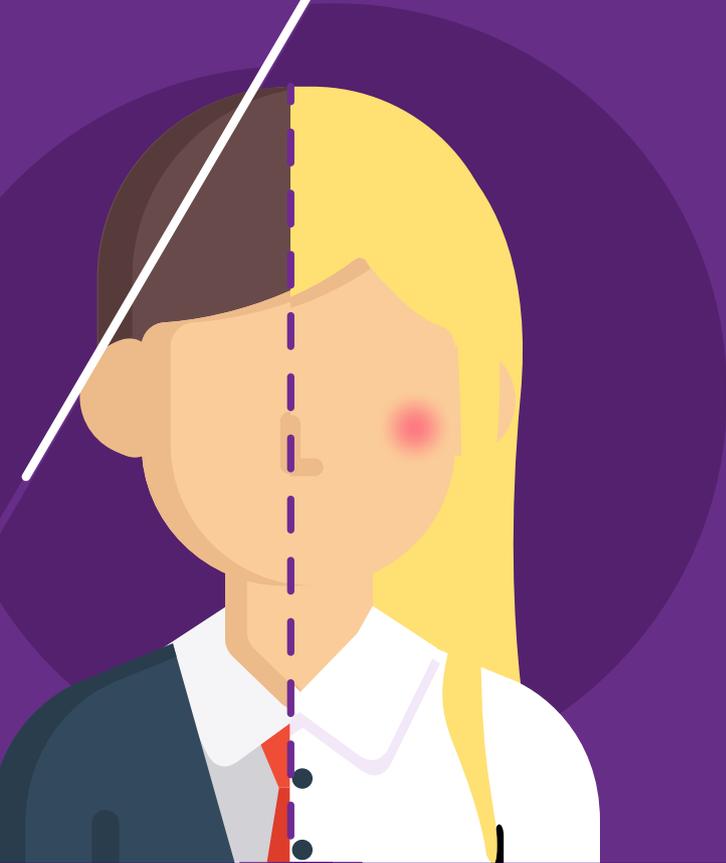




# Equality at the top?

The gender pay gap  
at New Zealand's  
executive level

The gender pay gap in New Zealand currently stands at 9.4%, according to the Ministry for Women - and we are still a long way off from seeing equal pay in this country.



At JacksonStone & Partners, we've had years of experience finding both male and female candidates senior positions in a variety of sectors.

We explored our data in detail to see what the gender pay gap is like at New Zealand's executive level. As anticipated, we found that women tend to be on lower salaries, and also tend to seek smaller increases when looking to change roles.

The results clearly indicate that women are undervaluing themselves compared to men. Read on to find out why this might be, and what JacksonStone & Partners is doing to help.

## How we collected the data



JacksonStone & Partners collected information from a random selection of candidates who've interviewed for positions with us in the past six months.



We took their current and expected remuneration, and compared the results between men and women.



All names and companies were removed.



We excluded any results where candidates (both men and women) had asked for a lower expected salary.

## The results?

Men consistently seek a higher salary increase than women.



Female candidates sought an average salary increase of \$15,267.



Male candidates sought an average salary increase of \$21,227.



This worked out as a 12% increase for women and 16% for men.

The average current salary of men was also higher than women – standing at \$147,561, compared to \$134,036.

## There are significant differences between seniority levels

JacksonStone & Partners categorised positions into four different levels of seniority.

For seniority level 1, men asked for an average expected salary increase of 20%, and women only 17%.

The largest gap was for seniority 2 (one down from the top), where men expected an 18 % increase, and women only 11%.

For seniority 3, the difference was smaller, at 1%.

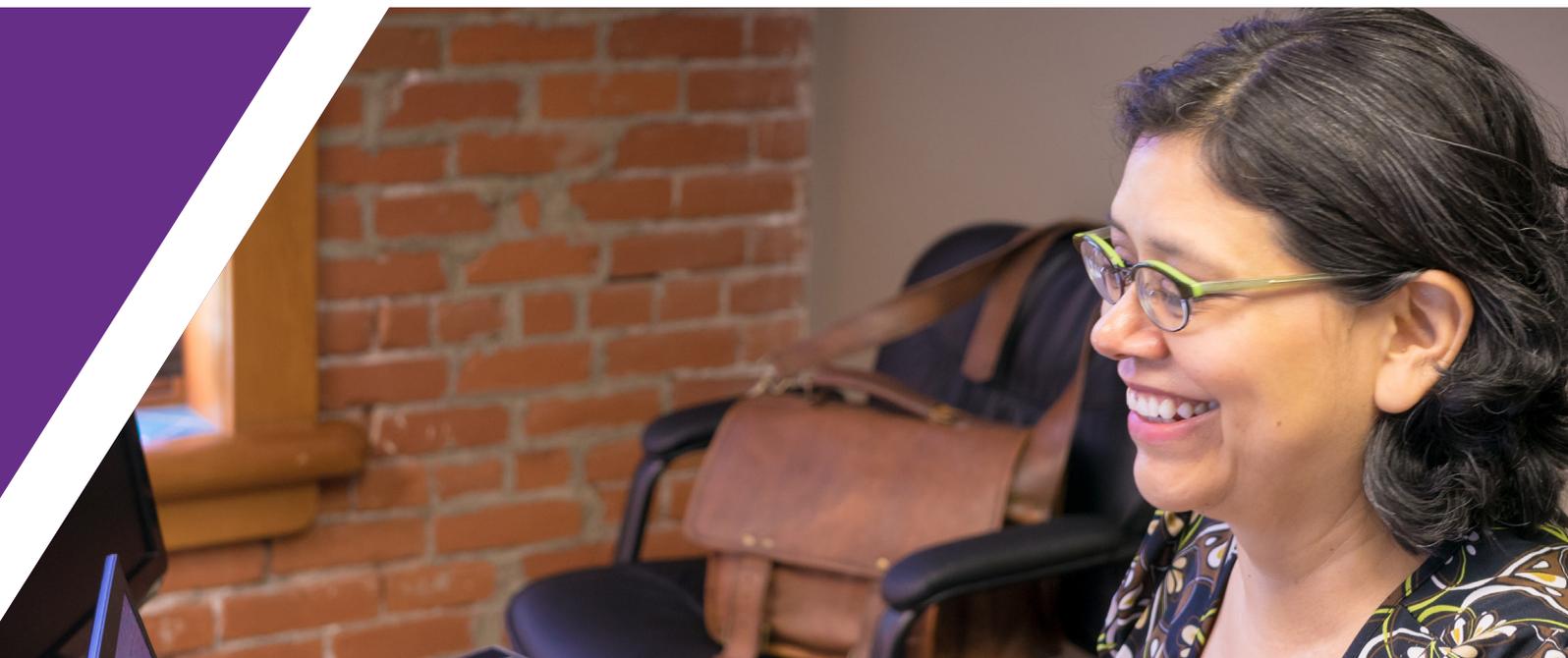
For seniority 4, the difference was 2%.

1

2

3

4



*“The National Council for Women in New Zealand was formed in 1896, three years after women won the right to vote. In 1897 it passed its first employment resolution calling for equal pay for equal work – and 121 years later we still aren't there.”*

*- Dr Gill Greer,  
Chief Executive of the National Council  
for Women in New Zealand.*

**US \$12 trillion. That's how much McKinsey estimates we could add to the global economy by 2025 through advancing women's equality. Meanwhile, UN data shows that reducing gender inequality by just 0.1 on the Gender Inequality Index leads to a 1% increase in economic growth.**

There are many other advantages to gender equality. A recent study by Westpac<sup>1</sup> indicates that when women are involved at senior level as executives and/or board members, companies experience better return on assets and capital, higher sales and reduced failure. What's more, a report by Catalyst<sup>2</sup> found that in all measures, the companies with the most female board members outperformed those with the least.

The benefits of gender equality are clear, and one of the main ways we can improve it is by paying women equally for equal work. But, as JacksonStone & Partners' data shows, we are far from achieving it. In their random sample of interviewees from the first six months of 2018, we found that women are consistently paid lower salaries in their current roles than men, and indicate lower desired expectations of salary levels.

Why is this the case, and what can New Zealand businesses do to change it?

## The broader picture: Why is there a gender pay gap?

The reasons for the gender pay gap are numerous and complex. We spoke to Dr Gill Greer, Chief Executive of the National Council for Women in New Zealand (NCWNZ), to find out more.

"The NCWNZ was formed in 1896, three years after women won the right to vote. In 1897 it passed its first employment resolution calling for equal pay for equal work — and 121 years later we still aren't there."

"Women tend to undervalue themselves and many also lack confidence - hence they are seeking lower desired salaries. They are also often caught in a Catch-22 situation - if women apply for a high salary, they can be seen as over-ambitious. However, if they don't ask, they're seen as lacking in confidence or not assertive enough, which can then hamper their chance of securing the role and future salary-raise opportunities."

There's also the huge problem of unconscious bias - New Zealand's Ministry for Women has found that 80% of the gender pay gap is now driven by what research calls "unexplained" factors.<sup>3</sup> In the past, gender pay inequality has been put down to measurable factors such as women taking

time off work for childcare. Although this does have an impact, the unexplained factors, such as unconscious bias determined by environmental factors and experiences, has much more influence.

The problem compounds as women move up the career ladder; because women's current salaries tend to be lower generally, and they consistently seek lower desired salaries as they change roles throughout their career. The JacksonStone & Partners data reflects a 9.6% difference between men and women's current salaries on average across all seniority levels. This is almost exactly the same as New Zealand's wider gender pay gap, standing at 9.4%, according to StatsNZ.<sup>4</sup>

New Zealand's Ministry for Women has found that **80%** of the gender pay gap is now driven by what research calls **"unexplained" factors.**

## Why are women seeking lower desired salaries than men?

JacksonStone & Partners Director Annabel McCallum and Principal Consultant Liz Ruscoe have over 20 years' combined experience in the recruitment industry. During this time, they've seen women consistently seek lower desired salaries, and so the data JacksonStone & Partners produced came as no surprise.

"It's a really complicated mix of reasons why women tend to put lower desired salaries, but we've broken it down into three core explanations," says Annabel. "First, there's a lack of awareness around market value for roles. Second, women tend to undervalue their personal worth and what they can bring to a role. Third, women are often conditioned to ask for and accept lower salaries."



Market value is something that many people, both men and women, don't have a clear picture of. It essentially reflects what a role is worth, depending on the responsibilities and accountabilities required, as well as what skill set and qualifications are necessary to complete the work. The market also plays a part - if demand for a role is higher than the supply (which occurs a lot in technology roles, for example), companies will tend to pay more for a candidate.

"Women come to roles not knowing the market value (which is a characteristic of men as well). But with women, they're also frequently unaware of their personal value too," explains Liz. "Confidence tends to be lower in women - they dismiss certain skills as simply being part of their skill set instead of being a marketable trait. They are often conditioned to subconsciously think of their role as being less influential, and therefore will accept a lower salary."

"This starts right at the beginning of a woman's career and indicates that taking time off for childcare (often cited as a key reason for women receiving lower salaries), while important, is not as influential as some might argue. Introducing parental leave legislation that encourages both parents to take it will also help. We've already seen how successful this is in the Scandinavian countries," says Gill Greer.

## What can we do to improve gender pay equality?

There are several things we can do to improve gender pay equality. "Transparency is key," says Gill Greer. "As we produce more data and more information about recognising unconscious bias, it should mean women are more aware of their market value and therefore they will hopefully ask for more."

Legislation is also important for Gill. "It's over 100 years since the NCWNZ called for equal pay a priority, and we've still not achieved it. This suggests that more aggressive legislation is important," she says.

People often tend to shy away from mandatory quotas — however these only need to be in place for a certain period of time. Once the number of women on boards and in senior management increases and becomes the norm, we won't need the quotas anymore.

"The UN committee on the Convention on the Elimination of All forms of Discrimination Against Women (CEDAW) has recently reiterated its recommendation to government on the importance of quotas being set in place in both public and private sectors. The new Gender Pay Principles for the Public sector are an important development and may also have a halo effect on the private sector."

The Government's plans for the public sector show that many institutions are trying to address the gender pay gap in some way. It has announced that all female public servants will be paid the same as their male counterparts by 2020 and will hold half of all senior positions (defined as the top three rungs of the public sector) by the end of 2019.

"As we produce more data and **more information about recognising unconscious bias**, it should mean women are more aware of their market value and therefore they will **hopefully ask for more.**"





## What is JacksonStone & Partners doing to improve gender pay equality?

At JacksonStone & Partners, we see raising awareness as key to improving gender pay equality. "As consultants, it's our duty both to clients and candidates to offer advice on what market value is and show how much a candidate is really worth. We won't proactively disclose candidates' current salary details, and because we facilitate the salary negotiations between client and candidate, we can advise where salary offers and desired remuneration are too low or too high," says Annabel.

JacksonStone & Partners also emphasises to clients what an attractant equal pay can be for getting the best talent. "Many clients don't realise how powerful it is to be able to show they have a social conscience and the difference it can

make to women, the business and the economy," says Annabel.

Giving consideration to unconscious bias is also integral to JacksonStone & Partners' approach. "We think it's essential that anyone involved in recruitment or remuneration is aware of unconscious bias and how to spot it. We regularly talk to all our staff to ensure they can spot it in themselves when offering advice on desired pay," explains Liz.

The gender pay gap is an incredibly complex issue, and the methods to address it should be equally broad. Nevertheless, while raising awareness about market value and desired salary is only one part of reducing the pay gap, it is certainly an important step.

The benefits of addressing the gender pay gap are clear, both for wider economies and individual businesses. But it's not something you have to do alone. The executive recruitment experts at JacksonStone & Partners have years of experience helping to raise awareness and ultimately to tackle the gender pay gap.

Contact us today to engage our services, and find out more about how you can reduce the gender pay gap at your organisation.



DIRECTOR  
**ANNABEL  
MCCALLUM**

DDI: +64 4 550 8010

M: +64 21 915 086

E: [annabel.mccallum@jacksonstone.co.nz](mailto:annabel.mccallum@jacksonstone.co.nz)

*After 17 years as a senior communications practitioner and manager, Annabel joined the search and recruitment industry in 2005 and has since established a strong reputation for herself.*

Annabel is one of the founding Directors of JacksonStone & Partners and she is recognised for understanding exactly what her clients need and then being able to deliver a solution.

Coming from a successful career in senior communications roles spanning the private and public sectors, Annabel has a strong following of clients and candidates. She is recognised as one of New Zealand's leading executive search and recruitment practitioners in the communications profession and she also appoints chief executive and general management roles. She is known for her excellent judgement, her people skills, and a tenacity that ensures challenging search and recruitment assignments have positive outcomes.



PRINCIPAL  
CONSULTANT

**LIZ  
RUSCOE**

DDI: +64 4 550 8016

M: +64 21 442 149

E: [liz.ruscoe@jacksonstone.co.nz](mailto:liz.ruscoe@jacksonstone.co.nz)

*Liz's affinity with people means she is quick to understand the needs of her clients and candidates.*

Her approachable style combined with extensive knowledge of, and experience working in, the human resources sector, make Liz a sought-after consultant for clients and candidates.

It was a natural transition for Liz in 2007 when she stepped out of a 12 year career in HR management and into the search and recruitment industry. Since then, Liz has specialised in the appointment of senior human resources staff, guiding her clients through the search and selection process.

Liz remains strongly engaged with the human resources sector and is a member of HRINZ. Her insights into the range of contemporary HR functions is valued greatly by her clients and she can be relied on for sound, informed advice.



## Sources

<sup>1</sup>Westpac New Zealand, 'Diversity Dividend Report, December 2017, URL: <https://www.westpac.co.nz/assets/WOI/Westpac-Diversity-Dividend-Report.pdf>

<sup>2</sup>Catalyst Inc., 'The Bottom Line: Corporate Performance and Womens' Representation on Boards', 2007, URL: [http://www.catalyst.org/system/files/The\\_Bottom\\_Line\\_Corporate\\_Performance\\_and\\_Womens\\_Representation\\_on\\_Boards.pdf](http://www.catalyst.org/system/files/The_Bottom_Line_Corporate_Performance_and_Womens_Representation_on_Boards.pdf)

<sup>3</sup>Ministry for Women, 'Gender Pay Gap', 2018, URL: <http://women.govt.nz/work-skills/income/gender-pay-gap>

<sup>4</sup>Statistics New Zealand, 'Gender pay gap smallest since 2012', September 2017, URL: <https://www.stats.govt.nz/news/gender-pay-gap-smallest-since-2012>

## CONTACT US

[www.jacksonstone.co.nz](http://www.jacksonstone.co.nz)

WELLINGTON +64 4 550 8000

AUCKLAND +64 9 363 2855

JacksonStone  
& PARTNERS