

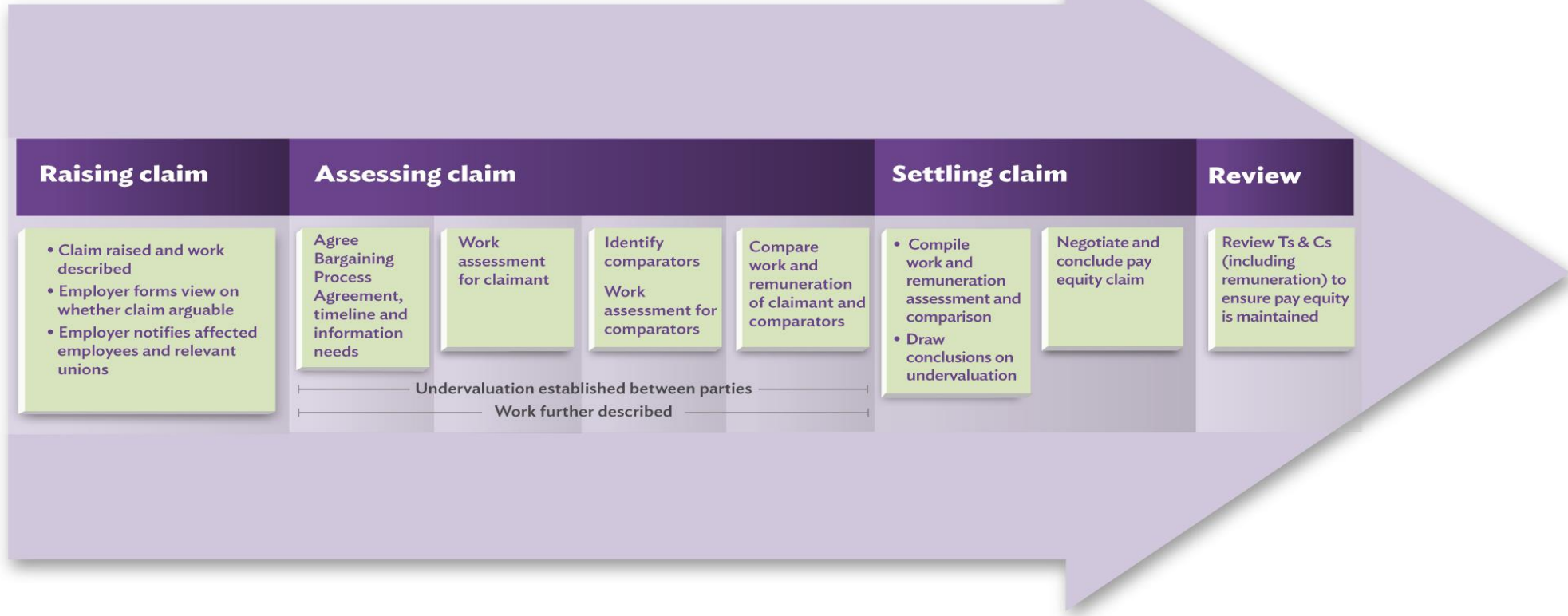


Te Kawa Mataaho
Public Service Commission

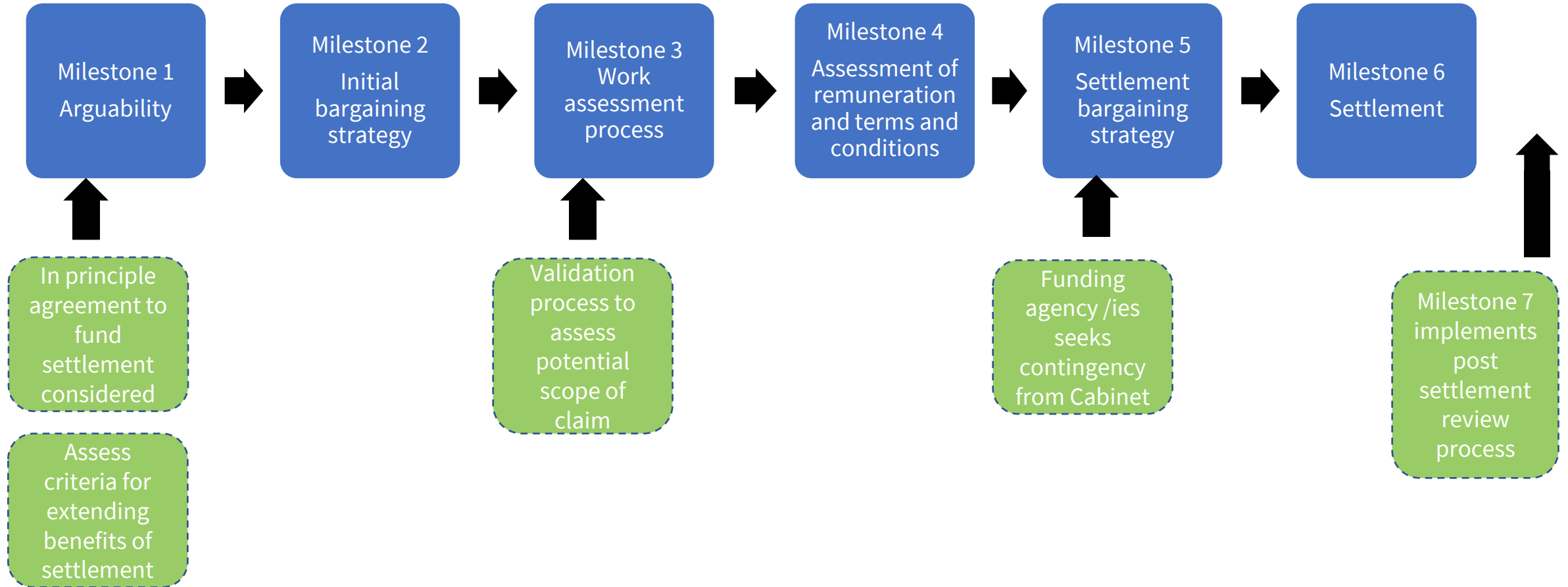
Pay equity process



Pay Equity Process



Milestone points from Funded Framework



Working together – the four pou

- ✓ Terms of reference- Agreement between unions and employers
- ✓ Multi- Employer Bargaining Process Agreement- Agreement between employers on how they organise themselves and make decisions
- ✓ Inter union agreement- Agreement between unions on how they run the claim
- ✓ Memorandum of understanding- Agreement between employers and oversight group



Arguability

The oversight group will need to be able to see a summary of the work and the process you have gone through. This should include:

- making the gender make up visible –i.e., what proportion if the workforce is female?
- the proposed scope of the claim
- brief consideration of the works history/origins- Has the work currently or historically been characterised as women's work? Does the nature of the work require an employee to use skills or qualities that have either been generally associated with women or regarded as not requiring monetary compensation?

Remember its *light touch* and it does not need to be proven just *possible* that the work is undervalued.



Milestone 2- Terms of reference and claim planning

Terms of reference acts as an agreed touchstone for the process between the parties.

Claim planning or initial strategy ensure the employers are thinking through how they will resource and prepare for the claim

Claim planning is what employers will need to produce for milestone 2 and the oversight.

- The proposed approach for evidence gathering, including claimant and comparator investigation
- The proposed approach for remuneration analysis
- The milestones, approvals and process timeframes
- Risks and considerations for the claim



Te Orowaru

Te Orowaru is a pay equity work assessment tool, which allows users to develop a rich understanding of any role or occupation.

There are two key parts to work assessment

- ✓ **interviewing workers** to explore what they actually do every day and the skills, responsibility and effort they are required to deliver
- ✓ **taking the information gathered** in interviews (and any other information or research available) and using the *factor plan* to understand at what level each of the identified skills, responsibilities, effort, and conditions of work sit



For more information on Te Orowaru go [here](#)



Milestone 3- Interviews

Purpose: To elicit rich information about what a role or occupation really entails from those who do the work.

Questions:

- How many interviews?
- Who to interview? – do you need to group similar roles?
- How will you establish data saturation?

These decisions require:

- Preliminary understanding of role/role groupings
- Idea of size and spread of workforce
- Ability to flex to increase or stop interviews

Think about:

Assessment-what is the process and does your volume support it?

Does your process support the workers feeling engaged?

Have you created a flexible process?

The parties agree that this information gathering stage needs to be efficient, iterative, flexible, and will establish regular checkpoints to ensure that sufficient information has been collected to gain a comprehensive understanding of the work of administration support staff. Parties have agreed to an initial sample size of 40 interviews of administration support staff. Interviewees will be drawn from randomly selected schools and will be demographically representative of administration support workers. Regular checkpoints will be established to review parties' satisfaction with the quality and quantity of data as it is collected, and parties may agree to revise the total number of interviews accordingly as the research progresses. A similar review process will be undertaken as supervisor interviews progress to check parties' satisfaction with the quality and quantity of data being collected.



Quality assurance

Purpose: To make sure that the parties have confidence in the material being gathered and that it is complete and fit for purpose

Questions:

- What are the point/s at which you want QA to occur?
- Who do you want involved in the process?

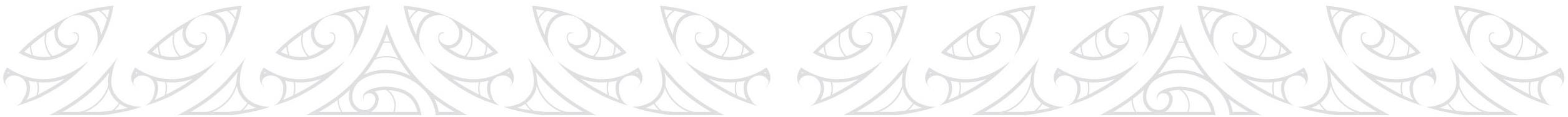
These decision require:

- Trust between the parties
- An understanding that this is not an opportunity to second guess findings or what workers have said
- Clarity on what the QA process is hoping to achieve

A quality assurance (QA) process being used in which both a Ministry and NZEI Te Riu Roa representative who were not present in the interview reviewed each transcript to ensure all sections of the interview guide were covered, any points that needed to be clarified were identified and that there was consistency between the interviews.

Think about

- Is the QA process balancing efficiency with robustness?
- Is the QA process designed to support the information gathering process or undermine it?



Aggregate/collate

Purpose: to bring together all information gathered in the work assessment process and aggregate findings into a summary/GAR/picture of work/benchmarked roles

Questions

- Is aggregation needed?
- What do we need in order to understand the range/breadth/depth of work?
- What form of aggregation will best balance quality with efficiency?

These decisions require:

- Understanding of the data gathered
- Understanding of the process options and what outcomes each may deliver
- Ability to flex to respond to what is being established through work assessment

OT- summary profiles- 15 role titles

DHB admin- summary profiles of 14 role groups which represented 1500 role titles

Admin clerical in schools-analysis of transcripts to produce GARS

Think about:

- What form of aggregation best supports assessment?
- What form of aggregation will lend itself best to translation at a later point?

Validation

Purpose: To have a process or processes to test that what has been gathered and/or aggregated is accurate and complete

Questions:

- Which point or points in the process do parties agree may be useful to have a validation process?
- Who will do the validation and why?
- How will this process have the confidence of all involved?

These decisions require:

- Clear explanation- what is being validated?
- Ability to flex and take action in response to validation results- does the validation process tell you more interviews are needed? or aggregation has missed something integral?

Admin claim in schools:

Following analysis of the transcripts, we went out to the sector with our findings to ensure we had fully covered the work. After analysing 698 feedback submissions, we conducted an additional 7 interviews where feedback indicated skills, responsibilities, demands or working conditions that were different to what had been captured. This resulted in a final interview sample of 70 administration staff plus their direct supervisors.

Think about:

- Whatever your validation process is- how will you communicate it?
- Is what you are trying to achieve or validate clear?

Analysis

Purpose: To gain an understanding of the level of skill, responsibility, effort and conditions at which the work of the claimant and comparator sits

Questions:

- Is what is being assessed agreed and for purpose?
- Does everyone have access to the same information in order to undertake assessment?
- Is the information complete?
- Has a rich understanding of the work been developed prior to any scoring?

These decisions require:

- Agreement on process for levelling/scoring and eliminating bias
- Connection to the aggregation of the work
- Rationale to be recorded for legitimacy and to support any subsequent translation work

*Admin claim in schools:
Out of the 70 administration staff interviewed, the parties jointly selected 35 benchmark roles that represented the range and variety of the work of administration staff. These transcripts went into the factor scoring process alongside all comparator transcripts*

Think about:

- Does what you are assessing deliver what is needed for assessing comparability?



What are factors?

To understand work in a detailed and comprehensive way it can be useful to break it down into “**bite size pieces**”. Factors allow each of these ‘pieces’ of work to be analysed and understood.

Te Orowaru has 15 factors.

Some examples of these factors are:

- Knowledge
- Problem solving
- Responsibility for people leadership
- Emotional effort
- Working conditions.



Milestone 4 -Assessing remuneration

Purpose: To generate a complete understanding about all aspects of remuneration of claimants and comparators

Questions:

- Is data on remuneration for claimant and comparators current?
- Are all elements of remuneration captured?
- Are parties prepared to make comparisons being made that do not entrench inequality?
- Have parties ensured that remuneration information is obtained from all comparators?

Think about:

- Do you have enough information to support any translation process?
- Will the information gathered allow assessment of possible undervaluation to take place?

These decisions require:

- Short remuneration history of claimant and comparators
- The same data gathered for all
- Ensuring the system for remuneration is as well understood as the rates
- Consideration of employment type where it may impact remuneration

Nursing claim-snapshot of rem history for one comparator

Recruitment and retention concerns have varied markedly in the past, depending on changes in the prison environment, e.g., sudden increases in prisoner numbers.

The current pay scale was introduced in 1998, although those already employed stayed on the previous graded system until 2007. Movements in the pay range are made by negotiation and not with reference to market data.

Corrections Officers start on the bottom step. Progression is based on the completion of qualifications in the NZ Offender Management Certificate.



Assessing terms and conditions

Purpose: To generate a full understanding of the terms and conditions of employment of claimants and comparators

Questions:

- Have parties considered all terms and conditions, including those in policy, side letters or custom and practice?
- Is it agreed, or made visible which terms and conditions may influence remuneration and/or be important to achieving settlement?

These decisions require:

- Analysis of whether a term or and condition can impact remuneration
- Recognition that terms and conditions cannot be traded off or reduced.
- Terms and conditions to be recorded and collated in a way that they can be compared

Admin in schools:

87% of interviewees were employed on a permanent basis whilst 13% were employed on fixed-term agreements. Sixty-one percent of the sample were paid for 40 weeks of the year (excluding term times) whilst 39% were paid for 52 weeks a year. In contrast, all comparator occupations were employed on permanent contracts and paid for 52 weeks a year.

For most of the comparator groups, professional development opportunities are clearly structured and formalised, and designed to keep employees up to date with developments including new legislation or new technology or techniques being introduced. Fishery officers and corrections officers were required to complete a range of ongoing refresher courses throughout their careers including health and safety and defense tactics training. All comparator interviewees reported receiving professional development.



Assessing comparability

Purpose: To layer the results of the work assessment up with the analysis of remuneration and terms and conditions to understand possible undervaluation

Questions:

- Have the parties run a process to ensure appropriate comparators are used for this process?
- Is all the requisite data and information available and current?
- Is the process for undertaking this analysis agreed?

Think about:

- Are conclusions reached defensible and logical?
- Is bias starting to affect choices?
- Can comparisons be communicated?

These decision require:

- Selection of comparability methodology with strong rationale
- Joint process or understanding of the other parties approach and how this will be navigated



Milestone 5- Bargaining strategy

Purpose: To draw together all the information, evidence and assessment undertaken in order to negotiate how an equitable outcome will be realised

Questions

- Are the parties clear on what is and is not agreed going in?
- It is accepted that there are a range of ways to deliver equity?
- Have parties prepared on how they want to engage for settlement bargaining?

These decisions require:

- Constant communications throughout the process so bargaining is not an unexpected style shift
- Planning from both parties, what is critical? Why? How will this be communicated?

From Taskforce advice:

Pay equity is a bargained process so differences are not uncommon. What's important at this point is to have a good strategy to resolve these differences. In bargaining you want to be able to demonstrate how the solutions you are proposing fully correct for any identified sex-based undervaluation. It will be easier to resolve differences if you can see how each parties remedies are connected to the joint analysis you undertook.

Think about:

- The more that is agreed and worked through jointly the easier the settlement bargaining should be
- How will decisions be communicated and explained? Are outcomes connected to evidence?

Translation

Purpose: to ensure that the conclusion about undervaluation can be translated in real terms for claimants

Questions:

- Has the work so far led to a new pay scale/s or substantially altered pay scale/s/matrix?
- Do the progression system or systems require change?
- How will employees move in a fair, equitable and transparent manner?
- Will there need to be regrading?
- Is there a appeal/review process required?

These decisions require:

- Each stage of the process to consider how corrections can be realised so this does not become a barrier or create new inequity
- Agreement to be reached on pay equity rates and how progression operates
- Consideration of how this will be implemented and reviewed

Think about

- How this work will be clearly communicated to employees?
- Does the translation system led itself to sustain pay equity?
- Does the translation to new rates connect to the evidence?
- Is the new system logical and able to be administered?

Grade	Step	Rates up to 28 November 2019	Step	Rates effective 29 November 2019	Work Matrix	Step	Pay equity rates effective 12 February 2020	Rates effective 27 November 2020
A	1	17.70	1	21.15	A	1	21.20	21.84
	2	17.70		21.15		2	21.65	22.30
	3	17.70		21.15		3	22.10	22.76
	4	17.70		21.15				
B	4	17.70		21.15	B-C	1	23.02	23.71
	5	18.21		21.15		2	23.75	24.46
	6	18.86		21.15		3	24.48	25.22
	7	19.48		21.15		4	25.21	25.97
	8	20.09		21.15		5	25.94	26.72
	9	20.69	2	21.31		6	26.54	27.34
C	9	20.69	2	21.31		7	27.27	28.09
	10	21.42	3	22.06		8	28.00	28.84
	11	22.24	4	22.91		9	28.73	29.59
	12	23.06	5	23.75		10	29.46	30.34
	13	23.88	6	24.60				
	14	24.70	7	25.44				
D	14	24.70	7	25.44	D	1	29.46	30.34
	Range of Rates	«	«	«		2	30.50	31.42
						3	31.55	32.49
						4	32.59	33.57
						5	33.15	34.14
	15	33.67	8	34.68		6	34.68	35.72

Milestone 6: Pay equity settlement

Once all the assessment work is done parties to a claim will need to negotiate a pay equity settlement in good faith

There may be a number of different ways to reach a pay equity settlement which uphold the evidence and analysis undertaken. Parties can agree anything as part of a settlement, but must provide for a full correction of any all sex based undervaluation.

Any pay equity settlement must

- be agreed in writing
- state that remuneration is now equitable as per the Act
- ensure that a process to review the settlement is agreed
- detail to the method used to assess the claim and a description of the comparators





Kia Kaha!
Pay equity can be fun!
We are here to help 😊