

FAQ: MSD Pay and Progression Proposal & Te Ara Piki

February 2021

If my current salary is higher than the rate for the Step in the translation table what happens?

If your current salary is above the step provided for in the table you will transition to between steps, and move to the next step above your salary on 1 October.

My HR will show the Step # which is immediately below your current salary this could be the same as the table or above.

For example: Staff who are currently at 110% of Service Delivery Band C - \$60,727

Based on the table they would transition to new step 5 however Step 6 is still less than their current salary.

Therefore they will transition to step 6 - \$60,339, and continue to be paid their existing rate following transition, and then progress to Step 7 - \$61,230 on 1 October 2021.

What do I need to do to move up a step in the different zones?

Progression is assumed annually throughout the band, progression can only be deferred if it meets one of the exceptions below.

The different zones signify the types of goals and objectives you might set through Te ara piki at the different stages of development. Progression won't be based on typical performance reviews and assessments that focus on whether or not you've met all your objectives – instead progression will be based on your input to setting objectives and working towards these, this is a continuous cycle that is employee led and manager supported.

When would I not progress up a step?

Generally progression can only be deferred if there has been formal notification of unsatisfactory performance issues or if you opt out of participating in Te ara piki. There are a few other technical scenarios listed below:

- Under three months service – eg, if someone joins MSD on or after 01 July 2021, they will be excluded from the assumed progression on 1 October 2021 and receive no increase.
- On leave without pay.
- Have been appointed to a new role with an increase and have under three months in that role. Eg, if appointed to a new role with an increase in pay in August (a the same or more than their next progression step), they would be excluded from an increase in the October annual progression.
- When an employee is at the top of their band

What does unsatisfactory performance mean?

Unsatisfactory performance is when an employee is not fulfilling their role as expected and you must be notified in writing by your manager of issues that may affect progression, there needs to be a clear plan to address these and progression is applied as soon as the issues are resolved i.e. don't wait another year to progress. Because conversations will be ongoing, there should be no surprises about how you are tracking and constructive feedback on areas for improvement will be provided throughout the year.

What is the timeframe for opting back in or addressing performance issues to get an October 1 increase?

One month prior to the annual progression (1 October), HR will ask all managers to advise them of any staff who will not progress due to unsatisfactory performance or not participating in Te ara piki. If it is deferred due to unsatisfactory performance, progression is applied as soon as the issues are resolved i.e. don't wait another year to progress.

Can my manager move me up steps faster if I am performing really well?

No, progression occurs annually one step at a time - out of cycle progression is only in exceptional circumstances such as to fix an incorrect appointment salary. If progression was deferred due to performance issues and these have subsequently been resolved the person will progress at that time and does not wait till the following October.

What does opting out of Te ara piki look like?

You need to actively participate in Te ara piki to receive pay progression, if for some reason you don't want to participate and you must notify your manager. Your manager not meeting with you regularly or working with you does not affect progression, it's your participation that counts.

Active participation is defined as:

- Develop and refresh objectives and outcomes that are relevant and current
- Create a development plan which is aligned to organisational and individual priorities
- Engage with your manager through ongoing conversations about your contributions, objectives and development.

Are there six monthly increases if you are lower in the band?

All progression under the proposed pay framework is annual on 1 October each year. The steps in the 'Growing Capability' zone are larger than the higher zones to reflect faster growth early in your development into a role and the bands start at a higher rate (90% rather than 80%).

Why does it take 12 years to get to the top and 4 years to reach the anchor point?

This proposed framework isn't perfect but it's better than current systems as it addresses the two biggest issues our members raised:

- Remunerations ranges are too low, especially in Service delivery
- And in National Office position in range isn't meaningful and progression is hard to achieve

In future bargaining we will look to make changes to make it better and this gives us a better starting point for future improvements. The best part of this is, it's almost impossible to make it worse – because we would never agree to that.

Why aren't the increases to all the bands the same?

The bands in this framework as of day 1 are based on the core government market and therefore the increases differ based on the difference between current bands and the. E.g Korn Ferry size 16 roles are on average paid <\$\$\$> across core government agencies. We will be going in to bargaining immediately following this process and negotiating increases to the bands throughout the term of the Collective Agreement.

If someone transitions to the anchor point but are also completing tasks that would fall into the enhancing contribution, would these members still only progress the one step annually?

All progression under the proposed pay framework is annual on 1 October each year. Translation to a new pay framework needs to take into account affordability as well as relativities between individuals in the role. The translation plan which is part of this proposal moves people based on current position in range, we are also translating people from two different current frameworks and 40 different bands!

Progression between steps is assumed and not based on meeting performance criteria beside each step.

How do the Steps in the new framework relate to percentages in the current framework?

Part of the change to this system, in moving away from performance and from percentages to steps is to reduce how much our members equate their position in range as recognising the value of their work. The “Anchor Point” (Step 5) is the value linked to market, the core government market median, and agreed through bargaining and relates to the midpoint (100%) of the previous bands.

The steps in the new proposed bands are sized as follows – giving a spread equal in total size above and below the anchor point.

- 2.5% for Steps 1, 2, 3, & 4
- 1.5% for steps 5, 6, 7, 8, & 9
- 1% for steps 10, 11, 12, & 13

What is the anchor point?

The “Anchor Point” (Step 5) is the value linked to market, the core government market median, and agreed through future bargaining. It is particularly important for recruitment, to ensure people are appointed at equitable salaries. An additional level of sign off will be required for managers to appoint staff at or above the anchor point.

Does every role in the Ministry really fit in one of the eight bands?

There is provision in the system for ‘premium bands’ for highly specialized roles or roles where it is hard to recruit. These will be established case by case with a high level of sign off and PSA engagement and reassessed each year.

Can PSA bargain for increases to these proposed ranges?

We will be going into bargaining for both the Service Delivery and National Office/MYD Collective agreements shortly after the ratification process for this proposal is concluded. Members have yet to endorse a bargaining brief but it will definitely include increases to the pay bands over the term of any proposed new Collective.

What happens with this year’s April increase in Service Delivery?

Because this proposal if agreed isn’t implemented until June, those eligible for an April increase this year (under 105% of the current SD framework) will still receive that increase under the existing system.*

*People who will not receive progression in April 2021 include people who:

- started after 1 January 2021 (under three months service)
- have moved to a new role within the previous three months and received a pay increase
- are on leave without pay
- are on parental leave and have not worked 3 months of the 12 month review period (the current rules apply to April progression as it is under the current state)
- are on band A-E at/above 105% of their pay range
- are in Regional Office/Contact Centre/Processing roles, in band E who are assessed for progression in the annual review cycle from 1 July to 30 June.

If you are on parental leave do you still move up steps?

Under the proposed framework there would be no restriction to progression based on someone being on parental leave. So long as you returned to work, progression would occur on 1 October (or as soon as you returned if that happened to be after 1 October).

Why do some people get more than others under this proposal?

Transition is based on your current position in range as well as your current range. When transitioning from an existing system, and in this case two systems, the impacts on people will differ.

We know that some people, particularly those higher in their current band, receive a smaller increases through transition and the first progression this year. It's important to note that for those at the top of the band, under the current systems would only have received bargained increases and there is no change to our ability or intention to bargain for those following this process.

If the majority vote is no. What is plan B?

If the proposal is not ratified we will need to bargain all elements of pay and progression in the upcoming negotiations, it's important to note that would be from the starting point of the status quo as the agreement and funding for this proposal are outside of the bargaining process. The PSA Lead team are recommending members accept this proposal because we believe this is the solid basis of a good system particularly in light of the current pay restraint and economic context. Improvements and band increases can continue to be made in bargaining in future.

How does this proposal affect someone receiving a Higher Duties allowance?

Allowances are generally not intended to change as a result of this proposal however if the frameworks are implemented we will need to look at existing allowances (basically case by case) prior to implementation. The principle of an HDA reflecting the starting salary of the role that person is acting up into is unchanged. Note: Higher duties allowances are not built into the salary calculator as the calculator is designed to give a guide of the change to any base salary only.

What happens if I have a 1 July increase under the current system?

If the new Pay and Progression approach is agreed, we aim to have it implemented before the end of June. So people will have progression at 1 October 2021, not in July.

There are a small group of employees in Band E Service Delivery roles below who normally have an annual progression review for the year ended 30 June. The Salary Calculator will not show an accurate reflection for these people because it assumes all employees in Band E will receive a progression in April.

How often do I have coaching with my manager under Te ara piki?

This shows suggested engagement frequency. The reason it is suggested and not compulsory is because people will have different needs so it allows for more or less depending on where you are at and how you work.

Suggested engagement frequency and format



**flexible for people requiring more or time for development*

How does the proposal apply to fixed term staff members?

The pay framework will apply to fixed term staff in the same way as permanent staff for transition and progression during their employment. If they are PSA member they can vote in the ratification process.

Is the calculator in Doogle accurate?

The calculator on Doogle is a guide as to how the proposal will likely affect individual pay. This is because the calculator cannot take into account all individual circumstances such as allowances above core salary or part time work. There is a list of exceptions and more information in the delegate guide as it is important to understand the limitations of the tool.

Te Ara Piki FAQ

How will coaching be delivered/measured under Te Ara Piki framework?

Te ara piki is about supporting staff to develop and grow their skills and capability. Managers will provide regular feedback and support to motivate employees to develop and maintain effectiveness, discuss and clarify expectations and realign their objectives. The broader MSD direction around a strengths based approach and a focus on development will support this. We are also developing lots of supporting materials including training and education for Managers and staff.

Important to note te ara piki is not a measurement framework, the minimal link to pay progression is only for the instances of unsatisfactory performance (for example a performance improvement plan (PIP) and if the employee chooses to opt out of participating.

How will performance management be managed?

The process for managing unsatisfactory performance is unchanged, the same as under Mahi Tahī, a staff member must be notified in writing of issues that may affect progression, and a clear plan to address these (for instance a PIP) and progression is applied as soon as the issues are resolved so the staff member doesn't wait another year to progress.

Are the conversations in the Te Ara Piki framework based on the details of the current position description?

Yes, as well as the Ministries current priorities and strategies and the individual members goals (for example taking part in Te Reo lessons or undertaking training in a new skill or an HSR or delegate role).

Will there be more capability developers employed to further support the “develop capability” model under Te Ara Piki?

The resourcing of the CD model is separate to this proposal but MSD are constantly reviewing the CD numbers to ensure they maintain the ratio. Te ara piki is not intended to create more work for Capability Developers but to provide the framework that CDs, staff and managers work within.

If the position description is not current, how will performance management be measured?

There is no performance measurement under these proposed frameworks, no annual ratings are given and progression is assumed. Position descriptions weren't looked at as part of this piece of work but if the proposed approach is implemented, there is a commitment from MSD to do further work to prioritise roles that still need to be looked at in consultation with the PSA.

What happens if my manager doesn't support me with the expectations I set on Te ara piki?

There is no effect on your pay progression. The only exceptions are unsatisfactory performance (not fulfilling the requirements of the role – which is different to the expectations you set) and if you opt out of participation. We know managers will need training and support to use the Te ara piki framework effectively and to support you and developing that learning plan is the next step of this work.

How can I get more information?

Attend a zoom meeting or email us at msdmembers@psa.org.nz