

Remuneration Trends 2018

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National Not-for-Profit Sector Conference 2018

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Remuneration Trends 2018

What we'll cover:

- Overview of Movements and Projections
- Current Remuneration Climate
 - Pay Equity
 - Minimum Wage Increases
- What does it mean for Business and HR Leaders?



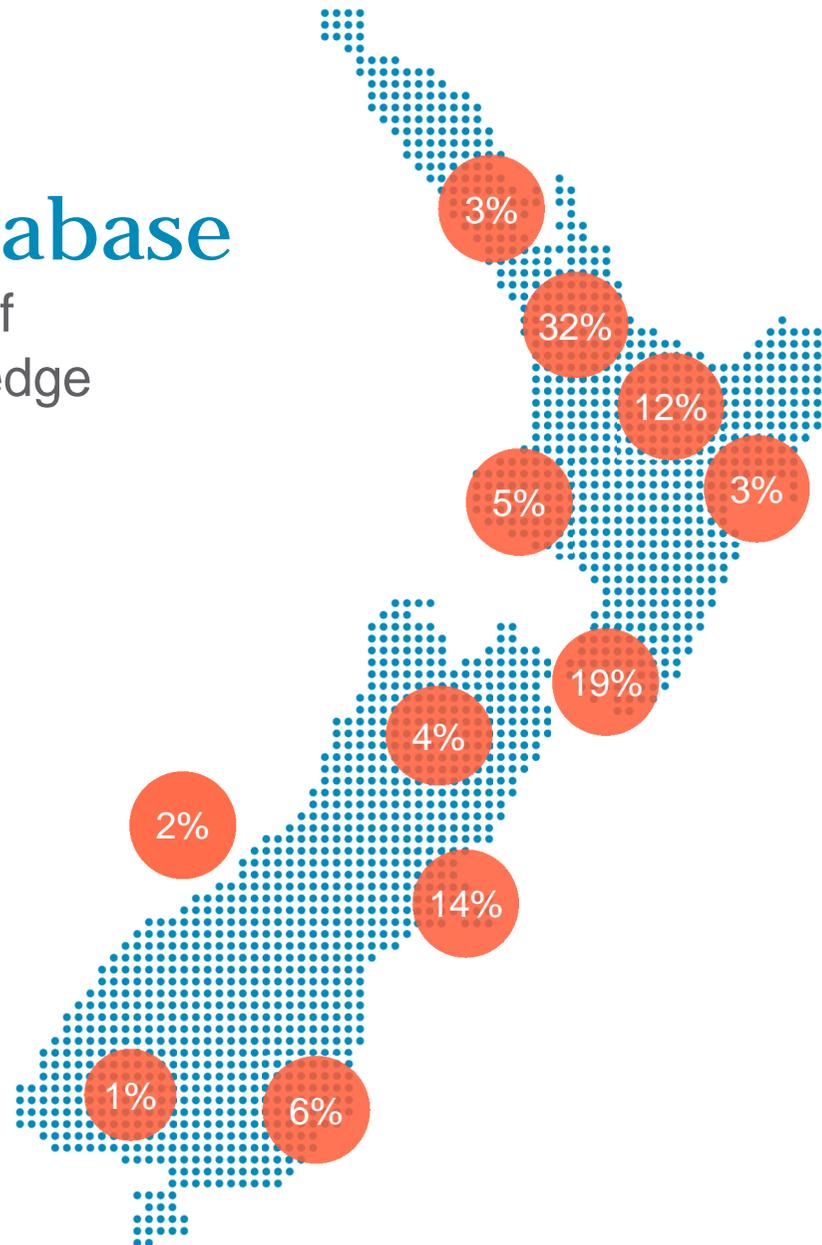
*Accuracy and
Credibility*

Strategic Pay Database

Your best source of
Remuneration Knowledge

1,141
Organisations
182,843
Employees

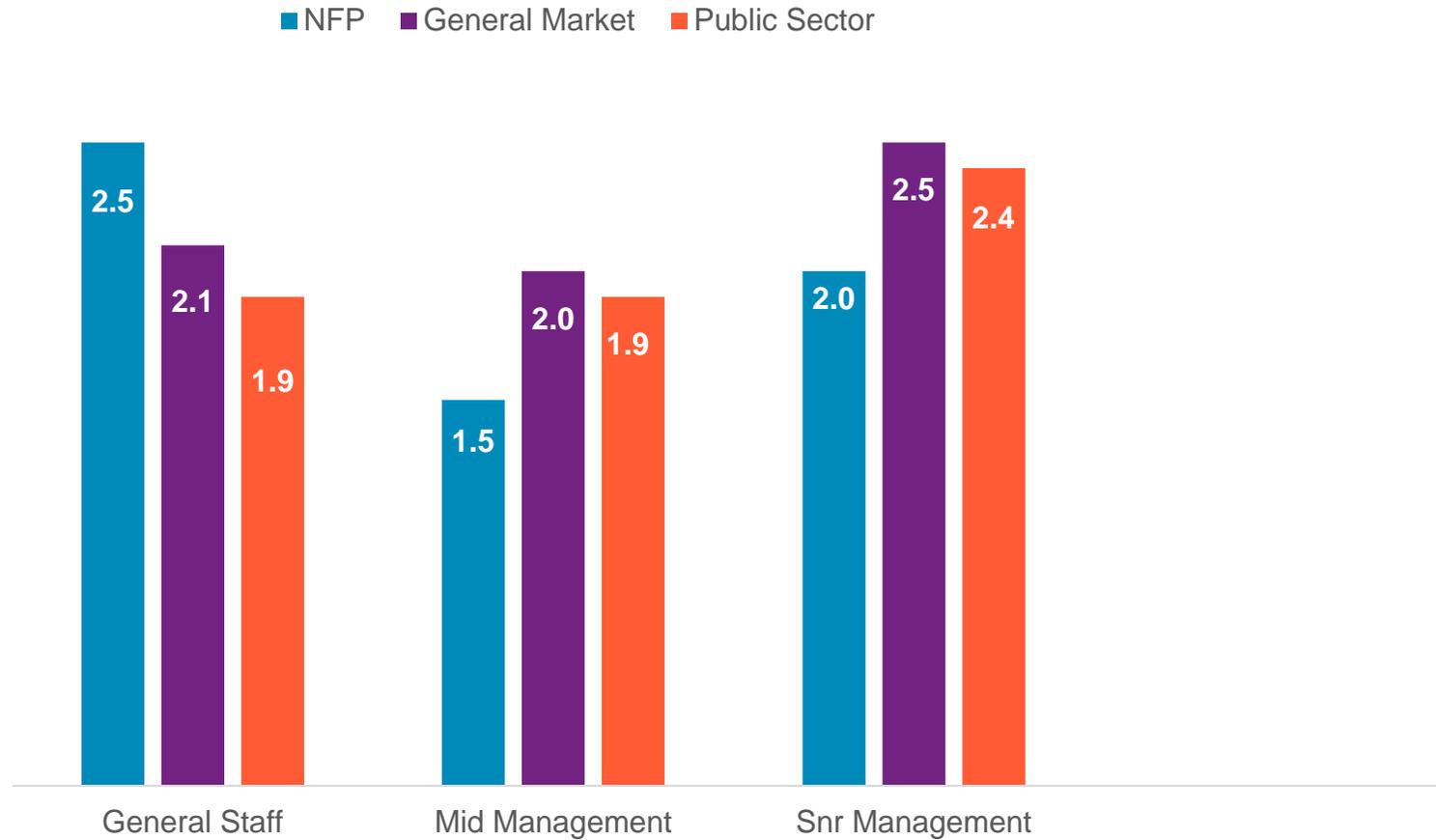
45% Private
35% NFP
20% Public

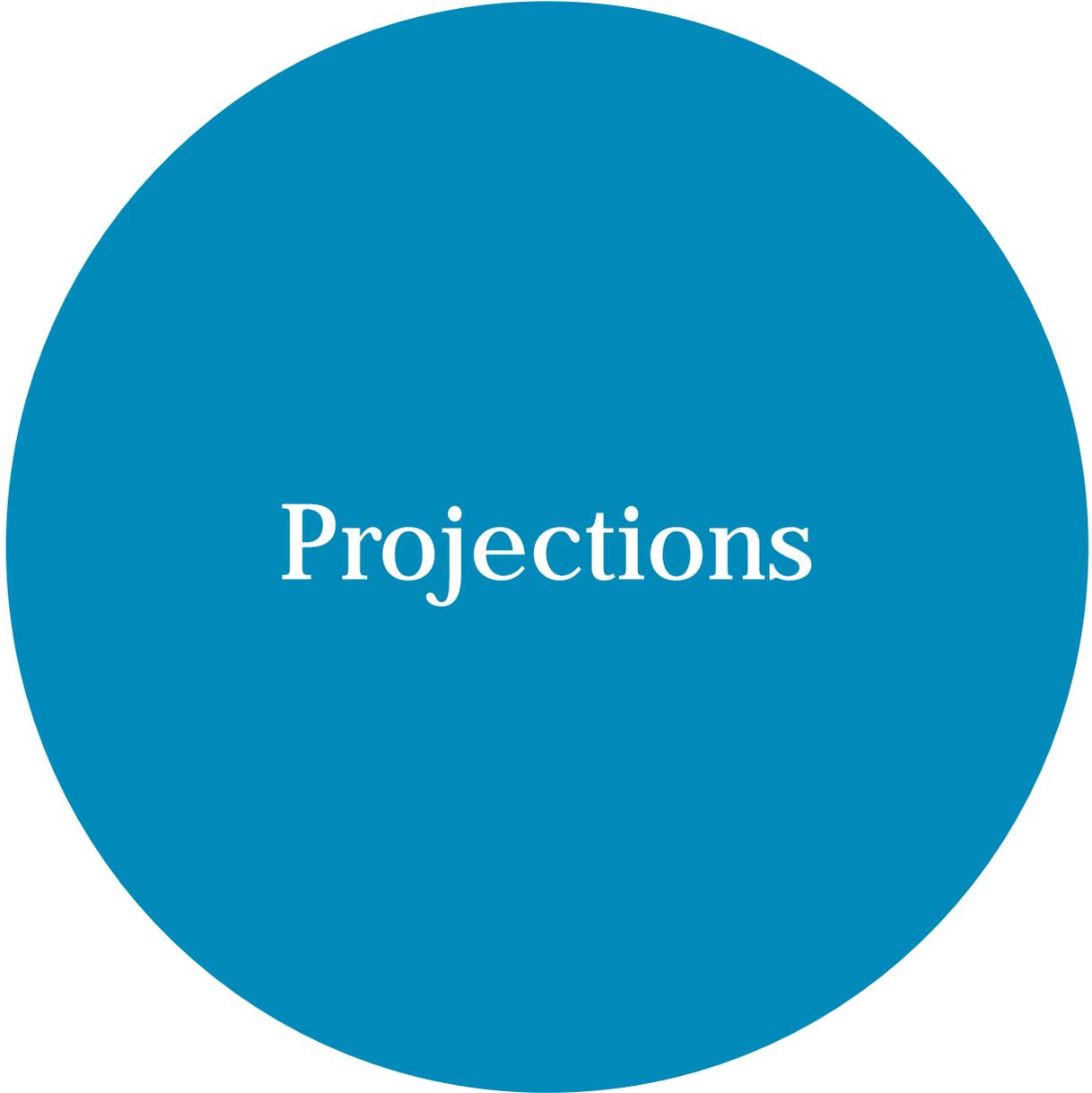




Market Movements

NFP Market Movements 2017





Projections

Overall Projected Payroll Increases 2017/18

2.6% General Market

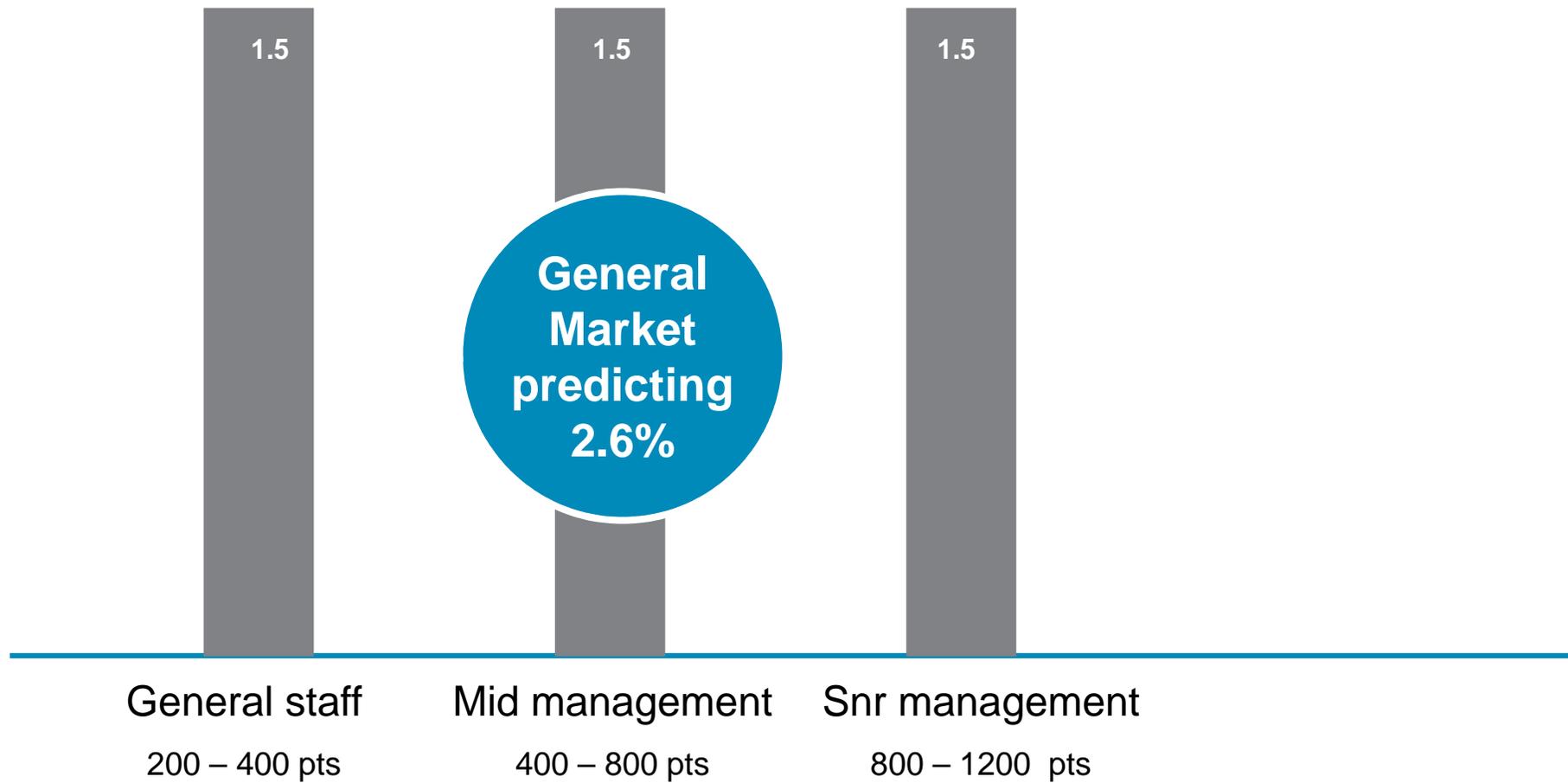
3.1% Private Sector

2.0% Public Sector

1.5% Not for Profit

Base Salary Projections: 2017/18

NFP

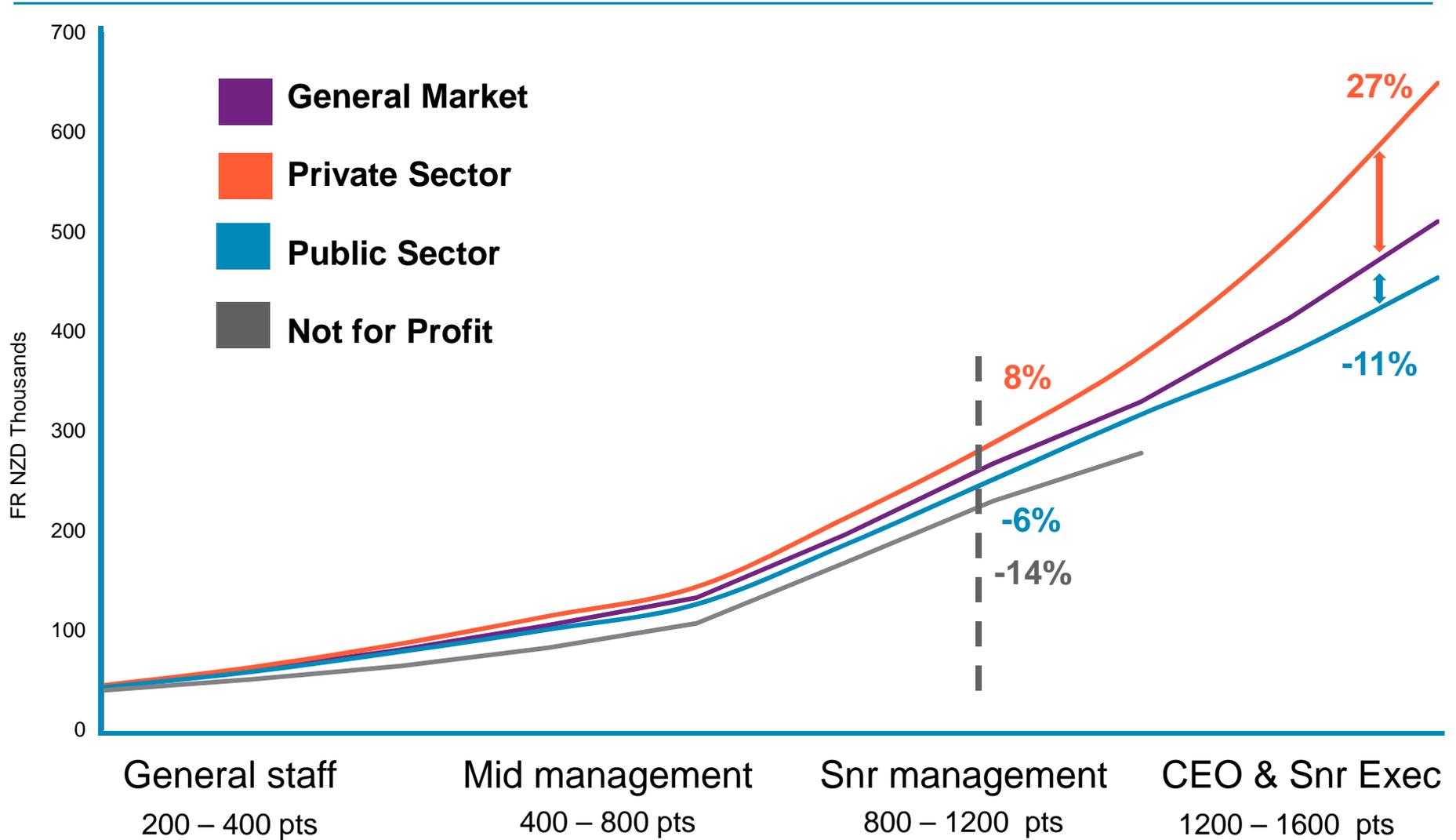


Source: NZ Remuneration Report September 2017

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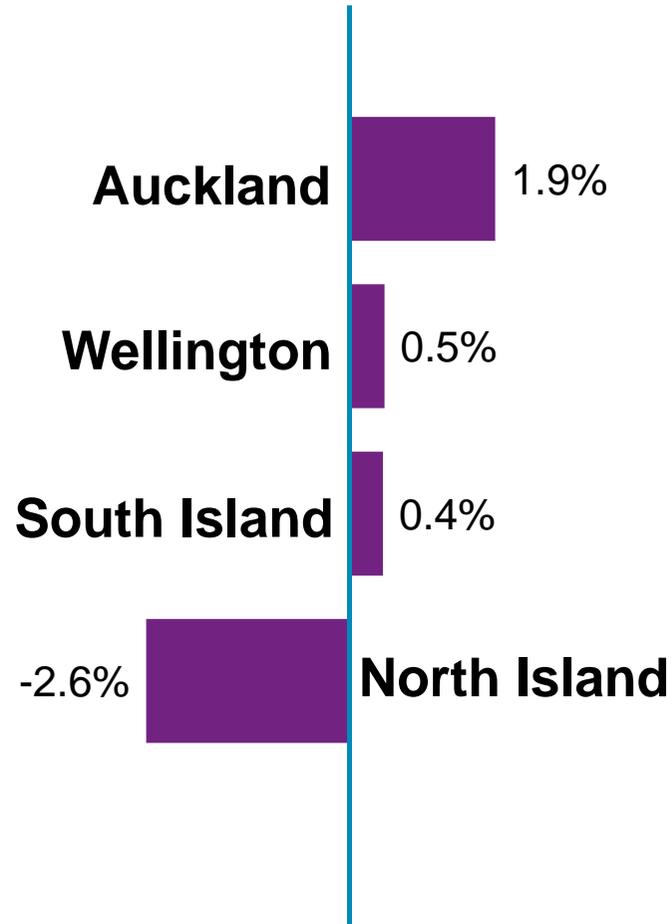
Actual Pay Practices: Sectors



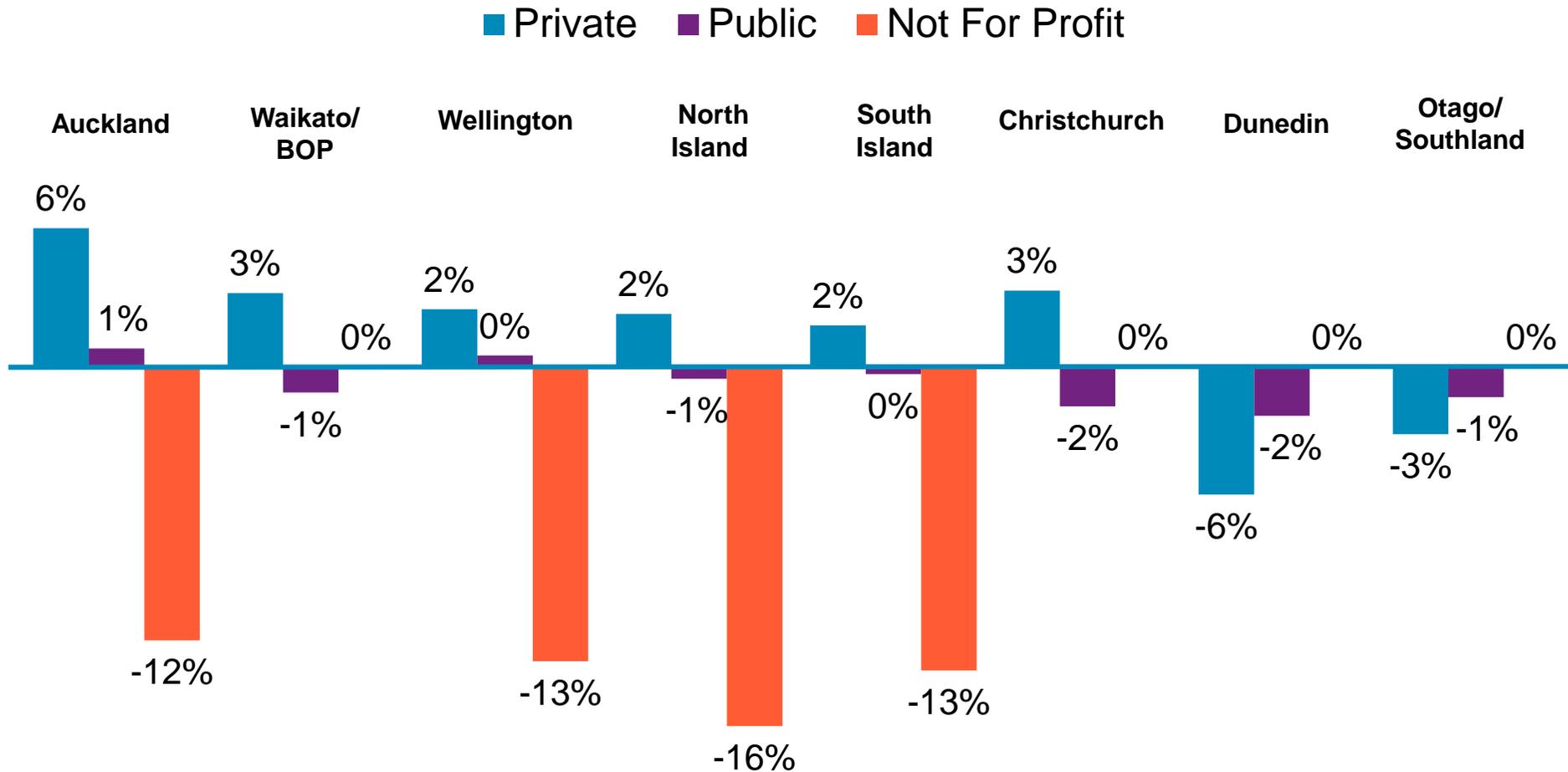
Source: NZ Remuneration Survey September 2017 / NFP 2017

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Regional Differences: Variance Not for Profit Fixed Remuneration



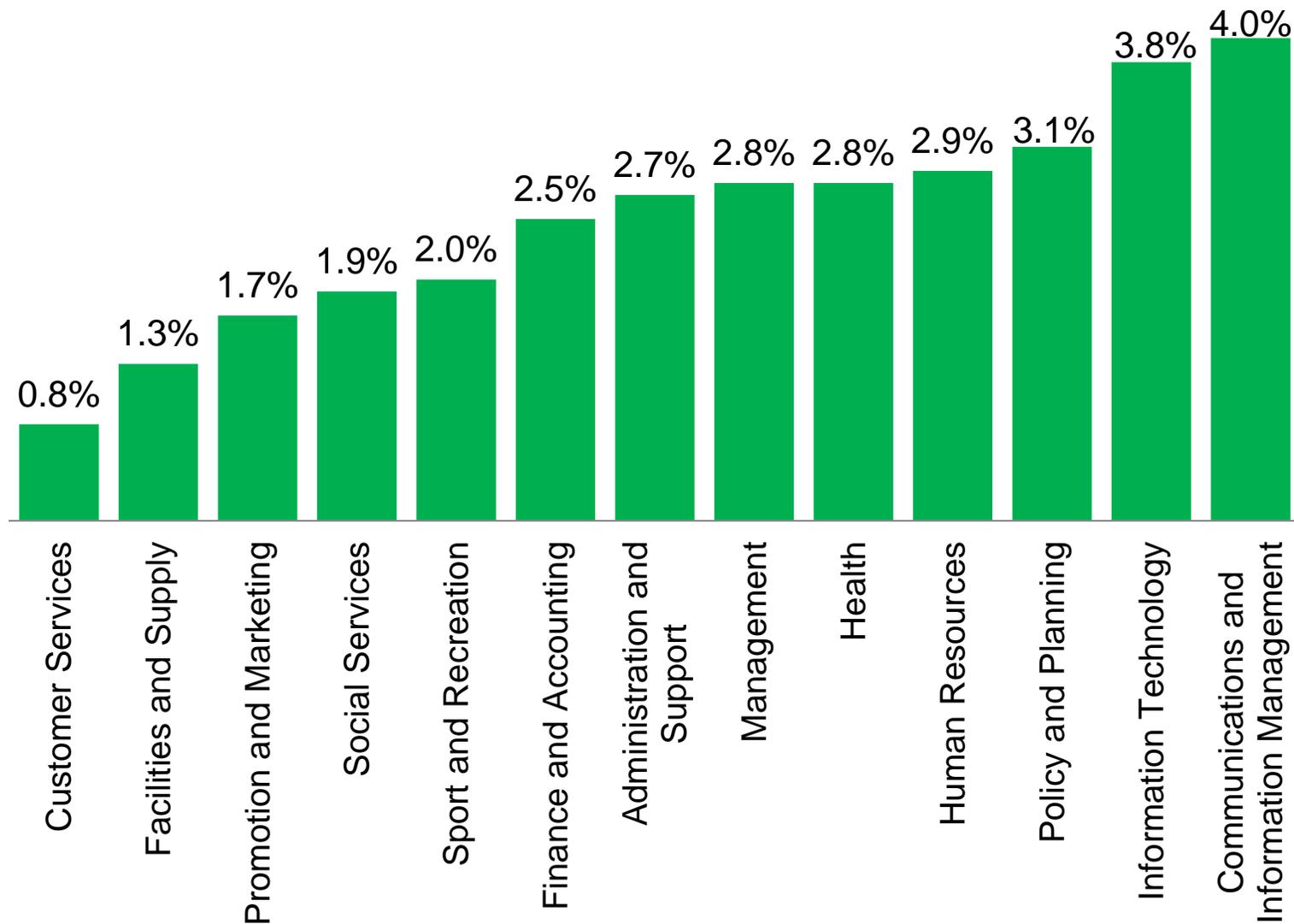
Regional Differences: Sector vs General Market Fixed Remuneration



Source: NZ Remuneration Survey November 2017 / NFP 2017

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Average Market Movements Fixed Rem Functional Group – Not For Profit



Source: Not for Profit Survey 2017

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Current Issues

Pay Equity and Pay Relativities

Current Issues – Pay Equity

gender pay gap

Gap between the average earnings of women compared with men

pay parity

The same pay for the same job across different employers/workplaces

pay equity

The same pay for different work of equal value

equal pay

Same pay for the same job (no differential based on gender)

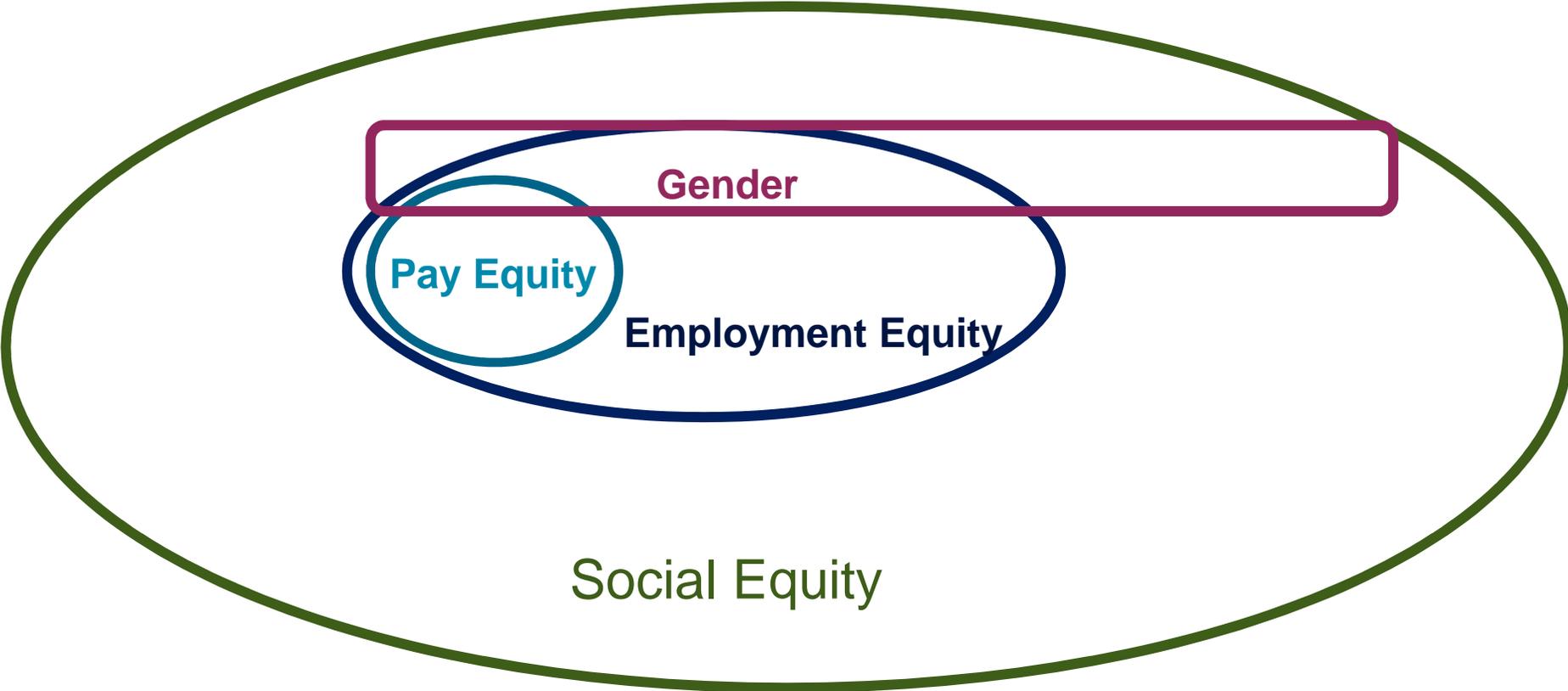
employment equity

Pay, conditions, experiences in the workplace and access to jobs at all levels are not affected by an employee's gender

The same rights and opportunities (in the labour market)

gender equality

Context - Equity



Causes of gender pay gap

Research has explored reasons for the gap and can **explain** much of it in light of:

- **Features of job:**
 - Job size
 - Occupation
 - Industry
 - Location
- **Features of individuals:**
 - Experience
 - Education
 - Location
 - Household structure (parental responsibilities)
- **Unexplained gap –**
- **Society** (discrimination, culture, attitudes etc)
- **Traits** (unobservable differences – risk taking, ambition, confidence, reward preferences)

Four Key questions

Within your organisation, ask yourself:

- **Are rates of pay affected by gender?**
- **Are other rewards distributed fairly?**
- Do men and women advance at the same (or similar) rates (both level of pay and position)?
- Are men and women appropriately represented at senior levels?

2. Analysis: Pay Rates

Externally?

Like for like

Real gap

Difference in pay (and proportions) between men and women doing similar work

By level

Level gap

Difference in pay (and proportions) between men and women at similar levels

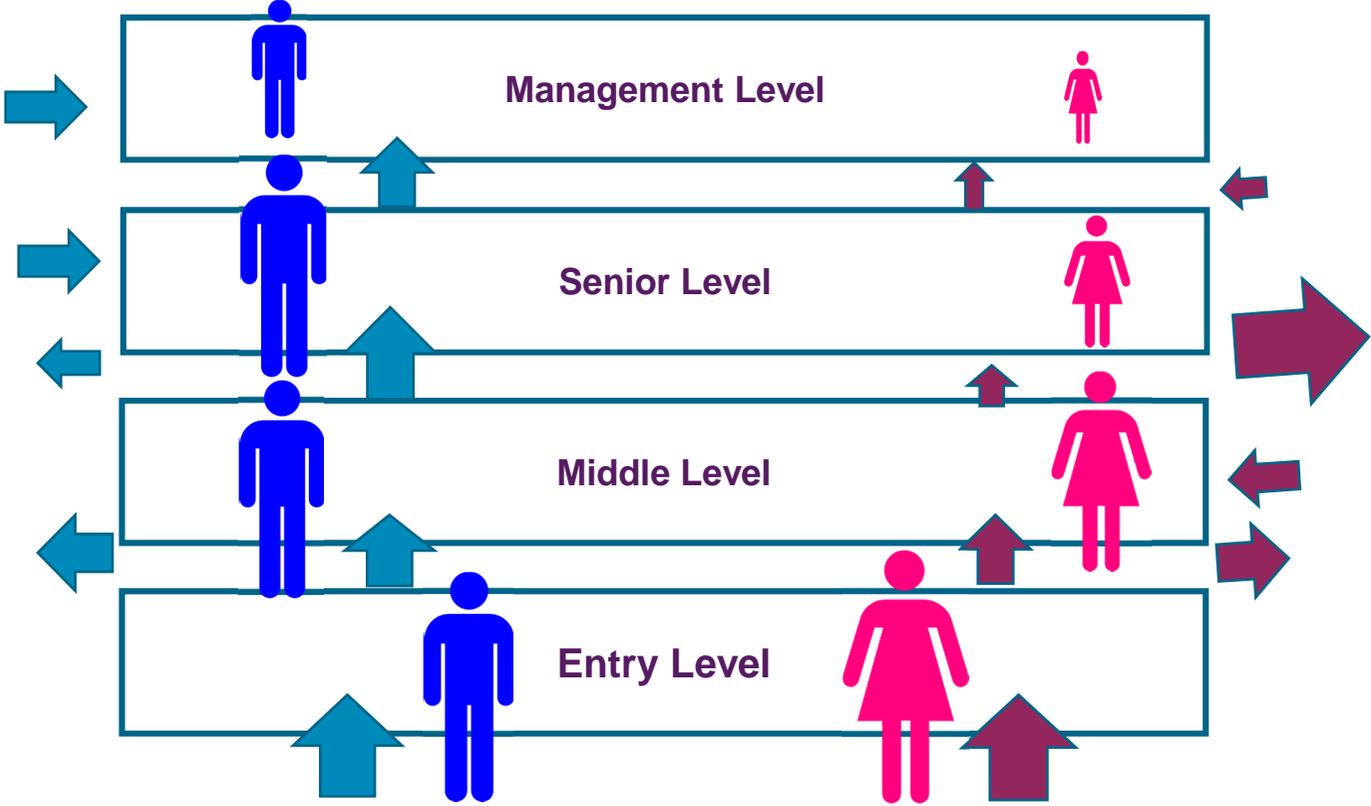
Whole organisation

Overall gap

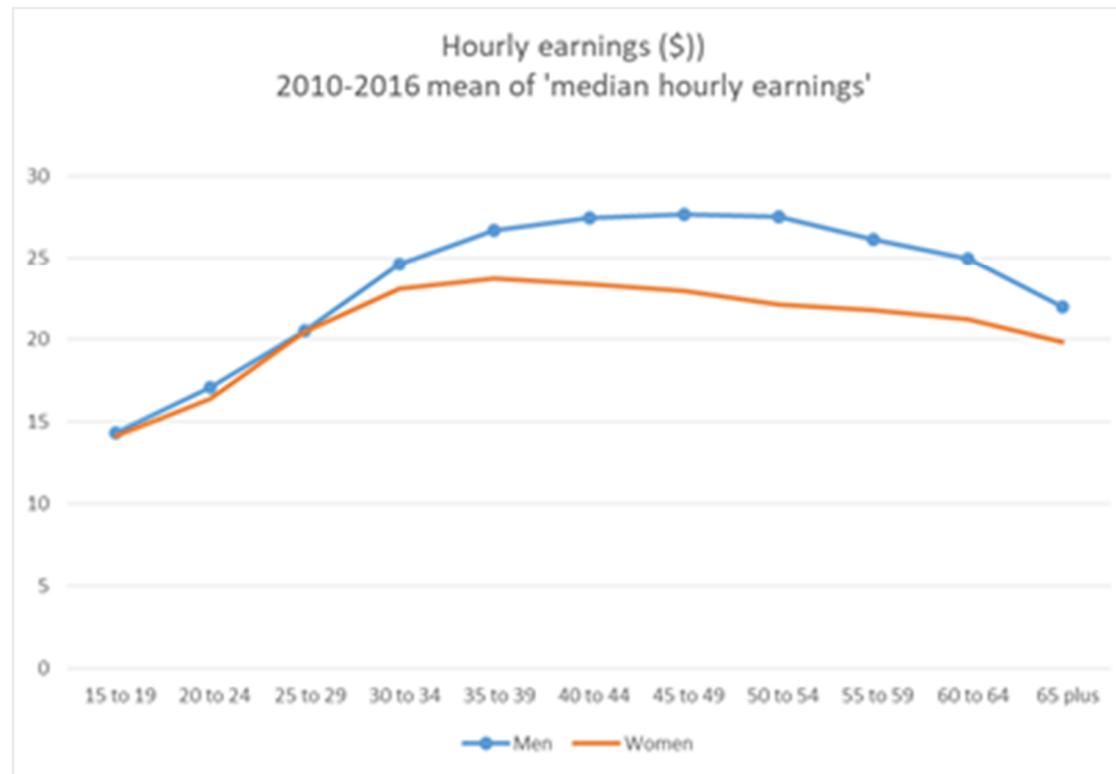
Difference in pay (and proportions) between all men and all women

Source: Adapted from MFW resource Booklet

Opportunity gap – leaking talent pipe



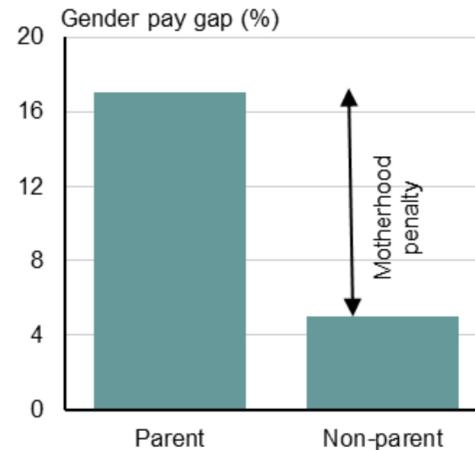
The rise of the pay gap



Source: Income Survey 2010-2016 Stats NZ

The intersect of the opportunity gap and the pay gap – “the motherhood penalty”

Gender pay gap
By parent status
June 2016 quarter



Note: Percentages are calculated using mean values with associated uncertainty (see Appendix of 'Effect of motherhood on income – methodology and full results').
Source: Statistics New Zealand

“Motherhood penalty” =
12 percentage points

Source: MfW/StatsNZ
publication June 2016

Current Issues

Minimum Wage Increases

Minimum Wage Projections



Minimum Wage Increase- Potential Effects

Grade	Typical Jobs at this level	Not for Profit		Public Sector		Private Sector	
		Current (Median, march 2017)	Projected (Median, march 2021)	Current (Median, march 2017)	Projected (Median, march 2021)	Current (Median, march 2017)	Projected (Median, march 2021)
5	Tea Person type roles, Production Worker	\$33,932	\$41,712	\$35,824	\$41,712	\$37,446	\$41,712
6	Very basic admin, reception	\$36,486	\$44,852	\$38,647	\$44,999	\$42,106	\$46,903
7	Residential care employees, more basic admin, reception	\$39,222	\$48,215	\$41,805	\$48,676	\$43,535	\$48,495
8	Admin roles Admin/reception combined	\$41,377	\$50,864	\$45,153	\$52,574	\$47,240	\$52,622
9	First level supervision, small teams	\$43,630	\$53,634	\$48,653	\$56,650	\$51,153	\$56,981
10	Larger supervisory roles	\$46,078	\$56,643	\$52,458	\$61,080	\$55,323	\$61,626

23%
increase

16%
Increase

11%
Increase



Key
Considerations
for
Remuneration
in 2018

What to focus on?

- Minimum wage:
 - Are you affected?
 - Are you budgeting for it now?
 - Have you considered relativities?
- Pay Equity:
 - Do you have a Gender Gap?
 - Do you have a formal Remuneration Policy?
 - Have you considered your leaking talent pipe and the “Motherhood penalty” ?

Other areas to consider?

- Talent Shortages:
 - These are likely to get worse for trades and other roles where immigration restrictions may kick in.
- Flexible working arrangements:
 - Employees are expecting this more and more and it can be a great attraction and retention tool.

That's a wrap.

Questions?

Comments?



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