per cent to 14.75 per cent and is projected to reach 22 per cent by 2016. While increasing numbers are a positive factor, this example illustrates the very marginal gains women are making in leadership positions, particularly in private sector management.

The programme on women's leadership has inspired larger, constituency-wide impacts. For example, due to heightened awareness and attention brought by MWA, the State Services Commission, in partnership with public service chief executives, has developed a centrally co-ordinated talent identification initiative for senior public servants. Spill over effects have also been seen across sectors outside the current government or private sector board focus. For example, MWA assisted the New Zealand Defence Force to evaluate its pipeline of women in military service, and New Zealand Customs to establish a diversity council and career pipeline for women working in customs.

At the organisational level, MWA's initiatives have demonstrated success in increasing the visibility of gender in both the private and public sectors. One of the main goals of MWA's programmes has been to change organisational cultures in order to foster environments that encourage women's leadership roles. Shifts in organisational culture can be seen in the key decision-makers that have been engaged with and partnerships established. NZX's establishing diversity targets and the formation of the 25 Percent Group demonstrate the ever-increasing importance of gender diversity to companies, executives and high-level decision-makers. By highlighting the importance of gender diversity in boardrooms and company settings – either through evidence-based research or wider leadership initiatives – MWA continues to make these issues visible and to promote gender-friendly shifts in organisational cultures.

5.7 Lessons learned and the way forward

The benefits of recruiting and retaining talented women in leadership roles are clear across the Commonwealth. Through its multipronged approach to address ‘pipeline’ challenges to women’s advancement, the women in leadership programme offers some lessons for other countries on effective strategies for tackling social norms and other barriers to women’s career progression. This case study highlights mechanisms for identifying ‘board ready’ women and tracking appointment to boards, strengthening private and public sector partnerships, and developing an evidence base to demonstrate the importance of women in leadership for both organisational productivity and the wider society.

MWA has identified other specific actions that organisations can take to realise the benefits of attracting and retaining talented women leaders, which are likely to resonate across Commonwealth countries:⁴

- **Raising awareness and developing actions to address unconscious bias, which creates invisible barriers to women in leadership** within organisations and companies. Awareness-raising challenges stereotypes and myths around women’s lack of skills or the association of leadership qualities to specific gendered characteristics, and helps to overcome invisible barriers to women’s participation.
- **Supporting talented women to return to work or re-enter the workforce in jobs that fully utilise their leadership skills** and value what they can bring to an organisation. This requires shifting employer attitudes to breaks in employment, to support women to maintain an upward career trajectory. Informal social norms attribute women’s role to be as primary caregivers; these need to be challenged or at least matched by flexible arrangements enabling women to meet family or child-rearing responsibilities. Unless these barriers are addressed, pipeline challenges will continue for women, including at the height of their careers.
- **Aligning policies, workplace practices and organisational culture to support effective flexible working arrangements for all employees**, which may include non-traditional hours, part-time work and career breaks. This requires addressing the informal and formal penalties often experienced by those taking up flexible options.
- **Proactively planning and managing of women’s leadership careers** in a way that supports their career and life choices. Employers need to explore ways that their organisation’s career paths and talent management plans can better accommodate career breaks and flexible work, along with rethinking notions of ‘experience’ and a traditional upward career path.

Driving these actions is what MWA defines as an executive led strategic approach to transformational organisational change, which shifts existing mind-sets and behaviours in support of gender balance in leadership. The Government of New Zealand recognises that more women in governance and leadership is a shared social goal, one that will take a long-term commitment and the combined efforts of the private, public and community sectors to create cultures of equality. Despite the

complexity of the issue and challenges to be overcome, MWA remains committed to creating a work environment in which women's leadership can flourish. Building on current efforts, MWA expects to see more women across New Zealand involved in decision-making and governance roles.

Notes

- 1 The country is ranked 7 out of 136 countries on the 2013 *Global Gender Gap* report and first on *The Economist* glass-ceiling-index (2013); its labour force participation rate is 63.7 per cent. Currently, New Zealand has the lowest (9.9 per cent) gender pay gap for the entire Asia-Pacific region. See: Ministry of Women's Affairs (MWA) (2014).
- 2 For example, the 2013 annual Human Resources Capability Survey of Public Service Departments showed a small decrease from 2012 to 2013: women held 42.1 per cent of senior leadership positions in 2012 and 41.5 per cent in 2013. See: Commonwealth Secretariat (2014), Annual Consultation of Commonwealth NWMs 2014, Women's Leadership for Democracy and Development in the Commonwealth.
- 3 For example, MWA uses recent research, such as Borkin (2011), to demonstrate this importance, citing how closing the gap between male and female employment would boost New Zealand's gross domestic product (GDP) by 10 per cent.
- 4 This section draws on actions identified in the Annual Consultation of Commonwealth NWMs 2014, Women's Leadership for Democracy and Development in the Commonwealth and MWA (2013).

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