

Gender Pay Gap Action Plan 2020

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Foreword

Andrew Kibblewhite



Closing our gender pay gap is key to ensuring Tāhū o te Ture - the Ministry of Justice is a place where our people feel supported. We're committed to working with the State Services Commission, PSA, our people and networks to achieve this goal.

While we've made positive progress over the past year, there's still more to be done.

We'll need to employ short- and long-term solutions that will span a range of workstreams. These include ensuring equal pay and identifying and eliminating bias (conscious or unconscious) in our people-management remuneration processes.

We'll also need to focus on becoming flexible by default, recognising that this will look different across the business depending on work requirements. Flexible work arrangements have a direct link to closing the gender gap, as they ensure women can continue to grow and develop professionally while balancing personal commitments.

We also need to continue our work towards achieving gender balance at every Ministry level. Currently, our workforce is predominantly female (69%); however, female representation is lower in management roles (60%) and even lower at the strategic leadership table (50%).

I'm optimistic about the mahi we have ahead of us to address our gender pay gap. These workstreams will all have positive impacts for Te Tāhū o te Ture – not only in closing the gender pay gap, but also in improving our overall workplace culture and strengthening our Ministry's reputation of being a great place to be.

A handwritten signature in black ink, appearing to read 'Andrew Kibblewhite', with a stylized flourish at the end.

Andrew Kibblewhite

Secretary for Justice and Chief Executive,

Tāhū o te Ture - Ministry of Justice

Foreword

Chappie Te Kani



Te Arawhiti is a place where your differences are truly celebrated as a reflection of the diversity seen in our communities and across the public sector.

Our commitment to diversity and inclusion is evident in everything we do and addressing the gender pay gap is no different. We have made significant progress in narrowing the gap over the years, and we aim to continue accelerating our pace of change and delivering on our ambitions.

But to do this, we have more work ahead of us. The Gender Pay Gap Action Plan is a step in the right direction as it allows us to focus on both short- and long-term solutions to gender bias in equal pay and remuneration processes. It also allows us to continue our focus of becoming flexible by default to ensure we can attract and retain the talent needed to realise our vision of true Treaty partnership.

As we work through this mahi with Tāhū o te Ture, the Public Service Association, our people, our networks and with the State Services Commission, we will continue to define where we are now, where we want to be and how we can get there.

Closing our gender pay gap provides an opportunity to improve our overall workplace culture and support our people to succeed.

Mā te tai tōrua e tika ai te rere o te waka
A change in the direction of the tide will make for a proper passage

Chappie Te Kani

**Tumu Whakarae – Acting Chief Executive,
The Office for Māori Crown Relations – Te Arawhiti**



Our Commitment

The Government is committed to eliminating the gender pay gap within the Public Service. Tāhū o te Ture – Ministry of Justice and Te Arawhiti share this commitment and will work to meet the milestones set out in the [Public Service Gender Pay Gap Action Plan](#). We'll also collaborate across public sector agencies to share best practice and accelerate progress.

Tāhū o te Ture and Te Arawhiti are committed to creating an inclusive workplace where our people feel valued, supported and able to achieve their full potential. We see strength in having a diverse range of people working together to provide services for New Zealanders. Reducing the gender pay gap is a central part of our strategic priority of making the Ministry a great place to be for all our people.

We're committed to ensuring our employees' pay reflects their skills, efforts and responsibilities, and isn't negatively affected by bias or discrimination, including gender.

Te Arawhiti

Te Arawhiti, the Office for Māori Crown Relations, is a departmental agency of Tāhū o te Ture. This Action Plan, and the analysis of our gender pay gap, encompasses both Tāhū o te Ture and Te Arawhiti data.

All data quoted in this report was sourced by the Ministry of Justice as at 19 February 2020.

Gender Pay Gap definition

The gender pay gap is the difference in average hourly earnings between all men and women within an organisation. This comparison doesn't consider other factors such as differences in the role performed or an individual's experience, skills or education.

We have an average gender pay gap of **12.1%**

We have an average (mean) gender pay gap of 12.1%. This is higher than the New Zealand public service average of 10.5%.

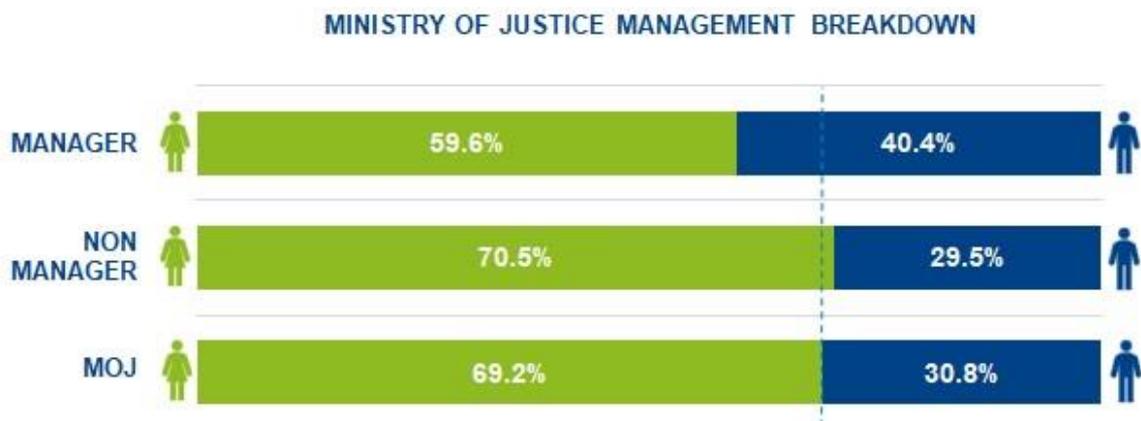
Our gender pay gap has been steadily decreasing year on year. There has been a 6.2 percentage point decrease in our gender pay gap since 2015 (reducing from 18.3% to 12.1% in 2020).

The reason for our gender pay gap

One of the main drivers of our overall gender pay gap is the concentration of women in lower paid roles. We have a 69% female workforce, but only 60% female in management roles compared to 73% in frontline positions. This brings the average salary down considerably for women.

Our recent analysis suggests that 98% of our gender pay gap is due to occupational (vertical) segregation across the organisation, in which women are concentrated in lower paid roles. Only 2% of the gap could potentially be due to inequality within roles.

We'll be working to ensure all our roles are equally attractive to all potential employees.



Current analysis of gender pay gap by salary band and role

Just over a third of roles across all salary bands have a gender pay gap of less than 1%.

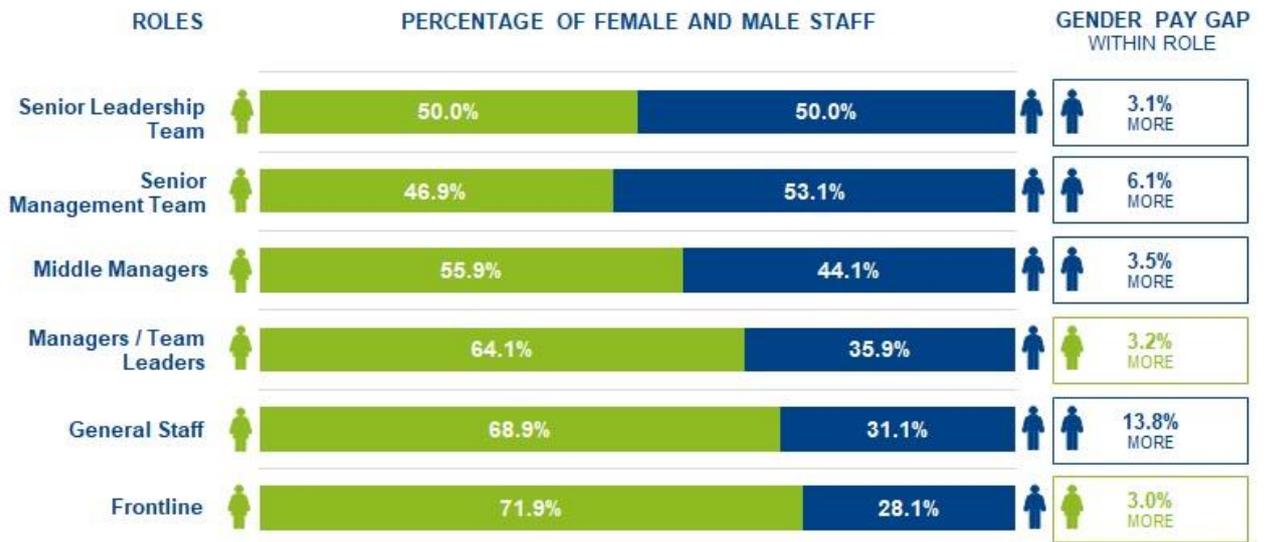
MINISTRY OF JUSTICE PAY BAND BREAKDOWN

| | | HEAD COUNT | | | |
|----------|------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|--------------|
| PAY BAND | |  |  | GENDER PAY GAP within band | |
| HIGHEST* | J10 | 37 | 27 |  | 4.1% MORE |
| | J9 | 91 | 65 |  | 3.7% MORE |
| | J8 | 128 | 85 |  | 1.3% MORE |
| | J7 | 205 | 107 |  | 1% MORE |
| | J6 | 76 | 30 |  | 0.7% MORE |
| | J5 | 164 | 102 |  | 0.4% MORE |
| | PDS3 | 37 | 25 |  | 1.4% MORE |
| | J4 | 131 | 38 |  | 0.3% MORE |
| | J3 | 1339 | 371 |  | 0.3% MORE |
| | J2 | 139 | 202 |  | 1.4% MORE |
| LOWEST* | J1 | 181 | 37 |  | 1.6% MORE |

*Only Pay Bands with 20 females and 20 males are displayed

- Our Frontline and Manager/Team Leader Roles have gender pay gaps of 3.0% and 3.2% respectively in favour of women
- Our Senior Leadership Team (tier two leaders) and Middle Managers have gender pay gaps of 3.1% and 3.5% respectively in favour of men
- Our Senior Management Team (tier three managers) has a 6.1% gender pay gap in favour of men
- Our general staff, which includes all positions that don't fit into any of the other stated roles, has a gender pay gap of 13.8% in favour of men

- No clear patterns are seen when examining gender pay gaps by length of service or business group.



Our Ministry doesn't currently hold adequate records regarding employee ethnicity information. In June this year, we implemented a new payroll system that will allow us to collect more accurate information and use it to assess any ethnicity pay gaps. This is important because data across the public service shows a correlation between ethnic and gender pay gaps.



Review of Progress

In 2019, we focused on building awareness of gender pay gap issues and ensuring no gender pay gaps in starting salaries in the same roles.

Among other actions, we have:

- launched guidance for managers about starting salaries for new employees, including providing a comparator tool so managers can review their own team's salary information. A recent quality assurance process showed most managers are using the guidance, and we'll continue to monitor and encourage the use of this tool
- introduced a new step-based remuneration framework as part of our 2019 remuneration review, which was designed to ensure that all employees receive fair and transparent incremental salary increases. Our salary bands, showing step progression rates, are published on our intranet. We also created videos to inform our employees about the annual remuneration process, and provided examples so they can be easily followed
- completed a review of our flexible working policies/practices and created a database to log all flexible work requests and outcomes. This will help us understand if fair and consistent practices are being applied throughout our Ministry and Te Arawhiti
- established a Gender Pay Gap working group and an Inclusion and Diversity Forum to ensure we include the views from our employee networks and representatives in this Action Plan.



Approach

Our Gender Pay Gap Action Plan has been developed by a diverse working group from across the organisation, including members of the Public Service Association (PSA), Te Arawhiti, HR personnel and members of our Women's Network.

We've communicated with all employees to promote transparency and build awareness and understanding so we can collectively improve. Milestones will be tracked regularly.

Our Gender Pay Gap actions for 2020

Our Action Plan is split into four workstreams to align with our goals of:

- Equal pay
- Flexible by default
- No bias or discrimination in remuneration systems or human resource practices
- Gender-balanced leadership

We'll also assess other opportunities to reduce the gender pay gap beyond this Action Plan through our broader people strategies.

We'll develop a monitoring platform across all gender pay gap actions that will be reported regularly to our Senior Leadership Team and gender pay gap steering committee, which includes employees and the PSA. This will include monitoring the effectiveness of interventions such as the starting salary calculator we launched in 2019.

Equal pay

By the end of 2020, we aim to have identified and closed any unjustified pay gaps in like-for-like roles. There may be justified differences based on experience, tenure, etc., but not unjustified gaps based on gender or ethnicity. We're committed to ensuring employee pay reflects their skills, efforts and responsibilities, and isn't negatively affected by bias or discrimination.

Closing unjustified pay gaps within like-for-like roles won't completely close our overall gender pay gap, as this is largely driven by the concentration of women in lower paid roles. It will, however, give us a clear picture of how much our organisational makeup affects our gender pay gap and allow us to develop strategic initiatives to further reduce the gap.

Current state

Tāhū o te Ture and Te Arawhiti have a pay band structure that enables us to establish the internal relativity of our positions by comparing and assessing positions according to job size. Positions are allocated to salary bands using either the Hay Group job sizing evaluation system or by comparison with other positions.

Job size considers factors that add to the complexity of a position, such as:

- knowledge, experience and skills required
- the degree of complexity and judgement or reasoning applied
- responsibilities and accountabilities of the role
- similarly-sized jobs placed within the same salary band.

We've reviewed our gender pay gap within each pay band. A third of our pay bands have a gender pay gap of less than 1%; and 80% of our pay bands have a gender pay gap of less than 2%. The larger gender pay gaps exist in our higher pay bands (these are all within 5%).

Action plan

To ensure discrimination or bias is not a factor in salaries of like-for-like roles, we'll review the salaries of all current employees and determine whether salaries are justified and reasonable according to unbiased salary criteria. We'll identify and correct any unexplained pay gaps between employees in like-for-like positions.

We'll work collaboratively with employees and the PSA at each stage of this process.

Our actions will be phased as follows:

|  STAGE 1: ANALYSE |  STAGE 2: DESIGN |  STAGE 3: IMPLEMENT |  STAGE 4: REVIEW |
|-----------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none">• Assess current state• Review our current information to improve data quality | <ul style="list-style-type: none">• Develop approach and agree principles• Develop an implementation plan | <ul style="list-style-type: none">• Review and assess salaries• Communicate and engage | <ul style="list-style-type: none">• Monitor progress |



Flexible work by default

By the end of 2020, our aim is for all roles to be 'flexible-by-default'.

Flexible-work-by-default requires all roles to be treated as flexible, unless there's a good business reason for the role not to be. We'll proactively work towards normalising flexible work for all employees across all roles and ensure that flexible working doesn't negatively impact on career advancement or professional development for our people.

Current state

We have an informal culture of flexible working already in place, supported by a flexible working arrangement policy. Employees may request to permanently or temporarily make a change to their days, hours of work, start and finish times, and work location. This can include how work is performed and managed in the workplace. 12% of our employees currently work part-time (5% of men and 16% of women).

We now want to shift the culture of flexible work to one where instead of asking, "Why should a role be flexible?", we ask, "Why not?".

Action plan

We recognise that a successful transformation to flexible-by-default involves culture change that requires many parts of the organisation to work together.

The COVID-19 pandemic created an extraordinary situation that forced many Ministry of Justice roles to be carried out from home. We'll be incorporating our evaluation and learnings from this event into this workstream.

We'll also work collaboratively with our people and the PSA at each stage of the process.

Our actions will be phased as follows:

|  <p>STAGE 1: ANALYSE</p> |  <p>STAGE 2: DESIGN</p> |  <p>STAGE 3: IMPLEMENT</p> |  <p>STAGE 4: REVIEW</p> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • Assess current state • Survey employees to understand attitudes towards, and experiences of, flexible working • Evaluate COVID-19 experiences | <ul style="list-style-type: none"> • Develop approach and agree principles • Develop vision and goals of the work programme • Develop an implementation plan | <ul style="list-style-type: none"> • Build culture and capability • Develop systems and processes • Communicate and engage | <ul style="list-style-type: none"> • Monitor progress |

No bias or discrimination in remuneration systems or human resource practices

Before the end of 2020, we aim to have no bias or discrimination in remuneration systems or human resource practices.

Having policies and practices that are fair and inclusive will help recruit, develop and retain our employees and reflect the culture, perspectives and lifestyle of those who live in Aotearoa. Transparent remuneration systems and human resource practices that are free from bias and discrimination will demonstrate our commitment to our employees.

Current state

We've created a Ministry intranet tool that aligns information and training to help support our leaders to manage their teams in a consistent way. The Manager 101 tool covers topics across people, finance, risk and assurance, and health, safety and security.

In the middle of 2019, we implemented a new remuneration framework with step progression rates designed to ensure that all employees receive fair and transparent salary reviews. In 2019, we also created a revised recruitment process for managers, including a comparator tool, to help managers assess starting salaries.

These practices help to eliminate bias or discrimination in setting starting salaries. Initial analysis shows positive uptake of these revised processes, and we'll be fully embedding them into our updated policies.

Action plan

We'll review all our current remuneration and human resource practices, processes and policies to identify any potential bias or discrimination and work to revise them.

We'll be working to make sure all our roles are equally attractive to potential and current employees. We'll investigate other factors that may contribute to the gender pay gap such as progression, discretionary pay and pay increases linked to performance ratings.

Communication and training with our managers and employees on any revised approaches will help to embed this and ensure our approach is consistent across the business.

We'll develop monitoring and reporting across all gender pay gap actions to regularly review our progress towards closing our overall gender pay gap. Our new payroll system, implemented in June 2020, will allow for more accurate and targeted reporting.

We'll work collaboratively with our people and the PSA at each stage.

Our actions will be phased as follows:

|  STAGE 1: ANALYSE |  STAGE 2: IMPLEMENT |  STAGE 3: REVIEW |
|--------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none">• Assess our current practices and processes | <ul style="list-style-type: none">• Enhance current processes• Revise policies and practices• Update guidance• Communicate and engage | <ul style="list-style-type: none">• Monitor progress |



Gender-balanced leadership

Our aim during 2020 is to develop and maintain our gender-balanced leadership.

We're committed to ensuring all our leaders feel supported and enabled to lead our people to be the best they can be. We value the contribution of our leaders who collectively bring a diverse range of experience, skills, leadership traits and perspectives. We recognise gender-balanced leadership as a key strength of a high-performing organisation.

Current state

With 54% of females in tiers two and three leadership roles, and 60% of females across all our leadership roles, we've already met the 2019 State Services Commission target of women holding at least 50% of senior leadership roles.

While we have programmes and opportunities available to support the development of all our leaders, our talent management effort has been focused on the development of our senior leadership cohort. To ensure we continue to maintain gender-balanced leadership, we'll be widening our focus to develop and improve opportunities for women across all our leadership roles.

Action plan

Our 2020 focus will be to improve opportunities for women across all our leadership roles by identifying high-potential female leaders, supporting them with development planning, and putting in place mentoring and/or career coaching and shadowing opportunities.

We'll also review and update existing practices, processes and policies to support the recruitment, retention and development of women in leadership roles.

We'll also work collaboratively with our people and the PSA at each stage.

Our actions will be phased as follows:

|  <p>STAGE 1: ANALYSE</p> |  <p>STAGE 2: DESIGN</p> |  <p>STAGE 3: IMPLEMENT</p> |  <p>STAGE 4: REVIEW</p> |
|-----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> • Assess current state for gender representation and identification of any bias | <ul style="list-style-type: none"> • Develop vision and goals of the work programme • Develop an implementation plan | <ul style="list-style-type: none"> • Identify cohort of high potential leaders • Provide support and opportunities • Revise policies and practices • Communicate and engage | <ul style="list-style-type: none"> • Monitor progress |

