



MBIE's GENDER PAY ACTION PLAN

March 2020

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Introduction and background

The MBIE Gender Pay Journey...

We created our first Gender Pay Action Plan in 2018 to address the MBIE gender pay gap (as part of our wider Inclusion and Diversity plan) to meet Government expectations on equal pay.

Since then, we have made good progress and met key objectives, and this work progresses into 2020. One significant investment is the implementation of our Career and Pay Progression (CAPP) framework. As part of this, we created a step based pay system with automatic pay progression, de-linking performance from pay and reducing potential subjectivity and bias. This created a positive platform for the next stage in our journey.

This plan sets out the progress we have made to date and the next steps in our journey. The evolution of our plan involved incorporating employee feedback from drop in sessions, a PSA member survey, existing I & D activity, current research on best practice and feedback collected through our employee experience sprints (Pasifika & Maori).

Our plan has been developed in the spirit of the Gender Pay Principles through a joint working group with the PSA, our “Gender Pay Action Group” (GPAG).

As well as gender, MBIE is committed to working to understand the drivers of ethnic pay gaps, specifically Māori and Pasifika. Throughout the phases and activities proposed in this plan, an ethnicity lens will also be considered to meet this commitment and ensure the principle of “freedom from bias and discrimination” is realised for these and other ethnic groups.

Our GPAG provides recommendations to a joint Governance Group made up of 4 DCE’s and 4 PSA Representatives, who oversee the development of the plan and who will have oversight of the delivery for 2020.

The 4 Deputy Chief Executives on our Governance Group are:

- Suzanne Stew, DCE Market Services (Sponsor)
- Greg Patchell, DCE Immigration
- Chris Bunny, DCE Building, Resources and Markets
- Megan Main, DCE Corporate Governance and Information

The final plan has been approved and committed to by our full Senior Leadership Team to ensure sustainable change across MBIE and we will report to them quarterly on progress against the key government milestones and activities.

We have aligned our 2020 plan to reflect the MBIE values and re-focused our plan on the following phases:

- **Audit** our current gender pay actions and reporting, and understand what actions our employees want to see in the future
- Build **awareness** of MBIE’s gender pay gap and our action plan among employees and managers through information and engagement opportunities
- Ensure the changes we are creating are **sustainable** through revised policies and processes
- Define our priority **actions** for 2020 and 2021, to enable delivery of our plan

Connect in with our “hub” on Te Taura for more information, resources and metrics

Why close the gender pay gap?

Society

A 2017 study by the Institute for Women's Policy Research found that the poverty rate of working women would be cut in half if women earned as much as men.



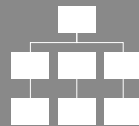
Economy

The Institute for Women's Policy Research found equal pay would add an additional income of \$512.6 billion to the U.S. economy if men's wages stayed the same.



Organisation

Companies with more women in top management and board positions better reflect the profiles of their customers and employees, benefit from more diverse views when solving problems, rank higher on indicators of organisational cooperation and health, and report higher profitability and returns on equity.



Business results

Businesses with a more gender balanced workforce achieve higher returns on equity and better financial performance, as well as a positive brand outlook in the market.



Culture

Closing the gender pay gap creates a positive work environment, garners the confidence and trust of employees, makes the best use of human resources, increases productivity and competitiveness.



Talent

Closing the gender pay gap benefits both employees and employers in helping to recruit and retain the best talent.



Background

The Government has committed to addressing the gender pay gap in the Public Service.

In 2018, the Government published five gender pay principles the state sector is expected to comply with, along with a number of actions and milestones in the Gender Pay Gap Action Plan.

Both of these initiatives are intended to encourage public sector agencies to work in collaboration with central agencies and unions to take action regarding their gender pay gap, and to encourage accountability for these actions.



- 01 Freedom from bias and discrimination**
Employment and pay practices are free from the effects of conscious and unconscious bias and assumptions based on gender.
- 02 Transparency and accessibility**
Employment and pay practices, pay rates and systems are transparent. Information is readily accessible and understandable.
- 03 Relationship between paid and unpaid work**
Employment and pay practices recognise and account for different patterns of labour force participation by workers who are undertaking unpaid and/or caring work.
- 04 Sustainability principle**
Interventions and solutions are collectively developed and agreed, sustainable and enduring.
- 05 Participation and engagement**
Employees, their unions and agencies work collaboratively to achieve mutually agreed outcomes.

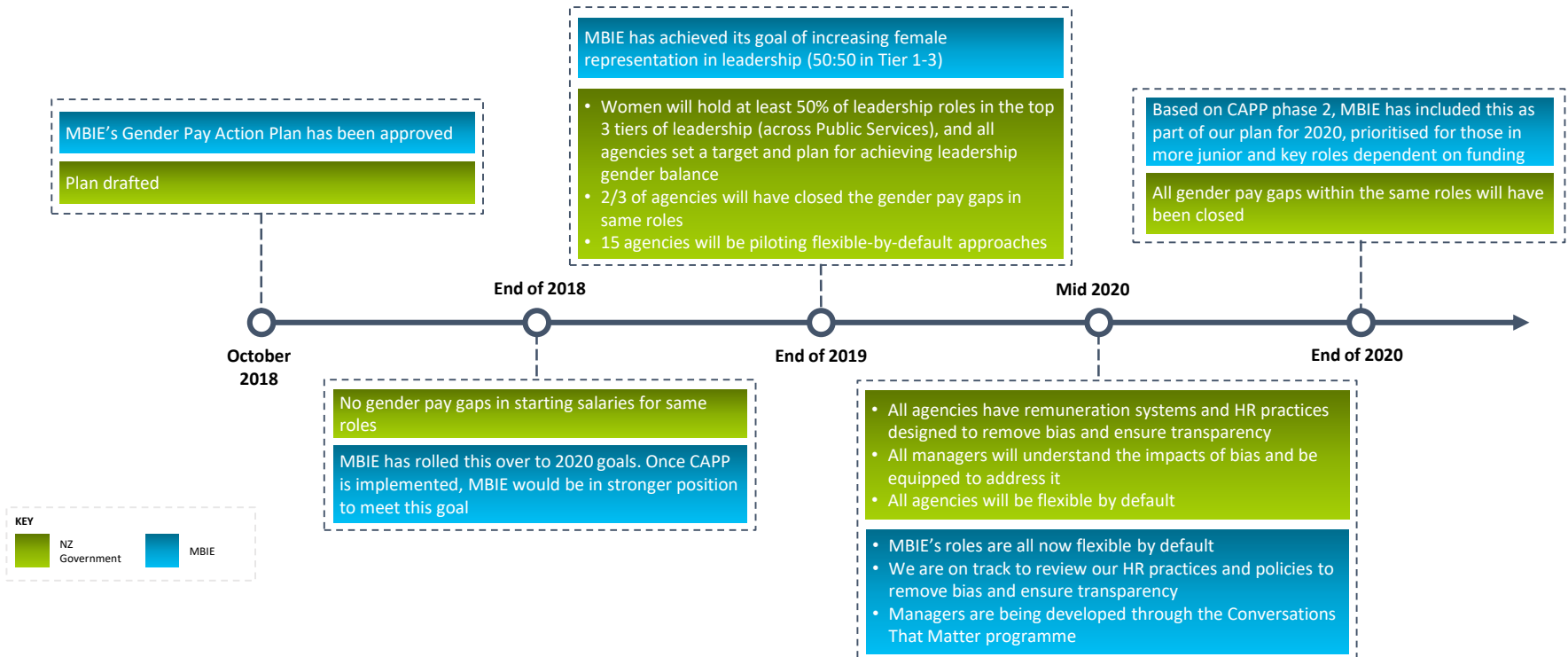
More details available on our hub on Te Taura.

How is MBIE tracking with the NZ Government's Gender Pay Action Plan Roadmap?

The New Zealand Government has committed to *eliminating the gender pay gap* within the Public Service.

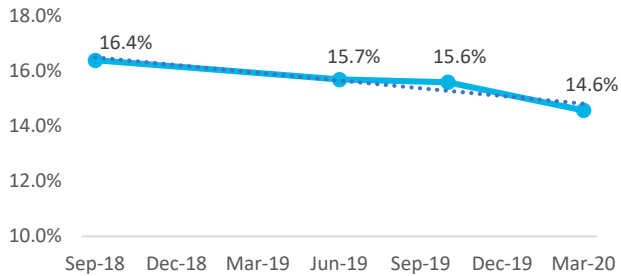
The Government has set *specific targets* for a number of measures including female representation in leadership, gender pay gaps in starting salaries, and gender pay gaps in like-for-like roles. It is important to note that there is no target for the Public Sector to address the overall gender pay gap at this stage.

The State Services Commission is focusing on eliminating the gender pay gap in the Public Service. The Government is expected to consider pay equity legislation in 2020.



MBIE's gender pay gap has reduced from 16.4% in 2018 to 14.6% in 2020

The gender pay dashboard includes the information shown below and is regularly circulated to senior leaders.



Since the drafting of the Gender Pay Action Plan in October 2018, MBIE's gender pay gap decreased by 1.8%. Part of this was the impact of the CAPP implementation.

Gender Pay Gap by Ethnic Groups



Calculation of the Gender Pay Gap based on average salaries within a number of ethnic groups we have data on. We believe our current data on how people identify with ethnic groups needs to be refreshed and this will be done as part of the data cleansing when moving to a new HR system.

The MELAA category represents for Middle Eastern Latin American and African

Average Salaries MBIE

Female: \$84,503
Male: \$98,925

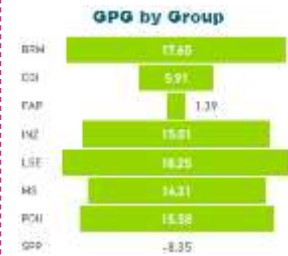
Calculation of the organisation-wide average salaries for females and males gives a view of MBIE's overall gender pay gap in terms of dollar values.



GPG Average calculation of the organisation-wide Gender Pay Gap based on average salaries. This figure includes permanent and fixed term employees and is calculated on full time equivalent base salaries.



GPG Median calculation of the organisation-wide Gender Pay Gap based on median salaries. This figure includes permanent and fixed term employees and is calculated on full time equivalent base salaries.



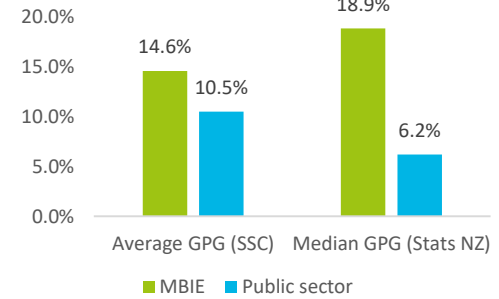
Gender Pay Gap calculated on average salaries for each group.

Typically, the Gender Pay Gap is wider when there are less women in the leadership roles



This chart provides the proportion of female and male in full time and part time positions. This shows work patterns by gender to see if this is a factor that contributes to the gender pay gap.

How is MBIE tracking against the public sector GPG?



As at June 2019, the average GPG in the public sector is at 10.5%, which is 4.1% lower than MBIE's average GPG.

MBIE's median GPG, however, is 12.7% higher than the public sector.

Gender Pay Gap by Seniority



Gender Pay Gap chart based on average salaries at different levels of the organisation.

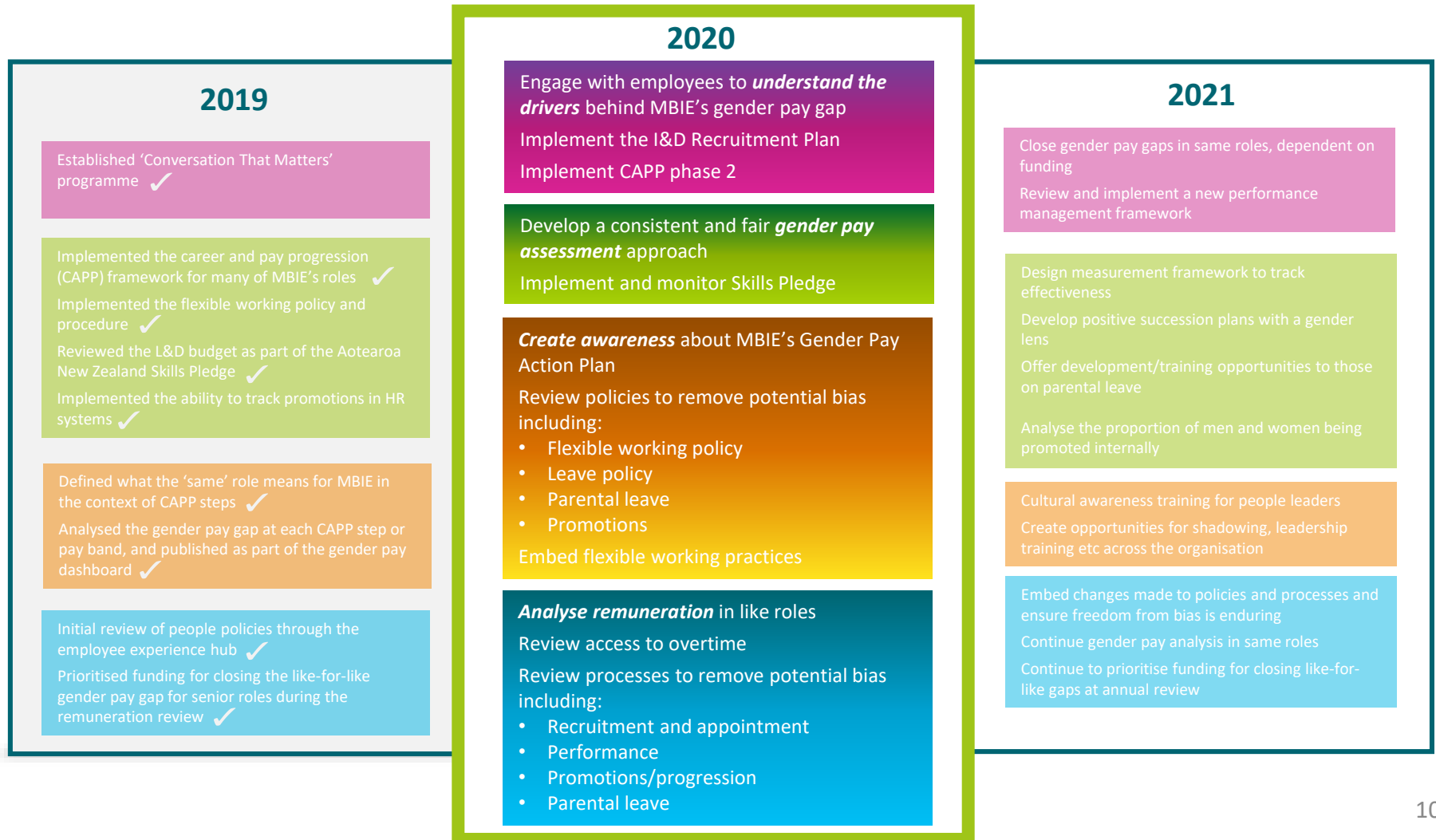
The senior leader group includes managers from tier 1 to 3. The other manager group represents all managers at other tier levels. The staff category regroups all non-managers.

MBIE's gender pay plan

The following section details MBIE's gender pay action plan progress to date and future actions.

MBIE's Gender Pay Action Plan Summary

The graphic below sets out the high-level actions we have taken in 2019 and our plans for 2020 and 2021.



Our focus this year...

The table below outlines the high-level activities that we will be focusing in 2020.

Phases	High-level Activity	Gender Pay Principles	2020			
			Q1	Q2	Q3	Q4
Audit <i>Understanding the drivers behind MBIE's gender pay gap and being able to track and monitor trends over time at MBIE by Group/Branch/Unit level.</i>	Review of 2019 Gender Pay Action Plan and update based on new insights.	Transparency and accessibility	█			
	Conduct employee engagements sessions, review employee experience sprints and incorporate feedback into the plan.	Participant and engagement				
	Build our capability to capture better data through data plan, dashboards and other reporting and financial modelling platforms.	Sustainability				
Awareness <i>Creating awareness and engagement in MBIE's Gender Pay Action Plan to support government expectations and commitments.</i> <i>Educating MBIE staff on the why and the how of the GPAP allowing for engagement and discussion.</i>	Set up Hub and develop communications plan to create awareness of the Gender Pay Action Plan.	Transparency and accessibility	█		█	█
	Engage P&C Advisory teams, PSA National Delegates Committee and senior leadership in updating our plan.	Participant and engagement				
	Educate employees, new employees (through inductions) and managers about the purpose and approach we are taking to address the gender pay gap.	Participant and engagement		█	█	█
Action <i>Developing a consistent and fair process for assessing individuals pay to ensure gender is not a factor.</i> <i>This supports the Government's roadmap goal: By end of 2020, agencies will have closed any gender pay gaps within the same or like roles.</i>	Agree a priority approach to phase analysis and target any corrections.	Relationship between paid and unpaid work		█		
	Develop process for assessment and facilitate workshops to those who will be involved in conducting the assessment.	Freedom from bias and discrimination			█	
	Approval and implementation of any pay corrections.	Sustainability			█	█
Sustainability <i>Ensuring any changes we make are supported by policies and processes that are free from bias.</i> <i>This supports the Government's roadmap goal: By mid-2020, agencies will have remuneration systems and human resource practices designed to remove bias and ensure transparency.</i>	Review policies on: <ul style="list-style-type: none"> • Flexible working • Leave <ul style="list-style-type: none"> • Parental leave • Promotions 	Sustainability		█		
	Review processes on: <ul style="list-style-type: none"> • Recruitment & appointment • Performance • Promotions/progression • Parental leave <ul style="list-style-type: none"> • Access to overtime • Out of cycle increases • Annual remuneration review • Training investment & opportunity 	Sustainability		█		
	Update recommended changes and secure approval of the new processes.	Sustainability				█
	Design measurement framework to track the effectiveness of addressing skills gap programme (Skills Pledge).	Sustainability				█

Detailed plan

The following section sets out a review of the actions we proposed in 2018 and the new actions we have added. We have further work to do but we have made strong progress. We have categorised our actions by the four key focus areas developed with our Gender Pay Working Group and noted in the introduction to this document. We have also considered the link to MBIE's values.

We have made significant progress since 2018



Completed
 In progress
 Not yet started
 New action for 2020 plan

Phase	What we said we would do	Status	Progress	Gender Pay Principle	2019	2020				2021
						Q1	Q2	Q3	Q4	
Awareness	Engage employees to understand the drivers behind MBIE’s gender pay gap.	◐	Once the Gender Pay Action Plan is complete, we will educate our employees about the purpose and approach we are going to take to address gender pay gap. This will also be included in new employee induction.	Participation and engagement						
Sustainability	Lift manager capability to have effective performance and feedback discussions with their people. To ensure clear expectation in terms of what is delivered and the values and behaviours demonstrated.	●	The ‘Conversations That Matter’ programme has been implemented to upskill managers for important conversations across the employee lifecycle. Supporting tools and guidance will also be provided to leaders through the launch of the new performance management framework.	Sustainability						
	Review and implement a new performance management framework.	◐	Pay and performance has been delinked. We are redesigning the performance management framework to drive a continuous conversations and feedback culture.	Sustainability						
	Publish bands on job advertisements.	○	This action was dependent on the implementation of CAPP and the development of the Inclusion and Diversity recruitment plan. It is part of the plan for 2020.	Transparency and accessibility						
	Investigate alternative interview options to improve accessibility.	○	This has been incorporated into the 2020/2021 phase of the Inclusion and Diversity recruitment plan.	Freedom from bias and discrimination						

*Refer to page 6 for the definition of the Gender Pay Principles

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 New action for 2020 plan

Phase	What we said we would do	Status	Progress	Gender Pay Principle	2019	2020				2021
						Q1	Q2	Q3	Q4	
Audit	Conduct additional analysis on the proportion of women vs men being promoted internally, and whether this is at a faster or slower rate proportionate to MBIE's population.	◐	With the introduction of CAPP, we are now in a better position to do this and will also track career progression as part of CAPP Phase 2.	Relationship between paid and unpaid work						
	Investigate what female MBIE employees want and what male MBIE employees want in terms of flexibility.	◐	Feedback from our employees is ongoing. We received feedback through our employee experience hub as well as our flexible working group. Developments in flexible working will continue to evolve.	Freedom from bias and discrimination						
Awareness	When designing the new remuneration system for those on the collective agreement and on individual contracts, consideration needs to be given to gender pay principles.	●	The CAPP was implemented in 2019 and is being further embedded in 2020. The framework has been developed in accordance with gender pay principles.	Freedom from bias and discrimination						
	Flexible working group project continued.	●	The flexible working group completed their project and the flexible working policy is now in place.	Sustainability						
	Define what 'flexibility' means for each Group in MBIE.	◐	Our flexible working policy is now in place and needs to be embedded into our culture. The policy will be incorporated in People Plans.	Sustainability						
	Review the learning and development budget.	●	MBIE has signed up to the Aotearoa New Zealand Skills Pledge. As part of this, our training and development budget as a percentage of salary will increase over two years from 1.5% in FY2019/2020, to 1.75% in 2020/2021 and to 2.0% in 2021/2022. Monitor how the budget is being spent – by gender, layer, ethnicity, etc. to ensure that everyone has equal opportunity to upskill.	Sustainability						

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 New action for 2020 plan

Phase	What we said we would do	Status	Progress	Gender Pay Principle	2019	2020				2021
						Q1	Q2	Q3	Q4	
Sustainability	Establish an inclusive process for allocating learning and development opportunities.	●	As part of the Aotearoa New Zealand Skills Pledge, this will be an ongoing process to ensure learning and development opportunities are accessible.	Transparency and accessibility						
	Develop a recruitment toolkit to provide support and guidance for managers to ensure they understand our gender pay gap priorities at recruitment and prevent gender pay gaps in starting salaries.	○	This has been incorporated into the Inclusion and Diversity recruitment plan and will form part of the recruitment manager toolkit.	Freedom from bias and discrimination						
	Analysis of overtime for part-time employees.	◇	This process will include analysis of overtime trends for part-time employees to investigate if it contributes to the gender pay gap.	Freedom from bias and discrimination						
	Design a measurement framework to track effectiveness of the increased learning and development investment included in the Skill Pledge.	◇	This measurement framework will consider equity of learning opportunities and the effectiveness of these opportunities.	Sustainability						
	Develop positive succession plans with a gender lens.	○	This will be considered for the 2021 action plan.	Sustainability						
	Offer development/training opportunities to those on parental leave.	◇	We will create a platform for employees on parental leave that offers job opportunities or tasks and online courses that they can take while on leave. This will be considered for the 2021 action plan.	Relationship between paid and unpaid work						
	Give managers additional guidance regarding secondments or project opportunities about considering gender as part of the selection process using SSC and other guidance as appropriate.	○	This will consider secondment policy and process to ensure that there is no compounding issue on higher duties and special duties allowances. This will be considered for the 2021 action plan.	Relationship between paid and unpaid work						

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 In progress
 Not yet started
 New action for 2020 plan

Phase	What we said we would do	Status	Progress	Gender Pay Principle	2019	2021				2021
						Q1	Q2	Q3	Q4	
Audit	Define what 'the same' roles means for MBIE (e.g. through pay bands, group, job family etc.).	●	The CAPP step ranges are used to define roles, and these can be used for the purposes of 'the same' role analysis for gender pay assessment. Where numbers allow, analysis will be undertaken on a 'role' basis.	Transparency and accessibility						
	Analyse MBIE's population for gender pay gaps in the same roles (modifying SSC's measure to take account of different working hours).	●	Following CAPP implementation, analysis has been undertaken by CAPP step range in accordance with SSC guidance, and is included on the Gender Pay Dashboard.	Relationship between paid and unpaid work						
Awareness	Investigate identified pay gaps in the same roles to see if there is a reason for the difference (e.g. experience, performance level etc.).	◐	Now that CAPP is embedded, the process for identification is being developed. This process will include criteria for assessment and the process for reviewing potential gaps.	Relationship between paid and unpaid work						
Action	Establish criteria and develop a process for gender pay assessment of roles through consultation and engagement with internal groups.	◊	This is to ensure that our process for gender pay assessment is fair and consistent. We will also facilitate workshops to those who will be conducting the assessment.	Participation and engagement						
	Prioritise funding for closing the like-for-like gender pay gap in prioritised groups.	◐	This will be an ongoing process. The transition to CAPP was an agreed process and our transition management processes improved MBIE's gender pay gap. For those employees in bands 20 or higher, there was an allocated gender pay budget at annual review to address any gender pay issues identified. Closing gaps will be prioritised at lower levels and frontline staff first, as well as significant gaps.	Sustainability						

We have made significant progress since 2018



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 In progress
 Not yet started
 New action for 2020 plan

Phase	What we said we would do	Status	Progress	Gender Pay Principle	2019	2021				2021
						Q1	Q2	Q3	Q4	
Action	Where there is no identifiable reason for the gender pay gap in the same role, close gap (timing will be dependent on total cost to close and available funding).	○	This will be done following investigations above. We anticipate being able to do this in 2020, dependent on funding.	Freedom from bias and discrimination						
	Implement pay corrections where gender gaps have been identified.	○	This process will include: <ul style="list-style-type: none"> • Approval of pay corrections • Issuance of letter regarding pay corrections • Payment of any pay corrections 	Freedom from bias and discrimination						
Sustainability	Role model flexible working at senior levels of the organisation.	◐	This is an ongoing process. Our leaders are encouraging our employees to take advantage of the flexible working policy we have put in place. Leaders will share their flexible working stories and will be published in the Hub.	Participation and engagement						
	Establish a mentoring/coaching programme.	◐	The 'Conversations That Matter' programme has been implemented to upskill managers for important conversations across the employee lifecycle. Enterprise-led learning opportunities (Learn@MBIE) also provide support for technical mentoring and coaching support. Different business groups have incepted technical mentoring programmes (e.g. INZ).	Sustainability						
	Review policies including: <ul style="list-style-type: none"> • Flexible working policy • Leave policy • Parental leave • Promotions/Progressions 	◇	While most of our policies are in place, we will need to review various policies to ensure that they are transparent and free of any bias. Recruitment policy must ensure that there is a gender balance in longlisting, interviews and hiring. Parental leave policy must encourage women to return to work and support is accessible.	Sustainability						

We have made significant progress since 2018



Completed
 In progress
 Not yet started
 New action for 2020 plan

Phase	What we said we would do	Status	Progress	Gender Pay Principle	2019	2020				2021
						Q1	Q2	Q3	Q4	
Sustainability	Cultural awareness training for people leaders.	◇	Analyse the different cultures present in MBIE, create policies around diversity and provide training to people leaders. This forms part of the “Wall Walk” and “Courageous Conversation” programmes.	Sustainability						
	Create opportunities for shadowing, leadership training etc across the organisation.	◇	Offer sponsors and mentors opportunities. This will support the balance in leadership roles.	Sustainability						
	Consider developing a policy on recognising women’s unpaid work that impacts pay and career progression.	◇	This will include gaining a better understanding of the impact of unpaid work on the wider economy and measuring women’s contribution to unpaid work.	Relationship between paid and unpaid work						

*Refer to page 6 for the definition of the Gender Pay Principles

We have made significant progress since 2018



● Completed
 ◐ In progress
 ○ Not yet started
 ◊ New action for 2020 plan

Phase	What we said we would do	Status	Progress	Gender Pay Principle	2019	2020				2021
						Q1	Q2	Q3	Q4	
Audit	Complete an annual review of starting salaries in the 'same' roles to ensure there is no gender pay difference.	◐	This process will be ongoing from 2020 now that the CAPP is in place and we have defined the same roles.	Freedom from bias and discrimination						
Awareness	Ensure MBIE is empowered with effective people management, efficient processes and systems, and accurate data across the employee lifecycle.	◐	We have undertaken an initial review from other employee sprint engagements, and this forms part of the employee experience work undertaken in the People Hub. We have done engagements for Pasifika, and Tangata Whenua groups in 2019 and we have Rainbow, Disability and Asian groups in the 2020 pipeline. We are also in the process of implementing a new payroll system, and the review of people policies and processes will be ongoing and iterative to ensure change is sustainable.	Transparency and accessibility						
Sustainability	Develop people leaders to be able to give effective feedback for internal candidates regarding development needs.	◐	This will form part of phase two of CAPP, and will also be part of the review of the performance management framework underway. This is expected to continue into 2021.	Freedom from bias and discrimination						
	Review processes: <ul style="list-style-type: none"> • Recruitment and appointment • Performance • Promotions/progression • Parental leave 	◊	This process will be conducted to ensure that all MBIE's processes are transparent and free from any biases.	Sustainability						

We have made significant progress since 2018



● Completed
 ◐ In progress
 ○ Not yet started
 ◊ New action for 2020 plan

Phase	What we said we would do	Status	Progress	Gender Pay Principle	2019	2020				2021
						Q1	Q2	Q3	Q4	
Sustainability	Analyse role titles, job descriptions and advertisements.	○	This has been incorporated into the Inclusion and Diversity recruitment plan, analysis of current practice is underway in 2020.	Freedom from bias and discrimination						
	Remove gender bias in role titles, job descriptions and advertisements.	○	Methodologies for removing any bias found will be considered in 2021.	Freedom from bias and discrimination						
	Independent review of role bandings for a selection of roles across MBIE to identify any potential unconscious bias in role banding.	○	This analysis needs to consider Korn Ferry Hay role evaluation, internal relativities and comparison of roles in other collective agreements A review process for role placement in CAPP will also be put in place and will be subject to ongoing review.	Freedom from bias and discrimination						
	Embed changes made to policies and processes and ensure freedom from bias is enduring.	◊	Regular training on unconscious bias and culture awareness will be made available to people leaders. We will also conduct regular pulse checks with our people.	Sustainability						