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The Managed University: the PBRF, its impacts and staff attitudes

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Abstract

This article analyses impacts of the Performance-Based Research Fund that was established in 2003. The fund encourages the entrepreneurial or "managed" university (Becher and Trowler, 2001). Of particular concern to academics is the character of 'the HR challenge' (Walsh, 2004). The article also assesses a survey of academics in the humanities and social sciences. Although the survey is part of on-going research in this area, the results suggest that while staff support traditional forms of academic work they are not well placed to resist ongoing erosion of their professional control (Abbott, 1991).

Introduction

It has been argued that the managed university and state initiatives, such as the PBRF, undermine forms of professional control (Abbott, 1991). Such downgrading is bemoaned as the end of "donnish" dominion (Halsey, 1992) and as proletarianisation (Harvie, 2000). These changes have also been documented by a range of authors in the international literature and are typically linked with the introduction of managerialist performance indicators (Talib, 2003). Although such developments predate the PBRF in New Zealand (Chalmers, 1998; Scott and Scott, 2004), Tipples and Krivokapic-Skoko (1997) emphasise the psychological components of managerialism in New Zealand from the mid-1990s.

This article, therefore, analyses likely impacts of the Performance-Based Research Fund (PBRF) on academics, and staff attitudes during its evaluation stage in 2003. Analysis of the PBRF provides confirmation of a new managerialism in higher education in general, and in universities in particular. Indeed, the PBRF epitomises state concern with efficiency and economy, and the consequent twinning of declining funding for, and increasing intervention in the institutions of higher education (Scott & Scott, 2004). In this respect, local developments parallel those in Australia, Europe and the US (Guena & Martin, 2003; Sporn, 2003; 1999; Talib, 2003). The PBRF is a powerful driver for the managed university (Becher &Trowler, 2001: 1-22) and, specifically, its 'entrepreneurial' variant (Clark, 1998; Slaughter and Leslie, 1997). This typically entails an emphasis on research as a form of revenue generation, the downgrading of academic autonomy, the

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separation of teaching and research, and the demotion of the former.

The article reports on a survey of academics in the humanities and social sciences was undertaken to gauge attitudes to the PBRF and other developments. The first phase of the research involved a mail-out survey to all academic staff located in the humanities and social sciences at the eight New Zealand universities: 1779 questionnaires were sent out and 617 were completed and returned. The questionnaire asked academics:

(1) to rate 56 statements in terms of a Likert scale (Strongly Agree =5, Agree =4, Neutral =3, Disagree =2, Strongly Disagree =1);
(2) to answer opened-ended questions about the most worrying and encouraging developments for the tertiary sector;
(3) to provide some biographical material (age, gender, ethnicity) and a career profile (years in job, institution, academic rank, discipline, degree).

The survey was completed during the evaluation stage of the PBRF – the Quality Evaluation – in late 2003. The second phase of the research is ongoing and involves analysis of survey data, and interviews with academics, university management, union representatives and staff of various ministries and sector organisations.

Evaluation and the PBRF

The stated goal of the PBRF is: "To ensure that excellent research in the tertiary education sector is encouraged and rewarded. This entails assessing the research performance of TEOs [tertiary education organisations] and then funding them on the basis of their performances" (Tertiary Education Commission, 2004a: 3). The PBRF allocates funding on the basis of research quality (Tertiary Education Commission, 2004b: 74-81).

Established in 2003, the PBRF is managed by the Tertiary Education Commission (TEC) and is the first assessment of research quality in higher education, including universities. This assessment was designated the 2003 Quality Evaluation. The PBRF was worth $18.2 million in 2004 and is scheduled to increase to $194 million by 2009 (Mallard, 2005). By 2007, the PBRF will provide one-fifth of government funding to universities (Scott and Scott, 2004). The fund was established from the transfer of monies allocated to teaching enrolments.

The initial fund was created from 10% of the research component of the existing EFTS [equivalent full-time student] funding to TEOs. In this respect, the PBRF has not increased the pool of funding but makes a percentage of it follow an assessment of research rather than student enrolments. The research component of EFTS funding will be partly replaced by the PBRF in stages: 10% in 2004, 20% in 2005, 50% in 2006 and 100% in 2007. This will increase the size of the PBRF. From 2007, the ratio between PBRF and EFTS-based funding will be approximately 20:80 (Mallard, 2005).

The amount of PBRF funding that each TEO receives is determined by its performance across three components: a Quality Evaluation (QE), in which multidisciplinary panels assess the quality of research of academics who are engaged in teaching and who are employed at the census date for more than a year and at least 0.20 full time equivalents;[1] a measure of research degree completions (RDC); and a measure of external research income (ERI) The ratio of funding for TEOs across the three components QE/ RDC/ ERI is 60:25:15.

Reifying hierarchies: Institutions, subjects, nominated output units and individuals

The component of the PBRF exercise given the greatest coverage was the 2003 Quality Exercise. This made possible comparisons between tertiary education organisations, subjects and individual academics. Much of the material generated by the exercise has been published (Tertiary Education Commission, 2004b) but a wealth of further information is yet to be mined.

The most publicised aspect of the Quality Exercise was the ranking of TEOs. This brought few surprises. Forty-five TEOs were held eligible by the Tertiary Education Commission to complete the exercise. Twenty-two TEOs participated and 23 opted-out (itself no surprise as these institutions were likely to receive no funding benefits from the exercise). Of the twenty-two that participated there were eight universities (i.e. all New Zealand universities), two polytechnics, four colleges of education, one waananga, and seven private training establishments.

The results were predictable: the seven established universities were all ranked higher than the other TEOs, the newly promoted Auckland University of Technology was ranked 11th (behind 3 Bible colleges with a combined academic complement of 28.5 FTE), and the colleges of education were ranked last (Tertiary Education Commission, 2004a: 4-11).

Table 1: University Ranking

Rank	Name	FTE-weighted quality scores
1	University of Auckland	3.96
2	University of Canterbury	3.83
3	Victoria University of Wellington	3.39
4	University of Otago	3.23
5	University of Waikato	2.98
6	Lincoln University	2.56
7	Massey University	2.11
11	Auckland University of Technology	0.77

(Tertiary Education Commission, 2004a: 11)

With hindsight, the University of Canterbury perhaps did better than expected and the University of Otago a little worse. Nonetheless, the ratings confirmed what was generally understood to be the academic pecking order: first Auckland, as part of a cohort made up of the 4 main colleges of the former University of New Zealand (Auckland, Canterbury, Wellington, Otago); then Waikato (established 1964) and the former agricultural colleges (Massey and Lincoln); last – and still looking like a polytechnic – the recently promoted Auckland University of Technology (established as a university in 2000).

As noted, just over half of the PBRF-eligible TEOs constituting a majority of polytechnics, waananga and private training establishments opted out of the exercise, while all of the universities participated. This reflects the reifying aspect of the 2003 Quality Exercise and the vested interests in the process. Insofar as the performance-based research fund reallocates funding to TEOs with the highest ratings, it is likely to reinforce existing divisions in resourcing. Indeed, a reallocation towards the universities and away from other TEOs was undoubtedly the main reason why the New Zealand Vice Chancellors Committee (NZVCC) played a leading role in developing and implementing the 2003 Quality Exercise (see Barnes, 2004).

Similarly, the potential to reallocate resources towards universities (and away from other tertiary education organisations) accounts for the support of the union, the Association of University Staff (AUS), which has coverage over academic and general staff in the universities. (The significant exception is Auckland University of Technology, where staff remain covered by the Association of Staff in Tertiary Education. The Association provides coverage for polytechnics. Arguably the funding cuts resulting from AUT's poor PBRF performance do not pose a problem for the AUS.) Thus, critical support by AUS for the PBRF was based on the following considerations:

- The PBRF assessment should clearly distinguish the performance of universities as research-led institutions, and distribute funding accordingly;

- It should also address the long-standing anomaly of the EFTS-funding system whereby all providers receive the same funding per student, with no recognition of the extra research obligations of universities (Association of University Staff, 2002).

Yet, there are significant issues around resource allocation *within* the university sector. The funding mechanisms introduced by the PBRF will significantly advantage some universities over others. In 2004 alone, the PBRF will deliver 2.15% more funding to the University of Canterbury and 4.47% less to Auckland University of Technology (Tertiary Education Commission, 2004a: 80). This difference will increase as the PBRF delivers a larger share of funding, until 2007 when the scheme will be fully implemented. In this respect, the PBRF is likely to reify the existing hierarchy of universities and other TEOs. This differentiation is an intended consequence:

> "The PBRF rewards research activities of national and international excellence. It therefore introduces a powerful new incentive for TEOs to concentrate their research around areas of excellence. They are encouraged to aim for depth rather than breadth in their research capacity" (Tertiary Education Commission, 2004a: 1).

From the perspective of academics, and of professional control, the differences likely to be reinforced at the institutional (TEO) level by the PBRF are of a second order. Any hierarchy of universities *per se* does not constitute a threat to academic control. Indeed, it is possible the opposite applies: academic careers typically involve promotions associated with movements between more and less prestigious universities. Of greater concern to academics as a profession, is the extent to which the institutional differentiation reinforced by the PBRF reduces the total options available to them. Academic labour markets are typically constituted as core and periphery (Connell & Wood, 2002). In this respect, a widening gap between the 'core' (Auckland, Canterbury, Otago, Victoria) and the 'periphery' (the rest of the universities) is of little concern (cf Morgan, 2004). Academics should be less sanguine, however, where the process of differentiation reduces the *overall* pay and conditions in the sector as a whole, and where some (i.e., low rated, poorly resourced) universities use performance measures, like the PBRF, to lever reductions in pay and conditions.

Thus, the separation of teaching and research is a significant concern for academics, and places downward pressure on the overall pay and conditions for the sector. For example, Auckland University of Technology has introduced elements of this division in the wake of the PBRF (although research-track academics still undertake more teaching than counterparts in established universities). More worryingly, the separation of teaching and research is a viable response to the PBRF methodology only if it also involves the casualisation of this teaching (i.e., senior tutors on permanent contracts were assessed in the 2003 Quality Evaluation). The move to fixed term contracts in teaching and in research has been a central feature of academic work in Britain following the RAE (Collinson, 2002) and seems likely to be used here both for reasons of cost efficiencies and for institutional gaming in readying for future Quality Evaluations. Senior tutors on fixed term contracts of less than 12 months would not be assessed under the current PBRF methodology.

The 2003 Quality Evaluation also generated considerable material on the subjects that comprised of academia. The Tertiary Education Commission constituted twelve expert panels to assess the quality of research of individual academics across forty one 'subject areas'. The twelve multidisciplinary panels typically involved around 20 professoriate academics and included at least one senior academic employed outside New Zealand and one expert in Maori knowledge. The main task of these panels was to evaluate the Evidence Portfolios of *individual* academics and to assign a numeric and letter grade (R, less than 200; C 200-399; B, 400-599, A 600-700).[2]

Three panels covered the range of subjects associated with the Arts: Social Sciences & Other Cultural/Social Studies (6 subjects), Humanities and Law (6 subjects) and Education (1 subject) (see Tertiary Education Commission, 2004b: 18):

Table 2: Social Sciences & Other Cultural/Social Studies; Humanities and Law; Education Panels

Subject	Quality Score (rank)	FTE Staff in Subject (rank)	Members on Panel/ FTE Staff (rank)
Philosophy	4.74 (1)	64.2 (9)	64.2 (11)
Anthropology & Archaeology	4.55 (2)	59.2 (10)	29.6 (2)
Psychology	3.97 (3)	217.5 (3)	43.5 (4)
Human Geography	3.96 (4)	58.2 (11)	58.2 (9)
History, History of Art, Classics & Curatorial Studies	3.75 (5)	188.3 (5)	23.5 (1)
Political Science, International Relations & Public Policy	3.40 (6)	94.1 (8)	47.5 (5)
Law	2.97 (7)	221.7 (2)	55.4 (8)
English Language & Literature	2.75 (8)	117.9 (6)	58.9 (10)
Foreign Language & Linguistics	2.46 (9)	202.2 (4)	50.5 (6)
Religious Studies and Theology	2.46 (9)	51.3 (12)	51.3 (7)
Sociology, Social Policy, Social Work, Criminology, Gender Studies	2.40 (11)	233.3 (1)	77.7 (12)
Communications, Journalism & Media Studies	1.59 (12)	97.5 (7)	32.5 (3)
Education	1.02	994.8	NA

The ranking of subjects also largely confirmed the commonly accepted hierarchy. As TEC put it: “In general, the best results were achieved by long-established disciplines

with strong research cultures…" (Tertiary Education Commission, 2004b: 9). However, the assessment of subjects was made more contentious because of the decisions concerning the grouping/creating subject areas. Thus, in the Arts at least, the extent to which a discipline stood alone in a 'subject area' was a good predictor of its Quality Score. For example, Philosophy and Psychology were obvious beneficiaries in this delineation, while the subject area of Human Geography also benefited from its separation from the general field of geography. Conversely, disciplines like Sociology suffered from being bundled with Social Work.

More significantly, the problematic grouping of disciplines into subject areas, the constitution of multidisciplinary panels, and the methodology for assessing and reporting on Evidence Portfolios points to the decidedly minor influence of academics/disciplinary practitioners in the development of the PBRF methodology (Peters, 2001a, 2001b). As a result, the 2003 Quality Evaluation provides considerable information for policymakers and for senior management of universities, but the benefits to disciplinary associations and academic practitioners is by no means clear. While the planning offices of individual universities are no doubt engaged in the analysis of the PBRF results and strategising accordingly, the future role of individual academics and their associations are problematic.

Clearly, the PBRF must have an institutional focus and should measure the extent of the obligations laid out by the Education Act (1989), section 254(3)(a) that degrees must be 'taught mainly by people engaged in research'. However, the focus of the PBRF on *individual* academics as the unit of analysis (Boston, 2004; Web Research, 2004) also provides a powerful reinforcement of the new managerial imperatives. It must be noted that while each TEO gains an overall quality score, it is the prerogative of senior management at each institution to determine the 'nominated output units' by which these scores can be subdivided. The University of Waikato reported its entire Faculty of Arts and Social Sciences as a single nominated output unit. In contrast, the University of Auckland designated nominated output units with as few as 4 academic staff.

Professor Jonathan Boston (2004), the principal architect of the PBRF methodology, has provided a rationale for the decision to mandate individual assessment and reporting. He argued that the benefits of individual ratings included reduced compliance costs, congruence with research practice, enhanced self-assessment, consistency with multidisciplinary panels, more powerful incentives, more honesty and more transparency (Author's notes from the plenary session, 21-5- 2004). Boston (2004) has subsequently indicated that – with hindsight – the decision to include individual ratings did not provide these benefits. Indeed, it is difficult to find much support for individual ratings outside of management and HR. In this regard, the *Phase I Evaluation of the implementation of the PBRF and the conduct of the 2003 Quality Evaluation* rather wanly recommends: "That the individual staff member be retained as the unit of assessment in the Quality Evaluation" (Web Research, 2004: 13).

Individual ratings may not provide the benefits hoped for by Professor Boston, but they do deliver a powerful resource to the senior managers of universities and to human resource practitioners. Extensive interviewing shows that the potential for the PBRF Quality Evaluation in 2003 to provide a comparative rating of individual staff proved an irresistible opportunity for the senior management of universities and consequently shaped the input of the NZVCC to the PBRF methodology. The results of such bundling of a HR component with the assessment of research are not yet worked through, and will be uneven across the sector, but seem likely to be to the detriment of academic professional control. For example, AUT has moved someway to separate research and teaching. Similarly, forms of gaming open to institutions in future Quality Evaluations (scheduled for 2006 and 2012) are constrained by TEC mandates that all eligible staff participate and by the individualistic character of that evaluation. Yet senior management can determine the pattern of nominated output units. It can be expected that institutional gaming will seek to maximise PBRF results across institutions but will also attempt to align the assessment of research with effort to 'rationalise' teaching, etc. (in effect, picking winners in the form of nominated output units).

'The HR challenge'

The methodology for assessing the research performance of universities and individual academics is complex and ramifications of the results will take time to work through (see Tertiary Education Commission, 2004b for an extensive discussion of the methodology and results). Nevertheless, Professor Pat Walsh, leading industrial relations expert and new Vice Chancellor at Victoria University of Wellington, notes the PBRF strengthens and justifies the activities of human resources practitioners in universities:

> "Now under the previous funding system universities could afford – they might not have liked it – but they could afford to take a tolerant view of those whose research performance was inadequate. Under the PBRF this will become more difficult. The fundamental – and I'm tempted to say unique – aspect of the PBRF is the one-to-one relationship it establishes between the research performance of individual academic staff and the reputation and revenue of the institution. Our principal funder has decided that our revenue will rise and fall directly with the assessed research performance of each academic... The challenge for universities under the current PBRF regime will be establish performance management systems which fairly assess the contribution made by academic staff, including those whose research performance is demonstrably unsatisfactory. ... This means that all universities face the fundamental HR challenge of developing performance management systems which properly recognise both the collective nature of research production and the variable nature of individual contribution to the collective effort" (Walsh, 2004).

The less 'tolerant' HR and its move into the realms of academic work, is likely to be uneven across universities but has powerful drivers in the PBRF. There are at least four critical ratios in the methodology of the PBRF, around which universities (and other TEOs) will probably strategise and which constitute the performance element of 'the HR challenge'.

It must be acknowledged that 20:80 ratio between PBRF and EFTS means that while the emphasis on maximising student numbers will reduce it will remain central. However, high ratings under the PBRF also bring reputational benefits and possible multiplier effects for the top-ranked universities. It seems to be assumed by senior management in universities that EFTS will also follow PBRF success. This assumption explains the (successful) effort on the part of the New Zealand Vice Chancellor's Committee (NZVCC) to ban publication of the part of the PBRF report (e.g., Tertiary Education Commission, 2004b) that made comparison between New Zealand and foreign universities. It might also be argued that the NZVCC considered that the performance of its members should be exempt from the kind of comparisons made on academic staff in the 2003 Quality Evaluation.

Certainly, the resources made available through the PBRF – at least formally disconnected from EFTS – provide opportunities for senior management in universities to strategise and pick winners. In this respect, it is significant that while staff participation in the 2003 Quality Evaluation was mandated by TEC and line management in universities, no agreements were secured by staff at any university as to how any windfall from the PBRF might be spent. Other key ratios in the PBRF methodology provide insights into the strategies and gaming that senior management/HR are likely to prefer.

As noted, the ratio for the components of PBRF funding is 60:25:15 between Quality Evaluation/ research degree completion/external research income. This means that the greatest proportion of funding comes from the assessment of the quality of research of individual academics. Arguably, the greatest gains can come from improving quality scores of institutions and their nominated output units, although it should be noted that research degree completions (i.e., of Doctorates and Masters) is likely to attract resources.

In the realm of quality scores the key ratio is the rating of staff in terms of A/B/C/R quality scores with the calculation of funding, which is 10:6:2:0. Thus, a B academic is worth three times as much as his C counterpart; an A academic is worth five of her C colleagues; and, an R academic is worth nothing at all. The HR drive is clear: to maximise A's, to identify and raise high B's and C's, to minimise R's. How this is worked through on an institutional basis is unclear. One Vice Chancellor has proposed and subsequently retracted the payment of bonuses to A and B rated staff. The most immediate and likely result is in the area of staff hiring, where senior management and HoDs are extremely reluctant to hire junior staff who may accrue R's (the next census date is 21-12-2005). This is also

the realm of unintended consequences insofar as disciplines and institutions that have experienced growth in recent years are likely to have more junior staff and subsequently R's and C's than those that were stable or in decline. Possibly the good result of the University of Canterbury *vis a vis* the University of Otago reflects this pattern.

But not all subject areas are treated equally by the PBRF, and this affects the worth of individual quality scores. All of the subject areas assessed by the Social Sciences & Other Cultural/Social Studies; Humanities and Law; and Education Panels were assigned a weighting of 1 with the exception of Psychology (with a weighting of 2). Similarly, the subject areas in the Creative and Performing Arts Panels were assigned a weighting of 2. (The laboratory-based sciences were weighted 2.5.) This has obvious consequences at the margins for the constitution of academic departments and nominated output units (albeit only at the margins), insofar as a social psychologist assessed as a sociologist is worth half the value of one assessed as a psychologist, etc. The overall effect on funding for the Arts in comparison with other groupings (e.g., Science, Medicine) is likely to be negative. Further bad news for Arts can be found in a recent speech by the Minister of Finance:

> "The recent analysis for the Performance-Based Research Fund showed that New Zealand academics are world-class in areas such as philosophy and criminology; but we need to ensure that we are world class in biotechnology and the other disciplines that, in the medium to long-term, will pay the bills. It is time to shift the balance of our tertiary system towards more of an explicit industry-led approach" (Cullen, 2004).

The Minister sends a clear message to the senior managers of universities. Thus, Professor Walsh is undoubtedly correct in his estimation of a new challenge for HR. The PBRF has provided both resourcing and a rationale for a greater involvement of HR practitioners, new managerialism and performance measures in research (and in teaching).

Staff attitudes: Unity and division

As outlined above, a self-complete survey of academics in the humanities and social sciences was undertaken to gauge attitudes to the PBRF and other developments in late 2003. The questionnaire asked academics to rate 56 statements in terms of a Likert scale: Strongly Agree =5, Agree =4, Neutral =3, Disagree =2, Strongly Disagree =1. The timing of the survey coincided with the 2003 Quality Evaluation, during which individual staff were required to complete Evidence Portfolios for the PBRF. The survey confirmed previous studies showing academics are overworked and stressed. Similarly, initial results suggest that the conditions enjoyed by academics may have been in decline for some time. This supports the contention that increases in student numbers in the 1980s and 1990s, coupled with funding cuts and an increase in the staff-student ratio

has considerably undermined the practices of what was considered "traditional academic work" (Chalmers, 1998, Scott and Scott, 2004). Chalmers has identified that academics spend the bulk of their time teaching and bemoan increasing administration duties and reduced time for research. The survey reiterates these concerns.

Arguably, the clearest theme to emerge is that *academic work should combine research and teaching:*

Rank / 56	Statement	Mean
1	Academic positions should combine teaching and research	4.49
43	The main function of the tertiary sector should be teaching	2.56
44	The main function of the tertiary sector should be research	2.56
49	There should be greater use of contract teaching	2.27
51	Most academics should focus exclusively on teaching	1.86
52	Most academics should focus exclusively on research	1.85

The respondents not only ranked as 1 the statement 'Academic positions should combine teaching and research' (i.e., agreed with it most strongly), but also statements about exclusive teaching and research ranked lowly, at 51 and 52, respectively. Similarly, respondents provided rankings that show support for a traditional (possibly a nostalgic) constitution of academic work:

Rank / 56	Statement	Mean
1	Academic positions should combine teaching and research	4.49
2	Sabbaticals are important for good teaching and research	4.45
4	The funding of conference attendance is crucial for good teaching and research	4.29
6	Administrative work has become an unreasonable burden	4.12
46	The tertiary sector should focus on meeting the demands of the knowledge economy	2.35
49	There should be greater use of contract teaching	2.27
50	There should be a greater focus on wealth generating aspects of research	1.86
54	The tertiary sector should be run like a business	1.70

Recent 'policy-speak' from government and business interests that emphasised the knowledge economy, wealth generation and business models for universities were ranked lowly (i.e., disagreed with). At the same time, respondents were confident about the quality of New Zealand higher education:

Rank / 56	Statement	Mean
5	NZ academics have much to contribute internationally	4.20
20	New Zealand delivers world-class tertiary education	3.37
21	The esteem in which NZ research is held internationally has increased	3.28
53	Research and teaching in NZ is usually just reinventing the wheel	1.84
56	NZ academics have little to contribute internationally	1.58

Their assessment is at odds with the methodology and results of the PBRF, wherein the percentage of A-graded academics in New Zealand was about half that of the UK RAE. This reflects both the deadening effects of the 'peer esteem' and 'contribution to the research environment' components of Evidence Portfolios and an unreasonable definition of the criteria for an 'A' (Dalziel, 2004).

Overall, academics were somewhat pessimistic about the tertiary sector:

Rank / 56	Statement	Mean
17	Collegiality is in decline	3.49
25	I am pessimistic about the future of the tertiary sector	3.23
36	I am optimistic about the future of the tertiary sector	2.72
39	Now is a good time to be an academic	2.65

But, were marginally optimistic about their own careers:

Rank / 56	Statement	Mean
27	I am optimistic about my career	3.15
38	I am pessimistic about my career	2.69

However, these assessments of pessimism and optimism were highly variable by subject and university, as was the middling assessment of the PBRF:

Rank / 56	Statement	Mean
33	The Performance Based Research Funding initiative is beneficial	2.90

Indeed, the variance of ranking statements on pessimism, optimism and the PBRF when other factors are introduced to the analysis (these results will be published in the near future), suggests significant divisions in academic ranks. Thus -in late 2003 at least- there appeared both a binomial distribution of rankings in terms of pessimistic and optimistic clustering, and a strong locational determinism. It is perhaps unsurprising that the relationship between these two elements linked pessimist and poor PBRF results, and optimism and good PBRF results. This should worry proponents of traditional academic work (or whatever can best be salvaged from two decades of systematic under-funding) because it suggests that new managerialist arguments about picking winners and other strategic punts are likely to find support from some academics.

Conclusion

The initial results of the survey are surprisingly mixed, but suggest that academics consider themselves overworked and stressed (cf Chalmers, 1998). The responses also demonstrate a commitment to traditional forms of academic work. However, the extent to which academics are willing and able to resist managerialist erosion of their professional control over research, teaching and other conditions of work seems more problematic. The pursuit by senior management of universities for new performance measures and other elements of 'the HR challenge' is likely to be advantaged by very real divisions within academic ranks. What remains unclear is the extent to which academics (particularly those advantaged by PBRF and similar arrangements) within the humanities and social sciences pursue strategies that undercut existing forms of professional control or collegiality.

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Appendix 1: Ranking of statements

In late 2003, a mail-out self-complete survey was sent to all academic staff at the eight New Zealand universities located in the humanities and social sciences. 1779 questionnaires were sent out. 617 completed questionnaires were returned, along with 44 uncompleted ones. The questionnaire asked academics to rate 56 statements in terms of a Likert scale (Strongly Agree =5, Agree =4, Neutral =3, Disagree =2, Strongly Disagree =1). Below the statements are ranked in descending order of agreement.

Statement	N	Mean	SD
Academic positions should combine teaching and research	610	4.49	.681
Sabbaticals are important for good teaching and research	611	4.45	.742
Academics deserve better pay and conditions	609	4.30	.827
The funding of conference attendance is crucial for good teaching and research	609	4.29	.823
NZ academics have much to contribute internationally	608	4.20	.676
Administrative work has become an unreasonable burden	610	4.12	.870
Students should be asked to rate the effectiveness of teaching	603	4.06	.864
Teaching is under valued	610	4.05	.978
Tenure is crucial for good teaching and research	605	3.79	1.040
Greater inter-disciplinarity is a positive development	610	3.78	.769
The number of students I teach and supervise has increased	592	3.77	1.107
There should be greater inter-disciplinarity	600	3.73	.920
There should be a greater appreciation of multiculturalism	604	3.67	.898
Academics are highly productive	597	3.60	.775
Secondary students are poorly prepared for the tertiary sector	608	3.59	.980
Socio-economic disadvantage is the most important equity issue	604	3.51	.952
Collegiality is in decline	609	3.49	1.040
Tertiary education should be free	606	3.45	1.197
Academic freedom is under attack	609	3.40	.980
New Zealand delivers world-class tertiary education	606	3.37	.943
The esteem in which NZ research is held internationally has increased	593	3.28	.679

Inter-disciplinarity is an increasing feature of the tertiary sector	607	3.27	.881
Rulings requiring minimum class sizes stifle creativity and innovation in teaching	602	3.27	1.060
There should be a greater emphasis on traditional scholarship	578	3.27	.978
I am pessimistic about the future of the tertiary sector	608	3.23	1.022
Academics are ably represented by their union	602	3.19	1.001
I am optimistic about my career	602	3.15	1.116
My research endeavours are well supported	607	3.08	1.078
My institution fosters my career development	604	3.06	1.069
Attracting full fee paying students is vital for the future of the tertiary sector	603	3.04	1.004
Research is under valued	609	3.00	1.095
The integration of Treaty issues into the curriculum should be given priority	610	2.93	1.122
The Performance Based Research Funding initiative is beneficial	593	2.90	1.127
It is very difficult to publish NZ research internationally	604	2.83	.989
Student feedback and surveys on effective teaching are just popularity polls	607	2.76	1.067
I am optimistic about the future of the tertiary sector	607	2.72	1.032
The integration of Treaty issues into the curriculum should be downplayed	609	2.69	1.196
I am pessimistic about my career	601	2.69	1.196
Now is a good time to be an academic	610	2.65	1.002
Equity initiatives come at the expense of quality	605	2.62	1.085
There should be minimum class sizes at the postgraduate level	607	2.58	1.152
New Zealanders should have preference in gaining academic jobs	608	2.58	1.119
The main function of the tertiary sector should be teaching	608	2.56	1.031
The main function of the tertiary sector should be research	603	2.56	.992
The funding and other support of teaching and research is improving	602	2.49	.962

The tertiary sector should focus on meeting the demands of the knowledge economy	602	2.35	1.018
Women should have preference in gaining academic jobs	604	2.33	.867
Maori should have preference in gaining academic jobs	602	2.32	1.008
There should be greater use of contract teaching	605	2.27	1.044
There should be a greater focus on wealth generating aspects of research	609	1.86	.858
Most academics should focus exclusively on teaching	606	1.86	.708
Most academics should focus exclusively on research	610	1.85	.720
Research and teaching in NZ is usually just reinventing the wheel	605	1.84	.780
The tertiary sector should be run like a business	607	1.70	.903
Academics are an overpaid profession	610	1.60	.732
NZ academics have little to contribute internationally	608	1.58	.885

Footnotes

1 While the goal of the PBRF is research focused, its origins in EFTS-based funding of teaching created at least one major inconsistency: staff employed on 'research only' contracts were not assessed in the 2003 Quality Evaluation while many (mainly senior tutors) on 'teaching only' contracts were. A number of respondents have argued that the inclusion of teaching in the assessment of research was necessary in order to prevent the non-university TEOs from 'gaming'. That is, the universities would be less adversely affected by the inclusion of teaching only staff than the polytechnics, colleges of education, waananga, and private training establishments.

2 Professor Paul Dalziel (2004) has noted that the sections on contribution to research environment and peer esteem were more likely to reduce the quality score of potential A academics.

The Employment Relationship – a conceptual model developed from farming case studies

RUTH NETTLE*, MARK PAINE** & JOHN PETHERAM***

Abstract

This article reports on and develops the extant research in order to understand the change processes in farm employment relationships. Aspects of farm employment do not often feature in the business literature and only few studies that specifically address "relationship" issues in very small (or micro) businesses can be found in either the agricultural, small business or human resource management literature. The article outlines research that involved case studies of dairy farms in Victoria, Australia. Depth interviews were conducted over two years with dairy farm employers and their employees. A conceptual model of employment relationships was developed to better understand change processes in farm employment. This conceptual model may have wider significance for understanding small business employment in general and can also be a tool for third parties in supporting employment relationships. Further, the developed methodology has the potential to enhance employment relationship research.

Introduction

There has been little attention given to the issues surrounding the relationship between employer and employee and the changes that influence the relationship within a rural setting. This article reports on research into change processes in farm employment relationships and argues for a "relationship" view of employment.

The article focuses on a study that investigated the employment relationships within the Australian dairy industry. The farm gate value of Australian dairy produce is around three billion dollars (Dairy Australia, 2004a) and dairy is one of Australia's leading rural industries in terms of adding value through further processing, ranking third in world dairy trade (Dairy Australia, 2004a). Dairy contributes 0.2% of Australia's GDP with agriculture overall contributing 3.1% (ABARE, 2000).

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The majority of Australia's 9,600 dairy farms are family owned and operated and the average herd size has increased from 77 cows in 1975, to 197 in 2003 with many farms having herds greater than 250 cows (Dairy Australia, 2004ab). Huge productivity gains have been achieved at the farm level in this time through improved technology and substitution of labour with capital. This, and increasing herd size, has increased the demands on management and, often, the dependence on non-family labour. Although reliance on family labour is high with 61% of farms using only family labour (Dairy Australia, 2005), this is changing (down from 66% in 2004). In a recent survey in South-West Victoria, farms were categorised based on the way in which labour was sourced and used (ACCIRT, 2004b). The study described: Traditional family farms (involving family labour only); Transitional farms (employing part-time and/or casual workers especially for relief milking); and Modified family farms (involving full time wage labour – with often less than 5 full time workers). Although modified family farms were more likely to be larger businesses (based on dairy herd sizes over 200 cows) and traditional family farms were more likely to be smaller businesses (based on herd sizes less than 200 cows), each category included a range of herd sizes. Overall, in this survey, paid labour was contributing between 40% and 70% of total farm labour. Further, employers surveyed identified a range of employment issues impacting on their farm businesses including attracting, retaining, paying, developing and organising their employees and managing the employment aspects of their business.

On-farm employment issues can be viewed as part of the wider social pressures mounting on human resources in rural areas. This pressure arises from a combination of factors: declining numbers of farms/farmers; movement of resources out of farming; declining numbers of young people in rural areas; declining rural services/population; and reticence of family members to return to farming (ABARE, 1998). These pressures are often expressed as low labour supply, lumpy labour demand (corresponding to fluctuations in farm-gate milk prices), reduced availability of family resources, production seasonality, and low commitment to training or development due to job instability (ABARE, 1998; Gasson and Errington, 1993).

In the dairy industry in Australia, there are concerns regarding the attractiveness of dairy farming to potential employees (Bodi and Maggs, 2001; ACIRRT, 2004a), and recent estimates of dairy industry turnover in the farm-hand sector of between 20-50% (ACIRRT, 2004b) suggest there are also employee retention issues. Despite these issues and concerns dairy industry attention often focuses on industrial processes (pay rates and conditions), recruitment strategies such as trainees and apprenticeships (Rural Skills Australia, 2004), addressing skills gaps (Bodi, *et al*., 1999) and employer training (Murray Dairy, 1998). However, there has been little emphasis on understanding the dynamics of employment relationships from both employer and employee perspectives.

The article commences with a review of literature and research relevant to farm employment relationships and provides the context for the research study. The remaining

discussion focuses on the empirical research of employment relationships, namely the research methodology, the results and their implications. In particular, the research is used to develop a conceptual framework which aims to enhance the understanding of employment relationships and thereby facilitate improvements in these relationships.

Key Literature Contributions to the Study of Farm Employment Relationships

Traditionally, farm management and agricultural economics have been the main disciplines for examining labour and employment issues in agriculture. More recently, the discipline of human resource management (particularly in relation to small business) has an emerging profile in farm employment. This section of the article reviews the contributions from these disciplines and highlights current gaps in theory and methodology for understanding change processes in employment relationships.

Farm Management and Agricultural Economics

Research, theory and teaching in the realm of farm management have traditionally concentrated on applications of micro-economic theory and marketing at the level of the farm (Malcolm, *et al*., 1996: 173). Conceptually, the farm is seen as a "firm" and neo-classical economic theory assumes that labour, as one of the three factors of production, is homogenous, perfectly informed, perfectly mobile and can immediately adjust in quantity to a new equilibrium, given a change in relative prices. However, as Gasson and Errington (1993: 120-135) recognise, once labour is employed in an owner-operator business, wages have to be paid out of profits, thus changing the social relations of production. In addition, for farm employers the effect of extra labour is uncertain, prices for agricultural products are uncertain, labour skill and ability differs and there are transaction costs, opportunity costs and psychic costs in finding, hiring and training labour (Gasson and Errington, 1993: 120-135; Errington and Gasson, 1994). These aspects are compounded by the very real stress involved in employment management. Unfortunately, the analysis by Gasson and Errington provides little insight into how the farm employment difficulties may be traversed.

Canadian agricultural economists Howard and McEwan (1989) reviewed the discipline of Human Resource Management (HRM) and its relevance to agriculture. Although they suggest HRM theory has more to offer than economic theory, their model of HRM emphasises individuals as being motivated by utility functions (profit and leisure) and restrict HRM processes to the managerial functions of attracting, keeping and motivating employees (Howard, *et al*., 1991). The focus in HRM research in agriculture has been on employee satisfaction, farm labour force size and the relationship with turnover, employee wage rates and employee rewards and benefits (Howard, *et al*., 1991). The dominant theme of their proposed research agenda for farm HRM is on the impact of HRM policies at the farm level, to help farmers develop "optimal" HRM policies. This is

a limited research agenda, with neither a focus on the employment relationship, nor on processes of change toward these "optimal" HRM policies.

HRM and Small Business

The discipline of Human Resource Management (HRM) has addressed the strategic and tactical actions undertaken by organisations to manage their employees (Steffy and Grimes, 1992: 181). Much of the HRM research and literature is often criticized for viewing procedures of HRM as an end in themselves, rather than part of the social and cultural construction of employment (Storey, 1995: 25; Benmore and Palmer, 1996). For instance, although there is anecdotal evidence of increasing use of standard HRM practices and procedures at the farm level, (mainly driven by regulatory and statutory requirements – see Rural Skills Australia, 2004), it has yet to be researched as to how such practices are used and what outcomes are experienced by employment participants.

In regard to small business HRM issues, although there is increasing interest in the relevance of management and organizational theory to small business (Scase and Goffee, 1987; Scase, 1995) specific gaps and/or criticisms still exist. These include:

- The extent to which employee perspectives are considered in HRM processes and decisions (Bacon, 1999: 1183; Guest, 1999);
- The alignment of perceptions and expectations of employers and employees (Burchell and Rubery, 1993);
- The narrow or stereotyped views of employee relations in small firms such as "labour harmony" or "bleakhouse" (Wagar, 1998; Wilkinson, 1999; Goss 1991; Rainnie, 1989; Gilbert and Jones, 2000);
- The impact of business size on HRM (Marlow, 2000 and 2002); and
- A need for research to reflect human agency rather than deterministic managerial control strategies (Wagar, 1998 and Wilkinson, 1999).

Ram and Edwards (2003: 726) suggest that extant research is aimed at understanding more about processes by which actors in small firms handle the employment relationship, however most of the cited studies involve medium sized enterprises employing over 100 people and do not address individual employment relationships in very small firms. Although Ram and Edwards (2003) support further research into the dynamics of change in employment relations, this raises the issue of the sort of research methodologies used. For instance, Bacon (1999) and Guest (1998, 1999) criticise the reliance researchers place on survey instruments that involve questions of primary interest to managers and often do not represent employee experiences of work.

Psychological Contracts

A developing area of Human Resource Management theory is that of "contracting" in employment relationships. Rousseau, (1990, 1995) and Herriot (Herriot, 1992; Herriot, *et al*., 1997) explore the nature of "contracting" in employment, differentiating between transactional and relational forms of employment contracting. Rousseau (1995: 3) strongly criticises the competitive, transactional view of employment and contracts. She suggests that this market orientation commodifies labour and employment and adopts a short term and limited view of what employer and employee offer each other, downplaying the value of the relationship. (Burack, *et al*., 1994: 151) concur, suggesting that future employer-employee relationships will be based on new psychological contracts which emphasise:

> *"….the social or psychosocial aspects of work and trust based on the mutual responsibilities and good faith efforts of both…reach*(ing) *far beyond the legalities of traditional employment contracts".*

Millward and Hopkins (1998) advance the application of the theoretical psychological contract framework to small businesses. They suggest that the concept of psychological contracts is vital to an analysis of changes in the nature of the employment relationship and that the psychological contract is primarily a *job-level* rather than an *organisational level* phenomenon (emphasis added). Focussing on the content of the psychological contract, Herriot, *et al*. (1997: 160) found that it is the relative salience of the components of the psychological contract for the two parties that are at issue, that is, fair exchange. Tipples (1987, 1995 and 1999) has reviewed the changing nature of farm employment relations in New Zealand. Furthermore, he and colleagues (Tipples *et al*., 2000) applied the theoretical framework of psychological contracts to understanding farm sector employment in New Zealand. Tipples (1996) had theorised a four stage process (pre-creation, creation, maintenance, conclusion) to be considered from the employer and employee perspective in a contracting approach. Tipples and colleagues found that employers and employees have different views on the most salient features of psychological contracts, which would need to be addressed in establishing "matches".

This "relational contracting" perspective, although offering a unique focus on both employer and employee in farm employment does not offer an understanding of *how* the psychological contract is "worked out" in specific relational contexts and down-plays the importance of processes (eg. how is "mutuality of meaning" accomplished?). These limitations highlight both a theoretical and methodological issue in employment relationship research which will be explored further below.

The preceding brief review highlights the need for both theoretical elaboration and methodological development to make progress in the area of farm employment relationships. To address this development need, research within relationships is

required, with attention on relationship processes between employer and employee. A study designed on the basis of these theoretical and methodological gaps is outlined in the next section.

Research Methodology

The need to define and understand employment relationship processes requires a methodology that permits the study of actual employment relationships in real time and allows for the differences in how employment participants construct meanings. Further, a sensitive and confidential approach is required, acknowledging the complexity of relationships. These criteria present methodological challenges, which include:

- Gaining access to employment relationships;
- Discovering ways to capture and interpret employment events; and
- Maintaining confidentiality for participants.

To address these challenges, a solid, social theoretical framework is required to guide the research process. A constructionist methodology was considered a necessary and appropriate basis from which to explore processes in employment relationships. Constructionism is a social theoretical position that suggests reality is created in the discourse of, and negotiations among, people as social actors (Crotty, 1998; Charmaz, 2000). It is the socially negotiated agreements that become experienced as "objective" truth. The aim in constructionist research is to search for the system of meaning that actors use to make sense of their world. Such a methodological approach is useful here because farm employment occurs in a social setting (people on farms and in rural communities), farming has complex social and cultural motivations (households as well as livelihoods and businesses) and farming is multi-dimensional (involving economic imperatives, management capability, biological and ecological elements, and human aspirations and interactions). Employment events will be interpreted differently and meanings constructed differently. It is the analysis of the generation of meanings that is important in understanding relationships. Therefore, the chosen approach is preferred as it allows concepts and theory to emerge from data, rather than a preconceived theoretical framework guiding the choice of data to be analysed. Furthermore, the qualitative research approach aims to “capture” the constructed perspectives of employer and employee and thereby gain an in-depth understanding of employment relationships and processes.

Profile of the Case studies

The study was conducted in Gippsland, Victoria, Australia, east of the state capital city, Melbourne. This region contains over 2300 dairy farms employing an estimated 350 employees (not including sharefarmers) (ACIRRT, 2004a).

Interviews were conducted with dairy farm employers, sharefarmers and employees in

the region to gain an appreciation of general issues being faced in relation to employment. In choosing interviewees, industry informants were asked for a list of names of dairy farmers who employed people outside the family (ie. transitional and modified family farms as identified earlier) and used different models of employment (sharefarming, managers, full-time/part-time, apprentices/trainees). In general, such transitional and modified family farms are larger farming businesses involving herd sizes over 200 cows, representing the limit to two-person owner-operator family farms. Small farming businesses are those generally with herd sizes less than 200 cows and using all family labour (traditional family farms). The focus in this research is on the transitional and modified family farms because these farms involve employment relationships beyond that of family members alone.

From these preliminary interviews, five farm businesses were selected as case studies for further research. All of the selected case farm owners and employees were willing to be involved in the case study research after receiving a copy of the research statement and ethics procedures. Details relating to confidentiality, use of the data, reviewing their interview transcripts and being involved in a feedback process, were discussed with participants.

The five farm businesses and their employment relationships were "followed" over 2 years as longitudinal case studies and provided insights into the context of actual employment relationships. The purpose of the case studies in this research follows Mitchell (1983:192) who argues that a case study is: *"…a detailed examination of an event (or series of related events) which the analyst believes exhibits the operation of some identified theoretical principle".* The cases were selected based on both the diversity of employment context, structure and functioning, and the potential that the case offered towards learning about employment relationships (Stake, 2000: 446).

Semi-structured interviews were conducted with each employer and employee every six months over two years. The interviews consisted of questions relating to the employers' and employees' history and context of employment, employment events and interpretations of those events, actions taken in employment and interpretation of outcomes from these actions. As far as possible, where an employee left the employment relationship they were followed up in their new position. Each interview was audio-taped and later transcribed to a word processing file. Each case study consisted of between one and three employer-employee relationships over time. A description of the case study farm features and key themes over time, identified in the employment relationships, is provided in Table 1.

Table 1: Profile of the Case Studies: herd size, employment structure and critical employment events during the study.

Case Farm 1:
Theme: "More than a job": expectations and rules that guide activity in farm employment.
Case description: 300 cow farm, farm owner couple near retirement age, sharefarming model, high turnover of sharefarmers (3 over the course of the research), no sharefarmer capital contributed.
Critical employment events over time: stability to instability → planning for stability → building a relationship (1) → falling out → building a relationship (2) → going separate ways → hanging in the balance.

Case Farm 2:
Theme: "Changing rules".
Case description: 600 cow "rapid expansion" farm, farm owner-manager with 2 permanent and 3 to 5 casual employees.
Critical employment events: Breaking from tradition → Expansion and change → Learning → Getting it right → More change.

Case Farm 3:
Theme: "Change as the intervention".
Case description: 1100 cows over 3 farms, major change from sharefarming to management model during the research and reduction in number of people working.
Critical employment events: Stability → Stagnation → Change →Working it out.

Case Farm 4:
Theme: "Change in the family farm".
Case description: 600 cow farm, brothers as farm owners and managers with permanent and casual employees.
Critical employment events: Family order → Employing workers → Learning → Keeping options open.

Case Farm 5:
Theme: "Change in the investment farm".
Case description: 300 cow farm owned by an investor, change from 50% sharefarming model to 2 specialised employee roles.
Critical employment events: Working it out → Mutual separation → Learning → Exciting possibilities.

Data Analysis

The constant comparative method of grounded theory (Glaser and Strauss, 1967) provided a way to organise the rapidly accumulating store of text data as each case study unfolded. In this analytical approach to data analysis (based on the constructionist framework of symbolic interactionism (Blumer, 1969), theory is systematically generated from data (Glaser, 1978). The grounded theory method consists of systematic inductive guidelines for collecting and analysing data to build middle-range theoretical frameworks that explain the collected data (Charmaz, 2000: 509). The fact finding, comparing, contrasting, classifying and cataloguing (analysing) activities are conducted progressively and iteratively (Miles and Huberman, 1984).

By way of an example of concept development arising from the research, the key concept *"guiding rules of employment"* (see Table 2 and discussed further in the results section)

emerged from analysis of employer and employee experiences in employment over time. Different employer "guiding rules" were evident and explored in the context of their impact on employment outcomes, as illustrated from the response by the employers from case study 3 and case study 1:

> "*…some people have been with you long enough that they actually take initiative and will do things and then after a while (you) see that they think you leave too much to them, but I always think you should be getting satisfaction out of having responsibility. Well I do…"* [A guiding rule that employees need to have motivations similar to employers.]

> "*…nearly every dairy farmer in the country has to do it (work Christmas day) if that's what you want to do…that's dairy farming…whether they (sharefarmers) really want to be dairy farmers, you start to wonder because dairy farming is a big commitment…"* [A guiding rule that people wanting to be in dairying have to show the same *form* of commitment as the employers.]

Computer software can enhance the ability to rapidly store, recall, (re) code and electronically make memos of recorded data. The software used (NUD.IST n-vivo™ version 1.1, 1999 (Non-numerical Unstructured Data Indexing Searching and Theorizing)) permitted the coding of interview transcripts and field notes. The transcriptions of employment participant interviews were entered as separate on-line documents and filed as a case study. The coding process involved each document being analysed, with segments of transcript allocated to a node address. Memos (representing the researchers' analysis of the codes) were built for each node. These memos were used to examine relationships between concepts and formed the basis of the development of a model of the farm employment relationship for each case study.

After the case studies had been documented, analysed and a conceptual model of the employment relationship built, research participants (employers and employees) were provided with this material and a conversation was held between the researcher and participants regarding the "fit" of the models to their experience - a requirement of the grounded theory methodology (Glaser, 1978). Their responses were audio-taped and documented and used to further refine the models.

Results and Discussion

The key concepts in employment relationships identified from the analysis of each case study are outlined first, along with the understanding of employment relationships that emerged from the analysis. Then, a model of the employment relationship is presented, representing how the key concepts in employment relationships are linked. Finally, the contribution of these findings and the methodology to employment relationship research is discussed.

Key concepts and processes identified in employment relationships

As each interview transcript of employment was analysed, concepts explaining the concrete events of the case study farm employment relationships were developed. This iterative process identified 20 "key concepts" in employment relationships. Further analysis grouped concepts that were functioning in closely related ways in the employment relationship into categories. The four concept categories developed were: 1. *core principles guiding employment*; 2. *mediating processes*; 3. *change* p*rocesses, and* 4. *relationship outcomes.* These concepts and categories are defined in Table 2.

Table 2: Explanation of key concepts identified in farm employment relationships

1. Core principles guiding employment

- Guiding rules: The beliefs and attitudes that employers and employees hold regarding employment relationships and what can be expected from them. "Guiding rules" generate the assumptions, expectations, and often the outcomes of the relationship.
- Relationship role positioning: The process of defining ones position and role in the employment relationship that directly influences the expectations of the "other" person and the job.
- Employee career orientation: The way employees "frame" their work in dairying. Key orientations include: ownership of farm vs. job, partner vs. experience gainer vs. worker.
- Social shaping: The way employees and sharefarmers assess where there is "best-fit" between their job and their sense of self or life. It is a seeking, searching, assessing process.
- Employee socialisation: The way an employees past experiences in being employed or part of farm life influences their orientation to employment. It can be defined as the degree of good or poor socialisation and appears influenced by tradition, age, experiences.
- Employee positioning: The "position" that (generally) youth take in dairying and their job. People often position themselves either for or against farm ownership. Positioning is a way young people establish their identity, e.g., as farmers/workers.
- Social order: The unique arrangement that can hold a family farm together, and provides the enduring value system for members. High social order can give stability, resilience and endurance in times of change and instability.

2. Mediating processes in the relationship

- Social order: The unique arrangement that can hold a family farm together, and provides the enduring value system for members. High social order can give stability, resilience and endurance in times of change and instability.
- Active alignment: The process in which the actions of employer and employee align expectations of both the relationship and the work.
- Contracting: The process by which an employer and employee's expectations are formalised in words and actions.
- Enlisting: The (positive) process of 'mutual choosing' in beginning an employment relationship, rather than "recruiting".
- Embodiment: The (negative) process by which an employee or employer develops the idea of the ideal identity of the other.
- Communicative competence: Concerns the ability of those involved in the employment relationship to talk about and take action toward maintaining the employment relationship (not just the job or contract).
- Support networks: The mediating, influencing and supporting roles that people outside the employment relationship play in the relationship.
- Bridging age-gaps: The extent to which the employment relationship strives to "bridge" the generation gap and involve all ages in employment processes.

3. Change processes

- Becoming: The process of change and development that employers undergo. New roles, faculties and skills help to create an emerging identity as an employer.
- Indicators for change: Is change evident – in thinking, in resilience, in active alignment, in "becoming"?

4. Relationship outcomes

- Simple-reliable: The outcome when the employment relationship is not seen as important to employers or employees. In other words, it is a transactional relationship – work for pay, labour as a factor of production.
- Relationship balance: An outcome of an employment relationship that involves a balancing of expectations, desires and needs of both employer and employee
- Relationship resilience: An outcome resulting from employer and employee actively responding to different shocks as they emerge.
- Relationship synergy: An outcome resulting from the combination of other positive outcomes being attained (eg. balance, resilience) and involves joint decision making, involvement and commitment in how the farm is run and improved.

The concepts represent a deep understanding of employment relationship attributes as well as processes involved in employment relationship development and change. The insight this analysis provides is discussed next. The definitions in Table 2 will need to be referred to.

Understanding Employment Relationships

The identification of key concepts and processes provides 3 main insights into farm employment relationships. Firstly:

- *Employment relationships have outcomes other than "retention" or "turnover"*

The category "relationship outcomes" represents the group of concepts that focused on what employment was achieving for both employer and employee. Employment outcomes are often described in a human resource management context as a dichotomy (i.e. either retention or turnover) and from an employer perspective. The case study analysis identified extra dimensions of employment outcomes for both employer and employee. These included:

- transactional outcomes: the concept of "simple-reliable" or work for pay;
- balanced outcomes: the concept of achieving mutual benefits from employment through "balancing" expectations, desires and needs of both employer and employee;
- resilient outcomes: the concept of actively responding to shocks to the relationship (eg. a large change in farm business operation, the impact of falling milk price) to support both employer and employee needs; and
- synergistic outcomes: the concept of joint decision making, involvement and commitment in how the farm is run and improved that results in greater than anticipated benefits for both employer and employee.

Whereas employment outcomes are often viewed as an end in themselves**,** this analysis suggests relationship outcomes are *summative* and *hierarchical*. That is, to achieve higher level outcomes such as synergy, there is a stage-wise flow from a balanced outcome, through resilience to synergy. Relationship outcomes can also operate in reverse. For instance, a lack of change in relationships (stagnation) can mean a negative summation, back down the relationship outcomes from (say) synergy to imbalance, to simple-reliable, to turnover. This does not imply a value judgement about the "best" outcome in employment relationships rather**,** it can support thinking by employers and employees concerning desired outcomes.

Secondly:

- *Key mediating processes are more than just HRM practices*

The employment relationship outcomes discussed above, result in part from mediating processes, such as contracting, enlisting, alignment, communicative competence, bridging age-gaps and mediating roles (see Table 2 for definitions). For high level outcomes, the processes appeared summative. For an outcome of synergy, for example, all the mediating processes are required to achieve this mature type of relationship outcome. Such processes require a more active "working through" rather than an adherence to HRM "procedures".

Finally:

> - *The core principles of employment held by employers and employees explain relationship outcomes and the presence of key mediating processes*

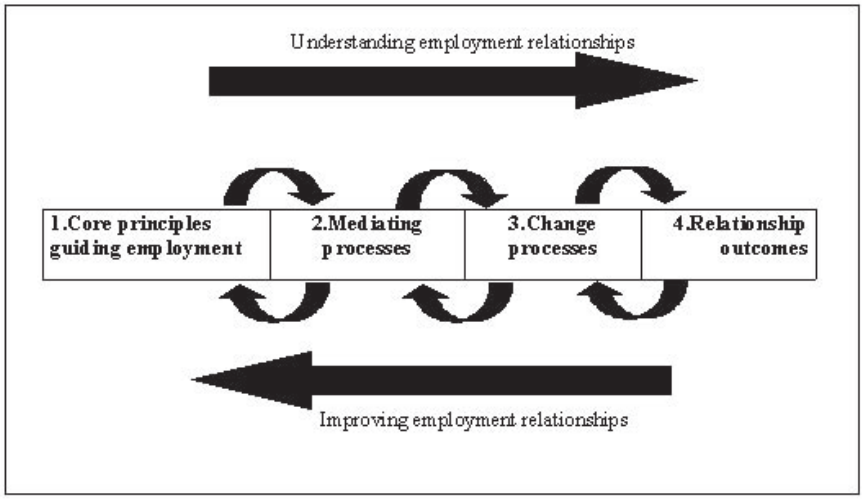
The core principles of employment held by employers and employees impact on relationship outcomes directly, or through application of mediating processes for positive and negative outcomes. For instance, an employer with a guiding rule of employment that suggests the need for long hours of work and limitations to income because "this is dairy farming" is less willing to look for ways to achieve balance or resilience and also less likely to engage in processes of alignment and contracting with employees. The "guiding rules" of employment are among the hardest to change, but they also have the greatest scope for impacting positively on relationship outcomes.

These insights provided the basis for the development of a model of the employment relationship which is discussed next.

A Model of the Employment Relationship

The inter-relationship between the four categories explaining employment relationship concepts and processes outlined in Table 2 forms a conceptual model of the employment relationship. The 4 categories impact each other as employment relationships work over time. This is represented diagrammatically in Figure 1. The *core principles* that guide employment relationships, effect *relationship outcomes* directly (1 impacts 4), or they operate through employment participants engaging in mediating processes (1 effects 4 through 2 and 3). In this way, the outcome of employment that is desired (4) appears to dictate the processes needed, which provides an indication for what core principles (1) are necessary. This regressive "view" appears to be how improvement in the employment relationship is achieved. The progressive "view", that is, core principles (1) affecting processes (2) which determine outcomes (4), provides a way of explaining how the current outcomes are being achieved on a particular farm. So in terms of the role of the model for improving employment relationships it can be viewed from either direction.

Figure 1: A conceptual model of employment relationships (Processes of explanation and improvement take place in opposite directions in the flow chart.)



When presented with the specific models of their employment relationship, case study participants found the analysis insightful and useful not only in explaining what had happened, but in exploring alternative actions in the future. Responding to elements of the model of their employment relationship, an employee from case study 3 noted:

> *"I would have "Guiding rules" smack bang in the middle in a big square – that's how important I think it is –the hard thing is that all your experiences – you have to change the experiences to positive experiences so they can have more positive guiding rules so they can work through all these things to get to balance…a long road."*

Research Contribution

The conceptual model of employment relationships and its empirical research contributes to the literature and the theory in a number of ways. In particular, the study has questioned the preoccupation with staff turnover issues and HRM "procedures"; adds to the knowledge of psychological contracts in employment and offers an alternative platform for farm business management research.

Human resource practitioners may identify with the mediating processes of "Contracting", "Active alignment" and "Communicative competence" and suggest that the research merely confirms the need for "good" human resource management. However we would argue that this research has shown that "mediating practices" are embedded in the

context of employers' "Guiding rules" and employees are often ill equipped to participate in the processes, thus "good" human resource management practice is not (by itself) adequate for successful employment relationships.

The results also support an altered focus away from "turnover" issues in employment toward the mutual action needed in achieving particular needs of employment participants for outcomes of "balance" or "resilience".

Enhanced understanding of the theory and practice of *"psychological contracts"* in employment relationships are offered. Although key elements of what might be referred to as a "relational contracting" perspective are visible in the model, a greater understanding of change and improvement for employees and employers is offered. For instance, the content of the psychological contract is focussed on the concept of "mutual obligations" (Herriot, *et al*., 1997) and perception of balance or imbalance in these obligations caused problems in the psychological contract. This research suggests that perceptions of balance can originate from an employer's or employee's "*core principles guiding employment"* – set prior to entry into an employment relationship. That is, their beliefs, attitudes and values held about employment that guide their (often unconscious) action, their "Role positioning", or an employee's "Career orientation" and degree of "Shaping". These all influence pre-perceptions of obligations and balance in employment. This provides a framework for understanding more of Tipples' first stage in employment relationships of "pre-creation" (Tipples, 1996). The research has shown that if employers and employees are aware of these core principles for themselves, and are able to explore them with their respective employees' or employers' principles, this provides a starting platform for initial "perception balance".

Further, we would argue that this research contributes to the discipline of farm business management by offering a change in focus away from the farm as a "firm" to the farm as a "social organisation". This philosophical shift brings social theory and its methodological underpinnings to farm management and allows a deeper analysis than often provided by the usual focus - that of economic decision-making.

Methodology Contribution

The research approach in this study addresses some of the weaknesses of other methodologies identified earlier. In particular, this studies' methodology offers greater insight into how employers and employees construct and make meaning of their employment experiences, allows for change processes in employment to be observed and reported and strengthens the validity of research findings by involving research participants.

The longitudinal case study and grounded theory methodology offers greater understanding of the agency of employer and employee within the employment relationship and their

respective roles in relationship processes than more traditional approaches that obtain "once-off" snapshots of employment relationships and have a limited ability to explore change processes. Further, involving research participants in interpreting and providing feedback on research findings not only offers a means of verification of findings, but further adds to the research results by providing another way for employers and employees to reveal their construction of employment and how they view their agency within employment. We would therefore argue that such rigorous qualitative methodologies can offer employment researchers an alternative strategy in research approaches.

Conclusion

This article has reported on research to understand the change processes in farm employment relationships. This understanding was encapsulated in a conceptual model that links four main process categories: "Core principles guiding employment", "Mediating processes" in employment relationships, "Change Processes", and "Relationship outcomes". Further, the research approach of longitudinal case studies and grounded theory analysis was argued to be a potential alternative approach for employment researchers aiming to understand more of employment relationship processes.

Although this research was conducted in the context of employment relationships in farm businesses, it is conceivable that the definition of the conceptual model of employment relationships and the use of the model by researchers, employment participants and third parties in employment is generally applicable to other forms of small businesses involving small numbers of employees (i.e. less than 10 employees, often referred to as micro-businesses).

Further research focusing on "relationship" aspects of employment is warranted, particularly to explore the use of the employment relationship model by employment actors and third parties as well as the efficacy of the model to different employment contexts (ie. small businesses).

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What Skills do Somali Refugees Bring with them?

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Abstract

To gain a better understanding of why refugees have difficulties getting employment, 90 Somali (35 men, 55 women) were interviewed about their employment histories prior to resettlement in New Zealand and their experiences of employment in New Zealand. Close investigation of employment histories showed that most had numerous skills and that a large number had previously run their own businesses (mostly import/export). However, the study found several properties of their prior skills did not transfer well to their current setting due to language, cultural, and environmental issues. In particular, previous business owners relied heavily on informal language use to influence customers and sellers; many relied on informal social networking over different countries; many depended heavily on informal negotiation; they had trade routes over land rather than sea; they traded goods specific to the region; they ran informal economies on the side; and businesses had few government rules and legal requirements to meet. Recommendations are proposed to help overcome these more subtle difficulties and form the basis for future research interventions.

Introduction

Refugees moving into western countries are well known to have problems getting employment, and are typically unemployed or underemployed (Altinkaya & Omundsen, 1999; Forrest & Johnston, 2000; Montgomery, 1996; Stevens, 1993; Strand, 1984; Vinokurov, Birman & Trickett, 2000; Waxman, 2001; Wooden, 1991). Apart from the difficulties this causes for successful resettlement there can also be serious long-term physical and mental health problems arising from chronic under- or unemployment (Beiser & Hou, 2001; Holden, 1999; Pernice, Trlin, Henderson & North, 2000; Schwarzer, Jerusalem & Hahn, 1994; Strandh, 2000).

Many of the barriers to employment for refugees are also well recognised, and include

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language difficulties, qualifications not being recognized, and discrimination (Altinkaya & Omundsen, 1999; Beiser & Hou, 2001; Daly, Barker & McCarthy, 2002; Faelli & Carless, 1999; Montgomery, 1991; North, Trlin & Singh, 1999; Shih, 2002; Smith, 1996; Valtonen, 1999; Wooden, 1991). For example, although refugees resettled in New Zealand have their skills and qualifications assessed on entry to New Zealand, these assessments utilize western standards that often fail to acknowledge general skills, informal qualifications and previous experience. Overall, there is little research or literature on the previous skills that refugees have and how they might be better adapted to employment in the new country.

The present research study aimed to find out more about previous jobs and skills of one group of refugees in one small city in New Zealand. While narrowly focused, it was hoped that the methods and findings could be applied to other refugee groups. As part of a longer term collaborative research programme with a Somali community, we examined employment histories in detail, hoping to use the findings to develop new interventions to overcome barriers to employment for these and other immigrant and refugee groups. The community is very concerned about the problem, although a lot of effort goes into working towards employment opportunities and education for their children.

As well as confounding of factors in predicting employment, another problem with the refugee employment research area is that most of it has concentrated on men's employment and much less is known about women's employment (Ahmed, 1999; Chapple, 2001; Kelly, 1989; Markovic & Manderson, 2000; Morokvasic, 1993). We therefore over-sampled women in the present study to gain further knowledge about women's employment histories and experiences.

Method

Participants

The participants were 55 women and 35 men from the Somali community in New Zealand. They were a convenience sample but we aimed for a range of ages and conditions. The 2001 Census (Statistics New Zealand, 2002) indicated that there were 576 males and 534 females between the ages of 15 and 69 living in New Zealand who identified as Somali. The sample of 90 was an average of 32.3 years old, and had been in New Zealand for an average of 4.5 years. Of the 53 in the sample with children, they had an average of 5.3 children, ranging from one child to 15 children. The women were on average slightly older (33.0 years, ranging from 16 to 69 years) than the men (31.1 years, ranging from 18 to 50 years) and had been in New Zealand very slightly less time (4.4 years) than the men (4.6 years). Of those with children, the women, on average, had more (5.5) children than the men (4.8). These characteristics are very similar to a previous sample, but had been in New Zealand about one year longer because the present sample was contacted about a year later (Guerin, Abdi & Guerin, 2003).

Procedures

In-depth interviews were conducted by fluent, bilingual, male and female Somali researchers in the language and place preferred by the interviewees. Most were interviewed at their home in Somali with notes made in English, which were typed as soon as possible afterwards. The entire sample was unwilling to be audio-taped so extensive notes were made instead. Most topics were straightforward and concrete so there was little problem interpreting and noting what was said (unlike interviews about mental health, for example, Guerin et al., 2004). Descriptive statistics were calculated for appropriate data and qualitative responses were reviewed for themes. The interviews were conducted between April 2002 and June 2003.

The method of interviewing was to "talk around" the topics rather than to ask sequentially fixed questions. This follows recommendations by Pe-Pua (1989) for indigenous research, based on the *Pagtatanung-tanong* or "asking around" method she used with Filipinos. The method is such that questions are asked in a natural conversational context, so participants feel like they are having a chat rather than being interrogated. This is important for refugees since they have aversive histories in most cases with government and military interviews. The information sheet was translated into Somali but because many do not read the language (it was only put into written form in 1972), the interviewer also discussed the sheets with each participant. Similarly, the questions and themes were written in English but were talked through in either Somali or English depending upon the language preference of the participants.

In addition to some demographic questions, participants talked about their education and qualifications, their current income and work, and details about their jobs before arriving in New Zealand, including whether these jobs required a great deal of communication. They were also asked about the jobs they had in New Zealand, and what they felt has made it difficult for them to gain employment.

Results

Employment Background

For the 35 men, 19 had no formal qualifications, six had Diplomas or Degrees (animal science, business (2), nursing, public administration, computing), one had a two-year automotive engineering qualification, and nine had a High School Certificate equivalent. Of those with no qualifications, five were currently completing degrees or Diplomas, and one had almost finished a Law degree before it was interrupted by the civil war in Somalia. Of the 55 women, 48 had no formal qualifications, six had Diplomas or Degrees (accounting, nursing, midwifery, machine operator, hair dressing, business), and one had a High School Certificate equivalent. Of those with no qualifications, four were currently completing qualifications. Two women also pointed out that they had

done all the accounting for their own businesses in Somalia but there were no formal qualifications needed and currently none that would recognised all their practical work.

For the 35 men, only six had their income from fulltime employment: one as a taxi driver, one in the computer industry, and four working in freezing works (usually as halal slaughter men). Overall, 83% were not in fulltime employment. Of the others, 26 had their main income from government unemployment benefits, and three from student allowances for tertiary education. Examination of part-time employment found that only 17 out of the 35 (49%) were unemployed and with no part-time employment, while one of the students and 10 of the others had part-time employment with their allowance or benefit.

For the part-time employment, the total sample had at one time or another held 59 jobs, making an average of 1.7 jobs per man. This ranged from no jobs ever up to five jobs held at some point. Considering that they had been in the country on average for 4.5 years, that some were students, and that some were older or with disabilities, this does not look as bad as the 83% unemployment would suggest. The part-time jobs included fruit picking, fruit/mushroom packing factory work, car groomer, management supervisor, meat works, car groomer, supermarket, plastics factory, working for a drug company, service station work, taxi, checkout, sports coach, chicken processing, computer labels, forklift, hall job, teaching aide, teaching/liaison person, laboratory work, and milk production factory.

For the 55 women, none obtained their income from fulltime employment. One woman had household income from her husband's fulltime job, 38 (69.1%) had household income from government benefits, five from benefits for sole parents, eight from a student allowance, one lived with her sister but did not say where the household income came from, and two did not answer this question.

The women did a great deal of part-time work, however, with a total of 60 jobs. This was unevenly distributed (unlike the men) and about half the women (28) had never had a job at all. Of the 37 women who had jobs, this meant that they had an average of 2.2 jobs each, more than the men. The part-time jobs included: fruit picking, grading and packing (apples, mushrooms, kiwifruit, asparagus, blueberries), cleaning houses, checkout work, planting wood, and charging some board for flatmates. The main employment for women was seasonal fruit picking and processing, and many had undertaken this hard work regularly for some years.

Barriers to Employment

Participants were asked about the barriers they had found to getting employment. A couple reported no barriers:

> *"I have a job. I believe I can get a job if I want one."* (26 year old man)

Most reported barriers, however. The majority of the men answered that lack of English and lack of qualifications were significant barriers. Some also reported discrimination as a problem. Many women answered similarly in that English and qualifications were a problem but more answered that they had family commitments and were not looking for work.

Some believed that they had been discriminated against in getting jobs, either because of their age, their skin colour, the way that they dress, the lack of formally recognised qualifications, and their lack of English skills. More women (24 out of 55) also reported discrimination as a problem and in particular the way they dress was an issue for many employers.

> "*There are not enough jobs around some places; it is hard to get a job because of my colour / race."* (30 year old man)
>
> *"Also employers have a negative attitude towards employing Somalis as they view Somalis as not good employees*." (22 year old man)
>
> *"Mostly I guess it's the way I dress puts them off, and some cases like my last job when I went to apply I had lots of layers of clothing but when I started working they told me to wear pants which was not mentioned during the interview. So it's like blackmailing you emotionally. I disagreed and told them you didn't mention in the contract and I'm not going to agree with you. I was lucky I wasn't fired but I don't expect them to give me a job in the future*." (20 year old woman)

Many reported that they had family commitments that either precluded them from most employment or took up most of their time. This was more common among the women (although not exclusive to the women).

> *"The most [barrier] is child care. I have four children under the age of seven, we are living on a single income, so having child care is very expensive, and I don't have any qualifications even if I work I can't earn more than $8 hr. So I will not be able to get well paid job to cover my child care cost & transport. Plus with the way I dress with veil there aren't any job opportunities in NZ."* (26 year old woman)

As expected, poor English proficiency was a common barrier for working in New Zealand settings, although some women pointed out that English was not imperative in a number of jobs they were not given.

> *"I can't even do my grocery shopping without an interpreter, how can I apply for any job? I need to learn the basic things first, like communicating in English."* (54 year old woman)

> *"Simply because every one thinks I'm a walking tree who cannot follow the simplest instructions like picking blueberries; it's my arms that pick the fruits and not my mouth. I'm so angry about the whole issue of job seeking because there isn't any for me*." (57 year old woman)

Also as expected, not having the recognised qualifications for employment or not having experience in New Zealand situations was often mentioned as a barrier to employment by both men and women.

> *"Not having a New Zealand qualification is my biggest barrier."* (37 year old man with an overseas Diploma in Animal Science)

> *"No English, no qualifications, my skills aren't needed here as there isn't any pastoralists and nomadic people."* (48 year old woman)

Some participants reported that there were either not enough jobs around, or that others got preference over them because of the scarcity of jobs.

> *"I'm experienced in retail business, but I can't do that because of my clothing and no opportunities of what I used to do."* (52 year old woman)

> *"I don't know, but sometimes I feel that I'm always going to be third best. First it's white-NZ, second is NZ Maori, and then I go to number 3."* (21 year old woman)

> *"Language, also not enough jobs in Hamilton, only seasonal work."* (22 year old man)

Many women reported that the ethnically way they dressed was an issue for employers, sometimes for interfering with the work and sometimes merely because their dress code were unusual for New Zealanders.

> *"I think mostly is my dress code, as a Muslim and race because of my colour, and the employers presume I don't have enough English. And also my lack of professional qualification e.g. nurse, social worker etc."* (26 year old woman)
> *"…and again if employers think that I'm going to suffocate during summer because of my layers of clothes, then don't feel sorry for me, because it's my comfort zone."* (57 year old woman)

Previous Employment

Table 1: Employment Prior to Coming to New Zealand for Somali Men and Women

Men's Employment	*Women's Employment*
Money transfer	Nursing/ nurse aid
I worked for the government in Somalia. I also was a farmer growing different crops	Business woman, had a clothing store where I used to import clothes from Asia and Middle East
I was a truck driver transporting goods	Nurse and midwife
Shopkeeper (cashier)	Selling things
Selling ice	Machine operator for eight years in a textile industry in Somalia
Business - retailing in clothing	I had a good paying job in Somalia. I was mainly teaching women who have lived in semi-arid zones what crops to plant that can survive during famine
I was farming	I used to sell bulk food not available in Somalia e.g., sugar shortage meant starvation in Somalia so I will travel to neighbouring countries and buy tonnes of sugar and sell it in Somalia and it was worth a fortune. In Somalia, Kenya and Tanzania. I was always on the road for business
Business (retailing in hides) and import and export	Sold clothes to customer and did daily intake like counting money and recording it and balancing.
Hotel Manager	I owned a food shop (dry rations)
I was a nurse	Sold tea leaves from East African countries to Somali where it was not available and sometimes sugar from interstate
Area sales manager at a Company	I was self-employed, I had a restaurant where I was a cashier and supervised the daily function of the restaurant.
Business: food and clothing	Had a clothing chain shops; brought clothing and perfume from the Middle East and sold in Somalia
I was a driver (truck driver)	Business woman (selling dry foods that are imported from Middle East which were not available in Somalia)
I had my own business (commodities - wholesales and retailing)	Looking after [animals]; I would also buy a big sacks of different rations e.g. sugar, flour, rice and sell to other pastoralists who will pay twice the price
Shop assistant with my mother	I worked as a physiotherapist but without any qualification in the refugee camp in Kenya just to get little income for survival
Shop keeper; I worked in a farm	
I worked for a petrol company and a business	
Customs/ airport and seaport in Somalia	
I was a business man (food stores, clothes)	
Managing a hostel for orphans	
Truck driver	

The results so far suggest that some of the well known barriers are present in this population and a few other problems have been revealed. One of the aims of the study was also to investigate what skills the interviewees had in Somalia and what prevented the transfer of those skills over to New Zealand. Participants were therefore questioned about previous employment prior to arriving in New Zealand. We found much diversity in prior employment experiences. Table 1 presents the main occupations of the 20 men and 15 women who had jobs prior to New Zealand. Most of the others were too young to have worked at that time.

Some of these were set up as businesses, although everything was done informally:

> *"I was self-employed, I had a restaurant where I was a cashier and supervised the daily function of the restaurant."* (42 year old woman)

This particular case was a big operation although this counts for nothing with New Zealand businesses:

> *"I was a cashier in Somalia and I started my restaurant by just selling tea in front of my house, then I built a makeshift hut where all the interstate truck drivers could stop for tea and refreshments. Then that gave me enough money to rent premises on site, I ended buying the property and turned it to a major restaurant chain. But all this does not apply as qualifications in NZ*." (42 year old woman)

Other operations were completely informal:

> *"I can't say I used to work in an office but looking after over 500 goats, 50 cows, 30 camels was more than a full time job, and sometimes in the process of looking for pasture involved dusk to dawn and being very far from the shops and town, so sometimes I would also buy big sacks of different rations e.g. sugar, flour, rice and sell to other pastoralists who will pay twice the price."* (69 year old woman)

> *"I used to sell bulk food that was not available in Somalia e.g. sugar shortage meant starvation in Somalia so I will travel to neighbouring countries and buy tonnes of sugar and sell it in Somalia and it was worth a fortune."* (66 year old woman)

The other women were: nurses, machine operators, physiotherapist (unqualified), and one teacher.

> *"I was mainly teaching women who have lived in semi-arid zones what crops to plant that can survive during famine. Yes, it was mainly speaking and giving directions in Somali."* (57 year old woman)

Inspection of these prior employment histories of both men and women shows a number of interesting properties about previous jobs. These include: speaking in Somali, social networking, negotiation skills, the importance of over-land trade routes, multiple jobs and (legal) informal economies, knowledge of regional-specific trade, and the differences in legal and bureaucratic requirements. Some comments will be made about each of these.

Those participants who had previously worked in Somalia, 19 men (two said no as both had been truck drivers) and all the 13 women (two did not answer) stated that they required good language skills, coupled with good casual or informal social skills. As one woman stated:

> *"If I opened a shop in NZ and I never spoke to any customer when they spoke to me, how many would come to the shop? So for me it's purely language."* (46 year old woman)

The majority reported that they also need to speak a number of languages, in particular Somali, Swahili, and Arabic, in their prior jobs. Only two mentioned English as a language they had used regularly and for one the participants, they only used the roman numerals.

Most of the jobs involved close social networking to form import and export partnerships and to establish relationships with customers. In order to influence partnerships and customers, the participants noted that it requires a thorough command of a range of informal skills conducted in informal settings within the context of Somali and neighbouring regions. It also requires a good understanding of people and communities and how the social organisations work. That is, it was not only important to have a good grasp of the language in their prior employment, but it was also important to be socially skilled in informal settings. Even those who now have good command of the English language do not have this informal fluency and ability in colloquial English.

The prior jobs also required a strong need for negotiation skills which once again require a strong command of the regional dialects and informal languages. For example, the participants needed to negotiate prices for both buying and selling of goods in a variety of settings. The buying and selling operations in Somalia were frequently built around commodities specific to the region, with some saying how they took advantages of local demand. Many were also not in competition (at least at that time) with large multinational food supply companies selling basic food items cheaply (rice, sugar, flour, etc.).

A number of participants also noted that in their previous businesses they had used extensive African trade routes, most of which were overland. For example, goods may be bought in one country, sold in another, other goods purchased and sold again in the original country. Operating businesses using these trade routes was very different

compared to operating a trading business in New Zealand, in which trade is conducted primarily with overseas buyers or sellers. Trading overland was often less difficult given that the participants had easier access to different countries and transport compared to the difficulties associated with New Zealand's geographical isolation and its bureaucratic requirements for international, overseas trading. The participants were clear that there were few bureaucratic or legal rules concerning running a business in their country of origin. Rules and forms for starting a business were minimal, and no business or safety plans were required. One simply began buying and selling and hopefully this worked and expansion occurred. Small (legal) informal economies were common.

Finally, many of the participants had multiple jobs in North Africa and took advantage of opportunities. Interviews in previous studies indicated that Somalis would travel to Saudi Arabia or elsewhere for seasonal or longer work and send money back home to families.

Conclusions

The study reported in this paper was conducted with one refugee group in one city, but the issues surrounding barriers to employment raised in the study are worth repeating elsewhere. In particular, although the participants reported commonly found barriers to obtaining work and employment other than low paid, non-standard and precarious (namely, language knowledge, qualifications, and discrimination), there are other barriers that have more to do with intangible skills, such as interpersonal communication, social networks and regional knowledge, which have been frequently overlooked as important in the extant literature.

The findings show that insufficient communication skills are still a problem for many of the participants, even after living in New Zealand for a number of years, which suggests that the current services may not necessarily be providing adequate training in this area. Having a good knowledge of the subtle interpersonal skills and processes – skills that do not transfer easily into a culturally different and developed country with a new language, (such as New Zealand) – is essential when trying to establish social networks in a new country. It was not surprising, therefore, that the participants reported that they had had limited social networks in New Zealand, compared to their extensive networks in Somalia. The findings also show that the informality of the Somali commerce was very different compared to New Zealand; for example, there are few rules for establishing and running businesses, the informal communications and networks are different and there is a tendency to conduct multiple, informal business arrangements simultaneously in order to obtain an overall income rather than a single wage or salary. Overall, the participants were hampered in their ability to gain employment, obtain positions similar to those they had in Somalia, or start their own businesses in their adopted country because of their lack of knowledge of New Zealand's commercial laws, their limited networks, the insufficient knowledge of colloquial English and informal, cultural communications – skills

mastered in Somalia and which are essential in business.

The findings also prompt a number of recommendations. Firstly, small business mentors should provide information on New Zealand's commercial laws and regulations to those wishing to start their own business as well as be cognizant of the limited informal networks that most Somalis have in their newly adopted country. In addition, by including a mix of both formal and informal properties, assessments can be used more effectively to highlight the lack of knowledge of New Zealand commerce and informal communication in certain migrant communities and explore more creatively the transfer and applicability of skills.

Secondly, in the short-term it would be wise to find employment that could circumvent having to learn all these new skills rather than waste them completely as happens at present. In this particular Somali community, a number of new initiatives have arisen for small or informal employment opportunities. These initiatives include Koran teaching, small clothing trades, making and then selling incense, and selling some foods in a small way (e.g., one member of the community once made a large, one-off pasta import and sold it locally to Somali). However, while these business initiatives provide some relief in the first instance, they are problematic as they are located *within* the Somali community and do not attempt to expose the Somali community to the wider economy in which they live. The problem with this is that it is either not sustainable as employment or else will only support a few people in this way. One cannot open ten dress shops for primarily Somali clients in one, small New Zealand city. There are, however, a few initiatives that are beginning to extend the working experiences of Somalis. For example, some Somalis are applying previous business skills and experience to taxi companies in New Zealand in which an excessive amount of English and western bureaucratic acumen are not necessarily required. However, more research is needed to determine how well these businesses are doing and how they are coping with the bureaucratic rules of running a business in New Zealand.

Secondly, what are missing are interventions to enhance the whole social and business networking and the informal, conversational ties that characterise small-scale businesses (Guerin, 2004, 2005). If businesses are to be sustainable in small cities, then the larger population needs to be accessed as a market, and restricting business to Somali speakers or contacts through Mosques will not be viable. One way might be for businesses to mentor specific Somali individuals with excellent English skills into the business social networks available, to be the up-front person. Others working in the Somali side of the business need not have the same level of informal conversational and negotiation skills if individual representatives could be mentored and trained. It could also be an advantage in business circles to be known as the Somali representative and this would certainly be noticed and remembered, and would be good for future marketing.

Finally, the employment issues for Somali women in New Zealand suggests the need for

re-skilling programmes that are scheduled at times suitable for women who are meeting the demands of large families. The skills of managing large families and households could also be fostered through setting up child care and kindergarten programmes with cultural and religious emphasis for women who want to work but have small children.

In all, there are good possibilities to go beyond the large unemployment and sizable part-time employment status of most refugee groups, and move into more sustainable self-employment. This will not only require adapting the skills already possessed the migrants but also finding ways to utilize such skills in a new context. We are hopeful that other adaptations of skills can be made at a more micro-level with individual cases if followed though. To this end, it would be useful for future research to look at interventions that incorporate the prior employment skills into a New Zealand context. This could include learning about the social organisation and social networking opportunities in New Zealand, as well as practice with informal English.

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Changes in paid working hours for couples, 1986 to 2001

PAUL CALLISTER*

Abstract

In New Zealand, the weekly paid hours worked by individuals have generally not been considered within the context of working hours of other adults who may live in the same household. Using census data between 1986 and 2001, this study focuses on total usual hours of paid work for couples. The research shows that, for individual workers, while average hours of work have not changed much, there has been growth in both short and long weekly hours of paid work. The increase in working hours shows up more strongly in couple data than in individual data. This reflects both an "added worker" effect and changes in hours worked by individuals living in couples. The data also show that individuals and couples who work the longest paid hours tend to have the highest incomes. Finally, international comparative data indicates that New Zealand is amongst a group of countries at the upper end of the spectrum in terms of the proportion of individuals and couples working long hours.

Introduction

The Department of Labour has become increasingly interested in the Future of Work and investigating work-life balance policy options. As part of this interest, Grimmond (2003) explored a number of changes in work hours for individuals over recent decades as part of his scorecard of labour market performance. Using Household Labour Force (HLFS) data, and based on a measure of usual median hours of paid work, he showed that between 1986 and 2001 male hours stayed steady at around 41 per week, while median female hours decreased slightly from 35 to 34. In addition, the HLFS data indicated for women and men a downward trend in the proportion of individuals working under 40 hours per week, and an upward trend in those working more than 40 hours. Grimmond also undertook some preliminary analysis to determine if workers were putting in longer hours to compensate for a lack of increases in wages. He concluded that the increases in hours worked appeared to have been largely voluntary and were not a response to a lack of wage growth.

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Using Grimmond's work as a springboard, this article examines the changes in working hours for both individuals and households and the reasons behind the changes, in order to aid policy development. The main focus in the article is on changes in total paid working hours for couples during the same time period as Grimmond's study – between 1986 and 2001.[1] However, the source of data is the census rather than the HLFS.

Why Couples?

A great deal of useful information can be obtained from analysing the work patterns of individuals. Yet, a significant proportion of adults live with other adults in households, mainly as couples. Research in a number of countries has demonstrated that there has been a growth in both "work-poor" (neither partner has a job) and "work-rich" (both adults have a job) couple households amongst those in prime working ages (OECD, 1998; Gregg & Wadsworth, 2002; Singley & Callister, 2004). This type of measure provides a crude indication that, across society, there has been a concentration of paid employment at the household level. The concentration of paid work in couple households is linked to changes in both men and women's employment patterns, as well as being an outcome of assortative mating that brings people with similar characteristics together. In the US, research has indicated that when couples are the unit of analysis, increases in employment rates by partnered women, (that is, adding an additional worker to the household), have lead to quite dramatic increases in the total working hours of couple families. Yet, hours worked by individuals in the US have not changed that much (Matz & Pitt-Catsouphes, 2003).

Dual-earner couples are the focus of much of the work-life balance research in the U.S. (e.g. Clarkberg & Moen, 2001; Jacobs & Gerson, 2001; Jacobs & Gornick 2001). In dual-earner, childrearing households, long hours of paid work may restrict parental time with their children. For couples without children, long hours can lead to stress and the couple having little shared time together. Yet, some of the international literature suggests that there has also been a polarisation of hours of paid work among couples. While a group of couples are working long hours, others are working relatively short hours.

Finally, understanding total hours of work for couples can be important when considering the possible introduction of regulations to place a "cap" what are deemed to be excessive working hours for individuals. For example, in a couple with children, one partner may work 55 hours a week with their partner at home looking after the children full time. If a cap was placed at 48 hours, as in the UK, then the main earner would have their hours reduced. This may result in this worker spending more time with their children, but is likely to reduce total family income. In contrast, a couple where both partners worked 45 hours would not have their working hours capped, yet potentially would be spending 35

[1] Some of the interactions between paid and unpaid working hours for couples are explored in Callister (2005a &b).

hours more hours per week away from their children. If schemes are to be devised to ensure children have more time with their parents, both individuals' and couples' hours need to be considered.

Previous New Zealand, Australian and US Research

There has been no in-depth research in New Zealand on working hours for couples. However, using census data between 1986 and 1996, an initial exploration of changes in usual working hours among New Zealand couples aged 25-59 (based on the woman's age) indicates some polarisation in hours (Callister, 2000). More detailed research carried out in the US and Australia in recent decades suggests some polarisation of hours for couples (in Australia ABS 2003; Burbidge & Sheehan, 2001; in the US Jacobs & Gerson, 2001). Based on their findings, Jacobs and Gerson (2001) also argue that researchers and policy makers need to focus more *on work patterns* in a family rather than just an individual context.

Australian research between 1986 and 1996 indicates that education and presence of dependent children are important variables when studying the polarisation of work amongst couples. When changes in hours worked for couples with children by qualification of husband were investigated, it was found that some polarisation of work within couples had occurred at all qualification levels (Burbidge & Sheehan, 2001). However, the growth in long hours of combined work was strongest where the husband held a bachelor or postgraduate qualifications. In contrast, the growth in short hours (under 20 hours of joint work) was strongest where parents had no post-school qualifications. The data also showed that long hours of paid work were more common amongst couples without children than amongst those with them.

In summary, the US and Australian research indicates that:

- Average hours of work have not changed much for individuals, but there has been a polarisation of hours with growth in both short hours and long hours of paid work.
- "Overwork" tends to show up more strongly in couple data than in individual data.
- The longer total hours of work in couple households has been primarily due to increases in women's employment rates.
- Qualifications are important in hours of work both at the individual and household level, particularly in terms of short hours of work.
- Age and presence of dependent children are also very important.
- On average, women, both as individuals and when living in couples, tend to work shorter hours than men.
- Women, nevertheless, have been increasing their share of paid working hours in couples.

Data and Methods

As noted, the focus of this article is on changes in working hours for couples between the 1986 and 2001 Censuses of Population and Dwelling. The censuses provide a record of usual weekly hours of paid work, with individual hours recorded. Total work hours in all jobs are used in this research.

Age is an important variable in this research. Dealing with age for individuals is straightforward, but defining couples by age creates some conceptual challenges. In this study, couples are defined by the age of the female partner. In addition, only opposite-sex couples are considered.

Data are presented on averages, as well as long and short hours of paid work. For individuals, average hours could be calculated in two ways 1) average hours for all individuals including those not working 2) average hours only for those in paid work (and only those who recorded actual hours). In this article, the latter measure is used. For calculating average hours of couples, only those couples who were linked into paid work were included (that is, work poor couples were excluded). This means calculation of hours worked for employed couples includes both couples where one partner was not in paid work and those where both partners were working.

There are some different cut-off points used by international researchers in terms of defining short and long hours for individuals. For individuals in Australia, the US and the UK, 48 hours or more per week are usually considered to be long hours. For this research, 50 or more hours per week are used. This was the cut-off point used by the Ministry of Social Development in its 2003 Social Indicators Report. For short hours of work for individuals, a somewhat arbitrary fewer than 20 hours per week of paid work is used. This is ten hours shorter than the official definition of part time work in New Zealand.

Where couples are concerned, there are some variations in the cut-off point used in the international literature. In Australia, Burbidge and Sheehan (2001) used 90 or more hours of combined work as an indicator of long hours, and under 20 hours of joint work as an indicator of short hours. In the US, Jacobs and Gerson (2001) used 100 hours of combined work as an indicator of long hours. In this New Zealand research, under 30 hours of combined work is used as an indicator of short hours. For long hours, 100 or more hours is used.

In this article, there is some exploration of the association between education and incomes and changes in hours worked by couples using a broad 25-59 age group. In terms of income, deciles of yearly income, which includes income from all sources not just the labour market, are used. With regards to education in couples, three groups

are used: both partners have a degree or higher, neither have a qualification, and other combinations of qualifications. Finally, some data are presented on how women's share of total couple working hours has changed between 1986 and 2001. Additional information on the methodology can be found in Callister (2004).

Results

Changes for individuals

To set the couple data in context, this section briefly summarises changes in work for individuals. Overall, across society, average hours of paid work for those employed changed relatively little in the 15 years between 1986 and 2001. The average hours for men declined by just under half an hour, while for women the decline was just under an hour. However, there were some significantly larger declines in average hours worked amongst some age groups, notably those 15-24 and those 85 and older (although this latter group is very small). The strongest increase in average working hours of the employed over this 15-year period was amongst women aged 45-54, with an increase of just over two hours worked per week.

However, averages disguise changes in the distribution of hours of paid work. For men aged 15 and older, in almost all 10-year age groups there was a growth between 1986 and 2001 in the proportion working under 20 hours per week as well as an increase in the proportion working 50 or more hours. For women there was a slightly different pattern of changes between 1986 and 2001. In some age groups (25-34 and 45-54) there was a decline in the proportion working less than 20 hours per week. Like men, in the 15-25 age group there was very strong growth in the proportion of employed women working short hours. In almost all age groups there was an increase in the proportion of women working 50 or more hours per week. Much of this growth in long hours for men and women took place between 1986 and 1996 and, in fact, plateaued or even declined for some groups of men in the subsequent five years. Given that men are over-represented amongst those working long hours, this led to an overall plateauing of the proportion of all workers putting in long hours between 1996 and 2001. However, going against this overall trend, for other groups, notably women aged 25-34, 45-54 and 55-64, growth continued in the proportion working long hours between 1996 and 2001.

International comparative data on long working hours show that New Zealand is at the high end of hours worked amongst industrialised countries. In a comparison of the proportion of employees working 50 or more hours per week in selected OECD countries on, or near, the year 2000, Messenger (2004) found that only Japan topped New Zealand in the long working hours' league. Other comparative research into working hours by Johnston (2005) and Callister (2005a) lend further support to the view that there is a group of New Zealanders, particularly men, who, on average, work long weekly and yearly hours of paid work.

In New Zealand, when education and hours of work for men aged 25-59 were considered, there was little difference in average hours by level of formal education in both 1986 and 2001. For these men, while there was growth amongst all educational groups in the proportion working under 20 hours per week, in 2001 such work was more common amongst those with no formal qualifications. A stronger pattern in relation to education emerges for prime working-aged women. Well-educated women showed the strongest increase in working hours over the 1986 to 2001 period.

Finally, in line with Grimmond's findings, when personal income was considered the data show that for prime working aged men and women there was a strong relationship between decile of personal yearly income and weekly working hours in both 1986 and 2001. However, this relationship became stronger between 1986 and 2001. In 2001 those individuals working the longest hours generally had the highest income.

Couples

To set the context of changing hours within employed couples, in the age range 15-54 there was a decline between 1986 and 2001 in the proportion of couples where one or both worked (that is, there was an increase in the proportion of work-poor couples). In the same time period, there was an increase in employed couples in the 55-84 age groups (that is, a decline in work-poor couples). The increase in couples where at least one partner was employed was particularly strong in the 55-64 age group.

Changes in average total work hours for couples provide some initial guide to the direction of change. Table 1 shows changes in total average combined hours worked by employed couples in 1986 through to 2001. Included in this particular table are also average hours for the intermediate censuses of 1991 and 1996. These additional data show that, in most age groups, there was not a marked variation from a trend over the whole time period. [This was despite some significant growth in the proportion of work-poor couples from 1986 to 1991 (Singley & Callister, 2004) – reading this makes me think this should be cut – this trend it not part of the data shown in Table 1 but as it stands it kind of implies it is]. In the age groups where the changes in average hours worked for couples were the strongest, the trend was a gradual increase in the total average hours worked between each census. Overall, Table 1 shows that average hours for couples in the broad age group of 25-84 years increased, with the strongest growth in couples where the female partner was aged 25-34, 45-54, or 55-64. While these patterns primarily reflect changes in women's employment rates, they also are influenced by changes in working hours for some individuals.

Table 1: Average combined hours worked per week for employed couples by age of female partner, 1986 to 2001

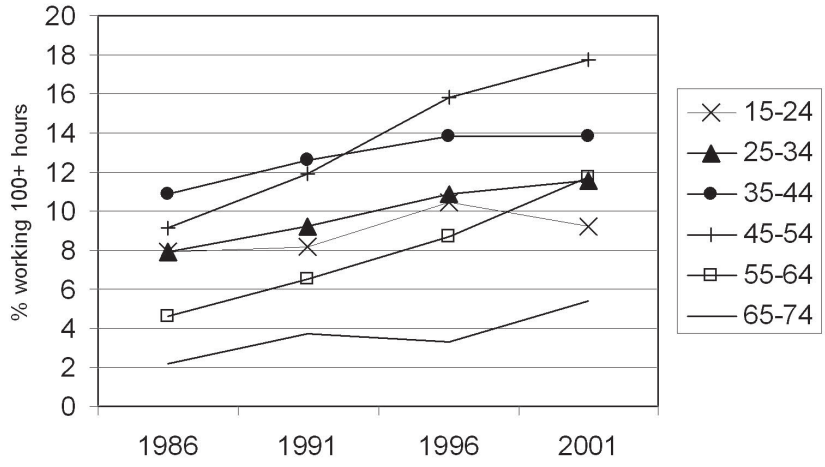
Age of female	1986	1991	1996	2001	Change 86-01
15-24	69.7	69.6	70.8	68.7	-1.0
25-34	64.7	66.1	69.2	70.4	5.7
35-44	70.5	71.4	72.1	72.4	1.9
45-54	67.5	69.3	73.1	76.0	8.6
55-64	52.7	53.0	56.5	62.1	9.4
65-74	37.2	38.1	33.6	38.9	1.8
75-84	33.7	36.2	29.8	34.1	0.4
85 and over	54.8	45.3	32.4	34.5	-20.4
Total	65.8	67.1	69.1	70.4	4.6

When actual combined hours are considered, a number of key trends show up. These include:

- In all age groups there has been a decline in the 40-45 hour peak of combined hours. This primarily reflects the decline in couples where there was just one full-time worker. Where hours for couples increased, this has often been due to an “added worker” effect.
- In the 25-34, and 55-84 age groups there has been an increase in the 80-85 work hour peak. This primarily reflects the increasing numbers of couples in these age groups where both work 40-hour weeks.
- In 2001, in the 10-year groups within the broad 25-54 age span, the 80-85 hours of combined work peak is larger than the 40-45 hour peak.

While many couples work approximately 80 hours of combined work per week, growth has also occurred in longer combined hours. The data in Figure 1 show changes in the proportion of couples working 100 or more hours per week occurred across the four census periods. It indicates that growth in the long end of the working hours’ spectrum for couples took place throughout the whole period for those aged 45-54, 55-64 and, to a lesser degree, 25-34. Again, this primarily reflects changes in women’s rather than men’s patterns of work.

Figure 1: Proportion of employed couples working 100 or more hours of combined work per week in each age group, by age of female partner, 1986 to 2001



Although in each age group, single people and couples without dependent children are more likely to work longer hours than couples with dependent children, in 2001 there was still a significant number of couples with dependent children who worked long hours. In 2001, in the broad 15-54 age group, there were 35,000 couples without children who worked 100 or more hours per week, but 32,000 with children. In the group with children, couples where the youngest child was in their teenage years tended to work the longest combined hours.

There are relatively few couples where the 100 or more hours of combined work come from both partners working 50 or more hours per week. However, in 2001 when women's hours were considered, men were more likely to work long hours if their partner also worked these hours. For example, in the 25-34 age group, in couples where the female partner worked zero hours (i.e. was either unemployed or not in the labour force) 37 percent of the male partners worked 50 or more hours per week. In those couples where the female partner worked 50 or more hours, 59 percent of their male partners did likewise. At the other end of the prime-working-age spectrum – the 55-64 age group – the figures were 26 and 67 percent respectively. This undermines the notion that long hours are generally worked by one partner to compensate for short hours by the other.

Table 2 explores the association of education with changes in working hours among couples aged 25-59. It shows that, in both 1986 and 2001, it was the well-qualified couples that worked the longest average hours. In addition, while there was an increase in average hours worked in all educational combinations, the slowest growth was amongst couples with no formal qualifications. These trends link into occupational data, where it has been found that long hours of work are particularly common in managerial and professional occupations. However, other data show that while well-educated couples

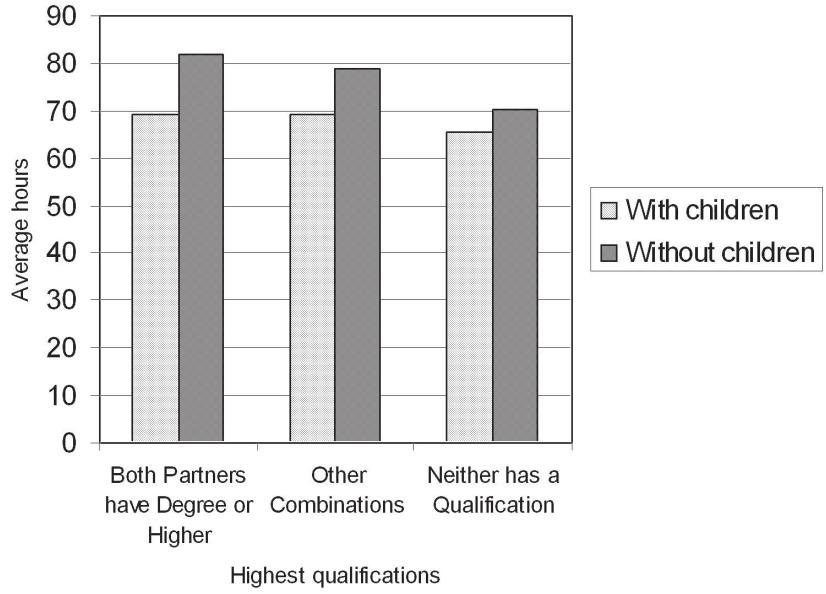
work, on average, longer hours they are only marginally over-represented amongst those working very long hours (Callister, 2004). Again, this may link to occupational patterns, with relatively unqualified groups such as farmers or fishers, working very long hours.

Table 2: Average hours worked per week by employed couples in each highest qualification gained category – Women aged 25-59, 1986 and 2001

Qualifications of Couple	1986	2001	Change 86-01
Both Partners have Degree or Higher	68.9	74.3	5.4
Other Combination of Qualifications	67.0	73.2	6.2
Neither has a Qualification	65.9	68.3	2.4
Total	66.7	72.7	6.0

While having children is associated with a reduction in total hours worked by couples, the reduction is highest amongst those couples with higher qualifications. However, overall, in 2001 well-educated couples with children worked, on average, longer hours than childrearing couples with no formal qualifications, and almost the same average hours as non-childrearing couples with no formal qualifications. These patterns are illustrated in Figure 2.

Figure 2: Average weekly hours of paid work for employed couples with in each highest education category and presence of dependent children – Women aged 25-59, 2001



These patterns also show up when a narrower age range for parents is used and only couples with preschool children are considered. For example, between 1986 and 2001 for couples where the female partner was aged 25-34 and where both partners held degrees or higher qualifications, average hours increased from 57 to 61 per week. For couples with no formal qualifications, there was still an increase in working hours, but from 55 to 57 hours per week. In 2001, 23 percent of the well-qualified couples worked 80 or more hours per week, while the figure was slightly lower at 21 percent for poorly qualified child rearing couples.

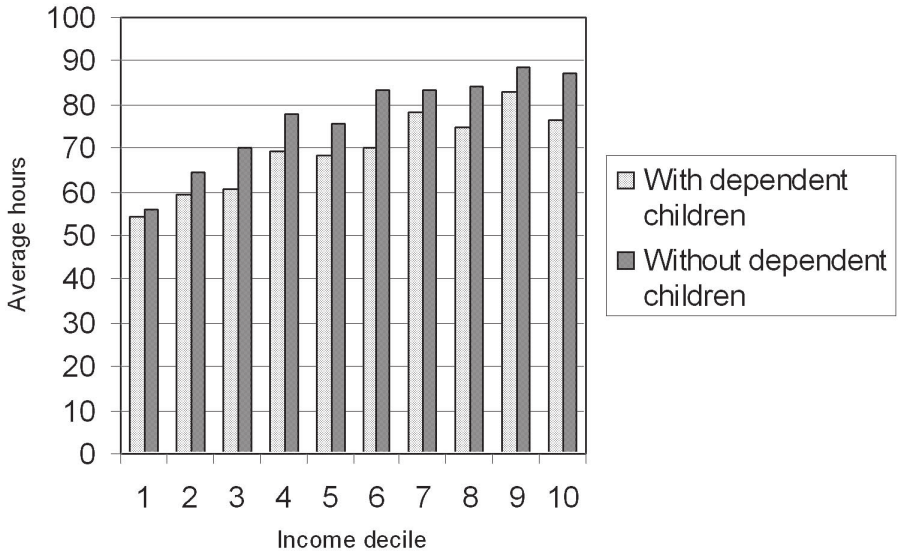
In terms of yearly couple income, in 2001 there was an overall (although uneven) gradient in average total weekly hours worked by couples, with the longest hours tending to be put in by the couples with the highest yearly income (Table 3). This gradient became more pronounced in 2001 than it was in 1986.

Table 3: Average hours worked per week by employed couples in each decile of couple income–Women aged 25-59, 1986 and 2001

Income Decile	1986	2001	Change 86-01
1	61.4	55.2	-6.1
2	55.6	61.0	5.4
3	65.0	67.1	2.1
4	58.2	70.0	11.8
5	65.8	70.7	4.9
6	70.2	78.6	8.4
7	68.2	81.3	13.1
8	75.9	79.2	3.2
9	76.3	85.9	9.6
10	78.5	81.4	2.9
Total	67.5	73.0	5.5

Figure 3 shows only 2001 data and illustrates the association between yearly income and the presence dependent children with the average weekly working hours of couples. In a similar, (and no doubt linked), pattern to that of education, in 2001 the gap between average hours worked by high-income couples (both with and without children) was relatively large compared with those of low-income couples. Having dependent children reduces average hours worked in all deciles, but by the least amount in the bottom decile of income.

Figure 3: Average total hours of employed couples in each decile of income for those with and without children –Women aged 25-59, 2001



While the data do not rule out the notion that a group of poorly educated, low income earning couples may be being forced to work long hours due to economic necessity, the largest increase in average hours worked appears to have come about within the higher educated and, generally, higher income couples.

Women's hours as a proportion of total working hours for couples were then considered. The increasing employment of partnered women, as well as the higher proportion of women working long hours, was likely to lead to women working a higher proportion of hours within couples. This is confirmed by the data. There was an overall shift in the distribution worked by women relative to men in couples where the female partner was aged 25-59. One measure of this shift is where women work half or more of the hours in the couple. In 1986 just under 20 percent of women in prime working aged couples contributed half or more of the hours work. By 2001 this had risen to 28 percent.

Finally, while international comparisons always need to be treated with some caution due to methodological problems, Table 4 compares average combined hours worked for couples across a number of industrialised countries. The table also compares the number of couples where both partners were employed. Like the international data for individuals, these data suggest New Zealand is at the higher end of the spectrum in terms of hours worked for couples.

Table 4: Joint average hours of paid work for non-agricultural employed married couples aged 25-59, selected industrial nations

Country and year	Average hours worked per week - All couples where one or both partners work	% dual earners	Average hours for dual earners
US (1997)	72	76	81
New Zealand (2001 & 1996)	71 (70)	74 (72)	81 (80)
Finland (1991)	70	81	77
Canada (1994)	65	66	77
Sweden (1995)	64	85	69
Belgium (1996	64	58	79
France (1994)	62	61	76
Germany (1994)	60	56	75
Italy (1995)	59	46	78
UK (1995)	57	55	74
Netherlands (1994)	52	52	64

Note: The source of all non-New Zealand data is Jacobs and Gornick (2001). There are some differences in how the data were calculated between countries. The main one is that in some countries, including New Zealand, both defacto and married couples are included. In all countries the couples included are those where at least one partner was in paid work. In New Zealand, agricultural workers -ANZSIC Industry - Agriculture, Forestry and Fishing - were removed from the calculation to make the data internationally comparable. In addition, both partners needed to be in the 25-59 age group. Finally, the New Zealand and international data is rounded to the nearest hour or percentage.

Discussion

Not surprisingly, most of the trends in hours of paid work for individuals and couples already found in the UK, the US and Australia can be seen in New Zealand data. However, New Zealand appears to be at the high end of the spectrum internationally when long weekly hours of work are considered for both individuals and couples.

Census data do not give a definitive answer as to whether the increasing hours for some groups of New Zealanders are due to economic necessity rather than choice. However, they do lend support to the preliminary analysis that Grimmond undertook to determine if individual workers were putting in longer hours to compensate for a lack of increases in wages. His conclusion that the increases in hours worked appear to have been largely voluntary and were not a response to a lack of wage growth seems also to be on the whole correct when couples are the unit of analysis. Yet, some of the increasing employment rates and hours put in by women in couples are likely to be linked to poor labour market prospects for a group of low-skill, low-income men, and a subsequent need to raise couple income. It is also possible that some workplaces are creating long working hour "norms", thereby restricting choices even for those individuals with apparently strong labour market negotiating positions. More research is needed in order to understand why a group of New Zealanders are working long hours.

While a more complex, census-based, multivariate analysis of the changes in working hours for couples might provide a greater insight as to why hours have been changing, a better understanding is likely to come from different data sources. Moreover, although there is an expanding international literature on individual preferences of working hours in most countries, including New Zealand, we still do not know what the total combined working hour preferences of couples are.

Time use data could also be used to study the working patterns of couples. For a significant number of couples in the New Zealand time use dataset, information is available on both partners. These couple data have yet to be used by researchers. Issues such as joint patterns of both paid and unpaid work could be explored, as well as the gender division of paid and unpaid work within households. This, in turn, would assist our understanding of inequalities in hours of employment and earnings between women and men.

Researchers also need to better understand how bargaining takes place within couples, for example how joint retirement decisions are made, and what factors influence decisions about working hours among couples with dependent children. This will require new sources of data.

One potential source of new data is a proposed supplement to the Household Labour Force Survey that the Labour Department and Statistics New Zealand have been developing. This may include questions on satisfaction with working arrangements and preferences for working hours. While full data may not be able to be collected for both partners in couples, this proposed supplement may, nevertheless, provide some useful, additional, couple-level data.

Conclusion

Census data from 1986 through to 2001 show that for individual workers, while average hours of work have not changed much, there has been growth in both short and long weekly hours of paid work. However, the increase in working hours shows up more strongly in couple data than in individual data. This reflects both an “added worker” effect and changes in hours worked by individuals living in couples. Given discussions in early 2005 about further lifting participation in the labour market of women aged 25-34, unless men’s hours of work reduce, there is the potential for average hours worked by couples to further increase (Callister 2005a).

While, as yet, we do not have strong evidence that a significant number of those individuals and couples working long hours would prefer shorter hours of paid work, there is nevertheless concern in New Zealand about the possible negative effects of ‘overwork’. This has prompted the introduction of a private members bill into parliament in mid 2005 that aims to give parents of young children more negotiating power over their hours of work. This proposed legislation is based on legislation introduced in the

UK in 2002 (Callister 2005b).[2] As yet, it not clear as to the effects of the UK legislation on either individual or couple hours of paid work. However, even if this bill fails to pass into legislation, it is likely that there will continue to be discussion around the causes and effects of the long working hours of a group of New Zealanders.

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[2] A useful site for information on British working-hour legislation is: http://www.dti.gov.uk/er/work_time_regs/

Youth Transition and the Local Labour Market

PHILIP S. MORRISON* & ELIZABETH LOEBER**

Abstract

High levels of unemployment among youth have lead to a heightened focus on the transition from school to post-school activity. Despite a vast literature on youth transition, only a few researchers have considered the role of the local labour market. This study explores the expectations of teenagers near the end of their schooling in two very different locations in New Zealand: Kawerau and Porirua City. Contrary to expectations from the education literature on rural youth it is not those students in the small mill town of Kawerau who exhibit the lower expectations - paradoxically their aspirations are noticeably more positive than their metropolitan counterparts in Porirua. The paradox is largely resolved by the economics literature which draws on the theory of returns to investment in further education to show how local unemployment levels raise the probability that youth will choose further schooling over searching for employment.

Introduction

The first attempt at job search and initial employment usually take place locally, in the same town that young people attend secondary school. Surprisingly much of the expanding literature on youth transition, especially in the education literature, makes little reference to the influence of place on the further schooling and employment decisions young people make in their senior student years.

The aim of this article is to explore how the state of the local labour market influences the expectations that youth hold of their immediate and longer term employment prospects, subsequent education and income. Hypotheses based on the education literature suggest that schooling in small relatively isolated labour markets influences educational, occupational and income aspirations in a negative way. Without the size to generate the diversity of opportunity, the market to foster specialisation of occupations or the demand to maintain high relative wages, small towns will not provide youth with the same opportunities to work. Schooling in such places can have a negative influence on student expectations of future employment, occupation and income.

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In order to test this hypothesis in the New Zealand context we compare the expectations of secondary school students from two very different local labour markets: the small pulp and paper mill town of Kawerau and the City of Porirua within the metropolitan centre of Wellington. We contrasted year 11-13 students in two otherwise similar schools, anticipating that youth in the small towns would respond to questions about their future employment in fundamentally different ways from those living in metropolitan centres.

We begin by selectively reviewing the literature on youth transition, paying attention firstly to what the education literature says about youth in rural and smaller settlements and then to the economic literature on post-school choice. The research design and methodology are introduced and the student respondents from the two schools are compared.

Literature Review

Notwithstanding a general disregard of the *local* labour market in the literature on youth transition, those researchers who have recognised the significance of geography come from two largely separate disciplines**,** education, which tends to focus on the rural/urban divide, and the labour economics, which focuses more generally on the state of the local labour market. This division of the literature into education and economics is of course a simplification and is not intended to deny the presence of a substantive literature in sociology (see for example, Higgins, 2002) or indeed a growing literature in (mainly rural) geography itself (e.g. Panelli, 2002).

In addition to disciplinary divisions acknowledged here, there is a methodological division between post-modernist approaches (e.g. Chisholm and du Bois-Reymond, 1993) and the econometric modelling employed in the educational and economics literature as well as this article. The post-modern and econometric literatures do not intersect and each proceeds largely in ignorance of the other. This is a pity because they both have valuable contributions to make to our collective understanding of the youth transition *and* the importance of place among youth (see Smith et al., 2002). The latter is a feature which is also conscientiously explored in the psychology literature without necessarily being linked to the youth transition (e.g. Pretty et al., 2003). With these general points in mind, this article focuses primarily on the mainly quantitative large sample literature.

One of the most important sources of variation in the experiences of young people lies in where they live because of the affect this has on their access to quality education and job opportunities (Jones, 2002). Those living in disadvantaged neighbourhoods, whether in urban areas or rural ones, have to be able to get to more prosperous areas to study or work, or become resigned to the restricted job opportunities available locally. 'Getting out' moreover requires additional financial and possible emotional support, whether from the state, employers, or family.

It is argued further that many rural youth grow up exposed to formative experiences and

family structures that are markedly different from non-rural peers (Haller and Virkler, 1993). The increased likelihood of narrow school curricula, restricted local market opportunities, and fewer college and professional role models influence rural youth to disproportionately select agricultural, service and manual occupations as adults.

Heckner shows that given the limited range of careers available in rural areas, incompatibility of career aspirations tend to lower educational aspirations and delay college entry (Heckner, 1995). The same point is made by (Rojewski, 1999); social networks facilitate access to job opportunities but in small towns youth lack social networks which can be an important barrier to employment. Although many of the problems associated with (un)employment are shared by young people in both metropolitan and rural areas, the latter face additional difficulties associated with geographical isolation and the narrow range of employment and training options in rural/small town locations (Cartmel and Furlong, 2000).

Problems relating to career development and occupational preparation of rural youth also include reduced access and pursuit of post-secondary education, narrowed school curricula, limited exposure to the world of work, and a lack of work-related role models (Rojewski, 1999:142). Ultimately these problems can result in limited education or employment-related problems such as lower personal income and higher rates of unemployment and poverty, which may be exacerbated by a lack of economic vitality and a relative scarcity of high-skill, high-wage employment options. Even though most students planned to advance their education beyond high school rural and metropolitan students differ in the subject areas they plan to pursue. Rural youth seem more likely to choose locations they had been able to observe from experience (McCracken & Barcinas 1991).

Aspirations emerge as a key difference between urban and rural youth. Quaglia and Cobb suggests that student aspirations are, “the glue that holds the educational process together”, arguing that aspirations go beyond students simply having goals and ambition (Quaglia & Cobb, 1996). Aspirations provide insight to what students think and feel about themselves, their schools, and the roles they have within the school community. They also provide an historical perspective on the construct of aspirations. Significant educational and psychosocial benefits are associated with high levels of aspirations, and correspondingly, education and psychological problems are associated with low aspirations (Plucker, 1996). McCracken and Barcinas (1991) came to similar conclusions in their study of the relationship between school location (urban vs. rural) and students’ occupational and educational aspirations.

The empirical literature comparing rural and non-rural student aspirations has concluded, either that rural students have lower aspirations than their urban counter parts *or* that there is relatively little difference. In both cases, researchers are well aware of the many factors that influence young people’s aspirations. These include: socio-economic status(Jones,

2002), parental occupation, attachment to place (Heckner, 1995), the schools they attend and the communities they live in (McCraken & Barcinas, 1991) as well as family dynamics (Haller & Virkler, 1993) and ethnicity.

In summary, most of the education literature on youth transition ignores the locality as an independent variable. The small literature that does recognise the importance of locational context make a number of claims, specifically that non-metropolitan youth: a) have lower aspirations on occupation and income; b) are more likely to leave school early; and c) are more likely to end up in lower socio-economic, especially manual occupations. These researchers also stress that any assessment of local labour market effects on aspirations must take into account other market influences such as socio-economic status, parental expectations, family dynamics *and* attachment to place.

So far, the New Zealand literature on youth transition has drawn largely on the education literature in their analysis of three main longitudinal data sets: *The Competent Children* study by the New Zealand Council for Educational Research (Wylie, 2004), the Dunedin Multidisciplinary Health and Development Study (Silver & Stanton, 1996) and the Christchurch Health and Development Study (Fergusson & Woodward, 2000).[1] Significantly these longitudinal studies only follow cohorts of young people in metropolitan areas and do not address the fact that rural/small town youth may have a different story to tell. Nor do these studies access data on the local labour market.

Important though this longitudinal work is, there remains a consensus amongst those researching various aspects of youth development that there is a lack of New Zealand based literature (Higgins, 2002; Hill, 2003; Maloney, 2004; McLauren, 2002) as well as a lack of good New Zealand data about many of the transitions that children and young people experience. The Transition Report Series *Young People Not in Education, Training or Employment – Key Indicators* produced by the New Zealand Ministry of Social Development (2003) highlights a number of issues and notes that further research is needed in order to account for youth inactivity *in key locations around New Zealand* (our emphasis). This report is unique in that it actually acknowledges geographical differences noting that rates of non-participation are *significantly* higher than the national average in some geographical locations especially those that experience disadvantage as measured by the New Zealand deprivation index.

Running parallel to the education literature but largely unacknowledged by them is a literature by economists, usually labour economists, who focus on the choice youth make. Choice is usually framed as entering the labour market or continuing schooling. Using a human capital framework, binary as well as multiple choices by youth are modelled as a function of family background, household structure, school type and academic ability as well as the state of the labour market.[2] However, large regional markets may confound a variety of influences, including preferences (e.g. strong traditions of valuing education), school quality and labour demand (see for example Micklewright, 1989)

Rice's work based on the England and Wales Youth Cohort Studies show how local conditions can play a very influential role in the decision to remain in fulltime education or to seek employment. Rice notes how participation rates in further education for both males and females are positively related to the unemployment rate in the local labour market, the effects being greater at times of economic recession when unemployment rates are rising (Rice, 1999). Local conditions have been found to be particularly influential in the case of young males with weaker academic qualifications.

In another example, Andrews and Bradley use a large cross sectional data base from Lancashire in 1991 to underscore the importance of local labour market conditions in the post secondary school decisions young people make (Andrews & Bradley, 1997). Exceptions to this general conclusion are unusual but do appear in the work on school-leavers across a number of Scottish cities (Garner et al., 1988).[3]

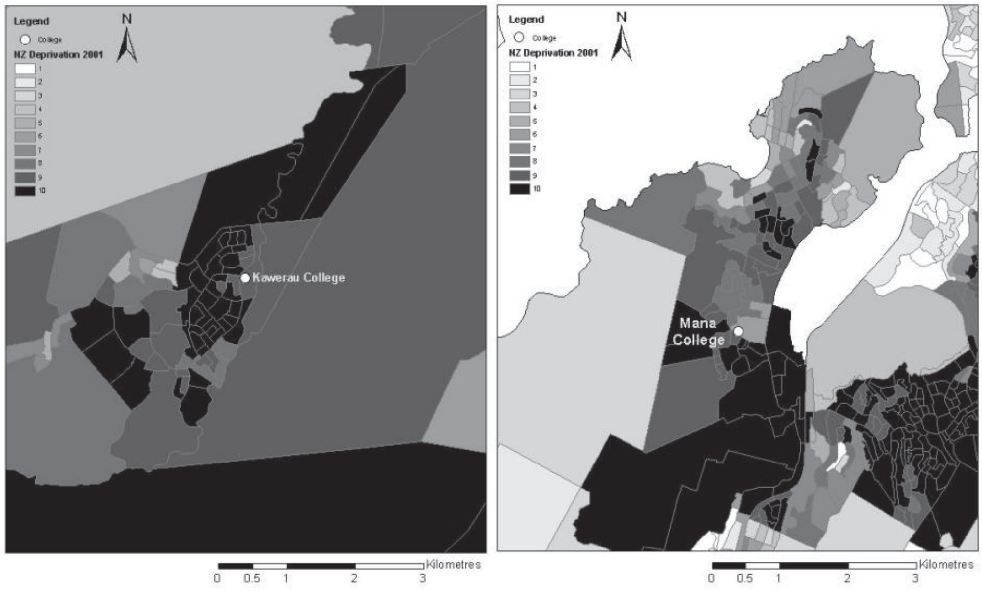
Our study departs from both these literatures in a number of ways. Firstly, our design has been set up specifically to assess the impact of the local labour market on the youth transition decision. Most of the studies we have cited use the local labour market as a control in order to measure human capital effects on choice. Our orientation is the reverse; as geographers we control for human capital and other influences in order to measure the impact of *geography* on decisions youth make.

Secondly, whereas virtually all the economic studies model the determinants of *actual* choices made by secondary school studies we analyse the choices youth *expect* to make. In this sense at least we come closer to the educationalists interest in aspirations but from a geographic perspective.

Research Design and Methodology

Our study uses a questionnaire to obtain information on aspirations and intentions of students in two secondary schools. The two colleges, Kawerau and Mana were chosen to represent youth living in two very different locations.

Figure 1: Kawerau and Mana Colleges showing their catchment deprivation scores, 2001



While the locational contexts are deliberately quite different, we wanted to minimise the differences between the two schools, so Mana College in Wellington was selected because it too drew on a catchment with relatively high levels of 'deprivation' as measured by the New Zealand Deprivation Index.[4]

Figure 1 shows the configuration of the high deprivation areas within the catchments of the two schools. Mana, as a decile 2 school, draws on a slightly more heterogeneous catchment and is ranked one step lower in order of priority for government funding than Kawerau which is a decile 1 school.[5]

The questionnaire developed for the study taps the student's expectations about their future post-school activities: when they plan to leave school, what they will be doing in that first year out, expectations about their highest level of education, the job they want, difficulties in getting that job, the local options, their movement expectations and the income they expect from their first full-time job (Loeber, 2004).

In order to estimate what might reasonably be identified as local labour market effects it was necessary to control for as many other mediating influences as practical. These include differences in demographics of the sample such as gender, year of schooling (also a proxy for age of student), ethnicity, as well as the student's level of academic performance in school. As we work through the arguments we also consider the parents' expectations, best friends' aspirations and eldest siblings' occupations and attachment to the community.

Following a pilot study and focus group work the revised questionnaire was sent out to the careers advisors at Kawerau and Mana Colleges. They explained the process to teachers who assisted in administering the questionnaire in April 2004 as part of a normal lesson. A total of 338 responses were returned from students in years 10 through 13 from the two schools – an almost 100 percent response rate. Only those from years 11, 12 and 13 are used in this study because the relatively poor quality of responses from year ten students.

Students in the two schools were asked what they 'think they would be doing in the first year after leaving high school'. A variety of options emerged from this open ended question including full time and part-time employment, studying, starting a family, travelling, joining a gang, caring for a relative fulltime etc. The analysis in this article focuses solely on the division between employment and non-employment. There remains considerable scope for examining other combinations including simultaneous work and study.

Controls

The expectation of employment upon leaving school did indeed differ significantly across the two schools: 77% in the case of Mana students and 66% for Kawerau College. However, we cannot attribute such employment expectations simply to the characteristics of the local labour market because of the presence of sample composition effects. For example Kawerau College has many more girls in its senior years.

In order to control for these and other sample composition effects, we formulated a multiple regression model. More specifically, after reducing the set of possible post-school options to simply employment and non-employment, we have regressed this binary variable on the local labour market variable together with a set of controls.[6] Estimates of their effect β were obtained by regressing the log of the ratio of the numbers who expect to be employed to the rest who expect not to be employed (the log of the odds ratio or logit) on the set of independent variables, X. Estimated probabilities can be recovered by substitution into $p= 1/1-e^{-X\beta}$.[7] In this study we simply report the odds ratios, e^{β}.

Our aim is primarily to estimate the influence which the location/school variable has in accounting for student expectations, controlling for the influence of the following four attributes: sex, ethnicity, year and grade.

The model we estimate is as follows:

$\log (p/1+p) = \alpha + \beta_1$ School + β_2 Sex + $\beta_{3,4,5}$ Ethnicity [1,2,3] + $\beta_{6,7}$ Year [2,3] + $\beta_{8,9,10}$ Grade[1,2,3]

Where p is the fraction of students who expect to be employed when they leave school and

School = 1 if Kawerau, and hence 0 if Mana

Sex = 1 if male and hence 0 if female;

Ethn1 = 1 if Maori, 0 otherwise

Ethn2 = 1 if Maori + Other, 0 otherwise

Ethn3 =1 if Pacific Islander and Pacific Islander + Other, 0 otherwise

Ethn4 = 1 if Pakeha + Other (e.g. Asian), 0 otherwise

Yrs1 = 1 if the student is in year 11, 0 otherwise

Yrs2 = 1 if the student is in year 12, 0 otherwise

Yrs3 =1 if the student is in year 13, 0 otherwise

Grade1 = 1 if the student identifies themselves as an A grade student, 0 otherwise

Grade 2 = 1 if a B grade student, 0 otherwise

Grade3 = 1 if a C grade student, 0 otherwise, and

Grade4 = 1 if a D grade, 0 otherwise.

This particular parameterisation implies that the constant α refers to the log odds of opting for employment on leaving school by Maori girls in year 11 who rate themselves as `D' grade students. The values of the other parameters above indicate the degree of departure from the log odds of this base group.

Results

The variation in expectation of employment upon leaving school is apparent from Table 1. Males and females are very similar in their expectations over the combined sample,

Maori are more likely than non-Maori to anticipate employment, year 12's were more likely to do so and there tends to be an inverse relationship between self declared grade level and expecting employment.

Controlling for differences in the student mix across the schools actually *increases* the differential impact of the two labour markets on the odds of expecting employment. The uncontrolled effect of schooling in Kawerau was to lower the odds that students would expect employment by about half. When factors, such as the greater proportion of girls in Kawerau as well as the different distribution of students across the ethnic categories, years and grades, are taken into account, the odds in favour of Kawerau students obtaining employment fall even further relative to Mana, from 0.56 to 0.44. Most importantly, however, the school, and by inference the local labour market, remains the *most* influential of our independent variables in accounting for post school employment preference, Table 2.[8] Table 2 shows the parameter estimates from applying the logit model as odds ratios. Positive ratios relative to the base exceed unity. To the right of the point estimates appear the standard errors, the z statistic and associated probability levels followed by the interval estimates.

Table 1. Variable means for students expecting employment

	Probability of selecting employment	Number of cases
School	0.71	254
Mana	0.77	112
Kawerau	0.66	142
Sex		
Male	0.72	115
Female	0.70	139
Ethnicity		
Maori	0.77	114
Maori + Other	0.73	68
Pacific & Pacific + Other	0.72	29
Pakeha & Pakeha + Other	0.50	42
Year		
Year 11	0.69	125
Year 12	0.80	72
Year 13	0.62	49
Grades		
A	0.69	36
B	0.72	135
C	0.70	64
D	0.73	11

The odds ratios given in Table 2 are themselves of interest. Taking into account the other variables in the model, boys show no greater or lesser tendency than girls in their expectations regarding employment and student's own grade rating also has little influence. Anticipating employment rises in year 12 but falls in year 13. The propensity to expect employment decreases from Maori, to Maori and Other, through Pacific Island students to Pakeha students who show the lowest propensity. [9]

Occupational and Educational Expectations

One of the striking features of student responses in both these decile 1 and 2 schools is the optimism students express over their future employability. The full range of occupations they suggested were categorised as high, medium and low according to the scaling of socio-economic status using the New Zealand Socio-Economic Index (NZSEI), an occupationally-based measure of socio-economic status developed to replace the widely used Elley-Irving scale (Galbraith et al., 2003).

Table 2: The impact of the local labour market on expectations of employment after leaving school. Odds ratio estimates

Variable	Odds Ratio	Std.Err.	z	P>[z]	95% Conf. Interval	
School	0.440	0.153	-2.35	0.019	0.222	0.871
Sex	0.996	0.309	-0.01	0.990	0.543	1.830
Ethn2	0.668	0.258	-1.04	0.296	0.314	1.423
Ethn3	0.602	0.325	-0.94	0.348	0.209	1.737
Ethn4	0.348	0.141	-2.59	0.010	0.157	0.774
Yrs2	1.842	0.675	1.67	0.095	0.898	3.779
Yrs3	0.721	0.279	-0.84	0.399	0.337	1.542
Grade1	0.892	0.391	-0.26	0.794	0.378	2.106
Grade2	0.948	0.333	-0.15	0.879	0.476	1.888
Grade3	0.962	0.718	-0.15	0.959	0.223	4.153

No. of observations	242
LR chi2(1)	18.35
Prob> Chi^2	0.049
Pseudo R^2	0.063
Log likelihood	-136.386

The distribution of the NZEI-96 scores of these desired occupations take on a fairly symmetrical distribution of scores in both schools. The socio-economic status of the 'job wants' expressed by Kawerau students actually exceeded those at Mana college (46.3 > 43.1).[10] This result is contrary to what was anticipated given the town size, the state of their respective labour markets and on the basis of the education literature. The two

sample t-test with unequal variances yields t = -1.367 and a one-tailed test probability that Kawerau > Mana of 0.087. This paradoxical result remained even when controlling for sample characteristics.

The two sets of students were also asked what they thought their highest level of educational achievement would be. Here we made the distinction between tertiary (Polytechnic and above) and non-tertiary (senior secondary, secondary school and trade certificates) qualifications. The result is consistent with occupational differences: the Kawerau students exhibited significantly higher proportions wishing to go on to tertiary study and again these results continued to hold after we introduce the controls. The odds in favour of Kawerau students aspiring to a tertiary education are almost twice those of Mana (1.80). Girls are substantially more likely to opt for tertiary qualifications (i.e. boys are half as likely as girls) and again there is a close consistent relationship between educational aspirations and self evaluated performance at school.[11]

Expected Earnings

Given that salaries tend to increase with specialisation and that opportunities for specialisation increase with the size of the market, we expected students in metropolitan areas to anticipate higher salaries than those in small towns and rural areas. Mana students, for example, would be aware of the presence of Parliament, universities, corporate headquarters, government departments etc. in Wellington. No such institutions exist in Kawerau, although salaries at the Mill are uncommonly high for skilled workers. Therefore, other things equal we anticipated that Kawerau youth would expect lower incomes than Mana students.

We asked the students how much money they expected to take home per hour in their first fulltime job. The first thing we noticed was the high and unrealistic expectations students had of their earning ability, especially in their first job. It is not uncommon for youth to over anticipate their employability and their likely salaries. Over 20% of Mana and Kawerau students were expecting to earn more than $20 per hour in their first job (the highest category on the questionnaire). This rate equates to $41,600 per year after tax which contrasts markedly with the median annual gross income of $13,602 in Kawerau, over $14,000 in the Porirua areas and $18,545 for New Zealand as a whole (2001), not to mention much lower earnings youth would normally receive in the first year of fulltime employment.

The second point was the very wide range of earnings anticipated by students within each school – from $8 to $20 per hour. There was no significant difference in this respect between boys and girls or between the two schools; nor was there any significant difference by age or ethnicity. All showed a wide dispersion in expectations with an unusually high proportion with very high expectations.

The third point was that, despite the substantial difference in town size (and occupational structure) there was an unexpected difference in the income expectations between Kawerau and Mana students. The unusually high salaries drawn by Mill workers in Kawerau may have distorted the pure market size effect, but we are inclined to discount this argument because girls showed similar earnings expectations to boys.

Even with the demographic controls in place, a higher proportion of the Kawerau College students expected higher incomes, indeed the chances of such a choice almost doubles among Kawerau students (the odds ratio is 1.98 which is higher and statistically significant compared to the uncontrolled ratio of 1.22). As expected `A' grade students were significantly more likely to expect higher incomes. However, boys expect higher incomes than girls, despite their lower educational expectations.

Unrealistic Expectations?

The important feature of these results on expected income, like those for qualifications and occupation is that they are quite contrary to the educational literature which argues that small towns and rural youth will have *lower* expectations or aspirations. They are also quite contrary to the impressions we gleaned from fieldwork in Kawerau. Therefore, we pursued the notion that the local labour market context of Kawerau might actually generate what we will call `hyper' or `unrealistic' expectations.

In order to test the presence of hyper-expectations, we introduced a number of 'reality checks'. The first is the difference between 'job wants' and 'job expects' – what McCracken and Barcinas (1991) refer to as 'idealistic occupation' as opposed to 'realistic occupation' (p33). In order to differentiate between the two we took a second measure – the occupations students expected to be in by the age of 30 (see Haller & Virkler, 1993: 172). Secondly, we asked students to indicate what they believed their best friend would be doing in their first year out of school. Thirdly, we asked for the occupation of the student's eldest brother and sister (where present). In each case we hypothesised that it would be the Kawerau students who would exhibit more exaggerated expectations and lower degrees of 'realism'.

Our first measure of inflated expectations involved comparing the NZEI-96 rating of the occupation the students wanted upon leaving school with that of the occupation they expected when 30 years old. This comparison required a usable response to both questions and just over half of all students in both schools provided reliable responses, with no detectable selection bias.

The result was a positive correlation between jobs wanted and job expectations at 30, but with considerable variation ($R^2 = 0.64$). The job students 'wanted' upon leaving school corresponded only weakly to what they thought they would achieve at age 30. The mean NZEI-96 scores were almost exactly the same however, and therefore there was is no

downgrading (on average) between 'wanted' and 'expected occupations'.

The slope coefficients implied that students lower their long term job expectations the higher the socio-economic rating of their initial 'job want'. That is, for every 10 point increase in NZEI-96 rating of occupations the Kawerau students 'wanted', there is only a 5.4 point increase in the ratings of the occupation they actually 'expected' to get. The Mana responses were similar at 5.8%. Even in their own terms, both sets of students were being unrealistic in their immediate occupational expectations.

Turning to other activities upon leaving school, we found that less than one percent of students in both schools saw themselves being unemployed or in a gang in their first year out of school, notwithstanding the much lower rate of employment among youth in Kawerau. In marked contrast 12% of Kawerau students and 14% of Mana students indicated that their best school friend would be unemployed in the first year out of school and eight percent in both schools indicated that their best school friend would be in a gang. Both sets of students also saw a much lower proportion of their friends in employment; 21% fewer in the Mana case and 19% in the Kawerau case. In terms of our hypothesis, therefore, Kawerau students did not exhibit a significantly different 'reality gap' compared to their counterparts in Mana College.

Our third reality check involved comparing the students' own occupational expectations with those of their eldest sibling. There is little variation between the schools in the number who have older siblings – about three quarters. The argument here is that siblings' realised occupation would act as a guide to what is both possible and likely in terms of occupational attainment. However, it is well documented elsewhere that children ranked by birth order in a family show successively lower levels of attainment.

There is remarkably little agreement between the NZEI-96 rating of sibling's occupation and those occupations the students expect when they are 30 years of age, although the response rate to this question was low, under 30%. The older sibling's present occupation accounts for under one percent of the variance of the respondents expected occupation, with little difference between the schools. Once again we are unable to substantiate the hypothesis that Kawerau students were more likely to exaggerate their occupational expectations compared to the Mana students.

In summary, while the 'reality checks' have confirmed a speculative element in occupational expectations as well as post-school employment options in general, they do not show that Kawerau students are any more 'idealistic' in their expectations than their metropolitan counterparts. In addition, neither the best friend comparison nor the comparison between 'job wants' and 'job expects', nor comparisons with siblings were able to demonstrate a lower degree of realism among Kawerau students.

We are still faced, therefore, with our paradox, namely that the higher occupation,

qualification and income expectations of rural/small town students were no different to their metropolitan counterparts even after controlling for student attributes. Subsequent analysis of the presence of role models in the two communities did little to alter this conclusion (see Loeber, 2004).

One more possible reason for Kawerau students' higher expectations is their greater willingness to move. Instead of seeing their future in terms of the local labour market, these students may in fact scan a wider horizon than students already ensconced in a much larger labour major market.

One of the major consequences of residing in a small town, especially towns with falling job opportunities and relatively high unemployment, is that most students will have to move elsewhere to get a job. The questionnaire responses bear this out with Kawerau students realising that migration is a necessary step to the jobs they want whereas this was not a concern for Mana students. More Kawerau students (61%) indicated that they could not do the job they wanted locally, compared with only (17%) of Mana students. A larger proportion of all Kawerau students are, therefore, likely to have to migrate in order to achieve their occupational goals.

When we asked whether they would move away from friends and family for a job a greater proportion of Mana students (28%) reported that they would *not* move compared with only 8% of Kawerau students. We must be prepared, however, for the possibility that the proportion of students in Kawerau willing to move may, like their occupational expectations, be unrealistic. The peer and family pressure to remain in a small town may in fact be greater than in a large centre. As a bench mark we again used the student's 'best friend'. The argument here is that students are more likely to be realistic in their appraisal of their best friend's true intentions and capacity to migrate than their own. We, therefore, asked whether they thought their best friend would move out of the area to get a job if one was not available locally.

The results showed that Kawerau students were nearly *twice* as likely to say that their best school friend would *not* move away from friends and family than they would themselves,15%> 8%. By contrast there was little difference between Mana students and their best friend, 28% > 27%. In Kawerau, therefore, far from there being social pressure to say in the town the students saw it as *less* acceptable *not* to be prepared to move away largely because the alternative implies inactivity and unemployment.

What this last result means in effect is that many of Kawerau's senior secondary students' expectations are framed not by the specifics of the local labour market but by *the opportunities* perceived to lie beyond the town. For these students, realising expectations implicitly involves leaving the town whereas in Mana our impression is that expectations are based on the perceived opportunities in their local metropolitan labour market.

Discussion

We undertook this research in the context of a wider study on mobility and attachment in otherwise vulnerable communities (see acknowledgements). Our aim was to gauge the relative importance of the local labour market in secondary school students' expectations about their transition to work. Schooling in labour markets of very different size and character would, we hypothesised, influence the students' chances of securing a job and modify their educational and occupational aspirations as well as the income they could expect.

What our comparison of senior students in the two different locations has revealed is that far from confirming the generalisations made by educationalists about small versus large towns, Kawerau College, a decile 1 school, has at least amongst its senior pupils a noticeably smaller proportion expecting to go straight into employment. A significant proportion of senior students from this small town exhibit *higher* aspirations than our comparison school in a metropolitan centre. In this respect our findings do *not* match the generalisations in the literature about rural and small town youth.

Much that is paradoxical in this last result dissolves however, if we start, not with the education literature but with the labour economics literature. In each of the youth transition studies we cited from the economics literature, the local unemployment rate was found to strongly reduce the incentive for students to seek work. Most sensitive (and most elastic) in this respect are boys with lower levels of academic ability whose propensity to leave is pro-cyclical.

The labour economics literature has shown how this positive relationship between the local unemployment rate and retention of seniors at school also holds in cross-section so that locations with high unemployment experience relatively higher proportions of their students staying on at school or going on to post-school education. It is this effect that we believe we are witnessing in Kawerau together with its likely spill over into aspirations. The prospects for those who leave school early in Kawerau are relatively bleak largely because it reduces their opportunity for work outside the region. Parents, teachers and the wider community know this and although teachers, parents and students do not necessarily share the same values (Ley et al., 1996), the net result in Kawerau College at least has been a concerted effort to retain students at school and equip them for future education and where applicable provide post-school training knowing full well that their opportunities for socio-economic advancement will involve searching a much wider range of jobs beyond the town itself.

Useful though this last conclusion is in suggesting further research we are acutely aware of the limitations of this preliminary study. We have surveyed only two schools and we have had to make the largely untested assumption that school and location effects are inseparable. We know, however, that schools do differ, often considerably even within the

same local labour market. Any extension of this work, therefore, needs to include more schools in more local labour markets so that school and market effects can be separated. Such a separation would be necessary in order to identify the local impacts of decile 1 schools, for example.

A second urgently needed extension is to broaden the notion of choice beyond the dichotomy commonly used of 'employment' versus 'study'. Our results, together with a number of others in the literature, point to the wide range of possible post-school activities students can undertake – in including helping in the home and the caring for relatives – an 'option' canvassed by many poorer households from both locations. Elsewhere the application of multinomial models to choices made across three or more alternatives have proved valuable (Andrews & Bradley, 1997).

More generally, Higgins (2002) has argued in her New Zealand work on youth transition that how we conceptualise transition is crucially important in crafting effective youth policy, and that such policy should recognise the additional complexities young people face when they manage not only a transition from education to employment but also the dislocation of family and peer relationships which relocation can bring.

Conclusion

Through this geographically focussed research we learn three important things that have far reaching consequences for the way we think about youth transition in general[12]. Firstly, the nature of the local labour markets does influence the choices youth make upon leaving school – but the paths linking place to youth expectations may be more complex than have been framed to date.

Secondly, youth expectations are generated through many channels drawing on information at several different scales: international, national as well as local. The messages gleaned from these sources are not all consistent. The media may create expectations which often have little factual basis in the local world. The expectations generated by the media are further filtered by teachers, parents, households and community role models. How developed those mediating structures are may be important in preparing youth for successful transition from school to eventual employment.

Thirdly, youth raised in small towns face an additional challenge in the transition to work or further study, namely the imperative to move and the likely separation from parents and the community. The ability to remain attached and receive support through a transition that is also geographical can further challenge youth in households and communities whose support may have been weakened on other grounds such as the unemployment and/or benefit dependency.

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Footnotes

1 At least one labour economist has also used these data (Maani, 2000).

2 One of the more influential linkages made in this literature between local demand and youth unemployment was the paper by Freeman and Rodgers (1999). Many of the key issues were raised nearly two decades earlier (Freeman and Wise, 1982).

3 These examples of the approaches taken by economists form part of a wider body of literature on choice including the choice of education institutions. A recent example with pointers to that literature is Wilson et al (2005). For an overview of the school to work transition literature in economics see Bradley and Nguyen (2004).

4 The deprivation index is constructed from 11 variables to produce a scale for small areas which runs from 1 - the least deprived ten percent of areas, through to 10 - the most deprived ten percent (Crampton et al., 2000)

5 The reader should note that the deciles used for funding are quite separate conceptually and practically from the New Zealand deprivation scores used to map the catchments in Figure 1.

6 We apply maximum likelihood regression using the 'logit' routine within Stata7; see http://www.stata.com

7 The logistic regression model is widely used in youth transition studies (see for example Andrews and Bradley, 1997; Lynch, 1987; Micklewright, 1989; Rice, 1999). See Hosmer and Lemeshow for details (1989).

8 Note that our explicit assumption throughout is that it is the character of the local labour market and not any particular uncontrolled differences in the schools (including teachers and careers advisors) which is the dominant influence. Although our results are consistent with most other labour market based studies we do revisit this assumption in our conclusion.

9 However, note that there are only four Pacific Island students in the Kawerau sample and that three of the four opt for employment, which is contrary to the dominant effect of the local labour market. We therefore give little weight to this particular difference.

10 Note all students responded to this question, 84 and 109 for Kawerau and Mana respectively.

11 This result is consistent with recent findings in Australia where more girls than boys intended leaving (small towns and rural areas) and going onto university, 62%>39% (Alston and Kent, 2001). This result, they argued, reflected the gendered opportunities in the rural employment sector.

12 Space limitations prevent us from including many of the tabulations and regressions from which we draw our conclusions but these are available on request from the principal author; Philip.Morrison@vuw.ac.nz

CHRONICLE

February 2005

The *National Business Review* predicted that employers in industries with high union membership could expect more strikes and lockouts. This prediction was based on the latest figure of 36 stoppages for 2004, which reversed the downward trend since 2001. The *Dominion Post* also stated that the 'battle lines had been drawn' with the pay campaign – '5 per cent in 2005' - by the Engineering, Printing and Manufacturing Union being the biggest concerted push for a substantial wage rise in years.

The *Nelson Mail* reported that employees at Cold Storage Nelson were striking for a 5 per cent pay increase as part of the Engineering, Printing and Manufacturing Union pay campaign. However, a spokesperson for the strikers claimed that the strike was part of an ongoing pay dispute that coincidentally fitted with the union's national pay campaign.

The results of the latest Household Labour Force Survey (HLFS) for the December Quarter received widespread coverage in the print media. The *NZ Herald* and *The Press* reported that the unemployment rate had fallen to 3.6 per cent, the lowest among developed countries and the lowest in New Zealand since comparable records began. The number of people in the workforce increased by 4.4 per cent during 2004 as the net inflow of migrants dwindled and growth in the population slowed. The increase in jobs had a positive effect amongst groups with high unemployment rates such as people over 55, the long-term unemployed, women and Maori. Most of the growth in the quarter was in part-time jobs. However, *The Independent* cautioned that while the level of unemployment was low, economic commentators were worried about the inflationary effect of increased wages as skill shortages persist.

An article in *The Independent* suggested that the Government was indirectly subsidising some companies through its Working for Families welfare package. Companies were benefiting from the package as the welfare payments to their workers allowed them to keep paying low wages. Act's Spokesperson Muriel Newman called it "corporate welfare" in another guise and argued that these top-ups distorted the labour market.

The long running dispute at the Port of Lyttelton continued (see January 2005 Chronicle). *The Press* reported that port workers began a month-long campaign aimed at disrupting shipping after Lyttelton Port Company negotiators and union representatives failed to settle a new collective agreement. A union representative stated that employees would 'work to roster', meaning that there would be a ban on overtime and working on rostered days off. The action fell short of a full-out strike called in 2004 but aimed at disrupting the port and putting pressure on employers to improve their offer.

In another dispute, *The Press* reported that more than 1,000 Christchurch City Council staff were set to strike after a breakdown in pay negotiations. Members of the Southern

Local Government Officers' Union, which represents about 55 per cent of the council's staff, voted to strike for four hours if negotiations with the council were unsuccessful.

The Chief of Defence Forces was accused of intimidating a witness after he had sent a letter to the witness. In the letter to a Defence Force chaplain, the Defence Forces Chief expressed 'concern' about the chaplain's decision to volunteer evidence, and saying he would want to 'discuss the matter further'. His actions were referred to the Solicitor-General as a possible contempt of court. The case concerned a Waiouru Army Museum archivist who was claiming $210,000 in damages for unfair treatment by the army. Chief Judge Goddard of the Employment Court ordered the letter to be withdrawn.

In a reversal of the normal outcome of cases before the Employment Relations Authority, the *National Business Review* reported a decision where a worker in a Christchurch convenience store was ordered to pay four weeks' wages and costs after disappearing from his job without trace. The Authority found the worker had abandoned his employment.

The Independent reported on a test case before a full bench of the Employment Court which ruled that employers and employees may keep their existing shifts and rosters around public holidays. The 65-year-old ruling that a 'day' was from midnight to midnight was redefined to be any period of 24 continuous hours agreed to by the parties. The court underlined that any re-arranging of compensation for working on public holidays could only be by collective or individual agreement. The decision was welcomed by the Employers and Manufacturers Association (Northern) as being sensible, practical and common sense.

In a further twist in the long running saga between Radio New Zealand and its former news editor Lynn Snowden (see January 2005 Chronicle), the *NZ Herald* reported that the Court of Appeal told both parties that it did not want its resources tied up in possible tactical manoeuvring in their employment dispute. The court declined to give Ms Snowdon leave to appeal against an Employment Court decision that Radio New Zealand could ask her to turn up for a meeting with its lawyers.

The *Taranaki Daily Times* reported on the Employment Court ruling that staff at the New Plymouth District Council would no longer be forced to wear badges showing their full name (see September 2004 Chronicle). The Court ruled that the council was being unreasonable in its insistence that staff wear such badges. This decision followed an appeal to the Court after the Employment Relations Authority had earlier dismissed the claims of staff objecting to wearing the badges.

March 2005

The '5 per cent in 2005' pay campaign by the Engineering, Printing and Manufacturing Union generated a raft of news reports (see February 2005 Chronicle). *The Press* reported that simmering trade union resentment over low levels of pay rises during years

of healthy economic growth appeared to have come to a head. It noted that the message from the union that it was not interested in any employer pay offers below 5 per cent, was a clear indication of a strong push for pay rises and made industrial action more likely. An article in the *Dominion Post* added that the Union had held a ballot where 95 per cent of metal workers rejected a 3.2 per cent pay offer. *NZ Herald* reported that Auckland metal industry workers planned to strike to show employers they were serious about calls for a 5 per cent pay rise.

The *Nelson Mail* reported that 100 non-union nurses at Nelson Hospital either had to make fortnightly payments of $12 or waive their rights to a 20 percent pay rise negotiated by the Nurses Organisation. The move followed a nationwide postal ballot of nurses conducted by the union to decide whether non-union members should pay for obtaining the results of successful negotiations. The ballot meant that non-member registered nurses around the country will have a $12 bargaining fee deducted from their pay each fortnight until the end of 2006 or remain on the old employment agreement.

The Association of University Staff (AUS) took legal action against the Vice-Chancellor of the University of Auckland, Stuart McCutcheon, after he failed to show up at a meeting to negotiate a national multi-employer collective employment agreement. Mr McCutcheon said he would only negotiate a collective agreement covering the University of Auckland, not a national multi-employer agreement. The AUS filed proceedings with the Employment Relations Authority, alleging that the Vice-Chancellor had unlawfully undermined bargaining.

The Press reported that more than 1,000 Christchurch City Council staff were threatening strike action unless their union's new pay proposal received a positive response (see February 2005 Chronicle). Council managers stated they were disappointed that the union had rejected the Council's $2.1 million offer and they estimated that it was the equivalent of a 4.5 per cent increase in the current total wage bill for the council workers.

The Press also reported that the Chief Executive of Canterbury Employers' Chamber of Commerce, Peter Townsend, had said that it was time the port company and the unions resolved the long-running Lyttelton dispute. This was in reaction to news that union members had voted to increase the pressure on the company (see January 2005 Chronicle).

There were several media report of collective negotiations. Christchurch bus drivers held a stop-work meeting to back their call for better pay and conditions, according to *The Press*. The *Waikato Times* reported that administrative and clerical staff at the Waikato District Health Board were likely to take industrial action after mediation talks with the board broke down. *NZ Herald* reported on work bans by Stagecoach drivers and plans to launch a six-day strike.

NZ Herald reported claims by ACT MP Muriel Newman that thousands of disabled workers employed at the country's sheltered workshops could lose their jobs under the Government's Disabled Persons Employment Promotion (Repeal and Related Matters)

Bill (see December 2004 Chronicle). The Bill would require all sheltered workshops to pay workers the minimum wage.

The Independent reported that there were a record number of jobs advertised in February, fuelling concerns that a shortage of workers would fan wage inflation (see January Chronicle). The number of job advertisements in newspapers and on the internet rose 7.3 per cent from January to February, according to the ANZ Banking Group survey. When the same survey was featured in the *Waikato Times* it was noted that manufacturing industry growth in the Waikato was well above the national average but the industry was facing growth constraints because of skills shortages.

The Supreme Court allowed the CTU and Business New Zealand to make submissions when it heard Lord of the Rings model maker James Bryson's employment dispute with his former employer Three Foot Six (see November 2004 Chronicle). The case centred on whether Mr Bryson (who was made redundant by Three Foot Six) was an employee or an independent contractor.

A nationwide survey published by the Public Service Association (PSA) showed that 31 per cent of prison staff were actively seeking other employment while 91 per cent wanted to quit the Corrections Department. The PSA claimed that the Prison Service needed to recruit 1,800 new staff in the next three years to cover for attrition, to staff new prisons as they are commissioned and to allow for additional beds within existing prisons.

Government plans to boost the labour supply by trying to attract expatriate New Zealanders to return did not have much of chance to succeed, according to a *NZ Herald* article. As the majority of expatriates live in Australia where incomes are much higher – around $170 a week after tax on average – it was unlikely that many expatriates would return.

The *Dominion Post* reported the retirement of Chief Judge of the Employment Court, Tom Goddard. Tributes flowed from many business and union leaders. Business New Zealand's Chief Executive, Phil O'Reilly, said that Chief Judge Goddard had been a 'good leader' in a time of transition for the country's employment court. National Secretary of the Engineering, Printing and Manufacturing Union, Andrew Little, said that with the benefit of objectivity, Judge Goddard had "generally got the balance right".

The Independent reported that Air New Zealand was appealing an Employment Court ruling it claimed would allow pilots to double-dip on statutory holidays. According to the Employment Court decision, the payments can be made in spite of a separate annual leave entitlement agreement in the pilots' collective agreement. The New Zealand Airline Pilots Association (NZALPA) was seeking clarification of whether the airline's agreement with NZALPA should be subject to the Holidays Act 2003.

April 2005

The Employment Relations Flexible Working Hours Amendment Bill, which is promoted by the Green Party, would give employees the right to apply for flexible or part-time hours where they have fulltime care of children under five or disabled children up to and including 18. According to *NZ Herald*, Chief Executive of Business New Zealand, Phil O'Reilly, said that his organisation was already working with the Government on providing family-friendly workplaces and the Amendment Bill promoted unnecessary compliance costs.

Industrial action by unions seeking wage increases featured prominently in the media during April. In the Dominion Post, the President of the Council of Trade Unions, Ross Wilson, provided a snapshot of recent actions when he stated that employers who resisted fair claims for better wages and conditions could expect industrial action and the "…current action by university staff, bank workers, bus drivers, hospital workers, furniture and manufacturing workers and metal workers is the result of out-of-touch employers misjudging the determination of their own staff."

Dominion Post reported that thousands of ANZ Bank staff had rejected an employer offer which included a 3.75 per cent pay increase. About 3,700 ANZ Bank staff walked off the job for two hours to attend stop work meetings.

The Press reported that Lyttelton port workers voted overwhelmingly in favour of a three-year deal with their employer, marking an end to industrial action (see March 2005 Chronicle).

The *Dominion Post* suggested that the '5 per cent in 2005' pay campaign was gaining momentum as thousands attend stop work meetings, picketed their workplaces and planned strikes. More than 2,500 people gathered at a rally in Auckland organised by the Engineering, Printing and Manufacturing Union with a further rally planned for Christchurch. Staff seeking wage rises picketed the Palmerston North Hospital and a furniture factory in Auckland. Interestingly, *The Press* reported that the Engineering, Printing and Manufacturing Union would back down on its 5 per cent pay claim if an employer could prove they could not afford it (see March 2005 Chronicle). The union claimed that pressure had already been taken off two employers who had proved they were not able to raise wages by 5 per cent.

The disruption for tens of thousands of Auckland bus passengers was avoided after a wave of rolling strikes was called off to allow a return to pay talks. While unions representing almost 1,000 drivers at the Stagecoach bus company were set to continue action, the employer and union parties agreed to seek Employment Relations Authority mediation.

The Press reported that The Christchurch City Council had pulled out of pay negotiations with more than 1,000 staff (see March 2005 Chronicle). The Council threatened to take

the union to court for breaching good faith bargaining rules. Instead the Employment Relations Authority ordered the two parties to begin mediation.

Nearly 90 per cent of Solid Energy's employees walked off the job, crippling New Zealand's coal production. Unions said that employment relations at the state-owned coal business were at their lowest ebb for more than a decade.

The *Nelson Mail* reported on the first case dealing with harmful work-related stress under the 2003 Health and Safety in Employment Amendment Act. Nelson District Court Judge David McKegg stated that "[t]here will always be stresses in a job, but they must not become health-threatening. Where employees have stressful work conditions and special medical difficulties advised to the employer, then immediate remedial action is required." The company admitted liability and was fined $8,000.

Dominion Post reported that a Christchurch firm – Works Infrastructure - was ordered by the Employment Relations Authority to pay more than $8,000 to an employee who was forced to take a drug test. On hearing of an allegation that the worker and a colleague had been smoking marijuana their manager told them they would have to take a drug test. The two workers were not provided with details of the allegation or details of the drug test, but were told it was positive. The Authority determined that the way Works Infrastructure had dealt with the drug allegation and the way in which it had obtained the worker's consent had disadvantaged him.

The study by the Employers and Manufacturers Association found that disaffected employees stood a better chance of winning a personal grievance claim outside Auckland. The study analysed decisions by the Employment Relations Authority during 2004. The Association claimed that dismissal laws introduced last year had made the process more complicated and employers perceived the selection of Authority members for hearings as a lottery.

It was reported in the *Dominion Post* that the Supreme Court had reserved its decision on model maker James Bryson's appeal against the Court of Appeal decision determining that he was a contractor (see March 2005 Chronicle). The five Supreme Court judges were told that two of the Court of Appeal judges appeared to agree he was an employee but were deflected by what was said to be standard industry practice and the wording of a one-size-fits-all 'crew deal memo' containing terms for the employment relationship.

The Employment Relations Authority ruled that Air New Zealand was entitled to dismiss a captain after an investigation was launched when the firm discovered assault and aviation convictions against him (see November 2004 Chronicle). The Authority noted that the Civil Aviation Authority's review was not into the pilot's fitness to be an employee, and the airline was entitled to inquire into his conduct from a different perspective. The airline said that cases of assaults in 1996 and 2001 were unrelated wilful breaches of aviation regulations, casting doubt on his ability to make sound judgments consistently when under pressure.

May 2005

In light of this year's general election, the National Party started to set out its employment relations policies. In *NZ Herald*, the party suggested that union militancy had increased through the powers given to it in the Employment Relations Act and this would be curbed in a new law called the Employment Agreements Act. Among its provisions, this Act would remove stress as a ground for employees to take action against their employer under health and safety laws. Industrial relations Spokesperson, Wayne Mapp, argued that it had become an "easy option in employment disputes for an employee to claim work-related stress as the reason for non-performance'. The party would also review statutory holiday pay and intended to introduce the option of a no-risk 90-day probation period for new employees.

There was extensive media coverage of the dispute between Auckland bus drivers and their employer Stagecoach. In May alone, there were 3 new twists to the dispute. First, it entered a new phase when the unions decided to continue with the six-day strike, despite a recommendation from the Employment Relations Authority that they accept a company pay offer. Authority member Alistair Dumbleton said the company was commercially and financially justified in rejecting the drivers' demand for an immediate rise to $16 an hour, up from the current $13.94. Second, Stagecoach sought a binding ruling from the Employment Relations Authority on how much its drivers should be paid. This was the first such application for a binding pay determination under The Employment Relations Amendment Act 2004. But Stagecoach faced a high legal hurdle since it needed to persuade the Authority that the unions had committed a serious breach of good faith; otherwise, the Authority could not make a binding decision. Third, Stagecoach announced that it would re-enter pay negotiations with the drivers' unions when the six-day strike had finished.

In the dispute between the Association of University Staff (AUS) and the University of Auckland (see April 2005 Chronicle), the Employment Court ruled that the University of Auckland had to participate in negotiations for a national multi-employer collective agreement. The Court said that the law did not allow the statutory process to be "short-circuited ... as the university intends". This was only a partial victory for the unions since the court dismissed claims that the university had acted unlawfully and a compliance order was necessary.

In the Christchurch City Council negotiations, staff withdrew a 24 hours strike over their stalled pay talks (see April 2005 Chronicle). According to *The Press*, an e-mail ballot of members resulted in more than half of the union's 1,000 members voting against the strike proceeding.

The negotiations at the ANZ and National Bank were still unresolved and the *Dominion Post* reported that staff were taking another round of actions: staff would walk off the job with little or no notice in rolling strikes at randomly selected branches throughout the country.

Academic staff at Waikato Institute of Technology threatened strike action following a 3.25 per cent pay offer. The Association of Staff in Tertiary Education (ASTE) said the Wintec's offer of 3.25 per cent this year, followed by 3 per cent next year, was "not acceptable". There were also difficult negotiations at five other North Island polytechnic institutes.

Health sector staff also experienced difficult negotiations. *The Press* reported that 140 Christchurch rest-home workers were planning a three-hour strike in protest against low pay rates. Union advocate Lynley Mulrine said members wanted an increase of between 2.8 and 5 per cent and the employer Qualcare had offered less than 1 per cent. According to the *Dominion Post*, nine district health boards tried to prevent medical radiation technologists from going on strike. The boards filed a request for an urgent hearing with the Employment Relations Authority over contingency plans to prevent loss of life during the dispute. However, the Association of Professional and Executive Employees (Apex) decided to call off the strike as negotiations started again. As Apex was seeking significant pay rises - $30,000 to $40,000 according to media reports – it was unclear whether a settlement was in sight.

A further development in the long-running dispute between Radio New Zealand and its former news chief arose when Ms Snowdon sought immediate reinstatement at the Employment Relations Authority. She also took a personal grievance action against Radio New Zealand which had dismissed her last month. This came after a two-year standoff and with Radio New Zealand alleging the relationship had irretrievably broken down (see March 2005 Chronicle).

In a case against Maori Television, the complainant was ordered to pay $3500 in costs over her failed employment dispute (see January 2005 Chronicle). The complainant had alleged that she had been discriminated against because she was not Maori. The Employment Relations Authority determined that her claims of discrimination were "utterly without foundation" and that she had resigned of her own will.

The country's top military officer Air Marshal Bruce Ferguson was reported as being deeply sorry over a letter to witnesses in an Employment dispute (see April 2005 Chronicle). He escaped being prosecuted for contempt of court, despite a ruling of the Solicitor-General that there was a case to answer. The court awarded the complainant $20,000 damages from the Defence Force for the intimidation, and that included a punitive sum for intimidation of a witness.

The Press reported that Inland Revenue was ordered to pay $5,350 to two staff members it dismissed for improperly accessing their families' tax files (see January 2005 Chronicle). The department was seeking leave to appeal against an Employment Court order to reinstate the women, who were dismissed two years ago.

There were several media report of sub-standard working conditions and pay levels. *NZ Herald* reported that workers in the Horticulture Industry in Northland were on bin rates that earned only about $9 an hour. One worker claimed that "[i]t's like slave labour

because it's $40 a mandarin bin and sometimes it can take you hours to fill that." Despite Northland's chronic unemployment, Kerifresh has just hired 20 workers from Samoa for their permanent workforce, mainly to prune and pick lemons throughout the year.

Many job-seeking skilled migrants experienced difficulty in getting their first job because employers would often say that they have 'no New Zealand experience'. However, a work experience scheme brokered by the Auckland Chamber of Commerce had recorded many successes. So far, 1,500 new migrants have found jobs after going through the programme; 40 per cent with the company with which they did work experience.

Finally, a report released by Minister of Labour, Paul Swain, made serious allegations about the treatment of foreign workers on foreign charter vessels. Foreign fishermen were being underpaid, beaten and forced to work in sweatshop conditions, according to the *Nelson Mail*.

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