

Appendix 6: Glossary and definitions

The following notes and definitions clarify some of the main terms relevant to equal opportunity and diversity in Western Australia. Where strict definitions are required the *Equal Opportunity Act 1984* (EO Act) should be consulted. There are also definitions pertinent to demographic data collection undertaken by public sector agencies, local government authorities and public universities. For more details visit the Office of Equal Employment Opportunity (OEEO) website at www.oeeo.wa.gov.au

Employee Perception Surveys

Employee Perception Surveys of employees in public sector agencies are conducted by the Office of the Public Sector Standards Commissioner (OPSSC). These include questions relating to human resource management, ethics and equity and diversity. Analysis of the Employee Perception Surveys is conducted comparing responses for each agency to the public sector aggregate and providing a gender breakdown.

EEO

Equal employment opportunity.

Employment type

The employment type relates to whether an employee was employed on a permanent, fixed-term, casual or sessional basis and whether they worked full-time or part-time.

- *Permanent*: An employee employed for an indefinite period of time, usually under the terms and conditions of a relevant award or agreement.
- *Fixed-term*: An employee employed for a finite period of time.
- *Full-time*: Those employees who normally work the agreed or award hours for a full-time employee in their occupation. If the agreed or award hours do not apply, employees are regarded as full-time if they ordinarily work 35 hours or more per week.
- *Part-time*: Those employees who are not full-time as defined above.
- *Casual*: Those employees who are paid on an hourly rate and receive a special loading, usually in lieu of leave entitlements.
- *Sessional*: Those employed to work for session periods.
- *Other*: Those employees who do not fit into any of the above groups.

Equal opportunity

As stated in s.3 of the EO Act, equal opportunity is concerned with:

- the elimination of discrimination on the basis of the grounds covered in the Act; and
- the promotion of the recognition and acceptance of the equality of all persons regardless of sex, marital status or pregnancy, family responsibility or family status, race, religious or political conviction, impairment or age.

Equity index

The equity index is a measure of distribution. It compares the distribution of women and diversity groups in the workforce and to the distribution of the workforce as a whole. If the group has a similar distribution across all levels as the total workforce the equity index is 100. An index of less than 100 indicates compression of the group at the lower levels. An index of more than 100 indicates the group is more likely to be at the higher levels.

For women, the equity index is calculated using the total number of people employed at each salary range and the total number of women at each salary range. Alternatively, data may be collected on the total numbers at each classification level. If this is possible it gives a more meaningful index. Where salary ranges are used attention should be paid to any changes to salary flowing from agreements. Progress over time may be illusory if there have been salary increases rather than an actual redistribution of the group being measured. Comparisons with other organisations need to take into account the difference in salary level for the same promotional position or classification level.

Details of the calculation are included at the end of this appendix. The OEEO has electronic calculators available for agency use to calculate the equity indices for their organisation.

Indigenous Australians

Persons of Aboriginal and Torres Strait Islander origin.

Management profile

This measures the managerial responsibility in an organisation according to the top three tiers in the organisational management structure. It is linked to decision-making responsibility rather than salary. The definitions recognise that a range of possible management structures exist, depending on the nature of the business conducted by the organisation, its size and geographical and corporate structure. While all organisations will have Tier 1 management, some smaller organisations or those with flatter structures may have only two tiers of management.

Management tiers

Tier 1 management

- Directs and is responsible for the organisation and its development as a whole.
- Has ultimate control of, and responsibility for, the upper layers of management.
- Typical titles include chief executive officer, general manager, executive director, and commissioner.

Tier 2 management

- Is directly below the top level of the hierarchy.
- Assists Tier 1 management by implementing organisational plans.
- Is directly responsible for leading and directing the work of other managers of functional departments below them.
- May be responsible for managing professional and specialist employees.
- Does not include professional and graduate staff (for example, engineers, medical practitioners, accountants) unless they have a primary management function.

Tier 3 management

- Is responsible to Tier 2 management.
- Formulates policies and plans for their area of control and manages a budget and employees.
- Is the interface between Tier 2 management and lower level managers.
- Does not include professional and graduate staff (for example, engineers, medical practitioners, accountants) unless they have a primary management function.

People from culturally diverse backgrounds

People born in countries other than those categorised by the Australian Bureau of Statistics as Main English Speaking (MES) countries (that is, Australia, United Kingdom, Ireland, New Zealand, South Africa, Canada and United States of America).

People with disabilities

People with an ongoing disability who have an employment restriction due to their disability that requires any of the following:

- restriction in the type of work they can do;
- modified hours of work or time schedules;
- adaptations to the workplace or work area;
- specialised equipment;
- extra time for mobility or for some tasks; and
- ongoing assistance or supervision to carry out their duties.

Types of impairments

- Sight - use braille, low vision aids or other special technology such as appropriate computers or screens (note: does not include glasses or contact lenses).
- Speech - use aids such as word processors or communication boards in order to be understood or need extra time to be understood.
- Hearing - use aids such as a hearing help card or volume control telephone in order to hear, or TTY (telephone typewriter), Auslan interpreter or note-taker in order to communicate.

- Learning - use specific support and training to perform the job, need more than average time to learn some parts of a job or have difficulty with reading or writing eg have an intellectual disability, acquired brain injury or dyslexia.
- Use of arms or hands - use specific equipment; for example, modified keyboard, hands-free telephone or need extra time for handling objects.
- Use of legs - use aids or need extra time for mobility; for example, wheelchairs or crutches.
- Long-term medical, physical, mental or psychiatric condition - any long term health or medical condition which regularly restricts or limits activities; for example, requires regular absences due to illness or time to be provided at work for medication or treatment or restricts some functions due to health and safety considerations.

Response rate for demographic survey of employees

Data on Indigenous Australians, people from culturally diverse backgrounds and people with disabilities is obtained through self-nomination using surveys or other voluntary data collection tools. In some organisations this information is not available for all employees and the number of surveyed employees is required to enable a calculation of the estimated percentage of employees in the EEO group in the organisation.

The response rate for the survey is the number of people that have responded to the request for information divided by the total number of employees in the organisation (including casuals and others). Note that the response rate may be different for each of the three diversity groups if a different type of survey or data collection tool was used for each diversity group at a different time.

Salary profile

Data relating to salary profiles by diversity groups relates only to permanent and fixed-term employees and trainees according to their current equivalent annual base wage or salary. Equivalent salary is the salary that would be paid to a full-time employee at that level including:

- equivalent annual rate of pay as specified in the award, enterprise or workplace agreement;
- salary incremental step;
- ordinary time earnings;
- higher duties allowance for ordinary time hours; and
- base wage or salary for employees on unpaid leave.

Penalty payments, shift and other remunerative allowances and overtime pay are excluded.

Senior executive service

The structure of the senior executive service (SES) differs from state to state:

- *APS*: SES positions are managerial positions above senior officer grades
- *WA*: The WA SES is generally comprised of positions classified at salary level 9 or above that carry specific management or policy responsibilities. Chief executive officers are appointed under s.45 of the *Public Sector Management Act 1994* whereas other SES members are appointed under ss 53 and 56 of the Act.

Calculating the equity index

The calculation of the equity index is:

$$E = \left(\frac{\sum_i i(f_i / F) / \sqrt{t_i / T}}{\sum_i i \sqrt{t_i / T}} \right)^2 \times 100$$

Where f_i and t_i are the female and total number of employees at level i in the organisation and F and T are the total of female and all employees respectively. The index is designed so that it has a value of 100 for an “ideal” distribution of women through the levels.

How to calculate the significance test

Since the equity index is based upon actual numbers that may vary by chance, it is necessary to determine the statistical significance of the index. First the measure of its uncertainty is calculated using the following formula:

$$S = 100 \sqrt{\frac{\sum i^2}{F \left(\sum i \sqrt{t_i / T} \right)^2}}$$

Then the following calculation is done to test whether the equity index is significantly different from 100 (the ‘ideal’ score):

$$\text{Significance test} = \frac{0 \sqrt{E} - 100}{S}$$

A value of more than 2 or less than –2 indicates a significant difference from the ideal index of 100.

Use of the significance test for small diversity group numbers

Where the organisation has small numbers of women (or the relevant diversity group) random fluctuations may have a high impact on the equity index and the deviation from 100 may be quite large before it becomes significant. In these situations it is important to consider the history of the index for the organisation. If the history shows the index is consistently low there may be cause for concern even if the test is not significant. However if the index is sometimes high and sometimes low it would indicate that chance fluctuations are causing these results.

Use of the significance test where the diversity group is the majority

The calculation for the significance test is an estimate of a more complex test. It provides a good estimate where there is a low or medium representation of women or the diversity group in the workforce. Where the representation of women or the diversity group is high (for example, in female dominated industries or occupations) the test is not quite as accurate and gives a slight underestimate. In this situation the test may show the deviation from 100 is not significant when the precise calculation would show that it is.

If women or people from the diversity group are the majority of the workforce, and the significance test is not significant but is close to -2 or 2, the test should be carried out for the minority group (for example, men in female-dominated industries). If this shows a significant difference from 100, the majority group will also be significantly different from 100.

Composite Equity Index

The Composite Equity Index (CEI) is used to measure the equity outcomes achieved by public sector agencies as a result of applying the principles of merit, equity and probity. The CEI uses employment data provided by agencies with more than 100 employees to provide a single measure of equity for each agency.

The CEI is calculated by combining equity indices for each of the four main diversity groups (women, Indigenous Australians, people from culturally diverse backgrounds and people with disabilities) with representation in agency employment for each of the four groups. Extensive development has gone into preparing the CEI. Although complex, it has been rigorously tested.

The eight components (four equity indices and four participation indices) are combined into the CEI via the following formula:

$$C = \left\{ \frac{\sum_{k=1}^4 \left((E_k \times Tgt_k)^{\alpha} + (P_k \times Tgt_k)^{\alpha} \right)}{\sum_{k=1}^4 \left((Y_k \times Tgt_k)^{\alpha} + (Z_k \times Tgt_k)^{\alpha} \right)} \right\}^{1/\alpha}$$

Where:

- C is the composite equity index score for an agency;
- α is equal to 0.5;
- k represents the equity groups (women, Indigenous Australians, people from culturally diverse backgrounds and people with disabilities);
- E_k is the equity index for the equity group k ;
- P_k is the participation index for the equity group k ;
- Tgt_k is the community representation for the equity group k ;
- Y_k is an indicator variable, with a value of one if the equity score for that equity group is greater than zero, and zero otherwise; and
- Z_k is an indicator variable, with a value of one if the community representation for that equity group is greater than zero, and zero otherwise.

The CEI has been calculated using the 2009 diversity objectives set out in the *Equity and Diversity Plan for the Public Sector Workforce 2006-2009* (EDP2). They are: 13% for people from culturally diverse backgrounds; 3.2% for Indigenous Australians and 3.7% for people with disabilities.

Equity index

The equity index has the following formula:

$$E_{Group} = \frac{\sum_j j \frac{s_j T}{S t_j} \left(\frac{t_j}{T}\right)^{\alpha}}{\sum_j j \left(\frac{t_j}{T}\right)^{\alpha}} \times 100$$

Where:

- E_{Group} is the equity index for one of the equity groups;
- α is equal to 0.5;
- j is the salary level (from 1 to 10);
- s_j is the number of employees in that equity group at salary level j ;
- S is the total number of employees in that equity group in the agency;
- t_j is the number of employees at salary level j ; and
- T is the total number of employees across the agency.

Participation index

The participation index has the following formula:

$$P_{Group} = \frac{S}{T \times Tgt} \times 100$$

Where:

- P_{Group} is the participation index for one of the equity groups;
- S is the number of employees in that equity group in the agency;
- T is the total number of employees in the agency; and
- Tgt is the community representation for the equity group as specified in EDP2.