



# Where NZNO fits in the Governments Pay Equity Plan for the Health Sector


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# Support Services Settlement

- In April 2017 the Government announced a \$2 billion pay equity settlement for 55,000 care and support workers in NZ's aged and disability residential care and home and support services.
- The settlement was agreed between the Crown, Crown Agencies and relevant unions.
- The agreement established a matrix of pay rates, linked qualifications to be phased in over the 5 year term of the agreement.

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- The parties to the settlement agreed that elements of it would be legislated.
  - The settlement is a result of the “TerraNova” case which successfully argued a caregiver’s pay was less than would be paid to a male with the same skill set in a different occupation, because caregivers are predominantly female.
  - These increased rates have largely flowed on to the funded workforce providing similar services.

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- The TerraNova settlement addresses historic issues of systemic gender discrimination.
  - The impact will involve a change in wage relativities.
  - In November 2016 the Government announced the pay equity principles and the Equal Pay Amendment Bill would be progressed in 2017.
  - This was to implement the changes and establish a process for groups to raise and resolve pay equity claims through bargaining as opposed to through the courts.



# Is pay equity a new thing?



# What's the difference between equal pay and pay equity?

- **Equal Pay** refers to women and men receiving the same remuneration for doing the same job. Until the Equal Pay Act 1972 it was legal to set separate rates of pay for men and women, and to exclude women from certain types of work.
- **Pay equity** is the principle that women and men should receive the same remuneration for doing different jobs that are of equal value.



Ah!







# DHB Pay Equity Claims

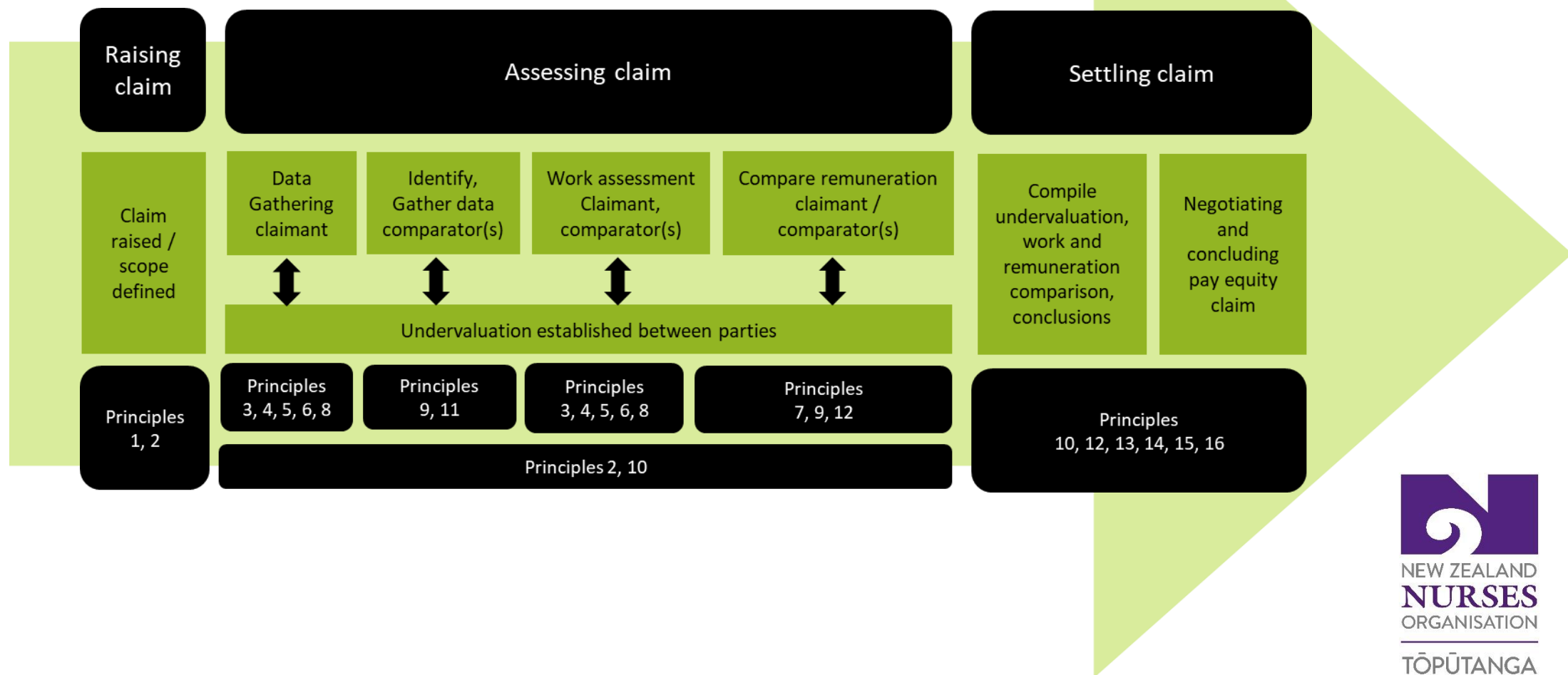
- Three unions (PSA, NZNO and MERAS) have lodged seven pay equity claims across four DHB employed workforces.
- Nursing, Midwifery, Clerical and Allied and Technical.
- These claims cover 62,000 or 83% of the workforce.



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- NZNO is working with the DHBs and the other unions on the nursing and midwifery pay equity claim.
  - The rationale for this is so that DHB employees performing the same work will receive the same pay irrespective of union membership.
  - The PSA is also working with the DHBs on a pay equity claim for the clerical workforce which commenced before the nursing and midwifery claim, and is likely to be completed late 2019
  - The nursing and midwifery workforces claim to be completed early 2020

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- The effective date for implementation of the nursing and midwifery pay equity claim is 31 December 2019
  - There is no agreed effective date for implementing any pay equity settlement for the clerical and allied and technical workforces.
  - Having an effective date for implementation means once the pay equity investigation is completed and gender-based undervaluation is proven, there will be backdating of the outcome to 31 December 2019 for NZNO members covered by the claim.

# Where are we up to now?





# Establishing undervaluation

PURPOSE	<ul style="list-style-type: none"><li>• Key part of the case for pay equity</li><li>• Establishing the pay equity foundation for claimant work (Principle 10)</li></ul>		
Historical or Current Undervaluation Considerations	Origins and evolution of work	Things to consider <ul style="list-style-type: none"><li>• Where and when the work originated including<ul style="list-style-type: none"><li>- changes from unpaid to paid work</li><li>- changes from male to female dominated</li></ul></li><li>• Any social, historical advances, and or changes that have impacted on the work</li><li>• How the work may have evolved over time</li><li>• Historical and current perceptions of the work</li></ul>	Where to look – possible options <ul style="list-style-type: none"><li>• NZ history literature</li><li>• Professional bodies (if applicable) records and archives</li><li>• Retired employees who have institutional / occupational knowledge</li><li>• Overseas literature where there is no NZ literature</li></ul>
	Women’s work	Things to consider <ul style="list-style-type: none"><li>• Presence of skills seen as inherent in women</li><li>• Social / historical context that has given rise to label “women’s work”</li><li>• The work is seen as extension to women’s work in the home and to their traditional caring roles</li><li>• Whether the nature of work is perceived as “more suitable for women”</li><li>• Any impact of volunteer/charitable history associated with the work</li><li>• Sources of funding for the work</li><li>• Any features of the market that have enabled gender discrimination</li></ul>	Where to look – possible options <ul style="list-style-type: none"><li>• Whether there a single buyer (source of funding)</li><li>• History of charities in NZ</li><li>• The perception of the value of what may be classed as “soft” skills</li></ul>
	Remuneration history	Things to consider <ul style="list-style-type: none"><li>• Market undervaluation</li><li>• Long term impact of low starting rates</li><li>• Limited career pathways</li><li>• Casualisation</li><li>• Impact of changes in the pay-setting framework (centralised/decentralised)</li><li>• The market that has been used to measure the value of the work</li><li>• Perceptions of the job relative to others</li><li>• Application of measures (of work value) that are not gender-neutral</li><li>• Lack of adjustment of pay over time</li><li>• Lack of formal training and qualifications to recognise the work</li></ul>	Where to look – possible options <ul style="list-style-type: none"><li>• How claimant work has been valued / sized (if at all) and in relation to what other roles</li><li>• History of what has happened with pay for this work</li><li>• Information on career pathways and any training and qualifications associated with the work (or lack of)</li></ul>



# Pay Equity Assessment Tool – why was it developed?

- To avoid commercial capture
- To take it out of the Job Evaluation mindset
- To create process to investigate gender undervaluation
- To provide one piece of information to take into the PE bargaining
- The availability of the EJE tool - thoroughly tested - new tool derived from this.

# The factor plan

SKILLS	RESPONSIBILITY	CONDITIONS/ DEMANDS
The Skills Factor Group reflects the knowledge and problem-solving skills required, as well as the role of interpersonal and physical skills	The Responsibility Factor Group reflects leadership responsibilities, as well as responsibility for resources, service outcomes and delivery of services to people	The Conditions / Demands Factor Group reflects the working conditions context and a range of demands that are part of the working environment
Factor 1 Knowledge and Understanding	Factor 5 People Leadership	Factor 9 Emotional Demands
Factor 2 Problem-solving Skills	Factor 6 Information and Resources	Factor 10 Sensory Demands
Factor 3 Interpersonal Skills	Factor 7 Organisational Outcomes	Factor 11 Physical Demands
Factor 4 Physical Skills	Factor 8 Services to People	Factor 12 Working Conditions

DEGREE OF EFFORT (LEVELS)





# Job information process

- Interview jobholders
- Write up interview
- Job holder provided with copy of interview record
- Manager reviews and confirms the (anonymised) interview record
- Interview records for the role are collated into a summary 'job profile'
- Internal review of the summary job profile
- Final version of summary job profile agreed for assessment process



# Work Assessment Tool – Data Gathering Principles

- Questionnaire reflects the factor plan
- Questionnaire is structured and is used consistently
- Interviewers are trained – including in avoiding bias
- Interviewers fully understand what the information will be used for
- Being alert to the importance of collecting information on factor metrics
- Need robust and complete job information - claimants and comparators – otherwise assessment is flawed and can be challenged

# Factor example

## Knowledge & understanding

- What do you need to know or understand to perform this job?
- How do people generally get the knowledge to do the job you do?
- Can we talk a bit more about the specific kinds of knowledge you need? For example:
- Is there anything you need to know in depth? What do you need to know in less depth?



# Factor example

## Responsibility for services to people

- Do you directly provide services to people – within or outside of the organisation?
- If yes, what is the relationship of the people to your role?
- What kind of services do you provide directly to these people?
- How often do you provide these services?
- Are you required to assess the needs of the people you are providing services to?

# Factor example

## Responsibility for services to people - continued

- If yes, what are your responsible for assessing?
- Do the people you work with have needs that vary or change over time requiring you to adjust/change/adapt the service over time?
- If yes, what sort of adjustments can you be required to make?
- What impact does the service you provide have on the service users?

# Factor example

## Emotional demands

- Does your job involve working with people who are dependent on you for their direct needs?
- Does your job involve working with or handling material about people who are in situations of distress, seriously ill, disadvantaged, at risk, upset or angry etc?
- If yes, please provide examples of the situation the people are in
- For each emotional situation you face, how frequently and for how long do they happen?
- What are the most emotionally demanding situations you encounter in your job?
- In what ways are they demanding?

# Identifying appropriate comparators

- Identify appropriate comparators using ANZSCO
- Develop and agree criteria to select comparators
- Make arrangements with employers of selected comparators
- Interview selection of comparator job holders using gender-neutral work assessment questionnaire as framework for comparator interviews
- Develop summary profiles of roles
- Gather/collate other work information including **remuneration breakdown**, position descriptions, SOPs, H&S requirements



# Criteria for selecting comparators

- There is a reasonable sample size available/accessible
- The role is currently or has been historically male dominated
- Role is covered by a collective agreement
- Similar qualification or skill level grouping
- Similar entry requirement
- Work and remuneration information is accessible
- Comparators can be either in the State Services or Private Sector

# Comparing the work

Factors		Claimant	Comparator A	Comparator B	Comparator C
		Factor level	Factor level	Factor level	Factor level
F1 – Knowledge & understanding	SKILLS				
F2 – Problem-solving					
F3 – Interpersonal					
F4 – Physical					
F5 – People leadership	RESPONSIBILITIES				
F6 – Information & resources					
F7 – Organisational outcome					
F8 – Services to people					
F9 – Emotional demand	CONDITIONS / DEMANDS				
F10 – Sensory demand					
F11 – Physical demand					
F12 – Working conditions					

# Work assessment principles

- All assessors are trained
- The Assessment Committee is made up of both parties – independent assessors
- A chair is nominated to be the ‘process guardian’
- Assess information in profile - not anecdotal information
- Assessors consider if there is enough job information
- Committee works to achieve consensus view on a factor level
- Every assessment decision is documented – the rationale
- Observe good committee practice principles
- Include a check for consistency of scoring

# Comparing remuneration – key points

Collate, review and discuss remuneration information of claimant and comparators to ensure sound understanding and basis for analysis

Consider and understand reasons for similarities, and differences between claimant and comparators. and Record these

Compare remuneration in a structured way – ensure the parties have the same facts and figures and starting point for analysis and interpretation

Record the differences, similarities and rationale  
  
The group agrees the final record at each session



# Example template – comparing remuneration

Data	Claimant	Comparators				
		A	B	C	D	E
Average base salary						
Median base salary						
Superannuation						
Average earnings (total remuneration including superannuation)						
Range						
Midpoint in range						
Hours per week						
Total number of staff						
Gender ratio						
Key components of remuneration (other than base salary)						

# Pulling it together – outcomes and conclusions

Compile and collate outcomes from:  
Work assessment  
Remuneration comparison  
Undervaluation

Discuss, finalise and record conclusions

The parties may conclude that either:  
There is a pay equity issue  
OR  
There is NOT a pay equity issue

At this point in the process, the parties may decide:  
They can reach agreement on the conclusions and start to prepare for negotiations  
OR  
They may meet separately as they form their views and start to prepare for negotiations

# The pay equity equation

