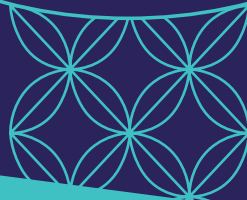


Kia Toipoto

Closing Gender, Māori, Pacific and Ethnic Pay Gaps

Public Service Action Plan
2021-24



Guide

Implementing Kia Toipoto in small organisations

APRIL 2022

Introduction

The goals of [Kia Toipoto](#) include closing gender, Māori, Pacific and ethnic pay gaps, and creating fairer workplaces for all, including disabled employees and those who belong to rainbow communities.

This document gives small organisations (up to about 100 employees) advice on the key actions in each focus area of Kia Toipoto (see below), and which areas may look different. It doesn't detail all the actions they need to take under Kia Toipoto.

Small organisations can implement Kia Toipoto by scaling it to their size: they can look for pragmatic ideas in each focus area and share ideas with other similar-sized organisations.

Small organisations can focus on creating fairer workplaces for all their employees by ensuring equitable pay, and by reducing bias throughout the employment life cycle.

They can develop monitoring processes, including gathering feedback, to identify inequity and bias, and act to address them quickly. This helps ensure consistent practices across their organisation.

How can small organisations implement the focus areas of Kia Toipoto?

Preparation

- Engage with employees and unions (where you have members) from the earliest planning stages
- Ensure responsibility for implementation is shared within your organisation
- Gather quantitative and qualitative data, and review this information with employees and unions (see the data section below)
- Prioritise resourcing the Kia Toipoto 2022 equitable pay milestone.

Focus area 1: Te Pono – Transparency

- Ensure easy access to human resources and remuneration policies and systems, including salary bands
- Publish annual pay gaps action plans and include what you are doing in each area of Kia Toipoto
- Quantitative data may be less important in your action plans (see the data section below).

Focus area 2: Ngā Hua Tōkeke mō te Utu - Equitable pay outcomes

A key action for small organisations is ensuring that starting salaries and salaries for the same or similar roles are equitable. Apply the equitable pay guidance. Small organisations may only have one employee in some roles, but they should still check that their pay is equitable, see the guidance for more detail.

Key recommendations from [guidance to ensure bias is not a factor in starting salaries](#):

- Use bias-free criteria to set starting salaries, e.g. skills, responsibilities, experience
- Give decision-makers information on recent starting salaries for the same or similar roles
- Ensure decision-makers understand the criteria and rationale for setting starting salaries
- Make starting salary decisions within groups, rather than individually
- Increase salary transparency; e.g. we recommend that advertisements include the salary range for the role
- Eliminate high-risk practices, e.g. asking a candidate's current salary
- Monitor starting salaries for inequities.

Key recommendations from the [guidance ensuring bias is not a factor in salaries for the same or similar roles](#):

- Be transparent and engage with employees and unions around the design and oversight of the salary review and correction process and its outcomes
- Review the salaries of employees individually
- Include all employees
- Use total remuneration
- Use bias-free salary criteria
- Make decisions within groups
- Create a consistent and replicable process
- Ensure salary inequities do not reappear.

Focus area 3: Te whai kanohi i ngā taumata katoa - Leadership and representation

This focus area can be tailored in small organisations. In very small organisations, and those working in fields with low levels of diversity, it may take time to strengthen gender and ethnic representation. Representation can fluctuate markedly as employees come and go.

- Commit to developing a workforce that is more representative of society
- Know your workforce, identify where representation could be strengthened, and plan how you might do this
- Think about measures that can make your workforce more representative, even on a short-term basis, e.g internships, secondments
- Develop and implement robust, inclusive and accessible recruitment policies and processes
- Promote your family-friendly policies; ensure your flexible-work approach includes leadership roles; broaden recruitment channels, and target less-represented groups.

Focus area 4: Te Whakawhanaketanga i te Aramahi - Effective career and leadership development

Opportunities for progression are more limited in small organisations, but aim to develop your own people. Employees may leave for opportunities in other parts of the Public Service; developing your people contributes to the overarching aim of creating a unified Public Service that reflects the make-up of society.

- Ensure policies and processes for career progression, training and development opportunities are transparent, inclusive and promote participation
- Ensure career progression, training and development opportunities are open to part-time employees and those on parental leave
- Ensure each employee has an individual development plan
- Evaluate and report on the effectiveness of career progression, training and development programmes.

Focus area 5: Te whakakore i te katoa o ngā momo whakatoihara, haukume anō hoki - Eliminating all forms of bias and discrimination

This focus area is the same for small and large organisations.

- Building an affinity and understanding of Te ao Māori and other cultural values and competencies in the workplace is very important, as organisational cultural competence can change quickly when key staff change
- Workplace practices should align with policies and requirements in employment agreements.

Focus area 6: Te Taunoa o te Mahi Pīngore - Flexible-work-by-default

This focus area is the same for small and large organisations.

Data and pay gaps in small organisations

For small organisations, quantitative data may be less important for understanding pay gaps and fairness, and for measuring progress. They can more easily consider the relative pay and position of each employee, instead of using average pay and pay gaps to assess equity.

Qualitative information is more important so engaging with employees and unions is key.

Quantitative data

Workforce data

- All organisations have employee data and it should be gathered according to the [Workforce Information Standards for the State Services](#)
- There is separate guidance on [Collecting disability information on the State services workforce](#)
- Employees may be more willing to provide ethnicity and disability information if they are confident that it will inform initiatives that improve equity, diversity and inclusion
- In a small organisation, data can be volatile, changing a lot as employees come and go. Long-term trends from data are more useful than snapshots, so we recommend analysing data annually.

Calculating and publishing pay gaps

- Many small entities won't have enough employees to calculate pay gaps. 20+20 employees are needed in any two groups to calculate a statistically robust pay gap (e.g. 20 Māori employees and 20 non-Māori employees are needed to calculate a Māori pay gap)
- We recommend only including statistically robust data in your published pay gaps action plan

- Some small organisations do have enough employees to calculate and publish pay gaps; these pay gaps will be more volatile than pay gaps in larger organisations.

Using data for small numbers of employees

- While data for small groups is not statistically robust, reviewing this data can still provide useful indicative information
- To aid transparency and engagement, agencies may be able to share data for smaller groups with employees and unions. Agencies should refer to their own privacy and confidentiality policies
- Develop a clear understanding with employees and unions on how best to use and interpret your data, e.g. calculate and internally discuss your gender pay gap, even though it is not robust enough to publish
- Small entities should still review their data and aim to make the best use they can of this. They can:
 - » Develop and publish a narrative about their data to help address gaps and issues
 - » Aggregate information about groups of fewer than 20 + 20 employees into larger groups so that it can be published. Examples of aggregated groups:
 - Non-European employees compared with European employees – average pay
 - Non-European women compared with all men - average pay
 - Pay quartiles
 - Representation amongst senior leadership compared with other tiers, or representation amongst managers
 - Representation amongst similar roles, e.g. policy staff, technical professionals
- Explain any notable metrics, trends and volatile results.

Example narrative from [Social Wellbeing Agency Gender Pay Gap Action plan 2021](#)

Our size means we do not meet the threshold to produce meaningful gender or ethnic pay gap statistics. Changes in our staffing (even small changes) can impact significantly on our pay gap statistics and make our figures volatile. Since we cannot report our pay gap data, we use other information, such as trends, our workforce profile, people data and recruitment statistics, to help indicate our progress. Looking at our information we can see:

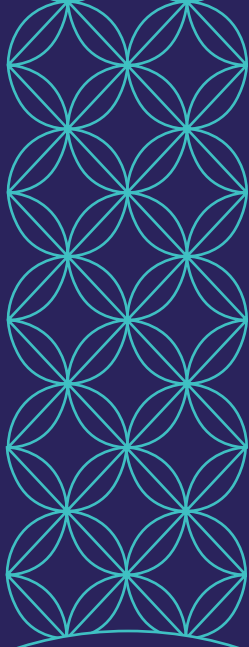
- We have more women than men in our workforce, with more women holding leadership roles. We have a good spread of genders across all our pay bands. This is a positive improvement since February 2020, when we had more women in lower pay bands
- Since the introduction of our progression policy in March 2020, four people have progressed to more senior roles, including three women
- We have recruited an equal number of women and men since 30 June 2020
- A review as at 30 June 2021 of starting salaries for the last 12 months showed no difference by ethnicity but did show women had been appointed slightly lower in the band than men. We expect this will improve as the impact of our new recruitment and remuneration policies flow through. At the same time we reviewed salaries for people in same or similar roles for pay gaps and made two corrections
- We looked at the pay rates of contractors engaged during the 2020/21 year. As we engaged a small number of contractors, we do not have enough data for robust reporting. However, the data indicates that men generally have a higher hourly rate than women. This appears to be as a result of the type of roles they were engaged in.

Engaging with employees and unions and gathering qualitative information in small organisations

Small organisations may have both opportunities and challenges in gathering and using qualitative information. It can be easy to see if things are going well or less well, and to identify the reasons why. On the other hand, engagement and consultation need to be easy and efficient for everyone involved.

- A safe, positive, and inclusive workplace enables meaningful engagement
- Provide lots of opportunities to engage, even if take-up is low
- Keep employees and unions engaged and well-informed
- Ensure there are multiple channels for engagement, to encompass the social and cultural needs and interests of employees
- Build engagement into existing processes, e.g. team meetings, social gatherings, existing surveys etc
- Utilise the skills and knowledge of union delegates and Employee-Led Networks; you may be able to tap into these through networks outside your own organisation
- Be aware of, acknowledge, and consider issues raised by women, Māori, Pacific, Asian, ethnic, disabled employees and employees from rainbow communities in cross-sector Employee-Led Networks, and in other forums
- Developing cultural competence across a range of situations provides a benchmark for positive and meaningful engagement.

If you have any questions, please contact the Equal Pay Taskforce at EqualPay@publicservice.govt.nz



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