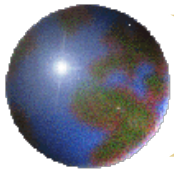


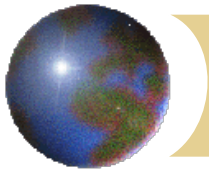
*Transforming New Zealand
employment relations:
The role played by employer
strategies, behaviours and attitudes*

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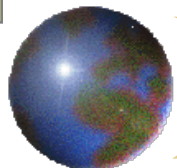
Overview

- ✦ Major context & ER changes since late 1980s
 - ▣ Rise in individualism & employer workplace power
 - ▣ Why hasn't the outcomes been better better?
- ✦ Our focus: employer attitudes & strategies
 - ▣ General theme: more employer-driven flexibility
 - ▣ Limited research => our surveys of employers
 - ▣ 2009-10 surveys: employer attitudes to collective bargaining => find limited active support
- ✦ Current surveys focus on legislative changes



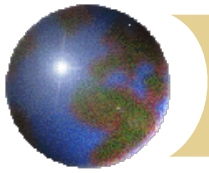
Path-breaking legislative change

- ⊕ Arbitration system (1894-1991)
- ⊕ Employment Contracts 1991
 - ⊞ Radical path-breaking 'non-prescriptive' framework
 - ⊞ Fits with other 'individualising' Acts & interventions
- ⊕ Employment Relations Act (ERA) 2000
 - ⊞ Explicit support of collective bargaining & unions
 - ⊞ BUT it doesn't bring about revival of CB & unions
 - Private sector union density falls sharply to below 10%
- ⊕ Key Q: why have outcomes been poor?



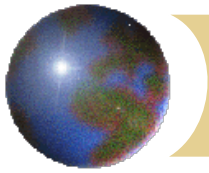
NZ union density, 1989-2011

	Number of unions	Membership	Density (%)
✚ September 1989	112	648 825	44.7
✚ May 1991	80	603 118	41.5
✚ December 1991	66	514 325	35.4
✚ December 1993	67	409 112	26.8
✚ December 1995	82	362 200	21.7
✚ December 1997	80	327 800	18.8
✚ December 1999	82	302 405	17.0
✚ December 2001	165	329,919	21.6
✚ December 2003	181	341,631	21.4
✚ December 2005	175	377,348	21.9
✚ March 2009	159	387,959	21.5
✚ March 2011	145	384,644	20.9



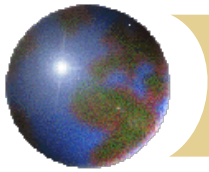
Outcomes have disappointed

- ❖ Productivity growth has been low
 - ❖ Relative decline for several decades
 - Explanations vary: many SMEs, management skills, limited investments, skills, short-term focus, etc.
- ❖ Inequality has grown above OECD average
 - ❖ “Living Wage” campaign has started recently
 - ❖ Low wages have prompted ‘brain drain’
 - ❖ Post 2008 policies: encourage low ER standards
- ❖ Recently: regulatory failures & ER conflicts



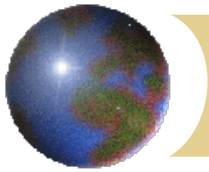
ERA & role of employer attitudes

- ✚ Several well-known factors behind union decline: employer attitudes is just one factor
 - ▣ Including: 'representation gap', no MECAs, apathy
- ✚ Earlier surveys find 2 groups of employers
 - ▣ Are employers engaged or not engaged in CB?
 - ▣ Many employers see unions as 'irrelevant'
- ✚ Shift in employer attitudes & behaviours
 - ▣ Employers are seeking fewer regulations
 - ▣ Diverse employment outcomes & 'working poor'



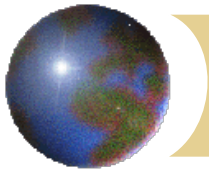
Current surveys 1

- ❖ Results are based on first survey
 - ❖ Employers in South Island and Lower North Island
 - ❖ Mail survey with response rate 16%
 - Follow-up in-depth interviews of some employers
 - ❖ Another survey will provide full national coverage
- ❖ Overall support of legislative changes
 - ❖ Emphasis on employer prerogative (less PG rights), holiday buy-out & union avoidance
 - Highlights long-term employer concerns



Current surveys 2

- ✦ Appear to have had limited impact
 - ✦ 1/3 of employers: new regulations have impacted significantly on their business
 - ✦ 2/3: have had no or limited impact from new regs
 - ✦ ER has been impacted: ~23% score yes but ~73% score limited or no impact
- ✦ Results need to be analysed further
 - ✦ Is there a time lag; is it only certain types of employers who have seen an impact; does it cover particular groups of employees; does it.....?



Conclusion

- ✚ Major employer influence on reform agenda
- ✚ Surveys: employers support less legislation
 - ✚ Allows for more employer-determined flexibility
 - ✚ Will mainly influence “lower-end” types of jobs?
- ✚ Doesn't have a major ER & business impact?
 - ✚ Early days yet & new 90-day rule appear to be used frequently for certain employee groups
- ✚ Can more ‘flexibility’, lower taxes & less (employer) compliance raise productivity?