

**AOTEAROA
STATE OF
WORKPLACE
INCLUSION
2021 REPORT
(ASWI 2021)**



ABOUT THIS REPORT

The Aotearoa State of Workplace Inclusion 2021 Report (ASWI 2021) is the annual wrap-up of observations, trends and emerging themes in the work of diversity and inclusion in Aotearoa New Zealand.

It curates the important developments in our policy and media landscape, highlighting significant new research released, reflecting on our work across the private and public sector, and connecting the dots to give an indication of whether we are making progress or not, and what might need to feature in our plans for the upcoming year to keep moving forward.

As the national body for diversity, equity and inclusion (DEI), we believe that it is important to document this journey because any work that involves social and behavioural change is difficult, taking an emotional toll on the practitioners involved in activating such change.

In connecting the insights throughout the DEI ecosystem, we wish to motivate and enable everybody to learn from the increased body of knowledge, and also to gather the information to be able to monitor our collective progress in shifting the dial on diversity and inclusion across the country.

Over time, we will be able to look back across this annual record of events and be encouraged by how change happens.



Maretha Smit
Chief Executive

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OVERVIEW

It has been another difficult year for organisations and employees globally. The effects of the Covid-19 pandemic in respect of our traditional ways of working have continued to disrupt most aspects of labour. Global reports on diversity, equity, and inclusion (DEI) have therefore, not surprisingly, concentrated on how adapting to new circumstances in an era of uncertainty has come with new challenges for employers and employees.

Mental health, inclusion in a hybrid work environment, remote collaboration, fears of DEI regression, and new forms of inequity and inequality have all been common subjects of analysis in practitioners' and academic work during the year.

This report gives an account of how workplaces across Aotearoa New Zealand have experienced and adapted to the challenges, worries and sudden changes that transpired during the year.

This is of specific relevance because the effects of the second major lockdown in our country's pandemic response has been felt very unequally across the motu. While Auckland has been subjected to high levels of restrictions for more than three months, the rest of the country has had relatively high levels of freedom. The sense of national unity – our team of five million – has diminished during the final months of this year, which has started to raise concern about our overall sense of national cohesion, and what this meant for organisations and industries trying to sustain a sense of “inclusion” across a national workforce.

If anything, the pandemic dynamics have once again surfaced the importance of trust as a critical ingredient to achieve outcomes and change. As restrictive as the recent round of lockdowns have been, public polling returned resounding popular support for them. But when we look at the subsequent conversations around vaccination, it is clear that those communities with the highest levels of distrust in our structures of authority are also the ones who have been most resistant to being early adopters of the vaccines.

And similarly, while we still experience high levels of cohesion in Aotearoa New Zealand, the global sentiment is one of increased polarisation, which raises questions about how this might manifest in workplaces over time. One obvious example is the current conversation about vaccination but there might be more in the year to come, and the role of leaders to create inclusive cultures that can stretch across the increasing chasm in individual opinion will be critical.

If one is to reduce this past year and this report to one word, it would be “awareness”. A common thread in this year's narrative has covered issues around raising higher levels of awareness about the numerous and diverse difficulties experienced by members of non-dominant groups in our workplaces. The tangible effects of the pandemic have caused organisations to reflect deeply on their values.



Considering global trends, we noted in September that organisations in New Zealand were unlikely to be immune to ‘The Great Resignation’, a term coined by Texas A&M University’s Professor Anthony Klotz to describe the current socio-economic event in which record numbers of employees, across the globe, are leaving their jobs. This was supported by the findings from the Wellbeing at Work study, carried out over the past year by the Auckland University of Technology (AUT), in which it was found that the proportion of employees not considering leaving their jobs had halved, from 19.1 per cent in May 2020 to 9.2 per cent in April this year. The AUT study found that the group with the highest intention of quitting their job were under-30 year-olds at 48 per cent, followed by the 31 to 50-year-old group at 42 per cent, then 20 per cent for the group above 50 years old.

Not surprisingly, employee wellbeing has been a recurrent topic in the work of most DEI specialists in New Zealand. Overall we observe important trends in that regard. Broadly speaking these include:

- An emphasis on how employee wellbeing has been affected by working under extreme uncertainty during a global pandemic
- A growing concern for how members of diverse groups experience such uncertainty and face challenges and barriers differently
- The disproportionate impact that the Covid 19 pandemic has created in the recruitment, development, and retention of diverse talent across New Zealand industries and geographies.

In terms of our five more commonly explored dimensions of diversity, the following are the recurrent topics we observed during this year:

Gender: The impacts of Covid-19 on gender have been enormous, with women more likely to lose their jobs when compared to men. Similarly, and in keeping with our observations in last year’s report, the pandemic has brought back to our attention issues in terms of traditional household responsibilities and structures, including the difficulties faced by single parents to deal with hybrid forms of work.

Ethnicity: This year has further increased our awareness of historical inequalities between Māori and Europeans and their effects in the workplace. Furthermore, Covid-19 has also raised awareness of how such inequalities can be exacerbated in times of crisis. In

the migrant arena, the effects of having our borders closed for another year brought significant impacts to our workplaces and the way organisations operate, but especially to the wellbeing of thousands of migrant employees witnessing families and loved ones being affected by Covid-19 in their countries of origin.

Rainbow: Although differently impacted by the global crisis, this was a year in which our Rainbow communities generated a lot of attention on issues of mental health and wellbeing flowing from historical legacies of exclusion. Considerations regarding trans and non-binary inclusion in the workplace have gained further momentum, which often presented a reality check for workplace inclusion where these subjects were thought to be a thing of the past.

Disability: The past year has a mixed record when it comes to disability. On the one hand, employers show an increasing concern around the challenges that Covid-19 brought to some members of the disabled communities, and some interventions were indeed proposed and implemented. Yet, the effects of such interventions seem to be limited, with disabled employees experiencing consistently high rates of unemployment and continued inequity in respect of development and remuneration.

Age: In 2021, we have also witnessed a further decreasing interest in age challenges when compared to other dimensions of diversity. This is of particular concern considering the effects that this year’s reengineering of the labour market has played across specific age cohorts. People over 50 years of age have found themselves disproportionately impacted by Covid-19-related redundancies and underutilisation. Thousands of people in this age bracket found themselves suddenly unemployed or their businesses radically changed, which often required a change in career paths and retraining to enter new industries.

But just as we have identified numerous concerns and challenges during this year, we have also witnessed a myriad of creative and inspirational forms of adapting, responding and succeeding from a unique New Zealand perspective. We’ve had some significant structural advances, through the establishment of ministries focused on the wellbeing of non-dominant groups, and we’ve made notable progress in advocacy campaigns related to hate speech, pay gaps and employment of older workers.



GENDER

Gender equity is the process of achieving fair outcomes for employees regardless of their gender. Last year, we noted an emerging level of convergence in consideration of non-binary issues related to gender identity, but no further developments in this regard were noted during the past year and advocacy related to gender equality has remained reasonably binary in nature.

Commentary during the past year has consistently focused on the fact that boosting gender equity in the workplace brings numerous positive outcomes to the organisation. The discussion has, however, progressed to a more advanced understanding that sustained equity requires a radical rethinking of traditional systems and challenging of long-held assumptions about work.

According to Employment New Zealand, many

women work in occupations considered to be 80 per cent female-dominated. This is due to historical constructions around gender roles and associated job design. This year's evidence shows a marginal representation for women in the science, technology, and engineering sectors, with only 23 per cent of ICT employees being women and only about 13 per cent of engineers being female.



Moreover, figures reported on RNZ show that more women are working in what are considered to be precarious jobs, leaving them in an even more vulnerable position. The number of women in casual, fixed-term or temporary roles increased by 4.4 per cent in the past 12 months, while there was a 2.2 per cent drop in women holding permanent roles in the March 2021 quarter. From an intersectional perspective, evidence suggests an even more disadvantaged situation for Māori and Pacific women.

A myriad of historical and social factors have been highlighted as contributors to this situation. For instance, more women than men are primary caregivers and consequently, work part-time. The combination of being a caregiver and working part-time constrains women's job positions and income. This is because traditionally women are perceived to be the primary

caregiver in child-raising, taking care of their family and housekeeping.

It is in this context that the effects of the Covid-19 pandemic hit women hard when it comes to work. This year again saw numerous reports of women losing jobs in larger proportions than other demographic groups. In our capacity as the national body for workplace diversity and inclusion we also experienced an increasing demand from our members for information, training, and resources to help parents in general, and mothers in particular, to cope with the increased burden of maintaining the balance between their home and work lives.

But such increasing pressure has also been an area of opportunity for organisations to change their thinking and expand their toolkit of solutions when it comes to gender equity. For the past decade interventions



SAFETY RULES



such as unconscious bias mitigation and general forms of work-life balance have been a much-needed global tool to support women in the workplace but, as women's representation in the New Zealand workplace increases, more holistic and innovative approaches and interventions are needed.

Furthermore, the pressures brought by the pandemic made it even more evident that it is essential to increase our knowledge of the numerous issues and barriers women face in the many positions and trajectories they occupy and transit in the workplace. This makes relatively under-reported considerations such as retention, performance, job satisfaction and collaboration paramount for any gender cultural change strategy.

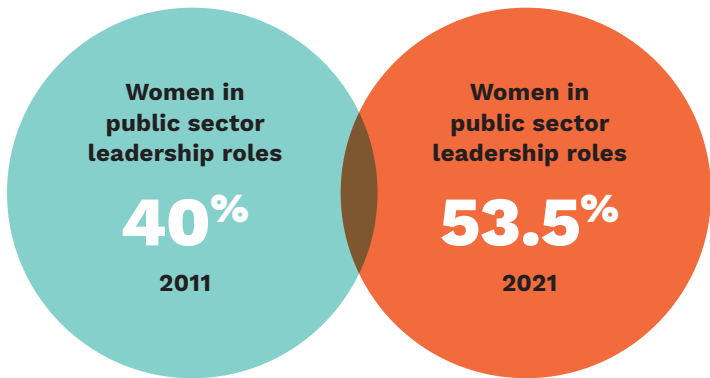
For instance, a recent report from the Achievers Workforce Institute shows important differences between men and women when it comes to a sense of belonging, with men being 41 per cent more likely to feel a strong sense of belonging compared to women. Furthermore, women reported that they did not feel as if they were supported in similar proportions to men. Men also reported finding it easier to balance work and home responsibilities - they were more likely to say

they are paid equitably, and they were even more likely to say that networks created inside their organisations meet their needs. Although far from being conclusive, these findings suggest that more attention needs to be paid to gender inclusion beyond the visible aspects of gender representation.

An interesting finding in the 2021 New Zealand Workplace Diversity Survey was that gender dropped from the second place to the fourth as a perceived priority among respondents. This may be only a temporary change, but it may also reflect an underlying perception that a more balanced gender representation in the workplace has been already achieved. This underlying perception could pose barriers to future gender advocacy if it results in DEI efforts being on groups considered to have higher levels of disadvantage.

It would be prudent to bear in mind that, regardless of dimension of diversity (eg ethnicity, disability and age) and their associated advocacy campaigns, the intersectionality of such dimensions with gender still presents a significant compounding effect in respect of individual outcomes.

In terms of workforce representation in general,



statistics signal that the number of employed women has slowly but steadily grown in New Zealand. Statistics NZ reported that the rate of unemployment in the March 2021 quarter for women decreased from 5.3 per cent to 4.7 per cent. However, the number of self-employed women increased by 13.9 per cent in the year to March 2021, which indicates the level to which women have been displaced from the formal employment market into self-employment.

The official data also reveals important differences and relative stagnation in the gender pay gap. Although the median hourly earnings for women increased slightly this year, compared to men's (3.15 per cent vs 2.6 per cent), the gender pay gap has remained relatively flat over the past five years.

Despite that, there are significant concerns in respect of the detail around total income that are not reflected in the "official" pay gap. An analysis by Strategic Pay in August this year found that the pay gap between private sector male and female chief executives, based on total remuneration received last year, was 32.7 per cent. Similarly, mid-level professional men received 12 per cent more base pay than their female colleagues, and 46.6 percent more bonus payments than female employees. And another interesting finding was that women were still paid less than men for jobs of similar size. Taking all things into account, the analysis by Strategic Pay suggested that the overall gender pay gap in New Zealand is closer to 17.7 per cent.

This year we have witnessed increasing calls and advocacy initiatives around issues regarding pay gap, pay equity and pay transparency to ensure that women are not discriminated against when it comes to salary, wages and career progression. We believe these initiatives have gained critical momentum and expect to see their effects in the coming years.

A final element to report this year concerns access for women to senior positions. International comparative analyses consistently show that New Zealand has achieved good gains when it comes to female representation on boards, however, studies also



OFFICIAL FIGURES SHOW THAT MORE WOMEN ARE WORKING IN WHAT ARE CONSIDERED TO BE PRECARIOUS JOBS, LEAVING THEM IN AN EVEN MORE VULNERABLE POSITION.

depict obstructions in respect of access to executive positions. Evidence from the Ministry of Business, Innovation and Employment (2021), also shows that New Zealand women still face myriad barriers to accessing the executive suite.

In stark contrast to the concerns related to gender advancement in the private sector, the public sector has recently published further progress in respect of representation of women in leadership roles, with a 13.5 per cent increase in women's representation in leadership over the past decade (from 40 per cent in 2011 to 53.5 per cent in 2021).

The current reality in the private sector suggests that the glass-ceiling hypothesis is still an important issue to be addressed in Aotearoa New Zealand. A study from the Ministry of Women suggests that cultural changes are needed to increase opportunities for women to achieve at the highest level and stop them from dropping out of the leadership pipeline.

ETHNICITY

One of the main topics for consideration across our membership this past year was an improved level of understanding in terms of how to interpret bi-cultural recognition and multicultural inclusion. These discussions have also influenced the development of the Aotearoa Inclusivity Matrix (AIM), resulting in the addition of a component for bi-culturalism as a distinctly different aspect to multicultural inclusion. Our analysis of ethnicity in this report does not yet draw a distinct difference in this regard, but this will be an area of focus next year.

Not surprisingly, the past year raised several challenges for both our indigenous and migrant workers. On the one hand, given the nature and composition of the labour market, Māori were more at risk of unemployment during the pandemic. On the other hand, there were numerous reports of migrant workers being affected by changes and delays in the immigration system, at a time where family and loved ones were being affected by Covid-19.

These key challenges brought with them more information and awareness about long-held inequities that need to be addressed on many fronts, including workplaces.

Over the past 30 years, the ethnic composition of New Zealand workplaces has changed dramatically. The traditional ethnic divide widely given by the Māori and Pakeha categories has now grown into a more complex arrangement of cultures, religions, traditions and languages, some widely intersected in more than one category across members of the Aotearoa workforce.

A recent report from Statistics New Zealand highlights how ethnic diversity in New Zealand is only expected to become more complex in the years to come, with all groups expected to grow, although at different paces. While the European group is expected to have the slowest growth in the coming decades, Asian, Māori and Pacific Peoples are projected to represent a larger proportion of the workforce. Adding to this complexity is the fact that the simultaneous adoption of multiple ethnic identities per employee is only expected to become more common in the future.

Considering this, it is only logical to see organisations placing greater emphasis on inclusion initiatives to strengthen organisational adaptability and to gain the competitive advantage that ethnic diversity can bring in Aotearoa New Zealand. Yet, in the 2021 New Zealand Workplace Diversity Survey, ethnicity was

referenced fifth on the list of organisational priorities when it comes to diversity and inclusion.

Furthermore, evidence reported this year continues to suggest that ethnic minorities in Aotearoa face significant structural barriers, and that they experience nuanced and sometimes open forms of discrimination in their workplaces. Employees of non-European origin are more likely to encounter disadvantages when trying to get into and progress at work. Such experiences can be accentuated by factors such as specific place of origin, religion, and speaking English as a second language.

A number of reports published this year have given an account of how these factors present differently for Māori and Pacific Peoples due to long-held structural barriers, assumptions and negative stereotypes still present in different sectors of the New Zealand society. For instance, it has been observed that, while New Zealand European account for around 62 per cent of the working population, they are more likely to be overrepresented in executive and board positions. On the other hand, Māori and Pacific Peoples tend to be underrepresented in those same levels.

Again, the public sector has made significant progress in ethnic representation, having almost doubled the percentage of Māori in leadership roles over the past five years. Representation of Pacific Peoples in public sector leadership roles has increased by more than double and Asian representation has doubled over the past five years. The public sector is setting an important tone in representative leadership and the private sector is encouraged to adopt similar strategies.

Recent reports also identify that Māori and Pacific Peoples are more likely to work with non-standard employment arrangements, including temporary, casual and contract work. In a survey designed to explore



EVIDENCE SUGGESTS THAT ETHNIC MINORITIES IN AOTEAROA FACE SIGNIFICANT STRUCTURAL BARRIERS, AND THAT THEY EXPERIENCE NUANCED AND SOMETIMES OPEN FORMS OF DISCRIMINATION IN THEIR WORKPLACES.

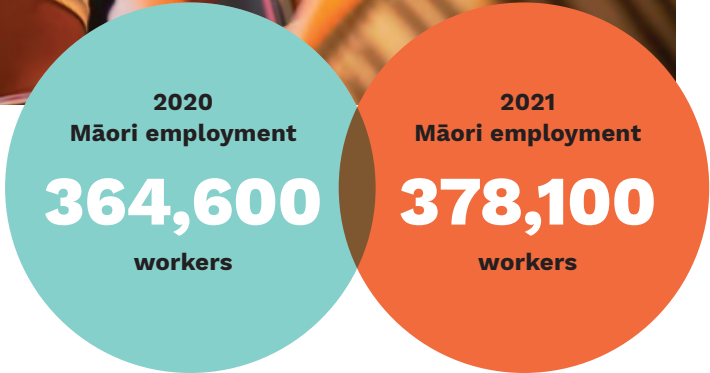
Māori experience of racism, it was found that Māori are less comfortable openly revealing their ethnicity in the workplace. According to the study, this can stem from individual and historical experiences of racism.

Addressing these issues is not simply about bringing more ethnically diverse groups into the workplace, but also about creating more strategic pathways to support them and grow our organisations from a more sustainable perspective, one that considers the complex challenges posited by an increasingly culturally diverse society.

The 2021 New Zealand Workplace Diversity Survey reflected on the perceived difficulties organisations face to attract talent from Māori, Pacific Peoples and migrants born in countries where English is not the

main language. This may well be as result of the fact that organisational systems and structures in Western economies were not created from a multi-cultural perspective and therefore posit barriers for non-dominant groups in myriad ways. A critical review of these systems and structures may increase awareness of workplace exclusion across all ethnicities, and support organisational efforts to attract talent from previously under-represented ethnic groups.

According to the Ministry of Business and Employment, in the year to June 2021, Māori had more participation in the labour force compared to last year. For instance, the rate of Māori employment increased by 13,500 across the year to 378,100 workers, however the unemployment rate of Māori grew faster than



the employment, increasing by 1.2 per cent to 7.8 per cent. Utilities and construction, manufacturing, and wholesale and retail were the industries that employed the most Māori workers in the June 2021 quarter. The highest annual employment growth was mainly in accommodation and food services, and other business services. In our engagement with members, there is also evidence of progress in many public and private sector organisations when it comes to developing ways to recruit skilled people from ethnic communities.

In respect of policy and advocacy, two important public initiatives launched this year deserve special mention.

The first is the creation of the Ministry of Ethnic Communities as government’s chief advisor on issues of ethnic diversity and the inclusion of ethnic communities in wider society. Through their work with communities, government agencies and non-governmental organisations, the Ministry aims to increase social cohesion and an experience of safety and agency for people from non-dominant ethnicities. Equitable employment outcomes are a critical factor in social cohesion and the support of the Ministry in this regard will be of significant value.

The second initiative to highlight was the new measures that came into force on 1 July 2021 to better protect migrants from exploitation, and the subsequent opening of an inquiry into the scale of migrant exploitation in New Zealand, the impact of exploitation on migrants and their families, and what could be done to address migrant exploitation. The outcome of this investigation will be an area of substantial interest next year.

Both these initiatives signal an increasing level of commitment to address the issues of workplace

ethnicity through structural change. Such interest has also been increasing among our members who, during the past year, demonstrated a higher level of awareness and curiosity regarding race and ethnicity. Indeed, issues regarding bi-cultural sensitivity, cultural intelligence and inclusive collaboration in multicultural organisations are increasingly better integrated in our members’ DEI strategies and initiatives.

We reported last year that pay gap metrics were fast becoming one of the most useful indicators of workplace inclusion and, during the past year, we have indeed seen how the discussion about pay gaps across ethnicities became more widespread. In 2020, the gap in average hourly wages experienced by Pacific men was 24 per cent and Pacific women was 27 per cent when compared to New Zealand European men. The Human Rights Commission reported that these pay gaps have not changed significantly for more than 10 years, which motivated them to launch a public inquiry into the Pacific pay gap to examine the causes and contributory factors, conditions of work, promotion and career advancement for Pacific workers.

Over the next year, we expect discussions on race and ethnicity in the workplace to become more prominent as organisations gain a deeper understanding of systemic bias and overt prejudice that might still be impacting experiences of inclusion across all ethnicities.

RAINBOW

‘Rainbow communities’ is a broad umbrella term that covers the comprehensive range of SOGIESC-diverse communities, including people with a diverse sexual orientation, gender identity and expression, and sex characteristics. During the past year, reports of the challenges faced by Rainbow communities were widely reported in mainstream media.

The parliamentary initiative to ban conversion therapy to allegedly change, suppress or eliminate a person’s sexual orientation, gender identity, or gender expression has been widely discussed and endorsed by numerous organisations and even some business leaders. Similarly, the Human Rights Commission started a consultation to provide a stronger protective framework for trans, gender diverse, and intersex people to prevent them from discrimination. These initiatives reflect a growing concern about the barriers to inclusion, and high levels of prejudice that members of our rainbow communities still face today.

Research by the Ministry of Justice released earlier this year shows that members of Rainbow communities in New Zealand are far more likely to be affected by crime and violence. Similarly, a study conducted by the University of Auckland found that more than 50 per cent of young members of the transgender and gender diverse groups struggle with mental health due to unaccepting environments and reported challenges. These findings echoed previous research showing that members of the New Zealand Rainbow community are more likely to report worse general wellbeing and mental health than the general population.

During the reported year, we have seen an increase in the number of queries and initiatives around support systems for Rainbow communities in the workplace. Although some were directly linked to targeted support during the pandemic, most concentrated on how to continue and grow efforts to make workplaces more welcoming and supportive of Rainbow employees. Awareness initiatives around Rainbow groups in the workplace seem to be more common, especially among mid-size and large organisations. Many such organisations have built solid infrastructures that include targeted policies and interventions to show and funnel their support so members of this group can bring their whole selves to the workplace.

Interestingly, policies that were not that common

just some years ago, such as those to support the transition of transgender workers, are becoming more common among our members.

However, the tangible effects of such encouraging gestures are still difficult to report. Data regarding Rainbow communities in New Zealand workplaces remains scarce and fragmented. Although some great initiatives have been previously reported, especially in the public sector, there is still some reluctance to ask employees about their sexual orientations and identities. Most of the reluctance is linked to privacy concerns or simply to the long-held notion that people may feel “uncomfortable” disclosing this type of information, even in a voluntary, protected and anonymous way.

Although such concerns are to a certain extent understandable, this lack of data makes it difficult to track progress around the inclusion of Rainbow communities in our workplaces, identify barriers in recruitment, career progression, retention and wellbeing, and build tailored solutions to fit their specific needs. Furthermore, it makes it even more difficult to quantify the effects that the pandemic has on members of the Rainbow community working in more vulnerable and unstable positions when compared, for instance, to other dimensions such as gender or ethnicity.

**DATA REGARDING
RAINBOW COMMUNITIES IN
NEW ZEALAND WORKPLACES
REMAINS SCARCE AND
FRAGMENTED.**

DISABILITY

Workplace DEI programmes in New Zealand have a mixed record when it comes to two essential challenges; first bringing people with disabilities into the workforce and second, creating environments in which employees living with a disability can grow in a safe and equitable manner. Although some progress has been made in removing historical barriers, results are still fragmented and we are not providing a holistic approach across sectors, geographies, and industries.

This situation is hardly exclusive to New Zealand. In fact, several studies have documented that disabled people are more likely to experience discrimination and lack of support in the workplace. Evidence shows that people with disabilities face several challenges when it comes to recruitment and that social and physical environments make it difficult for disabled employees to keep a job, and even more so to develop a career in the same way non-disabled people do.

According to official data published by Stats NZ for the June 2021 quarter, 9.5 per cent of disabled people were unemployed, compared to four per cent of non-disabled people in the same age group, which is a difference of 5.6 percentage points. Similar data shows that the rate of underutilisation for disabled people aged between 15 to 64 years was 57.5 per cent, compared with 21.1 per cent for able-bodied people in the same age group – a considerable difference of 36.4 percentage points. Official reports identify that Covid-19 presented specific risks to the recruitment and retention of people with disabilities. This is especially salient considering that, disabled people already have a lower employment rate compared with able-bodied people. A 2021 study conducted by the Human Rights Commission highlighted that many disabled people lost their jobs as result of the pandemic. In addition, challenges in communication, access to and use of technology, and the nature of certain occupations were identified as common barriers to inclusion as reported by disabled employees during the pandemic.

Irrespective of the pandemic, official reports have given an account of the day-to-day barriers faced by members of this group. For instance, the Ministry of Business, Innovation and Employment reports that disabled people have fewer employment

opportunities than other minority groups. This can stem from the negative societal attitude to the productivity of disabled people, which has an adverse impact on job opportunities.

The launch of the Ministry for Disabled People in October of this year has, however, marked an important milestone in terms of public policy and commitment to remove structural barriers for disabled people. The new public entity will work for better outcomes for disabled people, leading and coordinating policy for support services and across the wider disability system.

The 2021 New Zealand Workplace Diversity Survey identified important differences in how this challenge is approached and even perceived. For instance, organisations in the public sector were more likely to identify disability as a higher diversity priority than their private sector counterparts. The survey found that only 39 per cent of participant organisations had formal programmes and initiatives regarding disability.

For the first time since its creation, the survey included questions regarding neurodiversity. Due to the emerging nature of neurodiversity as an area of focus, the absence of policies and programmes for this group was not a surprise. Only 4.9 per cent of respondents answered that their organisation had a formal policy for neurodiversity as a diversity issue in place, and 4.5 per cent of respondents claimed that neurodiverse people were vulnerable to bullying and harassment in their organisation.

We expect that the conversation about neurodiversity and workplace inclusion will gain momentum over the next couple of years in the process of normalisation of neurodiversities, and as organisations gain insight into the potentially high numbers of hidden neurodiversity in their existing workforce.





AGE


Under the Human Rights Act of 1993, it is unlawful to discriminate against employees based on age. Yet, over the past year there have been multiple claims of ageism in New Zealand workplaces.

Earlier this year, the World Health Organisation released a report suggesting that half of the world's population (New Zealand included) are ageist. The report found that ageism is prevalent in most aspects of society and has negative repercussions for both young and older workers, but its impact in the latter group is considerably more profound.

For instance, various academic publications in the past year highlighted perceptions about employees aged 45+ years as less innovative and resilient, and facing a range of discrimination and stereotypes in employment.

According to official data, the median age of the population in New Zealand is 37.7 years. Statistics show that New Zealand's ageing workforce is rapidly increasing. The proportion of workers aged 65 and over has grown from being one per cent of the labour force in 1991 to an estimated nine per cent in the late 2020s. More than one in three workers are now aged over 50, up from 17 per cent three decades earlier – a trend that will only continue, with a projection that the median age will be 40 years by 2038.

This represents a fundamental shift that is already resulting in movement in the labour market, where needs are not being sufficiently met. If age inclusion (and specifically the inclusion of older workers) is not



MORE THAN ONE IN THREE WORKERS ARE NOW AGED OVER 50, UP FROM 17 PER CENT THREE DECADES EARLIER – A TREND THAT WILL ONLY CONTINUE.

managed well, organisations may see skill shortages, increased costs and the associated scaling back of growth plans, the loss of critical skill, experience and knowledge, health, wellbeing and safety issues along with the potential for reputational damage.

Recent efforts by the New Zealand government to detect earlier employment barriers faced by older populations has broadened the scope of what has been historically considered as “older workers”. In the Better Later Life Strategy, launched by the Office for Seniors, the term “older workers” is used for people aged 50+ working or seeking work. When considered in this way, older workers make up 34 per cent of the New Zealand workforce.

The Covid-19 pandemic has undeniably had a disproportionate impact on the lives of workers aged 50 and older. During the pandemic period, hundreds of thousands of New Zealand workers found themselves suddenly unemployed, their businesses disappeared,

or they were asked to radically change their traditional ways of working or doing business. The number of underutilised people in the age bracket over 50 years has increased by 22 per cent over the past year, according to the Household Labour Survey published by Stats NZ early this year.

Reports from practitioners, academics and media outlets have pointed out a wide range of challenges when it comes to the effects of the pandemic in older workers. Among the most commonly mentioned are barriers to career changes after the age of 50, increased social isolation during lockdowns, different health risks, difficulty adapting to new forms of work and the concerns with flexible working technologies.

The heterogeneity of this group poses significant difficulties in drawing generalised conclusions about the issues that affect them. Furthermore, such narratives risk reinforcement of long-held stereotypes regarding skills and abilities related to older workers. Internationally, it has been shown that such stereotypes have a profound impact on opportunities to access jobs and to receive training, and put members of this group at a higher risk of being made redundant.

The compounding effect of intersectionality with age is of specific concern. Academic research in New Zealand throughout the past year once again showed that structural inequalities and discrimination are more prevalent among the older populations of refugees, migrants, Māori and Pasifika people.

Considering all this, it is surprising that age hasn't played a more visible role in this year's list of priorities when compared to other diversity dimensions. In fact, the data from the 2021 New Zealand Workplace Diversity Survey indicates a further drop in relative importance, for the fourth year in succession (from 42.9 per cent in 2018 to 27.6 per cent in 2021). In fact, only 18 per cent of respondents this year reported having formal policies and initiatives regarding age.

The fact that employers across Aotearoa New Zealand are steadily de-prioritising age inclusion in the workplace suggests that the labour market at large is not well prepared for the changes brought by an ageing workforce. The Office for Seniors has, in October 2021, released a proposed Older Workers Employment Action Plan to improve employment and engagement with the labour market. The outcome from the consultation process is expected during next year, with the implementation of associated strategies to address this issue.

BULLYING AND HARASSMENT

Consistent with previous years, workplace bullying and harassment was a common subject of analysis across New Zealand media outlets, organisational reports, government agencies and academic work during 2021.

Academic outputs have consistently placed New Zealand in a vulnerable position when it comes to workplace bullying and harassment and, based on historical numbers, some researchers consider Aotearoa to be among the highest ranked countries when it comes to these types of exclusionary behaviours.

During the past year more in-depth analyses have concentrated in specific sectors including but not limited to health, academia, professional services, construction, retail and hospitality. Results are overwhelmingly similar in terms of depicting deeply rooted cultural problems when it comes to harmful workplace behaviour. In fact, previous data suggests that annually, one in four workers in New Zealand experiences bullying or harassment.

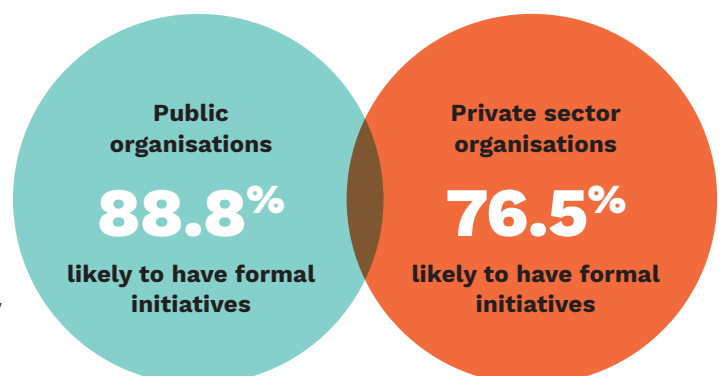
Such findings are not exclusive to academic research. During 2021, various non-academic reports (government, media pieces, independent reviews) gave a detailed account of how bullying and harassment are sometimes deeply ingrained in organisational cultures. Private organisations, universities and public sector entities have all been at the centre of numerous reports in this regard over the past 12 months.

But just as these reports give account of what seems to be a general problem for the New Zealand workforce, this year has been particularly important to raise awareness of how employees belonging to diverse groups experience such negative behaviours. Research shows that that bullying and harassment normally stem from imbalanced power relations in the workplace and such imbalance tends to increase whenever diversity comes into the mix. As such, Māori and Pacific Peoples, women, people with disability, members of the Rainbow community and migrants are more likely to experience bullying and harassment compared to other groups.

Various advocacy groups are calling for transformational change within organisations and, in this context, the Ministry of Business, Innovation and Employment launched an investigation into systems related to preventing and responding to bullying and harassment.

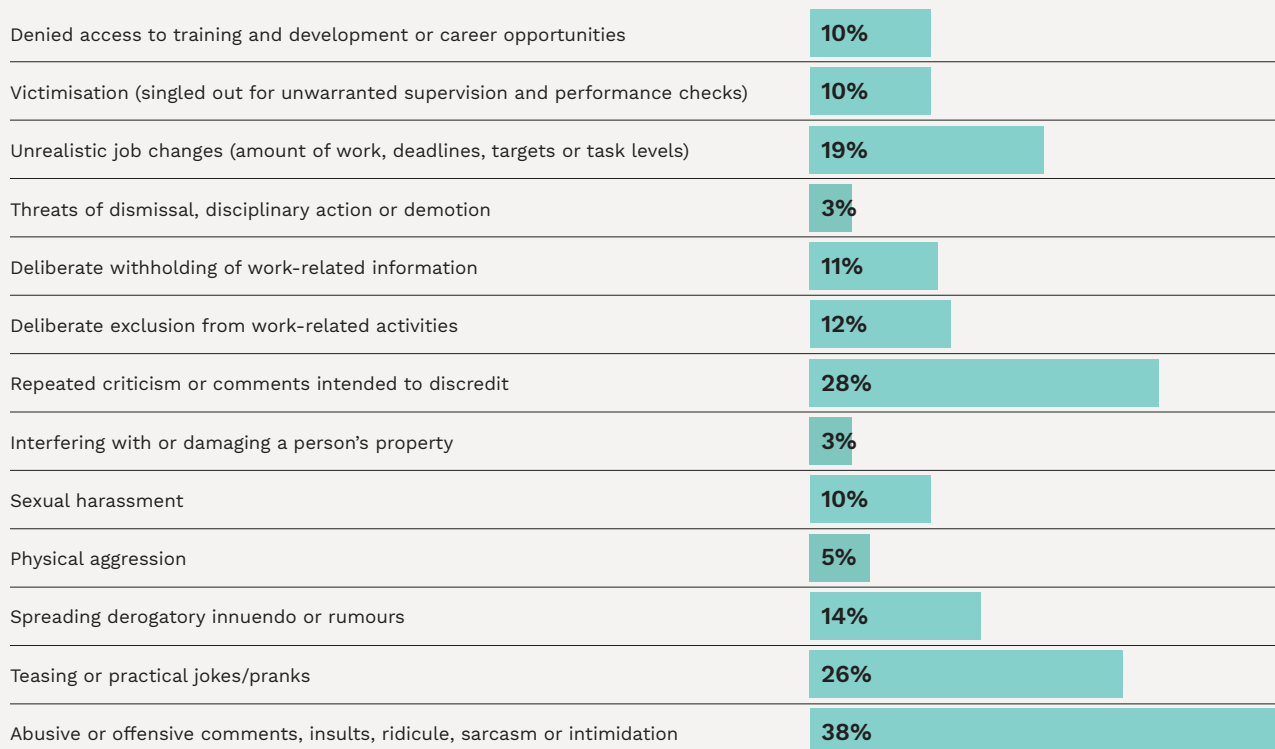
In support of the above-mentioned investigation, we introduced targeted questions in the 2021 New Zealand Workplace Diversity Survey to collect additional insights to support policy development. Our data found interesting differences between public and private organisations in respect of formal prevention initiatives, with 88.8 per cent of public organisations more likely to have formal initiatives compared to the 76.5 per cent in the private sector.

The perceived reasons for the ever-deteriorating statistics on bullying and harassment were interesting, with the majority of respondents indicating that a higher level of awareness and intolerance for poor behaviour is a driving force behind higher rates of reporting. Most telling was the fact that the majority of respondents who cited “oversensitivity” as a cause for higher levels of reporting were male.

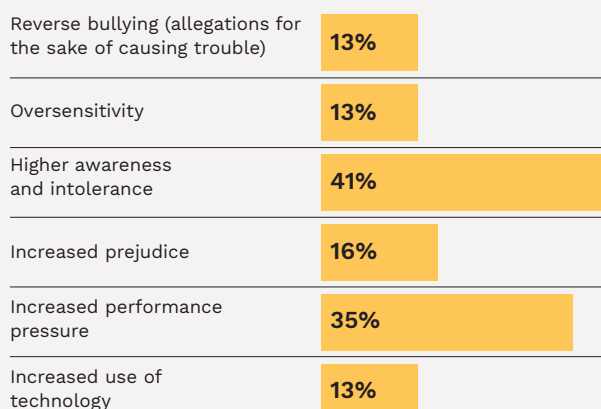


BULLYING AND HARASSMENT ARE SOMETIMES DEEPLY INGRAINED IN ORGANISATIONAL CULTURES. PRIVATE ORGANISATIONS, UNIVERSITIES AND PUBLIC SECTOR ENTITIES HAVE ALL BEEN AT THE CENTRE OF NUMEROUS REPORTS IN THIS REGARD OVER THE PAST 12 MONTHS.

MOST COMMON FORMS OF PERCEIVED BULLYING AND HARASSMENT



REASONS FOR INCREASED REPORTS OF BULLYING AND HARASSMENT



Approximately half of the respondents indicated that the most common kinds of bullying and harassment were abusive or offensive comments, insults, sarcasm, or intimidation. Other forms of bullying and harassment included repeated criticism or comments intended to discredit a person or devalue their work, and teasing or practical jokes.

This makes for a complex picture since some of these situations sometimes involves more nuanced forms of exclusionary behaviour which are harmful indeed, but difficult to detect, measure and address. One of the emerging considerations is that the bar for what are considered psychologically safe working conditions might be too low.

Workplace incivility is currently not adequately addressed in bullying and harassment plans and further work in this regard will be required in the upcoming year.



WELLBEING

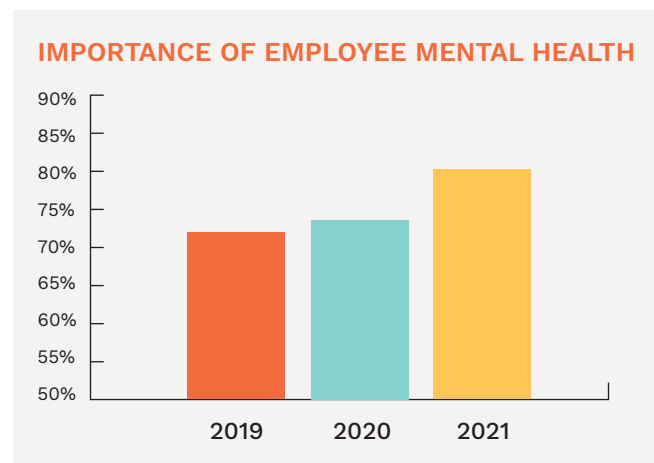
During these Covid times, the wellbeing of employees has been high on the radar for most organisations and in the 2021 Workplace Diversity Survey we asked for more information about employee wellbeing. The research reflected that employers consider the most important wellbeing issues to be mental health of employees (80.7%), stress (78.8%), and work/life balance (74.2%). Of specific interest is the fact that the importance of mental health of employees has steadily increased over the past three years.

Mental distress affects many New Zealanders. The Ministry of Health reports that one in five adults aged 15 years and over are diagnosed with a mood and/or anxiety disorder and that the proportion of New Zealanders with high levels of mental distress is trending upwards over time.

Workplace flexibility is an important aspect of support for employees managing mental or physical health problems, and the responses from the 2021 Workplace Diversity Survey showed how this assistance has been emphasised during the Covid-19 global pandemic. However, the survey also revealed that access to wellbeing/wellness and flexibility initiatives is complex, inconsistent, and sometimes inequitable.

Small and medium-sized enterprises (SMEs), specifically, are under pressure to deal with the impact of Covid-19. Concerns were raised throughout the pandemic period about morale, workplace behaviour and safety in the SME sector. BRANZ investigated the sources of stress on SMEs in the construction sector (where 12 per cent of the SMEs in New Zealand are located) and found that a key driver of concern or stress for SME owners was the financial wellbeing of the business – and the mindset of the owner has a direct downstream impact on the employees and contractors working for that business. We can therefore expect that the financial strain introduced by Covid-19, especially these last extended rounds of lockdowns, has had a significant impact on the mental health of a large group of people.

Recognition of the impact of pre-existing mental health issues in the ability to navigate volatility and ambiguity has definitely increased over the past year. In a study released in October by the University of Otago, the authors reported on the significant psychological toll that lockdowns have on people with histories of mental illness. Patients with an existing mental health diagnosis



were at around twice the risk of reporting moderate to high psychological distress, anxiety and poor wellbeing during lockdown compared with those without a mental disorder. The world is not expected to become any less complex in the near future and, increasingly, we will need call out mental health considerations in our DEI strategies with more specifically targeted support to address their needs.

Mental health considerations also manifested through the inequitable emotional toll that lockdowns seem to have on women. Recent research by McKinsey reports that it is predominantly women who are stepping up to support employee wellbeing during this time, without sufficient recognition for this work. And they do this in parallel with the additional care responsibilities at home. This is taking a significant emotional toll and, as such, women in corporate settings report higher levels of burnout than men. The longer-term impact of burnout of wāhine toa in our workplaces is that we might risk losing the very leaders that we need right now, which will be devastating to our progress to create a more inclusive society.

FOCUS AREAS FOR 2022

Considering the concerns and challenges presented by Covid-19 over the past two years, New Zealand workplaces need to look urgently at building a culture that champions the individual aspirations of every single person in their team. Pre-pandemic cultures, and even pre-pandemic diversity and inclusion strategies, may no longer be appropriate in a post-pandemic world.

TARGETED MENTAL HEALTH PROGRAMMES

In our DEI strategies we have, traditionally, dealt with mental health predominantly in terms of the impacts of bullying and harassment and how to prevent our people from such harm. This is still important, especially in the context of increased levels of polarisation around some of the issues related to the pandemic. As we re-enter workplaces over the next year, organisations will need to be very vigilant in how they front foot some of these polarising issues that might impact on cultures of inclusion.

Emerging, however, is our increased understanding of the massive mental health concerns that we face in Aotearoa New Zealand, especially in respect of marginalised communities, and for those who experience emotional burnout due to high levels of care responsibilities. Organisations will need to specifically look at programmes to support employees who are vulnerable in this space and reframe the mental health conversation from “how do we protect people from harm”, to “how do we use our workplace to promote healing and wellbeing”.

INCREASED FOCUS ON INTERSECTIONALITY

Over the past year, we observed a much more mature understanding and proactive consideration of intersectionality in initiatives. The compounding adverse effect that intersectionality has on individual outcomes has been a topic of conversation within many DEI hui, combined with how traditional and stereotypical “dimension specific” tactics may not always be in the best interests of individuals.

Over the coming year, we expect to see an increased level of convergence between diversity and inclusion strategies on the one hand, and employee experience strategies on the other and consideration of how these strategies become part of the much more holistic future of work conversation.

WHAT GETS MEASURED, GETS DONE

Metrics and measurement of DEI progress has been a topic of high interest during the past year. The pay gap advocacy campaigns have catapulted this metric into one of the key indicators of workplace inclusion, and regulation around higher levels of pay transparency is certainly on the cards for the near future. Organisations have also shown exceptional interest in proactive benchmarking through tools such as the Aotearoa Inclusivity Matrix (AIM).

We expect metrics and data to become a significant point of differentiation next year with, in a tough labour market, organisations setting themselves apart as employers of choice through quantitative measurement of inclusion and voluntary disclosure of DEI metrics such as pay gap information.

MAINTAIN PRESSURE ON THE 'ISMS

The momentum with regards to issues of race and ethnicity in the workplace has been steadily building over the past year, and we expect it to become more prominent next year as organisations gain a deeper understanding of systemic bias, as well as overt prejudice. Specifically, we are seeing that there is significant appetite for organisations to step into an increased acknowledgement of te ao Māori and building internal capacity to guide the conversations about bi-culturalism and multiculturalism within DEI strategies.

Also, and given our labour market dynamics, ageism should be on the radar next year, but the required momentum to build inclusion across all age groups is still sorely lacking.



IGNORE NEURODIVERSITY AT YOUR PERIL

During the past year, there has been very rapid advancement in momentum around neurodiversity, and we expect increased prominence around this topic next year.

Employers are realising that, within their existing workforce, there are many people with undisclosed neurodiversities and, as such, with significant barriers to contribute their best selves.

Neurodiversity in the workplace is increasingly better understood and destigmatised and, with an increased level of normalisation will come much better data collection and inclusion initiatives for this segment in our workplaces that has been neglected to date.

THE POST-PANDEMIC WORLD WILL BE DIFFERENT

While flexibility and remote working was still a topic of interest over the past year, the concerns have shifted to the issues of re-entry. Organisations are now turning their focus on the challenge of rebuilding cultures, while remaining inclusive of people's new work preferences.

As we navigate entry into a post-pandemic world, DEI practitioners may need to consider that the development of inclusion and, in fact, workplace culture in and of itself, may look different to what we were used to before the pandemic. A simple lift-and-shift of DEI initiatives into 2022 is unlikely to be effective, and extensive employee engagement will be required to redefine inclusive cultures and associated strategies.

**WE HELP ORGANISATIONS
DO WORKPLACE INCLUSION WELL
AND DO WELL BECAUSE OF IT**



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