



**MINISTRY OF SOCIAL
DEVELOPMENT**
TE MANATŪ WHAKAHIATO ORA

Gender and Ethnic Pay Gap

Action Plan: 2021-2022

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Introduction

The Public Service is committed to gender equity and to diversity and inclusion more broadly.

In 2018, efforts to eliminate the Public Service Gender Pay Gap (GPG) were boosted by the tri-partite [Gender Pay Principles I Ngā Mātāpono Utu Ira Tangata](#), and the [Public Service Gender Pay Gap Action Plan I Te Mahere Mahi Rerekētanga Ira Tangata](#) - a joint initiative of Government, Chief Executives and the Public Service Association. The Principles provide an enduring framework for achieving working environments free from gender-based inequalities. The 2018-20 Action Plan contains actions and milestones to drive progress¹:

- Equal pay
- Flexible work by default
- No bias or discrimination in remuneration systems and Human Resources practices
- Gender balanced leadership.

More broadly, in 2020 Papa Pounamu, the Chief Executive-led diversity and inclusion steering group for the Public Service, determined [five priorities](#) for Public Service agencies. In addition, the new [Public Service Act](#) described the obligation of Chief Executives to increase diversity and inclusion in their agencies.

By working to increase gender equity and close their gender pay gaps, agencies are implementing the GPG Action Plan and the Gender Pay Principles and are progressing the Papa Pounamu priorities and meeting Public Service Act obligations.

All these initiatives contribute to fairer workplaces.

¹ A new Public Service action plan has not yet been issued. The Gender Pay Taskforce guidance for drafting agency 2021-2022 action plans has continued to focus on these milestones.

Executive summary

At MSD we are continuing to focus on eliminating pay gaps and are making good progress. MSD's overall gender pay gap for 2021 is 9.9% compared to the national public service gender pay gap of 9.6% (Human Resource Capability data as at 30 June 2020²). MSD's gender pay gap has steadily reduced from 15.1% in June 2018.

MSD has been actively addressing the gender pay gap with annual Gender Pay Gap Action Plans aligned to the [Public Service Action Plan](#), a Government directive articulating a set of actions and milestones designed to eliminate the gender pay gap across the Public Service. We do not have any pay gaps within same or similar roles or across the majority of our pay bands. Service Delivery in particular shows no pay gaps.

During 2020, we also began investigating ethnic pay gaps at MSD. We found that we have ethnic pay gaps for Māori, Pacific and Asian employees of 4.5 percent, 12.1 percent and 9.1 percent respectively, when compared to non-Māori, non-Pacific and non-Asian employees. These are further pronounced for women within each ethnic group. This year, for the first time, we have also been able to investigate the gender diverse pay gap.

Our analysis shows MSD's gender, ethnic, and ethnic-gender pay gaps are the result of women and employees identifying as Māori, Pacific or Asian being more represented in lower paid roles and less represented in higher paid roles, as well as clustered within occupation groups that are lower paid. Ministry-wide there is evidence of a gender diverse pay gap but we are currently unable to investigate what is driving the pay gap as the number of gender diverse employees is too low for further analysis.

Our focus has been on increasing pay to our lower paid employees through role reviews, living wage adjustments and a new pay and progression approach all of which have contributed to the significant reduction in our pay gaps since 2018. We also continue to focus our efforts on activities that will have longer term impacts, especially in the areas of flexible working and opportunities for development.

MSD's Gender and Ethnic Pay Gap Action Plan for 2021-2022 provides insight into gender and ethnic pay gaps at MSD, outlines the progress made in 2020-2021, and lays out a new set of actions for 2021-2022 to reduce our pay gaps further.

² Human Resource Capability data for 2021 will be released in late 2021.

Drivers of our pay gaps

In 2020 we analysed gender and ethnic pay gaps within same or similar roles to ensure that gender and ethnicity were not influencing the salaries of current employees. As a result, 25 of 8,638 employees reviewed received an adjustment, representing less than 0.3% of our workforce. Twenty-one of these 25 employees were female, three were male and one was gender diverse. By ethnicity, 14 of these employees were European, four were Māori, four were Asian, one was Pacific, one was Middle Eastern/Latin American/African and one employee did not specify their ethnicity.

The analysis enables us to say with a measure of certainty that there is no pattern of gender and ethnic pay gaps within same or similar roles at MSD. Instead, what is driving MSD's gender, ethnic and ethnic-gender pay gaps is vertical and occupational segregation, a pattern seen throughout the Public Service.

Segregation refers to the clustering of employees in particular levels and occupations on the basis of factors like gender and ethnicity. MSD employs a high percentage of females (70.4%) but they are clustered in the lower paying levels of the organisation. The proportion of females reduces to 50% in higher levels. Societal trends show that some sectors tend to be dominated by males while also being highly paid, whereas lower paid clerical and contact centre roles tend to be female dominated.

[Research into the drivers of ethnic pay gaps in the Public Service](#) also highlighted occupational and vertical segregation. Our analysis shows that this pattern is again mirrored at MSD.

The research showed that:

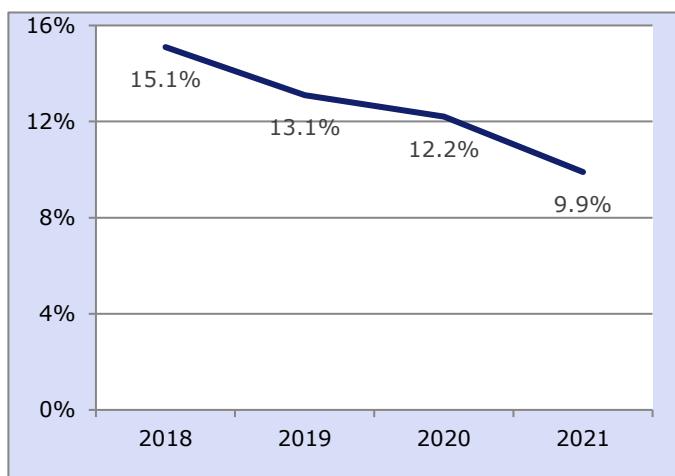
- European employees are over-represented as managers and policy analysts
- Māori and Pacific employees are well represented as inspectors, regulatory officers, and as social, health and education workers but less so in other professions
- Pacific and Asian employees are highly represented as contact centre workers
- Asian employees are highly represented as ICT professionals and technicians.

While our aim is to eliminate gender and ethnic pay gaps at MSD, the overall gender and ethnic pay gap measures are not likely to reach zero unless we have greater gender and ethnic balance across all levels of the organisation. Our actions for 2021-2022 focus on addressing the drivers of our pay gaps.

Our gender pay gaps

Agency-wide

Figure 1: Agency-wide gender pay gap (GPG) over time



As of June 30, 2021, MSD had a total of 6,552 female employees, 2,720 male employees and 24 gender diverse employees.

We have seen a steady reduction of our GPG, falling below 10% for the first time in 2021. The biggest factors contributing to the reduction have been increasing pay to our lower paid employees through role reviews, living wage adjustments and a new pay and progression approach. We have also continued to focus our efforts on activities that will have longer term impacts, especially in the areas of flexible working and creating opportunities for development.

Across all MSD employees, the average male salary is now 9.9% higher than the average female salary. The median male salary and the median female salary are the same. While our median GPG shows there is no gap for a 'typical' female employee at MSD, an average GPG of 9.9% indicates that females are more represented in lower paid roles than higher paid roles whereas males are more represented in higher paid roles than lower paid roles.

For the first time in 2021, MSD can report on its agency-wide Gender Diverse Pay Gap (GDPG). While the overall numbers of gender diverse employees is small they meet the threshold for agency-wide reporting. Across all MSD employees, the average male salary is 13.1% higher than the average gender diverse salary. The median male salary and the median gender diverse salary are the same. This indicates that gender diverse employees are more represented in lower paid roles than higher paid roles whereas males are more represented in higher paid roles than lower paid roles.

We cannot draw too much meaning from the agency-wide GDPG at this time, as we are comparing a group of 24 gender diverse employees to 2,720 male

employees and the different sample sizes may affect the result by making it appear bigger than it is.

Within same or similar roles

For this action plan, we conducted further analysis within same or similar roles by examining representation and pay gaps within pay groups and bands, where representation met our minimum sample size and made this possible. The majority have a minimal or no gender pay gap. Analysis identifies two bands (B06IT+ and MSS04) indicating gender pay gaps >3% due to the clustering of females in the lower end of the bands. The B06IT+ band consists of roles such as Senior Business Analyst and Senior Developer and has a 3.6% gender pay gap. MSS04 is made up of primarily Service Centre Managers³ and has a 3.0% gender pay gap.

By level of earning

MSD conducted additional analysis comparing representation and pay gaps between the lower, middle, and higher earning groups as outlined in the [Public Service Pay Guidance 2021](#). Lower earning is defined as less than \$60,000, middle earning is \$60,000-\$100,000 and higher earning over \$100,000.

There are minimal or no pay gaps at the lower or middle levels, with an average pay gap of 4.6% at the higher level of earning. Females represent 55.7% of the higher earning group, 73.2% of the middle earning group and 71.7% of the lower earning group⁴.

By level of seniority

Within each business group, the number of tiers vary, making it difficult to compare pay gaps by tier across the organisation. For the purposes of this year's action plan, we will instead provide analysis by managerial groupings - line managers, managers, and senior managers. There are no significant gender pay gaps within any of these managerial groupings⁵. It is only when we look at the managerial group as a whole that we see a pay gap.

By FTE status

97.7% of MSD's workforce is full-time. As such, we see that the gender pay gap for full-time staff is 9.7%, similar to our agency-wide pay gap. Of the remaining staff who work part-time, 89.3% are female. The average part-time male salary is 20.3% higher than the average female who works part-time. The median

³ Refer Table 2 within Gender and Ethnic Pay Gap – Data Analysis: 2021-2022

⁴ Refer Table 3 within Gender and Ethnic Pay Gap – Data Analysis: 2021-2022

⁵ Refer Table 4 within Gender and Ethnic Pay Gap – Data Analysis: 2021-2022

salary for part-time females is -13.0% when compared to part-time males. This is because the number of part-time males is low at MSD and most are in lower paid roles with a few exceptions of part-time males working in higher paid roles which brings up the average⁶.

By occupation group

Our analysis by occupation group shows some pay gaps more than +/- 3%, with one occupation group in particular (Managers) whose pay gaps using both average and median salaries are larger than the overall MSD GPG.

- ICT professionals and technicians is the only occupation group at MSD where male representation is higher than female. This occupation group is also experiencing a pay gap of 4.8%, indicating those females who are represented, are clustered in lower paid roles within the occupation group.
- We also see high pay gaps in the Legal, HR and finance professionals (pay gap of 6.3%) and Policy analysts (pay gap of 7.8%) occupation groups. These gaps are driven by similar issues we see in the Manager group; the occupation groups themselves consist of a wide range of roles, that span a number of different levels and pay bands, with females represented more highly in lower paid roles within the occupation groups.
- The Managers' occupation group includes line managers, managers, and senior managers, and therefore covers a wide range of pay bands. When analysing the managers in this occupation group by looking at same or similar roles, the typical female manager within these bands does not experience a pay gap. However, when looking at the occupation group overall, we see again that the higher representation of females in line manager and manager roles, compared to senior manager roles, drives an average pay gap across the whole occupation group of 11.7%.
- Our largest occupation groups are Social, health and education workers (45% of our workforce and where Case Managers are represented) and Contact centre workers (15% of our workforce). Both occupation groups have >70% female representation and are also two of our lowest paid groups. These occupation groups both experience a very low pay gap of 0.3%⁷.

⁶ Refer Table 5 within Gender and Ethnic Pay Gap – Data Analysis: 2021-2022

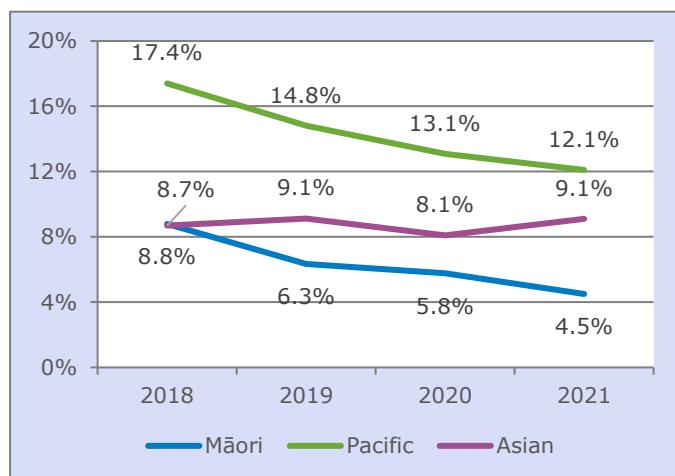
⁷ Refer Table 6 within Gender and Ethnic Pay Gap – Data Analysis: 2021-2022

Our ethnic pay gaps

Agency-wide

Figure 2: Agency-wide ethnic pay gaps (EPGs) over time

Our Māori and Pacific pay gaps have been reducing steadily over time while our Asian pay gap has stayed relatively constant.



Across all MSD employees as at 30 June 2021:

- the average Non-Māori salary is 4.5% higher than the average Māori salary
- the average Non-Pacific salary is 12.1% higher than the average Pacific salary
- the average Non-Asian salary is 9.1% higher than the average Asian salary.

These pay gaps indicate that our Māori, Pacific and Asian people continue to be overrepresented in lower paid roles and underrepresented in higher paid roles across MSD⁸.

Within same or similar roles

There are few pay bands that have ethnic representation that meets the minimum sample size criteria. However, for those pay bands that do, there is evidence of ethnic pay gaps within one of our core ranges, and three of our manager and senior specialist ranges as follows:

- within pay band B06, there is evidence of an Asian pay gap of 3.5%
- within pay band MSS03 there is evidence of a Pacific pay gap of 3.4%
- within pay band MSS04 there is evidence of a Māori pay gap of 4.2%

⁸ Refer Table 20 within Gender and Ethnic Pay Gap – Data Analysis: 2021-2022

- within pay band MSS05 there is evidence of a Māori pay gap of 4.0%.

These pay gaps indicate the Māori, Pacific, and Asian employees that are represented within these pay bands, are clustered at the lower ends of the bands⁹.

By level of earning

There are low or no Māori pay gaps within the lower, middle, and higher-earning levels. However, Pacific and Asian employees are experiencing the following pay gaps:

- there is evidence of a pay gap for Pacific people in the middle paying level of 3.4%. Pacific people make up 17.4% of this earning level.
- within the higher paying level, there is evidence of pay gaps for both Pacific and Asian employees of 6.8% and 9.0% respectively. Pacific and Asian employees both experience low representation within this earning level; Pacific People are represented at 6.6%, Asian at 10.3%¹⁰.

By level of seniority

There are low or no Māori pay gaps within the line manager, manager, and senior manager levels. However, our Pacific and Asian employees are experiencing the following pay gaps:

- there is evidence of a pay gap for Pacific employees at line manager level of 4.2%. Pacific people make up 16.7% of this level.
- there is evidence of a pay gap for Asian people at line manager level of 6.0%. Asian people make up 7.2% of this level.
- numbers of Pacific and Asian people at manager and senior manager level did not meet our minimum sample size threshold to analyse pay gaps¹¹.

By occupation group

Our analysis by occupation group shows some pay gaps of more than +/- 3% for Māori, Pacific and Asian employees.

- The ICT professionals and technicians' occupation group indicates pay gaps for our Māori employees of 8.2%, and Pacific employees of 17.1%. Employees who identify as Māori represent 11.3% of this occupation group, while employees who identify as Pacific represent 9.1%. There is a low pay

⁹ Refer Tables 21-23 within Gender and Ethnic Pay Gap – Data Analysis: 2021-2022

¹⁰ Refer Tables 24-26 within Gender and Ethnic Pay Gap – Data Analysis: 2021-2022

¹¹ Refer Tables 27-29 within Gender and Ethnic Pay Gap – Data Analysis: 2021-2022

gap of 2.0% for Asian employees, who represent 29.8% of the occupation group.

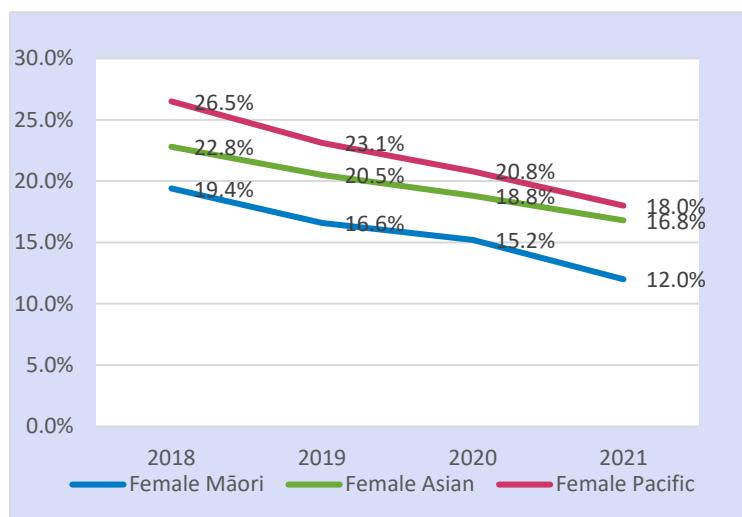
- The Information professionals' occupation group indicates a pay gap for our Asian employees of 3.9%. Staff who identify as Asian represent 10.3% of this occupation group. There is a low negative pay gap for Māori employees at -1.4% and low pay gap for Pacific employees at 2.1%. Māori employees represent 16.7% and Pacific employees 8.8% of the occupation group.
- The Inspectors and regulatory officers' occupation group (which includes our fraud, integrity and debt officers) indicates pay gaps for our Pacific employees of 8.6%, Asian employees of 9.3%, and a negative pay gap for Māori employees of -4.6%. A negative pay gap indicates the pay gap is in favour of the ethnic group; so within this occupation group, Māori on average are earning more than non-Māori. Employees who identify as Māori represent 15.2% of this occupation group, Pacific represent 17.6% and Asian 18.4%.
- The Legal, HR and finance professionals' occupation group indicates pay gaps for our Māori employees of 10.8% and Pacific employees of 10.9%. Employees who identify as Māori represent 22.2% of this occupation group, while employees who identify as Pacific represent 14.0%. There is no pay gap for Asian employees, who represent 13.3% of the occupation group.
- The Managers' occupation group indicates pay gaps for our Māori employees of 7.9%, Pacific employees of 17.9%, and Asian employees of 16.9%. Employees who identify as Māori represent 24.4% of this occupation group, Pacific represent 11.6%, and Asian 6.7%¹².

¹² Refer Tables 30-32 within Gender and Ethnic Pay Gap – Data Analysis: 2021-2022

Our ethnic-gender pay gaps

Agency-wide

Figure 3: Agency-wide ethnic-gender pay gaps (EGPGs) over time



Across all MSD employees as at 30 June 2021, the average male salary is:

- 12.0% higher than the average Māori female salary
- 18.0% higher than the average Pacific female salary
- 16.8% higher than the average Asian female salary

These ethnic-gender pay gaps indicate that there are high proportions of Māori, Pacific and Asian female employees in lower paid roles and lower proportions in higher paid roles across MSD¹³.

Within same or similar roles

There are few pay bands that have ethnic-female representation that meet the minimum sample size criteria. However, for those that do meet the threshold, they indicate low or no ethnic-gender pay gaps. There is however evidence of an ethnic-gender pay gap for Asian female employees within one of our core ranges (B06) of 3.9% indicating that those Asian females that are represented, are clustered at the lower end of the band¹⁴.

¹³ Refer Table 20-23 within Gender and Ethnic Pay Gap – Data Analysis: 2021-2022

¹⁴ Refer Tables 21-23 within Gender and Ethnic Pay Gap – Data Analysis: 2021-2022

By level of earning

There are low or no ethnic-gender pay gaps for Māori, Pacific or Asian employees at the lower earning level. However, all three ethnic groups are experiencing ethnic-gender pay gaps at the middle and higher earning levels.

- The middle-earning level indicates ethnic-gender pay gaps for our Māori female employees of 3.6%, Pacific female employees of 5.7% and Asian female employees of 3.0%. This is the earning level that the majority of our Māori, Pacific and Asian female employees fall into; 72.7%, 64.8% and 59.4% respectively.
- The higher-earning level indicates ethnic-gender pay gaps for our Māori female employees of 4.9%, Pacific female employees of 10.3%, and Asian female employees of 15.0%. Female employees who identify as Māori represent 11.0% of this earning level, Pacific represent 4.4% and Asian 4.3%. This is the earning level that the minority of our Māori, Pacific and Asian female employees fall into; 8.6%, 4.9% and 6.6% respectively¹⁵.

By level of seniority

There are not enough Māori, Pacific, or Asian females represented in the manager and senior manager levels to measure ethnic-gender pay gaps. Within the line manager level:

- there is evidence of an ethnic-gender pay gap for Māori females of 3.2%. Māori females represent 21.6% of this level
- there is evidence of an ethnic-gender pay gap for Pacific females of 5.6%. Pacific females make up 12.2% of this level
- there is evidence of an ethnic-gender pay gap for Asian females of 7.1%. Asian females make up 5.2% of this level¹⁶.

By occupation group

Our analysis by occupation group shows some ethnic-gender pay gaps of more than +/- 3% for Māori, Pacific and Asian female employees.

- The ICT professionals and technicians' occupation group indicates an ethnic-gender pay gap for our Asian female employees of 10.4%. Female employees who identify as Asian represent 10.7% of this occupation group. Representation of Māori and Pacific females does not reach our minimum sample size within this occupation group to measure pay gaps. This

¹⁵ Refer Tables 24-26 within Gender and Ethnic Pay Gap – Data Analysis: 2021-2022

¹⁶ Refer Tables 27-29 within Gender and Ethnic Pay Gap – Data Analysis: 2021-2022

occupation group makes up 4.8% of MSD's workforce and is rapidly growing.

- The Information professionals' occupation group indicates an ethnic-gender pay gap for our Pacific female employees of 3.3% and an ethnic-gender pay gap for our Asian female employees of 7.6%. Female employees who identify as Pacific represent 5.7% of this occupation group, with Asian females representing 6.0%. Māori females experience a pay gap below the 3% threshold.
- The Inspectors and regulatory officers' occupation group indicates ethnic-gender pay gaps for our Pacific female employees of 7.3%, Asian female employees of 6.7% and a negative ethnic-gender pay gap for Māori female employees of -3.0%. A negative ethnic-gender pay gap indicates the pay gap is in favour of the female ethnic group; so within this occupation group, Māori females on average are earning more than men. Female employees who identify as Māori represent 11.6% of this occupation group, Pacific females represent 12.8% and Asian females 9.4%.
- The Legal, HR and finance professionals' occupation group indicates ethnic-gender pay gaps for our Māori female employees of 13.1%, Pacific female employees of 13.6% and Asian female employees of 5.9%. Female employees who identify as Māori represent 18.6% of this occupation group, Pacific females represent 11.5% and Asian females 9.0%.
- The Managers' occupation group indicates ethnic-gender pay gaps for our Māori female employees of 14.6%, Pacific female employees of 23.8% and Asian female employees of 26.9%. Female employees who identify as Māori represent 17.1% of this occupation group, Pacific females represent 8.0%, and Asian females 4.0%.
- We see similar trends to our overall gender distribution in terms of representation; >65% of our Māori, Pacific and Asian female employees are represented in the Social, health and education workers and Contact centre workers occupation groups, two of our lowest paid occupation groups.
- We currently do not have enough Māori, Pacific and Asian female representation within the Policy analyst occupation group to calculate an ethnic-gender pay gap. This occupation group makes up 1.1% of MSD's total workforce¹⁷.

¹⁷ Refer Tables 30-32 within Gender and Ethnic Pay Gap – Data Analysis: 2021-2022

Our progress and our plan for 2021-2022

Our aim for the 2021-22 Action Plan is to continue to build on progress already made in previous years, with a specific focus on longer-term solutions that begin to address vertical and occupational segregation for our Māori, Pacific and Asian employees, especially Māori, Pacific and Asian female employees.

Our focus areas continue to be:

- [Equal pay](#)
- [Flexible work](#)
- [People practices](#)
- [Balanced leadership](#)
- [Diversity and inclusion.](#)

In previous years, we have included an extra focus area on 'Reporting and communication', however, we have chosen this year to instead weave actions that relate to reporting and communication into all five focus areas above.

Equal pay

What we want to achieve	We will ensure all employees are recognised and rewarded fairly regardless of gender, age or ethnicity. We will be open and transparent about our progress and seek feedback and ideas from our diverse workforce.
What we achieved in 2020-21	<ul style="list-style-type: none">• Our agency-wide GPG reduced from 12.2% at 30 June 2020 to 9.9% at 30 June 2021.• In the quarter to 31 December 2020, MSD completed a review of remuneration for all employees to ensure gender was not a factor in salaries for similar roles. As a result, 25 of 8,638 employees reviewed received an adjustment, representing less than 0.3% of our workforce.• Work continued during 2020/21 on the design, planning and transition to a new pay and progression framework for staff roles in MSD. Implemented on 10 June 2021, the new framework has been designed to ensure gender and ethnicity are not factors in salaries for similar roles.• Following the publication in April 2021 of Te Kawa Mataaho Public Service Commision guidance on measuring Māori and ethnic pay gaps, we started investigating the combination of ethnic and gender pay gaps.• We started Tamaita'i Toa in partnership with Te Kawa Mataaho, an initiative that aims to improve equity for Pacific women in MSD by providing insights on pay equity, experiences and aspirations of Pacific women, and recommendations in relation to these insights. We engaged with over 100 of our Pacific women at Auckland, Wellington and Christchurch fono and will use the high level themes to identify further areas of work.• We provided quarterly updates to MSD's Organisational Health Committee on our gender and ethnic pay gap progress.• We updated and enhanced the information on our intranet regarding the gender pay gap and our remuneration approach to help increase our people's understanding.• We provided regular updates to the PSA and our Diversity and Inclusion Steering Group on gender pay gap actions.

**Our plan for
2021-22**

- We will monitor and review progress toward reducing our gender and ethnic pay gaps and addressing the drivers.
- We will widen the scope of our 2022-23 Gender and Ethnic Pay Gap Action Plan to include the MELAA, Other Ethnic Group, and European ethnic groupings.
- We will widen the scope of our starting salary monitoring to look at demographics such as ethnicity and disability cumulatively from 1 July 2021, reporting on this on a quarterly basis, identifying actions to address any pay gaps that may arise.
- We will implement starting salary guidance by October 2021.
- We will review Higher and Special Duties Allowance guidance, and other remuneration guidance, by October 2021.
- We will develop a new fit-for-purpose pay and progression framework for Managers and Senior Specialists.
- We will work with MSD's Procurement team, to include a statement of expectation in supplier contracts showing their commitment to achieving a working environment free from gender and ethnic based inequalities.
- We will review and assess the impact and flow on effects of pay equity claim outcomes.
- We will continue to provide quarterly updates to the Organisational Health Committee on our gender and ethnic pay gaps through the People Quarterly Report.
- We will continue to provide regular updates to the PSA and Diversity and Inclusion Steering Group about gender and ethnic pay gap actions.

Flexible work

What we want to achieve	We will continue to support flexible working options that work for MSD, the team and individuals as a key enabler of employee attraction, retention, engagement, career development, productivity and business continuity planning. Within MSD, flexible working options include different work hours, leave patterns, location of work or flexibility within a role. Flexible working enables people to continue working while also caring for family.
What we achieved in 2020-21	<ul style="list-style-type: none">• We defined what flexible looks like at MSD and the options available for different roles, operating environments, and those with different needs.• We identified and implemented tools and practices to support flexible working.• We released our Flexible Working Policy and supporting Guidelines for managers and employees in December 2020, aligned to Te Kawa Mataaho Public Service Commission flexible-work-by-default guidance. Guidance included options around flexi-time, flexi-leave, flexi-place and flexi-role/career, giving clarity to managers and employees around meeting the operational needs of the organisation, the team and individuals' needs.• We released our Remote Working Policy and supporting Manager's Guide and Employee Guide in December 2020, to support employees with long-term arrangements working at a location other than an MSD-site.• We engaged with managers and employees to build awareness and understanding of flexible working options and how to support these to be successful.• We implemented system changes to record flexible working arrangements in myHR.• We supported the implementation of different flexible working practices in various teams.

**Our plan for
2021-22**

- We will continue to monitor the uptake of flexible working at MSD.
- We will identify opportunities for improvement, such as further learning and support to leaders around managing performance and wellbeing when working flexibly.
- We will continue to build awareness and understanding about the different types of flexible working and the benefits of working flexibly for our people and the organisation.
- We will continue to provide advice and support to people leaders to apply and embed flexible working practices.

People practices

What we want to achieve	We will address and mitigate bias or discrimination in remuneration systems and human resources practices to ensure there is no bias in recruitment, remuneration and employment practices contributing to gender and ethnic pay gaps.
What we achieved in 2020-21	<ul style="list-style-type: none">• We refreshed our recruitment policy to minimise potential for bias, including guidance for hiring managers to ensure recruitment panels demonstrate diversity of thinking, gender, ethnicity and our commitment to Māori.• We added a statement in our recruitment advertisements showing our commitment to being a diverse and inclusive organisation.• We engaged with the GPG Taskforce guidance on remuneration in designing our new Pay and Progression framework for staff, implemented on 10 June 2021.• We worked with the PSA to develop policies, procedures and guidance to support our new Pay and Progression framework.• Through the new Pay and Progression framework, we now ensure people who take parental leave are eligible for an annual progression regardless of whether they were at work within the previous 12 months.• We began work to develop a new Manager and Senior Specialist pay and progression framework.• We delivered unconscious bias e-learning to MSD leaders and staff and over 90% of managers and 80% of staff completed the modules.
Our plan for 2021-22	<ul style="list-style-type: none">• We will review and identify actions to ensure that our HR policies and practices are in line with Taskforce guidance on remuneration, recruitment and career breaks, progression, and leave.• We will develop a new fit-for-purpose pay and progression framework for Managers and Senior Specialists.• We will work with the PSA to develop supporting policies, procedures and guidance for the Managers and Senior Specialists pay and progression framework in line with the Taskforce guidance on remuneration.

Our plan for**2021-22**

(continued)

- We will investigate options to publish salary ranges by default in recruitment advertisements.
- We will continue to promote unconscious bias learning to all staff and leaders, including those who join MSD.
- We will continue to build manager's capability in recruitment practices.

Balanced leadership

What we want to achieve	We will maintain at least 50% women in leadership in our top three tiers and achieve greater ethnic representation in leadership through targeted development. This is important because our pay gaps are largely due to vertical and occupational segregation, such that our employees who are women, Māori, Pacific and Asian are more highly represented in lower paid roles and less represented in higher paid roles.
What we achieved in 2020-21	<ul style="list-style-type: none">• We maintained 50% female leadership in our top three tiers.• We implemented the MSD Mentoring Programme in partnership with MSD's Women's Network and Leo Tanoa, an Auckland-based Pacific network.• We designed a marae-based leadership programme incorporating Te Ao Māori at its core.• We made the application processes for development awards and programmes more accessible to employees from under-represented communities by actively promoting them to our employee-led networks, Māori Leaders Forum, and Diversity and Inclusion Steering Group.• We implemented Te ara piki, a new capability and development framework designed to empower our people to focus on their development pathways, focusing on the skills they want to develop and grow.• We updated talent and succession guidelines, tools, and resources to support development and career conversations in line with Te ara piki.• We supported senior leadership teams to identify their critical roles and critical talent and develop deliberate succession and development plans for these roles and people.
Our plan for 2021-22	<ul style="list-style-type: none">• We will expand the MSD Mentoring Programme through targeted partnering with a Māori employee-led network (Whitireira) and testing with the existing Policy graduate programme.

**Our plan for
2021-22**
(continued)

- We will create and offer e-learning modules for mentors and mentees showcasing interviews with participants from the first phase of the mentoring programme, focusing on Pacific employees' and women's voices.
- We will offer the MSD Mentoring Programme agency-wide in 2022, working with a further group of interested parties including regions, employee-led networks and workstreams, and creating a toolkit for groups and networks to access.
- We will deliver group-based coaching and reflective practice with employee-led networks and targeted cohorts of employees and leaders.
- We will establish communities of practice across MSD for leaders, mentors/mentees and other groups, to support each other and share experiences.
- We will implement our marae-based leadership programme within a selected region, engaging with local marae and providers.
- We will continue to work proactively with our employee-led networks, to encourage more gender and ethnic representation on our leadership development, scholarship and awards programmes.
- We will support our senior leadership teams to actively develop diverse talent pipelines and potential senior leadership successors.

Diversity and inclusion

What we want to achieve	We will be a trusted and proactive organisation that demonstrates manaaki for clients and employees in a way that reflects, understands, values and enables people, their whānau and communities. Having a diverse and inclusive workplace will help meet the needs and aspirations of all our people, so they can thrive and meet the needs of our clients and communities.
What we achieved in 2020-21	<ul style="list-style-type: none">• We published a Diversity and Inclusion Action Plan aligning actions to the Papa Pounamu Public Service diversity and inclusion priorities.• We consulted regularly with our Diversity and Inclusion Steering Group on programmes and initiatives to drive the understanding and acceptance of the benefits of creating a diverse and inclusive working environment.• We invited representatives from our employee-led networks to join our Diversity and Inclusion Steering Group to raise network visibility and to ensure the voices of our networks are heard.• We ran a series of engagement sessions with leaders across sites about our approach to diversity and inclusion including gender and ethnic pay gaps.• We developed and implemented a Reasonable Accommodation in Employment Policy and associated guidance to support equal participation in the workplace.• We established an Accessibility Management Team led by the DCE People and Capability made up of senior leaders from Service Delivery (digital), Communications and Engagement, People Group, Property, IT, Information Group and Health Safety and Security to champion building accessibility into initiatives from the start, so that accessibility becomes business as usual.• We partnered with Carers NZ to become a CareWise agency providing information and resources to our employees with carer responsibilities, committing to be a 'carer friendly' organisation.• We made a financial investment in our employee-led networks through our wellbeing programme Pā Harakeke, recognising their importance for employee wellbeing.

What we achieved in 2020-21 (cont)	<ul style="list-style-type: none"> • We engaged in talanoa with over 100 of our Pacific women at our bi-annual Pacific fono in Auckland, Wellington and Christchurch, acknowledging the wealth of talent, influence and experience these women wield outside of MSD, drawing out their moemoeā (dream, vision) for Pacific women, and discussing solutions, enablers and barriers to their vision. • We supported our Pan Asian Staff Network to establish and launch and formed connections with Pacific staff networks across the country.
Our plan for 2021-22	<ul style="list-style-type: none"> • We will provide inclusive leadership and cultural capability learning and resources to our leaders and staff to build capability and confidence in working respectfully with people from different cultures and communities. • We will make recommendations based on the voices of our Pacific women through talanoa for the Tamaita'i Toa initiative and will develop a plan to implement approved recommendations. • We will continue to partner with our existing employee-led networks and support new networks to emerge. • We will encourage our employees to update their personal identity details in myHR. • We will include gender diverse people in HR reporting and gender pay gap figures going forward, where possible. • We will develop gender transitioning-at-work guidance using existing resources and appropriate expertise. • We will continue to consult regularly with our Diversity and Inclusion Steering Group.
