In Search of Consensus: A History of Employment Relations in the New Zealand Hotel Sector – 1955 to 2000

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Abstract

This thesis examines the history of employment relations in the New Zealand hotel sector from 1955 to 2000. The hotel industry is a core part of the New Zealand tourism sector, which is the largest earner of export revenue for the country. While economically crucial, the New Zealand hotel sector exhibits employment conditions typical of the global industry, including low pay and high labour turnover. By taking a broad, critical, historical employment relations approach, this research addresses widespread calls to advance research on hospitality work beyond the limitations of a presentist, organisational and managerialist focus. This thesis fills this research gap by firmly placing the history of New Zealand hotel work in a wider socio-political and economic context. By taking this approach, the study can potentially inform employment relations policy and practice by emphasising broad drivers of change rather than the established concentration on various legislative regimes.

The study analyses major changes within hotel sector employment relations, focusing on three key research questions:

1. What is the history of employment relations in the New Zealand hotel sector from 1955 to 2000?

2. What is the relationship between the historical development of employment relations in the New Zealand hotel sector and recent employment relations patterns?

3. How does an employment relations framework, drawing on specific employment and management theories, explain the historical evolution of New Zealand hotel employment relations?

The thesis consists of a history, which has been constructed using a qualitative methodology that is consistent with an interpretive paradigm. Two qualitative methods were used to gather the data for this research, archival research and 20 in-depth, semi-structured interviews with senior hotel and union leaders. An original research approach was undertaken by triangulating multiple theory perspectives, using the work of Polanyi (2001), Burawoy (1978, 2010), Corporatism (Schmitter, 1974, 1989) and Strategic Choice Theory (Kochan, McKersie, & Cappelli, 1984). The research "stacks" these theoretical approaches into three levels of analysis: a macro, global level; a mid-level, national view; and a micro, organisational and individual agency level. The rich analysis made possible by this approach supports the broad, historical, socially, politically and economically contextualised contribution of this research.

The findings present a detailed narrative post-war history of the Hotel Workers Union and the Tourist Hotel Corporation for the first time and show the strong "corporatist" relationships shared by the employment relations stakeholders. The thesis argues that the dissolution of the corporatist consensus from the mid-1970s was a key driver of falling union membership and reduction in wages in the hotel sector, challenging previous thought that emphasised the impact of the Employment Contracts Act of 1991 on collapsing employment conditions. The findings also place the birth of New Zealand hotel human resource management in a specific historical context that suggests current "low road" practices are significantly influenced by the economic and ideological conditions present during its formative years.

The historicism of this research helps to provide a critique of the post-1984, neo-liberal consensus that the current employment relations approach is the only approach. While the corporatist period of New Zealand employment relations was not universally positive for all employees and employers, the neo-liberal approach has clearly favoured employer dominance at considerable costs to front-line workers in terms of wages, job

security and decent conditions—and thus poses a serious risk to the quality and sustainability of our biggest export-earner.

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List of Acronyms

CTU	Combined Trade Unions
DTHR	Department of Tourist and Health Resorts
ECA	Employment Contracts Act
ER	Employment relations
ERA	Employment Relations Act
FOL	Federation of Labour
HRM	Human resource management
IC&A	Industrial Conciliation and Arbitration Act
IRA	Industrial Relations Act
LPT	Labour Process Theory
LRA	Labour Relations Act
NZIER	New Zealand Institute of Economic Research
SCT	Strategic Choice Theory
SFWU	Service and Food Workers Union
SPHC	Southern Pacific Hotel Corporation
THC	Tourist Hotel Corporation

Attestation of Authorship

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgements), nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning.

David Williamson

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Chapter 1: Introduction

The New Zealand tourism sector, including hotels, has recently replaced the dairy industry as the largest earner of export revenue for the country. It is well on track to achieve the Tourism Industry Association's "aspirational" goal of $41 billion in revenue and 4.5 million visitors by 2025 (Stuff, 2016b; Tourism Industry Association New Zealand, 2014, 2015). The hotel industry is a core component of the tourism sector, underpinning this crucial part of the New Zealand economy. Yet despite its economic importance, the New Zealand hotel sector typifies the many poor employment conditions attributed to the hospitality sector internationally: low pay, low productivity, low yields, high labour turnover and poor career pathways (Lincoln University, 2007; The Ministry of Business, Innovation & Employment, 2013; Tourism Industry Association New Zealand, 2015).

The longstanding, problematic nature of hotel work has been widely researched at an organisational and managerial level, but wider perspectives remain elusive: "the body of [hospitality research] work fails to position itself within the wider social, political and economic context … the desire [is] to 'solve' a perceived 'problem' rather than explain a phenomenon" (Baum, Kralj, Robinson, & Solnet, 2016, p. 2). This thesis aims to fill that gap by presenting a history of employment relations in the New Zealand hotel sector that firmly places the history of hotel work in the wider socio-political context. To do so, it undertakes an original research approach by triangulating multiple theory perspectives, using the work of Polanyi (2001), Burawoy (1978, 2010), Corporatism (Schmitter, 1974, 1989) and Strategic Choice Theory (Kochan et al., 1984). The research also "stacks" these theoretical approaches to allow for analysis at multiple levels: from a broad, macro, global level, to a micro, intra-organisational focus. The

rich analysis made possible by this approach supports the broad, historical, socially, politically and economically contextualised contribution of this research.

In addition, this thesis is an important contribution to knowledge as it provides the *first* history of employment relations in the New Zealand hotel sector. The research is important because it captures in-depth interview data from senior leaders of hotel organisations and unions, data which could have been lost as the older generation of leaders pass on. The thesis addresses crucial questions around the historical drivers of why a sector of such economic importance to New Zealand continues to have such poor employment conditions. This thesis shows that by applying a historical employment relations framework, one can uncover new and powerful explanatory antecedents to the current challenges in the New Zealand hotel industry.

This thesis captures the dramatic story of the rise and fall of the Tourism Hotel Corporation and the Hotel Workers Union. It traces the impact of 45 years of social, political, economic and legislative change on hotel employment relations. For example, this thesis argues that the dissolution of the "corporatist" consensus, namely the traditional tripartite relationships between the "corporate" bodies of employers, unions/employees and the state, from the mid-1970s on, was a crucial driver of significant employment relations change in New Zealand hotels. This argument challenges some established "myths" that posit that legislative change, like the Employment Contracts Act (ECA) of 1991, was the major cause of falling union membership and declining wages in the sector. Wage data and union membership figures are presented to support this argument.

The thesis also offers new insights on the birth of hotel human resource management by placing it in a wider political and economic context. The research highlights the links between the outcomes of weakened unions and the birth of unitarist, short-term, cost-

saving focused human resource management and the current low pay, high turnover, managerialist realities of contemporary employment relations in the hotel sector. As a whole, by presenting a previously untold historical narrative and applying an original theoretical analysis, this thesis provides important contributions to the historical employment relations research field and demonstrates the value of applying a broad historical approach to the research of work in the hotel sector.

1.1   Research Aims

This thesis examines the history of employment relations in the hotel sector from 1955 to 2000, starting with the formation of the government-owned Tourist Hotel Corporation in 1955 and finishing with the advent of the Employment Relations Act in 2000. This study analyses key changes within hotel sector employment relations, focusing on three key research questions:

1.   What is the history of employment relations in the New Zealand hotel sector from 1955 to 2000?

2.   What is the relationship between the historical development of employment relations in the New Zealand hotel sector and recent employment relations patterns?

3.   How does an employment relations framework, drawing on specific employment and management theories, explain the historical evolution of New Zealand hotel employment relations?

1.2   Rationale and Significance

Why research the history of employment relations in the New Zealand hotel sector? Firstly, the tourism and hospitality industry is one of the fastest growing industries both internationally and in New Zealand; thus, the performance of this sector is critical to

New Zealand's economic wellbeing both now and in the future (Baum, 2007, 2008; Lashley, Lynch, & Morrison, 2006; Slattery, 2009; The Ministry of Business, Innovation & Employment, 2013; Tourism Industry Association New Zealand, 2014, 2015). The hotel sector forms a crucial part of the New Zealand tourism industry, which in itself is a major contributor to the economic health of New Zealand. The tourism sector has recently become the largest earner of export revenue for the country, overtaking the dairy industry. In 2015, New Zealand tourism had just over 3 million overseas visitors, with the choice of over 600 hotels, resulting in $11.8 billion dollars in export earnings (Tourism Industry Association New Zealand, 2014). The latest projections have the sector on track to achieve the "Tourism 2025" goals of $41 billion in revenue and 4.5 million visitors—possibly by 2022 (Stuff, 2016b; Tourism Industry Association New Zealand, 2014, 2015). In addition, the hotel sector is a major employer: employee numbers have grown by 20% since 2006—from 18,000 jobs in 2006 to more than 22,000 employees by 2014 (Tourism Industry Association New Zealand, 2014; Whiteford & Nolan, 2007).

Unfortunately, the New Zealand hotel industry is also the site of longstanding economic and employment relations problems, including low productivity, low yields, high labour turnover, low pay, high casualisation and poor training (Brien, 2008; Human Resources Institute of New Zealand, 2009; Lincoln University, 2007; Markey, Harris, Knudsen, Lind, & Williamson, 2015; New Zealand Herald, 2016; New Zealand Tourism Research Institute, 2007; Statistics New Zealand, 2010; Stokes, Norman, & Ganesh, 2010; Stuff, 2016a; The Ministry of Business, Innovation & Employment, 2013; Tourism Industry Association New Zealand, 2014, 2015; Whiteford & Nolan, 2007). Recent data put the accommodation sector annual wage ($35,900) second to bottom of all measured sectors, significantly behind the New Zealand average annual wage of $50,000 (The Ministry of Business, Innovation & Employment, 2013). The same report places the

accommodation and food and beverage sectors at the bottom of three other important measures of economic health: labour productivity; return on equity and profit-per-worker. The Tourism Industry Association's latest report also highlights major problems in the sector, including "acute labour shortages", a dependence on temporary migrant labour and 30% labour turnover (Tourism Industry Association New Zealand, 2014, p. 8).

While much has been written *describing* the problematic nature of the contemporary workplace in New Zealand hotels, there is a large gap in our understanding of the historical antecedents that have led to this particular combination of legislation, employment relationships, industry structures and management behaviours. There is a major gap in academic writing and public discourse regarding the threats posed by the poor employment conditions in the hotel and tourism sectors, now amongst the most economically important industries in New Zealand. This research makes a significant contribution to filling that gap.

The New Zealand hospitality sector has experienced longstanding and problematic employment relations issues throughout the period covered in this study (Lincoln University, 2007; Markey, Harris, Knudsen, et al., 2015; McClure, 2004; Mooney & Ryan, 2009; Poulston, 2008; Stokes et al., 2010; Stuff, 2016a; The Ministry of Business, Innovation & Employment, 2013; Whiteford & Nolan, 2007; Williamson, 2009; Williamson, Harris, & Parker, 2008) and therefore a longitudinal, historical perspective is appropriate. The key structural changes during this period include the creation of the government-owned Tourist Hotel Corporation in 1955 (hence the start date for this study) and the move to a privatised, predominantly internationally owned hotel sector after the reforms of the Fourth Labour Government of 1984. During this period there have also been major social, political, economic and legislative changes, all of which have impacted on hotel employment relations and have yet to be clearly linked to

employment changes in this sector. While the employment relations issues faced in New Zealand occur in many other international contexts, they are not universal (Baum, 2007, 2008, 2015; Baum et al., 2016; Ladkin, 2011; Lashley, 2007, 2015, Slattery, 2002, 2009), hence a study focusing on the New Zealand experience of these issues is justified.

In addition, there has been little research that places New Zealand hotel employment relations in an international and globalised theoretical context. Baum (2007, 2008, 2015; Baum et al., 2016) specifically calls for the application of a more critical approach to hotel work, drawing on political, economic and social theory. This call for a more critical, theory based approach is repeated by many senior researchers in the hospitality field (Lashley & Lynch, 2013; Lashley et al., 2006; Lashley & Morrison, 2000; Lynch, Molz, Mcintosh, Lugosi, & Lashley, 2011; McIntosh & Harris, 2012). To this end, the thesis explores the explanatory power of a number of theoretical frameworks relevant to labour studies, including corporatism, strategic choice theory and the works of Polanyi and Burawoy (Burawoy, 1978, 1979; Child, 1997; Dale, 2010; Kesting & Nielsen, 2011; Kochan et al., 1984; Molina & Rhodes, 2002; Polanyi, 2001; Schmitter, 1974, 1989; Schmitter & Lehmbruch, 1979; Webster, 2010; Wiarda, 1997; Wood & Harcourt, 2000).

Undertaking this study answers international calls for historical enquiry into hospitality work from the fields of labour history, service management and hospitality (Korczynski & Macdonald, 2009; Ladkin, 2011; Lashley, 2007; Lashley et al., 2006; Lashley & Morrison, 2000; Lynch et al., 2011; McIntosh & Harris, 2012; O'Gorman, 2005; Walton, 2012; Whalen, 2008; Wright, 2011; Zampoukos & Ioannides, 2011). Internationally, hospitality and hotel work has been highlighted as a "poster-child" example of globalised labour issues (Baum, 2007, 2008, 2015; Baum et al., 2016; Ladkin, 2011; McIntosh & Harris, 2012; Zampoukos & Ioannides, 2011, p. 27), with

the hotel industry exemplifying both the concentration and internationalisation of corporate hotel organisation and the issues of de-unionised, precarious and migrant labour in these hotels (Bray & Macneil, 2012; Brotherton, 2003; Cunill, 2006; Knowles, Diamantis, & El-Mourhabi, 2004; Medlik, 2000; Sherman, 2006; Slattery, 2009; Walton, 2012; Zampoukos & Ioannides, 2011). This thesis will explore these global issues in the New Zealand environment, seeking to add knowledge in both the New Zealand and international contexts.

Hospitality and the hotel sector not only have been said to exemplify the stresses involved in globalisation, but the industry also has been described as a proxy for the wider, modern service sector as a whole:

> The hospitality industry is a classic low-wage, labour-intensive service industry that employs large numbers of low income people, especially workers of colour and immigrants. Firm restructuring is prevalent and share many characteristics (including consolidation, subcontracting and flexible staffing) with other service industries (Appelbaum, Bernhardt, & Murnane, 2003, p. 34).

By investigating the historical changes in New Zealand hotel employment relations, this thesis contributes to both local research on the service sector (Parker & Arrowsmith, 2012) and the international literature (Bosch & Lehndorff, 2005; Hochschild, 2012; Korczynski & Macdonald, 2009; Macdonald & Sirianni, 1996; Ritzer, 2006; Warhurst, Nickson, Witz, & Cullen, 2000b).

Furthermore, there is a major gap in our knowledge regarding historical enquiry into employment relations in the local New Zealand hospitality/hotel sector. Little research has been undertaken in the hotel sector that specifically focuses on employment relations at all, let alone over the period of 45 years that this thesis covers. While there have been textbooks on New Zealand employment relations that have included limited examples from hospitality (Brosnan, Smith, & Walsh, 1990; Deeks & Boxall, 1989; Deeks, Parker, & Ryan, 1994; Deeks & Rasmussen, 2002; Geare, 2000; Haynes, Fryer,

& Oldfield, 2006; Erling Rasmussen, 2004, 2009, 2010; Erling Rasmussen & Lamm, 2002), no research in New Zealand has comprehensively investigated the employment relations *history* of this important sector. Much has been written about the impacts of legislative change on unions, wages and general employment relations in New Zealand (Deeks & Rasmussen, 2002; Dixon, 1998; Foster, Rasmussen, Murrie, & Laird, 2011; Harbridge & Walsh, 1989; Haynes et al., 2006; Honeybone, 1997), yet very little research focuses on employment relations issues in hotels (Fryer, Bretherton, & Haynes, 1994; Haynes & Fryer, 2001; Locke, 2015; Markey, Harris, Knudsen, et al., 2015; Williamson et al., 2008).

Equally, there have been histories of the tourism and hospitality sector (Brien, 2003; McClure, 2004; Medlik, 2000; Slattery, 2009; Thomas Cook Ltd, 1914; Watkins, 1987; Yu, 1999), but they have not included in-depth discussion of employment relations. Thus this thesis can contribute to New Zealand specific knowledge regarding the development of our national hotel industry. By applying a historical enquiry, the research seeks increased understanding of the developments that have led to the current employment relations environment in the hotel sector and thus provides possible suggestions for improvement in the future.

1.3 Research Design

The philosophical underpinnings of this research are based in an interpretivist paradigm, which draws on a relativist ontology and a consistent constructivist epistemology (Outhwaite & Turner, 2007). The interpretive approach allows the thesis to recognise the contested, pluralist nature of reality and supports research that seeks to uncover multiple meanings in a co-constructed social reality, as well as providing a holistic and flexible approach that fits perfectly with the construction of a historical narrative of contested perspectives on employment relations (Burns & Rayment-Pickard, 2000; Munslow, 2006; Outhwaite & Turner, 2007). In order to provide a consistent and

logical relationship between ontology, epistemology, methodology and methods, this research pursues a qualitative methodology that is consistent with an interpretive paradigm (Ateljevic, 2007; Denzin, 2005; Morrow, 1994; Patton, 2002; E. Wilson, Harris, & Small, 2008). The qualitative methodology is associated with an interpretive paradigm, in that it focuses on *interpretation* of text and context, producing words and narrative. This methodology fits well with the aim of producing a historical narrative and explanatory framework (Munslow, 2006; Tosh, 2006).

This thesis follows a "constructionalist" approach to historical enquiry, which allows for the application of generalised social theories to historical research, for example corporatism. This approach allows for a combination of deductive and inductive construction, where the application of an explanatory theory or framework (for example the work of Polanyi, Burawoy, Corporatism and Strategic Choice Theory in the case of this thesis) to empirical data "does not diminish human agency … or choice in the past, but rather enriches our understanding of it" (Munslow, 2006, p. 25). Constructionalism allows for the recognition of the values and influence of the researcher on the researched, but at the same time advocates the benefits of empirical rigour in the research process (Munslow, 2006; Tosh, 2006). It is from this position that one can build a historical methodology that allows for reflective deconstructionism with traditional approaches to archival and interview based empiricism (Munslow, 2006; Tosh, 2006). This approach is consistent with the interpretive paradigm, containing a relativist ontology and epistemology, as discussed above.

The methods for this thesis include semi-structured interviews, which produced rich data from 20 managers, union representatives, hotel consultants and industry advocates in the New Zealand hotel sector. Interviews form a key part of historical method and are well justified for use in this research (Munslow, 2006; Tosh, 2006; White, 1987). In addition to interviews, extensive archival research was undertaken, also a foundational

part of the historical method (Elton, 1967; Munslow, 2006; Tosh, 2006). This research used sources contained in government and union archives, libraries, company records and private collections of documents. These included: Archives New Zealand; The National Library of New Zealand; The Tourist Industry Association of New Zealand; The Special Collections at The Auckland City Library; *The Auckland Star* newspaper clippings collection; a collection of *Flashlight*, the magazine of the Hotel Workers Union; minutes of the National Hotel Workers Union; and a collection of Official Reports on the Tourist Hotel Corporation to the House of Representatives.

The thesis covers the period from 1955 to 2000. This period covers much of the dramatic employment relations reforms in New Zealand, including major social, political, legislative and economic change. The period was chosen to capture the beginning of the Tourist Hotel Corporation in 1955 through to the end of the Employment Contracts Act in 2000. The thesis does not look in detail at the Employment Relations Act, 2000 and subsequent employment changes after 2000, for a number of reasons. Firstly there are pragmatic reasons to limit the study to a 2000 finish. It was necessary to limit the period that this research covered in order to complete an achievable thesis and in addition, the major archival collections used to support the research often concluded as a series during the 1990s. Post-2000 archive collections contained vastly increased amounts of content, but were increasingly less organised, making analysis difficult.

In addition, the findings of this thesis conclude that the major social-political changes that led to the demise of a corporatist consensus in New Zealand employment relations had 'locked in' by 2000 and subsequent changes to legislation made no significant changes to the new, neo-liberal consensus in employment relations. While arguments could be made that post-2000 developments in New Zealand society and legislation have further 'embedded' the changes covered by this thesis, little evidence exists to

suggest that any fundamental reversals of the drivers of change covered in this thesis have occurred.

1.4 Thesis Overview

1.4.1 Chapter 1: Introduction

This chapter outlines the research aims, methods, rationale and significance of this research. In addition, the introduction provides an overview of the chapter structure for the thesis.

1.4.2 Chapter 2: Literature Review

The literature review chapter provides insight into the foundational theoretical and applied literature that is relevant to the study of labour history and employment relations in the New Zealand hotel sector. The literature review chapter has three sections, starting with a review of work and management research within the hospitality and hotel fields. The chapter highlights recent "calls for change" from prominent hospitality researchers and presents gaps in the research that motivate this thesis. The review then looks at the employment relations context supporting this research and finally outlines insights from literature in labour history that will provide the theoretical foundation for the thesis.

1.4.3 Chapter 3: Methodology

The methodology chapter firstly lays out the methodological and philosophical foundations of this thesis, providing a detailed justification for the choice of an interpretive research paradigm. The chapter then outlines the research design, highlighting the consistency between the relativist, constructivist ontology and epistemology of an interpretive research paradigm and the naturalist, qualitative methodology used to gather data for this study. The final sections of the chapter provide specific details of the interview and archival research methods used in the research. The

chapter includes discussion around the limitations of the chosen methodology and concludes with the thematic analytical approaches used in this study.

1.4.4   Chapter 4: Context 1955–2000

The context chapter presents the contextual history of the political, economic and legislative conditions in New Zealand from 1955 to 2000 to inform the reader of the general conditions of this period. The chapter provides context which supports the reader in understanding the subsequent findings and discussion chapters of this thesis, but also presents in-depth history of the tourist hotel industry in New Zealand, paying particular attention to the rise and fall of the Tourist Hotel Corporation.

1.4.5   Chapter 5: Findings – The Hotel Workers Union, 1955–1990

This chapter presents the findings from interviews and archival research regarding the history and personalities of the Hotel Workers Union in New Zealand from 1955 to 1990. The findings illuminate the context, structures, personalities and relationships that defined the nature of this union and its place in the traditional tripartite system of employment relations during this time. The chapter examines the rise of women, Pacifica and Māori representation in the union and highlights the internal weaknesses that would prove damaging during the tumultuous changes discussed in Chapter 7.

1.4.6   Chapter 6: Findings – Work in the Tourist Hotel Corporation

This chapter builds on the history of the Tourist Hotel Corporation provided in Chapter Four, by focusing on management perceptions of work and employment relations within the THC. The chapter presents results from interviews with managers, along with supporting archive and wage data. The chapter opens by outlining the labour market issues faced by the THC in the 1950s, before going on to discuss depictions of service work in New Zealand and the sector's traditional reliance on migrant labour throughout the post-war period. The chapter focuses on managers' perceptions about the drivers of

labour and skills shortages before looking in detail at the role pay rates might have played in this area. The chapter concludes by discussing managers' views on their relationship with the Hotel Workers Union from the 1960s through to 2000.

1.4.7 Chapter 7: Findings – The End of Corporatist Consensus, 1990–2000

Chapter 7 covers the major changes in the New Zealand hotel employment relations environment from 1990 to 2000. This was a tumultuous period that included major changes to hotel ownership and management structures as well as radical change in employment relations legislation. The chapter explores the impact of these changes on the Hotel Workers Union and the hotel industry. New attitudes and approaches to employment relations are discussed in detail, as both the unions and employers sought to adapt to the new legislative, economic and social environment. The chapter concludes with the outcomes of the 1990s employment relations (ER) changes and highlights the key attributes of the modern New Zealand hotel (ER) framework that were in place by the turn of the millennium.

1.4.8 Chapter 8: Discussion

This chapter presents the theoretical analysis of the findings discussed in Chapters Five, Six and Seven. To do so, an original research approach is used to triangulate multiple theory perspectives (using the work of Polanyi (2001), Burawoy (1978, 2010), Corporatism and Strategic Choice Theory) and then "stack" these theoretical approaches to facilitate analysis at multiple levels: from a broad, macro, global level, to a micro, intra-organisational focus. The chapter focuses strongly on the corporatist nature of post-war New Zealand, particularly highlighting the argument that de-corporatisation was a process that started in the mid-1970s and all but concluded around the mid-1990s, with visible results on wages, union membership and job security.

1.4.9 Chapter 9: Conclusion

This chapter presents a summary of the main conclusions and contributions of this thesis. Firstly, the main conclusions about each of the three research questions are summarised, then the overall contribution to knowledge from this thesis is outlined. The chapter concludes with limitations and emerging directions for research, before some closing comments are made.

Chapter 2: Literature Review

2.1 Introduction

This literature review will provide insight into the foundational theoretical and applied literature and summarise the key arguments that are relevant to the study of labour history and employment relations in the New Zealand hotel sector. The chapter has three sections and will start with an overview of work and management research within the hospitality and hotel fields. This first section will cover international and New Zealand based literature, noting recent "calls for change" from prominent hospitality researchers and highlighting gaps in the research that motivated this thesis. The review will then look at the employment relations context that is relevant to this research and finally outline insights from literature in Labour History, and Labour Process Theory, that will help provide theoretical support for the thesis.

2.2 Work and Management Research in Hospitality and Hotels

The hospitality workforce, both internationally and within New Zealand, suffers from longstanding and acute problems, as already noted in the introduction. Contemporary data show the New Zealand hospitality workforce continues to suffer from comparatively low pay, poor productivity and high labour turnover (The Ministry of Business, Innovation & Employment, 2013; Tourism Industry Association New Zealand, 2014, 2015). When searching for explanations for this poor state of affairs, much research has focused on labour turnover and its antecedents in the sector. International researchers have sought to illuminate high turnover through studies on leadership (Gatling, Kang, & Kim, 2016), depression (Boz, Koç, & Kiliç, 2014), generational difference (Brown, Thomas, & Bosselman, 2015) and creativity and job satisfaction (Lu & Gursoy, 2016; Tongchaiprasit & Ariyabuddhiphongs, 2016). New Zealand based research has looked at exit interviews (Williamson, 2009; Williamson et al., 2008) and expressive labour (Poulston, 2015).

In addition to the work above, considerable new research has built on the foundations of Iverson and Derry's (1997) seminal work in hospitality turnover, including work focusing on retention strategies, job embeddedness and future skills planning (Deery & Jago, 2015; Robinson, Kralj, Solnet, Goh, & Callan, 2014; Solnet, Baum, Robinson, & Lockstone-Binney, 2015). However, the majority of this turnover literature continues to conform to Baum's (2016, p. 2) critique of being limited to an "organisational and managerial level … the body of work fails to position itself within the wider social, political and economic context … the desire [is] to 'solve' a perceived 'problem' rather than to explain a phenomenon". There is scant research in this area that takes an employment relations focus that deals with the broader effects of social, economic, political and legislative changes on the power relationships of employers and employees.

In a similar vein, other literature on work in hospitality (often linked to high turnover as the "problem to be solved") has explored many interesting and valuable subjects, but rarely touched on employment relations. For example, one of the few country specific studies to mention employment relations pointed out that hospitality working conditions are not uniform across developed and developing nations; however, the role of the various governments' policies and legislative regulations only warrants a passing paragraph (Sobaih, 2015). While hospitality work research covers a number of valuable topics, the focus generally remains decidedly within the organisation, often failing to explore broader social, political and economic factors.

Examples of this "organisationally limited" research include work on gender (Kensbock, Jennings, Bailey, & Patiar, 2013; Mooney & Ryan, 2009; Parker & Arrowsmith, 2012) and meaningful work and spirituality (Gatling, Kim, & Milliman, 2016; Jung & Yoon, 2016), which touch on broader and deeper societal constructs, but remain firmly positioned within organisational problem solving. In a similar way, recent

research on participation, engagement, corporate social responsibility and emotional labour (Arrowsmith & Parker, 2013; Lashley, 2016b; Li, Canziani, & Barbieri, 2016; Markey, Harris, Knudsen, et al., 2015; Markey, Harris, Ravenswood, Simpkin, & Williamson, 2015), all tend to focus on problems and solutions within organisations or sectors, rather than at a societal level.

Some of the literature on hospitality work explores exciting new territory, showing that research on work in hospitality is, as Baum (2016) suggests, impressively heterogeneous. Some of the more established research streams in gender (Cooper & Parker, 2012; Kensbock et al., 2013; Parker, Douglas, Ravenswood, Sayers, & Cooper, 2014), age (Mooney, 2016b; Poulston & Jenkins, 2016) and diversity (Ravenswood, Harris, Williamson, & Markey, 2013) have recently been built upon. Examples include intersectionality research which is developing sophisticated methodological approaches to hospitality work (Mooney, 2016a; Nakhid et al., 2015). Other innovative hospitality work research includes the study of fun in the workplace (Han, Kim, Jeong, & Okumus, 2016), the impact of parental roles in hospitality consumption (Lugosi, Robinson, Golubovskaya, Foley, & Harwell, 2016), labour mobilies (T. Duncan, Scott, & Baum, 2013; Rydzik, Pritchard, Morgan, & Sedgley, 2012) and issues of place and space in hospitality (Lugosi, Lambie-Mumford, & Tonner, 2014; Lugosi et al., 2016). Recent work by Lashley (2016a, 2016b) has explored business ethics and corporate social responsibility in the hospitality and tourism sector, critiquing the persistent low wage rates in this field.

Despite the wide variety of research topics covered above, there remains a noticeable lack of hospitality work research that focuses on historical employment relations. This lack of historical approach, coupled with intra-organisational focus, tends to give rise to the sense that the hospitality research agenda, whilst heterogeneous and at times innovative, is not fundamentally moving forward (Baum et al., 2016). In some ways the

research of hospitality can be seen to reflect the nature of the industry, as Ladkin (2011) states: "The characteristics of the industry give rise to a certain image of hospitality work that has not changed over time" (p. 1139). By taking a historical approach and focusing on employment relations, this thesis will contribute a much needed perspective on hospitality work.

2.3 Human Resource Management in Hospitality

In addition to the above research, there is a vast body of literature that focuses on the role of management in hotel work, covering topics from marketing to strategy, technology, accounting and finance, facilities management, human resource management and numerous others. For this thesis, one of the key areas of interest within this management literature is human resource management (HRM), reflecting the position of this management speciality as integral to employment relationships and as one of the main areas of concern for hotel managers (Enz, 2009). There have been some comprehensive reviews of historical changes in hospitality HRM over the past 10 years, that highlight some of the patterns of development in this area and point to themes of current interest for this research (Baum, 2007, 2015; Chen, Cheung, & Law, 2012; Davidson, McPhail, & Barry, 2011; Kusluvan, Kusluvan, Ilhan, & Buyruk, 2010; Lucas & Deery, 2004; Tracey, 2014). Davidson et al. (2011) trace the development of HRM practice over time, highlighting themes of changes from "hard and soft" HRM, unitarist and pluralist approaches, strategic HRM trends, outsourcing, generational change and training.

Other themes highlighted in the hospitality HRM literature include changing technology (Kusluvan et al., 2010; Tracey, 2014), increasing diversity and demographic change (Baum, 2015; Solnet, Kralj, & Baum, 2015) and a long shopping list of mainstream HRM research topics: hospitality careers; control; satisfaction; turnover/recruitment; legal issues; gender; personnel development and performance measurement; employee

personality and emotional intelligence; emotional/aesthetic labour; organisational culture/climate; and employee job attitudes and behaviours (Baum et al., 2016; Davidson et al., 2011; Deery & Jago, 2015; Enz, 2009; Kusluvan et al., 2010; Lashley, 2012; Lashley & Lynch, 2013; Lucas & Deery, 2004; Solnet, Baum, et al., 2015). In fact, Deery (2002) points out that, in choosing many of the above areas of focus, hospitality HRM research has mostly replicated mainstream HRM research and has failed to push boundaries and propose new theory specific to the sector.

One associated area of HRM research which could be applied to hospitality is the work on "sacrificial HRM" in call centres (Wallace, Eagleson, & Waldersee, 2000). This research suggests call centre management follow a sacrificial HR policy, which prefers to jettison burnt-out staff rather than support them. The organisation accommodates burnout and high labour turnover in order to achieve high levels of customer service satisfaction. Given the pressure in hospitality to maintain high customer satisfaction through front-line service, this sacrificial HRM model could partially explain the high levels of turnover in hotels.

Several of the above authors conclude that many barriers exist in the hospitality industry that hinder HRM best practice and that the industry may be considering the future of HRM as a management speciality itself, considering its functions ripe for outsourcing (Davidson et al., 2011; Solnet, Kralj, et al., 2015; Tracey, 2014). Baum (2015) continues this somewhat grim analysis of hospitality HRM in his discussion of the globalised fragmentation of work in hotels. Also highlighting issues in managing diversity, ICT and skills training in hospitality, Baum (2007, 2008, 2015) supports Davidson et al. (2011) in the conclusion that there is little evidence of HRM best practice in the hospitality industry. Whilst agreeing with Baum's critical view of HRM in general, Lashley (Lashley, 2007, 2015; Lashley & Lynch, 2013; Lynch et al., 2011) also makes the point that hospitality work is highly skilled emotional labour and

deserves "high road" HRM as a result. Much of the research in hospitality HRM supports the work of Lashley (2007, Baum (2015), Davidson et al. (2011) and Ladkin (2011) in positing tourism, hotel and hospitality HRM as a "low road" approach (constrained investment in training, wages and development and reactive systems), the complete opposite of high performance HRM systems (Boxall, 2012; Boxall, Hutchison, & Wassenaar, 2015; Boxall & Macky, 2014).

Baum (2015, p. 204) further concludes that the commonly held "bleak" assessment of work and working lives in hospitality is mostly correct and the HRM practice appears to be "frozen in time". Baum (2015; Baum et al., 2016) goes on to support (Ladkin, 2011), stating that greater attention must be paid to the analysis of wider market forces, government policy and social interventions in order to seek explanations for this lack of change. Baum (2015) pointedly comments that the focus of most hospitality HRM research is "organisational and managerialist" and that "as a consequence, many of what might be seen as the substantive or structural issues relating to tourism employment are only considered in a fairly superficial manner" (p. 204). These observations are not new, Lashley (Lashley, 1995, 1999, 2012; Lashley et al., 2006; Lashley & Morrison, 2000; Lynch et al., 2011) has been calling for advances in hospitality HRM and an expansion of hospitality HRM research into a wider social view since the 1990s. Ladkin (2011, p. 1152) and Baum (2015; Baum et al., 2016) stress the fact that wider social, cultural and political factors cannot be ignored. This thesis will address some of these wider issues in terms of historical, political, social and economic drivers of HRM practice in the hotel sector.

Generalist HRM research in New Zealand is well developed with strong streams in strategic HRM, high performance and high engagement HRM systems, comparative HRM and employee engagement (Arrowsmith & Parker, 2013; Boxall, 2012; Boxall et al., 2015; Boxall & Macky, 2014; Edgar & Geare, 2014; Kramar & Parry, 2014).

However, this HRM research rarely references hospitality, tourism or hotel organisations, despite the economic and social importance of these sectors in New Zealand. Critical writing on the history of HR management in New Zealand is very rare, with the notable exception of Haworth (2013), who raises important questions about the impact of recessionary economics and changing employment relations ideology on the formation of the HR profession in New Zealand.

Fortunately, there is a growing field of research focusing specifically on hotel management and HRM in the New Zealand context (Harkison, Poulston, & Jung-Hee, 2011; Luo, 2010; Mooney, 2016b; Mooney & Ryan, 2009; Poulston, 2008; Poulston & Jenkins, 2016; Ravenswood et al., 2013; Ryan, 1998; Williamson et al., 2008; Yixin & Milne, 2014). The key themes of this literature reflect the concerns of the wider international and generalist HRM literature discussed above: labour turnover; management strategies; gender issues in careers; training and development; and a number of discussions around the "bleak" nature of hotel work. Thus far, there has been no long-term historical perspective applied to employment relations in the hotel sector in New Zealand academic literature, despite a considerable pool of relevant data having been built up over the past few years (Human Resources Institute of New Zealand, 2009; Ministry of Economic Development, 2010; New Zealand Tourism Research Institute, 2007; Statistics New Zealand, 2010; Stokes et al., 2010; The Ministry of Business, Innovation & Employment, 2013; Tourism Industry Association New Zealand, 2014, 2015; Whiteford & Nolan, 2007).

2.4   The Call for a Historical Approach in Hospitality Research

Importantly for this thesis, the "presentist" (a complete focus on the present, a lack of historical context) and managerial focus of the literature discussed above has come under increasing criticism. Hospitality research has undergone a period of strong growth and change since 2000. The publication of the seminal work, *In Search of Hospitality*

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(Lashley & Morrison, 2000), followed by *Hospitality: a Social Lens* (Lashley et al., 2006) and the launching of the journal *Hospitality and Society* in 2011, have generated increasing international academic interest in the study of hospitality from a wider range of social science perspectives (Lashley, 2007). Reviews of hospitality and tourism labour have proliferated (Baum, 2015; Baum et al., 2016; Ladkin, 2011; McIntosh & Harris, 2012; Solnet, Baum, et al., 2015; Walton, 2012; Zampoukos & Ioannides, 2011), along with new areas of research in hospitality labour including mobilities, meaningful work and control (Cockburn-Wootten, 2012; T. Duncan et al., 2013; Lashley & Lynch, 2013; Rydzik et al., 2012).

The agenda of the researchers associated with these publications calls for a broadening of the study of hospitality to included more liberal, social science and critical perspectives, in order to "raise the status of hospitality and … liberate it from current functionalism" (Lashley, 2007, p. 215). These authors critique hospitality research that is pre-occupied with management practices and direct relevance to industry, declaring this "myopic" focus "an intellectual cul-de-sac" (Lashley, 2007, p. 216). Other senior researchers join this call for a broadening of focus when researching hospitality, including wider consideration of social, political and economic factors in the study of hospitality (Baum, 2015; Baum et al., 2016; Ladkin, 2011). This approach is not uncontested, and Slattery (2002) engages in a robust critique of the calls to broaden hospitality research topics, concluding it to be "degrading to the hospitality industry … redundant … woeful" (Slattery, 2002, p. 27). Slattery (2002) rejects the depiction of commercial hospitality as a "poor relation" to hospitality in the social and private domains and vigorously defends the validity of "the centrality of the corporate context to the understanding of the hospitality industry" (Slattery, 2002, p. 25).

Crucially for this thesis, one of the key critical, social science approaches that this group of hospitality research publications calls for, is that of a historical approach to work in

the hospitality industry (Lashley, 2007; Lashley et al., 2006; Lashley & Morrison, 2000; Lynch et al., 2011; O'Gorman, 2005). Lynch et al. (2011) specifically highlight "historical approaches to hospitality" and "hospitality as work" as two under-researched and highly valuable areas of potential investigation. Reflecting the desire of these authors for multi-disciplinary approaches, Lashley (2007) calls for a critical, radical pluralist approach to hospitality employment relations, based on the classic employment relations theorist, Fox (1974). Lashley (2007) argues that this orientation is required to offset the "somewhat unitarist" perspectives contained in most human resource and employment relations research in the hospitality sector.

Interestingly, the call for an increased focus on the history of hospitality is in fact not new. Woods (1991) reviewed the contemporary state of hospitality historiography and declared, "Despite the importance of the hospitality industry, virtually no scholarly work has been completed about its history" (Woods, 1991, p. 89). Woods (1991) suggested future hospitality historical research could focus on the development of managerial practices, matching Wright's (2001) call for this focus from a labour history perspective. Little seems to have advanced in the area of historical hospitality employment relations, as O'Gorman (2005) still describes hospitality and its history as "an under-researched area for investigation" (p. 141), and Walton (2012) concludes that the history of the hospitality labour force is "important, and seldom investigated and … a neglected field of study" (Walton, 2012, p. 49).

This raises a key question: Why have hospitality studies not taken a historical approach to employment relations? Walton (2012) suggests that tourism and hospitality literature has failed to pursue labour history for the following key reasons: the hospitality labour force has been hard to quantify and classify due to historically poor statistical and census data; and the work is often seasonal, migratory and made up of multi-ethnic, part-time and casualised labour (Baum, 2007, 2008; Walton, 2012; Zampoukos &

Ioannides, 2011). Walton (2012) offers several suggestions for why hospitality work has remained "hidden". Hospitality work often "disappears" into the un-recorded black economy; hospitality work sites are hard to organise for unions—thus are less likely to be part of the traditional employment relations focus and data sets; and the distractions of the "cultural turn" in tourism and hospitality research have resulted in a general "failure to engage with critiques of neo-liberalism" (Walton, 2012, p. 52)—all of which provides a "perfect combination of characteristics for hiding a workforce from historians" (Walton, 2012, p. 55).

2.5   International Hotels

Other streams of research that indirectly address work in hotels include Slattery's (2009) *The Economic Ascent of the Hotel Business,* which provides an excellent historical overview of the economic, social and political conditions that have determined the contemporary shape of the international hotel industry. It is limited, however, by a focus on US and European data. The key structural changes in the industry are clearly outlined by Slattery (2009), and generally echoed by the other key texts in this stream of literature (Brotherton, 2003; Cunill, 2006; Medlik, 2000; Slattery, 2009; Yu, 1999). These themes include: large scale growth of demand and supply of hotel rooms in developed economies; the globalisation of large hotel chains; the concentration of ownership of hotels, from stand-alone inns into large international chains; the globalisation of labour as part of this process, with growing issues around migrant workers and a resulting need for "diversity management"; and the growing importance of brand (Brotherton, 2003; Cunill, 2006; Medlik, 2000; Slattery, 2009; Yu, 1999). These themes will provide a useful framework for analysing the changes in New Zealand hotels over the period covered by this thesis. There is very little discussion of employment relations within this stream of literature, with work issues normally relegated to a very brief discussion within a human resource management framework.

The most common topics covered within this very limited HRM space are diversity management and career progression.

A wider, social, technological and architectural history of hotels has started to be covered by a number of interesting books (Berger, 2011; Jakle & Sculle, 2009; Sandoval-Strausz, 2007). As Sandoval-Strausz (2007) points out, "despite the … ubiquity of the hotel, we know relatively little about its history" (Sandoval-Strausz, 2007, p. 1). Yet the potential of these new writings to illuminate *work and workers* in this sector has, thus far, gone begging. These authors hint at the explanatory role hotels can have in wider economic and social settings—for example, Sandoval-Stausez (2007) notes, "The development of the hotel was a revealing episode in the rise of capitalism, one that demonstrates key aspects of its functioning and influence" (p. 4). Yet, these studies fail to engage with labour in any meaningful way, leaving a large gap in the literature.

Several histories of New Zealand hotels have been written, but all of these have been the result of funding and support from professional bodies that represent the various segments of the industries covered (Brien, 2003; McClure, 2004; Watkins, 1987). The Hospitality Association of New Zealand, Tourism New Zealand and the Travel Agents Association of New Zealand commissioned these works and thus they tend towards a "triumphalist" description of the industries covered; as suggested by their titles: *The Wonder Country* and *The Billion Dollar Miracle*. They present a relentlessly positive story of growth and overcoming obstacles without any critical or theoretical conclusions. Crucially, they do not discuss employment relations in the hotel sector in any detail, if at all.

2.6 The Employment Relations Context

This research will be taking an employment relations (ER) focus, concentrating on the relationships between hotel employers, employee unions and the state. ER can be defined as the study of the powers and interests of the key parties (employees, employers and the government) in the regulation of the employment relationship (Dunlop, 1993). ER study includes the strategies adopted by these parties and the rules and process used to regulate the employment relationship, as well as the cultural, social, economic and political contexts within which employment occurs (Lucas, 2004).

Much of the research in New Zealand ER focuses on the impacts of the Employment Contracts Act, 1991 (ECA) and the Employment Relations Act, 2000 (ERA), with the ECA of 1991 generally being considered the most important and dramatic change in the ER landscape. There is considerable debate over the legacies of the ECA (Bollard & Buckle, 1987; Dixon, 1998; Harbridge, 1993; Harbridge & Walsh, 1989; James, 1986, 1992; Kelsey, 1993; Erling Rasmussen, 2009; Roper, 2005; Trotter, 2007), with Wilson (2010) pointing out that the argument is clouded by problems in identifying causality, lack of adequate data and bias in evaluation and interpretation. However, one clear outcome of the ECA was a dramatic reduction in many measures of union activity and size. Multi-employer collective agreements (the traditional awards) fell from 59% in May 1991 to 8% by September 1992; nationwide union membership fell by over half, from 648,000 in 1989 to 302,000 in 1999; union density (union members as a percentage of the total employed workforce) fell by even more, from 44.7% in 1989 to 17% in 1999; and, importantly for this thesis, the hotel/retail and wholesale sector was one of the worst affected, with a decline in union membership of 81% by 1999, the third worst of all measured sectors (Erling Rasmussen, 2009, pp. 87–93). However, as this thesis uncovers, for the first time, the ECA was not solely responsible for these dramatic changes in hotel ER.

The historical nature of this thesis is designed to highlight the important changes that have occurred in these relationships over time, drawing out key events that have driven those changes. A considerable body of book literature looks at the contemporary and historical ER situation in New Zealand in general (Franks & Nolan, 2011; Fry, 1986; Haynes et al., 2006; Martin & Taylor, 1991; Erling Rasmussen, 2004, 2009, 2010; Erling Rasmussen & Lamm, 2002; Roth, 1973). These authors cover historical and legal frameworks, the roles of employers, managers, unions and the state in employment relations, as well as covering key theoretical frameworks and debates. Similar material is also covered in ER chapters within human resource management books (Macky & Johnson, 2003).

These works provide the broad overview of the changes to the New Zealand ER environment, including legislative, social, economic and political changes of the key periods covered in this study, including the change from the Industrial Conciliation and Arbitration Act to the ECA and the ERA. However, they rarely position their analysis in the hospitality or tourism sectors. Other examples of this "broad" approach to ER in New Zealand are Wilson (2010) and Anderson & Quinlan (2008), who cover key underpinning debates around ideology and regulatory approaches in the New Zealand and Australian context. A more detailed discussion of specific employment legislation change in New Zealand is presented in Chapter 4 (pages 91-96).

In addition to the above, there is considerable research that focuses on the antecedents, content and impacts of these major ER legislative changes in New Zealand. Amongst many other themes, researchers have investigated legislative change and the rise of flexibility, deregulation of the ER framework and the demise of collective bargaining (Foster, Murrie, & Laird, 2009; Harbridge, 1993; Honeybone, 1997; Maloney, 1998; McLaughlin, 2010; Erling Rasmussen, 2004, 2010). A noticeable weakness in ER research is the lack of focus on managerial attitudes and actions in a changing ER

environment, although fortunately some important work has been published in this field (Foster, Rasmussen, & Coetzee, 2013; Foster et al., 2013; Erling Rasmussen & Foster, 2011). However, it should be noted that more traditional sectors like manufacturing provide the most respondents in such research, with the accommodation and hospitality sectors only lightly represented (Foster et al., 2013). These authors discuss a growing resistance to collective bargaining in the attitudes of managers and raise questions regarding the impacts of these changing managerial attitudes on New Zealand ER. Specifically, they note that employers who are more engaged in collective bargaining tend to perceive their employees placing greater value on collective bargaining.

Another area of growing importance is gender and diversity in New Zealand ER, with several key publications (Fairbrother & Yates, 2003; Locke, 2007, 2012, 2015; Mooney, 2007; Mooney & Ryan, 2009; Parker & Arrowsmith, 2012; Parker et al., 2014; Parker, Nemani, Arrowsmith, & Bhowmick, 2012; Ravenswood & Markey, 2011) addressing questions around how well stakeholders (employers, unions and government) in the employment relationship have served the needs of women and ethnic minorities.

Important research has been published on the impact of legislative change on New Zealand wages. Research on wages is important to this thesis as there is a common depiction of New Zealand hotel work as low wage employment. Be it newspaper stories (Stuff, 2016a; Sunday Star Times Newspaper, 2016), the Parliamentary debates in 1955 on the Tourist Hotel Corporation, the NZIE reports on the economic potential of tourism (Lloyd, 1964; New Zealand Institute of Economic Research, 1966) or the Travelodge feasibility study (Carter & MaGuire, 1968), hospitality has long been spoken of as a low wage sector. In terms of wages, both Maloney (1998) and Deeks and Rasmussen (2002) highlight the rather surprising findings that the ECA seemed to have no significant impact on overall New Zealand hourly earnings. Maloney (1998, p. 57)

concludes that while the mix of ordinary time and overtime wages may have altered after 1991, no overall fall occurred.

However, Harbridge and Walsh (1989) argue that changes to the bargaining system post-1984 (the removal of compulsory arbitration, the wage fixing attempts of the "Economic summit") had immediate negative effects on the 1986-87 and 1987-88 wage rounds. Harbridge and Walsh (1989) show that real wages fell considerably, with increases over the two rounds averaging approximately 7.5%, at a time when the three year average inflation rate from 1985 to 1987 was 15%. Dixon (1998) confirms no impact of the ECA on overall hourly rates in New Zealand and Deeks and Rasmussen (2002) suggest that "it is necessary to focus on a particular sector" (p. 87) in order to clearly see the impact of changes in the hourly rates. Little research has been published since 2000 that focuses on detailed wage analysis of particular New Zealand sectors, with the possible exceptions of Armstrong and Parker's (2016) work on wage setting in large firms and Pacheco's work on the minimum wage (Pacheco, 2011). Thus there is much to unpick in the research around wages and legislative change and this thesis will provide a sector-specific focus to add to the research in this area.

Historically, unions have been one of the key stakeholders in the employment relationship and therefore require careful consideration in this thesis. A sizeable quantity of research covers the impacts of post-war political, social and legislative change on unions both internationally (Caspersz, 2013; Frege & Kelly, 2004; Gahan & Pekarek, 2013; Helfen & Fichter, 2013; Tapia & Turner, 2013; Verma & Kochan, 2004) and within New Zealand (Bailey, Price, Pyman, & Parker, 2015; Fairbrother & Yates, 2003; Fry, 1986; Harbridge & Honeybone, 1996; Locke, 2007, 2012, 2015; Martin & Taylor, 1991; May & Walsh, 2002; Erling Rasmussen, 2010; Roth, 1973). These studies highlight drastic changes in legislation, falling union membership numbers, deregulation of industrial relations frameworks and increasingly dire challenges from

globalised corporations and highly mobile capital. There has also been significant research around diversity and the changing nature of representation in unions and the role of unions in creating family friendly workplaces (Locke, 2015; Ravenswood & Markey, 2011).

However, very few studies have focused on New Zealand hospitality or hotel union activity, despite the hotel union being one of the largest industrial unions during the post-war period. Studies of the Wellington Hotel Workers Union and the Service Workers Union (Fairbrother & Yates, 2003; Locke, 2015) and collective bargaining in hotels (Fryer et al., 1994; Haynes & Fryer, 2001) remain the only detailed research of hotel unions. The work of Fairbrother and Yates (2003) and Locke (2015) provide valuable insight into the internal changes within the Wellington Hotel Workers and Service Workers unions during the 1980s and 1990s. However, very little of the mainstream, ER research discussed above focuses on the hotel sector in New Zealand, a telling oversight given the economic importance of this sector. While the above studies occasionally make passing reference to the hospitality and hotel sector by way of example, they do not discuss it in any detail - the field remains decidedly unpopulated.

In terms of comparative employment relations, Katz and Darbishire's (2002) work on "converging divergences" has made a significant contribution to literature on globalisation and its impact on convergence of international employment relations systems. This research found that while variations in employment patterns within the countries studied were increasing (divergence), employment systems across countries were *converging* towards four common patterns (low wage, human resource management, Japanese oriented and joint team-based). Katz and Darbishire (2002) show that nation specific institutions and practices generate persistent differences in employment relations patterns. Given the globalised nature of ownership and management in the hotel industry and the focus of this thesis on New Zealand based

hotel employment relations, the "converging divergence" model may offer insights to the findings of this thesis.

Finally, several comparative studies between Australia and New Zealand have illuminated issues in labour history, including changes in the role of the state in New Zealand (Anderson & Quinlan, 2008), comparative union development (Ellem & Franks, 2008; Franks & Nolan, 2011; Roth, 1973) and developments in politics (Nolan, 2005, 2010). In addition to comparative studies, a number of Australian researchers have taken approaches to the study of unions that have provided general insights for this thesis. Of particular relevance is research on leadership and gender in unions, the impact of legislative change on unions, and hospitality unions (Bailey et al., 2015; Bray & Macneil, 2012; Brigden, 2012, 2013, 2014; Good & Cooper, 2014; Parker et al., 2014; Pyman, Holland, Teicher, & Cooper, 2010). While the thesis does not address comparative themes with Australia, note was taken of the importance of gender, leadership and legislation in the study of unions in Australia.

2.7 Theoretical Foundations

Given that the hospitality industry is commonly depicted as one the world's largest and fastest growing economic activities, employing millions of people (Zampoukos & Ioannides, 2011), it remains frustratingly difficult to find reference to this industry in labour history (Walton, 2012). Walton (2012) accuses mainstream labour historians of focusing on traditional manufacturing, mining and transport industries, with sizeable and long-term union presence, while they "ignore or marginalise the tourism labour force" (p. 52). The question arises, why has the majority of labour history research ignored such a prominent industry sector?

A partial answer to this question lies in recent scholarly debate, which suggests that labour history has been struggling through a period of crisis since the "golden age" of

industrial relations in the 1960s and 1970s (Kirk, 2010; Lambert, Webster, & Bezuidenhout, 2012; Lucassen, 2008; McIlroy, 2012; Piore, 2011; Whalen, 2008; Wright, 2011). While some authors claim the field of labour history is struggling to maintain the relevance it once held during this golden age (Wright, 2011), others suggest that "the decline and fall of ….. labour history in the postmodern era has been greatly exaggerated" (Kirk, 2010, p. 174). However, the majority of these authors agree that the crisis in labour history is typified by a narrow focus on institutional conflict studies (unions, employers and the state) and the use of underpinning theoretical constructs (Marxism, Weberism) that have become "discredited" (Piore, 2011). Part and parcel of this stagnation has been the favouring of studies in large manufacturing, mining and transport industries whilst overlooking the rapidly growing new service sectors like hospitality (Walton, 2012).

These writers point out that while labour history may have suffered a crisis over the past 30 years, the post-Global Financial Crisis climate is generating new and exciting opportunities for re-invigorated labour history approaches: "We may also predict that the current crisis of capitalism will re-ignite debates about class-based inequality and politics and that these will invariably involve labour historians" (Kirk, 2010, p. 172). Wright (2011) argues that despite a loss of public visibility, labour research can still provide a useful demonstration of how historical research can help to make sense of contemporary issues, as well as illuminate and inform debates around new forms of work organisation. Webster, Lambert and Beziudenhout (2009) sparked some of the most energetic debates around "new" labour writing, arguing that the supposed crisis in labour research is in fact resulting in a labour research "renaissance". Recent research continues to focus on the developing paradigms in ER, paying particular attention to the impacts of globalised control and value chains on work in multi-national organisations

like hotels (Jackson, Kuruvilla, & Frege, 2013; Kaufman, 2014; Lakhani, Kuruvilla, & Avgar, 2013; Lee & Sobeck, 2012; Lucassen, 2008).

Wright (2011) illustrates significant opportunities for the historical analysis of contemporary labour issues by drawing on emerging themes from the broader social sciences, including new ideas emerging from workplace sociology. Specifically, Wright (2011) highlights four areas of potential, including "managerial identity", which explores the contradictory location of managers as controllers and employees being controlled. The author goes on to argue that specific historical research into managerial identity has the potential to provide great insights into work organisation and is an area which has been overlooked. Secondly, Wright (2011) suggests exploring changes in managerial strategy and control practices. He indicates that the focus of managerial research is largely "presentist", in that it lacks historical perspectives.

Thirdly, and most importantly for this study, Wright (2011) encourages investigating the labour issues associated with service work, particularly in hospitality: "A legitimate criticism of much of the first and second generation labour history literature was its focus on manufacturing. A broadened focus on the history of service work could for instance include a broader range of service settings such as … hospitality" (Wright, 2011, p. 27). Finally, Wright (2011) highlights opportunities to study the globalisation of work. To what extent do country specific or local factors relate to the broader drivers of globalisation in labour process? These four themes highlight the key gaps in contemporary labour history application which this study aims to address.

Wright's (2011) call for work in these areas is supported by the rapid growth of the hospitality and hotel industry, which is reflective of the post-war growth of the service sector as a whole, with service jobs now accounting for almost three-quarters of all jobs in advanced economies (Korczynski & Macdonald, 2009). A considerable body of work

has been created that "places service work as central to a new sociology of work" (Korczynski & Macdonald, 2009, p. 2). A number of authors suggest an increased focus on work in the service sector that the traditional social theorists like Weber, Marx and Durkheim failed to address in any depth (Bosch & Lehndorff, 2005; Korczynski & Macdonald, 2009; Macdonald & Sirianni, 1996).

It is in this stream of literature that we find the influential concepts of Hochschild's emotional labour, Warhurst's aesthetic labour, Ritzer's McDonaldization thesis and Bryman's Disneyization thesis (Bryman, 2003; Hochschild, 2012; Nickson, Warhurst, & Dutton, 2005; Ritzer, 2006; Warhurst et al., 2000b; Warhurst, Nickson, Witz, & Cullen, 2000a). Hospitality and hotel work often takes centre stage in these new service work theories, the authors of which seek to explain and theorise the changing patterns of organisation and control of service work, updating and adapting traditional labour process theory and creating new human resource frameworks relevant to the service sector (Korczynski, 2002; Korczynski & Macdonald, 2009). It is to these new theories, emerging from the service and hospitality contexts, that Wright (2011) directs future researchers of labour history, highlighting the potential of emotional and aesthetic labour studies for a re-invigorated labour historiography.

While acknowledging the potential of these new service work theories to invigorate labour history research, this thesis instead pursues a historical ER approach that focuses on changes to the power relations of the major stakeholders (employers, unions and the state) over a 45-year period. The scope of this thesis requires a broad, three level analysis that includes global changes, national level changes and finally, organisational level changes. The ER history approach of this thesis would sit uncomfortably with the above "sociology of work" approaches, as they tend towards the smaller scale, organisational, managerial, human resource management focus that Baum (2016, 2017) specifically warns as limiting to hospitality labour research.

However, Wright (2011) does suggest that historical exploration into service work should be "re-connected" to foundational labour history theory in new ways. Wright (2011) points to authors like Braverman (1974), Burawoy (1979), Polanyi (2001) and Munck (2002), who provide models of labour process development in transition from the 19th, 20th and 21st centuries. These models describe the changes over various periods of capitalism including Burawoy's (1979) "Despotic, Hegemonic and Hegemonic Despotism" model, Polanyi's (2001) "Double Movement" and "Embeddedness" theory and Munck's (2002) updating of Polanyi in the current globalised environment. It is these broad, historical, global theories that are congruent with the needs of this thesis to construct an ER history of hotels in New Zealand. It is to this foundational literature and its application in the modern globalised world that we will now turn.

This thesis will be using four main theoretical lenses:

1. The work of Polanyi (2001).

2. The labour process theories of Burawoy (1978, 1979, 1985, 2010).

3. The Corporatist framework drawing primarily on the works of Schmitter (1974, 1989; Schmitter & Lehmbruch, 1979).

4. Strategic Choice Theory (Godard, 1997).

The choice of these theories is based on the aim to build a "triangulated" (technically four in this case) frame of analysis. As discussed in the methodology chapter, using insights from multiple theory perspectives (triangulation of theory) is consistent with the research aims of this thesis; that is, building a broad historical analysis of change in ER in the New Zealand hotel sector over a 45-year period. In addition to providing theoretical robustness through triangulation (i.e., multiple theory perspectives), the

selection of these theoretical works is also designed to allow a three "level" frame of analysis (i.e., multiple levels of theoretical analysis: from the global, macro view to an intra-organisational micro view). The "stacking" of these theories into three levels of analysis is an original approach and has not been used elsewhere. The purpose of this layering is to allow the breadth and depth of theoretical analysis that will adequately support an ER history. This approach will facilitate both the research within New Zealand on hotel employment relations, but also provides a potential framework for international research into sector-based employment relations history.

At the macro or "upper" level, the work of Polanyi (2001) and Burawoy (1978) will be used to provide the broadest, global and long-term context of changes in world-wide capitalist development since World War Two. As discussed below, the two authors provide different "flavours" of critique regarding the development of capitalism and resulting impacts on work. In the "middle" will be a neo-corporatist framework to place the New Zealand experience, described in the findings, within a local and global framework, focusing on the relationships between employers, unions and the state. Finally, at the micro or "bottom" level, Strategic Choice Theory will allow a fine-grained analysis that recognises individual agency and choice within the broader frameworks applied in the first three approaches.

Table 1: Four level theory approach

Theory and main authors	Level of focus
Embeddedness, double movement - **Polanyi** **Labour Process Theory** - **Burawoy**	Macro level. International, global level, looking at long-term change in capitalism and labour relations.
Corporatism - **Schmitter**	Mid-level. Mostly national, sector level focus on the structural relations between employers, unions and the state.
Strategic Choice Theory - **Kochan**	Micro to mid-level. Intra- and inter-organisational focus. Looking at individual and organisational level strategic decision making and agency.

This original 'stacking approach' is justified in several ways. In order to gain the depth and breadth required to address socio-political drivers of New Zealand employment relations changes over 45 years, a framework that captured global, national and organisational level analysis is required. By positioning each theory to its most apporoporaite 'level' the thesis gains valuable 'horizontal detail' (e.g. a detailed application of LPT to only the global issues) as well as the triangualation of theory that allows for robust discussion vertically (e.g. drawing out links between SCT at an organisational level and Coporatism at the national level). The stacking model aims to ensure that the critiqued weakness in one theory (Polanyi is considered to be weak on power analysis) is covered by a balancing strength in one of the other approaches.

The justification for applying each theory to its apppropiate level is covered in detail in the following sections. While other theories could have been used in the stacked model (e.g. Varieties of Capitalism), the following sections lay out the justification for the chosen theories in terms of there ability to successfully address key levels of employment relations analysis. For example, Polanyi (2001) has been highlighted by authors as particularly appropriate for discussion around the issues of globalisation that are a key part of this thesis. The work of Polanyi (2001) and Burawoy (1978) have been deliberately combined at the global level in order to capture both the more

structuralist, post-Marxist flavour of Burawoy (1978) with the more optimistic and original constructs of Polanyi (2001).

While this approach implies a clear division between the three levels of focus, the various theories do in fact cover multiple levels of action. For example, Strategic Choice Theory is conceptualised by Kochan et al. (1984) as operating at a macro or global level (national level political and legislative decisions), an industrial relations level (collective bargaining and negotiation between stakeholders) and a micro or workplace/individual level (intra-workplace individual and group decision making). However, as explained below, each theory will be used to illuminate a particular level of focus that will, once put together, provide a more complex and nuanced analysis than would otherwise be possible.

2.7.1 Polanyi

The seminal work of Karl Polanyi (2001), *The Great Transformation*, has gradually emerged from relative obscurity to become "one of the most important books in the social sciences in the past century" (Wjuniski & Fernández, 2009, p. 589). Increasingly, Polanyi's work has been used by authors as an alternative "flavour" of capitalist critique, as opposed to the Marxist based Labour Process Theory as exemplified by Burawoy (1978). Beckert (2007) states that the new economic sociology has taken the lead in labour writing and that the "founding manifesto" of this movement is Polanyi's concept of "embeddedness"—he goes so far as to mimic the famous line regarding the dominance of Keynesian economic theory with, "We are all Polanyians now" (Beckert, 2007, p. 7). The application of Polanyi's theories forms one of the most active streams of contemporary debate in labour research (Beckert, 2007; Buğra & Ağartan, 2007; Burawoy, 2010; Caspersz, 2010; Clawson, 2010; Dale, 2010; Lambert, 2010; McRobbie & Levitt, 2006; Munck, 2002, 2004; Webster et al., 2009; Webster, 2010; Wjuniski & Fernández, 2009).

Polanyi (2001) joined classical social thinkers like Marx, Durkheim and Weber in interpreting the "First Great Transformation", or the industrial revolution and emergent liberal market economy of the late 18th century. A key point in understanding Polanyi's work is his concept of "embeddedness"—the idea that the economy is not, nor should be, autonomous, but rather is founded in and dependent on social relations. This provides strong criticism of a fully self-regulating market economy, a concept Polanyi described as "a stark utopia" (Polanyi, 2001, p. 3). Within this critique of the self-regulating market economy, Polanyi established his key "problem": a completely self-regulating economy requires labour, land and money to be treated as commodities, something which he decried as fictional. By attempting to commodify human activity (labour), nature (land) and a symbolic representation of value (money), Polanyi (2001) argued that modern liberal economics rested on irrational grounds.

Polanyi (2001) went on to conceptualise the idea of a "double movement". He argued that as free-market principles expanded and increasingly "disembedded" the economy from its social fabric, the resulting disruptions resulted in a spontaneous counter-movement, aimed at protecting society from the ravages of a self-regulating market economy. Polanyi's historical analysis depicted the First and Second World Wars and Depression as a tragic result of excessive free-market liberalism, whilst arguing that the post-war consensus around increased social protection through the welfare state and other economic mechanisms showed the "counter-movement" in action. Polanyi's work has been grasped by prominent researchers as a useful tool for analysing the phenomenon of globalisation and varieties of capitalism in the post-war period (Burawoy, 2010, 2010; Kesting & Nielsen, 2011; Munck, 2002; Webster et al., 2009). Burawoy (2010) also hints at the potential of linking Polanyian analysis to new areas of commodified work categories suggested in the service literature discussed above. In particular he suggests concentrating on "knowledge work", but this link could clearly be

investigated in terms of the commodification of emotional and aesthetic labour from a Polanyian perspective (Burawoy, 2010, p. 310).

Polanyi (2001) has been critiqued for having areas of "under-theorisation" in his work. Webster et al. (2009) suggest that five key areas of Polanyi's work need further theoretical strengthening: his definition of society remains unclear; the role of agency and social movements in his description of "spontaneous" counter-movements remains hazy; the size and role of the labour movement has changed greatly since Polanyi's day; the concept of power is missing from Polanyi's analysis; and problems of scale—while Polanyi worked at a nation-state level, what of other levels of analysis? Burawoy (2010) echoes this critique of an undertheorised notion of society in a surprisingly critical evaluation of contemporary application of Polanyi, considering Burawoy is credited with early adoption and promotion of Polanyi (Webster, 2010). Burawoy (2010) accuses Polanyi of "false optimism" in his inability to predict that society would not be able to defend itself from the post-war globalised onslaught, in his rejection of Marxist foundations, and in his confusing of society and state.

Polanyi's work is useful in addressing the challenges of globalisation, with several seminal works on globalisation using a Polanyian framework (Munck, 2002, 2004; Webster et al., 2009). Much of the focus of "new" labour history research is directed at the challenges involved in globalisation, with key issues in contemporary globalisation studies being the growth of precarious labour due to the "uniquely new" challenges of globalisation and financialisation (Huws, 2010, 2011); the fragmentation of labour (Flecker, 2010); migration, mobility and precarious work (strongly concentrated in service jobs) (Rodriguez & Mearns, 2012); and the challenges of an international labour movement response to globalised capital (Bieler, Lindberg, & Pillay, 2008; Fairbrother & Rainnie, 2006; Frege & Kelly, 2004; Munck, 2002, 2004; Stevis & Boswell, 2008; Verma & Kochan, 2004; Waterman & Wills, 2001; Webster et al., 2009).

The impact of globalisation on the New Zealand hotel industry is a major area of investigation for this thesis. The ownership and management structures of the hotel groups in New Zealand have been transformed from a state owned system to transnational corporate ownership. In addition, the hotel workforce has also been "globalised" with radical changes to ethnic demographics and migrant status. Many of the issues addressed by the literature discussed above (migrant labour, precarious work, de-unionisation) have been highlighted as "classic" descriptors of the hotel workforce in New Zealand. Thus, a Polanyian approach to the impact of globalisation on New Zealand hotel ER is well positioned to provide useful insights.

2.7.2 Labour Process Theory

The second "macro-level" frame used by this thesis is that of Burawoy (1978). The work of Burawoy is founded in Labour Process Theory (LPT) and so the following section will outline the key ideas of LPT. The seminal work in LPT is Braverman's *Labour and Monopoly Capital* (1974). LPT emerged as a distinct form of capitalist work relations study during the 1970s. Braverman's (1974) *Labour and Monopoly Capital* updated Marx's work and sought to apply it in the new context of "monopoly capitalism"; a 20th century expression of capitalism that supplanted the "competitive capitalism" of the 19th century. Braverman's (1974) concept of monopoly capitalism describes large, coordinated, transnational corporations that subordinate labour through more detailed control of work (Wright, 2011). Braverman's (1974) work proved "profoundly influential" (Wright, 2011, p. 20) and was credited with integrating previously unrelated fields of study (sociology, anthropology and labour history) in work history and providing crucial new approaches to the field (Smith, 2015). Initial critique of Braverman's work included the "pre-determinism" implicit in Marxist analysis and a lack of acknowledgement of capitalism's uneven and contradictory development (Wright, 2011).

Labour Process Theory views increased technological change, mechanisation and rationalisation in the workplace as a result of employers' and managers' deliberate attempts to increase control over employees' labour processes (Braverman, 1974). De-skilling, the division of labour and the reduction of organised labour power are seen as a result of the actions by employers, aimed at gaining power over employees, rather than the result of competitive challenges or a drive for efficiency. Central to Braverman's (1974) work is the linking of political economy and capitalist expansion to the operation of power in the workplace (Smith, 2015).

Thompson (2003) describes three waves of reaction to the work of Braverman (1974): an initial wave of reaction that mostly drew on Marxist foundations; a second wave of theorists who developed "typologies" and "workplace regimes" around ideas of control and consent including Edwards (1979) and Burawoy (1978, 1979, 1985); and a third wave of "alternative paradigms" including the likes of flexible specialisation (Piore & Sabel, 1984) and lean production (Womack, Jones, & Roos, 2007). The second wave writers developed the themes of control in the changing forms of capitalist development. Key authors from the second wave were Edwards (1979) and Burawoy (1979). Edwards (1979) stressed the change in management control patterns from direct owner control, in the smaller competitive organisations of the 19th century, to diffused managerial and bureaucratic control of workers in the 20th century "monopolistic" corporations (R. Edwards, 1979). The work of Burawoy (1979) will be presented in greater detail after the following discussion of third wave developments.

A major development in LPT came when Edwards (1986) moved the focus away from Marxism and towards materialism, which did not require the class conflict and social transformational aspects inherent in Braverman's (1974) work. Paul Thompson and colleagues (1989; 2010; 1998) have followed Edwards' direction away from the Marxist origins of LPT and has built a considerable body of work that addresses postmodern

abonnement of ER (Smith, 2015). Several areas that were missing or underdeveloped in Braverman's (1974) theory have been subsequently addressed by authors, including gender and the body (Cockburn, 1991; Rubery, 1978; Wolkowitz & Warhurst, 2010), space (Peck, 1996) and mobility (Alberti, 2014; Smith, 2006; Thompson & Smith, 2010).

LPT theory was originally based in manufacturing industries, but there has been ongoing development into new concepts and application into new sectors. Labour process writing has linked to emotional labour (Brook, Koch, & Wittel, 2013), aesthetic labour (Warhurst et al., 2000b), critical realism (Thompson & Smith, 2010) and institutional theory (Elger & Smith, 2005). The work of Hochschild (2012), Nickson, Warhurst and Dutton (2005) and Smith and McKinlay (2009) has resulted in interesting investigations of labour in the service sector and creative industries. While these developments could contribute useful insights for this thesis, the main LPT focus for this thesis will remain the work of Burawoy (1979) for the following reasons.

This thesis aims to deliver a broad, historical analysis of ER in the New Zealand hotel sector and, as such, will not be looking in detail at a case study level or gathering employee experiences in particular workplaces. The LPT work on emotional labour and aesthetic labour tend towards presentism and organisational level analysis. By comparison, the work of Burawoy provides the opportunity for the analysis in this thesis to link global, long-term patterns of capitalist development to the management choices and actions of national hotel firms within the sector. By using Burawoy (1979), an analysis that incorporates long-term, global patterns of capitalist development can be undertaken, without being beholden to the "Marxist pre-determinism" implicit in Braverman's (1974) work (Wright, 2011). The specific nature of Burawoy's (1979) work will now be discussed and justification given for its inclusion in the theoretical framework used in this thesis.

2.7.3 Burawoy

Burawoy (1979) built on these ideas of managerial control and created a typology of labour process phases, titled *despotic*, *hegemonic* and *hegemonic despotism*. This trinity reflects the underpinning idea that capitalism has developed in three main waves. The first wave is the competitive mode of the 19th century, which is depicted as having smaller, owner/operator organisations that controlled workers directly through the "despotic" controls of job subdivision and threats of dismissal. Following this came the 20th century mode of "monopoly capitalism" that resulted in reduced competition and increased forms of state intervention that mediated despotic forms of control. This "hegemonic" phase included stronger welfare systems and union inputs that required employers to seek workers' consent. Finally, Burawoy (1978, 1979) suggests the modern period of globalised, financialised capitalism has resulted in "hegemonic despotism", a form of managerial control that requires labour to make concessions to management in order to avoid losing jobs and capital to overseas competitor countries.

While Burawoy (1978) has been criticised for assuming a lack of diversity in managerial and organisational behaviour (Wright, 2011), it is Burawoy's (1979) clear-sighted linking of broad changes in global capitalist development to workplace control that makes his work such a congruent match for the research focus of this thesis. New Zealand has gone through profound social, political, economic and legislative changes during the 1955 to 2000 period that this thesis will cover. The work of Burawoy (1979, 1985) can help provide theoretical insights into the causes and effects of these changes on the New Zealand hotel sector by linking the global changes in the development of capitalism to sector and workplace level analysis of power and control. Given the historical scope of this thesis (over 40 years of dramatic social, political and economic change), it is the broad, global, long-term nature of Burawoy's (1979) theory that is appropriate for this study.

2.8 Corporatism

Thirdly, this thesis will use the theoretical lens of *corporatism*. Corporatism refers to the socio-political organisation of society into major interest or "corporate" groups (business, labour, military or ethnic groups), based on common interests (Wiarda, 1997). The foundations of corporatist thought stretch back to the Greek models of social hierarchies postulated by Plato and Aristotle and have a long history in Christian thought, with Pope Leo XIII commissioning a study of corporatism in 1881 and publishing one of the first clear definitions of the concept in a modern context: "A system of social organisation that has at its base the grouping of men [sic] according to the community of their natural interests and social functions, and as true and proper organs of the state they direct and coordinate labor and capital in matters of common interest" (Wiarda, 1997, p. 35).

Corporatism has been described as a "sub-species" of institutionalism, a broader theory of political economy that claims that political, social and economic behaviour cannot be understood in terms of the choices of private individuals, or the impositions of public agencies. Rather, somewhere between individuals and states exists a number of self-organised collectives that engage in negotiation of their recurring conflicts (Schmitter & Grote, 1997). In his seminal article, "Still the century of corporatism?", Schmitter (1974, p. 87) points out that "an extraordinary variety of theorists, ideologues and activists have advocated for [corporatism], for widely divergent motives, interests and reasons". Indeed, Schmitter's achievement lies in creating a clear definition and theoretical foundation for corporatism amongst its numerous interpretations. Schmitter outlines some, but by no means all, of the strands of corporate thought prior to the 1970s: romantic "organic" theorists like Hegel; pre-Marxists like Proudhorn; Social Christians, including Pope Leo XIII and Pope Pius XI; fascist authoritarians in the form of Bottai; secular nationalists like Manoilesco; pro-capitalist reformers, including the

mighty Lord Keynes; and a dozen others. While concerns grew that corporatism was a vague "multi-purpose concept" or, as Schmitter (1974, p. 93) put it, in a state of "nominalistic anarchy", it was also argued that, "its elasticity has ensured its popularity" (Molina & Rhodes, 2002, p. 306).

Corporatism emerged from World War Two marred by this diluted focus and a troubling association with fascist and communist ideologies, becoming "synonymous with the structures of a strong and dominant state" (Molina & Rhodes, 2002, p. 307). However, the work of Shonfield in 1965 resurrected corporatism as a reputable pursuit, his work "marked the renaissance of corporatism as a theoretical concept … supporting the validity of Manoilesco's argument, which predicted the gradual 'corporatization' of western capitalist economies" (Molina & Rhodes, 2002, p. 307). Schonfield provided one of the better definitions of corporatism:

> The major interest groups are brought together and encouraged to conclude a series of bargains about their future behavior, which will have the effect of moving economic events along the desired path. The plan indicates the general direction in which the interest groups, including the state in its various guises, have agreed that they want to go. (Shonfield, 1965, p. 231)

The 1970s and 1980s saw an explosion of academic interest in corporatism (Molina & Rhodes, 2002), with major advances in conceptual precision and empirical support. The work of Schmitter (1974) "marked an academic milestone in this conceptual evolution" (Molina & Rhodes, 2002, p. 307), differentiating a "new" social or neo-corporatism from the old, statist version. Schmitter (1974) clearly defines corporatism as different to pluralism and syndicalism and firmly argues that the 20th century will indeed be one of corporatist socio-political organisation. Schmitter carefully presents the required components of corporatist groups: compulsory membership, hierarchically ordered in internal structure; recognised and certified by the state; and practising representational monopoly in their areas (Schmitter, 1974).

Schmitter (1974) goes on to argue neo-corporatism is distinctive from the statist versions in a number of ways. This new "societal" corporatism is found embedded in political systems with open, competitive, party based electoral systems. It is a type of corporatism that grows slowly, from the ground up (Schmitter, 1974). Schmitter offers Sweden, Switzerland, the Netherlands, Norway and Denmark as exemplary cases of societal corporatism. By comparison, *state* corporatism is associated with a tightly centralised, bureaucratic state with non-existent elections and a dominant single party, where corporatism can be quickly enacted from the top down. Schmitter (1974) points to Portugal, Spain, Brazil, Chile, Peru, Mexico and Greece as prime examples of statist corporatism (Schmitter, 1974). Crucially, Schmitter (1974, p. 105) argues that, "Societal corporatism appears to be the concomitant, if not ineluctable, component of the post-liberal, advanced capitalist, organised democratic welfare state."

Schmitter (1974) makes links to Burawoy (1979) by arguing that neo-corporatism requires advanced, monopoly capitalist development to flourish. He employs the prescient words of John Maynard Keynes (originally published in 1926) to drive home the "necessity" of neo-corporatism in advanced capitalist democracies: "I believe that … the ideal size for the unit of control and organisation lies somewhere between the individual and the modern state … progress lies in the growth and recognition of semi-autonomous bodies within the state" (Keynes, 1952, p. 313). Schmitter (1974) builds on the work of Shonfield (1965), which he calls "magisterial", describing the ideal, positive state as one which fosters full employment, promotes economic growth, prevents inflation, smooths out business cycles, regulates work conditions, provides comprehensive welfare security and resolves labour conflicts—the policy mix advocated by Keynes in 1926.

The 1980s saw "more extensive empirical application and diffusion of the [corporatist] concept" (Molina & Rhodes, 2002, p. 308) with Lehmbruch (1979) placing a great

emphasis on corporatism as a policy making process. This policy making focus, that was incorporated in Schmitter's 1980s work, resulted in a distinction between neo-corporatism 1 (structures of interest representation) and neo-corporatism 2 (a system of policy making). By the end of the 1980s, corporatism had become a fully-fledged social science model, "a way of examining and analysing corporatist political phenomena across countries and time periods" (Wiarda, 1997, p. 23). It also became a way of interpreting the results of government responses to the oil crisis driven economic upheavals of the late 1970s and 1980s (Lash, 1985; Schmitter, 1989; Schmitter & Lehmbruch, 1979; Von Beyme, 1983).

By the 1990s, the literature on corporatism took a despairing turn as, in many western countries, the underpinning post-war, Keynesian economic systems started to give way to neo-liberal, deregulatory and free-market policies. The death of corporatism as a useful concept was widely predicted (Lash, 1985; Schmitter, 1989). What appeared in the 1970s to be an inexorable movement towards ever increasingly organised, centralised and corporatist capitalism, now appeared to have changed to rapidly growing "disorganised capitalism" (Lash, 1985, p. 216). This disorganised capitalism was typified by de-centralised collective bargaining, a growing "service class", "new" social movements that reduced traditional working class social integration (e.g., feminism, peace movements) and the unravelling of the Keynesian consensus (Lash, 1985). Even Schmitter, the cheer leader of corporatism in the 1970s, succumbs to doubt by 1989: "I have become less and less convinced that corporatism … will survive. Especially when viewed from the macro- or national-level, it looks too small in scale to have much influence over transnational forces" (Schmitter, 1989, p. 72).

A number of suspects were charged with the death of corporatism: the oil shocks leading to persistently low growth rates and slack labour markets; globalisation leading to intense competition and highly mobile capital; a shift in the balance of power from

unions to employers; the dispersal of interest categories away from broad, class-based issues and into a panoply of discrete issues around gender, ethnicity, environment and ethics (Molina & Rhodes, 2002; Schmitter, 1989; Schmitter & Grote, 1997; Wiarda, 1997). However, "predictions of the death of corporatism were not entirely borne out by subsequent developments" (Molina & Rhodes, 2002, p. 309). A number of European countries in the 1990s appeared to be demonstrating "new forms of neo-corporatist decision making in the post-industrial policy arenas of education, health care, welfare and environmentalism … traditional corporatist structures … were being adapted, rather than abandoned" (Molina & Rhodes, 2002, p. 309).

A re-energised Schmitter then questioned his own, premature conclusion, that corporatism had died of "dysfunctionitis", describing his 1989 work as "deservedly obscure … written at the height of despair" (Schmitter & Grote, 1997, p. 12). Schmitter (1997) outlines a number of contemporary European macro-level "social pacts" that demonstrate the hallmarks of corporatist structure. Evidence of this is provided from Iceland, Belgium, Spain, Italy, the Netherlands, Austria, Switzerland, the Scandinavian countries and a handful of Eastern European nations. Schmitter also suggests a cyclical process in the rise and fall of corporatism, arguing that a 20- to 25-year cycle underpins the process. In addition, a number of authors have focused on the impact of the European Union on the rise of this modern form of corporatism (Molina & Rhodes, 2002). Thus, corporatism renewed its claim to analytical relevance in the 1990s, but Molina and Rhodes (2002, p. 309) conclude that "the theoretical analysis of this new form of corporatism remain underdeveloped". A final point should be made that there appears to be no literature on corporatism in the New Zealand hospitality and tourism context, although corporatism has been used in research on the New Zealand public sector (Boston, 1986, 1987, 1996).

2.9 Strategic Choice Theory

Finally, Strategic Choice Theory (SCT) will be used in this thesis to inform the research. SCT appeared in the field of organisational studies in the early 1970s as a "corrective" to the dominant view that organisations were designed and structured by organisational contingencies (Child, 1972). SCT emphasised the role of leaders and "leading groups" in influencing organisational structures and actions, positing that this was an essentially political process (Child, 1972, 1997). SCT sought to address the dominant view of "structural determinism" in organisational theory, which argued that contextual factors determined organisational structure and action. Structural determinism was a "functionalist" paradigm, stressing the importance of external environmental conditions in "ultimately determining … organizational characteristics" (Child, 1997, p. 45). By comparison, SCT emphasised the importance and range of strategic choices that are available to managers in individual firms.

SCT provides a different emphasis from the theoretical approaches of Polanyi, Burawoy and corporatism discussed above. The other three theoretical approaches used in this thesis stress the importance of global, national and industrial structures that are often seen as limiting the agency of firms and individuals in the ER process (Kochan et al., 1984). SCT allows for a more focused emphasis on the strategic choices made by leaders and leadership groups both within organisations and at higher levels of decision making e.g., union and state strategising.

Strategic choice is defined as "the process whereby power-holders within organizations decide upon courses of strategic action" (Child, 1997, p. 45). It is explicit in the writings on SCT that effective strategic choice demands the exercise of power and is, as a result, a political phenomenon. SCT questions the traditional emphasis of environmental influences on the actions of actors in the employment relationship, rather calling for recognition of a more active role for managers and key players. SCT has been

considered a key argument in shifting the emphasis of ER away from the more determinist, structural explanations offered by traditional industrial relations theories (Godard, 1997).

Kochan, Katz, & McKersie (1984) built on the early foundations of SCT described above by developing a new "ER" perspective on SCT. He postulated a matrix involving three levels of strategic decision making (Child, 1997).

Table 2: Employment relations strategy matrix

Nature of decisions			
Decision level	**Employers**	**Unions**	**Government**
Macro – Global	Strategic HRM, union policies, overall investments	Political relations with government	Macro-economic and social policies
Employment relationship systems	ER policies and negotiations	Collective bargaining and strategies	Labour law, direct dispute settlement
Workplace individuals	Contracts, bureaucratic individual management	Policies on employee participation	Regulation of workers' rights

Adapted from - (Bamber, Lansbury, & Wailes, 2011, p. 27)

This model of SCT points to strategic choices being made at multiple levels in organisations, unions and the state and that the decisions made can often reflect widely divergent ideologies within both management and union groups (Child, 1997; Kochan et al., 1984). The work of Kochan et al. (1984) resulted in research focused on the effects of differing competitive strategies on ER and raised important questions about the interaction of differing levels of national and international ER decision making (Bamber et al., 2011). A key aspect of SCT for this research, whatever organisational or social level it may operate at, is agency. It emphasises that individual and groups have agency and take actions and make descisions that affect organisational strategy. SCT allows for individuals and groups, within employer, union and government circles, to be

recognised as capable of making choices and undertaking actions (Kochan, Katz, & McKersie, 1986; Kochan et al., 1984).

STC has been critiqued by Marxist writers, who question the ability of individuals to make real strategic choices within the constraints of a highly determinist capitalist structure (Hyman, 1987). It is partly to escape the limitations of Marxist determinism that SCT has been built into the mix of theoretical analysis for this thesis. SCT provides a dynamic and fine-grained framework to analyse changes in ER over the period of this study, including at intra-organisational, sector, national and international levels. It provides the theoretical tools to address issues "at the coal face"; that is, workplace level challenges in ER, as well as at higher levels (Child, 1972, 1997; Kochan et al., 1984).

SCT has been successfully applied within the New Zealand banking sector, covering the same time period as this thesis (Erling Rasmussen & Jackson, 1999). Rasmussen and Jackson's (1999) work highlights the strategic responses of the banking sector to a number of dramatic changes after 1984, including the deregulation of the banking sector, changes in ER legislation, new competitive pressures and changing technology. The correlations with the pressures facing the hotel sector during the same period are noticeable. Rasmussen and Jackson's (1999) resulting analysis of the banking sector's strategic responses highlights the value of applying SCT to sectoral-level ER history. Their work illuminates the "space" that organisations and managers have to make decisions, and Rasmussen (2009) goes on to identify "competing influences" that emerged during this period of New Zealand's history. Rasmussen (2009) concludes that there are cultural preferences that affect managerial decision making and that variations in national factors and the international transmission of ideas can explain some of the variation of workplace reform strategies during this period.

2.10 Conclusion

This literature review provides insight into the foundational theoretical and applied literature that is congruent with the study of labour history and ER in the New Zealand hotel sector. The review has highlighted a large gap in the literature covered, pointing out the lack of application of a historical approach to ER, especially within the hospitality and hotel contexts. The objectives of this research are to address this gap by applying historical enquiry to the problematic nature of New Zealand hotel ER; if the contemporary state of hotel ER and economic performance is poor, how did we get here, what key events led us to this place and what insights can be gained that might help us forge a better future?

The key strands of work and management research in the hospitality industry were presented, with particular note made of the argument that research into hospitality work has failed to position itself in wider social, political and economic contexts and remains limited to a narrow organisation focus. The chapter highlighted the lack of historical employment relations or HRM research in the field of hospitality work and noted widespread calls from researchers for this approach to be taken. An overview of research on human resource management in hospitality and tourism was presented, which showed a significant focus on the organisational and managerial level and a failure to engage with wider social, political and economic factors. The key literature around the employment relations context of this research were summarised, with questions raised regarding the strong emphasis in previous research on the impacts of the Employment Contracts Act (1991) on New Zealand work conditions.

Finally, the chapter outlined a "triangulated" research approach, using four theoretical perspectives (Polanyi, Burawoy, Corporatism and Strategic Choice Theory) at three levels of analysis (from a broad, macro, global perspective, to a mid-level national structural view, to a micro, individual and organisational focus). The chapter concluded

by making the argument that using triangulated theory and multi-level analysis will provide both an original and rich contribution to the history of ER in the New Zealand hotel sector, as well as providing a potential framework for the analysis of historical employment relations at a sector level in an international context.

Chapter 3: Methodology

3.1 Introduction

In this chapter, the methodological and philosophical foundations of this thesis are laid out. Firstly, the key terms used are clearly defined: research paradigms, ontology, epistemology and methodology. Following this, the interpretive and positivist research paradigms are outlined and critiqued, providing justification for the choice of an interpretive research paradigm for this thesis. As part of the justification for this paradigm choice, my ontological and epistemological positions are outlined, highlighting the reflexive requirements of an interpretive research approach.

How this study is contextualised within the hospitality and history disciplines is then discussed, including in relation to recent calls for historical approaches to research in hospitality. Following this, the specifics of taking a historical approach to research are discussed and the congruency of an interpretive/historical orientation is argued. In this section, particular attention is paid to the new perspectives that postmodernist theory has brought to historical writing and the challenges of historical and postmodern approaches are addressed.

In the latter half of the chapter, the research design of the thesis is outlined, highlighting the consistency between the relativist, constructivist ontology and epistemology of an interpretive research paradigm and the qualitative methodology used to gather data for this study. In the final section of the chapter, specific details of the interviewees and archival collections are provided, along with descriptions of the emergent process that occurred in gathering these data. The chapter concludes with descriptions of the interview and archival research methods and thematic analytical approaches used in this study.

3.2 Research Aims

The objectives of this study are to examine the history of employment relations in the hotel sector from 1955 to 2000. This study will analyse key changes within the hotel sector employment relationships, focusing on three key research questions:

- What is the history of employment relations in the New Zealand hotel sector from 1955 to 2000?

- What is the relationship between the historical development of employment relations in the New Zealand hotel sector and recent employment relations patterns?

- How does an employment relations framework, drawing on specific employment and management theories, explain the historical evolution of New Zealand hotel employment relations?

The period from 1955 to 2000 has been chosen for several reasons. Firstly, the research needs to be limited to a historical period that can be reasonably covered within the bounds of a PhD thesis. To produce a quality history of employment relations in the hotel sector, an adequate level of depth and breadth must be presented. Thus, the 45 years covered in this study produced enough data to support a detailed historical thesis, without overwhelming the research. Secondly, the starting date of 1955 is shown to be appropriate as this heralded the beginning of the Tourist Hotel Corporation, a major focus of this research. In addition, the period from 1955 to 2000 covers all of the dramatic political, economic and social "revolutions" that transformed hotel employment relations, and thus contains the key content needed to address the research questions of the thesis. Finally, the year 2000 is shown to be an appropriate year to conclude the study because the defining legislation (The Employment Relations Act, 2000), structures, relationships and conditions of contemporary employment relations

were in place by the new millennium and these factors have not significantly altered since 2000.

3.3 Research Paradigms in Social Science

Research paradigms provide the philosophical foundations of a research approach and can be defined as discrete research traditions that provide an "implicit body of intertwined theoretical and methodological belief that permits selection, evaluation and criticism" (Kuhn, 1970, p. 17). Denzin and Lincoln (2008, p. 31) describe paradigms as a "net that contains the researcher's epistemological, ontological, and methodological premises … an interpretive framework, a basic set of beliefs that guides action". These paradigms provide researchers with a "framework for making order out of the chaos of social life" (Grant & Giddings, 2002, p. 11). Paradigms outline the foundational orientation of the research approach, making explicit underpinning beliefs regarding the nature of reality, how knowledge is constructed, the relationship between researcher and subject, and the actual research methodologies and methods.

Whilst paradigms are commonly described as distinct or discrete concepts, there are often overlaps and blurred boundaries between them (Creswell, 2008; Denzin & Lincoln, 2008; Grant & Giddings, 2002). However, it is crucial that the relationship between ontology, epistemology and methodology *within* a paradigm remains logical and shows a congruent and consistent approach. "Having a particular ontological position constrains the epistemological position you can logically hold. Methodologies, in turn, express ontology and epistemology … holding a given ontology entails a particular epistemology which in turn constrains your methodology" (Grant & Giddings, 2002, p. 12). In order to construct this consistent research approach, one must clearly understand the differences between ontology, epistemology and methodology.

Ontology refers to the nature and being of reality, defining what is real in the world (Denzin, 2005; Denzin & Lincoln, 2008). Ontological approaches vary, from a purely objective view of reality, a world of fixed meaning that exists outside of the individual, to a relativist view, where reality is socially and experientially based, constructed by the observer and the observed in specific and contextualised localities (Denzin, 2005; Patton, 2002; Schuh & Barab, 2008). From the ontological position, an epistemological orientation can be developed. Epistemology focuses on the origins, nature, methods and limits of human knowledge (Denzin, 2005; Patton, 2002). Epistemology concerns itself with, "What is the relationship between the inquirer and the known?" (Denzin & Lincoln, 2008, p. 31). For example, a relativist epistemology would posit that there is an inevitable, value-laden link between the researcher and the research object, which influences the findings of the work. This is closely related to constructivist epistemology within the interpretive paradigm, which suggests that the research findings are created during the course of the research, through the interaction of the researcher and the researched (Grant & Giddings, 2002).

Thus, at this foundational level, it is crucial that the ontology and epistemology are congruent and logically consistent. If one adopts a relativist ontological position, where reality is socially constructed and variable, then it follows that the epistemological orientation needs to also be constructivist and reflect the ways in which people create multiple meanings in their lives. Pursuing a constructivist epistemology, whilst holding an objective ontology would be illogical, and create irreconcilable contradictions in the research approach (Creswell, 2008; Patton, 2002).

Methodology refers to the theoretical assumptions and principles that underpin a particular research approach (Creswell, 2008; Denzin & Lincoln, 2008; Grant & Giddings, 2002). In many ways "methodology is the bridge that brings theory and method, perspective and tool, together" (Hesse-Biber & Leavy, 2006, p. 21). The

methodology serves as a guide to the entire research process, from the formulation of questions to analysis and representation of findings. The internal consistency of the research project's ontology, epistemology and methodology should drive the choice of the methods or practical means used to gather data to explore the research questions.

The positivist and interpretive paradigms will now be discussed and critiqued in order to justify the most suitable choice for this research. The choice of paradigm will be justified both in terms of academic appropriateness and, to a lesser extent, the personal history of the researcher, including the impact of professional context.

3.4 Research Paradigms

3.4.1 Positivism

Positivism embodies a deeply objective ontology and epistemology, firmly grounded in a scientific method that seeks to use deductive logic and empirical observations to construct "facts" that ultimately describe the "truth" (Creswell, 2008; Denzin, 2005; Denzin & Lincoln, 2008; Neuman, 2014). Auguste Comte is credited with establishing the concept of positivism in the mid-19th century. Positivists felt that society could be rigorously studied by applying the same scientific method that had been so successful in describing the natural world. Positivism stresses the value of detached, objective researchers who undertake "systematic and detailed observation, testing hypotheses through experimentation and verification" (Grant & Giddings, 2002, p. 13). Positivists often use quantitative methods and mathematical/statistical rigour to strengthen the reliability of their studies, and this approach reached a pinnacle in the "rigid form", used widely from the 1920s to the 1960s (Grant & Giddings, 2002, p. 13).

In the 1960s, writers like Karl Popper and Thomas Kuhn started to challenge the positivist insistence on objective, value-free researchers, who theoretically produce "hygienic" findings. This "postpositivism" suggested that there were competing views

of science and multiple versions of the truth (Denzin, 2005; Denzin & Lincoln, 2008; Neuman, 2014). Postpositivism seriously questioned the supposed objectivity of positivist research practitioners and called for multiple methods of investigation that might incorporate the *subject's* experiences.

Many contemporary writers suggest that the dominance of the positivist paradigm has reduced considerably in the new millennium (Ateljevic, 2007; Denzin & Lincoln, 2008; Hesse-Biber & Leavy, 2006; Neuman, 2014), and the previously rigid demarcations between competing research paradigms have similarly faded, reflecting growing multi-disciplinary approaches and innovative methodologies (Denzin & Lincoln, 2008; Outhwaite & Turner, 2007). However, other writers, including Grant and Giddings (2002), argue that the basic belief systems of positivism and postpositivism vary little and that positivist belief systems still hold considerable power and influence over contemporary research approaches.

3.4.2 The interpretive approach

Beginning in the mid-20th century, a vigorous and growing critique of the positivists' objective empiricism has led to "an explosion of efforts to redefine social science in non-positivist terms" (Outhwaite & Turner, 2007, p. 24). The interpretive paradigm grew out of opposition to the central idea of positivism—the rigid separation of researcher and subject—and sought to find space for the voice of the subjects' experience and the reflexivity of the researcher (Creswell, 2008; Denzin, 2005; Patton, 2002). There has been an almost exponential growth in literature on the interpretivist research paradigm and the qualitative methodologies that have developed within it (Neuman, 2014). For interpretivists, the primary goal of research is to understand the multiple meanings of co-constructed social reality, rather than the positivists' approach of attempting to generate replicable "facts" and "truths" (Denzin & Lincoln, 2008;

Strauss & Corbin, 1990). Jennings (2001) and Neuman (2000) clearly lay out the main differences between the two paradigms (Table 1.1).

Table 3: Summary of differences between research paradigms

	Positivist paradigm	**Interpretive paradigm**
Ontology	Universal truths and laws, stable pre-existing patterns that can be discovered	Multiple realties, fluid definitions created by human interaction
Epistemology	Objective	Subjective
Methodology	Predominantly quantitative	Predominantly qualitative
Reason for research	To discover natural laws to predict and control events	To understand and describe meaningful social action
Good evidence	Is based on precise observations that others can repeat	Is embedded in the context of fluid social relations
Place for values	Science is value-free, so values have no place except when choosing a topic	Values are integral part of social life, others' values are not wrong, just different

Adapted from (Jennings, 2001, p. 56; Neuman, 2000, p. 85)

The interpretive approach is described as "holistic" and "flexible", allowing researchers to enter into the process with a general plan, but leaving space for the interaction between researcher and subject to alter the methods, processes and direction of the study (Creswell, 2008; Denzin & Lincoln, 2008; Neuman, 2014). The research relationship is intersubjective, requiring the researcher to clearly foreground their position relating to the subjects and phenomenon being studied (Grant & Giddings, 2002). Cooperation between researcher and subject, reflexivity, and a focus on investigating phenomena in their natural states, all underpin the interpretive approach. The interpretive paradigm is more relativist than positivism, acknowledging that different groups will have differing values and realities, allowing for the construction of explanations that encompass multiple perspectives.

The interpretive approach is often closely associated with qualitative methodologies and techniques, while positivism remains tightly linked to quantitative methods. However, there is a growing body of literature that accepts that the previous boundaries between paradigms, methodologies and techniques are breaking down, and that mixed methods and cross-disciplinary and multiple-paradigm approaches can be highly innovative and effective (Ateljevic, 2007; Neuman, 2014; Outhwaite & Turner, 2007). Having said that, interpretive research still tends to greatly rely on techniques such as interviews, participant observation, focus groups and analysis of archival materials (Grant & Giddings, 2002). These methods remain favoured as they allow the participants' voices to be clearly heard and multiple perspectives to be gathered (Denzin & Lincoln, 2008; Strauss & Corbin, 1990).

The success of positivism in the science fields has led to its dominance in many academic disciplines and, as a result, has led to the interpretive approach often being depicted as "soft" and "second-rate" research (Grant & Giddings, 2002, p. 16). This dim view of interpretive research is flawed because it is "often measured against positivist criteria and, of course, found wanting … [they] miss the point that the interpretivist paradigm has different value systems concerning what is important to know and, in particular, what serves as evidence" (Grant & Giddings, 2002, p. 16). Certainly, the interpretive critique of positivist dogma around value-free, objective empiricism has become increasingly strident, with Denzin and Lincoln (2008, p. 31) going so far as to argue that "all research is interpretive; it is guided by the researcher's set of beliefs and feelings about the world and how it should be understood and studied".

3.5 Paradigm Choice

The aims of this thesis are to build a narrative regarding the history of employment relations in the New Zealand hotel sector and provide explanations of current employment relations conditions based on that historical data. Given the contested

perspectives that constitute an employment relations approach (Bamber et al., 2011; Lucas, 2004; Erling Rasmussen, 2009), and the need to construct a narrative that weaves these perspectives together, the interpretivist paradigm is the most suitable choice for this research (Outhwaite & Turner, 2007). The interpretivist approach will allow the pluralist nature of employment relations to be recognised, capturing the multiple views of the employment relationship that exist in the hotel industry. The interpretive paradigm consists of a relativist ontology and a consistent constructivist epistemology. This combination posits a socially constructed reality and an inevitable, value-laden link between researcher and subject (Denzin & Lincoln, 2008; Grant & Giddings, 2002). This paradigm supports research that seeks to uncover multiple meanings in a co-constructed social reality and provides a holistic and flexible approach that fits perfectly with the construction of a historical narrative of contested perspectives on employment relations (Burns & Rayment-Pickard, 2000; Munslow, 2006; Outhwaite & Turner, 2007).

In order to provide a consistent and logical relationship between ontology, epistemology, methodology and methods, this research proposes a qualitative methodology that is consistent with an interpretive paradigm (Ateljevic, 2007; Denzin, 2005; Morrow, 1994; Patton, 2002; E. Wilson et al., 2008). A qualitative methodology focuses on interpretation of text and context, producing words and narrative. Obviously this methodology fits well with the aim of producing a historical narrative and explanatory framework. The debates regarding methodologies *within* the historical tradition will be discussed in the methical context section following the researcher's position statement.

3.5.1 The researcher's position and place

In addition to being internally logical regarding ontology, epistemology and methodology, the interpretive paradigm also calls for researchers to be reflexive and to

foreground their positions regarding the subjects and phenomenon being studied (Denzin & Lincoln, 2008). My personal history has to some extent determined the choice of research topic and approach. In the context of this research, it would be difficult to position myself as a dispassionate outsider in the research process. I am inherently an insider in this research due to my professional experience in the hotel management and wider hospitality business areas. I am an insider because my long professional career in hospitality allows me to get close to the participants and empathise with their experiences in a knowledgeable way. This insider positioning both facilitated the snowball approach to recruiting participants and influenced the nature and interpretation of the interviews. The interviews were both conversations between fellow practitioners and discussions between researcher and subject. Therefore, it is appropriate to write my story and place into the methodology at this point.

I have held dozens of roles in hospitality businesses over a career spanning 18 years. I have worked in hotels both internationally and within New Zealand, covering roles from entry level "dish hand" in London, to banqueting manager in Tokyo, to training manager in Auckland. In addition, I hold tertiary qualifications in Human Resource Management and Hospitality Business Management. This combination of "front-line" experience and academic theory allows me to reflect on hospitality management problems from a rich perspective. In addition to "managerial" and academic perspectives, I have always been an active union member and have long held a positive view of the role that unions play in employment relations and wider issues of social justice. This combination of managerial and union-based experiences allowed me to converse as a "near-equal" with many of the interviewees, whether they be hotel general managers or union organisers.

This insider perspective also allows me to identify issues within the research and interpret results in a way that reflects the riches of the "multiple realities" approach

inherent in the interpretive paradigm. During the research I found myself being able to encourage deeper reflection in the interviewees, formulate new questions based on shared insights with the practitioners and question some statements, based on an insider's perspective born of long experience in the industry. Like all of the interview participants, I too have spent years wrestling with the multiple perspectives of employment relations and could openly and honestly empathise with the frustrations inherent in this area. This "experienced" position allowed me to sometimes empathise strongly with the interview participants and to discuss with them as a near-equal and informed professional. It also facilitated the challenging requirement of recognising when political and personal agendas coloured the narratives in interviews. Where I, as the researcher, felt these agendas existed, commentary to that effect was included in the findings. As a result, I believe the interview data are stronger than otherwise might be gained from a "distant authority". The benefits of this insider perspective lie in combining the views of the management and union actors in the group (emic) with the researcher's informed interpretation of these views (etic) into a strong, holistic discussion (Creswell, 2008, 2013).

3.6   Methodological Context

The methodological foundations for this study are contextualised within the labour history and hospitality literature. In this section, calls for a historical approach to hospitality labour studies will first be looked at and then methodological debates within the study of history itself will be discussed.

3.6.1   Hospitality, history and labour

As discussed in the literature review chapter (Chapter 2), there have been widespread calls from hospitality academics to expand the focus of hospitality research into a wider range of social science perspectives (Lashley, 2007; Lashley et al., 2006; Lashley & Morrison, 2000). Crucially for this thesis, one of the key critical, social science

approaches that this group of hospitality research publications calls for is that of a historical approach to work in the hospitality industry (Lashley, 2007; Lashley et al., 2006; Lashley & Morrison, 2000; Lynch et al., 2011; O'Gorman, 2005, 2010). Despite being variously described as "at an early stage of development" (Towner, 1995, p. 48), "under researched" (O'Gorman, 2010, p. 141) and "overlooked" (O'Gorman, 2010, p. 3), a historical enquiry into the study of hospitality and tourism employment relations is strongly supported by many leading academics in the hospitality and tourism fields (Lashley, 2001, 2007; O'Gorman, 2010; Towner, 1995; Walton, 2012; Woods, 1991). Towner (1995), Woods (1991) and Walton (2012) not only recommend the use of a historical approach for hospitality generally, but specifically highlight the opportunities for this approach in hospitality and tourism employment relations. The historical approach allows for the application of theoretical explanations and complex analysis of the impact of multiple variables as they change over time within organisations (Markey & Patmore, 2011).

Hospitality research has tended to be positivist in approach, but much of the literature discussed above has called for a stronger emphasis on liberal, critical, subjective, reflexive and qualitative perspectives (Lashley, 2007; Lashley et al., 2006; Lashley & Morrison, 2000; Lynch et al., 2011; O'Gorman, 2005). These authors argue that this liberal emphasis will raise the status and improve the quality of hospitality research. Thus, the interpretive methodology applied in this research is appropriate to the nature of the study as it allows a broader understanding of how people perceive their experience of daily life, within a variety of social situations, and allows for the building of links between human experience and the abstract theory designed to illuminate it (Ateljevic, Pritchard, & Morgan, 2007; Denzin, 2005; Grant & Giddings, 2002). The undertaking of a history is inherently interpretive and qualitative and thus is well supported by the choice of this paradigm (Munslow, 2006; Tosh, 2006; White, 1987).

However, within the historical discipline, the "devils" of postmodern epistemological debates play out as vigorously as in any other social science discipline (Outhwaite & Turner, 2007, p. 82).

3.6.2 Historical approaches

The practitioners of history have wrestled with their status as legitimate producers of "true knowledge" since the days of Herodotus, with Aristotle famously ranking history below poetry, due to its lack of universality (Burns & Rayment-Pickard, 2000). This fundamental critique of history's focus on specific events and people, at the cost of scientific generalisability, is at the heart of history's "dubious" standing amongst the social sciences (Breisach, 1994). One critic summed it up thus: "History is the least amongst all arts … because historians disagree mightily among themselves and write such variable and different things about one event that it is impossible that a number of them should not be liars" (Burns & Rayment-Pickard, 2000, p. 7). Yet history remains one of the most read, most popular and most well-travelled of all the social sciences.

Debates between positivist and interpretive approaches have occurred within historical methodology with the same vigour as other disciplines (Tosh, 2006). Seminal authors like Elton (1967) have demanded "hard-line …historical objectivity" as a necessary precondition of "real history" (Evans, 1997, p. 3), while Carr (1961, p. 10) has argued that "the belief in a hard core of historical facts existing objectively and independently of the interpretation of the historian is a preposterous fallacy". Certainly the subjective nature of the research process and the relative dominance of narrative in historical writing have led to much methodological hand-wringing by historians, even before the all-out assaults of postmodernism (Outhwaite & Turner, 2007; Tosh, 2006).

History's claims to methodological rigour were weak, long before the postmodern critiques of the early 20th century. Tosh (2006, p. 178) points out that the supposedly

"scientific" techniques of document analysis that underpinned 19th century claims to objectivity are undermined by the incompleteness of the document records; the subjectivity of the authorship of the records (who wrote them and for what reasons—often the records favour the ruling classes); the profusion of records; and the subjective selection and rejection of parts of the records by the historian. However, Tosh (2006) and Munslow (2006) argue that careful application of the historians' stock-in-trade (careful contextualisation and checking of authenticity, reliability and validity) can meet these challenges. Yet all these concerns were minor compared to the challenge that postmodern critique brought to history, as Evans (1997, p. 3) suggests, "Nothing has outdated the views not only of Elton, but even of Carr, more obviously than the arrival … of post-modernist theory, which has called into question most of the arguments put forward by both of them".

Tosh (2006) argues that the implications of postmodernism for the standing of historical work are possibly serious and should be addressed with care. The theoretical work of Saussure, Derrida and Foucault resulted in a disengagement of text from reality (Outhwaite & Turner, 2007). The concepts of "deconstruction" and "intertextuality" have resulted in a theoretical position that dismisses the idea that language represents reality and instead asserts that language is entirely relative in terms of meaning – this has the potential to be "fatal to traditional notions of historical enquiry" (Tosh, 2006, p. 196). How are historians supposed to present linkages between texts from the past and explanations of current events, if all language and texts can mean anything, and therefore nothing?

Importantly, a number of contemporary and prominent authors argue that the "threat" of postmodernism to history is greatly overstated (McCullagh, 2004; Munslow, 2006; Outhwaite & Turner, 2007; Tosh, 2006). Munslow (2006, p. 200) points out that history has "always shown a capacity to engage with critics of the truth claims of their

discipline" and that historians are already in the process of assimilating aspects of the postmodernist perspective. Outhwaite and Turner (2007, p. 82) also argue that the postmodernist challenge has re-invigorated historical approaches and that, as a result, historical enquiry "has a future far more promising than it had 50 years ago". Postmodernism has resulted in a more rigorous analysis of methodological assumptions underpinning the writing of history (Outhwaite & Turner, 2007; Tosh, 2006; White, 1987). It has also opened up promising new territory around the function of narrative, literary conventions in the writing of history and an awareness of the cultural power and hegemony involved in creating history (Burns & Rayment-Pickard, 2000; Outhwaite & Turner, 2007; Tosh, 2006; White, 1987).

However, "there is a limit beyond which most historians will not go in embracing postmodernism" (Tosh, 2006, p. 202). Few historians are willing to accept the total refutation of truth claims in their discipline and still value the power of "practical realism" over the theoretical absolutism of a meaningless language, demanded by some proponents of postmodernism (Munslow, 2006; Outhwaite & Turner, 2007; Tosh, 2006). Modern historians accept that they may not uncover all meanings of their documents, but refuse to concede that no text can be read as a meaningful expression of the past or present, instead arguing that "the meanings that link words and things are not arbitrary and infinite but follow conventions created by real culture and real social relations" (Tosh, 2006, p. 203). While acknowledging that selectivity, incomplete data sets and aesthetic bias *reduce* claims to "truthful meaning", historians maintain that *some* meaning can be found in this process and the need for historical explanation remains necessary for contemporary social understanding (Outhwaite & Turner, 2007; Tosh, 2006). As Munslow (2006, p. 105) concludes, "Few mainstream historians today work … in pursuit of 'the illusory Holy Grail of objective truth' but strive only to

ground an inevitably subjective interpretation on the best collection of material facts we can gather."

There remains considerable debate as to whether history has its own epistemology or is simply a branch of the constructivist social sciences (Munslow, 2006). However, while this issue remains unresolved, the methodology of historical enquiry now contains multiple approaches to the work of archival and interview based research (Munslow, 2006; Tosh, 2006; White, 1987). Munslow (2006) suggests there is a spectrum of historical approaches, ranging from deconstructionalism, through to contructionalism and reconstructionalism. Deconstructionalists refute the empiricist, objective nature of traditional history and embrace a postmodern relativism. Hayden White (1987) exemplifies this approach and draws on the work of Foucault (1992) in applying a linguistic, discourse analysis based approach to historical enquiry. At the other end of the spectrum sit reconstructionalists, exemplified by (McCullagh, 2004). Reconstructionalist authors tend to be traditional "commonsense empiricists" who stress the objective, value-free, forensic nature of historical research (Munslow, 2006). In this school, the authors reject the testing of preconceived theories and seek objective truth that is supported by rigorous and impartial analysis of primary sources.

Holding the middle ground is the constructionalist approach to historical enquiry. This school of thought facilitates the application of generalised social theories to historical research, for example Marxism or corporatism. This approach enables a combination of deductive and inductive construction, where the application of an explanatory theory or framework (for example the work of Polanyi, Burawoy, Corporatism and Strategic Choice Theory in the case of this thesis) to empirical data "does not diminish human agency … or choice in the past, but rather enriches our understanding of it" (Munslow, 2006, p. 25). Constructionalism allows for the recognition of the values and influence of the researcher on the researched, but at the same time advocates the benefits of

empirical rigour in the research process (Munslow, 2006; Tosh, 2006). It is from Munslow (2006) and Tosh (2006) that one can build a historical methodology that allows for reflective deconstructionism with traditional approaches to archival and interview based empiricism. This approach is consistent with the interpretive paradigm, containing a relativist ontology and constructivist epistemology as discussed above.

Perhaps the final word should be left to Lucien Febvre, pioneer of "New History" in the influential French Annales School of the early 1900s:

> Generally speaking … it is not a good thing for the historian to reflect too much upon history. All the time he does so, his work is held up. And the philosopher (whose job in fact it is) folds his arms. That makes two men not working (Breisach, 1994, p. 371).

3.7   Research Methods

The choice of methods for this research needs to be consistent with the interpretive paradigm position outlined above. In order to maintain congruency between a relativist ontology and *constructivist* epistemology, and the resulting choice of a *constructionalist* historical methodology, methods had to be applied that meet the requirements of this overall approach (Creswell, 2008; Denzin & Lincoln, 2008; Patton, 2002). The methods need to provide quality data, suitable for rigorous analysis, which are also relevant to the research questions. The aim of this research was to create a narrative that outlined the history of employment relations in the New Zealand hotel sector, and sought to explain the impact of the history on current employment conditions. To this end, interviews and archival research were chosen as the appropriate methods (Denzin & Lincoln, 2008; Neuman, 2014; Tosh, 2006).

3.7.1   Design of the study

This study uses an entirely qualitative methodology, the foundations of which are an inductive approach; relativist ontology and constructivist epistemology which recognises multiple perspectives; evidence based in the real world; an emic (insider's)

perspective; an emergent research design; non-random subject selection; use of text based data that are analysed for themes; and the production of findings as a narrative (Jennings, 2001). In addition, the historical tradition argues that interviews and archival document analysis are sufficient to support historical narratives and explanatory frameworks (Carr, 1961; Elton, 1967; McCullagh, 2004; Tosh, 2006). For this reason, the methods of interviews and archival document analysis were selected as appropriate to the needs of the research questions and methodology of this research. The historical method is inherently one of mixed methods, relying on data from archives and interview transcripts (Tosh, 2006).

The research proceeded in a typically emergent fashion, given its interpretive nature (Denzin & Lincoln, 2008). An initial literature review provided the research questions and limiting time frame (1955 to 2000). Initial, casual interviews were held with two senior managers in the hotel industry and two union organisers—based on previous relationships held with these people. These unstructured discussions helped flesh out the interview questions to be used in the more formal semi-structured interviews later on, in addition to providing contacts for other interviewees in unions and the hotel industry. An early meeting was held with David Verran, Team Leader of the Auckland Central Library Research Centre, who had researched hotel unions previously. He provided useful advice as to the location of key archives related to the hotel industry and union development. From this point on, an emergent, snowballing process occurred. Interviews with subjects would provide links to new interviewees, as well as suggesting new archival sources, whilst the archival research would often lead to new contacts for interviews, with both streams leading to the refinement of questions being used in the research.

3.7.2 Interviews

Semi-structured interviews were used in this research to gather rich data from managers within the New Zealand hotel sector, union representatives, hotel consultants and industry advocates. Interviews form a key part of historical method and are well justified for use in this research (Munslow, 2006; Tosh, 2006; White, 1987). Reflecting the range of historical approaches discussed above, interviews can vary from highly structured, empirical forms, through to loosely formatted and open-ended discussions (Patton, 2002). The semi-structured interviews used in this research allowed rich data to be drawn out without overly pre-determining the content of the interviews. This is consistent with the choice of a constructionalist historical methodology, in that it lets the intrinsic data from the interviews drive the historical narrative, without disallowing theoretical and thematic analysis to aid explanation (Outhwaite & Turner, 2007; Tosh, 2006). It is these skills of interpretation and careful judgement regarding the use of both interview content and archival data that are considered key to good history research (Tosh, 2006). The archival and interview research informed each other, in that results from archival research inspired new questions to be asked in later rounds of interviews and vice-versa. Several interview subjects were re-contacted to be asked questions that had emerged from subsequent archival leads.

Concerns over the subjective nature of interviews, be they semi-structured or highly structured, are discussed by many methodological texts. Disadvantages of using interviews can include a lack of reliability and validity of the data due to the variability of epistemological interactions, which in turn makes replication impossible (Jennings, 2001). In addition, the quality of the data is dependent on the interviewing skills and rapport building skills of the interviewer, while the interview results can be easily manipulated by the interviewer (Creswell, 2008; Denzin & Lincoln, 2008). However, as discussed above, the interpretive approach does not seek to replicate positivist methods

and their resulting reliability, but rather the use of interviews is consistent with the constructivist and constuctionalist approaches to interpretive, historical research (Tosh, 2006).

The aim of the interview process was to gather insights from a broad selection of people with considerable experience in the hotel sector, who could outline, discuss and reflect upon key changes that have occurred in the hotel industry during their careers. Particular emphasis was placed on capturing the perspectives of several key, senior members of the hotel industry and unions, who had long careers over the period in question. Examples of these long serving interviewees are Denis Callesen and Tim DiMattina, who worked from the 1960s till the early 2000s, as Regional Manager and Chief Financial Officer respectively for both the Tourist Hotel Corporation and the Southern Pacific Hotel Corporation. A senior union example would be Rick Barker, who worked his way from the Otago Hotel Workers Union in the 1970s, to National President of the Federated Hotel Workers Union in the 1980s, before becoming a Minister in the Helen Clark Labour Government in the early 2000s. Many of these participants have extensive knowledge of hotel sector employment relations and this invaluable knowledge was at risk of being lost due to old age, illness and mortality.

The participants for this study were recruited using the snowball sampling technique (Denzin & Lincoln, 2008), where initial participants invite other relevant people to be interviewed. The advantages of this process is that it allows the recruitment of participants where and when they are available (Denzin, 2005) and to use the researcher's extensive professional network of contacts. Some methodological literature suggests that a drawback of the snowball approach is that it can limit the breadth of participants (Outhwaite & Turner, 2007), but by initially being able to approach a wide range of participants, including unionists, managers, consultants and industry advocates, a wide range of perspectives and new contacts emerged.

Triangulation is used in this thesis to counter some of the concerns over the use of interviews and snowball recruitment discussed above. Triangulation refers to using multiple (usually three) sources of methodology, data and/or theory to strengthen the links between observations of empirical reality (Jennings, 2001). Triangulation is not a technique to improve validity, but rather an alternative to positivist approaches (Outhwaite & Turner, 2007). This thesis uses data and theory triangulation. The research draws on interview data, archival data and secondary sources to underpin the historical narrative. In this way, the findings of the thesis are not dependent entirely on interview data, nor any other singular source of data, but rather are supported by a web of inputs that build and inform the final historical narrative. This use of multiple data sources and the required application of skilled interpretation and careful judgement regarding the use of these data is considered the key to good constructionist history research by both Tosh (2006) and Munslow (2006).

In addition, triangulated theory from Labour Process, Corporatism and Strategic Choice traditions are used to create three levels of analysis. The Labour Process theories of Burawoy (1985, 2010) and Polanyi (2001) provide the meta-level, international analysis that puts the New Zealand experience into a global, historical context. Corporatism provides a national, tripartite (employers, unions and the state) structural level of analysis, while Strategic Choice Theory allows for an intra-organisational, personal level of agency that can offset the pre-determinism of some of the more structural theories (Child, 1972, 1997). In this way, triangulation provides depth and multiple approaches that allow for multiple viewpoints of empirical reality (Creswell, 2008).

The interviews provided a large pool of data, over 22 hours of recorded discussion, producing almost 200,000 words of transcript. The total number of interviewees was settled on by ensuring both hotel management and union leadership was covered sufficiently and the total pool of data was rich yet manageable. In several cases, the

initial interviews were followed up with further discussions or clarifying emails; in two cases, the second interviews were over an hour in length. Two considerations appeared during the interview process, one being that front-line employees were not going to have a voice in this study. The participants were limited to senior hotel managers and leaders of the unions, thus only those in power and leadership roles would be heard. This limitation is discussed further in the conclusion chapter. However the rational for focus on senior leaders rather than employees lies in the need to draw out broad historical perpectives. The opportunity to capture a large cross-section of hotel leaders in this research was valuable and provided a very large data set to work with.

In addition, considerable attention needed to be paid to the political and personal agendas being expressed within the interviews. Particularly in the union narratives, multiple perspectives were expressed regarding union strategies during the 1980s and 1990s, and often blame was applied retrospectively to various leaders. To draw on the advice of Tosh (2006), careful interpretation and judgement needed to be applied to text and context of interviews in order to construct valuable history. All but six interviews were completed face to face. Two were completed using Skype and four using the telephone. While using technology can influence the nature of interviews by reducing non-verbal cues and rapport, the ability to talk with overseas particpants more than offset these consdierations.

Initial interviewee contacts were made through personal, professional networks and emails. The email included an invitation letter to participate in the research and indicative questions (Appendix A and B). A detailed explanation of the ethical and practical approaches to these interviews has been reviewed by the AUT Ethics Committee and approved for use. The ethics approval and full interview questions are attached in Appendix C and D. Interviews occurred mainly at the workplaces of the subjects, but some were held by telephone or by Skype. The interviews usually took an

hour and half to two hours to complete. With the consent of the participants, all the interviews were recorded on a digital device and transcribed. Hand written notes were also taken during the interviews which were used to organise the transcripts for analysis. Consent forms were signed by all interviewees, with specific attention being drawn to their agreeing to be named in the final work. All interviewees agreed to be named in the thesis.

3.7.3 Participant glossary

A total of 20 interviews were completed.

Table 4: Particpants

	HOTEL EMPLOYERS and MANAGERS
Julian Bugledich	Julian was Regional Manager, New Zealand, of Southern Pacific Hotels (SPHC) from 1990 to 2000. He oversaw the purchase of the THC assets by SPHC in 1990 and was head of the first major multi-national corporate hotel group in New Zealand.
Denis Callesen	Denis joined the THC in 1970, as a trainee manager, worked his way through many properties before achieving Deputy CEO of the THC by the age of 28. Denis continued to work for the SPHC after 1990. Denis managed the Hermitage Hotel for many years and is closely associated with the iconic property.
Penny Clarke	Penny was the first female GM in New Zealand hotels, she started working in NZ hotels in the late 1960s and has held General Manager positions in many properties and brands.
Denise Thornton	Denise is Executive Housekeeper at the James Cook Hotel in Wellington. She started working there in 1974 and has worked in housekeeping, in that property, non-stop until the present day.
Tim DiMattina	Tim joined the THC as an accountant in 1973, he was Financial Controller of the THC by the age of 25. He oversaw the financial management of the THC until 1982 and then later worked for the SPHC on the purchase of the THC.
John Farrel	John worked for the SPHC from 1983 as a Sales Manager, became CEO of Travelodge Hotels Australia in the 1990s, before joining Accor in 1995 as Regional Sales and Marketing Manager, where he continues to this day.
Gordon Wilson	Gordon arrived as GM at the Hyatt Queenstown in 1988. He has worked for Hyatt Kingsgate for many years and now heads up the Waldorf Managed Apartments Group in Auckland.
Graeme Ham	Graeme is Regional Human Resources Manager for Accor Hotels. He has worked for Accor in this role since the early 2000s. Graeme was Area Training and Personnel Manager for SPHC on their arrival in New Zealand in 1990 and held that role until he left to gain overseas HR experience in the late 1990s.
Nigel Harper	Nigel arrived in New Zealand in 1968 and worked for the Intercontinental Hotel and THC Wairakei Hotel before becoming General Manager at the Hermitage Hotel. Nigel has been area manager for hotels in Asia and Australia and has worked for Accor.
	EMPLOYER REPRESENTATIVE
Bruce Robertson	Bruce is CEO of the Hospitality Association of New Zealand. (HANZ) has been the peak representative body for breweries, pubs, hotels and hospitality employers for over 100 years.
	HOTEL CONSULTANTS
Terry Ngan	Senior Consultant, Horwath HTL, Hotel Tourism and Leisure Consultants.
Stephen Hamilton	Senior Consultant, Horwath HTL, Hotel Tourism and Leisure Consultants.
Dean Humphries	Senior Consultant, Colliers International, Hotels.
	UNION LEADERS
Matt McCarten	Matt was a prominent Northern Hotel Workers Union and Service and Food Workers Union (SFWU) activist from the early 1980s. He is past founder and Secretary of Unite Union, and a former Labour Party and Alliance Party MP.
Darien Fenton	Prominent union activist from the late 1980s until the present day. First elected female Secretary of the SFWU, former Labour Party MP.
Annie Newman	Educator and organiser for the SFWU since 1985, currently campaign organiser for the Living Wage Campaign.
John Ryall	Current Secretary of the SFWU, union activist since joining the Wellington Hotel Workers Union in 1985.
Mark Gosche	Organiser and Secretary of the Northern Hotel Workers Union since 1981, after 1990, senior organiser in SFWU, former Labour Party MP.
Rick Barker	Joined the Hotel Workers Union in 1976, past Secretary of the Northern Union, formed the SFWU, former Labour Party MP.
Glenda Fryer	Organiser for the Hotel Workers Union and SFWU during the 1980s.

3.7.4 Archival research

Documents from archives are useful for historical analysis as they can often be the only source of information that covers long time-lines and various contexts (Tosh, 2006). Document analysis of archival materials provides several key advantages for historical research in the hospitality and tourism fields. Firstly, it "enables the past and present to be studied, thereby providing an historical insight" (Jennings, 2001, p. 182). Secondly, "the data are in permanent form, ready, collected for analysis, and hence can be re-analysed, thus allowing reliability checks" (Altinay & Paraskevas, 2008, p. 128). However, as discussed above, challenges around incomplete document records, subjectivity of authorship and the subjective selection by the researcher require careful consideration and analysis. As this study progressed, several examples of incomplete archival materials proved to be frustrating. Historical series on hotel wages and hotel union membership numbers both became disrupted during the mid-1980s, just at the time when many major changes were occurring in the sector. However, alternative sources were sought and, in many instances, the disruption was minimised.

This research used sources contained in government and union archives, libraries, company records and private collections of documents. These included Archives New Zealand; The National Library of New Zealand; The Tourist Industry Association of New Zealand; and The Special Collections at The Auckland City Library. Relevant collections identified by David Verran included *The Auckland Star* clippings collection; a collection of *Flashlight*, the magazine of the Hotel Union; minutes of the National Hotel Union; and a collection of Official Reports on the Tourist Hotel Corporation to the House of Representatives.

Table 5: Archival sources

Archive Content	Location/Source
Annual Reports of the Federation of Labour, 1955–1986	University of Auckland Library, 331.880995 N52
Annual Reports of the Tourist Hotel Corporation, 1955–1990	New Zealand Appendix to the Journal of the House of Representatives. National Library of New Zealand
Parliamentary Debates, Vol. 307, 1955	National Library of New Zealand
Miscellaneous papers relating to the Tourist Hotel Corporation, hotel unions and hotel training, 1955–1990	National Library of New Zealand
Miscellaneous papers relating to the Tourist Hotel Corporation, hotel unions and hotel training, 1955–1990	Archives New Zealand
The records of the Northern Hotel, Hospital, Restaurant & Related Trades Employees' Industrial Union of Workers, 1911–1990	University of Auckland Library, Special Collections, MSS & Archives – 2010–2017
Private papers and archive documents	Stephen Hamilton, Director of Horwath HTL, Hotel Tourism and Leisure Consultants
Private papers	John Farrel, Area Sales and Marketing Manager, Accor Hotels
Private papers and a collection of 320 union newspapers - *Service Worker*, *Shift*, *Union News* and *Push*, 1981–1996	Mark Gosche, SFWU

The archival research for this study was undertaken in a number of stages. The first phase was based on suggestions from David Verran and was situated in Auckland. This stage included reviewing newspaper clippings from the Auckland Central Library Special Collections and working through the records of the Northern Hotel Workers Union, held in the University of Auckland Library Special Collections. David Verran helped with the search terms for the clippings files (hotels, hospitality, unions, employment) and the archivists at the University of Auckland Special Collections proved very helpful in suggesting other holdings that might be useful, e.g., the Annual Reports of the Federation of Labour. These materials provided important themes and

interview questions around changes in the Hotel Workers Union, working life in New Zealand prior to the 1990s and the relationship between the union and the breweries.

The second phase of archival research was based in Wellington and included collections held in Archives New Zealand and the National Library of New Zealand. These materials focused mainly on the Tourist Hotel Corporation (THC) and the unions that were related to the THC. The collections included annual reports from the THC to the government, parliamentary debates regarding the THC and miscellaneous collections of papers regarding the THC, training and union issues. These materials provided invaluable insights into the THC, as the major New Zealand hotel employer from 1955 to 1990, and again, set up several key themes and interview questions regarding ownership structures and employment conditions in the industry.

The final phase of archival research consisted of a series of private collections that were volunteered by interviewees in the later stages of data gathering. John Farrel, Stephen Hamilton and Mark Gosche all provided quite large collections of union, hotel and consulting materials that helped provide insight into the industry. Examples included: "Ernst and Young Hotel Survey" from 1989 to 1996 (these included financial and operational figures from the majority of hotel operations in New Zealand); "The 1994 Tourism Investment Study of New Zealand" for the NZ Institute of Economic Research; and the particularly valuable "Feasibility Study for Proposed Travel Lodges in New Zealand" from May 1968. This feasibility study contains a complete overview of all hotel operations, economic conditions and opportunities in New Zealand in the 1960s.

3.8 Analysis

Both the interview transcripts and the archival data underpinning this thesis underwent manual thematic analysis. Qualitative thematic analysis allows the themes and categories that frame the findings to emerge from the data itself (Denzin & Lincoln,

2008; Fereday & Muir-Cochrane, 2008; Jennings, 2001). Themes and data from the interviews and archive research were manually notated and collated for analysis. Digital coding systems were not used for this analysis, as the outcome is a historical narrative that does not rely so much on quantitative data, nor any other positivist support, but rather is judged by the quality of the relationship between the narrative and underpinning research materials (Denzin, 2005; Grant & Giddings, 2002; Munslow, 2006; Patton, 2002; Tosh, 2006; White, 1987). This application of historical "judgement" requires some key considerations relating to the selection and analysis of archival documents to be addressed.

In terms of selecting the sources from the archives, Tosh (2006) highlights a number of considerations. While attention must be applied to verifying the authenticity of the documents, more importantly the content of the document has to be understood and given meaning within its historical context: who wrote it, for what purpose, how does its content relate to contemporary understanding (Tosh, 2006)? Appropriate historical enquiry considers the reliability of the sources and takes into account issues of potential influences and bias in the source's authorship. In general, the quality of the historical enquiry will be dependent on the quality of the interpretation of textual and contextual information (Tosh, 2006). Wider contextual questions can include why certain documents have been kept and others not, who keeps the collections and in what format, whose voices are heard and whose are not. The document selection and analysis was thematic (described above); with the themes being drawn from the thesis research questions, i.e., key changes in the New Zealand employment relations context that affected the hotel sector. Examples included major legislative changes, changes in union membership and activity or changes in the ownership structure of the hotel groups.

The use of semi-structured interviews allows participants to tell their own unique "story", in their own way, and, most importantly, in their own words. The data collected

from interviews were distilled into categories of common themes utilising Strauss and Corbin's (1990, p. 8) "open coding" system. This same system was used to organise the archival materials. Open coding, through a variety of participant input and archival data, can give rise to the identification of contested areas, as identified by the participants themselves and within the documents. This is vitally important because the emphasis on participant contribution and archival documents helps reduce many preconceived ideas that the researcher may have brought to the research (Strauss & Corbin, 1990). Thematic analysis was applied to the emerging categories, resulting in an ability to identify significant words, subjects and themes (Creswell, 2008). The thematic analysis involved searching for themes that helped inform the key research questions being explored. "The process involves the identification of themes through careful reading and re-reading of the data. It is a form of pattern recognition within the data, where emerging themes become the categories for analysis" (Fereday & Muir-Cochrane, 2008, p. 82). Thematic analysis enables appropriate levels of transparency and "objectivity" to be brought to the research, as the source materials for the analysis are documented evidence (Bryman, 2001; Creswell, 2008). Thematic analysis allows flexibility and is appropriate for the emergent research methods being used (Bryman, 2001; Creswell, 2008).

3.8.1 Data Management

The data from both the interviews and archives was stored by the researcher at AUT, School of Hospitality and Tourism, within WH 515 (a secure office) in a locked steel filing cabinet. The data will be held secure for six years, after which it will be destroyed, as per AUT ethics guidelines.

3.9 Conclusion

In this chapter, the major ontological, epistemological, and methodological positions orienting this research were outlined. The choice of an interpretive paradigm

(incorporating a relative ontology, a constructivist epistemology and a qualitative methodology) was shown to be internally logical, consistent and congruent. Further, the methodological choices are not only logical and consistent within themselves, but meet the needs of the research questions of the thesis, are consistent with the ontology of the researcher and fulfil the needs of historical enquiry in the hospitality context.

In addition to the above *theoretical* justification for the methodology used in this thesis, specific details of the interviewees and archival collections used have been provided. The research materials and the thematic processes used to analyse them were described to further justify the overall appropriateness of the methodological approach used in this study. In the previous literature review chapter, the key fields of research in the hospitality, labour history and hotel workforce areas were outlined. In this chapter, the methodological framework for the study has been established. The following context chapter will provide the last foundational materials for the thesis, providing a broad history of the political, economic and legislative conditions in New Zealand from 1955 to 2000, with the aim of supporting the readers' understanding of the later findings and discussion chapters of this thesis.

3.9.1   A note on referencing used in this thesis

All references in this thesis are formatted according to the American Psychological Association Publication Manual, Sixth Edition. APA 6th edition is the default referencing format for all research works produced at AUT University.

Basic citation styles of published works are formatted according to Table 6.1 of the APA Publication Manual (American Psychological Association, 2010, p. 177).

All interviews are referenced according to the 6.20 "Personal Communication" format of the APA Publication Manual (American Psychological Association, 2010, p. 179).

All archival materials are referenced according to the 7.10 "Archival Documents and Collections" format of the APA Publication Manual (American Psychological Association, 2010, p. 212).

Chapter 4: Context (1955 to 2000)

4.1 Introduction

This chapter covers the contextual history of the political, economic and legislative conditions in New Zealand from 1955 to 2000 and is designed to inform the reader who is unfamiliar with the general conditions of this period. The specific aim is to provide crucial foundations that support the reader's understanding of the subsequent findings and discussion chapters of this thesis. An appreciation of the social, political and economic conditions of this period is crucial for an understanding of the underlying drivers of changes to legislation, business structures and practice and union strategies during this period. The chapter focuses initially on the origins of the highly regulated New Zealand society of the 1950s, then the changes to society and the political/economic conditions over the 1960s and 1970s are described. The section concludes with the neo-liberal "revolutions" of the 1980s and 1990s.

The chapter then covers various pieces of government legislation which framed employment relations in New Zealand from 1955 to 2000. From the Industrial Conciliation and Arbitration Act of 1894 (IC&A Act) to the Labour Relations Act (LRA) of 1987, followed by the Employment Contracts Act (ECA) of 1991 and the Employment Relations Act (ERA) of 2000, this section briefly outlines the content of each of these periods of legislation and the political context that drove their enactment and eventual replacement. The second half of the chapter provides an in-depth history of the tourist hotel industry in New Zealand, paying particular attending to the rise and fall of the Tourist Hotel Corporation.

Table 6: Governments of New Zealand, 1935–2008

Year	Party in power	Prime Minister
1935–1949	First Labour Government	Michael J. Savage
1949–1957	First National Government	Sidney Holland, Keith Holyoake
1957–1960	Second Labour Government	Walter Nash
1960–1972	Second National Government	Keith Holyoake
1972–1975	Third Labour Government	Norman Kirk, Bill Rowling
1976–1984	Third National Government	Robert Muldoon
1984–1990	Fourth Labour Government	David Lange
1990–1999	Fourth National Government	Jim Bolger, Jenny Shipley
1999–2008	Fifth Labour Government	Helen Clark

4.2 The Foundations of 1950s New Zealand

New Zealand in the mid-1950s has been described by Belich (2001, p. 314) as home to the "Leviathan" state, a deeply interventionist "mega-state" that owned or controlled virtually everything. From education to wage and price levels, the state involved itself everywhere, by using public ownership of key industries and services and highly regulative legislation. This dominance of the state was part of the post-war "Keynesian consensus", an approach to national economic management based on the work of John Maynard Keynes (Carlyon & Morrow, 2013; King, 2003). This approach was widely used in western developed nations after the war and called for large scale state intervention in the economy and comprehensive welfare provision.

It has been argued that New Zealand's historical "classlessness" and egalitarian orgins have influenced the post war adoption of Keynesian policies (Belich, 2001; Binney, 2001; King, 2003). Cultural traits established in the late 1880's include a friendly familiarity with authority figures, casual attire and manners and lack of strick class based codes and behaviours (Belich, 2001; Rice, 1992). This social orientation towards a more collective community and co-operative approach can be seen to support the

Keynesian consensus adopted after the war (Carlyo n & Morrow, 2013). This co-operative approach can also be seen to be suppoted by a cultural tradition of strong male friendships and networking, aften called "the old-boys club" (Trotter, 2007).

As part of this consensus, the relationships between heads of leading industries, the union leadership and the government were very close. In order to understand how this tightly regulated and neo-corporatist nation came about, we need to look back to its origins in the 1930s. The highly regulated nature of the New Zealand economy and society in 1955 has many of its foundations in the victory of the first Labour Government in November 1935. In response to the privations of the Depression, the incoming Labour Party enacted a raft of measures to "erect a new socialist state that will once again cause New Zealand to inspire the world" (King, 2007, p. 310). These included nationalising the Reserve Bank, restoring old age pensions, guaranteeing dairy prices, creating a minimum wage and embarking on a massive state housing programme. The crowning achievement of this period was the 1938 Social Security Act, bringing in "cradle to the grave" welfare, including virtually free health care and universal superannuation. This large scale spending and "extensive intrusion of Government into the lives of its citizens" (King, 2007, p. 312) would become the "orthodox", if occasionally contested, approach over the next 50 years (Belich, 2001; King, 2003). The institutions and political positions established by the first Labour Government long outlasted their reign, setting the "terms of political debate and action for the next forty years" (Rice, 1992, p. 351).

Also of great contextual importance for this thesis was the 1936 introduction of the Industrial Conciliation and Arbitration Amendment Act. This Act refreshed the IC&A Act of 1894 (full details of the IC&A Act are on page 92) by bringing in compulsory unionism, alongside the full restoration of the arbitration system. As a result of this legislation, union membership grew from 81,000 in 1935 to 249,000 by 1938 (Rice,

1992, p. 356). This created what Belich (2001) calls a "systemic" integration of unions into the state. This resulted in a non-partisan integration of unions and the state, where unions undoubtedly became more closely allied to the Labour Party, but also retained strong relationships with National Party regimes as well. In addition to far reaching changes in employment legislation, the Labour Government imposed similarly impactful controls on exchange and imports which would expand and develop over time, but fundamentally remain in place until the Fourth Labour Government reforms after 1984. Thus, direct intervention of the state into economic and social settings became accepted by a wide cross-section of the New Zealand public during the 1930s (Belich, 2001).

The advent of the Second World War resulted in even deeper and wider government controls on the economy and society, as Michael Savage's successor, Peter Fraser, sought to bring the full resources of the country to bear on the war (King, 2007). This led to "Government control of the economy, already substantial, tightening several notches" (Belich, 2001, p. 294). The Economic Stabilisation Committee (featuring none other than notorious unionist Fintan Patrick Walsh, of whom we will hear more later) would enact price controls and restrictions on trade that would last, in various forms, well beyond the end of the war. Importantly, the strategy of using direct state intervention in times of economic crisis would remain common until the end of the Muldoon era in 1984 (Rice, 1992). The raft of new war regulations and state powers resulted in a virtual "Kiwi totalitarianism" (Belich, 2001, p. 295) that built on the crisis responses of the Depression years and created a generation generally accepting of even more widespread state control of almost all aspects of economic and social life.

4.3   Into the 1950s and 1960s

A post-war swing to political conservatism brought the National Party to power in 1949 and kept it there for 29 out of the next 35 years (King, 2007). The National Party's

philosophy was perhaps best described by Sidney Holland in 1948 as supporting businessmen and farmers, and promoting "private ownership of production, distribution and exchange" (King, 2007, p. 364). However, a bipartisan consensus remained regarding widespread controls on the economy and universal social security. The social harmony that had been created between unions, business and the state by the First Labour Government was strengthened by the demands of the war and remained strong throughout the 1950s. Men like unionist Fintan Patrick Walsh and Peter Fletcher (head of the country's largest building firm), formed close cross-sector relationships that underpinned what Belich (2001, p. 263) calls "sectoral harmony", an "unholy alliance" of business, unions and the state in a condition of "corporatist" harmony. It is from these Depression and war years that union leaders, business heads and Ministers became accustomed to working together for perceived mutual benefit.

Despite the National Party's pre-1949 election promises of ending the command economy, winding back the welfare state and ending compulsory unionism, little was to fundamentally change from the 1950s till 1984. Despite the rhetoric of economic deregulation, "the tight wartime system persisted after 1945" (Belich, 2001, p. 294), with ongoing price controls, trade restrictions and widespread import, export and exchange controls. After the dust of the 1951 waterfront strike settled, plans for the removal of compulsory unionism and the winding back of the mega-state were "placed quietly on the shelf" (Belich, 2001, p. 307), with state spending not only maintaining its immediate post-war levels, but slowly increasing. While National and Labour would have turns at the wheel, the basic principles of managing the country were not to change radically until 1984. King (2003) makes the point that despite growing international pressures, the lack of fundamental change in New Zealand's policy settings over the post-war period made the radical aspects of the 1984 "revolution" seem both more "necessary" and, in hindsight, more dramatic than would have otherwise been the case.

The period from the 1950s to the mid-1970s is generally perceived as being "boom" times. Belich (2001) suggests this period was a long slow boom, with modest but steady GDP growth of approximately 2% per annum. However, Belich (2001) adds that some commentators view this period as containing the seeds of future doom, due to the narrowness of the New Zealand economy. New Zealand had limited primary products (wool, lamb, beef, dairy, unprocessed wood products) and one major market, the UK. Export manufacturing growth was slow and imports grew at twice the rate of exports, leading to recurring balance of payments crises and persistent inflation (Belich, 2001). The already large New Zealand state expanded in a similar "slow but steady" fashion, absorbing 28% of GDP in 1949, rising to 33% by 1973 (Belich, 2001, p. 314). Belich (2001) argues that "sectoral harmony" continued unabated during this period, with virtually non-existent unemployment and slowly rising real wages. The union movement grew considerably, but also became more moderate, closely working in cooperation with the government, while farmers and businesses were supported with state subsidies and protections.

Socially, the 1950s and 1960s saw the traditional Kiwi "tight society" begin to be unravelled, with growing challenges to the "sacred weekend", liquor licencing and moral codes. A 1949 referendum had a huge majority vote for continued war-time six o'clock closing of all establishments serving alcohol, but by the 1960s, restrictions began to ease, slowly. A small number of new licences were allowed for restaurants and taverns from 1961 and in 1967, the "six o'clock swill" passed into history, with one being able to drink till 10pm! However, the speed of liberalising New Zealand society was hardly break-neck, with full Saturday retail trading only allowed in 1980, and Sunday trading following in 1989. The two major New Zealand breweries retained duopoly control of the beer market until 1980 when Australian competition was allowed. Indeed, Belich (2001, p. 321) sums up the period from the pre-Depression

years through to the 1960s as a time when "continuity outranked change". It is not until the great social changes of the 1960s and 1970s, with the attendant "baby boomer" generation, that the post-war economic and social consensus can be seen to be seriously challenged.

The 1960s and 1970s saw New Zealand society change dramatically. Against a backdrop of pursuing a more independent and confident international identity, New Zealand saw the internal rise of an anti-establishment youth culture, early environmentalism, feminism and strengthening calls for recognition of Māori rights (Carlyon & Morrow, 2013). The cities were becoming more ethnically diverse and the trading laws, licencing laws and general legislative control on behaviour loosened considerably (Belich, 2001; Rice, 1992). This period saw shifts towards liberalism in the public consensus over moral issues (abortion, sex, religion) and witnessed the legitimisation of public protest over Vietnam, environmental campaigns and racism. The rise of identity based politics started to erode the corporatist consensus of the post-war period, with divisions based on ethnicity, gender and sexuality becoming flash points during the Muldoon years in the 1970s (Carlyon & Morrow, 2013; King, 2007; Trotter, 2007).

4.4   The 1970s and 1980s

Politically and economically, the 1970s saw the "beginning of the end" of highly interventionist government policies and the arrival of a series of nasty economic shocks. "Sir Robert Muldoon's National Government of 1975 to 1984 was the last to involve itself in the New Zealand economy in a big-spending and heavily interventionist way" (King, 2003, p. 488). From 1973, Muldoon faced "the unravelling of the traditional system" (Belich, 2001, p. 396), with the first international oils shocks quadrupling New Zealand's fuel bills and Britain's entry into the European Economic Community leading to "rapid and absolute" decline of our British primary produce export market (Bollard &

Buckle, 1987; Rice, 1992). In an effort to deal with these threats to economic stability, Muldoon's National Government initially relied on the tried and true approach of increased state intervention. Over its term, the National Government applied price and wage freezes, rent controls, interest rate reduction and embarked on massive "Think Big" projects (synthetic petrol plants, expanded oil refineries, steel and aluminium plants), all in the hope of creating employment and turning the tide on wider economic downturn. Despite spending between $7 and $11 billion dollars on Think Big (Belich, 2001, p. 401), New Zealand's problems remain entrenched through the 1970s and early 1980s, including shrinking overseas markets, higher fuel costs, high costs for overseas borrowing, growing unemployment and increasing overseas imports, all of which contributed to a balance of payments deficit of "alarming proportions" (Erling Rasmussen & Lamm, 2002, p. 34).

Pressure to change the fundamental approach of political and economic management in New Zealand was growing in a number of quarters. Frustration with Muldoon's attempts to control the economy found expression in the theories of neo-liberal economic thinking, gaining international popularity at this time (James, 1986, 1992). UK "Thatcherite" and US "Reaganite" policies of neo-liberal, deregulated, free-market economics were promoted by powerful groups within New Zealand, including Treasury, the Reserve Bank, The Business Roundtable (a prominent pro-business lobby group), the Employers Federation and an influential faction within the Labour Party (James, 1986, 1992, Kelsey, 1993, 1995; Erling Rasmussen, 2009; Roper, 2005; Walsh, 1991). Upon winning the 1984 Election, the Fourth Labour Government, with Roger Douglas as the Minister of Finance, undertook a radical series of deregulatory reforms based on neo-liberal, free-market philosophies. These reforms included a dramatic restructuring of the public sector, the selling of state assets and the comprehensive deregulation of the economy (Kelsey, 1993; King, 2003). The pace and scale of these reforms led to this

period being commonly described as a "new right revolution" (Belich, 2001, p. 406; Kelsey, 1993, 1995), and arguably, "despite the controversies generated by Labour's 1984–90 reforms, few of them were reformed by subsequent administrations" (King, 2003, p. 495).

The initial 1984-87 period of Labour's reforms led to a speculative boom, with the New Zealand economy being described as "buoyant but volatile", and inflation peaking at 20.4% in June 1987 (Belich, 2001, p. 406). However, the collapse of world stock markets in 1987 brought the boom to a sudden end. "By late 1988 the economy was falling, or being pushed into a deepening recession" (Kelsey, 1993, p. 19), and the Labour Party was divided on the way forward, with Prime Minister David Lange firstly reigning in and then firing Roger Douglas in 1988. This division in the Labour Party and growing public concern over the price of reform led to a sound victory for the National Party in the 1990 election.

4.5   1990 to 2000

If the New Zealand voters were expecting any sort of return to pre-1984 policies after the 1990 election, the victorious National Party, with Ruth Richardson as Finance Minister, disabused them of that idea: the National Party "embraced the liberal agenda with an evangelical fervour" (Kelsey, 1993, p. 21). The National Government proceeded to, at least initially, push the deregulatory, free-market reforms into new territory, including labour market reforms in the guise of the ECA of 1991 (James, 1992; Kelsey, 1993, 1995; Erling Rasmussen, 2009; Roper, 2005). Further reforms to tariffs, increases in pharmaceutical charges and increases in state housing rents were pursued, along with dramatic reductions in welfare spending (King, 2003). The domestic economy continued to contract and the recession deepened, the electorate began to distrust politicians, as "political changes did not greatly affect the direction of economic reform" (Belich, 2001, p. 408). Calls for changes to the electoral system

grew, eventually resulting in a change to the MMP system in 1996, and this can be seen as "the last of the great reforms of the era, or a response to them – the voters' revenge on politicians they had come to distrust" (Belich, 2001, p. 408).

By the end of the 1990s, the era of radical reform seemed to have resulted in only modest economic gains. The 1987 stock market collapse had cast a long shadow and was soon followed by the Asian economic crisis of the mid-1990s. The voters elected the Fifth Labour Government to power in 1999, rewarding the "third way" direction Labour leader Helen Clark had signalled. Labour, with a strong centralist, moderate platform and a seemingly better ability to manage the new, coalition-based political system, represented both an end to the radical policies of the past 15 years and a partial restoration of public faith in the political system that had been found wanting since 1984 (King, 2003). The Employment Relations Act of 2000 exemplified the approach of the Fifth Labour Government. Neither a return to the arbitrationalist system of pre-1984 employment relations, nor a continuation of the extreme anti-union measures of the previous Employment Contracts Act of 1991, Labour aimed to pursue the "middle way" and restore New Zealand's economy through "business friendly" social democracy (King, 2007; Trotter, 2007).

4.6   The Employment Legislation: 1955–2000

Five main Acts of Parliament dictated the legislative framework for private sector employment relations during the period of this thesis. From 1955 to 1973, the Industrial Conciliation and Arbitration Act of 1894 (IC&A Act) defined the framework for employment relations in the nation. In 1973 the Industrial Relations Act (IRA) attempted to address changes in the industrial climate with a more flexible approach, but retained the basic structure of the IC&A Act. The IRA was replaced by the Labour Relations Act (LRA) in 1987 and this in turn was replaced by the Employment Contracts Act (ECA) in 1991. The final reform came in 2000 with the Employment

Relations Act (ERA) which remains (with several amendments) the determining legislation of employment relations in New Zealand to the current day. This section briefly outlines the content of each of these periods of legislation and the political context that drove their enactment and eventual replacement.

Table 7: Employment legislation, 1955–2000

Years	Employment legislation
1955–1973	Industrial Conciliation and Arbitration Act (1894)
1973–1987	Industrial Relations Act (1973)
1987–1990	Labour Relations Act (1987)
1991–1999	Employment Contracts Act (1991)
2000–present	Employment Relations Act (2000)

4.6.1 The Industrial Conciliation and Arbitration Act

In 1894 the Liberal Government enacted the IC&A Act. This legislation brought in a state arbitration model that specified and encouraged unions as the collective representative of employees. The Act established a number of institutions designed to intervene and resolve conflict in the workplace, including Conciliation Boards, Arbitration Boards and the Employment Court (Haynes et al., 2006; Erling Rasmussen, 2009). The IC&A Act is remarkable in that the institutions and approaches it embodied remained mostly in place (despite the introduction of the IRA) for almost 100 years; its fundamentally pluralist foundations determining employment relations until 1990 (Geare, 2000; Haynes et al., 2006; McLaughlin, 2010; Erling Rasmussen, 2009). During the 1955 to 1973 period of this thesis, we see the impact of the IC&A Act in aspects such as compulsory unionism, industry-wide collectively negotiated awards and the use of arbitration courts. Fundamentally, the IC&A Act period "was primarily one of government intervention in, and regulation and protection of, wages and working conditions" (Erling Rasmussen, 2009, p. 67).

4.6.2 From the IC&A Act to the Industrial Relations Act

The Industrial Relations Act of 1973 was a response to rising economic pressures and the collapsing credibility of the Arbitration Court during the late 1960s. The zero wage order of 1968 had shattered the Arbitration Court's credibility and resulted in unions

and employers increasingly seeking to negotiate directly, outside of the arbitration system (Anderson & Quinlan, 2008; M. Wilson, 2010). This turn towards direct action led to a steady increase in strike action throughout the 1970s. The National Party responded to these changes in the employment relations climate with the IRA in 1973. The Act retained the basic structure of the IC&A Act, but allowed new voluntary settlements which "more effectively incorporated direct wage bargaining into the legislative structure" (Erling Rasmussen, 2009, p. 61). Along with introducing provisions for personal grievances and differentiating "disputes of interests" from "disputes of rights", the law was taking a modest step towards recognising a need for more flexibility and freedom of choice in employment relations (Haynes et al., 2006)

4.6.3 From the Industrial Relations Act to the Labour Relations Act

Throughout the 1970s the IRA came under increasing pressure from inflationary wage demands and growing criticism from both unions and employers of failures in the institutions that determined the settlements (Haynes et al., 2006; Erling Rasmussen, 2009). The arbitration system no longer looked as if it could provide stable industrial relations and the 1984 Labour Government looked to add employment relations to its programme of deregulatary reform, adopting an "increasingly hands off approach to employment relations" (Erling Rasmussen, 2009, p. 69). To achieve this, in 1984 Labour ended compulsory arbitration and in 1987 they brought in the Labour Relations Act. The LRA has been described as "an uneasy balance between allowing direct bargaining and keeping the protective mechanisms of the arbitration system" (Waarden & Simonis, 1999, p. 102). The LRA heralded a period of dissolving tripartite employment relations consensus and growing employer scepticism of collective bargaining (Erling Rasmussen, 2009). The loss of the 1990 election by the Fourth Labour Government saw the rapid replacement of the LRA with the far more radical and far reaching reforms of the Employment Contracts Act. Both the IRA and the LRA

can be seen as the National Party's and Labour Party's attempts (in response to changing economic conditions) to move the employment relations legislative environment away from a highly regulated, rigidly structured form, into a more flexible, deregulated system (M. Wilson, 2010).

4.6.4 The Employment Contracts Act, 1991

The late 1980s brought "continuous pressure in New Zealand for further labour market deregulation" (Erling Rasmussen, 2009, p. 75). In 1990, the incoming National Party looked to continue the neo-liberal, deregulation and free-market reforms of the previous Labour Government, enacting the Employment Contracts Act of 1991. The ECA brought a dramatic and emphatic end to New Zealand's traditional pluralistic system, replacing collective awards with strong encouragement for individual contracting. Compulsory unionism was removed and the emphasis was placed on the direct relationship between employees and employers (Erling Rasmussen, 2009), with the responsibility for negotiations set at the enterprise level rather than nationally across whole industries. The specific aim of the legislation was to create an "efficient labour market" and the Act "constituted a dramatic shift in employment relations – away from the collectivist traditions of the past – by promoting the right of individual employees and employers over collective rights" (Erling Rasmussen & Lamm, 2002, p. 41).

There is considerable debate over the legacies of the ECA (Bollard & Buckle, 1987; Dixon, 1998; Harbridge, 1993; Harbridge & Walsh, 1989; James, 1986, 1992; Kelsey, 1993; Erling Rasmussen, 2009; Roper, 2005; Trotter, 2007), with Rasmussen (2009) pointing out that the argument is clouded by problems in identifying causality, lack of adequate data and bias in evaluation and interpretation. However, one clear outcome of the ECA was a dramatic reduction in multi-employer collective agreements (the traditional awards), with multi-employer agreements dropping from 59% in May 1991 to 8% by September 1992 (Erling Rasmussen, 2009, p. 87). Another uncontested

outcome from the ECA was a massive drop in union membership, with nationwide union membership falling by over half, from 648,000 in 1989 to 302,000 in 1999 (Erling Rasmussen, 2009, p. 92). Union density (union members as a percentage of the total employed workforce) fell by even more, from 44.7% in 1989 to 17% in 1999 (Erling Rasmussen, 2009, p. 92). The hotel/retail and wholesale sector was one of the worst affected with a decline in union membership of 81%, the third worst of all measured sectors (Erling Rasmussen, 2009, p. 93).

4.6.5   The Employment Relations Act, 2000

In the lead-up to the 1999 general election, both the Labour Party and its prospective coalition partner, the Alliance Party, had announced their intention to abolish the ECA. The victory of the Labour/Alliance collation led to the enactment of the Employment Relations Act of 2000. The ERA sought to bring in more support for collective bargaining and introduced the concept of "good faith" bargaining, but retained voluntary unionism. The Act sought to balance desires to re-collectivise the employment relations process whilst maintaining the individual's right to choose their representation (Erling Rasmussen, 2010; Erling Rasmussen & Lamm, 2002). The ERA's "combined force of good faith bargaining, promotion of unionism and increased emphasis on collective bargaining [constituted] a major shift in employment relations" (Erling Rasmussen, 2009, p. 122). However, due in part to employer pressure on the final shape of the Act (Deeks & Rasmussen, 2002), many of the hallmarks of the previous ECA legislation remained in place, including voluntary unionism, personal grievances and a lack of direct state intervention in employment relations negotiations (Erling Rasmussen, 2009).

The authors of the ERA expected increased numbers of workers to join unions to gain the enhanced benefits of collective bargaining encompassed in the new legislation (Haynes et al., 2006). However, while union membership did increase by 17% from

2000 to 2006, union density remained stubbornly unmoving, with overall density remaining stuck around 21% up to 2006 (Erling Rasmussen, 2009, p. 136). Since the ERA in 2000, union membership has remained at very low levels in the hotel sector, with less than 10% union density in the majority of hotels (Williamson et al., 2008). The ERA remains the legislative foundation of employment relations in New Zealand to the present day.

4.7 A History of the New Zealand Tourist Hotel Industry: 1955 to 2000

> I doubt if the country is ready or has the right knowledge of what an increased tourist industry would mean to New Zealand. I do not believe the people of New Zealand want to be put in a position where they are going to spend their lives giving service to people coming here **merely to enjoy themselves**.
>
> Labour MP Holloway, Second Reading of the Tourist Hotel Corporation Bill, 1955 (New Zealand Government, 1955, p. 3270)

This thesis focuses on the New Zealand tourist hotel industry. The tourist hotel industry is limited to those hotels that primarily serve the domestic and international tourism market. Initially these type of hotels were called "resort hotels", and were thought of as the slightly glamorous, remote, often single storey properties, positioned in the country's best scenic beauty spots (McClure, 2004). However, as gateway city hotels began to join the tourism accommodation network in the late 1960s and 1970s, the "resort" term faded away. The tourist hotel industry does not include motels, taverns/pubs, motor inns, backpackers, B&Bs, boutique lodges or any of the new cornucopia of modern accommodation options. Rather, the thesis focuses on large, chain based, mass tourism hotels, designed for and marketed at domestic and international tourists.

Defining what a "hotel" is requires clarification in the New Zealand context, given that throughout the 1950s, 60s and 70s, most New Zealanders would have assumed you were referring to the local pub when you said "hotel". The unique liquor licencing

approach in New Zealand resulted in a situation where the right to sell on-site liquor was initially limited to pubs that *had* to provide accommodation. This situation led to the major breweries in New Zealand having a big influence over the historical development of accommodation in this country. In the words of the Travelodge feasibility study of 1968:

> The accommodation industry in New Zealand was developed essentially by the breweries; rooms and accommodation were considered ancillary to the pubs and taverns … thus, the relative amount of space devoted to bar and cocktail lounge facilities in New Zealand hotels far exceeds the normal ratio found in the western hemisphere. (Carter & MaGuire, 1968, p. 34)

The 1966 *New Zealand Institute of Economic Research Tourism Potential* study provides an interesting snapshot of the accommodation industry at that point in time. Out of a total of 1,300 hotels, 200 were small private hotels and 1,100 were licenced hotels, 10 of which were large tourism/resort hotels run by the Tourist Hotel Corporation. The rest would have been pubs, taverns and other small operators. The entire New Zealand hotel industry averaged a tiny 15 rooms/24 beds per hotel (New Zealand Institute of Economic Research, 1966, p. 44). By 1968, the feasibility study for Travelodge (which was not part of the THC) identified only four hotels in Auckland that they considered to be of "American standard" (approximately equivalent to modern 3- to 4-star hotel standard) and therefore competition for the Travelodge brand: The Logan Park with 128 rooms, The White Heron with 72 rooms, The South Pacific (brewery owned) with 200 rooms and the only international chain property in New Zealand at that time, the Intercontinental, with 330 rooms. The *only* other property in New Zealand that Travelodge considered competitive was the White Heron in Wellington (Carter & MaGuire, 1968, p. 41). Thus, outside of the THC hotels, the New Zealand accommodation sector remained dominated by small brewery run operations and "mom and pop" motels until the government-supported hotel development boom of the mid-1980s (Carter & MaGuire, 1968). From 1956 to 1990, the Tourist Hotel

Corporation was the pre-eminent tourist hotel operator in New Zealand and we will now look at its history.

Table 8: Who we will meet in this section – Interviewees

Denis Callesen	Denis joined the THC in 1970 as a trainee manager, worked his way through many properties before achieving Deputy CEO of the THC by the age of 28. Denis continued to work for the SPHC after 1990. Denis managed the Hermitage Hotel for many years and is closely associated with the iconic property.
Tim DiMattina	Tim joined the THC as an accountant in 1973. He was Financial Controller of the THC by 25 years of age. He oversaw the financial management of the THC until 1982 and then later worked for the SPHC on the purchase of the THC.
Nigel Harper	General Manager of the Hermitage Hotel. Nigel has had a long and illustrious career with the THC, starting work for them in the late 1960s. He has worked for overseas hotel companies in Asia for many years, before returning to the Hermitage Hotel.

4.7.1 The antecedents of the Tourist Hotel Corporation

The Department of Tourist and Health Resorts (DTHR) was created in 1901 and was the first tourism-specific government department in the world. The 10 hotels that would eventually form the THC had been gradually gathered under the wing of the DTHR over 55 years; however, the role of the DTHR in owning and managing hotels had been hotly debated over the years, with some seeing this a key part of its tourism promotion strategy, whilst others believed the Government had neither mandate nor the skills to run hotels (McClure, 2004; Watkins, 1987). On the first of October 1956, the Tourist Hotel Corporation Act (1955) transferred the 10 DTHR tourist hotels and their staff of approximately 300 to the new Tourist Hotel Corporation of New Zealand. Valued at £1.37 million, the hotel assets of the corporation had previously been managed by the DTHR. The 10 hotels were situated at key tourist destinations throughout New Zealand: Waitomo, Wairaki, Tokaanu, the Chateau at Tongariro, Lake Waikaremoana, Franz Joseph Glacier, The Hermitage at Mount Cook/Aoraki, Pukaki, Milford and Te Anau.

The promotion of the Tourist Hotel Corporation Act of 1955 was in keeping with the First National Government's commitment to "private ownership of production, distribution and exchange" (King, 2007, p. 364), a stance that was, in theory at least, opposed to the massive state expansion under the previous First Labour Government. In fact, the creation of the THC was a fairly mild and minor act of picking at the "leviathan" of New Zealand state activity and ownership. In 1955, the superstructure of "corporatist … harmony" (Belich, 2001, p. 263) between unions, business magnates, farmers and the state, established by the First labour Government, remained firmly in place. The THC had to find its place within a broader social, political and economic structure that remained basically unchanged since the major reforms of the Depression era of the First Labour Government (Belich, 2001; Rice, 1992).

The Act established a "state owned enterprise", a government-owned corporation, to be managed by experienced hoteliers and businessmen [sic]. The THC would be tasked to achieve two things: stem the growing losses associated with running the hotels and encourage the development of the tourist hotel industry in New Zealand. The Act sought to resolve tensions that had existed since the early 1900s, regarding the role of government in promoting the New Zealand tourist industry, particularly the difficulties of owning and managing hotels in the remote, scenic tourist areas of New Zealand. The hope was that the government backed THC would prosper where private capital had not.

The previous 60 years had seen entrepreneurs like Rudolph Wigely (founder of the Mount Cook Motor Car Service, eventual leasee of the Hermitage Hotel and builder of the Chateau Hotel, Tongariro) and Peter Graham (owner of the Glacier Hotel at Franz Josef on the West Coast) struggle to make private capital investments work in the difficult situations of remote alpine hotels (McClure, 2004; Watkins, 1987). Calls by members of Parliament that, "Government must get out and let private enterprise in" (McClure, 2004, p. 88) rarely seemed to result in any long-term reversal of government

ownership of these mostly loss-making properties. Private owners would succeed temporarily, but then the combined difficulties of a highly seasonal trade, price restrictions on tariffs and the huge costs involved in maintaining and supplying the properties in remote areas would take their toll. The additional costs of running associated tourist attractions (ski trails, walking trails, boats) and staffing difficulties would leave them unable to survive major disruptions like the Depression or two world wars (McClure, 2004). Thus, by 1955, the government found itself owning 10 elderly, costly, remote hotels. The THC was an attempt to combine the business skills and efficiencies of private enterprise management with the strength of government financial backing.

Pressure for a solution to the "tourist hotel problem" had been growing since the end of the Second World War, with a number of converging trends creating a sense of acute crisis (McClure, 2004; Watkins, 1987). The end of war-time travel restrictions led to growing numbers of inbound tourists, growth that was often considered temporary by conservative commentators of the day, but growth that would continue (to lesser and greater extents) unabated until the financial crisis of 2008. Despite this growth of tourist numbers, the available hotel beds in New Zealand had been reduced since pre-war levels due to the destruction of the Franz Josef Glacier Hotel by fire in 1954. The fire not only reduced available hotel rooms, but also disrupted the capacity of the whole South Island tourist industry, as the loss of one hotel in the chain restricted the ability of the tour groups to progress through the South Island effectively. In addition, long overdue maintenance and expansion of the government hotels (put on hold during the war), along with the costs of rebuilding Franz Josef and repairing the Chateau after a volcanic eruption (the Chateau Hotel sits on the side of Mount Tongariro, an active volcano) in 1945, intensified the views held by Treasury, and many Ministers, that the hotels were all cost and little return (McClure, 2004). As a whole, tourism was held up

as "one of the prime examples of the country's trade imbalance, [with] funds earned from tourists … £960,000 [pounds], [while] New Zealanders travelling overseas spent £4 million [pounds]" (McClure, 2004, p. 174).

The pressing nature of these issues led to a 1950 gathering, rather magnificently entitled the "Conference of New Zealand Tourist and Travel Interests and Expand the Dollar-spending Trade". Called by Fred Doidge, the Minister of Tourist and Health Resorts, this conference can be seen as the birthplace of both the THC and the modern New Zealand tourism industry (McClure, 2004). Made up of senior government, travel and tourism and union representatives, this conference clearly identified the opportunities and barriers facing the industry in New Zealand, concluding that in 1950, tourism was "the Cinderella of industries" (McClure, 2004, p. 175). Whilst identifying the great export earning opportunities of tourism, the conference also realised that many New Zealanders still saw tourism as frivolous and secondary in resourcing importance to traditional farm based primary exports. In a tightly constrained post-war economy, the tourism industry would struggle to convince Treasury that scarce capital should be invested in its expansion (McClure, 2004; Watkins, 1987).

The conference highlighted key restrictions on the tourism industry's growth. Crucially, they pointed to the tight governmental restrictions on building, imports, labour, liquor and pricing, all of which inhibited improvements in hotel facilities and service, a pre-requisite for growing the tourism industry (McClure, 2004). The state of New Zealand tourist hotel facilities was held to be seriously below what inbound tourists (especially from the United States) expected, with price controls on tariffs acting as a disincentive for any hotel owner to upgrade or expand. This lack of profitability in accommodation provision, combined with brewery ownership of many hotels, resulted in liquor being the main focus of profit generation for many operators, with any re-investment going into bar facilities rather than accommodation. Bathrooms, air-conditioning and

restaurant facilities were all considered to be seriously below international standards (McClure, 2004).

The conference produced a raft of recommendations which made little impression on the National Government of the day. The government continued to talk up the virtues of private enterprise, whilst leaving almost all the "leviathan" post-war regulations, inherited from the First Labour Government, firmly in place (McClure, 2004). However, the pressing lack of hotel beds and growing frustration at the lack of tourism development did not go away. The iron grip of pricing controls on accommodation tariffs stalled any attempts by private capital to build modern hotels; without huge bars to produce profit, accommodation alone remained a bad investment (McClure, 2004). Finally, in 1953, the Travel and Holiday Association was formed, a broad collection of stakeholders with interests in the tourism industry. The Association set out to lobby the government, their first chief executive, Neville Lobb, being convinced that tourism could not advance without the upgrading and expansion of the New Zealand hotel stock. They convinced National MP, Eric Halstead, to promote the idea of a specialised hotel management corporation that would be freed from the restrictions of the public service ethos, yet still answerable to government (McClure, 2004). This lobbying eventually led to the National Government presenting the Tourist Hotel Corporation Act for its first reading in Parliament on 24 August 1955.

4.7.2   The great debate: The Tourist Hotel Corporation Act (1955)

The Parliamentary debate on the Tourist Hotel Corporation Act (1955) provides an interesting insight into the attitudes and concerns of MPs (and perhaps the public) regarding the young tourism industry in the 1950s. At its heart, the debate was a pre-cursor of those that would be held over the deregulation and neo-liberal free-market reforms in the 1980s. The promoter of the Bill, Eric Halstead, presented a now familiar "privatisation" argument:

It is not the function of the State to engage in hotel keeping. In private enterprise, the final discipline of the balance sheet justifies or condemns decisions made … the proper course is to transfer control [of the hotels] to experienced business people.

(New Zealand Government, 1955, p. 3266)

Halstead went on to assure the House that the Government would retain ownership of the assets "which are our National heritage" and that the new corporation would provide the rapid development of tourist hotels, at no extra cost to the taxpayer (New Zealand Government, 1955). Phil Holloway, Opposition Labour MP for Heretaunga, was having none of it; Labour objected to the Act on the grounds that it transferred state assets to the control of a body outside the overview of the House and that the Act had an excessive focus on profit over all else. Holloway took a negative view regarding the growth of the tourism industry:

Propaganda has been telling us how silly we are because we are not reaping in … the supposed fantastic sums … which we could through the tourism industry. I doubt if the country is ready or has the right knowledge of what an increased tourist industry would mean to New Zealand.

I do not believe that the people of New Zealand want to see their country flooded with overseas tourists, with themselves in the position of receiving them only to see how much profit they can make out of them. (New Zealand Government, 1955, p. 3269)

Apart from Holloway's distaste for the profit motive, his dire warnings of a tourist Armageddon are based on Halstead's suggestions for the future of New Zealand tourism: of an increase of visiting Australian numbers to 50,000 a year; a matching growth in all tourist numbers requiring an "unimaginable" 50 to 100 new hotels; all of which could bring in the "pie in the sky" sum of up to $20 million of precious export earnings (New Zealand Government, 1955). One wonders what Holloway would make of New Zealand tourism in 2015: over 3 million overseas visitors, with the choice of over 600 hotels resulting in just under $11.8 billion in export earnings (Tourism Industry Association New Zealand, 2014, 2015).

In many ways, Holloway was speaking for Treasury and the conservative component of the Kiwi public when he went on to question the value of tourism at all:

> The time is not right for further capital expansion in a field which is frankly … **only an experiment**. We should not encourage … the building of hotels or the development of a tourist industry which is of **doubtful value** in any case. We do not want the overseas tourist to disturb our own way of life. (New Zealand Government, 1955, p. 3271, emphasis added)

These words now seem to define an inward-looking and conservative aspect of New Zealand in the 1950s. They demonstrate the difficulties the young tourism and hotel industry were to face in convincing many in government and the average New Zealander that tourism was potentially as important as the primary exporting sector. The Bill was read three times and passed into law at the end of 1955.

4.7.3   The aims and structure of the THC

The stated aim of the Tourist Hotel Corporation Act is to "encourage the development of the tourist hotel industry in New Zealand". The subsequent functions in the Act included "promoting and increasing tourist traffic from overseas and within New Zealand", as well as running the hotels and providing the services and amenities associated with both the hotels and the surrounding tourist attractions (The Tourist Hotel Corporation, 1990). The original Act itself makes no mention of efficient or economic operation of the corporation. A board was created comprising leaders from business and representation from the Tourism Department. Considering the political nature of the THC board, senior THC operational managers generally spoke well of the directors:

> The organisation was very political. [The THC] was influenced by politicians. The board was a bunch of political appointments; generally pay off for party support. Given that it was a board appointed because of political support, the THC was very well served by its directors. It actually had excellent directors and I don't think that has ever been acknowledged.
>
> (T. DiMattina, personal communication, June 27, 2014)

The first meeting of the board laid out six detailed policy statements to support the overall aim of the Act. The THC was to: a) apply the fundamental principles of hotel keeping, b) anticipate guests' needs and be welcoming and hospitable, c) manage the properties efficiently for profit, d) apply good financial control, e) encourage good hotel keeping through training and efficiency awards and f) invest capital in new properties (The Tourist Hotel Corporation, 1990). It is telling that the policies, listed "a" to "f", can be (and were) read as placing service and hospitality as priorities ahead of efficiency, profit and financial control. In addition, many felt that the aims of the THC were inherently contradictory, with lofty demands for upgrading and expansion of hotels, provision of excellence in service and overall development of the tourism industry, being offset by the then Tourism Minister's blunt instructions to "get its head down and reduce the losses made by the hotels it was already operating" (McClure, 2004, p. 191). In addition, the THC was expected to operate like a corporation, but was specifically instructed not to compete with private enterprise:

> It never had a clear mandate … which was something the organisation struggled with right to the point it was sold. It wasn't allowed to compete with private enterprise, but on the other hand it was expected not to be a drain on the public purse.

(T. DiMattina, personal communication, June 27, 2014)

From the very outset, the THC was a contradictory organisation, a supposed corporation, controlled by a politically appointed board of directors, whose aims were to be efficient and profitable, yet also tasked to fulfil the social aim of developing New Zealand's tourism industry. The challenge of simply bringing the remote and run-down hotels in the chain up to international standards would be demanding enough, let alone creating a "silver service" hospitality culture and building new properties. To achieve all this and a profit was a truly Herculean task, especially given that a number of the THC hotels, being as they were developed to allow tourists to enjoy remote scenic

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beauty, had never been, and could never be, profitable (Lloyd, 1964; The Tourist Hotel Corporation, 1990). Adding to the challenge was the inheritance of many older hotel managers who had wound up in the THC through the previous public service promotions policy of the Tourist and Health Resorts Department: "Some of the hotel managers were former Tourist Department people, they had a funny attitude to life" (N. Harper, personal communication, June 23, 2014). "You could be a supervising clerk in a railways office and apply to be manager of the Te Anau Hotel. By this time [1955] they were 45 years old and set in their ways … [a] public service mentality" (D. Callesen, personal communication, May 14, 2014).

In addition to a lack of clear mandate, the THC would be burdened by another key structural problem stemming from its inception. The initial capital to "purchase" the hotel assets (valued at £1.3 million, or approximately $2.6 million) for the THC was secured by a government debenture (loan) which was charged annual interest of 4.5% (The Tourist Hotel Corporation, 1990). This debt was loaded onto the THC books in 1956 and was joined by immediately crippling depreciation costs of the huge, aged hotel and tourism assets of the corporation. Of the £1.3 million of THC book value, over £500,000 of that capital was tied up in essential infrastructure to keep the remote hotels functioning: hydro plants, staff accommodation, power and water and drainage systems; all devaluing at eye watering speed and requiring constant maintenance (McClure, 2004, p. 191; The Tourist Hotel Corporation, 1990). The 10 hotels sat amongst almost 2,500 acres of land, all owned by the THC and requiring upkeep. Often this land sat in National Parks and thus had onerous restrictions on what could and could not be undertaken: "there were constraints … with the national parks, you couldn't just … whack another 40 room extension [on]. You couldn't paint a window sill without someone giving you approval" (T. DiMattina, personal communication, June 27, 2014).

The first annual report from the THC appeared in 1958 and showed the impact of this financial structure. The net profit for the year was £20,854 (New Zealand used pounds at that time, changing to dollars in 1967), but interest on capital was £38,000, and depreciation £55,000. When administration costs were added, the loss for the year was just over £106,000 (The Tourist Hotel Corporation, 1990). Another crippling fire in 1957 had levelled the Hermitage and losses for the THC would continue to grow until a financial re-organisation in 1972 led to the first profitable year in 1974. As the promoter of the THC Bill, National MP Eric Halstead had pointed out in the House, the THC hotels would always run at a "technical" loss:

> On a commercial basis, that is taking depreciation and interest into consideration, these hotels do not pay, but there is no cost to the tax payer because on a cash basis they do pay. (New Zealand Government, 1955, p. 3266)

The THC hotels posted respectable operating profits (as opposed to overall profit shown in Table 1) for every year of their existence. Despite the challenges of escalating costs and the restrictions embodied in its incorporation, the THC never ran at a cash loss; however, the lack of capital and the weight of the interest and depreciation burden resulted in the THC being permanently on the back foot:

> It was very difficult ... for it [the THC] to plan because it was always undercapitalised. Every year when the organisation needed investment money, it had to go cap in hand to Treasury. [So] you had some sort of 25-year-old boffin [in Treasury] making decisions about an industry he knew absolutely nothing about … [it was] a fairly critical event every year.
>
> (T. DiMattina, personal communication, June 27, 2014)

This lack of solid capital foundations was compounded by the inability of the THC to compete with private enterprise in the gateway cities:

> It's all very well to say [don't compete] with private enterprise, but there is a natural consequence for that … you're not likely to have the capital [you need]. The worst thing was … there were investors falling over themselves to do deals in gateway cities with THC and the Government wouldn't let them.
>
> (T. DiMattina, personal communication, June 27, 2014)

Tim DiMattina goes on to highlight several consequences of this difficult financial structure; while the fortunes of the THC would rise and fall with economic cycles, "even when there was an economic peak, it wasn't [ever] enough for them to put away enough capital". This capital starvation "effectively meant that a lot of the hotels became run-down because they weren't able to truly fund their depreciation" and in addition, "we could see as plain as day that it would … stagnate … that it's stymied" (T. DiMattina, personal communication, June 27, 2014). The inability to expand into gateway cities or access capital to develop new properties resulted in the THC holding virtually the same number of hotels in its portfolio in 1990 as it did in 1956. This in turn restricted career progression of THC employees, "The only way you're going to grow is for the organisation to grow" (T. DiMattina, personal communication, June 27, 2014). In this way, the THC became regarded as a permanently loss-making operation, despite the reality of results shown in Table 9.

A number of considerations should be kept in mind when reading the results in Table 9. The Directors' "Five Year Review" of the THC, from 1957 to 1962, pointed out that they had invested huge capital sums in upgrading and building new properties, increasing fixed assets by 125%. In addition, bed numbers had increased by 15%; turnover was up 58%, gross profit up 59%, all in the face of increased costs of 31% (The Tourist Hotel Corporation, 1990). The interest costs on the capital expenditure required to fund that growth underpins the steady losses of those early years. The conversion of New Zealand currency from pounds to dollars in 1967 coincided with increasing strident calls on the government from the THC directors to forgive the corporation its accumulated losses and debts, and the associated interest charges. When this was achieved in 1972, a more accurate picture of the capabilities of the THC appears; million dollar losses reverse to start a run of escalating profits for over a dozen years, culminating in considerable $2.7 million profit by 1986. However, post 1986, the

THC would quickly collapse under the weight of massive, open market borrowing to fund a new hotel in Queenstown; interest and depreciation costs tripled in as many years. The refusal of the Fourth Labour Government to continue supporting the THC would result in its eventual sale.

Table 9: THC profit and loss 1958–1989

Year	Overall profit/loss	Interest and depreciation
1958	-106,000 pounds	93,000 pounds
1959	-252,000	133,000
1960	-164,000	155,000
1962	-160,000	179,000
1963	-168,000	NA
1964	-202,000	229,000
1965	-208,000	251,000
1966	-343,000	316,000
1967	-373,000	358,000
1968	-$721,000 dollars	$775,000 dollars
1969	-$1,041,000	$856,000
1970	-$902,000	$881,000
1971	-$1,054,000	$930,000
1972	-$487,000	Approximately $300,000
1973	-$166,000	$329,000
1974	+$54,000	$357,000
1975	+$228,00	$440,000
1976	+$180,00	$724,000
1977	+$615,00	$944,000
1978	+$515,00	$1,226,000
1979	+$121,000	$1,568,000
1980	-$226,00	$1,598,000
1981	+$467,000	$1,839,000
1982	+$1,143,000	$2,178,000
1983	+$737,000	$2,294,000
1984	+$621,000	$3,200,000
1986	+$2,700,000	$4,600,000
1988	-$7,300,000	Approximately $12 million
1989	-$8,800,000	Approximately $14 million

Note. Figures from 1961, 1985 and 1987 were unavailable

(The Tourist Hotel Corporation, 1990)

4.7.4 The death of the THC

The 1972 amendment to the Tourist Hotel Corporation Act had restructured the capital arrangements of the organisation and allowed the THC to write off accumulated debts. Despite "unprecedented increases in costs" throughout the inflationary 1970s, the new financial structure of the THC showed immediate dividends, with losses reducing rapidly up to 1973 (see Table 9) and then reversing into a period of virtually unbroken and increasing profits until 1986 (The Tourist Hotel Corporation, 1990). In 1974, a new government directive finally allowed the THC the right to trade competitively in areas where the need and demand existed (The Tourist Hotel Corporation, 1990). This finally gave the THC the ability to enter the urban markets and they immediately purchased the Rotorua International Hotel in 1975 and started to eye properties in the major cities. However, the National Government would remain reluctant to allow the THC to enter the cities up until their defeat in the 1984 election. Plans for hotels in Auckland and Queenstown would develop after the Fourth Labour Government came to power in 1984 and removed all restrictions on the THC.

While the total number of hotels in the THC remained basically unchanged throughout its history, by 1981 the organisation had 12 hotels in ownership, and management contracts for hotels in Rarotonga and Samoa, in addition to running Bellamy's restaurant in Parliament. Staff numbers had increased from 300 in 1955 to nearly 1,300 by 1981, with a modest 24% labour turnover rate (The Tourist Hotel Corporation, 1990). Strong profits, a growing market share and mature management resulted in a number of firsts for the THC: in 1983 they paid tax on profits of $737,000 and repaid $1.5 million in loans; the THC returned the first, and only, divided of $158,000 to the Government in 1984 (The Tourist Hotel Corporation, 1990). However, the incoming Fourth Labour Government of 1984 brought with it a radical reform programme of deregulation, privatisation and free-market economic management (Belich, 2001; King,

2007). Included in this reform programme was the announcement that from 1984, the THC would not be able to access any new capital from the Government National Loans Account (the previous source of almost all their capital), that all currently held government loans would be converted to increased market rates of interest and that all new capital would have to be sourced at market rates from commercial lenders (The Tourist Hotel Corporation, 1990).

Fatally, in 1986, the long running obsession of the THC to have a flagship, modern hotel in Queenstown led to the undertaking of the $100 million "Zero Coupon Bond" loan from London to build a waterfront hotel, due to open in 1989. This unusual financial product allowed all the interest on the debt to be held over until the bond was paid off in 1993. However the compounding interest still had to be recorded on the THC profit and loss statements every year. This massive increase in high interest debt, combined with the sharp recession off the back of the 1986/87 share market collapse, rapidly drove the THC towards technical insolvency. In 1984 the THC held a total debt of $12 million, owed to the government at 14% interest, they held $43 million in assets and had $16.5 million of capital—a 20% debt to assets ratio. By 1989, the THC held assets and capital of $106 million, with book loans of over $66 million at over 17% interest, producing borrowing costs of over $10 million per annum—resulting in a debt to asset ratio of 62% (The Tourist Hotel Corporation, 1990). The THC annual reports concluded that the Corporation was grossly undercapitalised and that the high level of debt was a terminal weakness in the Corporation's structure (The Tourist Hotel Corporation, 1990).

In 1989 the Labour Government announced it intended to sell the THC. The final 1990 report from the Corporation made the following comments: "The funding of the THC remains totally unrealistic and would be of more serious concern but for the Government's intention to sell. Should the sale of the Corporation's assets not proceed

… the Corporation, by early 1991, would be technically insolvent" (The Tourist Hotel Corporation, 1990). Both Tim DiMattina and Denis Callesen believe the "technical insolvency" was politically motivated in order to justify selling the THC: "It was an artificial crisis … I understood that bond well, it was done by my firm … it was philosophy … they [the Govt.] saw no need for the Government to be involved in the hotel industry" (D. Callesen, personal communication, May 14, 2014); "Yes I think it was [political] … it was insane … we actually had cash … we had $18 million compounding in the bank [to pay the bond]" (T. DiMattina, personal communication, June 27, 2014). The ghosts of the 1940s calls to free-market solutions to the hotel assets of New Zealand returned - "Government must get out and let private enterprise in" (McClure, 2004, p. 88), and the 1955 call of National MP Halstead was finally fully realised :

> It is not the function of the State to engage in hotel keeping. In private enterprise, the final discipline of the balance sheet justifies or condemns decisions made … the proper course is to transfer control [of the hotels] to experienced business people. (New Zealand Government, 1955, p. 3266)

4.7.5 Beyond the THC, into the new millennium

As the millennium approached, the New Zealand hotel sector stood transformed from its pre-1990, THC form. The market dominance of the THC hotels during the 1980s had been increasingly reduced by the arrival of new large, gateway city hotels and international operators. In Auckland, the Sheraton and the Regent in 1984 and the Pan Pacific soon after, added over 1,000 rooms to the city. Similar expansion occurred in the other main centres (the James Cook in Wellington, for example). The 1990s saw the sale of the THC and the transfer of their hotels to Southern Pacific Hotels (the first large, chain based, international corporate hotel owner in New Zealand) and the expansion of Singapore based CDL hotel's (Quality brand). In addition, the 1990s saw the initial purchase of five hotels for Accor Hotels, soon to become the dominant

operator in New Zealand after 2000. The industry was now fully internationalised and deregulated. The innovation of separated property ownership and management rights, first practised by the SPHC in 1990, was now standard practice. Multi-national hotel corporations became the dominant owners of management contracts for New Zealand properties, while the ownership of the "bricks and mortar" became split between overseas investors and local property companies.

Steep increases in the number of hotels and even larger increases in the number of hotel rooms chased an ever expanding tourist market. Deregulation and free international capital flows brought new investors into the New Zealand property and hotel management markets. In 1983, New Zealand had 840 hotels, 191 of which were considered "grade one" or of "international standard" and by 1988 this had increased to 906 hotels, 244 of which were ranked grade one (Ernst & Young & New Zealand Tourist Department, 1989). The period from 1988 to 1991 alone saw nine hotels built (six of international standard), adding over 890 rooms to the national stock (Ernst & Young & New Zealand Tourist Department, 1989). By the mid-1990s, the hotel stock stood at 910, with 65% ranked between 3 and 5 stars, and around 40 hotels considered of premium international standard (I. Duncan, James, Ngan, & Hamilton, 1994, p. 69).

The rapid hotel expansion outlined above came at a cost. The stock market collapse of 1987 and an oversupply of rooms cast a long shadow over hotel profitability in New Zealand through the early 1990s. However, this finally stabilised into a respectable house profit of 27% by 1997 (Ernst & Young & New Zealand Tourist Department, 1989). Ernst and Young had long argued that house profits needed to be over 20% to ensure long-term sustainability and growth for the industry (Ernst & Young & New Zealand Tourist Department, 1989). Table 10 shows that hotels entered the "sweet spot" for profitability around 1994. Interestingly, hotels profits increased by 9% as the percentage of payroll costs for their organisations decreased by 4.1%. To all intents and

purposes, the New Zealand tourist hotel industry had reached its current expression by 2000. In the new millennium, the industry is predominantly owned and managed by overseas corporations and investors. The split between property owners and holders of management contracts is almost universal in the large chains. Currently, there is only one New Zealand owned hotel chain operating in the country - Scenic Hotels.

Table 10: New Zealand hotels average house profit, 1989–1997

Table 10 shows the average percentage rates of hotel "house profit" on total turnover as well as the percentage wage costs on that total turnover.

Year	House profit on turnover	Payroll costs on turnover
1989	18.0%	36.1%
1990	17.5%	35.3%
1991	16.7%	36.0%
1992	16.1%	36.5%
1993	19.9%	35.9%
1994	23.6%	35.1%
1995	27.2%	32.9%
1996	27.3%	32.7%
1997	27.0%	32.0%

(Ernst & Young & New Zealand Tourist Department, 1989)

4.8 Conclusion

This chapter has highlighted the major social, political, economic and legislative changes that occurred during the period covered by this thesis. The chapter emphasised the comprehensive nature of the post-war corporatist state in New Zealand, pointing to the IC&A Act, 1894 as a legislative example of the corporatist nature of those times. The major social, political and economic changes of the late 1970s and 1980s were discussed before the content and progression of the major employment relations laws in New Zealand during this period were reviewed. The chapter provided a detailed overview of the Tourism Hotel Corporation, paying particular attention to the internal

structure and external tensions that affected the management of this hotel chain. The chapter was designed to provide readers who may be unfamiliar with New Zealand enough context to support the subsequent findings chapters.

Chapter 5: Findings: The Rise of the Hotel Workers Union (1955 to 1990)

> Observe the conditions of the Award, forget this 'give and take' stuff, forget this 'elasticity' and work to the conditions of the Award, then (you) cannot be imposed upon by the employer. **Hold onto these conditions**. (*Flashlight* magazine, 1963, p. 3)

This is the first of three findings chapters in this thesis. This chapter deals with the Hotel Workers Union from 1955 to 1990. The second findings chapter covers work in the Tourist Hotel Corporation from 1955 to 1990. The third and final findings chapter covers employment relations changes in the New Zealand hotel sector from 1990 to 2000.

5.1   Introduction

This chapter presents the findings from interviews and archival research regarding the history and personalities of the Hotel Workers Union in New Zealand from 1955 to 1990. This thesis aims to present a history of employment relations in the New Zealand hotel sector and to do so requires a careful examination of the key players in hotel sector employment relations. The Hotel Workers Union was the major representative of hotel workers during this period. The findings illuminate the context, structures, personalities and relationships that defined the nature of this union and its place in the traditional tripartite system of employment relations during this time. The chapter establishes the background of the union, highlighting its long, close and deep relationship with the New Zealand Labour Party. Particular attention is paid to the personalities involved in the union, focusing on transition from the "old school" leaders like Fred Young and George Armstrong to the "new wave" figures who led the union after the 1980s. The chapter finishes by examining the rise of women, Pacifica and Māori representation in the union and highlighting the internal weakness that would prove damaging during the tumultuous changes that occurred in the 1990s.

Table 11: Who we will meet in this chapter – Interviewees

Matt McCarten	Prominent Northern Hotel Workers Union and Service and Food Workers Union (SFWU) activist from the early 1980s, past founder and Secretary of Unite Union, former Labour Party and Alliance Party MP.
Darien Fenton	Prominent union activist from the late 1980s until the present day. First elected female Secretary of the SFWU, former Labour Party MP.
Annie Newman	Educator and organiser for the SFWU since 1985, currently campaign organiser for the Living Wage Campaign.
John Ryall	Current Secretary for the SFWU, union activist since joining the Wellington Hotel Workers Union in 1985.
Mark Gosche	Senior organiser in the Northern Hotel Workers Union and SWFU since 1981, former Labour Party MP.
Rick Barker	Joined the Hotel Workers Union in 1976, past Secretary of the Northern Union, formed the SFWU, former Labour Party MP.
Glenda Fryer	Joined as organiser for Northern Hotel Workers Union in early 1980s and continued in the SFWU.

In 1955, the Northern Hotel, Hospital, Restaurant & Related Trades Employees' Industrial Union of Workers and the New Zealand Federated Hotel, Hospital, Restaurant and Related Trades Employees' Industrial Association of Workers were in good health. They represented, respectively, one of the largest unions in Auckland and one of the largest federated unions in the nation. The Federated Union (consisting of five regional hotel workers' unions) had almost 18,000 members, larger than the Clerical Workers Union (17,000) and the Railway Workers Union (16,000), and only surpassed by the Engineers Union with 18,500 members (Federation of Labour, 1956). The Northern Hotel Workers Union was the dominant force in the Federation, due to having both the largest number of members in the Federation and because Frederick

Young and George Armstrong were simultaneously secretaries of the Auckland Union and the Federated Association for long periods of time. This chapter will refer to the "Hotel Workers Union" as meaning the combined regional Hotel Workers Unions and the Federated Union, unless it is necessary to specify one of them.

The Northern Union originated in the Auckland Hotel Workers Union, registered in October 1908, but other short-lived hotel unions predated that, all the way back to the 1890s (Verran, 2004). Rick Barker points out that the hotel unions had a long and proud tradition, with the Wellington Hotel Workers Union being formed in 1873: "This is a group of workers capable of being organised into a union in the most difficult and challenging circumstances … this is pre-Industrial Conciliation and Arbitration Act stuff" (R. Barker, personal communication, July 30, 2014). The longevity of the various hotel workers unions and their ability to organise in a difficult industry led to them being held in high regard by many labour activists (Verran, 2004). The other "proud tradition" associated with the Hotel Workers Union was its affiliation with the New Zealand Labour Party. The Union was one of the largest and longest affiliated unions to the Labour Party. The Labour Party was formed as the political arm of the union movement in New Zealand, and the hotel workers unions were prominent in that process (Rice, 1992). The contemporary Service and Food Workers Union (SFWU) is the surviving expression of the old hotel workers' unions and they are one of only six remaining unions affiliated to the Labour Party.

To fully understand the nature of the Hotel Workers Union, it is important to understand its origins in the pubs and liquor trade of post-war New Zealand. The foundational milieu of the Hotel Workers Union was the urban "pub". These "hotels" were typically large bars with basic accommodation available (as per the demands of the liquor licencing of the time). The predominant focus of these pubs was the profitable sale of liquor, accommodation remained a secondary consideration until the tourism boom of

the late 1960s. The modern, multi-storey hotels that exemplify the current industry did not appear in New Zealand until the late 1960s. Thus the union serviced many small businesses which concentrated in urban areas and vigorously focused on the sale of liquor. The majority of their members worked in these urban pubs, restaurants and cafes and the distant tourist resorts that made up the THC properties after 1955 remained a minority concern.

In 1955, the Hotel Workers Union was financially sound, bursting with members, affiliated to the Labour Party, and crucially, wrapped in the strong arms of the IC&A Act of 1894. Brought in by the Liberal Government of 1890, the IC&A Act was "intended to stimulate and protect unionism and safeguard the interests of employees" (Erling Rasmussen & Lamm, 2002, p. 25). The legislation privileged unions with "exclusive jurisdiction" of industries for collective representation of employees and in addition created the interventionist conflict resolution institutions of Conciliation Boards, Arbitration Boards and the Employment Court (Erling Rasmussen, 2009). The registration of unions as exclusive representatives of employees in an industry and compulsory union membership "led to a great increase in the numbers of unions and improvement in their efficacy" throughout the early 1900s (Erling Rasmussen & Lamm, 2002, p. 25). The pluralist principles that underpinned the IC&A Act generally remained in place until the reforms of the 1980s (Erling Rasmussen, 2009).

The advantages of the IC&A Act to the hotel workers' unions were profound. The industry sectors that these unions represented are typically made up of many small businesses; hotels and restaurants, cafes and tearooms, most having less than 20 employees. The ability to exclusively enforce an award across all workplaces in an entire industry, along with compulsory union membership, gave the unions the ability to organise an otherwise very unstable and atomised workforce. The effect of this very supportive "arbitrationalist" framework has led to some criticism of the "old school"

Hotel Workers Union by reformers who entered the union in the 1980s. Some of these contemporary unionists have painted the older arbtitrationalist union leaders as lazy, non-democratic, conservative and reliant on the organising power of the supportive legislation, rather than their own efforts and talents. Others, like Rick Barker, contend that they were "hard men for hard times" (R. Barker, personal communication, July 30, 2014), determined and well organised strategists, who oversaw the best conditions hotel employees have ever had.

The idea of this pluralist employment relations framework in 1950s and 1960s New Zealand needs to be examined carefully. The debates around the nature of the Hotel Workers Union leadership need to be placed in a context where the clear-cut boundaries of pluralist advocacy are not as differentiated as would first appear. The relationships between the unions, employees, employers and the state were far more entwined during this period and the interests being pursued by each representative group often overlapped in contradictory ways. Firstly, we will look at the union, suggesting that a "mythology" has been constructed around the "old school" leadership of the union by subsequent organisers. Secondly, the extent to which this "mythology" holds true will be examined.

5.2 Constructing the Mythology: Comatose, Conservative, Catholic and Corrupt

> The old boys would spend a lot of time in the pub, (these) old "smoker jokers" might have been good at the award negotiations and keeping wages up, but we started to address a whole heap of other issues.

(Glenda Fryer, personal communication, March 3, 2014)

Long-term union leader Matt McCarten describes a powerful "mythology" that has been constructed around the post-war leadership of the Hotel Workers Union: "It's often folklore, so it's hard to tell what's true or not" (M. McCarten, personal communication, March 6, 2014). McCarten and others populate this mythology with mostly negative

views of the older "smoker joker" leaders. The interviews with the "new wave" union organisers show that the generational change that occurred in the union leadership in the early 1980s has been at times accompanied by a retroactive interpretation of the "old school" leadership, that is often negative and subject to contemporary values being applied, possibly inappropriately, to the historical context. Rick Barker notes, "A lot of them say that [negative views of the old union leadership], it's like balancing the scales. The more you put someone down, the more it elevates you. It's easy to judge things by today's standards, but you have got to ask yourself, what was the net benefit of [the old leadership] in the end … the conditions of the hotel workers were relatively good, they were in a very well organised union" (R. Barker, personal communication, July 30, 2014).

Many of the union participants discussed in this study entered the union in the early 1980s, long after the "titans" of "old school" unionism like Fred Young had passed on. Prominent union leaders, Matt McCarten, Annie Newman, John Ryall, Mark Gosche and Glenda Fryer all talk of starting their careers in the union around the early 1980s. Many of the comments regarding the early leadership of the union are based on stories, hearsay or myths and are often reflective of their interactions with the remaining members of that older generation. Tellingly, Rick Barker, who began his union career earlier in 1976 and thus had direct experience of the older leadership, is much more positive in his comments regarding the legacy of the "smoker jokers". In many ways the narrative of the new generation union organisers is, in the words of Annie Newman, one of "particular sectors [within the union] challenging the union itself" (A. Newman, personal communication, May 14, 2014). Be it driving more militant political strategies or challenging the male dominance of the traditional union leadership, this new generation formed its narrative in the process of seizing control of the union from the old guard.

Much of the mythology of the early Hotel Workers Union is tied up in the character of its remarkable leaders, Fred Young and, to a lesser extent, George Armstrong. Fred Young was a major union official and Labour Party politician from 1931 till his death in 1962. He and George Armstrong dominated the Auckland Hotel and Restaurant Workers Union and the national Federation of Hotel Workers Union throughout this period, both serving as secretary in these organisations for long periods. Young has been described as "one of the five most powerful union leaders in the era of the [First] Labour Government and proved himself to be a skilled, ruthless and ambitious leader" (Verran, 2004, p. 8). Further described in Verran's biography (2004, p. 8) as "very aggressive and dogmatic", he "figured amongst those regarded as 'union bosses'… bracketed with F.P. Walsh". Walsh (also known as the "Black Prince") was a close friend of Young and is renowned as a classic example of the "hard man", authoritarian union leader, or less charitably "trade union secretaries who keep their positions by gangster methods" (Verran, 2004, p. 8).

Thus, much is made of Young's "pragmatic" leadership by the new generation of organisers of hotel workers' unions. Common accusations were made that the leadership was corrupt, closely controlling the granting of licences and working in cahoots with the liquor industry; they were conservative and formed the right wing of the Labour Party; they were a male-dominated, authoritarian, Catholic mafia, steeped in a culture of booze and cigarettes; they were un-democratic; they were not good organisers and relied on the arbitration system to organise for them; they became lazy and concerned only with the collection of fees and negotiation of wage increases. As Matt McCarten states:

> It was a real racket that went on - George Armstrong was in cahoots with Fintan Patrick Walsh, they were a part of the union mafia, and they divided up the unions amongst themselves – they were part of the Labour Party machine. They worked with the Labour Party in Government from 1935 to 49 or so and they

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worked in cahoots to make sure who got the licences for the hotels. So it was very much … not corrupt, but corrupt with a little "c".

(M. McCarten, personal communication, March 6, 2014)

5.2.1 Comatose and corrupt with a little "c"?

The new wave of organisers like Matt McCarten, Mark Gosche, Annie Newman and Glenda Fryer saw the "remnants of the old guard" that they encountered in the 1980s as part of the "old school" tracing back to Young and Armstrong. The attributes ascribed to this old school by the new breed are not positive. Mark Gosche refers to them as "quite elderly men … with a pretty cosy relationship between the union and employers, to the point that these guys spent most of their day drinking … *with the boss*" (M. Gosche, personal communication, March 26, 2014). Glenda Fryer concurs, "The old boys would spend a lot of time in the pub … the guys in the pub didn't see it as an organising job, it was just 'pick up the fees', the work was done at the award round" (G. Fryer, personal communication, March 3, 2014). Matt McCarten suggests that, "The guys before me were all alkies, or half of them were … Rick [Barker] will tell you, when he took over in Auckland, all this booze would turn up in the office on a Friday— from the breweries" (M. McCarten, personal communication, March 6, 2014). Rick Barker paints this is in a slightly different light: "The National Secretary got parcels of food which turned up in his office … which were paid for by hotels, no question about that … but I got it stopped. Well I think it was just what happened in the day … a touch of gratitude for people who did things for them … Well today it would be corruption or theft but you have got to put it in the context of the time" (R. Barker, personal communication, July 30, 2014).

In some senses, the depiction of heavy drinking union officials sitting in the pub all day can be seen as an embodiment of the closeness between the union and the liquor industry of that time. Glenda Fryer describes the "king" of the union organisers in

Auckland, who "was in the pub all day, he was there in the 1950s and still there in the 80s, he was a total alcoholic. But his power was his relationship with the brewery workers' union, because that's how we could pressure the bosses, turn off the booze supply" (G. Fryer, personal communication, March 3, 2014). Mark Gosche conflates the "cosy" drinking of the "old guard" with a general incompetence and laziness brought on by the reliance on compulsory union membership: "In reality most of these guys spent their time drinking with the boss as they collected union fees and hardly ever went round the pub [to see members]". He goes on to say, "[the members] had been used to union officials they never saw … it was a very unpopular union with its membership, because they were captive, they were required to join by law" (M. Gosche, personal communication, March 26, 2014).

Matt McCarten suggests the "old bastards" were "all alkies", but also not overly democratic in their control of the union:

> So a vacancy came up in the union executive, so I put my name in, I'll stand, well the union had a heart attack. Russ Revel was secretary at the time. Well I went up to get "the [application] form", Russ comes out [and asks], "What do you want?" – long story short – there's never been an election! He said, "Well we've got someone, so thanks", but I said, "But it's an election isn't it?" So they had never had an election and I don't think they had had a stop work meeting for over 10 years. So they were the old bastards.
>
> (M. McCarten, personal communication, March 6, 2014)

Mark Gosche also suggests the old guard had been made complacent by the legislative environment. "We were right in the thick of compulsory unionism and arbitration and award systems, I think it had just ticked over for year, after year, after year, the same old thing … You wouldn't call it in any way well organised. It was organised because the law organised it for them … this was not a union that did its job well" (M. Gosche, personal communication, March 26, 2014). Rick Barker agrees that the union was viewed by contemporaries as inactive, "I turned up to the FOL conference in 1976 …

and I talked to a lot of the other unions about what they thought of the Hotel Workers Union. They didn't think much. They said to me they'd had a proud tradition but hadn't been doing much in terms of getting organised and doing stuff" (R. Barker, personal communication, July 30, 2014).

However, Rick Barker defends the older leadership and accuses the new wave critics of missing the point. "These people don't understand real organisation. F.G. Young, they were superbly well organised and people were looked after by him" (R. Barker, personal communication, July 30, 2014). By way of example, Barker points out:

> Chef training in New Zealand was originally started by the Hotel Workers' Union. There was no formal training of chefs and it was the Hotel Workers' Union that started [it]. It had its own scheme; it was building up the union's credibility in the catering industry because they were seen as the pathway. Again this is another very good example of why those people who are so very dismissive and scathing of the earlier generations of hotel workers' leadership get it wrong. This was a novel, innovative leadership position the union took. It was smart, boy were they smart.
>
> Young and his team controlled every kitchen in the North Island. You couldn't get a job in a kitchen without his sign off, and a head chef had to make sure he looked after his staff … or that chef lost his goddam job.
>
> (R. Barker, personal communication, July 30, 2014)

Barker goes on to say, "You don't get this by being drunk, sleeping away at work all day, which is the image these lot would give you of them. That wasn't true, well some of it, but not universally true" (R. Barker, personal communication, July 30, 2014). In summary, Barker concludes, "I know it's really good to be able to say you know the old people are all hopeless and incompetent and we're all smart but I think it's not a balanced view, the union had built up assets and resources so good luck to them" (R. Barker, personal communication, July 30, 2014).

However, there is little doubt that one of Fred Young's leadership legacies was a decided murkiness of relations between the union and liquor merchants. Throughout his

career, Young was dogged by accusations of "being too close to the bosses" (Verran, 2004, p. 3), with his staunch defence of the liquor trade and close relationship with brewing magnate Ernest Davis well recorded (New Zealand Ministry for Culture and Heritage, n.d.; Verran, 2004). Young is on public record as supporting the liquor trade often, and was regularly accused of using his "corrupt association" (Verran, 2004, p. 3) with Davis to manipulate Labour Party politics in Auckland (New Zealand Ministry for Culture and Heritage, n.d.). Young was certainly held in high regard by liquor merchants, with Davis describing him as "a man of outstanding ability … a practical man who took a fair view of things" (Verran, 2004, p. 7) and the Licenced Victuallers and Wholesalers Association (now the Hospitality Association of New Zealand) painting him as a man who "established an excellent rapport with the Association and remained a pragmatist until his death" (Brien, 2003, p. 48).

It must be remembered that Young was a hotel manager and employee of Ernest Davis before he became a union official. He was consistent throughout his long career in his support of a privatised and profitable liquor trade, whether it be speaking in his role as member of the "Upper House" or Legislative Council in 1942, where he was "quick to defend the breweries against those he regarded as wowsers" (Verran, 2004, p. 9) or when he sat on the Royal Commission into the New Zealand liquor industry in 1945 and submitted a minority report arguing against the nationalisation of the industry. When editorialising in the union *Flashlight* magazine in 1961, Young wrote, "Undoubtedly, some relaxation of the liquor laws is desirable, [we call] for the industry to fall in line with overseas ideas concerning liquor laws" (*Flashlight*, 1961, p. 8). Young described himself as a "defender of private enterprise" and described the First Labour Government as "providing 14 years of benevolent capitalism [but at the same time being] notorious for its anti-liquor legislation" (Verran, 2004, p. 12). Verran (2004, p. 14) goes on to sum up Young: "It was almost as if he was a more active advocate for the interests of

hoteliers" (Verran, 2004, p. 14). One of the often repeated stories regarding Young illustrates this convoluted relationship between the old school union leadership and liquor magnates—the saga of the Rob Roy Hotel.

5.2.2 The "Rob Roy" or "Bird Cage" story

The story appears simple at first telling—Ernest Davis, in the early 1950s, gave Fred Young's mistress the Rob Roy (now the Bird Cage) Hotel licence to thank him for his ongoing support. However, each new source of the story provides different reasons and details regarding this "gift". Verran's (2004) biography investigates the version of the story that tells of Young receiving this gift for his opposition to the Royal Commission calling for nationalisation of the liquor trade in 1946. He finds that Young's mistress did indeed hold the licence in the 1950s, but concludes that this being "an immediate pay off for service rendered at the Royal Commission is unproven" (Verran, 2004, p. 10). Mark Gosche presents a version of the story where the pub was "gifted to the *wife* of the Union secretary [for stopping] John A. Lee getting the Labour Party nomination for the Auckland mayoralty" (M. Gosche, personal communication, March 26, 2014). This version appears to combine aspects of Barry Gustafson's tale (Gustafson, 1986, p. 150), which insinuates that Young helped Davis to secure the Labour Party nomination of John A. Lee to Grey Lynn in 1930, with accusations in the hotel union records that Young forced the choice of a weak Labour candidate for the 1935 Mayoral election so that Davis could win.

Matt McCarten and Glenda Fryer both referred to the gifting of *the pub* (as opposed to just the licence) to Young *himself* in passing, as an example of the overly close relationship between the union and the breweries. Mark Gosche summed it up thus, "There was all that stuff around then and there was a strong element of truth in it, that's the sort of closeness (that existed) between the union and the brewery owners" (M.

Gosche, personal communication, March 26, 2014). However, Rick Barker claims to be the source of many of these versions and provides a different view:

> Now none of them (other union leaders) knew the story. I told the story because my knowledge was much better; I told Matt [McCarten] all this about how my predecessor, Frederick George Young, got given a hotel, which he did. Now anybody tells you this story, **the story came from me**. I'm the source of that because the people who told me knew the story and the people who I told, never knew who the individuals were but the people that [it concerns] have long since gone.

> The Rob Roy Hotel wasn't doing very well so Sir Ernest Davis gave it to Young, "You think you're so smart, run a pub!" Now I don't know whether he gave it to him as an act of corruption or he gave it to him to be a salutary lesson on what it was like to be on the other side as a hotel owner. Now all of them will make out that it was a piece of corruption, but Davis, I suspect that he gave it to Young as a hotel which was sort of on the edge and said to him, "Well you learn what it's like [to be a boss]".

> (R. Barker, personal communication, July 30, 2014)

In the final analysis, none of the versions can be proven. Some aspects of the tale are questionable: why would Davis, who employed Young in the 1930s to manage his hotels (Young had also held four hotel licences in the 1920s), decide that now would be the time to teach this very experienced manager a lesson about the difficulties of running pubs? Besides which, Young may never have actually held the licence anyway. The story really just illustrates the very close relationship between Young and Davis and cements the idea that the union of that time was not as separated from the "bosses" as it became after the new union leadership pursued more "militant" actions during the 1980s. It should be noted that Young's own union tried to remove him and George Armstrong in August 1961, citing the compromised position Young held due to his being a manager of the Rob Roy Hotel and president of the union (Verran, 2004, p. 14) As ever, Young and Armstrong survived the challenge and retained the leadership of their union.

5.2.3 Catholic and conservative?

> They were the Catholic mafia, they were conservative – very. They were the
> right wing of the Labour Party, they fought against the Working Women's
> Charter, they supported the South African (rugby) tours.

(M. McCarten, personal communication, March 6, 2014)

To contemporary eyes, one of the most striking attributes of the Hotel Workers Union leadership from the 1950s to the 1970s was its conservatism. The social activism and progressiveness of the union movement of the 1970s and 1980s had yet to arrive and the reality of the deeply conservative world view of this period can come as a shock. This conservative nature of the Hotel Workers Union was greatly influenced by its remarkable leaders, as Rick Barker points out:

> [Young and Armstrong] ran the place with an iron fist … [Young] would not
> take things lying down, he had occasions where there had been trouble in the
> union, he would go down there … call meetings with the members. This is
> directly over the top of the local union leadership and just overturn all their
> decisions. He'd install his own person on top of them. The West Coast Union
> was so petrified of him [threatening to come down] that they simply capitulated
> to him.

(R. Barker, personal communication, July 30, 2014)

The union organisers of the 1980s, when looking back at the previous generation, commonly depict the old school "smoker joker" leadership as conservative and Catholic. Glenda Fryer summed them up thus: "The Hotel Workers Union were the conservative faction within the Labour Party, regarding marijuana reform, abortion, homosexual rights. You have to remember that there was a strong Catholic element, Russ Revel [Secretary of the Union in the late 1970s and early 1980s] was Catholic, and Rick Barker was the first non-Catholic secretary. In my view it was the Catholic ideology that drove that conservatism" (G. Fryer, personal communication, March 3, 2014). Mark Gosche's comments support Glenda Fryer's, but also show that some of these views were based on "stories": "Well there were some pretty wicked stories about

Patrick Walsh and the right of the union movement … the Hotel Workers Union were always seen as a right wing union, a Labour Party union, a Catholic mafia. Given that the secretary [Young] had been in the Upper House, that tells you something about where they stand" (M. Gosche, personal communication, March 26, 2014).

Certainly the pre-1970s conservatism of the union leadership could be seen in Young's "violent anti-communism" (New Zealand Ministry for Culture and Heritage, n.d.) and opposition to the left wing of the Labour Party. Young was active in expelling the "left wing" John A. Lee from the Labour Party, editorialising in *Flashlight* magazine that Lee's "exit from the party … [provides] an excellent opportunity of getting rid of elements within the party which … would be better without it." (*Flashlight* 3 September, 1940, p. 21). Young felt Lee and his supporters were "trouble making Communists" (Verran, 2004, p. 8). Young regarded himself as "being at odds with the more left wing within the labour movement", often speaking out against the "Reds" and the "Coms" and openly criticising Labour's "mania for regulations" (Verran, 2004, p. 11). Tellingly, Young was formally censured in 1958 by the Labour Party and the Hotel Workers Union for attacking Labour Prime Minister Walter Nash over increased taxes on the liquor trade. The conservative nature of the union leadership also showed itself in its approach to minorities and female members, often expressed in language that seems patronising, sexist and racist to modern ears.

Young, and to a lesser extent, Armstrong, had a habit of "crude and violent outbursts" (New Zealand Ministry for Culture and Heritage, n.d.); however, it should be kept in mind that they were probably not much different in their world view from many men of their time and background. Young is famously accused of calling Labour MPs "slimy bastards … a lot of swivel-titted, brothel bred bastards" and called Walter Nash specifically "a pale pink Bible-bashing bastard" (Gustafson, 1986, p. 162). While these outbursts remain unsupported by official records, Young's attack, in *Flashlight*

magazine, on a Mr Goldberg, a publicist for the National Party, provides supporting evidence of his illiberal views: "Like many of his race … [he] … fattens on publicity, no doubt due to the oriental in him … [this] Hebrew gent … was not to be tolerated in any ghetto" (*Flashlight*, 10 February, 1939). George Armstrong issued the following statements regarding "Unruly islanders in pubs" in the *Truth* newspaper, "These people cannot behave with liquor … as far as we are concerned they are half-wits, we are going to bar them. They must first learn to act as human beings" (*Truth* newspaper, 1 June, 1971). It should be noted that Glenda Fryer asserts that the union was not racist, "They have always had Māori, and after me [in the 1980s] Pacifica organisers, so no, they weren't racist" (G. Fryer, personal communication, March 3, 2014). The union's conservatism was not limited to public outbursts from its leaders however. The very awards and agreements that the union held as fundamental can be read as conservative documents.

In many ways, the National Award, upon which the Hotel Workers Union placed crucial importance, and separate agreements with the New Zealand Hotel Association, can be read as very conservative documents. It is in the 1961 agreement with the Hotel Association that we find conditions that require employers to seek written approval from the union if they wish to employ a female bartender. This was in response to the 1961 Licencing Amendment Act, which allowed for the employment of female bartenders. The union reached the above agreement with employers, and despite some strong criticism in the media and from female members, maintained restrictive conditions on the employment of females in bars for many years. Glenda Fryer comments, "This was the time when there was no equal pay, so I used to hear about barmen who didn't want these young 'floozies' taking away their jobs" (G. Fryer, personal communication, March 3, 2014). In addition to written approval restrictions, barmen could work from the age of 20, the drinking age at that time, but barmaids were

required to be over 25. Young spoke to an Auckland Town Hall meeting in 1963, reconfirming the branch's restrictive policy on female bartenders, with the following, somewhat threatening words, "Most barmaids are good union members, but one or two are not appreciative of the co-operation extended them by the union" (*Flashlight*, 10 November 1963, p. 10).

The *Truth* newspaper ran a story in December 1970 relating to two barmaids (Edna and Wyn) who worked at the Papakura Tavern, both of whom had been sacked from their jobs, by decree of the union. George Armstrong replied to queries from the reporter by showing him the 1961 agreement that no women were to be employed in public bars without the approval of the union. "I am going to get employers to comply with this agreement" was his only comment (*Truth*, 22 December, 1970). A follow-up story in the *Truth* from 1971 describes how Mrs Polly Shaw, "a Polynesian", had been refused, by the union, a transfer from the bistro to a main bar of the Great Northern Hotel. The employers stressed "the girls were not keeping men out of jobs", but the union was not available for comment (*Truth*, 22 June, 1971). The union's arguments for placing restrictions on female bar workers gradually shifted from protecting "jobs for men" to protecting women from the exploitation of using their "sex" to sell beer.

By 1975, *The Auckland Star* was running a story on the Auckland Union's staunch defence of the 25-year age restriction for female bartenders. Faced with a possible lowering of the age under the Sale of Liquor Amendment Act, the union stated, somewhat obtusely, that, "It is also shutting one's eyes to the realities of life to assume there would be no difference between the public reaction to service from a barmaid and from a barman." The union went on to spell it out more clearly, "For decades the union has taken a firm line against any tendency towards the exploitation of sex to sell liquor" (*The Auckland Star*, 28 August, 1975). In August, 1976, the *Truth* ran another story, again championing two hard working women (Jane and Jan) who had lost their jobs

because they were under 25 – both had been working as barmaids since turning 20 (*Truth*, 7 August, 1976). This situation was not to shift significantly until the Working Women's Charter, Equal Pay movements and the rise of female union leadership in the late 1970s and early 1980s.

In addition to the agreement discussed above, the Award itself can be seen to reflect a social consensus regarding some underpinning conditions that made up the "ideal" working life. The 1965 New Zealand Licenced Hotels Employees Award (see Appendix E) spells out a number of important principles that reflect what "decent work" looked like during this period: the primary employee type is a full-time, weekly worker, Monday to Friday (p. 6); ordinary hours in that week are a maximum of 40, and any overtime or work on a Saturday or Sunday are to be paid at substantial penalty rates (p. 7); extensive allowances were to be paid, including meals, broken shifts, late shifts, transport, uniform and non-boarding employees (p. 12-14); part-time workers can only be employed once "a written permit" was obtained from a "committee comprising the secretary of the Union …and the secretary of … the Hotel Association" (p. 16); and full minimum pay rates were included for all roles, many differentiating female and male rates for the same work, e.g., waiters $26.50 per week, waitresses $19.39 per week (p. 11). Union spokesmen of this time usually framed challenges to any of the Award conditions in terms of threatening the decent Kiwi lifestyle of a "working man and his family".

The Award was a reflection of both an almost exclusively male-dominated, conservative union leadership and a wider social conservatism of the time. The union focus was on preserving full-time jobs for men and maintaining the pay rates and conditions of those full-time jobs. Ironically, the Hotel Workers Union has always had a very high percentage of female members, with Darien Fenton indicating up to 70% of the members were women by 1980 (D. Fenton, personal communication, 1 May, 2014).

The combination of restrictions on the employment of females in the industry, age barriers and differential pay rates highlight the gender bias of both the union and the wider society of this period. The social changes that occurred in the 1960s and 1970s would bring determined challenges to this conservatism, both within the union and the broader society (these changes are briefly described on pages 6 and 7 in Chapter 4). As the more educated, liberal, militant organisers of the 1980s sought leadership in the union, they confronted this staunchly male-dominated organisation that conflated working class unity with protection of male privilege at work. As Annie Newman explains, when she took on the role of educator in the union in the mid-1980s:

> So we had a very active outspoken national women's committee at the time. There was immense tension within the national management committee. Pat Kelly was very opposed to separate structures for women. He said that this would undermine the organisation of the working class. I went over, went upstairs to Peter Cullen's office and there was Pat Kelly sitting there and Pat Kelly said to me, "Now listen lass, you're getting a job with us, don't you ever try to divide the members on the basis of women or Māori or Pacific because there will be a price to pay".

(A. Newman, personal communication, May 14, 2014)

5.3 The Changing of the Guard

The late 1970s to mid-1980s saw a dramatic change in the leadership and attitudes of the Hotel Workers Union. The "new wave" of organisers describe big changes in the role of women, Māori and Pacifica in the union, as well as a decided shift towards grass roots organisation and more militant action. As the last of the "smoker jokers" retired, died or became outnumbered, the union sought to shake off its stolid, arbitrationalist past and become a more dynamic, active organisation. When reading the interview comments, it should be noted that many of the new wave organisers claim credit for the changes and all have a vested interest in painting the changes as positive. Mark Gosche describes the situation he found on his arrival in the union:

You had five or six lead awards that would settle, drivers, engineers, and so forth, all of the awards would be expiring after that had happened. So they would just walk on in, get the going rate, and generally speaking do concessionary bargaining to get the going rate. So it would always cost something. The going rate tended to also be bought with some sort of minor concession around a condition. And that led to more and more casualisation for instance. So the price of even getting the going rate might not have meant an awful lot if you looked at it in one year. But if you continued as a process year after year after year, you have very low hourly rates, you had high levels of casualisation and part-time work and the penal rates were way behind where other industries would have been. [But] I wouldn't be completely negative about where our awards got to.

(M. Gosche, personal communication, March 26, 2014)

John Ryall points out that when he joined the union in June 1982, "There were massive changes taking place … there seemed like a whole new era of people, who were under national awards and who were keen on improving conditions, but really we had people who were [now] militant as organisers" (J. Ryall, personal communication, May 30, 2014). He goes on to add, "The union was moving pretty quickly in this period from a pretty arbitrationalist type union into a more active rank and file driven union" (J. Ryall, personal communication, May 30, 2014). Mark Gosche concurs, "We decided that there needed to be a whole change in stance and to become more militant, give things a good shake, stop accepting the going rate and start to improve conditions" (M. Gosche, personal communication, March 26, 2014). Rick Barker is highlighted by many of the new wave organisers as a key driver of this revival. Darien Fenton states, "Rick came along … it was him that instituted delegates and that sort of activism, followed by Mark Gosche" (D. Fenton, personal communication May 1, 2014). John Ryall agrees, "Rick's idea was that we needed to actually mobilise our members … to make sure we were relevant to everyone and to make sure we made progress for them. So he and Mark Gosche and Glenda Fryer were instrumental in getting a number of big meetings throughout the country" (J. Ryall, personal communication, May 20, 2014).

Rick Barker describes the seizing of power in the union:

> Graham Harding [me and] Peter Cullen. Now the three of us had a discussion about where the union was going to and [we] hatched a plan … part of the plan was to get control of the union and part of that was for me to go to Auckland to become the secretary of the Auckland Hotel Workers' Union. We were going to go and … lead the change and we recruited people that suited this aim, Matt McCarten … Mark Gosche. So we had a plan of what we wanted to do was to modernise the union.

> There were a number of things I set about doing … I set a target of getting a thousand delegates across the whole union … I had the union get its first education office, so we ran delegate seminars … I got a delegates newsletter being written every month called Shift.

> (R. Barker, personal communication, July 30, 2014)

Matt McCarten describes the changes, "We became a political union, a militant union during the late 70s and 80s and that was probably my doing, we took on campaigns, we had strikes" (M. McCarten, personal communication, March 6, 2014). Glenda Fryer adds, "I was [with the] new breed, we were interested in inequality in the workplace, we had strikes because of those things … striking for issues other than wage negotiations was unusual! When [university] graduates [like me] started arriving, things started to get more professional." She goes on to add, "The 'smoker jokers' could have got a job back or whatever, as a deal between the boys, whiskey changing hands, but we were using direct action" (G. Fryer, personal communication, March 3, 2014). John Ryall agrees that there was a change to more direct and militant action, with good outcomes, "There was a period of great activity. I'm not sure how strategic we were [but] there were lots of big increases for people … major improvement in a whole lot of conditions" (J. Ryall, personal communication, May 30, 2014).

The impact of all this change on the front-line hotel workers and union members was less clear-cut than suggested by Ryall. Considerable percentage increases to hotel wages were won over this period, with several awards posting increases in the double digits and the THC recording annual increases to wages from 1980 to 1986 of 16%, 22%,

22%, 10%, and 15% respectively (The Tourist Hotel Corporation, 1990). However, the real average hourly rate (adjusted for inflation) for these workers fell steadily over this period, actually reducing by 19.5% from 1979 to 1990 (see full figures in Figure 1, Chapter 6). Despite considerable industrial action, the conditions of hotel workers remained fundamentally unchanged over this period as the conditions prescribed in collective awards remained fundamentally unchanged. However, steadily increasing casualisation and an increase in city-based hotels saw a reduction in the traditional full-time, live-in, 40-hour a week roles, which undermined many of the associated penalty rates.

Annie Newman makes a strong argument for the impact of women, Māori and Pacifica organisers on the changes with the union during this period:

> It was the start of the changing face of the union, but … changing because of many different things, not just because women started to organise or Pacific [members] … we were forced to think about how we were working and what needed to be different … a new model.

> I was drawn into the union from the point of view of a particular sector challenging the union itself … I became part of the National Women's Committee [and we led] a campaign to win voting and speaking rights at the level of the Federation because we didn't have an automatic right to speak or to vote.

> (A. Newman, personal communication, May 14, 2014)

Newman points out that women's organisations had been flourishing in other unions and the Working Women's Charter was well and truly underway, "but it hadn't really gained much traction in the Hotel Workers Union, which remained very much a male preserve" (A. Newman, personal communication, May 14, 2014). For Newman, the key question was, "How do we get a say in this union? How do we make sure that women, who were 72% of the membership … of around 79,000 members … how do we get a voice within our own organisation?" (A. Newman, personal communication, May 14, 2014). Newman suggests that the successful organisation of women within the union,

"changed the face of the union … we won voting rights … we had a very active, outspoken national women's committee … we brought people through our own women's structures who went on to become presidents" (A. Newman, personal communication, May 14, 2014). Darien Fenton agrees with this perspective, "By the time I was there, there were well established women's committees, women's voices. I was the first [female] secretary elected and that was in 1997, so it took a while, but they had [finally] got a strong women's voice in a mainly women's union" (D. Fenton, personal communication, May 1, 2014). Newman concludes that, "There was [also] a big shift around Māori and Pacific membership, some of the most outspoken members are the organised Pacific members!" (A. Newman, personal communication, May 14, 2014)

5.3.1 The end of the era

The 1984 election of the Fourth Labour Government found the Hotel Workers Union seemingly as powerful as it was in 1955, if not more so. To all appearances, the Award remained firmly in place and membership was at a record high of around 75,000 workers. New leadership had created a more dynamic, militant, responsive union, with powerful women's, Māori and Pacifica voices representing the reality of the membership demographic. Considerable victories had been won regarding wages and conditions, with Rick Barker claiming an "18% pay rise" in the major negotiations after the wage freeze ended in 1984 (R. Barker, personal communication, July 30, 2014). New leaders and organisers had run aggressive campaigns to improve wages; as Rick Barker puts it, "having a strike here and a strike there" (R. Barker, personal communication, July 30, 2014). John Ryall recalls (around 1985), "coming up to Auckland for a massive meeting … in Alexandra Park … thousands of people and I think that Rick himself was quite surprised … [but] in fact he was heading in the right

direction … people wanted to be more active" (J. Ryall, personal communication, May 30, 2014).

Mark Gosche points out that what they had started to do, and would continue to build on until 1990, was "reorganise the rank and file, get genuine rank and file membership involvement. We would use the stop work meeting provisions, fill the Town Hall … have a vote … go out on strike … the whole lot!" (M. Gosche, personal communication, March 26, 2014). He goes on to add, "In the end we had some amazing victories because of the genuine activist membership base, and that overcame the real difficulties of being a part-time and casualised [workforce], because that was a bloody hard thing to overcome" (M. Gosche, personal communication, March 26, 2014). By the 1980s, much of the re-organisation of delegates and activist members focused on the new, larger hotels being built, as Rick Barker comments, "The [modern tourist] hotel was really important to the union, make no mistake" (R. Barker, personal communication, July 30, 2014). Mark Gosche agrees, "How do we build a real organised workforce, where is it? The accommodation hotels were clearly hugely important because they were mass groups of workers, they weren't as casualised and difficult to find as in the old pubs, which were starting to decline anyway" (M. Gosche, personal communication, March 26, 2014). Gosche outlines the strategy, "[We] saw that one way of keeping organised was training … we thought we might be able to build it a bit into that major accommodation hotel sector … I think we acted just in time, so that there was still union organisation in those large hotels … still to this day" (M. Gosche, personal communication, March 26, 2014).

However, dark clouds hovered on the horizon of this new era of organisation for the Hotel Workers Union. An era of complex regulation and mutually supportive monopolies was about to come to an end, as John Ryall recalls, "You've got to remember [in] the beginning of the 1980s, the union movement did feel quite powerful.

It was a sort of false sense of power really, because we were pretty regulated and that regulation, for a long period of time, had been largely for the benefit of union officials to arbitrate deals" (J. Ryall, personal communication, May 30, 2014). Mark Gosche puts it more bluntly, "We were staring at the precipice, because our union membership was huge, I think it got up to 72,000, but it was *reliant* on compulsory membership" (M. Gosche, personal communication, March 26, 2014). Rick Barker claims to have seen the changing environment quite early, "I could see the change coming long before Bolger [in 1990], the union needed to change, to become more adaptive to a modern world, whatever it was going to be, and that's why we put the emphasis on [the new] structures like delegates." Rick Barker "advocated for years [for] amalgamation of the unions, with the cleaners' unions, with all the others, to get economies of scale and efficiencies" (R. Barker, personal communication, July 30, 2014).

In addition to the above challenges, Mark Gosche recalls a weakness that had crept into the Award, "The award was ridiculously out of date … [it] had been written for the days of the small pub … but it didn't envisage the new, big, multi-storeyed, multi-national hotels that were going up in Auckland, the Sheraton, the Hyatt." He goes on, "In a kitchen down at the Hyatt … the award became irrelevant" (M. Gosche, personal communication, March 26, 2014). Head chefs in 50-hand kitchens were getting paid well over the award rates that had been designed for pub kitchens with small kitchen brigades. "And that's where we started to see a major weakness," concludes Gosche, "If you wanted to close down the Sheraton, you could get the house keepers and maybe some of the bar staff to go out, but the kitchen were very reluctant because the award didn't mean anything to them" (M. Gosche, personal communication, March 26, 2014). The union started to look at breaking away the major accommodation hotels into a separate award, to recognise the needs of those workers.

Thus, the late 1980s found the Hotel Workers Union celebrating a period of renewal and success on some levels, but facing serious external threats and internal weaknesses. Despite a long period of stability from 1955 and considerable successes in maintaining wages and conditions, the final word on this period perhaps belongs to John Ryall, "There were a lot of big increases for people. There were major improvements in a whole lot of conditions. But in the end (we) sort of failed to turn the tide … against (the coming) licencing changes and law changes and the total deregulation of the labour market" (J. Ryall, personal communication, May 30, 2014).

5.4 Conclusion

This chapter presented findings from personal communications and archival materials that describe the nature of the Hotel Workers Union from 1955 to the late 1980s. The chapter highlights the fact that, during this period, the Hotel Workers Union was one of the largest industrial unions in New Zealand and had considerable influence politically, having a particularly powerful voice within the Labour Party. In addition, the findings show that the union had long established, strong personal and professional links to many prominent individual employers and major employer representative bodies. The chapter outlined the considerable influence of the union leaders of this era, showing how men like Fred Young embodied the corporatist nature of the times with long, entwined relationships with employers, politicians and workers.

The findings challenge the mythology that has been built up during the transition from the older generation to the new breed of unionists that occurred in the early 1980s. This changing of the guard highlights the movement of the union from an "arbitrationalist" focus (protecting the award conditions and excluding activism based on social or identity issues) to a more militant union that was comfortable with social activism. The chapter showed that the hotel award, created and defended by the union, was itself a deeply corporatist document that did not protect the conditions of all members equally.

With the new guard of leadership, the union moved away from the tightly networked corporatist relationships with the employers, taking a more adversarial approach during the 1980s. In addition we see the rise of specific leadership and representation for women, Pacifica and Māori with the union at this time.

The changes presented in the findings highlight the actual weakness of the apparently strong Hotel Workers Union. Contrary to previous discussions of unions during this period (Fairbrother & Yates, 2003; May & Walsh, 2002), the findings show the decline in union strength began with the de-corporatisation processes of the mid-to-late 1970s and was then compounded by neo-liberal policies from the mid-1980s. These movements slowly and steadily removed the legislative and social supports that had allowed the union to maintain its position of strength, fatally weakening it and finally resulting in what appeared to be "sudden collapse" after the Employment Contracts Act in 1991.

Chapter 6: Findings: Work in the Tourist Hotel Corporation (1955 to 1990)

6.1 Introduction

This chapter builds on the history of the THC provided in Chapter 4 and contributes to the goal of this thesis (presenting a history of employment relations in the New Zealand hotel sector) by focusing on perceptions of work and employment relations from within the THC hotel chain. The THC was the major tourist hotel chain in New Zealand and remained the key employer, trainer and industry voice until its sale to the Southern Pacific Hotel Corporation in 1990. The chapter provides perspectives from the interviews with senior hotel managers, along with supporting archive and wage data, to further illuminate hotel employment relations from the 1950s to 2000.

The chapter opens with an outline of the labour market issues faced by the THC in the 1950s, highlighting the early industry's claims of unique labour pressures requiring greater "flexibility". Detailed evidence of ongoing and widespread negative depictions and representations of service work in New Zealand is presented, underpinning the suggestion that New Zealand suffers from a historical "cultural cringe" regarding service work, one which conflates service work with servility. The connections between this negative view of service work and the sector's traditional reliance on migrant labour are explored.

The chapter proceeds to outline managers' perceptions about the causes of labour and skills shortages before looking in detail at the role pay rates might play in this area. The hotel managers' perceptions of pay are built upon by presenting a historical series of hotel wage rate data from 1957 to 2000. The chapter concludes with the managers' views on inherent pressures based on the structure and aims of the THC, and their views on the relationships they held with unions from the 1960s through to 2000.

Table 12: Who we will meet in this chapter – Interviewees

Julian Bugledich	Regional Manager, New Zealand, of Southern Pacific Hotels (SPHC) from 1990 to 2000.
Denis Callesen	Denis joined the THC in 1970, as a trainee manager, worked his way through many properties before achieving Deputy CEO of the THC by the age of 28.
Penny Clarke	Penny was the first female GM in New Zealand hotels, she started working in NZ hotels in the late 1960s and has held General Manager positions in many properties and brands.
Denise Cook	Denise is Executive Housekeeper at the James Cook Hotel in Wellington. She started working there in 1974 and has worked in housekeeping, in that property, non-stop until the present day.
Tim DiMattina	Tim joined the THC as an accountant in 1973. He was Financial Controller of the THC by 25 years of age. He oversaw the financial management of the THC until 1982.
John Farrel	John worked for the SPHC from 1983 as a Sales Manager, became CEO of Travelodge Hotels Australia in the 1990s, before joining Accor in 1995 as Regional Sales and Marketing Manager, where he continues to this day.
Gordon Wilson	GM of the Waldorf Managed Apartments Group in Auckland.
Nigel Harper	General Manager, the Hermitage Hotel.

6.2 Labour Market Issues Faced by the THC

As discussed in Chapter 4, the impact on New Zealand tourism and hotels of the 1950 "Conference of New Zealand Tourist and Travel Interests and Expand the Dollar-spending Trade" was considerable. Called by Fred Doidge, the Minister of Tourist and Health Resorts, the report from this conference can be seen as one of the crucial founding documents of the tourism and hotel industry in New Zealand. The conference, in addition to calling for the creation of the THC, highlighted what would remain a critical challenge for service provision in the hotel sector, namely labour. As will be illustrated throughout this thesis, it is worth looking closely at the labour market problems identified during the 1950 conference, because many of the themes remained as concerns throughout the development of this key sector over the next 65 years.

6.2.1 Hotels have "unique" labour needs

It was at this conference that specific calls for hotel labour reform were first argued and presented to the government in a formal manner. Significantly, this conference saw the first recorded calls for labour market "flexibility", calls that New Zealand hotel employers would repeat with growing intensity until their eventual "full flowering" in the Employment Contracts Act 40 years later. The call for flexibility was underpinned in the conference report by an argument that hotels were a 24 hour, 7 day a week business, requiring a "unique" level of labour flexibility that was not required in other industries. The conference members argued that "restrictive employment legislation" (namely the Industrial Conciliation and Arbitration Act of 1894) applied a 40-hour week and overtime rates structure that may have suited other industries, but not hotels (McClure, 2004).

This structure was said to impact negatively on quality customer service, including restricted service times that forced tourists to eat within highly regimented time frames and often at shared tables. In some ways, this conference report shows prototype arguments for labour flexibility that would spread beyond the hotel sector context and into a wider acceptance during the 1980s. As neo-liberal, deregulation ideologies entered mainstream public debate during the late 1970s and early 1980s, a key area of focus was the supposed rigid nature of the employment relations legislation and the negative impacts this had on productivity and economic growth (M. Wilson, 2010). Labour market "flexibility" became one of the key "mantras" of the 1980s neo-liberal revolution (Kelsey, 1993, 1995).

6.2.2 The New Zealand "cultural cringe" to service work

The conference report includes depictions of hospitality service skills and attitudes that would be often repeated in New Zealand public debate regarding the tourism and hospitality labour market. It shows a form of "cultural cringe" (an insecure fear based

on being a young settler nation) regarding the status of service work. McClure (2004, p. 177) summarises the conclusions of the conference delegates regarding New Zealanders' attitudes towards service work in the following way: "For many, the concept of service was too close to servility". In the reporting of this conference we see arguments regarding New Zealanders' "disdain" for service work and the resulting need for easier access to immigrant labour that would be repeated in Parliamentary debates, media reports and industry commentary until the present day. It should be noted that little empirical evidence is ever presented to support these claims for New Zealanders' disdain for service work or lack of skills.

McClure (2004, p. 178) surmises that "an off-hand attitude to service and ignorance of the standards expected in other countries" best describes the local New Zealand hotel employees of 1950 and quotes "strong pleas" from the conference for "the entry of more immigrants … who were skilled in the hotel trade". It should be noted that these sorts of pleas from hotel employers remain as strident today as they were in the 1950s. This negative attitude towards service work is expressed in many ways during the period covered by this thesis. Government Ministers were just as guilty of conflating service with servility:

> I do not believe we want to see in New Zealand the servility that we have in other countries. A great number of tourists expect servility. They want people to be there to wait on them hand and foot … I do not believe that New Zealanders want to be in that position. (New Zealand Government, 1955, p. 3271)

It is interesting to note that the stigma of frivolousness and dubious value (see Chapter 4) has disappeared from public discourse regarding the value of the tourism *industry*, but the discourse of tourism/service work as servile, unskilled and temporary has not undergone such a similar remodelling. Contemporary New Zealand media consistently describe the tourism industry as vibrant, booming and dynamic, highlighting its position as the primary earner of overseas revenue for the country. By contrast, the public

discourse on work in this sector is consistently framed around skills shortages, low pay, poor conditions, high labour turnover and disdain by local New Zealanders for service work.

The conflation of service work with servility in New Zealand often occurred when discussing labour shortages and the resulting dependence on migrant workers. While the 1964 New Zealand Institute of Economic Research (NZIER) report on the New Zealand tourism industry limited itself to simply quantifying the level of hotel staff turnover, the subsequent 1966 report offered some familiar suggestions for the labour shortage situation:

> Occupations in the accommodation industry in New Zealand are generally regarded as servile, especially maids, waiters, waitresses, kitchen hands etc., who tend to be unskilled and unqualified. These are low status occupations and are looked down on. Even cooks, … dining room or bar managers are not generally regarded as attractive occupations. (New Zealand Institute of Economic Research, 1966, p. 60)

While the economists saw improved training as a potential weapon to mitigate such a low view of hospitality work, they felt even this would be unlikely "to overcome the present aversion to servile occupations" (New Zealand Institute of Economic Research, 1966, p. 60).

6.2.3 Migrant labour and the New Zealand "aversion" to service work – from the 1950s to the 1980s

New Zealanders' supposed dislike of service work forms a long running discourse in this country. As we have already seen, the 1950 Conference of New Zealand Tourist and Travel Interests highlighted New Zealanders' aversion to service jobs and called for imported labour (that is assumed to naturally have better skills and attitude) to offset this national "revulsion" for servitude. As one manager commented, regarding imported labour: "They are very service oriented. It's in their nature to serve" (D. Thornton, personal communication, April 28, 2014). The theme was repeated during the

Parliamentary debates on the THC Act, with Labour MP Holloway assuring the House that New Zealanders had no desire for the servitude of waiting on tourists "hand and foot". Newspapers have shown an ongoing interest in the shortage of local hotel workers, publishing many stories on the topic, often mentioning New Zealanders' dislike of servitude as a contributing factor. In 1965, *The Evening Post* had the manager of the THC Chateau Hotel claiming, "If we could get New Zealand staff we would prefer them ahead of Australians", adding that 80% of the hotel's domestic hotel staff were from Australia (*The Evening Post*, 8 April, 1965). In 1969, *The Auckland Star* newspaper stated local hotels "can't get enough New Zealand girls to fill the available jobs" (*The Auckland Star*, 13 October, 1969).

When it came to reasons for this labour shortage, the following story from the *New Zealand Herald* newspaper is typical of the "anti-servitude discourse" in the media. Vacation Hotels had brought in Terrance Cox "who has a degree in psychology" to undertake a rather frightening sounding "behaviour modification programme" to change the hotel employee's "surly indifference" to happy "salesmanship", all part of Vacation Hotels' effort to "promote the idea that hotel work is not second grade, but a good career" (*New Zealand Herald*, 25 February, 1980). Thus, the archetypal 1950s "surly waitress" with an "offhand attitude to service and ignorance of standards expected in other countries" discussed by McClure (2004, p. 178) has proved to be a remarkably resilient trope, reappearing in New Zealand discussions of hospitality to this very day.

Other indicative stories from papers in the 1980s suggest that labour shortages were variously due to New Zealanders who "don't like working in isolated areas" and who still suffered from "the stigma attached to hotel work … ten years ago you were frowned on for working in a hotel" (*Truth*, 25 August, 1981). The theme, that New Zealanders dislike service work, has run alongside a constant refrain that our service standards are poor. Hotel service was commonly described in newspapers in terms of

"bumbling inefficiency" (*The Auckland Star*, 8 December 1986) and overall New Zealand was seen to have "Lovely scenery but lousy service" (*New Zealand Herald*, 2 May, 1986).

6.2.4 Labour shortages and migrant workers – Other drivers

The findings suggest that in addition to a cultural aversion to service work, there are more factors influencing the shortage of appropriately qualified and skilled labour for the New Zealand hotel industry. The ever-present and acute shortage of appropriately skilled New Zealand hotel staff requires a more detailed examination than "New Zealanders don't like service work". Part of the initial argument for establishing the THC was the difficulty of staffing the 10 major tourist hotels, with National MP Halsted specifically highlighting "seasonality … remoteness … [making it] hard to hold staff" (2nd reading, p. 3264). It is without doubt that labour turnover in hotel staff has always been very high; a 1964 report on the tourism industry, from the NZIER, pointed out that, "In every six-month period since 1950 … [labour turnover] exceeded 40 per cent … consistently much higher than those of all other industries surveyed" (Lloyd, 1964, p. 29). In addition to these 14 years of annual hotel staff turnover in excess of 100%, the report adds, "Annual rates of labour turnover of over 200 per cent are not uncommon for … resort hotels" (Lloyd, 1964, p. 29). A 1967 memo from a THC hotel manager concludes, "The hotel industry has long been afflicted by high turnover of staff" (*MS Papers L.S. Dennis*, 2014). A second NZIER report in 1966 confirms ongoing hotel labour turnover rates "in excess of 100 percent" and concludes "the shortage of [hotel] labour is manifest at all levels. The majority of hotels … have high turnover, especially the larger ones. As it is mainly larger hotels that service tourists, the staff problem is very real" (New Zealand Institute of Economic Research, 1966, p. 59).

The interviews with hotel managers from the THC period support the depiction of a high turnover, low skill workforce, dependent on imported labour to survive: "[We had]

very, very high staff turnover, because you'd constantly have useless bloody staff so you're constantly getting rid of them" (D. Callesen, personal communication, May 14, 2014). "[Back then] none of them were Kiwis, not one; we couldn't have existed without foreign labour" (G. Wilson, personal communication, July 2, 2014).

> We opened with basically no staff. Finding staff was hell on earth … I would say to [staff], do you know anybody? [Someone] would come and I would go "See, this is a knife, this is a fork, put them there" – oh my God, it was nightmare material. Training was out the door. It was just survival mode.
>
> (P. Clarke, personal communication, June 4, 2014)

The managers clearly state the hotels were entirely dependent on foreign workers: "We used to contract out to Australia, all our house maids and waitresses. We had a working holiday programme put together. Also we used to bring in cooks, waiters, a chef from Europe [all] on the same basis" (N. Harper, personal communication, June 23, 2014). "THC used to go to Australia, interview all these girls … and they came … on a one-year contract. There were English, German, Swiss … chefs. Almost zero New Zealand chefs at that stage" (D. Callesen, personal communication, May 14, 2014). There are interesting aspects of gender in this process, as the chefs were all male, while the "Queensland girls" would be filling the front-line food and beverage, and housekeeping roles. In this way, the hotel workforce would be almost all male at managerial level and almost all female at the coal face. During this period, this gendered split was reflected in the leadership of the Hotel Workers Union as well, with almost all male leadership yet predominantly female membership.

While Nigel Harper estimated the THC workforce at 70 to 80 percent imported, mostly from Australia, Tim DiMattina concluded, "Back in the THC days, if it wasn't for those Australian bloody temporary workers … the industry would have been severely hampered" (T. DiMattina, personal communication, June 27, 2014). As Penny Clarke summarises it, "Dare I say it, I think everybody was imported" (P. Clarke, personal

communication, June 4, 2014). This flood of imported labour was to have several lasting effects on the New Zealand hospitality scene, not least of which was that "most THC males [managers] had Australian wives" (D. Callesen, personal communication, May 14, 2014).

By no means were these imported workers seen as a negative; many of the managers interviewed saw these casuals as vastly superior to New Zealand employees: "I picked up quite quickly … the wait staff from Australia had been trained quite well" (P. Clarke, personal communication, June 4, 2014). "In most cases, the [imported staff] were better than the Kiwis [New Zealanders], because … they came from an environment where it was a profession, they couldn't understand the NZ attitude of 'Well, we will do this until we get a real job'" (G. Wilson, personal communication, July 2, 2014). "It improved once you got these overseas people; they were older and more worldly wise. Whereas we had … New Zealanders … first time away from mum … so it was drugs, sex, drugs, alcohol, rock n roll, sex" (D. Callesen, personal communication, May 14, 2014). Several managers also point out the role many of these workers played in raising the standards of the youthful New Zealand hospitality industry:

> When we opened, there wasn't a service industry in New Zealand, it was very fledgling and had no structure. We had a lot of international people working here … and there was big exchanges going on … learning all the speciality things like sugar works [highly skilled pastry decoration] that we just didn't teach here in New Zealand … and that really started this industry off.
>
> (D. Thornton, personal communication, April 28, 2014)
>
> I think there was a huge contribution to the food industry as a whole. There are a lot of people … that came out, French trained, came out to New Zealand, did five years with the THC and then moved, got absorbed into [the industry] and no-one now would ever know that's where [they] came from.
>
> (T. DiMattina, personal communication, June 27, 2014).

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The 1966 NZIER report on tourism potential suggests two related, key contributors to shortages in local hotel labour: high levels of seasonality and high levels of casualisation (New Zealand Institute of Economic Research, 1966). Several managers confirmed the difficulties of running skeleton crews during the winter months and then having to quickly build teams of casual staff to cover the high season:

> Your [high] season was strictly 1 October to 31 March. It was "Fawlty Towers" all through October and you'd just get them right by February/March and then you'd have to start again!
>
> (D. Callesen, personal communication, May 14, 2014)
>
> The problem was because of the seasonable nature of the work, they could only be taken on for seven or eight months, so for the majority of staff it was seasonal work … the hotel equivalent of apple picking really.
>
> (T. DiMattina, personal communication, June 27, 2014)
>
> There was no desire, no career at that stage amongst the staff to actually progress, because it was only a temporary job, I'm just here to have a play … to ski … so the commitment was pretty low.
>
> (G. Wilson, personal communication, July 2, 2014)

In addition to the difficult business practicalities of managing seasonal and casual staff, the managers had to deal with a growing perception of the "casual" jobs being "party jobs".

The image of the tourist hotels in the 1960s and 1970s providing "party jobs" is supported by managers' interviews and media reports from the time. The combination of a young, international, casual workforce, with remote live-in accommodation, resulted in some high times: "The staff all worked together and played together … that created its own issues as you can imagine, I mean Dennis [Callesen] would regale you for a week with the sort of shit that used to go on" (T. DiMattina, personal communication, June 27, 2014).

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> In the 1970s we had huge drug problems, that's largely gone. Christ, at Mount Cook we had to get the bloody doctor up about once a month to dish out 30 lots of penicillin. You get somebody with a sexually transmitted disease and then it spread to 30 or 40 people in a couple of weeks.
>
> (D. Callesen, personal communication, May 14, 2014)

This was not limited to one operation or one manager's perceptions: "We had to send a bus from Mount Cook down to Twizel for the VD stuff. We'd all go to jail for that now" (T. DiMattina, personal communication, June 27, 2014).

> Because it was a remote location … with live-in accommodation … THC hotels had some fabulous parties, make no mistake about that. There's quite a few marriages were made in THC hotels, a lot of good fun.
>
> (R. Barker, personal communication, July 30, 2014)

There was also an upside to all the bed-hopping: "It was always a nightmare providing enough staff accommodation, which is why the GM loved it when a receptionist shacked up with a chef, because that freed up a room" (T. DiMattina, personal communication, June 27, 2014). The *Truth* newspaper ran a series of stories in late 1969, reporting on scandalous "sex parties" at the THC hotels with "homosexuals *and* lesbians preying on innocent girls", all of which was strenuously denied by THC spokespeople (*Truth*, 23 and 30 September, 21 October, 1969). Staff were still at it in 1982, when the *New Zealand Times* complained that "Tourist dollars were being turned away in the house bars of taxpayer funded hotels … so staff can hold parties" (*New Zealand Times*, 5 December, 1982). While probably proving very attractive to young workers, none of the above behaviour could have helped to improve the image of hotel jobs in the public mind. The poor reputation of hotel work was not helped by perceptions of the industry offering low pay. The chapter will now look in-depth at this topic.

6.2.5 Pay

The effect of hotel pay rates on labour shortages and staff turnover is complex. One has to remember that in the 1950s to 1960s, the entire New Zealand economy was experiencing high growth and the resulting "significant shortage of labour, both skilled and unskilled … resulting in higher wages and staff turnover … highly paid unskilled jobs and an inability to obtain staff to fill vacancies" (New Zealand Institute of Economic Research, 1966, p. 59). During this period, the hotel industry often paid lower hourly rates than other "unskilled" jobs and also faced the perception problem regarding servile work discussed above. However, the low pay rates offered in hotels were deceptive, as many staff were live-in, with food provided, and they received considerable penalty rates and additional allowances. "It was a low wage environment; with very low hourly rates … it was particularly difficult for hotels. [But] 54% of [THC] payrolls were made up of penalties and allowances" (D. Callesen, personal communication, May 14, 2014). However, the hotel industry struggled to compete with other employers:

> We were paying $13 an hour and a new dairy factory opened in Timaru paying $20 an hour. We used to get most of our housemaids from [that] South Canterbury region, that tap was completely turned off … it just decimated the unskilled labour force, so we had to get overseas people.
>
> (D. Callesen, personal communication, May 14, 2014)

Often the effect of penalty rates paid in hotel jobs was not recognised by potential employees:

> Factories worked Monday to Friday, 40 hours a week … so penal rates of triple time that looked good on paper, well did anyone earn those in a meaningful way, not much. [But] the hospitality industry was 24/7, so whatever penal rates were agreed to, were actually paid.
>
> (M. Gosche, personal communication, March 26, 2014)

Award penalty rates and entitlements were derided by the majority of managers in the interviews, with various negative consequences being blamed on the multiple additions to basic rates: "It was night and day different … you had to be open, it cost you a fortune … so it was really a severe impediment to how you ran your business" (D. Callesen, personal communication, May 14, 2014). Denise Thornton suggests that the penalty rates rendered hotels unaffordable for locals, "Wage wise, things were very expensive … because we paid double time … and everything, so it kept this industry hard placed for locals to enjoy. Things changed when they got rid of penal rates. It became more affordable" (D. Thornton, personal communication, April 28, 2014). Many managers just hated calculating the complex wages:

> We were dealing with a unionised employment agreement, so you had an hourly rate, you had a weekend rate, you had a rate to pay after seven o'clock at night, a rate to pay after 11 o'clock at night, you had noise allowance, dirt allowance, you name it allowance … doing the wages was an absolute nightmare.

> (P. Clarke, personal communication, June 4, 2014)

But even with penalty rates and live-in accommodation, the hotel industry was considered a low pay employer: "Traditionally the industry has … paid at a junior level reasonably badly because they relied on tips … [but] of course tipping doesn't exist here" (D. Thornton, personal communication, April 28, 2014). "It [pay] was at the bottom, as it still is today … it's pretty bloody pathetic" (M. Gosche, personal communication, March 26, 2014).

> I suppose the first terrible word that comes up is the pay rate and [that] we don't tip. You were paid nothing at the bottom. I remember giving someone … $32,000 in 1987, if I divide that back, my duty manager was earning $15.38 an hour then. I am now paying [a similar role] $18 an hour. I'll tell you what, we haven't come much further … it's bloody frightening.

> (P. Clarke, personal communication, June 4, 2014)

In addition to low pay, the hours worked could be extreme, while shift workers were protected by the award penalty rates, junior managers were not: "I used to do some horrific hours" (P. Clarke, personal communication, June 4, 2014). "We worked ridiculous hours. We'd sometimes have one day off every six weeks and we'd start work at seven in the morning and work till 11 at night" (D. Callesen, personal communication, May 14, 2014). "There was a bastardisation of so called traineeships that just became cheap labour, you got some poor kid, called him a bloody duty manager, paid him $35,000 a year and he worked a hundred hours a bloody week" (T. DiMattina, personal communication, June 27, 2014).

From the perspective of the THC annual reports, the wages paid out to employees was a constant cause for concern. All employees were subject to the conditions of the industrial award negotiated by the Hotel Workers Union, and as the five year review of THC operations pointed out in 1962, general wage order rises had been enforced for 18% in 1957, 6% in 1959 and 2.5% in 1962 (The Tourist Hotel Corporation, 1990). The THC annual reports stressed that these wage increases were always above the room tariff increases approved by the government. In addition, considerable increases in penalty and overtime rates had been included in the agreements. A reduction in ordinary hours from 13 to 12 in the mid-1960s resulted in a major "reorganisation of the servicing of [THC] hotels … to lessen the effect of a reduction in the daily span of hours worked … [and] to avoid excessive overtime" (The Tourist Hotel Corporation, 1990, p. 5). Staff costs were estimated to have increased by 13% in the year following this change. THC management also pointed out that reduced shift limits required more staff, which in turn required more staff accommodation, a commodity already in short supply (The Tourist Hotel Corporation, 1990).

By the 1970s, the THC was suffering from an "unprecedented increase in operating costs" (The Tourist Hotel Corporation, 1990) as the New Zealand wide inflationary

pressure grew. In 1976 they had to accommodate a 25% wage award, while, in order to encourage tourists to keep coming, the room tariffs remained fixed (The Tourist Hotel Corporation, 1990). Wage costs continued to spiral upwards, with an increase of 11.4% in 1973, culminating with the 1976 annual report showing staff wages accounting for just short of 38% of total costs (The Tourist Hotel Corporation, 1990). In addition, it must be remembered that the THC also had to provide accommodation and meals for the majority of the staff, additional costs that were recorded under general operating expenses. Thus the THC was caught in a bind, whilst they struggled to compete with other employers for labour, due to negative perceptions about pay and the status of service work, they also suffered exceptionally high costs in terms of staff wages, accommodation and meals. The 1966 NZIER report of tourism potential captures the conundrum well:

> In the accommodation industry there is a direct conflict between labour requirements and restrictions relating to its use, stemming from the social philosophy of the country as regards working conditions – a situation not untypical of New Zealand, but having a heightened effect on accommodation. (New Zealand Institute of Economic Research, 1966)

The remote and seasonal nature of the majority of the THC hotels meant that a certain profile of hotel workers—imported, young, female and casual—was greatly intensified in their operations. The THC struggled to compete for labour in a very tight market throughout the 1950s and 1960s, hampered by the widely held (and partially true) perception of low pay, long hours and low status work. A dependence on foreign labour was firmly in place from the very inception of the THC and remains firmly in place in the New Zealand hotel sector to this day. This reasonably unique combination of attributes in the THC workplace had impacts on the roles that managers and unions would play in the employment relations of this organisation. The chapter will now look in detail at comparative data on hotel wages from the 1950s to 2000.

6.3 Wage Data Analysis

Figure 1 represents wage data from Statistics New Zealand from 1957 to 2000. The aim of the figure is to provide some empirical weight to the discussion of wages in the hotel industry, wages often described as "low", but as yet, not analysed in comparison to the average wage or the minimum wage. Hotel workers' average hourly rates are compared to the minimum wage hourly rates and the national average hourly rates. Average hourly rates rather than "average weekly wage" were selected for comparison, as this removes any variation based on part-time/full-time numbers of hours worked in the week. The rates in Figure 1 are inflation adjusted New Zealand dollars, using the Consumer Price Index. This allows us to see the relative "real" value of the wages—that is, the movement of wages over time—compared to inflation.

Figure 1 shows the 1957 to 2000 average hourly pay rates for hotel workers, the average hourly rates for all New Zealand industries and the hourly rates of the minimum wage.

Figure 1: Average hourly rates 1957–2000 adjusted for inflation
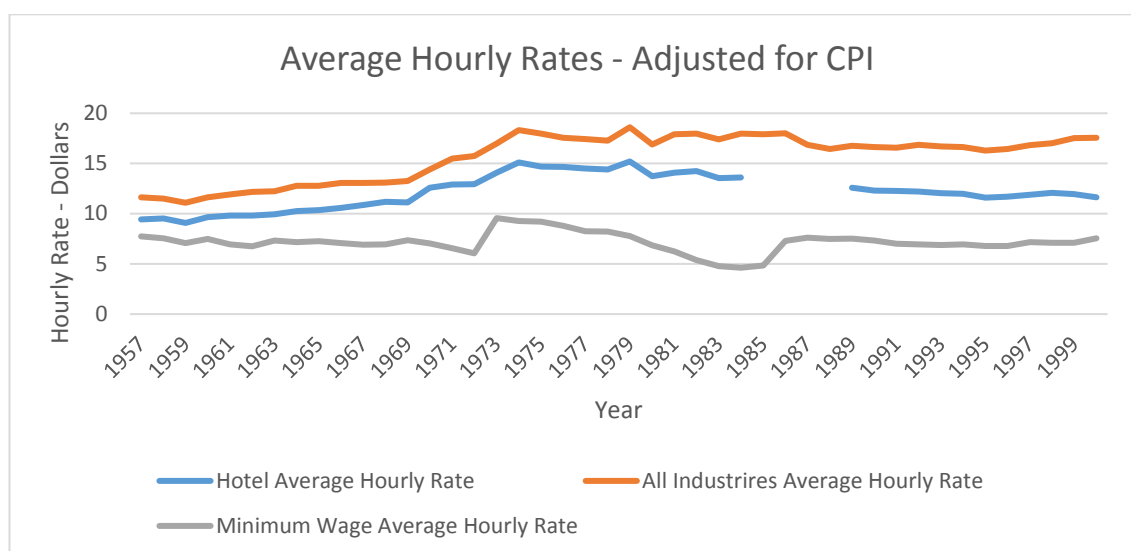
Notes on the wages in Figure 1

- All figures are in New Zealand dollars and have been rounded to the nearest dollar.
- All minimum, national average and hotel hourly rates are based on the Statistics New Zealand Year Book series, 1955 to 2013 (Statistics New Zealand, n.d.).
- The relevant hourly rate categories listed in the Statistics New Zealand Year Book vary over time, they include "Restaurants, Hotels etc." "Hotel Workers/waiters" and "Provision of Accommodation". The closest category possible to hotel workers has been selected wherever possible.

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6.4　Summary for the 1955 to 2013 period

Figure 1 shows that over the whole period of 1957 to 2000, the hotel hourly rate has lost considerable value in comparison to the average hourly rate. The average hotel hourly rate in 1955 stood at 81% of the national average hourly rate and by 2000 the hotel wage had fallen to 66% of the national average wage. The data show both the national wage and the hotel wage steadily growing in real value from 1957 to 1974 (+ 57% for national average rate and + 60% for the hotel rate), peaking in 1974 at around $19 and $14 respectively. Both rates gain considerable value compared to the minimum wage during these years, with the hotel wage moving from being a modest 20% higher than the minimum wage in 1957 to double the minimum wage by 1979. By 2000 the hotel wage had fallen back to being 40% higher than the minimum rate.

6.4.1　Figure 1

An important finding in Figure 1 is that a significant divergence starts between the national average rate and the hotel rate in 1974. The hotel wage peaks at $15.10 in 1974 and then starts a slow but almost continuous decline in real value (apart from a short-lived rise to $15.20 in 1979), losing 33% of its real value by 2000. By contrast, the average hourly rate falls by a modest 4.3% over the same period. The national average rate shows a flat period from 1974 to 1986, followed by modest decline and then almost total rebound over the 1987 to 2000 period. By contrast, the hotel rate shows steady decline from 1974 to 2000.

6.4.2　Figures 2 and 3

Figures 2 and 3 show the dramatic increases in unemployment and inflation during the 1970s and 1980s. Both these drivers could be considered important in the halting of rising hotel and national average hourly rates from 1957 to 1974. A key point is that while many commentators point to the Employment Contracts Act 1991 as a key cause of falling wage values during the 1990s in New Zealand, it would appear the hotel

sector wages collapsed before this legislation could have an impact. Figure 1 raises questions about what led to falling hotel hourly rates *before* major changes in employment legislation.

Figure 2: Labour force unemployment 1896–2006

Figure 2 shows the unemployment percentage rates for the New Zealand workforce from 1896 to 2006. Of importance for this thesis is the considerable rise in unemployment from the mid-1970s, peaking in the mid-1990s, before falling away again into the 2000s.
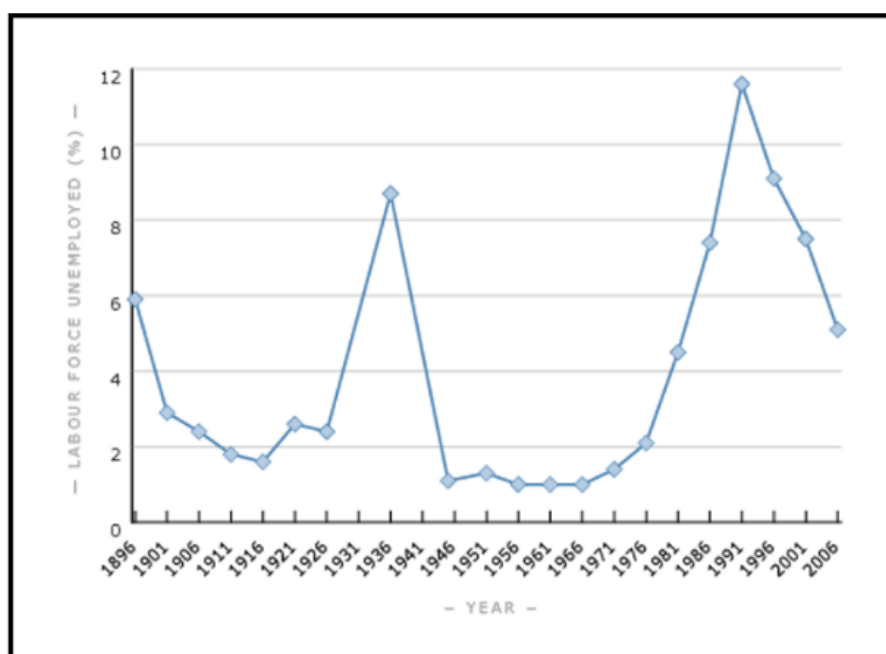
(Statistics New Zealand, n.d.)

Figure 3: Inflation percentage, 1940–2006

Figure 3 shows the percentage rate of inflation for New Zealand from 1940 to 2006. Of importance for this thesis is the rise in inflation from the early 1970s and the high rate of inflation that continued through to the late 1980s.
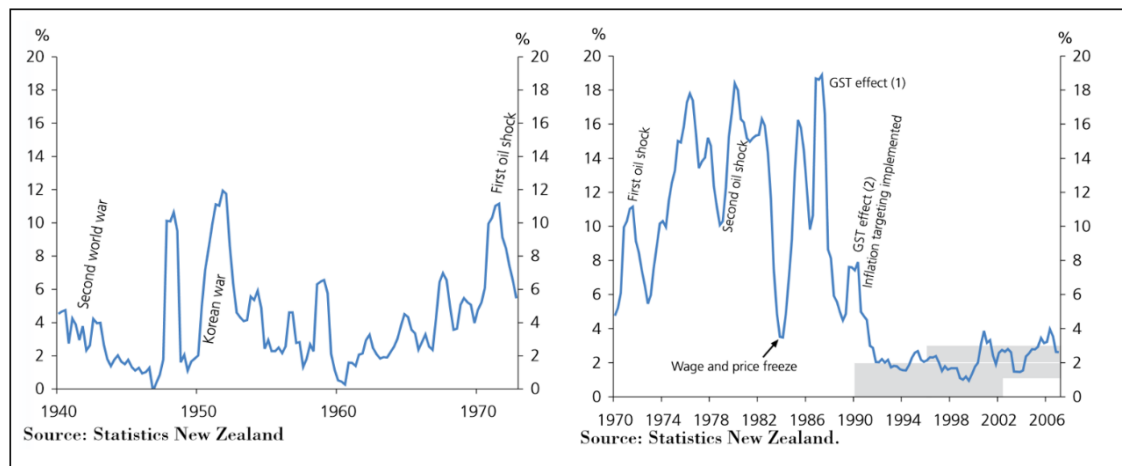
<div align="right">(Statistics New Zealand, n.d.)</div>

6.5 Managers' Perceptions of Work in the THC Hotels: Business Aims, Training and the Unions

In the interviews, when THC managers discussed their careers, three themes emerged. The first focuses on the contradictory aims the THC was tasked with: operate like a corporation but be subject to government control; do not compete with private enterprise, yet make a profit; develop the NZ tourism industry, but do not demand large amounts of scarce government capital expenditure. The second theme recognises the great opportunities that the unique nature of the early THC provided for them. The third theme highlights the impact of training in the THC. These themes merge to form a discourse that paints the THC as a government bureaucracy, focused on service quality and development of tourism rather than rigorous financial measures and profit, yet highly supportive of the advancement of their staff, both front-line and managerial. While this discourse could be interpreted as part of a broader acceptance of neo-liberal, free-market and privatisation ideology in New Zealand since the 1980s, the managers'

responses can also be seen to reflect their career experiences of progressing from a government-owned hotel company to modern, multi-national hotel corporations.

The managers are universal in their depiction of the THC as an organisation more focused on high service standards and development of the industry than profit, with this balance usually being framed as a negative: "The [service] standards were probably more important than the financial return if I was being really honest" (T. DiMattina, personal communication, June 27, 2014); "There was no accountability … there were no locks on doors … it didn't matter if you bought far too many bottles of wine … if they went off, you tipped them out and went and got another lot" (D. Thornton, personal communication, April 28, 2014); "It wasn't profit focused, it was more service focused. It was a Government Department, so we didn't have to make a profit. We weren't [financially] measured at all … you just … got on with it, deliver the product" (N. Harper, personal communication, June 23, 2014). Many of these managers are looking back on the THC days after years of international success in modern multi-national hotel corporations and can be scathing of the lack of business focus in the THC: "It wasn't being run very efficiently … it was being run like a government bureaucracy. I don't think a single general manager knew what the financial performance of their hotel was" (J. Bugledich, personal communication, June 21, 2014). "It was just bad business practice inside [that THC] business" (J. Farrel, personal communication, July 3, 2014). However, it must be remembered that most of these managers were either involved in or benefited from the sale of the THC assets to overseas hotel companies in the 1990s and whilst acknowledging the opportunities provided by the THC, they often refer to adapting to the realities of modern, "bottom line" focused, multi-national hotel corporations:

> I was general manager when I was 26 … so the opportunity was there … [the THC] launched my career. But people who were around in those days were around to play, they had a different approach to someone like myself who has

adjusted, [now] it is bottom line, all the time. There [was] a THC mentality about the money, "it doesn't matter", now it matters.

(N. Harper, personal communication, June 23, 2014)

Whilst deriding the lack of business focus at the THC, the majority of the managers interviewed highlighted the incredible career opportunities that the THC afforded them. Denis Callesen outlined how he entered the THC: "My interview went something like, 'Where did you go to school, Nelson College? You've got the job' … basically all staff were employed on personality and … had no skills". He goes on to describe several years of intense training, rapid promotion and opportunity, "I was sent to the Rotorua International Hotel as second in command, I was 21 years old! That set the scene of my career for the next 42 odd years" (D. Callesen, personal communication, May 14, 2014). Penny Clarke remembers similar opportunities in the young New Zealand hotel industry, "The opportunities were huge for people that were hungry for knowledge and [were] hard workers … we were starting from scratch" (P. Clarke, personal communication, June 4, 2014). Nigel Harper summarises the THC in one word, "Opportunity … I was general manager [of The Hermitage Hotel] when I was 26 years of age … I grew up [in this hotel] … it launched my career" (N. Harper, personal communication, June 23, 2014). Tim DiMattina describes a similar easy entry and fast track career:

> I went in and the guy who interviewed me … was clearly in a total shambles [but] it was well paid and interesting … within three or four years I was finance controller [of the entire THC] … I was 25 years old.

(T. DiMattina, personal communication, June 27, 2014)

The interviewees highlight both the impact of vigorous training provided by the THC and the opportunities afforded by the remote, hands-on, multi-tasking nature of the THC hotels themselves. In terms of training, "There was more career tracking there [at the

THC] than anywhere else that I have come across" (N. Harper, personal communication, June 23, 2014). Rick Barker concurs:

> The THC was the leading trainer of staff in hotels. They saw themselves as the premier hotel [group] and if you got an apprenticeship at the THC as a chef, well then you would be considered well trained. If you worked in the waiting or bar staff … you were like an A grade if you had worked your time at the THC.
>
> (R. Barker, personal communication, July 30, 2014)

The multi-departmental experience that the THC hotels offered set up many managers for great success in their later careers:

> Trainee managers were all supposed to spend two years in the kitchen and food service ... I did two block courses … so [there] was a lot of chef training which was very, very good. I did an international correspondence course for hotel management, by then THC was sending one manager a year to Cornell University.
>
> [THC] significantly developed skills ... at the management level you did both food and beverage and rooms division, quite a different philosophy to modern hotels … where they had two people, we had one.
>
> (D. Callesen, personal communication, May 14, 2014)

While the THC appeared to be a centralised and unwieldy "Government department", in fact managers had more freedom and space to grow than in modern, highly standardised, multi-national corporate hotel organisations: "Because of their [remote] location, the culture was unique … teamwork was self-regulatory" (T. DiMattina, personal communication, June 27, 2014). "What did [we] have? Telex, mail, very rudimentary phone contact, so you had to do everything yourself. So we made all the decisions [ourselves]" (D. Callesen, personal communication, May 14, 2014). For those young staff who could take the training and career opportunities in the THC, the future was bright:

> You've got to remember that the THC was unique in that the trainee programme was world class at that time. Those who were trainees in those THC days were in a unique position of being on the ground floor when there was an explosion

… tourism took off. I think it is harder now, more competitive, harder to get your foot in the door.

(T. DiMattina, personal communication, June 27, 2014)

The combination of early growth, excitement and opportunity in the THC, plus remote locations, poor communications, and great training, created an environment where young managers could develop their skills and exercise decision making without strongly centralised control. The large numbers of imported casual workers mixed with these trainee managers to create a "unique culture … I can't remember any discontent because [we] all had to live together … the staff all worked together and played together" (T. DiMattina, personal communication, June 27, 2014). This unique blend of employment relations also affected union activity in the hotels.

6.5.1 The relationship with unions

From its birth in 1955 to its sale in 1990 (with the exception of the short period in the early 1980s), the entire period of the THC's existence was covered by compulsory union membership legislation. As discussed in Chapter 5, the Hotel Workers Union was one of the largest federated unions in New Zealand and negotiated the awards for the hotel industry with a firm hand. However, the Hotel Workers Union owed its numerical and socio-political strength to the huge numbers of predominantly urban, pub and hospitality workers on its books. The remote tourist hotels of the THC were not the bread and butter of union organising, in part due to the casualised and high turnover staff discussed above. The 1966 NZIER report on tourism potential suggests that because of high levels of casualisation, "staff tend to be disinterested in unions and often find them against their own interests, for example, in restricting the flexibility of hours of employment" (New Zealand Institute of Economic Research, 1966, p. 60). The use of the word "flexibility" in this report is interesting, as "flexibility" would become a

catch-cry of the dismantling of virtually all the award-based employment conditions from the 1980s to the present day.

Interviews with THC managers pick up on the idea of a hotel staff that were disinterested in unions:

> There wasn't [an interest in unions] … I think they [staff] saw themselves more a part of the THC than they did a member of a union. Because of their location … the environment and teamwork was sort of self-regulatory. Someone who had a … union agenda, it would be hard to do that in that live-in situation.
>
> (T. DiMattina, personal communication, June 27, 2014)

There appears to be a difference of perception regarding unions, between managers who ran the more remote hotels, and those in the hotels that appeared in urban areas after 1969. Remote hotel managers speak of very little conflict with a distant union that really just delivered the awards and sat opposite them when personal grievances needed to be resolved:

> I cannot recall any strikes at all in THC hotels. The main issue was dismissed staff going for personal grievances. You'd go and have a quiet talk to the union … quite often Rick Barker, we'd go through a charade for a couple of hours and then settle.
>
> (D. Callesen, personal communication, May 14, 2014)

Gordon Wilson, Tim DiMattina and Nigel Harper all concurred that their times as general managers of remote hotels were not affected greatly by union activity: "I don't think the unions were particularly active and I suppose the only reason they existed was because it was compulsory" (G. Wilson, personal communication, July 2, 2014); "No [the union] was not a presence … There was collective bargaining for pay rates, but that was done elsewhere." It is striking just how peaceful these managers recall the relationships being: "We had no issues with the unions in those days" (N. Harper, personal communication, June 23, 2014); "I can't remember a strike, I don't think there

ever was a strike … from my recollection of dealing with the unions in New Zealand [in those days] … they gave you certainty" (T. DiMattina, personal communication, June 27, 2014).

However, the urban hotels of the 1970 and 1980s are remembered as a slightly hotter environment for the managers:

> Yeah well, every time you had negotiations coming up for wages … it would wind itself up again; put pressure on you to put the wages up. It was massive drama in Auckland, I used to have them all out on strike … it was quite dramatic … it was a hard time dealing with the unions, it really was … today is easy-peasy however.
>
> (P. Clarke, personal communication, June 4, 2014)

Denise Thornton, from the Wellington based James Cook Hotel, remembers unions in a far more threatening mode:

> They [staff] were always taught in their families … "Your father was a unionist then you are a unionist". The union was walking in … slap bang into the middle of the restaurant and talking to a waiter while he was in service. That had to be stopped. They would walk up onto the floors … and intimidate a staff member … they [the staff] were up there all on their own, with no-one to help them.
>
> (D. Thornton, personal communication, April 28, 2014)

It could be argued that remoteness and the associated highly casual, foreign workforce in the "resort" THC hotels led to a more team-based employment relations environment, where the front-line staff were more indifferent to unions and the managers and union representatives were more cooperative. By contrast, the urban hotels, which were established by the THC in the late 1960s and 1970s, were subject to more intense union organising (due to their urban location), greater union interest by staff and more defensive positions from managers due to increased strike action into the 1980s.

In general, the managers show a moderately negative disposition to the activity and aims of unions during this period. However, the comments are balanced between those

who view unions as "a pain" and those who think they have a useful purpose. Particularly unpopular were memories of union negotiations, described as: "a slow, slow process … we'd sit and have coffee, talk about the weekend, they say ok we are going to give five cents more … it was just ridiculous" (P. Clarke, personal communication, June 4, 2014). Denis Callesen remembers negotiations being painful as well:

> About once a fortnight I went to Wellington and sat in a room with Rick Barker … we spent six months writing the award … then we went into negotiations … we spent 30 days in a 12-month period in conciliation including three times going all night, going up to 48 hours. It was just bloody ridiculous.
>
> (D. Callesen, personal communication, May 14, 2014)

Some felt that "what the union was fighting for, well sometimes it was pointless. It was almost that they had to do something to justify their existence" (G. Wilson, personal communication, July 2, 2014). Yet, others stated, "I would be disappointed to see if there wasn't a union to fall back on" (J. Farrel, personal communication, July 30, 2014). Some managers had a pragmatic view of the unions, "You managed them and providing you weren't abusing the rights of your staff, you don't have to worry about them" (N. Harper, personal communication, June 23, 2014), while others were cautiously positive about them, "I don't believe the union movement has in any way adversely affected the hotel industry. From an investor's perspective [unions] wouldn't have taken one dollar off your value … they gave you certainty" (T. DiMattina, personal communication, June 27, 2014). It would take the acceptance of the 1980s deregulation and free-market philosophies and a new generation of multi-national corporate hotel managers to harden attitudes towards unions into the new millennium. Julian Bugledich provides a good example of this new attitude:

> The big shock when I went to New Zealand was the law … that everybody apart from management had to belong to the union. One of the major unions … wanted a sort of partnership between the employees and employer. I said

bullshit. If they want partnership, they are going to have to put up 50% of the money. Right now, I said, we run the hotels and we'll make the strategic decisions, not the employees and not the union.

(J. Bugledich, personal communication, June 21, 2014)

6.6 Conclusion

This chapter has presented findings from interviews and archival research that have illuminated the nature of many labour issues affecting the Tourist Hotel Corporation from the 1950s to 2000. Key findings that will be carried forward to the discussion chapter will include, firstly, empirical evidence that suggests New Zealand has suffered from a very negative public discourse regarding the status of hotel service work. Secondly, the industry's ongoing claim to have uniquely pressured labour issues that required exceptionally flexible labour practices was explored. Furthermore, the findings show that managers have long been aware of the problems regarding recruitment and retention of labour in their sector and have a long history of using migrant labour to mitigate local shortages.

The chapter presented detailed findings of managers' views regarding the impact of low wage rates in the sector before going on to highlight longitudinal hotel hourly pay rates. Key findings from this wage data include the fact that hotel hourly rates, after rising steadily from 1957 to 1974, fell by 24.6% in real value (adjusted for inflation) from 1974 to 2000. By providing comparison data against national average hourly rates, the findings show that hotel rates began to diverge from the national average in 1974 and fell from being 82% of the national average in 1974, to 66% of the national average hourly rate by 2000. While many commentators point to the Employment Contracts Act of 1991 as a key cause of wage collapse in this and other sectors, these data suggest that the hotel wages began to decline in the mid-1970s, long before major employment legislative changes.

The chapter concluded by highlighting the independence that many THC managers had in their roles; often free from direct central office control and direct union action. The findings show that for managers in a remote West Coast hotel, the climate was one of team-based consensus where decisions about employment relations were more a social agreement between manager and staff than a result of distant corporatist structures. Finally, the chapter suggests that during the 1980s, the THC manager's attitudes to the unions changed from an easy going acceptance to a harder, unitarist rejection of the union's part in the employment relationship.

Chapter 7: Findings –1990 to 2000: The End of Corporatist Consensus

> I thought we could survive … I thought, if we could survive before the creation of the IC&A Act [in 1894], we could survive whatever change this hostile Government threw at us. We knew that it was coming. You were not sure what it was, but you got a sense of foreboding.
>
> Rick Barker on the Hotel Workers Union view of the arrival of the Employment Contracts Act in 1990.
>
> (R. Barker, personal communication, July 30, 2014)

> Our employees were very important to us and we treated them as such. Without them we were not going to be successful, so we couldn't beat them up. If anything, we used to kill them with kindness.
>
> Julian Bugleditch on the Southern Pacific Hotel Corporation approach to employment relations in the 1990s.
>
> (J. Bugledich, personal communication, June 21, 2014)

7.1 Introduction

This chapter covers the major changes in the New Zealand hotel employment relations environment from 1990 to 2000. This is a tumultuous period that includes major changes to employment relations legislation, in the form of the Employment Contracts Act of 1991 (ECA) and the Employment Relations Act of 2000 (ERA). The chapter starts by overviewing the arrival of the ECA and outlining the dramatic impact it had on the Hotel Workers Union, including its amalgamation with the Service and Food Workers Union. The many challenges the union faced in the 1990s are discussed and particular focus is applied to the impacts of the ECA on the union, including the comprehensive re-working of their strategies and tactics that the legislative and broader social changes demanded. The chapter then looks at the decade from the perspective of the hotel industry. The sale of the Tourist Hotel Corporation to the Southern Pacific Hotel Corporation is outlined, along with a broader discussion of the developing nature of the New Zealand hotel industry during the 1990s. Attitudes and approaches to

employment relations are discussed in detail, as both the unions and employers sought to adapt to the new legislative, economic and social environment. The changes within the hotel companies' employment relations approach are explored, describing the move from union based collective negotiations to a human resource management based, individual development and rewards system. The chapter concludes with the outcomes of the 1990s employment relations changes and highlights the key attributes of the modern New Zealand hotel ER framework that were in place by the turn of the millennium.

Table 13: Who we will meet in this chapter – Interviewees

	HOTEL EMPLOYERS and MANAGERS
Julian Bugledich	Julian was Regional Manager, New Zealand, of Southern Pacific Hotels (SPHC) from 1990 to 2000.
Denis Callesen	Denis joined the THC in 1970, as a trainee manager, worked his way through many properties before achieving Deputy CEO of the THC by the age of 28.
Penny Clarke	Penny was the first female GM in New Zealand hotels, she started working in NZ hotels in the late 1960s and has held General Manager positions in many properties and brands.
Denise Thornton	Denise is Executive Housekeeper at the James Cook Hotel in Wellington.
Tim DiMattina	Tim joined the THC as an accountant in 1973, he was Financial Controller of the THC by the age of 25. He oversaw the financial management of the THC until 1982.
John Farrel	John worked for the SPHC from 1983 as a Sales Manager, became CEO of Travelodge Hotels Australia in the 1990s, before joining Accor in 1995 as Regional Sales and Marketing Manager, where he continues to this day.
Gordon Wilson	GM of the Waldorf Managed Apartments Group in Auckland.
Graeme Ham	Graeme is Regional Human Resource Manager for Accor Hotels.
	EMPLOYER REPRESENTATIVE
Bruce Robertson	Bruce is CEO of the Hospitality Association New Zealand.
	UNION LEADERS
Matt McCarten	Matt was a prominent Northern Hotel Workers Union and Service and Food Workers Union (SFWU) activist from the early 1980s.
Darien Fenton	Prominent union activist from the late 1980s until the present day.
Annie Newman	Educator and organiser for the SFWU since 1985, currently campaign organiser for the Living Wage Campaign.
John Ryall	Current Secretary for the SFWU, union activist since joining the Wellington Hotel Workers Union in 1985.
Mark Gosche	Organiser and Secretary of the Northern Hotel Workers Union since 1981, after 1990, senior organiser in SWFU, former Labour Party MP.
Rick Barker	Joined the Hotel Workers Union in 1976, past Secretary of the Northern Union, formed the SFWU, former Labour Party MP.

7.2 The Arrival of the Employment Contracts Act 1991: The Death of Tripartite Corporatism and the Birth of the Service and Food Workers Union

The introduction, by the National Government (1990–1996), of the ECA fundamentally changed the nature of employment relations in New Zealand. The new Act contained few of the principles that underpinned the long-established arbitration model; instead, it removed the awards system and compulsory union membership, replacing them with enterprise level bargaining that promoted the rights of individual employees and employers over the previous collectivist traditions (Haynes et al., 2006; Erling Rasmussen, 2009; M. Wilson, 2010). The previous IC&A Act (1894) had been in place almost 100 years and had only recently and briefly been replaced by the Fourth Labour Government's Labour Relations Act 1987. The LRA has been described as "an uneasy balance between allowing direct bargaining and keeping the protective mechanisms of the arbitration system" (Waarden & Simonis, 1999, p. 102). The LRA heralded a period of dissolving tripartite employment relations consensus and growing employer scepticism of collective bargaining (Erling Rasmussen, 2009).

The ECA was "biased in favour of workplace and individual bargaining" (Waarden & Simonis, 1999, p. 102), enforcing this bias by restricting multi-employer bargaining and prohibiting strike action to support multi-employer bargaining, as well as failing to include any requirements for fair bargaining. While the incoming National Government had heralded changes to employment legislation, with most commentators expecting the end of compulsory unionisation, the radical extent of the changes caught many hotel union leaders by surprise:

> I knew we had to strengthen things in the union … moves were on the way for a radical change. What did surprise me was the shape and nature of the ECA. I knew someone who was working on the plan that National was looking to bring in, he kept leaking to me what they were talking about. [But] when the final ECA came out, it was much more radical. The National Party had a think tank

buried deep, that came out with the most extreme form of industrial relations framework they could think of. No-one predicted the extremity of the ECA.

(R. Barker, personal communication, July 30, 2014)

Rick Barker stated he had argued long and hard for amalgamation of the various hotel and service unions, in order to create efficiencies and strengthen the union for the coming changes: "I could see change coming long before Bolger [National Party Prime Minister, 1990–1997], that's why we put emphasis on delegate structures … putting money into education and communication … taking on more organisers … we went on the attack" (R. Barker, personal communication, July 30, 2014). Thus, on the eve of the ECA, the Service and Food Workers Union (SFWU) was brought into being, creating a combined union of more than 100,000 members: "On the day before the ECA came in, the SFWU was formed. That brought together the old hospital and hotel workers unions, all the cleaners' unions and the theatrical and musicians' unions, all under one umbrella" (J. Ryall, personal communication, May 30, 2014). It was definitely a last minute and difficult process, according to Rick Barker:

> I managed to get the union to amalgamate on the very last day at which you could make changes before the new Act [came in]. I had a hell of a job to get [the unions] to do this … they were unwilling in many ways. Within one year we had managed to save a million dollars of expenditure, so all this fragmentation of the union … had cost us hugely.

(R. Barker, personal communication, July 30, 2014)

It is with this new SFWU vehicle that the collective bargaining for hotel workers in the 1990s and 2000s would be undertaken.

SWFU organiser Annie Newman saw the ECA not only as an unexpected shock, but also as the final blow in a series of escalating attacks on unions and collective bargaining in the hospitality and service sector from the mid-1980s: "We were increasingly casualised … there had been changes that broke down the awards before

the ECA, they created unemployment. They didn't need to deregulate the labour market, they just needed to create pressure from people who would do the work for nothing" (A. Newman, personal communication, May 14, 2014). John Ryall concurs that the ECA was the end game in a period of increasing attacks on unions: "Everything had been deregulated, the union movement thought the 1987 Labour Relations Act saved everything, but in fact the writing was on the wall. Employers started putting up demands about breaking up awards" (J. Ryall, personal communication, May 30, 2014). However, there was a strong belief that the new SFWU, building on the militant successes of the late 1980s, could defend workers from whatever assaults would come:

> We thought we were so strong and so militant that there could never be anything as extreme as what we got in 1990. But in the end our militancy was quickly overwhelmed. This was an industry with high turnover and we relied on the award system and regulation.
>
> (J. Ryall, personal communication, May 30, 2014)

Rick Barker made the point that the employment legislation changes reflected broader social and political changes. Not only had the New Zealand tripartite consensus on arbitration and collective bargaining eroded but union defeats in the United States and United Kingdom were having a dramatic impact locally: "The strikes in England against Maggie Thatcher by the miners had an amazing effect here. It became acceptable to have divisions [within the union movement], to be non-strike, to carry on and go to work. The notion of solidarity … got shattered" (R. Barker, personal communication, July 30, 2014). Barker highlights broader social changes that occurred during this period:

> There was a great, deep social change, which people can't quite put their finger on. We moved away from a pre-eminence on collective rights and collective responsibility, to emphasising individual rights and individual opportunities. This mitigated against unions.
>
> (R. Barker, personal communication, July 30, 2014)

Thus, three interrelated social and political changes in this period can be argued to both support the creation of, and embody the content of, the ECA. These three changes also help to explain the powerful impact of that legislation on employment relations in the hotel sector.

1. The broad social changes, mentioned by Rick Barker above, involved a move away from collective traditions and towards individual rights, a move that mitigated against union power.

2. There was a dissolution of tripartite consensus towards the benefits of collective bargaining. John Ryall and Darien Fenton both highlighted the growing opposition of employers to unions and collective bargaining during this period: "The employers from 1988-89 started getting very encouraged by some of the things happening internationally … the Thatcher, Reagan stuff … the whole liberal thing. The pressure was going on to break that [the awards] all up, McDonalds wanted their own agreement" (J. Ryall, personal communication, May 30, 2014). "Employers went systematically about, destroying union organisation and making it impossible for it [awards] to continue … [employers wanted] it to be picked up site by site" (D. Fenton, personal communication, May 1, 2014). The old close (many argued too close) relationship between the brewery magnates, general employers and the Hotel Workers Union was now truly a thing of the past. Generally speaking, the new breed of union leaders (perhaps excluding the longer serving Rick Barker) did not have the very strong personal relationships with business leaders that exemplified "old school" titans like Fred Young. In addition to this dissolution of personal relationships, increased union militancy and the Business Roundtable "radical liberalism" of the 1980s had driven the old corporatist partners into opposing corners of an employment relations boxing ring.

3. The final crucial change affecting the unions of this period was a dramatic reduction in their political influence. The Hotel Workers Union was one of the oldest and most powerful affiliates of the Labour Party; however, as the radical free-market deregulation policies of the Fourth Labour Government (1984–1990) rolled out, the hotel union affiliates became involved in serious in-fighting around the Labour Government's neo-liberal policies:

> Our union was affiliated to the Labour Party. So we had conducted the battle inside the Labour Party against the things that had happened. A lot of unions had left, and the Labour Party was destroying itself. Rather than the right wing leaving, it was the left wing.
>
> (J. Ryall, personal communication, May 30, 2014)

By 1990, faced with the internal collapse of the Labour Party, the Hotel Workers Union, now amalgamated into the Service and Food Workers Union, finally left the Labour Party as an affiliate, ending a long tradition of mutual support. Rick Barker saw this reduction of political influence as fatal. He relates the impact of a fact finding visit to American unions on Mark Gosche and Peter Cullen:

> [Mark and Peter] said our political connections are vastly more important than [they] realised. That we [unions] only got our position in society because of the political connections. Because we had political clout, [we were] able to get good law. The unions in the US were incredibly militant, but were hamstrung because of [US] law … we had to have good law and we had to be deeply involved in politics. I saw that as a critical part of any successful strategy to improve workers' wages.
>
> (R. Barker, personal communication, July 30, 2014.)

Now, the SFWU stood greatly reduced in terms of direct political power, just as the greatest challenge to their survival appeared in the form of the ECA:

> So we left after 1990 [and] the Labour Party completely destroyed itself as a political force that could oppose the ECA. So what we had was an industrial movement that was opposed to it, but there were divisions about how to address this. We had a political opposition that was dead in the water and [thus] we had no ability to raise opposition to what was going on.

By the early 1990s, having lost political influence within the collapsed Labour Party, senior unionists were now faced with the prospect of a National Party that was looking to complete the de-regulatary restructuring started by the Fourth Labour Government, but now focusing on labour market deregulation:

> The whole picture was one of structural adjustment and it wouldn't have been complete without labour market changes, as written by the Business Roundtable. People were saying, leading up to the 1990 election, nothing can be worse than the Labour Government, and I said yes they can, and we lived and breathed that for 10 years.

Thus, as the union faced perhaps their greatest survival challenge, in the form of the ECA, the union representing hotel workers was also dealing with an almost "perfect storm" of other factors that weakened their ability to operate effectively. The corporatist, tripartite consensus supporting collective bargaining that had existed for almost 100 years under the Industrial Conciliation and Arbitration Act had all but evaporated. Employers sought to remove industrial awards and replace them with flexible, individual, enterprise based agreements; their tolerance and support of unions seemed greatly reduced. The very close, "corrupt with a small c" (M. McCarten, personal communication, 6 March, 2014), relations with employers that was such a distinctive attribute of the Hotel Workers Union prior to the 1980s was a victim of both the hardening attitudes of employers and increased union militancy. In addition, the union's political connections had all but collapsed. They were no longer affiliated to the Labour Party, their traditional and long-term ally incapable of credible opposition to policy directions they themselves had initiated. Finally, the broad social milieu seemed to be moving from a collectivist tradition to an individualist paradigm. The specific impacts of these changes on the Service and Food Workers Union within the hotel sector will now be discussed.

7.3   The Impact of the ECA on the Service and Food Workers Union

The passing of the ECA had a devastating impact on the Service and Food Workers Union. The ECA removed the award system and compulsory union membership, whilst encouraging enterprise level, individual contracting. These legislative changes had an immediate and dramatic effect on the union membership:

> It was only a matter of months before the awards collapsed, the hotel award, the fast food workers award, the tea rooms. We lost tens of thousands of members. The Hotel Workers Union had 70,000 members by the time we amalgamated in 1991 with the Service Workers Union, [then] we had 100,000, and within a year we were down to 30,000 – a huge collapse, almost overnight.

> (D. Fenton, personal communication, May 1, 2014)

Senior union officials are unified in their depiction of the ECA as highly damaging to the union. John Ryall stated that the ECA was the most impactful change in employment relations during his career as union leader: "The ECA was just … total devastation, the world had completely changed overnight" (J. Ryall, personal communication, May 30, 2014). Rick Barker concurs, that as a result of the ECA, "thousands and thousands of workers who were employed in the hotel industry … lost contact with [the union]" (R. Barker, personal communication, July 30, 2014). Mark Gosche commented that the fundamental power relationships in employment relations had changed for the worse: "The power imbalance was extraordinary under the Employment Contracts Act" (M. Gosche, personal communication, May 1, 2014).

The collapse of the awards, combined with the end of compulsory union membership and restricted workplace access conditions facilitated the dramatic reduction in union members in several different ways. Firstly, many workers who were no longer required by law to join unions, simply went their own way: "We just got cleaned out of all those places where it had been compulsory to join unions and no longer was" (M. Gosche, personal communication, May 1, 2014); and "in 1991, when people didn't have to join

the union, a lot of people left … they were not just going to sit there and be grateful for being a union member if they didn't think it was worth it" (D. Fenton, personal communication, May 1, 2014).

Secondly, the massive loss of union density in many workplaces required the union to make strategic, survival decisions about which sectors to remain active in:

> You had to start thinking, will you have the staff to run around and do the intensive amount of work it is to sign up every casual worker, every restaurant worker … all of those tiny little restaurants? There was absolutely no way you could do it. You had to cut your losses, where were you likely to keep enough members of the union? We really did retreat to the big hotels.
>
> (M. Gosche, personal communication, May 1, 2014)

There is considerable debate over the legacies of the ECA (Bollard & Buckle, 1987; Dixon, 1998; Harbridge, 1993; Harbridge & Walsh, 1989; James, 1986, 1992; Kelsey, 1993; Erling Rasmussen, 2009; Roper, 2005; Trotter, 2007), with Rasmussen (2009) pointing out that the argument is clouded by problems in identifying causality, lack of adequate data and bias in evaluation and interpretation. However, one clear outcome of the ECA was a dramatic reduction in multi-employer collective agreements (the traditional awards), with nationwide multi-employer agreements dropping from 59% in May 1991 to 8% by September 1992 (Erling Rasmussen, 2009, p. 87). Another uncontested outcome from the ECA was a massive drop in union membership, with nationwide union membership falling by over half, from 648,000 in 1989 to 302,000 in 1999 (Erling Rasmussen, 2009, p. 92). Union density (union members as a percentage of the total employed workforce) fell by even more, from 44.7% in 1989 to 17% in 1999 (Erling Rasmussen, 2009, p. 92). The hotel/retail and wholesale sector was one of the worst affected with a decline in union membership of 81% by 1999, the third worst of all measured sectors (Erling Rasmussen, 2009, p. 93).

However, the Federated Hotel Workers Union membership numbers presented in Figure 4 suggest that significant membership decline had started as early as 1985. These membership numbers, in combination with the wage data presented in Figure 1, indicate that both wage decline and membership decline had started well before the ECA of 1991 and were part of a longer-term trend. With wage decline starting in the late 1970s and membership decline starting in the mid-1980s, new questions are raised regarding the causes of this pre-1991 decline. The membership figures in Figure 4 stand in contast to figures quoted by Darien Fenton on page 179 and raise interesting questions for further research.

Figure 4: Total membership of the Federated Hotel Workers Union (1955–1986)

This figure shows the total membership of the Federated Hotel Workers Union from 1955 to 1986. The Federation consisted of all the regional hotel workers' unions of New Zealand. They are based on the annual reports of the Federation of Labour (FOL). The annual reports for years 1979–1981 were not archived, possibly due to the transition of the peak union body from the FOL to the Combined Trade Unions (CTU). Under the CTU, reports initially appear to have moved to a two-yearly cycle.
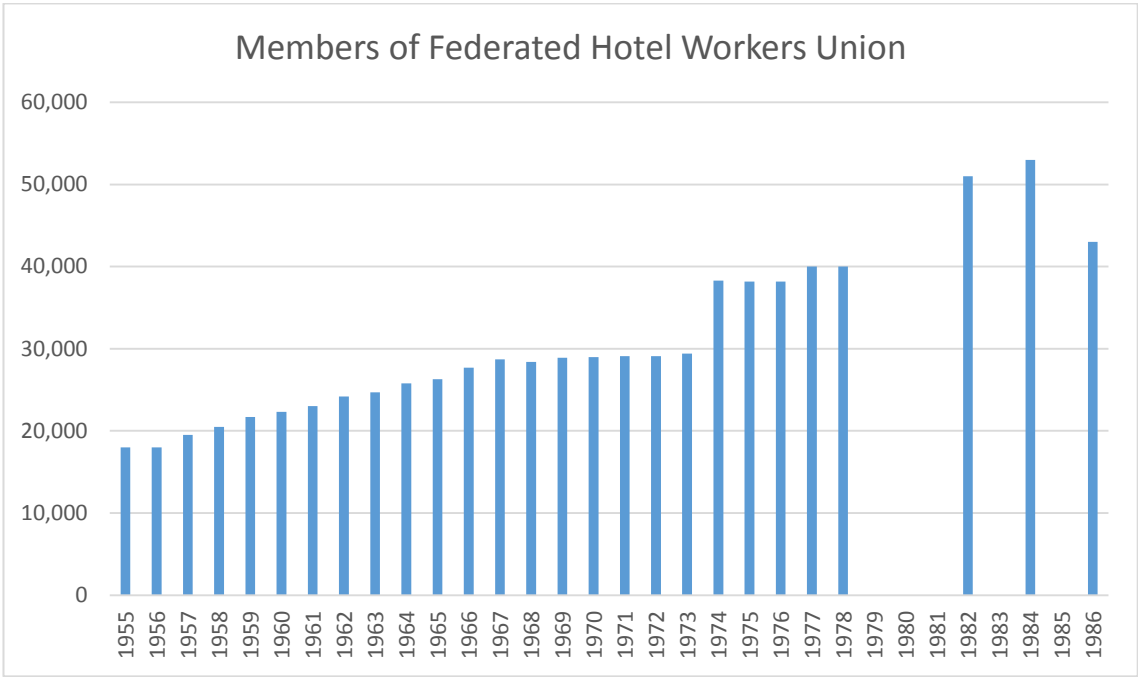
The union was forced to retreat from active involvement in the huge number of small restaurants, cafes, tearooms and other small to medium enterprises in order to survive. Partly this was because the rapid loss of density in many sectors not only required painful decisions about where to apply resources, but the resources to be applied were concurrently plummeting. The collapse of the awards resulted in employers stopping automatic union fee deduction, so even in workplaces where union density may not have collapsed, fees were often withheld: "We had a financial crisis. It was the early days of computers, when the ECA came in, employers stopped deducting. It was only a matter of time before the fees stopped coming in … and the union discovered there was a financial crisis" (A. Newman, personal communication, May 14, 2014). Just when the union needed as much strength as possible, they faced massive reductions in resources:

> There was a crisis meeting and major restructuring. People were made redundant, senior leaders reduced their pay … Mark Gosche took a big pay cut and lots of organisers were made redundant, somewhere around 30% of the staff.
>
> (A. Newman, personal communication, May 14, 2014)

A third factor affecting union membership was that union access to the workplace faced a much more hostile reception from employers. The ECA tightly prescribed when and how unions could access the workplace, and employers flexed their muscles in this new legislative environment. Front-line organisers described a dramatic change in employer attitudes during this time: "We had hugely hostile hotel chains … you would walk into the Park Royal and you'd be shown the bloody broom cupboard … they would bring members to you there" (A. Newman, personal communication, May 14, 2014); "The union organiser would ask to talk to the workers and they would be put into a room and the boss would go yell out, 'The union is here, who wants to see them?' … Everyone would go, 'No, not me'" (D. Fenton, personal communication, May 1, 2014). Darien

Fenton and Annie Newman described the period: "Just a series of awful intimidating tactics … that made it really difficult" (D. Fenton, personal communication, May 1, 2014); "It was very difficult to withstand the tirade of opposition and the soul destroying experience of being hated everywhere you went" (A. Newman, personal communication, May 14, 2014). John Ryall sums up the impact of this changed environment on union organisers:

> People who were good organisers, it was pretty devastating for them to watch employers, who in the previous regime had formed personal relationships [with the union organisers], let you into the workplace, [said] "Yes, we want a union here," [said] "Just come and see me if there is an issue"; [were] suddenly saying, "I'm sorry we don't want union organisers here. No one wants to see you."
>
> (J. Ryall, personal communication, May 30, 2014)

Annie Newman pointed out that even though the union won an important union access case against the Southern Pacific Hotel Corporation in the early 1990s, by the time the access rights were resolved, it was too late: "By the time we got through those cases we were screwed in the sector. It was all over bar the shouting" (A. Newman, personal communication, May 14, 2014).

In addition, the union also faced challenges with some workers. Some employers had been telling staff that under the new ECA regulations, unions were no longer allowed. As Darien Fenton pointed out, many of these workers were highly vulnerable anyway: "They were all predominantly part-time, casual, low paid, terrified of losing their jobs" (D. Fenton, personal communication, May 1, 2014), and thus easily found themselves in situations similar to this:

> I went to a bottle store and a worker said, "The unions have been abolished." And I said, "No, they haven't." She said, "Oh, that's what I was told, because everyone in our place has left the union because the employer said the unions have been abolished and we have to negotiate individually, so we have interviews from nine o'clock till three o'clock [tomorrow]."
>
> (J. Ryall, personal communication, May 30, 2014)

Finally, the union faced ongoing erosion of their traditional power due to several other factors. Firstly, high labour turnover in the hotel sector further reduced membership numbers. Secondly, they faced increased pressure from hotels that had quickly dismantled the penalty pay rates, as these hotels were more competitive than hotels that maintained the old conditions. Thirdly, new-build hotels were not required to be covered by awards and could thus deflect union approaches. As John Ryall pointed out:

> After 1991, you build a new hotel, you're not covered by the award. If the union tries to get in, you say, "We don't want the union here, have you got any members [on our staff] if so, tell me who they are." So new places could set up, looking nice, with lower wage rates. The older place down the road requires a lot of money to be brought up to scratch, has high overheads as a lot of staff are still on union rates, and pretty soon those old places have disappeared.

> (J. Ryall, personal communication, May 30, 2014)

After the adoption of the ECA in 1991, the SFWU faced multiple, dramatic and debilitating challenges. The collapse of the awards, high labour turnover, reduced workplace access and the end of compulsory unionism resulted in catastrophic membership loss. The resulting loss of membership fees created a financial crisis that required radical restructuring of the union and painful strategic decisions to abandon sectors that could no longer be organised due to lack of resources. This "downward spiral" was further aggravated by growing employer resistance to collective bargaining and competitive pressures between hotel employers that started a "race to the bottom" in terms of pay and conditions. The next section will discuss the impacts of these changes on the unions' approach to employment relations in the 1990s.

7.4 The Impact of the ECA on Union Approaches to Employment Relations in the 1990s

The challenges faced by the SFWU listed above required a radical reshaping of union strategies during the 1990s. The impacts of the ECA were particularly intense in the hotel and hospitality sector, as described above, resulting in a dramatic refashioning of

union activities in this sector. Annie Newman described the many new approaches required in the post-ECA environment:

> It was really cutting edge. We were exploring new ground. Under awards you never had to map a workplace, you never needed to know where everybody was, the fees just came in. Suddenly you had to think about every individual, how are you going to get fees from them – we needed highly trained delegates.
>
> (A. Newman, personal communication, May 14, 2014)

Suddenly the union needed to create new agreements and develop new skills for organisers, all in a very short time frame: "We needed to be much more multi-skilled, to pick up new roles. The first agreement I negotiated was for the National Women's Refuge, [I remember] sitting down and saying, "Right, what does a contract look like?"" (A. Newman, personal communication, May 14, 2014).

John Ryall, Darien Fenton and Mark Gosche all agree that the post-ECA period was one of great challenge and creative re-imagining of what the union could and should do: "[The ECA] caused a huge crisis in the union … awards collapsed, they lost penalty rates … we tried to negotiate side by side, but it didn't work" (D. Fenton, personal communication, May 1, 2014); "We couldn't do things as we had done before and we were trying to work out a new strategy to organise in that new environment, which was pretty tough" (J. Ryall, personal communication, May 30, 2014); "Well, you had to start thinking … where you had to cut your losses and where you were likely to keep enough members of the union" (M. Gosche, personal communication, May 1, 2014). Annie Newman suggests it was both a hard and very exciting time: "They were times of great excitement because delegates were getting a sense of finding new ways to do things, if they were going to survive!" (A. Newman, personal communication, May 14, 2014).

The new strategy was necessarily pragmatic and involved concentrating resources where they would do the greatest good in terms of reducing the loss of members. Mark

Gosche outlined the retreat from organising in small businesses and concentrating on maintaining collective bargaining in the large hotels and multi-site restaurant employers:

> Sign up every casual worker … in all of those little tiny restaurants? There was absolutely no way we could do it. You would have kept a handful of people scattered right throughout, but how could you service them and bargain for them? So we did retreat to the big hotels. Collective bargaining for that sort of workforce is actually more efficient from a business perspective, which is why McDonalds continued to essentially co-operate with the union.
>
> (M. Gosche, personal communication, May 1, 2014)

Mark Gosche argued that maintaining the collective bargaining process, even while losing penalty rates and allowances and seeing wage rates drop, was the only choice the union had: "We don't bow down to that sort of pressure, but in the end I had to because we would have got screwed, because they [had] the power of the ECA to make life so difficult for us that they could have cleaned us out" (M. Gosche, personal communication, May 1, 2014). Gosche describes the strategy as one of cooperating with the employers for survival, in order to build a platform for future union rebuilding:

> They did play ball with us … not with any altruism, but because it suited their purpose … it was what makes sense business wise. You had to accept that was the reality. It was good because it allowed you to continue unionism and try to build a proper organising model in that 90s period. If they had stopped deducting our fees, stopped us having right of entry, gone to the letter of the law, we would have been done.
>
> (M. Gosche, personal communication, May 1, 2014)

However, Rick Barker and John Ryall were quite critical of what they saw as a "capitulationist" approach during this period: "The Auckland Hotel Workers Union (by now part of the SFWU) where Mark [Gosche] was, basically abandoned the hotel sector. They had no organisation in there at all ... I find this lamentable" (R. Barker, personal communication, July 30, 2014). John Ryall concluded that:

> The strategy of the union became, if only we collaborate with the employer, especially those big hotels, we can save the union for a period. So to keep the union fees deduction clause, you gave up penal rates, you made other concessions, you tried to convince members that we should be in partnership with large employers to stop the worst excesses. I think it was a failed strategy.

(J. Ryall, personal communication, May 30, 2014)

Ryall argues that this strategy failed to maintain union membership: "Workers took the view, why do I need to pay a fee to the union and get them to give up my conditions, when I can give up my conditions myself without any fee?" (J. Ryall, personal communication, May 30, 2014). Ryall also argues that the strategy failed to temper employer demands: "The new collective agreement with all these hotels was destroyed pretty easily by the union giving up penal rates. That encouraged employers. It encouraged them to deny access for union officials and to tell workers that unions had been abolished" (J. Ryall, personal communication, May 30, 2014). Ryall concludes:

> The strategy was, trying to convince those hotel employers that the union added value to their business, and that's ok if you are well organised and have a militant workforce, but given that the union was up against it, well we would have been far better off just trying to organise the workers. Getting together with these major hotel employers, I think was a total failure.

(J. Ryall, personal communication, May 30, 2014)

By the end of the 1990s, the ECA had forced the SFWU to radically change its approach to negotiation and representation of the members. The new employment relations environment undermined traditional approaches:

> We tried [traditional] wage campaigns, but you can't organise these places through traditional organising methods [anymore]. The traditional method was send an organiser, find some people to join the union, expand, build up membership and then start bargaining. Unfortunately, [in the new environment] you never get enough [members], because they leave.

(J. Ryall, personal communication, May 30, 2014)

In addition, the ECA allowed employers to slow down bargaining and "frustrate the process, so even if you do get to bargaining, people who are new to the union, well they

expect instant results and get disillusioned, they leave the union" (J. Ryall, personal communication, May 30, 2014). The union had to focus on sectors where they still had workable density and change tactics from direct militant action to a more subtle form of pressure: "If you had enough membership and commitment and leverage, you could have a go at the brand … put pressure on the brand to force the franchisee to do something about it … but probably, they're quite small gains" (J. Ryall, personal communication, May 30, 2014). The threat of strike action and the use of media to pressure brands started to replace direct action: "People didn't want to have bad PR, having a strike or a picket outside. We got quite good at using the media and getting our disputes into the media and usually … winning the media war" (M. Gosche, personal communication, May 1, 2014). However, progress was slow and wages, conditions and membership remained stubbornly depressed.

The union also faced considerable challenges from employers who were responding rapidly to the new legislative environment. Employers reacted quickly to building new workplace agreements from scratch: "All of those things were new. Now we have templates for agreements, but in those days, suddenly there was no award. Groups like the Hospitality Association brought out a pathetic template agreement which they rolled out everywhere" (A. Newman, personal communication, May 14, 2014). Bruce Robertson, CEO of the Hospitality Association of New Zealand (HANZ) corroborates Annie Newman's assertion that HANZ were active in distributing new employment agreements: "We developed a significant employment advisory service. National awards had gone, so we … turned that into an individual agreement … and provided members with advice around individual agreements, letters of offer, how to hire and fire, the whole lot" (B. Robertson, personal communication, April 29, 2014). Hotel corporations were also quick to experiment with new forms of negotiation:

CDL, which was running Quality Hotels, were bringing in consultants to run their bargaining process. They had a group called "Champagne Consultants" [laughter] which was setting up alternative … in-house collective groups. They were people who were not in the union, but would come along to negotiate with the union. There was always debate [within the union] over whether we should sit at the same table as them.

(J. Ryall, personal communication, May 30, 2014)

Throughout the 1990s, the combined efforts of the union, in a deeply challenging environment, allowed the movement to maintain a presence in the hotel and service sectors and survive long enough to reach the slightly more secure ground of the Employment Relations Act of 2000: "It was about trying to maintain, hanging on to the union influence, because the Service Workers' influence is much bigger than people think. There [remain] specific pieces of legislation that are there because of service workers' campaigns" (D. Fenton, personal communication, May 1, 2014). Mark Gosche argues strongly that without the compromises undertaken during this period, the union would not have survived at all: "I think we acted just in time, so that there was still union organisation in those large hotels, post-ECA. If the union … had just stayed like that [the old militant approach], it would be a tiny weeny little rump" (M. Gosche, personal communication, May 1, 2014).

The debates (outlined above) over the various union tactics and strategies employed during the 1990s can be seen to partly reflect political rivalries within the leadership of the union. The interviews with senior unionists show a tendency for current union organisers to criticise the strategies and approaches of previous leaders. The "new wave" of union leaders who came to prominence in the 1980s have been very critical of the "smoker joker" generation (exemplified by Fred Young) of the 1950s, 60s and 70s. In the same way, current leaders of the SFWU like John Ryall and Annie Newman tend to question the choices of those now retired leaders such as Mark Gosche. While political rivalries and the benefit of hindsight need to be taken into account, the fact

remains that the 1990s demanded difficult choices to be made in a very rapidly changing employment relations environment.

The election of the Fifth Labour Government in 2000 brought a decade of great tribulation for the SFWU to a close. Helen Clark's incoming government had signalled their intention to repeal the ECA and rebalance the legislative environment with the more "collective friendly" Employment Relations Act. A bloodied and bruised hotel union joined the wider voting public in the hope that the last 15 years of stormy, radical reform would now move into a period of gentler, centralist calm, where some of the losses of the previous decade could be reversed. However, new legislative directions would turn out to be surprisingly ineffective in a society that had been fundamentally changed over the "revolution" years. The hotel business environment had transformed itself since 1984 and it is these changes within New Zealand hotel ownership and management that will be discussed in the next section.

7.5 Employers and the Hotel Industry in the 1990s

It seems remarkable that 1990 saw the end of both the monolithic institutions that had determined so much of the employment relations world in New Zealand hotels since the 1950s. The Federated Hotel Workers Union had disappeared and been replaced by a much broader yet weaker SFWU and the mighty THC had been sold to Southern Pacific Hotels Corporation (SPHC). The sale of the THC marked a dramatic change in the strategies, aims and employment relations approaches of the hotel management. Employees and managers in the old THC hotels faced several major changes, almost overnight. The hotels were now owned by a Chicago-based multi-national hotel corporation, rather than the THC, a New Zealand based state owned enterprise. In addition to a radically new ownership situation, the New Zealand ECA 1991 had revolutionised the employment relations space and severely reduced union membership,

power and influence in the hotels. In 1990, the future of work in New Zealand hotels seemed to be entering an entirely new phase.

7.6   From THC to SPHC

The sale of the THC to SPHC was symptomatic of the neo-liberal restructuring of New Zealand started by the Fourth Labour Government in 1984 and continued on by the Fourth National Government after 1990. The sale of the THC answered, in a definitive manner, the question that had been asked throughout the development of the hotel and tourism industry in New Zealand; should the Government be in the hotel business? The answer from the Fourth Labour Government was a resounding "No":

> I was in the Prime Minister's office looking at Roger Douglas's list of stuff he wanted to sell … The THC was right up there. They saw no need for the Government to be involved in the hotel industry. The general consensus was that it [the THC] had fulfilled its role … [and] should be sold.
>
> T. DiMattina, personal communication, June 27, 2014.

The timing and manner of the sale was controversial amongst the senior THC managers involved. Many felt the THC was packaged up for sale hastily and that the true value of the hotel group was hidden beneath the appearance of high debt levels: "The Government was hell bent on selling state assets, we didn't even know we were for sale until this corporate undertaker …who was an absolute arsehole from Fay Richwhite [prominent merchant bankers], walked in the door and said, 'I'm here to sell the THC'" (D. Callesen, personal communication, May 14, 2014); "It was an outrageous time to sell and the way they sold it was outrageous … they didn't do enough to prepare it for sale. Three years later they could have got a huge amount of money for it" (T. DiMattina, personal communication, June 27, 2014). Tim DiMattina had been Financial Controller for the THC and was acting for SPHC in the purchase of his old employer, as he puts it:

I was [now] one of the purchasers and had a huge advantage because I knew where the gold nuggets were. It **appeared** highly geared [in debt] at the time, but actually was not, when you looked at the true value. When you sold off the individual hotels and recouped capital, but left in place management agreements, you were left with an infinite return on your investment.

(T. DiMattina, personal communication, June 27, 2014)

Thus, SPHC got the deal of the century. The Regional Manager of SPHC at the time, Julian Bugleditch stated: "We bought it for $91 million plus assets, $100 million or so all up for all of the hotels. Through bad decision making they [the Government] lost the [THC] hotel group" (J. Bugledich, personal communication, June 21, 2014). In 1989, the THC held assets and capital of $106 million (The Tourist Hotel Corporation, 1990), so as soon as SPHC finalised the purchase, they set about selling off the hotel properties to new investors, whilst holding on to the management contracts for the most profitable sites:

We basically ripped the crap out of the company and just kept the jewels. We wanted to sell the hotels. Our philosophy was, we were not hotel owners, we were hotel managers. If we could dispose of the properties and maintain management agreements, that was the objective. We sold about $90 million worth of property and still had … the management rights. So we recouped … the [initial] funds basically and were still earning good money.

(J. Bugledich, personal communication, June 21, 2014)

SPHC were the first New Zealand hotel group to establish the now common practice of separating the physical ownership of hotel property (land and buildings) from ownership of ongoing management rights. This separation of management rights from property ownership would have important effects on employment relations in New Zealand hotels to the current day. The shedding of physical property ownership freed up capital for the new, multi-national hotel groups to develop their marketing and brand strengths, concentrate on distribution channels and allow them to focus on cost reducing management of the hotel labour force. The high depreciation and property management costs that hobbled the THC were no longer concerns. Freed of the old THC directives to

develop tourism infrastructure and service skills; freed from property maintenance and re-investment; freed from collective agreements and union power, the new hotel owners, SPHC, could focus on profit generation and cost-cutting human resource management.

7.7 From Awards to Engagement

The first order of business for the incoming SPHC management team was to replace the old national award with a new agreement and in the process, get rid of weekend and overtime penalty pay rates: "[Employers] all had views about things [in the employment agreements] that they thought were unnecessary, like weekend rates and overtime rates … they thought yippee … it made labour cheaper and drove down the costs" (D. Fenton, personal communication, May 1, 2014). Senior SPHC managers could see the opportunities to make changes coming with the new National Government in 1990: "It was obvious that there was going to be a change of Government … and that compulsory unionism would go. [Penalty rates] were really a severe impediment on how you ran your business" (D. Callesen, personal communication, May 14, 2014). It was a long held view by most senior hotel managers that penalty rates were holding back the industry and had to go:

> I researched it and 54% of payrolls [in SPHC hotels] were made up of penalties and allowances … so we had to get out of that.
>
> (D. Callesen, personal communication, May 14, 2014)
>
> Things were very expensive because we paid time and a half and double time … only international guests could afford it.
>
> (D. Thornton, personal communication, April 28, 2014)
>
> The "Nationals" came in … and there was this move to get rid of penalty rates, because penalty rates were killing us. For an industry that is a 24 hour and seven day a week industry, it just made no sense.
>
> (J. Bugledich, personal communication, June 21, 2014)

Taking advantage of the new ECA, the SPHC went about negotiating a new agreement that got rid of penalty rates and marginalised the SFWU at the same time: "We sat in a room with Rick Barker and we were the first award to get rid of weekend penalties … [but] we never settled, the award remained unsettled" (D. Callesen, personal communication, May 14, 2014); "So we got employees to elect their own representatives … to discuss the collective. The union said no at first and then realised they were going to be totally excluded" (J. Bugledich, personal communication, June 21, 2014). The SPHC head Julian Bugledich and Regional HR Manager Terry Hiltz engaged in a year-long campaign to replace the old award with the new agreement:

> With Terry we … embarked on a road trip … convincing employees to come into this agreement. We [moved] into individual employment agreements, but we had a lot of convincing [to do], we had about 1,800 union members. The union didn't want to take part … so we didn't increase their [the employees in the union agreement] salaries. The union didn't want a bar of it, as a result, they were excluded from the bargaining process, which was quite a big shift industrially … it took away a lot of the negotiating ability of the union. We went from 1,800 [union members] down to about 120.
>
> (J. Bugledich, personal communication, June 21, 2014)

This period marked a transition in the attitudes and rhetoric of hotel managers. They (mostly) moved from a previous easy going, pluralist tolerance of unions in the workplace to a more unitarist, human resource management based approach. At this time, unionists like Mark Gosche were trying to convince hotel owners that partnership with organised labour could add value to their organisations. However, SPHC head Julian Bugledich encapsulated the new attitudes of multi-national corporate hotel ownership:

> One of the major unions spoke to our consultant and said … [we] want some sort of partnership between the employees and employer. I said bullshit, if they want to have partnership they are going to have to put up 50% of the money, then we can talk about partnership. I said we run the hotels and we'll make the strategic decisions, not the employees or the union.
>
> (J. Bugledich, personal communication, June 21, 2014)

Management notions of "rigid" collective agreements and union based negotiation of conditions were replaced with a new focus on "flexible" human resource management and engagement that no longer required union "interference": "Because you had such rigid … awards, nobody in hotels had to do too much in terms of the HR function. Employers [now] needed to actually think about managing their staff whereas previously … the award structured the way they worked" (B. Robertson, personal communication, April 29, 2014); "We went and appointed HR managers to the larger hotels … the THC [HR] was centralised and it was a processing responsibility … pay rolls, leave forms. SPHC had a completely different philosophy. Ours was about developing people" (J. Bugledich, personal communication, June 21, 2014).

Senior SPHC management made it clear that unions were no longer required, with Terry Hiltz famously being fined $10,000 in the Employment Court for unreasonably restricting union access to the James Cook Hotel: "He was the one who … told the workers that the union was an interfering mother-in-law … and should be kept out" (J. Ryall, personal communication, May 30, 2014). The key idea was that individual engagement and development would allow advancement and reward, rather than union based collective negotiation of improved conditions:

> So we would attend staff meetings, gatherings, so we would always be engaging. We started to come up with training programmes, development programmes, "train the trainer" stuff like that. People responded to it exceptionally well … these people have gone on to bigger and better things.

> (J. Bugledich, personal communication, June 21, 2014)

7.8   Outcomes of the 1990s Employment Relations Approach

Hotel managers seemed to find the new empowerment and engagement based HRM approaches to their liking: "It was the best time ever in a management sense of running a hotel where everyone contributed and you had a sort of feeling where you put someone new in a responsible role each night. We used to have some wonderful times"

(P. Clarke, personal communication, June 4, 2014). The combination of training and development with global employment opportunities was a new and powerful motivator in the hotel sector:

> I found it very stimulating, I guess my growth happened then because of the opportunities afforded me. Fabulous people like Terry Hiltz was in charge of that service revolution … he was such a motivational person. They gave you opportunity and they made you aware you were very much a part of a global organisation.
>
> (D. Thornton, personal communication, April 28, 2014)

The new employment relations environment also seemed to suit the needs of these hotel managers in terms of flexibility, control and removing union influence:

> Certainly we needed the sort of contract we've got now. I mean I employ staff now that would not know what a union is.
>
> (P. Clarke, personal communication, June 4, 2014)
>
> You didn't have the restrictions, Mary sitting over there saying, "I can only work Monday to Friday." It allowed you to have cupboard full of people, more open to casual work … it became more manageable.
>
> (D. Thornton, personal communication, April 28, 2014)
>
> It is so much easier now of course. I mean there are laws that we live under … but there's no union presence as such.
>
> (N. Harper, personal communication, June 23, 2014)

Despite the costs of having to manage large numbers of individual contracts and the threat of legal sanction through the employment courts, hotel managers were universal in their preference for individual employment agreements over union negotiated collective agreements: "We don't have union reps coming in here and winding staff up. It's better for the management and it's better for the owners … it's more fair these days" (N. Harper, personal communication, June 23, 2014). However, some managers are

more reflective about the impact that these labour cost savings have had on long-term employment trends:

> I actually thought it was a good change … [but] before [the ECA], you could get people to work on Saturday or Sunday because they would get time and a half. So we haven't helped ourselves … that's why we have all these migrant workers [now] because they don't mind what day of the week they work.

> (P. Clarke, personal communication, June 4, 2014).

While some managers like Julian Bugledich see the 1990s as a triumphant period of union defeat, business success and employee empowerment: "It wasn't good for the Service Workers Union, but it was very good for employees" (J. Bugledich, personal communication, June 21, 2014), others are more circumspect about the impacts on employees: "It was better for business, it was a huge leap backwards for the workforce themselves" (D. Callesen, personal communication, May 14, 2014). Many of these managers derided the old THC management for its emphasis on tourism infrastructure and service skills development over profit generation. However, the arrival of the very profit focused SPHC and other multi-national corporate hotel groups has raised questions with some senior hotel leaders. According to Tim DiMattina, the modern hotel industry, with its high staff turnover, low wages and a dependence on short-term visa based migrant labour, was the result of a "double whammy" in the 1990s:

> I thought at the time the legislative changes had the greatest impact … but then **that** was swamped by the internationalisation of the industry. There is no longer such a thing as a New Zealand hotel industry. There is just the [global] hotel industry operating in different parts of the world.

> (T. DiMattina, personal communication, June 27, 2014)

DiMattina goes on to argue that the combination of 1990s legislative change and the arrival of an international, almost entirely profit focused management approach has resulted in the current poor conditions of employment in New Zealand hotels:

> The industry has done it to itself … you know, with cost savings. You've got to understand, the profit motive drives everything - if you are Accor running a hotel for an Indian entrepreneur, is he going to give a shit about whether you pay your staff too much or not? He thinks you're overpaying them anyway. Whatever you pay them, the Indian will think it is too much.

(T. DiMattina, personal communication, June 27, 2014)

DiMattina highlights the risk to employees when hotel properties are sold. Employees may think they are employed by Accor, for example, but in fact are contracted to the hotel property owner, which can result in a lack of security around employment conditions when the property is sold to a new owner: "They're not protected by the employment policies of say Accor, they are not protected at all. They are at the whim of the bloody Singaporean who doesn't give a shit" (T. DiMattina, personal communication, June 27, 2014). Graeme Ham, Regional HR Manager for Accor partly concurs, but places the responsibility for poor conditions as much on local shoulders as on convenient foreign ethnic stereotypes:

> We have done it to ourselves. New Zealand legislation has allowed us to pick the low-hanging fruit, rather than make the effort to train, retain and develop our staff. Look, it is easier for us to say to foreign owners, "The law states you have to pay $18 bucks an hour", then they will do it or not, but if the law states you can pay nothing, they will demand that.

(G. Ham, personal communication, March 6, 2014)

The legacy of the THC transfer of assets to the Southern Pacific Hotel Corporation proved to be mixed. Expectations were that the SPHC, freed from the capital restraints of property management and freed from the restraints of "rigid" union based collective negotiation would prosper. This proved to be the case, but it did not end up being of advantage to the New Zealand hotels, managers or employees: "SPHC … New Zealand were doing well, [but] SPHC Australia was a disaster" (D. Callesen, personal communication, May 14, 2014); "We were sending back [to Australia] about five or six million dollars a year at that stage" (J. Bugledich, personal communication, June 21,

2014). Denis Callesen argues that in the 1990s, the SPHC actually oversaw a large step

backwards in service and hotel quality:

> All the cash profits were going to Australia, so [there was] no capital
> expenditure, a sinking lid type [of management] … I think it took quite a leap
> backwards. THC's level of service, training, management, quality was far better
> than what SPHC was [offering].

(D. Callesen, personal communication, May 14, 2014)

The nature of multi-national ownership made itself felt quickly in the New Zealand

based SPHC management. The disastrous performance of the Australian SPHC hotels

had dramatically reduced the value of SPHC internationally: "By 1993 the shit had hit

the fan, the book value of the company was nothing … zero … there were more debts

than income" (J. Bugledich, personal communication, June 21, 2014). Tim DiMattina,

the man who had packaged the THC for sale to SPHC, found himself in the ironic

position of preparing the still profitable New Zealand hotels for sale again: "Ironically,

my job for the last five years [from 1995] was to prepare SPHC for sale. We got a great

price when we sold to Intercontinental … if I had been able to do that for THC, well

that would have been a different story" (T. DiMattina, personal communication, June

27, 2014). The SPHC sold in 2000 and many of the surviving managers from the THC

days went on to work for the newly emerging giant Accor, or seek new opportunities in

Asia.

As the millennium approached, the basic components of the modern New Zealand hotel

employment relations framework were in place. A rapidly growing tourism market was

feeding huge growth in hotel room numbers, most of these expanding hotel chains were

now owned by multi-national corporate giants like CDL, Accor, Intercontinental and

Hyatt. Scenic Hotels was the only remaining New Zealand owned hotel company of any

size. Almost all of these companies now focused on the management rights of hotels

rather than ownership of the properties, pursuing strictly rational, profit-based goals,

with lean and flat management structures. Union density in the hotel sector had fallen to around 10% and the vast majority of employment conditions were decided by individual contracting. Very few collective negotiations now took place in hotels and direct industrial action was very rare. Skills shortages, low wages, high turnover and a dependency on immigrant labour now appeared to be permanent, defining characteristics of the hotel labour market. The only question on managers' minds seemed to be whether the incoming Labour Government would dramatically change the game with their new Employment Relations Act.

7.9 Into the Millennium: The Employment Relations Act, 2000 and Modern Employment Relations in New Zealand Hotels

The view of senior hotel union organisers regarding the impact of the ERA, 2000 is unanimous:

> I think the ERA had a lot of hope that it hasn't delivered on. I mean it was quite attractive after nine years of bloody shit, [getting back] the right to collective bargaining, and in fact, between 1999 and 2002 our union grew by about 25%. But our membership was so low that we needed … years, just organising to get some structure. Nothing much had changed, they still didn't need to conclude an agreement … there was still the problem of free-riders … turnover, none of that stuff had changed.
>
> (D. Fenton, personal communication, May 1, 2014)

While things were better than under the ECA, the fundamental changes required to reverse the losses of the 1990s were not there: "We changed the law, what we ended up with was not good enough. Workers who were in a very weak position were never going to get things by goodwill. We needed [something] to give them support … that was arbitration" (M. Gosche, personal communication, May 1, 2014). Annie Newman highlighted the key problem that the ERA contained for contemporary employment relations in the hotel and service sector:

> The ERA is described as an enabling act and I challenge that, it is a constraining act. The person who holds the money is not at the table, [for example] Auckland

Council does not sit down [with us] when we negotiate for the cleaners, because they say, "We've contracted that out, it's not our problem".

(A. Newman, personal communication, May 14, 2014)

The SFWU now finds itself in a place where traditional organising in the workplace does not seem to work: "There is simply insufficient power in the workplace … we've been corralled into this very small space under the ERA … we have discovered that [organising in the workplace] is insufficient to apply pressure to change the level of wages" (A. Newman, personal communication, May 14, 2014). This is driving the union to seek innovative ways to organise in the wider community:

> The whole process of how you build an active union needed to be re-evaluated … the latest way is by talking about a living wage. How do we lift people out of poverty? If power doesn't sit with the parties who are bargaining … if we can't access workers on a job … how do you have influence? You have to have it in the community, because you can't have it in the workplace.
>
> (A. Newman, personal communication, May 14, 2014)

John Ryall and Darien Fenton agree on the impacts of contracting out and poor conditions on the wider community: "There is more and more contracting out and casualisation, a creeping marginalisation, I don't think it is good for anybody" (D. Fenton, personal communication, May 1, 2014).

> People are entitled to a living wage … the only way you are going to get that is some form of [collective] bargaining. This is not just an issue for workers in the hotel, it impacts on the whole community … the local economies. [It's about] putting pressure on the hotel as a good employer … if they want a good brand in the community … if they don't, then we are going to start community action against your hotel.
>
> (J. Ryall, personal communication, May 30, 2014)

While the union looks to innovate collective action into the community, hotel management find themselves in a highly competitive market for customers and labour. Yet despite intensifying pressure on labour, hotel managers remain convinced that the

current employment relations framework is the correct one and flexibility and casualisation provide the required tolls for profitable operation.

7.10 Conclusion

This chapter has presented findings that highlight the dramatic changes that affected the Hotel Workers Union and the hotel employers during the 1990s. The first part of the chapter covered the experiences of the Hotel Workers Union during this period. The data show clearly that senior union leaders saw the ECA as a dramatic final chapter in a much longer process of changes during the 1980s and 1990s that undermined the union. They highlight the increasing casualisation of work in hotels, the removal of compulsory arbitration, rising unemployment and ongoing pressure from employers to break up the awards. The findings place these changes within broader, nationwide social changes that occurred at the same time; highlighting the end of consensus regarding collective identity and corporatist structures.

The historical narrative tracks the impact of the ECA on the hotel union, emphasising the de-affiliation of the union from the Labour Party and the resulting loss of political influence. The findings also show the loss of internal unity within the union, resulting from conflict over the neo-liberal changes of the 1980s and 1990s. The data show a fatally weakened union struggling to respond to massive challenges brought on by the new legislative, political and social environment. Faced with huge membership loss, a resulting financial crisis, increasingly hostile employers and a rapidly changing hotel industry, the union was forced to make difficult strategic compromises. The union section of this chapter concluded by outlining the "pragmatic" strategy the union pursued; withdrawing from small organisations and retreating to the hotels and other large employment sites. These findings show considerable debate within the union leadership over trading off penalty rates for continued access to the hotel workforce.

The second half of the chapter presented data from the hotel industry. These findings show the impact of the sale of the government-owned Tourist Hotel Corporation to the Chicago-based Southern Pacific Hotel Corporation. The narrative highlights the major structural changes that occurred in the tourist hotel sector as a result of this sale; the SPHC pioneered moving to management contracts only, shedding the ownership of the hotel properties. This, along with the release from the requirements for tourism industry development that shackled the THC, allowed the SPHC to prosper. The findings show a notable shift in hotel management focus towards cost-saving and profit maximisation.

Crucially, the findings show senior SPHC management were openly determined to use the ECA to get rid of the awards, the unions and penalty rates, aiming to replace union negotiated collective awards with individual contracts and newly constructed human resource management systems. There was the legendary "road trip" by the SPHC CEO and Regional HR Manager that resulted in the dismantling of the award and the collapse of union membership in this hotel group. The data show the "birth" of the HRM function within the New Zealand tourism hotel sector at this particular time and highlight the anti-union, short-term cost savings, unitarist environment that defined this period. The chapter concluded by showing that hotel managerst were divided in their views on the legacy of this period, with some seeing it as great for the industry as a whole, while others saw it as disastrous for the employees. The final section highlighted the failure of the ERA in 2000 to reverse the impacts of the ECA and presented data that suggest the ERA was not a radical enough departure from the ECA to make a difference.

7.10.1 Summary Model

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┌─────────────────────────────┐          ┌─────────────────────────────┐
│ GLOBAL CHANGES              │          │ THEORECTICAL LENS           │
│                             │          │                             │
│ Globalisation/Financialisation │◄─────│ Labour Process Theory       │
│                             │          │                             │
│ Trans-national corporations │          │ Polanyi                     │
│                             │          │                             │
│ Mobile Capital              │          │                             │
│                             │          │                             │
│ Monopoly capitalism         │          │                             │
│                             │          │                             │
│ New Political theory (neo-  │          │                             │
│ liberalism)                 │          │                             │
└──────────────┬──────────────┘          └──────────────┬──────────────┘
               │                                         ▲
               ▼                                         ▼
┌─────────────────────────────┐          ┌─────────────────────────────┐
│ NATIONAL CHANGES            │          │ THEORECTICAL LENS           │
│                             │          │                             │
│ Politics/Economics/Social Change │◄────│ Corporatism                 │
│                             │          │                             │
│ Legislative change          │          │ Strategic Choice Theory     │
│                             │          │                             │
│ Change in Hotel business    │          │                             │
│ structures                  │          │                             │
│                             │          │                             │
│ Changes in Management       │          │                             │
│ attitudes and philosophies  │          │                             │
│                             │          │                             │
│ Changes in HRM              │          │                             │
└──────────────┬──────────────┘          └─────────────────────────────┘
               │
               ▼
┌─────────────────────────────┐
│ EMPLOYMENT RELATIONS        │
│ OUTCOMES                    │
│                             │
│ De-unionisation             │
│                             │
│ Falling wages               │
│                             │
│ Casualisation               │
│                             │
│ Dependence on migrant labour │
│                             │
│ Poor conditions             │
└─────────────────────────────┘
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Chapter 8: Analysis and Discussion

8.1 Introduction

Three key questions were addressed in this thesis:

1. What is the history of employment relations in the New Zealand hotel sector from 1955 to 2000?

2. What is the relationship between the historical development of employment relations in the New Zealand hotel sector and recent employment relations patterns?

3. How does an employment relations framework, drawing on specific employment and management theories, explain the historical evolution of New Zealand's hotel employment relations?

This chapter opens with a brief review of the theoretical frameworks presented in Chapter 2 that will be used to analyse the findings presented in Chapters 5, 6 and 7. The corporatist nature of post-war New Zealand is discussed, particularly the nature of, and relationships between, the main players in corporatist tripartite relations: the Hotel Workers Union, the Tourist Hotel Corporation and the state. Having presented the argument that post-war New Zealand employment relations were deeply corporatist, the role of individual agency and strategic decision making within the structures of the period are then unpacked. The impacts of global changes in capitalism, corporatism and individual agency on hotel employment relations are analysed, including the advantages and disadvantages of the corporatist approach before 1984. As part of that discussion, the union membership figures and hotel hourly wage rates support an argument that de-corporatisation was a process that started in the mid-1970s and all but concluded around the mid-1990s, with visible results on wages, union membership and job security.

Discussion then turns to the demise of corporatism in New Zealand and the dramatic effects of "de-corporatisation" on the hotel sector workforce. The impact of the Employment Contracts Act of 1991 is questioned at this stage of the chapter, followed by a detailed look at the birth of human resource management function in New Zealand hotels. The impact of the Employment Relations Act (2000) is also questioned and the suggestion made that the current hotel employment relations environment was all but established by the new millennium and little of fundamental significance has changed since.

8.2   Theoretical Framework

The discussion below applies three levels of theoretical analysis: a broad, global perspective (Polanyi and Burawoy); a national, institutional focus (Corporatist Theory); and finally an intra-organisational recognition of individual agency (Strategic Choice Theory). At the "top" level, the discussion places New Zealand hotel employment relations within a broad historical context that includes a global, long-term consideration of capitalist development, drawing on Burawoy (1979) and Polanyi (2001). These frameworks provide a meta-view of the phases of capitalist development that often end up being grouped under "globalisation". This allows the New Zealand experience of change over the past 45 years to be placed within a global context.

Moving to a national level of analysis, the thesis also uses corporatist theory to place the development of hotel employment relations squarely in the framework of institutional analysis, focusing on the behaviour of major interest groups that negotiated socio-political, economic and employment relations outcomes in New Zealand over the period of this research. Finally, Strategic Choice Theory (SCT) is applied to build on insights from a traditional emphasis on global, structural, environmental factors in employment relations, by recognising the agency of individual managers and key players (Godard, 1997; Kochan et al., 1984). The use of SCT considers individual managers and union

representatives in the findings chapters as active agents in the process of employment relations, rather than helpless victims of globalised capitalism.

Corporatism will provide the main analytical focus of this discussion. As suggested in the literature review (Chapter 3), there was the possibility that the findings would support some levels of the theoretical framework more than others. Indeed, the findings have favoured the national level corporatist frame, whilst the meta-approaches and SCT have taken a lesser role. Corporatist analysis highlights the importance of the Keynesian economic and social consensus underpinning the "superstructure" of the interest groups that negotiate employment relations outcomes (Molina & Rhodes, 2002; Schmitter, 1974; Schmitter & Grote, 1997; Schmitter & Lehmbruch, 1979). The dramatic changes that occurred in hotel employment relations over the period of this study need to be considered in the context of sweeping socio-political and economic changes in New Zealand, especially in the years of the neo-liberal "revolution" from 1984 to the late 1990s. Corporatist analysis makes links "up" to broader, global changes in capitalist development and "down" to the structures within, and relationships between, the groups that negotiated employment relations in the New Zealand post-war period. In contrast to the findings of corporatist research in Europe over this period (Molina & Rhodes, 2002; Schmitter & Grote, 1997; Wiarda, 1997), the post-1984 demise of a corporatist framework in New Zealand is remarkable in its speed, thoroughness and apparent finality.

8.3 The Corporatist Nature of Post-war Employment Relations in New Zealand

The first point to make is that post-war employment relations in New Zealand were deeply corporatist. The findings show that the structure, relationships and attitudes of employers, the unions and the state were highly congruent with the "classic" corporatism of Schmitter (1974, 1989; Schmitter & Grote, 1997; Schmitter &

Lehmbruch, 1979) and Schonfield (1965). Indeed, New Zealand demonstrated an unusually strong variety of corporatism. However, in order to clearly understand the nature of this New Zealand corporatism, it is important to place it within the global context of the time. The global antecedents of New Zealand corporatism can be illuminated by the macro-level theories of Burawoy (1978, 1979) and Polanyi (2000).

Starting with the post-Braverman (1974) Labour Process Theory work of Edwards (1979) and Burawoy (1978, 1979), we can see that they sought to explain changes in employment relations in terms of managers' and employers' deliberate attempts to increase control over labour processes. Braverman (1974) positioned these attempts within the context of new forms of capitalism, specifically he postulated the arrival of post-war "monopoly capitalism", where large, coordinated transnational corporations subordinated labour power through control of work processes. Burawoy (1979) developed this theme, suggesting that these new "globalised" corporations had moved from the "hegemonic" phase of control, where they were required to seek union inputs, seek worker consent and negotiate within a strong welfare-state system, to a "hegemonic despotism" phase. Hegemonic despotism is proposed to be a form of globalised, financialised capitalism that requires labour to make concessions to management in order to avoid losing jobs and capital to overseas, competitor countries.

Polanyi (2001) theorised the post-war period as an example of the victory of "double movement". His argument suggested the excessive, self-regulating free-market capitalism that had partially led to the tragedies of the two world wars and the Depression had been "re-embedded" in the social fabric by a spontaneous counter-movement that sought to protect itself through the economic policies of Keynesian welfare state approaches. Both Burawoy's (1979) depiction of "hegemonic" compromise within growing monopoly capitalism and Polanyi's (2001) "embedded" capitalism broadly support the overarching experience of immediate post-war

corporatist employment relations in New Zealand. The impact of both wars and the Great Depression created a generation of unionists, politicians and employers who enjoyed widespread public support for compromise based, corporatist relations that focused on welfare policies, full employment and protection of wages and conditions (Belich, 2001; Kelsey, 1995; King, 2003; Rice, 1992). The nature of post-war corporatist employment relations in New Zealand is described in the following sections, arguing that they are strongly influenced by hegemonic and embedded capitalism, as described by Burawoy and Polanyi.

In the context chapter (Chapter 4), the case was made that post-war New Zealand was a text-book case of Keynesian consensus (see p. 2), an almost perfect example of welfare state corporatism. The disasters of the Great Depression followed by World War Two resulted in almost all of Schmitter's (1989, p. 55) underpinning requirements for corporatism: a leviathan, interventionist state that Belich (2001, p. 295) described as virtual "totalitarianism"; a broad social consensus agreement on, and political bipartisan commitment to, full employment and constrained inflation; widespread social and political support for "cradle to the grave" welfare, including virtually free health care, education and universal superannuation (Belich, 2001; King, 2003; Rice, 1992); and finally—and crucially—legislative legitimisation of "sectoral harmony, the unholy alliance [of business, unions and the state] in a Corporatist …harmony" (Belich, 2001, p. 263) contained in the Industrial Conciliation and Arbitration Amendment Act of 1936. All of these conditions produced a specific form of employment relations in the hotel sector, a form that will be the subject of the discussion in this chapter.

The revised IC&A Act (1936) brought in compulsory union membership and fully restored the arbitration system. In addition, it resulted in the formation of the Federation of Labour in 1937, the peak body to represent all public sector unions. The point needs to be stressed that this legislation and the corporatist world view it embodied, remained

in place (with minor revisions) until the late 1980s. This arbitration system mediated conflict between capital and labour through a highly structured process of union registration and conciliation and arbitration boards. The interests of workers coalesced in unions and those of employers in industry-wide negotiating bodies. Thus, New Zealand's employment relations environment exemplified Schmitter's (1989, p. 56) "defining conditions" of corporatism: the establishment of hierarchical, functional assemblies with privileged leadership that coordinated across large categories of interests; a state that legitimised these bodies both legislatively and by allocating resources to support the system; a strong role for compulsory membership, fees and exclusive rights to negotiation in designated areas; the centrality of direct, collective bargaining between capital and labour, with compromise the desired outcome; and finally, voluntary participation in the process. Both the Hotel Workers Union (representing hotel workers) and the Tourist Hotel Corporation, (representing hotel employers and the state) were prime examples of Schmitter's (1989) typology of corporatist organisations.

The Hotel Workers Union and Tourist Hotel Corporation seen from 1955 to the early 1980s were exemplary of the type of organisations that were supported by, and prospered under, this corporatist approach. Chapter 5 described the Federated Hotel Workers Union as one of the largest unions in New Zealand. The union was in robust health with more than 18,000 members, well established and formidable leadership in the forms of Frederick Young and George Armstrong and longstanding affiliation to the Labour Party. The union benefited from many of the forms of corporatist organisation highlighted by Schmitter and colleagues (1974; 1997; 1979): the IC&A Act gave them "exclusive jurisdiction" over negotiating conditions in the sector, strong hierarchical structure and authoritarian control due to democratically questionable internal processes (discussed at length in Chapter 5); compulsory membership ensured financial and

numerical strength; and affiliation to the Labour Party gave them strong, direct political influence.

The bipartisan, Keynesian economic and social consensus in this period meant that even when the direct political influence the union had in the Labour Party was reduced by the National Party coming to power, the corporatist structures of the IC&A Act and general social consensus resulted in "business as usual" for the key organisations. Having said that, the extent of direct political influence the Hotel Workers Union historically had in the Labour Party is illustrated by this quote:

> [The Union] has arranged with the Labour Party National Executive that should any legislation be introduced to Parliament … which affected the working conditions of hotel workers, a caucus of the Labour Party members should be held to listen to the views of the Hotel Workers Federation. (The New Zealand Federated Hotel and Restaurant Employees Industrial Association of Workers Minutes of Annual Conference, 1939, p. 45)

The THC was a "hybrid" type of corporatist organisation and the context chapter (Chapter 4) provides a detailed description of the formation and government-driven operation of the organisation. The THC was tasked with behaving like a corporation, in order to stem the unsettling financial losses associated with running the 10 tourist hotels under its control, yet also required to develop the infrastructure and service delivery required to meet the needs of New Zealand's fast growing tourism industry. The great weight of evidence from interviews with THC managers in Chapter 6 indicates that the profit making financial imperatives of the corporation came a distant second to the role of developing a successful hotel industry. Thus the drivers and actions of the THC were entirely consistent with a corporatist approach to achieving a previously agreed economic goal, set by the government and broadly supported by the unions. Yet this very approach was highlighted by managers as being the antithesis of the profit driven, managerial approaches common after the neo-liberal revolution in 1984. While the findings show that corporatist structure was certainly influential in determining the

shape of employment relations in post-war New Zealand, the application of SCT also allows for the importance of decision making at the individual and organisational level.

8.4   Agency within the Corporatist Structure

The theories of Polanyi and Burawoy and, to a lesser extent, corporatism, tend towards broad, structural, "determinist" analysis and suffer from problems of scale, focusing on nation-state levels, but not emphasising other levels of analysis. Fine-grained analysis of individual agency within the organisations of employers, unions and the state remained unclear in those theories. Thus the use of SCT provides useful insights to the findings. SCT questions the traditional emphasis on global, structural, environmental factors in employment relations and calls for recognition of the agency of individual managers and key players (Godard, 1997; Kochan et al., 1984). SCT highlights strategic choices being made at multiple levels in organisations and suggests those choices are reflective of divergent ideologies within both management and union groups (Bamber & Lansbury, 1998; Child, 1972). SCT considers individual managers and union representatives in the findings chapters as active agents in the process of employment relations, rather than helpless victims of globalised capitalism (or the increasingly restrictive structures of corporatism).

Thus, the findings of this thesis show that even during the period of strong corporatist consensus, before the ructions of the late 1970s and 1980s, dissent, debate and individual agency played an important role in hotel employment relations. Even during the consensus days of the 1950s and 1960s, the minutes of the Hotel Workers Union capture fierce debate over the extremely close relationship Fred Young held with the Labour Party and the brewery magnate Ernest Davis. Young only narrowly avoided removal from his role on a number of occasions, once for public criticism of the Labour Prime Minister and once for his conflict of interest around owning and managing hotels whilst representing workers in the hotel industry. Debate and dissension over the highly

authoritarian, conservative and exclusive nature of the Hotel Workers Union leadership would only increase during the 1970s. As the following sections of this chapter will show, even though the Hotel Workers Union remained a large and powerful component of corporatist employment relations up to the early 1990s, radical changes occurred within its membership, leadership and ideological approach to negotiation (often the result of individual leaders' actions to change the direction of the union).

From the hotel owners' and managers' perspective, the findings suggest that the majority of the tourist hotels during this 1955 to mid-1970s period were fairly independent of both union influence and "central office" control from the Tourist Hotel Corporation. The hotel managers interviewed depict an employment relations environment that was strongly team based and subject to little direct control from senior management or unions, due to remoteness and the basic communications systems of the time. Essentially, the workforce and managers just had to "get on with it", within the broad conditions and frameworks of the annual awards and company policy (such as it was).

The findings in Chapter 7 also highlight the role of SCT in the birth of hotel human resource management in the early 1990s. The process by which hotel HRM came into being is fully discussed later in this chapter, but it should be noted here that the data clearly show senior management of SPHC took personal initiative and seized enterprise level opportunities as a result of the changes in employment legislation. The interviews describe the SPHC CEO Julian Bugleditch and Regional HR Manager Terry Hiltz undertaking a "road trip" to personally convert collective employment agreements into individual employment contracts. These managers clearly held the aim of removing collective agreements, penalty rates and the union itself. These findings highlight the importance of the actions of individuals as the corporatist consensus collapsed, adding a valuable layer of analysis provided by SCT.

8.4.1 Personal corporatism

Using SCT provides further examples of individual level influence on employment relations during this period. The findings show that while a highly structured and stable framework of consensus existed during the post-war period, there was also a highly active group of individuals who practised Strategic Choice agency within their organisations. A complex web of corporatist personal power relationships was formed during the period of the Great Depression and World War Two, with union leaders like Young and Fintan Patrick Walsh sitting on Economic Stabilisation Committees with prominent industrialists and magnates like Peter Fletcher (construction) and Ernest Davis (brewing).

The relationships formed during these crises created a unique, tight form of personal power networks that allowed these rather larger than life characters to make decisions and negotiate solutions between themselves, all of which would suggest an unusually high degree of personal agency within the corporatist structure. There is ample evidence in the findings of Chapter 5 to suggest that the Hotel Workers Union was extraordinarily subject to the will and whim of its leader Young, while Ernest Davis enjoyed a similar level of unrestricted influence over his business. However, this level of authoritarian leadership would reduce during the 1970s and 1980s as corporatist consensus unravelled and social change demanded more representative leadership and greater transparency.

The extent of these corporatist relationships between the unions, employers and the state in this post-war period are perhaps best illustrated in the person of Frederick Young himself. As head of the Hotel Workers Union, he had for many years worked as a hotel manager for Ernest Davis, CEO of Dominion Breweries, one of the two brewing companies that controlled liquor sales and pubs in New Zealand. His relationship with Davis was widely considered an example of being "too close to the bosses" (Verran,

2004, p. 3), but the major voice for hospitality employers, the Licenced Victuallers and Wholesalers Association (now the Hospitality Association of New Zealand) also held Fred Young in high regard. Young was also a powerful senior member of the Labour Party, at one stage representing the party in the Upper House. His conservative influence is demonstrated by his crucial role in expelling the prominent left wing Labourite John A. Lee from the party.

Thus, Young himself was an embodiment of corporatism; an authoritarian union leader; a "very close" friend of the employers of his members; and a senior member of the Labour Party and, at times, the Labour Government. In many ways, Young found a mirror in Ernest Davis, the head of Dominion Breweries. Davis was also the unchallenged head of a non-democratic organisation and deeply involved in the local Auckland Labour Party, financing candidates and influencing local elections. The minutes of the Northern Hotel Workers Union regularly record direct phone calls from Young to Davis or another brewery head to sort out employment issues quickly and without question.

The New Zealand corporatist experience had personal as well as structural flavours that probably reflected the small, tightly linked society of post-war New Zealand. The findings show that while the broad global conditions of the "welfarist, post-war consensus" discussed by Burawoy (1979) and Polanyi (2000) strongly influenced the shape of New Zealand corporatist structures, unique personal factors and relationships also played an important role in determining employment relations processes and outcomes over this period.

In conclusion, while at a nation-state level, the employment relations context of this period has strong corporatist features and was strongly influenced by global changes in capitalism, the reality of a distant tourist hotel workplace on the West Coast of New

Zealand and powerful personalities in tight relationships allowed for ample individual agency regarding workplace relations. Indeed, the relative independence of local hotel management and workers suggests that compromise and cooperation was as much a social consensus as a political one. The interviews reveal that from the 1950s to the mid-1980s, managers and staff cooperated in an environment of "decent employment", not because they were told to, but rather because that was the agreed "right thing to do". The findings of this thesis support the argument that the dissolution of a corporatist consensus in New Zealand society before the 1990s is as important to the employment relations of the period as the dramatic changes in legislation embodied in the Employment Contract Act of 1991.

8.4.2 The award as a corporatist document

The nature of the internal structure of the Hotel Workers Union described above, in conjunction with the nature of the corporatist relationships it held with employers and the state, produced a particular type of employment relations environment and collective negotiation approach that requires examination. Much like Frederick Young, the collective agreement that the union enforced can be seen as a physical embodiment of corporatism. The quote at the start of Chapter 5 highlights the central importance of the award agreements to the union. The content of those award agreements highlight the Keynesian consensus that underpinned the employment relations of this period. The 1969 Award (see Appendix E) exemplifies the building blocks of this consensus: the employment conditions were a full-time, Monday to Friday, 9am to 5pm, 40-hour week; substantial penalty rates applied to overtime and weekend work; extensive allowances were paid for meals, broken shifts, late shifts, transport and uniforms; part-time workers could only be employed with written consent of the union; and pay rates for females were set lower than those for males. The enforcement of this award and the annual negotiation of wage increases were the predominant activities of the union.

The findings in Chapters 5, 6 and 7 clearly show this mutually agreed corporatist consensus that is captured in the awards. Both the consensus and the awards became increasingly structured over time. In Chapter 5, the "new wave" union leaders who assumed power in the late 1970s and early 1980s accused the "smoker joker" old time union leaders of a lazy "arbitrationalist" conservatism. The close corporatist relationships between bosses and unionists were seen as suspect, the annual award negotiations as perfunctory and the focus on award based pay and conditions as narrow and lacking in militancy. The findings show that the new wave union leaders, partly as a reaction against the "old style" unionism describe above, created a more militant union; ready to use strike action and focused on wider workplace issues than enforcement of the award. The union was also more inclusive of those voices that had been shut out during the 1950s and 1960s. In reducing the emphasis on the very close relationships with employers and a mono-maniacal focus on enforcing the award, it could be argued that the union became less able to resist the looming challenges.

From the perspective of the hotel employers, the awards appear to be have been viewed as a normal part of managing their hotel businesses. The findings indicate that managers that saw the union as not particularly active in the hotels, reasonable to deal with and, while at times frustratingly slow, generally benign. The managers with long careers were openly celebrating the post-1991 destruction of union power and "restrictive" awards, as shown in Chapter 6, but are surprisingly neutral about unions in the 1970s and 1980s period. This thesis argues that this change of attitude reflects the broader socio-political change from post-war corporatist consensus to post-1984, neo-liberal individualism. The findings also demonstrate an effect discussed by Foster, Rasmussen and Coetzee (2013) in their survey of employers' attitudes under the ERA. Their research showed that employers who engaged in collective bargaining considered their employees to be more interested in, and rewarded by, collective bargaining than those

managers who were not engaged in collective negotiations. It may be that employers were comfortable with the awards and collective bargaining because they were not aware, as yet, that there was any viable alternative.

8.5 The Outcomes of Corporatism

The findings suggest that the very stable period of corporatist employment relations from 1955 to the mid-1970s had some positives and some negatives. On the positive, the awards, enforced by a powerful union, ensured that wages and conditions for employees covered by that award maintained their value. Figure 1 shows the average hourly rate for hotel workers increased in real value steadily from 1955 to 1974, maintaining relative parity with the average hourly rate for all industries. A staunch focus on maintaining penalty rates and full-time jobs protected the overall conditions of the industry. However, the same "enforcing" union was reluctant to accept promotion of interests that were not class-based; hence, suggestions of gender or ethnicity as a foundation for representation were often shut down—see Locke (2015), for example, for a full discussion of the Wellington Hotel Workers Union's fight to establish a women's standing committee. Other examples include pay rates being specifically set lower for females in the award and the 1961 agreement with employers that required union approval before the hiring of any female bartenders. Women could not vote in the Federated Hotel Workers Union until the 1980s. The union was a male-dominated, conservative bastion of corporatist cooperation that saw no reason to change its ways. The focus was unapologetically narrowed to maintaining the conditions of the award and little else.

In the findings chapters, the hotel employment relations of this 1955 to mid-1970s period are typified by employees who were in customer-facing roles being predominantly full-time, male and well protected in terms of job security and maintenance of pay rates and conditions. Specific clauses in the award ensured superior

pay rates and exclusivity in certain roles for the men. However, the Hotel Workers Union has always had a large percentage of female members due to the strong representation of women in a number of roles – housekeeping, waiting, reception. The tension of strong female membership but limited representation in the union leadership would grow in intensity during the 1970s. Not everyone was equally protected under the collective. The corporatist nature of the representative bodies during this period led to hierarchical power structures, non-democratic processes and exclusionary effects for those not considered "core members".

From the hotel employer's perspective, hotel managers appear resigned to the collective negotiations involved in the IC&A Act, and viewed the unions as mostly absent or benign. The conditions of the award that would be described as restrictive and "killing" the hotels' profit in the 1980s and 1990s appear to be grudgingly accepted as part of the developmental role of the THC during the earlier period. At the same time, the state remained committed to the IC&A Act and the compulsory membership and exclusive rights to collective negotiation across industry sectors involved in that legislation. The socio-political environment remained supportive of post-war Keynesian welfare statism, including full employment, protective support of local industry and ongoing corporatist relations. Wages and union membership numbers provide tangible evidence of the changing nature of corporatist employment relations over this period and raise interesting questions about the impact of legislation on the sector.

8.6 Wages and Union Membership Under and After Corporatism

The interviews with both unionists and hotel managers in the findings chapters highlight the common depiction of New Zealand hotel work as low wage employment. Be it newspaper stories, the Parliamentary debates in 1955 on the THC, the NZIE reports on the economic potential of tourism (Lloyd, 1964; New Zealand Institute of Economic Research, 1966) or the Travelodge feasibility study (Carter & MaGuire, 1968), the

findings show that hotels and hospitality have always been spoken of as low wage industries. The wage data in Figure 1 (p. 163) are discussed in Chapter 6 in detail and show that while the hotel average hourly rate has always been lower than the average for all industries, the gap between these two rates starts to steadily widen from 1980. It is important to note that while the hourly rates do include overtime, they do not capture the "live-in" component of many tourist hotel jobs up to the 1980s, nor do they capture some of the monetary allowances in the collective, for example the shoe allowance (see Appendix E). Most of the tourist hotels provided accommodation, meals and uniforms for their staff, so the paid wage could easily be banked in its entirety. As city hotels started to become predominant in the 1980s, the live-in positions became limited to remote hotels. Thus the hourly rates do not capture the fading away of live-in positions that greatly increased the "real value" of the hotel wages.

Hotel hourly rates maintained a value of 81% of the all industries rate from 1957 to 1979, but then fell to 75% by 1989, then 73% by 1991, before falling to 66% of the all industries rate by 2000. Therefore, hotel wages have indeed always been lower than other industries, but have seriously worsened by comparison since 1980. The hotel hourly rate grew in real value by 38% from 1957 to 1979 and then reversed direction, steadily falling in value by 24% from 1980 to 2000. In terms of wages, both Maloney (1998) and Deeks and Rasmussen (2002) highlight the rather surprising findings that the ECA seemed to have no significant impact on overall New Zealand hourly earnings. Maloney (1998, p. 57) concludes that while the mix of ordinary time and overtime wages may have altered after 1991, no overall fall occurred. Dixon (1998) confirms that no impact was made by the ECA on overall hourly rates and Deeks and Rasmussen (2002) state that "it is necessary to focus on a particular sector" (p. 87) in order to clearly see the impact of changes in the hourly rates. This thesis provides that focus and not only presents evidence that hotel hourly rates did indeed fall significantly after the

ECA in 1991, but more importantly, that the post-1991 falls were part of a longer-term downward trend in hotel hourly rates since the mid-1970s.

The interviews in Chapter 7 highlight the dramatic impact of losing penalty rates and allowances on the hotel sector wages. Senior union leaders like Rick Barker, Mark Gosche and John Ryall were all aware of the potential wage impacts of losing the penalty rates, and their eventual loss marked one of the more conflictual union debates around the strategies adopted in this period. The lack of a dramatic drop-off in hourly rates after 1991 can be partly explained by interviews in Chapter 7, with Rick Barker and SPHC Regional Manager Julian Bugleditch indicating that a considerable "ordinary hours" rate increase was negotiated in return for the giving up of penalty rates in 1991. Having claimed this trade-off as a victory, Rick Barker subsequently criticised Mark Gosche for pursuing "capitulationist policies" that traded off penalty rates and allowances for continued union survival during the 1990s. Much of this debate could be seen as hindsight "blame seeking", as various leaders seek to pin the dramatic demise of the union on each other. In the final analysis, as Denis Callesen pointed out, penalty rates made up 54% of SPHC hotel payrolls, so to have them removed, without showing a massive drop in overall hourly rates, must have required a considerable increase in the ordinary hourly rate.

Much has been written about the impact of the ECA on union density, with a general consensus showing that overall union density almost halved between 1991 and 2000 (Harbridge, 1993; Maloney, 1998; Erling Rasmussen, 2009), but research shows that the restaurant and hotel sector was one of the hardest hit, losing 30% of its membership between 1991 and 1995 (Maloney, 1998, p. 26) and 81% of its membership between 1991 and 1999 (Deeks & Rasmussen, 2002, p. 85). The Hotel Workers Union data in Figure 2 show that membership in the Hotel Workers Union increased steadily from just under 20,000 in 1955 to a peak of over 53,000 in 1984, before falling to 43,000 in 1986,

the last year of Federation of Labour records for this union. The data in Figure 4 show a significant fall off in membership over 1985 and 1986, partly supporting Mooney's (1998, p. 34) suggestion that the temporary removal of compulsory unionism in 1984 and 1985 resulted in a decline in overall union density. However, the data do allow for the suggestion that union membership was already falling long before the arrival of the ECA in 1991. Having said that, the union interviews in Chapter 7 clearly highlight the collapse of union membership after the ECA. The combined Service and Food Workers Union numbers fell from around 70,000 to 20,000 by the mid-1990s, no significant increase has occurred since then. Unfortunately, the demise of the Federation of Labour records in 1986 and amalgamation of the Hotel Workers Union into the Service and Food Workers Union in 1987 make it hard to track membership of hotel workers specifically after 1986.

In conclusion, the findings that both hotel union membership and hotel wages were falling well before the ECA in 1991 provide a significant contribution to research on hotel employment relations. While Harbridge and Walsh (1989) argued that changes to the bargaining system post-1984 (the removal of compulsory arbitration, the wage fixing attempts of the "Economic summit") had immediate negative effects on the 1986-87 and 1987-88 wage rounds, the findings from this research show clear ongoing impacts of social, political and legislative change. Harbridge and Walsh (1989) showed that real wages fell considerably, with increases over the two rounds averaging approximately 7.5%, at a time when the three year average inflation rate from 1985 to 1987 was 15%. Thus, this thesis argues that the impacts of de-corporatisation can be seen clearly in the falling value of wages from the mid-1970s and the drop-off in union membership from 1984 to 1986. This trend continues through to the 1990s and up to 2000, after becoming "embedded" by the Employment Contracts Act in 1991. Interestingly, while the ECA did lead to a dramatic collapse in union membership, this

loss of density did not appear to result in a comparable drop in the hourly wage rates. The findings suggest that the ECA was not the "unexpected disaster" that drove wages and union membership off a cliff, but rather the dramatic final collapse of an already fatally weakened corporatist system.

8.7 The End of Corporatism in New Zealand

The awards that were often described by hotel managers in Chapters 6 and 7 as "rigid", "inflexible" and unfairly expensive in terms of wage penalty rates, embodied the staunch post-war commitment to full employment (of males) within a formula of full-time, Monday to Friday, 40-hour week jobs. This approach came to be questioned within the union as well as without, as the "rock solid" post-war consensus that is exemplified in the 1969 Award came under growing pressures during the 1970s and 1980s. The extent to which the New Zealand experience was congruent with "Corporatist Theory during the "rise of Corporatism", post-war period is mirrored by the extent to which the country was congruent with the theory regarding the "death of Corporatism" during the 1970s and 1980s.

The "Corporatism" literature of the 1970s and 1980s underwent extensive growth in empirical application and became "a fully fledged social science model" (Wiarda, 1997, p. 23), aiming to interpret government responses to the oil crisis driven economic upheavals of the period (Lash, 1985; Schmitter & Lehmbruch, 1979; Von Beyme, 1983). However, by the 1990s the hopefulness of this period had given way to a despairing turn, as corporatism theory struggled to cope with the replacement of post-war Keynesian economic systems with neo-liberal, deregulatory, free-market policies in most of the Western/European countries studied by these academics (Molina & Rhodes, 2002; Wiarda, 1997). The death of corporatism as a useful concept was widely predicted, with even Schmitter (1989), the stalwart of Corporatism, succumbing to grave doubts about its survival. The "list of suspects" put forward regarding the death of

corporatism in European countries provides an interesting insight into the New Zealand experience of "de-corporatisation" during the late 1970s and 1980s.

What had appeared to corporatist theorists in the early 1970s as an inexorable movement towards a more organised, centralised and corporatist capitalism, now appeared in the late 1970s and 1980s to be a rapidly escalating movement towards "disorganised capitalism" (Lash, 1985, p. 216). This disorganisation took the form of decentralised employment bargaining, a growing "service class", new social movements that diluted traditional class-based solidarity and the unravelling of consensus over a Keynesian approach to economic management (Lash, 1985; Schmitter, 1989). In addition, the oil shocks of the 1970s had led to persistently low growth rates and slack labour markets, while rampant globalisation led to increasing competition and highly mobile flows of capital. Against this backdrop, there appeared to be a shift in balance of power away from unions to employers. Internationally, the superstructure of corporatist organisations and relationships were crumbling before this seismic shift in the "post-war consensus" foundations.

It is intriguing that the theorists of corporatism did not look to New Zealand as an example of the above change in conditions, for the New Zealand experience of de-corporatisation is highly consistent with the examples discussed above. Against a global context of oil shock induced recession and rapidly escalating, globalised competition and deregulated capital flows, New Zealand struggled to adapt (Belich, 2001; King, 2003; Rice, 1992). Throughout the late 1970s and early 1980s, pressures started to grow as inflation and unemployment climbed ever higher (see Figures 2 and 3), balance of payments figures steadily worsened and government interventions seemed to flounder, all undermining the basic principles and promises of post-war Keynesian economic management and consensus. Belich (2001, p. 396) describes this period as "the unravelling of the traditional system", the Muldoon Government's attempts at big-

spending interventions (the Think Big projects, wage and price freezes, rent controls, interest rate controls) were the final, extreme exemplars of the Keynesian approach, never to be used again. It could be argued that the economic stability of the 1950s and 1960s underpinned the widespread social consensus and "approval" of the corporatist system and that the destabilisation of the New Zealand economy from the 1970s on hastened the destabilisation of corporatism.

Against this backdrop, the Hotel Workers Union was experiencing an internal "changing of the guard" and rejection of "old school" arbitrationalist behaviour. Younger, university educated and more politically active and militant leaders took over from the old, conservative "smoker jokers". The findings in Chapter 5 and 7 show the union moving towards a more militant, strike-based approach, drawing on grass-roots organisation and recognising the demographics of the membership in leadership positions and structures that allowed growing voices for women, Māori and Pacifica members. The fundamentals of the de-corporatising conditions described in the European experiences above were major drivers of changing union strategy. The findings show that union leaders in this period were determined to re-organise the union, seeing a "particular sector [Māori, Pacifica or women] challenging the union itself" (A. Newman, Interview, 14 May, 2014) as a pre-requisite to building an active and resilient union capable of surviving the major challenges they were facing. Senior hotel union leaders like Mark Gosche, John Ryall and Rick Barker were aware that their huge membership numbers and awards were entirely dependent on the compulsory elements of the supporting IC&A Act legislation. They clearly indicate that they felt they were in a race against time to re-engineer the union to be able to withstand the coming challenges.

Pressure to change the fundamental approach to the economic management of New Zealand was growing. Frustration with the Muldoon Government's interventionist style

was fed by the apparent failure of this approach to stem growing inflation, unemployment and general economic stagnation (Belich, 2001; James, 1986, 1992; Kelsey, 1995; King, 2003). The findings in Chapter 7 highlight the changes that unionists could see in the political and social attitudes around them. Powerful groups in New Zealand began promoting the Thatcherite and Reaganite neo-liberal, free-market, deregulatory policies as the solution to the economic malaise. Treasury, The Reserve Bank, the Business Roundtable, the Employers Federation and an influential faction of the Labour Party sought to end the conditions that underpinned corporatism: legislative protection of businesses from competition; exclusive rights for unions to negotiate awards and have compulsory membership; and interventionist control by the state to ensure full employment and low inflation (Bollard & Buckle, 1987; Kelsey, 1993).

The 1980s would provide a series of escalating collapses in the corporatist superstructure that supported the Hotel Workers Union and underpinned the traditional employment relations approaches in this sector. There were six key areas in which the corporatist fundamentals gave way:

1. The post-war political consensus regarding Keynesian economic management gave way to neo-liberal, free-market policies, firstly driven by the Fourth Labour Government but adopted in the most part by every subsequent government.

2. The ideology that drove the political reform process also led to a social movement away from traditional collective traditions to a focus on individual rights and responsibilities.

3. This same ideological shift, in conjunction with the generational change of leadership in the union and employers' groups, led to the dissolution of the close personal relationships between the union and employers that typified the corporatist post-war period.

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4. The rejection of full-employment policies during the 1980s and 1990s led to increased unemployment which weakened workers' negotiation power in the labour market.

5. The Hotel Workers Union lost political influence within the Labour Party by dis-affiliating in 1990.

6. The 1991 Employment Contracts Act removed exclusive rights to negotiation in the sector and compulsory membership, thus fatally weakening the ability of the union to effectively represent the interests of employees.

The victory of the 1984 Fourth Labour Government and its ensuing radical deregulatory reforms encapsulated all the conditions that corporatist theorists required for the "death of corporatism". The post-war habit of big-spending state intervention and control of the economy ended abruptly. The unemployment rate quadrupled from 1980 to 1983 (see Figure 3) and inflation continued to erode the value of the hotel workers' wages (see Figure 1). This massive shift in Labour Party policy both ended the post-war consensus period regarding commitments to state control of the economy and full employment and resulted in a fatal internal rift over this new direction for Labour. The Hotel Workers Union, which had been one of the largest and longest affiliated unions in the Labour Party, found itself unable to support this rapidly disintegrating Government and finally dis-affiliated in 1990.

The end of corporatism in New Zealand can also be seen as a part of the broader, global changes occurring in capitalism during this period. The theories of Polanyi and Burawoy can illuminate the New Zealand experience in a larger context. The period described above saw the unravelling of labour protections, the demise of the welfare state, the movement of manufacturing offshore and numerous other examples of Polanyi's "dis-embedding" of the New Zealand economy (Polanyi, 2001). The sinews

and muscles of the embedded economy in the post-war welfare state were severed one by one, as the consensus that underpinned this period evaporated. The institutions and relationships that embedded the economy within society began to unravel during the mid-1970s and were further undermined by neo-liberal reforms in the 1980s, be it unions, public ownership of utilities, comprehensive welfare provisions or corporatist cooperation. The sale of the THC hotels to SPHC in 1990 is a prime example of this process. The THC, which was owned by the public and tasked with developing the tourism industry for the collective good of the nation, was sold into private, foreign ownership, whose clear and sole aim was increased profit for its shareholders.

This period can also be seen as the full flowering of Burawoy's post-war "monopoly capitalism" (Burawoy, 1978, 1979), where large, coordinated, transnational corporations could use the free international movement of capital to dominate labour power. Burawoy (1978, 1979) further suggested that as the post-war, Keynesian, welfare consensus faded, these globalised corporations would move from a hegemonic form of management (being required to respond to, and negotiate with, union inputs, worker consent and strong welfare state) to a despotic hegemonic form of management (using the capacity to relocate capital and manufacturing sites overseas to force concessions from labour). The findings show some support for Burawoy's thesis, as the hotel sector in New Zealand has come to be almost entirely dominated by global corporations who could leave the local market almost overnight, due to their shedding of property ownership in favour of management contracts. However, while it could be argued that these globalised corporations have gained a more despotic flavour of management due to weakened employment legislation, crippled unions and the loss of corporatist cooperation, hotels cannot be relocated offshore (unlike manufacturing, a hotel cannot be moved to a cheaper location, it must be located where the tourist market is). The final section of this chapter suggests that, being unable to relocate hotels to

countries with cheaper labour, the industry has instead imported vast numbers of cheap labour in the form of temporary visa migrants, and it is this process which has contributed to further lowering of pay and conditions.

8.8   Reviewing the Impact of Employment Contracts Act, 1991

The narrative of many interviews in Chapters 5, 6 and 7 depict the Employment Contracts Act (1991) as the key legislative watershed that led to the modern employment relations environment. The ECA has come to be seen as the "gravestone" of the post-war consensus period or the line drawn across those times. Union leaders describe the ECA as an unexpected and "overnight" disaster: "No-one predicted the extremity of the ECA" (R. Barker, personal communication, July 30, 2014); "We thought we were so strong and so militant that there could never be anything as extreme as what we got in 1990" (J. Ryall, personal communication, May 30, 2014); "a huge collapse, almost overnight" (D. Fenton, personal communication, May 1, 2014); "The ECA was just … total devastation, the world had completely changed overnight" (J. Ryall, personal communication, May 30, 2014). Senior union leaders like Mark Gosche and Darien Fenton point to an extraordinary imbalance in power, in favour of the employer under the ECA, as well as a massive collapse in union numbers due to the removal of compulsory union membership. Much of the union narrative and academic literature on this period points to the ECA in 1991 as the start point for dramatic falling wages and collapsing union membership (Fryer et al., 1994; Haynes et al., 2006; Erling Rasmussen, 2009).

The interviews with the hotel managers in Chapters 6 and 7 also point to 1990–1991 as watershed years. In their case, the combination of selling the THC in 1990 and the arrival of the ECA in 1991 led to a radical change in ownership structure and management approach. The sale of the THC in 1990 was one of the last acts of privatisation of former state owned enterprises by the Fourth Labour Government. The

new owners, Southern Pacific Hotels (SPHC), immediately sold off the physical hotel properties whilst maintaining the management contracts (or as SPHC Regional Manager, Julian Bugleditch so colourfully put it, "We basically ripped the crap out of the company and just kept the jewels"), therefore establishing the now common ownership structure of the modern New Zealand hotel industry. At the same time, the senior regional managers of SPHC set about dismantling the collective awards and "getting out" of the penalty rates and allowances that were "killing us". Chapter 7 shows this period marked the transformation of the state owned enterprise, the *corporatist* THC, into the globalised, *corporate* SPHC; from a slow moving, bureaucratic body, burdened with rapidly devaluing properties and tasked with developing the tourism industry, to a lean, mean management machine, free from the capital restraints of property upkeep and focused solely on maximising shareholder value through profit generation.

Thus, both unionists and hotel managers point to the arrival of the ECA in 1991 as the point at which everything changed. However, the findings of this thesis suggest that many of the changes to wages and conditions and the collapse of corporatist consensus had already occurred since the late 1970s and that, for all its perceived drama, the post-1991, ECA period was more of an extension of an established trend, rather than a radical departure from a steadily crumbling corporatist consensus. The point has been made previously in this chapter that these changes in hotel employment relations start in the 1970s and continue through to the 1990s, and are a result of interrelated changes in global movements in capitalism (as discussed against the theories of Polanyi and Burawoy), national changes in structures (as discussed against the theories of Corporatism) and individual and enterprise level agency (as discussed against Strategic Choice Theory).

Several strands of evidence from the findings chapters support the thesis that the ECA represented the culmination of a longer "de-corporatisation" process rather than a dramatic departure from the corporatist approach. Senior union leaders Rick Barker, Annie Newman and John Ryall all speak of the ECA being something that was at the end of an escalating series of changes. They identify the broader effects of the Fourth Labour Government's deregulation and privatisation drives, including rising casualisation and unemployment, along with hardening employer attitudes to collective bargaining. Rick Barker also highlights changing social attitudes and ideology, pointing to a move away from collective identification and towards individualism, which undermined union solidarity and consensus towards corporatist structures. The wage and union membership data contained in Figures 1 and 4 also support the argument that falling union membership and falling real wages were occurring well before 1991 and the ECA. The data in these figures contribute to the debate around the impact of the ECA on incomes and union membership highlighted by authors like Deeks and Rasmussen (2002), Harbridge (1993), Maloney (1998) and Harbridge and Walsh (1989).

8.9   The Birth of Hotel Human Resource Management

The influence of changes in global capitalism, the demise of national corporatist structures, and individual and enterprise level agency, all intersect in a highly visible way in the advent of the human resource management function in New Zealand hotels. It is here that we see the valuable contribution that SCT makes to the analysis of employment relations over this period, by allowing a clear view of individual and enterprise level agency in the face of collapsing corporatist consensus. Freed from the needs of property upkeep and tourism infrastructure and skills development, the SPHC seized the opportunity provided by the ECA to replace union negotiated awards with employee "engagement", through human resource management.

The Chapter 7 interviews show that, led by their head, Julian Bugleditch, the SPHC senior management team of Denis Callesen (CFO) and Terry Hiltz (Regional HR Manager), actively used the conditions of the ECA to dismantle the hotel award and dramatically reduce union membership and influence within the organisation. SPHC union membership fell from 1,800 to 120 in the one year. Chapter 7 describes Bugleditch and Hiltz's road trip, convincing employees in each SPHC property to move onto individual employment agreements. In place of the award, the SPHC developed human resource management approaches for every hotel, replacing the "rigid" awards with "flexible" training, development and engagement policies that reflected a new philosophy: advancement and reward would now be by individual engagement and development, not collective negotiation.

These findings contribute an important new perspective for the literature and theory on hotel and hospitality human resource management. New Zealand literature on hospitality and tourism human resource management has yet to discuss the rise of HRM in any detailed historical context. Reviews of HRM in hospitality (Baum, 2007, 2008; Chen et al., 2012; Davidson et al., 2011; Enz, 2009) provide little insight into the historical origins and context of this ubiquitous management function. Davidson et al. (2001) promise to cover hospitality HRM "past, present and future", but only look five years into the past from 2001. Baum (2008, 2015) casts his historical review of HRM only as far back as the 1980s. The literature fails to shine any light on the historical emergence of HRM within the hospitality industry, resulting in misleading conclusions, most notably that hospitality has never been highly unionised. This misconception is shown, for example, in arguments that "tourism in most developed countries has never been highly unionised" (Baum, 2008, p. 1397); that "strong and effective trade unions are not usually associated with the hospitality trades" (Walton, 2012, p. 59); and that "the historical lack of an extensive union role in the sector must be recalled" (Haynes &

Fryer, 2001, p. 127). This thesis has shown that the New Zealand Federated Hotel Workers Union was one of the largest and most powerful trade unions in New Zealand throughout the post-war period and remained so until its amalgamation in the wake of the 1980s neo-liberal revolution.

The findings in Chapter 7 show that the HRM function in New Zealand tourist hotels after 1991 did not just "appear naturally". The rise of HRM in the SPHC hotel chain was driven by a radically changed legislative environment; newly aggressive managerial attitudes towards removing awards, penalty rates and union influence in general; changing social attitudes to collective action; changed hotel ownership and management structures; and a greatly weakened union, fighting for survival. These findings allow us to see the birth of the HRM function in this particular sector in remarkable detail and as a function of the intersection of global changes in capitalism, national changes in politics, economics and legislation, and individual agency within the unions and employers. We see that "human resource management" was not always present in this sector and in fact was deliberately and strategically put in place by senior management after 1991, with the aim of replacing collective awards and conditions with individualised contracts, development and engagement.

Prior to the arrival of human resource management, most hotels had a "personnel" function, that was viewed entirely as an administrative sub-section of management that did little more than facilitate wage payment, record leave and enact the award conditions. The demise of the corporatist consensus resulted in the demise of corporatist organisational structures and management approaches. What this has meant for employment relations in the New Zealand hotel sector is that a relatively cooperative, pluralist approach between managers and unions that existed in the THC period, has become a strongly unitarist, HRM based approach from the time of SPHC to the current day. The findings add a new historical perspective to the body of mostly "presentist"

hospitality HRM research in New Zealand and suggest long-term, historical drivers that provide insight into many of the unique features (high turnover, low pay, poor training and career development, high levels of migrant labour) covered in the hospitality literature (Harkison et al., 2011; Mooney, 2007; Mooney & Ryan, 2009; Poulston, 2008; Williamson, 2009; Williamson et al., 2008).

Building on the more general ideas of Haworth (Haworth, 2013) and SCT (Kochan et al., 1984), this thesis argues that historical analysis has allowed us to see that the conditions existing at the birth of the hotel HRM function, has created a form of HRM that is specific to the New Zealand hotel sector. Individual managers took decisions in order to respond to the changes and opportunities in their environment and created a form of HRM that is unlike that found in other sectors. Further, this form of HRM can be seen to be contributing to the very poor employment conditions and reputation of the hotel sector as discussed above. Specifically, the findings in Chapter 7 contribute a new hotel sector focus on Haworth's (2013, p. 68) hypothesis that the 1894–1990 arbitration approach resulted in a truncating of the personnel function (as the awards determined many of these duties) and created a subsequent unprofessional and unsophisticated approach to human resource management. The findings show that the New Zealand hotel HRM function was born in a period of strongly unitarist, anti-union approaches (embodied in the ECA of 1990), as well as a period of prolonged economic downturn, resulting in a widespread cost-saving approach to the management of hotels. Indeed, the findings offer strong support for the conclusion that the in-vitro cocktail of anti-union, managerialist unitarism and recession-induced, short-term cost reduction, has given birth to hotel sector HRM approaches that are poorly suited to pursuing sustainable high performance HRM models.

In this way, the global and national movement away from a corporatist, collective consensus and towards individualism was made concrete in the hotel employment

relations system. The interviews in Chapter 7 show hotel managers adopted this new, de-corporatised view of employment relations with gusto, probably best encapsulated by their leader, Julian Bugleditch:

> One of the major unions spoke to our consultant and said … [we] want some sort of partnership between the employees and employer. I said bullshit, if they want to have partnership they are going to have to put up 50% of the money, then we can talk about partnership. I said we run the hotels and we'll make the strategic decisions, not the employees or the union.
>
> (J. Bugledich, personal communication, June 21, 2014)

8.10 Into the New Millennium, The Employment Relations Act, 2000

This thesis concludes in 2000 with the enactment of the Employment Relations Act, arguing that by 2000, the demise of corporatism was complete, with all the major components of the contemporary hotel employment relations in place. This final section of the discussion chapter argues that the failure of the ERA to meaningfully reverse the process of de-corporatisation, resulted in an embedding of a de-unionised, managerialist, low-road employment relations environment in the hotel sector.

Interviews with hotel managers in Chapter 7 show that by the late 1990s, unions had ceased to be a major influence in the hotels: "there's no union presence as such" (N. Harper, personal communication, June 23, 2014); "I employ staff now that wouldn't know what a union is" (P. Clarke, personal communication, June 4, 2014). Union membership and real wage values remained, up to and after 2000, at the depressed level they were by the mid-1990s. Collective bargaining was a rarity in hotels and union density was less than 10% of all hotel employees. Skills shortages, low wages, high turnover and a dependency on temporary migrant labour remained the defining characteristics of hospitality employment. The hotel industry was almost totally owned by global corporations and highly profit focused: "There is no longer such a thing as a New Zealand hotel industry. There is just the [global] hotel industry operating in

different parts of the world ... you've got to understand, the profit motive drives everything" (T. DiMattina, personal communication, June 27, 2014). The new hotel industry had indeed become the "poster child" example of a globalised service sector described by many authors; de-unionised, globalised, dependent on precarious and migrant labour, low wage and casualised (Appelbaum et al., 2003; Baum, 2007, 2008; Brotherton, 2003; Ehrenreich, 2002; Korczynski & Macdonald, 2009; Sherman, 2006; Zampoukos & Ioannides, 2011).

Hopes that the Fifth Labour Government and the ERA of 2000 would reverse the depredations of the 1984 to 1999 period were soon dashed. The changes in the legislation that were designed to promote collective bargaining and strengthen unions made no significant impact on union membership numbers or collective bargaining rates in the hotel sector. The interviews with union leaders in Chapter 7 capture their disappointment: "I think the ERA had a lot of hope that it hasn't delivered on" (D. Fenton, personal communication, May 1, 2014); "What we ended up with was not good enough" (M. Gosche, personal communication, May 1, 2014); "The ERA is described as an enabling act and I challenge that, it is a constraining act. The person who holds the money is not at the table" (A. Newman, personal communication, May 14, 2014). Put simply, the union ended up with insufficient power in the workplace to organise workers. The impact of de-corporatisation started in the hotel sector in the mid-1970s and concluded around the mid-1990s as the effects of the ECA cemented the new paradigm of de-unionised, "flexible" employment relations in place. There is little evidence in the data gathered for this thesis that supports any significant change to the hotel sector employment relations environment since the mid-1990s.

Several factors can be considered when addressing the question of why the ERA of 2000 did not fulfil the hope of change that unions and others attached to it. Firstly, as Rasmussen (2009) points out, unlike the ECA of 1990, the ERA was not as radical a

departure from what had gone before. The ERA retained some crucial elements of the ECA and whilst encouraging collective bargaining through unions, the legislation ended up having little impact on the dominance of individual contracting (Deeks & Rasmussen, 2002; Erling Rasmussen, 2010). In addition to this ineffectiveness of legislative change, the findings support research that suggests managerial attitudes to collective bargaining and unions had hardened over the 1990s and into the 2000s (Foster et al., 2013). The dissolution of corporatist consensus has resulted in a long-term, "consistent campaign which has highlighted the managerial prerogative, increased employer determined flexibility and costs containment … employers have a growing resistance towards participating in collective bargaining" (Foster et al., 2013, p. 62). The findings show that, over the period of 1975 to 2000, the intersection of growing globalised hotel corporate power, collapsing corporatist consensus, hardening managerial attitudes to collective bargaining and a socio-political shift towards individualism, all resulted in an embedded employment relations environment which contributes to the ongoing low status and conditions of hotel work.

New Zealand's experience of corporatist collapse appears to be more complete than that of many of the countries studied in the literature. Schmitter (1997) pointed to new forms of Corporatism in many western and eastern European counties in the late 1990s, kicking off a new wave of analysis that suggested Corporatism had merely changed rather than died (Molina & Rhodes, 2002; Schmitter & Grote, 1997; Wood & Harcourt, 2000). The impacts of the European Union appear to have given rise to modern forms of Corporatism (Molina & Rhodes, 2002), whilst Schmitter (1997) suggested that Corporatism was subject to cycles of 20 to 25 years. However, there is little evidence in this thesis that supports the idea of a surviving form of Corporatism. In the new millennium, unions remain virtually absent in the hotel sector, the hotel employers are a mix of globalised corporations and international property investment groups. There is

no formalised or structural tripartite approach to economic planning or employment relations, the state remains firmly committed to free-market, deregulated economics. The post-war social consensus on, and commitment to, collective action, corporatist cooperation and strong unions no longer exists in New Zealand.

In the global context, Polanyi's (2001) theorising of a spontaneous counter-movement against dis-embedded, self-regulating capitalism remains without strong evidence in post-neo-liberal New Zealand. The findings of this thesis show only limited signs of Polanyi's counter-movement to the ravages of a disembodied economy. While the Living Wage campaign and opposition to zero hour contracts post-2010 could be seen as "spring growth" examples of Polanyi's counter-movement, the organisations (unions) and social movements traditionally associated with countering the "stark utopia" of a fully self-regulating market economy remain seriously weakened compared to the corporatist period. Burawoy's (1978, 1979) construct of hegemonic despotism suggests that in the modern era, employees are forced to make concessions to employers in order to avoid losing capital and jobs to overseas competitors. Again, the findings show this process is not a totally useful fit, as the hotel sector is unable to relocate its business offshore. The narrative of hotel investment in New Zealand has been one of growth and runaway success, so threats to close down operations and remove capital are not in evidence. However, at the national level, one could argue that local employees have voted with their feet by refusing to work in the hotel sector, requiring the wholesale importation of temporary migrant labour to keep the sector operational. Unable to move the New Zealand hotel sites to the cheaper workforces in India or China, the employers have instead moved the cheaper workforces of China and India to the hotel sites in New Zealand.

The findings would appear to support key ideas from Katz and Darbishire's (2002) writings. While the New Zealand hotel sector has been subject to significant

convergence in terms of hotel ownership and management structures, the unique institutions (e.g., the Tourist Hotel Corporation) and experiences (radical neo-liberal reform) in New Zealand have also created employment relations divergent from both international comparisons and between sectors and organisations within New Zealand. In this way, the findings of this thesis manage to show both where the ER practices of New Zealand hotels are similar to international approaches and where they are very different.

8.11 Conclusion

In this chapter, the theoretical frameworks that were used to analyse the findings presented in Chapters 5, 6 and 7 were discussed. The corporatist nature of post-war New Zealand, particularly the nature of, and relationships between, the main players in corporatist tripartite relations, was highlighted. Having presented the argument that post-war New Zealand employment relations were deeply corporatist, the role of individual agency and strategic decision making within the structures of the period was unpacked. As part of that discussion, union membership figures and hotel hourly wage rates supported an argument that de-corporatisation was a process that started in the mid-1970s and all but concluded around the mid-1990s, with visible results on wages, union membership and job security. The discussion then turned to the demise of corporatism in New Zealand and the dramatic effects of de-corporatisation on the hotel sector workforce. The impact of the Employment Contracts Act of 1991 was questioned at this stage of the chapter, followed by a detailed look at the birth of human resource management function in New Zealand hotels. The chapter ended with questions about the impact of the Employment Relations Act (2000). The following conclusion chapter will present a full summary of the findings in this thesis and specifically highlight the contributions of this thesis to knowledge, focusing on methodology, theory and practice.

Chapter 9: Conclusion

This chapter presents a summary of the main conclusions and contributions of this thesis. The study examined the history of employment relations in the hotel sector from 1955 to 2000. The thesis analysed key changes within the hotel sector employment relationships, exploring three key research questions:

1. What is the history of employment relations in the New Zealand hotel sector from 1955 to 2000?

2. What is the relationship between the historical development of employment relations in the New Zealand hotel sector and recent employment relations patterns?

3. How does an employment relations framework, drawing on specific employment and management theories, explain the historical evolution of New Zealand hotel employment relations?

Firstly, the main conclusions for each of the three research questions are summarised, then the overall contribution to knowledge from this thesis is outlined. The chapter concludes by presenting limitations and emerging directions for research before making some closing comments.

9.1 Summary of the Main Findings

While there has been considerable research in the field of New Zealand hotels and hospitality management (Harkison et al., 2011; Luo, 2010; Mooney, 2007; Mooney & Ryan, 2009; Poulston, 2008; Ryan, 1998; Williamson, 2009; Williamson et al., 2008), until this thesis, there has been no work on the *historical* aspects of employment relations (including all three stakeholders) in the New Zealand hotel sector. Local and international research in this field has remained resolutely presentist and has avoided

analysing the power relations between employers, workers and the state (Lashley, 2007; Lashley et al., 2006; Lashley & Morrison, 2000; Lynch et al., 2011). With the exception of Baum (2007) and Applebaum et al. (2003), there is precious little international literature on historical aspects of hotel employment relations. This thesis addresses that gap.

This thesis presents the first in-depth examination of the post-war history of the Hotel Workers Union of New Zealand. The neglect of this subject is remarkable given that this union was one of the largest and most powerful in New Zealand during this period. In addition, the research presents a comprehensive history of the Tourist Hotel Corporation and its subsequent iteration as the Southern Pacific Hotel Corporation, again a crucial part of the development of the New Zealand tourism industry that has only received fleeting coverage in academic literature. Understanding the histories of these stakeholders is crucial because without the historical insights provided by this thesis, the only narrative available would be that of growth, success and triumphalism contained in the current literature (Brien, 2003; McClure, 2004; Watkins, 1987). Without the voices of the unions, employees and managers contained in this thesis, it would remain impossible to understand the present shape of both the hotel industry and the employment relations contained within it. The thesis has collected, analysed and published these materials as a critical historical narrative and they not only stand as support for the arguments within the thesis itself, but also can form a foundation for future historical analysis of employment relations in the New Zealand hotel sector.

The second research question of this thesis focuses on the relationship between the historical development of employment relations in the New Zealand hotel sector and current employment relations patterns. This section will outline the main findings of this thesis by presenting the key links between historical development and current employment relations patterns.

Firstly, the thesis argues that the employment relations environment from 1955 through to 1975 was deeply corporatist in nature and that this has influenced modern hotel employment relations in several ways. A key finding of this thesis is that "personal corporatism" (the very close personal relationships between industry, union and government leaders) was a major component of the overall corporatist strength of this period. The interviews in Chapters Five and Six show that one of the defining characteristics of post-war union/employer relations was a strongly personal form of corporatism. The leaders of the Hotel Workers Union and the major hotel employer's organisations shared deep and longstanding personal bonds, born of their shared experiences of corporatist responses to the Depression and the war. Chapter 5 highlights the rise and fall of these "smoker joker" union leaders and outlines the strengths and weaknesses of their conservative views and tightly corporatist relationships with employers and the state.

The findings also indicate that these relationships weakened with the generational change of leadership in the 1970s and 1980s. The new, younger leaders of the union and business groups (as well as the impact of the change to foreign multi-national corporate ownership) did not share the same strength of relationship and corporatist outlook as the outgoing generation. The thesis concludes that after the neo-liberal revolution of 1984, this lack of personal connection and agreed approach greatly weakened the Hotel Workers Union and greatly strengthened the hotel employers, resulting in the de-unionised, managerialist work environment predominant in the current New Zealand hotel sector.

Another key finding of this thesis is that the strength and depth of corporatist consensus up to the 1980s, followed by its almost total abandonment, is a key underpinning driver of changing employment relations in the hotel sector for this period. The thesis goes on to argue that the corporatist approach in this post-war period was as much a socio-

political consensus, born of the shared experiences of the Depression and war, as it was a result of the legislative environment under the Industrial Conciliation and Arbitration Act 1894. While the IC&A Act embodied and structured the corporatist consensus, the findings show that the fragmentation of corporatist consensus started in the mid-1970s. Specifically, the thesis shows that the collapse of corporatist consensus, from the mid-1970s, had direct impacts on both the resilience of unions to the changes after the 1984 neo-liberal revolution and to the nature of hotel human resource management that was born after the ECA in 1991. The thesis highlights these links between the outcomes of weakened unions and the birth of unitarist, short-term, cost-saving focused HRM and the current low pay, high turnover, managerialist realities of contemporary employment relations in the hotel sector.

Two key findings from the archival research undertaken for this thesis show that wages in the hotel sector and union membership numbers began falling long before most literature has suggested (Dixon, 1998; Harbridge & Walsh, 1989; Maloney, 1998; Erling Rasmussen, 2009). Chapter 6 shows that hotel wages began falling in real value from 1979 and collapsed by nearly a quarter between 1980 and 2000. In addition, the chapter shows hotel union membership starting to significantly fall from 1984 onwards and concludes that falling wages and falling union membership (symptoms of the failing social and political consensus discussed above) occurred *long before* the legislative change contained in the ECA of 1991. Thus, this thesis challenges the established myth that the ECA was *the* major cause of union disintegration and falling employment conditions, but rather suggests the ECA was the final dramatic act of a much longer tragedy.

Finally, this thesis shows a very clear link between the historical environment that gave birth to human resource management in New Zealand hotels and its modern form. These findings clearly address the requirements of the third research question of this

thesis. Specifically, during the early 1990s, changing ownership and managerial structures in the hotel sector and a dramatically changed legislative environment had a profound impact on the type of HRM that emerged. Chapter 7 shows how the newly private, internationalised owners of the major tourist hotels in New Zealand used the opportunities provided by the ECA of 1991 to actively move their employees off collective awards and onto individual employment agreements. Chapter 7 goes on to describe the road trip taken around the newly purchased hotel properties by Julian Bugleditch and Terry Hiltz (SPHC CEO and Regional Human Resource Manager respectively). During this trip, the vast majority of employees were successfully moved from the union negotiated collective contract on to individual contracts, resulting in a dramatic loss of union membership. By 1992, these employers had actively and effectively decimated collective union power within the hotel sector, whilst bringing in newly minted human resource managers to oversee an approach of individual employee development, engagement and reward.

This thesis argues that the rapid transformation of a previously basic personnel function, into human resource management, occurred during a period of economic recession, coupled with newly arrived anti-union, unitarist managerial philosophies from the hot beds of neo-liberal thought in Thatcher's UK and Reagan's US (James, 1986, 1992, Kelsey, 1993, 1995; Roper, 2005; Trotter, 2007). The thesis concludes that this combination of unsophisticated HRM origins, managerialist unitarism and a recession–induced, short-term cost-saving focus, gave birth to a form of HRM that has proved mostly unwilling or incapable of pursuing high performance HRM systems in New Zealand hotels (Deery, 2002; McGing & Connolly, 2007; Williamson, 2009; Williamson et al., 2008). The thesis argues that many of the common attributes of modern hotel employment relations (high turnover, low pay, poor conditions) can be linked to this historically influenced form of "low road" hotel HRM. This form of low

road HRM looks to be particular to New Zealand, due to this unique historical context and, as such, this approach to HRM may be hard to escape.

9.2 Contribution to Knowledge

This thesis makes a number of contributions to the fields of hospitality studies, labour history and employment relations. The contributions to knowledge included methodological, theoretical, policy and practical components, all of which will be discussed in turn.

9.2.1 Research contribution

This thesis is a response to widespread academic calls for historical enquiry into hospitality and tourism employment, from the disciplines of labour history, service management and hospitality (Korczynski & Macdonald, 2009; Lashley, 2007; Lashley et al., 2006; Lashley & Morrison, 2000; Lynch et al., 2011; O'Gorman, 2005; Walton, 2012; Whalen, 2008; Wright, 2011; Zampoukos & Ioannides, 2011). There is considerable research into the problematic nature of work in hotels internationally and in New Zealand, however much of this work is intra-enterprise, presentist in nature and lacking in historical, political or social perspectives (Lashley, 2007; Lashley et al., 2006; Lashley & Morrison, 2000; Lynch et al., 2011; O'Gorman, 2005; Walton, 2012; Zampoukos & Ioannides, 2011).

The historical methodology outlined in Chapter 3 is groundbreaking in the triangulated application of multiple theoretical frames to a historical perspective on New Zealand hotel employment relations. This thesis is the first major research undertaken into the history of employment in New Zealand hotels, but is also the first hospitality employment relations research to highlight the importance of taking a historical approach that draws on in-depth data (from employers, unions and the state) to uncover power relationships in a particular sector. This approach is a new contribution to both

the New Zealand based research into historical ER, but also provides a potential framework for international research into sector-based historical ER. The breadth and depth of the voices and stories captured in this narrative have not been recorded or analysed anywhere else in such detail. Many of the participants are older and in retirement and their first person voice could have been lost from the historical record if not interviewed for this research. This thesis has captured and presented a wide selection of views from senior "influencers" in both union and employer organisations. Any future research in the history of employment in New Zealand hotels will have a considerable body of historical content to draw on from within this thesis.

9.2.2   Theoretical contribution

The final research question explores how an employment relations framework, drawing on specific employment and management theories, explains the historical evolution of New Zealand hotel employment relations. The thesis undertook an original research approach by triangulating multiple theory perspectives (using the work of Polanyi, Burawoy, Corporatism and Strategic Choice Theory) and then applying these to three levels of employment relations analysis. While corporatism and SCT allow for multiple levels of analysis, with SCT engaging with strategic decision making at "leadership group" level and governmental/union level as well, the perspectives have been used to analyse findings at particular levels.

At a broad, global level, it has drawn on the work of Polanyi (2000) and Burawoy (1978, 1979); at a national, structural level, it has applied the corporatist theories of Schmitter and others (Schmitter, 1989; Schmitter & Grote, 1997; Schmitter & Lehmbruch, 1979) and at an intra- and inter-organisational, individual agency level, it has used SCT (Kochan et al., 1984). This triangulated, three level structuring of theoretical perspectives is an entirely original approach to employment relations history.

The specific contributions to knowledge and applications of these frameworks in the thesis are discussed in the section below.

This thesis contributes to corporatist theory literature (Molina & Rhodes, 2002; Schmitter, 1974; Schmitter & Grote, 1997; Schmitter & Lehmbruch, 1979; Shonfield, 1965) in a number of ways. No previous studies have applied corporatist analysis to hotel employment relations and the empirical evidence contained in this thesis supports new and valuable insights from this theoretical perspective. Firstly, the findings show that New Zealand hotel employment relations were deeply corporatist in the post-war period, reflecting the national corporatist consensus of the times (Belich, 2001; James, 1986; King, 2003; Roper, 2005). Chapters 5 and 6 described a highly personal and deeply corporatist network of relationships between hotel employers, the hotel union leaders and politicians, a structure that fully meets Schmitter's "typology of corporatism" (1989). Chapter 5 presented the collective agreement negotiated by the hotel union during this period as an example of corporatism made solid, arguing that the agreement itself was a corporatist document, embodying most of the aspects of Schmitter's (1989) typology.

The thesis makes further contributions to theory by linking this post-war corporatist consensus in New Zealand to the broader global theories of Polanyi (2000) and Burawoy (1978, 1979), showing that the corporatist structures in New Zealand operated within an embedded economy (as described by Polanyi, 2000) and a hegemonic phase of control (as described by Burawoy, 1978, 1979). The hotel sector in this period was a clear microcosm of a fully developed Keynesian welfare state, with strong legislative support for unions, public ownership of strategic organisations (the THC) and comprehensive welfare provisions. In this way, the post-war experience of hotel managers working with union inputs, being required to seek worker consent and negotiating within a strong welfare system (incorporating compulsory unionism) are all

examples that illustrate the impact of corporatism, the embedded economy and hegemonic conditions within New Zealand hotel employment relations during this period.

This thesis extends our understanding of corporatist and employment relations theory by providing empirical evidence from the hotel sector that shows New Zealand rapidly moved from a country with a solidly established corporatist consensus to a dramatically deregulated, free-market neo-liberal society from the mid-1980s through to 2000 (Bollard & Buckle, 1987; James, 1986, 1992, Kelsey, 1993, 1995; Rice, 1992; Roper, 2005; Trotter, 2007). The "oil shock" economic disruptions of the mid-1970s began an erosion of corporatist consensus in New Zealand that help explain the findings in Chapter 5 and 6. These findings show steadily falling wages and union membership occurring from the mid to late 1970s, long before legislative changes of the Employment Contracts Act of 1991. The thesis argues that it is the long-term process of de-corporatism, starting in the 1970s, that is the real underlying driver of falling wages and collapsing union membership in the hotel sector and that previous emphasis in the literature (Fryer et al., 1994; Harbridge, 1993; Harbridge & Walsh, 1989; Locke, 2007; Maloney, 1998) on the impact of ECA legislation in 1991 misses this vital point.

Importantly, this thesis presents new data that extends the construct of "personal corporatism" discussed in corporatist literature (Molina & Rhodes, 2002; Schmitter, 1974). These (possibly unique) forms of New Zealand corporatist relationships were formed during the Depression and Second World War and reflect the heightened importance of personal relationships in the less populated, relatively isolated New Zealand society of this time (Belich, 2001). This personal aspect of New Zealand corporatism may partly explain why New Zealand's experience of de-corporatism was so comprehensive (compared to European experiences - Molina & Rhodes, 2002; Schmitter, 1989; Schmitter & Grote, 1997). The findings show that as the "old guard"

leaders in the unions, hotels and government retired in the 1970s and 1980s, their powerful, personal, corporatist relationships went with them. This resulted in more distant, conflictual, un-cooperative relationships between the unions, employer groups and the state: when faced with radical legislative and political change, there were few personal bonds to hold the parties together. This also suggests that while New Zealand post-war corporatism could be considered a classic example of the construct, the rapid and total dissolution of corporatist consensus from the mid-1970s raises interesting contrasts with the findings of European research, which suggests a re-birth of neo-corporatism in the new millennium (Molina & Rhodes, 2002; Schmitter, 1989; Schmitter & Grote, 1997).

The findings of this thesis also contribute to theory around the linkages between the de-corporatism experienced in New Zealand after 1984 and both Polanyi's (2000) construct of dis-embedded capitalism and Burawoy's (1978, 1979) theories around hegemonic despotism. Both writers suggest the rise of neo-liberal, globalised, financialised capitalism in the 1980s resulted in a more aggressive environment that empowers employers and removes protections for workers. The sale of the THC hotels in 1990 (covered in Chapter 7) is a fine example of Polanyi's dis-embeddedness in action. This is where we see a publicly owned organisation, tasked with developing the tourism industry for the collective good of the nation, sold into private, foreign ownership. The clear aim of the new owner was increased profit to its shareholders, thereby reversing the embeddedness of this economic activity in the public good.

The findings also extend our understanding of Burawoy's (1978, 1970) concept of hegemonic despotism. The thesis provides evidence of a hardening of managerial attitudes in the hotels with the arrival of globalised corporate ownership, adding to the literature in this area (Foster et al., 2013, 2011; Haworth, 2013; Erling Rasmussen & Foster, 2011). However, the findings also suggest that this process is mediated by the

fact that hotels cannot be moved to other countries for cheaper labour, a key aspect of Burawoy's construct. Rather, the thesis shows evidence that the hotels have ensured the importation of cheap labour to staff hotels in New Zealand, achieving the same outcome as suggested by Burawoy (weakened labour conditions), but by different means. The thesis concludes that, during the 1980s, the impact of these global changes in capitalism on New Zealand experiences of de-corporatism provide an excellent explanatory framework for the historical antecedents of the modern hotel employment relations environment.

However, the findings of this thesis also lend support to the importance of Strategic Choice Theory (Godard, 1997; Kochan et al., 1984) in allowing for the understanding of individual decision making and agency within the structural realities of capitalism. For example, Chapters Five and Six describe remote hotels in New Zealand with hotel managers that were quite independent of head office control and employees that rarely saw union officials. These chapters also outline the importance of individual leaders within the hotel corporations and unions, who often pursued idiosyncratic strategies, free from structural constraints. In addition, the findings show fierce debates within the unions regarding which strategies should be pursued during the periods of intense change. Thus the thesis extends SCT literature by showing evidence that managers and union leaders were not just passive victims of globalised economic change, but rather took active and impactful strategic choices throughout this period. In addition, the balancing of structural impacts and individual agency explained by SCT suggests that, even during the height of the corporatist period, when managers and employees were out of direct control of their respective leaders, they practised compromise and consensus. The interviews clearly show managers and employees getting along, "because it was the right thing to do". This in turn suggests that the corporatist consensus was as much a social construct as a political or legislative one.

In addition, the thesis contributes original material to human resource management (HRM) knowledge. The findings not only show the birth of hotel HRM in clear historical narrative, but also present the concept that a specific historical environment gave birth to a particularly truncated type of HRM in New Zealand hotels. This thesis argues that neo-liberal, anti-union, unitarist managerial philosophies from the UK and US (James, 1986, 1992, Kelsey, 1993, 1995; Roper, 2005; Trotter, 2007), blended with a recession-induced short-term cost-saving focus, gave birth to a form of HRM that has proved incompatible with high performance HRM systems in New Zealand hotels (Chen et al., 2012; Davidson et al., 2011; Deery, 2002; Enz, 2009; McGing & Connolly, 2007). The thesis contributes an original argument that suggests many of the common attributes of modern hotel employment relations (high turnover, low pay, poor conditions) can be seen to be linked to this historically influenced form of short-term, cost-saving, "low road" hotel HRM.

The thesis also demonstrates an important contribution to hotel management literature by answering calls to break the obsession with presentist research; that is, research that only focuses on the present day (Lashley, 2007; Lashley et al., 2006; Lashley & Morrison, 2000; Lynch et al., 2011; O'Gorman, 2005). It shows comprehensively that important insights can be gained by taking a historical approach. For example, the findings contradict literature which argues that hospitality and tourism have never been strongly unionised (Baum, 2007, 2008; Haynes and Fryer, 2001), showing the opposite to be true in New Zealand, until 1990.

One of the contributions to employment relations theory this thesis makes is the presentation of union and employer perspectives, along with the broader political and economic employment history of the long period covered. Using the "traditional tripartite" (employer, employee and the state) framing of the employment relations history allows for greater depth of discussion and balance in conclusions than is usually

seen in literature focusing on one stakeholder only and/or studies conducted in a very limited time frame (Bamber et al., 2011; Kelly, 1999; Lucas, 2004; Erling Rasmussen, 2009). The relationship between the hotel union and employers over several decades, as presented in the findings and discussed within the corporatist framework of analysis, provides an original contribution to employment relations studies in New Zealand.

Finally, the thesis contributes to contemporary New Zealand employment relations theory by questioning the long held view that the ECA of 1991 was a hugely impactful "game changer" (Fryer et al., 1994; Harbridge, 1993; Haynes & Fryer, 2001; Haynes et al., 2006; Maloney, 1998; Walsh, 1991). The thesis argues that the ECA was more a final act in a long series of political and social changes that transformed employment relations in New Zealand, all driven by a failing consensus on the value of corporatism in the face of global economic challenges. This argument also extends our understanding of the subsequent Employment Relations Act of 2000, suggesting that the ERA (itself not really a radical departure from the essence of the ECA) failed to reverse the impacts of the ECA because of an overemphasis on the power and impact of legislation during this period (Foster et al., 2013; Erling Rasmussen, 2004, 2010). Rather, this thesis suggests that the underlying movement of social and political consensus away from corporatism to neo-liberal deregulated, free-market capitalism was so profound that legislative change was not powerful enough to fundamentally change the direction of the New Zealand employment relations environment.

9.2.3 Practical and policy contribution

The tourism sector has become the foremost export earner for New Zealand during 2016. As such, it has continued to grow into a crucial driver of the economic and social success of the nation. This thesis has highlighted the huge historical investment by the government in the physical infrastructure of a high quality hotel industry in order to support this tourism growth. However, the thesis raises serious questions about the

matching level of investment and development of the employment relationships and practices over the same period that, in turn, support the hotel and tourism sector. While the physical infrastructure of the tourism industry has received plentiful support, questions remain about the level of support provided to the "soft skills" in this sector, with career paths, training, pay and conditions remaining underdeveloped in the sector. Several key practical and policy implications have emerged from this study.

The thesis has presented an argument that human resource management in the hotel sector was subject to a number of historical influences that resulted in a contemporary "low road" approach. The findings suggest that hotel HRM would benefit from serious reflection on why high performance HRM systems remain elusive in this sector and how hotel HRM might be trapped in a unitarist paradigm that limits potential solutions to many of the ongoing problems in hotel employment. The historical employer preference for unrestricted managerial prerogative, short-term cost savings and anti-collectivist employee voice need to be publicly questioned and challenged.

In the broader policy space, this thesis highlights the impact of collapsing corporatist consensus during the 1970s and questions previous emphasis on the impacts of legislative changes embodied in the ECA of 1991. The thesis concludes that the collapse of corporatist consensus regarding the importance of collective representation of employees has resulted in a dramatic shift of power and influence to employers, which is particularly evident in the hotel sector. Without political and social pressure to rebalance power in the employment sphere, one should not expect the conditions of hotel work to change any time soon. This thesis provides a corporatist framework for analysing the changes that have occurred in the hotel workforce, a framework that has not been used in this New Zealand context before. From this foundation, this thesis would support policy initiatives that seek to rebuild a social consensus regarding

collective representation of workers and rebalance the excessive power and influence that has accumulated with employers since 1984.

Specifically, the research would support policy development that drew together employers (particularly strategic level HR managers), educational and training providers, local and regional government, tourism and hospitality representative bodies (Hospitality Association of New Zealand, Tourism Industry Aotearoa) and other stakeholders, in order to co-ordinate and develop initiatives that improve employment outcomes in this sector. Multi-stakeholder targeting of specific areas like skills shortages, vague career pathways, low pay and poor conditions could have immediate positive effects on both the lived experience of work in New Zealand hotels and business outcomes.

9.3 Future Research and Limitations

Several frustrations occurred regarding the contents of the archives addressing the mid-1980s "neo-liberal revolution" period of this study. In several cases, long series of data were discontinued or disrupted just at this point, precisely at the time when the impacts of these major changes were occurring in New Zealand. Both wage and union membership data either temporarily dropped out, or changed methodology in these crucial years, which made longitudinal comparison more difficult. In addition, both the Tourist Hotel Corporation and the Hotel Workers Union archives ceased around 1990 as these organisations either ceased to exist or amalgamated, reducing the quantity of materials the thesis could use to support the findings of this period. Fortunately, other archival sources and in-depth interviews provided enough primary resources to sufficiently support the post-1990 findings.

It is unfortunate that this thesis could not capture the voice of "front–line" employees and union members in the same detail and depth as those of managers and leaders. As is

often the way, those in positions of power and leadership tend to author archives and be accessible for interview, whereas those below tend to fade into the generalised past. However, this does highlight an exciting opportunity for future research, as this history would be greatly expanded by materials from diaries, letters and recollections of those at the coal face. Another limitation and opportunity for future research is that the thesis is obviously limited by the dates that begin and end its narrative. As the historical narrative emerged from the findings, there were a number of interesting themes and strands of enquiry that stretched back into the pre-1955 period and forward into the post-2000s.

By applying corporatist analysis to the New Zealand context, several unique "flavours" of "Kiwi corporatism" emerged. One of the most interesting of these is the extension of the concept of personal corporatism (Molina & Rhodes, 2002; Schmitter, 1974). Perhaps reflecting the small, tightly linked society of post-war New Zealand, the local corporatist experience seemed to be strongly influenced by the personal relationships held by the political, industry and union leaders of the time. There is opportunity for future exploration around the impacts of personal corporatism on the New Zealand tourism sector, with the potential to develop further theory and research directions in comparison countries, such as, for example, researching the extent to which personal corporatism may have affected the development of tourism and hotel work in Australia.

In addition, the wage and union membership data analysed in this thesis provided an important but only partial view of these measures over time. There is huge potential for a more detailed and comprehensive study of hotel wage patterns and union membership over the key period of 1975 to 1995. This thesis has shown that large movements occurred in both wages and union membership over this 20-year period, but a more in-depth analysis could potentially link key legislative, economic and social changes to these measures in greater detail. While this thesis focused on the broad historical

relationships between employers, unions and state, future wage analysis could add to these findings.

This research also touches on social-cultural views of hospitality and hotel work in the New Zealand context. Be it disparaging comments in Parliamentary debates, withering put-downs in economic reports, or ongoing disdain in the media, the findings present evidence that hospitality work was, and remains, tainted by the fear of "servility". There is much potential in further research that seeks to expand on the history of ideas around hospitality work and the impact of these on contemporary employment conditions in the sector. Particular focus could be applied to how current managers, owners and sector representatives seek to explain the ongoing poor employment conditions in the hotel sector.

Finally, this thesis has opened many intriguing strands of enquiry which are ready to be developed further. Several avenues of potential research which stand out include, firstly, data from the interviews with union leaders indicated that the ideology underpinning the social, political and legislative changes in the 1980s and 1990s was "imported" from the US and UK. These findings also suggest that, at the same time, a hardening of attitudes towards unions and collective negotiation occurred amongst hotel managers and owners. Further research around the question of where these neo-liberal ideas came from and how they entered into the New Zealand context could be very enlightening. Secondly, the findings in Chapter 5 suggest an important story can be told regarding the experiences of women in the Hotel Workers Union. The power structure of the union and the nature of the award it defended appeared to exclude women from the full protection that male unionists enjoyed. While some research has examined this issue in the case of the Wellington Hotel Workers Union (Locke, 2015), the fight for women to be heard in the national union and their eventual victories in the 1990s deserve further exploration.

In additon futher research could examine the role of branches within the Hotel workers Union, drawing out internal differences and prespectives from different regions. A final area of further examination could be the geographical elements not covered in this thesis. A rich literature exists around labour geography and while it is beyond the scope of this thesis, it woulds seem a valuable area to explore.

9.4   Closing Comments

The aim of this thesis was to take a historical perspective in order to illuminate why the current employment relationships and conditions in the New Zealand hotel sector remain so problematic. The research sought to find the origins of this industry's high labour turnover, low pay, and dependence on temporary visa migrants, and to seek some answers for the questions, "Has it always been like this and what needs to change?" Rather than produce another micro, intra-organisational study that resulted in the usual normative conclusions (organisations should train more, managers should engage employees more, hotels should pay more), the hope was that by applying a broad, historical analysis, more impactful conclusions might be reached. At the conclusion of the thesis, it can be seen that the historical approach has paid great dividends.

A picture has emerged from the findings of a dramatic dissolution of public consensus regarding the desired nature of the economy, society and employment relationships in New Zealand. From the mid-1970s on, the corporatist, Keynesian, welfare model gave way to a radical neo-liberal, free-market, individualist revolution that has swept all before it in this country. This thesis provides a view of the impacts of this revolution within the employment relations of the hotel sector. The findings show many of the benefits and deficits of this revolution for the industry: falling wage values for employees but greatly increased international career opportunities; huge growth for hotel operators but intensely increased competition and tightened margins; and a continued and ever increasing dependence on short-term migrant labour. The hotel

industry stands utterly transformed from the publicly owned Tourist Hotel Corporation origins, now disturbingly close to being completely owned by international capital, largely staffed by international labour, serving large numbers of international consumers. It would seem the new public consensus is relatively comfortable with New Zealand being little more than a host nation for other people's economic activities.

This research concludes that without a major realignment of public consensus regarding the desirability of decent work conditions and collective employee representation for all New Zealand workers, the hotel sector will remain a low road employer. This is important for two reasons. Firstly, ingrained high labour turnover in hotels and the resulting dependence on short-term migrant labour reduces the ability of the industry to deliver high value service to tourists. In this way, ongoing poor employment relations threatens the economic potential of the hotel and tourism sector in the future; put simply, this approach is bad business. Secondly, poor employment relations makes for bad jobs. For many hotel workers the daily lived reality is working in low pay, insecure, physically and emotionally draining work. There is no intrinsic reason why hotel work needs to be low road work, a change in public consensus could greatly improve the conditions in this industry. By having a clearer understanding of how the hotel sector arrived on the low road, we are now in a better position to change that direction and demand a future on the high road.

Appendix

A – Invitation Leter

Participant Information Sheet

AUT UNIVERSITY
TE WĀNANGA ARONUI O TAMAKI MAKAU RAU

Date Information Sheet Produced:

25/3/2012

Project Title

Hospitable Employment? A History of Employment Relations in the New Zealand Hotel Sector: 1955 to 2011

An Invitation

Dear

I would like to invite you to participate in research on the history of employment relations in the New Zealand hotel sector. My name is David Williamson and I am undertaking research into union, employee and employer perceptions of the history of employment relations in the hotel industry. This research will be used to inform my PhD on this subject. Your experience and knowledge of the hospitality industry and the people who work in it is important to this research. However, your participation in this research is voluntary and should you wish, you are able to withdraw from the research project at any stage.

What is the purpose of this research?

The objective of this study is to examine the history of employment relations in the hotel sector from 1955 to 2011. Starting with the formation of the Government owned Tourist Hotel Corporation in 1955, this study will aim to analyse key changes within the hotel sector employment relationships on multiple levels:

National – changes in political, economic and legislative direction; changes in union activity

Regional – socio-spatial variations in employment relations within New Zealand regions.

Organisational – changes in hotel ownership, development and business management structures

The hotel workplace is commonly described as having non-standard employment patterns, high labour turnover rates, low qualification rates, low productivity, low yield, low coverage of collective agreements and low pay (New Zealand Tourism Research Institute, 2007; Statistics New Zealand, 2010; Stokes, Norman, & Ganesh, 2010). This depiction of hotel workplaces, if accurate, could have seriously negative implications for the economic performance of the sector.

Thus, this study will aim to address the following: Since 1955, to what extent has the New Zealand hotel sector exhibited the employment relations conditions listed above? What historical antecedents can be drawn out that might explain the development and contemporary expression of these employment relations issues? What conclusions can be drawn from this history that may provide suggestions for improved employment relations in the New Zealand hotel sector in the future?

How was I identified and why am I being invited to participate in this research?

You have been identified through my professional network as a suitable participant for this research. I am seeking people with experience in the hotel industry as employees, managers or employee representatives.

What will happen in this research?

Your participation will involve an interview of approximately one hour, that will be held at a time and location that is convenient to you. The interview will be recorded and then word processed. You will receive a copy of the transcript to look through and make adjustments to if required. Once this is complete this information will be used for the study.

What are the discomforts and risks?

The information sought in this research is not particularly controversial, so you should not experience any discomfort, be exposed to any humiliation or face any repercussion or risk. However, given the contested political nature of employment relations, there is the risk that your comments may be challenged by others in the study.

How will these discomforts and risks be alleviated?

You will be asked on the consent form if you wish your comments to be identified in the final work or not. If you choose not to be identified, your confidentiality will be maintained at all times. If you experience any discomfort, provision has been made with AUT Counselling should any need arise for access to these services.

What are the benefits?

Potential benefits include: a greater understanding of the underlying causes of the current employment relations tensions in the hotel sector; the possibility to make recommendations for improved employment relations in this sector; improved dialogue between employers, employees and academics, as both a part of, and a result of this research; a contribution to the wider study of employment relations in New Zealand. I will hope to gain my PhD qualification from this research and publish academic and practitioner articles based on the findings.

What are the costs of participating in this research?

The only cost to participants will be the time required for the interviews – normally between one and two hours.

What opportunity do I have to consider this invitation?

You will have one week to consider the invitation, if I have not heard from you after one week I will contact you again to see if you want to participate in the study or not.

How do I agree to participate in this research?

If you agree to participate in the study – you will need to fill out the attached Consent Form and return it my email address below. I will then confirm your agreement to participate by email.

Will I receive feedback on the results of this research?

Yes – you will be given a draft of the findings to comment on, before it is completed.

What do I do if I have concerns about this research?

Any concerns regarding the nature of this project should be notified in the first instance to the Project Supervisor, Associate Professor Candice Harris, *charris@aut.ac.nz*, 921 9999 ext 5102

Concerns regarding the conduct of the research should be notified to the Executive Secretary, AUTEC, Dr Rosemary Godbold, *rosemary.godbold@aut.ac.nz*, 921 9999 ext 6902.

Whom do I contact for further information about this research?

Researcher Contact Details:

David Williamson, *david.williamson@aut.ac.nz*, 921 9999 ext 8448.

Project Supervisor Contact Details:

Primary Supervisor - Associate Professor Candice Harris, *charris@aut.ac.nz*, 921 9999 ext 5102

Secondary Supervisor – Professor Erling Rasmussen, *erasmuss@aut.ac.nz*, 921 9999 ext 5916

Approved by the Auckland University of Technology Ethics Committee on 13/8/12 AUTEC Reference number 12/130.

This version was last edited on 13 October 2010

B – Indicative Questions

Indicative Interview Questions

1 Please outline your career to date in hotels.
      What role/positions have you held?
      When did you start – what hotels have you worked in?
      What regions and countries have you worked in?
2 How would you describe your work conditions in your earliest role?
      Pay, hours, training and development, culture, work place relations
      What about the subsequent roles – have things changed over the years?
3 Can you recall what sort of contract you were initially hired on?
      Individual or collective? Union negotiated? No contract? Trainee?
      Have things changed over the years in terms of the contracts you work under?
4 Can you recall what impact unions had in your earliest workplaces?
      Have things changed regarding unions over the years?
      What impact do you see unions having in your current workplace?
5 What changes have occurred in the industry over the course of your career that you think are important?
Legislation, skills, altitudes, demographics, employment relations, training and development, pay, conditions, social attitudes, media.
6 Have you noticed any changes in ownership structures over your career?
      Who owned the first hotels you worked in?
      Who owns the hotels now?
Owners and management separating, international head offices, multi-national ownership structures
7 Have you noticed any changes in management structures or practices over your career?
Owners and management separating, international head offices, multi-national ownership structures, best practice/best fit HRM
8 What observation can you make about the changes in employment relations in the hotel sector over the course of your career?

C – Ethics Approval

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MEMORANDUM

Auckland University of Technology Ethics Committee (AUTEC)

To: Candice Harris
From: Rosemary Godbold, Executive Secretary, AUTEC
Date: 19 July 2012
Subject: Ethics Application Number **12/130 Hospitable employment? A history of employment relations in the New Zealand hotel sector: 1955 to 2011.**

Dear Candice

Thank you for providing written evidence as requested. I am pleased to advise that it satisfies the points raised by the Auckland University of Technology Ethics Committee (AUTEC) at their meeting on 28 May 2012 and I have approved your ethics application. This delegated approval is made in accordance with section 5.3.2.3 of AUTEC's *Applying for Ethics Approval: Guidelines and Procedures* and is subject to endorsement by AUTEC at its meeting on 13 August 2012.

Your ethics application is approved for a period of three years until 19 July 2015.

I advise that as part of the ethics approval process, you are required to submit the following to AUTEC:

- A brief annual progress report using form EA2, which is available online through http://www.aut.ac.nz/research/research-ethics/ethics. When necessary this form may also be used to request an extension of the approval at least one month prior to its expiry on 19 July 2015;

- A brief report on the status of the project using form EA3, which is available online through http://www.aut.ac.nz/research/research-ethics/ethics. This report is to be submitted either when the approval expires on 19 July 2015 or on completion of the project, whichever comes sooner;

It is a condition of approval that AUTEC is notified of any adverse events or if the research does not commence. AUTEC approval needs to be sought for any alteration to the research, including any alteration of or addition to any documents that are provided to participants. You are reminded that, as applicant, you are responsible for ensuring that research undertaken under this approval occurs within the parameters outlined in the approved application.

Please note that AUTEC grants ethical approval only. If you require management approval from an institution or organisation for your research, then you will need to make the arrangements necessary to obtain this.

To enable us to provide you with efficient service, we ask that you use the application number and study title in all written and verbal correspondence with us. Should you have any further enquiries regarding this matter, you are welcome to contact me by email at ethics@aut.ac.nz or by telephone on 921 9999 at extension 6902. Alternatively you may contact your AUTEC Faculty Representative (a list with contact details may be found in the Ethics Knowledge Base at http://www.aut.ac.nz/research/research-ethics/ethics).

On behalf of AUTEC and myself, I wish you success with your research and look forward to reading about it in your reports.

Yours sincerely

Dr Rosemary Godbold
Executive Secretary
Auckland University of Technology Ethics Committee

Cc: David Williamson david.williamson@aut.ac.nz

From the desk of	Private Bag 92006, Auckland 1142	Tel: 64 9 921 9999
Dr Rosemary Godbold	New Zealand	ext 8860
Executive Secretary	E-mail: ethics@aut.ac.nz	Fax: 64 9 921 9802
AUTEC		page 1 of 1

D – Full Questions

Generic questions

Outline your career in hotels/unions, when did you start working, in what role?
Outline your career progression in the hotel industry/union.
What are you doing now?

When you think back on your career, what have been the major changes that have affected the hotel industry?

How is the industry different now, compared to when you started out? What do you think has led to those differences?

Changes in Politics and legislative frameworks

There have been major changes to workplace legislation over this period, to what extent did those changes affect the industry? (Give examples and dates for end of compulsory unionisation, ECA, ERA etc).

Can you recall what it was like working under the ICAA, before 1976? How did the changes of the 1980's and 1990's affect your job/role?

To what extent did the changes in legislation affect the relationships between managers and unions and employees and employers?

How are things now? Do you think the current legislative environment is effective? Is it better or worse than it was in previous periods?

The changes in employment legislation and privatisation of the THC hotels are reflective of the broader political, economic and social changes that occurred from the 1970's to the 2000's – to what extent do you feel these changes have been beneficial or harmful to the industry?

Changes in Hotel ownership and management, growth of tourism based hotels as opposed to domestic pub/hotels

When you started out – what did "hotels" mean to you?

How have hotels changed over this period? What do you think has driven those changes?

How has your role changed over this period – what has driven those changes?

What has changes in terms of management approaches over this period – what has driven those changes?

Can you recall what working for the THC was like? How did things change when the hotels were privatised?

How are things now? What challenges to you see in the current hotel environment?

Changes in the Unions

The role and influence of unions in the hotel industry has changed radically since the 1960's and 70's – what changes have you witnessed? What do you think drove those changes?

To what extent do you think these changes have been beneficial or harmful to the industry?

How do you see the relationship between unions and employers playing out today? Is it better or worse than in the past?

Do you see unions having a role in hotel work relationships in the future? What sort of role?

Other Social and economic changes, changes in workforce demographics

How is the hotel workforce different now than in the past – have there been noticeable changes in gender, ethnicity, age? What do you think has driven those changes?

What issues and challenges do you see associated with these changes?

Have there been changes in how the workforce is employed and managed – part-time, casual etc? What do you think has driven those changes? What issues and challenges do you see associated with these changes?

E - Award

New Zealand Licenced Hotel Workers Award - 1965

NEW ZEALAND LICENSED HOTELS' EMPLOYEES–AWARD

(Filed in the Office of the Clerk of Awards, Auckland)

In the Court of Arbitration of New Zealand, Northern, Taranaki, Wellington, Marlborough, Nelson, Westland, Canterbury, and Otago and Southland Industrial Districts—In the matter of the Industrial Conciliation and Arbitration Act 1954; and in the matter of an industrial dispute between the New Zealand Federated Hotel, Hospital, Restaurant, and Related Trades' Employees Industrial Association of Workers (hereinafter called "the union") and the undermentioned association and persons (hereinafter called "the employers"):

Hotel Association of New Zealand Industrial Association of Employers, Westbrook House, 181-183 Willis Street, Wellington.

NORTHERN INDUSTRIAL DISTRICT

Astor Hotel, The Licensee, Auckland.
Cassells Motel, 27 Great South Road, Remuera, Auckland 5.
Cormack and Holden, Liquor Caterers, Cambridge.
Dominion Wines Ltd., The Licensee, 173 Karangahape Road, Auckland.
Grand Hotel, The Licensee, Rotorua.
Lion Tavern, Fort Street, Auckland.
Logan Park Motel-Hotel, The Licensee, Auckland.
Marutahi Hotel, The Licensee, Ruatoria.
Mansion House, The Licensee, Kawau Island.
Masonic Hotel, The Licensee, Gisborne.
Mt Wellington Licensing Trust, Panmure Highway, Mt Wellington, Auckland.
Settlers Hotel, The Licensee, Whangarei.
South Pacific Hotel, The Licensee, Waiwera.
Spa Hotel, The Licensee, Taupo.
Takapuna Lodge, Takapuna, Auckland.
Tauranga Hotel, The Licensee, Tauranga.
White Heron Lodge, The Licensee, Auckland.

TARANAKI INDUSTRIAL DISTRICT

Central Hotel, The Licensee, Patea.
County Hotel, The Licensee, Stratford.
Criterion Hotel, The Licensee, New Plymouth.
Devon Motor Lodge, The Licensee, New Plymouth.
Imperial Hotel, The Licensee, New Plymouth.
Opunake Hotel, The Licensee, Opunake.
Railway Hotel, The Licensee, Inglewood.
Royal Hotel, The Licensee, Hawera.
Waimate Hotel, The Licensee, Manaia.
Waitara Hotel, The Licensee, Waitara.
White Hert Hotel, The Licensee, Hawera.

WELLINGTON INDUSTRIAL DISTRICT

Burke, P. and Co., Caterers, Main Street, Palmerston North.
Carlton Club Hotel, The Licensee, Hastings.
Eketahuna Hotel, The Licensee, Eketahuna.
Ferry Hotel, The Licensee, Wairoa.
Laurence Wine Shop, The Licensee, 108 Victoria Avenue, Wanganui.
Marquis of Normanby Hotel, The Licensee, Carterton.
Marsterton Licensing Trust, Queen Street, Masterton.
Olympic Hotel, The Licensee, Naenae, Wellington.
Porirua Licensing Trust, Porirua, Wellington.

any time whilst this award is in force, connected with or engaged in the industry to which this award applies within the industrial districts to which this award relates.

SCOPE OF AWARD

3. This award shall operate throughout the Northern, Taranaki, Wellington, Marlborough, Nelson, Westland, Canterbury, and Otago and Southland Industrial Districts.

DEFINITIONS

4. "Adult person" - for the purposes of clause 22 of this award shall mean a person of the age of 18 years or upwards, or a person who for the time being is in receipt of not less than the minimum rate of wages prescribed for adult workers by this award.

"Bar staff" - for the purposes of subclause (c) of clause 14 of this award shall mean bar managers, barmen, house or lounge barmen, barmaids, bottle-store hands, cellarmen, porter-barmen, and waiters and/or day porters (including head porters) who are employed as lounge or bar stewards.

"Full weekly wage" - means the weekly wage rate specified in clause 13 of this award plus the cash value of the board and lodging allowance specified in clause 16.

"Public wheeled traffic" - means trams, buses, trains, or ferries ordinarily used by workers travelling to and from their work.

"Two days' wages" - for the purposes of subclause (d) of clause 5 and subclause (d) of clause 17 of this award shall mean two-fifths of the "full weekly wage" (as defined above).

"Week" - shall mean the working or pay week operating in each establishment.

"Travelling expenses" - for the purposes of clause 17 of this award shall mean such second-class rail fares, saloon boat fares, coach or motor fares, and cost of meals and accommodation as are reasonably necessary.

PART I - FULL-TIME WORKERS

TERMS OF EMPLOYMENT

5. (a) The employment shall be a weekly one, whether the worker shall or shall not be called upon to work full time, and no worker shall be engaged at less than the appropriate weekly wage specified in this award.

(b) Wages shall be calculated on a five-day working week and shall be paid each week within two days of their falling due. Where the worker is employed for a broken week in the first or last week of his employment he shall be paid a day's wages for each day actually worked.

No deduction shall be made from weekly wages except for time lost through sickness or default of or accident to a worker, or for union dues or travelling expenses recoverable under subclause (d) of clause 17 of this award.

(c) Workers who at the coming into force of this award are receiving wage rates in excess of the previous minimum award rates shall have their wage rates reconsidered by the employer and settled mutually between the employer and the worker respectively.

(d) Forty-eight hours' notice of termination of employment shall be given by the worker or by the employer respectively. If such notice is given before midday it shall run from the time of commencement of work on the day on which it is given; if given after midday, such notice shall run as from the end of the day on which it is given. No such notice shall be deemed to run during any period in which the worker is on his annual holiday or on sick leave. If an employer dismisses a worker without notice he shall pay the worker two days' wages in lieu thereof, but this shall not affect the employer's right to dismiss a worker without notice for good cause including insubordination, dishonesty, or drunkenness, in which case a worker shall be subject to instant dismissal and shall be entitled to be paid up to the date of dismissal only. If a worker leaves his employer's service without notice and without good cause, he shall forfeit "two days' wages": Provided that outside the radius of ten miles of each of the chief post offices in the cities of

Auckland, Wellington, Christchurch, and Dunedin, it shall not be lawful under the award for either the worker or the employer to give such notice on a Saturday or Sunday or any week or on the day preceding or day of any paid holidays.

In the case of termination of employment without notice any female worker who lives on the premises shall not be required to vacate the room should the termination take place after 12 noon; in such case, such worker shall be permitted to occupy the room until after breakfast on the following day, provided such worker conducts herself in an orderly manner.

At the termination of a worker's employment all wages and other payments due shall be computed and paid immediately, waiting time to be paid for at the ordinary rate.

(e) In cases of emergency an employer may require any worker in his employment to perform the work usually performed by another worker at the same rate of wages as if fixed for his own department.

HOURS OF WORK

6. (a) The ordinary hours of work for all workers coming within the scope of this award shall not exceed 40 in any one week without the payment of overtime, and not more than eight hours shall be worked on any one day without the payment of overtime, and the 40 hours shall be worked within five days only in each week. No worker shall be employed for more than five hours continuously without an interval of not less than half an hour for a meal. Where practicable and at the discretion of the employer, all workers covered by this award may work straight shifts, that is eight hours per day to be completed within nine hours, allowing one hour or two half-hour meal breaks.

(b) Except in special circumstances, the daily hours of work shall be worked within a span of 12 consecutive hours, and workers shall not be brought back to work after their day's work is finished until after an interval of at least nine hours. Any period during which a worker is required to work after the expiration of 12 hours from his starting time or within nine hours of his previous finishing time shall be deemed to be overtime and shall be paid for at overtime rates specified in clause 7 of this award in addition to his ordinary weekly wages.

OVERTIME

7. (a) All the time worked outside or in excess of the days and hours herein specified shall be deemed to be overtime and shall be paid for at the rate of time and a half on "full pay" as defined in subclause (d) of this clause for the first three hours, and thereafter double time.

(b) Particulars of any overtime worked shall be furnished in writing to the employer by the worker concerned within 48 hours after the day on which such overtime has been worked. The employer shall provide time sheets for this purpose. Failure to comply with the requirements of this clause shall constitute a breach of this award.

(c) Payment for overtime shall be made on the pay day for the week in which the overtime is worked, and shall be calculated on a daily basis.

(d) "Full pay" shall mean the weekly cash wages, plus the cash value of the board and lodgings as provided in clause 16 of this award.

(e) Preference of overtime, other than on a worker's weekly holiday or a special holiday, worked in each department shall be offered to full-time workers employed in that department before casual workers are engaged.

This shall not preclude a full-time worker being offered employment on his weekly holidays or special holidays.

SATURDAY AND SUNDAY PAY

8. (a) All workers who are required to work on any Saturday and/or Sunday shall be paid in addition to their ordinary rate of pay an amount equal to 50 per cent of the ordinary rate - that is one-tenth of the "full weekly wage" for each day involved.

(b) "Saturday pay" as applied to night workers shall be paid to those workers who

the majority of their hours of work on a Saturday.

"Sunday pay" as applied to night workers shall be paid to those workers who perform the majority of their hours of work on Sunday.

WEEKLY HOLIDAYS

9. (a) The working hours prescribed in clause 6 of this award shall be worked within five days only in each week. The period for day workers shall be computed from midnight to midnight, and for night workers from noon to noon.

(b) Two full' days' holiday each of 24 consecutive hours shall be allowed in each week to every worker covered by this award.

(c) Change of Holidays - The occupier of every establishment shall, except in exceptional circumstances, give seven days' notice in writing to each worker of any change in the days fixed for his weekly holidays.

Employers may not make a temporary change in the worker's weekly holidays for the purpose of evading the special payments provided for in subclause (a) of clause 10 of this award.

(d) (i) Any employer covered by this award may require his workers to work on one or both of the usual weekly holidays.

(ii) Where a worker, except when employed under subclause (b) of clause 19 of this award, is required to work on one of the weekly holidays he shall be paid double time on "full weekly wage" for all time worked in addition to the weekly wage with a minimum of four consecutive hours' overtime.

(iii) Nothing in this subclause shall permit of the employment of a worker for more than 40 hours in any one week without payment of overtime.

(iv) Where a worker is employed in the terms of paragraph (ii) of this subclause on one of the days provided for in clause 8 or clause 10 of this award, he or she shall be entitled to the penal rates payable under clause 8 or clause 10 in addition to the double rate prescribed in paragraph (ii) of this subclause.

SPECIAL HOLIDAYS

10. (a) Workers who work on Christmas Day, Boxing Day, New Year's Day, 2 January, Good Friday, Easter Monday, Anzac Day, the birthday of the reigning Sovereign, Labour Day, and Anniversary Day (or a day in lieu thereof) shall be paid an additional day's pay on full pay, that is, one-fifth of the "full weekly wage".

Where one of the special holidays above referred to falls on the day of a worker's weekly holiday, such worker shall have an additional day on full pay added to his annual leave or proportionate annual leave or such other day as may be mutually agreed for each day involved.

In areas or districts where Anniversary Day is not observed or another day is not generally observed in lieu thereof, the holiday shall be held on a date to be agreed upon between the employers and the workers' union within the district concerned.

Where the union organises an annual picnic day, providing it is held on a Sunday, every co-operation shall be given by the employers' organisation.

A "special holiday" as applied to night workers covers the period from noon on the day prior to the holiday to noon on the day of the holiday. Night workers commencing after noon on the special holiday are not entitled to receive extra pay.

(b) Workers such as barmen, barmaids, porters, cellarmen, etc., whose normal work is suspended owing to the operation of the Sale of Liquor Act 1962, which requires hotel bars to be closed on certain days, shall be given a holiday on the days referred to in addition to their ordinary' weekly holidays, excepting in the case where the ordinary weekly holiday occurs on the day of the holidays referred to.

(c) Unless otherwise specifically provided herein, this clause shall apply only to workers on full-time employment at a weekly wage.

(d) The provisions of the Public Holidays Act 1955 shall be interpreted as follows:

Except in the case of Anniversary Day, where a single holiday is transferred to

another date, workers employed on both or either of those days shall be paid one day's extra pay as prescribed in this clause.

Where two holidays are transferred to two other days, workers employed on any one of those four days shall be paid one extra day's pay as prescribed in this clause and workers employed on two or more of those four days shall be paid two days' extra pay as prescribed in this clause.

(e) The abovementioned payments shall not exempt the employer from paying to his workers the special rates prescribed for Saturday and Sunday work.

(f) When a worker is normally employed on Saturday and/or Sunday as part of his ordinary working week, the special payments provided for in clause 8 of this award shall be taken into account when computing his special holiday pay.

ANNUAL HOLIDAYS

11. (a) The provisions of the Annual Holidays Act 1944 shall apply to workers covered by the provisions of this award, except that a worker who has completed or after the coming into force of this award completes five years' continuous service with the same establishment, or with the same employer, shall be entitled to three weeks' annual holiday for the fifth and each subsequent year after the coming into force of this award.

For a lesser period than one year a proportionate holiday shall be given or paid for.

(b) Employers shall give each worker at least 14 days' previous notice of his intention to give such worker his annual holiday.

(c) Such holidays shall be given and taken within a period of two months.

(d) In the case of the transfer of a licence of an hotel, workers may be continued in the employment by the new licensee, who may in such cases, by mutual agreement with the outgoing licensee, accept liability for compliance with the requirements of the Annual Holidays Act in respect of any holidays due at the time of transfer to such workers so retained in employment in the hotel. Any such arrangement made shall be notified immediately to the secretary of the local union by the incoming licensee.

(e) Workers entitled to holidays or proportionate holiday allowance shall receive payment for same prior to commencing the holidays or on termination of service, as the case may be.

(f) Should any of the special holidays specified in clause 10 of this award occur during the currency of any worker's holidays, then the annual holidays shall be extended by one day for every such special holiday so occurring, and the worker shall receive full pay for each additional day.

(g) The qualifying period of a worker's holidays shall be taken from the date on which they originally commenced their employment or from the date on which their last holiday fell due, and not from the date on which their last holidays were taken.

(h) When a worker is normally employed on Saturday and/or Sunday as part of his ordinary working week, the special payments provided for in clause 8 of this award shall be taken into account when computing his annual holiday pay.

SPECIAL HOLIDAYS FOR LONG SERVICE

12. (a) A worker shall be entitled to special holidays as follows:

(i) One special holiday of two weeks after the completion of 20 years and before the completion of 30 years of continuous service with the same employer.

(ii) One special holiday of three weeks after the completion of 30 years and before the completion of 40 years of continuous service with the same employer.

(iii) One special holiday of five weeks after the completion of 40 years' continuous service with the same employer.

(b) Should a worker have completed 30 years of continuous service with the same employer prior to the date of this award he shall not be entitled to the special holiday provided in paragraph (i) of subclause (a) of this clause. Should a worker have completed 40 years of continuous service with the same employer prior to the date of this award he shall not be entitled to the special holiday provided in paragraph (i) or (ii) of subclause

(a) of this clause.

(c) All such special holidays provided for in subclause (a) of this clause shall be on ordinary pay as defined by the Annual Holidays Act 1944 and may be taken in one or more periods and at such time or times as may be agreed by the employer and the worker.

(d) If a worker having become entitled to a special holiday leaves his employment before such holiday has been taken he shall be paid in lieu thereof.

(e) The provisions of this clause shall not apply where an employer has in operation or brings into operation an alternative scheme for rewarding service, which is not less favourable to the worker than the foregoing, including any bonus or gratuity or superannuation scheme (whether or not such scheme is solely at the cost of the employer, but at no less cost to the employer than the cost involved in providing special holidays under this clause).

WAGES

13. (a) Cooks and Kitchen Hands – The following shall be the minimum weekly wages and rating to be observed in relation to the respective kitchens referred to in the schedule:

	Chef	Assistant Chef	Second Cooks and Bakers	Third Cook	Fourth Cook	Kitchen Hands
	$	$	$	$	$	$
10 or more handed kitchen ..	43.06	35.15	33.96	30.66	29.40	26.93
9-handed kitchen	40.80	34.25	33.05	29.58	28.63	26.93
8-handed kitchen	38.70	33.21	32.03	28.09	27.25	26.93
7-handed kitchen	36.81	32.26	31.07	27.73	27.25	26.93
6-handed kitchen	35.84	31.27	30.10	27.25	27.25	26.93
5-handed kitchen	35.26	-	29.48	27.25	27.25	26.93
4-handed kitchen	33.34	-	27.47	27.25	-	26.93
3-handed kitchen	30.97	-	27.25	-	-	26.93
2-handed kitchen	28.09	-	-	-	-	26.93
1-handed kitchen	28.00	-	-	-	-	-

(b) Kitchen Work – (i) In kitchens employing six hands or more, a baker or, at the option of the employer, a second cook shall be employed. Such baker or second cook shall be counted for the purpose of determining the number of hands employed in the kitchen.

(ii) For the purpose of this clause a worker shall be deemed to be employed about a kitchen and scullery if he or she is employed in either assisting in the cooking of food or preparing of food to be cooked, or attending to boilers and kitchen fires or in cleaning or washing plates or dishes or cooking utensils, or in carving, or in serving sweets, or in any other operations connected with the business of the kitchen. The washing of cups and saucers and bread-and-butter plates, or the serving of cold sweets from the dining room, shall not be deemed to be employment about a kitchen or scullery.

(iii) In computing the number of hands, if the employer works in the kitchen he or she shall be counted as a worker in the kitchen, and his or her rating for the purpose of payment to other workers shall be according to the work he or she is substantially engaged at.

(iv) Kitchen hands attending to boiler, $1.12 per week extra. This paragraph shall not apply to small circulating-water heaters or to boilers where oil fuel only is used. If any worker outside the kitchen staff attends to boiler, he shall receive this extra allowance.

(c) General Hands (Female) –

(i) One-handed Kitchen: In establishments employing one hand in the kitchen the duty of relieving the cook on his or her weekly holidays shall be performed by a general

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hand, who during the remaining working days of the week may be employed in any capacity desired by the employer, excepting in the kitchen. Such worker shall be paid an additional $1.13 per week.

(ii) Two-handed Kitchen: In establishments employing two hands in the kitchen the duty of relieving these workers on their weekly holidays shall be performed by a general hand, who during the remainder of the working week may be employed in any capacity desired by the employer, excepting employment in the kitchen. Such worker shall be paid an additional $2.26 per week.

(iii) Three- or More-handed Kitchen: In establishments employing three or more hands in the kitchen the female general hand may be employed to relieve in the kitchen on two days only each week, and all other relieving of kitchen hands and cooks shall be performed by cooks and kitchen hands; during the remainder of the working week the female general hand may be employed in any capacity desired by the employer, excepting employment in the kitchen. Such worker shall be paid an additional $1.13 per week.

Not more than two female general hands shall be employed in any establishment covered by this award, and where a worker other than a female general hand is employed in the kitchen such worker shall be paid the kitchen hand's wages provided, and the kitchen rated accordingly.

(d) General Hands (Male) - (i) A male general hand may be employed in relieving day porters, also relieving in the bar up to a total not exceeding 13 hours per week, and where no female general hand is employed the male general hand may be employed relieving in the kitchen subject to the conditions set out in paragraphs (i), (ii), and (iii) of subclause (c) of this clause.

(ii) In the case of a general hand being employed in a kitchen in excess of the times set out in this clause, he or she shall be counted as a kitchen worker and the rating of the kitchen increased accordingly; but in no case shall the wages of the general hand be reduced.

(e) Workers Other Than Kitchen Staff - The following shall be the minimum weekly wages for workers other than kitchen staff:

	Per Week $
Bar manager	33.17
Barmen, house or lounge barmen, barmaids, bottle-store hands, cellarmen, head waiters, and maintenance men	28.44
Porter-barmen and waiters	26.50
Night porters, relieving night porters and night porteresses	27.89
Head porters where three or more porters are employed	27.25
Night cleaners and relieving night cleaners	27.25
General hands required to assist in the bar at times other than in relief of a bar worker on one day of the week	26.39
Day porters, day porteresses, general hands, pantrymen, laundrymen, cleaners and other domestic workers who may perform duties other than barmen, cellarmen, bottle-store hands or kitchen work	26.39
Food or snack bar attendants	26.39
Housekeepers	23.18
Female general hands	21.03
Head waitress, if three or more waitresses are employed	20.11
Laundresses	19.84
Linenmaids	19.57
Waitresses, housemaids, housemaid-waitresses, pantrymaids, relieving maids, and other female domestics, not specified herein	19.39

(f) Special Conditions Relating to Bar Managers, Maintenance Men, and Housekeepers

– Where it is established that insufficient elasticity exists for the effective carrying out of the duties of a bar manager, maintenance men, or a housekeeper, the hours of such workers may be adjusted by agreement between the employer and the secretary of the local union, so long as the 40-hour week is not exceeded without payment of overtime.

(g) Guides employed in hotels other than those controlled by the Tourist Hotel Corporation of New Zealand shall be paid the wage of a maintenance man provided in subclause (e) of this clause.

(h) Night porters and/or night porteresses shall work a straight shift of nine hours computed from starting to finishing time. At the expiration of four hours on duty, night porters and/or night porteresses shall have an interval of one hour for a meal which shall be provided free of charge by the employer, and during this meal they shall answer doorbells or telephones and attend to any other urgent matters that may arise; in such cases the meal hour to be extended to compensate for the time lost. A week's work for a night porter and/or night porteress shall consist of five shifts.

This subclause shall also apply to relieving night porters and/or night porteresses, night cleaners, and relieving night cleaners.

ALLOWANCES

14. (a) Bottle Stores – Charge Hand Allowance – (i) Where one full-time worker only is employed, such worker shall be rated as charge hand and shall be paid an additional $1.51 per week. A worker relieving the charge hand on his weekly holidays shall receive an additional 30 cents per day.

(ii) Where two or more workers are employed in the bottle store one shall be rated as charge hand and shall be paid an additional $1.51 per week. A worker relieving the charge hand on his weekly holidays shall receive an additional 30 cents per day.

(iii) Where a bottle store is worked in conjunction with a bar, one worker shall be rated as a bottle store charge hand and shall be paid an additional $1.51 per week. A worker relieving the charge hand on his weekly holidays shall receive an additional 30 cents per day.

(iv) A person relieving during busy periods shall not be rated as charge hand over the head of the worker who is normally employed therein.

(b) Beer-Pressure System and Tank Allowance – The cellarmen or some other bar hand nominated by the employer to be in charge of a draught beer pressure system and/or to clean out draught beer tanks shall be paid an additional $1.51 per week. A worker relieving the charge hand on his weekly holidays shall be paid an additional 30 cents per day. Workers cleaning out draught beer tanks shall be provided with suitable protective clothing.

(c) Liquor Service and Kitchen Service – Late Shift Allowance – (i) Full-time bar staff employed on ordinary time after 7 p.m. on any day shall be paid an extra payment of 13 cents per hour or part thereof with a minimum payment of 26 cents.

(ii) Full-time cooks and kitchen hands employed on ordinary time after 9 p.m. on any day shall be paid an extra payment of 13 cents per hour or part thereof for all such time worked after 9 p.m.

(d) Liquor Service Meal Allowance – All full-time workers engaged in the sale and/or service of liquor and required to work after 7.30 p.m. shall be provided by the employer with a substantial evening meal free of charge, or in lieu thereof the employer shall pay a meal allowance of 55 cents. Such meal shall comprise freshly cooked meat, fresh vegetables and potatoes with bread and butter, tea or coffee. The substantial meal referred to shall be given before 8 p.m.

(e) Broken Shift Allowance (Non-Taxable) – Non-resident workers employed on broken shifts on any day shall be paid an additional 50 cents per day with a minimum payment of $1 per week. Such shifts shall be completed within 12 hours, computed from starting to finishing time, including meal hours.

Full-time workers who were employed on broken shifts and who were receiving payment under this subclause on the coming into force of the Sale of Liquor Amendment Act

(No. 2) 1967 and the Licensing Trust Amendment Act 1967 and who as a result of the later closing hours prescribed by these Acts are now required to work a straight shift, shall not lose the broken shift payment provided for herein whilst they remain in their present employment.

A straight shift is where the day's work is completed within a span of nine consecutive hours and is interrupted by not more than one hour or two half-hour meal breaks.

(f) Over 12 Months' Service Allowance - Male and female workers who have completed one year's continuous service in the hotel or with the same employer shall be paid an additional $1.74 per week.

(g) Transport Allowance (Non-Taxable) - Any worker required to commence work after the cessation of public wheeled traffic or before the ordinary time of starting such traffic, and any worker who may work continuously until after the cessation of public wheeled traffic and cease work before the ordinary time of starting such traffic shall be conveyed to and from his home at the expense of the employer or shall be paid taxi fares up to a maximum of $1 per day: Provided that a worker employed after 11.30 p.m. shall be conveyed to his home at the expense of the employer.

DRESS AND EQUIPMENT (NON-TAXABLE)

15. (a) Subject to the provisions of subclause (b) of this clause it shall be obligatory upon every employer bound by this award to provide for and supply to each worker suitable outer clothing or uniform for use during the hours of his employment, having regard to the nature of the duties the worker is required to perform, and launder the same free of charge to the worker. The standard outer clothing to be so supplied shall be as follows, but the employer shall have the right to substitute for the standard uniform any other type of outer clothing that he may consider more appropriate:

(i) Cooks -

Male cooks: White coats, white or check cotton or linen trousers, white aprons, and caps.

Female cooks and female general hands required to relieve the cooks: White smocks, white aprons, and caps.

(ii) Kitchen Hands and Boiler Attendants -

Male kitchen hands: Dungaree or drill trousers and a large rubber apron.

Female kitchen hands: Coloured smocks and a large rubber apron. If requested by male cooks and kitchen hands they shall be provided with special non-skid shoe protectors.

Boiler attendants stoking or cleaning boilers shall be supplied with boilersuits or dust coats.

Female kitchen hands relieving cooks as provided for in clause 13 of this award shall be supplied with uniforms as set out in paragraph (i) of this subclause, or alternatively shall be paid the uniform and laundry allowance set out in paragraph (i) of subclause (b) of this clause.

(iii) Barmen, House or Lounge Barmen, Bottle Store Hands, Cellarmen, and Porter-barmen, and Night or Day Porters -

White-starched or black alpaca coats. Short black alpaca aprons, and in warm weather as an alternative to the supplying of the coat a tailored shirt with ties may be substituted.

(iv) Lounge and Dining Room Waiters and Hall Porters -

Blue serge or white short cut coat.

(v) Barmaids - shall be supplied with suitable smocks.

(vi) Waitresses including Head Waitresses -

White or other smocks and caps.

(vii) Pantrymaids and Laundresses -

Coloured smocks and suitable waterproof aprons if required.

(viii) Housemaids and Day or Night Portresses -

Black or coloured smocks.

(b) As an alternative to the performance by the employer of the obligations imposed upon him by the preceding subclause, the employer may make payment to the worker of the following allowances which shall become due and payable to the worker as and when his wages are payable and in addition thereto:

    (i) A uniform allowance of 55 cents a week and a laundry allowance of $1.64 a week.

    (ii) A uniform allowance of 19 cents a week and a laundry allowance of 44 cents a week.

    (iii) A uniform allowance of 25 cents a week and a laundry allowance of 93 cents a week.

    (iv) A uniform allowance of 25 cents a week and a laundry allowance of 93 cents a week.

    (v) A uniform allowance of 25 cents a week and a laundry allowance of 71 cents a week.

    (vi) A uniform allowance of 25 cents a week and a laundry allowance of 93 cents a week.

    (vii) A uniform allowance of 25 cents a week and a laundry allowance of 71 cents a week.

    (viii) A uniform allowance of 25 cents a week and a laundry allowance of 71 cents a week.

In lieu of the payment of laundry allowance the employer may elect to have the laundry done at his own expense.

(c) Cooks providing their own tools, such as carving knives, forks, steel and sharpening-stone, shall be paid a tool allowance of 22 cents per week.

(d) (i) It shall be a breach of this award if the employer fails to provide the uniforms or equipment referred to in this clause or alternatively fails to pay the worker allowances provided herein, and further, it shall be a breach of this award if the worker fails to wear the uniforms or use the equipment so provided or in respect of which he is in receipt of an allowance as aforesaid.

(ii) For the purpose of this clause it shall be incumbent on the employer to determine the type of uniform the workers in his employment shall wear.

(d) Cooks and kitchen hands required to scrub out the kitchen shall be supplied by the employer with rubber boots, or the workers shall receive a boot allowance of 15 cents per week in lieu thereof.

(f) Clean towels shall be provided regularly for the use of all workers.

(g) Porters or other male workers required to handle beer cases or barrels or to do other dirty work shall be provided by the employer with canvas or other appropriate aprons. Workers cleaning out draught beer tanks shall be provided with suitable protective clothing.

(h) Where the employer does not provide uniforms or laundry services to his workers he shall pay the worker in lieu thereof the appropriate uniform and laundry allowance.

BOARD AND LODGING

16. (a) Where board and lodging are not provided for any worker covered by this award, such worker shall be paid an additional $8.06 per week.

(b) Workers living off the premises shall be paid the full dry wage - namely, the rate set out in clause 13 plus the cash value of the board and lodging allowance, and these workers may arrange with the employer to be provided with a fixed number of meals each working week, in which case the employer shall be entitled to deduct from the worker's wages an amount of 30 cents per meal for each meal supplied.

(c) (i) No employer shall require more than two workers to sleep in one room, except in special cases; and where only one night porter is employed he shall have a room to himself. Such rooms shall be properly ventilated and lighted and shall contain an area not less than 60 square feet of floor space for each person accommodated therein. All accommodation shall be provided within the hotel premises except in cases agreed upon between the employer and the union.

(ii) All staff bedrooms shall be provided with adequate locking facilities and the staff provided with keys.

(iii) Adequate bathrooms, hand basins, and sanitary accommodation shall be provided for the staff in each hotel.

(iv) Resident staff shall be provided with laundry facilities such as a washing machine, an electric iron, and adequate drying facilities for the washing and ironing of their personal clothing.

(v) A sitting room, properly heated, lighted and furnished shall be provided in all hotels where five or more staff are resident in the hotel unless mutually agreed between the union and the employer that such is not reasonably necessary.

(d) Change rooms and locking cupboards shall be provided for non-resident staff. Locking cupboards shall not be less than 4 ft 6 in. high, 2 ft wide, and 1 ft 3 in. deep, except in cases as may be mutually agreed between the employer and the union.

(e) Proper table requisites and seating accommodation shall be provided for members of the staff who partake of meals on the premises.

(f) In order to avoid industrial fatigue seats shall be provided wherever practicable for bar staff in a suitable place.

(g) Should a dispute arise under this clause, the matter shall be referred to the disputes committee for settlement.

DISTANT ENGAGEMENT

17. (a) When an employer personally or by his agent engages a worker to proceed to employment at a place other than the town or locality in which the worker is engaged, the employer shall pay the reasonable travelling expenses incurred by such worker in journeying to the employment.

(b) If the worker should be discharged on the grounds of his or her gross incompetency within one week of his or her commencing work, or on the grounds of his or her misconduct or default within 13 weeks of his or her commencing work, or if the worker shall of his or her volition and through no fault of the employer leave the employment within 13 weeks of his or her commencing work, the worker shall refund to the employer any moneys the employer may have paid in pursuance of subclause (a) of this clause. To ensure the refund being made by the worker should it become due, the employer may withhold from the wages of the worker the amount of money paid by him in pursuance of subclause (a) of this clause until the worker shall have completed 13 weeks' service in his employment, whereupon he shall pay the same to the worker.

(c) If the worker should be discharged by the employer, otherwise than under the circumstances mentioned in subclause (b) of this clause, before the expiration of any specified term of service agreed upon at the time of engagement or, where no such term has been agreed upon, within 13 weeks of the worker commencing work, the employer shall pay to the worker an amount sufficient to cover reasonable travelling expenses necessary to enable the worker to return to the town or place of engagement, irrespective of whether or not the worker incurs such expenses.

(d) If the employer should engage a worker in pursuance of subclause (a) of this clause and the employer for some reason not connected with the conduct or competency of the worker shall prevent the worker from commencing work, the employer shall pay the worker reasonable travelling expenses incurred by the worker in journeying to and from the town or locality of engagement, together with two days' wages (i.e. two-fifths of the "full weekly wage").

(e) The terms of this clause may be varied by agreement between the Hotel Association of New Zealand Industrial Association of Employers and the New Zealand Federated Hotel, Hospital, Restaurant, and Related Trades' Employees Industrial Association of Workers to validate agreements entered into under the "Working Holiday Scheme".

PART II

PART-TIME WORKERS

18. Part-time workers may be employed in the industry under the following conditions:

(a) For each part-time worker employed, a written permit shall be obtained.

(b) Application for such a permit shall be made to a committee comprising the secretary of the union in the district concerned, or his nominee, and the secretary of the branch of the Hotel Association in the district concerned, or his nominee.

(c) Employers may engage such part-time workers only in the terms of a written permit issued by the committee and shall, in the first instance, make written application to the committee and supply the following information:

(i) The number of full-time workers already employed.

(ii) The number of part-time workers the employer desires to employ.

(iii) The days of the week on which the part-time workers are to be employed.

(iv) The starting and finishing time of each employment.

(d) Each permit shall operate for a period of six months from date of issue and shall continue in force until either the committee or the employer desires its revision.

(e) Laundresses, linen maids, housemaids, waitresses and pantrymaids (other than regular workers) may be employed up to four hours on any day at the rate of 88 cents per hour, with a minimum payment of two hours. If employed on a Saturday, Sunday or special holiday, a payment of $1.32 per hour shall be made with a minimum payment of two hours.

(f) Bar staff may be employed Monday to Saturday on not more than five services in each week, at a rate of $2.54 for each service not exceeding two hours, the daily hours of employment to be consecutive. If employed on Saturday, Sunday or a special holiday, a payment of $3.81 per service shall be made.

(g) Notwithstanding the provisions of this clause, other categories of workers may be employed part time on such terms and conditions as may be agreed upon between the employer and the committee.

(h) Workers employed under this clause shall be paid all wages and other cash payments due promptly on completion of service. Where a delay occurs, occasioned by the employer, workers shall be paid waiting time at the ordinary rate for the period between the time they finish work and the time when they receive their pay.

(i) It shall be a condition of employment under this clause that the worker shall pay all union dues to the employer, who shall remit same to the appropriate union. By arrangement with the union, the employer may deduct all union fees from the wages of the worker.

(j) Where the committee is unable to reach agreement on the issue or revision of permits, the matter shall be dealt with as a dispute under clause 25 of this award.

(k) Permits currently in force and issued by the union shall continue until their revision is desired in accordance with subclause (d) of this clause.

(l) If an employer employs workers under this clause without first obtaining a permit so to do, the workers so employed shall be paid the rates prescribed in subclause (a) of clause 19 of this award.

(m) Workers employed under this clause shall be entitled to:

(i) Annual holidays or proportionate entitlement in accordance with clause 11 of this award.

(ii) Dress and equipment allowance, if applicable, in accordance with clause 15 of this award.

(iii) Transport allowance, if applicable, in accordance with subclause (g) of clause 14 of this award.

(NOTE — The provisions contained herein authorising the employment of part-time workers are not intended to be used to displace full-time workers; they are included for the sole purpose of giving employers additional labour to tide them over extra busy periods, and the committee shall be entitled to take this fact into account when granting

such permits.)

(NOTE – The provisions contained in this clause are designed to meet the emergency created by labour shortages, and are not to prejudice future claims made by the workers' union.)

PART III

CASUAL LABOUR

19. (a) The following shall be the minimum rates for casual workers:

	Per Day $	Saturday, Sunday or Special Holidays Per Day $
Chief cooks	7.81	11.72
Second cooks in kitchens where three or more hands are employed	7.05	10.58
All other kitchen workers	7.00	10.50
Waiters	6.91	10.37
Waitresses	5.50	8.25
Pantrymen and other male workers not specified herein	6.89	10.34
Pantrymaids	5.50	8.25
Laundresses and other female workers not specified	5.50	8.25
Barmen and barmaids	7.29	10.94
Porters and general hands	6.89	10.34
Night porters and night portresses	7.19	10.79

(b) Where a kitchen hand, waiter, wine waiter, pantrymaid or waitress is employed for a single meal he or she shall receive $2.45 for up to two hours' work, thereafter 61 cents per half hour, and if employed on a Saturday, Sunday or a special holiday a payment of $3.68 shall be made for up to two hours; work and thereafter at the rate of 90 cents per half hour. When a cook is employed for a single meal he or she shall receive $2.92 for up to two hours' work, thereafter 74 cents per half hour and if employed on a Saturday, Sunday or special holiday a payment of $4.39 shall be made for up to two hours; work, thereafter at the rate of $1.09 per half hour. A single meal means any of the meals normally supplied to guests in the hotel concerned and shall also include such functions as wedding breakfasts, cocktail parties, and similar functions. Notwithstanding any other provisions of this award, a worker may, by mutual agreement between the employer and the union, be employed under this subclause on his or her day off as a casual worker, except that a worker shall not be employed on more than two services per day.

(c) Notwithstanding the provisions of subclauses (a) and (b) of this clause casual bar staff may be employed on not more than five services per week from 5 p.m. or later on any day Monday to Saturday for a period of up to four hours for which they shall receive not less than $4.01 for each such service Monday to Friday, and not less than $6.02 for any such service performed on a Saturday or special holiday.

(d) Subject to the consent of the employer all meals for casual workers may be provided during the period of the employment.

(e) A day's casual labour shall not exceed eight hours.

(f) A worker shall not be compelled to work longer than five hours without an interval of half an hour for a meal.

(g) For any time worked in excess of eight hours on any one day a payment for the extra time so worked shall be in accordance with the provisions of clause 7 of this award.

(h) Workers employed under this clause shall be paid all wages and other cash pay-

ments due promptly on completion of service. Where a delay occurs occasioned by the employer, workers shall be paid waiting time at the ordinary rate for the period between the time they finish work and the time they receive their pay.

(i) It shall be a condition of employment under this clause that the workers shall pay all union dues to the employer, who shall remit same to the appropriate union. By arrangement with the union the employer may deduct union dues from the wages of the workers.

(j) Workers employed under this clause shall be entitled to:

(i) Annual holidays or proportionate entitlement in accordance with clause 11 of this award.

(ii) A daily proportionate rate of the dress and equipment allowance, if applicable, in accordance with clause 15 of this award.

(iii) Transport allowance, if applicable, in accordance with subclause (g) of clause 14 of this award.

PART IV

SPECIAL OCCASIONS

20. (a) (i) Where work is performed by workers other than permanent hands at such places as racecourses, banquet halls, ballrooms, including dance halls, exhibitions, fairs, etc., the following wages shall be paid:

	Per Day $	Saturday, Sunday or Special Holidays Per Day $
Chief cooks	7.81	11.72
Second cooks in kitchen where three or more hands are employed	7.05	10.58
All other kitchen workers	7.00	10.50
Waiters	6.91	10.37
Waitresses	5.50	8.25
Pantrymen and other male workers not specified herein	6.89	10.34
Pantrymaids	5.50	8.25
Laundresses and other female workers not specified herein	5.50	8.25
Barmen and barmaids	7.29	10.94
Porters and general hands	6.89	10.34
Night porters and night portresses	7.19	10.79

(ii) Waiters and wine waiters may be employed for a single meal at the rate of $2.79 up to two hours and thereafter 46 cents for each half hour or part thereof. Waitresses and pantrymaids may be employed for a single meal at the rate of $2.64 up to two hours and thereafter 41 cents for each half hour or part thereof.

(b) An employer shall provide his workers with meals, and shall pay all fares and travelling time from the time of departure from his place of business to attend a function until the time of arriving there on the return journey.

(c) Workers at all race meetings and other functions provided for in this clause shall be provided with proper facilities for having their meals.

(d) A day's casual labour shall not exceed eight hours.

(e) Any time worked in excess of eight hours per day shall be paid for at the overtime rates prescribed in clause 7 of this award.

(f) Travelling time shall cover the time before 8 a.m. and after 5 p.m. only.

(g) Meals shall consist of a hot meal comprising freshly cooked meat, fresh vegetables, and potatoes, with bread and butter and tea or coffee. Where such a meal is not provided,

and workers have to sustain themselves on meat pies supplied by the employer, such workers shall be paid an extra 35 cents per day in addition to their ordinary pay.

(h) Workers employed under this clause shall be paid all wages and other cash payments due promptly on completion of the service. Where a delay occurs occasioned by the employer, workers shall be paid waiting time at the ordinary rate for the period between the time they finish work and the time when they receive their pay.

(i) It shall be a condition of employment under this clause that the worker shall pay all union dues to the employer, who shall remit them to the appropriate union. By arrangement with the union the employer may deduct union dues from the wages of workers.

(j) All workers previously engaged and reporting for work shall be entitled to all the payments provided by this clause in any case where the function may be cancelled by virtue of inclement weather or other considerations. Employers may not exempt themselves from these provisions by adopting the practice of engagement at the place of employment. In such a case, any worker reporting for duty, who has worked for the same employer in a similar capacity on a previous occasion, shall become entitled to the payments referred to above.

(k) Workers employed under this clause shall be entitled to:
  (i) Annual holidays or proportionate entitlement in accordance with clause 11 of this award.
  (ii) A daily proportionate rate of the dress and equipment allowance, if applicable, in accordance with clause 15 of this award.
  (iii) Transport allowance, if applicable, in accordance with subclause (g) of clause 14 of this award.

PART V – APPLICABLE TO ALL WORKERS

RECORDS AND INFORMATION REQUIRED TO BE KEPT OR SUPPLIED

21. (a) Time Sheets - The employer shall provide time sheets to enable particulars of any overtime worked to be furnished by a worker, in accordance with the provisions of subclause (b) of clause 7 of this award.

(b) Statement of Wages - When requested by the worker the employer shall supply a statement detailing wages, overtime and all deductions therefrom.

(c) Time-Table - A time-table setting out the correct working hours of each worker shall be affixed and maintained in some conspicuous place in each department and accessible to the workers employed therein.

(d) Copy of Award - Every employer bound by this award shall at all times cause to be exhibited and maintained in a conspicuous place, and in such a position as to be easily read by the workers a copy of this award and the statement of the holidays and the working hours of each worker.

(e) Time and Wages Book - Every employer bound by this award shall keep a time and wages book in which shall be correctly recorded:
  (i) The name of the worker employed;
  (ii) The kind of work on which he is employed;
  (iii) The hours during which he has actually been employed on each day;
  (iv) The wages paid on each pay day and the date thereof; and
  (v) The entry of the particulars above referred to shall be signed by the worker at the time of payment of his wages and such signature shall operate as a receipt for such payment.

(f) Holiday Book - An approved holiday book shall be kept in some place accessible to the workers, and such book shall be signed by each worker before leaving the premises. Every worker who fails to sign the record provided or who signs an incorrect record shall be liable to a fine of $2.

(g) List of Staff Members - Every employer shall, if requested by the organising secretary of the union, supply him with a list of names of the members of the staff.

(h) Register of Accidents - Every employer shall keep a register in the form prescribed by the Industrial Conciliation and Arbitration Act 1954, and shall enter particulars relating to every accident which occurs to any worker and of which he has knowledge.

UNQUALIFIED PREFERENCE

22. (a) Any adult person engaged or employed in any position or employment subject to this award by any employer bound by this award shall, if he is not already a member of a union of workers bound by this award, become a member of such union within 14 days after his engagement, or after this clause comes into force, as the case may require.

(b) Subject to subclause (a) hereof, every adult person so engaged or employed shall remain a member of a union of workers bound by this award so long as he continues in any position or employment subject to this award.

(c) Every worker obliged under subclause (a) hereof to become a member of a union who fails to become a member, as required by that subclause, after being requested to do so by an officer or authorised representative of the union, and every worker who fails to remain a member of a union in accordance with subclause (b) hereof commits a breach of this award.

(d) Every employer bound by this award commits a breach of this award if he continues to employ any worker to whom subclauses (a) and (b) apply, after having been notified by any officer or authorised representative of the union that the worker has been requested to become a member of the union and has failed to do so, or that the worker having become a member of the union has failed to remain a member.

(e) For the purposes of this clause "adult person" means a person of the age of 18 years or upwards, or a person who for the time being is in receipt of not less than the minimum rate of wages prescribed for adult workers by this award.

(NOTE — Attention is drawn to section 174 H of the Industrial Conciliation and Arbitration Act 1954 which gives to workers the right to join the union).

UNDER-RATE WORKERS

23. (a) Any worker who considers himself incapable of earning the minimum wage fixed by this award may be paid such lower wage as may from time to time be fixed, on the application of the worker after due notice to the union, by the local Inspector of Awards or such other person as the Court may from time to time appoint for that purpose; and such Inspector or other person in so fixing such wage shall have regard to the worker's capability, his past earnings, and such other circumstances as such inspector or other person shall think fit to consider after hearing such evidence and argument as the union and such worker shall offer.

(b) Such permit shall be for such period, not exceeding six months, as such inspector or other person shall determine, and after the expiration of such period shall continue in force until 14 days' notice shall have been given to such worker by the secretary of the union requiring him to have his wage again fixed in manner prescribed by this clause: Provided that in the case of any person whose wage is so fixed by reason of old age or permanent disability it may be fixed for such longer period as such inspector or other person shall think fit.

(c) Notwithstanding the foregoing, it shall be competent for a worker to agree in writing with the president or secretary of the union upon such wage without having the same so fixed.

(d) It shall be the duty of the union to give notice to the Inspector of Awards of every agreement made with a worker pursuant hereto.

(e) It shall be the duty of an employer before employing a worker at such lower wage, to examine the permit or agreement by which such wage is fixed.

GENERAL

24. (a) Cleaning Contract - Where the cleaning of bars and other cleaning work is

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