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Temporary Employment and the Quality of Temporary Jobs

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Abstract

This paper discusses some of the insights that can be gained from Statistics New Zealand's Survey of Working Life (2008) on the profile of temporary workers, the reasons they give for working in a temporary job, their pay and conditions. In the March 2008 quarter, 9.4% of New Zealand employees were working in temporary jobs. The survey results reveal substantial differences between temporary and permanent employees in indicators of job quality such as pay, training rates, and working time patterns as well as substantial differences among the four main types of temporary employee (casual, fixed-term, temporary employment agency and seasonal). The paper summarises these results and then analyses the role of personal and job characteristics in contributing to the pay and training gaps that exist between temporary and permanent workers.

Introduction¹

This article presents some of the insights into temporary employment that can be gained from the 2008 Survey of Working Life (SoWL). The article begins by briefly describing the statistical profile of temporary employees and then focuses on three main questions. First, are most temporary workers working in a temporary job by choice or would they prefer a permanent job? Second, how do the pay and employment conditions of temporary employees compare with those of permanent employees? Three dimensions of pay and conditions are considered: hourly wages, training rates, and employment at non-standard times of the day or week. Third, what are the reasons for the differences in pay and conditions between temporary and permanent employees? To what extent are they due to factors that are not directly related to the duration of the employment contract, such as differences in the distribution of personal and job characteristics?

Past research on temporary work in New Zealand has yielded a picture of diversity, with temporary work incorporating both skilled, well-paid jobs and unskilled, poorly paid jobs. After interviewing employment agency temps in Auckland, Alach and Inkson (2003) reported that most of those interviewed preferred temporary work, felt that their prospects for securing continuing work were good, and saw temping as a useful strategy for both personal and professional development. The agency temps in their study reported high levels of job satisfaction in the main. In contrast, when Harris and Harvey (2007) examined working practices in five industries where casual employment is common (stevedoring, cleaning, home-based aged care, hotels restaurants and cafes, and call-centres), they identified a number of factors associated with poor job quality, including a lack of training opportunities, a lack of pathways into permanent work, shift work patterns disruptive to personal and family

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wellbeing, variability in hours or last-minute changes to workers' shifts or hours, insecurity regarding future work assignments, and difficulties in accessing sick or bereavement leave.

Previous research into temporary employment in New Zealand has been impeded by a lack of good statistical evidence. Prior researchers have either used qualitative methods to study particular occupations or industries (eg: Alach and Inkson, 2003; Harris and Harvey, 2007) or analysed evidence from small-scale surveys (eg: McLaren and Dupuis, 2006). Statistics New Zealand's Survey of Working Life gathered data on temporary work from a large and representative sample of employed New Zealanders, providing more reliable estimates of the numbers and characteristics of temporary workers than previously available. The large sample size allows comparisons to be drawn between different types of temporary work as well as between temporary and permanent workers. Although the survey did not gather information on all dimensions of job quality it covered many of the most important dimensions. The survey was designed to be repeated on a regular basis, at intervals of around three years. The development of the Survey of Working Life has made an important contribution to the evidence base that future research into temporary employment can draw on.

The paper is structured as follows: essential background information on the survey and the way in which temporary employment was defined and measured. The next section briefly describes the incidence of each of the main types of temporary and employment and the characteristics of temporary workers, followed by the reasons that were given for working in temporary jobs and whether temporary workers would prefer permanent employment. There is, then, a comparison of the wages, training rates and working time patterns of temporary and permanent workers. This is followed by a discussion of factors that contribute to the lower pay and lower training rate of temporary employees, and assessment of the role of differences in the distribution of other personal and job characteristics. The article ends with a brief conclusion

The Survey and its Definition of Temporary Employment

The Survey of Working Life is a Statistics New Zealand survey that gathers job-related data from a representative sample of employed New Zealanders through a supplement to the Labour Force Survey. All respondents to the March 2008 quarter Household Labour Force Survey who were employed in the reference week were asked the SoWL questions. Responses were obtained from approximately 14,500 individuals. Statistics New Zealand intends to repeat the survey periodically (every few years) so that changes in employment arrangements and conditions of employment can be monitored.

The concept of temporary work is used in the survey to cover all types of short-term work that are undertaken by employees, including fixed-term jobs, casual jobs, seasonal jobs, and jobs arranged through temporary employment agencies. A job is defined as temporary if the worker does not have any expectation of continuous long-term employment. A temporary employee can be an employee who has been hired for a specific time period or until the completion of a specific project; someone who is temporarily replacing another worker who is absent; someone who is filling a seasonal job; or someone who is employed only when needed by their employer. This definition includes casual employment and seasonal employment. Jobs undertaken by people who are self-employed are *not* included in the definition.

Each employee in the survey was asked if they were employed on a permanent basis (focusing on their main job if they held more than one job). This question was worded as follows:

A permanent employee is guaranteed continuing work. They can stay in their job until they decide to leave or their employer makes them redundant. In your job, are you a permanent employee?

Employees who said that their job was *not* permanent were then asked a series of additional questions designed to identify the nature of their employment relationship so that they could be classified as a fixed-term employee, a casual worker, a temporary employment agency worker, or in some other type of employment relationship.² All employees, including those who said that their job was permanent, were also asked whether their job was only available at certain times of the year, ie: seasonal. People who initially said that their job was permanent but later indicated that their job was seasonal were classified as temporary because seasonal jobs do not provide continuous work throughout the year. The full set of questions used to identify and classify temporary employees is given in Appendix 1.

Previous qualitative research in New Zealand has shown that many temporary employees do not have a good understanding of the terms and conditions of their employment or the meaning of terms like ‘casual’.³ The SoWL did not ask respondents to choose between the different types of temporary work and instead classified them using their responses to more concrete questions such as ‘were you hired to temporarily replace another worker?’ However, this strategy did not eliminate the potential for confusion, which means there is likely to be some measurement error in the survey’s estimates of temporary employment numbers.

Numbers and Characteristics of Temporary Workers

Approximately one in ten, or 9.4%, of employees were working in temporary jobs when interviewed in the March 2008 quarter.⁴ One in twenty (4.9%) were employed on a casual basis, 2.3% were employed on a fixed-term contract, and 0.7% worked for a temporary employment agency. The remaining 1.5% could not be classified to a particular type of temporary job contract using the information collected in the survey. The majority of this latter group were seasonal employees who initially said they were permanent employees but later gave a ‘yes’ response when asked if their job was only available at certain times of the year, ie: seasonal.⁵ In total, 2.7% of employees (and 28% of temporary employees) were identified as being seasonal workers through the seasonal work question.

The OECD has compiled cross-country data on the percentages of employees who are employed in temporary jobs. In 2009, the percentage of employees who worked in temporary jobs was in the 5% to 15% range in the majority of OECD countries (OECD, 2011). This is similar to the cross-country range identified in earlier work by the OECD (OECD, 2002). The SoWL estimate of 9.4% puts New Zealand roughly in the middle of the OECD distribution.

Table 1: The Incidence of Temporary Work: Variations by Demographic Group

	Type of temporary work				All seasonal employees	All temporary employees
	Casual	Fixed-term	Temp agency worker	Other (mainly seasonal & not further defined)		
Proportion of employees whose main job was temporary						
All employees	4.9	2.3	0.7	1.3	2.7	9.4
Gender						
Male	4.3	1.7	0.4	1.5	2.9	8.2
Female	5.5	2.9	1.0	1.0	2.4	10.7
Age group (years)						
15–24	10.9	2.8	1.0	2.1	5.3	17.3
25–34	2.9	2.8	0.8	1.1	1.8	7.7
35–44	3.4	2.2	0.5	0.9	2.1	7.1
45–54	2.8	1.8	0.7	1.3	2.1	6.9
55–64	4.0	1.8	S	1.0	2.0	7.5
65+	11.6	2.4	S	S	3.6	16.6
Gender by age group (years)						
Males, 15-24	11.4	3.0	0.7	3.0	6.5	18.4
Males, 25-54	2.0	1.3	0.3	1.1	1.7	4.8
Males, 55+	5.3	1.5	S	1.7	3.2	9.3
Females, 15-24	10.3	2.5	1.4	1.1	4.1	15.9
Females, 25-54	4.2	3.3	1.0	1.1	2.2	9.7
Females, 55+	5.2	2.2	S	S	1.3	8.5
Ethnic group						
European only	4.7	2.4	0.5	1.2	2.5	9.0
Māori only	6.0	2.1	1.4	2.0	5.2	11.5
European / M	4.4	S	S	2.4	3.4	8.9
Pacific peoples only	3.7	1.9	2.3	1.8	3.8	9.7
Asian only	6.2	2.6	1.1	S	1.1	10.7
Other groups	5.2	2.4	S	S	S	10.8
Highest qualification						
No qualification	6.4	1.2	0.9	2.4	4.6	11.0
School Certificate/NCEA Level 1	5.8	1.2	S	1.8	3.3	9.4
Higher school qualification	7.2	2.4	1.0	1.5	3.6	12.7
Vocational or trade qualification	3.7	2.1	0.5	1.0	2.0	7.5
Degree	3.9	4.4	0.7	S	1.3	9.4

S = Suppressed due to low sample size.

The incidence of temporary employment by gender and age group is summarised in table 1. The numbers indicate that female employees are more likely than male employees to be working in temporary jobs: their rate was 11% compared with 8% for men. Temporary employment is substantially more common among young employees than most other age groups, with the exception of 65 years and over. Seventeen percent of young employees (aged under 25) and 17% employees the 65 plus age group were employed in temporary jobs, compared with just 7–8% of employees in the 25-64 year age groups.

Although the incidence of temporary employment is similar for men and women in the 15-24 and 55 plus age groups, it diverges substantially in the intervening years. Female employees in the 25-54 year age range were about twice as likely to be in temporary work as prime-aged male employees (10% compared with 5%). Detailed analysis of the incidence rates by five year age group indicated that the gender gap in the likelihood of working in a temporary job was largest in the 35–39 and 40–44 year age groups, where 3-4% of male employees but 10-11% of female employees held temporary jobs.

Māori employees were more slightly likely to be working in temporary jobs than workers of other ethnic groups (11.5% compared with 9.0% of Europeans and 8.9% of Māori/European). The results for people with different levels of educational qualification indicate that the relationship between education and the incidence of temporary work is complex. The proportion in temporary jobs is relatively high among employees with no qualifications but it is also relatively high among workers with degrees. It is lower for employees at intermediate educational levels.

The incidence patterns also differ for different types of temporary work. Young adults are particularly likely to be employed in casual jobs while prime-aged employees are more likely to be in a fixed-term arrangement. Employees with post-school qualifications are also more likely to be working in a fixed-term job than those with lower levels of education. The incidence of fixed-term employment was 4.4% for employees with a degree but only 1.2% for employees with no qualifications.

The characteristics of temporary employees and their jobs are summarised in Tables 2 and 3. In 2008, slightly over half of all temporary employees were female. More than one-third was youth workers and another one-third was women aged between 25 and 54. Prime-aged men made up about 17%, and older men and women comprised the remainder, around 15%. Other analyses of the survey data showed that compared with permanent employees, temporary employees were significantly younger (by 4 years on average), more likely to be living in a minor urban area or a rural location, less likely to be married or living with a partner, less likely to have dependent children, and less likely to hold an educational qualification (Dixon, 2009). Some of these differences were relatively small.

Table 2: Personal characteristics of temporary and permanent employees

	Type of temporary work				All seasonal employees	Temporary employees	Permanent employees	All employees
	Casual	Fixed-term	Temp agency worker	Other (mainly seasonal & not further defined)				
Percentages unless indicated otherwise								
Gender								
Male	45.3	37.6	30.3	61.7	55.3	44.4	51.7	51.1
Female	54.7	62.4	69.7	38.3	44.7	55.6	48.3	48.9
Age								
Mean age	34.6	36.5	35.0	36.9	35.1	35.5	39.4	39.0
Age group (years)								
15–24	42.4	22.7	28.7	31.5	38.0	34.9	17.3	19.0
25–34	12.8	26.4	24.4	17.6	14.2	17.5	21.8	21.4
35–44	15.8	21.6	15.8	15.3	17.9	17.0	23.1	22.5
45–54	12.4	16.7	23.3	22.3	16.6	15.7	22.0	21.4
55–64	10.7	10.0	S	9.8	9.9	10.4	13.4	13.1
65+	6.0	2.6	S	S	3.5	4.5	2.4	2.6
Gender by age group (years)								
Males, 15-24	23.2	13.1	10.7	23.6	24.0	19.5	8.9	9.9
Males, 25-54	13.6	19.3	16.6	27.9	21.7	17.0	34.9	33.2
Males, 55+	8.5	5.2	S	10.3	9.5	7.9	7.9	7.9
Females, 15-24	19.2	9.7	18.0	7.9	13.9	15.4	8.4	9.1
Females, 25-54	27.3	45.3	46.8	27.3	27.0	33.1	32.0	32.1
Females, 55+	8.2	7.4	S	S	3.8	7.1	7.8	7.7
Ethnic group								
European only	72.3	77.7	52.1	69.8	71.3	71.9	75.0	74.7
Māori only	6.3	4.7	10.2	8.0	10.1	6.4	5.1	5.2
European / Māori	4.4	S	S	8.9	6.1	4.6	4.8	4.8
Pacific peoples only	2.8	3.0	12.6	5.3	5.4	3.9	3.7	3.7
Asian only	10.5	9.2	12.8	S	3.3	9.4	8.1	8.3
Other groups	3.6	3.5	S	S	S	3.9	3.3	3.4
Highest qualification								
No qualification	22.9	8.8	23.1	33.1	30.3	20.5	17.1	17.5
School Certificate/NCEA Level 1	9.5	4.2	S	11.3	9.9	8.0	7.9	8.0
Higher school qualification	20.9	14.5	20.5	16.1	19.1	19.2	13.6	14.1
Vocational or trade qualification	24.7	29.7	22.2	25.7	24.7	26.0	33.3	32.5
Degree	16.9	39.5	21.6	S	10.0	20.9	20.9	20.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Sample size	600	280	90	180	370	1,170	10,740	11,940
Estimated population size (000s)	85.1	40.3	12.0	22.3	46.5	163.6	1,575.2	1,743.2

S = Suppressed due to low sample size.

Table 3: Job Characteristics of Temporary and Permanent Employees

	Type of temporary work				All seasonal employees	Temporary employees	Permanent employees	All employees
	Casual	Fixed-term	Temp agency worker	Other (mainly seasonal & not further defined)				
Percentages unless indicated otherwise								
Usual hours worked per week (main job)								
Mean	22.0	34.2	28.5	34.9	32.7	27.4	37.6	36.6
0–19	46.6	18.1	30.3	21.0	24.3	34.3	11.4	13.5
20-39	28.2	27.2	27.7	23.5	22.8	27.1	22.1	22.6
40-49	16.5	41.7	35.4	40.0	38.2	27.8	51.7	49.4
50+	4.2	12.6	2.3	11.9	12.3	7.4	14.0	13.4
Part-time (<30 hours)	61.4	29.4	36.9	32.4	33.0	47.6	19.9	22.5
Full-time (30 hours+)	33.9	70.0	58.7	64.3	64.6	48.9	79.3	76.4
Occupation								
Legislators, administrators and managers	2.2	7.7	S	S	S	3.3	13.2	12.3
Professionals	9.7	30.1	16.7	S	5.7	14.5	18.0	17.7
Technicians and associate professionals	10.8	20.3	12.0	9.6	11.1	13.0	12.0	12.1
Clerks	10.7	17.7	26.4	S	4.9	12.5	14.2	14.0
Service and sales workers	29.1	5.5	14.4	12.1	10.8	19.9	16.7	17.1
Agriculture and fishery workers	11.3	4.5	S	22.3	27.4	10.4	3.6	4.3
Trades workers	3.7	4.2	S	S	S	3.8	9.1	8.6
Plant and machine operators and assemblers	7.4	5.9	S	34.5	26.0	11.0	8.2	8.4
Elementary occupations	14.8	4.1	14.0	12.3	11.4	11.5	4.9	5.6
Employer's business type								
Private sector	61.1	42.5	70.9	71.5	67.5	59.0	67.3	66.5
Central government	13.7	34.4	S	9.8	12.6	17.6	15.7	15.9
Local government	1.8	4.1	S	S	S	2.1	2.0	2.0
Not for profit sector	6.4	9.6	10.7	11.5	8.4	8.2	6.9	7.0
Not classified	17.0	9.4	10.1	7.2	10.3	13.1	8.0	8.5
Size of enterprise								
1-19 employees	41.0	33.5	23.4	37.8	36.1	37.4	39.0	38.9
20-99 employees	13.9	18.2	18.0	20.5	18.5	16.3	20.8	20.3
100-499 employees	13.2	14.3	31.1	8.6	9.7	14.1	15.3	15.2
500 employees or more	14.7	24.5	18.9	25.2	25.2	19.1	16.9	17.1
Not classified	17.1	9.4	8.7	7.8	10.5	13.1	8.0	8.5
Job tenure								
Mean (years)	2.3	2.5	1.2	6.4	4.1	2.9	5.9	5.6
Median (years)	0.7	0.8	0.4	3.1	1.8	0.9	3.0	3.0
Less than 6 months	46.3	42.4	51.2	21.5	36.9	41.7	13.2	15.9
6 months to less than 1 year	9.5	14.2	11.9	4.0	4.4	9.9	7.9	8.1
1 to less than 3 years	23.6	20.5	25.4	24.1	22.4	23.0	24.8	24.7
3 to less than 10 years	15.2	15.0	11.6	28.5	23.0	17.0	34.2	32.6
10 years or more	5.4	7.8	0.0	21.6	13.1	8.2	19.7	18.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Sample size	600	280	90	180	370	1,170	10,740	11,940
Estimated population size (000s)	85.1	40.3	12.0	22.3	46.5	163.6	1,575.2	1,743.2

S = Suppressed due to low sample size.

Roughly half of all temporary employees worked part-time hours compared with only 20% of permanent employees. This is one of the most striking of the differences between temporary and permanent employees in job characteristics (see Table 3). Among temporary workers, casual workers were the subgroup most likely to be employed on a part-time basis: 61% were working part-time hours. Fixed-term employees were the group most likely to be employed full-time (70% worked full-time hours).

Although temporary workers were located in all of the main occupational groups, compared with permanent employees they were more likely to be working as service and sales workers, agriculture and fishery workers, plant and machine operators and assemblers, or in elementary occupations. They were less likely to be employed in management or trades occupations. Only 3% of temporary employees were classified as managers, compared with 13% of permanent employees.

The available data on business type show that 59% of temporary employees were employed by private sector firms, which is substantially lower than the share of permanent employees (68%). Temporary employees were more likely to work for central government or non-profit organisations. A significant group of employees with fixed-term employment arrangements work for central government, particularly in the education industry.

Overall, there was little difference between temporary and permanent employees in their distribution across firms of different sizes once the higher non-classification rate of temporary employees is taken into account. However, fixed term and temporary agency employees were more likely to work in large firms while casual and seasonal employees more likely to work in small firms.

The survey asked respondents how long they had worked for their employer in their current main job. The intention of the question was to measure the duration of the employment relationship rather than the duration of the last episode of work. Most temporary workers said they had been in their jobs for less than one year (52%), but a significant percentage had worked for one to three years (23%) or for three or more years (25%). While the majority of casual, fixed-term and temporary agency workers had worked for their current employer for less than one year, seasonal workers had a noticeably different tenure pattern. A higher proportion (36%) had worked for their employer for three or more years. (The equivalent figure for permanent employees was 54%). These results suggest that a significant proportion of seasonal employees were in long-term relationships with their employer and had worked for multiple seasons.

Preferences for Temporary Employment

Do people work in temporary jobs because they prefer a temporary employment arrangement or simply because they are not able to obtain a suitable permanent job? The survey included two questions that shed some light on this question.

First, temporary employees were asked their reasons for undertaking temporary or seasonal work. The question was open-ended, and multiple responses were recorded, if given. The results are summarised in Table 4. The responses were diverse with no single reason dominating. Thirteen percent indicated that they were working in a temporary job because they were not able to find a permanent job, or said they hoped or expected their temporary

job to become permanent. Nine percent indicated that they worked in a temporary job for family reasons, for example to manage childcare responsibilities, or because of certain family obligations or family circumstances. Twenty-four percent said they worked in a temporary job because they were studying or wanted to gain work experience. Fifteen percent gave lifestyle reasons, such as only wanting to work for a short period of time, or enjoying the variety that short-term jobs offer. Nine percent cited financial reasons, such as the money being better in their temporary job. One percent referred to health limitations as a reason for working in a temporary job. These results suggest that perhaps 13% of temporary workers were in temporary jobs on an 'involuntary' basis (the first group identified above). The true percentage could be higher than 13%, however, if some of the people whose responses couldn't be classified (34%) were also working in temporary jobs primarily because they weren't successful in finding a suitable permanent job.

Table 4: Reasons for doing temporary work and preferences for permanent work

	Type of temporary work				All seasonal employees	Temporary employees
	Casual	Fixed-term	Temp agency worker	Other (mainly seasonal & not further defined)		
<i>Percentages</i>						
Reasons for doing temporary work						
Family reasons	9.7	7.7	14.5	6.7	7.6	9.2
Educational reasons	33.0	14.2	26.0	6.7	16.9	24.1
Health limitations	2.1	S	S	S	S	1.4
Lifestyle reasons	13.9	13.0	17.0	19.5	15.5	14.9
Financial reasons	6.9	5.8	S	22.4	17.6	8.5
Involuntary (only type of work available, hopes job becomes permanent)	12.0	14.8	16.4	8.3	11.7	12.6
Other reasons	27.7	41.9	29.4	46.5	38.8	34.0
Would prefer a job that is permanent/ongoing						
All temporary employees	36.5	49.1	47.2	33.5	35.6	40.1
Males	34.6	49.6	54.4	38.9	37.8	39.7
Females	38.0	48.8	44.0	25.0	32.9	40.4
15-24 years	37.0	39.9	46.6	36.7	40.7	38.4
25-54 years	44.2	55.0	48.5	35.7	35.2	47.2
55 years and over	16.4	35.5	S	S	22.7	20.5
Total	100.0	100.0	100.0	100.0	100.0	100.0
Sample size	600	280	90	180	370	1,170
Estimated population size (000s)	85.1	40.3	12.0	22.3	46.5	163.6

S = Suppressed due to low sample size.

Temporary employees were then asked if they would prefer to have a permanent job. Forty percent responded 'yes' to this question; 53% said they would prefer to continue doing temporary or seasonal work, and approximately 7% did not know or give a response. The proportion who said they would prefer a permanent job (40%) could be interpreted as an alternative measure of 'involuntary' temporary work, although this interpretation is debateable as it is unclear how the question was answered by respondents. Some may have thought about their ideal employment arrangement rather than the one they would actively seek at present, given their current circumstances.

Overall, similar proportions of men and women in temporary jobs said they would prefer to have a permanent job and almost half of all fixed-term employees and temporary agency workers said the same. The proportion who said they would prefer a permanent job was much lower among casual and seasonal employees (37% and 36% respectively). In most types of temporary work, prime-aged adults were more likely than young adults or older adults to say that they would prefer a permanent job.

A regression model was estimated to identify the personal and job characteristics that are most strongly associated with the preference to work in a permanent job, holding the effects of other characteristics constant. The results (not shown in this paper) indicate that age, full-time hours and job tenure are significant predictors of wanting a permanent job. Teenagers, those aged 60 or over, those who were working on a part-time basis, and those with longer tenure in their jobs, were significantly less likely to say they would prefer a permanent job than employees in the prime age groups, the full-time employed, and those with shorter job tenure. There were no statistically significant differences between casual, fixed term, agency and seasonal workers in the likelihood of wanting permanent work, suggesting that the type of temporary job does not have a major impact once differences in personal characteristics are held constant.⁶

In other countries, temporary workers have tended to report a lower level of job satisfaction than permanent employees (Booth, Francesconi and Mark, 2002; Wooden and Warren, 2003).⁷ In the SoWL, this was also the case, but the differences were too small to be consequential and were not statistically significant. Eighty-one percent of temporary workers and 84% of permanent workers said they were satisfied or very satisfied with their job. Six percent of temporary workers said they were dissatisfied or very dissatisfied, compared with 5% of permanents.

In summary, the results indicate that preferences for temporary work vary strongly by age. Prime-aged adults (those aged from 25–54 years) were almost equally divided between preferring temporary work and wanting a permanent job. The vast majority of the older adults (55 years and over) and more than half of the younger adults (15–24 years) who held temporary jobs said they preferred temporary work.

Pay and Employment Conditions

In this section we discuss the employment outcomes of temporary workers in terms of three job quality indicators: pay rates, training, and the requirement to work at non-standard times of the day or week.

Table 5: Employment outcomes of temporary and permanent employees

	Type of temporary work				All seasonal employees	Temporary employees	Permanent employees	All employees
	Casual	Fixed-term	Temp agency worker	Other (mainly seasonal & not further defined)				
Dollars								
Hourly earnings								
Mean (\$)	16.0	23.7	21.2	18.0	16.6	18.5	23.4	22.9
Mean - males (\$)	16.0	24.0	20.2	18.6	17.4	18.4	25.6	25.0
Mean - females (\$)	16.0	23.6	21.6	16.8	15.6	18.6	20.9	20.7
Median (\$)	13.1	19.5	15.5	17.0	15.0	15.0	19.2	19.0
Percentages								
Hourly earnings								
Below \$15 per hour	54.6	24.5	35.9	40.6	42.9	43.5	24.3	26.1
\$15~\$25 per hour	26.0	36.7	33.9	38.4	36.1	31.2	40.4	39.5
\$25 or more per hour	8.8	28.7	20.7	9.1	8.0	14.6	27.2	26.0
Earnings not specified	10.7	10.2	9.5	11.9	13.0	10.7	8.1	8.4
Participation in employer-funded education or training during the past 12 months								
All	12.5	32.3	9.8	17.0	13.7	18.0	31.9	30.5
Males	8.3	22.2	S	13.4	8.8	12.1	33.1	31.3
Females	15.9	38.4	S	22.9	19.9	22.7	31.5	30.5
Time spent on employer-funded education or training during the past 12 months								
1 day or less	3.0	12.2	S	5.7	5.7	5.5	6.6	6.5
2 to 5 days	6.4	14.9	S	7.3	5.2	8.7	15.0	14.4
6 days or more	3.1	5.2	S	S	2.9	3.8	10.3	9.7
Usual working time pattern (all jobs)								
Usually works all hours at standard times of working week	53.6	70.6	75.2	44.8	53.2	58.2	67.1	66.2
Usually works some hours at non-standard times of working week	42.7	27.3	16.9	54.0	44.7	38.6	31.5	32.2
No usual working time pattern	3.4	S	S	S	2.2	3.1	1.5	1.6
Worked at non-standard times in the last 4 weeks								
Evening work (7~11pm)	33.3	31.7	15.8	18.3	22.6	30.2	30.1	30.1
Night work (11pm~5am)	8.4	8.8	S	6.5	11.6	9.5	10.1	10.0
Early morning work (5~7am)	10.1	5.0	10.6	30.4	25.7	13.7	14.8	14.7
Weekend work	52.8	40.3	30.3	64.4	58.6	49.9	46.4	46.7
Total who worked at a non-standard time	63.4	48.9	42.6	77.7	70.2	60.3	55.5	55.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Sample size	600	280	90	180	370	1,170	10,740	11,940
Estimated population size (000s)	85.1	40.3	12.0	22.3	46.5	163.6	1,575.2	1,743.2

S = Suppressed due to low sample size.

There is a substantial pay gap between temporary and permanent employees. In the March 2008 quarter, the average hourly earnings of temporary employees were \$18.50 per hour, which was just 79% of the average hourly earnings of permanent employees (\$23.40). However, there was considerable variation in earnings across the different types of temporary work (see Table 5). Casual employees had the lowest mean hourly earnings (\$16.00 per hour). Fixed-term employees had the highest mean hourly earnings (\$23.70 per hour) and were on average paid slightly more than permanent employees.

Measures of the proportion of workers with relatively low and relatively high pay are also shown in Table 5. Forty-four percent of temporary employees earned less than \$15 per hour, compared with 24% of permanent employees. Casual workers were the lowest paid group of temporaries, with 55% earning less than \$15 per hour and only 9% earning \$25 or more per

hour. The earnings distribution of fixed-term employees was similar to that of permanent employees.

Temporary employees were much less likely than permanent employee to have received training at work. Just 18% of temporary employees, compared with 32% of permanent employees, said they had undertaken some employer-funded study or training in the last twelve months.⁸ Among those who *had* received employer-funded training, temporary employees were more likely than permanent employees to have trained for one day or less, and less likely to have trained for 6 days or more. Again, there were substantial differences across the different types of temporary employment. Fixed-term employees were most likely to have studied or trained: their participation rate was similar to that of permanent employees. The education and training rate was lowest among casual workers (13%) and temporary agency workers (10%). Women working in temporary jobs were substantially more likely to have received employer-funded study or training than men, reflecting differences in age composition, skills and job mix.

Because training was measured over the extended period of one year, any differences in job tenure and labour force participation patterns are likely to have caused differences in training rates. If casual employees were, on average, employed for fewer weeks of the previous year than other types of employee, for example, this would directly reduce their opportunities to receive employer-funded training, leading to a lower average training rate.

Turning to working time patterns, the survey results show that casual and seasonal employees were more likely than permanent employees to say that they usually did at least some of their work outside the conventional working week (defined as 7am to 7pm, Monday to Friday). This was true for 43% of casuals and 45% of seasonal workers. In addition, casual and seasonal workers were more likely than permanent workers to have worked at non-standard times, on one or more occasions, during the last month.

When specific non-standard times are considered, it appears that casual workers were more likely than permanent employees to have worked during the evening or on the weekend, and seasonal workers were more likely to have worked in the early morning or on the weekend during the last four weeks. In contrast, fixed term and temporary agency employees were *less* likely than permanent employees to have worked on the weekend, and they had similar or lower rates of evening, night and early morning work.

Overall, there are substantial differences between temporary and permanent employees in wage rates, training participation and working time patterns, but also substantial differences in pay and conditions between the different types of temporary work.

Reasons for the Differences in Pay and Training Outcomes

Although temporary employees have quite different employment outcomes than permanent employees, it is unclear whether the differences are due to the temporary nature or short-term duration of the employment relationship. Temporary workers differ from permanent workers on a variety of other characteristics that are correlated with differences in skills and earnings potential, such as age, work experience, employment continuity, education, occupational skills, and hours of work. They also differ in their distribution across different types of jobs and firms.

To estimate the wage penalty or wage premium that is associated with temporary employment, a common approach is to use a statistical model to adjust the actual wage gap between temporary and permanent employees for the effects of any differences in worker and job characteristics that might be contributing to the difference in earnings. The ‘residual’ wage gap – that remaining after the effects of differences in employee and job characteristics have been adjusted for – can then be interpreted as the difference in pay that is due to the temporary nature of the job. However, due to the fact that temporary and permanent employees are likely to differ on a number of dimensions that are not normally measured in surveys (and cannot be included in the adjustment), this approach has some significant limitations.

Recent studies of the earnings and training rates of temporary workers have used longitudinal data sources containing evidence on the changes in pay that employees experience when they move between temporary and permanent jobs. These longitudinal data sources offer greater potential for isolating the effects of temporary employment from the effects of other correlated factors than is offered by cross-sectional surveys like the SoWL. If there is a pay penalty for temporary work, for example, individuals who move from permanent to temporary jobs should on average suffer pay reductions while individuals who move from temporary to permanent jobs should, on average, experience pay increases. If some types of temporary jobs offer higher pay rates, it should also be possible to identify the size of those wage premiums from the evidence on the pay changes that occur when individuals move between jobs.

An article by Del Bono and Weber (2008) which examines the wages of seasonal employees in Austria is a good example of recent research using this analytical strategy. The seasonal workers in their sample earned 3% less than non-seasonal workers on average. After taking other factors into account through their longitudinal regression model, however, Del Bono and Weber estimated that the seasonal workers actually earned an 11% wage premium (relative to what they would have earned in non-seasonal jobs).

The scope for understanding and measuring the factors driving the pay and training gaps between temporary and permanent workers in New Zealand is limited by the nature of the currently available data, but some useful insights can still be gained.

Hourly earnings

The contribution of demographic, educational, and job characteristics to the temporary-permanent gap in average hourly earnings was explored by estimating a series of earnings regressions. The dependent variable was the log of the individual’s hourly wage rate. Initially, a regression model was estimated, which included an indicator for temporary job status (to measure the relationship between temporary employment and earnings), and measures of a range of individual characteristics, including age, ethnicity, parental status, immigrant status, geographical location, and highest educational qualification. These variables were included to adjust for any differences in personal characteristics that might lead to pay differences in the absence of temporary employment. In a second regression model, measures of job and firm characteristics were also included as control variables, including hours of work, occupation defined at one-digit level, industry defined at one-digit level, business ownership type (defined using indicator variables for public sector and non-profit organisations), and firm size. Controls for the individual’s job tenure were not included

because job duration is likely to be determined jointly with temporary job status. Full details of the regression models are given in Dixon (2009).

Table 6: Estimates of the wage gap between temporary and permanent employees

	Unadjusted difference in log wage (temp- permanent)	Model 1 - Controls for personal characteristics		Model 2 - Controls for personal and job characteristics	
		Coefficient	Std Error	Coefficient	Std Error
Males					
All temporary workers	-0.301	-0.107 ***	0.028	-0.007	0.022
Casual	-0.414	-0.159 ***	0.039	-0.023	0.029
Fixed term	-0.090	-0.022	0.057	0.012	0.050
Seasonal	-0.312	-0.058	0.037	0.032	0.033
Females					
All temporary workers	-0.130	-0.072 ***	0.018	-0.022	0.017
Casual	-0.254	-0.143 ***	0.022	-0.065 ***	0.022
Fixed term	0.114	0.034	0.035	0.040	0.031
Temporary agency	-0.043	0.021	0.067	-0.018	0.067
Seasonal	-0.239	-0.096 ***	0.030	-0.029	0.032

* Significant at the 90 percent confidence level. **Significant at the 95 percent confidence level.

***Significant at the 99 percent confidence level.

Table 6 shows the main estimates obtained.⁹ The first column of the table shows the unadjusted or 'raw' log wage gap between all temporary employees, or a particular subgroup of temporary workers, and permanent employees. The numbers are negative because working in a temporary job is associated with lower wages. The second column gives the estimated log wage difference that is associated with temporary work once the effects of differences in individual characteristics have been taken into account. Controlling for personal characteristics dramatically reduces the size of the temporary-permanent gap in log hourly earnings. For instance, there is a 64% reduction in the wage gap estimated for all male temporary workers (which declines from 30% to approximately 11%), and a 44% reduction in the wage gap estimated for all female temporaries (which declines from 13% to 7%). Temporary employees are younger and less qualified than permanent employees on average, and controlling for these and other differences in personal characteristics reduces the wage 'penalty' that is associated with the temporary work indicators in the regression estimates.

The results in the third column of Table 6 show that controlling for job characteristics as well as personal characteristics further reduces the estimated wage penalty associated with temporary work. For all temporary and most subgroups of temporary employees, there is no longer a statistically significant difference between the average wages of temporary and permanent employees. Female casual workers are the exception to this pattern: they are estimated to earn approximately 6.5% less than females in permanent jobs after taking the effects of individual and job characteristics into account.

This analysis indicates that the temporary-permanent gap in average hourly wages can be largely attributed to differences in measured demographic, educational, and job characteristics. The main exception is that we continue to find that a small wage penalty is associated with casual work for women. However, our analysis has not been able to take account of a number of other factors that prior research findings suggest may influence the

casual/non-casual wage differential, such as differences in previous work experience and unmeasured differences in aspirations and skills.

Overall, the results indicate that most temporary workers earn roughly the same amount per hour as ‘similar’ permanent workers (those statistically matched on the basis of their personal and job characteristics). This suggests that temporary workers in New Zealand are not widely employed at lower rates of pay than permanent employees purely on the basis of their type of employment relationship.¹⁰

One other interesting question is the importance of each of the different factors in accounting for the pay gap. Table 7 presents estimates using the standard Blinder-Oaxaca decomposition method and evaluates the contribution of each characteristic using the returns to that characteristic for permanent employees. The first row reports the unadjusted average wage gap (30 log points for males and 13 for females). Age is the most important demographic factor, with the younger ages of temporary employees accounting for about one-third of the male wage gap and one-quarter of the female wage gap. Differences in education and in other personal characteristics each make a fairly small contribution. About 10% of the wage gap, for both men and women, is due to the fact that temporary workers are far more likely to be working in part-time jobs. Differences in occupational distribution account for about one-third of the pay differential for both men and women. Differences in industry and firm size each play a smaller role while private/public sector of employment makes a small negative contribution (reflecting the fact that temporary employees are slightly more likely to work in the public sector).

Table 7: The importance of different characteristics in accounting for the permanent-temporary wage gap

	Males		Females	
	Log points	%	Log points	%
Unadjusted log wage difference	0.301		0.130	
Total difference accounted for by characteristics	0.301	100.0	0.111	85.3
Contribution of specific characteristics:				
Age	0.097	32.3	0.031	27.6
Qualifications	0.013	4.4	-0.003	-2.6
Other demographic factors	0.020	6.8	0.010	9.0
Part-time	0.034	11.2	0.015	13.6
Occupation	0.105	34.7	0.049	44.2
Industry	0.029	9.6	0.017	15.4
Sector	-0.009	-3.0	-0.015	-13.5
Firm size	0.012	3.9	0.007	6.3

Training

To estimate the effect of working in a temporary job on the probability of receiving employer-funded training, the probability of having received training in the last year was modelled using logistic regressions. The dependent variable in these regressions is an indicator variable that is set to ‘1’ if the individual received employer-funded training during the last 12 months and to ‘0’ otherwise. Initially, we modelled the training participation probability of men and women as a function of their measured personal characteristics (age, ethnicity, parental status, immigrant status and years in New Zealand, geographical location and highest educational qualification) and temporary job status. In a second regression, the

following job characteristics were added to the explanatory variables: hours of work, occupation defined at one-digit level, industry defined at one-digit level, size of employer, and the employer's business type (private sector, public sector or non-profit sector). We did not control for variations in job tenure because this is likely to be determined jointly with temporary job status. In addition, we were unable to control for any differences across individuals in the number of weeks worked during the previous year. Variations in weeks worked can be expected to have a direct impact on our measure of training rates because people who worked for fewer weeks would have had less time in which to receive training, all else being equal.

Table 8: Estimates of the gap in training probabilities between temporary and permanent employees

	Unadjusted difference in training rates (temporary- permanent)	Model 1 - Controls for personal characteristics	Model 2 - Controls for personal and job characteristics
		Marginal effect	
Males			
All temporary workers	-0.210	-0.176 ***	-0.147 ***
Casual	-0.247	-0.208 ***	-0.172 ***
Fixed term	-0.110	-0.102 **	-0.101 **
Seasonal	-0.243	-0.200 ***	-0.176 ***
Females			
All temporary workers	-0.089	-0.082 ***	-0.056 **
Casual	-0.158	-0.134 ***	-0.086 **
Fixed term	0.068	0.013	-0.014
Temporary agency	-0.222	-0.201 ***	-0.188 ***
Seasonal	-0.116	-0.090 **	-0.031

* Significant at the 90 percent confidence level. **Significant at the 95 percent confidence level. ***Significant at the 99 percent confidence level.

Table 8 presents the key results obtained. The first column of the table shows the unadjusted or raw percentage point gap in training rates between all temporary employees (or a particular subgroup of temporary employees) and permanent employees. The second column shows our estimates of the marginal effect of temporary employment on the probability of having received training, after controlling for differences in the distribution of personal characteristics. The third column shows our estimates of the marginal effect of temporary employment on training rates after both personal and job characteristics are included in the regression model. These 'marginal effect' estimates represent the difference between the predicted training participation rates of temporary and permanent employees, calculated while holding the effects of other variables constant.¹¹

Most of the marginal effects shown in Table 8 are negative and statistically significant. The results in the third column indicate that the predicted training probabilities of all male temporary employees and each sub-group (casual, fixed term and seasonal) remain substantially lower than those of permanent employees after adjustments for both personal and job characteristics have been made. For example, the training probability for all

temporary males is estimated to be approximately 15 percentage points lower than that for males in permanent employment. The unadjusted difference was 21 percentage points, indicating that about one quarter of the gap in training can be explained by differences in personal and job characteristics. The predicted training probabilities for males in casual, fixed-term, and seasonal jobs are also significantly lower than that of males in permanent jobs even after the adjustments.

Women in temporary jobs face a smaller gap in training rates both before and after adjustments are made for differences in the distribution of characteristics. In the results from the final model with controls for both personal and job characteristics (shown in the third column of Table 8), the estimated training probability for all females in temporary work is 5.6 percentage points lower than that for 'similar' females in similar but permanent jobs. (The unadjusted difference was 9 percentage points, indicating that about one-third of the gap can be explained). Women in casual and temporary agency jobs continue to have significantly lower training probabilities than women in permanent jobs, but there is no significant difference for women in fixed-term positions.

As noted previously, temporary and permanent employees are likely to differ in the number of weeks that they worked during the year, and this variable (which was not measured in the survey) can be expected to directly influence training rates due to the fact that the reference period for measuring training participation was the previous year.

Summarising these results, the temporary-permanent gap in training rates appears to be partly due to differences in the personal characteristics of temporary and permanent employees. On average, temporary employees have lower educational attainment than permanent employees and are more likely to be aged under-25 years, and both these factors are correlated with a lower likelihood of receiving employer-funded training. Differences in job characteristics, including shorter hours, industry and occupation also make a contribution to the temporary-permanent training gap. These factors do not fully account for the lower training rates of temporary employees, however. It is likely that some of the remaining gap is due to the fact that temporary employees typically worked for fewer weeks in the previous year than permanent employees.

The finding that there is a significant association between temporary employment and a lower probability of having undertaken training is consistent with the hypothesis that employers offer less training to temporary workers. An alternative explanation is that there are unmeasured differences between temporary and permanent employees along other relevant dimensions, such as weeks worked during the year or the motivation to undertake training, that are contributing to the gap in participation rates. With only one observation for each respondent, we are unable to assess the importance of those unmeasured factors or make any statistical adjustments for their effects.

Conclusion

According to the Survey of Working Life, 9.4% of employees in the March 2008 quarter were working in a temporary job. By analysing the survey data on reasons and preferences, we found that most of the older adults and more than half of the young adults who were employed on a temporary basis indicated that they preferred temporary work. However, prime-aged adults (those aged 25-54) were roughly equally divided between preferring

temporary work and wanting a permanent job. We also found that there are substantial differences between temporary and permanent employees in wage rates, training participation rates and working time patterns, but also substantial differences in pay and conditions between the different types of temporary work (fixed-term, temporary agency, casual and seasonal).

Our analysis of the permanent/temporary pay gap indicated that the lower average hourly earnings of temporary employees can be largely attributed to differences in demographic characteristics and occupations and industries of employment. Temporary workers earn essentially the same amount per hour as permanent employees with matching demographic and job characteristics. Demographic characteristics, occupation and industry of employment also account for some of the gap in training between temporary and permanent employees, but a significant training rate gap remains unexplained.

Notes

¹ Access to the data used in this report was provided by Statistics New Zealand under conditions designed to give effect to the security and confidentiality provisions of the Statistics Act 1975. The results presented in this study are the work of the author, not Statistics New Zealand.

² People who gave more than one 'yes' response to the sequence of questions on the nature of their temporary job were classified to one job type using a prioritisation scheme (see Dixon, 2009).

³ WEB Research and Department of Labour (2004) identified this problem when interviewing informants in case studies of employment in cleaning, labour hire, fish processing and call centres.

⁴ People who had two or more jobs were classified according to their main job.

⁵ It is possible that the proportion of employees who work in temporary jobs is slightly higher in the March quarter than at other times of the year, because of seasonal jobs that exist only in the summer months.

⁶ Full details are given in Dixon (2009).

⁷ Wooden and Warren (2003) report that casual employees in Australia are less satisfied with their jobs than permanent employees, but fixed-term employees are more satisfied.

⁸ The training question was worded as follows: 'In the last 12 months, have you undertaken any training courses or study that was paid for by your employer'? Employees who said 'yes' were also asked how long they had spent on the study or training.

⁹ We do not give estimates for males in temporary agency employment because of small sample sizes.

¹⁰ The finding that temporary employment is not generally associated with a wage rate penalty relates only to *hourly* compensation. Because temporary employees work fewer hours per week than permanent employees, on average, their weekly and annual earnings are lower.

¹¹ Because the logit model is non-linear the marginal effect of each independent variable is not constant, as in a linear regression model. Rather, it varies according to the values of all the other independent variables that are included in the model. In this paper we adopt the conventional approach to reporting the marginal effects of each independent variable by evaluating the probabilities at the sample averages for all other independent variables.

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Adjudicator Decisions: Investigating the Role of Ideology in Grievance Case Outcomes

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Abstract

This study examines the relationship between adjudicator ideology and the determination of grievance cases. Sixty-six senior undergraduate and postgraduate students are asked to read four grievance cases and make a determination of each. They then indicate their ideological views and answer items for classification. Correlation analyses suggest that holistic unitarist views are associated with lower and pluralist views associated with higher, compensation awards over a range of cases, respectively. A number of associations are found between views on various components of ideology and different case outcomes. Of those components, views relating to the value of unions in general, their role in handling the interests of workers and the efficacy of collective bargaining, in particular, feature most prominently in the results.

Key Words:

Ideology, Adjudication, Grievance, Employment Relations, Unions

Introduction

The adjudication of employment grievance cases is a common alternative dispute resolution (ADR) mechanism employed both in New Zealand and elsewhere. The process and composition vary depending on jurisdiction, ranging from relatively informal “inquisitorial” approaches to more legalistic “adversarial” methods, and from individual adjudicators to multiple member panels making decisions. The fundamental philosophy remains the same. Adjudicators hear arguments from all parties to a grievance, establish facts and make a decision based on the substantive merits of the case (Spiller, 2007). Personal grievances are the most common type of employment rights dispute in New Zealand and may involve allegations that the employee has been unjustifiably dismissed or disadvantaged, or unlawfully discriminated against or harassed in their employment.

While the merits of each case are context-specific and determined with respect to applicable legislative directives and contractual obligations, differences between the decisions of individual adjudicators in like cases and jurisdictions are sometimes apparent. A significant base of literature has developed in an attempt to explain these differences. The results are mixed and far from conclusive.

The role of this study is to contribute to the existing literature and investigate more closely any links between grievance adjudication case outcomes and the ideological beliefs, attitudes and values held by adjudicators about the nature of workplace relationships. The term “case outcomes” will be used to denote both the primary decision to find justification for employer actions (win/loss result), and the range of remedies awarded to grievants (if successful in their grievance claim).

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The Literature

Ideology

Ideology, as a central focus in the employment relations literature, has a history spanning half a century (Geare, Edgar and McAndrew, 2009). Early writings by the likes of Dunlop (1958), who argued ideology to be a binding entity that holds together the entire employment relations system, and Fox (1966) who is credited with the notion that “ideology determines judgment, which in turn determines behavior” (p. 390), stimulated scholarly interest in the concept and helped cement the central place that ideology holds in the paradigm to this day.

For the purpose of this study, ideology is defined as:

A connected set of beliefs, attitudes and values held by an identifiable social group which refer to a specific aspect of social reality, which comprise normative, empirical and prescriptive elements and which may be at a general or particular level of abstraction (Geare, 1994: 125).

As the definition suggests, an ideology of the employment relationship may relate to views about a normative, perceived *ideal* situation, an empirical view of the *current* situation, or prescriptive beliefs about “what *should be done* to achieve the ideal situation” (Geare, 1994:124). Further, an ideology may also be held with respect to general views about society as a whole, or more particularly at an organisational level of abstraction. Previous research suggests that the same individual may hold different ideologies depending on the level of abstraction and in relation to different elements (Nichols and Armstrong, 1976; Parkin, 1971). The present study is focused on adjudicators’ general empirical ideological persuasions.

The fundamental beliefs, attitudes and values associated with employment relations ideologies are traditionally viewed in terms of a dichotomy between the unitary and pluralist ideologies first proposed by Fox (1966). Key tenets of the unitarist ideology are the acceptance of managerial authority and prerogative, a conviction that loyalty should be bestowed solely upon management and the organisation, and a rejection of the legitimacy of conflict within the organisation (Fox, 1966; Geare, 1986). Those who adhere to the pluralist ideology accept that there are different sectional groups within an organisation, representing alternative sources of leadership and loyalty, that those groups have some common and some competing interests, and that there exists potential for legitimate, even healthy conflict between those groups (Fox, 1966).

Contemporary research has largely explored workplace ideology in terms of this unitarist/pluralist dichotomy at a holistic level. In this frame, recent studies have examined the role that ideology plays in certain management practices (Geare, Edgar and McAndrew, 2006) and strategy (Dundon, Harney and Cullinane, 2010; Ross and Bamber, 2009), the propensity of workers to join collectives (Geare et al., 2009), and the formation of workplace partnership initiatives (McAndrew, Edgar, Geare and Ballard, 2010). While constructing a holistic view of ideology, this research has also recognised its component parts. The components of ideology recognised by the present study as combining to constitute holistic ideological views are adopted from the ‘Geare Ideology Matrix’ (Geare, 1986), and relate to adjudicators views on: power, managerial prerogatives, workers’ source of authority, focus and loyalty, unions, collective bargaining, teams, organisational conflict, group versus organisational identification, objectives, and interests.

Grievance Adjudication Decision Making

A wealth of literature has been dedicated to the understanding of factors associated with grievance adjudication decision making. Studies include attempts at empirically modeling the decision making process (Nelson and Kim, 2008), and examinations of the role that external factors such as the characteristics of the parties and their representatives play (Elkouri and Elkouri, 2003; Harcourt, 2000; McAndrew, 2002).

Researchers have also focused on the individual characteristics of adjudicators and examined potential differences in determination propensities as a result of different educational backgrounds (Harcourt, 2000; McCammon and Cotton, 1990), ages (Thornton and Zirkel, 1990), past or current union experience (Gurdon, McAndrew and Risak, 2009; Patterson and McAndrew, 2010), and gender (Bemmels, 1988). Of particular interest to the present research, however, are a collection of studies that have inquired more specifically into the values and beliefs of adjudicators.

Provoking interest in the area and, indeed generating vigorous denial on behalf of adjudication practitioners (Seitz, 1968), an early study by Gross (1967) argued that adjudicators' values around "ethics, man, law, private property, economics, and so forth" (p. 55) subtly colour the decisions that they make. In a somewhat similar vein, Giacalone, Reiner and Goodwin (1992) explored the notion that adjudicators' personal philosophies influence their determination of grievance cases. By examining the differences in decisions between adjudicators who hold authoritarian and liberal personal philosophies, they found that authoritarian adjudicators were more likely to award outcomes favourable to employers.

Biernat and Malin (2008) found that politically conservative adjudicators tended to award less favourable outcomes for workers with child-care responsibilities, and that politically liberal adjudicators had a propensity to favour female grievants over males. Cain and Stahl (1983) modelled three adjudicators' articulated views on management rights, equity, and stability within the workplace, and found that each of the three adjudicators was internally consistent in their determinations, and thereby, predictable according to their views.

Further research has examined the determinations of adjudicators in substance abuse cases in an attempt to highlight the interplay of adjudicator values and key case facts on decision outcomes. Crow and Logan (1994) found that adjudicators tended to award less favourable outcomes to illegal substance abusers over legal (alcohol) abusers. The authors concluded that such tendencies reflect value judgments and are, thus, suggestive of an influence on case outcomes stemming from adjudicator beliefs, attitudes and values.

Hypothesis

Drawing on this earlier research, the present study set out to examine in a New Zealand context the relationship between adjudicators' ideological beliefs about the employment relationship and their determination of grievance cases. It was hypothesised that:

Adjudicators who hold a pluralist ideological predisposition are more likely to determine cases involving employee dishonesty, disloyalty, discrimination for union involvement, and redundancy, more sympathetically towards the grievant than adjudicators who hold unitarist ideological views.

Method

A quantitative experimental research design was employed to test this hypothesis. Using both electronic and paper questionnaires, 66 participants read four short grievance scenarios and made a determination on each, as if they were the adjudicator acting in the case. The research sample comprised senior undergraduate and postgraduate students from five New Zealand Universities: Otago, Canterbury, Victoria University of Wellington, Waikato, and Auckland University. To participate in the research students must have completed, or be enrolled at the third year level of study or above in a tertiary education paper in employment relations or employment law.

Previous research has explored the appropriateness of student participants in studies on adjudicator decision-making (Bingham and Mesch, 2000; Fleming, 1967; Oswald, 1991). Some authors warn against student participation (Oswald, 1991), whereas others welcome their participation and report no significant differences between the decisions of student and practicing adjudicator groups (Bingham and Mesch, 2000;

Fleming, 1967). A condition of employing students as adjudication research participants is that students should have a reasonable level of training and knowledge in adjudication decision making. The educational level of the student participants in the present study is appropriate and consistent with the approach of similar studies (Bingham and Mesch, 2000; Bogumil and Franklin, 1985; Fleming, 1967).

Depending on the particular circumstances of each case, participants were asked to determine if the actions of the employer were unjustified, and if so, whether reinstatement of the employee to the lost position was appropriate, the amount of compensation for hurt feelings and loss of dignity that would be awarded, whether disciplinary warnings would be removed, and the percentage of contributory conduct to be applied to the award. It is a requirement in New Zealand employment law that remedies be reduced proportionately when an employee is found to have been unfairly dismissed or disadvantaged but to have contributed to the situation in a blameworthy way.

Grievance Case Scenarios

The first case involved a claim of unjustified dismissal for serious misconduct where the grievant had been instantly dismissed for misappropriating money from bank customers to an off-shore account. The second involved a claim of discrimination on the grounds of union involvement where the grievant was an active union member and had not been offered a job promotion despite appearing to be the best candidate. The third case involved a claim of unjustified disadvantage where the grievant had received two disciplinary warnings for refusing the employer's direction to undertake requested cleaning duties. The final case involved a claim of unjustified dismissal on the grounds of redundancy, where an employer dismissed 10 workers in the name of "business expansion".

To determine their ideological predispositions, participants were asked to indicate the degree to which they agreed or disagreed with 20 statements about the employment relationship. The statements were randomly ordered and covered 10 different components of ideology. Each component was represented by one statement that expressed a unitarist view and one that expressed a pluralist view. Participants indicated the strength of their views on a five-point Likert scale. The responses to each statement were then re-coded to indicate a unitarist or pluralist tendency and the strength of that tendency. For instance, a response that strongly agreed with a unitarist statement was re-coded as 2 whereas a response that strongly agreed with a pluralist statement was re-coded as -2. Similarly, a response that agreed with a unitarist statement was re-coded as a 1, a response that agreed with a pluralist statement was re-coded as -1, and a response that indicated no preference was re-coded as 0.

Overall, holistic ideology scores were determined by calculating the sum of the re-coded responses. A score of 40 would indicate a pure unitarist ideological predisposition whereas a score of -40 would indicate a pure pluralist ideological predisposition. A score of 0 would indicate a purely neutral standpoint. Ideological component scores were determined by calculating responses to the pair of statements relating to each component. Table 1 presents the ideological components and related statements.

Several approaches to measuring ideology have been undertaken in previous research (see Godard, 1997; Goll, 1991; Osterman, 1994). This study applies a version of an ideological measure developed by Geare (1986) and later adapted by Geare et al. (2006, 2009) and McAndrew et al. (2010). The original (1986) measure comprised sets of 24 statements relating to normative, empirical and prescriptive ideological views at the general and particular levels of abstraction. Subsequent studies applied shortened versions of 14 (Geare et al., 2006, 2009) and 10 (McAndrew et al., 2010) statements, respectively.

Participants in the present study were given the 14 statements relating to their *general empirical* ideological views as used in Geare et al. (2006, 2009), and a further six questions relating to the three ideological components "power", "managerial prerogatives", and sources of "authority, focus, and loyalty". The three additional components were deemed to be particularly relevant to the four types of grievance cases examined in the study. The measure is noted to have been "previously tested to ensure it has sound

psychometric properties and was found to be a reliable and valid measure of employment ideology” (Geare et al., 2006: 1195). The Cronbach alpha coefficient of 0.751 calculated in the present study indicated that the measure was indeed a reliable indicator of employment ideology.

Sixty-six questionnaires were returned from approximately 250, representing a response rate of 26%. Descriptive statistics indicated that no pure ideologues were identified and the ideology scores were well distributed. This is consistent with previous research. Seventy-five percent of participants were pluralist and 25% unitarist. The age of participants ranged from 18-54 and had a mean of 25. Sixty-seven percent of participants were female and 33% male. Participants’ demographic details were found to be unrelated to their holistic ideological views. All statistical tests were conducted using the statistical package SPSS 15.0.

Table 1: Statements relating to ideology and associated components

Component	Statement¹
Power	<i>Power in organisations is:</i> accepted as legitimately resting with management (U); a goal to which all managers, workers, and their organisations aspire (P)
Managerial prerogatives	<i>So-called “managerial prerogatives” (over hiring, dismissals, discipline, workloads etc) are:</i> legitimate rights of management (U); the objectives, not rights of management – as unions also have control in those areas (P)
Authority, focus, loyalty &	<i>Workers’ source of authority, focus and loyalty rest:</i> solely in management (U); in balance between management and their union (P)
Unions	<i>Unions in general are:</i> a liability as they introduce distrust into the work environment (U); an asset as they protect the interests of workers (P)
Collective bargaining	<i>Collective bargaining:</i> does not win anything for workers they would not have got from management anyway (U); is probably the best means of settling differences between employees and employers (P)
Teams	<i>In the average organisation management and workers:</i> work together as a team (U); sometimes work as a team, sometimes are in conflict (P)
Organisational conflict	<i>The major causes of conflict in the workplace (eg. strikes, etc) are:</i> basically poor communication or trouble-makers (U); the fact that different groups have different objectives – which sometimes clash (P)
Group vs. organisation identification	<i>Workers in general see themselves as being:</i> an integral part of the organisation in which they work (U); members of a group within the organisation in which they work (P)
Objectives	<i>The principal objectives and interests of management and workers are:</i> more or less similar (U); similar in some areas, but are very different in others (P)
Interests	<i>Workers’ interests in general are:</i> looked after adequately by management (U); best looked after by their union/lawyer (P)

¹ Agreement with a statement marked “(U)” indicates a unitarist response, whereas agreement with a statement marked “(P)” indicates a pluralist response.

Results

Case Scenario Outcomes

Preliminary statistics were run on data from the questionnaires to determine if there was any variance in the determination propensities of individual participants. In terms of the finding of justification for employer actions – the primary outcome of grievance cases – almost all participants (98% and 96% respectively)

determined the employer actions to be unjustified in the first two cases. In the final two cases, however, there was a marked disparity in the outcomes with 36% (case three) and 46% (case four) finding in favour of the grievant. With respect to the remedies, in instances where the employers' actions were found to be unjustified, there was a wide range of remedies awarded to grievants in each of the four cases, and overall when combining an adjudicator's awards across all four cases. The combined cases measure was included to give an indication of adjudicators' decision making, generally, over a range of cases and follows in the approach of other studies (Cain and Stahl, 1983).

Adjudicator Ideology and Grievance Adjudication Determinations: Correlations

Because all participants responded to identical case scenarios, the variance in their determinations suggested differences between participants in the ways they viewed the cases. While the preliminary statistics did not explain what individual differences are associated with this variance, it justified further statistical examination. To test whether any relationship existed between the ideological predispositions of adjudicators and their determination propensities, Pearson product-moment correlation coefficient tests were conducted.

The first round of correlations tested for any relationships between participants' holistic ideological predispositions and the outcomes of each case, and the combined outcomes for all four cases. With the exception of the primary outcomes (employer actions justified/unjustified) in the first two cases, 18 correlations were run. Of these correlations, no statistically significant relationships were found between adjudicator ideology and the individual case outcomes. Two statistically significant results were revealed, however, upon examination of the relationship between ideology and the combined case outcomes. As illustrated by Table 2, the Pearson product-moment correlation coefficient found statistically significant negative relationships to exist between ideology and total compensation awards both before and following the reduction of remedies ($r = -0.305$, $p = 0.018$, & $r = -0.282$, $p = 0.029$, respectively). The result suggests that stronger unitarist views are associated with lower overall compensation awards.

Table 2: Correlations: Combined Case Scenario Outcomes by Ideology

		Ideology
Total compensation (pre-ROR¹)	<i>r</i> -value	-0.305
	<i>p</i> -value	0.018*
	N	60
Total compensation (post-ROR¹)	<i>r</i> -value	-0.282
	<i>p</i> -value	0.029*
	N	60

* Correlation is significant at the 0.05 level (2-tailed)

¹ ROR denotes "reduction of remedies"

As an exploratory exercise, the second round of correlations examined the relationship between participants' views on particular components of ideology and the individual case outcomes. In the absence of any relationships between holistic ideological views and specific case outcomes, these additional analyses enable the research to isolate views on particular aspects of the employment relationship and further inquire into whether any significant associations exist. Of the 180 correlations run, 18 statistically significant findings were revealed. With a single exception (and indeed with a very small sample size, $N = 20$), all of the significant findings were in the expected direction. Unitarist leaning participants were more likely than pluralists to make awards more favourable to employers; pluralists were more likely than unitarists to award outcomes more favourable to grievants.

Of the significant results, the most notable relate to participants' findings of justification for employer actions. Correlation analyses of the outcomes of case three – which involved an allegation of unjustified disadvantage for disciplinary action taken as a result of insubordination – revealed a positive linear

association between unitarist responses to the “integral-group” ideological component and the decision as to whether the employer’s actions were justified ($r = 0.265$, $p = 0.035$). A similar result was found between views on the “unions” component and the primary outcome of the final case – involving an allegation of unjustified dismissal for redundancy ($r = 0.259$, $p = 0.041$). In both cases participants who leaned towards the unitarist end of each component were more likely to determine the case wholly in favour of the employer.

The remaining significant results were found between views on particular components of ideology and the range of remedies awarded to successful grievants. As Tables 3 through 7 illustrate, participants who leaned towards pluralist views of the “managerial prerogatives”, “collective bargaining”, and “conflict” components in the dishonesty case were inclined to determine a number of remedies more sympathetically towards the grievant. Similarly, in the discrimination and insubordination cases, stronger pluralist views of the “interests”, “collective bargaining”, and “power” components were primarily associated with greater compensation awards to successful grievants. Lastly, those participants who held pluralist views of the “unions”, “interests”, and “collective bargaining” components were significantly more likely to award higher overall amounts of compensation to successful grievants, over the four cases.

Table 3: Correlations: Case One (dismissal – dishonesty) Outcomes by Ideological Component

		Managerial prerogatives	Power	Authority, focus & loyalty	Team	Unions	Interests	Collective bargaining	Objectives	Conflict	Integral-group
Reinstatement ordered	<i>r</i> -value	-0.121	-0.080	0.113	0.113	0.073	0.157	0.203	0.089	0.249	0.020
	<i>p</i> -value	0.353	0.538	0.382	0.382	0.570	0.223	0.117	0.494	0.050*	0.877
	N	61	62	62	62	62	62	61	62	62	62
Compensation award	<i>r</i> -value	-0.173	0.009	-0.182	0.058	-0.175	-0.105	-0.228	0.054	-0.183	0.013
	<i>p</i> -value	0.182	0.943	0.156	0.656	0.175	0.415	0.077	0.675	0.155	0.923
	N	61	62	62	62	62	62	61	62	62	62
Contributory conduct percentage	<i>r</i> -value	0.272	0.029	0.097	0.001	0.183	-0.068	0.208	-0.004	0.059	-0.092
	<i>p</i> -value	0.034*	0.825	0.452	0.996	0.154	0.600	0.107	0.978	0.650	0.477
	N	61	62	62	62	62	62	61	62	62	62
Adjusted compensation award	<i>r</i> -value	-0.206	-0.036	-0.247	0.002	-0.210	-0.095	-0.264	-0.012	-0.186	0.059
	<i>p</i> -value	0.110	0.783	0.053	0.989	0.101	0.464	0.040*	0.927	0.147	0.650
	N	61	62	62	62	62	62	61	62	62	62

* Correlation is significant at 0.05 level (2-tailed)

Table 4: Correlations: Case Two (disadvantage – union membership) Outcomes by Ideological Component

		Managerial prerogatives	Power	Authority, focus & loyalty	Team	Unions	Interests	Collective bargaining	Objectives	Conflict	Integral-group
Compensation award	<i>r</i> -value	0.075	-0.010	-0.022	-0.023	-0.023	-0.414	-0.252	-0.123	-0.179	0.067
	<i>p</i> -value	0.571	0.937	0.864	0.862	0.860	0.001**	0.052*	0.346	0.168	0.608
	N	60	61	61	61	61	61	60	61	61	61
Contributory conduct percentage	<i>r</i> -value	-0.196	-0.051	-0.141	0.012	-0.001	0.054	0.125	0.082	-0.062	-0.190
	<i>p</i> -value	0.134	0.695	0.277	0.926	0.995	0.681	0.340	0.529	0.637	0.143
	N	60	61	61	61	61	61	60	61	61	61
Adjusted compensation award	<i>r</i> -value	0.080	-0.010	-0.022	-0.018	-0.022	-0.413	-0.258	-0.120	-0.183	0.070
	<i>p</i> -value	0.542	0.936	0.864	0.889	0.865	0.001**	0.046*	0.357	0.159	0.593
	N	60	61	61	61	61	61	60	61	61	61

* Correlation is significant at the 0.05 level (2-tailed)

**** Correlation is significant at the 0.01 level (2-tailed)**

Table 5: Correlations: Case Three (disadvantage – insubordination) Outcomes by Ideological Component

		Managerial prerogatives	Power	Authority, focus, & loyalty	Team	Unions	Interests	Collective bargaining	Objectives	Conflict	Integral-group
Disadvantage found unjustified	<i>r</i> -value	-0.083	0.062	-0.099	-0.163	-0.026	0.088	-0.083	-0.106	0.001	0.265
	<i>p</i> -value	0.515	0.628	0.439	0.197	0.837	0.491	0.520	0.403	0.993	0.035*
	N	63	64	64	64	64	64	63	64	64	64
Warning(s) ordered removed	<i>r</i> -value	0.044	-0.247	0.103	0.047	-0.181	0.129	-0.020	0.296	0.065	-0.302
	<i>p</i> -value	0.850	0.281	0.657	0.840	0.431	0.578	0.930	0.193	0.780	0.183
	N	21	21	21	21	21	21	21	21	21	21
Compensation award	<i>r</i> -value	-0.431	-0.445	-0.224	0.104	-0.127	-0.020	0.280	0.157	0.038	0.064
	<i>p</i> -value	0.058	0.049*	0.342	0.663	0.593	0.933	0.231	0.509	0.875	0.790
	N	20	20	20	20	20	20	20	20	20	20
Contributory conduct percentage	<i>r</i> -value	0.087	0.052	-0.061	-0.337	-0.189	0.202	-0.315	-0.141	-0.228	-0.466
	<i>p</i> -value	0.715	0.828	0.798	0.146	0.424	0.392	0.175	0.552	0.335	0.038*
	N	20	20	20	20	20	20	20	20	20	20
Adjusted compensation award	<i>r</i> -value	-0.340	-0.522	-0.155	0.108	0.021	-0.100	0.303	0.043	0.187	0.306
	<i>p</i> -value	0.143	0.018*	0.513	0.651	0.929	0.673	0.193	0.856	0.431	0.190
	N	20	20	20	20	20	20	20	20	20	20

*** Correlation is significant at the 0.05 level (2-tailed)**

Table 6: Correlations: Case Four (dismissal – redundancy) Outcomes by Ideological Component

		Managerial prerogatives	Power	Authority, focus, & loyalty	Team	Unions	Interests	Collective bargaining	Objectives	Conflict	Integral-group
Dismissal found unjustified	<i>r</i> -value	0.216	-0.051	-0.038	0.066	0.259	0.225	0.027	0.091	0.027	-0.087
	<i>p</i> -value	0.092	0.694	0.768	0.607	0.041*	0.076	0.833	0.476	0.832	0.496
	N	62	63	63	63	63	63	62	63	63	63
Reinstatement ordered	<i>r</i> -value	0.035	0.151	0.236	-0.093	0.290	0.110	-0.131	0.081	0.057	0.275
	<i>p</i> -value	0.857	0.427	0.208	0.625	0.121	0.561	0.497	0.670	0.764	0.141
	N	29	30	30	30	30	30	29	30	30	30
Compensation award	<i>r</i> -value	0.216	-0.005	0.160	0.101	-0.102	-0.121	0.067	0.277	0.083	-0.329
	<i>p</i> -value	0.251	0.980	0.390	0.590	0.586	0.515	0.727	0.131	0.656	0.070
	N	30	31	31	31	31	31	30	31	31	31

*** Correlation is significant at the 0.05 level (2-tailed)**

Table 7: Correlations: Combined Case Scenario Outcomes by Ideological Component

		Managerial prerogatives	Power	Authority, focus, & loyalty	Team	Unions	Interests	Collective bargaining	Objectives	Conflict	Integral-group
Extent found unjustified	<i>r</i> -value	-0.076	-0.079	0.123	0.023	-0.189	-0.161	0.070	-0.082	0.058	-0.069
	<i>p</i> -value	0.553	0.536	0.332	0.856	0.135	0.204	0.585	0.520	0.651	0.586
	N	63	64	64	64	64	64	63	64	64	64
Total compensation (pre-ROR)	<i>r</i> -value	-0.150	-0.052	-0.053	-0.022	-0.247	-0.383	-0.271	-0.060	-0.230	-0.040
	<i>p</i> -value	0.242	0.683	0.679	0.864	0.049*	0.002**	0.032*	0.638	0.067	0.753
	N	63	64	64	64	64	64	63	64	64	64
Total compensation (post-ROR)	<i>r</i> -value	-0.160	-0.070	-0.079	-0.040	-0.266	-0.399	-0.304	-0.090	-0.232	-0.003
	<i>p</i> -value	0.211	0.582	0.533	0.755	0.034*	0.001**	0.015*	0.480	0.065	0.981
	N	63	64	64	64	64	64	63	64	64	64

* *Correlation is significant at the 0.05 level (2-tailed)*

** *Correlation is significant at the 0.01 level (2-tailed)*

Discussion

This study set out to examine the role that adjudicators' ideological views of the employment relationship play in the determination of grievance cases. By substituting practising adjudicators for senior undergraduate and postgraduate students of employment relations and employment law to act as research participants – a method endorsed in previous research (Bingham and Mesch, 2000; Fleming, 1967) – the first stage of analysis looked at whether adjudicators vary in their determinations of four identical cases. It was found that, consistent with numerous other studies (Gross, 1997; Gurdon et al., 2009; Heneman and Sandver, 1983; McAndrew, 2002; Thornton and Zirkel, 1990), indeed, they do. In half of the cases presented to participants there was a marked disparity of opinion regarding a finding wholly in favour of the employer or grievant. Moreover, in those instances where the grievant was successful, a wide range of different remedies were awarded by different decision makers.

Having established grounds to test the hypothesis that adjudicators who hold different ideological views are inclined to determine grievance cases differently, the next stage of analysis correlated case outcomes with ideology scale scores. The first outcomes considered were those of the primary “win/loss” result of each case relating to a finding of justification for employer actions.

Finding the Employer Actions Justified

In terms of the decision to find the employers' actions justified, the present study found no evidence to suggest any influence stemming from overall holistic adjudicator ideology. However, it did, in a sense, stumble upon two instances where views on particular components of ideology were associated with more (or less) sympathetic outcomes toward the employer (see Tables 5 and 6). Participants who held the view that workers see themselves as being members of a group within (as opposed to being an integral part of) an organisation were more likely to determine the employer actions unjustified in a case involving disciplinary action for insubordination. Moreover, those who held the view that unions are more of an asset than a liability were more likely to find the actions of an employer unjustified in a redundancy case. In both instances, the results suggest that pluralist leaning views of each ideological component are associated with a more favourable outcome for the grievant.

In the New Zealand context, the decision to find justification for employer actions (a win/loss result) is essentially prescribed to adjudicators through statute and an abundance of case law. Compared with decisions relating to the level of remedies awarded to successful grievants, there is significantly less room for discretion in the hands of adjudicators (McAndrew, 2002). The finding that views on some components of ideology may be related to a propensity to award certain types of cases wholly in favour of one party are, therefore, notable.

Reinstatement Awards and the Removal of Warnings

The next stage of analysis examined the remedies awarded to successful grievants and began by considering participants' propensity to award reinstatement. While adjudicator ideology, taken holistically, was not shown to be associated with the determination of this remedy, the analysis again revealed a significant finding when considering the ideological components separately. Those who held the view that the major causes of conflict are the fact that different groups have different objectives which sometimes clash (as opposed to being a result of poor communication) were more likely to award reinstatement to the grievant in a dishonesty case (see Table 3). Neither overall ideology nor views on the components of ideology were found to be associated with the decision to order a removal of any warnings.

Compensation and the Reduction of Remedies

Taken holistically, attempts at finding a significant association between adjudicator ideology and the amounts of compensation awarded to successful grievants in particular types of cases proved to be unfruitful. Indeed, only in the amounts of compensation awarded over the four experimental cases was a significant relationship found between holistic ideological views and compensation awards. A familiar theme began to emerge, however, in that when exploring the relationship between the components of ideology and the remedies awarded in particular types of case, a small number of significant associations were revealed. As illustrated by Table 3, participants who held the view that collective bargaining is the best means of settling differences between workers and management were more likely to award higher amounts of compensation to the grievant in an alleged unjustified dismissal case for dishonesty. Participants who held the view that workers' interests are best looked after by their union or lawyer, and that collective bargaining is the best means of settling differences were more likely to award higher amounts of compensation to the grievant in a case involving an allegation of discrimination due to union involvement (see Table 4). Moreover, when considering the overall compensation amounts awarded over the four cases, those same two ideological components, along with another, featured in the results. Participants who believed that unions are an asset to the employment relationship, in addition to those who held pluralist views on the "interests" and "collective bargaining" components, were more likely to award higher amounts of compensation to successful grievants over the four cases (see Table 7).

Interestingly, when grouping these three components together, a common thread emerges. Each component arguably relates to an overall view of the role and function of unions. The "unions" component expressly captures views on the utility (or liability) of unions. Views on collective bargaining are clearly related to an overall view of unions because, by definition, unions are involved in collective bargaining. Similarly, views on the "interests" component are related because the component considers whether workers' interests are best looked after by management, or better served by enlisting a *union* or lawyer. The value of this grouping of components is that they appear to cast light on those specific values and beliefs that play a role in the compensation awards of cases involving dishonesty, discrimination for union involvement, and generally over four typical grievance cases.

While the grouping of components does not expressly address the hypothesis that adjudicators' ideological views play a role in the determination of grievance cases, the finding appears plausible and in the expected direction. Indeed, positive views of unions are analogous to the values and beliefs of the pluralist ideology. In addition to the earlier finding that pluralist leaning views of unions are associated with a higher likelihood of finding a redundancy case wholly in favour of the grievants, it appears that those components related to the role and function of unions have emerged as playing the most prominent role in the subtle colouring of adjudicators' determinations.

How the Findings Compare with Earlier Research

Gross' (1967) seminal contribution to the literature argued that adjudicator views "about ethics, man, law, private property, economics, and so forth...consciously or unconsciously...subtly influence" (p. 55) the manner in which adjudicators determine grievances. To the extent that employment ideology is synonymous with those views, the finding that adjudicator ideology can, in some instances, be empirically demonstrated to play a role in some grievance outcomes provides some support to Gross' (1967) work.

Similarities may also be drawn between the present study and the assertion of other researchers that adjudicators' personal philosophies influence their determination of grievance cases. Giacalone et al. (1992) suggest adjudicators who hold an authoritarian personal philosophy – that, in an employment context, essentially amounts to a belief that workers should be submissive to, and absolutely obedient towards, their employer – are more likely to favour management under certain circumstances. Adjudicators who adhere to a liberal personal philosophy – that acknowledges individual personal rights and equality within the employment relationship – on the other hand, are insinuated to be more lenient to the grievant.

The similarities between these personal philosophies and the beliefs, attitudes and values associated with the unitarist and pluralist employment ideologies are striking. The authoritarian philosophy, for example, appears analogous to the unitarist ideology insofar as the notions of submission and absolute obedience towards employers are consistent with the unitarist beliefs that workers should (or do) respect absolute managerial prerogative and authority, and act loyally toward their employer. In the same vein, the liberal philosophy appears analogous to the pluralist notions of different sectional groups within organisations, differing sources of leadership and loyalty, and the acceptance of conflict. So, to the extent that personal philosophies are analogous to employment ideologies, the findings of this study go some way to support the assertions of Giacalone et al. (1992).

Limitations

Before concluding, it is important to note some potential limitations to the study. First, the ability to generalise the findings may be limited by way of the sample and experimental technique. Although the sample size of 66 may be considered small, it is considerably larger than the entire population of Employment Relations Authority members in New Zealand, which that amounts to 17. Moreover, while participants were primarily undergraduate and postgraduate students in employment relations and employment law, it must be acknowledged that participants had no real grievance adjudication experience. The approach is, however, consistent with previous research. Lastly, the determinations made by participants were based upon written case descriptions. Although this approach is consistent with earlier research (Biernat and Malin, 2008; Bingham and Mesch, 2000; Thornton and Zirkel, 1990), the obvious limitation is that it does not perfectly replicate the nuances of a typical investigatory hearing by an employment adjudicator.

Conclusion

The present study found some evidence to suggest that adjudicators' general empirical ideological predispositions may subtly colour certain aspects of the grievance determinations that they make. Taken holistically, the extent of this colouring was only observed with respect to the amounts of compensation awarded to grievants over a range of cases, and therefore provides only partial support to the hypothesis. At the component level, however, particular views on the role and function of unions were revealed to be associated more specifically with the outcomes of dishonesty, discrimination for union involvement and redundancy cases. These findings present a number of implications. First, the absence of finding any relationship between holistic ideological views and particular types of cases suggests that future research may benefit from focusing on a narrower set of beliefs, attitudes and values relating to the nature of workplace relationships. Second, the regular feature of union-related views as being associated with certain case outcomes presents an opportunity for more work to be done on examining the intricacies of this relationship. Moreover, if these findings are indeed generalisable, they may be of interest to policy makers and those who are responsible for the selection of new adjudicators.

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How Bad is the State of Occupational Fatalities in New Zealand?

PHILIP GUNBY*

Abstract

The Pike River disaster has increased attention on safety in the New Zealand mining industry. While mining is a dangerous occupation, its fatality rate does not appear to have increased. Furthermore, most workplace fatalities do not occur in mining. This paper explores the data on occupational fatalities and finds the following. First, occupational fatalities are concentrated in just a few industries. Second, these industries are noticeably riskier than others. Third, the gap between New Zealand's occupational fatality rate and those of countries it compares itself with has increased. Fourth, work-related fatalities are only a small proportion of all accidental deaths in New Zealand. Possible reasons for these facts are discussed.

Keywords: Accidents; Occupational Safety; Occupational Health.

Introduction

The recent Pike River mining disaster in which 29 men were killed in a methane explosion has once again focused attention on the state of occupational health and safety in New Zealand (The Press, 2010a; NZ Herald, 2010a; Sunday News, 2010). It has also led to calls for increased regulation of mining (The Press, 2010b; NZ Herald, 2010b), but a natural question to ask is are things really that bad in mining or was this just a one-off event? Even if the enquiries about mining health and safety do find systematic problems, are the health and safety shortcomings just in the mining industry or do they occur more widely? A possible clue to answering these questions is a couple of ministerial press releases, one issued more than 13 years ago and the other issued a year ago. In October 1997, the then Minister of Labour issued a media release noting his unhappiness with the level of fatalities, especially in farming, forestry, and construction, announcing that he had initiated a campaign to reduce workplace deaths, and stating that he thought that the number of fatalities could be reduced (Department of Labour, 1997). In January 2010, the current Minister of Labour issued a media release expressing her unhappiness about the level of workplace fatalities, in this case in the construction, forestry, and agriculture sectors and announced a new strategy to prevent their occurring (Wilkinson, 2010). The perception in both cases was that there were too many occupational deaths, that certain industries were over-represented and that something could and should be done to reduce them.

These sorts of public proclamations have been made many times before in many different contexts. In 2000, the General Manager of the branch of the Department of Labour (DoL) dealing with occupational safety and health launched Worksafe Week 2000 designed to target

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the main cause of the “appalling toll of accident, injury, and illness” (Department of Labour, 2000a). That year the DoL issued media releases about the unacceptably high number of workplace accidents in agriculture, especially involving vehicles and in construction, especially from falls (Department of Labour, 2000b; Department of 2000c) Over the last 12 months, the DoL has issued media statements about the high number of workplace accidents in agriculture, especially involving vehicles and in construction, especially from falls (Department of Labour, 2009; Department of Labour, 2010). Concerns about mining safety are also not new. In response to mining deaths in 2006, the DoL issued a discussion paper in 2008 (Department of Labour, 2008) and sought submissions about how to improve health and safety management in the underground mining industry, but few changes eventuated from this.

While much appears to have been done to reduce work-related accidents and deaths, nothing seems to have changed in terms of New Zealand’s industrial safety record. The DoL consultation draft for its National Action Agenda 2010–2013 only serves to highlight this fact, with the Minister of Labour stating in it that:

The national Strategy aims to reduce injuries and fatalities at work and deliver healthy and productive workplaces for all New Zealand. It has been in place for five years, but we have yet to see a significant reduction in our fatality and injury rates (Department of Labour, 2005: 4).

Clearly, this statement suggests that what has been done to date has not worked. Maybe the Pike River disaster does, indeed, point to wider problems with the management of workplace health and safety in New Zealand. This paper explores the general state of occupational fatalities in New Zealand to see if mining is as dangerous an industry as commentary around the Pike River disaster suggests, if mining has become more dangerous, if the Department of Labour’s general concerns over occupational fatalities have any validity and to point to where future research may need to occur so as to improve New Zealand’s occupational safety record.

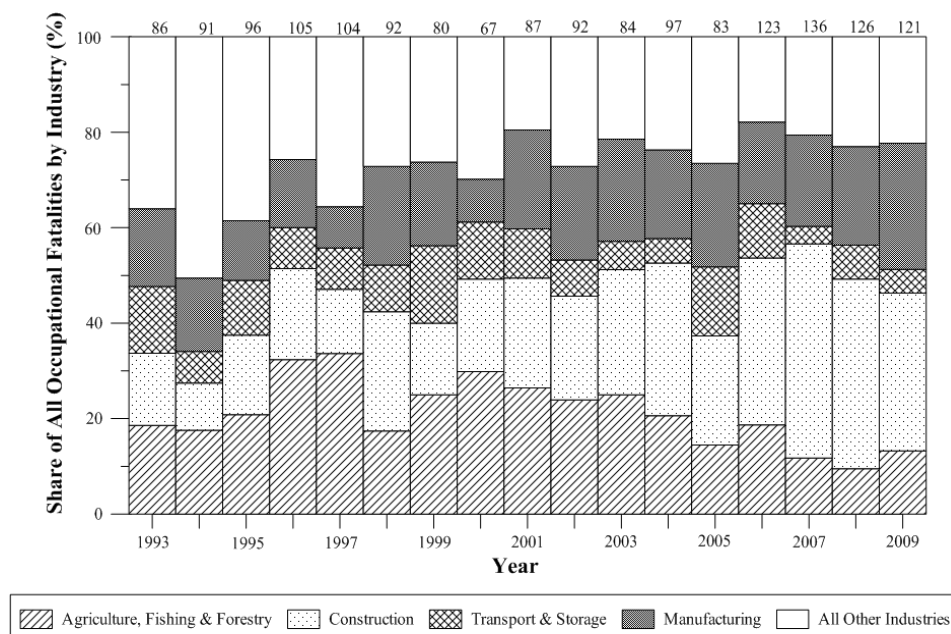
Occupational Fatalities by Industry

The first thing to establish is what has actually happened regarding work-related accidents and fatalities in New Zealand. Unfortunately, this is not as simple as it sounds since the data collected on occupational accidents in New Zealand by government agencies, such as the Accident Compensation Corporation (ACC), the DoL and the New Zealand Health Information Service, is notoriously incomplete (Wren, 1999; Pearce, Dryson, Feyer, Gander, McCracken and Wagstaffe, 2006).¹ However, inaccurate and incomplete occupational injury data is not specific to New Zealand and is, instead, a general feature of workplace injury data regardless of where it is collected (see OECD, 1990; Takala, 1999; Dong, Fujimoto, Ringen, Stafford, Platner, Gittleman and Wang, 2011). Thankfully, while data on all forms of occupational accidents have deficiencies, some categories of occupational accident data are noticeably more reliable than others. For instance, Dong et al (2011: 347) find that “fatal injury rates should also be taken into account for OSHA’s targeting given that fatality data are much more complete and reliable than nonfatal injury data”. Fatalities, by their very nature, are simply much more difficult to hide or misclassify than non-fatal injuries. Occupational fatality data, while not perfect (see Langley, McNoe and Feyer, 2006, on work-related bystander deaths), are likely the most accurate that we have. Encouragingly, when seeking to make comparisons between countries, Langley et al, 2006 report that even though

bystander deaths are treated inadequately, they are at least treated in a similar way across countries, suggesting that countries' safety records can be compared using fatality data with at least some degree of confidence. As long as any mis-measurement does not change over time and is similar between countries and between industries, and this seems to be much more the case for data on occupational fatalities than for injuries, then this seems the best data to use to make comparisons and therefore is what is used in this paper.

Figure 1 shows the number of workplace fatalities from 1993 to 2009 for all industries as well as what proportion of them occur in specific industries (Cryer, Langley and Stephenson, 2008).² The number of fatalities has increased over time from 86 in 1993 to a high of 136 in 2007 before dropping back. Looking at the raw number of work-related fatalities, most (close to 80%) now occur in agriculture, forestry, and fishing, construction, manufacturing, and transportation and storage. Normally, mining accounts for at most a couple of fatalities each year and in some years none occur at all.

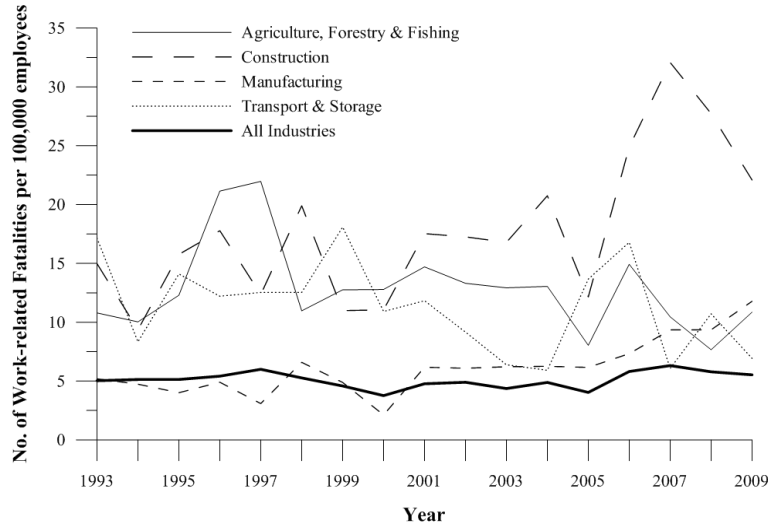
Figure 1: Share of Occupational Fatalities by Industry
(Number of Occupational Fatalities).



Source: Accident Compensation Corporation.

Looking at just the raw number of fatalities is misleading because this does not take into account the number of employees who potentially could be killed. Other things equal, we would expect an industry with a larger workforce to have more fatalities than one with a smaller workforce. Since the New Zealand labour force has increased by 41% from 1993 to 2009 (using data from the Household Labour Force Survey), we would expect the number of occupational fatalities to increase too. Figure 2 shows the number of workplace fatalities per 100,000 employees from 1993 to 2009 for all industries as well as those industries indicated in Figure 1 as potentially being riskier than average. The four industries where many of the fatalities occur do, in general, have higher incidence rates than other industries. This just mirrors what has been found internationally, that particular industries and occupations seem to be inherently riskier than others. Furthermore, the riskiest industries in other countries are also those that are riskiest in New Zealand (Feyer, Langley, Howard, Horsburgh, Wright, Alsop and Cryer, 2001; National Occupational Health and Safety Commission, 2004; OECD, 1990).

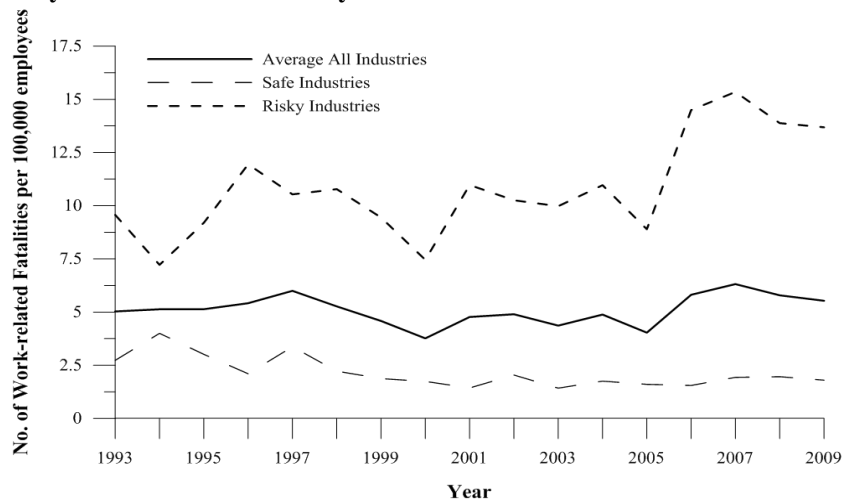
Figure 2: Fatality Rates for the Riskiest Industries



Sources: Accident Compensation Corporation and Statistics New Zealand.

Mining (not shown as it is highly variable and the occasional, very high fatality rate distorts the axes, making it difficult to make comparisons between the other industries) also has a high average fatality rate, in fact, the highest of all industries. It is not possible to give a precise number because ACC do not give a specific number of fatalities for an industry in a year if it is between one and three. Mining often falls into this range with 65% of the years between 1993 and 2009 having between one and three deaths. But the best scenario (one each year it is between one and three) and the worst scenario (three each year it is between one and three) give an average of between 31 and 59 fatalities per 100,000 employees from 1993 to 2009. The average total number of deaths is very low though since the mining workforce is so small. In addition, the mining fatality rate is also highly variable with some years where deaths do not occur. In contrast to its possible perception since the Pike River disaster, the data up until 2009 do not show that mining has become any riskier over the past 15 years. The Pike River disaster seems to be one of those tragic low-probability, high death events that occur once every generation in mining in New Zealand. Additional examples are the 1967 Strongman coal mine explosion, which ended in 19 deaths and the 1939 Glen Afton coal mine carbon monoxide poisoning, which resulted in 11 deaths (New Zealand Herald, 2010c).³

Figure 3: Fatality Rates for Safe and Risky Industries



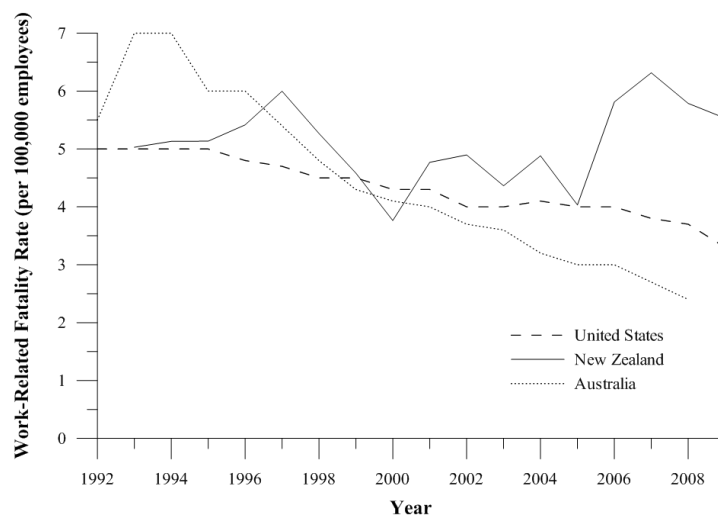
Sources: Accident Compensation Corporation and Statistics New Zealand. Risky Industries are Agriculture, Forestry, and Fishing, Construction, Manufacturing, and Transport and Storage. These correspond to ANZSIC codes A, C, E, and I. Safe industries are industries other than these.

So, returning to the original questions: have things changed regarding fatality rates across industries and over time? The answers are that things have not improved, fatality rates are no lower and are possibly even higher in some cases, and the industries that have traditionally had high fatality rates are still the ones that have high fatality rates.

How Do We Compare Internationally?

The data in the previous section tells a simple and clear story. There has not been an improvement in the safety record of New Zealand's workplaces and there is a group of industries, which have continuing higher levels of risk than other industries. This begs the question of whether or not the occupational safety experience in New Zealand differs markedly from that overseas. Maybe it is just a worldwide phenomenon.

Figure 4: Work-Related Fatalities by Country



Sources: Accident Compensation Corporation, National Occupational Health & Safety Commission, Safework Australia, Statistics New Zealand, United States Bureau of Labor Statistics.

Compared to Australia and the United States, which were used in 2000 to assess the relative state of health and safety in New Zealand workplaces in a review of the Health and Safety in Employment Act (Office of the Minister of Labour, 2000), New Zealand's overall rate of occupational fatalities has worsened. As can be seen in Figure 4, New Zealand's overall fatality rate is more than double that of Australia's and two-thirds higher than that of the United States. Even more troubling is that the work-related fatality rates in Australia and the United States have been falling whereas the New Zealand rate appears unchanged, or even possibly increasing. Feyer, Williamson, Stout, Driscoll, Usher, and Langley (2001), using different data sets covering 1985 to 1994 for New Zealand and 1989 to 1992 for Australia and the United States, also find that workplace fatality rates are the highest in New Zealand. They also find falling fatality rates for all of the three countries over the period studied, but this is a period before that studied in this paper. The observations are in sharp contrast to Palmer, Calvert, Fryer and Kalafatellis (2009), who find that a strong majority of New Zealanders believe New Zealand is safer than other developed Western countries and that New Zealand is becoming safer.

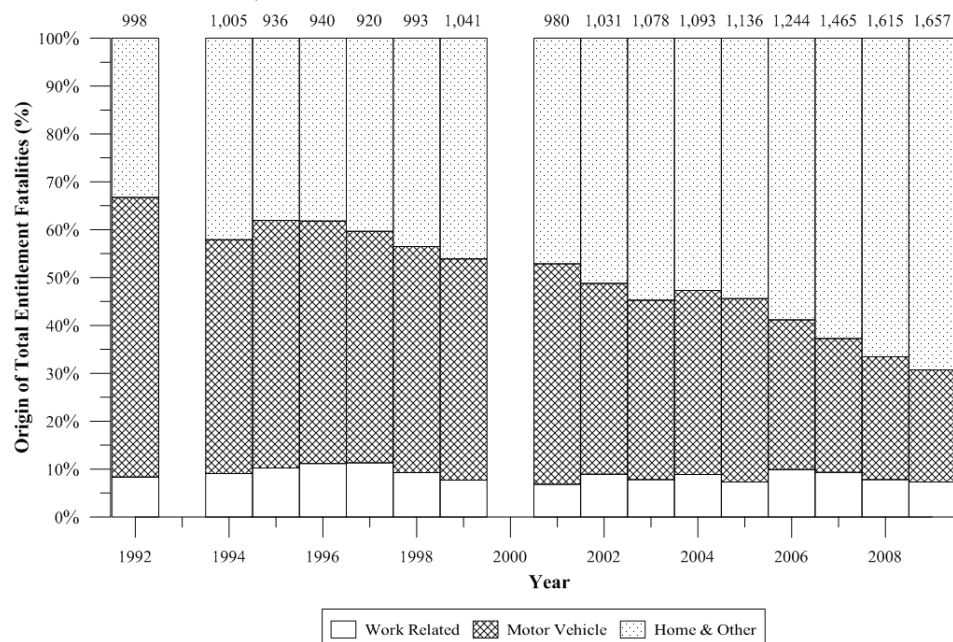
These differences between the fatality rate of New Zealand and the rates of Australia and the United States, while obviously troubling, also presents an opportunity. There must be some reason(s) for the differences. This gives us a chance to figure out the key factors driving the

differences in fatality rates, such as different and changing demographic or employment patterns or awareness and attitudes about risk or in occupational regulations, and then use this to devise policies to improve the situation in New Zealand.

Accidents Waiting to Happen?

Perhaps New Zealand's higher workplace fatality rates, relative to those of other countries, just reflect a willingness by New Zealanders to tolerate a greater level of risk. One way of assessing this would be to look at the rate of workplace fatalities in relation to fatality rates in other areas of New Zealanders' lives. The accident and fatality rates for different areas of peoples' lives are shown in Figure 5. Relative to all accidents in New Zealand, workplace accidents make up only a small and relatively stable proportion of accidental deaths (on average about eight percent). Motor vehicle fatalities, while making up the greatest source of accidental deaths in 1992, declined to about a quarter of all such in deaths by 2009 and have actually fallen in total number. Accidental fatalities outside the workplace and not caused by motor vehicle accidents have increased in number and in importance, and now constitute a significant majority of accidental deaths (about two-thirds of all accidental deaths).

Figure 5: Accidental Fatalities in New Zealand by Origin
(Total Number of Accidental Fatalities)



Source: Accident Compensation Corporation. Home & Other is made up of accidental deaths at home, from recreation and sport, medical treatment errors, and so on. The 1993 data are in a form which do not allow a consistent comparison. In 1999 ACC work-related records are incomplete as employers were able to purchase private accident insurance.

So, the absolute numbers of workplace accidental fatalities have increased but this is not the area of New Zealanders' lives which seem to have become riskier in terms of accidental death. Accidental deaths in the home (37.8% of all accidental deaths in 2009), from recreation and sports (3.8%), from medical treatment errors (4.3%), and elsewhere (15.5%) have all experienced increases. Furthermore, the size of the increase in the rate of accidental deaths outside the workplace and not involving motor vehicles has increased substantially, from nine accidental deaths per 100,000 people in 1992 to 27 in 2009, and is an order of magnitude larger than the increase in workplace fatalities, from five accidental deaths per 100,000 workers in 1993 to 5.5 in 2009. Interestingly, this is, in contrast, to the survey results of Palmer et al (2009) who find that New Zealanders believe they are most likely to be

injured on the road rather than in the workplace or the home. This relates to all accidental injuries of which fatalities only make up a small part, but even still, it does suggest people incorrectly estimate the level of risk they face in different areas of their lives. Maybe understanding more about why there is this difference in perceptions versus reality will help to shed light on what, if anything, can be done about improving the workplace fatality rate as part of the Workplace Health and Safety Strategy (Department of Labour, 2005).

General Discussion

The state of occupational safety in New Zealand can be summarised by four basic facts. The obvious question is: what explains these facts? The first two facts — namely, that a handful of industries account for most work-related fatalities and that this handful of industries are also significantly more risky than all of the other industries — are easily explained. Some types of work are simply inherently riskier than others. Fatalities are far more likely to occur when working at heights building an office tower than in standing at a till in a supermarket, or driving a fast moving or lightly protected very heavy vehicle on hilly slopes than standing in front of a classroom of children. This does not mean that actions cannot be taken to reduce the chances of being injured or killed in the high risk industries, just that there will always be a naturally higher probability of dying in them than in other ones.

It is the last two facts that are the most intriguing. Why has the gap between New Zealand's occupational fatality rate increased relative to countries with which it compares itself, including Australia? Why is it that work-related fatalities make up only a small and stable proportion of all accidental deaths in New Zealand with most occurring outside work and increasingly more of these at home? Knowing what has caused the changes in New Zealand's workplace fatality rates and how they relate to wider society is crucial to knowing how to reduce them.

There are three basic types of possibilities worth exploring. The first relates to the willingness of people to take risks. It is clear that people are willing to do things even when there is a positive risk of death. For example, Monasterio (2005) found that while New Zealand mountaineers and alpine rock-climbers had an accident rate of 47% and a death rate of over eight percent, 96% of the climbers studied, aware of the high accident and fatality, had knowingly climbed in high risk situations. The climbers reported that they found the activity beneficial and chose to climb despite the perceived risks of the sport. Clearly for them, the benefits of the sport outweighed the costs, including the potential for injury and death. Furthermore, there is evidence that even if some actions are taken to reduce risks that people react in ways that tend to offset them, with the result that the risks faced do not fall nearly as much as originally envisaged. A classic example being in efforts to improve automobile safety where the evidence, overwhelmingly, shows that drivers act at least partially to offset increases in safety from policy initiatives or better technology by driving in ways that are riskier, such as driving faster and overtaking more often (Peltzman, 1975; Chrinko and Harper, 1993; Risa, 1994). A New Zealand example of this effect is studied by Garbacz (1991). There is also no reason to think that this principle does not cover actions taken by employees that affect their workplace risk, whether these are actions outside work, such as drug use (Musson and O'Reilly, 1999) or the amount of sleep chosen (Ruby, 1997), or at work, such as drugs or alcohol use (Gleason, Veum and Pergamit, 1991; Gerber and Yacoubian, 2001; Ministry of Health, 2001), or avoiding using highly uncomfortable safety equipment.

If the basic notion that people are willing to live with a certain level of risk in what they do (if they feel it is worth it) is accepted, this opens up possibilities in explaining the differences in fatality risk rates (Viscusi, 1992). Factors, such as the monetary and personal costs of actions to increase safety, how effective actions are in reducing risks, the benefits of the risky activities being engaged in or the inherent tolerance of risk, would then have a role in determining the ultimate fatality rate experienced. Maybe New Zealanders are more willing to live with risk than people from other countries. Or, it could be that efforts to improve safety are less effective in New Zealand than elsewhere. It is possible that the costs of improving safety can be higher in New Zealand than overseas or that activities in New Zealand have higher risks of dying, but also confer higher benefits, than those available in other countries.

Comparing costs versus benefits of actions that affect workplace safety can potentially explain why work-related fatality rates have not decreased compared to other countries. However, if we look at each of the individual factors mentioned previously, we know that driving fatality rates have gone down and home-related fatality rates have dramatically increased. It seems implausible that this is because people have a different willingness of risk in each area of their lives. So this factor does not seem able to explain the behaviour of occupational fatality rates. Given that knowledge is readily transferable, as is equipment, it is difficult to believe that efforts to improve safety are less effective in New Zealand than elsewhere (and that they are becoming radically less effective at home). A similar argument would also seem to hold for costs of improving safety. If there is a worldwide market for knowledge and equipment then the costs of preventing accidents should be the same between countries. This leaves differences in the benefits of activities.

One of the benefits for employers to reduce the riskiness of their workplaces is that they do not have to pay to compensate for the risks. The 'safe' industries in New Zealand have got safer (see Figure 3), which means employers in riskier industries would need to pay more compensation to workers for the greater relative difference in risks. Employers in risky industries then have the motivation to reduce this 'cost' by making their workplaces safer, which would mean their fatality rates should have fallen. If real wages are increasing then employees who die miss out on a more enjoyable life than if wages were lower (some will find this an artificially cold piece of analysis, but it is nevertheless a logical possibility). This gives them an incentive to take more care in their work and lives. However, given that real wages have increased – the average annual increase in hourly earnings for all industries from 1993 to 2009 is 4.4% (Quarterly Employment Survey (QES)) and average annual inflation over this period was 2.7% (Consumer Price Index) we would expect employees to take more care so fatality rates would fall. While the analysis of the costs and benefits of taking care presented is only indicative and at an aggregated level, and would need to be more extensive to be fully convincing, the analysis does suggest that factors of this type do not seem able to explain much of the observations about occupational fatality rates.

Another possibility is that people are making decisions in risky situations based on inaccurate beliefs about the risks they face and, as a result, they believe they are acting more safely than they really are. This is consistent with the findings of Palmer et al (2009). If people are mistaken about which activities are risky, they end up taking care in the "wrong" places. For example, being very careful when driving but less careful when at home or in the workplace would explain why the rate of driving fatalities has decreased and the risk of home or leisure based fatalities has increased. Believing (falsely) that New Zealand workplaces are safer than those overseas might explain why they have not declined. Essentially, New Zealand workers take less care than they should because of a sort of "Lake Wobegone effect". If this is true,

then a possible policy could be a sustained drive to communicate the true level of workplace risk to workers, especially in the high risk industries. However, as might be deduced from the introduction, there have been repeated attempts of this over the years with little impact. So it is the case that either the ways in which this has been done need changing to be effective, or it is that inaccurate beliefs, even if they exist, are not causing the observed level of workplace deaths.

The second broad group of factors relate to the structure of New Zealand workplaces and society. One is changes in the proportion of employment among industries. Maybe the share of employment in high risk industries in other countries has fallen whereas in New Zealand it is unchanged or has increased. For example, Feyer, Williamson, Stout, Driscoll, Usher, and Langley (2001) found that incorporating differences in the distribution of employment by industry reduces (but does not eliminate) the occupational fatality rate of New Zealand relative to the United States and Australia over the mid 1980s to the mid-1990s. If the distribution of employment over the last ten years did not change or even increase in the high risk industries in New Zealand, both absolutely and relative to the Australia and the United States, then this could explain the workplace fatality rate trends.

Using Statistics New Zealand data on the distribution of employment by industry for this period shows that the employment in the safe as well as the risky industries move in the same direction (a simple correlation of 0.39 using the HLFS), and that the average share of employment in the high risk industries has decreased, but this is not uniform over all these industries as the share of employment in construction actually increased. If we look at what happens with constant shares of employment in 1997/98 and then use the annual rates of fatalities till 2008/09, even with the share of construction increasing we would still expect the total number of fatalities to be almost the same in the riskiest industries, and the risky industry fatality rate to be almost the same as the actual fatality rate. My calculations show that if employment shares over 1997/98 to 2008/09 had been the same as at the start of this period, then the total number of fatalities for the four riskiest industries would decrease by four and the average combined fatality rate for these industries would be one-tenth of a percentage point lower compared to the actual numbers and rates of fatalities. Looking at hours worked is more complicated because the QES excludes agriculture and fishing. Since the fraction of employment in these two industries has fallen, their shares of hours worked has probably fallen too. The changes in the distributions of hours are similar in nature to the changes in the distributions of people employed but tend to be larger. Without agriculture and fishing it is difficult to give an exact answer, but it seems likely that we could expect results similar to those from looking at changes in numbers of people employed since the patterns of changes in the remaining industries are similar. So changes in the distribution of employment across industries do not seem to be the answer either.

The final types of factors affecting workplace fatality rates are government intervention in workplace safety and health, that is, the regulations that affect workplace risks (see Campbell (1995) for a history of government intervention in occupational safety and health in New Zealand). This includes the types of regulations, their enforcement, and the penalties imposed by the courts. The main form of regulation affecting workplace safety and health is the Health and Safety in Employment Act (HSEA). This type of regulation is referred to as *ex ante* liability because noncompliance can occur regardless of whether or not an accident occurs (Wittman, 1977; Shavell, 1984; and Kolstad, Ulen and Johnson, 1990). Of course, independent of whether or not an employer is prosecuted *ex ante* they can also be prosecuted after an accident occurs or *ex post*. Gordon and Woodfield (2007) argue that the HSEA is likely a worthwhile complement to *ex post* liability but that weak penalties and low

inspection probabilities dilute its effectiveness. Less effective regulation in New Zealand than other countries would explain the gap between their relative fatality rates. If New Zealand regulation is weaker than that of overseas, employers' incentives to prevent workplace accidents are lower so they may put fewer resources into accident prevention and consequently, increasing the number of accidents that occur.

However, this factor, alone, does not explain the increasing gap. To have a growing gap in fatality rates would require that the New Zealand government is continually putting fewer resources into policing the HSEA, or the fines issued by New Zealand courts are falling over time, or both. Or it would require foreign governments and courts to be continually increasing the impact of their regulations and increasing the fines they levy. Both possibilities are logical explanations, but the question is how likely are they? Take funding of the DoL for promoting compliance to the HSEA (Gunby and Wilkinson, 2010). Measured per business enterprise, this funding fell from 1992 to 2000 but then rose from 2007 to 2009; the former trend coinciding with a fall in fatality rates and the latter with a rise in fatality rates. This seems counterintuitive as we would expect the two to be positively correlated. Similarly confusing is that even though the number of DoL health and safety inspectors has been steadily falling since 2001, the fatality rates were falling or constant until 2005 before they started to rise. Since the probability of being inspected decreases with fewer inspectors, we would expect employers to have taken less care of workplace safety from roughly 2001 onwards, which should be accompanied by increases in fatality rates from then onwards. It could be that the changes in the numbers of inspectors have a lagged impact on health and safety efforts by employers, but it could also be that they have only a marginal impact on safety and health activities in workplaces. Of course, other factors may be confounding the effect of the changes in government resourcing of health and safety promotion and policing of its regulations (for example, see Rea (1981) about the potential effects of worker compensation schemes on industry risk), but at face value, changes in government resourcing do not seem to adequately explain changes in fatality rates. They also do not explain the higher accidental fatality rate outside the workplace.

Adding to the difficulty of using changes in government interventions to explain observed facts about fatality rates are the conclusions of Mears and Chapple (1996) and the findings of Mare and Papps (2000). Mears and Chapple (1996) carried out an extensive literature review of the international evidence about government intervention and workplace safety for the DoL. They concluded that evidence up until 1996 clearly showed government intervention of whatever form materially changed employer behaviour but also had little impact on overall workplace accident rates. This may explain why one of the main amendments to the HSEA in 2002, increasing worker participation in workplace health and safety through allowing employees to form health and safety committees and requiring employers to have employee health and safety representatives, seems to have had negligible impact on fatality rates.⁴ It may be that health and safety committees are only as effective as employers want them to be, as found by Lewchuck, Robb and Walters (1996), or it depends on the right states of a complex mix of factors (including the attitude of management) as found by Markey and Patmore (2011). It may also be that most of the causal factors of workplace accidents are attributes of the workforce, such as age, education, the experience levels of employees, and workforce turnover rates, as found by O'Grady (2000). However, for whatever the reason, introducing worker participation, unfortunately, does not appear to have had much of an impact on occupational fatality rates, which is consistent with the conclusions of Mears and Chapple (1996) that government intervention has little impact on safety outcomes. Finally, Mare and Papps (2000) used the DoL administrative database of all DoL activities for the period July 1993 through to June 1997 and found that the HSEA had no significant or

conclusive impact on occupational health and safety outcomes.

If you take these two pieces at face value then government regulation in New Zealand does not seem a likely cause of the trends in New Zealand's workplace fatality rates. Even if it did increase the level of care taken by employers, there is always the possibility that employees acted in a way to at least partially offset the increases. In any event, it is clear that we would benefit from an updated review of international studies on safety and health regulation. The past 15 years has seen a significant improvement in the work-related fatality rates in Australia and the United States so it is possible that these countries have discovered more effective policies than those used previously. It would also be helpful to have more studies done on the net impact of the HSEA on occupational safety in New Zealand to know if this is the cause of the growing gap between the workplace fatality rate in New Zealand versus those overseas, or even if it prevented any increase in the fatality rate that might have otherwise occurred (getting the right counter-factual here is obviously important).

Summary

Returning to the start of this paper: what is the state of occupational safety in New Zealand? Starting with mining where the Pike River disaster has caused people to wonder about the state of this industry, there is unequivocal data that mining is a risky industry, both in isolation and relative to other industries. However, the data also shows that there has been no noticeable increase in the average fatality rate in the industry, and furthermore, the numbers of deaths from mining are usually very low and sometimes even zero. The Pike River disaster is likely one of those terrible low-probability, high-death mining events that occurs once every generation in New Zealand.

What about occupational safety in general? Here, the data is also unequivocal. A handful of industries have consistently higher fatality rates than other industries, namely agriculture, fishing, forestry, construction, manufacturing and transportation, and of course mining. This pattern is also found in other countries. However, in contrast to other countries, who have falling occupational fatality rates, the overall fatality rate has not declined in New Zealand. Why this exists in New Zealand is an important research question that needs to be addressed.

One possible place to start is what is happening outside the workplace in New Zealand, in particular at home, in sports and other recreational activities, since the accidental fatality rates in these areas have not only increased but increased much more than in the workplace. For instance, a possible area of focus is on the perceptions of risks by New Zealanders, which, seem to be markedly out of touch with reality. Another possibility is to look at what changes have occurred in other countries and the level to which people there take care at home and at work as well as the level of care businesses take with respect to their workers (workforce demographics, sizes, types of business enterprises etc). Do differences exist in the types of government policies (prescriptive versus principle-based laws, the amounts of resources governments expend on safety and health including inspections, differences in legal treatments of accidents, differences in compensation schemes, and so on)? The things learnt from the Pike River disaster may not lead to improvements in mining safety in New Zealand but by drawing people's attention to the general issue of workplace safety and realising that New Zealand's safety record is relatively poor, we may learn things that can potentially be used to improve the safety of all New Zealand workplaces. After all, if other countries can improve the safety of their workplaces then why can't we?

Notes

¹ Shortcomings include changing definitions, multiple claims for the one accident, lack of descriptive information about the sources of accidents and the occupation of the injured, and under-reporting of accidents. Firth and Herbison (1990) provide evidence of under-reporting of occupational injuries in New Zealand and Mayhew and Quinlan (2006) provide evidence of reasons for why under-reporting occurs.

² The ACC injury and fatality data from the period 1996 to 2000 should be treated with caution. Cryer et al (2008) report that employers who were part of the accredited employer's scheme did not always submit data to ACC as required. Furthermore, ACC records in 2000 are incomplete because employers were able to purchase private workplace insurance. This means that the ACC data understate the true number of employees injured during this period. The underreporting of fatalities to ACC is probably minor given how few occur and how serious and public they are in nature.

³ The background regulatory facts of the Strongman mine disaster are interesting given the current investigation of the Pike River mine tragedy and the calls for dedicated mine inspectors. At the time of the Strongman mine explosion, there existed a separate Mines Department which was responsible for the safety of mine workers, with mining regulated under the Mining Act 1926. Furthermore, six dedicated coal mine inspectors were employed specifically for coal mine safety, with coal mines regulated under the Coal Mines Act 1925, which was prescriptive in nature (Mines Department, 1966 and 1967). The existence of a dedicated mines department, a prescriptive government Act solely concerned with coal mining as well as dedicated coal mine inspectors, did not prevent the Strongman coal mine explosion and the resulting deaths of 19 men.

⁴ The basis of the HSEA was the 1972 report of Lord Robens which placed a large emphasis on "self-regulation" or joint participation of employees and employers in workplace health and safety. The HSEA before the 2002 amendments did not include this aspect of the Robens' report, however, it should be noted that unlike large and medium sized firms, smaller businesses are only required to have a representative if desired by their employees. Excluding the self-employed data from the Department of Statistics, it shows that roughly 40% of all those employed work in businesses with 20 or fewer employees, so clearly, potentially many employees may not have access to a representative. However, since the proportion of employees in small firms has been stable over the past decade, this aspect of safety and health is unlikely to have caused changes in occupational fatality rates.

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What Happens After Graduation? The Market for Economists

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Abstract

The paper examines the labour market for economists in New Zealand. In particular, it makes use of data from the New Zealand Department of Labour (DoL), the Census and the Ministry of Education (MoE) to make inferences about the level of demand and supply of economists. In doing so, the paper acknowledges that in the market for economists in New Zealand, there are two distinctly different sub-categories (academic and non-academic) that exhibit quite different characteristics. In recent years, employment prospects have been good for non-academic economists although are less favourable for academic employment. Economics graduates also have reasonable salaries compared to other graduates.

Introduction

In undertaking reviews of the manner in which economics is taught at the higher education level in New Zealand, it is important to understand the destinations of economics graduates. Since the 1960s, the areas of the economy, where economic graduates and economists are employed, have grown and diversified. Employment conditions for both economics graduates and economists were adversely affected by the financial crisis of 2008-09, just as employment conditions were affected elsewhere in the economy, however, on the whole, employment conditions for both were fairly buoyant during the 1990s and 2000s in New Zealand.¹

The paper examines the labour market for economists in New Zealand over the longer term. In doing so, it concentrates on the employment circumstances of economists rather than the broader category of economics graduates although the conditions affecting the latter are examined as an aid to determining the circumstances of the former. In particular, the paper makes use of data from the New Zealand DoL, Statistics New Zealand and the MoE to make inferences about the level of demand and supply of economists. Therefore, the paper acknowledges that in the market for economists (as opposed to economics graduates) in New Zealand, there are two distinctly different sub-categories (academic and non-academic) of economists that exhibit quite different labour market characteristics. In addition, economists working in non-academic areas are also divided into a number of sub-categories (i.e. policy/regulatory, finance, etc).

In the following section, a description of the economics profession in New Zealand is given. This is followed by a section with an analysis of the demand for economists in New Zealand, a section where a description of the supply is provided and a section which presents a discussion on relative salaries. In the final section, some conclusions are made.

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Economists in New Zealand

Even though the growth of the study of economics at New Zealand universities took place at the same time as the development of the profession of economist in New Zealand, the two groups of people (economists and economics graduates) are not necessarily the same. Before looking at the nature of the labour market for economists in New Zealand, it is important to make a clear distinction between those people who enter the workforce as economics graduates and those who are employed specifically as “economists”. Many economics graduates use their degree as a generic degree before taking up employment in the business or government sectors. Often their work takes them into economics related areas, but it can also take them into other fields. A person employed as an economist, generally, makes specific use of the skills and techniques acquired in their education on a range of economics related problems.

The profession of economist can perhaps be defined as being experts who study, develop and apply theories and concepts from economics to solve business and policy problems. In business, they study data and statistics in order to spot trends in economic activity, economic confidence levels and consumer attitudes. They evaluate this information using advanced methods of statistical analysis, mathematics, computer programming and make recommendations about ways to improve the efficiency of a system or take advantage of trends. Economists who work in the public sector assist policy makers to gauge the costs and benefits of public policies and to assist with the regulation of private business activity (or conversely, work on behalf of private companies to help them respond to regulation, often on contract from consulting firms). The profession is an important one as the advice of economists can have an influence on the nature and conduct of government policy and regulation and the development of business strategies.

The economics profession itself developed originally in the United States, the United Kingdom and Germany in the early years of the twentieth century. With the increased commercialisation and industrialisation of society, a more scientific/rational approach to knowledge evolved, which embodied an increased emphasis on technical expertise (Bellis, 2000). This growth of modern knowledge strengthened ‘new’ professions such as economics because its members were able to provide specialist knowledge to modern, expanding industries and to exercise their professional judgement when called upon to give policy advice.

Following the establishment of economics degree programmes in British universities, courses in economics were introduced into the four colleges of the University of New Zealand in the 1900s.² Standalone economics degrees were not developed, but were established as economics majors in the Bachelor of Commerce degree. Economists first became noteworthy in New Zealand during the economic debates of the 1930s and Second World War mobilisation. At this stage, they were relatively few in numbers, however, with the decision of the public service, at the end of the Second World War, to recruit graduates, including economics graduates, the profession began to emerge.

Up until the 1950s, the bulk of students studying economics were part-time students of accountancy and only a few students were specialised in the study of economics (Beaglehole, 1937; Parton, 1979). The recruitment of economics graduates into the public sector in the 1950s and 1960s provided encouragement for undergraduates to undertake economics majors. In addition, the expansion of the number of secondary school teachers teaching economics in schools in the 1970s encouraged students to specialise in economics.

Even though the number of economics graduates rose steadily in the 1960s, the number of people who were formally employed as “economists” was, at this time, very limited in numbers. Generally speaking, the employment of economists was restricted to a number of positions with the Research Bank, the universities, a

limited number of positions with the trading banks along with a number of secondary school teaching positions. While the Treasury employed a few economists at this time the numbers were not great³, but from the 1970s onwards, economics graduates were sought more extensively by the finance and business sectors.⁴ During the 1970s, the Treasury also began to employ a greater number of economics graduates (McKinnon 2003). Public sector employment of economists later spread to other departments, such as the Ministry of Economic Development, the Commerce Commission, Statistics New Zealand and the Ministry of Agriculture and Fisheries, etc. In recent times, local government authorities have also employed economists to help develop local economic development strategies.

In even more recent years, the finance sector has employed an increasing number of economists to judge and forecast economic conditions, as have utilities such as telecommunications, electricity and gas companies. As the latter have been subjected to government economic regulation, they find the employment of economists useful in responding to regulatory and policy changes. As the quantification of economic impact of Government policy and regulation has become more common, more economists have been employed in order to carry this out. However, it is not just Government agencies doing so but also large companies, industry and professional associations and even charities as they, too, are required to respond to Governmental policy changes with economic arguments.⁵ In fields such as property and transport development, making economic cases and rationales are important in order for builders to gain government approvals, hence the reason these fields also employ economists. As not all companies, associations and government agencies find it feasible to employ all the economists they require directly, many purchase these skills from consulting companies. The number of privately-owned, economic consulting firms has grown in New Zealand in recent years; these firms offer advice to and predict economic scenarios for individuals and large corporations and occasionally act as consultants to branches of the government.

Economics in New Zealand went through a process of professionalisation in the 1950s and 1960s and started to take on the characteristics of newer types of professions that had been appeared in the twentieth century. The professions were classified by a specialised body of knowledge, intellectual skill or technique, which was only acquired through a lengthy period of formal education. Acquiring this included mastering the skill underpinning it. That is to say, formal education in an academic setting. The introduction of a discipline like economics into the university system, as mentioned earlier, was an important stage of the overall professionalisation process as well as the creation of a viable career opportunity (Ashenfelter, 2001; Boddy, 1973; Abelson and Valentine, 1985; Ehrenburg, 2004).

In terms of its intellectual and academic development, the professionalism of New Zealand economics was high by the 1970s. This is substantiated by the fact that the subject was firmly established as an academic discipline at the universities and the number of undergraduates was passing through university courses at a reasonable level. The training programmes were robust with some university departments achieving high standards of research and teaching. Employed economists had evolved from being technical workers to being highly trained economic theoreticians, specialising in a number of sub-fields such as production economics, economic forecasting and modelling and price theory.

In contrast to regulated professions, such as engineering, law or medicine, there is not a legally-required educational requirement or license for economists in New Zealand, but in New Zealand, most economists have at least a Bachelor's degree with a major in economics while some also have Masters' qualifications and a few with a Doctorate. In some cases, economists have gained their skills from related disciplines, such as statistics or some types of applied mathematics, such as mathematical finance. Generally, only a minority of economics graduates become professional economists even though many work in related fields, such as finance, accounting, insurance, tax or management. Overall, a majority of economics graduates end up

working in economics-related areas, but the proportion is lower than that of accounting, engineering, medical, education or law graduates.⁶

The Demand for Economists

It is not entirely clear just how many professional economists there are working in New Zealand as there is no formal licensing of economists and given that it is a self-defined profession and, presumably, as many economists regard themselves as public servants or, for example, financial market analysts rather than economists, the number is difficult to determine. Many economics graduates also work in areas which combine some of the responsibilities of an economist with those of other fields.

In 2008, the New Zealand Association of Economists reported that it had 354 members (NZAE 2008), and as membership is not crucial to a successful career as an economist in New Zealand, many economists choose not to join the association or, instead, join professional agencies or societies that more closely reflect their work areas, for example, the New Zealand Agriculture and Resource Economics Society and the New Zealand Statistical Association. Therefore, the number reported by the NZAE probably does not reflect a clear figure of the number of economists working in New Zealand.

The 2006 Census counted 480 people who listed their occupation as economists – a number that would not have included those who worked and classified themselves as other occupations (ie: academic, teacher, policy analyst, statistician etc). In 1996, over 1,000 New Zealanders declared themselves to be economists, but the subsequent creation of the occupation of ‘policy analyst’ for the 2001 Census took away from this. The category of ‘policy analyst’ was largely taken from numbers of those who had previously characterised themselves as being economists or social scientists. At the 1996 Census, economists accounted for 31 percent of the two categories combined. At the 2001 Census, the combined number of economists, social scientists and policy analysts was at 1,430 (31 percent) and 1,850 in 2006.

Table 1: Employment Numbers at Census⁷

	1971	1976	1981	1986	1991	1996	2001	2006
Economist	204	789	1,107	750	735	1,005	375	438
Policy Analyst	n/a	n/a	n/a	n/a	n/a	n/a	2,910	4,029
Social Scientists*	13	69	179	122	1,176	2,200	1,332	1,497
Market Research Analyst	239	313	441	654	1,752	n/a	1,737	3,072
Statistical Analyst & Mathematicians	114	188	198	229	507	492	495	801

Source: New Zealand Statistics (1971-2010).

*Many later categorised as social scientists in 1971 and 1986 were classified as government officials, included entirely in this category in 1991 and 1996 then subsequently shifted to the Policy Analyst category.

As the number of policy analysts with an economics backgrounds in New Zealand has grown steadily during the 2000s as well as there being increase in the number of economists in the finance sector (at least up until the financial crisis of 2008/09), the number of economists in New Zealand today is almost certainly far higher than the 1996 Census figure. Looking further at the census data, it is clear that other fields that employ economists, such as market research analysts and statisticians have grown strongly through the 1990s and 2000s. It is, therefore, probable that the number of economists working in New Zealand today is well

over 2,000, considerably more than the number of economists counted by the Census in 2006 or the membership numbers of the New Zealand Association of Economists.⁸

Traditionally in New Zealand, a fair proportion of economists worked as university academics. From the figures just cited and the list of numbers of economists employed in New Zealand universities, it would appear that academic economists are a small minority of the full number of economists working in New Zealand. From Table 2 it can be seen that, in 2010, there were 159 academic economists with full time positions in New Zealand. In addition, there are a small number of economics lecturers at polytechnics and private providers such as UNITEC, Manukau Institute of Technology and AIS St Helens. Although this number has grown steadily since the 1960s in line with student numbers, it is a number far below that of government and private sector economists. This differs to the situation in Australia where the number of economics academics has been stagnant since the mid 1990s (Maxwell, 2003).

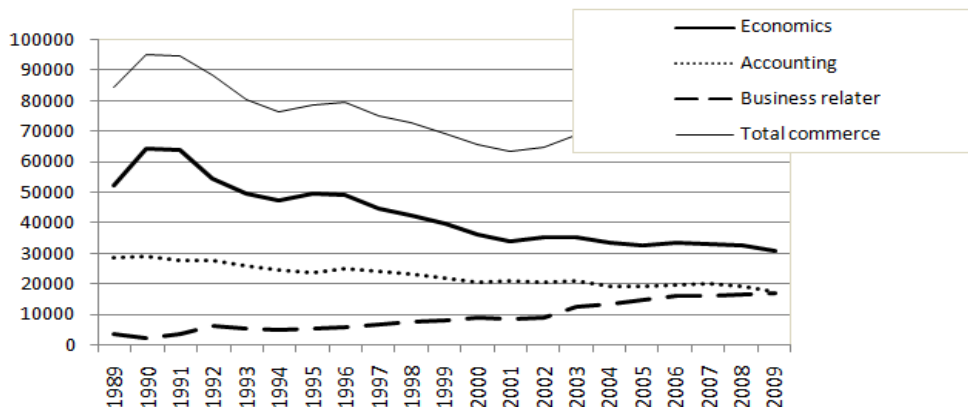
Table 2: Academic staff in economics departments of New Zealand Universities, 1965 to 2005

	University Departments	Staff
1965	7	49
1975	7	86
1985	7	118
1995	7	143
2006	8	150
2010	8	159

Source: Association of Commonwealth Universities, 1965-2010

In addition, a significant number of economics graduates were employed as economics teachers in secondary schools in the past. Demand for economics school teachers, however, has been waning since the 1980s as students have switched to other subjects. Figure 1 provides data on the number of students studying economics in secondary schools in New Zealand. Some of this decline can be attributed to the switch of students to other business related subject, although it should be noted that the number of students studying the combined total of accounting, economics and other business related subjects has declined significantly since the 1980s.⁹

Figure 1: Economics & Business Related Subject Numbers in Secondary School from 1989 to 2009.



Source: Ministry of Education (1989-2009).

At one time, it would have been reasonable to state that the bulk of economists in New Zealand worked in the universities, secondary schools or key government departments, such as the Treasury and Reserve Bank but

this is no longer true as the bulk either works in a range of government agencies or for the private sector. What appears to have occurred during the 1990s is that the number of economists has grown steadily, but most of this growth has been in the public and business sectors rather than in the universities or secondary education sector. The number of economists has grown in a number of other areas such as utility regulation (electricity, gas and telecommunications), transport and urban planning, market and business research and health and social services as well as the finance sector. However, not all of these economists work directly for the public sector, but they often work for consulting companies that provide advisory services. Today, the vast majority of economists work in business or for the Government rather than the education sector.

One final aspect of demand for economists that should be noted is the lack of crossover in the labour market of academic and non-academic economists. Given the general requirement of academic economists to have a Doctorate and non-academic economists to have work experience (on top of their Bachelor's degrees), the crossover between the two areas is not great. While there are some examples in New Zealand of academic economists who have gone on to public or business careers in economics and examples of business or public sector economists who have taken up academic careers, it is far more common for economists to specialise in either area at an early stage and continue to stay in that field. That means the labour market conditions in the academic market and business and public fields are not necessarily the same. For example, it is possible for demand to be strong in one sector of the market and weak and flagging in the other. This would tend to have been the case in New Zealand in recent years as demand for professional economists has tended to be strong whereas demand for economists in the education sector (both higher and secondary) stagnant at best.

The Supply of Economists

Looking at the supply side, it would appear from Table 3 that there has been some growth in the number of economics graduates in the 1990s and 2000s, with a speed up occurring in the latter decade.¹⁰ Some of this growth was due to a greater number of overseas students taking up studies in economics, but even after taking this into account the number of domestic graduates seems to have been rising steadily (Table 3). While there is no way of knowing exactly how many graduates in New Zealand have majored in economics, the number is probably around 10,000.

Table 3: Economics and Business graduates in New Zealand higher education, 1985 to 2008

	Economics Bachelors graduates	Economics, post-graduate certificates, diplomas	Economics Masters	Economics PhD	Domestic economics all	Commerce Graduates	Economics/Commerce
1985	207	21	20	3	n/a	1,196	0.210
1990	364	26	19	1	n/a	2,355	0.117
2000	520	320	60	10	760	7,169	0.113
2005	840	230	60	10	690	10,040	0.114
2008	1,020	370	70	10	1,020	10,080	0.146

Source: Ministry of Education, 1989-2010; Scott, 2009a

Most economists working in the business and public sector have economics majors in Commerce degrees, rather than Masters or Doctorate qualifications, although it is notable in Table 3 that, in recent years, the number of graduates doing Postgraduate certificates, diplomas and honours programmes has been increasing steadily, indicating that a number of working economists may have been upgrading their skills.

In the business and public sectors in New Zealand, most recruitment of entry level economists is from the pool of New Zealand graduates only. There is a tendency on the part of both Government agencies and private businesses not to employ immigrant economists on the grounds that they do not have much in the way of New Zealand related experience. New Zealand immigration has never given any special preference to the entry of economists to New Zealand (as it has done for instance at times for accountants), and as New Zealand employers do not have a propensity to recruit or support the migration of economists the number of economists immigrating to New Zealand has tended to be low (Table 4).

Table 4: Immigrants of economists to New Zealand, 2003/4 to 2009/10

Skills applicants	
Economist	41
Policy Analyst	92
Market Research Analyst	63
Statistical Analyst	42
University lecturer or tutor	1,035
Work applicants approved	
Economist	124
Policy Analyst	79
Market Research Analyst	85
Statistical Analyst	92
University lecturer or tutor	1,031

Source: Department of Labour, 2010.

Conditions are somewhat different in terms of the recruitment of economists in university positions. Although the number of doctoral graduates in New Zealand is relatively low in the field of economics, the universities regard the market for economics to be an international one and are far less concerned about their staff's knowledge of New Zealand conditions. A sizable proportion of New Zealand university economists have overseas qualifications and the permanent staff tends to have doctorate qualifications.

The different employment prospects for non-academic and academic economists have had important implications for the growth of post-graduate qualifications in New Zealand. Strong growth in employment for non-academic economists has meant strong demand for university courses at the post-graduate certificates and diploma as well as Masters level; growth in the number of Doctorate students seeking academic employment has been more limited. If employment prospects for non-academic economists continues to grow it would be expected that growth of the non-Doctorate courses to continue

Given the different demands of employers (universities versus business/public sector) in terms of qualifications and experience, there tends to be little crossover between the two classifications of economists. Generally, to become an academic economist in a New Zealand university, a young graduate must commit a number of their most productive years to study for a Doctorate. As business and public agencies are more interested in the work experience that young economists may have, they tend not to recruit people who have committed most of their younger years to higher study. Conversely, the universities act in a similar way towards experienced, but formally under qualified, economists and prefer to recruit economists who perhaps lack professional experience but have Doctorates even if they were trained overseas.¹¹ Therefore, it appears that there is a clear division in the supply of economists between the academic and non-academic sectors.

Salaries

Evidence of relative salary levels for economists in New Zealand is rather scarce but what there is indicates that salaries over the years have kept up with, or exceeded growth in, salaries in general. Table 5 provides data on the relative salaries of graduating economics majors in both New Zealand and Australia.

In a labour market for skilled workers, like economics graduates, experienced staff and new entrants are not necessarily close substitutes for each other. Nonetheless, starting salaries and how they change over time do give some indication of market conditions. If there was strong growth in demand for a particular type of employee, it would be expected that average salary levels would rise due to a limited supply.

Statistics New Zealand undertook a survey in 2003 and 2006 of the average salaries of a number of different types of graduates. Some of the survey results are summarised in Table 5. In addition, median salaries for economics graduates in Australia are also presented in Table 5. In 2003, it was found that the average salary of New Zealand economics graduates was \$36,200, well above the average for graduates in general and comparable to that of accountants. Three years later, the same surveyed group had seen their salaries grow quite strongly such that their relative salaries were even higher in relation to that of other graduates.

Table 5: Salaries for economists in New Zealand and Australia

NZ post-degree median salaries		
	One-year	Three-year
	2003	2006
Economics	36,200	48,100
Accounting	36,400	49,800
Management & Commerce	33,700	43,900
All degree	33,000	41,300
National median	26,800	28,800
Economics/All degree	1.10	1.16
Economics/Management & Commerce	1.07	1.10
Economics/National Median	1.36	1.73
Australian post-degree median starting salaries		
	2003	2007
Economics	37,400	45,000
Accounting	35,000	40,000
Business	35,000	40,000
All degree	37,000	43,000
Economics/all degree	1.01	1.07
Economics/Business	1.07	1.13

Source: Scott, 2009b; Graduate Career Council, 2003

The higher level of salaries of New Zealand and Australia economics graduates, compared to other graduates, is a phenomenon that has been found in other countries as well, such as in the United States (National Association of Colleges 2011).

In the Australian case, entry level salaries at \$37,400 in 2003 and \$45,000 in 2007 were well above the average for graduates and grew at a faster rate in the period 2003 to 2007. Australian studies have also found that unemployment rates amongst economics graduates have been relatively low in the period 2003 to 2007 (Graduate Careers Council, 2009). Other work by Lewis, Daly and Fleming (2004) found that there has been rising rates of return on economics graduates, both absolutely and compared to other business disciplines since the mid 1980s. While there has been no study of the unemployment rates of economics graduates in New Zealand, it would be expected that they would be faced with similar conditions.

The higher level of economics graduates salaries and strong growth in salaries during the 2000s, both absolutely and relative to other salaries, would imply that there has been a tight labour market for economics graduates and economists, at least in the public and private sectors. In the universities, the small number of positions, low turnover of staff and willingness on the part of universities to recruit overseas presents a quite different story.

Conclusion

In summing up the findings of this study a few conclusions can be made, despite the limitations placed on the study by the availability of data. First of all, the employment market for economists has been relatively good in New Zealand over the past 20 years. From employment in central government agencies (the Treasury and Reserve Bank), job prospects have grown in other departments of the Government along with the finance sector and with regulated companies. The regulation of utilities, the Resource Management Act and the expanded use of regulatory impact statements have all helped to expand job opportunities for economists. This employment is mainly with the Government but also with consultants and regulated companies. Financial market employment has also been good, at least up until the recent global financial crisis.

The place where employment for economics graduates is now not as good is in secondary education and tertiary education. While the number of higher education economics academics is not falling, it is not growing at any rate even though there has been modest growth in the number of students studying economics in recent years.

In terms of remuneration, it appears, from evidence in both New Zealand and Australia, that economics graduates are reasonably well paid, are sought after and, perhaps over the past ten years, have improved their position compared to other graduates. Further data on the level of professional salaries in New Zealand would enable more conclusive statements on this. Finally, there appears to be no oversupply of economists in New Zealand. Economics graduates numbers are rising – only slowly and immigrant numbers are small. New Zealand companies have a tendency to prefer economists with New Zealand experience thus improving prospects for local applicants. Somewhat

Notes

¹ This reduction in employment has occurred more in the finance sector rather than in the public sector and in areas of regulatory affairs (Lahart 2009).

² The four colleges were Auckland, Victoria Wellington, Canterbury and Otago. Separate chairs of economics were established at Auckland College in 1926 (Belshaw), Canterbury 1920 (Condliffe), Victoria Wellington 1920 (Murphy), and Otago 1924 (Fisher).

³ The Treasury in New Zealand did not begin to employ economics graduates in any numbers until the late 1960s. This meant that it was the Reserve Bank, which was the most important source of employment for economists in the 1950s and 1960s (McKinnon, 2003; Hawke, 1973).

⁴ At the 1981 Census, Statistics New Zealand reported that around two-thirds of economists were employed by the private sector (the other third being employed by Government agencies). If university and secondary school teachers are added to these numbers, then around one-half of economists could be said to be employed by the public sector

⁵ Legislative measures, such as those requiring Regulatory Impact Statements and requirements under the Resource Management Act have created a cottage industry of economists (both public and private) who analyse the economic impact of legislative changes and planning applications.

⁶ The Australian Graduate Careers Council found in its studies that approximately 58 percent of economics graduates found work in economics related areas. This compares to 84 percent of accounting graduates and much lower levels for social science and humanities levels which tended to be 20 to 30 percent.

⁷ Although it can be safely assumed that the majority of these policy analysts work for the government, a sizable minority would also work for utilities, industry and professional associations and consulting companies.

⁸ This means that the NZAE would be far less representative of economists in New Zealand compared to 30 years ago. For instance in 1970, the NZAE had 215 members (Holmes, 2011), compared to a reported 204 economists at the 1971 census (plus academic economists). It is fair to say that, at that time, most economists in New Zealand were members of the association, which is untrue today. In addition, a number of economics graduates teach economics in secondary schools. In 2009, 350 schools in New Zealand offered economics subjects. It can probably be assumed that each of these schools has at least one teacher of economics although many of these would combine the teaching of economics with other related subjects such as business, accounting, mathematics and politics.

⁹ The number of schools offering economics as a subject peaked in 1991 and 1993 at 371, and has since fallen to 351 in 2007 (Education Statistics of New Zealand).

¹⁰ This contrasts somewhat to the situation in Australia where numbers increased through the 1980s and 1990s but at a rather reduced rate (Millmow, 2009).

¹¹ Although it is sometimes argued that the low salary levels in universities are a deterrent to the recruitment of economists from outside of academia, public sector and university salaries are of comparable levels. Even in the private sector, the number of highly paid economist positions is limited.

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Pay Equity and Equal Employment Opportunity in New Zealand: Developments 2008/2010 and Evaluation

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Abstract

This is the fourth in a series of papers updating developments relating to pay equity and Equal Employment Opportunities (EEO) and evaluating their impact. As with the previous papers, it focuses primarily on gender, but also discusses the overall situation and touches on issues related to ethnicity, age and disability. In the last two years the election of a National Government has led to an even less interventionist climate, with the abolition of the Pay and Employment Equity Unit in the Department of Labour and the cancellation of associated pay equity investigations. This paper will discuss these moves and what remains of the Unit's work and other EEO initiatives. It will also examine recent evidence on discrimination on the basis of ethnicity, age, and disability as well as reports/recommendations/actions for its elimination – including employer and union attempts to improve opportunity for recent migrants and people with disabilities. Finally, the situation for older workers will be examined, with increasing labour force participation at 65+ observed and encouraged, despite considerable discrimination faced by this group.

Introduction

The conclusion to a paper on the same topic published in the *New Zealand Journal of Employment Relations* in 2008 included:

The picture outlined above of the last two years shows many reports and some progress, albeit slow, in a number of areas. The prospects for the future are of concern at a time of world economic uncertainty and likely increases in unemployment – where low paid and EEO groups are often the first to suffer. The election policies of the parties indicated that those elected to government are largely committed to market solutions, educational progress for all, and enhanced growth to improve the position of these groups rather than more specific policies which Labour led governments delivered, albeit to an increasingly limited extent. Voluntary codes and educational resources are likely to continue to be promoted (Hyman, 2008: 13).

I forecasted the survival of several institutions including the EEO Trust, instituted by the 1990 National Government after it repealed Labour's more interventionist Employment Equity Act, the National Advisory Council on the Employment of Women (NACEW), and the Ministry of Women's Affairs (MWA), and also hoped that the Department of Labour's Pay and Employment Equity Unit (PEEU) would survive. Three out of four was a fair score, and unsurprisingly it was the one about which I was least certain, the PEEU, which was abolished. I also suggested that the prospects for real outcomes from the work were even less rosy with respect to pay equity and dollars for pay increases in caring work under a National led government than they would have been under Labour. This was accurate, with National's plans to reduce the size of the public service and further free up the labour market. The introduction of 90-day probation periods for new employees was inevitable, with lower paid groups, particularly women, Maori/Pacific/immigrants and people with disabilities the most likely to be affected (for good or ill, with polarised opinion). This paper will outline what has occurred in these areas as well as the voluntary initiatives by these and other institutions to assist less advantaged groups in the labour market.

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Pay Equity for Women – Equal Value and Equal Opportunity

Feminist groups have long argued that female-dominated work is undervalued by both decision makers and the market and that gender neutral job evaluation tools are needed to assess the value of such work against comparable male-dominated occupations, followed by remedial mechanisms. Arguments centred on the market as the only appropriate means of evaluation and on the cost of remedying any undervaluation found to exist have held sway and prevented much progress on the equal pay for work of equal value agenda. However, the arguments have been used with some success in collective bargaining and decision making for some groups including nurses, midwives and primary teachers. Nevertheless, the gender pay gap has narrowed only very slowly since the major improvement resulting from the extension of equal pay for equal (identical) work legislation to all work in the 1970s (by a National Government), with women moving up job hierarchies and into male-dominated jobs having more impact than improving the relative pay of female-dominated work. Since the 1980s, Labour-led governments have been somewhat more likely to pursue proactive pay equity policies than those led by National, but both are nervous of any major interventions in the market. Labour's short lived 1990 Employment Equity Act, repealed by National the same year, had no time to take effect.

The 1999-2008 Labour Government's nine years of leading coalition governments saw a much changed employment relations system, with national awards and occupation bargaining long gone, giving less opportunity for equal value implementation. Hence, government policies focused on jobs financed from the public purse, with the establishment of the PEEU to service the activity. Organisations in the core public service, the public health sector, and the public education sector were obliged to conduct pay reviews to check if rewards and participation in the full range of job types and job levels were affected by gender and if there was a difference in men's and women's experiences of respect and fairness. The review process was to include development of a response plan for moving towards gender equity by addressing any issues identified, to include a strategy for implementation, monitoring and evaluation. Most had been completed, together with some in local government and Crown Research Institutes by the time a National government was elected late in 2008 and the Unit abolished soon after. The Unit had provided tools and assistance including a Pay and Employment Equity Analysis Tool (PEEAT). The website developed by the Unit¹, remains active and gives a link to order the PEEAT, the Equitable Job Evaluation scheme (EJE), and the Spotlight Skills Recognition Tool (for more details on each of these, see Hyman, 2009). All these tools were available free of charge to both public and private sector employers. Overall, reviews found lower starting salaries for women, barriers to career development, lower performance pay, and pay gaps ranging from 3% to 25%, varying by department and occupation. Women's incomes also tended to be lower in female-dominated occupations. Two very useful overview papers on the reviews and the process were prepared by the Unit in its last days and are also included in the Toolkit available on the Department of Labour website².

With the gap left by the PEEU, the Human Rights Commission (HRC) in 2010 released a pay and employment equity monitoring framework and questionnaire for organisations to use for self-assessment and monitoring to measure their current performance and progress towards gender equity, concentrating on a few key indicators (Human Rights Commission, 2010a). Designed to permit a quick 'health' check of the gender statistics, policies and practices of an organisation, and see what adjustments may need to be made, it could be followed by use of the review process. Where reviews have already been conducted, it can assist with scrutiny of key indicators to assess progress since the review and examine the effectiveness or the response plan.

Current government policy in this area is set out as follows at Department of Labour's PEE website:

Government's overarching policy for employment and workplace relations is based on demonstrating good faith, natural justice, human rights, good employer practice and meeting all statutory requirements. Government policy supports continuing implementation of pay and employment equity response plans, *excluding* (my italics) pay investigations of female-dominated occupations, and recognises the obligations of public sector chief executives to ensure they continue to address and respond to any identified gender inequities as part of good management practice and

being a good employer. Government encourages voluntary participation of public and private sector organizations in pay and employment equity projects. The Department of Labour will continue to provide to both public and private sector organisations the pay and employment equity tools and resources including the review tools and the Equitable Job Evaluation System (Department of Labour, 2010a).

Hence, organisations should be continuing to implement their response plans but without an internal government organisation to provide an overview of progress. The HRC, with a strong EEO role and Equal Employment Commissioner, Dr Judy McGregor, therefore, took upon itself a role in monitoring progress in the public sector. Noting that the reviews and response plans were not made public, the Commission asked government departments to report their overall gender pay gap at June 2010 as well as actions taken to address gender disparities in starting salaries, to increase representation of women in management positions, and to implement other recommendations in their response plans. The results are included in the Commission's recent wide-ranging two-yearly report on their Census of Women in Professional Life, which has been extended to a number of new areas (Human Rights Commission, 2010b).

The HRC found that the overall gender pay gap in the public service, measured by average earnings, remained the same between 2008 and 2009 at 15.4%. The range of the gender pay gap across government departments was wide, with only one department, the Serious Fraud Office, having a gap in favour of women and with 12 of the 34 departments having gaps over 20%. To put this in dollar terms, the 23.2% pay gap at the Ministry of Economic Development amounts to an average \$19,636 difference in annual pay. Comments on the gender pay gap, unsurprisingly, focused on occupational segregation effects, with women predominating among the lowest paid staff. Several departments said that they were monitoring starting salaries and determining salaries for roles using gender neutral job sizing. Some went further, with Agriculture and Forestry saying they checked the gender mix on short-listed applicants, used moderation to ensure internal equity for salaries, and included a decision justification of starting salary in personnel files.

Nevertheless, only 17.6% of public service chief executives are women, a decline from 23% two years earlier, with women also under-represented throughout senior management. The proportion of women in tier 2 and 3 management positions is 37.8%, unchanged in two years, but up from 35.6% in 2005. Women from ethnic groups other than European are particularly under-represented. Of the women in senior management positions, 10.3% are Maori, 1.5% Asian, 1.5% Pacific and 84.2% European. A number of departmental responses on initiatives to improve the position referred to: career development programmes and the identification and development of talent, with specific strategies including identifying barriers, actively supporting talented women and rethinking management roles. On other actions taken, common responses included changes to human resource practices such as revision of the recruitment process, resizing jobs, revising remuneration systems and policies, increased monitoring and reporting, professional development programmes, flexible work practices, and creating a positive work environment. Many individual departmental responses on all the questions are included in the report. Overall, while welcoming the wide-range of activities, the report concludes that the "declining percentage of female chief executives and the large number of departments with significant gender pay gaps is unacceptable and requires a whole of government commitment and stronger accountabilities for public service chief executives" (Human Rights Commission, 2010b: 60).

The Government's specific ruling out of pay investigations of female-dominated occupations recommended by reviews was of major concern to the organisations which have long fought for equal pay for work of equal value – the investigations would have analysed and compared job content against male-dominated work to see whether the work was undervalued. Interestingly, the definition of pay equity on the official website appears to sanction equal pay for work of equal value, although the reference to market factors dilutes this somewhat:

Pay equity means gender doesn't affect what people are paid. It means women receive the same pay as men for doing the same work, and for doing work that is different, but of equal value. The value of work is assessed in terms of skills, knowledge, responsibility, effort, and working conditions.

Other considerations in setting remuneration can include market factors, productivity and performance (Department of Labour, 2010a).

The first two pay investigations recommended by reviews covered CYFS social workers and special education support workers, the latter a female-dominated low paid group working one-to-one with special needs children part-time and without security of tenure. These pay investigations had been completed with the EJE scheme used to make comparisons of the value of the work of special education support workers against prison officers and hospital orderlies. The decision, on the grounds of possible unaffordable remuneration pressure, prevented trade unions from addressing discriminatory pay rates and related issues in pay negotiations with the employing departments and meant probably underpaid female-dominated groups bearing the brunt of economic pressures.

With the abolition of the PEEU, MWA was given the responsibility of more gender pay gap work financed by a 12% funding increase (\$2 million over four years) from the savings – and probably attempting to defuse adverse political reaction. The MWA's 2008 Briefing Papers to the incoming government had included a section headed "Legislation is not the answer". It argued that issues such as closing the gender pay gap

...will not necessarily respond to further legislation or other forms of direct government action (such as requiring gender implications statements on some Cabinet Committee papers). Removing these last barriers that prevent women – and men – from achieving their full potential will require a much more co-operative and lateral thinking approach. For the Ministry it will mean working more closely with other government agencies, with NGOs, with communities and with individuals. It will also mean engaging more with men because men will also benefit from a society that makes the best use of everyone's talents (Ministry of Women's Affairs, 2008: 9-10).

The MWA's approach has thus been to find partners and allies, and act as influencers and catalysts, working with businesses, professions, and the wider sector. This aligns well with the National government's approach. The four areas of work mentioned in the programme are:

- Understanding the differences in pay between male and female workers with tertiary education
- Occupational segregation: promoting trades and removing barriers for women
- Career pathways for women in low-paid occupations
- Making the business case for flexible work arrangements.

The work-to-date related to two of these areas is described as follows in the MWA's annual report to June 2010:

- "undertaking case-study research with the accountancy sector to identify the benefits of good flexible work practices. The study showed that benefits include greater productivity, higher profits, improved customer satisfaction, cost savings and increased efficiency, and the ability to recruit and retain top staff
- working to get more women into traditional trades and to keep them there by developing women in trade networks and working with industry training organisations (ITOs) to promote and support their initiatives
- undertaking analysis of graduate income data (2002–2007), which showed that one year after entering employment the average income gap between men and women with a bachelor's qualification or above was around 6%, and after five years the average income gap had increased to 17%." (Ministry of Women's Affairs, 2010a: 8).

The MWA's (2010b) working paper on graduate incomes, entitled *Analysis of Graduate Income Data 2002-2007 by Broad Field of Study*, was based on IRD data (the Student Loans and Allowances Integrated data set – the uptake of student loans was between 72% and 82% in that period) and examined 2001 graduates' incomes in 2002 and 2006. Despite limitations, such as very broad divisions for field of study and lack of

hours/occupations data, the gap is striking and is in line with earlier Vice Chancellors' Committee graduate income reports. Nevertheless, there is a significant premium for women attached to gaining a bachelor's or higher qualification, with income premiums 20% to 47% higher after five years (see MWA, 2010b for more details). With women, by 2006, constituting 62% of all bachelors' graduates and outnumbering men in business, management, sales, marketing and law, in addition to their ongoing dominance in teaching and nursing, the situation should be changing, but the Ministry's accountancy case study demonstrates the resistance to change in such professions (Ministry of Women's Affairs, 2010c).

The case study research reported in the MWA's report *Workplace Flexibility in the Accounting Sector* (2010c) inquired into the nature and prevalence of flexible workplaces and practices, and to what degree this was a response to significant challenges, including skills shortages, demographic challenges, an increasing number of women entering the profession, and the need to retain younger people, mainly women, to assist in meeting these challenges. 12 public practice firms using some form of flexibility were involved, ranging in size from four staff to 900. Although a majority of accountancy staff from graduates to senior managers are now women, a majority of partners and associates are men and "many experienced women 'disappear' long before making the step up to partnership." (Ministry of Women's Affairs, 2010c). This was clearly aligned with a dominance in most firms of a traditional working and office culture, emphasising long working hours and 'networking' over drinks and at sporting fixtures. While a couple of firms were 'breaking the mould' the report noted that in most large firms

...there was little recognition that in losing talented female graduates to partnership they might be losing their most talented employees, with implications for the quality of the partnership and ultimately its profitability. This is not just a gender issue. Younger people indicated that few of them wanted to be partners because of the long hours and the nature of the commitment required (Ministry of Women's Affairs, 2010c: 11).

This resistance to change in accountancy is borne out by the HRC Census which reports the numbers of women partners in large firms (see Human Rights Commission, 2010b: 26). The 12 largest accountancy firms had only 76 women partners out of 598 (12.71%), despite the majority of accountancy staff from graduates to senior managers being women. The proportion varied from zero at Polson Higgs (13 partners) to 20.7% at PKF (29 partners). The largest firm, Price Waterhouse Coopers, had 13 out of 110 (11.8%). Many qualified and experienced women leave long before making the step up to partnership for the reasons outlined in the case study so that while the pipeline effect should produce fairly rapid change, these factors cast doubt on this unless firms change their practices considerably. The Census also has sections on women's representation in central and local government, DHBs, law, the media, the police, science, sport, teaching, the judiciary, and senior management together with a suggested agenda for change to improve the situation.

Interestingly, the area where there is most activity, even if the results are slow to change, is that of attempting to increase the representation of women on Boards of Directors. Such efforts are clearly needed as the latest corporate board figures show New Zealand poorly placed on this with only 9.32% women directors in the New Zealand Stock Exchange top 100 firms, while the Scandinavian countries vary from 12.5% (Denmark) to a high of 44% (Norway), Spain has 19.2%, the United States 15.2% and the United Kingdom 12.2% (Human Rights Commission, 2010b). Initiatives to assist women develop the skills needed include an EEO Trust sponsored cross-company mentoring programme, with ten women to be mentored by men and women from different companies, while the New Zealand Shareholders Association has added three women to its board.

Global Women has launched a year long programme involving customised mentoring and coaching aimed at building the next generation of female leaders in large public, private, and non-profit organisations while there are also some sector specific initiatives (for details, see Human Rights Commission, 2010b: 8). The business case for women on boards has been put in a glossy publication sponsored by Business New Zealand, the Institute of Directors and the MWA (2009) and available on a new section of the Ministry's website which "aims to inspire more women to join boards and committees. It provides governance advice,

tools and information drawn from the expertise of the Ministry of Women's Affairs and experienced women directors" (Ministry of Women's Affairs, 2009) and contains advice and case studies.

Another major initiative is a partnership between the HRC and the EEO Trust entitled 'A Place at the Table', aimed at improving the diversity of Boards of Directors in New Zealand to span women and other underrepresented groups. In particular, 'Women on Boards: Getting Ahead' was launched in September to involve meetings with male Board chairs, engage with shareholding ministers and make approaches to the top 100 companies lacking women directors. At the launch, The Warehouse director Janine Smith argued that diversity of thought on boards was essential to business success. The main ideas and suggestions from the forum span: encouraging human capital reporting, mainstreaming the business case, telling the story, involving men as champions, mentoring and leadership, bridging the divide between public sector and private sector boards and setting targets (detailed suggestions under each heading at http://www.eeotrust.org.nz/a_place_at_the_table/index.cfm).

Important as it is to have good gender representation in top positions in all areas, many women's organisations regret the emphasis on this at the expense of improvement in the participation, status, and pay of women throughout the labour market, especially that of low paid women in which ethnic minorities are overrepresented, and where their caring work is often hard to combine with paid work. Aggregate gender earnings gaps have hardly changed in the last decade, with women of all ethnicities having lower average hourly earnings than men from the same groups. However, ethnic earning gaps are even wider than gender gaps, as the tables below show, with ethnicity and gender gaps compounding. Pacific workers are the lowest earnings group with Pacific women earning on average only 69.9% of the hourly rate of Pakeha men. Further, the latest unemployment figures show the Pacific rate at 13.5% and the Maori rate 16.2%, both far higher than the average of 6.4%.

Table 1: Average hourly earnings by gender and main ethnic groups

All women \$22.15	All men \$25.57	All Māori \$20.84	All Pakeha \$24.65	All women as % of all men 86.6%
				All Maori as % of all Pakeha 84.5%
	Women	Men	All	
Pakeha	\$22.71	\$26.62	\$24.64	
Māori	\$20.04	\$21.56	\$20.84	
Pacific	\$18.62	\$20.35	\$19.54	
Asian	\$20.77	\$21.93	\$21.38	

Source: Statistics NZ Income Survey, June quarter 2010, Table 10

Table 2: Average hourly earnings comparisons by main gender/ethnic groups

Relative to	Pakeha women	Māori men	Pacific men	Asian men	Pakeha men	All men
Pakeha women	-	105.3%	111.6%	103.5%	85.3%	88.8%
Māori women	88.2%	92.9%	98.4%	91.3%	75.2%	78.3%
Pacific women	81.9%	86.3%	91.4%	84.9%	69.9%	72.8%
Asian women	91.4%	96.3%	102%	94.7%	78%	81.2%

Source: Statistics NZ Income Survey, June quarter 2010, Table 10

Further, there is evidence of a combination of mistaken complacency that EEO has been achieved or is outmoded or need not be taken seriously despite anti-discrimination legislation, in some quarters at least. In September, a woman refused a job selling cars because she was female was paid \$6500 and received an

apology from the dealer with the help of legal representation by the Office of Human Rights Proceedings, following a complaint to the HRC and the failure of mediation. She had answered an advertisement for a car salesperson but was told that as the firm had two 'sales ladies' (sic) on board; they would only consider men for this vacancy, despite the fact that she had previous sales experience and was qualified for the sales job advertised. The Director of the Office of Human Rights Proceedings Robert Hesketh said the woman was delighted at the outcome

It does raise the issue of whether there should be provision for the Tribunal to award punitive damages. If that was possible, it would publicly highlight the unacceptability of discrimination and perhaps we would see less of this kind of issue. (Human Rights Commission, 2010c).

It is not surprising that these types of events still occur, but more so because employers are too ignorant even to cover up such discrimination, showing their ignorance of the legislation.

Also in the EEO area, there is much lip service paid to the importance of parents' and others' caring work for children and others in need, and the desirability of work-life balance encouraged by family friendly workplaces – although official policies and employer attitudes often fall far short of what is needed. Caveats about the realities were expressed in my previous paper in this series (Hyman, 2009), despite the Flexible Employment Arrangements Act, 2007. Lower level workers have little bargaining power and their insecure patterns of perilous work may be misrepresented as allowing work-life balance, and higher level workers seeking flexibility often find it interpreted as a lack of commitment, as the accountancy case study above illustrated. The PEEU reviews mentioned earlier had similar findings on this, with the desire for part time work or flexibility often reducing career options, especially for women.

Nevertheless, some employers are making efforts in this area. The EEO Trust 2010 Work & Life Awards had over 40 entries with the supreme award, interestingly, going to The Warehouse for parenting programmes for distribution staff – leading to better team cohesion and performance. Over 200 employees in the company's South Auckland distribution centres took part in the programmes run by the Ministry of Social Development-backed parenting programme SKIP (Strategies for Kids, Information for Parents) in work time. They "drew out participants' feelings and beliefs about what being a good parent meant and explored how to help each other be better parents, stressing communication and non-physical discipline" (EEO Trust, 2010). Staff were reported as becoming closer, with engagement and productivity increasing and absenteeism decreasing. The Trust has also published WorkLife, which "offers examples, ideas and commentary, supporting people developing flexible and productive workplaces" (EEO Trust, 2010).

Barriers to Equality for Ethnic Minorities, Older Workers, and People with Disabilities

The disadvantaged position of Maori and Pacific workers accentuated by the global recession has already been mentioned and the outlook for Maori employment in the short-term is not promising. A large proportion are employed in manufacturing, retail and tourism-related industries which are particularly affected, though improved educational outcomes and Treaty settlements may improve the situation in the medium term (Department of Labour, 2009). On initiatives to remove barriers, and reduce discrimination faced by all these groups, there is sadly little to add to my paper from two years ago:

With the only legislative underpinnings for EEO in the private sector being the anti discrimination provisions of industrial relations and human rights law, the main developments have been in education and provision of resources to encourage employers to make the best use of all groups of employees (Hyman, 2008: 10).

Here, I outline some of the new evidence on the barriers to these groups and resources to suggest how to remove them and be innovative in the workplace.

A paper prepared for the HRC shows that Asians in New Zealand face more discrimination than all other ethnic groups and are at a disadvantage in finding employment even though many are recruited here for their skills. Despite the challenges, Asian people tend to be satisfied with their lives in New Zealand, valuing the opportunities and lodging fewer complaints about discrimination than other groups. However, “Asian people who have entered NZ through the General Skills Category have higher levels of unemployment and lower levels of employment than all other migrant groups entering NZ under the same category” despite being “the group with the highest number of university qualifications” (Girling, Lui and Ward. 2010: 10). The report suggests development of a national strategy towards combating discrimination against Asians. In 2009, the Department of Labour surveyed 942 employers who had had contact with Immigration New Zealand (INZ) with respect to employing immigrants. The survey was aimed at assessing benefits and issues with respect to employing such migrants, settlement issues, and the efficacy of INZ in assisting employers in this area. Of the 442 responses (a 45% response rate, reasonable for such a survey), 91% had at least one migrant on staff and 87% rated these workers as good or very good, with language difficulties reported as the main challenge (Department of Labour, 2010b).

The trade union movement joins with other agencies in promoting non-discrimination in employment. It is clear that age discrimination is still prevalent in the labour market despite human rights legislation and a rapid increase in participation of the 65 plus age group. If the age of eligibility for New Zealand Superannuation is gradually raised, in line with trends overseas and increasing longevity (as recommended by the Retirement Commissioner, though this is not on the immediate agenda of the current government), it will be even more important to ensure that such discrimination is eliminated. Further, it is important for the economy to make best use of the accumulated skills of older workers. For example, the report *Age Okay – Unions Promoting Skills and Experience* contains case studies, resources and suggestions aimed at promoting joint employer/employee initiatives in this area (NZ Council of Trade Unions, 2010).

The HRC has recently carried out two pieces of work involving extensive consultation of relevance to all the EEO target groups. Its status report on the human rights performance of New Zealand in 2010 has sections on the right to work and the rights of disabled people, women, sexual and gender minorities, migrants and refugees, with recommended areas of action to advance the position of each group (Human Rights Commission, 2010c). The Commission’s National Conversation about Work, with over 3000 participants over two years, concluded that a human rights approach to employment involves empowerment, accountability, non-discrimination, participation and a link between decision making and agreed human right norms (Human Rights Commission, 2010e – with elaboration of these ideas at pages 29-32). It includes 12 examples of organisations and programmes demonstrating good practices and 10 broad priorities for EEO, one of which is to “increase the labour market participation of people with disabilities through active employment policies addressing attitudes, access to work and reasonable accommodation” (ibid: 33). The recent announcement by the Government of the establishment of a full-time Disability Rights Commissioner within the HRC has been welcomed by disability rights groups as a sign of real progress in measures to promote, protect and monitor the implementation of the United Nations Convention on the Rights of Persons with Disabilities, with a strong focus on ensuring disabled people can take an equal place in New Zealand society without discrimination.

However, amendments to the Employment Relations legislation to extend 90-day trial periods for new employees from businesses with under 20 workers to all businesses is seen as negative by the HRC and many other groups. Proponents of the extension argue that it will encourage employers to take on more new staff because of the reduced risks, costs, and other consequences of recruitment errors, for example, arising from personal grievance cases, hence the 90-day trial periods will have potential benefits for the low wage earners and long-term unemployed workers. However, the HRC argues that “...the legislation’s ‘fire without redress’ measures offend against natural justice, diminish procedural fairness and undermine a ‘fair go’ for employees” (Human Rights Commission, 2010d: 188). Disability and lesbian/gay groups, together with unions representing low paid, ethnic minorities and young workers, have concerns that employees they represent are likely to be the most adversely affected. Overall, there is limited research of this major employment relations change, though employer opinions were canvassed in recent Department of Labour research with around 1,000 employers being interviewed but surprisingly only 13 employees were

interviewed (Johri and Fawthorpe, 2010). Finally, the HRC is also opposed to the legislation permitting the exchange of the fourth week of the universal holiday entitlement for cash, with employer pressure and financial issues for the low paid likely to push some employees into an undesirable trade-off.

Conclusion

Widening earnings and income inequalities has been a common experience in much of the world over the last thirty years, with New Zealand moving from a relatively equal society to one of the most unequal. This makes labour market protections, including EEO, of even more importance than in the early days of awareness and policy making. There is still much to be done, as the evidence above shows, with complacency, backlash and slippage too often impeding equal opportunity for all groups in the labour market.

Notes

¹ <http://www.dol.govt.nz/services/PayAndEmploymentEquity/index.asp>

² <http://www.dol.govt.nz/services/PayAndEmploymentEquity/order/Default.aspx>

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Chronicle: October 2010 – January 2011

October 2010

The Industrial Relations Select Committee continued to hear submissions on the Employment Relations Amendment Bill (No 2). The *NZ Herald* ran a report on the submission by Business NZ. Business NZ submitted that unions should not have unrestricted access to the workplace. Spokesperson Paul Mackay claimed that “unions used access as a form of marketing to gain membership and, therefore, cashflow”. Mackay argued that unions should face penalties for breaches of the Bill and that the Bill before Parliament could be simplified so that written permission to enter a workplace could be substituted for a phone call. Predictably, the Labour Party members of the select committee disagreed with the submission with Carol Beaumont claiming that, with bad employers already restricting access to the workplace, the Bill would make it worse. Another Labour Party MP Darien Fenton claimed that lawyers would get hours of work when companies refused access and unions took them to court.

The ‘Hobbit movie’ issue, which emerged in late September seemed to reach fever pitch during October. Throughout the month, colourful headlines such as ‘Why hobbits threaten to dwarf Key’ (*Dominion Post*), ‘It’s still our precious’ (*Dominion Post*) and ‘A hobbits tale revised’ (*NZ Herald*) played on the movie theme of the dispute. Early in the month, newspaper reports were optimistic that a resolution was in sight as first the NZ Council of Trade Unions and then Government Ministers became involved. The Minister for Economic Development Gerry Brownlee met with all the parties involved. They seemed to agree that it would be disastrous if the movie production moved offshore. Conflicting legal opinions predictably backed up the views of each side. Crown Law advice was that New Zealand actors were contractors and were not allowed coverage under the Employment Relations Act. The unions claimed that they had legal advice that said they were employees. Employment lawyer Peter Cullen took a helicopter view of the dispute in a *Dominion Post* article and pointed out that New Zealand operated in an international marketplace and then focussed on the issue of workers as employees or contractors.

In late October, the prospect of amendments to the Employment Relations Act loomed. Even this was confusing as various Government Ministers had differing views. While Minister of Finance Bill English appeared to rule out a change to employment relations, the Prime Minister and Minister for Economic Development Gerry Brownlee were ruling them in. A visit from senior executives from Warner Brothers seems to have put extra pressure on the Government to resolve the issue. A *Dominion Post* article stated that Mr English’s attitude appeared as if the Hollywood studios were practising a bit of “old-fashioned arm-twisting and extortion” to get a more generous subsidy from the NZ Taxpayer.

The union movement and specifically the CTU were criticised for their performance during the whole affair. One article in the *Dominion Post* suggested that “regardless of the rights and wrongs of their argument”, the unions played “into Government hands through an extraordinary series of misjudgements and bad calls”. The article went on to suggest that the movie was always going to be made in New Zealand but the Government had been given a convenient whipping boy – the union movement. Iconic New Zealand movie personalities, Sir Peter Jackson and Sir Richard Taylor, were scathing in their criticism of the unions’ involvement, with CTU President Helen Kelly retorting that Sir Peter Jackson was acting like a ‘spoilt brat’.

The *Press* reported in late October that the powerful American movie moguls were playing hardball in order to maximise their returns. While it was accepted that the threats by the unions were lifted in a

tacit acknowledgement that the unions had overplayed their hand, Warner Bros wanted a guarantee that filming in New Zealand would not be disrupted by future expensive industrial action.

Finally, the Prime Minister announced that legislation would be introduced to clarify the precise employment status of film workers. This prompted extensive media debate; the Government and its supporters argued that, if there had been general uncertainty in the current legislation over the status of employees and contractors, then a law change could be accepted. The Opposition and the unions warned that a law change at the behest of the studios would set a dangerous precedent. What was also transpiring, however, was that financial considerations had played a considerable part in the impasse over *The Hobbit* movie, with Warner Bros wanting a bigger filming incentive than the current New Zealand 15% tax break. This tax break would amount to \$65 million but, as pointed out in some media report, this appeared to be about half of that offered in some other nations. The Prime Minister had agreed to spend further taxpayer money as he had offered further subsidies, with another \$10 million rebate for each of the two films, plus offsetting Warner Bros' marketing costs to the tune of \$13.5 million.

Hundreds of South Canterbury students had to stay home after the Post Primary Teachers' Association (PPTA) rejected the Government's latest offer during pay negotiations. PPTA members had already had a nationwide strike, with further industrial action planned during December. After three days of bargaining, the union's national executive voted unanimously to reject the Education Ministry's offer of 0.5% and a \$1,000 (before tax) one-off payment for the first year, and 1.9% for the second year. The previous offer was 0% and \$1,000 for the first year, and 1.8% for the second year.

Junior doctors rejected the District Health Boards' (DHB) offer of a 2% pay rise and requested better shift rosters instead. The Resident Doctors' Association also had talks with the DHBs over their collective agreement but so far the negotiations were in the preliminary stage.

The *Dominion Post* reported that the Public Service Association (PSA) had filed legal proceedings against more than 30 employers of disability support workers. The PSA was seeking payment of the minimum hourly rate for staff who work on sleepovers. The proceedings were a backdrop to the decision expected from the Court of Appeal where the IHC had appealed the decision of the Employment Court that employees on sleepover duties were due to be paid the minimum wage (see March Chronicle).

November 2010

The Government was accused of introducing populist legislation to ensure that it would be re-elected. Specifically, the part-time work-testing for sickness beneficiaries due to come into force in May 2011 was targeted by Labour Party Employment Spokesperson Grant Robinson. Mr Robertson said that there were no jobs for people and that the Government should be focused on expanding the economy to create jobs and up-skilling beneficiaries so they could take advantage of jobs created. He also criticised other proposals such as the extension of the 90 day probation period and the requirement for unions to get permission to gain access to the workplace.

In early November, the *NZ Herald* reported that the Transport and Industrial Relations Select Committee reported back on the Employment Relations Amendment Bill and the Holidays Amendment Bill. The Select Committee recommended that both Bills be passed as written with minor changes. Some of the changes recommended by the Select Committee included a recommendation that if a union requested consent to enter a workplace an employer had to respond within one working day. If the employer still withheld consent, this had to be in writing by the next working day. Other changes included the removal of the terms 'voluntary' and 'informed' from the clause of the Holidays

Act Amendment Bill that would allow workers to cash up a week of annual leave, and transferring public holiday holidays; this would reduce the onus on employer, according to the reporting back from the Select Committee. The Labour Party and the Green party pointed to the regulatory impact statement, which said cashing up a week of annual leave would have a disproportionately negative impact on workers who were already disadvantaged in the labour market.

A *Dominion Post* article on a KPMG 'Mood of the Market' survey said that the 'fire-at-will' legislation was giving small businesses the 'confidence to rebuild their depleted workforce'. The survey claimed that while about a quarter of businesses were planning to employ more staff, current employees had concerns about job security. According to the report, on-line job seeking sites were experiencing an increase in job advertisements.

In a *NZ Herald* article, the Maritime Union of New Zealand vowed to go on the "offensive against employment law changes". The Secretary of the Maritime Union Joe Fleetwood said the passing of the Employment Relations Act and the Holidays Act Amendment Bills spelled the 'beginning of the end' for the Key Government, stating that the changes were "making life harder and sucking more profit out of hard-pressed working people". Mr Fleetwood described Prime Minister John Key as a multi-millionaire with "no interest in the wellbeing of the majority of New Zealanders".

Opinion pieces on the 'Hobbit saga' still appeared during November. Business NZ's CEO Phil O'Reilly said in a *Dominion Post* article that the whole saga showed up how the Employment Relations Act promoted uncertainty about whether someone is an employee or a contractor. Once again the case of *Bryson v Three Foot Six* was quoted as the catalyst, which sent 'alarm bells ringing' for Warner Brothers. Mr O'Reilly accused the unions of reopening the contractor-employee problem on a 'massive scale' saying their actions were 'provocative and naive'. While Mr O'Reilly said that the urgent change in legislation had fixed the problem for the film industry the contractor-employee was still a problem elsewhere blaming the Employment Relations Act for creating the uncertainty. In conclusion, he recommended a systematic review of the Employment Relations Act but "not a complete reversal or upheaval", saying that the Act needed to be improved to better service New Zealand's productivity and economy.

Once again, the large state sector groups featured in the media as various employment negotiations hit problems. The *Dominion Post* and the *Marlborough Express* reported that collective agreement negotiations between junior doctors and their District Health Board employers hit a snag after the union complained to the Employment Relations Authority. The reports said a threat of strike action looked likely. In another part of the health sector, a settlement between District Health Boards and medical laboratory workers was reached but an article in the *Press* suggested that the settlement would not resolve critical issues within the sector. Union President Stewart Smith said the agreement "...was a pragmatic decision by the members..." and that the pay gap between laboratory workers and other scientific and technical groups was growing and people were not training in the field. Furthermore, his members were earning considerably less than nurses despite having to complete a degree which took four and a half years. Meanwhile, unionised radiographers went on a full strike for 48 hours throughout the country after the DHBs withdrew their collective agreement offer.

The education sector also recorded industrial action during November. The *Press* reported that the secondary school teachers were returning to the bargaining table but the planned strike action was still due to go ahead. The PPTA and the Ministry of Education were due to resume negotiations. Limited action including a ban on attending professional development, meetings and events continued. The main issues for teachers included conditions such as class-sizes and allocation of time to do work required as well as working towards a secure collective agreement "not eroded by clawbacks" and a pay increase. The PPTA turned down the latest offer of a 0.5% pay increase, a \$1000 payment and a

further 1.9% increase in September 2011. The PPTA was seeking a 4% salary increase plus improved conditions such as more professional development.

The union for primary school teachers – the New Zealand Educational Institute (NZEI) – announced that it had rejected an offer of a \$1000 lump sum payment and a 1.8% pay increase. The offer was rejected by 93% of teachers and the NZEI gave notice that teachers would vote on possible industrial action in early 2011. Primary school teachers were also seeking a 4% pay increase.

A report on a survey of Police found that nearly 70% were ambivalent about their jobs. A *Dominion Post* article said that 37% of the respondents believed that the Police management did not adequately deal with harassment, bullying or discrimination complaints and 35% of respondents feared reprisal if they raised complaints about such behaviour with management.

A Treasury research paper found that employees who carried on working while sick cost the economy billions of dollars every year. It said that proposed changes to sick leave were unlikely to reduce the cost. The annual indirect costs of ill-health were estimated to be between \$5.4 billion and \$13 billion. Most of the estimated cost was through lost work hours because of sick days and 'presenteeism', where people attempted to work through their illness but who were ultimately unproductive.

December 2010

There was still some reporting on the 'Hobbit case' during December with the *NZ Herald* running a report which alleged that a top United States union leader had "climbed on The Hobbit bandwagon", suggesting that the amendment to the Employment Relations Act could affect American union support for the proposed Trans-Pacific Partnership trade negotiations between the US and New Zealand. In a letter to the Minister of Trade Hon Tim Grosser, Richard Trumka stated that "[t]he Government's move to eliminate the fundamental rights of workers in order to attract investment would violate the labour provisions of any future trade agreement between our two countries that we could support." Mr Trumka also said that "[t]he misclassification of workers in the film production industry is a serious problem that not only robs workers of decent wages, working conditions and benefits but also deprives workers of the right to organise, form a union and bargain collectively." NZ Council of Trade Union President Helen Kelly was quoted as saying the issue had been a 'hot topic' at a recent International Labour Organisation meeting.

Meanwhile, a *Dominion Post* article stated that an official information request revealed emails between Sir Peter Jackson and Hon Gerry Brownlee's office stated that the blacklist threat from the Actors Equity union was not the main threat to moving the Hobbit movie offshore but the "grey areas in our employment law" were threatening the filming. Sir Peter maintained that Warner Brothers had lost all confidence in filming in New Zealand "because they had just witnessed how a tiny and capricious union, manipulated by an offshore agency, could bring a multimillion production to its knees – for no legitimate reason." He said the Government's law change "gave the studio confidence that the film could be made in New Zealand without the threat of unjustified ongoing industrial action". CTU President Helen Kelly expressed disbelief at Jackson's latest statement. She believed he knew The Hobbit boycott was not a big issue because producers wanted to come to New Zealand "to force law changes and money".

The *Dominion Post* reported on a survey of employers which revealed only a partial implementation of the 90-day trial period implemented by the changes to the Employment Relations Act. The Employers & Manufacturers Association's (Northern) annual employment round-up survey found that 50% of the 375 of those surveyed would use the 90-day trial period. A further 8% said they were uncertain. CTU President Helen Kelly said the survey showed that despite the Government saying

workers would have a choice about whether or not to accept the 90-day no rights period, employers considered that the choice was theirs. She said that “[i]t is our view that those that don’t use it are likely to have better attitudes to their workers and better systems for employing people and are likely to be more successful because of this”.

The *Press* reported that, after almost two years of negotiations, employees at Nelson’s Sealord fish processing plant had ratified a collective employment agreement. The workers who were represented by the Service and Food Workers’ Union gained a wage increase of 8% over a two-year period and a \$500 lump-sum payment.

The *Dominion Post* reported that primary school teachers and principals had voted in favour of a pay proposal agreed to by the primary teachers’ union in November after months of bargaining with the Ministry of Education (see November Chronicle). The agreement provided a 2.75% pay rise and \$300 lump sum payment.

With the Christmas party season approaching, the usual warnings about over the top behaviour by inebriated employees full of Christmas cheer and the responsibilities of employers at these functions were published. A *Dominion Post* article reminded employers that they were liable for sexual harassment committed by one employee to another in the course of employment. An employer could defend the claim by proving that it had taken all reasonable and practical steps to provide a safe workplace. A recent case before the Human Rights Tribunal provided a sobering warning where a cafe proprietor was ordered to pay the sum of \$19,000 to a former employee who had been sexually harassed by a fellow staff member. The Human Rights Review Tribunal said the case highlighted the dangers of running a business without any understanding of the provisions of the Human Rights Act relating to sexual harassment and without any understanding that such behaviour can be unwelcome to others.

Other noteworthy personal grievance cases highlighted in the media included a former chief executive of the Plumbers, Gasfitters and Drainlayers Board who used ‘guerrilla tactics’ against his former employer but had failed to get reinstatement in his job after being dismissed. The employee had taken over 4,000 documents from his office in order to prove his claims of serious irregularities about faulty gas certifications. The Employment Relations Authority found that the decision to dismiss the man was one that any fair and reasonable employer would have reached.

In another *Dominion Post* article, a former employee of the Ministry of Social Development had posted a Facebook description of herself as a “very expensive paperweight” who was “highly competent in the art of time wastage, blame-shifting and stationary [sic] theft”. The employee was dismissed from her position as a prison reintegration case manager and failed in her bid for unfair dismissal. Employment Relations Authority member Dzintra King said in her judgment that the online comments “endorsed a stereotyped view of slothful and exploitative public servants”. The Facebook postings would not in themselves have warranted the person’s dismissal but, combined with her past behaviour, the Ministry was justified in its actions because management could not trust her, Ms King said.

An article in the *Waikato Times* highlighted the vulnerability of companies to employees using offensive websites during working hours. An Employers and Manufacturers survey revealed that only 9% blocked offensive websites that carried pornography with business owners saying they would deal with issues as they arose, but nearly a third of companies blocked potentially time-wasting sites including Trade Me and Facebook. Waikato-based Computer Troubleshooters’ Director Dennis Jones said employers who trusted staff to only use the internet for work purposes were normally sadly mistaken. He was quoted as saying that “[a] lot of employers are baby boomers and a lot of employees

are Generation X and Y who are so experienced at hiding Facebook from mum that employers are a doddle”.

January 2011

The end of the Christmas holiday season brought further calls for a change in the Holidays Act. In a *Dominion Post* article, business leader Cameron Brewer was quoted as saying that though the Holidays Act was intended to boost the pay packets of those working on public holidays, it was, instead, forcing many businesses to shut down in the holiday season. Mr Brewer, who chairs Auckland Council’s Business Advisory Panel, called for the Act to be repealed. He was quoted as saying that “[t]he intentions of the 2003 legislation were honourable, but now we’re seeing one big unintended consequence. That is, it’s actually forcing businesses shut and workers to cut back their hours when they probably need extra money the most.”

Yet more commentary on the Hobbit issue emerged as the *Timaru Herald* and the *Southland Times* reported that union leaders were considering laying a complaint with the United Nations over the Employment Relations (Film Production Work) Amendment Bill. The NZ CTU said that the new law breached international conventions on employment rights. CTU President Helen Kelly said the union was looking at laying a complaint with the International Labour Organisation (ILO). The ILO upheld a similar complaint against the New Zealand Government over the Employment Contracts Act 1991, she said. To be found in breach of the conventions again would embarrass the Government.

In further news on the implementation of the 90-day trial period reported in both the *NZ Herald* and the *Dominion Post*, the Government was accused of making empty promises after saying the 90-day trial period for new workers would be voluntary, and then asking all public sector employers to include it in all contracts. The State Services Commission defended an email which said that Government employers were expected to implement Government policy, including the 90-day trial. State Services Commission’s Spokesperson Jason Ryan said that the email was nothing more than guidance for public sector chief executives to “act lawfully and implement government policy”, but the Labour Spokesperson for State Services Grant Robertson said the email made a mockery of the claim that the trial period would be optional. A spokesperson for The Hon Kate Wilkinson said that “Workers are free to negotiate whether it applies.” The Service and Food Workers Union had about 3000 members in collective agreements which did not have the trial period while the Tertiary Education Union had similar agreements.

Both the *Timaru Herald* and the *Dominion Post* reported that industrial action by health workers cost DHBs at least \$2 million – 10 times more than it would have cost to settle pay claims, according to a spokesperson for the radiographers. Both radiographers and hospital lab workers participated in four months of rolling go-slows and work-to-rule action last year during protracted and bitter collective agreement negotiations with their health board employers. The radiographers’ union, Apex, said at the time that the difference between what their members were asking for and what District Health Boards were offering was just \$200,000. Wellington’s Capital & Coast DHB – which spent \$678,000 during the most recent strike – allegedly paid nearly \$50,000 to senior doctors to act as gate-keepers to determine whether a patient needed life saving treatment.

The Unite union’s National Director Mike Treen was escorted from SkyCity Auckland after a workplace access dispute. Unite, which represented about 1000 of SkyCity’s 3000 employees, was protesting over wage and employment conditions. Management and security at SkyCity followed Mr Treen as he spoke to workers despite a trespass order.

Amongst the personal grievance cases reported in January was the case of a worker, who was refused reinstatement by the Employment Relations Authority after it was found that she incited violence against a fellow worker when an argument got out of hand. A dispute between the two workmates reached its climax in late October 2010 when the woman's husband visited her workplace during his lunch break and beat up her fellow worker. The attack on the employee was described as "a disgraceful episode" by Authority member James Crichton. Bad blood had existed between the two workers since August 2009 when the victim complained about offensive racial remarks made against him by the employee. Interestingly, in another case, the *Dominion Post* reported on one of its own reporters who was appealing her dismissal for allegedly plagiarising an article by columnist Deborah Coddington. The journalist maintained that although she had read the article any similarities between the two were inadvertent.

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