Diversity Reporting
Reporting Framework

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www.championsforchange.nz

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OVERVIEW

The Champions for Change External Reporting Initiative ("the Initiative") provides Champions, and other NZ organisations, with an opportunity to report publicly on standardised diversity and inclusion data.

By voluntarily coming together to publicly share their workforce diversity data, the Champions intend to provide strong leadership to New Zealand organisations and across the New Zealand community. The Champions are sending a powerful message that they see diversity performance as an important component of business performance, and that they want stakeholders to recognise, value and be reassured by their efforts here. Through their combined reporting and analysis, the Champions also intend to create a much richer understanding of how New Zealand is doing over time in terms of making the best use of its people resources to achieve social and economic prosperity. On an individual level, organisations will be able to learn what is possible through benchmarking against each other, and on a national level, we will see clearly where we all need to improve, where collaborative action, potentially across sectors, is required, and how our efforts are resulting in change over time.

This Initiative allows organisations to share their progress transparently with their stakeholders, as well as obtain a set of benchmarks for peer comparison. Reporting organisations each year submit an organisational profile that represents a snapshot of the gender and ethnicity make-up of their workforce and Board across standardised management categories at a point in time over the previous 1 April – 31 March period. Organisations submit their results by 31 March to the Reporting Partner. The Reporting Partner is an independent organisation contracted to collate and analyse the data and develop a report to be published annually.

The Initiative's reporting framework is set out in Figure 1. The remainder of this document provides an explanation of the key concepts used in this framework and the obligations of reporting organisations in relation to them.

The companion documents, Guidelines for Reporting Organisations, Question Pack and Template1, provide a practical guide for organisations on how to collect, analyse and report on the required gender and ethnicity workforce and board data and includes case studies and links to additional resources.

[1] See *Guidelines for Reporting Organisations, Question Pack and Template* at www.championsforchange.nz

Data collection

FIGURE 1 | CHAMPIONS FOR CHANGE REPORTING FRAMEWORK

Name of organisation: (including named subsidiaries)

Reporting period:

Certificate of accuracy provided: Y / N

Data provided: Option 1 - Individual-level data OR Option 2 – Aggregated-level data
(please ensure all information is de-personalised)

OPTION 1 – INDIVIDUAL-LEVEL DATA

Access to employee-level data allows cross-factor analysis to take place. Below is a snapshot of the recommended format for supplying individual-level data:

Diversity Dataset for Company X (when submitting individual level data)

Number of employees used to populate statistics (assuming same as number of employees in company)

Company Name	Unique ID	Work category	Gender	Ethnicity 1	Ethnicity 2	Ethnicity 3	Full-time/part-time/casual	Permanent/ contract/ casual
Company A	123456	Senior manager	Female	European			FT	Permanent
Company A	736479	KMP	Male	Maori	Fijian	Tongan	PT	Permanent
Company A	583629	Non-manager	Female	Filipino	English		Casual	Casual
Company A	395729	KMP	Female	New Zealander	Maori		FT	Contract

Ideally, the required data to be supplied is a unique (de-identified) record for each employee which will allow the Champions for Change reporting team to quickly analyse data to understand underlying trends cutting across work category, gender, ethnicity, age and employment mode.

The data should be supplied in Excel format or if too large in an Access database.

OPTION 2 – AGGREGATED-LEVEL DATA

Option 2 allows data to be collected at an aggregated level. Please note this will limit the ability to perform cross-factor analysis. Below is a snapshot of the recommended format for supplying aggregated-level data:

Diversity Dataset for Company X (when sbmitting _aggregate_ level data)

Number of employees in the organisation
Number of employees used to populate these statistics

Gender split

	Board	KMP	Other Execs/GMs	Senior Management	Other Managers	Non-Managers
Male						
Female						
Gender diverse						
Not stated	100%	100%	100%	100%	100%	100%

Ethnicity split

	Board	KMP	Other Execs/GMs	Senior Management	Other Managers	Non-Managers
New Zealander						
European						
English						
Australian						
Dutch						
Other European						
Maori						
Samoan						
Cook Islands Maori						
Tongan						
Niuean						
Tokelauan						
Fijian						
Other Pacific Peoples						
Filipino						
South East Asian						
Chinese						
Indian						
Other Asian						
Middle Eastern						
Latin American						
African						
Other						
Not stated	100%	100%	100%	100%	100%	100%

The data should be supplied in Excel format or if too large in an Access database

NAME OF ORGANISATION

An organisation's report should include all entities within its corporate structure that are based in New Zealand. Please note that this does not include franchisees. For completeness, please list in brackets the names of the subsidiary entities being reported on.

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REPORTING PERIOD

The reporting period refers to the 1 April – 31 March year within which the workplace profile snapshot is taken. It is recommended that the workplace snapshot of data is taken on or near the same date annually for each organisation, particularly for those organisations that may experience seasonal workforce fluctuations.

CERTIFICATE OF ACCURACY

Reporting organisations will be provided with a standard form undertaking from their CEO as to the accuracy of their data. This should be submitted along with the filled-out template. Whilst some organisations may choose to have their data externally audited, this is not a requirement. The Reporting Partner will not undertake any data quality investigation and will rely solely on the quality of the data provided.

TYPE OF DATA PROVIDED

Organisations are able to report on either individual-level data, or aggregated-level data.

The individual-level basis allows results to be analysed by both gender and ethnicity. This type of analysis is seen as increasingly important as we recognise the importance of understanding multiple diversities.[2] Data inaccuracies are also easier to prevent with unit-level data provision.

If organisations are not able to provide individual-level data on an anonymised basis, they can provide it at an aggregated level.

WORKFORCE

The report should include all workers in New Zealand and be on the basis of actual numbers (headcount), including full-time, part-time, permanent and contract employees. This includes:

- o   foreign nationals or expatriates working in New Zealand for the organisation or its NZ-based subsidiaries
- o   employees on parental leave (paid or unpaid) or on extended leave
- o   casual or seasonal workers
- o   individuals employed by the organisation as apprentices or trainees

[2] See *Case for Change materials* at championsforchange.nz

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Information should only be collected from voluntary participants, who should be aware at the time of the collection how and why their information will be used. The workplace profile does not include:

- independent contractors
- employees of a labour hire company (recruitment company) who have been assigned to work in the business
- apprentices or trainees who are directly employed by a group training organisation although placed within an employer
- volunteers or unpaid visitors.

WORKFORCE CATEGORIES

To facilitate the standardisation of data, organisations will need to classify and report on managers and non-managers against standardised occupational categories as outlined below. These definitions have been adapted from the Australian Workplace Gender Equality Agency's Reference guide 2015-2016. Important: When allocating employees to an occupational category, organisations should use the definition for each category provided rather than referring to internal job titles or hierarchies.

MANAGERS

Managers are categorised against occupational categories that best reflect the responsibility of their role, not their title:

- Board
- KMP (key management personnel)
- other executives/general managers
- senior managers; and
- other managers.

Definitions of each category are provided in Figure 2.

Important:

- A manager does not need to be responsible for people to be defined as a manager.
- Some organisations may not have employees within every manager category.
- A supervisor is not a manager. A supervisor might organise defined tasks or groups of tasks; supervise one person or a team of people; consider budgetary implication; carry out activities within defined parameters; handle work assignments, time-keeping and problem solving and/or have limited decision-making authority.

Note: Please contact the Champions for Change Programme Manager for any assistance required with matching your internal categories to the recommended 'Standardised Occupational Categories of Managers'.

FIGURE 2 | STANDARDISED OCCUPATIONAL CATEGORIES OF MANAGERS

MANAGER CATEGORIES	DEFINITION
Board	For the purposes of this Initiative, the Board is defined as "the board of directors, trustees, committee of management, council or other governing authority of the employer". For example, for a company, the Board is the board of directors, not the executive committee of management. If the governing body/board is located overseas, it still needs to be included.
KMP (key management personnel)	KMP refers to those persons who have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. It includes the CEO. A defining feature of KMPs is that their influence is at the entity level. They are likely to be functional heads such as head of operations or head of finance and direct how that component contributes to the entity's outcome, with a strategic focus. The KMP is a manager who represents at least one of the major functions of the organization and participates in organisation-wide decisions with the CEO.
Other executives / general managers	Other executives/general managers hold primary responsibility for the equivalent of a department or a business unit. In a large organisation, this manager might not participate in organisation-wide decisions with the CEO. Alternatively, this manager could have influence in organisation-wide decision-making forums to provide expertise or project development but because they do not actually hold authority at an entity level they would not be defined as a KMP.
Senior managers	Senior managers are charged with one or more defined functions, departments or outcomes. They are more likely to be involved in a balance of strategic and operational aspects of management. Some decision-making at this level would require approval from either of the two management levels above.
Other managers	Other managers plan, organise, direct, control and coordinate an operational function. They usually oversee day-to-day operations, working within and enforcing defined parameters. They might implement, determine, monitor and review strategies, policies and plans to meet business needs as it relates to their own function/work area. An 'other manager' is accountable for a defined business outcome which usually involves the management of resources that also includes time management, coordination of different functions or people, financial resources, and other assets (for example facilities or IT infrastructure). Line managers would be included in this category.
Non-managers	Non-managers include all other employees within the organisation.

Note: Each organisation will need to ascertain for itself how its structures fit into this framework, and apply the same logic to ensure consistent results over time. A professional services partnership may, for example, determine that all its partners, as well as its CEO and functional heads, constitute KMPs.
Note: Some organisations may not have a Board in this sense and may leave this category blank. This could be the case for a government department or a professional services firm that has categorised all its partners as KMPs. An organisation should not double count individuals, for example, counting a partner as both a KMP and a board member. Each person can only be in one category.

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GENDER

In relation to both gender and ethnicity, organisations should use the Statistics NZ classification system to ensure standardisation of results across organisations and to enable comparison with Census and other public-sector data. [4]

Organisations should ask employees which gender they identify as, giving at least the options of "male", "female" and "gender diverse". Gender diverse is defined as "having a gender identity or gender expression that differs from a given society's dominant gender roles".

Organisations should report on gender identity as "male", "female", "gender diverse" and "not stated", the latter category covering those employees who chose not to respond to this question.

ETHNICITY

The Statistics NZ Statistical Standard for Ethnicity defines ethnicity as follows: [5]

Ethnicity is the ethnic group or groups that people identify with or feel they belong to. Ethnicity is a measure of cultural affiliation, as opposed to race, ancestry, nationality or citizenship. Ethnicity is self-perceived and people can belong to more than one ethnic group.

Organisations should ask employees which ethnic group(s) they belong to, giving the option of selecting up to three groups. Because the Initiative is committed to a high level of understanding of corporate diversity, organisations are asked to collect employee ethnicity at Level 2 of the Statistics NZ Ethnic Classification System, across the following 23 categories: [6]

1. New Zealander
2. European
3. English
4. Australian
5. Dutch
6. Other European
7. Maori
8. Samoan
9. Cook Islands Maori

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[4] *The Statistics NZ Standards in relation to gender identity and ethnicity can be accessed at:*
http://www.stats.govt.nz/methods/classifications-and- standards/classification-related-stats-standards.aspx

[5] *Accessed at: http://www.stats.govt.nz/methods/classifications-and-standards/classification-related-stats-standards/ethnicity.aspx*

[6] *This represents Level 2 of the Statistics NZ Ethnic Classification System, with the addition of New Zealander, English, Australian, Dutch and Filipino. The term New Zealander rather than New Zealand European, has been used. This allows, for example, NZ-born Asians to also identify with this category.*

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10. Tongan
11. Niuean
12. Tokelauan
13. Fijian
14. Other Pacific Peoples
15. Filipino
16. South East Asian
17. Chinese
18. Indian
19. Other Asian
20. Middle Eastern
21. Latin American
22. African
23. Other

Organisations should collect ethnicity data within these categories, as well as the "Not Stated" category which covers employees who choose not to respond to this question. Because employees can select up to three ethnicities, the total of all ethnicities may exceed the total number of employees. Reporting will then take place at Level 1 of the Statistics NZ Ethnic Classification System, as detailed below:

Data collection categories

Based on Level 2 reporting from Statistics NZ, with the addition of New Zealander, English, Australian, Dutch and Filipino.

Reporting profiles

Based on Level 1 reporting from Statistics NZ, noting that where there is not enough data we will not report.

1	New Zealander	
2	European	
3	English	European (including New Zealander)
4	Australian	
5	Dutch	
6	Other European	
7	Maori	Maori
8	Samoan	
9	Cook Islands Maori	
10	Tongan	
11	Niuean	Pacific Peoples
12	Tokelauan	
13	Fijian	
14	Other Pacific Peoples	
15	Filipino	
16	South East Asian	
17	Chinese	Asian
18	Indian	
19	Other Asian	
20	Middle Eastern	
21	Latin American	Middle Easter/Latin American/African
22	African	
23	Other	Other Ethnicity

I prefer not to answer this question.

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Section 2 | Combined Reporting

INTRODUCTION

Once organisations have provided their data, the Reporting Partner will produce the core analysis, as well as any supplementary analysis requested by the Champions from time to time.

CORE ANALYSIS

The main output of the Initiative will be a gender profile summary and a set of ethnicity profile summaries. The individual results for each reporting organisation will be shown separately in a combined table of all reporting organisations.

GENDER PROFILE SUMMARY

The Gender Profile Summary table (see Figure 3) provides a summary overview of women's representation across workforce management categories and on the Board within all reporting organisations. In later years, there will be the potential to add a time comparison, and to use coloured shading to show whether an organisation's performance in a category is increased, unchanged or reduced.

ETHNIC PROFILE SUMMARY

The Ethnicity Profile Summary tables (see Figure 4) look separately at the workforce and board representation of six main groups. Where there is significant enough data to report, these categories will include: European (including New Zealander), Māori, Pacific Peoples, Asian, Middle Eastern/Latin American/African and other7. Again, there is potential to add in a time comparison detail for organisations in their second year of reporting to show an increase or decrease in representation over time.

7. Where there is not enough data to report, these categories will not be featured.

FIGURE 3 | GENDER PROFILE SUMMARY

Women's Representation Across Reporting Organisations

2017 / 2018

Last 12 Months: ⬤ Increased   ⬤ Unchanged   ⬤ Reduced

Women's Representation (%)						
Reporting Organisation	Key Management Personnel	Other/Execs/ General Manager	Senior Management	Other Managers	Non-managers	Board
A Ltd	30	30	30	30	30	30
B Ltd	30	30	30	30	30	30
Ministry of C	30	30	30	30	30	—
D Ltd	30	30	30	30	30	30
E Ltd	30	30	30	30	30	30
F Trust	30	30	30	30	30	30
G & Partners	30	30	30	—	30	—
H Ltd	30	30	30	30	30	30

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FIGURE 4 | ETHNICITY PROFILE SUMMARIES

Six separate ethnicity profile summaries will be produced as standard: European (including New Zealander), Māori, Pacific Peoples, Asian, Middle Eastern/Latin American/African and other, including workforce and board representation8. Where there is enough data to report, the profiles will be presented in the format below.

[Ethnic Group] Representation Summary Across Reporting Organisations
2017 / 2018

Last 12 Months: ● Increased ● Unchanged ● Reduced

[Ethnic Group] Representation (%)

Reporting Organisation	Key Management Personnel	Other/Execs/ General Manager	Senior Management	Other Managers	Non-managers	Board
A Ltd	70	70	70	70	70	70
B Ltd	70	70	70	70	70	70
Ministry of C	70	70	70	70	70	—
D Ltd	70	70	70	70	70	70
E Ltd	70	70	70	70	70	70
F Trust	70	70	70	70	70	70
G & Partners	70	70	70	—	70	—
H Ltd	70	70	70	70	70	70

8. Where there is not enough data to report, these categories will not be featured.

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SUPPLEMENTARY ANALYSIS

Each year, the Champions for Change will determine what additional analysis they would like the Reporting Partner to undertake. This could be analysis that provides useful insights for reporting organisations as well as for those seeking to understand workforce diversity in NZ more generally.

The Champions may also from time to time consider requests from others to analyse the collected data, retaining a right to approve commentary to ensure that it is constructive. Some examples of useful supplementary analysis could include:

- **Understanding Asian sub-groups:** What sub-groups of Asian populations are represented within the workforce as a whole? In management?

- **Representation across organisations:** Analysing the whole population of workers in a particular category across organisations. For example, of all the Key Management Personnel roles across reporting organisations, how many are women? How many identify with an ethnicity other than NZ European?

- **Multiple diversities:** Subject to sufficient unit level data being collected, how do gender and ethnicity relate across workforce and board profiles? How do people with different ethnicity combinations fare? Of all non-NZ European managers, what percentage are women?

- **Sector analysis:** How does gender and ethnic representation differ by sector?

- **Change analysis:** What progress are reporting organisations making over time? What parts of the pipeline are opening up? Which ones are not?

- **Focus on gender diversity:** What changes are occurring over time in terms of people identifying as gender diverse at work?

- **Reporting culture:** Over time, what is happening to the proportion of employees who are prepared to record their gender and ethnic identities?

ADDITIONAL NOTES FROM CONSULTATION FEEDBACK

Below is a summary of the additional notes captured during the consultation phase in September to December 2016, including an update on the status of these considerations as part of this revised Reporting Framework, February 2017.

COLLECTION OF DATA

Opt-in approach: Some organisations have indicated they will report in year one, while others will require a staged approach and data collection will be progressive as they evolve their IT systems and communications with staff. As such, we are utilising an opt-in approach to data collection that allows organisations to begin reporting when they are ready and able.

General collection of data: We have agreed to use the recommended Level 2 Statistics NZ ethnic classifications (22 categories), with the addition of the additional sub-group, Filipino, and referencing 'New Zealander, rather than 'NZ European' to, for example, allow NZ born Asians to also identify with this category.

Disability and other diversity data: If, as an organisation, you are interested in capturing extended sets of diversity data then we encourage you to consider an open question option that will allow respondents the opportunity to comment on any other area of diversity they wish to record. We would be interested in seeing this data from a research perspective, however will not be reporting on it during initial stages.

Definition of 'managers': There were requests to have the definition of 'managers' refer to 'people leaders' only (those that have one or more direct reports), however, a decision has been made to stay with the Standardised Occupational Categories of Managers detailed in this document.

Language: The language in Figures 3 and 4 of the Reporting Framework has been changed from "improved, unchanged or declined" to "increased, unchanged or reduced".

REPORTING

Measures of progress: A function will be included in the final proposed reporting format that allows organisations to demonstrate progress on work being done to move towards measures of success, on an ongoing basis. This will be included as part of the reporting phase (after data collection year one).

Fluctuations in numbers: For many organisations, the loss of one or two key personnel from a management team may have a significant impact in overall percentage reflections. As such, in setting the standard for progress and recognition a request was made that a function be considered to accommodate fluctuations in numbers. For example, a 40-40-20 approach (e.g.: 40 male, 40 female, and 20 either male or female). In addition, outstanding performance of national or international significance will be recognised by annotation. For example, 20% female Board members may not look like a strong achievement based on general market comparisons, however, at an industry level in a traditionally male environment (e.g: construction or shipping), this may be an industry gold standard. This will be considered as part of the reporting phase (after data collection year one).

Quotas: Most organisations have no interest in rigid quotas though a number mentioned their desire to set targets. We will work with the appointed independent research firm to determine how best to accommodate this feedback. This will be considered as part of the reporting phase (after data collection year one).

Validity of data: Our Reporting Partner, McKinsey & Company, recommend a minimum completion rate or representative sample of 70%+. Data collected that does not reach this threshold will be reviewed on a case-by-case basis.

Presentation of survey data: It was agreed by the majority that the presentation of data will focus on the two main diversity categories to begin – gender diversity and ethnicity. Simplicity in presentation will be key as part of the initial reporting phase.

ONGOING CONSIDERATIONS

Ongoing market consultation: While Champions wish to report their organisation's progress on diversity measures as part of their commitment as Champions, they also desire an ongoing collaboration with other market players, such as the NZX, to ensure a consistent voice in the market and no surprises on competing commitments for reporting.

Use of survey data: A set of expectations for data use will be developed and agreed upon by all Champion organisations. This will be considered as part of the reporting phase (after data collection year one).

Working group opportunities: A range of working groups have been suggested to support organisations to begin their reporting process. These include, but are not limited to: NZX listed companies, who will work together to advance NZX reporting to a standard more comparable to ASX standards; Professional service firms; Industry sector groups.

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