

Closing the Gender Pay Gap

A practical guide for small
and medium-sized businesses





This guide was created in partnership with small and medium businesses across New Zealand. It's designed to help you understand, measure, and reduce gender pay gaps — with tools, templates, and ideas you can adapt to fit your workplace.

Whether you're just starting out or already making changes, this guide is here to support you with practical steps that make a real difference.

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Start small, make a big impact

Whether your business has five people or 50, you're in the right place to begin making meaningful change. Closing your gender pay gap doesn't have to be complicated — and every small step you take can make a real difference for your team, your workplace culture, and your business success.

You might be wondering if it's too hard, or worried about what the results might show. But calculating your gender pay gap is simply about understanding where you are now. It's a chance to gather useful insights so you can make informed decisions that work for your business.

Many small and medium-sized businesses want to take action but aren't sure where to begin — or if they have the time. That's exactly why this guide was created, in partnership with small and medium-sized businesses like yours. It's here to support you with clear, practical steps that fit your business and your team.

WHY CLOSING THE GAP IS GOOD FOR BUSINESS

- **Keep great people** – Fair workplaces improve staff retention and reduce turnover costs.
- **Connect with customers** – A diverse team better reflects your community and builds stronger relationships.
- **Spark innovation** – Different perspectives lead to fresh ideas and better problem-solving.
- **Build your reputation** – Inclusive businesses attract top talent and loyal customers.

This guide will walk you through how to calculate your gender pay gap and offer a range of actions you can take to close it. These are **options**, not obligations — you choose what works best for your business. The steps are designed to be practical, achievable, and relevant across the whole employment journey — from hiring and supporting your team, to growing future leaders.

You'll also find advice on creating a welcoming workplace where everyone feels valued. When people feel included and supported, you can create the conditions that are likely to support the factors that help reduce pay gaps — and that's one of the most powerful ways to create lasting change.

You don't need to do everything at once. Just start with a few actions. Every step counts and together, they help build a stronger, fairer workplace for your people and your business.

Getting clear on pay gap language

When it comes to gender pay gaps, there are lots of terms that sound similar but mean different things. Getting clear on what each one means helps you understand your results and decide what actions make sense for your business.



“ Small businesses play a vital role in closing the gender pay gap. You might think this is something only large companies need to worry about – but every step you take counts. This guide is a great tool to help you make simple, meaningful changes that create fair workplaces and stronger teams, no matter your size. ”

Cathy Hendry, Strategic Pay

TERM	MEANING
Gender Pay Gap	The difference in earnings between men, women, and gender diverse employees within an organisation, sector, or country.
Like-for-Like Pay Gap	The difference in pay between people doing the same or very similar jobs.
Level-by-Level Pay Gap	The difference in pay between groups at the same job level or salary band, even if they're not in the same role.
Equal Pay	The same pay for the same work, regardless of gender, ethnicity, or disability.
Pay Equity	The same pay for different jobs that require similar levels of skill, responsibility, and effort.
Pay Parity	The same pay for the same job across different employers.
Gender Balance	The distribution of men and women across different levels or departments in a business.

Getting started – five steps to make progress

This guide is designed to help you take practical, achievable steps to understand and close your gender pay gap — no matter the size of your business.

STEP 1	Work out your gender pay gap	Start by gathering the information you'll need — things like pay, hours worked, and gender data. Use the step-by-step instructions and tools in this guide to calculate your gender pay gap.
STEP 2	Understand the results and what is appropriate to share	Once you've calculated your gender pay gap, take time to reflect on what the results say about your workplace, your industry and wider sector. You should consider how you report your results and when reporting is appropriate or not. However, the key is using what you've learned to take action.
STEP 3	Take action that fits your business	You don't have to do everything at once. Start small — pick a few actions that feel achievable and likely to make a difference. Every small action helps move your business toward greater fairness — and that's how you start to close gender pay gaps over time.
STEP 4	Use the templates and resources	To make things easier, we've included ready-to-use templates and examples you can adapt for your business. They're designed to save you time and help you put ideas into action quickly.
STEP 5	Keep listening and improving	Closing the gender pay gap isn't a one-off task — it's an ongoing journey. Keep listening to your team, reviewing your data, checking in on what's working, and making adjustments as you go. The more you listen, learn, and adapt, the more inclusive and equitable your workplace will become — now and into the future.

STEP

1

Work out your gender pay gap

Calculating your gender pay gap is a great first step. It's easier than you might think, and once you've done it, it's simple to update each year. Doing this regularly helps you track progress and understand how changes in your team affect your results.

This section walks you through how to gather the right information, calculate your gap, and make sense of what it means for your business.

What you'll need

To calculate your gender pay gap, you'll need:

- Total pay for each employee (including both fixed and variable pay).
- Hours worked.
- Information about each of your employees' gender, ethnicity, and disability — always ask people to self-identify, don't just assume.

Fixed pay includes salary or wages, plus allowances (e.g. wellbeing, clothing, car, accommodation).

Variable pay includes overtime, bonuses, commission, or performance-based pay.

Finding the median pay

The gender pay gap is based on the **median** — the middle value when you line up everyone's pay from lowest to highest. It shows what a typical team member earns, without being skewed by very high or low salaries.

To find the median:

- List each person's total pay from lowest to highest for each group (e.g. men, women, gender diverse).
- Identify the middle number — that's your median pay for that group.

You can also calculate medians for ethnicity groups and for disabled vs non-disabled employees.

Working out the gap

Once you have the median pay for each group, use this formula:

$$\frac{(\text{Median pay for men} - \text{Median pay for women})}{\text{Median pay for men}} \times 100$$

EXAMPLE



Men's median
hourly pay is

\$35.62

Women's median
hourly pay is

\$33.76

$$\frac{(35.62 - 33.76)}{35.62} \times 100 = 5.2$$

That means women earn **5.2%** less than men on average in your business.

QUICK TIP

Use the Ministry for Women's [Gender Pay Gap Toolkit](#) — it includes a workbook that does the maths for you.

STEP

2

Understand the results and what is appropriate to share

Once you've calculated your gender pay gap, you'll get a percentage. That number is useful — but it's only the beginning. The real value comes from understanding what's behind it.

Your result will be a percentage:

- A positive number (e.g. 4.1%) means a gap in favour of men.
- A negative number (e.g. -4.1%) means a gap in favour of women or gender diverse employees.

In small businesses, even one new hire or departure can shift your results — that's normal. Don't be worried about numbers moving around. What matters is understanding the patterns and context behind them.



“ The thing I like about it is I'm competing with myself, I'm not competing with my peers. I've got my stats and every year I'm comparing them with last year. ”

Ewan Brown
Tennent Brown Architects

What might be driving your gap?

For smaller businesses, achieving a zero gender pay gap can be particularly challenging. Factors like limited role diversity, smaller teams, and fewer leadership roles, can all contribute to your pay gaps. Recognising these challenges is the first step towards meaningful progress and even small changes can create a positive impact over time.

Ask yourself:

- Who holds the leadership roles?
- Are pay decisions fair and consistent?
- Are some groups concentrated in lower-paid positions?

When to share your gender pay gap — and when to keep it internal

Once you've calculated your gender pay gap, you might be wondering whether to share the results. Here's what's recommended:

- If you have fewer than 10 people in the groups you are comparing in your workplace it's recommended that you keep your results for internal use only, for example with your HR team. This protects privacy and ensures no one can be personally identified from the data.
- If your team is larger, you may choose to share your results with staff or publicly — for example, on your website or in your annual report.
- Sharing your results can show your commitment to fairness and transparency, and help build trust with your team and community.

Regardless of whether you publish your results, the most important thing is to use what you've learned to take action.

STEP

3

Take action that fits your business

Whether you've already calculated your gender pay gap or are just starting to explore it, the next step is taking action. Even if you haven't calculated your gap yet, there are still meaningful changes you can make to build a fairer and more inclusive workplace.

You don't have to do everything and what you choose needs to be right for your workplace.



“ Small steps make a big difference. We're close to our people, we make quick decisions, and we care about doing what's right. When businesses start with inclusive hiring and keep learning along the way, progress follows. Every action, no matter how small, helps build a workplace where everyone can thrive. ”

Trina Jones
Cultivate

The actions in this guide focus on four key areas that help reduce the gender pay gap:

- **Attracting more diverse candidates into higher-paid roles**

Inclusive job ads, transparent salary ranges, and visible benefits help widen the applicant pool — especially for senior and technical roles. This ensures women and underrepresented groups have equal access to better-paid opportunities.

- **Making pay decisions fairer and more transparent**

Using clear criteria for pay and promotions, publishing salary bands, and auditing pay regularly helps remove bias and reduce reliance on negotiation or past salary — both of which often disadvantage women. Fair systems create a level playing field.

- **Supporting women and caregivers to stay and progress**

Parental leave, flexible work, mentoring, and career development help women stay in the workforce and move into leadership roles. This reduces gaps caused by career breaks and improves representation at the top, where pay gaps are often widest.

- **Creating a culture where everyone has equal access to opportunity**

When people feel included, respected, and supported, they're more likely to speak up, apply for promotions, and stay long term. A fair and welcoming culture removes hidden barriers and ensures talent is recognised — not overlooked.

Whether you're just starting out or already making changes, this guide is here to support you — with simple steps, helpful tools, and ideas you can build on over time.

We recommend starting with **a few actions** and sticking with them. This next section has a range of suggestions of the types of actions you could take.

Recruitment matters

One of the most effective places to start is with how you recruit.

Write open and welcoming job ads

Job ads are often the first point of contact between your business and potential candidates. The words you use signal who is "ideal" for the role. The language you use can discourage some people from applying — and that can either open doors or quietly close them. This limits diversity in applicant pools and can contribute to pay gaps over time.

- Focus on key skills and experience, not just qualifications. Life experience such as raising a family, bilingual skills, or community leadership is valuable.
- Include a statement encouraging people from all backgrounds to apply.

EXAMPLE

We welcome people from all walks of life. You don't need a long list of qualifications — we value experience learned through life, whānau, and community. We are building a workplace where everyone feels respected and supported.

Publish pay bands to support fairness

Publishing salary ranges in your job ads and internal roles is one of the simplest and most effective ways to reduce pay gaps.

It helps:

- **Level the playing field** — candidates can see what the role is worth and don't have to rely on negotiation, which often disadvantages women, who are less likely to negotiate.
- **Avoid bias** — where offers are based on someone's previous (possibly lower) salary.
- **Build trust** — transparency shows your commitment to fairness and helps candidates feel confident applying.

QUICK TIP

Include a salary range in every job ad, even if it's broad. It signals openness and helps candidates assess the full value of the role.

Highlight your benefits

When you clearly promote the benefits your business offers — like flexible hours, parental leave, or career development — you send a strong message that your workplace supports balance, inclusion, and fairness. That matters a lot to women and caregivers, who often carry more of the load outside of work and may be discouraged from applying for roles they think they won't be able to make work alongside their other commitments.

Let applicants know what support your business offers:

- Flexible hours or job sharing
- Family-friendly or caregiver support
- Cultural leave or training
- Staff development and upskilling
- Accessibility or disability support
- A welcoming, respectful team environment

EXAMPLE

"Joining our team comes with family-friendly policies, and ongoing cultural awareness training."

QUICK TIP FOR INCLUSIVE RECRUITMENT

- Include a short statement on diversity and fair pay in the ad.

Reach a wider audience

Where and how you advertise your job openings directly affects who sees them — and who applies. If you only post on the same mainstream job boards, you may unintentionally miss out on talented candidates from underrepresented groups, including women, caregivers, and people from diverse cultural backgrounds.

Try posting beyond usual job boards:

- Community centres and marae noticeboards
- Facebook groups and neighbourhood pages
- Pacific churches or women's groups
- Ethnic radio stations or cultural networks
- Women's job boards
- Specialist sites like mahi.co.nz, maoripacificjobs.co.nz, kumaravine.com/mahi, jobsformums.co.nz

Make the screening process fairer

How you screen candidates can have a big impact on your gender pay gap. Research shows that up to 80% of the gender pay gap is linked to unconscious bias — the automatic judgements we all make based on past experiences or stereotypes. It's natural, but it can influence decisions about who gets hired, promoted, or paid more.

Fair screening helps ensure that everyone has an equal chance to succeed — and that your recruitment decisions are based on skills, not assumptions.

Here are two simple ways to make your screening process fairer:

- **Blind screening**

Remove names, gender, and ethnicity from CVs before shortlisting. This helps keep the focus on skills and experience. You can do this manually or use free online tools.

- **Unconscious bias training**

Help your team spot and reduce hidden biases in recruitment and decision-making. There are several easy-to-use online tools available.

Small steps like these support a more balanced workplace and help reduce the gender pay gap over time.

Create a supportive interview experience

Interviews can be places where bias can unintentionally happen. A relaxed and respectful process helps you see people's real potential and supports fairer outcomes. A structured, consistent interview helps reduce bias and gives all applicants an equal chance to succeed.

Tips for inclusive interviews:

- Offer an informal coffee chat before the interview to build rapport.
- Let candidates bring a support person.
- Send interview details in advance — include timing, format, and who they'll meet.
- Ask if anyone needs adjustments (e.g. a quiet space, more time, or written questions).

Run fair, consistent interviews:

- Ask everyone the same core questions.
- Use a simple scoring guide to compare answers.
- Where possible, include people of different genders or backgrounds on the interview panel.
- Aim for a gender-balanced shortlist so that candidates of all genders have an equal opportunity to be considered for the role.

Small changes like these help reduce bias, build trust, and ensure your interview process supports a more inclusive and equitable workplace.

Open and transparent pay processes

How you set and review pay matters. Fair pay helps stop inequality at the source, builds trust, and supports everyone to progress in their careers.

When pay is transparent and based on clear criteria, it reduces bias that can hold women back and helps close the gender pay gap.

Simple steps to guide you:

- Set pay based on the role not someone's previous salary.
- Explain how pay, bonuses, and promotions work when people start.
- Publish salary ranges so candidates and staff know what the role pays.
- Audit pay regularly to check for gender differences and take action.
- Make sure part-time and flexible workers can access promotions.
- Use clear criteria based on skills, experience, and performance.
- Count career breaks fairly and include caregiving time in experience.
- Train managers to spot and reduce bias in pay decisions.



“Everyone in our business is paid fairly for the work they do, and we've found that when you invest in people, the quality shows. That quality brings in more work, and the benefits flow back to the team. It's a positive cycle.”

Juanita Fuatavai
Elite Passive Fire

Create a workplace where people feel seen and valued

Creating a welcoming and supportive workplace is especially important in male-dominated workplace, industry or wider sector. When women feel included, valued, and supported, they're more likely to apply, stay, and progress into higher-level positions. This helps reduce gender imbalances and helps close pay gaps over time.

Help new people settle in well

A warm welcome helps people feel confident and connected from day one.

- Provide a simple welcome guide.
- Share workplace values, expectations, and practical info (e.g. pay, promotions, health and safety).
- Hold informal team lunches or set up buddy systems.
- Celebrate diversity by acknowledging cultural events and inviting people to share what matters to them.

Make the physical environment work for everyone

Inclusive spaces help people feel safe and respected.

- Where possible, ensure toilets and facilities meet diverse needs, including sanitary bins and quiet spaces for prayer or breast feeding.
- Provide uniforms and protective gear in all sizes and suitable for different body types.

Consider how you support flexible ways of working

Flexibility is about finding work arrangements that support both your team and your business. It's especially important for women, who often balance paid work with caregiving or other responsibilities. When flexible options are offered fairly, more people can stay, grow, and move into leadership roles — helping to close gender pay gaps over time.

Flexible work isn't just part-time — it can mean:

- Changing start and finish times
- Sharing a job with someone else
- Working longer days but fewer days per week
- Working some days from home

Getting started with flexibility:

- Talk with your team about what flexibility could look like.
- Try different approaches and see what works for everyone.
- Be clear about expectations and how to stay connected.
- Offer flexible options fairly — not just to parents or senior staff.



“ Changing workplace culture takes commitment, especially in male-dominated industries like engineering. We've seen how embracing diversity and making space for women builds stronger teams, sparks innovation, and drives success. Start with what you can measure — even a simple review of pay data by role and gender can reveal insights. ”

Jamie Priemus
Farra Engineering

Support through life changes

Life doesn't stop at the office door. Whether someone is becoming a parent, caring for family, or navigating health changes, thoughtful support helps people stay connected, confident, and able to grow in their careers.

When workplaces offer understanding and flexibility, they keep skilled people, build trust, and help close gender pay gaps.

Support around parental leave

Becoming a parent is a big life change. Good support before, during, and after parental leave helps people stay connected and return with confidence. It also shows your commitment to families and helps retain skilled staff.

Simple ways to support parental leave:

- Talk early about leave plans and returning to work.
- Provide a clear summary of pay and leave rights.
- Keep in touch while the person is away.
- Offer a gradual return — for example, part-time hours for a few weeks.
- Encourage dads and partners to take leave too — shared caregiving supports a fairer, more balanced workplace.

Support at different life stages

As people move through their careers, they may also care for children or older family members, or experience health changes like menopause. With understanding and flexibility, you can support wellbeing and keep experienced staff.

Ways to support different life stages:

- Make sure promotions are fair and based on skills and results.
- Encourage career growth, including people working flexibly.
- Support wellbeing through regular check-ins and access to health information.
- Recognise that caregiving, menopause, and health changes can affect work.
- Use helpful tools like the <https://www.women.govt.nz/menopause>.

Supporting people through life's changes helps create a workplace where everyone can grow and contribute — and that's how you build the kind of fairness that closes gender pay gaps over time.

Supporting employees to access help

Supporting employees to access help is an important part of addressing gender pay gaps. When women — including migrant and newly arrived workers — know their rights and feel safe to speak up, they're more likely to stay, grow, and access opportunities to advance. That helps build a fairer workplace and reduces the barriers that contribute to pay gaps.

Employers play a key role in helping people feel informed and supported. Here are a few simple ways to do that:

- Create a safe and inclusive environment where everyone feels valued and able to speak up. This includes helping them to understand their employment rights.
- Share information about pay, safety, and how to raise concerns during onboarding.
- Encourage access to support services — including external ones like the Employment New Zealand Advisory Service or Work and Income workplace support.

When employees know their rights and feel safe to speak up, it helps remove hidden barriers, build trust, and create fairer pathways to pay and progression — all of which support closing gender pay gaps over time.

STEP

4

Use templates to make things easier

Once you've chosen a few actions to focus on, we've included a set of ready-to-use templates, to help you put them into practice. These are designed to save you time and support a more inclusive and welcoming workplace.

There's no need to use every template or implement everything all at once — just choose what fits best with your team, your culture, and your goals.

Templates you can use are available on the Ministry for Women website: www.women.govt.nz/GPGtoolkit

Here you will find:

- the Gender Pay Gap calculator and workbook to help you calculate your gender, ethnic and disability pay gaps
- the Gender Pay Gap self-assessment questionnaire to help identify actions you can take
- an onboarding checklist to support a welcoming and supportive workplace
- a template to support you with creating inclusive job advertisements
- types of flexible working to support conversations.

STEP

5

Keep listening and improving

Closing the gender pay gap isn't a one-off task — it's an ongoing journey. The more you listen, analyse your data, learn, and adapt, the more inclusive and equitable your workplace will become.

Regular check-ins, open conversations and exit interviews help you understand the experiences of your team — including any barriers women may face in progressing or being paid fairly. By listening and learning from your staff, you can spot patterns, identify practices that may be contributing to gender imbalances, and take action to improve.

A workplace that actively seeks feedback and responds fairly supports retention, career growth, and a more balanced workforce — all of which help close gender pay gaps over time.

Simple ways to keep improving:

- Do regular check-ins with staff, especially after they've started or returned from leave.
- Use exit interviews to understand why people leave and what you could do differently.
- Be open to feedback and involve staff in finding solutions.
- Review your policies and practices regularly to make sure they're still fair and effective.
- Celebrate progress and share updates with your team to build trust and momentum.
- Track your gender pay gap over time to see what's changing and where further action is needed.
- Use feedback to shape future actions — what you learn today can guide what you do tomorrow.

Listening to your team and acting on what you hear helps build trust, strengthen your culture, and create fairer pathways to pay and progression. Keep your team updated on actions, and involve them in solutions. Make them part of the journey. That's how you make lasting progress on closing the gender pay gap.



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