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A Study of Union Mergers: The Strange Case of the Police Federation of Australia.

MICHAEL LYONS* & JENNY FLEMING**

Abstract

During the 1990s trade unions in Australia were involved in an unprecedented amount of mergers that resulted in a significant reduction in the number of unions. Most of this merger activity consisted of either amalgamations or absorptions, and has been subjected to considerable research scrutiny. The merger of five separate police unions created the Police Federation of Australia. However, the Federation is unique among the union mergers in this period because it evolved from a federally registered police union, the Australian Federal Police Association, altering its rules to grant it coverage of all police in Australia. This paper examines the formation of the Federation, and suggests that both the form of the merger and the merger process are not easily explained by the existing literature. This is partly due to the limited attention past studies have paid to union federations, partly due to the circumstances of police unions in Australia, and partly due to the novel method by which the merger was conducted.

In the recent past, much academic interest has been visited on trade union mergers in Australia. This interest has been generated by the policy of the Australian Council of Trade Unions (ACTU) in the late 1980s and 1990s, and promoted by legislation of the federal Labor government, to encourage a reduction of the number of trade unions and structure unions on an industry basis. This domestic interest in union mergers has explored the motivating influences (Tomkins, 1999) and the costs and benefits (Bodman, 1998; Davis, 1999; Wooden, 1999). While the Australian studies have examined the reasons for mergers and their effect, few have analysed how mergers occur or proffered reasons for the merger outcomes with Campling and Michelson (1998) and Hose and Rimmer (2002) being notable exceptions.

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The Police Federation of Australia ('the Federation') officially came into being in 1997. The formation of the Federation warrants analysis for a number of reasons. One, it is the first time in Australian history that a *national* organisation has been established as a vehicle to represent the industrial interests of staff engaged by the various police services. This aspect alone is remarkable given that police services are constituted, organised and financed at a State level. Two, union merger 'theory' does not adequately explain the motivations for the creation of the Federation, and its structure. And three, the formation of the Federation in many respects represents a shift in emphasis of police unionism from being purely industrial organisations to something more closely resembling a 'professional' association. While the Federation national organisation could be described as a professional association, the constituent branches still pursue industrial objectives and under the rules of the Federation are completely autonomous from interference by the national body. Yet the more intriguing feature of the formation of the Federation is that the impetus for its creation appears to have come from one of the smallest and most constrained police unions in Australia: the Australian Federal Police Association ('the Association'). Without the Association the Federation could not have come into existence, for this merger was a result of the Association changing its rules rather than the traditional union combination of union merger activity. In one sense, the smallest police union in Australia 'absorbed' the other larger police unions.

This paper examines the formation of the Federation in the context of both theory and practice. In doing so the paper pays considerable attention to the role played by the Association. In analysing the 'urge to merge' among police unions in Australia the following questions are investigated: what were the primary motivating factors causing the formation of the Federation; what were the political and institutional factors that permitted the Federation to be established; and what impact does the Federation have on the effectiveness of police unions in Australia? In answering these questions the paper identifies a gap in the union merger literature regarding mergers other than complete amalgamations and absorptions. Indeed, the four necessary elements required to constitute a union merger proffered by Michelson (2000) are difficult to detect in the case of the Police Federation of Australia.

Union mergers

Union merger literature proposes a number of motivating influences for merger activity by unions: membership decline, financial difficulty, technological change and employer reorganisation in workplaces they cover, competing jurisdictional union coverage, the desire to achieve economics of scale, and the desire to improve bargaining influence (Stratton-Devine, 1992: 134; Michelson, 2000; Hose and Rimmer, 2002). Often merger parties can have differing motivations particularly when a small union desires to be absorbed by a larger union (Black et al, 1997: 137). The motivating factors for 'defensive' mergers are different to those for 'aggressive' or 'consolidatory' mergers (Undy, 1999; Michelson, 2000), unions can have 'multiple – and sometimes conflicting – reasons for

amalgamations' and other mergers (Davis, 1999: 11). These different and competing motivations seem to be apparent in the merger process which culminated in the formation of the Federation.

According to Campling and Michelson (1998: 582-84) the 'urge to merge' is a strategic decision based on external factors. But, interests of a union's leadership cannot be overlooked when analysing the internal reasons to merge or not to merge and the final shape of any merger activity (Hose and Rimmer, 2002; Michelson, 1997; Stratton-Devine, 1992: 138). Merger structures which protect the power, prestige and jobs of the existing leadership will be more attractive than those that do not (Conant and Kaserman, 1989: 246).

There is some uncertainty about whether or not mergers have patterns or common features (Waddington, 1994). Chaison (1982a: 199) suggests that all union merger activity is somehow 'idiosyncratic', and for this reason 'there is no general theoretical model which can be applied to the merger process' (Chaison, 1982a: 198; cf. Chaison, 1986). The different forms of mergers only emphasise the idiosyncratic nature of union merger activity: amalgamations that involve the merger of two or more unions to form a 'new' organisation, and absorptions (or acquisitions) that involve the merger of one union into another (Waddington, 1994: 452). Even with these broad categories uniformity is not guaranteed (Hose and Rimmer, 2002), as some absorptions can be closer to an affiliation rather than a total assimilation (Chaison, 1982a: 201), and some amalgamations may not result in total fusion of the merging unions (Chaison, 1982b: 141). Neither the process of formation nor the final structure of the Federation fits neatly into these categorisations.

A barrier to union mergers can be the interests of particular groups of workers and members being subsumed by the new union structure (Black et al, 1997: 138-39). The image or identity of small, autonomous, white-collar or 'professional' unions may be jealously guarded by the membership and thus be hostile to merger proposals (McClendon et al, 1995: 13). McClendon et al (1995: 19) argue that the leadership of such unions need to reassure the members that any merger will not result in a loss of membership influence in decision-making processes relevant to their interests. In addition, the target of the merger needs to be compatible with the image the membership have of their union and/or their occupation or profession (Devine and Reshef, 1998: 529-30). The formation of a federation by Australian police unions which retained the unions' separate identity and autonomy would, therefore, have attractions over other possible merger structures.

Less than complete forms of integration seem to have been neglected by the literature. The attraction of an alliance (or affiliation) over a more complete merger (amalgamation or absorption) is that it can supply all the benefits of a proper merger without many of the associated disadvantages (Chaison, 1982a: 202-3): 'loose' federations are examples of such alliances (Chaison, 1982b: 142). In one critical respect, then, federations may retain the 'identity' of the constituent unions which can be a major incentive for the membership to agree to any merger proposal (Stratton-Devine and Reshef, 1992: 134; McClendon et

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al, 1995: 11).

The effect of regulation must be considered with any analysis of trade union mergers. Regulation that prescribes the manner and form of mergers will help shape the outcome of merger activity, as will regulation on the general conduct of unions (Waddington, 1988: 419). In any examination of merger activity in Australia the role of state regulation is central to the analysis because of the 'complexity of union structures that arise from the federal nature of the industrial relation system' (Michelson, 2000: 110), and the almost complete regulation of union governance and conduct. Regulation was of major significance in the formation of the Federation.

According to Willman and Cave (1994: 402) unions which place a priority on administrative effectiveness (low-cost operations) will be drawn to become dependent on employers for a range of facilities and thus their representative effectiveness is potentially reduced. While it is trite to state that the objectives of trade unionism (addressing the interests of members and potential members) should not become subservient to the means to pursue those objectives (administrative effectiveness), inadequate finances, resources, and staff will be harmful to a union's capacity to achieve its industrial objectives (Davis, 1999: 15). Yet the logic of trade union administrative effectiveness (financial viability) is that the vast majority of members continue to pay for union representation but rarely consume individual (as opposed to collective) services (Willman and Cave, 1994: 403). With police unions the existence of legal defence funds for members increases the likelihood that members will consume union services (Fleming and Peetz 2005).

For reasons mentioned earlier, Australian trade unions have in the last decade or so undergone considerable merger activity (Jadeja and Maidment, 1995), which resulted in the number of unions declining from 323 in 1985 to just 132 in 1996 (Davis, 1999: 4).¹ External political and institutional influences on unions, the policies of the ACTU and federal Labor government in particular, have been found to be the dominant forces shaping merger activity, over internal factors such as a lack of administrative effectiveness (Tomkins, 1999: 70-72). Axiomatically, the formation of the Federation is partly a result of these union merger pressures in Australia in that period.

In summary, the union merger literature proposes a number of reasons for the Association to merge because of its small union status, limited organising base and accompanying administrative shortcomings. So the expectation would be that the formation of the Federation addressed these issues. But on the other hand the literature also proposes a number of reasons that would act as obstacles to a merger, particularly for the Association and perhaps even the other police unions in Australia. While the following examination of the process that resulted in the formation of the Federation does not directly challenge the union merger literature in these respects, it does detect something of a gap in the literature in terms of motivations and outcomes.

The Rise and Demise of the Australian Federal Police Association?

Prior to the formation of the Federation, the Association was the only federally registered police union in Australia. The Association came into being as a result of the restructuring of Commonwealth (federal government) law enforcement administration under the **Australian Federal Police Act 1979** (Cth) which created the Australian Federal Police (AFP). Prior to the commencement of the 1979 Act, federal policing arrangements were largely divided between two separate organisations: the Commonwealth Police Force and the Australian Capital Territory (ACT) Police Force. Two separate unions represented the industrial interests of staff within the two agencies. The union covering Commonwealth Police staff was the Commonwealth Police Officers' Association, and the union covering ACT police was the Federal Police Association (Davies, 1980: 20). In 1981 the two police unions agreed to a merger. The Industrial Registrar held it was in the 'public interest' to have only one union covering AFP officers, and officially established the Association as a registered union on 27 August 1982. The Association's membership base was expanded in 1990 by an order of the Australian Industrial Relations Commission (AIRC), under its 'demarcation powers', to grant it exclusive coverage rights for all staff employed by the AFP (AIRC, 1990a), and not just 'sworn' police.

The formation of the Federation

The Association's national executive committee endorsed the concept of a national law enforcement union in 1986 (AFPA, 1986: 21). The 'umbrella' police organisation then in existence, the Police Federation of Australia and New Zealand (PFANZ), was not a registered trade union under any industrial legislation in Australia, and had a purpose akin to a lobby group. Despite this, the October 1988 PFANZ federal council meeting resolved that a 'police federation' be registered under the federal industrial statute (AIRC, 1992: 2). Instead of attempting to register a new union, the means adopted was the August 1991 rule change application of the Association. The substance of the application was the alterations to the union's industry description (Rule 2) and membership eligibility criteria (Rule 3) to give it national coverage (see AIRC, 1993). To assist the creation of an 'industry' union for police, the federal department of industrial relations approved a grant, to further the government's workplace reform and union rationalisation policies, of \$125,000 to help with the establishment of the national police union.²

A police 'super union' with a potential membership base of all personnel working in the police services of Australia was, perhaps not unexpectedly, considered by some police unions as a threat to their own membership base and even organisational autonomy, if not survival. For example, the union representing commissioned police officers in Queensland argued that it would be 'at risk' if the rule variation was approved by the AIRC (AIRC, 1992: 3). A 'terms of settlement' was negotiated among the Association and State police unions. Objections from non-police unions were withdrawn after the

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Association agreed to vary the proposed rules so that it was made clear that the new Rule 3 referred to only sworn State police officers and not 'civilian' employees.

The withdrawal of the objections by the unions did not, however, mean that the application was unopposed. The governments of New South Wales and Queensland lodged formal objections as did the police commissioners from the Northern Territory and New South Wales, while the governments of Victoria and Western Australia and the chief commissioner of police in Victoria were granted leave to intervene in the hearings. Importantly, the AFP management also made formal objections to the application. On 15 November 1993 the AIRC approved the Association's application in the modified form.

Soon after the 1993 decision the objectors indicated their willingness to lodge appeals to the full bench of the AIRC and a 'stay order' was issued against the decision (AIRC, 1994). The appeal by the State governments against the Association's rule alterations was finally decided in March 1997 and the 1993 decision was affirmed (AIRC, 1997a). The final phase in the formation of the Federation was the formal change of name of the Association to the Federation. In order to facilitate this a 'Deed of Agreement' between the Association and the State police unions concerning the structure and membership of the federation was negotiated in late 1996.³ In April 1997 the Association's national council unanimously resolved that the union change its name to the Police Federation of Australia by making another rule alteration application under s.204 of the *Workplace Relations Act 1996* (Cth).⁴ The application was lodged on 5 June and attracted no opposition from other unions, police managements or the States, and was therefore approved on 19 August 1997 (AIRC, 1997b). With this decision the Federation came into existence.

The role of the state

Two important related factors resulted in the formation of the Federation: the role of the state in the process and the institutional arrangements in Australia regarding the registration of trade unions. The role of the state was also critical to the initial step of the union to expand its coverage to include 'civilian' employees within the AFP (AIRC, 1990a). So without the intervention of the state the transformation of the Association from essentially an occupational union dealing with the one employer in the early 1980s to – in a legal sense at least – a national police union in the late 1990s would have been unlikely. For instance, the 1991 rule change application was justified on the basis that the union had to conform to the statutory policy (s.193 *Industrial Relations Act 1988*) of reducing the number of 'small organisations' registered under the Act (see Jadeja and Maidment, 1995).⁵ Moreover, the legislative policy of encouraging the establishment of industry-based unions and union rationalisation provided the Association with a relatively easy path to achieve its objective. The application was made pursuant to s.204 of the *Industrial Relations Act 1988*, which supported the creation of 'industry-based' unions. The legislative policy of the Act was central to the application being approved, for the registration of the PFANZ as a new union would have been 'cumbersome and

time consuming' and 'contrary to the spirit of the legislation' with a logic of reducing the number of trade unions in Australia (AIRC, 1993: 153). And ironically, the union 'de-amalgamation' provisions of the *Workplace Relations Act 1996* (Cth) were central to the final agreement among police unions over the Federation's structure as the existence of these provisions supplied an 'exit option' to the constituent unions. But on the other hand it could equally be argued that the state was as much a hindrance as it was a help to the Association: it took almost six years for the rule changes to be finally approved from the time of lodgment in August 1991.

The Association's urge to merge

One of the suggested motivations for union merger activity is a decline in potential and/or actual membership. Table 1 shows the membership density of the Association during the period of the merger. Despite its limited membership base (only those staff employed by the AFP) the Association has a membership density that would be envied by other sectors of the labour movement. So while the proportion of staff who are members of the union has declined over the last decade, due perhaps to the unwillingness of non-sworn staff to join, the share of the workforce who are members would not suggest that this is a motivating factor for merger activity. A density rate of over 70 per cent would not usually be considered as a catalyst to merge, even if this did represent a decline.⁶

TABLE 1: Australian Federal Police Association membership, selected years.

| | 1990 | 1998 | 1999 | 2000 |
|---------------------------|------------|------------|------------|------------|
| AFPA members | 2318 | 2020 | 2127 | 1965 |
| Potential AFPA members | 2700 | 2549 | 2517 | 2750 |
| <i>Union density rate</i> | <i>86%</i> | <i>79%</i> | <i>85%</i> | <i>71%</i> |

Sources: AFP Annual Reports (1998; 1999; 2001); AIRC (1993); AFPA National Executive minutes.

Note: excludes temporary staff.

However, an issue connected with the membership level might have induced the merger activity of the Association: finances. For example, in 1995 the Association leadership acknowledged that for the period 1990-94 its expenses were greater than its income, and that situation was likely to continue in the future.⁷ Arguably, the main reason for this was the legal assistance fund for members.

The rules of the Association permit legal assistance to be granted for acts or omissions done or allegedly done 'in the execution of a member's duty' (Association Rule 69(c); now Federation Rule 113). Access to the fund is discretionary as the union 'may' furnish assistance but is not obliged to (Association Rule 69(b); Federation Rule 113(b)). The existence of the fund places a high degree of uncertainty over union finances as the costs of the fund cannot be forecast with precision. A number of public inquiries into

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police operations in Australia during the 1990s identified numerous instances of alleged misconduct by AFP staff. The legal assistance fund was used to finance the defence of the resulting terminations and/or criminal charges of its members (see, for example, *Alan Taciak v Commissioner of the Australian Federal Police*). To cover the costs of some very expensive cases the Association resorted to selling assets. In order to limit the costs of the fund not only are the merits of the individual applications assessed, but so too is the impact the case would have on the financial position of the Association.⁸ In addition, the union now requires members to pay an 'excess' to limit both the number of applications and costs of the fund.⁹ While one could assume that the discretionary nature of the fund would go some way to limit the exposure of the union to financing legal matters on members' behalf, this is not always the case. For example, one member who was denied legal assistance was successful in suing the union for breaching its obligations to members.¹⁰ So, lack of economies of scale may have motivated the merger activity of the Association.

The Association after the merger

With the alteration of its rules the Association was transformed from a single employer union to an industry based union. However, it would be a mistake to conclude from the official public record that changes to its legal status under the federal industrial statute has also meant changes to the Association's conduct. In a very real respect little has changed to the Association's coverage and functions. Under the rules of the Federation the union representing the industrial interests of staff employed by the AFP is just one branch of the national police union. While under the rules the union's official title is the Police Federation of Australia and referred to in the rules as 'The Federation' (Rule 1), the federal (Australian Federal Police Association) branch is still defined as 'The Association' (Rule 1A). The rules grant the Federation's federal council the authority to make policy and alter the rules except in the case of branch policy or rules (Rules 14, 15(a) (b)). Importantly, even the council's powers are not extended to the policy and rules of the 'Australian Federal Police Association Branch' as Rules 15 and 111 make it clear that the powers of the Federation federal council are limited with respect to the Association. Further, the rules of the 'federal organisation' provide for a high degree of branch autonomy by including an entrenchment provision (Rule 35(a)), and the rules of the Australian Federal Police Association branch contain a 'double' entrenchment provision (Rule 54(a)). Therefore, in all practical respects, the Federation is what the objectors to the 1991 rule change application claimed it would become: an 'association of associations' rather than a 'real' national police union (AIRC, 1993: 152).¹¹ So, notwithstanding the long process of changing the rules, structure and name of the only federally registered police union in Australia, the federal branch still operates in the same manner as the Association did prior to the merger.

The fact that the legal changes to the Association have resulted in no real practical differences to the function of the Australian Federal Police Association branch, evaluating the 'merger' process in terms of the literature becomes problematic. The motivations often

cited as influencing the 'urge to merge' – particularly for 'defensive' mergers (Tomkins, 1999: 62) – do not appear to have been overcome by the formation of the Federation. The Australian Federal Police Association branch is still restricted to its limited membership to staff employed by the AFP. One indication that the formation of the Federation has not resolved any of the factors that induce a defensive merger can be seen with the plan of the Association in July 2001 to introduce a 'bargaining fee' for non-members (see Orr, 2001).¹² In short, the merger activity of the Association in the 1990s has failed to address any of the issues usually considered factors inducing a merger. Arguably this outcome is also found with many of the union mergers in Australia in the 1990s, but for significantly different reasons (Griffin, 2002).

With little or no change having been made to the practical situation of the Association, it is possible to argue that this process has not only failed to address the administrative problems common to small unions but instead has placed the Association in a more vulnerable position. Potentially, the only assets that the Federation has are those of the Australian Federal Police Association branch. Consequently the legal and constitutional issues surrounding the so called '*Moore v Doyle problem*' – State based branches of federally registered unions operating in parallel with State registered unions – indicate that the assets and membership of the State branches of the Federation are those of the State unions and not the Federation (see Michelson, 1997). The fact that all the branches of the Federation except for the Association have exemptions from reporting to the Industrial Registrar because they 'did not have any financial affairs in a financial year' (s.271A Workplace Relations Act 1996 (Cth)) supports this view. In short, the assets of the Association may be under some threat of control by the federal council of the Federation, the entrenching provisions notwithstanding. The prospect that the federal council of the Federation could control the policy, finances and assets of a branch is the main reason why the Queensland and Western Australian police unions did not – at the time of the merger – affiliate as branches of the Federation.¹³

The risk that at some time in the future the Association branch could be fully absorbed by the Federation, did not go unnoticed by the leadership of the Association. In order to protect the union from such an eventuality it has entertained the prospect of creating separate entities to shield its assets from the Federation federal council, and to expand its organising base. One such entity, the Australian Law and Justice Association (ALJA), was initially designed to defend the union from 'asset stripping' by the Federation.¹⁴ The ALJA was also conceived as a vehicle with which to expand the union's organising activity and act as an additional source of revenue.¹⁵ The ALJA was designed to be 'a specialist industrial and professional organisation' in the field of federal law enforcement, and assist 'outside agencies, minor like unions and individuals' which are outside the coverage of the Association: customs officers, protective services, and other federal criminal investigative and intelligence gathering agencies.¹⁶ It should be noted that the current roles of ALJA are significantly different from those originally conceived. In short, the Association has pursued a range of measures to improve its administrative and

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representative effectiveness even after the formation of the Federation. This implies that the merger activity of the Association cannot be easily conceptualised within the framework of union merger literature, in terms of motivating factors or outcomes.

The role of the Federation

At the time the Association's rules were altered to allow the formation of the Federation the national president of the Association outlined to the membership why this particular structure for the national police union was adopted:

...the structure that will now be created is totally different from the Police Super Union originally proposed...By using the AFPA Rules we intend to create an alternative choice that protects our financial and industrial autonomy whilst expanding our political influence...we intend to create a peak lobbying body...to lobby and influence politicians and the public in the interests of national & international [sic] law enforcement (Hunt-Sharman, 1997: 1, emphasis in the original).

Under the rules of the Federation it has the potential to be a powerful industrial and political influence in the field of law enforcement (see Figure 1). In 2001 the Federation reported a membership of 31,430 and with the affiliation of the Queensland and Western Australian police unions as branches its membership will constitute over 90 per cent of the more than 47,000 sworn police in Australia (O'Rourke, 2003).¹⁷ It would appear however, that industrial unionism is not the main function of the Federation as a national entity. Rather it seems that its purpose is that of a professional association for police and law enforcement personnel, while industrial activities are left to its autonomous branches and/or the State police unions (Fleming and Lyons, 2002). This much becomes clear as status, standards and professionalism objectives were added to the Federation's rules during the merger process (see Rules 4 (u), (w), (x) and (aa)). These objectives have all the hallmarks of an organisation which functions as a professional association for police and not one that operates as an industry based union. The fact that the Federation also pursues 'professional issues' on behalf of the New Zealand Police Association strengthens this conclusion (Burgess, 2004).

Discussion and Conclusions

In analysing the formation of the Federation in the context of a union merger something of a gap in the literature can be identified. In a review of the union merger literature Michelson (2000: 111) concludes that for a merger to take place it must contain four features:

- a) a combination of two or more separate trade unions;
- b) the combination has legal status;
- c) a loss of autonomy and control for at least for one of the unions, even if this is only slight; and
- d) this loss of autonomy and control can be identified as occurring at some point in time either during the combination or shortly after.

As to the first feature, point (a), this is uncertain. While in a formal sense the State police unions combined to form a federation, in a practical sense they still function within the respective State industrial relations systems, are still registered organisations under the State industrial statutes, and have no federal industrial instrument regulating the working conditions of their memberships. To that end, it does not appear that the first feature has been fully satisfied.

As to the second feature, point (b), this is again uncertain. Clearly the date of the formation of the Federation can be identified, either the date when the AIRC refused the appeals to the Association's 1991 rule variation application or when it approved the change of name to the Federation. But again it is doubtful that a legal combination had taken place. Rather, it was the Association which expanded its membership coverage by changing its rules. The State based police unions had no formal part in the legal process because State based unions are not recognised by federal industrial law. Or as AIRC Deputy President Williams put it: 'there is no organisation currently registered which purports to represent the area of membership covered by the application' (AIRC, 1993: 133). To that end, it does not appear that the second feature has been fully satisfied.

As to the third feature, point (c), any loss of autonomy – even if only minor – is hard to detect. The rules of the Federation make it quite clear that the branches are autonomous, and the double entrenching provision found in the rules of the 'Australian Federal Police Association branch' only emphasises this point. To that end, the third feature does not appear to be satisfied.

And as to the last feature, point (d), this is a matter of conjecture. While the rules of the Federation contain the possibility that the autonomy provisions could be changed at some time in the future, it would need the concurrence of the Australian Federal Police Association branch ((Rule 54(a)), the concurrence of the other branches to reduce their own autonomy (Rule 35), the concurrence of the federal council (Rule 15), and finally the concurrence of the Industrial Registrar to change the objectives of the Federation (Rule 4(z)). While it is the view of the Association that the potential for such an outcome exists (see earlier), the likelihood of all four hurdles being cleared is slim. To that end, the fourth feature does not appear to be satisfied.

But to argue that no real merger took place would imply the rule changes of the Association were of little or no consequence. The objections to the rule changes from the State police unions, other unions, the State police managements, the State governments, and the AFP management during the process obviously suggest that they were of consequence (see AIRC, 1992; 1993; 1997a; 1997b). Just as Michelson (2000: 108-10) notes that some union merger studies fail to differentiate between amalgamations and absorptions and thus skew our understanding of merger activity – and too quickly to make generalisations (Hose and Rimmer, 2002: 540) – it may be that the Federation represents a form of merger that has rarely been scrutinised: an affiliation or alliance (Chaison, 1986: 59).

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While Chaison (1986: 59-61) indicates that affiliations are an alternative to other mergers (amalgamations or absorptions), the form of merger produced by the Federation must be classified as something stronger than an alliance among police unions in Australia because of the single union structure (see Chaison, 2001: 248-50). It is for these reasons the formation of the Federation cannot be easily explained by the union merger literature.

Turning to the motivations to merge (or affiliate), the usual reasons discussed in the literature have not been addressed as far as the Association is concerned. The fact that the union has considered other means to overcome the administrative and financial difficulties it does face, the establishment of the ALJA and non-member bargaining fees for example, suggest that other reasons need to be found. In the search for these reasons it would be impossible to dismiss the institutional arrangements and legislative policy operating in Australia at the time the application to change its rules was made in 1991. Certainly there was some fear within the Association that the union would not meet the minimum membership threshold of 10,000 for registration that then prevailed under the federal industrial statute (Hose and Rimmer, 2002). The State police unions might have been motivated by the prospect that a non-police union, with federal registration, could have sought to alter its rules to have constitutional coverage for State police and emergency service personnel under the legislation (for example, AIRC, 1990b).

In that context, the form of the merger, a federation, becomes easier to understand (Chaison, 1986: 61). For the State police unions, the danger that a more complete form of merger represented to their separate identity and, perhaps more importantly, their power and influence over State government policy making helps explain the federated structure (see AIRC, 1993: 149-50; Fleming and Lafferty, 2001). And as already discussed, potential loss of organisational autonomy and its (aspirational) identity as a specialist in federal law enforcement influenced the Association. However, with this analysis it is a demanding task to try to categorise the merger activity process leading to the formation of the Federation. There is some evidence to suggest that the police union merger activity was defensive (at least for the Association), or consolidatory (for the State police unions), or even aggressive (for the largest police union in Australia – the Police Association of New South Wales) (Fleming and Lyons, 2002). Nevertheless, the fact that the outcome of the merger has resulted in no identifiable change to the conduct of the individual police unions implies that it may not have been any of the above. It also could be argued that the formation of the Federation does more to highlight the barriers to union mergers than advance our understanding of reasons for them.

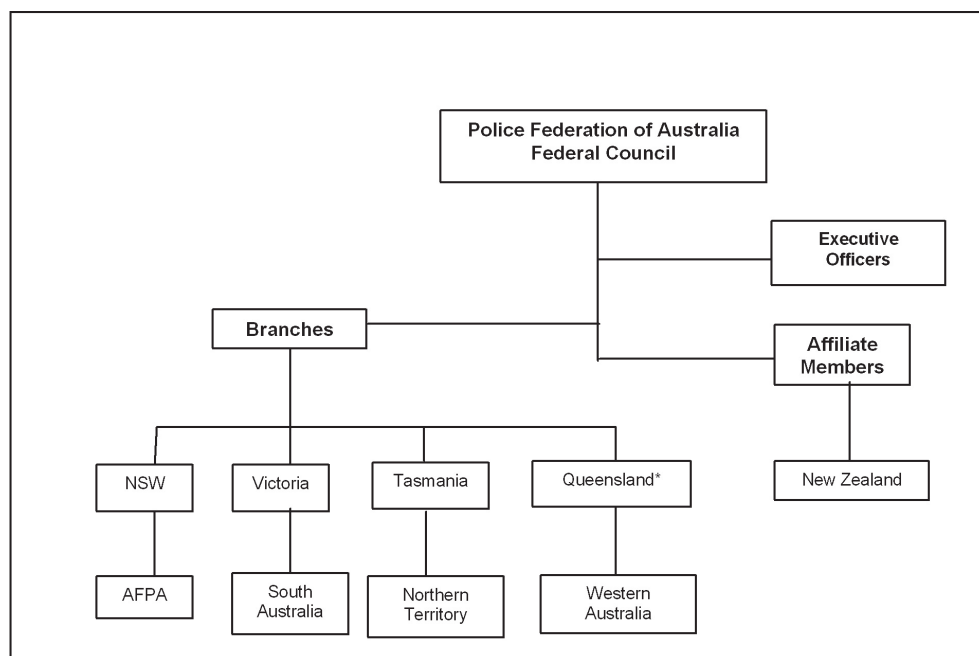
Therefore the importance of the Federation for trade union merger 'theory' is that more innovative methods of analysing union merger behaviour are required, otherwise significant developments in union structures might be overlooked. In the context of this case study of the Police Federation of Australia, the importance of more subtle forms of merger activity needs to be recognised: 'The merger agreement should be viewed as a

compromise solution to often conflicting goals of economy, and the preservation of the interests of union members, officers, and staff' (Chaison, 1982b: 149).

This case study not only has lessons for the form or 'what' of union mergers, but it also has lessons for the 'why'. Certainly external-environmental factors were influential but they alone are insufficient to explain all merger behaviour. As this case study has suggested, the union rationalisation and industry based union policies of the ACTU and the federal Labor government might have prompted the 'urge', but it was mostly the internal union considerations (fear of loss of autonomy and identity) which explain the actual 'merge'. In that sense the integrated strategic choice-resource dependency model of Campling and Michelson (1998) goes a long way in helping us to understand the process that resulted in the Federation. The police unions desired 'agency', but their choices were restricted by the desire to retain control of the resources critical to survival (autonomy and identity). Put simply, both external and internal factors helped shape the merger process that concluded with the formation of the Federation.

In conclusion, this study also has lessons for unions in their efforts to balance administrative and representative effectiveness, and how they adopt the most appropriate structure for this balance. In many respects the Association should be a union in a high state of vulnerability. It is small, it has a very confined membership base, and it lacks economies of scale. Yet it is in a position that other unions would envy; a membership density of over 70 per cent. What financial difficulties it does have do not appear to be due to its 'vulnerabilities', but are a unique feature of being a police union with a legal assistance fund. Moreover, the union, in its efforts to craft a niche for itself as a specialist industrial organisation in the field of federal law enforcement has identified these vulnerabilities not as weaknesses but as strengths (AFPA, 2002). In their study of a small trade union Black et al (1997: 146) conclude that a union is not automatically weakened by being small if it fosters a sense of community between the membership and the union; this could equally apply to the Association.

FIGURE 1: Structure of the Police Federation of Australia



* In the process of becoming a branch of the Federation at the time of writing.

Notes

- ¹ The Australian Bureau of Statistics ceased collecting trade union statistics in 1996 (Griffin, 2002).
- ² Noel Butlin Archives Centre, ANU, Australian Federal Police Association National Executive Minutes File N137/568; National Executive meeting 14-15 May 1992, item 4.23.
- ³ Australian Industrial Registry File 200V, Australian Federal Police Association file 13, folio 605.
- ⁴ The *Industrial Relations Act 1988* was significantly amended in 1996 by the *Workplace Relations and Other Legislation Amendment Act 1996* (Cth), and it also restyled the Act to the *Workplace Relations Act 1996*.
- ⁵ Australian Industrial Registry File 200V, Australian Federal Police Association file 8, folio 436; letter from J.G. Brown dated 6 June 1991.
- ⁶ Australian Federal Police Association National Executive Committee meeting minutes 30 July 1998, item 8.
- ⁷ Australian Federal Police Association National Council Committee files, National Council Committee meeting 30-31 March 1995.
- ⁸ Australian Federal Police Association National Executive Committee files, National Executive Committee meeting minutes, 20-21 February 1996, item 14.11; see also National Executive Committee meeting minutes, 26-27 August 1997, p. 4.
- ⁹ Australian Federal Police Association National Executive Committee files, National Executive Committee meeting minutes, 19-20 October 2000.
- ¹⁰ Australian Federal Police Association National Executive Committee files, National Executive Committee meeting minutes: 19-20 February 1998, item 5; 11-12 March 1998, p. 2.
- ¹¹ Australian Federal Police Association National Executive Committee files, letter from Phillips Fox Solicitors to AFPA national president (J. Sharp), dated 28 July 1995.
- ¹² Australian Federal Police Association National Council Committee files, Special National Council Committee meeting minutes, 23-24 July 2001, p. 6. The insertion of s.298Z into the *Workplace Relations Act* by the *Workplace Relations Amendment (Prohibition of Compulsory Union Fees) Act 2003* has placed an effective prohibition on non-union member bargaining fee clauses in federal collective agreements.
- ¹³ Australian Industrial Registry File 200V, Australian Federal Police Association file 13, folio 613; letter from Gilshenan and Luton Solicitors on behalf of the Queensland Police Union of Employees to the Industrial Registrar, 14 August 1997. The Western Australian Police Union of Workers formally joined the Federation in 2003. At the time of writing the Queensland Police Union of Employees is in the process of joining.
- ¹⁴ Australian Federal Police Association National Executive Committee files, 1996 discussion paper 'Making the Most of Opportunities'; National Executive Committee meeting minutes, 12 May 1997, p. 1.
- ¹⁵ Australian Federal Police Association National Council Committee meeting minutes, National Council Committee meeting, 17-18 October 1996, report by Principal National Industrial Officer 'Agenda for AFPA Renewal', pp. 5-6.
- ¹⁶ Australian Federal Police Association National Executive Committee files, National Executive Committee meeting minutes, 'Confidential Report to the National Executive Meeting of 15 July 1997: National President's Report'.
- ¹⁷ The New Zealand Police Association is an 'affiliate' of the Federation and not a branch. There are about 7,000 sworn police in New Zealand (New Zealand Police, 2003).

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Estimating the Other Party's Preferences and Trust in Trade Union and Employer Negotiations: A Comparison between NZ and Sweden

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Abstract

The article reports on a study in which one hundred and thirty-six New Zealand and Swedish union and employer negotiators anonymously responded to a questionnaire containing a hypothetical negotiation scenario which depicted a variety of employment agreement issues, and required the negotiators to indicate how important they believed the issues were to the other party and to themselves. Union and employer negotiators from both countries made inaccurate estimates about the importance the other party placed on the issues. However, Swedish negotiators were significantly more accurate in their estimations and were more trusting of the other party than New Zealand negotiators, as predicted from the history of employment relations in the two countries.

Introduction

Negotiation is the behaviour of two or more independent parties who are making joint decisions, but do not have identical preferences across decision alternatives (Pruitt, 1981). It has been suggested that negotiation is a rational process that leads to optimal outcomes, and that negotiators might behave in a rational manner by systematically searching all possible alternatives and objectively evaluating them to reach the optimal outcome (Nash, 1950; Raiffa, 1982). However, research shows that parties often fail to resolve disputes despite compatible interests, and outcomes are often sub-optimal (Bottom & Paese, 1997; Nisbett & Ross, 1980).

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Assessing the other party's within-issue preferences.

Sub-optimal outcomes may arise when negotiators do not have complete knowledge about their opponents' priorities because the necessary information has not been communicated or has been misunderstood (Pinkley, Griffith, & Northcraft, 1995). When judgements are inaccurate, the negotiation process tends to be distributive rather than integrative. In distributive bargaining, negotiators expect that their interests are opposed to those of the other party, and that the issues most crucial for themselves are also the most crucial for the other party. This is likely to result in sub-optimal win-lose outcomes or impasse. In contrast, integrative bargaining is a cooperative process where negotiators make trade-offs that may result in win-win outcomes, where each party gains what is most important to them (Bazerman & Neale 1992; Bazerman & Carroll, 1987; Olekalns, 1999; Pinkley et al., 1995; Walton & McKersie, 1991).

Each party in a negotiation usually has a settlement range, which is a range of possible outcomes that a party considers acceptable (Deeks & Rasmussen, 2002). It is common in employment relations negotiations that there is more than one issue to be negotiated. Some issues may have overlapping settlement ranges; other issues may not. To establish whether there are overlapping settlement ranges for different issues, the negotiators must assess the importance that the other side places on each issue, the "within-issue preference" (Pinkley et. al., 1995; Thompson & Hastie, 1990). Negotiators are more likely to reach optimal agreements and need less time to reach a settlement when within-issue preferences are clearly stated before the onset of negotiation (Keltner & Robinson, 1993; Neale & Bazerman, 1983; Thompson & Hastie, 1990; Thompson, Peterson, & Brodt, 1996). Thus, it might be beneficial for all parties to reveal their preferences and interests prior to bargaining. However, negotiators often fail to communicate and identify compatible interests (Harinck, De Dreu & Van Vianen, 2000; Thompson & Hastie, 1990; Thompson et al., 1996) because they tend to overestimate the transparency of their preferences. That is, negotiators presume their preferences and interests are more readily apparent to the other party than is in fact the case (Vorauer & Claude, 1998). Research also indicates that parties do not generally seek information from each other even if there are opportunities to do so (Thompson & Hrebec, 1996). It is important to note that highly experienced negotiators are generally more accurate in their estimations of the other party's within-issue preferences than those with little experience, and that negotiators tend to become more accurate in long-term bargaining relationships where the parties are frequently interacting with each other (Bazerman, Magliozzi, & Neale, 1985; Gulati, 1995).

When negotiators are not aware of the other side's priorities they tend to rely on their own preferences as a cue to the other side's priorities and expect that the other party's preferences will be completely opposed to their own. Research has investigated the ability of individuals to correctly assess opposing parties' within-issue preferences in ideological conflicts over such issues as abortion, racism and the death penalty, by measuring the ideological opponents' opinions on an issue and also their estimation of

the opposition's view. Results from these studies show that opposing parties believe the opposition to hold more extreme views than it does, and hence, they overestimate the extent of their disagreement (Keltner & Robinson, 1993, 1997; Robinson, Keltner, Ward, & Ross, 1995).

The prevalence of inaccurate within-issue preference judgments in employment relations negotiations has been investigated (Howells & Brosnan, 1972; Howells & Woodfield, 1970; Robinson & Friedman, 1995). Howells and Brosnan (1972) found that New Zealand union officers and managers in the woollen and worsted milling industry made inaccurate judgements about their employees' interests. Employers and union officers overestimated employees' concern for wages and underestimated their concern for safety and staff training. Robinson and Friedman (1995) examined whether union and employer negotiators in an actual employment relations negotiation in the USA were able to accurately estimate the other party's within-issue preference on different issues. In this study, the union negotiators overestimated the employer negotiators' concern for issues such as profit, control of the workers and work rules, and underestimated their concern for wages and benefits. Employer negotiators overestimated the union negotiators' concern for wages, control of union membership and work rules. Thus, union and employer negotiators do not always make accurate judgements about the other party's within-issue preferences.

The present study investigated whether the incorrect judgements about within-issue preferences that were found in Robinson and Friedman's (1995) study could be generalised to negotiations between union and employer negotiators in New Zealand and Sweden. We hypothesised that union and employer negotiators would often make inaccurate judgements about the level of importance the other party places on different issues presented in a hypothetical scenario.

New Zealand and Swedish negotiators

The different social climate between union and employer negotiators in New Zealand and in Sweden might affect negotiators' ability to estimate the other party's within-issue preferences. It appears that Swedish union and employer negotiators are more likely to have a cooperative relationship which facilitates mutual trust and information sharing (Sidorenko & Sklyarenko, 1999; Stjernholm, 1995), while the relationship between New Zealand union and employer negotiators is more competitive and adversarial (Deeks & Rasmussen, 2002).

Before 1938, the employment relations climate in Sweden was traditionally conflict-oriented with many strikes and a high level of mistrust. In that year, an agreement called the "Saltsjöbadsavtalet" was signed between the Swedish Confederation of Trade Unions (LO) and the Swedish Employers' Federation (SAF). This agreement started what is today internationally recognised as the 'Swedish model'. This framework agreement established a system where negotiations were made on a central level between the LO

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and the SAF who negotiated on behalf of their member organisations. The framework agreements were then modified to suit different industries and organisations at regional and local levels. There was a kind of power balance between the two parties and there was little government involvement. The key to the Swedish model was that it encouraged union and employer interactions to be collaborative and adversarial behaviours, such as strikes and lockouts, were not approved. For this reason, the conflict-orientated climate changed to a relationship with greater solidarity and trust. There were many reasons for the two parties to collaborate. By working together they could keep inflation down, ensure full employment and remain competitive on the international export market. In addition, strikes and lockouts were very costly for both parties (Lundh, 2002; Stjernholm, 1995). In recent years, there has been a trend towards decentralisation and greater independence of individual unions due to technological and economical changes, and movement to an economy based on the service industry and multinational companies (Abrahamsson, 1996; Kuruvilla, 1993; Lundh, 2002). Lundh (2002) argues that the relationship between unions and employers has become more competitive today. However, Swedish unions are still relatively powerful and union membership rate is among the highest in the world (Kjellberg, 2001; Sidorenko & Sklyarenko, 1999). Swedish unions and employees also have a strong influence on decisions made by employers. For example, unions have access to virtually all company documents; local unions may appoint representatives to the board of directors of most companies with more than 25 employees; and unions are represented in many advisory bodies within companies (Sidorenko & Sklyarenko, 1999). In summary, Sweden has a long history of cooperative union-employer relationship, which appears to have contributed to greater mutual trust and solidarity between the two parties (Swedish Institute, 2001).

In contrast, Deeks et al. (1994) characterise the employment relations climate in New Zealand as predominately conflict-based. Despite efforts by the New Zealand government to promote collaboration and mutual trust, there has never been a well established model of cooperation as in Sweden and there is little union involvement in organisational decision making. The *Industrial Conciliation and Arbitration Act* was established in 1894 to reconcile and regulate the competing interests of employers and unions. Industrial disputes were settled by conciliation and arbitration to avoid strikes and lockouts. Wage negotiations were undertaken on a national level between unions and employer federations, and the unions were very powerful because they received certain privileges in return for some restrictions and scrutiny of their activities by the government. In addition, union membership was compulsory for employees between 1936 and 1962. As a consequence of this structure, the relationship between unions and employers was competitive and the two parties often mistrusted one another (Rudman, 1994; Scollay & St John, 1996). This did not change when the *Employment Contracts Act* was introduced in 1991. This Act emphasised efficiency in the labour market to ensure productivity and stability between the two parties (Deeks & Rasmussen, 2002; Scollay & St John, 1996). Negotiations were decentralised and employers and employees could bargain directly with each other without the necessity of union involvement. The

government's involvement in the wage negotiation was removed and the power of unions weakened (Deeks et al., 1994; Rudman, 1994; Scollay & St John, 1996). The Act aimed to settle disputes through peaceful negotiation or mediation, but disputes were often settled through adjudication and Court hearings, which may have adversely affected relationships between employees and employers (Deeks et al., 1994).

The *Employment Relations Act of 2000* was another attempt to build a relationship of mutual trust and cooperation between employees and employers (Deeks & Rasmussen, 2002). Under this Act, the unions have regained some power and collective bargaining is encouraged. Mediation is the preferred option and, as a rule, 'employment relationship problems' should be dealt with in compulsory mediation before matters may be referred to the Employment Relations Authority and the Employment Court. In addition, negotiation between the two parties must be in 'good faith'. That is, the parties may not mislead or deceive each other and all relevant information must be supplied on request (Rudman, 2003). In summary, the new legislation aims to change the traditionally adverse relationship between employers and unions to a relationship of cooperation and trust. It is yet to be seen whether this objective will be achieved as it takes time to change peoples' attitudes and perceptions (e.g., Smith & Mackie, 2000).

There are two key areas of difference between the New Zealand and the Swedish employment relations systems which might influence union and employer negotiators' ability to assess the other party's within-issue preferences. Firstly, it appears that Swedish unions interact more with employers and have a stronger influence on the decisions made by employers than New Zealand unions. Research indicates that the greater the frequency of contact between opposing groups, and the more institutionalised their relationship, the more accurate are their perceptions of each other (Levine & Cambell, 1972). Secondly, Swedish union and employer negotiators may trust each other more than their New Zealand counterparts. Unsurprisingly, research shows that trust is more prevalent in cooperative relationships than in competitive relationships (Beersma & De Dreu, 1999; Walton & McKersie, 1965). Thus, we hypothesised that Swedish negotiators would be better at discerning the within-issue preferences of the other party, and that there would be more trust between union and employer negotiators in Sweden than in New Zealand.

Method

Participants and Procedure

A total of 136 New Zealand and Swedish employment relations negotiators, who negotiate employment relations issues on behalf of employers or union members, completed questionnaires. There were *four different groups of participants*: New Zealand union negotiators, New Zealand employer negotiators, Swedish union negotiators and Swedish employer negotiators.

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New Zealand union sample: New Zealand union negotiators were recruited through the Council of Trade Unions in Christchurch. Fifty-six questionnaires were sent out to union organisers and union delegates and 32 were completed and sent back, giving a 57% response rate. Of the 32 union negotiators (28 organisers and 4 delegates) who participated, 17 were male, and they represented 14 different unions. The average age was in the 41-50 year age range. The amount of time the union negotiators had been negotiating employment relations issues on behalf of union members ranged from two months to 26 years and two months, with an average of 12.5 years.

New Zealand employer sample: Human resource management professionals and managers/supervisors who negotiate employment relations issues on behalf of employers in various industries were recruited from The Human Resource Institute of New Zealand. Thirty-seven questionnaires were posted, and 32 returned (22 from human resource professionals and 10 from managers/supervisors) to give a response rate of 87%. The participants' average age was in the 41-50 year age bracket, and 19 of them were male. Participants had negotiated employment relations issues on behalf of employers for between one and 26 years, with an average of 9.2 years.

Swedish union sample: Swedish union negotiators were identified on trade union internet sites and contacted via e-mail. Forty-nine questionnaires were sent out, and 37 were returned, for a response rate of 76%. The 37 local, regional and central level union negotiators (28 organisers, 7 delegates and 2 not responding) were from 16 different trade unions; 23 were male; and the average age was in the 41-50 year range. The average time the union negotiators had been negotiating employment relations issues on behalf of union members was 13.2 years, but ranged from one year to 26 years.

Swedish employer sample: Employers' association negotiators, human resource management professionals and managers/supervisors who negotiate on behalf of employers were identified from internet sites and through professional contacts. Thirty-eight questionnaires were posted to those who responded positively to an email, and 35 of these were returned for a response rate of 92%. As a result, 35 local, regional and central level employer negotiators took part in this study (21 employers' association negotiators, 11 human resource professionals, 1 manager/supervisor and 2 not responding); 20 were male; and the average age was in the 41-50 year range. They had been negotiating employment relations issues on behalf of employers between two and 31.2 years, with an average of 13.5 years.

Questionnaire

New Zealand employer negotiators read the following scenario:

"You are a manager at a State Owned Enterprise called IT Direct. At present, you are representing IT Direct in negotiations with the union representing the organisation's computer programmers. The aim of these negotiations is to renew the programmers'

collective employment agreement and to allocate a pool of money to their remuneration package. The issues discussed in your negotiations include wages, benefits and work hours.

1. Wage increase: The programmers have not had a wage increase in two years and in the light of this the union is claiming a minimum of a 5% wage increase to cover rises in the cost of living due to inflation. IT Direct's position is that a 5% increase is excessive considering the organisation's low profits in the last year.
2. Benefits: A flexible benefit scheme has also been tabled, which would allow the programmers to choose between a medical insurance scheme, superannuation saving scheme or a student loan repayment scheme. The union and IT Direct must agree upon the monetary values for these flexible benefits.
3. Hours of work: Flexi-time has been suggested to give the programmers an opportunity to balance their home and work life in a more effective manner. IT Direct recognizes how flexi-time would benefit the programmers, but they are concerned about the actual logistics and the reduced control they will have over their employees."

Respondents were asked to "provide their initial reactions" to questions about the scenario. Each reaction was given on a seven-point rating scale ranging from 1 (not important at all) to 7 (very important). Twelve (6 X 2) separate questions asked them to rate the importance of the wage increase, the flexibility of the benefit scheme, the value of the flexible benefits, control of programmers' work hours, IT Direct's level of profit, and the programmers' level of job satisfaction to both the union and to IT Direct.

The questionnaire also contained two other scenarios (not reported here), and requested demographic information (age, sex, etc.). The final question asked the respondent to rate his or her trust in negotiators representing the other party on a scale from 1 (no trust at all) to 7 (fully trust).

Questionnaires presented to New Zealand union negotiators were identical, except that the first two sentences of the scenario directed them to take the perspective of a union negotiator representing the programmers. Swedish questionnaires were identical in content to New Zealand questionnaires. (English questionnaires were constructed first and translated into Swedish by the first author, similarity of meaning was checked by having another person proficient in both English and Swedish translate the Swedish version back into English.)

Results

Descriptive statistics and t-tests were conducted on the importance ratings the participants assigned to the 6 questions, assessing how important the participants perceived the issues to be for each party.

TABLE 1: Means (standard deviations) and t-values for the New Zealand union and employer negotiators' actual and estimated importance ratings of the six different employment relations negotiation issues.

| How important is this issue to the New Zealand union negotiators? | | | |
|---|---|--|-------------------------------|
| | What union negotiators actually reported (N=32) | What employer negotiators estimated (N=32) | Comparison of means (t-value) |
| Wage increase | 6.00 (1.91) | 6.22 (.79) | -.87 |
| Flexible Benefit | 5.19 (1.55) | 4.38 (1.34) | 2.24* |
| Value of benefit | 5.22 (1.29) | 4.78 (1.45) | 1.27 |
| Control of work hours | 5.69 (1.69) | 3.84 (1.59) | 4.46** |
| Level of profit | 4.88 (1.34) | 4.47 (1.16) | 1.30 |
| Level of job satisfaction | 6.28 (.85) | 4.67 (1.15) | 5.19** |
| How important is this issue to the New Zealand employer negotiators? | | | |
| | What employer negotiators actually reported | What union negotiators estimated | Comparison of means (t-value) |
| Wage increase | 5.03 (1.33) | 4.28 (2.02) | 1.75 |
| Flexible benefit | 4.53 (1.27) | 3.91 (1.61) | 1.72 |
| Value of benefit | 5.09 (1.25) | 4.47 (1.57) | 1.76 |
| Control of work hours | 5.59 (1.01) | 6.41 (.80) | -3.57** |
| Level of Profit | 6.47 (.62) | 6.78 (.49) | -2.23* |
| Level of job satisfaction | 5.66 (.75) | 4.94 (1.29) | 2.72** |

Note. Results of t-test: *p<.05, **p<.01

TABLE 2: Means (standard deviations) and t-values for the Swedish union and employer negotiators' actual and estimated importance ratings of the six different employment relations negotiation issues.

| How important is this issue to the Swedish union negotiators? | | | |
|---|--|---|-------------------------------|
| | What union negotiators actually reported (N=37) | What employer negotiators estimated (N=35) | Comparison of means (t-value) |
| Wage increase | 6.56 (.65) | 6.40 (.60) | .40 |
| Flexible benefit | 3.41 (1.79) | 3.74 (1.70) | -.82 |
| Value of benefit | 4.00 (1.78) | 4.71 (1.62) | -1.78 |
| Control of work hours | 4.19 (1.94) | 3.66 (1.59) | 1.27 |
| Level of Profit | 5.43 (1.07) | 5.11 (1.26) | 1.16 |
| Level of job satisfaction | 6.43 (.73) | 5.86 (.81) | 3.17** |
| How important is this issue to the Swedish employer negotiators? | | | |
| | What employer negotiators actually reported | What union negotiators estimated | Comparison of means (t-value) |
| Wage increase | 4.59 (1.74) | 4.57 (1.71) | .05 |
| Flexible benefit | 5.17 (1.30) | 5.46 (1.63) | -.83 |
| Value of benefit | 5.68 (1.17) | 5.24 (1.50) | 1.35 |
| Control of work hours | 4.37 (1.61) | 5.62 (1.55) | -3.36** |
| Level of Profit | 6.94 (.24) | 6.84 (.37) | 1.42 |
| Level of job satisfaction | 6.31 (.72) | 5.19 (1.13) | 5.02** |

Note. Results of t-test: *p<.05, **p<.01

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The results of Table 1 show that employer negotiators in New Zealand underestimated the importance the union negotiators placed on the flexible benefit scheme, the control of employees' work hours and the level of job satisfaction. However, the New Zealand employer negotiators were accurate in their estimations of the union negotiators' preferences regarding the importance of the wage increase, the value of the benefit scheme and the level of profit. The New Zealand union negotiators overestimated the employer negotiators' concern for the control of work hours and the level of profit, and underestimated the importance employers placed on employees' job satisfaction.

Similar statistics for the Swedish union and employer negotiators' actual and estimated importance ratings of the different issues are presented in Table 2. The Swedish employer negotiators were quite accurate in their estimations of the union negotiators' preferences for five of the six issues, but underestimated the importance union negotiators placed on the job satisfaction issue. The union negotiators overestimated the importance employers placed on the control of work hours and underestimated the importance the employers placed on the job satisfaction issue. Yet, the union negotiators correctly estimated the importance employers placed on the wage increase, the flexible benefit, the value of the benefit and level of profit issues.

These results suggest that the Swedish negotiators were more accurate than the New Zealand negotiators in their estimations of the importance the other party placed on the issues. To compare whether Swedish union negotiators were in fact more accurate than their New Zealand counterparts in judging the employers' importance ratings, difference scores between the union negotiators' estimated employer importance ratings and the employer negotiators' actual importance rating means were computed and compared between the New Zealand and Swedish union samples. Table 3 presents these difference score means, standard deviation and t-values for the six issues. The closer the difference score means are to zero, the more accurate were the union negotiators' estimations of the importance the employers placed on the issues. The difference score means for the Swedish union negotiators were significantly smaller than the difference score means for the New Zealand union negotiators for the flexible benefit, value of benefit and level of profit issues. There were no significant differences between the difference score means for the two union samples for the wage increase, control of employees' work hours and level of job satisfaction issues. Thus, the Swedish union negotiators were more accurate than the New Zealand union negotiators in their judgments about employer negotiator priorities for three of the six issues.

TABLE 3: Means (standard deviations) and t-values for the difference scores between the New Zealand and the Swedish union negotiators' estimated employer negotiator importance ratings and employer negotiators' actual mean importance ratings.

| | New Zealand union negotiators (N=32) | Swedish union negotiators (N=37) | Comparison of means (t-value) |
|------------------------------|--|--|----------------------------------|
| Wage increase | -.75 (2.02) | -.02 (1.71) | -1.62 |
| Flexible benefit | -.62 (1.61) | .29(1.63) | -2.34* |
| Value of benefit | 1.32 (.80) | -.44 (1.50) | 5.93** |
| Control of work hours | .82 (.80) | 1.25 (1.55) | -1.43 |
| Level of Profit | .31 (.49) | -.10 (.37) | 3.97** |
| Level of job satisfaction | -.72 (1.29) | -1.12 (1.13) | 1.37 |

Note. Results of t-test: *p<.05, **p<.01

TABLE 4: Means (standard deviations) and t-values for the difference scores between the New Zealand and the Swedish employer negotiators' estimated union negotiator importance ratings and union negotiators' actual mean importance ratings.

| | New Zealand employer negotiators (N=32) | Swedish employer negotiators (N=35) | Comparison of means (t-value) |
|------------------------------|--|--|----------------------------------|
| Wage increase | .22 (.79) | -.16 (.60) | 2.21* |
| Flexible benefit | -.82 (1.34) | .33 (1.70) | -3.05** |
| Value of benefit | -.44 (1.45) | .71 (1.62) | -3.06** |
| Control of work hours | -1.85 (1.59) | -.53 (1.59) | -3.36** |
| Level of Profit | -.41 (1.16) | -.32 (1.26) | -.32 |
| Level of job satisfaction | -1.31 (1.15) | -.57 (.81) | -3.06** |

Note. Results of t-test: *p<.05, **p<.01

Similarly, to establish whether the Swedish employer negotiators were more accurate than their New Zealand counterparts in judging union negotiators' priorities, difference scores between the employer negotiators' estimated union negotiators' importance ratings and the union negotiators' actual importance rating means, were compared between the New Zealand and the Swedish employer samples. Table 4 displays the difference score means, standard deviation and t-values for the six issues. The difference score means for the Swedish employer negotiators were significantly smaller than the difference score means for the New Zealand employer negotiators for the wage increase, flexible benefit, control of employees' work hours and level of job satisfaction issues. In contrast, the difference score mean was significantly smaller for the New Zealand employer negotiators than the Swedish employer negotiators for the value of the benefit issue. There was no significant difference between the Swedish and New Zealand employers' different score means for the level of profit issue. Thus, the Swedish employer negotiators were more accurate than the New Zealand employer negotiators in judging union negotiators' priorities for four of the six issues. However, the New Zealand employer negotiators were more accurate about the union negotiators' importance ratings than the Swedish employer negotiators for one issue.

A t-test was calculated to establish whether the New Zealand and Swedish negotiators differed in their level of trust for the other party. The mean for the Swedish negotiators ($M=5.31$, $SD=.96$) was significantly higher than the mean for the New Zealand negotiators ($M=4.16$, $SD=1.43$, $t(134)=5.56$, $p<.01$). Swedish union and employer negotiators trust each other to a greater extent than New Zealand union and employer negotiators. There were no significant differences in the level of trust between the Swedish union ($M=5.24$, $SD=1.09$) and the employer negotiators ($M=5.37$, $SD=.81$, $t(70)=-.56$, ns) or between the New Zealand union ($M=4.03$, $SD=1.56$) and employer negotiators ($M=4.28$, $SD=1.31$, $t(62)=-.70$, ns).

Discussion

It was hypothesised that union and employer negotiators in both Sweden and New Zealand would make inaccurate estimates about the level of importance the other party places on different employment agreement issues. This hypothesis was supported by the results. New Zealand and Swedish employer negotiators both underestimated the importance the union negotiators placed on employees' level of job satisfaction. The New Zealand employer negotiators also underestimated the importance of the flexible benefit and the control of work hours issues. Union negotiators from both Sweden and New Zealand underestimated the importance the employer negotiators placed on the employees' level of job satisfaction and overestimated their concern for control of employees' work hours. The New Zealand union negotiators were alone in overestimating the importance of the issue of profit. Both countries' union negotiators were accurate in their estimations of the wage increase, flexible benefit and value of benefit issues.

A detailed comparison is possible between these results and those from Robinson and Freidman's (1995) study. The union negotiators in the earlier study made inaccurate estimations for all five employer issues they considered, while the employer negotiators were incorrect in three of the four union issues they estimated. In the present study, the New Zealand union and employer negotiators made inaccurate estimations for three of the six issues, the Swedish union negotiators were inaccurate in their estimations for two issues, and the Swedish employer negotiators made inaccurate judgements for only one of the six issues. Overall, then, the negotiators in the present study were more accurate than the negotiators in Robinson and Friedman's study, a difference which might reflect either the American setting of Robinson and Friedman's study or that this study was conducted during an actual dispute.

As hypothesised from our consideration of the differing histories of New Zealand and Swedish employment relations, Swedish negotiators were more accurate than the New Zealand negotiators in their estimations of the importance the other party attached to different aspects of the negotiation. We also found more trust between Swedish union and employer negotiators than between New Zealand union and employer negotiators. Overall, our negotiators were often inaccurate as to the importance the other party placed on different employment agreement issues. The comparison of Swedish and New Zealand negotiators suggests that greater understanding of the other party's within-issue preferences is possible in a less conflict-oriented employment relations environment where there are more opportunities for interaction and collaboration between the two parties. Awareness of the other party's within-issue preferences is important to establish whether they have overlapping settlement ranges that can make optimal agreements possible (Pinkley et al., 1995).

Conclusion

Our study shows that New Zealand and Swedish employer and union negotiators tend to make inaccurate judgements about the other party's within-issue preferences in regard to different issues negotiated in a collective employment agreement negotiation. Our research also indicates that Swedish negotiators appear to be better at discerning the within-issue preferences of the other party and to trust each other to a greater extent than New Zealand negotiators. The different employment relations climate and history in the two countries may have caused this divergence in the accuracy of preference judgements and trust.

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Casualisation Friend or Foe?

A Case Study Investigation of two Australian Hospitals

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Abstract

This paper seeks to address the limited systematic research concerning the explanations and consequences of the growing casualisation of nursing in Australia. It draws on a case study of two Victorian metropolitan hospitals, a private and public facility. This paper also seeks to improve our understanding of why nurses prefer casual working arrangements. This paper explores the effects of casualisation on permanent and casual nurses, and the workplace. This is achieved through both qualitative and quantitative research methods, exploring attitudes and perceptions of permanent nurses, casual nurses and nurse managers concerning casualisation and its impact on their workloads, occupational stress, work performance and the provision of quality of care. The main findings in this study were that a number of nurses are electing to work casually out of choice rather than necessity. Moreover, hospital managers have to use casual nurse labour as a consequence of an inadequate permanent workforce as opposed to the historical technique of controlling labour supply. It was found that all three groups of informants considered that permanent nurses provided the highest rate of work performance and quality of care. Finally, implications are drawn for government and hospital management.

Introduction

The last decade has witnessed tremendous growth in the casualisation of employment throughout the western world (Kalleberg, 2000; Campbell, 2000). In keeping with this trend, Australia now has one of the highest rates of casualisation of employment and that rate is increasing (Campbell & Burgess, 2001). Management literature suggests that casualisation has traditionally been seen as an employer strategy to increase 'flexibility' of the workforce by maximising the operating ability of a business, while minimising its operating cost (Davis-Blake, Broschak & George, 2003; Kalleberg, Reskin & Hudson

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2000; Schroeder & Worrall-Carter, 2002; Fitzgerald, 2002; Allan, 1998). Many scholars argue that this strategy means that as well as having less job security, casual workers are more vulnerable than permanent workers to unfair dismissal, discrimination or harassment and generally have lower wages and conditions (Pocock, 1998; Nightingale, 1995). Thus, casualisation of the workforce is seen to be financially beneficial for employers but detrimental for employees.

However, in this paper we argue that in some sectors the situation is more complex and we explore this contention in the nursing profession. The nursing literature both from Australia and overseas, suggests that “casualisation” of the workforce is increasing across all areas of professional nursing practice (Buchan, 1995: 22-23; Dickson, 1993: 12-14; Miles, 1997; Morgan, 1996: 175). While there is some debate in Australia as to the extent of casualisation in nursing profession (Davies, 2000; Victorian Department Human Services, 1999), there is growing evidence to suggest that a significant cohort of nurses are working in casual rather than permanent working arrangements. At the same time, there has been considerable attention towards a labour force ‘crisis’ as demand for nurses far exceeds supply nationally and internationally (Buchan, 1995). It has become clear that it is not just difficult to recruit nurses but also to keep them, as there is evidence that nurses are leaving the profession in high numbers (Fitzgerald, 2002; Victorian Government Department Human Services, 2001). In Victoria, difficulties of nurse recruitment and retention have been identified by the State government. The *Nurse Recruitment and Retention Committee Final Report* concluded that nursing is increasingly becoming a physically and mentally exhausting occupation and that nurses are no longer prepared to work under the resultant stress (Victorian Government Department Human Services, 2001). Strategies adopted to ameliorate the situation have involved improved pay and conditions, including the adoption of nurse-patient ratios and sophisticated recruitment campaigns (Creegan et al., 2003; Fitzgerald, 2002; Buchanon, Bretheron, Bearfield & Jackson 2004).

Creegan et al. (2003) argue, however, that little is known about the reasons behind nurses exercising their preference for casual working arrangements. They suggest that “... more detailed knowledge of the forces driving the decisions of this group is essential if health care organisations are to equip themselves to manage this changing workforce and maintain a standard of patient care that is acceptable to the community” (p201). In addition, little known about the effect of increased casualisation on permanent nurses in the same workplace and their views concerning the outcomes of casualisation. However, De Ruyter (2002) found that employers were concerned that the employment of casual nurses could lead to tensions on the ward if they were not able to demonstrate the same knowledge of unit procedures as the permanent staff.

This paper seeks to address the limited, systematic research concerning the explanations for the growing preference for the casualisation of nurses and investigates perceived outcomes of casualisation. It draws on a case study of two Victorian metropolitan

hospitals, a private and public facility. In particular, the paper seeks to improve our understanding of why nurses prefer casual working arrangements. It also investigates the effects of casualisation on permanent nurses, casual nurses and the workplace. This is achieved through both qualitative and quantitative research methods, exploring attitudes and perceptions of permanent nurses, casual nurses and nurse managers concerning casualisation and its impact on their workloads, occupational stress, work performance and the provision of quality of care. These areas of investigation are important in aiding health policy makers and health services to improve the attraction and retention of permanent nurses and fulfil their responsibilities to employees, patients and the wider community. According to Creegan et al. (2003), in nursing, where demand exceeds supply, any strategy that focuses solely on the individual is likely to increase the imbalance between casual and permanent employees, particularly in environments characterised by increasing workloads, loss of capacity to apply nursing models of care, loss of status and the problem of a power differential between medical and nursing staff in the control of workflow.

The article commences with a review of the literature on casualisation and in particular, casualisation in the health sector and nursing. The methodology and research design of the study reported in this article are also presented. The results of the study are discussed in two phases. The qualitative results presented are based on views of managers and perceptions and experiences of permanent bank and agency nurses with casualisation as well as the rationale and outcomes of casualisation in the health sector. The quantitative results presented represent 80 permanent nurses' perceptions of performance, workload, occupational stress, and quality of patient care associated with various types of nurses. Finally, implications are drawn for health policy makers and hospital managers in terms of how casualisation might be better managed.

Casualisation of Employment

The nature of casual employment has changed significantly and represents one of the most dramatic changes in the structure of employment in Australia and abroad since the 1970's (Allan, 2000). According to Campbell (2000), casual employment in Australia has more than doubled as a percentage of the paid workforce since 1982, having risen from 13 per cent of the workforce to over 26 per cent in 1999. Of the 1.5 million jobs created in the decade to 1998, more than two-thirds were offered on a casual basis (Campbell, 2000). Despite of the conjecture and debate in the literature concerning the definitional accuracy of the term 'casual' (Campbell & Burgess, 2001; Kalleberg et al., 2000), the Australian Bureau of Statistics (ABS) estimates that 27.3 per cent or around 2.1 million workers are employed on a casual basis (cited in Campbell & Burgess, 2001).

There is considerable diversity and ambiguity among casual working arrangements. While casual employment is generally associated with short-term engagement and benefit exclusion, it can also be associated with so-called "long-term casu-als" (Creighton

& Stewart, 2000), or independent contractors or people employed through a hire agency (Campbell & Burgess, 2001). In addition, casual employment occurs when employees are not entitled to paid holiday leave or sick leave, whereas employees with permanent employment are entitled to both benefits (Campbell & Burgess, 2001:86). In the occupation of nursing, there are generally two modes of casual employment, bank nurses and agency nurses, which will be discussed in more detail below.

Conventional management scholars argue that management employment strategies have been identified as a major causal factor in the expansion of casual employment (Davis-Blake; Broschak & George, 2003; Leighton & Painter, 2001; Kalleberg, 2000; Kalleberg, Reskin & Hudson, 2000). Global economic changes have increased competition and uncertainty amongst organisations and placed greater pressure on them to pursue more flexible working arrangements with their employees in order to maintain competitiveness and responsiveness to consumers (Burgess, 1997). Casual employment enables managers to more easily match working time to business activity. The utilisation of casual labour thus produces direct savings in expenditure as labour is paid only when required (Allan, 2000). Moreover, according to Burgess (1997), some firms have reduced their employment costs through “shamrock” or “flexible firm”, organisational design. These organisations are composed of a functional, flexible core of permanent, full-time workers, “buffered” by a group of numerically, flexible peripheral workers. The adoption of casual work has also been facilitated by technological improvements in communication and information systems that have made it easier for organisations to specialise their production, and assemble temporary workers quickly for projects. Leighton and Painter (2001) further argue that senior management in many organisations put pressure on HRM departments to be lean and efficient and reduce the “head counts” of core staff. It has been argued that a reduced core of permanent, full-time employees, supplemented by the almost hidden casuals, can increase efficiency (Cascio, 1992). Employers may experience greater productivity as employees working part-time experience less fatigue and exert greater effort during their engagement (Allan, 2000). Moreover, the absenteeism rate for casual workers is often lower than their permanent counterparts (Lee & Hoon, 1993).

Despite the benefits of employers pursuing casual labour as a cost reduction strategy, there are difficulties (Allan 2000). Employing workers on a part-time or casual basis may increase administrative costs, such as record maintenance, payroll calculation, supervision, training and recruitment. These costs can be further exacerbated by higher turnover rates of casual employees (Lee & Hoon, 1993). Lee and Hoon (1993) also found that casual workers have less time commitment and arguably less psychological commitment to the organisation which in turn can lead to difficulties in terms of commitment, motivation and turnover. Davis-Blake, et al. (2003) found that “workforce blending”, (i.e., extensive use of casual labour) worsened relations between managers and permanent employees, decreased permanent employees’ loyalty, and increased their interest both in leaving their organisations and in exercising a voice through unionisation. Reasons

for worsened workplace relations included: managers delegated the training and supervision of casual workers to permanent co-workers; managers devoted substantial attention to managing conflicts between casual and permanent workers; and increased responsibilities and reduced job security and opportunities for permanent workers.

Cappelli et al. (1997) argues that labour laws designed to protect permanent employees have also fuelled the growth in casual work by encouraging employers to avoid mandates and costs associated with these laws. Economic labour market models have advocated that labour markets need to reduce protective and interventionist labour laws in order to remain flexible, competitive and adaptive (Leighton & Painter, 2001). Therefore, many academic commentators have associated casual employment arrangements with “bad” jobs and lower wages, conditions and benefits relative to full-time jobs. Kalleberg, et al. (2000: 257) suggest that to the “extent that casual jobs pay poorly, lack health insurance and pension benefits, are of uncertain duration, and lack the protections that unions and labour laws afford, they are problematic for workers”. Many casual employees fall outside the range of entitlements associated with permanent, full-time employment. These include protection from unfair dismissal, holiday, long-service and sickness benefits. Research indicates that casual employment tends to be clustered into the lower paying and the lower skilled jobs. In keeping with their marginal workforce status, casual employees are often excluded from training programs, do not receive wages increments and do not have an established career path (Burgess, 1997; Romeyn, 1992). Lewis (1990) also purports that casual employees on average earn less per hour than full-time employees. Moreover, Kalleberg, et al. (2000) found that casual employment strongly increased workers’ exposure to ‘bad’ job characteristics, such as job insecurity, low pay, lack of pension plans and health insurance and lower propensity to belong to a union.

A number of academic commentators have also argued that females make up a disproportionate group of casual workers (Kalleberg 2000; Davis-Blake & Uzzi, 1993; Burgess, 1997). Pfeffer and Baron (1988) argue that demographic changes in the composition of the labour force, such as the rise in the number of married women workers and older workers in the workforce, have facilitated an increase in the casualisation as these workers often prefer the flexibility available through casual work arrangements. According to ABS data, over 40% of married and over 40% of all females are part-time workers, whereas, only 10% of males are part-time workers (cited in Burgess, 1997). Kalleberg, et al. (2000:261) argues that gender difference “almost certainly stem from occupational differences”. In fact, according to Kalleberg, et al. (2000) women average more “bad” job characteristics than men in five of the seven casual work arrangements, and that the gender difference is substantially greater in casual work than in regular full-time jobs.

Casualisation in the health sector

In the health sector there is evidence that casual nurses have often been employed by hospitals as a means to gain greater labour market flexibility (Allan, 1998; Buchan, 1995). A number of studies indicate that there is also an increased reliance on casual nurses because of a sufficient number permanent nurses cannot be found due to a growing shortage of registered nurses both in Australia and overseas (Davies, 2000a; Taylor, 1999; Miles, 1997: 20; Naish, 1995: 3; Tully, 1992: 69-73; White, 1990: 219-229; Ginzberg, 1990: 204). Consequently, it is likely that many nurses are able to accept casual, temporary employment on their terms (Morgan, 1996: 176). A casual nurse may decide to work for an agency, in which the agency is responsible for contracting the nurse to an assigned hospital and for paying the nurse for the assigned hours. Alternatively, a nurse may decide to be employed directly by a hospital but to work casually. Such nurses are referred to as 'bank' nurses whereby the hospital is responsible for contracting the nurse to an assigned ward within that hospital and for paying the nurse for the hours completed.

During the 1990s, government policy in Victoria led many hospitals to outsource their nurse banks thus leading to an increase in nursing agencies. The Australian Nursing Federation (ANF) opposed this trend and indeed still opposes the increase in casualisation more generally. The ANF (1994) policy on casual employment states that it should only be "used for genuinely transitional situations". although the growth of casual work is unsupported by the ANF, which sees it as undermining permanent staff, creating a lack of job security and limiting career options for nurses (ANF, 1994). However, many nursing agencies advertise the lucrative benefits of working casually. For example, advertisements in newspapers by nursing agencies regularly advertise high rates of pay; which is in marked contrast to the lower rates of pay for part-time and casual work in many other industries.

Hancock (1990) also argues that nursing continues to have a 'male' work model. Unbroken full-time service is a prerequisite for career development and many argue that hospital management have been slow to adopt policies which enable women to combine a career with family responsibilities (Truman, 1987: 44-45). This rigid model of employment may help explain why casual work has become more desirable for many nurses. The Queensland Nurses Union argues that there are a number of reasons for nurses choosing to work casually:

- lack of family-friendly employment practices and inflexibility in rostering for permanent, full-time employees;
- pressure on permanent employees to be part of the 'bureaucracy' and contribute to decision-making and administrative functions, (e.g., casuals employees can go into the workplace, complete their nursing duties and leave, whereas permanent, full-time employees are pressured to perform other non-clinical duties); and

- the degree of “work intensification” which has escalated significantly in nursing, with many nurses claiming they would like to work full-time but are unwilling to subject themselves to the stresses of the workplace on a full time basis (Queensland Nurses’ Union, undated).

The nursing literature also identifies negative effects of utilising casual nurse employees in the hospital organisation. It is argued that in order to deliver high quality care, nurses must be able to perform effectively and be competent in the application of theory and skill in the clinical setting (Hogston, 1995: 117). Benner (1984: 2) argues that “any nurse, entering a clinical setting where she or he has no experience with the patient population, might be limited to the novice level of performance if the goals and tools of patient care are unfamiliar”. A Canadian study indicated that a high usage of agency nurses had implications for quality of care (Costello & Tsushima, 1996: 63-64). Hodgson (1995:49) also argues that casualisation of the workforce will create many difficulties in the nursing profession and nurses will be in no position to safely argue aspects and standards of patient care. Likewise, Miles (1997:20) suggests that casualisation is having a profound impact on professional nursing practice and that it has trivialised standards in the name of rationalisation.

In terms of the effects of casualisation within nursing, the literature focuses upon the effects on the organisation and not on the effects to casual workers themselves. Buchan (1995: 24) states that some casual nurses may consider the ‘flexibility’ that a hospital is trying to achieve with the use of casual labour as “casualisation of their employment conditions and career prospects.” However, as previously stated some claim that there are lucrative benefits of working casually (Morgan, 1996: 176) and some believe, contentiously, that this situation is a result of a current shortage of nurses, which has thereby created a ‘sellers’ market (Ginzberg, 1990; Morison, 2000). In the literature, however there appears to be no direct study concerning whether casual nurses are indeed ‘reaping’ the rewards of abundant work availability.

In Victoria, Considine and Buchanan (1999) argue that industrial reform coupled with budgetary cuts and other policies in the 1990s led to work intensification amongst nurses in public hospitals. This situation was often compounded by nurses choosing to leave permanent, full-time positions due to increased stress and greater responsibilities without increased remuneration.

There is abundant evidence that the retention of nursing staff is influenced by many tangible and intangible factors (Neathawk et al., 1988). It is suggested that by increasing job satisfaction, nursing turnover can be curbed (Klemm & Schreiber, 1992). This has obvious implications for casualisation within nursing as it could be argued that if sufficient nurses were to be recruited or retained on a permanent basis then the requirement for casual employees could be reduced. Indeed, a Victorian Committee of Inquiry was established in 2000 to examine the nursing shortage and as a consequence the Health

Minister John Thwaites reinstated the Nursing Advisory Unit within the Department of Human Services (Davies, 2000a). The Victorian Government also earmarked up to \$7 million in the financial year of 2000 to be spent on refresher and retraining courses to recruit and retain permanent nurses (Davies, 2000b). Throughout 2000, the Government and individual hospitals organised recruitment drives in an “effort to entice some of the state’s registered, but not practicing nurses - estimated to be about 20,000 - back onto the wards” (Davies, 2000c). The Government also established limits on the amount of money that could be used for agency nurses and the 2000 Nurses’ Award introduced a nurse-patient ratio of one nurse to four patients (Buchanon et al. 2004). Therefore, is the increase of casualisation within the nursing context due to the employers’ preference or the employees’ choice?

The Study

Our research, which was conducted in 1999-2000, took a case study approach in order to obtain in-depth information about the situation of casualisation within the nursing profession. It was conducted within two acute hospitals in Metropolitan Melbourne, one private hospital and one public hospital. Two hospitals were chosen so that there was an opportunity for different issues of casualisation to emerge. For this reason, the hospitals chosen were in different locations. The public sector hospital was located in the inner city and the private sector hospital in the suburbs. The hospitals varied in size, the public hospital having approximately 300 beds and the private hospital having approximately 120 beds. It was a common belief that both hospitals, as in every hospital in the state, were facing problems in recruiting and retaining nurses.

The first stage of the study was a literature review, which explored ‘casualisation’ of the Australian workforce, with a focus on nursing. As the literature review progressed, it became apparent that the issues pertaining to casualisation could be placed into two main structural themes - individual influences and organisational influences. Hence, both categories were considered in the formation of the research questions which were aimed at several major areas. First, to determine the actual usage of casual nurses and whether the trend was increasing or decreasing. Second, to examine the reasons for hospitals utilising casual nurse employees and whether this was linked to a shortage of nurses and also to examine the reasons for an employee working casually. Third, to examine the question “what are the effects of casualisation on the workplace?” This question was considered to be essential to the study in order to compare previous study findings. The final research question to be explored was “what had been done or what should be done about casualisation?” These questions have been formulated and guided by the nursing literature. It is important to examine these questions in order to improve the attraction, retention and quality of care provided by nurses (Creegan et al., 2003; Fitzgerald, 2002).

TABLE 1: Investigation 1 Interview schedule

| Organisation | Type of Organisation | Size of Organisation | Number of interviews with nurse managers | Number of interviews with casual nurses |
|----------------------------------|----------------------|----------------------|--|---|
| Case Study Organisation 1 | Public | 300 Beds | 4 | 8 |
| Case Study Organisation 2 | Private | 120 Beds | 4 | 8 |

TABLE 2: Investigation 2 questionnaire of permanent nurses

| Organisation | Type of Organisation | Response rate actual | Response rate per cent (%) |
|----------------------------------|----------------------|----------------------|----------------------------|
| Case Study Organisation 1 | Public | 33 questionnaires | 83 |
| Case Study Organisation 2 | Private | 40 questionnaires | 100 |

The study consisted of two investigations, as outlined in Tables 1 and 2.. First, a series of key informant interviews took place with hospital managers, and casual nurses using an in-depth, semi-structured interview. The Director of Nursing and four Nurse Unit Managers were interviewed at each hospital making a total of eight managers. Two casual nurses from each ward were also interviewed, making a total of sixteen interviews. These groups were selected in order to obtain a broad picture of casualisation within each organisation. Each interview was approximately 40-60 minutes long. The second investigation consisted of a questionnaire distributed to 80 permanent nurses at the two participating hospitals. There was a 100% response rate from the private hospital (40 questionnaires returned) and an 83% response rate from the public hospital (33 questionnaires returned). On a 10-point Likert scale (e.g., ten equated to “strongly agree” and zero to “strongly disagree”), respondents were asked to rate four statements regarding workload, stress, work performance and quality care provided by permanent, bank and agency nurses. The statements are provided in Tables 3 and 4 below and were also developed and informed by the literature on casual nursing (Allan, 1998; Costello & Tsushima, 1996)

Results and Discussion

The study obtained information that confirmed previous research as well as providing an insight into other less well researched areas. Although there were some occasional differences between the results obtained from the private hospital and the public hospital, in general the major themes that emerged were very similar.

Is Casualisation a Friend?

Most of the hospital managers interviewed in this study were unable to provide consistent and accurate data regarding the use of casual nursing. However, most of the key informants and participants interviewed stated that there was generally an excessive amount of casual work available, which consequently provided casual nurses with security and the opportunity to seek work on their own terms. In addition, the key informants indicated that although numerical flexibility was used at times, particularly in the private hospital, the main reason for the use of casual labour was not numerical flexibility. In both hospitals, the fluctuations in demand for nurses had lessened and, in general, casual nursing staff were employed due to a shortfall in permanent nursing staff available to cover the necessary shifts. These findings differ from the evidence available in the literature which suggests that the major reason for casual labour being utilised is the 'numerical flexibility' that it offers (Casey et al., 1997; Curson, 1986).

All the casual nurses interviewed in this study had chosen to work casually and not because they were unable to obtain a permanent position. Additionally, most of them planned to continue to work casually or to leave nursing altogether. Owing to the availability of work in both the public and private sector, the casual nurses reported that, overall, they were able to choose when they wanted to work and thus, allowing them the flexibility that was not obtainable with a permanent, full-time position. When the hospital managers were questioned about the flexibility that they offered permanent nurses, most of them stated that although they encouraged 'self-rostering', they were still under pressure to "cover all shifts".

The key informants in the study pointed out that most of their nursing colleagues were female. Pocock argues (1995: 97) that women are more likely to work casually or in part-time employment so that they are able to balance work and family responsibilities. Indeed, many of the casual nurses interviewed indicated that they needed the flexibility of casual work in order to balance 'family commitments'. The casual employees identified a further factor – the demands associated with permanent, full-time work – as contributing to their decision to work casually. Such demands included, "increased responsibility, receiving no thanks and the necessity to take work home".

The findings revealed differing views between casual employees and hospital management regarding the importance of pay. Although the casual employees interviewed did not deny that pay was important, it was not the driving force behind their decision to do work casually. The study also highlighted the differences between an individual's choice to work as a bank nurse or as an agency nurse. Again pay was important for some of the subjects interviewed, but different reasons were given for wanting to work either as an agency nurse or as a bank nurse. Many of the agency nurses enjoyed the variety of work that they were exposed to when working in different places. Nurses working as a bank nurse enjoyed the familiarity of returning to the same place.

Aside from the advantage of providing the hospitals with a flexible labour force, other advantages included the introduction of new ideas, different viewpoints and a 'pool of resources'. In addition, some of the casual nurses interviewed believed that owing to the experience gained in a wide variety of settings they could provide "an holistic approach" and could be a "breath of fresh air".

In regard to the effects of casual work on the casual nurse employee, the results were in stark contrast to the findings of Allen (1998). He argued that the employment of casual staff in hospitals was "decidedly one sided in favour of the employer". However, most of the interviewees in our study stated that as they were generally able to obtain work, they could be then employed on their terms, which also is supported by similar findings in the study of De Ruyter (2002).

In summary, the results in this part of the study showed that casual work was the employees' choice and *not an employer strategy*. The choice made by employees was against the background of the availability of work, family responsibilities and wanting less responsibility in the workplace. Pay as well as an increase in the variety of working arrangements were also identified as important issues underpinning the attractiveness of working casually. There were some benefits for the employer in terms of a flexible workforce but casualisation was often a response by employers to severe labour shortages rather than a deliberate strategy. That is, employers were hiring large numbers of casual workers because they could not find permanent staff to fill the positions.

Is Casualisation a Foe?

Casual workers also highlighted a number of disadvantages of casual work. These included: insecurity of not getting work, lack of fringe benefits, and the lack of professional development. Access to professional development was identified as an important issue by most respondents. Moreover, a significant finding in the study, which had not been identified in the literature review, was the difference in ongoing education that bank and agency nurses received. It was found that bank nurses were involved in ongoing education programs, whereas agency nurses received very little training and development, unless it was self-initiated.

The questions posed in this study also concentrated on examining the effects of casualisation on the standards of nursing care, work performance, and the effects of casual nurses on permanent nursing staff. The views and experiences of hospital managers, casual nurses and permanent nurses allowed for a wide range of views to be canvassed. In general, it was found that all three groups of informants considered that permanent nurses provided the highest rate of work performance and quality of care. It was also believed that bank nurses delivered, on average, a higher level of work performance and quality of care than agency nurses and this was attributed to familiarity to the workplace setting. Previous studies have indicated problems associated with a

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high usage of agency staff (Costello & Tsushima, 1996; Considine & Buchanan, 2000) in terms of: the efficiency of agency nurses, unfamiliarity with the working environment, inappropriate qualifications for particular areas and the increase of stress and workload for permanent staff. This was further supported by the survey of permanent full-time nurses as demonstrated in Table 3 and Table 4.

TABLE 3: Results from Permanent Nurse Questionnaire Distributed in the Public Hospital.

| Question | Average response on a scale of 0-10 regarding permanent nurse. | Average response on a scale of 0-10 regarding bank nurse | Average response on a scale of 0-10 regarding agency nurse |
|---|--|--|--|
| Is your work load affected by the use of casual nursing staff? | N/A | 6.18 | 7.55 |
| Rate the extent of stress experienced when working with a permanent, bank or agency nurse. | 2.14 | 5.36 | 6.9 |
| Rate your perception of the work performance of a permanent, bank, or agency nurse. | 7.62 | 6.29 | 5.54 |
| Rate your perception of the quality of care when a patient is cared for by a permanent, bank or agency nurse. | 8.06 | 6.63 | 5.72 |

Table 4: Results from Permanent Nurse Questionnaire Distributed in the Private Hospital.

| QUESTION | Average response on scale of 0-10 regarding permanent nurse | Average response on scale of 0-10 regarding bank nurse | Average response on scale of 0-10 regarding agency nurse |
|---|---|--|--|
| Is your work load affected by the use of casual nursing staff? | N/A | 5.02 | 6.82 |
| Rate the extent of stress experienced when working with a permanent, bank or agency nurse. | 2.06 | 2.94 | 6.04 |
| Rate your perception of the work performance of a permanent, bank, or agency nurse. | 8.39 | 7.83 | 5.63 |
| Rate your perception of the quality of care when a patient is cared for by a permanent, bank or agency nurse. | 8.79 | 8.02 | 5.83 |

Outcomes of Casualisation

The results of our second investigation indicated that all the hospital managers were aware of the consequences of using casual nursing staff. Moreover, many of the strategies they implemented to minimise the negative influences mirrored the recommendations in the literature. For example, matching the skills of the casual worker to the requirements of the position (Morgan, 1996), and following set guidelines when using a nursing agency (RCN, 1997). An obvious solution from these findings is to recruit more permanent nurses (although this was not a practical solution as discussed above). Our study also suggested that strategies should be implemented to employ more bank nurses as opposed to using agency nurses. However, pay could be a major issue since some nurses worked for an agency (as opposed to nurse bank) because they received higher rates of pay.

Most of the casual bank and agency nurses interviewed had a long term plan of either leaving nursing altogether or remaining casual. As previously discussed, the majority of the subjects interviewed were also working casually out of choice and not as a result of inadequate permanent nursing positions. If they were currently agency nurses, they were questioned about factors that may entice them to work in the nurse bank, or incentives that may entice them to work permanently. The results varied: some of the nurses were content with their situation and would not be interested in working as bank nurses or having a permanent position; a couple of agency nurses said that they would work as bank nurses if they were paid the same rate as agency nurses; a couple of agency and bank nurses stated that "improvements" would have to be made before they would consider working permanently again. From the hospital manager's perspective, most of the managers interviewed recognised that something had to be done to attract more nurses to permanent positions. However, they were unsure as to what techniques would be successful to recruit and retain permanent nursing staff.

In terms of what is being done to curb the rise in casualisation within nursing, the hospital managers interviewed gave a number of different responses. One of the main incentives offered to permanent nursing staff in both the public and private hospitals was the provision of professional education. However, with the exception of the professional education incentive, other incentives offered by each of the hospitals differed and reasons for this are unclear. It might be due to the differences in the philosophies of the two hospitals or even the demographics of the nurses that they have tried to attract. It could also be due to the differences in the autonomy of managers in the public and private sectors.

Since the completion of this study the problem of a 'shortage' of permanent hospital nurses has become even more acute and in response the Victorian State Government has begun to make improvements in the recruitment and retention of permanent nurses. Currently, the Victorian State Government is attempting to attract casual nurses to work for the public hospital nurse banks as opposed to the more expensive nursing agencies. In addition, the potential consequences of implementing the new Victorian

Nurses Award (2000) are also important. The Award states that casual nursing staff are not to be used to fill the chronic shortfall in staffing but should only be used if there is a temporary unforeseen absence of a staff member or sudden and unexpected increase in workload. Moreover, as the Award stipulates an exact nurse patient ratio, the restrictive use of casual nurse labour under the terms stated above, becomes extremely difficult to implement in a climate of a permanent "nurse shortage".

Conclusion

This paper sought to address the limited systematic research concerning the explanations for the growing preference for the casualisation of nurses. We also investigated perceived outcomes of casualisation, both qualitatively and quantitatively by drawing from two case studies of private and public metropolitan hospitals. The main findings in this study were firstly, that a number of nurses were electing to work casually out of choice rather than necessity. Secondly, that hospital managers have to use casual nurse labour as a consequence of an inadequate permanent workforce as opposed to the historical technique of controlling labour supply. This implies that the phenomenon of casualisation is turned around, as normally the use of casual labour tends to favour the employer's needs.

However, there are two issues here. The first is that casualisation in nursing in Victoria is obviously part of a wider labour market problem that government has to deal with through workforce policy and increased funding. Second, the Bracks' Labour Government has begun to address this issue by putting more money into the system to encourage nurses back into the workforce. This study took place before these initiatives were introduced. Because of these initiatives, it is unclear whether casualisation within the nursing profession will continue in its present form or has it been stopped in its tracks?

Further studies need to investigate what incentives would best attract casual nurses to return to permanent positions. For example, an investigation could be conducted amongst the existing permanent nursing staff to assess problems within their workplace and strategies that they consider would improve the attractiveness of their working environment. Such a strategy could improve the retention of existing permanent nurses and might also enhance the recruitment of casual nursing staff to permanent positions. For example, this study found that many nurses elected to work casually owing to the flexibility that it offered. Therefore, it might be advantageous for hospital managers to consider setting shifts according to individual needs, providing alternative starting and finishing times where feasible, removing the requirement to rotate onto night duty or providing extra incentives to work night duty.

The increasing trend of using casual nurses has some positive and negative implications. Some of the hospital managers expressed the opinion that one benefit of using casual nurses was the introduction of new ideas and different viewpoints. However, the study

also found that it was believed that the quality of care delivered by agency nurses was generally of a lower standard than that of bank nurses or permanent nurses. Overall, the informants related this to the unfamiliarity of the agency nurse with the clinical setting.

Finally, our study also found that the issue of pay had some importance. For example, some of the agency nurses stated that they would consider working in the nurse bank if their rate of pay matched agency pay rates. This is a difficult issue for the public sector where pay is largely centrally determined through awards and agreements. However, it might be economically viable for hospitals to employ bank nurses as opposed to agency nurses, even on the same rate of pay, as no commission would be payable to the agency and productivity may increase.

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Reluctant Managers: Nurses Surviving Despite the Bottom Line

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Abstract

Chronic hospital bed shortages and compromised patient care has dominated the media over the past decade. Restructure and change are the catch cries for the survival of a quality public health system. The majority of existing Australian research has focused on the impact of hospital restructuring and retrenchment from the perspectives of the non-professional staff, such as cleaners and kitchen hands. This research investigates the perceptions of middle management nurses in a major Victorian hospital. Unlike other managerial survivors of restructuring, this research reveals that this group of nurse managers have remained committed to their vocation and their workplace, despite the unrelenting pressures they have endured.

Introduction

This paper provides an analysis of the impact of restructuring on middle management nursing staff in a major Victorian catholic public hospital. During the first half of the 1990s the hospital moved from a traditional, functional and hierarchical model of nursing to one based on the development of decentralised multi-skilled teams of nursing and allied professionals focusing on patients with similar illnesses (Campbell and Breen, 1994). Informing, but not totally determining the organisational and nursing role aspect of these changes was a United States model of patient-focused nursing care (Brider, 1992; Schweikhart and Smith-Daniels, 1996). During this period, the downsizing of nurses as a result of a flatter, decentralised organisational structure, was limited to indirect administrative staff and some direct nurse managers. In the second half of the 1990s closure of wards in the hospital and their reaggregation (integration) with remaining wards caused more major downsizing of nursing jobs. These changes were driven by health funding cuts by a National Liberal Coalition government. These cuts were achieved by the introduction of a new casemix based funding formula, which allocated resources according the type of clinical service delivered to patients. The impact of the formula was to proscribe duration of hospitalisation for different illnesses and increase throughput of patients. This casemix funding formula resulted in greater nursing workloads in Victorian

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hospitals, and facilitated reductions in staffing (Duckett, 2000). In New South Wales' public hospital system during the 1990s, Bray and White (2002) note similar problems with increases in the number of patients serviced without matching increases in staffing levels, leading to an intensification of work for nurses and other hospital staff. These changes in New South Wales during this period occurred under a state Liberal government and also an Australian Labor Party government.

The development of a flatter and more decentralised structure in the hospital was accompanied by the creation of a new role for charge nurses. They were renamed "Nurse Unit Managers" (NUMs) and took on managerial duties such as staffing, monitoring of supplies and equipment, quality processes and procedures and coordination with other areas of the hospital on patient needs. These changes led not only to greater work pressures on NUMs but also required them to work considerable unpaid overtime. In the broader Victorian hospital sector, Considine and Buchanan (1999) found that unpaid overtime by nurses was equivalent to 750 extra positions a week. Based on their study on NUMs in a New South Wales hospital, Bray and White (2003) report a similar intensification of work and longer working hours.

Another important factor causing intensification of work for nurses has been technological change in health care, which has led to major increases in day surgery and increased levels of acutely ill patients staying in hospital (Bray and White 2002).

Analysis of similar processes of restructuring and downsizing in Australia across the whole labour market (Dawkins, Littler, Valenzuela and Jensen, 1999) reveal that the managers who survived had poor morale and commitment, low levels of job satisfaction and security and lacked motivation. With these problems in mind and also the greater work pressures referred to above, the aspirations and values of the nursing staff that have remained in the hospital throughout the changes are explored. In this paper the response of nurses to the changes in the second half of the 1990s will be examined. The impact of a role change from a mainly clinical role to a managerial one for nurses is also explored. Whilst increased work pressures and unpaid overtime similar to that of the research cited above are apparent in the hospital, it will be shown that the interaction between skills, technology and length of tenure of staff in different wards of the hospital led to varying levels of perceived stress by the nurses. Their willingness to remain in a difficult environment is also mediated by their professional commitment and concern for patients.

The method adopted in the research was qualitative. Individual interviews were conducted from September 1999 to April 2000 with fourteen nurses from three levels of managerial status at the hospital; two nursing clinical directors, seven Nurse Unit Managers and five Associate Nurse Unit managers. Interviews were also conducted with a former Clinical Director of Nursing Education, a former Hospital Services Delegate and an official from the Australian Nurses Federation covering the hospital. Transcripts of interviews were

analysed by topic and quotes are given to illustrate the predominant attitudes of those interviewed.

The paper begins by explaining the nature of the new funding formula introduced by the Kennett National Liberal Party government and nurses' perceptions of its impact on their work. It then looks at the repeated reaggregation of wards caused by resultant funding cuts and nurses' responses to the situation. This is followed an examination of the varying level of work pressure experienced by nurses in different wards. Finally, it explores how the professional commitment and the morale of the nurses who remained have been sustained despite changes to the role of their job, the repeated downsizing and growing work pressures.

The New Funding Formula

Prior to the introduction of a new method of funding hospitals major changes to the role of nursing managers had occurred at the hospital. The decentralised team-based structures put in place in the first half of the 1990s meant a major change in the role of ward charge nurses, who became Nurse Unit Managers (NUMs) in the new structure, and also shifted the emphasis from a clinical role to a more management oriented one. Nurse Unit Managers became involved in matters such as staff recruitment and selection, appraisal, rostering, patient discharge, planning, and budgeting. Nurse Unit Managers worked what could be deemed as regular 'office' hours, whereas Assistant Nurse Managers (the old assistant charge nurses) (ANUMs) had a patient load and worked both night shifts and weekends, deputising for the Nurse Unit Manager during those periods. A number of wards or units were grouped together to form care centres under a director so that the centres became almost mini hospitals.

These changes formed part of a coherent vision of improving efficiency and patient care, and the hospital soon became a state leader in these areas. However, concurrent with these major changes, a new method of funding was introduced, which created further pressure to reduce costs.

When the Kennett government gained office in 1992, it moved quickly to cut health funding by 14% over the following two years (Stoelwinder and Viney, 2000). The Victorian government also introduced Casemix funding in July 1993. The government, however, used the introduction of Casemix, not as a way to more effectively allocate resources but as a vehicle for cutting costs, rather than services, in hospitals (Duckett, 2000).

Casemix funding replaced block grants to hospitals, which was based on the number of patients treated, with funding based on Diagnosis Related Groups (DRGs). DRGs are a method of classifying hospital stays into various categories, and specifying cost of each of the stays or inputs required to treat the illness. As a result, complexity of treatment rather than numbers of patients became the basis of costing. One key aspect of the

measures associated with each of the DRG is the normal length of patient stay in the hospital. Nursing costs are treated as an overhead and allocated to DRGs according to length of stay. No successful attempt has been made in Victoria to accurately access actual nursing inputs associated with each DRG. In effect, nursing staffing levels were determined by the funding available to the hospital through the DRG based formula. This method of measuring nurse staffing levels in the context of the government cuts to health funding had a significant negative impact of the number of nurses in Victorian hospitals.

Casemix was used to increase efficiency by linking it to a funding formula called “Weighted Inlier Equivalent Separations” (WIES)¹. This formula works by calculating an average cost across all DRG groups for patient treatment. This average cost then becomes a unit of measure against which all DRGs are compared (Auditor General’s Report, 1998). Weights are created against this unit for different DRGs. The WIES system allows hospitals to choose the number of patients they will treat in each DRG within their limit of WIES units allocated by the department and the weighting given to each DRG.

Due to the prior restructuring, it was better placed than other hospitals to achieve efficiency improvements required under the new funding arrangements. However, further efficiencies could only be achieved by further cuts in services and staffing. Such reductions placed unreasonable and in the longer term unsustainable pressures on remaining nursing staff. As argued by Stoelwinder and Viney (2000:220), ‘Massive funding reductions were achieved by obfuscating them in Casemix funding rhetoric of hospital competitiveness and complexity of formulation’.

Closure and Reaggregation

The failure to increase throughput of patients to match the level of WIES available resulted in the closure of beds. This inability to keep within the budget raised concerns that the hospital might be closed. Pressures on the hospital to cut costs led to two major reaggregations, one in 1996 and another in October 1998.

The second reaggregation came about because of the gradual closure of beds across the wards, which led to an assessment by management that a whole floor should be closed to save costs. As a result many units within wards were reallocated throughout the hospital. These changes came on top of the several reshufflings of wards prior to the move to the new hospital. Inevitably, one would not expect to find the new ward structure to remain due to the impact of changes in technology and methods of treatment. However, the time and effort devoted in the planning of the structure of the new hospital was undermined by the piecemeal changes that followed.

¹ Inlier equivalent separation refers to a measure of the number of patients below the average length of stay for a DRG adjusted back to average length of stay equivalent value.

Perceptions of nurse managers on the impact of the reaggregations were varied. Most had been subject to reaggregation, although several claimed that they had not been affected. Also on both occasions of the ward closures, Nurse Unit Managers were forced to reapply for their jobs creating considerable anxiety. ANUMs and other nurses were reallocated to different wards. The closures led to further redundancies amongst senior nursing staff and non-nursing support staff.

Nursing staff found themselves affected by either being placed in a new ward or having to integrate new staff from a different area of specialisation into their ward. In some cases specialist areas were allocated to a ward, taken off that ward and then returned again. One of the NUMs, who did not change wards, but experienced a lot of upheaval, commented:

So we have had a few moves physically and downsizing of staff and totally splitting teams up and reconfiguring them again...We had a unit running well [after the first reaggregation] and then they reaggregated again. That soul destroyed staff.

Another NUM observed that:

...what was across the whole floor [each floor has two wards] became one ward, that was a massive change for staff.

The reaggregations had several effects on staff. The first effect impacted on staff who were dispersed to other wards and thus required to learn a new specialism. This also applied to remaining staff, who had another specialist group integrated into their ward. As one ANUM stated:

Each ward is a speciality unto themselves, so there is a learning curve as well

Another ANUM noted that:

I was very worried about renal because I knew nothing about it.

Seemingly, no formal training on how to cope with these changes was provided for staff and they were left to learn from other nurses and medical staff who were familiar with the area. Most claimed that this was stressful and placed an extra demand on their already diminished free time.

The second problem was that nurses had difficulties adapting to new unit managers and integrating into an effectively functioning teams again. One senior NUM noted that:

The staff became very unsettled because...most people got on well with their NUM and did not really want to change.

There were also comments regarding the fact that more effort should have been made to ensure more cohesive teams. One ANUM remarked on the importance in taking time to build teamwork:

We built a lot of teamwork knowing each other.

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The third problem was the pressure placed upon NUMs to help integrate new staff into the ward and to orientate them on new specialisms. One NUM said that:

In the first six months I was doing this job after reaggregation, I think I was working from 7 a.m. to 6 p.m.

The fourth major impact was that for some nurses the reaggregations increased the number of patients they nursed. The reduction in the number of beds and ward closures created constant pressure to find beds for patients and an increased nurse-patient ratio, as one NUM said:

When the ward went from 20 to 25 patients, I found it busier.

Staff were also disconcerted how abruptly the changes occurred and the lack of communication, particularly with the first reaggregation. Examples of comments were:

- *They told us it was happening when it happened.*
- *Every time there is a reaggregation, it just depresses you the way they do it...they don't take people aside and tell them solo before it is told to a big audience.*

With regard to the second reaggregation in 1998, the current ANF job representative indicated that:

When the eight floor shut I did not find out until it was happening...[the ANF organiser] had been to see management a week before it happened and she couldn't believe they had not mentioned it.

However, some communication did occur with NUMs who were directly affected. One of the senior NUMs, affected by the reaggregation, indicated:

With the last one there was quite a bit of communication with it all.

Another senior NUM also commented:

Management walked around from top to bottom and said we should actually close another floor and think this through again.

The ambivalence in the comments probably reflects the change in senior management at the time. The new management were more consultative compared to the previous management. The job representative believed that management were more approachable, but they still did not necessarily always communicate.

In summarising the nurses' responses to the reaggregations and WIES driven cost reductions, one of the ANUMs said:

So we are placing too much emphasis on that budget by reducing, closing beds, wards and re-aggregating them so that we can provide the services just with less beds, a higher turnover and lesser work.

Nurses' Attitudes to Casemix and WIES

In examining the effect of Casemix and WIES based funding on nurses, the impact of increased acuity (level of illness) needs to be taken into account. This issue was raised repeatedly in interviews. For example, the job delegate commented that:

Before on a ward you would have patients come in and they would be really sick and then they would get a little bit better...so you would have a balance of sick and a balance of ones nearly ready to go home, but now the patients are kicked out so quickly, they are sick all the time so there is no break so the graduates are burning out. So the pressure is more constant now...so their workload has increased but they have not changed the staffing numbers

Therefore, irrespective of other changes the impact in the increase in acuity has added to the nurses' workload.

The perception of nurses regarding Casemix and WIES varied in two ways. Firstly, those ANUMs, who carried a patient load, tended to respond to the pressure created by the interaction between Casemix and WIES, as the examples of comments below testify:

- *I know because of the WIES targets it puts the pressure on...there is a set number of days a patient stays for a procedure*
- *We just have a higher turnover of patients coming through. Everyone is out of control, everyone is so busy and working so hard that you think well this is no good.*
- *It has created a lot of pressure for beds and... then you have got the pressures of patients being admitted who have not got a bed and you are desperately trying to find a bed or facilitate a discharge to make that happen, so it has been very stressful.*

The responses of the NUMs reflect not only the pressure they were under, but also highlight the issue of efficiency. For instance:

- *In some ways I think it is a good thing, because it has meant that things are a lot more efficient, and we look at our practices.*
- *Now there is this constant demand and bean counting for us, but you are being more co-ordinated instead of putting a multitude of tests over five days you are doing them in two. There was a lot of waste.*

Both the ANUMs and NUMs who were in wards and where the pressure was greater, felt much more strongly about the impact of the need to juggle beds and the turnover of patients as well as the need to meet the Casemix DRG benchmarks of number of days stayed per patient. The following comments from NUMs in such areas are typical:

- *The ward just gets busier and busier...getting people in and out quickly or as quickly as we can.*

- *Alot of a Nurse Unit Manager's time is spent dealing with the bed disaster...We never have enough beds, it's a nightmare.*

In the discussion, concern was expressed about the nature of the Casemix system and the weighting inherent in WIES. Having to average the treatment costs for a DRG across a floor, even though nursing intensity (nurse patient ratio) differed, was a significant issue. Concern about the capacity of the hospital to accurately cost the nursing component of various DRG's was also raised by some of those interviewed. The weighting in the WIES system was seen as a source of mounting pressure and the following comments reflect the pressure most NUMs were under:

- *You have to achieve so many procedures including operations to get points... so the weight [changes] so the money goes down so we have to do more to achieve the same amount.*
- *Juggling the beds and the length of stay is dropping all the time.*

Another concern raised was that the incessant and increasing pressure had made it very difficult for ANUMs and nurses to provide emotional support for patients. For instance, one talked about this with compassion and concern:

I know I don't have time to sit down and talk to a patient

Generally, it was apparent that the emphasis on shortening bed stay and the pressure to discharge patients had become unduly onerous in some areas of the hospital. The improvements in efficiency in terms of working smarter and using resources better were recognised by the NUMs as valuable. Although quality improvement techniques to identify inefficiencies in existing procedures and protocols was inherent in the new structure, the remorseless pressure to continually revise WIES weights for particular DRGs went well beyond what seemed reasonable.

Differential Pressure on Nurses

Increased acuity (level of illness) of patients, the pressure to increase patient throughput because of the WIES based funding system, increased nurse-patient ratios and the new responsibilities added to the duties of ANUMs and NUMs, contributed significantly to the work pressures experienced by nurses. However, it was apparent from interviews that the nurses differed in their assessment of the extent to which they felt under pressure.

This can be attributed to the following factors. First, whether the ward was a general medical ward, in contrast to a specialist surgical ward with intensive patient monitoring, often made a significant difference to perceptions by nurses of their ability to cope. The specialised surgical areas often had lesser staff-patient ratio than general wards. One of the ANUMs in a surgical ward noted:

Our work is different. It is not as physically demanding.

Another noted:

I think we are pretty well staffed with one to four [patient ratio] but I know on the medical wards on the 9th floor they are one to five, they work a lot harder than we do.

Surgical patients also tended to be very sick initially and then required less attention. They were also more likely to be ambulant in the recovery phase and did not need the continuous heavy lifting required by very sick medical patients. An ANUM said:

Because we are a medical ward we are very heavy [workload]... You can have five patients but four can be bed bound. We aren't a surgical floor, where, once you fix their problem, they can walk around and all that. The type of patients we have need 24 hour care.

This was supported by one of the NUMs in a surgical ward:

If you are in medical, people don't stay because it is heavy and hard on your back.

The challenging nature of the work in specialist surgical wards also made it attractive to nurses, enabling such wards to retain skilled staff. A senior NUM said:

So you have a better chance of maintaining staff if you are in a surgical area in preference to medical area because they have had holes in their roster as long as I can remember.

An ANUM in a medical ward commented:

I think medical nursing needs a big uplift... we need more nurses... we can't get our just regular staffing filled because of the shortage.

The ability to retain senior staff and as result have a relatively stable team was a second factor that affected the level of stress. One senior NUM in a largely surgical area noted that:

I have the luxury of having very senior staff and a very stable workforce... and five to one is adequate and if you have good regular staff, you manage.

Higher turnover of staff plus the inability to fill vacancies meant there was a need to use the hospital's bank of casual staff and outside agency staff. These nurses required more supervision, were not necessarily as competent as permanent staff and did not form a close knit team. A skill mix, which included more experienced staff also, helped to take pressure off supervisory staff. An ANUM noted that:

I worked on a general [medical] ward and now I am in working in specialised area so we have less junior staff.

The higher acuity also impacted on the skill mix. According to one of the senior NUMs in a surgical area the greater acuity meant that:

[There was a need] for more grade twos [experienced nurses] and less grade ones

A third factor differentiating wards and the level of pressure was the degree of focus required to do the work. General medical wards particularly with their variety of different types of patients meant that nurses do not develop the same level of skills and resultant efficiency. One senior NUM said:

Our ward is acute medical ...,so we have a massive variety of patients.

The fourth factor that added emotional pressure on the nursing staff was the number of patient recoveries. A senior ANUM in oncology said:

We have always had high turnover in our area anyway. It is because of the type of nursing we do. Young people, serious illnesses, a lot of death and dying and people tend to burnout fairly quickly.

As noted previously, the high turnover of staff, in part because they are stressed, adversely affects the skill balance and increases pressure on senior staff.

The fifth factor was higher turnover of patients. Obviously the WIES/Casemix system had increased pressures to discharge patients, but some wards, especially surgical had a particularly high turnover of patients.

The final factor related to the mix of patients. If most patients in a ward were just back from surgery or treatment it could mean a very heavy workload, since they required constant attention. One NUM described this:

Sometimes when you might have a ward of twenty-two patients, they might be very independent, they can do a lot of things for themselves and there might be twenty two who can't and it just makes the workload a lot busier and heavier and that is hard to judge and plan for.

Therefore, although the overriding impact of the broader factors mentioned above, particularly the pressure to discharge patients, was felt by all participants, there were also the specific factors in the nature of the ward which were a source of stress for nurses. Variance in the capacity to cope obviously relates to the specific characteristics of wards and patients outlined above.

'Invisible' Overtime

One way of coping with the increasing work pressures was the increase in unpaid overtime. Overwhelming the majority acknowledged that overtime was worked in terms of working longer hours than their shifts, not only as managers, but the other nursing staff not only worked overtime, but often missed lunch and tea breaks in order to get through the work.

The statement below was a common sentiment amongst most of the interviewees:

... but the girls are still doing quite a bit of overtime or not getting to tea breaks, which is something new, that never used to happen as well... Lunch often gets busy... so it's often difficult to get staff off for half an hour they're often run off for fifteen minutes.

Three of the participants held slightly different views and one interviewee in particular stated that it was more of a give and take between management and staff and making sure that when he was in charge he would let people off earlier when he could or have longer breaks to make up for the overtime.

I feel that it's a two way street and there are times, a lot of the time when we get off ten minutes late, so I try and get people off early, especially on the weekend.

One of the participants regarded the issue as a status quo, in that she regarded that the problem existed previously in the old structure.

Much the same, even in the old unit, the problem shift is always the evening shift going over to night shift and the night shift leaving in the morning, being organised enough because there's lots of unforeseen things that can come up and you can be as organised as you possibly can and something can hit the fan so to speak and can put you half an hour behind and we try and we always have done, its very unusual for people to get off late on an early shift.

Nonetheless, overtime was described as a major issue that affected not only this hospital but all nurses in Victoria:

It is a major issue. They work it because they have always been refused. The managers have never paid it and they'll turn it around and put it back on the people and say its just that you are inefficient... It's not just at, it's state-wide.

It would seem that the majority of nurses at all levels work overtime, with those in management roles accepting that they needed to work longer in order to get their work completed. This is consistent with the research done by ACCIRT (1999:104), which found that most people working in managerial positions in most occupations worked overtime:

...the big difference, however, between white collar and blue collar jobs is that white collar don't get paid for their overtime.

The nurses in management positions indicated that overtime had become invisible and part of the organisational culture, in that there was an expectation by management that doing overtime was part of the job. Some of the nurses saw this as a deterrent from applying for more senior roles and for recruiting young nurses.

Survivors and Reluctant Managers

The participants in this study were survivors of dramatic changes to their work environment that had lasted for almost a decade. Analysis of similar processes of restructuring and downsizing (Dawkins, et al. 1999) revealed that managers who remain in downsized organisations tended to suffer from poor morale, lack of commitment and motivation, job dissatisfaction and insecurity. These symptoms were clearly not evident with the participants in this organisation.

The process of restructuring and downsizing outlined in this study can be divided into two phases. Phase one included the major changes in job roles, organisational structures and downsizing that occurred with the move to the new hospital in the first half of the 1990s. These changes did cause anxiety amongst the nurses and the loss of some senior and experienced nurses who did not want to change the way they worked. The downsizing was also handled with short- term contract appointments filling most promotional positions in the year leading up to the move to the new hospital, thus avoiding further redundancies. The restructuring was also accompanied by extensive consultation about the new model for running the hospital. This model of downsizing fits the criteria of what Dawkins et al. (1999) have described as 'good downsizing'. Nurses views of the results of the change process show a relatively positive response.

The second phase of change, which led to further downsizing with the reaggregations and the growing pressures of the WIES/Casemix system present all the features of bad downsizing; repeated job cuts, increased pressure on remaining staff and likelihood of further cuts. In effect this second phase was driven by economics, bottom line considerations and did not appear to have any of the positive benefits like the previous phase.

Despite the experiences of the second phase of change, the nurses' morale, commitment, motivation and job satisfaction remained relatively good. One important reason for this was that, despite being put in managerial positions, most of them remained reluctant managers. That is, they remained committed to their vocation. Concern for patients and attachment to specialist areas of nursing were prominent themes in the interviews. Many spoke with passion about their work and this was illustrated in the following comments:

- *I stay here because I want to be a nurse and I still see myself as a clinical nurse as well as a manager.*
- *The reason I am here is because of the patient contact and I love what I do, so that gets you over everything else most times, even having a bad day.*
- *We are torn between the increased managerial role [and clinical nursing].*
- *My passion is surgery, [but] all I feel I am doing at the moment is managing beds and staff allocation.*

- *If I move into management I would like to stay in an area I know something about*
- *I started of in plastics, which is my main passion in life.*
- *I love haematology.*

Thus, while most interviewees expressed some frustration with the managerial side of the job, the positive attachment to the clinical role was very important in maintaining morale and job satisfaction. The inability to give what they considered an appropriate level of emotional support to patients due to work pressure was the only other source of job dissatisfaction expressed.

Besides their commitment to clinical nursing, strong commitment to the hospital was also apparent. This was despite the negative views of previous senior management who were seen as only interested in cost-cutting and lacking the ability to communicate. Typical comments about the hospital included:

- *It is a very supportive organization...It has done an enormous amount of work to review our priorities and be efficient and good at what we do.*
- *It has always been very caring and like a big family.*
- *People who stayed through the second re-aggregation were dedicated and working very hard to keep the place afloat.*

The character of the employees who remained after all the restructuring was another important factor in the positive attitudes expressed. First, they were a relatively young group with an average age of 31, which made them more receptive to change and able to cope with pressures they faced. Second, most of those interviewed showed a capacity to deal with change, despite expressing initial misgivings about changes to their work routines. Some commented about how they liked change:

- *I have really learned to like change.*
- *It was a total revelation to me that I turned out to be an early mover and a change agent.*
- *Then you think about it [change] and think about it as a challenge, something new and different and so it is a positive thing.*

The third factor was an ability to cope with what were often unreasonable pressures and to think positively. Comments such as the following from a NUM in one of the more stressed wards illustrate this strength:

But you have to try and get on with it keeping everyone positive and I guess that is the way you run the ward... We could not survive if we had a heap of negativity here. Because I was an associate it was important to keep positive with everyone because otherwise it reflects badly with everyone down the line.

The ability to cope was also aligned with the love of clinical nursing. For instance an ANUM in a very stressful ward explained:

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- *The reason I am here is because of the patient contact and I love what I do, so that gets you over everything else most times even having a bad day.*
- *Maybe I am a survivor, I love my job and I think that helps.*
- *The reward comes from knowing you have done your absolute best for people.*
- *Then you realise you are a good nurse and I know what I can do and I do it for that.*

Several interviewees also commented that they were surprised at the ability of the nurses to cope with the pressures.

- *Nurses just seem to cope with it all.*
- *I thought we will never function with this number of beds but we have managed.*
- *I believe everyone has all these things happening and all these deadlines and maybe not enough staff to help out, but it works out, it works out.*
- *But we got through it all and people made excellent adjustments.*

A fourth factor was the perception that senior NUMs and Care Centre Directors communicated well to staff and were supportive in so far as they could be, given the budget constraints. Meetings at Care Centre level were viewed as good vehicles for discussions and decisions about operational issues. The ability of NUMs, in many cases, to be hands-on at work while arguing for more resources for staff, was seen as a positive feature. Previously senior managers were viewed as uncaring and non-communicative but the recent more open approach of senior management of the hospital was appreciated.

- *It's more open now than it was.*
- *We are well consulted with and communicated with by management of the hospital.*

There was some ambivalence about senior management communication. In the area of professional nursing practice issues, such as work practices, however, the revivification of a consultative forum called the Professional Nurse Practice Council, was favourably viewed. It was seen as a mechanism for tackling issues through the hospital and actually implementing agreed changes.

However, with some policy issues there seemed to be little dialogue. For instance, one NUM noted:

But there are still decisions made they go to executive and they get passed and we hear later or you hear about it the day before it goes to the executive, there is nothing you can do. It upsets people.

The job delegate indicated that communication had improved with the new senior management, but said:

They will only let you know what they want you to know.

There was also a feeling amongst some of the participants that there was not enough appreciation by some senior management of the pressure staff were under.

Some managers are really good they will do their best to get you more staff when you need it, but there are other managers who say, "It's not in the budget, it is just the way you work, your skills, that is why you are not coping".

Overall, despite the ongoing pressures faced by the management nursing staff to achieve bottom line targets, it is evident that their morale, commitment and motivation remained positive. Those who instigated and implemented the restructuring and changes experienced by the nurse managers was in stark contrast to Dawkins et al (1999) 'bad downsizers' which was described as those who engaged in repeated downsizing, did not have a positive strategy for the future and failed to consult employees about the changes.

Conclusion

This paper set out to explore the response of nurse managers to the continuous change experienced by public sector hospitals in the 1990s. These changes occurred in the context of increasing acuity of patients and technological change affecting nursing care. The hospital chosen was a leader in understanding the need to change and acting on it. According to the interviewees, it was a better place to work in terms of workload than other major public hospitals.

The organisational changes of the first half of the 1990s provided a new more patient-focused model of nursing in an environment of decentralised, decision making. Those interviewed were largely positive about these changes, having chosen to remain, while others who did not like the changes had left. Those who remained expressed some regret about colleagues who had left and were critical of senior nursing management. There were also adjustment problems with the initial reaggregation of wards prior to the transfer to the new hospital. Consultation about these changes was extensive, even though there were criticisms of it. The levels of redundancies of nurses were considerably less than those experienced by support staff and allied professionals. Generally, morale of nurses on entering the new hospital was positive, despite major changes to their work roles to encompass managerial responsibilities.

Subsequent changes brought about by State Government policy through the application of the WIES funding formula in interaction with Casemix put great pressure on nurse managers. Each reaggregation and related cost cutting made the situation more intolerable. However, as the findings revealed, the impact of this pressure was unevenly felt by the nurses. Some wards were harder hit than others due to the nature of the wards, treatment measures and the type of patients.

Research by Dawkins et al. (1999) indicates that managers in organizations suffering repeated downsizings and increasing work pressures would show poor morale, low commitment and motivation. However, this research has shown that, to a large extent, the nurses interviewed were reluctant managers, whose overriding concern for their work and patients largely counteracted such negative feelings. Further, they were a self-selected group in that they remained while others left. They were also a relatively young group of managers with considerable energy. These factors assisted them to absorb a great deal of pressure, whereas, with a group of people less dedicated this would not have been possible.

However, the broader labour market consequences of this situation were to render acute care nursing unattractive to potential nurses, as the hospital found it difficult to fill positions in key wards where the pressure were felt most. This outcome raises a key issue: the inability of politicians, health department officials and in some cases hospital management to see when an equilibrium point of reform had been reached beyond which further change and cost cutting became counter productive. By the time labour market pressure demonstrated by a nurse shortage became apparent, considerable damage had been done to the hospital and to the community it serves. Recent decisions by the Australian Industrial Relations Commission (AIRC) in August 2000 and April 2001 have set a ratio for nurses in acute care hospitals at one nurse to every four patients in areas other than intensive care and day surgery. In agreeing to the AIRC decisions the Brach's Australian Labor Party government made budget costings, which failed to take into account the inability of hospitals to staff to these levels. The need to staff to this level has led to extensive use of highly expensive agency nurses, which, in turn, has caused overruns in hospital budgets. The current government has initiated a ban on use of agency staff in order to restrain costs. As a result some hospitals have been forced to seek alternative arrangements such as building their own nurse banks and closing beds due to their inability to attract full time staff. These changes have occurred in the context of an international nurse shortage.

Innovation, better quality and efficiency are admirable, but this research indicates that there is a need to recognise when the equilibrium point has been reached beyond which damage is done to the organization, its employees and clients. More effective understanding by management of the situation faced by employees is critical to stop the need for crude responses such as labour market pressures being the only warning sign. Bodies such as the Auditor-General in his report did highlight the issues. However, there is need for an independent body such as the Auditor-General to develop a methodology to assess these issues to improve public policy making.

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Bullying in the Health Sector: A Study of Bullying of Nursing Students

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Abstract

Workplace bullying is a phenomenon that, although it has existed for decades, has only recently begun to be studied and understood. Although the international literature points towards a strong occurrence of bullying amongst nurses, there is very little New Zealand-based research. This article, therefore, examines the prevalence of bullying of nursing students while on their clinical placement from their tertiary institution and documents the experiences and perceptions of those nursing students who have been bullied. It also gauges the perceptions of students who have never experienced bullying. The results of the study outlined in the article clearly show that bullying is a problem for nursing students and that a high percentage of the bullies were senior nurses. Most disturbing was that most nursing students were aware of the patterns and implications of bullying.

Introduction

Bullying is a phenomenon that, although it has existed for decades, has only recently begun to be studied and understood. Overseas literature indicates that bullying in schools and workplaces is common. There is growing academic interest and recognition that bullying is prevalent in the health sector, particularly amongst nurses. However, until recently in New Zealand, the research on bullying and how to counteract the behaviour have been embedded in childhood education programmes. As a result there is little New Zealand research regarding the incidence and nature of workplace bullying in general and even less written on bullying in the health sector.

The primary purpose of this paper is to contribute to the small pool of academic knowledge concerning the prevalence and nature of bullying in New Zealand workplaces. This paper is of particular interest as it reports a survey of student nurses who straddle the work-study divide and investigates their experiences and perceptions of bullying while on clinical placements from their New Zealand tertiary institutions. Based on a survey of student nurses about their experiences of bullying while on their clinical placements, it is argued that bullying of current student nurses rests on a long tradition of such

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behaviour, is frequently committed by senior female nurses and is endemic in the nursing profession. However, as the students become more experienced, the bullying declines. It is also suggested that the acceptance of bullying has in turn perpetuated the situation and retarded efforts to correct this significant problem for nursing students.

Review of the Literature

Stressful working conditions, continuous restructuring, poor pay rates and inadequate staffing levels have had little impact on individuals wishing to become nurses and enrolments for nursing training have remained the same. However, one aspect of nursing that could severely affect the recruitment and retention of nurses is bullying in the workplace. As stated previously, there is growing evidence that workplace bullying of nurses is a significant problem. For example, UK studies show that nurses are in the top three most bullied groups in the National Health Service and that qualified nurses were more likely to be subjected to bullying than any other medical staff in the UK (Dowd, 1996; Quine, 2001). It was found that managers, fellow staff (particularly senior nurses) and the public were their biggest bullies and that younger nurses fared worst than most (Quine, 2001). One in two nurses reported being subjected to bullying, compared with one in three amongst other staff categories. Another British study concluded that 25% of nurses reported verbal abuse and 75% of nurses surveyed received unfair criticisms regarding work performance (McMillan, 1991). US studies also indicate that registered nurses regularly experienced verbal abuse, and a nationwide survey revealed as many as 97% experienced some type of verbal abuse on the job (Cox, 1987). The most common forms of bullying reported by nurses included serious slander, being met with silence, having information systematically withheld, being ignored and excluded as well as being teased or ridiculed (Einarsen, Matthiesen and Skogstad, 1998). Wilson (2000: 24) also notes that "horizontal violence" (a nursing term used to describe workplace bullying) means that nurses are frequently exposed to negativity and professional jealousy in a so-called "healing and caring environment" (Wilson, 2000: 24). Hadikin and O'Driscoll (1996), based on their study of 462 midwives, noted that one-quarter of all victims reported that their health had been affected by bullying, while 8% reported having to take time off work.

In New Zealand, the problem of students being bullied whilst on their clinical placements has become more recognized than was previously the case (Adler, 2002). Lucia Fell (2000), the NZ National Student Unit Chairperson, not only highlighted the fact that nursing students were being bullied but she also noted that there were a variety of sources of bullying in the New Zealand health sector. These sources included tutors, clinical placement buddy nurses, charge nurses and other senior nurses, both enrolled and registered (Fell, 2000). She argued that bullying was not a good management of people, was not conducive to learning, created a stressful working environment and the costs incurred to the organization if not controlled were considerable (Fell, 2000). However, the issue is being confronted head-on at a few tertiary institutions. For example,

in one tertiary institution, first year students are given a two-hour education programme on bullying in which they are told that it is unacceptable and are informed of the avenues for confronting bullies in the workplace (Fraser, 2002).

It has also been suggested by Hadikin and O'Driscoll (1996) that the culture of hospitals has a great deal to do with the high level of bullying, particularly of junior nurses. Smith, Droppleman and Thomas (1996) suggest that anger amongst nurses can be used as both a weapon and as a shield in a hostile environment, and that this anger may be directed more at junior nurses than other senior nurses.

Thus, while nurses face many challenges, such as constant changes, reviews and restructuring, one of the most significant problems comes from working with their colleagues (Wilson, 2000). Moreover, the literature indicates a culture of bullying is more prevalent than the profession may care to admit (Stevens, 2002). This includes an entrenched view that it is necessary for younger nurses to endure the harsh regime that previous generations of nurses have also endured, particularly with regards to training, thus maintaining the cycle of bullying. Indeed, O'Connor (1998) argues that the acceptance of bullying behaviour is at odds with nursing as a profession; there is a contradiction between this behaviour and the public perception of caring and kind nurses.

The Working Life of Student Nurses

Part of every nursing programme is the clinical component; in New Zealand this requires 1500 hours of clinical placement over three years of training (Holland, 2002). Dunn and Hansford (1997) state that clinical education is a major component of the undergraduate nursing curriculum and is important as student nurses develop not only theoretical knowledge but also the practical application of skills. The development of a student's attitudes, psychomotor skills, knowledge and clinical problem solving skills are all largely influenced during clinical placement (Dunn and Hansford, 1997). However, problems of bullying appear to arise during clinical placements where students seem to become the losers in the faculty-staff-student triad. Assessment of clinical performance is a major issue in relation to this triad. Studies have shown that problems often occur when students are asked to take on clinical placements in the first year of study. It has been noted that trying to adjust to tertiary education as well as a ward environment causes a great deal of stress for students (Gwele and Uys, 1998). This, combined with busy and frazzled senior nurses who do not necessarily have time to assist the students, can lead to a very unpleasant learning experience for most student nurses (Fell, 2000).

In addition, timing of clinical placements, which are usually towards the end of the year when students are also studying for final examinations, is often an added source of stress (Holland, 2002). Conflicting relationships between students and the nurses they are assigned to, merely adds to this stress. Research has revealed that some registered

nurses lack the willingness and encouragement to assist training the students (Dunn and Hansford, 1997, Stevens, 2002). This becomes a major problem particularly as there is a power imbalance inherent in the “trainer-trainee” relationship (Garrett, 1997). In this context, Garrett (1997) notes that power has the capacity to produce a change as the trainer has greater knowledge, greater objectivity and status, and therefore has the power to produce change (positive or negative) in the trainee.

Garrett (1997) argues that those “buddy” nurses who lack the willingness to encourage students could be described as “bad supervisors”. Specifically, bad supervision involves the absence of effective teaching strategies, role modelling and enthusiasm. This combination often results in having trainers who are disinterested and/or inept, are authoritarian and exploitative, encourage conformity and may punish those who do not conform (Garrett, 1997). These traits have also been reported in other studies (O’Connor, 1998) and by the nursing students surveyed whilst on their clinical placement (as outlined below).

In order to try and overcome the problems associated with clinical placements, in particular the problems involving the trainee and the trainer relationship, one tertiary institution has introduced an incentive programme. This programme involves clinical study scholarships given to registered nurses who “guide, mentor and instruct student nurses” (“Boost for”, 2002: 11). These scholarships enable recipients to continue their professional development and further learning in their clinical specialty. It is hoped that the scholarships will encourage a high level of clinical support and partnership between the tertiary institution and its clinical placement organizations and its staff.

However, there is increasing research that shows that such incentive programmes do not necessarily provide an antidote to the entrenched organisational culture that fosters bullying. As one commentator stated:

“Although a tough competitive environment doesn’t create bullies, it may aggravate their behaviour”. (Financial Times, 1996 cited in Savva and Alexandrou, 1998)

This quote concurs with research that suggests that while an organisation’s culture may not create bullies, it can foster and encourage their behaviour. Cowie et al (2002) asserts that the values and norms of a workplace strongly influence how bullying is viewed, how employees interpret situations and whether bullying is recognised as a problem. Lee (2002) found that annual staff performance-related pay and promotions are occasions where line managers can bully their subordinates. Beasley and Rayner (1997) add that where bullying does occur in organisations, it usually filters down from the top management to the supervisors, and therefore it is seen as an acceptable way to manage staff, and a behaviour that may even assist people getting promotion. Furthermore, O’Moore et al (1998) found that the majority of victims in their study reported that organisational factors, such as autocratic management and a competitive and stressful work environment,

contributed to the prevalence of bullying.

Rayner and Hoel (1997) and Sheehan (1998) support this view by stating that insufficient control of certain behaviours and high levels of conflict resulting from excessive workloads and unreasonable expectations by supervisors, are often precursors to bullying of subordinates. Crawford (1997) also points to the economy that has generated high levels of unemployment and the commercial trend towards downsizing, thus increasing the employees' anxiety and vulnerability and contributing to a climate of fear and bullying. Because there is a managerial expectation that their employees will be loyal to the company (even though this loyalty is not reciprocal) and that dissent is not tolerated, bullying can often remain hidden as employees are too scared to speak out for fear of being portrayed as disloyal or as a trouble-maker (Crawford, 1997).

In summary, as a group, nurses seem to be vulnerable to bullying at work, whether it is inflicted by their peers or their managers. Because of the vulnerable nature of student nurses, as outlined above, it is important to determine the prevalence of bullying of these students whilst on clinical placement, and to ascertain if any characteristics are more dominant in either bullies or their victims.

Methodology

The main objectives of the study reported in this paper was to establish a case study investigating workplace bullying in nursing students in New Zealand, using a lower North Island tertiary institution as the sample population. Given the current limited understanding of the topic, this study took an exploratory approach for which case study methodologies are well suited. Nonetheless, the extant literature indicated that there was a likelihood that:

- 1) A high percentage of nursing students will report some level of bullying whilst on clinical placement, as proven by international research.
- 2) Students in later years of study may interpret characteristics and behaviours of bullies differently (with greater knowledge of the role of nurses) than those beginning study.
- 3) As previous research has shown, characteristics imagined by those who have never experienced bullying will differ greatly from those who have experienced bullying.
- 4) Students subjected to the harassment education programme (3rd years in 2003) will report substantially less bullying, and more positive action taken to report bullying than other students.

The study was divided into two main parts: part (a) for those who reported being bullied and part (b) for those who had not experienced bullying. The characteristics researched

included general demographics, such as age group, gender, year of study, as well as a list of commonly reported forms of bullying and symptoms associated with workplace bullying. The study involved a mixed qualitative and quantitative survey analysis within a singular New Zealand industry, the nursing sector (Yin, 1989).

As no existing questionnaire was available for use for this particular project, it was necessary to develop one. The questionnaire was divided into three main sections. Section 1 of the questionnaire gathered demographic information from the participants. This section then gave a broad definition of bullying and gave a list of commonly reported forms of bullying. These forms of bullying were taken from the State Services Commission, (2002) study of career progression, which reported up to 16% of employees had experienced a number for forms of bullying and that some types of bullying were more serious than others. Respondents were asked to identify which of these types of bullying they had experienced.

Section 2 of the questionnaire was used to determine similar information about the bully. Participants were asked to identify the perpetrators age range (approximate), gender and job type (position). Respondents also were asked to concentrate on the behaviours associated with the 'worst' incident. Finally awareness of anti-bullying programmes was canvassed.

The third section was completed by those participants who had not experienced any bullying while on clinical placement in order to gauge their perceptions. In an open-ended question, they were asked to imagine what a typical bullied person would be like and describe the average age range, gender and position (job type) of the victim. They were also given a range of symptoms and asked to identify what symptoms the imagined victim would suffer as a result of being bullied and the level of frequency the symptoms would occur. In another open-ended question, the respondents were also asked to imagine what the bully would be like and describe their demographics; this is, age range (approximate), gender and job type. The respondents were also asked if they were aware of any anti-bullying programmes, and if so what were the programmes as well as what actions they would take if they were bullied.

While a detailed description of "bullying" evolved from this study, it should be noted that such a description was reliant on the participants "schema" of its constructs. Participants made their own judgments on what it meant to them to be defenceless, humiliated, stressed or undermined. Therefore, as Cowie et al (2002) stated, a comprehensive understanding of the imbalance of power criterion is never actually satisfied. The one-sided nature of the questionnaire also makes it impossible to accurately gauge the characteristics and the reasons why bullies act as they do and who would no doubt see themselves and their behaviours very differently from the victim.

Given that there was a small number of responses, generalisations cannot be made on the basis of this data. However, the case study data does point to some disturbing trends and further research using a much larger pool of participants from various tertiary institutions would be advantageous.

Results

Of the 75 questionnaires deposited at the tertiary institution's Student Resource Centre, 40 were completed and returned, giving a response rate of 53%. The results presented below follow the phases of the study and questionnaire format.

Demographics of the Interviewees

The majority of participants in this study were aged between 18 and 40, with only 2 participants (5%) older than 40 years of age. The sample consisted of 4 males and 36 females. The majority of participants were in their third year of study (65%), with second year yielding 25% and first year contributing to only 10% of participants. No participants reported being in more than their third year of study. A break down of participants by age and year of enrolment is illustrated in Table 1 below.

TABLE 1: Participants by age group and year of study, (note % are given in brackets)

| Age range | 1 st year | 2 nd year | 3 rd year | TOTAL |
|-----------|----------------------|----------------------|----------------------|------------|
| 18-20 | | 2 | 7 | 9 (22.5%) |
| 21-25 | 3 | 2 | 8 | 13 (32.5%) |
| 26-30 | | 4 | 1 | 5 (12.5%) |
| 31-35 | | 1 | 5 | 6 (15%) |
| 41-45 | | 1 | | 1 (2.5%) |
| 46+ | 1 | | | 1 (2.5%) |
| TOTAL | 4 (10%) | 10 (25%) | 26 (65%) | 40 |

Victim Characteristics

Ninety per cent of participants (or 36 out of 40) reported that they had experienced some form of bullying while on clinical placement. As seen in Table 2, the majority of participants were under 20 years of age (18 or 55.5%) when they were first subjected to bullying behaviour. Another 15 (41%) were aged between 21 and 30, and 3 (or 27%) were aged between 31 and 40. No participants aged 41 or over reported being subjected to the bullying behaviour. Also, as outlined in Table 3, all the male participants stated that they had been bullied at some time during their placements (see below for more discussion).

The majority of participants reported being enrolled in their second year of study when the (worst case) behaviour took place (61 %). Ten participants, (27.7%) reported being in their first year of study and only four (11 %) experienced the behaviour in their third year. Table 2 summarises participants by age and year of study when the behaviour occurred.

TABLE 2: Age and year of study when bullying took place (worst case)

| Age | Year 1 | Year 2 | Year 3 | Total |
|--------------|--------|--------|--------|-----------|
| 18 -20 | 4 | 7 | | 11 |
| 21-25 | 3 | 5 | 1 | 9 |
| 26-30 | 2 | 2 | 2 | 6 |
| 31-35 | | 6 | 1 | 7 |
| 36-40 | 1 | 2 | | 3 |
| 41-45 | | | | |
| 46+ | | | | |
| Total | 10 | 22 | 4 | 36 |

TABLE 3: Gender of participants who report being bullied.

| | Male | Female | Total |
|--------------|------|--------|-----------|
| Yes | 4 | 32 | 36 |
| No | 0 | 4 | 4 |
| Total | 4 | 36 | 40 |

Forms of bullying and the worst form of bullying

Over half of the participants experienced ignoring/excluding (70%), intimidation (60%) and belittling remarks (55%). At least 2 of participants (or (10%) had been the victim of all the forms of bullying as outlined below in Table 4, which also summarises the frequency it occurred.

TABLE 4: Forms of bullying and the worst form of bullying experienced

| Age | Year 1 | Year 2 | Year 3 | Total |
|--------------|--------|--------|--------|-----------|
| 18 -20 | 4 | 7 | | 11 |
| 21-25 | 3 | 5 | 1 | 9 |
| 26-30 | 2 | 2 | 2 | 6 |
| 31-35 | | 6 | 1 | 7 |
| 36-40 | 1 | 2 | | 3 |
| 41-45 | | | | |
| 46+ | | | | |
| Total | 10 | 22 | 4 | 36 |

The first question of part (a) asked participants to identify the worst form of bullying from the list of the most commonly reported behaviours outlined in the question above. This question was asked in order to assess: 1) if a participant had been bullied on more than one occasion, and 2) which of the forms of bullying they were subjected to, did they find the worst. As illustrated in Table 4, ignoring/excluding was reported as the worst behaviour experienced by 14 participants (38.8%). Intimidation was next with 6 (16.6%), followed closely by being set up to fail (5/36 or 13.8%) and belittling remarks (4/36 or 11 %).

The type of symptoms and frequency experienced

Participants were then given a list of commonly reported symptoms and asked to state whether they had experienced these symptoms as a result of being bullied, and how frequently they experienced these symptoms, as seen in Table 5. Anxiety was the most commonly reported symptom with over 75% of participants experiencing it at some level of frequency (52% once or twice; 22% frequently and 2.7% for prolonged periods). Participants reported shattered self-confidence (69%) and low self-esteem (66%) as the next most commonly reported symptom. At least one participant reported experiencing each of the symptoms, except sleeplessness, at a prolonged frequency. At least 35% of respondents reported experiencing some type of symptom as a result of being bullied.

TABLE 5: Type of and frequency of symptoms experienced.

| Symptom | Frequency | | | |
|---------------------------|-----------|------------|------------|-----------|
| | Never | Once/twice | Frequently | Prolonged |
| Sleeplessness | 19 | 15 | 2 | |
| Depression | 23 | 8 | 4 | 1 |
| Anxiety | 8 | 19 | 8 | 1 |
| Poor concentration | 21 | 9 | 5 | 1 |
| Shattered self-confidence | 11 | 20 | 4 | 1 |
| Low self-esteem | 12 | 19 | 3 | 2 |

Awareness of anti-harassment policies and reporting behaviours

Anti-harassment policies are commonplace in most organisations and the next question required participants to report if they were aware of anti-bullying programmes in their clinical placement organisation. Only 19% of respondents stated that they were aware of any such a policy.

Respondents were questioned as to whether or not they talked to anyone regarding the alleged behaviour and 86% stated that they had talked to someone. The most commonly reported confidant was their lecturer/tutor (44%) while confiding in classmates came a close second (33%). When asked, however, if any actions were taken against the person bullying them as a consequence of talking to someone about the problem, only five (13.8%) reported that some action was taken to mitigate the problem.

Characteristics of bullies

Questions then focused on the perpetrator of the bullying behaviour. Twenty-nine of the respondents (80%) stated that people who bullied them were aged over 31 years of age. More specifically, the most reported age group of bullies was between 31-40 years of age (47%), followed by the age group between 41-50 years of age (30.5%). Table 6 below summarises the age of bullies in relation to their victims. It is interesting to note also that almost no respondents were bullied by someone of a noticeably younger age group (2.7%).

TABLE 6: Age of bullies in relation to their victims.

| Age of Victim | Age of Bully | | | | | Total |
|---------------|--------------|-------|-------|-------|-----|--------------|
| | 18-20 | 21-30 | 31-40 | 41-50 | 51+ | |
| 16-20 | 1 | 1 | 7 | 4 | | 13 |
| 21-25 | | 4 | 1 | 2 | | 7 |
| 26-30 | | | 4 | 2 | | 6 |
| 31-35 | | | 4 | 2 | 1 | 7 |
| 36-40 | | 1 | 1 | 1 | | 3 |
| 41-45 | | | | | | |
| Total | 1 | 6 | 17 | 11 | 1 | 36 |

The majority of respondents also identified that the perpetrators were mostly female (86%), with only 3 respondents (8.3%) identifying males. Results also indicate that the 3 respondents who reported male bullies were also male themselves.

When asked to identify the bully's occupation or position in the organisation, the majority of respondents indicated that the bully was a nurse of some description (88%), with only 4 respondents stating that the person bullying them was not a nurse. Within the nursing occupation, the most commonly reported bullies were registered nurses (38%) with "buddy" nurses being the second most commonly reported bullies (36%). Table 7 below summarises the gender, occupation and organisational position of the reported bullies.

TABLE 7: Gender, occupation and organisational position

| Position | Male | Female | Total |
|------------------|------|--------|-----------|
| Buddy nurse | 2 | 11 | 13 |
| Registered nurse | | 14 | 14 |
| Enrolled nurse | | 2 | 2 |
| Nurse aid | | | 0 |
| Charge nurse | | 3 | 3 |
| Doctor | 1 | | 1 |
| Specialist | | | 0 |
| Other student | | 2 | 2 |
| Other... Tutor | | 1 | 1 |
| Total | 3 | 33 | 36 |

Respondents were then asked if it was always the same person who bullied them. The results were virtually split down the middle, with 44% stating that it was always the same person and 47% stating it was not. Three respondents (8%) did not complete this question. When asked to specify the occupation of the serial bully, again most were nurses, in which 33% of the respondents stated that the person continuously bullying them was a registered nurse and 8.3% respondents stated that it was another "buddy" nurse.

In order to establish if the victims had any preconceived views of the person who bullied them, the final question for this section asked respondents to indicate whether or not they had any suspicions in the beginning that the perpetrator would subsequently bully them. Again results were almost evenly split with 52% indicating they had expected that the person would bully them and 47% indicating they had not.

Perceptions of respondents who not experienced bullying

Of the four respondents who had not experienced any bullying, two of them believed that the victims would be aged between 18-20 while the other two respondents thought that typically the victims would be aged between 21-25 and between 26-30 respectively. All respondents thought that the victims would be female. In relation to the victim's occupation, three of the respondents thought that nursing students would be most vulnerable to bullying and the other respondent thought that the victim would most likely be a nurse aid.

When asked to imagine the type of symptoms that victims of bullying might experience and the frequency of these symptoms, all respondents thought that the victims would experience some level of shattered self confidence (50% frequently; 50% prolonged) and also low self-esteem (25% once/twice; 25% frequently; 50% prolonged). In addition, 3 (75%) of the respondents thought that the victims of bullying would suffer from anxiety. Table 8 illustrates the respondent's perceptions of the victim's symptoms and the frequency of the symptoms.

TABLE 8: The perceived symptoms and the frequency of the symptoms

| Symptom | Frequency | | | |
|---------------------------|-----------|------------|------------|-----------|
| | Never | Once/twice | Frequently | Prolonged |
| Sleeplessness | 3 | 1 | | |
| Depression | 2 | 1 | | 1 |
| Anxiety | 1 | 1 | 2 | |
| Poor concentration | 2 | | 2 | |
| Shattered self-confidence | | | 2 | 2 |
| Low self-esteem | | 1 | 1 | 2 |

With regard to the characteristics of bullies, two of the respondents imagined the bullies to be aged between 36-40; while the other respondent thought the age to be between 36-45 and remaining respondent believed the age to be between 41-45. Three respondents (75%) thought that the perpetrator would be a woman while one respondent thought that the bully would be a man. With the exception of one respondent, who thought that the bully could either be a charge nurse or a doctor, all the respondents thought that the occupation of the bully would typically be a registered nurse, enrolled nurse or a charge nurse.

All four of the respondents stated not only were they aware of an anti-bullying programmes in their clinical placement organisation but that they would also tell their lecturer if they were subjected to bullying.

Discussion

The results from the study show that that 90% of the student nurses surveyed had experienced some form of bullying while on clinical placement. Although the results are more extreme than those reported by Quine (2001) and Einarsen, Matthiesen and Skogstad (1998), (who reported that one in every two students was bullied and that 8.4% were bullied respectively), this study indicates that there is an increasing trend towards student and junior nurses being bullied. However, as noted earlier, Garrett, (1997) argues that the power imbalance between a trainer and trainee can lead to harassment

and bullying. Therefore, the reason for the high number of nursing students being bullied could be because the victims are *students* as well as nurses (also refer to see Alder, 2002, Anonymous, 2002, Fell, 2000).

Over half of the student nurses surveyed noted that the most frequent forms of bullying that they had experienced were ignoring/excluding, intimidation and belittling remarks. It is interesting to note that these forms of bullying involve *social aspects of the job* (being ignored/excluded, etc.) rather than the tasks themselves. It could be argued that wanting to fit into the social fabric of the workplace and not being able to readily achieving this may in itself cause as much distress for nursing students as the action of bullying.

The age of the participants who reported being bullied was diverse. Although just over half were 20 years of age or under, the other half were fairly evenly spread between 21 and 40 years of age. None of the participants over the age of 40 reported being bullied, however this may be because there were only two (5%) in the study. Therefore, it could be concluded that while the very young student nurses (under 20) are most prone to being bullied whilst on clinical placement, there is no age that can be deemed "safe". This finding is supported by the literature (Rayner, 1997, Rayner, 1998b and Rayner and Hoel, 1997) in which there is general consensus that bullying can happen to anyone at any age.

There also appears to be a correlation between the year in which students are enrolled in study and when they are bullied. The majority of respondents reported being bullied in their first year (27.7%) and second year (61 %) of study, while only 11 % of the respondents reported being bullied in their third year. In addition, because students only have one week of placement at the end of their first year, the inexperience may make some nurses more vulnerable and thus more prone to bullying. As they enter the second year of clinical placement, they gain more exposure to the working environment and gain more knowledge of their profession; they become more socialised into their groups and more aware of the mores and norms of their occupation; and therefore become more confident. Moreover, the more experience they gain, the more they become aware of what behaviour is tolerated and not tolerated and how to counteract inappropriate behaviour.

However, the results show that a number of students nurses experience symptoms of bullying (such as low self-esteem, etc) for prolonged periods of time. These symptoms of bullying are a direct cost to the organisation in terms of high rates of sickness and absenteeism, low morale, mental and physical illnesses and high staff turnover (also refer to Beasley and Rayner, 1997; Douglas, 2001).

Although most of the student nurses surveyed had been bullied, a high percentage of them (86%) were able to talk to someone about it and that this confidant was usually a lecturer/tutor or classmate. O'Moore et al (1998) found a similar number of respondents

(over 70%) had also sought advice and support by talking to someone else about their experiences. Sheehan (1998) cited that one-quarter of victims sought help from family doctors and counsellors after being bullied. While a high percentage reported the incident to others, only a small percentage of confidants took any action against the perpetrator. Liefoghe and Davey (2001) state that if there is a lack of procedures to deal with bullies and there is a propensity for bullying and harassment to be condoned, then these behaviours will continue unchecked and even increase.

Furthermore, this study supports other research in that the bully is frequently older than their victim (Rayner, 1997; Rayner, 1998a; Rayner, 1998b and Quine, 2001). However, one reason for this could be that the majority of respondents (and indeed students in general) are in the young age group (61 % in this study under the age of 25) and therefore, it is likely that senior staff will be older than them.

The respondents also stated that almost all the bullies were women (86%). However, this is not surprising as nursing is a female dominated profession. Therefore, bullying amongst nurses is more often than not perpetrated by women, most of whom will be older than the victim, as mention above (Stevens, 2002; Einarsen, Matthiesen and Skogstad, 1998). It is also interesting to note that the three male respondents stated that they were bullied by men. There is some research that supports this finding which suggests that on one hand women are bullied by men and women, while on the other hand men are more likely to be bullied by other men and unlikely to be bullied by women (Rayner and Hoel, 1997; Rayner, 1997). There is debate, however, as to whether or not this is an accurate claim. It could be argued that men are bullied by women but are too embarrassed to disclose it (Rayner, 1997). However, as one of the male respondents stated that he had been bullied by a senior female nurse, this assertion may also be flawed. Moreover, in an industry dominated by women, perhaps the notion of a man being bullied by a woman is not remarkable or embarrassing as would be the case if the man worked in a male (macho) dominated industry.

Not only were the bullies predominately women, but also 88% of the respondents noted that most of the bullies were nurses; the most commonly reported bullies were registered nurses (38%) and buddy nurses (36%). Only four respondents were bullied by an individual who was not a nurse.

This indicates that the bullying is occurring *within* the nursing profession rather than outside it. O'Connor (1998) points to a vicious cycle where a nurse is bullied by another colleague, who is often more senior, they then lose confidence and become a victim. As a way of diminishing the victim's role they have assumed and to make themselves feel better, they in turn bully another more vulnerable colleague. Stevens (2002) argues that the cycle is perpetuated by senior nurses who believe that because they had to endure a rigorous and often tyrannical training in which bullying was part of the system, their juniors should also have to put up with it. Thus, the cycle continues on.

Almost half of the respondents in this study had been bullied by more than one person and nearly all had been nurses. Moreover, nursing students are not only bullied by their own buddy nurse on more than one occasion, but also by other nurses in the same department (33% identified other registered nurses). There was also evidence that the respondents were being bullied by different buddy nurses (8.3% identified other buddy nurses), i.e. two different placements with different buddy nurses but the same bullying behaviour. To make matters worse, 52% of the respondents expected to be bullied while on clinical placement. The question, therefore, is: "Why are students going out on these learning expeditions and expecting to be bullied?" And "If students are expecting to be bullied, why does the profession seem to be ignoring the problem?"

The perceptions of those respondents who had not been bullied and those who had were similar. However, when the respondents who had not been bullied were asked to envisage what symptoms victims would experience, they perceived the symptoms to be worse and last longer than was actually experienced by the student nurses who had been bullied. An explanation for the differences between what was perceived and what was experienced by the nurses could be that the non-bullied respondents may have previously witnessed someone being bullied at work. This assertion is supported by Rayner (1997) who found that 77% of individuals had at sometime witnessed bullying at work and Quine (2001) revealed that nurses were more likely to witness bullying than any other health-care providers.

Further Research

Although it is acknowledged that the number of responses (40) were too few to provide any conclusive statements or to apply any generalisations, the findings do highlight a number of directions for further research. One such area that requires further investigation is whether or not student nurses have an expectation and acceptance that they will experience a level of bullying while on clinical placements. The results from this study, which are somewhat disturbing, suggest that this may be the case but other similar studies are required to test this hypothesis.

Another possible area for investigation is the affects of bullying on student nurses, and in particular the impact of bullying on the recruitment and retention of nurses. For example, studies that link the levels absenteeism, withdrawals from courses and resignations with the affects of bullying could provide the basis of useful arguments to fund comprehensive programmes to counteract bullying behaviour. Research in other sectors shows that victims of bullying invariably leave their positions and seek employment elsewhere. However, given that there is a chronic nursing shortage, it may be useful to address issues, such as bullying, that detract from the nursing profession.

Conclusions

The results of this study clearly indicate that bullying is occurring to the majority of students whilst on clinical placement. Targets of such behaviour do not fall within a specific age group and can be either gender suggesting that bullying can happen to anyone. The more advanced the student is in their training, the less likely they are to suffer bullying, suggesting that as they become more experienced and confident, the incidence of bullying also decreases. The majority of respondents reported some form of psychological effects associated with being bullied. A high percentage of the bullies are nurses, suggesting that bullying comes from within the profession, rather than from outside it (e.g., doctors, specialists). Bullies in this study were most likely to be older than their victims, and are typically female. While the perceptions of the non-bullied respondents did not necessarily match those had experiences of being bullied, the findings indicate that even the non-bullied respondents were aware of the patterns, forms and implications of bullying.

Although the findings from overseas research on bullying has implications for New Zealanders, further research is still required in order to assess the prevalence and wider affects of this harmful behaviour amongst vulnerable workers in New Zealand. While bullying is often trivialised and condoned, the long-term negative impact it has on the victims, the colleagues, the families and the organisation deems that it should no longer be ignored. Furthermore, studies that reveal better ways of predicting and preventing bullying behaviour should be encouraged and organisations and government enforcement agencies need to be more proactive to end this damaging behaviour that occurs in the "sanctity" of the workplace.

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CHRONICLE

February 2004

The first submissions on the Employment Relations Law Reform Bill were presented to the Transport and Industrial Relations Select Committee and employer organisations were vehement in their criticism of the Bill. They claimed that it would reduce employers' flexibility; increase red tape, government intervention and union power; it would drive many workers into collective agreements. Furthermore, it was reported that employers planned to boycott the deadline for submissions claiming that the 11-week period to make them was insufficient. Employer representatives accused the government of introducing change at a speed which was 'indecent' and in breach of good faith.

The Government appeared to acknowledge the lack of support from the business community. The architect of the Bill, Minister of Labour, Margaret Wilson, was replaced by Paul Swain in a cabinet reshuffle and the *Press* noted that the Government hoped he will be able to quell business opposition which at times had been personalised against Ms Wilson. Meanwhile, the *NZ Herald* reported that Minister for Small Business, John Tamihere, told Parliament that he had not received any support from small businesses for the Bill.

While employer criticism dominated media reports they were countered by union representatives. Interestingly, the Council of Trade Unions (CTU) advocated much stronger intervention and suggested that some kind of compulsory arbitration to establish more multi-employer collective agreements might be necessary. This implied a return to the old national award system, despite the Government's explicit rejection of such a move. The *Sunday Star Times* criticised employer lobbyists for interpreting the legislation in the most extreme way possible and that the loose wording of the Bill gave them "extra scope for their paranoia".

The *Dominion Post* reported that the National Party, according to its leader Don Brash, would repeal the proposed changes if it became the government because they were "bad for the economy, bad for employers and bad for employees". Dr Brash also suggested the Bill could become a 'stepping stone' to national wage awards which could be a disaster for provincial New Zealand. He claimed that unions looked at what larger centres like Auckland needed, not at the smaller provincial centres which tend to be economies of small companies, so labour laws need to be more flexible. This view was supported by the CEO of meat company Anzco Foods who told the government to scrap its controversial employment legislation. This came after the company announcing it would reopen its Waitara meat works, providing 70 jobs and up to \$100 million in exports.

The *NZ Herald* reported Bank of New Zealand customers faced frustrating telephone delays during a three-hour strike by Auckland call-centre staff. BNZ spokesperson, Owen Gill, defended a 3.5 percent pay rise offer as generous, but Finsec union organiser, Geraldine Molloy, said staff wanted parity with branch employees within the bank. Finsec also began legal action in the Employment Relations Authority, saying the bank should not have paid non-members the 3.5 percent while a collective agreement remained under negotiation.

Industrial unrest in the health sector featured in several media report. The *Dominion Post* reported that a new national collective employment agreement for about 2,000 surgeons, psychiatrists and pathologists had become unstuck when the senior doctors rejected a pay offer made by the District Health Boards (DHBs). Just over half of the senior doctors took part in a ballot and voted by 84 percent to 16 percent against the offer. The Executive Director of the Association of Salaried Medical Specialists, Ian Powell, pointed to upcoming negotiations for nurses and junior doctors and said: "There is a risk of anarchy in employment relations if DHBs continue to misunderstand the needs of their health professionals".

Nationwide, nurses started the NZ Nurses Organisation's 2004 campaign for pay equity. Around 4,000 nurses employed by District Health Boards in the lower North Island attended meetings to discuss a new collective employment agreement, designed to give them equal pay with their Auckland counterparts.

Negotiations over the crucial multi-employer collective agreement in the engineering sector - the so-called 'Metals Agreement' - became unstuck. The Engineering, Printing and Manufacturing Union (EPMU) gave 14 days notice of stopwork meetings across the manufacturing sector when three tense days of negotiation with the Employers and Manufacturers' Association failed to reach an agreement. The union's claims included a 5 percent pay rise, a 37.5-hour working week and an increase in the allowance for dirty work. The agreement was expected to cover around 220 firms and 2,500 employees.

Following strike action, the meatworkers at Richmond's Takapau plant settled their collective employment agreement and accepted a 3 percent pay increase for the next 12 months. Initially, they were offered a 1.5 percent pay rise which led to more than 500 workers staging a two-day strike in January.

Striking wool-pullers at PPCS Finegand wanted the meat-processing company to 'open its books' to prove it could not afford to meet their pay demands. The workers were seeking pay parity with other PPCS plants and this was their second strike action in February.

With the amendments to the Holidays Act due to come into force on April 1, the *Press* reported that the Chief Executive of Employers and Manufacturers Association, Paul

Winter, stated that the law forced employers to do what most were happy to grant on a discretionary basis. The *Dominion Post* reported that other employers claimed that the new Act will enable widespread 'abuse' of bereavement leave provisions. The Employment Relations Manager of the Employers and Manufacturers Association (Northern), Peter Tritt, suggested that leave would be limited only by the number of deaths each year, about 28,000 and proposed that the Government should have confined bereavement leave to the death of close relatives.

A report by the Catholic charity Caritas raised fears that New Zealand children are being exploited and put in danger at work. The survey found 39 percent of the children surveyed (between the age of 7 and 17 years) had some form of paid work. The *Sunday Star Times* argued that the survey had uncovered some 'Dickensian child-labour practices' which "raised questions about the failure of parents to monitor their children's working lives and to understand the laws relating to children in the labour force".

March 2004

There were several reports of submissions on the Employment Relations Law Reform Bill and again attacks by employer organisations featured prominently (see February Chronicle). Business New Zealand's Chief Executive, Simon Carlaw, argued that the bill signalled a return to compulsory bargaining, compulsory arbitration and national awards. He also suggested that the Bill could increase employment-related compliance costs by 30 to 50 percent.

The *Dominion Post* reported a new survey conducted by the Employers and Manufacturers Association (Central), which found that almost three-quarters of companies in central New Zealand believed that the Bill will hurt businesses. The Auckland Chamber of Commerce argued that Bill was fundamentally flawed, had too many compliance costs and possibly breached the International Labour Organisation's collective bargaining conventions. Michael Barnett, Chief Executive of the Chamber said if the Bill had been tested for compliance costs "it would never have seen the light of day".

According to the *Press*, a South Island retailer estimated that the Employment Relations Law Reform Bill in its current form would force it to shed 70 jobs from its 525-strong workforce. However, this was based on the assumption that the firm would be required to pay employees in all of its 25 outlets the same hourly rates.

On the other hand, union submissions supported the Bill, though many found that it was not going far enough. The financial sector union, Finsec, wanted parts of it strengthened further and it argued that the process of free-riding was prevalent in the banking sector. Finsec also claimed that the Employment Relations Act had made insufficient progress in addressing the inherent inequality of bargaining power and it wanted the 'contracting

out' protection of vulnerable workers to be extended to cover all workers.

The CTU President, Ross Wilson, launched a blistering attack on big business and its criticism of the Government's employment relations reforms: "...it is one-eyed of big businesses to applaud everything the Government does for them and attack everything the Government does for low-income workers, such as better workplace health and safety and improved holidays." Instead Wilson argued that the position of workers was considerably better than two years ago. The main economic issues facing New Zealand were infrastructure and investment in skills and social development policies were part of the solution as they were helping people to get the skills and motivation to work. According to Wilson, the biggest single challenge facing the nation was to recognise that what was good for workers was not necessarily bad for business.

There were signs that the intense lobbying of business was having an impact on government thinking about the Bill. The media furnished several rumours that influential Cabinet ministers had indicated they were prepared to make substantial changes to the legislation to take account of submissions from business. *NZ Herald* reported that some of its sources had suggested that the Bill came close to not being introduced in the first place and that senior economic ministers had foreshadowed that the Bill would have to be revisited. Minister for Small Businesses, John Tamihere, said the Government was "all ears" on the Employment Relations Law Reform Bill: "We're obliged to follow that process through and have a look at what the weight of submissions are saying."

The Engineering, Printing and Manufacturing Union accepted reluctantly a renewal of its multi-employer collective agreement - the 'Metal Agreement' - following protracted negotiations (see February Chronicle). Union Secretary, Andrew Little, claimed, according to the *NZ Herald*, that employers drove a harder bargaining than usual: "It was the most aggressive response from employers in the 12-year history of this document". In view of inflation and high employment, the union had originally sought a 5 percent pay rise but it had to settle for 2.9 percent and it did not achieve its demands for more employee participation in health and safety. The settlement was expected to cover directly 2,500 employees in 220 firms. However, the relatively modest pay rise could have significant flow-on effects as the 'Metal Agreement' often set a benchmark for other negotiations in the manufacturing sector.

The *Evening Standard* reported that university staff were seeking a national collective agreement and that they sought a major catch-up in pay. However, the universities rejected these claims from the union, the Association of University Staff (AUS), and each university wanted to negotiate separately. It was also unlikely that the union's pay demand would be met as it sought salary increases of 10 percent a year for the coming three years for academic staff, and 10 percent for the first year for general staff (see September 2003 Chronicle).

There were several media reports that some businesses were threatening to ignore the new Holiday Act because they were confused about some of its key provisions. However, there was little sympathy from the Minister of Labour, Paul Swain, who said that he would take a dim view of any business that flouted the law. Chief Executive of the Employment and Manufacturers' Association (Northern), Alasdair Thompson, estimated that around 70 percent of businesses already failed to comply with aspects of the Employment Relations Act and the cost and complexity of the new holidays legislation would not help.

The *Dominion Post* reported that workplace stress was being routinely tagged on to workers' personal grievance claims. Employment lawyer Karen Spackman said that claims of stress was becoming a regular feature in personal grievance cases and in disciplinary matters. "When there is an allegation of misconduct or poor performance made by employers, we're finding that stress is being brought up as a defence by workers in almost every case". However, she argued that it was too early to evaluate whether last year's change to occupational safety and health legislation would lead to an increase in legal prosecutions based on stress (see May 2003 Chronicle).

Waikato Times raised the issue of smoking in the workplace in a new way. It quoted one of Waikato's biggest employers as having a preference for non-smokers over smokers because "they're more valuable as employees". A survey conducted last year revealed that almost half of the surveyed non-smokers resented smoking workmates because of the amount of time they spent on 'smoko breaks' and around 55 percent believed that the breaks resulted in decreased productivity. According to the article, the Human Rights Commission had stated that smoking was not a human right and it was, therefore, not discriminatory for employers to advertise for people to be smokers or non-smokers.

The *Press* reported that bonuses and incentive payments now accounted for more than 20 percent of chief executives' salaries, according to an annual salary and wage survey from the Canterbury Chamber of Commerce. Incentives were not just confined to executive pay packets with more skilled and semi-skilled workers being paid by performance.

Finally, a Taupo firefighter made headlines when he lost his bid for reinstatement in a dismissal case at the Employment Relations Authority. He was dismissed for driving a fire engine to serve a trespass order on his tenant and then getting his crew to remove her belongings. The Authority said the Service's decision to dismiss him "was a decision open to a fair and reasonable employer in all the circumstances".

April Chronicle

The submissions on the Employment Relations Law Reform Bill moved into their third month and employer criticism of the Bill continue unabated. At a special Select Committee hearing in Auckland, around 200-odd members of Employer and Manufacturers Association (Northern) appeared en masse before the Committee.

One employer predicted that rolling stoppages or 'mini-strikes' would be one of the outcomes if union access to workplaces was increased. It was also predicted, by the Chief Executive of the Employers and Manufacturers' Association (Northern), Alasdair Thompson, that New Zealand's employment relations were about to be bogged down in a legal quagmire if the Bill's new applications for 'good faith' came into play.

A survey in the *National Business Review* found that the current disapproval of the Employment Relations Act amongst the public was lower than that of the Employment Contract Act in 1990s. However, the disapproval of the Employment Relations Act had increased slightly from 24 percent shortly after the Act's enactment to the current 29 percent.

Westpac Bank admitted that it had passed on union-negotiated terms and conditions to non-union employees. This confirmed a point raised by financial sector union, Finsec, during select committee meetings in March (see March Chronicle). Westpac claimed that outlawing 'free-riding' would be its worst nightmare.

Union organiser with the NZ Nurses Organisation, Laila Harre, stated that paying nurses what they were worth might cost the taxpayer \$22 million in the first year but that the move had the potential to save the health system \$100 million a year in staff turnover costs. Around 4,000 nurses, midwives and health assistants settled their multi-employer collective agreement. The agreement covered staff in seven Lower North Island district health boards and increased pay by an average of 10 percent (see March Chronicle). The agreement brought pay rates closer to those paid in other parts of the country and around 75 percent of members voted to accept the settlement. Finally, pay talks resumed for about 2,000 senior doctors employed by district health boards and these negotiations had been running for 12 months.

The *Press* reported that Air New Zealand had achieved a two-year agreement with its engineers when the engineers' union, the Engineering, Printing and Manufacturing Union (EPMU), accepted a further adjustment to the employer offer. The agreement included a pay rise of 3.75 percent in the first year and a 3.25 percent rise in the second year. EPMU's National Secretary, Andrew Little, said that Air NZ had avoided an escalation of its dispute by withdrawing a contentious bargaining claim and by increasing the pay offer.

Industrial unrest in the tertiary sector continued when union members across seven of the country's eight universities voted in favour (by 79 percent) of sector-wide industrial action. Massey University management and staff announced plans for two full-day strikes on April 28 and May 25. Full or partial strike action was also planned for May 6, 14 and 17.

The National Party criticised the Post Primary Teachers Association (PPTA) and suggested that it might re-introduce bulk funding if it gained political power. In response, the PPTA warned of industrial action since its members would have "no option but to fight industrially".

A Porirua real estate company only avoided a substantial fine when it finally complied with the terms of a settlement with a former staff member. The Employment Relations Authority had explicitly warned the firm last month that the employee could ask the Employment Court to impose penalties - including a fine of up to \$40,000 - if the firm did not pay the amount owing.

Westpac Bank was censured by the Court of Appeal for not doing enough to find a new job for a redundant Wanganui bank manager. A position in Palmerston North was not offered to the manager, despite it being a substantially similar position and within "reasonable commuting distance" from Wanganui.

An Inland Revenue employee, who looked up the tax files of her children and a man she bought a property from, lost her dismissal case at the Employment Relations Authority. In its finding, the Authority accepted that the employee was hard working and conscientious and that her breaches were not deliberate or for personal gain. However, she had demonstrated a fundamental failure to grasp and apply the obligation of privacy and confidentiality.

The Employers and Manufacturers Association (Northern) claimed that business was paying out at least \$12 million a year to settle personal grievances claims arising out of employee dismissals. It arrived at the figure by extrapolating from the \$1.25 million of awards made by the Employment Relations Authority last year. While awards had increased in value by 17.3 percent in 2003, compared to 2002, it was also found that just 57 percent of personal grievance claims arising from redundancy - 31 cases out of 54 - were decided in the employee's favour.

With the introduction of the new provisions of the Holidays Act, the Wellington Regional Chamber of Commerce claimed that many small businesses could be forced to close when an week's extra annual leave came into force in 2007 (see January Chronicle). Meanwhile, Restaurant Association's Taranaki Branch President, Craig MacFarlane, said that diners, charged with a 15 percent surcharge during Easter, had been quick to accept the extra charge. However, he pointed out that many other restaurants had chosen to

close during the Easter break: it was estimated that about 30 percent of restaurants and cafes, which normally would have opened on Good Friday or Easter Monday, stayed closed.

Following the recent high-profile random drug-testing case at Air New Zealand (see November 2003 Chronicle), the *Dominion Post* reported that around 9 percent of random drug tests on workers conducted by the Institute of Environmental Science and Research (ESR) proved positive. The ESR undertook drug-testing programmes for more than 400 companies (involving more than 700 sites) and the most common drug detected was cannabis.

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The select committee hearings about the Employment Relations Law Reform Bill continued. New Zealand's largest cleaning company, Spotless Services was particularly concerned with proposals about free-riding and transfer of undertakings and claimed that they were unclear and open to abuse. Spotless also stated that it deals with different unions and queried how it could negotiate them without being guilty of supporting free-riding.

The *Independent* reported that employers were accusing the government of a lack of good faith in the bargaining process, claiming that the government was "looking after its union mates by introducing the amending legislation". Employers argued that they had been hit by a bipartite agreement, negotiated behind closed doors by the previous Minister of Labour, Margaret Wilson, and the President of the Council of Trade Unions, Ross Wilson. They wanted the new Minister of Labour, Paul Swain, to shelve the legislation and begin a round of genuine tripartite negotiations.

The Meat Industry Association predicted a decreased in productivity and profits and increased industrial disruption, according to the *National Business Review*. The meat industry employed nearly 20,000 people, most of whom were unionised and covered by collective agreements. The Association claimed that the proposed reforms would "tilt the balance too far towards collective bargaining, in favour of third-party politics, and destroy a large part of enterprise differentiation through compulsory arbitration and multiparty collective agreements and even a possible return to national awards".

The Business Roundtable in its submission asked the Government to park the Bill, and start a new reform process instituted with genuine consultation among all stakeholders, including business. The Business Roundtable expressed concerns about several aspects of the Bill, including changes to the definition of good faith, changes to personal grievance provisions, measures promoting unionism and collective bargaining, and the provisions relating to the transfer or sale of a business. It also suggested that a probationary period

for newly hired workers should be introduced as well as a maximum salary bar on unjustified dismissal claims

The *Press* reported that the Vice-President of the Marlborough Chamber of Commerce, Chris Elphick, had resigned because of his dissatisfaction with its 'unbalanced' representation of business views. Mr Elphick wrote an article for the Chamber's newsletter in which he argued that the Employment Relations Law Reform Bill would help "create conditions for fair and respectful working relationships and that good employers would have nothing to fear from them". The article was an attempt to provide some balance in the debate after the chamber had earlier circulated, according to Mr Elphick, "almost entirely negative" views on the legislation.

Nurses employed by 21 district health boards voted in favour of negotiating a national multi-employer collective employment agreement and they primarily sought 'fair pay' and improved staffing levels (see April Chronicle).

Around 240 workers employed by the Lyttelton Port Company returned to work after a stop-work meeting when negotiations for the collective agreement stalled. The port company's use of permanent part-timers had been a stumbling block.

The *Press* reported that thousands of Christchurch primary school teachers stopped work to discuss a 6 percent pay claim by their union, the NZ Education Institute (NZEI). The claim could cost the Government \$120 million and it would increase the starting salary of a teacher with a three-year Bachelor of Teaching degree from \$36,256 to \$38,431.

Canterbury University staff settled their collective employment agreement when they accepted a 3.5 percent pay increase for both academic and general staff. Originally, academic staff had sought seeking a 30 percent increase over three years, while general staff were after a 10 percent rise in 2004 (see April Chronicle).

As part of her personal grievance claim against the Corrections Department, a Napier probation officer claimed that she was harassed by a District Court Judge in a motel unit. The employee was suing the department for \$50,000 for stress, humiliation, loss of dignity and injury to feelings after she was 'medically retired' 20 months after the alleged incident in April 2001. She argued that the department had not supported her adequately after the incident and this had impacted on her recovery from post-traumatic stress disorder and prolonged her return to work indefinitely.

After his employment relationship soured, a South African hydraulics engineer was ordered to reimburse the airfares which had been paid by the company that brought him to New Zealand. The Employment Relations Authority found that his employment contract specified that he would have to repay the cost of the airfares if he left the company within four years.

The *Press* reported that Chambers of Commerce had found that small and medium enterprises were more likely to face severance grievances than bigger companies, because employees bank on the owners' preference for an easy settlement. The report said that claimants knew that the companies had no in-house legal counsel, and neither the time nor the money to follow through to court. Thus, even if the company had a good case, it is usually tempted just to settle in order to resolve the issue.

According to the *Dominion Post*, a survey conducted by Kelly Services found that nearly a third of all New Zealand employees were on some kind of performance-based pay. The survey found that 32 percent of workers were covered by arrangements where part of their salary was tied to performance targets. A further 17 percent of employees were keen to adopt performance-based pay and felt, if that happened, that they would be more productive. Only about 12 percent of Australian employees were on performance-based pay.

The *Waikato Times* reported that, in the past year, more than 170 New Zealanders had asked the Occupational Safety and Health Service to investigate their employers after submitting complaints about stress. This included 39 serious harm notifications where people said they had been exposed to mental stress, 32 notifications where employees said they suffered mental stress, and 104 notifications where employees said they had been exposed to stressful situations in the workplace.

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