

# DPMC 2023 Kia Toipoto Action Plan – consultation document



Integrating diversity and inclusion is a key ingredient for our organisational success - it helps DPMC improve our services to the government and people of New Zealand, and to attract and retain talented employees.

## Context

- DPMC is a small to medium organisation (351 headcount at June 2022 – 199 permanent, 80 fixed term (FT), 72 secondees in) supporting the Prime Minister, the Governor-General and Cabinet as well as the work of our other portfolio ministers.
- There has been unprecedented short term growth through the Covid Response and Health Transition, which will have wound back down in 2023. The impact on our statistics of these two groups has been significant.
- We experienced significant fluctuation of staff, due to new business groups standing up and winding down
  - GPG June 2020: 19.5%
  - GPG June 2021: 14.6%
  - GPG June 2022: 12.7% | Sep 2022: 10.4%
- The rapid changes in staffing can cause gender pay data volatility, exacerbated by the impact of FT staff moving in and out (approximately 25% of the staff hired in 2021/22 had already left the organisation by 30 June 2022).
- The shift back to a new normal is likely to change our statistics and present us with a clearer understanding of the underlying issues.
- During 2021/22 we had a large number of senior level female secondees whose salaries do not count in our GPG. This has had an impact on our data.
- For this report we have separated permanent and FT data and, outside of remuneration and recruitment, focused our plan on actions for the retention and development of our permanent staff.

## What does our data tell us?

- Our gender pay gap has improved (down 1.9%) compared to last year due to the increase of women represented in higher grade roles – many FT.
- DPMC's unadjusted pay gap is driven by the over-representation of women in lower pay grades.
- The 'horizontal' GPG for permanent staff, within grades and occupational groups, is consistently a positive GPG or below 1.4% (with differences explainable). Only one grade has GPG just above 5%.
- The rapid fluctuation of staff (mostly FT): with 142 employees onboarded and 131 offboarded in the 12 months to 30 June 2022, caused our GPG to move around.
- GPG for permanent new starters increased – from 10% to 21% - although there were more women recruited into the higher grades in 2021/22, this was countered by the high number of women engaged in the lower grades (in particular 13.14, 15 and 17). This bodes well for a strong pipe line, however negatively impacts the GPG.
- Increased diversity in target areas through more diversity in new staff appointments. We have used new channels, support and tools to support more diverse appointment processes and outcomes

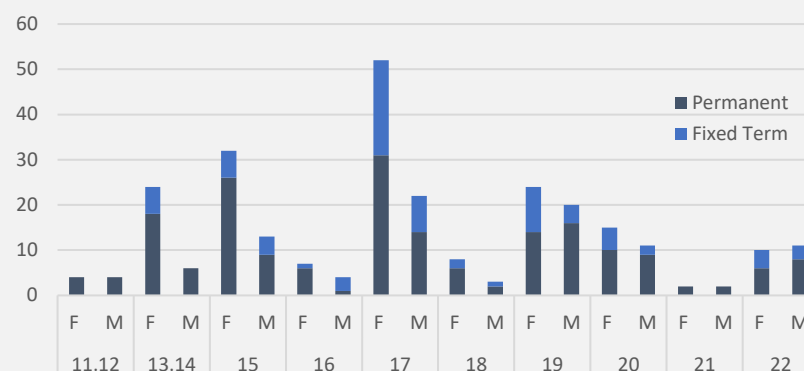
Note: This is the second year DPMC and NEMA data is reported separately

## DPMC Data Summary as at 30 June 2022

GPG Mean: 12.7%

GPG Median: 7.7%

### DPMC Demographics

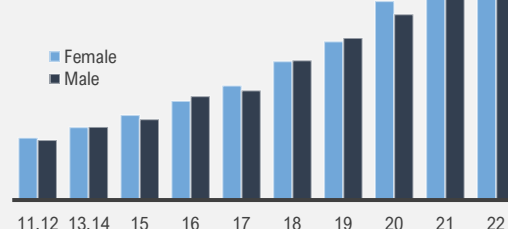


### GPG by employee type

Employee Type	Mean Total REM		
	Female \$	Male \$	% Gap
Permanent	117,708	140,880	16.4%
Fixed Term	127,045	130,410	2.6%
<b>Total</b>	<b>120,736</b>	<b>138,316</b>	<b>12.7%</b>

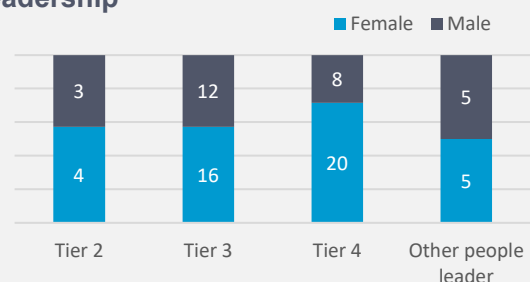
### Mean total remuneration by pay grade

Of the 10 pay bands below Tier 2 (T2) roles, 5 have a GPG positive to women and 3 have a GPG of 1.4% with one just over of 5%.



### Gender balanced leadership

Women occupied 62% of all people leader roles (43 of 73) and 57% of T2 and T3 roles



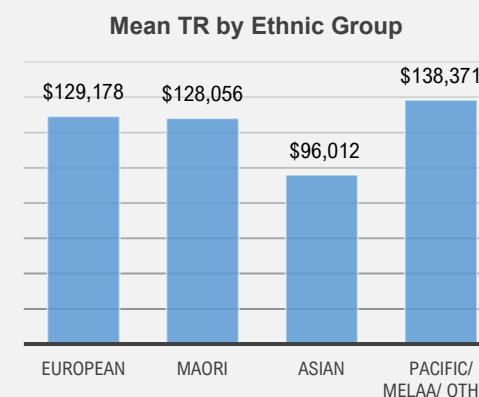
## Ethnicity

DPMC continues to focus on improving our ethnicity profile. Improving ethnic representation in our workforce and in leadership has been a focus in recent years and will continue to be so. Attracting appropriate candidates and growing the skillsets internally will be key to making this shift. While attraction of ethnically diverse applicants has been successful, our data shows that this does not always flow through to hire. There are questions as to whether we are attracting appropriate applicants or whether there are biases in the recruitment processes. Understanding this, and working to address, will be an area of focus in 2023.

### Candidate Ethnicity - 12 months to June 2022

	Applications	Shortlisted	Interview	Offered	Hired
NZ European	63%	76%	76%	83%	84%
Asian	20%	9%	8%	6%	5%
Pacific	4%	3%	3%	3%	3%
Māori	7%	9%	10%	6%	5%
MELAA*	6%	3%	3%	3%	3%

### Average pay by ethnicity



The ethnic groups other than European have smaller identified numbers with several senior roles impacting on the average remuneration, this is the case for Pacific, MELAA\* and Other. Asian and Māori are similar size. More employees identifying as Asian are in the lower and middle grades, with no leaders identifying as Asian.

Non-European ethnic groups have a low representation in DPMC with average salaries for some ethnic groups being less than others. The numbers are too small to create robust measures of ethnic pay gaps for each group. We have instead calculated a pay gap between all Māori, Pacific, Asian and MELAA employees and European employees, which sits at 8%. This is largely driven by grade distribution, with only a small number of our ethnic employees being in higher grades.

Of note, people leaders identifying with ethnicities other than European are proportionately less than their representation in the workforce. This will be an area of focus over the next few plans.

\*MELAA: Middle Eastern, Latin American and African



## Focus areas for 2023 - Action taken in 2022 against our plan

Our Kia Toipoto work is focused on what is required for DPMC to close its ethnic and gender pay gaps. It also aligns with the broader requirements for all agencies set out by Te Kawa Mataaho, Public Service Commission. This plan should be read in conjunction with our Diversity and Inclusion Action Plan, our Whāinga Amorangi Plan, and our Te Reo Māori Plan

Focus area	Achieved in 2022	Planned in 2023
<p><b>Increase ethnic representation</b> across our workforce, and in leadership roles.</p>	<ul style="list-style-type: none"> <li>Improved the quality of data we collect from employees on their ethnic identity, including enabling employees to identifying with up to 4 ethnicities. We now have a disclosure rate of 92% for non-people leaders and 84% for non-people leaders. We will continue to work to increase our disclosure rate.</li> <li>Undertook a deep dive into the attraction and recruitment data – identified need for further work.</li> </ul> <p>Ongoing promotion and embedding of:</p> <ul style="list-style-type: none"> <li>diverse sourcing channels</li> <li>updated recruitment and selection process including new tools and more inclusion</li> <li>new development guide with transparent progression and promotion process</li> <li>Steps taken to ensure equity at the time of appointment.</li> <li>Process set up for escalation to CE where hiring leader does not take HR advice on remuneration. Leader to explain why they went against advice.</li> </ul>	<ul style="list-style-type: none"> <li>We will develop a plan by the end of April 2023 establishing DPMC's goals (including targets) for the ethnic make up of our overall workforce and leadership to reflect the New Zealand population.</li> <li>We will support the National Security Workforce on its journey to increase the ethnicity of its workforce.</li> <li>See sections below for further information: <b>Te whai kanohi i ngā taumata katoa - Leadership and representation</b> and <b>Te Whakawhanaketanga i te Aramahi - Effective career and leadership development</b></li> </ul>
<p><b>Increase the representation of women and ethnic employees</b> in higher pay grades and in areas of the business in which they are under-represented through a focus on attraction, recruitment and progression.</p>	<ul style="list-style-type: none"> <li>Cross department co-ordination of this years career promotion processes to support consistency and fairness</li> <li>Started engagement with the Women's Network, shared a detailed data document with the Network and then with all staff.</li> </ul> <p>Ongoing promotion and embedding of:</p> <ul style="list-style-type: none"> <li>new development guide with transparent progression and promotion process</li> <li>Steps taken to ensure equity at the time of appointment.</li> <li>Process set up for escalation to CE where hiring leader does not take HR advice on remuneration. Leader to explain why they went against advice.</li> </ul>	<ul style="list-style-type: none"> <li>Continued focus on retention of high performing women, Māori, Pacific and ethnic employees.</li> <li>Look for opportunities to actively promote women's achievements in DPMC</li> <li>Engage with the Women's Network to understand experiences and barriers that exist to ensure our plans reflect reality</li> <li>Identify leadership pathways and targeted development to increase minority representation (gender and ethnicity) in leadership positions</li> <li>Where possible use Career Boards to support progression objectives</li> </ul> <p>Ongoing promotion and embedding of:</p> <ul style="list-style-type: none"> <li>New bias training - our new LMS allows us to monitor the delivery and uptake</li> <li>new development guide with transparent progression and promotion process</li> <li>Engage with the Women's Network and Culture &amp; Engagement Network to understand if further action could be taken by DPMC to improve attraction and appointment processes</li> <li>Steps taken to ensure equity at the time of appointment.</li> </ul>
<p><b>Pay gap in our permanent staff</b></p>	<ul style="list-style-type: none"> <li>GPG for permanent new starters increased – from 10% to 21% - although there were more women recruited into the higher grades in 2021/22, this was countered by the high number of women engaged in the lower grades (in particular 13,14,15 and 17). This bodes well for a strong pipe line, however negatively impacts the GPG.</li> <li>Increased guidance given to people leaders in the updated recruitment guide and new management dashboard focussed on starting pay for all, ensuring no bias on gender or ethnicity grounds.</li> <li>A check (using time in role and position in range) during the remuneration review did not reveal any systemic issues.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to work with people leaders on appointment decision making for remuneration</li> <li>Continue to monitor and report starting remuneration levels by different measures.</li> <li>Run a check (using time in role and position in range) during the remuneration review looking for systemic issues.</li> <li>These actions are in conjunction with increasing representation <b>of women and non-European ethnic groups in higher pay grades</b></li> </ul>



## Action taken against our plan in focus areas of 2020/21

Our Kia Toipoto work is focused on what is required for DPMC to close its ethnic and gender pay gaps. It also aligns with the broader requirements for all agencies set out by Te Kawa Mataaho, Public Service Commission. This plan should be read in conjunction with our Diversity and Inclusion Action Plan, our Whāinga Amorangi Plan, and our Te Reo Māori Plan

Issue	Focus area	Achieved in 2022	Planned in 2023
<b>Part time staff engagement</b> – Part-time staff (mostly women ) consistently had engagement scores 10% lower than average prior to 2021	Engage with part-time staff to understand what would improve the workplace for this group	<ul style="list-style-type: none"> <li>Engaged with our part-time staff to understand what would improve the workplace for this group. A draft report, with recommendations, has been prepared to share with our Culture and Engagement Group in the new year.</li> <li>Of note staff did not raise remuneration. A review of the relativities confirms that there is no issue in this regard.</li> <li>NOTE: There are only 11 staff who meet the criteria for true part-time of up to 30 hours pw; although there are many staff who have opted to work four day weeks (under flex-by default) who do not fit this criteria.</li> </ul>	<ul style="list-style-type: none"> <li>Incorporate recommendations from review into policies, guides and processes. Two areas of focus: development opportunities and inclusive language.</li> </ul>
<b>Impact of fixed term staff (42% in 2022)</b> on the data is well understood.	Outside of managing remuneration, it is challenging to develop programmes with a focus on our permanent/future workforce with the data in a single set.	<ul style="list-style-type: none"> <li>We considered FT and permanent separately when planning interventions beyond recruiting and remuneration. One exception to this is a small number of fixed term staff engaged for long project work.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to consider FT and permanent staff separately when planning interventions beyond recruiting and remuneration. Ensure that the small number of fixed term staff engaged for long project work are not disadvantaged.</li> </ul>



## Action taken against TKM Milestones

Topic	Milestone	Achieved in 2022	Planned in 2023
<b>Te whai kanohi i ngā taumata katoa - Leadership and representation</b>	<ul style="list-style-type: none"> <li>By the end of April 2023 agencies and entities have plans and targets to improve gender and ethnic representation in their workforce and leadership.</li> </ul>	<ul style="list-style-type: none"> <li>Used internships and graduate programmes to supplement attraction strategies to increase Māori, Pacific and ethnic diversity</li> <li>A review of our approach to the use internships and graduate programmes has indicated (with few exceptions) DPMC currently does not have frameworks or work 'at the right level' to support staff in these programmes – a different approach will be required to achieve greater workforce diversity.</li> <li>A deep dive into our recruitment data shows that our attraction of ethnically diverse applicants has continued to be successful. However, our data shows that while Māori represent 20% at applicant stage, they represent 6% at hire. Understanding this, and where possible addressing, will be a key area of focus in 2023.</li> <li>Continued to monitor and report on diversity and inclusion</li> <li>We continued to implement and develop our D&amp;I Plan and Whāinga Amorangi and Te Reo Māori plans.</li> <li>We have maintained the 40:40:20 leadership representation since 2019</li> </ul>	<ul style="list-style-type: none"> <li>We want to increase ethnic representation across our workforce, and in leadership roles.</li> <li>We will develop a plan by the end of April 2023 establishing DPMC's goals (including targets) for the ethnicity of our overall workforce and leadership to reflect the New Zealand population.</li> <li>Understanding, and where possible addressing, our recruitment challenges through an in-depth review of the data from attraction to hire, will be a key area of focus in 2023.</li> <li>Develop and implement a Māori specific recruitment process and approach (this will leverage the attraction to hire problem identified in the 2022 data review).</li> <li>We will regularly promote our career development and promotion processes.</li> <li>We will continue to monitor and report on diversity and inclusion.</li> <li>We will continue to implement and develop our D&amp;I Plan and Whāinga Amorangi and Te Reo Māori plans.</li> <li>Ensure we maintain a 40:40:20 balance</li> </ul>
<b>Te Whakawhanaketanga i te Aramahi - Effective career and leadership development</b>	<ul style="list-style-type: none"> <li>By mid 2023 agencies and entities have career pathways and equitable progression opportunities that support women, Māori, Pacific and ethnic employees to achieve their career aspirations</li> </ul>	<ul style="list-style-type: none"> <li>Focused on retention of high performing women.</li> <li>HR coordinated this year's career promotion process to support consistency and fairness. These processes are based on the PSC guidance.</li> <li>All new people leaders enrolled into an appropriate Leadership Development Course to continue build a balanced pipeline of leaders.</li> <li>We promoted development and career opportunities internally and externally, including courses, secondments etc</li> </ul>	<ul style="list-style-type: none"> <li>Continued focus on retention of high performing women, Māori, Pacific and ethnic employees.</li> <li>All promotion processes to use the same transparent approach based on the PSC guidance.</li> <li>All new people leaders enrolled into an appropriate Leadership Development Course to continue build a balanced pipeline of leaders.</li> <li>We will support people leaders to have good conversations with their people and ensure that everyone had a good development plan in place that is robust and identifies career aspirations.</li> </ul>



## Action taken against TKM Milestones part 2

Topic	Milestone	Achieved in 2022	Planned in 2023
<b>Ngā Hua Tōkeke mō te Utu - Equitable pay outcomes</b>	<ul style="list-style-type: none"> <li>Agencies monitor starting salaries and salaries for the same or similar roles to ensure gender and ethnic pay gaps do not reopen.</li> </ul>	<ul style="list-style-type: none"> <li>Review same and similar roles no less than annually</li> <li>Continue to support the pay equity process</li> </ul>	<ul style="list-style-type: none"> <li>Review same and similar roles no less than annually – more often with a technology solution</li> <li>Continue to support the pay equity process</li> </ul>
<b>Te Taunoa o te Mahi Pīngore - Flexible-work-by default</b>	<ul style="list-style-type: none"> <li>By the end of 2024 agencies and entities offer equitable access to flexible-by-default working and ensure it does not undermine career progression or pay</li> </ul>	<ul style="list-style-type: none"> <li>We continue to monitor the effectiveness of our Flexible Working by Default policy</li> <li>Have included Flexible working advice for hiring people leaders for discussing with candidates</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing embedding of Flexible working by default as part of:               <ul style="list-style-type: none"> <li>Role design and regular review of roles</li> <li>Recruitment: advertising and decision making</li> <li>Career promotion processes</li> <li>Considering part-time roles</li> <li>Ongoing discussions with people leaders</li> </ul> </li> <li>We will use the PSC Hybrid Working Guidance to support and guide decision making</li> </ul>
<b>Te whakakore i te katoa o ngā momo whakatoihara, haukume anō hoki - Eliminating all forms of bias and discrimination</b>	<ul style="list-style-type: none"> <li>Agencies embed and monitor the impact of bias-free HR and remuneration policies and practices</li> <li>Agencies and entities ensure leaders and employees learn about and demonstrate cultural competence.</li> </ul>	<ul style="list-style-type: none"> <li>Continued review of HR policies               <ul style="list-style-type: none"> <li>Development Policy near completion</li> <li>Acceptable Behaviours and Sexual Harassment Policies in final draft</li> </ul> </li> <li>Rolled out completed policies with supporting communication and education to DPMC and embed them into our practice               <ul style="list-style-type: none"> <li>Wellbeing and Family Violence support</li> <li>Recruitment Policy and Guide</li> <li>Career Progression and Promotion component of the Development Policy</li> </ul> </li> <li>New bias training loaded, our new LMS allows us to monitor the delivery and uptake</li> </ul>	<ul style="list-style-type: none"> <li>Complete the review of HR policies and roll out with supporting communication and education to DPMC and embed them into our practice. We will engage with staff as we review or develop HR policies via the Culture and Engagement Network and consultation.</li> <li>We will continue to develop Kia Toipoto action plans annually using the guidance.</li> <li>We will monitor to ensure all our HR policies and salary band information are available on the intranet.</li> <li>We will continue to encourage people to provide us with demographic data (for example, gender identity, ethnicity, disability) by explaining how it helps us monitor progress.</li> <li>We will continue to offer bias training to all new staff and require it to be completed for people on recruitment panels (if not done already).</li> </ul>