

Gender Pay Equity

Does your organisation need to review?

The gender pay gap is an extremely complex issue with numerous moving parts. According to Statistics New Zealand in 2017, median hourly earnings for women were 9.4% lower than the same figure for men. While it might be very tempting to address the problem by giving your female staff a 9.4% raise, the reality of the situation is that it's far from that simple.

Any action taken to close the gender pay gap will require a commitment from your organisation, a comprehensive review of remuneration and hiring practices, as well as a willingness to take action. It's not necessarily a simple or quick process, but the benefits are that you'll become a more desirable place to work, with better staff retention, and a far better public image.

Understanding the metrics

Before we get into the details of the topic, it's important to understand the metrics behind the gender pay gap. While some organisations report on a median, such as Stats NZ, others report on averages. This can lead to considerably different numbers that, at a glance, can suggest that either progress is being made or that the gap is widening. The important thing is to understand that these are different metrics, they don't compare, and a conversation about pay equity needs to be firmly grounded in one set of numbers. We suggest that the median be used.

What are the contributing factors to the gender pay gap?

When it comes to the gender pay gap, there are many contributing factors at play. It often starts with an organisation's employment practices, customs and policies, though organisational culture and individual behaviours also contribute.

While there are some exceptions, many females in the New Zealand workforce are employed within a narrow range of occupations in the bottom or middle of an organisation. Further, the skills and knowledge they bring to their role may not be recognised or appropriately valued. Finally, women are far more likely than men to mix caregiving with part-time work, and this kind of flexibility has traditionally been easier to access in lower paying positions.



How do you identify if your organisation has an issue?

The best way to assess pay equity in your organisation is to conduct a review. That sounds simple enough, but as we've warned, the issue is fairly complex. It's important to note here that just because people aren't being paid the same, doesn't mean it's not fair. To start with, you need a way to measure the value of work. This is essential to undertake an accurate assessment of the jobs and pay levels within your organisation. Surprisingly few businesses have the right tools in place to do this.

What steps can you take to repair it?

The first step requires a shift in mind-set, not just from HR, but the full board and every decision-maker at an executive level. It's not enough to accept policies and practices as they currently are but the organisation as an entity has to be open to the concept of conducting a review and making a decision based on the results.

We have two useful tools for approaching policies and procedures as they relate to gender pay equity:

- 1 Our mini review is a tool to help you review current practices. It includes key queries that will help you gather the relevant information you need to understand your current status.
- 2 We also offer a more comprehensive auditing tool that helps guide your investigation towards actionable insights.

The time to investigate pay equity in your organisation is now. Moving forward, fair pay is vital to your reputation and your ability to secure top talent.

This is where Strategic Pay come in

gender paygap gender equality
Gap between the average earnings of women compared with men The same rights and opportunities

payequity

equal pay Same pay for different work of equal value

employment equity Same pay for the same JOB Equal opportunity in employment

Email us today at info@strategicpay.co.nz to use our **FREE** gender audit tool and start the process.

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