



New Zealand
**MINISTRY
OF DEFENCE**
Manatū Kaupapa Waonga

New Zealand Government

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GENDER PAY GAP AGENCY ACTION PLAN 2020

LIFTING POINT

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GENDER PAY GAP MEASUREMENTS ●●●●

The Ministry of Defence is an agency of around 160 staff. We pay males and females with the same skills and experience the same for the same work.

Statistics NZ advise that gender pay gaps are not statistically robust for groups of fewer than 20 men and 20 women. This impacts our occupational groups within the Ministry so our gender pay gap reporting focuses on the entire Ministry only. It also means, despite reviewing this information, we cannot report with any statistical accuracy on the ethnic pay gap.

The Ministry measures the Gender Pay Gap using the agency wide mean calculation as advised by the State Services Commission Human Resource Capability team – that is, the

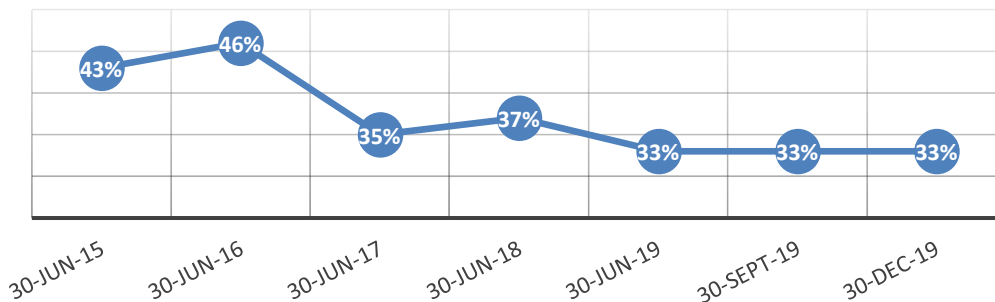
total salaries of males minus total salaries of females divided by total salaries of males.

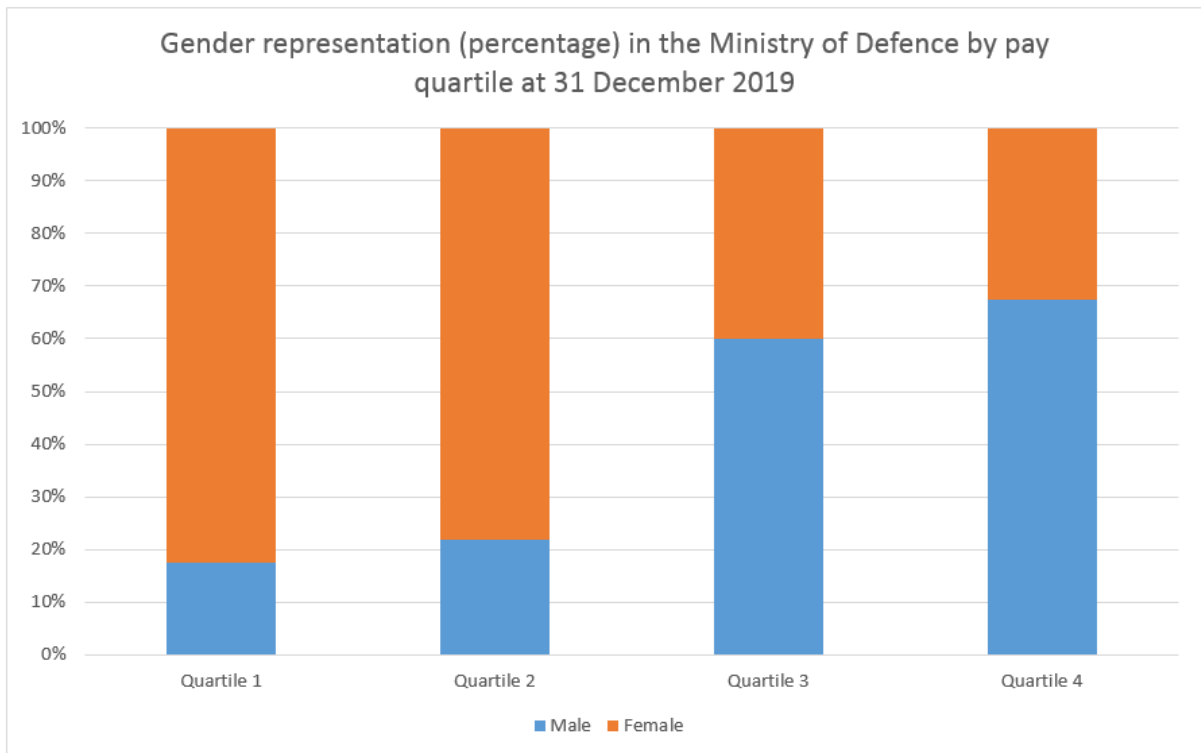
At December 2019 the Gender Pay Gap in the Ministry of Defence was 33%.

The Ministry has a long term plan to reduce the gender pay gap and acknowledges that this will not be a quick fix but we are highly committed.

The Ministry has modelled other measures such as gender representation in the Ministry by pay quartile (see graph below) to help us understand our gender pay gap in more depth which confirms what we already know, that more males are paid higher salaries than female staff..

Gender Pay Gap in Ministry of Defence 2015-2019





This graph shows male and female pay as at 31 December 2019 as a percentage by four quartiles. Quartile 4 is the highest pay percentage.

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DRIVERS OF THE GENDER PAY GAP ●●●●

The most important point is that our gender pay gap is not driven by gaps in the same roles (“like for like”) but by occupational or seniority differences in the male and female workforces overall. This is commonly referred to as **vertical segregation**. In simple terms it means we have a group of men in our most senior roles in both Capability Delivery and Policy & Planning divisions.

To explain this more, the workforce in the

Ministry of Defence can essentially be broken into 2 key areas:

CAPABILITY DELIVERY

A division of the Ministry mostly comprised of project management professionals who lead multi-million dollar projects which acquire military equipment for the New Zealand Defence Force. These people frequently have complex project management or engineering

backgrounds as they are procuring or upgrading equipment such as aircraft or ships.

We have a large number of highly paid men in our most senior project management roles. This reflects the labour market they are drawn from and is the prime reason for our large gender pay gap. The Capability Delivery Division has 77 staff. In the past 3 years the Ministry has significantly increased the number of females working in project management roles. In 2017 only 10% of our project managers were female. That now sits at 43% (19 females, 25 males, 44 total).

Historically, when needing project management expertise the Ministry's default was to hire in new staff. We now also actively work on growing our own people. A number of our female staff have been trained and promoted from project coordinator to project management roles.

REST OF THE ORGANISATION – POLICY & PLANNING, TŪ AROMATAWAI (INDEPENDENT REVIEW), CORPORATE FUNCTIONS

The rest of the Ministry is most comparable to the overall public sector and largely comprises

advisers, analysts, corporate and finance staff. These groups consist of around 84 staff.

The Ministry has made a concerted effort over the past three years to hire more women in all areas. In 2013 only 36% of our staff were females. At December 2019 this was 58%.

As more female graduates have been hired into the policy area (which has evened up the male-female gender balance of the Ministry) the gender pay gap has actually widened because graduates sit at the lower end of the pay spectrum.

Hiring highly skilled female graduates and growing them into senior roles is a long term strategy that will take years to pay off in terms of the gender pay gap but we see value in this approach.

We stress that the Ministry does not favour the hiring of female staff over males – anyone hired must be the best candidate. We simply try to cast the net wider to attract not only women, but a more diverse workforce.



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AGENCY ACTIONS TO CLOSE THE GENDER PAY GAP ●●●●

3.1 PUBLIC SECTOR FOCUS AREAS

EQUAL PAY

eliminating gender pay gaps within the same roles and progressing any pay equity claims

Since 2018 the Ministry has looked at gender pay gaps within the same roles and in 2018 found only one instance where there was a defined gender pay gap. This was corrected. This means we have met the Public Service like-for-like 2019 equal pay milestone.

FLEXIBLE WORK BY DEFAULT

all roles to be treated as flexible unless there is a good business reason for a role not to be

In 2019 all roles in the Ministry are flexible by default. The Ministry has had a Flexible Working policy in place for all roles since 2016. It was reviewed and revised in November 2019. We encourage the response of “why not” rather than “why” when staff request flexible working. Flexible options are equally available to men and women and do not undermine career progression or pay.

NO BIAS OR DISCRIMINATION IN REMUNERATION SYSTEMS OR HUMAN RESOURCES PRACTICES

systems and practices are designed to remove bias, including no gaps in starting salaries and managers being equipped to address bias

The Ministry’s recruitment and remuneration systems are constantly reviewed to remove bias. There is careful scrutiny of starting

salaries to ensure they are the same for like roles. We have actively revised the way we advertise roles to ensure women are encouraged to apply for roles that on the surface might appear to be male oriented. In 2020 we have begun to revise our position descriptions and advertisements for roles to remove words that are known to have a gender bias.

Since 2018 all people managers and a wide range of other staff have undertaken unconscious bias training. The Ministry has had a high uptake for this learning opportunity. Most importantly, it provides discussion amongst our staff, ensuring that people continue to be aware of and challenge biases in themselves and others. This training will continue to be available in 2020.

We have addressed the impact of gender bias on career progression, breaks and leave by implementing policies which go beyond statutory minimum requirements. As an example, anyone returning from parental leave accrues annual leave during that period which we pay at their full pay rate rather than annual average earnings for the previous year, which is how annual leave is normally calculated. And in 2019 we promoted a woman into a management role immediately prior to her taking parental leave.

GENDER BALANCED LEADERSHIP

women hold 50% of roles across the Public Service's top 3 tiers of leadership and each agency has a target date for achieving balance in their own leadership roles

Tier 1 – Appointments at this level are made by the State Services Commissioner.

Tier 2 – The Ministry's Leadership team is made up of the Secretary of Defence and 5 other roles. Two of the five roles are held by females (40%).

Tier 3 – At the Tier 3 level the Ministry has 13 roles. 5 of these are filled by women (38%).

3.2 MINISTRY GOALS

The Ministry continues to implement the five year goals it set in 2017.

1. **TARGET: To ensure that the gender makeup of the Ministry of Defence operates on a 40-40-20 basis** (that is 40% male, 40% female and the balance of 20% comprised of any group).
The Ministry currently meets this target and intends to continue to ensure it is achieved.

At December 2019 58% of staff were female.

2. **TARGET: To increase the percentage of women managers in the Ministry of Defence to a minimum of 40% over the next 5 years.**

To work towards the gender makeup of managers in the Ministry operating on a 40-40-20 basis (that is 40% male, 40% female and the balance of 20% comprised of any group).

At December 2019, 38% of managers were female (15 female, 25 male, total 40).

3. **TARGET: That 50% of appointments made to the Capability Delivery Division each year, over the next 5 years, will be women.**

To reduce the gender pay gap by specifically focussing on targeting appointments of women into Capability Delivery Division roles.

In the six months to December 2019 over 75% of staff hired into Capability Delivery Division were female.



3.3 ONGOING MINISTRY ACTIVITY

- Growing our own: we continue to target development opportunities for our female staff including opportunities for female project coordinators to move into more senior project management roles.
- In 2017 our first female project manager joined the Ministry. We now have 19 female project managers. Over the next 12 months we will continue to actively focus on finding female candidates for roles at all levels and to encourage them to apply. We will always ensure that only the best candidates are appointed (whether men or women) but have widened our reach as to how we attract suitably qualified and experienced females.
- Flexible by default working – implementation of our revised Flexible Working policy
- Ongoing delivery of unconscious bias training for any new people managers over the next 12 months; training of our HR team on Mitigating Unconscious Bias in the Employee Lifecycle (via Diversity Works)
- Other support which we continue to target includes:
 - Systematic investment in leadership and talent development of females with management potential;
 - Continuing to promote to all staff (including potential staff) our progressive policies that include support with parental leave and flexible working arrangements, reimbursing some childcare costs including when staff have to travel, and being the first public service department to provide free flu vaccinations for dependent children of any age;
 - Making sure that where people have to pause their career or change hours, we help them to maintain pay and career advancement.



AGENCY, UNION AND EMPLOYEE INVOLVEMENT ●●●●

This plan was developed as a result on ongoing discussions with staff and managers.