



TE TAIUTU ĀRAHITANGA GUIDANCE ON REMUNERATION

Removing gender bias from remuneration policies and practices, and implementing the Gender Pay Principles | Ngā Mātāpono Utu Ira Tangata



Te Kawa Mataaho
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GUIDANCE ON REMUNERATION

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1. INTRODUCTION

1.1. Purpose

This guidance will help agencies eliminate bias and discrimination from remuneration policies, practices, systems and workplace culture.

It will support agencies to achieve key milestones in the [Public Service Gender Pay Gap Action Plan](#) | Te Mahere Mahi Rerekētanga Ira Tangata and give effect to the [Gender Pay Principles](#) | Ngā Mātāpono Utu Ira Tangata.

Identifying and eliminating bias and discrimination will also support agencies to address barriers to a fully diverse and inclusive workplace in which all workers can thrive.

This guidance is part of a suite of guidance on removing bias from all remuneration systems and human resources practices and is designed to be applied in combination with our other remuneration-related guidance: [Ensuring gender is not a factor in starting salaries](#), and [Ensuring gender is not a factor in salaries for the same or similar roles](#).

1.2 Definitions

Discretionary remuneration

Any variable or discretionary pay, including performance-related pay or pay triggered by discretionary decisions, such as higher duties or working overtime.

Gender-neutral criteria

The work assessment provision of the Equal Pay Amendment Act 2020, sets out the following factors in the work assessment provision: the skills required, responsibilities imposed, conditions of work, degree of effort required to perform the work, level of experience required to perform the work and any other relevant work features. Agencies should reflect these factors when developing gender-neutral criteria to apply to remuneration-related decisions.

Job evaluation

A process or set of processes to determine what makes up a role, such as job assessment, its size in relation to other roles (internally and/or externally) and its pay. While some practitioners differentiate between job evaluation and job sizing, this guidance uses “job evaluation” to cover all these processes.

Pay band / scale

Levels of pay with upper and lower limits assigned to the same or similarly sized roles, or the same or similar roles in an organisation. Within this upper and lower limit there may be designated steps, fixed entry points, and criteria for progression through the steps, or less prescription and more discretion around entry-points and progression.

Progression

Movement to a higher pay rate within a pay band/scale.

Promotion

Movement to a higher position or pay band/scale.

Remuneration framework

The full set of principles, policies and structures for determining pay and operating a pay system.

1.3 Application

Human resource practitioners, people leaders and managers in public service and State sector agencies are advised to use this guidance with unions and employees to ensure that policies and processes are free from bias.

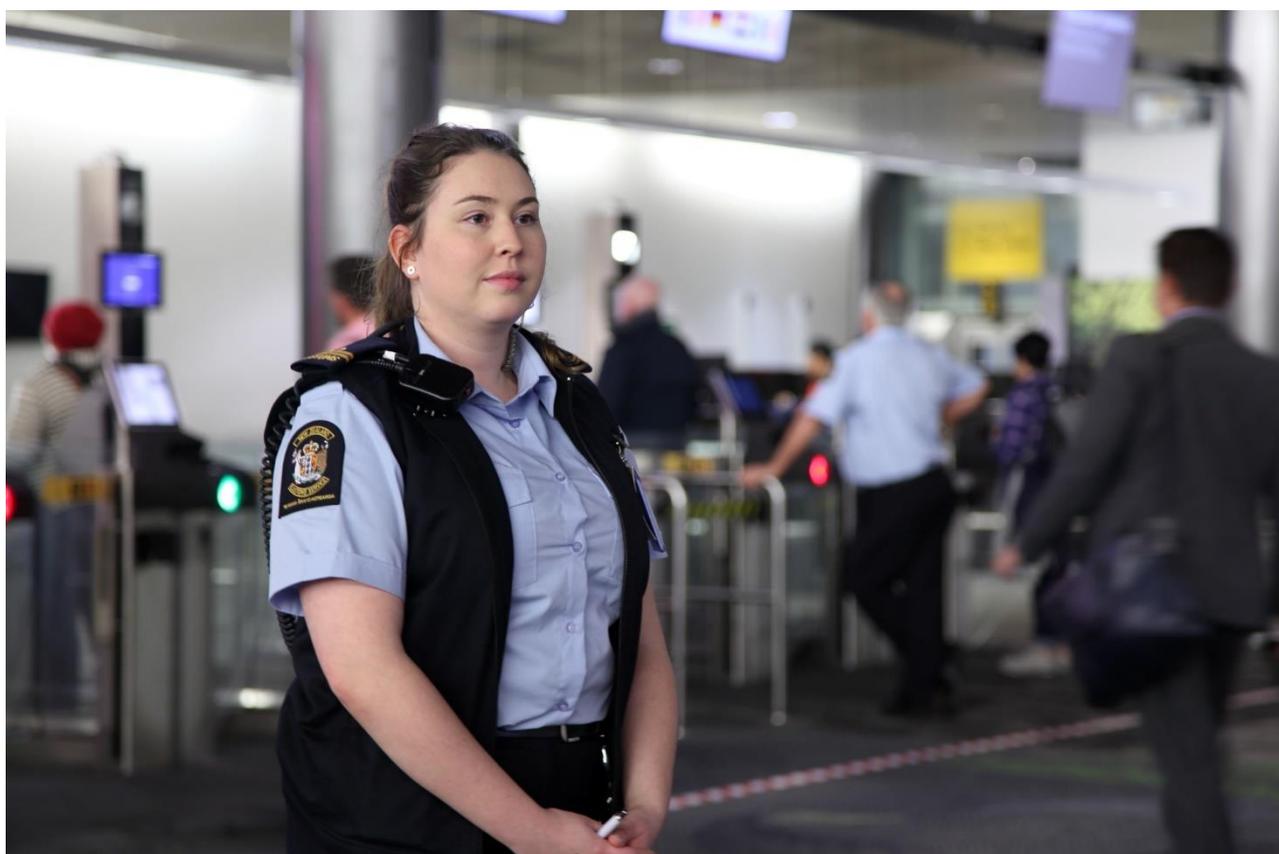
Employees, their unions and agencies working together gives effect to [Gender Pay Principle 5: Participation and Engagement](#).

Agencies, people leaders and procurement practitioners contracting third party suppliers or self-employed contractors are advised to follow the recommendations in *Considering all employment arrangements* on page 5.

A number of recommendations in this guidance are similar to those recommended in our other guidance on [Recruitment](#), [Flexible-Work-by-Default](#) and [Career Progression, Breaks and Leave](#).

This is because there are some common approaches that help guard against bias across human resource and remuneration policies and practices. These include making decisions collaboratively, increasing transparency, and engagement with unions and employees.

As a result, agencies already working to close gender pay gaps will be familiar with many of the practices recommended in this guidance.



Considering all employment arrangements

It is recommended that, along with employees, agencies also consider other working arrangements, such as self-employed or dependent contractors and/or third party organisations supplying goods or services (including temporary workers).

The Gender Pay Principles require agencies to consider how the Principles apply to all employment arrangements, including contractors and third party organisations supplying goods or services ([Gender Pay Principles 2, Transparency and Accessibility and 4, Sustainability](#)) and we recommend that agencies do the same with this guidance.

In relation to third party organisations, we recommend that agencies apply the Government Procurement Rules, particularly the [Government expectations](#). These Rules set an expectation that procurement processes be used to support wider social, economic and environmental outcomes, beyond the immediate purchase of goods and services. In that context, where agencies contract third party suppliers, we recommend agencies and their procurement practitioners work with those suppliers to consider how they can apply the recommendations in this guidance and the [Gender Pay Principles](#).

In relation to self-employed and dependent contractors, we recommend that agencies review policies and practices for entering into these agreements to ensure contractors are paid rates that are free of gender bias or other forms of bias.

1.4 Type of action to take

The following Gender Pay Principles should guide agency actions: “Agencies take action to prevent gender bias and discrimination before it occurs”, “Decision makers recognise and act to remove the impact of conscious and unconscious bias” (refer to [Gender Pay Principle 1: Freedom from bias and discrimination](#)) and “Pay rates and pay systems are transparent and easily accessible” (refer to [Gender Pay Principle 2: Transparency and accessibility](#)).

Agencies have different remuneration frameworks. The extent to which discretionary decisions influence remuneration outcomes varies across these frameworks.

Scenario One

Remuneration frameworks with fixed salaries for entry and prescribed progression within roles involve limited discretion and high levels of transparency and, therefore, gender and other forms of bias are unlikely to influence salaries. As a result, some of this guidance may be less applicable to agencies operating these types of frameworks. However, these agencies will still need to consider:

- the recommendations relating to evaluating roles (see section 3.1 [In job evaluation](#))
- the gender neutrality of decision-making criteria, such as in recruitment¹ and for progression through steps² (see section 2.4 [Base decisions on transparent gender-neutral criteria](#))
- applying this guidance at any points in their remuneration processes that involve elements of discretion.

¹ See our guidance on [Recruitment](#).

² See our guidance on [Career Progression, Breaks and Leave](#).

Scenario Two

Remuneration frameworks involving higher levels of discretion are more prone to bias.³ Agencies with these types of frameworks should recognise and act to remove the impacts of conscious and unconscious bias and discrimination through:

- minimising manager-level discretion

AND/OR

- putting in place appropriate guidance and controls to reduce the risk of bias and discrimination, by considering all the recommendations in this guidance.



³ Anthony G. Greenwald and Calvin K. Lai: Implicit Social Cognition, *Annual Review of Psychology*, Vol. 71, 2020.

1.5 Overview of recommendations

The following steps will support agencies to remove bias and discrimination from remuneration decisions. We recommend agencies take a proactive and collaborative approach to engaging with unions, employees and people leaders from the earliest stages of their process, in line with [Gender Pay Principle 5: Participation and Engagement](#).

Agencies operating remuneration frameworks with higher levels of discretion need to consider all the recommendations in this guidance.

REVIEW CURRENT PROCESSES AND DATA, BY

- mapping the points in remuneration processes where decisions involve discretion, as these are points where bias may influence decisions
- gathering data about remuneration outcomes and comparing outcomes for different groups
- seeking feedback about remuneration policies, practices and outcomes from people leaders, managers, unions and diverse employees.

PLAN ACTIONS

by drawing on the recommendations in this guidance and the results of your review above.

MAKE DECISIONS COLLABORATIVELY

because decisions made by groups, using clear criteria, are less prone to bias than those made by individuals.

BASE DECISIONS ON TRANSPARENT GENDER-NEUTRAL CRITERIA

because bias is more likely to affect decisions if criteria are not clear and/or are open to interpretation.

EMBED ENGAGEMENT, TRANSPARENCY, AND ACCESSIBILITY INTO YOUR SYSTEMS

to ensure that remuneration systems and policies deliver fair and robust outcomes and are seen to be fair.

MITIGATE THE RISK OF BIAS AT KEY POINTS IN REMUNERATION FRAMEWORKS

such as job evaluation and setting starting salaries, because bias in decisions at these points have long-term impacts on the pay of groups and/or individuals.

MONITOR PROGRESS

to ensure your actions have the desired impact.

Agencies operating frameworks with fixed entry points and progression, may only need to consider the recommendations on gender-neutral criteria and job evaluation. These agencies, however, should also apply the other recommendations where elements of discretion exist.

1.6 About bias and discrimination

Our thinking about women and men is still deeply influenced by beliefs about appropriate female and male behaviour. This includes the types of work that men and women should do, the skills, importance, and value of jobs where women and men dominate, and who should do unpaid work. The resulting gender bias affects workplace decision-making and policies in ways that are not commonly recognised, and through this, leads to poorer labour market outcomes for women compared with men. It also results in entrenched bias in systems, which is commonly overlooked.

Equality is a universal human right. In Aotearoa New Zealand it is unlawful to discriminate on the grounds of sex in employment, and equal pay, including equal pay for work of equal value, is a legal requirement.⁴ Fairness is also a fundamental value in Aotearoa New Zealand. Despite this, bias and discrimination persist on the grounds of gender, as well as on the grounds of ethnicity, disability, religion and membership of a rainbow community.

Women are diverse, and it is important that policies and practices take account of these differences. Public service data shows that ethnic and gender pay gaps compound so that Māori, Pacific, and Asian women are paid less on average than men in the same ethnic group and less on average than European women.⁵ To change these outcomes, actions to reduce all forms of bias need to include diverse perspectives and needs.

In addition to the obligations of fairness and equality, there is also a strong business case for improving employment outcomes for women and enhancing diversity within agencies. It leads to better employee engagement and satisfaction, better employee attraction and retention, more diverse leadership, and better organisational performance.⁶

How this guidance was developed

This guidance was developed by the Gender Pay Principles Working Group and the Gender Pay Taskforce I Te Rōpū Whakarite Utu Ira Tangata.

The Gender Pay Principles Working Group was comprised of State sector unions affiliated to the I Council of Trade Unions I Te Kauae Kaimahi, public service agencies, and Te Kawa Mataaho Public Service Commission.

The Taskforce is a cross-agency team resourced by Te Kawa Mataaho Public Service Commission, Ministry for Women I Te Minitatanga mo ngā Wāhine and the Ministry for Business, Innovation and Employment I Hikina Whakatutuki.

⁴ See sections 21 and 22 of [Human Rights Act 1993](#). See also the [Equal Pay Amendment Act 2020](#).

⁵ See public service pay by gender and ethnicity at ssc.govt.nz/our-work/workforce-data/pay-by-gender-and-ethnicity

⁶ Diversity Works New Zealand [Workplace Diversity Case Model](#).

2. RECOMMENDED ACTIONS

The following recommended actions will help agencies meet the milestones of the Gender Pay Gap Action Plan and give effect to the Gender Pay Principles, in relation to remuneration. We recommend agencies take a proactive and collaborative approach to engaging with unions, employees, and people leaders from the earliest stages of their process, consistent with [Gender Pay Principle 5: Participation and Engagement](#).

Agencies can implement these recommendations in a different order from the order presented here, but we recommend the recommendations in section 2.1 [Review remuneration frameworks](#) are given priority.

2.1 Review remuneration frameworks

Step One: Map the decision points in your remuneration frameworks

Agencies should start their review by identifying points in their remuneration process where discretion is involved in decision-making. Discretionary decisions require judgement and so are prone to bias and discrimination. We recommend agencies identify decisions affecting the:

- relative pay of different roles, such as decisions about job evaluation
- relative pay of employees in the same or similar roles, such as decisions about starting salaries, any variable or discretionary pay such as performance-related pay, or pay triggered by discretionary decisions, such as higher duties or working overtime
- progression within pay bands (note that promotion to a new position with a higher pay band is addressed in our guidance on [Career Progression, Breaks and Leave](#))
- levels of transparency of pay, policies, outcomes and processes
- decision-making criteria.

Step Two: Gather and compare data

We recommend agencies gather any data they can about remuneration outcomes at each decision point and compare these outcomes for different groups. This will:

- identify any differences in outcomes that may indicate the presence of bias
- enable agencies to target action to any decision points where different outcomes have been identified, or target groups experiencing poor outcomes overall
- provide baseline data to support monitoring (see section 4 [Monitor impacts](#)).

Data may be available on:

- the starting salaries of employees appointed to the same or similar roles
- rates of progression of employees within pay bands
- performance ratings and the size of associated pay increases (if performance is linked to pay)
- additional discretionary remuneration such as higher duties allowances and overtime payments
- hourly/daily rates paid to contractors for similar work.

If an agency is large enough and has the data to do this, we recommend comparing remuneration data for:

- different genders, ethnic groups and disabled groups
- employees working flexible versus non-flexible work patterns (particularly part-time/full-time)⁷
- casual versus fixed-term employees
- employees who have taken career breaks and those who have not.

Gender and ethnic bias also compound for Māori, Pacific and Asian women so, where possible, we recommend combining gender and ethnicity in your data analysis.

While at least 20 employees in each sub-group are needed to make robust statistical comparisons between groups, comparisons of smaller sub-groups can still provide useful indicative information.

Agencies with their own gender pay gap action plans⁸ may already have undertaken an analysis of their remuneration data in line with these recommendations.

⁷ This will help monitor whether your [flexible-by-default approaches](#) ensure flexible working does not undermine career progression or pay.

⁸ Under the [Public Service Gender Pay Gap Action Plan](#) agencies develop annual agency action plans on how they will address their gender pay gaps. For more information contact the Gender Pay Taskforce GenderPayGap@publicservice.govt.nz

Step Three: Gather feedback

Feedback will provide additional information to help fill data gaps, understand workplace culture and determine whether different groups have different experiences. Feedback can be sought on whether:

- employees experience remuneration policies, processes and decisions as equitable and free of gender or other forms of bias
- people leaders and managers feel supported to make equitable remuneration decisions free of gender or other forms of bias.

We recommend seeking feedback from:

- human resource practitioners involved in remuneration policies and practices
- people leaders and managers
- unions
- diverse employees, including Māori, Pacific, Asian, and Middle Eastern, Latin American, and African (MELAA) employees, disabled employees and employees who are members of rainbow communities
- employees working in a range of flexible options, including part-time.

Agencies can run focus groups and surveys, while noting that some groups may prefer to provide feedback in groups, rather than in surveys. Connecting with networks, such as rainbow networks, Māori staff rōpū and union representatives will ensure that feedback is provided by diverse groups of employees.

In the feedback process employees and unions may also raise experiences of bias in day-to-day behaviours, such as how feedback is provided, who is encouraged to take up development or secondment opportunities, and whose contributions are recognised and acknowledged.

The cumulative impact of these day-to-day behaviours can undermine an employee's confidence, sense of belonging, progression and pay.⁹ Section 2.6 [Build culture and capability](#) provides advice on how to address bias in both formal decision-making and day-to-day behaviours.



⁹ For discussion of, and evidence about, the cumulative impact of subtle and often unintentional expressions of bias see Caplan, P. J., Ford, J. C. (2014) [The Voices of Diversity](#): What students of diverse races/ethnicities and both sexes tell us about their college experiences and their perceptions about their institution's progress toward diversity.

2.2 Plan action with employees and unions

Agencies can develop their plan by considering:

- the remaining recommendations in this guidance and the results of their review (see section 2.1 [Review remuneration frameworks](#))
- what they are already doing to close gender pay gaps and increase diversity and inclusion
- how their proposed actions will support the agency's workforce and organisational strategies, and how they will be integrated with existing or planned work on culture, attitudes and engagement.

Agencies can also consider the sequence of their actions, because:

- the actions in this guidance do not have to be taken in the order they are presented here
- some actions can be implemented relatively quickly, like those in section 2.3 [Make decisions collaboratively](#), while others will be ongoing, as in section 2.6 [Build culture and capability](#).

2.3 Make decisions collaboratively

Decisions made by individuals are more prone to bias than those made by groups. When supported by clear gender-neutral criteria (see section 2.4: [Base decisions on transparent gender neutral criteria](#)) group decision making provides opportunities to:

- identify and test any assumptions being made by members of the group
- maintain a transparent, systematic and consistent approach to decision-making
- ensure decisions are justifiable and reasonable in line with the agency's gender-neutral pay and progression criteria.

Agencies can:

- reduce individual discretion in decision-making processes

OR reduce the risk of bias by:

- having starting salary recommendations made by diverse appointing panels or, by the appointing manager and two or three other managers (include one from other part of the agency)
- moderating decisions during an annual remuneration round using groups of managers and human resource practitioners
- mitigating group-think by ensuring that decision-making groups are diverse and understand how to encourage and respect different points of view. Group-think occurs when group members don't express doubts or disagree with a majority view or dominant group members ¹⁰
- using collaborative approaches when making decisions that influence the pay of groups, such as when developing job evaluation processes and when developing processes for reviewing remuneration decisions.

¹⁰ See www.psychologytoday.com/us/basics/groupthink; [Groupthink: 7 Tips To Prevent Disastrous Decisions](#); and [Groupthink: The Role of Leadership in Enhancing and Mitigating the Pitfall in Team Decision-Making](#).

2.4 Base decisions on transparent gender-neutral criteria

Bias is more likely to affect discretionary decisions,¹¹ particularly if criteria are not clear and/or are open to interpretation. Agencies can mitigate this risk by basing any discretionary decisions on clearly defined, transparent, gender-neutral criteria that are accessible and well understood by decision-makers and employees.

When developing gender-neutral criteria, agencies should reflect the factors in the work assessment provision of the Equal Pay Amendment Act 2020. These are: the skills required, the responsibilities imposed, the conditions of work, the degree of effort required to perform the work, the level of experience required to perform the work, and any other relevant work features.

In addition, be mindful of the following common risks that can contribute to gender bias, ethnic bias and bias against other groups.

- Failure to recognise and value skills traditionally identified as female. For instance, collegiality, managing workflows, and connecting across cultures are frequently overlooked. This is especially likely when these skills are demonstrated by non-managers and employees in roles traditionally performed by women.¹²
- Failure to recognise and value skills and knowledge acquired in unpaid work, such as family caring, volunteer work, or mahi aroha.
- Failure to recognise and value cultural expertise. If cultural expertise is desirable within a role, ensure it is specifically included and valued (see *Recognising and valuing cultural expertise*, on page 18).
- If using proxies for skills and knowledge, such as experience or qualifications:
 - Placing too much weight on length of experience or only valuing experience gained in paid work will disadvantage women who work part-time or have taken career breaks. These women may have acquired the necessary skills and experience in unpaid work
 - Placing too much weight on specific qualifications that are not necessary for a role can disadvantage women, Māori and other groups less likely to hold these qualifications
 - Placing too much weight on experience in specific roles can disadvantage groups under-represented in these roles. Candidates or employees may have acquired the necessary skills and knowledge in other paid or unpaid work.

Once developed, agencies should ensure that all those applying criteria understand them, are aware of the risks noted above and use strategies to mitigate their own bias (see section 2.6 [Build culture and capability](#)).

¹¹ Anthony G. Greenwald and Calvin K. Lai: Implicit Social Cognition, *Annual Review of Psychology*, Vol. 71, 2020.

¹² The [Spotlight skills identification tool](#) provides a framework and examples to help identify and categorise skills that are often overlooked and undervalued.

2.5 Embed engagement, transparency, and accessibility into remuneration systems and policies

Embedding engagement, transparency, and accessibility into remuneration policies and practices will help ensure that remuneration systems and policies deliver fair and robust outcomes that are seen to be fair by employees and their unions.¹³

See: [Gender Pay Principle 2: Transparency and Accessibility](#), [Gender Pay Principle 4: Sustainability](#) and [Gender Pay Principle 5: Participation and Engagement](#).

Step One: Engagement

We recommend agencies engage with unions, employees and people leaders and managers:

- in their review of remuneration frameworks, policies and practices, including any engagement required by collective agreements
- by getting feedback from, and problem solving with, unions and employees about how policies and practices are being implemented
- to ensure where collective agreements are negotiated, they include pay rates and pay systems that are transparent and accessible to all
- in the development of their Gender Pay Gap Action Plans.



¹³ Under the [Employment Relations Amendment Act 2018](#) pay rates must be included in collective agreements, including how the rate of wages or salary may increase over the agreement's term.

Step Two: Transparency and accessibility of information

Agencies can take the following opportunities to improve transparency and accessibility of information by:

- a) making information about their remuneration frameworks, policies, processes and practices readily available to unions and employees in easily understood language,¹⁴ such as:
 - the nature and operation of their remuneration framework, including the role of collective bargaining
 - terms and conditions of employment in collective and individual employment agreements and/or human resources policies
 - processes and criteria for job evaluation, collective bargaining, placement on pay bands, progression and promotion
 - pay bands/scales and the roles covered by each, while ensuring privacy of individuals is protected
 - policies for reviewing remuneration decisions and how employees and unions can seek a review
 - where employees and unions can go with any questions or concerns.
- b) making information available when recruiting¹⁵ and setting starting salaries, including:
 - pay information in job advertisements, or a statement that pay information is available on request
 - informing candidates in advance if negotiation is part of setting starting salaries and how it will be conducted
 - where new appointees can go to raise any concerns about gender influencing their starting salary¹⁶
 - providing prospective appointees with relevant employment agreements, including collective agreements, as required under section 63B(3)(a) of the Employment Relations Act 2000.
- c) sharing clear and timely information about annual remuneration/progression rounds, including:
 - the process and who will be involved
 - any budget restraints and the parameters for allocating funding
 - the basis and/or criteria for decisions, such as changes to pay ranges, pay adjustments and if performance is linked to pay, what is required to achieve performance ratings and how performance ratings relate to pay increases
 - the duty of parties to deal with each other in good faith under the Employment Relations Act 2000
 - the overall outcomes of the round, within the bounds of privacy legislation
 - the relevant provisions in employment agreements, including collective agreements.
- d) publishing their Gender Pay Gap Action Plans on their intranets and agency websites.

¹⁴ For example, organisations could publish remuneration policies and procedures on their intranet and send links to employees in advance of remuneration rounds, job sizing reviews or collective bargaining.

¹⁵ For advice on removing bias from recruitment processes see our [Recruitment Guidance](#).

¹⁶ For more information on setting starting salaries see [Ensuring gender is not a factor in setting starting salaries](#).

2.6 Build culture and capability

Build understanding of gender and other forms of bias among decision-makers

Eliminating bias and discrimination requires a range of interventions. It is not sufficient to just review policies and processes or just provide bias training to decision-makers. Combining both these interventions in a coordinated way will help ensure that, once reviewed, policies and processes are implemented as intended, outcomes are fair and robust, and workplace culture is inclusive.

Training and support for human resource practitioners, people leaders, managers and union delegates should aim to create a shared understanding about why agency-wide action is important as well as how bias and discrimination becomes entrenched in systems and policies, how it occurs in decisions and day-to-day behaviours and the strategies to help mitigate it.¹⁷

When contracting training in conscious and unconscious bias, agencies can identify the most effective training options by looking for the following factors:

- **facilitators with:**
 - a deep understanding of bias and the strategies for mitigating it
 - the skills to limit defensiveness among training participants, while clearly conveying the importance of addressing bias.
- **content that:**
 - includes gender bias and other forms of bias, such as ethnic bias, bias against disabled employees, and employees who are members of rainbow communities
 - includes the compounding impact on many women of gender and other forms of bias, the values of New Zealand European culture, and the nature and impact of male privilege and ethnic privilege
 - makes the impact of bias real and relevant, such as by sharing data and feedback gathered during the agency's review of its remuneration frameworks (see section 2.1 [Review remuneration frameworks](#)) while protecting the privacy of individuals
 - provides positive counter-stereotypic examples
 - involves participants in identifying how workplace practices can perpetuate bias and in reviewing where bias might influence their decisions
 - provides practical strategies to help participants mitigate bias in their decisions and day-to-day behaviour, such as creating clear criteria, slowing thinking, and using pause points to test their responses for bias
 - gives participants opportunities to practise these strategies and follow-up opportunities for them to discuss their progress and problem solve together.

¹⁷ There is a range of providers that offer workshops and customised training in bicultural confidence and cultural intelligence in the workplace. Many agencies already have memberships with [Diversity Works New Zealand](#).

“While overall strategies and policies can be positive in theory, they rely on your manager and team. For those [employees] in a male dominated or Pākehā dominated (or both) sub-culture, this can mean no real impact from any wider policy or strategy.”

WORKSHOP PARTICIPANT

Build the cultural competency of decision-makers

We recommend integrating cultural competency training with training on bias. In this way common themes can be highlighted, such as ethnic privilege in the New Zealand context and the compounding impact of gender and ethnic bias on Māori, Pacific, Asian and MELAA women.^{18 19}

Agencies should be actively working to:

- understand the obligations and expectations of Te Tiriti o Waitangi | the Treaty of Waitangi
- engage meaningfully with Māori employees, including through union Māori structures, and with Pacific employees, including through Pacific union structures
- understand, value, and embrace a range of cultural values and practices
- embed and reflect these understandings in all work and communications, as well as in workplace culture, strategies, policies, and procedures.

Training for people leaders, managers, and human resource practitioners involved in decision-making should include cultural and gendered norms related to:

- authority and age
- body language
- negotiation
- promoting oneself (“Kāore te kumara e korero mō tōna ake reka” – the kumara does not brag about its own sweetness)
- the compounding impact of gender combined with ethnicity
- how misinterpreting cultural norms can lead to poor quality decisions about the pay and progression of employees. For instance, some cultures consider direct eye contact rude, while a manager drawing on European cultural norms may interpret it as a lack of engagement or honesty.

¹⁸ For more information and resources on public sector Māori Crown relations capability see [Te Arawhiti – The Office for Māori Crown Relations](#).

¹⁹ There is a range of providers that offer workshops and customised training in bicultural confidence and cultural intelligence in the workplace. Many agencies already have memberships with organisations such as [Diversity Works New Zealand](#).

“We have experienced ‘Can you lead this (cultural) work, train these people, bless this food, organise this pōwhiri?’ with no recognition or pay, so many times. When external people come in to train staff, they get paid a huge amount and yet we are drawn on all the time with no recognition. This impacts Pacific women too.”

WORKSHOP PARTICIPANT

Recognising and valuing cultural expertise

Where roles in agencies require specific cultural expertise, this should be recognised and remunerated. Agencies should not treat Māori employees as de facto advisors on tikanga Māori or assume expertise in Māori Crown relations, te ao Māori, or te reo Māori.

Agencies can proactively recognise the value of cultural expertise by working with Māori rōpū and unions to decide how to provide workplace leadership in tikanga and kawa, how to include cultural expertise in the scope of specific roles and/or how to formally recognise the expertise of current employees who agree to act as cultural advisors.

3. REMOVE BIAS AT KEY POINTS IN REMUNERATION FRAMEWORKS

This section provides advice to help agencies reduce bias at points in remuneration frameworks where its influence will negatively affect the long-term pay of groups and/or individuals.

3.1 In job evaluation

We have drawn on and expanded some of the advice in our [Recruitment Guidance](#). Agencies that have already aligned their practices with this guidance will be familiar with some of these recommendations.

Skills and/or competencies historically identified as female such as social and communication skills, supporting others, cultural knowledge and sensitivity are commonly overlooked or undervalued²⁰ compared with those identified as male, like decisiveness or technical or financial skills. Roles in which women have historically dominated may therefore be under-sized and under-valued, as was found to be the case in the Oranga Tamariki social workers' pay equity settlement of 2018.

²⁰ Refer to [Pay Equity Principle 6](#), and [section 13ZD\(2\) of the Equal Pay Amendment Act](#)

When evaluating new roles or re-evaluating existing roles, avoid bias by following the recommendations in section 2.4 [Base decisions on transparent gender-neutral criteria](#) and section 2.6 [Build culture and capability](#), and:

- be aware of gender stereotypes in the language used in role profiles, e.g. the phrase “provides support across the team” could be rendered gender-neutral by amending it to “contributes to work across the team”^{21 22}
- avoid designing roles to fit the stereotypical traits of groups associated with this role. For instance, in the case of a leadership role be careful not to over-emphasise male-identified skills and under-emphasise female-identified skills
- be aware that job descriptions often do not reflect the full range of work, skills, responsibility and effort required in a role. Ensure that where job descriptions are used in role evaluation, they are up-to-date and specific enough to enable a robust evaluation by using a gender neutral job assessment tool, the Equitable Job Evaluation (EJE) tool, or the Spotlight Skills Identification tool.²³
- ensure that those applying a job-sizing tool are trained to recognise and avoid gender and ethnic bias, see section 2.6 [Build culture and capability](#)
- consider whether roles should include cultural expertise within their scope (see *Recognising and valuing cultural expertise* on page 18)
- document the process used and the results
- consider how often roles should be re-evaluated, to ensure any changes to role requirements are recognised and employees continue to be fairly paid.



²¹ Tools to assess whether the language in job advertisements and job descriptions is likely to change the proportion of men and women responding include [Gender Decoder for Job Ads](#) and [Applied Job Description Analysis Tool](#).

²² For evidence that language shapes perceptions of who is suited to particular roles see, Danielle Gaucher, Justin Friesen, and Aaron C. Kay, *Journal of Personality and Social Psychology* 2011, Vol. 101, [Evidence That Gendered Wording in Job Advertisements Exists and Sustains Gender Inequality](#).

²³ EJE is available on enquiry from MBIE <https://www.employment.govt.nz/hours-and-wages/pay/pay-equity/equitable-job-evaluation/>; the Spotlight tool helps to identify and categorise skills that are often overlooked and consequently undervalued, see www.employment.govt.nz/pay-equity/spotlight-skills-recognition-tool

3.2 In starting salaries

This section draws on and expands some of the advice in our starting salaries guidance, [Ensuring gender is not a factor in setting starting salaries](#). Agencies that have already aligned their practices with this starting salary guidance will be familiar with some of these recommendations.

Negotiating starting salaries

If negotiation with candidates is part of salary setting processes, candidates who do not negotiate or express lower salary expectations may be disadvantaged. This can include women, Māori, Pacific peoples, new migrants, candidates seeking part-time and other forms of flexible work, and candidates returning from career breaks.²⁴

Agencies can consider removing negotiation from the process of setting starting salaries, or reducing the risk of bias by:

- informing candidates that negotiation is expected and welcomed, so that candidates can prepare
- providing candidates with the pay range and the criteria for setting the starting salary, so they understand the parameters within which they can negotiate
- acknowledging a candidate's participation in the negotiation process, to help build their confidence about negotiating in the future
- providing appointing managers with information on the pay of employees already in this role or band so they have an objective benchmark for their decisions
- supporting managers to respond if candidates express pay expectations above those of other employees in this role.

Benchmarking to current or previous pay

If decision-makers are influenced by the previous pay of a candidate, they risk importing gender pay gaps from previous roles or organisations. This can undermine the effort agencies have made to reduce bias in job evaluation, recruitment and selection.

Agencies can reduce these risks by ensuring appointing managers don't ask about current or previous pay and by using transparent and gender-neutral salary setting criteria (see section 2.4 [Base decisions on transparent gender-neutral criteria](#)).

²⁴ For research on the gendered nature and outcomes of pay negotiation see: Workplace Gender Equality Agency, July 2018, www.wgea.gov.au/sites/default/files/documents/Negotiation-Paper-Final_0.pdf; Benjamin Artz, Amanda H. Goodall, Andrew J. Oswald, *Warwick Economic Research Papers*, July 2016, [Do Women Ask?](#) For the impact of negotiation on pay for Māori and Pacific employees, especially women, see Haar, J. M., 2019, Exploring the Ethnic Pay Gap in the Public Services: Voices from the Rito [Pou-Matawaka-Report-Ethnic-Pay-Gap-March-2019](#)

3.3 In paying market premiums

Paying market premiums for recruitment or retention can introduce long-term inequities between employees in the same or similar roles, if people have been appointed under different market conditions or appointed internally. This may undermine the efforts agencies have made to ensure gender is not a factor in salaries for the same or similar roles. Refer to the guidance [Ensuring gender is not a factor in salaries for the same or similar roles](#), for recommendations on how to identify salary anomalies and correct them.

Where these recruitment or retention incentives remain part of a remuneration framework, we recommend that agencies include ‘sunset-clauses’ or regular review of premiums (i.e. time-limits) to account for changes in market conditions. The above guidance also provides advice on monitoring salaries for the same or similar roles to ensure gaps, once closed, do not re-open. If they do, agencies are advised to review and correct salaries where needed.

3.4 If performance is linked to pay

Performance review decisions may be subject to gender, ethnic and other biases. Therefore, when performance and pay are linked any biased review decisions translate into pay.²⁵

Agencies operating remuneration frameworks that link performance and pay can consider decoupling performance from pay, OR, reducing the risk of bias by:

- comparing performance ratings for two or three previous years, by gender, ethnicity and full-time/part-time status. The ratings of different groups should have similar distributions. Differences in distributions may suggest bias. For comparisons to be statistically robust at least 20 employees in each group being compared are needed, e.g. 20 men and 20 women. Agencies can achieve this by combining rates for multiple roles, or be aware that results in smaller groups will be indicative only
- developing performance criteria with employees and unions²⁶
- assessing part-time employees against the same transparent gender-neutral performance criteria as full-time employees and ensuring their delivery expectations reflect their part-time hours²⁷
- being aware that performance assessments can disadvantage women, Māori and Pacific and other groups hesitant about promoting themselves.

3.5 In the treatment of career breaks

Agencies can address any remuneration disadvantage facing employees on career breaks by including them in annual remuneration rounds. We recommend agencies also follow the advice in our [Guidance on career progression, breaks and leave](#).

²⁵ Fabling, R., Grimes, A., Mare, D., Performance Pay Systems and the Gender Wage Gap, Motu Working Paper 12-13 *Motu Economic and Public Policy Research* 2012.

²⁶ For more advice on performance criteria see [Guidance on career progression, breaks and leave](#).

²⁷ For further advice on reducing bias against employees working flexibly, including part-time employees, see [Flexible-work-by-default Guidance and Resources](#).

4. MONITOR IMPACTS

This section reflects [Gender Pay Principle 4: Sustainability: Interventions and solutions are collectively developed and agreed sustainable and enduring.](#)

Agencies can ensure their initial changes have the desired impact by working with unions and employees to:

- periodically refresh the data and feedback gathered at the start of your process (see section 2.1 [Review remuneration frameworks](#)).

Agencies should then consider:

- whether monitoring suggests that remuneration frameworks and policies need further adjustment in line with this guidance
- whether further work is needed to strengthen capability (see section 2.6 [Build culture and capability](#))
- how data analysis and review findings can be made accessible to employees and unions, while maintaining employee privacy (see section 2.5 [Embed engagement, transparency, and accessibility into remuneration systems and policies](#))
- recording their progress and any changes they plan to make in their annual gender pay gap action plan.



GUIDANCE ON REMUNERATION

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