Ref: OI-19-00017

4 February 2019

9(2)(a)

Dear 9(2)(a)

Thank you for your request, received on 3 January 2019, for the following information under the Official Information Act 1982 (the Act):

- *What is the definition of diversity, cohesion, and integration that your organisation is using, and what does it encompass?*
- *What are the resources used to create these definitions?*
- *What research was done to create these definitions?*
- *What is the overall goal for the organisation regarding diversity, cohesion, and integration and how will this be measured?*
- *Are there publicly available strategy documents or conversations that your organisation has published that announce the organisations intentions regarding diversity, cohesion, and integration? (Refer the Diversity and Inclusion speech from Treasury as an example: https://treasury.govt.nz/publications/speech/diversity-and-inclusion-why-it-works-work)*
- *What will success look like regarding diversity for the organisation, and how long does the organisation expect this to take?*
- *Has the organisation met any pushback regarding the introduction of these diversity strategies?*
- *Are these new policies, or have they built on previously enacted policies?*

I will address your questions in the order in which they have been asked.

What is the definition of diversity, cohesion, and integration that your organisation is using, and what does it encompass?
What are the resources used to create these definitions?
What research was done to create these definitions?

The TEC has not created a TEC specific definition of diversity. The TEC's principals of recruitment include valuing the diversity of the workforce in the form of differences in cultural, ethnic and gender identification and people with disabilities. I have attached a copy of the TEC's recruitment and selection policy.

The TEC is also a member of Diversity Works NZ (formerly the Equal Employment Opportunity Trust). Diversity works provides education and inspiration for companies to examine their employment practices across the breadth of diversity issues facing business today. These include wellbeing, flexibility, ageing, ethnicity, bias, gender, employment transition for young staff, bullying and harassment, disability, sexuality and religion.

More information about diversity works can be found on their website at:
https://diversityworksnz.org.nz/why-diversity/

What is the overall goal for the organisation regarding diversity, cohesion, and integration and how will this be measured?

The goal for TEC was expressed by Tim Fowler, TEC's Chief Executive, at staff Matariki celebrations in 2018:

> "*A big part of cultural intelligence is an openness to learning, which helps you navigate culture effectively, so that culture does not become a barrier. As a group of TEC colleagues, we have diverse cultural backgrounds. The benefit of cultural intelligence for us is about working most effectively together on a collective purpose. That collective purpose, better life outcomes for all New Zealanders, covers a hugely diverse group of learners, communities, TEOs, and government. Cultural intelligence gives us the ability to better understand and reflect the needs of the groups and people we work with. We are clear about our commitment to Māori and Pasifika learners and communities, and therefore our need for cultural capability to support that. We are also looking broadly across the many cultures that we work with and strive to deliver outcomes to. Language, and encouraging multi-lingualism, is part of our approach.*"

We will measure staff engagement on diversity and inclusion through our employee engagement and partner and provider surveys conducted annually. We have specific questions in relation to responsiveness to Māori.

We have not set specific measures for diversity and inclusion at TEC but will use state sector benchmarks for gender pay. The annual remuneration round is our opportunity to address any gaps. Setting specific measures is part of our work programme over the next 12-18 months.

Are there publicly available strategy documents or conversations that your organisation has published that announce the organisations intentions regarding diversity, cohesion, and integration? (Refer the Diversity and Inclusion speech from Treasury as an example: https://treasury.govt.nz/publications/speech/diversity-and-inclusion-why-it-works-work)

I refer you to the links below on the TEC Annual Report 2017-18, the Statement of Intent, LinkedIn post regarding our Mahi Tahi agreement with Te Tuara Whiri I te Reo Māori.
LINKS:
https://www.tec.govt.nz/assets/Reports/8608f1b51c/TEC-Annual-Report-2017-2018.PDF
https://www.tec.govt.nz/assets/Publications-and-others/ff03d1d715/TEC-Statement-of-Intent-2018-19.pdf
https://www.linkedin.com/feed/update/urn:li:activity:6410711168515735552

The TEC has also developed a cultural intelligence app, Koi, to help staff learn more about New Zealand's cultures and languages. You can also download the TEC's Koi app in the Play store.

What will success look like regarding diversity for the organisation, and how long does the organisation expect this to take?

We are still working through what success would look like. We do want to be an organisation that applies cultural intelligence to our work.
Supporting the success of all New Zealanders, including Māori and Pasifika learners, is one place where we're already working towards positive change. To achieve this, we need to support the tertiary education and careers systems better so they can ensure the success of all learners.

In 2017/18, we ramped up our focus on supporting Māori and Pasifika success by setting clear targets with providers and building our internal capability. As the TEC moves forward, we'll remain committed to supporting all learners to succeed through our investments, the information we provide and our influence on the tertiary education and careers systems.

Has the organisation met any pushback regarding the introduction of these diversity strategies?

There has been no push back from staff.

Are these new policies, or have they built on previously enacted policies?

The TEC's commitment to equal employment opportunities is not a new policy.

Introducing our Cultural Intelligence programme of work is new concept for the organisation. As we have had Careers NZ merge with us on 1 July 2017 and have restructured, we will need to review our gender pay work.

In 2017/18 we established a Rainbow Network at the TEC. This initiative will help the TEC become a more inclusive workplace for staff who identify as lesbian, gay, bisexual, trans, takatāpui, fa'afafine, intersex, queer, and all other gender and sexual minorities. Further work will occur in 2019.

In addition to the information provided above, I have attached a briefing paper prepared for my attendance at the Education and Workforce Select Committee Annual Review on 28 February 2018, related to the gender pay gap at TEC. This paper was published on our website as part of a response to an Official Information Act 1982 request and the full response can be found on the following link: *https://www.tec.govt.nz/assets/OIA-responses/57e2cf414a/OIA-response-CE-at-Education-and-Workforce-Select-Committee.pdf*

The TEC intends to publish its response to this request on our website with your personal details removed. Consistent with the Act, we are publishing responses in the interests of transparency and accountability, and to improve access to official information.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Yours sincerely

John Soulis
Deputy Chief Executive – Corporate and Finance
Tertiary Education Commission

Recruitment and Selection Policy

What is the recruitment and selection policy?

Recruitment is a key part of the TEC's Human Resources function and forms an integral part of its policies and procedures.

The Recruitment and Selection policy applies to the appointment of permanent, fixed term and casual staff to positions in the TEC.

This policy is to be read in conjunction with the Collective Employment Agreement, the Process Guidelines and the Recruitment & Selection Guidelines.

It is recommended that before commencing the recruitment process, consideration is given to the most efficient way to manage the work (see: "Process Guidelines – Confirming that a Vacancy Exists").

What is the objective of the recruitment and selection policy?

The TEC aims to be an employer recognised for high quality, innovative work, and for our responsive and professional relationships with stakeholders.

Achieving this means that we select people who understand and uphold Public Sector ethics and values and have the capability and motivation to work within the TEC in a way that helps us achieve a high standard of performance.

This policy sets out the framework that guides the TEC's recruitment and selection process for all permanent and fixed term positions to ensure that:

- The process handles all candidates in a consistent and professional way.

- The process is transparent and objective.

- There is equality of opportunity and fairness at all times.

- The TEC meets its legal obligations.

The first impressions a potential employee receives about the TEC are through the recruitment and selection process. Maintaining a professional approach with applicants through all aspects of the process, regardless of whether they are appointed or not, is essential in demonstrating the TEC as a desirable place to work.

What needs to be considered?

1.   Statutory provisions

The TEC's approach to recruitment and selection is guided by the provisions of the following statutes:

- Employment Relations Act 2000.

- The Human Rights Act 1993.

- The Bill of Rights Act 1990.

- Privacy Act 1993.

- The Crown Entities Act 2004 and Related Guidelines and Standards such as "Integrity and Conduct – Setting Standards for Crown Entities" and Board Appointment and Induction Guidelines in Relation to Crown Entities".

The objective of the recruitment and selection process is to appoint a suitably qualified person to do the job. This includes the TEC's commitment to the principles of equal employment opportunities (EEO) and impartial selection.

In achieving this, the responsibilities of the Recruiting Manager are to:

- Ensure that their recruitment and selection practices are consistent with the spirit of the good employer principles set out in the Crown Entities Act 2004.

- Ensure that the position is clearly defined in terms of its place in the organisation, its relationship with other positions, its key accountabilities, up to date and relevant role description and the competencies and performance standards expected. This sets the framework for the selection panel to determine whether candidates are suitably qualified for the job (section 118 of the Crown Entities Act).

- Notify the vacancy in a manner sufficient to enable access for those suitably qualified to apply.

- Ensure that the recruitment and selection process used is in accordance with the TEC's Recruitment and Selection Policy and Guidelines and can withstand independent scrutiny.

- Comply with all legislative requirements.

2.   The TEC Principles of Recruitment

Effective recruitment and selection is one way that the TEC builds people capability. Our policy and guidelines are supported by the following principles:

- Selection on merit.

- Open, honest and transparent processes.

- Valuing the diversity of the workforce in the form of differences in cultural, ethnic and gender identification and people with disabilities.

- Privacy for the individual.

In practice, these principles mean that:

- The person best suited to the job is appointed to the position (s60 State Sector Act 1988).

- Applicants are given sufficient information to allow clear and accurate understanding of the role. The role description accurately reflects the requirements of the job.

- Managers throughout the TEC provide consistent, transparent information about positions within the TEC.

- Processes are open, consistent, and fair. Selection decisions are merit-based and do not discriminate (either directly or indirectly) or appear to discriminate. (s21 Human Rights Act 1993).

- Processes are professional and objective, with selection based on relevant, specific selection criteria. All processes and recommendations are documented.

- The TEC values diversity and works to build a staff profile that reflects its communities and clients.

- The privacy of all people who express interest in a vacancy is protected. This applies to internal and external applicants.
- TEC staff are encouraged to develop their career by applying for advertised positions.

3. Employer of Choice

How we present ourselves to prospective employees and the way in which we conduct our recruitment and selection process will impact on how we are viewed as a potential employer.

4. Commitment to Māori

The TEC's obligations as a good employer include a Crown Entities Act requirement to recognise the need for involvement of Māori as employees in the organisation. Māori are an Equal Employment Opportunities (EEO) target group alongside women, persons with disabilities, and other ethnic or minority groups.

The TEC is committed to addressing issues of Māori staff recruitment, development and retention in order to build and maintain the capabilities needed to achieve our strategic goals and objectives.

5. Commitment to Women, Persons with Disabilities, and Ethnic or Minority Groups

The TEC is committed to recognising the employment requirements of women, persons with disabilities, and ethnic or minority groups.

6. Definitions

Recruiting Manager: The manager responsible for the vacant position. This will usually be the manager to whom the appointee will report.

Approving Manager: The Chief Executive.

Substantive position: A staff member's permanent position within the TEC.

Substantive appointee: A staff member who holds a position on a permanent basis.

Backfilling: Using an acting or temporary appointment, or a secondment, to fill a position while the substantive appointee is acting in another role, away on a secondment or is on long term leave.

7. Responsibilities

Recruiting Manager

Recruiting Managers have full responsibility for managing the recruitment, selection and appointment processes for their teams, except where otherwise specified in the Recruitment and Selection Policy.

Recruiting Managers are responsible for:

- Ensuring that the recruitment and selection process is conducted in a way that reflects the TEC's Recruitment and Selection Policy.

- Preparing a **Business Case – Request Approval to Recruit** for approval by the Chief Executive. The business case should also seek approval to engage a recruitment agency for hard to fill or specialised roles or any anticipated costs i.e. expenses for external panel members, psychometric testing if know at this stage.

- Designing the job - preparing an accurate role description and text for advertisement of the vacancy, which accurately reflects the nature of the job with support from HR where required.

- If using, managing the relationship with the recruitment agency, seeking advice from HR where required.

- Communicating with candidates throughout the recruitment and selection process.

- Convening an appropriate selection panel for the purposes of:
    - Long listing from applications received.
    - Testing where applicable, in consultation with HR.
    - Short-listing of potentially suitable candidates.
    - Interviewing candidates.
    - Following up with referees, including previous employers where these permissions are given.

- Ensuring that the successful applicant is lawfully able to work in New Zealand (a residency or work permit/visa must be sighted).

- Preparing a **Business Case – Recommendation for Staff Appointment**, agreed by all panel members and approved by the Chief Executive, ***before*** an employment offer is made to the preferred applicant.

- Making the offer of employment to the preferred applicant. Notifying all candidates of the appointment decision.

Human Resources

HR is responsible for:

- Monitoring and updating the Recruitment and Selection Policy the Process Overview and the Recruitment & Selection Guidelines.

- Providing advice and support to Recruiting Managers, panel chairs and selection panels on all aspects of the recruitment and selection process.

- Providing advice on job grading and remuneration.

- Maintaining an overview of recruitment agencies.

- Managing all internal and external advertising of vacancies.

- Providing advice on remuneration and conditions for the successful applicant.

- Creating the letter of offer to include in the employment pack to send to the preferred applicant.

- Providing information in accordance with the Employment Relations Act 30 day rule. (This includes a copy of the relevant Collective Employment Agreement).

- Providing payroll with the necessary information to set up a new staff member on the Payroll system, prior to their commencement date.

- Ensuring the vetting for criminal convictions process is carried out.

- Verifying an applicant's highest qualification.

- Retaining the written records of the recruitment and selection process for six months after an appointment.

- Managing any appointment reviews.

- Notifying the Public Service Association (PSA) of any appointees who request information about the PSA.

- Notifying the PSA of any new staff who state they want their information to be made available.

- Managing the recruitment and selection budget on behalf of the Chief Executive.

Panel Chair

All selection panels must have a chairperson. This is usually the Recruiting Manager.

Panel chairs are responsible for:

- Ensuring that all panel members understand and comply with the TEC's Recruitment and Selection Policy.

- Ensuring that panel members act in a manner which promotes the TEC as a good employer, at all times during the selection process.

- Ensuring that the integrity and confidentiality of the selection process is maintained at all times, and complies with the principles set out in the Privacy Act 1993.

- Determining an appropriate selection process which must include an interview with the whole panel and contacting the preferred applicant's referees to discuss performance and potential.

- Ensuring that panel members are provided with all relevant information to assist them to identify a suitably qualified person.

- Making decisions where panel members cannot reach a consensus.

- Ensuring that the panel's selection decisions are formally recorded on a **Business Case – Recommendation for Staff Appointment** and that this reflects the consensus of the panel.

- Ensuring that the assessments made about each applicant in the business case are objective, accurate, relevant to the selection criteria and not discriminatory in terms of the Human Rights Act.

- Ensuring that internal applicants, who wish it, are provided with constructive feedback on all parts of the selection process that they participated in, for their career development.

Career Development

Opportunities for internal promotion are provided where possible. All vacancies are advertised internally. TEC staff are encouraged to develop their career by applying for advertised positions. External advertising may follow or occur simultaneously at the discretion of the Recruiting Manager.

What delegation levels apply?

Please refer to the **HR Delegations**.

The gender pay gap at the TEC

Section 9(2)(a), Human Resources, Finance Directorate

Key messages

- Our gender pay gap is 11.1% as at 30 June 2017 (Human Resource Capability Survey 2017). This includes a staff in all tiers. The data doesn't include CNZ (who transitioned to TEC 1 July 2017).

- The gender pay gap used in the HRC report is defined as the difference between the average salary for women and the average salary for men, and is expressed as a percentage of the average salary for men.

- The gender pay gap has remained at around 11.0% for the past three years. The story here is hat we have almost halved it since 2013.

- A joint TEC/PSA working group met during 2015 to compare average salary data between female and male sala ies by salary grade. The reason for the gender pay gap was due to tenure in the role and level of skills and experience required. The reasons for why a gender pay gap exists can be due to many factors, i.e. re-entry after career breaks, time in a role, skills and experience required, etc.

- Our annual remuneration round is our opportunity to address any pay gaps.

- The cost of addressing the Gender Pay gap in the **2017 calendar year** was a total of $21,500   This was paid to Section 9(2)(a). In the **2016/17 financial year**, the cost was $10,163 and was paid to Section 9(2)(a).

The table below sets out our gender pay gap since 2013:

Year	Pay gap %
2017	11.1%
2016	11.0%
2015	11.4%
2014	9.8%
2013	19.7%

The tables below sets out the number and gender pay gap for Tiers 2 and Tier 3 as at 19 Feb 2018.

Tier	# female	# male	Total
2	Section 9(2)(a)		8
3	Section 9(2)(a)		27
Total	18	17	35

Tier	Average female salary	Average male salary	Total average	Gender pay gap
2	$155,523.50	$242,213.00	$198,868.25	35.8%
3	$124,702.07	$133,285.00	$128,834.59	6.4%
Total	$131,551.28	$158,915.12	$144,842.29	17.2%

Note: The data includes both TEC and Careers Tiers 2 & Tier 3. There is a significant difference in job sizing for the Tier 2 TEC roles and Tier 2 Careers roles. Even though we use the same evaluation system, we use different market data, i.e. TEC public sector median vs education.

What are we doing about the gender pay gap?

- We want to do further work on the gender pay gap, once we have completed our change process.
- Careers NZ transitioned to TEC on 1 July 2017. The remuneration approach is different for both organisations. TEC and Careers use different market data and remuneration range for their roles. This makes it difficult to undertake a whole of organisation comparison of gender pay.
- We could complete an analysis of the gender pay gap for TEC and Careers separately but as the organisation is going through a change process it would make sense to wait until we have completed the change process.
- If we identify gender pay gap issues within areas, we will address these on a case by case.