



Progressive thinking



ten perspectives on
the future of work



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Contents

3 Foreword

<p>5 Collective voice in a freelance world Andrew Pakes</p> <p>9 Ngā kaupapa and the future of work Paula Davis and TeIwiNgaro Dunn with Kirsten Windelov</p> <p>12 Employee voice Laura Harvey</p> <p>15 Work - the future - are we prepared? Margaret Wilson</p> <p>18 Low wages and our weak industrial relations law Bill Rosenberg</p>	<p>22 Fair pay agreements: are we ready for them? Laila Harré</p> <p>32 Work in a world of climate change Sam Huggard</p> <p>35 Normalising flexible work Dr Noelle Donnelly</p> <p>38 NZ Businesses role in addressing human rights issues Dr Jackie Blue</p> <p>40 An employers' guide to manage the revolution Lisa Heap</p>
<p>25 Empty Shelves Toby Morris</p> <hr/>	
<p>43 Author bios</p>	



Foreword



Erin Polaczuk
and
Glenn Barclay

National secretaries
for the New Zealand
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Te Pūkenga Here
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Work is something we all do. It's how we spend most of our adult lives, and it's changing. Technology is driving us into the third or fourth industrial revolution, depending on who you talk to.

A recent UK survey found people's main worries about the future of work are that it will bring more work intensification, intrusive monitoring and loss of control over hours and the already blurry boundaries between work and the rest of our lives. Others are excited about the new opportunities that may arise through new jobs, skills or data availability.

This third book in our Progressive Thinking series provides an alternate, and positive, vision of the future of work – focused on empowerment, voice, equality and a decent life. Each writer makes the case for change and challenges us to not just wait for the future to arrive, but to shape it.

We at the PSA think the time is right for this conversation. The need for equal pay and for low wages to be addressed is part of everyday discussion and we are also concerned about our international competitiveness and productivity. There are clear calls for workplaces to sort themselves out around culture and to end bullying and sexual harassment. New Zealand is not alone in this. The emergence

of new, technology enabled forms of work, and vastly enhanced data management capability and its implications for privacy, are prompting governments around the world to reconsider how they regulate not just "employment" but newer forms of work.

These are some of the challenges; but what are the solutions?

The world of work is constantly changing. Solutions need to respond to, foresee and proactively shape those changes. Hanging onto employment law and approaches to work grown from the 1880's and 1980's will hold us back. People want to bring their full selves to the work place. This includes respect for, protection and fulfilment of our economic, social, political and civil rights. It's time to put people at the centre of thinking about work in the future. Units of labour, human capital, human resources – all terms used to describe us in the past. How do we want to describe ourselves for the future?

The PSA, and other unions, have an agenda for work. We want it to be transformed. Our vision is



Foreword

simple. Work needs to be healthy and safe and include opportunities for ongoing development and learning. People need fair working conditions and a secure future; they need to be supported and valued as individuals. We need workplaces where there is a high level of trust and respect in the relationship between managers and the people doing the work; where everyone has the dignity, autonomy and voice we expect in our lives outside of work. This is a future we can all work towards.

It's a cliché, but the future of work is now, and we must adapt. Greater use of technology can and will be used to either hinder or enhance human existence. If we leave these questions to the owners of capital and controllers of technology, the needs and rights of working people are likely to be ignored. In mature, successful and egalitarian economies, there is a broad consensus about employment relations and the collective voice of workers is supported and celebrated. As many of our contributors point out, New Zealand's employment relations framework is an outlier in the world – and not in a good way. Margaret Wilson and Laila Harré discuss and challenge government's role in setting strategy and policy that will deliver a future of work that is

fair and positively contributes to people's wellbeing.

As a State sector union we think this leadership should also be reflected by government in its role as an employer.

Workplaces and workforces are more than just the sum of each contribution of each individual worker. As Laura Harvey notes, collective and individual voice matters and should be designed into work. In his chapter, Andrew Pakes shares his insights about how we make sure workers' voices are collectively represented in new forms of work, insights that will help ensure we all benefit from the technological revolution. Similarly, as Sam Huggard argues, workers voices must be central to planning for climate change.

Bill Rosenberg describes in his chapter the relationship between weakened collective voice and collective bargaining since the Employment Contracts Act and the decline in real wages, the reduction in workers' share of the economy and the increase in inequality. Toby Morris' brilliant representation of life on poverty wages that we've reproduced for this book shows the very human cost of current employment relations settings.

And of course human beings have lives and in her chapter

Noelle Donnelly makes the case for rethinking flexible work and ensuring worker control. Lisa Heap provides an employers' guide to managing the equal pay revolution and Human Rights Commissioner Jackie Blue champions the role of business in creating change that promotes human rights at work.

“ It's a cliché, but the future of work is now, and we must adapt. Technology can and will be used to either hinder or enhance human existence.”

We all have a stake in the future of work – for ourselves, our families and those who come after us.

We can either leave it to others to decide this for us, or we can step up and change the way we do things. We favour the latter. This is a challenge that the PSA accepts and encourages everyone to be part of. ♦



Collective voice in a freelance world



Andrew Pakes

Andrew is the director of communications and research and deputy general secretary at Prospect, the UK's professional and specialist union with over 142 000 members.

He has over 20 years' experience in advocacy and strategic campaigning roles holding posts as an agency director, communications director, political advisor and a senior official in regional government.

Capitalism isn't working for the economy or for workers. A decade on from the financial crash, neither productivity or wages have recovered.

The rise of populist movements – from Europe to the White House – is symptomatic of an economic system based on rising inequality and squandered opportunities. Business as usual isn't working and this should be a challenge for all of us, including supporters of decent work and trade unions.

It is no coincidence that the growth in inequality has gone hand in hand with the decline in trade union membership. The figures look similar in New Zealand and the UK: both countries saw a dramatic drop in workers covered by collective agreements between 1980 and 2010.

In the UK, nearly three-quarters of people think we should do more to improve the quality of jobs and less than one in ten think all jobs are fair and decent (RSA, 2017 <https://www.thersa.org/about-us/media/2017/matthew-taylor-it-is-time-to-commit-to-a-good-work-economy>). Three million people experience insecure work and most people have barely seen a pay rise since 2008.

Rising inequality is indicative of two significant problems facing the UK. Our economy isn't productive enough and we don't share prosperity widely enough. Both challenges stem from a lack of value

placed on people as a key asset for growth.

Union membership

Rapid change, the global crash, hostile public policy and the decline of social democracy in many advanced economies has had a profound impact on trade unions. This year's official statistics show that union membership is at its lowest density in the UK since modern records began in the 1980s.

Overall union membership has fallen from nine million in 1979 to just under seven million today. In the private sector, just 15.2% of workers are covered by a collective agreement. In the new emerging tech and digital sectors, union membership is even smaller.

The trend of declining union influence is not restricted to the United States or the UK. The number of workers covered by a collective agreement fell from 45% in 1985 to 33% in 2017, according to the Organisation for Economic Cooperation and Development (OECD). The largest falls were in the Eastern bloc, following the demise of communism, and in liberalising economies, such as the UK, Australia and New Zealand.

Collective voice in a freelance world



Young workers

Our research among young workers shows little understanding about what unions do. And where knowledge does exist, there is often a perception that we are there for workers with problems.

Younger workers want us to explain ourselves better and to talk about what joining means for them. Many of them understand that they will switch employer several times across their working lives and they want support in navigating their career and the challenges that may bring.

Improving prospects is as important as delivering justice. This is even more true for the growing number of freelance workers.

Technological disruption, economic transformation and changing expectations are accelerating the processes that challenge our traditional notions of good work and trade unionism. We face an existential threat if we don't reform.

Innovation

So, what do we need to do?

Firstly, we need to get serious about innovation. A new industrial revolution is coming in technology. Jobs will change. Our understanding of work is already changing in many parts of the economy.

We need to have the difficult conversations about whether we are willing to change how we do things to fit a changing world.

Innovation is already moving up the agenda for many unions. In Sweden, where union density remains healthy, a challenge to unemployment benefits in the early 2000s forced unions to reinvent their outreach. With a distinctly pro-marketing approach Unionen, Sweden's largest private sector union, has added 100,000 new members in recent years. Usdaw, Britain's retail union, has faced huge challenges from the risk of internet shopping and changes to the high street. Yet a change in organising strategy means that they recruited 93,000 new members last year.

- In the UK, the rapid growth of platform companies has seen unions like the GMB challenge employment rights for contract and gig workers, including high profile court cases against the likes of Uber.
- Community has launched a partnership with Indycube, a shared space provider.
- The Trades Union Congress is progressing with its WorkSmart project, aimed at reaching out to young workers with little knowledge of unions.

“ It is no coincidence that the growth in inequality has gone hand in hand with the decline in trade union membership. ”



Collective voice in a freelance world

“ The rise of the platform economy requires politicians, employers and unions to consider how regulation, employment rights and employee engagement will work in the future.”

- Co-worker.org in the United States has become a powerful platform to bring workers together in unorganised companies as a first step towards greater voice.
- In Prospect’s BECTU sector, we have just signed the first collective agreement for major motion pictures made in the UK. A deal negotiated, agreed and supported by a workforce that is 80% freelance.

There is much to be proud of, but in reality, unions are not investing enough in R&D or see it as essential to our survival. The big question is whether unions can reflect the changing world of work and adapt quickly enough whilst still keeping to our values.

Organising for the future

The second challenge is whether unions can shape their structures to reflect the expectations of new members and local reps. The growth of contract workers, a younger workforce, and smaller workplaces, require different organising models.

The starting point in Prospect has been listening to members. We get data as a friend. Analysing it, asking members what they want, and speaking to non-members has given us valuable insights. With the growth in freelance work, our BECTU sector has branched out into public liability insurance for freelancers, training on how to run your own business, and

bad debt chasing for members who need it.

We have changed the way our union communicates with members, are investing in digital skills, and are adapting our traditional approaches to new settings. But we still have a long way to go. Our research shows that younger workers want much more support with career development and how to get on at work.

Everyday case for collective bargaining

Thirdly, we need to rethink collective bargaining. If many young workers don’t get unions, they are even less likely to get collective bargaining and how it works.

A changing economy means smaller workplaces, fewer large employer groups, and greater expectations about flexible working. We need a greater focus on the gender pay gap, flexible working, diversity, productivity, and freelance work, as well as the traditional focus on pay.

The rise of the platform economy requires politicians, employers and unions to consider whether and how regulation, employment rights and employee engagement will work in the future.

How is collective bargaining going to work in an increasingly networked and technology-driven economy? Negotiating new standards at sector



Collective voice in a freelance world

level can provide a framework for industry but we should not lose sight of the importance of voice at a local level.

Change is coming

The world of work is changing. Shaping its values, defining what decent work looks like, and how its boundaries will work in an

economy defined by technology, are still up for grabs. Trade unions were one of the original pioneers of social progress creating new ways to organise and providing a voice for working people.

A new industrial age is emerging. Unions need to regain that pioneering spirit again.❖



“ A new industrial age is emerging. Unions need to regain that pioneering spirit again.”



Ngā Kaupapa and the future of work



Paula Davis and
Te IwiNgaro
Dunn with Kirsten
Windelov

Paula Davis: Ngāti Whakaue me Ngāti Tūwharetoa. Proud to work at Māori Land Court in Rotorua and proud to be a PSA delegate.

TelwiNgāro Dunn:
Ngāti Kahu ki Whangaroa, Te Aitanga a Mahaki, Ngāti Porou, Ngai Kahungunu, American Samoan. Proud to work for and in the Ministry of Education in Auckland and proud to be a PSA delegate.

He aha te mea nui o tēnei ao?
He tangata, he tangata, he tangata.

What is the most important resource in the world?
It is people! It is people! It is people!

If you've ever worked in another country you'll know that even in this globalised world, work is cultural. Arguably work culture and how work is organised reflects whichever culture is dominant.

To find out more about how workplaces can better recognise and support Māori cultural values I sat in on a conversation between Paula Davis and Te IwiNgaro Dunn, both members of Te Rūnanga o Ngā Toa Āwhina, the Māori structure of the PSA. Te Rūnanga has brought together Māori kaupapa¹ that create an agenda for workplace change for Māori, and all public servants who serve Māori.

Do workplaces need to change to better recognise and support Māori cultural values and what is the benefit of this?

PD: I suppose most workplaces would need to change into order to support Māori cultural values, but I personally don't think the changes required would be so dramatic. Māori values are very similar to so-called "Kiwi values"; they just have a distinctly Māori name, and a unique

perspective. The benefit of this is a healthier working environment. I find that people are more respectful, empathetic and tolerant of each other.

TD: For me the values and the benefits of recognising the Māori world view come from a change of hearts and minds. Creating opportunities for the Māori world view enables your values system to be inclusive of the indigenous people.

How important are Tikanga and Te Reo in the workplace?

PD: I consider myself very lucky to work in an environment in which Tikanga is normalised. It means that I am comfortable, and I don't have to compromise my identity in my working life. I am guided by tikanga principles in my decision-making, in my work relationships, and in my wellbeing. Now that I have experienced such a workplace, I cannot see myself working in an environment where Māori values aren't normalised. Why would I?

It is also important that Te Reo is encouraged in the workplace. I used

¹ www.psa.org.nz/nga-kaupapa



Ngā Kaupapa and the future of work

to worry about speaking the reo, thinking I was excluding people, and I would refrain from speaking it. Now, I don't worry so much. Most people have a basic understanding. Also, when dealing with Māori clients, you do need to be able to connect with them, and our reo is the easiest pathway for that.

TD: Yes, with normalisation of Te Reo and Tikanga it becomes natural to operate in this way. Te Reo and Tikanga is not there to negate or minimise your ethnicity or what you bring to your role. When you are able to navigate in another culture's shoes it enhances all of your skill sets - including those that come with your own ethnicity. If you can walk in multiple worlds comfortably, you can be more inclusive of some of the people we serve who have the most complex needs.

What can be learnt by others from Māori approaches to things like workplace wellbeing and leadership?

PD: Tikanga is holistic. We don't just focus on one aspect; we encompass everything into our world-view. So everything is intertwined. My approach to wellbeing is governed by the same principles as my approach to leadership, or anything else. Through manaakitanga and wairuatanga, not only do we care for others and learn empathy, but

we learn to care for ourselves. We build relationships and trust, and those are the foundations of successful leadership.

TD: If you allow yourself to be immersed in a Māori approach it amplifies what you already bring to the space. A lot of people see tikanga or Te Reo as being in addition – whereas it adds value. You may go faster on your own, but you go further together.

When we're talking about wellbeing and leadership, learning from Māori approaches and a Māori world view stretches your thinking, your understanding and your ability to be inclusive, so that the sense-making and opportunity for collaboration is at a deeper level. This does take time and it does take compromise – I'm not talking about compromising your values but being open to seeing things from a non-Eurocentric way of being. Your leadership will always be stronger as you'll be navigating in a richer paradigm.

How do Māori cultural values fit with what we know about the future of work?

PD: In Te ao hurihuri, I think people are looking for more from their workplace than just a place to sit for 8 hours a day while they earn their pay check. People are looking for a place to belong, and they will quickly move elsewhere

“ For me the values and the benefits of recognising the Māori world view come from a change of hearts and minds.”



Ngā Kaupapa and the future of work

“If Māori are allowed to be Māori, then the workplace has got it right.”

if they are “not feeling it”. I find it funny that organisations spend vast sums of money on trying to retain staff, when all they need to do is practise whanaungatanga. Everyone doesn’t have to be best friends, just like in a family! But you do have to be respectful and care about one another.

TD: It absolutely fits. The future of work includes a shift from being based on subject knowledge to being about values, skills and behaviours. Wairuatanga, whanaungatanga, manaakitanga etc - what these kaupapa do is allow you to talk about this in a richer way. With Ngā Kaupapa we can add an additional layer.

How can we tell when a workplace has got this right?

PD: From the outside, it would be hard to tell. You’d have to ask. You should be able to see encouragement and modelling from the leadership. You should be able to see acceptance both from and towards non-Māori workers. You should hear Te Reo Māori. And let’s be honest. It’s a cliché, but you would see the sharing of kai.

In my workplace, every day, I

encounter discussions or debates about tikanga or Māori issues. Everybody participates, and voices their opinion, whether you like it or not!

However in the building next door, which is part of the same government department, these topics would not be discussed so openly. I think that’s probably the biggest sign. If Māori are allowed to be Māori,

then the workplace has got it right.

TD: I go back to the idea of hearts and minds. You know you’ve got it right when all our colleagues are invested in ensuring that the vision of their organisation is a living, breathing vision.

People really need to feel they contribute. You see this with people in third-world countries who only earn a dollar a day but are happy – because they are contributing to family and community, which is a common good. It’s not just about the functionality of the reo but about people believing in their responsibility to the Treaty, no matter where they are on their own Reo, Tikanga & Kawa journey.♦



A place for employee voices



When posing the question “What place does employee voice have in contemporary work life?” the answer you receive will depend on who you ask.

A trade union representative is very likely to give a different answer to an HR manager. This is because employee voice is a term that means different things to different people, its understanding shaped by their own experiences, priorities and needs. It is also a concept that is a means to potentially very different ends.

In recent years, interest in the concept of employee voice in the workplace has increased. It has been promoted as providing a means to benefits such as higher levels of productivity and a more satisfied workforce less likely to leave.

Pick up any contemporary “how-to” book on management and you will likely find it filled with an array of buzz words and fuzzy concepts, born of the latest fads and fashions. There, too often, the expression of voice is seen as a one-way street. Employee voice in the form of opinion, suggestions, and concerns of workers is considered chiefly in terms of its potential to benefit the organisation.

Research that focuses on employee voice and its links to increased organisational performance and worker well-being continues to

attract the interest of employers, trade unions, and policy makers. It has been shown that there is often a positive correlation between the expression of voice and an up-tick in the performance of organisations.¹

The view that workers have a vested interest in achieving increased performance that often translates to stronger, more stable organisations, in turn creating the expectation of continued employment, is a valid one. However, I would also raise the point that such concerns should not be the sole reason for employee voice.

Commentators make a strong ethical case for focusing on the link between increased voice opportunities and worker well-being. By advocating for consideration of employee voice beyond business case logics we can broaden the debate to include the intangible benefits for workers.

Employee voice is a concept that has real life implications for workers. Why should the ability to have some influence in a democratic society not travel with the worker across the threshold of the workplace? It is surely antithetical to take for granted



Laura Harvey

Laura Harvey is a PhD candidate at the University of Auckland’s Business School.

Laura has an enduring interest in work, particularly around the ways in which workers can achieve greater levels of participation in decision-making.



A place for employee voices

that the rights of the citizen to have a say in wider society cease at the threshold of the workplace.²

Employees should have a right to a voice, individually and collectively, on matters of importance to them in the workplace. Not only because of the positive effects it may have on economic efficiency, but also because it extends rights to individual autonomy into the workplace.

As such, voice mechanisms that involve concrete opportunities for workers to have a say in how their work is organised, as well as having input into decision-making on matters affecting them, opens up the possibility of magnifying the intangible benefits of work. These benefits include increased well-being achieved through finding dignity, meaning and a greater sense of agency in our day-to-day lives.³

From this perspective, voice is thought of in terms of it being “An intrinsic standard of participation—participation in decision-making is an end in itself for rational human beings in a democratic society ... intrinsic voice is important whether or not it improves economic performance and whether or not it improves the distribution of economic rewards”.⁴

Of late, there has been widespread acknowledgment that New Zealand is a nation experiencing rising levels

of inequality⁵. Many of those who feel its grip are known as the “working poor”. As was highlighted in a recent publication focusing on how we might build more just societies, “inequality is ... a matter of political choice and institutional design”.⁶ Therefore strengthening and proliferating opportunities for employee voice, both at the level of state institutions, such as labour legislation, and at the level of the workplace, is a vital part of attempts to halt and reverse growing inequality.

A strong progressive attitude will not be sufficient to face the challenges to employee voice in the future of work. Unflinching promotion of employee voice must form part of the way forward. It is one means of imbuing the workplace with genuinely pluralistic ideals that value workers as legitimate stakeholders worthy of being heard, not simply as bundles of human capital to be used in the furtherance of economic goals.

Contrary to pessimistic commentary that focuses on the diminution of union power, it is vital that the role of collective voice is acknowledged as being critical to workers’ ability to preserve and protect wages and conditions in times of fast paced change.⁷ Recent evidence from the International Monetary Fund shows that higher rates of collective bargaining coverage translate to higher levels of wage growth⁸ and lower rates of wage inequality.⁹

“Employees should have a right to a voice, individually and collectively, on matters of importance to them in the workplace.”

A place for employee voices



The experiences I had working as a health professional at a New Zealand District Health Board (DHB) planted the seed of my own interest in employee voice. Those were taxing times: low staff numbers, low morale, low levels of potential for worker influence, and correspondingly high rates of staff complaints, stress, burnout and resignations.

At one memorable meeting, our department manager offered workers a choice “You choose, do you want clean linen or more staff?” The manager’s offer was, of course, insincere; a rhetorical device designed to quiet the complaining herd. It had a chilling effect, and for that moment, our voice was stifled.

What is included and what is excluded in the subject matter of employee voice matters greatly. Who gets to initiate, define and decide the structure of voice holds considerable power. However, the force of collective voice can be such that it addresses power imbalances.

The recent bout of industrial action that saw New Zealand nurses voting to strike for the first time in 30 years was a palpable illustration of what can happen when workers feel that their voice has gone unheard by those in charge. In doing so, workers showed that by raising their collective voice they proved to be impossible to ignore.❖

“Unflinching promotion of employee voice must form part of the way forward.”

¹ Johnstone, S., & Ackers, P. (2015). *Finding a voice at work: New perspectives on employment relations*. Oxford: Oxford University Press.

² Budd, J. W. (2004). *Employment with a human face: Balancing efficiency, equity, and voice*. New York: Cornell University Press.

³ Ibid.

⁴ Ibid, p. 13.

⁵ Rashbrooke, M. (ed.). (2013). *Inequality: A New Zealand crisis*. Wellington: Bridget Williams Books.

⁶ Luebker, M. (2015). Redistribution policies. In Janine Berg (Ed.), *Labour markets, institutions and inequality: Building just societies in the 21st century* (pp. 211-243).

⁷ Bell, A. (2018). British workers’ rights after Brexit. In M. Neufeind , J. O'Reilly , & F. Ranft (Eds.), *Work in the Digital Age* (pp. 223-234). London: Rowman & Littlefield International.

⁸ IMF (2017). *Recent wage dynamics in advanced economies, drivers and implications*, Washington: International Monetary Fund, <http://www.mf.org/en/Publications/WEO/Issues/2017/09/19/world-economic-outlook-october-2017>.

⁹ Hayter, S. (2015). ‘Want to tackle wage inequality? Shore up collective bargaining’, blog, Work in Progress, International Labour Organization, 3 March, <https://iloblog.org/2015/03/03/want-to-tackle-inequality-shoreup-collective-bargaining/>.



Work – the future – are we prepared



Margaret Wilson

Professor Margaret Wilson, DCNZM, Professor of Law and Public Policy, University of Waikato. Former Member of Parliament 1999 – 2008. Held several Ministerial appointments including Attorney-General, Minister of Labour and former Speaker New Zealand Parliament 2005 – 2008.

Co-author *Human Rights in NZ: Emerging Faultlines* and currently has Law Foundation funding to research how Parliament deals with human rights issues with Professor Judy McGregor.

Google “work and the future” and we will find everyone is talking about it. Everyone has a view on whether it is good or bad for us or whether it will never happen; or if it is already too late to protect ourselves from the robots, AI and algorithms that will determine whether you get an interview, let alone a job.

It is clear the impact of technology on our working lives is now a topic of conversations amongst a wide section of the community.

What has not been clear, until relatively recently, is whether government has had a coherent policy or strategy to ensure the impact of technology change will positively contribute to the well-being of working people.

It is a truism to argue that paid work provides working people with the primary means to provide for their economic and social well-being. The nature and quality of work has been at the centre of New Zealand’s political system since colonisation. The early European immigrants made the often-perilous voyage to New Zealand to find better working conditions for themselves and their families.

It was no accident that the first reported strike was over working hours, or that the industrial conciliation and arbitration statutory framework was designed to regulate the relationship between workers and employers in workplace. It is

often overlooked that this industrial conciliation and arbitration system that survived for nearly 100 years was a tripartite system, in which the state played an active role to ensure the balance of power in the workplace produced fair and equitable reward for work.

For example, a basic wage was developed in the 1930s and was to be such to support a married man, his wife and three children in a fair and reasonable standard of comfort. While this reflected the gendered society at the time, it was a forerunner of the notion of the living wage.

The idea that work should be fairly rewarded and undertaken in decent conditions lies at the heart of New Zealanders’ notion of a fair go at work. The disruption caused by globalisation under a neoliberal policy framework saw New Zealand depart from its fundamental values during the 1980s and 1990s under the Employment Contracts Act. The impact of that policy on working people is well recorded in low wages and precarious work. The



Work – the future – are we prepared

rejection of that policy approach was seen after the 1999 election with a new statutory framework that attempted to restore a better balance of interests in the workplace. The fact remains however that New Zealand continued to be a low wage economy with precarious work conditions spreading throughout the economy. The effects of this low wage economy approach have included an increasing number of women returning to paid employment to support a family unit that requires at least one and a half paid jobs.

The increasing number of women entering paid work was accompanied by the demand for their work to be equally valued, and for the conditions of work to reflect their need for paid parental leave, child care, and a more flexible approach to work. Increasing immigration since the 1990s placed further pressure on wages and working conditions. Exploitation of workers became more common as traditionally accepted standards of decency at work were challenged, as bullying and harassment at work emerged into the public space and demanded a response.

Underlying the day to day work experiences has been the realisation that technology has begun to change how we perform work and under what conditions. Technology in the workplace is not new. In the 1960s the clerical workers' union was

challenging management's sole right to change working conditions without including the union. The introduction of new technology was not seen as a matter over which the union had a legal right to negotiate with management regarding its impact on employees. The managerial prerogative was therefore reinforced at the time, and the influence of unions and their members was undermined by the lack of legal recognition of their right to negotiate such changes. It is essential this does not happen again. As the pace of technology has increased the debate has shifted to the equally important question of whether there will be any work available, and if so, the nature of that work.

It has been encouraging to see however that, at last, the current government is asserting a more active role for the state and there are already signs of a strategic approach to address the impact of technology in the workplace. This approach is developing alongside, and should be assessed in the context of, other recent policy initiatives including fees free tertiary education; business, unions and government working together in the Future of Work Forum; the Tax Working Group; and the Welfare Advisory Group.

While nobody can predict the precise impact in terms of jobs lost or new jobs created, the government is

“ The idea that work should be fairly rewarded and undertaken in decent conditions lies at the heart of New Zealanders' notion of a fair go at work.”



Work – the future – are we prepared

“The notion of inclusion requires legal recognition of the right of unions and employees to be included in the decisions to introduce new technology...”

preparing for the transition. As Grant Robertson, who is driving this policy, stated, “Our best approach is to prepare ourselves to be in a position to shape the future on the basis of our values and the outcomes we desire.”¹ Those core values in this context are to be inclusive, resilient and adaptable.

The time has come to give shape and substance to these values. The notion of inclusion requires legal recognition of the right of unions and employees to be included in the decisions to introduce new technology, and to negotiate the impact of the new systems on their working environment. If the shift to a more technological focussed workplace is to be resilient then it needs to place the employee at the

centre of the new environment. Without an employee-centred work environment there can be no sustainable positive impact for the economy and society as a whole. Currently the focus is on the robot or the data stream to produce the economic benefit. It will be the relationship between the machine and the employee that will produce sustainable benefits. Finally, it is important to be adaptable, and New Zealanders have been known for their adaptability. However, this capacity must benefit both the employee and the business. In summary, the core values require a fundamental rethinking of the notion of democracy in the workplace and a strategy to make it a reality.❖

¹ www.labour.org.nz/grant-robertson-launch-of-future-work-commission





Low wages and our weak industrial relations law

It is often said that New Zealand has a low-wage economy in comparison to other high-income countries in their club, the Organisation for Economic Cooperation and Development (OECD).

There is strong evidence for this view, whether we look at international comparisons of wage and salary levels (just referred to as ‘wages’ from here on) or at the share of the nation’s income that wage earners receive. One reason is New Zealand’s low productivity, but real wages have fallen behind even that weak performance by New Zealand firms. A big reason must be New Zealand’s weak industrial relations law, and in particular its poor support for effective collective bargaining compared to those other countries.

Wage levels

A comparison of the purchasing power of annual average wages for full-time equivalent employees between OECD¹ countries in 2017 shows New Zealand’s wages are 19th highest among 35 OECD countries. But we aren’t really around the middle of the bunch. Since 1994, new countries have joined the OECD, including Mexico, Chile, and eight from Eastern Europe. All have lower wages than New Zealand. In 1990 we were genuinely middle of the bunch at 13th of the 23 countries then members. We have fallen to 5th lowest among them.

Our wages have steadily fallen further behind countries like Denmark (9% behind in 1990; 29% behind in 2017) and Switzerland, one of the richest, Switzerland (44% behind in 1990; 53% behind in 2017). The gap with Australia went from 20% behind in 1990 to 25% behind in 2017, but would have been closer to 36% behind (where they were in 2013) if Australian wages hadn’t fallen with the end of the mining boom and deteriorating industrial relations laws and conditions there. All three countries have a history over that period of much stronger collective bargaining than New Zealand, including sector collective bargaining similar to the proposed Fair Pay Agreements.

The wage share of income

Second, we can consider how the nation’s income is shared. The income that workers generate when they work is shared between the employer in profits and workers in wages. The wage share of that income is an indicator of whether wage levels reflect what employers and the economy can afford and society’s view of what is a fair share of resources. A falling wage share also means that real wages are not



Bill Rosenberg

Bill Rosenberg was appointed Economist and Director of Policy at the CTU in May 2009.

Bill was previously Deputy Director, University Centre for Teaching and Learning at the University of Canterbury, a Commissioner on TEC, and a member of the Regional Land Transport Committee of Environment Canterbury.



Low wages and our weak industrial relations law

keeping up with labour productivity growth.

The wage share of New Zealand's domestic income fell sharply from 71% of net domestic income in the early 1980s, and despite a modest rise from 2002 to 2009, is falling again. In 2017 it was 58%. If it had held its 1981 level, New Zealand workers would have averaged \$12,500 per year better off.

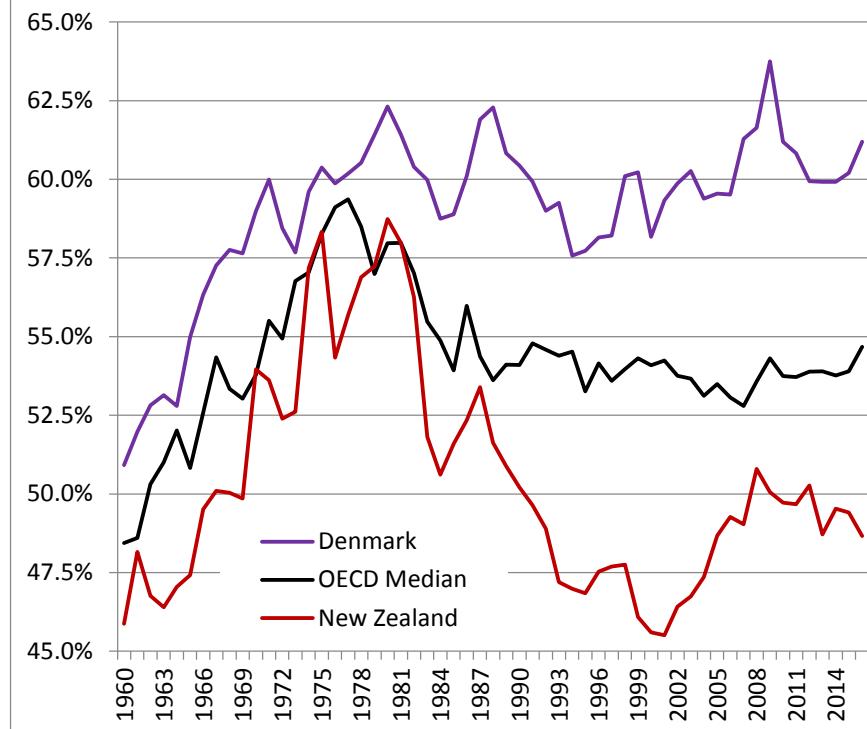
New Zealand workers now receive

among the lowest shares of the nation's income in the OECD. The share was similar to the OECD median in the 1970s and while the median fell too, it did not fall nearly as far as in New Zealand. In Denmark for example, with continued high levels of collective bargaining and unionisation supporting a high value economy, the share was similar to New Zealand's in the late 1970s but has stayed there ever since.

“ New Zealand workers now receive among the lowest shares of the nation's income in the OECD.”

Figure 6: Labour income share of Gross Domestic Income compared to OECD median

Sources: AMECO database, author's calculations, SNZ





Low wages and our weak industrial relations law

Yes, New Zealand does have a low wage economy.

Reasons

Much of the fall in the wage share of income can be attributed to laws that froze wages in the early 1980s, decimated unions and collective bargaining with the Employment Contracts Act in 1991, impoverished our welfare and income support systems, and commercialised and privatised the state. While industrial relations legislation improved somewhat in 2000, pay setting is still dominated by essentially “take it or leave it” individual employment agreements which employees have little or no power to negotiate.

In 2013 we had the sixth lowest collective bargaining coverage in the OECD, weakened further by the last Government. An authoritative international database² estimated it to be 15% in 2013 compared to Australia at 60%, Denmark at 84% and Switzerland at 49%.

The weak productivity performance of New Zealand firms over the period is also a contributor, but it doesn’t explain why real wages (that is, adjusted for inflation) have not kept up with even that poor productivity growth and why the wage share of income is so low.

Good wage growth also requires fair rules and practices to overcome the imbalance in bargaining power between workers and employers, and

the internationally recognised way to achieve that is effective collective bargaining. The International Labour Organisation has recognised that for a century, and has written it into binding international conventions which New Zealand has signed.

After decades of opposing good employment law, and advocating its repeal, the OECD and International Monetary Fund (IMF), particularly as a result of the excesses of inequality highlighted by the Global Financial Crisis and subsequent political developments, are now advocating stronger collective bargaining (OECD) and are producing research supporting it (OECD and IMF).

For example, the OECD’s 2018 Employment Outlook devoted a chapter³ to analysing how different forms of collective bargaining “contribute to better balance, inclusiveness and flexibility in the labour market”. Good practice included coordination of bargaining and ‘extension’ of collective bargaining which applies to whole industries, similar to what is proposed for Fair Pay Agreements. Its conclusions are based on a wealth of research by academics and its own staff.

IMF researchers have confirmed that deunionisation is associated with rising income inequality, and that weakened employee bargaining power exemplified by poor employment protection (such as 90-

“After decades of opposing good employment law, the OECD and IMF are now advocating stronger collective bargaining”



Low wages and our weak industrial relations law

day trials) is an important factor in wages' falling share of income.⁴

A feature of New Zealand's weak collective bargaining is that it is dominated by uncoordinated enterprise-based bargaining with few multi-employer collectives in the private sector, and no industry or occupational collective agreements. There is no "floor"

other than the economy-wide minimum wage.

We will not see improved wages in New Zealand until we have improved industrial relations laws and practices, including effective industry-wide collective bargaining. That would ensure that productivity growth and the nation's income are more fairly shared with workers.❖

“ We will not see improved wages in New Zealand until we have improved industrial relations laws and practices”

1 OECD annual wage series data is at https://stats.oecd.org/Index.aspx?DataSetCode=AV_AN_WAGE. It calculates full time equivalent wages by adjusting for hours worked. To compare countries, current price wages are converted using corresponding US dollar Purchasing Power Parities for private consumption expenditures at https://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE4. For further details of this and other aspects of this section, see the CTU Economic Bulletin 202, August 2018 at <http://www.union.org.nz/economicbulletin202/>.

2 Visser, J. (2016). ICTWSS Data base. version 5.1. Amsterdam: Amsterdam Institute for Advanced Labour Studies (AIAS), University of Amsterdam. Retrieved from <http://www.uva-aias.net/en/ictwss>

3 OECD. (2018). OECD Employment Outlook 2018. Paris, France: OECD Publishing. Chapter 3. https://doi.org/10.1787/empl_outlook-2018-en

4 Jaumotte, F., & Buitron, C. O. (2015). Inequality and Labor Market Institutions (Staff Discussion Note No. SDN 15/14). Washington DC, USA: International Monetary Fund. Available at <http://www.imf.org/external/pubs/cat/longres.aspx?sk=42987>; and Ciminelli, G., Duval, R. A., & Furceri, D. (2018). Employment Protection Deregulation and Labor Shares in Advanced Economies (Working Paper No. WP18/186). Washington DC, USA: International Monetary Fund. Available at <http://www.imf.org/en/Publications/WP/Issues/2018/08/16/Employment-Protection-Deregulation-and-Labor-Shares-in-Advanced-Economies-46074>.

Fair pay agreements: are we ready for them?



“The nature of complex social challenges means that perhaps, more than anything, what is required is a stable platform, an institution that can bring together diverse capital, talent, and strategic direction to build collaborative responses.”

Hassan, Zaid. *The Social Labs Revolution: A New Approach to Solving our Most Complex Challenges*

Decent work deficits in countless New Zealand industries present a complex social challenge. Readers will be familiar with low pay, workers' declining share of national income, the housing crisis affecting workplaces from Queenstown to the Bay of Islands, and the shameful health and safety record of many heartland industries. Changes to immigration rules expose the fragility of hospitality and horticulture.

Government has responded to international evidence of a strong correlation between widespread collective bargaining and decent work with a traditional, high-level tripartite approach: the Fair Pay Agreement Working Group. This offers an opportunity for some quick progress, however addressing this complex social challenge in a way that is enduring and comprehensive is likely to require a more profound approach.

The Employment Contracts Act
The Employment Contracts Act 1991 (ECA) was our Black Swan

event. Awards covering some 60% of the workforce were abolished, confounding regular expectations with extreme and lasting impact.

A sense of the cultural scale of this event is conveyed by two National Party Ministers of Labour: “We still require a means by which industrial workers may negotiate on equal terms with industrial employers. With whatever modifications may be necessary, the trade unions must remain a major force in our society.” (TP Shand, 1968); "Unions don't need statutory recognitions. We don't officially recognise Rotary Clubs in legislation - why should we bother with unions?" (Bill Birch, 1995).

By 2000, and the Employment Relations Act, collective coverage had halved. It dropped below 20% by 2015 (as pseudo “collective” employment contracts were converted into individual agreements).

The ECA changed everything, providing the context for the working party charged with restoring an industry option to our collective



Laila Harré

Laila Harré is a trade unionist who has been involved in industrial relations as a lawyer, union leader, politician and ILO specialist. She was the assistant minister of labour between 1999 and 2002. Laila has recently completed her LLM on labour and investment treaties.

She's owned and operated a living wage restaurant and now works for UnionAID, supporting young community workers from Eastern Indonesia to understand and develop their capacity as social innovators. Laila lives in West Auckland.



Fair pay agreements: are we ready for them?

“

If Fair Pay Agreements are to address a plethora of decent work deficits, then there is a case for experimentation in developing a sustainable framework for them. ”

bargaining framework. Ironically, it is chaired by an architect of the ECA, Jim Bolger, whose shot at redemption follows his confession that his own Government erred.

The case for experimentation

If Fair Pay Agreements (FPAs) are to address a plethora of decent work deficits, then there is a case for experimentation in developing a sustainable framework for them.

My reading of the FPA process so far is that the tool is being developed on the assumption that we can take collective bargaining as we know it industry-wide. This is arguably implicit in the working party's terms of reference and it worries me.

Evidence points to industry agreements promoting decent work by providing a broad foundation for industrial relations. The Award system underpinned our industrial relations system for 100 years. It was not an optional extra, and nor are the great variety of overseas “extension bargaining” techniques. The working party must show how impact can be achieved.

The ECA deeply damaged the industrial relations infrastructure essential to democratic collective bargaining at a national level.

I'd like to suggest two alternative approaches. Both advance from the place we are in now – which is not

the same as the place we would like to be in.

The first approach is top-down. The state would be the arbiter of fairness, with input from interested parties. It doesn't require a wholesale reorganisation of worker-employer engagement at the level of an industry (although it might catalyse that). It does require clear criteria for determining outcomes. There is a glaring omission in the working party's terms of reference. All ten elements are process-focused, with none addressing the most important factor – the substantive standard FPAs will have to meet to be valid.

The second approach is bottom-up collaboration to tackle an industry's decent work deficits. It accepts that there is currently no solid institutional base to do this through conventional means; only a complex interaction of people, organisations, values, motivations, regulation, technology, consumers and countless other factors, as capable of reproducing or worsening working conditions as fixing them, and that all of this is happening in a fast-changing work environment.

Rather than focus on just one outcome (an FPA), it would provide a “stable platform, an institution that can bring together diverse capital, talent, and strategic direction to build collaborative responses;” a social lab. Willing participants with a clear intention to address decent

Fair pay agreements: are we ready for them?



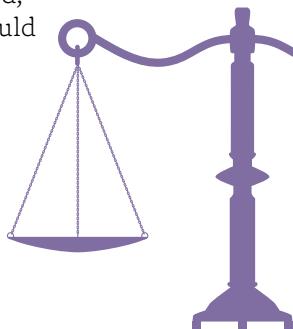
work deficits (notwithstanding varying interests and concerns) would develop and test solutions over a longer period.

We could try both approaches over a few years, sharing results and learning between them. A state-driven process, enacting an FPA or two, addressing clear substantive criteria intended to resolve decent work deficits.

In the test period, Government could legislate the result as it did with the care and support workers settlement.

The security industry is small and apparently well-disposed to an FPA, thus it could be one case study for this approach. As the dominant customer of the industry, government's commitment to upgrading work rights would be a positive influence.

In parallel, a social lab could tackle a more complex industry, such as hospitality. Solutions would be limitless, perhaps including ideas about the enforcement of minimum standards (like minimum wages and the zero hours law), organising workers in the sector, engaging with local government on housing and



industry training organisations. These issues always arise when you talk decent work in hospitality, and our existing set-up is ill-equipped to tackle them.

Expecting industry bargaining to flourish when unions are too concentrated and under-resourced, employers too disorganised and obsessed with internal industry competition, and labour administration too weak to drive its widespread adoption, is unrealistic. Significant investment in each of the social partners is needed. The greatest disappointment would be Government expending precious political capital with limited impact because we lack the social infrastructure to support it.

The Prime Minister has already set out to reassure nervous employers that only one or two agreements are expected in this term of Government. The ambition is a platform for democratic industrial relations. My fear is that over-reliance on our existing capacity and collective bargaining behavior will cast FPA as an optional extra, and one or two is all that we will ever have.❖

“ The greatest disappointment would be Government expending precious political capital with limited impact because we lack the social infrastructure to support it.”

THE SIDE EYE #7 BY TOBY MORRIS

EMPTY SHELVES

Meet Tasia. She lives in a small flat in Otara, and supports her teenage son.

She's been a checkout operator at an Auckland supermarket* for 15 years.

She works fulltime, Monday to Friday, and every week she tries to pick up an extra shift on Saturday too.

But despite working more than 40 hours a week, Tasia is struggling financially.

"I'M ON THE MINIMUM RATE. NO MATTER HOW LONG YOU'VE BEEN WORKING THERE, WE'RE ALL THE SAME. IT'S A HARD LIFE."



On the first of April this year, the minimum wage rose 75 cents an hour, to \$16.50, but to Tasia it didn't change much.

"THERE'S NO DIFFERENCE. I'M HAPPY, BUT AT THE END OF DAY... THE RATE GOES UP BUT ALL THE OTHER THINGS GO UP. THE FOOD GOES UP... THE BILLS... EVERYTHING GOES UP."



Her fulltime job leaves her enough to scrape by week to week, but not to save anything. The breakup of her relationship left her needing to shell out for some basic furniture, and her former partner incurred debts in her name.

"HE'S TAKEN EVERYTHING..."

And now she's struggling to keep up with repayments on those debts that keep growing larger.

So she's scrimping where she can - skipping meals, going without, pushing hard for that extra shift. She doesn't go out, doesn't own a car, saves her holiday days in case her son gets sick.

Her sister brings around meals sometimes which she receives with a mixture of appreciation and embarrassment.



The 'living wage' is a measure created as a guide to employers to show what workers need to earn to pay for the necessities of life. It's calculated by the NZ Family Centre Social Policy Research Unit using current prices of food, transportation, housing and childcare, and the goal is that "a living wage will enable workers to live with dignity and to participate as active citizens in their community."



\$16.50
p/h

the 2018 least an employer can pay without breaking the law



\$20.55
p/h

The 'Living Wage':
the 2018 minimum needed to live a 'decent life'

For 2018, that's been calculated at \$20.55 - \$4.05 more an hour than Tasia currently earns. And that raises lots of questions.

Would a wage raise just lead to higher prices?
"Everything goes up" as Tasia said?



Or would a jump of \$4 lead to even bigger changes?

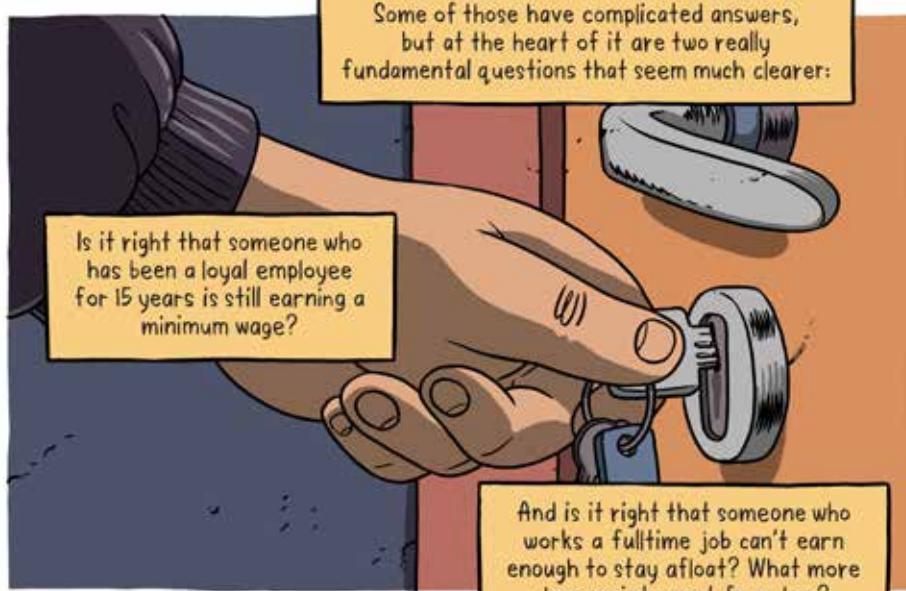
Do we believe it when employers tell us wage raises would lead to store closures and less jobs? Would it derail the economy?



Or is that just scaremongering from companies trying to fight for every dollar of profit? Wouldn't workers earning more mean workers spend more too?

Some of those have complicated answers, but at the heart of it are two really fundamental questions that seem much clearer:

Is it right that someone who has been a loyal employee for 15 years is still earning a minimum wage?



And is it right that someone who works a fulltime job can't earn enough to stay afloat? What more does society want from her?



* She asked us not to name the supermarket, so we've drawn a non-specific uniform too

@xT0TL 2018

Work in a world of climate change



New Zealand is at a pivotal moment. A golden hour in deciding what our future living with climate change looks like. A transition is coming; this isn't up for debate. The debate we must have now is about how we transition away from a non-sustainable pattern of emissions, and how soon we do it.

We can ask each other who should pay the cost, who should have to relocate, and what we do about those who will need to shift out of work in industries we can no longer sustain. We can talk reasonably about social assistance and the impact of fuel taxes – because we know that climate change, like our previous economic revolutions, is already most endangering those who already have the least available money, choices or resilience to change.

The longer we wait to have these conversations, the less choices we will have. The basis of ‘disaster capitalism’, as identified by Naomi Klein, is that in a ‘crisis’, our social contracts permit outcomes that would otherwise be considered unfair – an ‘unjust’ transition, where the ends defend the means.

For people who work for a living, change and transition are permanent features of employment. But big transitions in work can make people anxious. New Zealand hasn’t done them well before. The massive economic restructuring in the 1980s saw tens of thousands of people

sacked without any consideration of the impact on them and their families.

A Just Transition

The international union movement has coined the term a “Just Transition” to describe the move to a sustainable economy in the face of climate change, where the interests of working people and the less well-off are democratically considered and planned for in advance. This has two key features.

Firstly, a plan for economic diversification away from fossil fuel industries. Workers from these industries who have built the country’s prosperity deserve the certainty of pathways into decent, well-paying jobs in new industries. “Any old job” won’t do. This diversification is underway thanks to the combined weight of the Provincial Growth Fund and the Green Investment Bank, both of which have the transition to a low carbon economy as an explicit objective.

Secondly, a Just Transition requires a dedicated plan to actively manage the



Sam Huggard

Sam was elected CTU Secretary in October 2014. He has over 15 years experience in trade unions, the community sector and students’ associations. He has spent the past 6 years in a campaigns position at FIRST Union and worked at the CTU in communications prior to that.

Sam was raised in Auckland and his family roots are in Wellington, Otago and Southland.



Work in a world of climate change

“ For people who work for a living, change and transition are permanent features of employment.”

workforce through change. Workers should be offered the assurance of a full transition package that maps the move to new secure jobs, recognises existing skills, and provides financial support to protect people's quality of life. This might be help upgrading someone's driving licence, providing a travel subsidy, or relocation assistance for someone moving to sustainable work. Retraining can happen as part of current jobs, to eliminate severe income shock to the family that might otherwise happen while undertaking study. We have examples to draw on from overseas; Australia, Canada, Germany and others have active Just Transition examples we are drawing from in designing our plan in New Zealand.

The importance of all voices

Worker voice in the move to decarbonise is not only desirable, but critical to its success. Unions bring to the table the interests of working people: ensuring their involvement is essential to achieving community support for the ambitious levels of greenhouse gas emission reductions needed to tackle climate change. Without strong public support, governments' ability to introduce the urgent changes needed to keep global warming to within 1.5 per cent of pre-industrial levels is limited. If working people can see a clear transition into new, well-paying jobs - and that the costs of climate change are not externalised on low income

people through user pay measures that impact the poor more than the well off - then their support will be more likely.

In addition to worker voice, an indigenous Just Transition model in Aotearoa will need to work right for Māori. This is both an important task but an exciting one. Indigenous people want to be part of the change, not have change foisted upon them. The Māori tradition of kaitiakitanga indicates an intimate relationship between the people and their environment to the extent that the health of a community is measured by the health of the environment – a long held indigenous analysis that is now gaining mainstream and government support.

The same goes for community organisations, schools, health workers, environmental organisations, and others who all have a stake in this transition, alongside workers in immediately affected industries. Big changes to a region affect the whole region, and all its parts.

A fair way forward for everyone

Climate change may be a problem of physical science with immovable boundaries that are not up for bargaining, but how we arrive at a point of mitigation is a social issue that can be collectively decided. An effective environmental transition could be imposed - but if this breaks



Work in a world of climate change

the social contract, either in our local or international communities, that protects against war and violence, what would be the point? And we certainly could hold back from fully costing climate ‘externalities’ now because of the ‘impact on the poor’ or unpalatable politics, but what happens to struggling families in a future with broken food production systems or overwhelmed healthcare?

New Zealand may be but a small country at the bottom of the earth, with more golden summers to come than most – but it is in our interests to show the world that a Just Transition can be achieved. By the time climate change becomes our new normal, for large swathes of the planet it will be too late. If we wish to preserve our Kiwi way of life, we simply have to show the rest of the world that a Just Transition is both environmentally possible, and socially acceptable.

The idea of a ‘Just Transition’ recognises that responding

to climate change will be a mix of positive opportunities and necessary changes.

It acknowledges that we will only be successful if we find a way forward which is fair to everyone. No one person can mitigate the impact of climate change through their individual actions, no matter how noble. If we are asking some people to move their homes, their families, and their careers for the good of us all, we should expect them to ask what they are being offered by society in return.♦



“ The idea of a ‘Just Transition’ recognises that responding to climate change will be a mix of positive opportunities and necessary changes.”



Dr Noelle
Donnelly

Dr Noelle Donnelly is a Senior Lecturer at the School of Management and Principle Researcher for the Centre for Labour, Employment and Work (CLEW) at Victoria University of Wellington.

Noelle's research interests lie in the area of work and employment with a specific focus on flexible work, gender equality, the nature and quality of work and international employment relations.

Normalising flexible work

New Zealand now sits amongst a select group of countries that offer all workers a statutory right to request flexible work within their workplaces.

In spite of the enhanced statutory provisions, increasing demand and recognition of the benefits of flexible work, growing evidence shows that access is uneven, and entrenched attitudes remain a significant barrier to their take up. While 'normalising' flexible work encourages more equal access, 'reversing the burden' is critical to ensuring positive outcomes.

The demand for flexible work is high and predicted to rise

Flexible work - the ability to adjust the time, location and duration of work – provides employers and governments with the opportunity to rethink approaches to work. Traditional approaches based on a pre-1970s view of middle-class families with a male breadwinner and a female carer are increasingly outdated.

The steady growth in female labour force participation, rise in dual-earner households, and ageing workforces, have reshaped the relationship between work and family life. In 2017, 28 percent of the 743,700 employed parents used at least one flexible work arrangement – most commonly working from

home, but also annual leave - to help care for a child. With mothers more likely to avail of flexible work than fathers and fathers more likely to work during the evenings or weekends, it is clear that the demand for flexibility is high as workers seek ways to reconcile career aspirations with caregiving roles¹. The demand is also likely to rise, as several surveys of millennials indicate a strong preference for flexible work, with many willing to trade pay for greater flexibility.

New Zealand, along with the UK, Canada, and the Netherlands, provides all workers with the right to request variations to their work arrangements. Under the Employment Relations Act 2000, all workers have a right to request flexible work and employers have a duty to consider the request in good faith.

Frequently referred to as a 'soft law', right to request legislation is widely criticised for giving workers the right to a process rather than the right to flexibility. Crucially, under the law flexible work remains at the discretion of management, with much of the responsibility for

¹ New Zealand Childcare Survey 2017, Statistics New Zealand.



Normalising flexible work

managing the substantive outcomes of flexible work residing with workers.

The case for flexible work – who benefits depends on who seeks and controls it

The case for flexible work has never been stronger. The benefits for workers are well known - flexible work is effective in improving work-life balance by helping workers manage the challenge of combining paid employment with other responsibilities. Although benefits are assumed, especially for women with caring responsibilities who in the main are more likely to seek flexible work, studies reveal a more complex picture.

Despite reports that almost half of all New Zealanders have access to some form of flexibility at work on an informal basis, research shows that access is patchy and dependent on a range of organisational and employment factors.

Empirical evidence tells us that women are more likely to seek but less likely to be able to access flexible work. Professionals and managers are more likely to have access to but less likely to avail of flexible work, while service and clerical support roles have limited opportunities to work flexibly. Even where flexible work is available, organisational norms, “fear of missing out”, and perceptions that

working flexibly may adversely impact career advancement, act as powerful deterrents.

There are also significant risks for workers in falling victim to work intensification as the boundaries between work and home lives become blurred.

Studies tell us that better work outcomes, in particular reduced work-life conflicts, depend on the amount of control and autonomy workers have, alongside supportive organisational cultures and line managers.

Equally the “business case” for flexible work, where much of the debate resides, rests on the assumption that providing workers with greater control of their working time improves overall wellbeing and productivity.

The recent highly publicised trial of a compressed four-day week by Perpetual Guardian was conclusive that workers not only performed better in their jobs, but that they enjoyed their jobs more.

Technology has a key role to play in the development of more agile and flexible workspaces. Altering perceptions of where work takes place not only reduces time and carbon emissions spent commuting to and from work, but as recent research conducted in Christchurch following the 2012 earthquakes highlighted, ensures business

“ The case for flexible work has never been stronger.”



Normalising flexible work

continuity in times of disaster and unexpected business interruptions.

From workplace perk to policy instrument

Initially introduced as a workplace policy geared primarily towards working mothers, flexible work has become an important policy instrument for governments and unions. New Zealand, like other international governments, promoted enhanced worktime flexibility as a powerful strategy to tackle labour market effects of recent recessions. With growing recognition of the factors contributing to gender pay gaps, calls by government agencies to “normalise flexible work” – through the active promotion of flexible work options to men and women - have also been seized upon as an important lever to address gender inequity.

Mainstreaming is important but time to reverse the burden

“Reversing the burden”, where the burden of proof turns to employers to justify why flexible arrangement might not work - as recently enacted in the Netherlands - is key to both making flexible work the norm and to sharing responsibilities for managing flexible work. While recent calls to mainstream flexible

work can address cultural and structural impediments to the uptake of flexible work arrangements, reversing the burden will ensure that flexible work is more evenly accessible and effective in sharing responsibility for the management of workloads.

As Labour Day celebrations remind us, New Zealand was the first country to adopt the eight-hour work day. Calls to rethink the 40-hour work week and provide for greater flexibility at work by reversing the burden provides New Zealand organisations with an opportunity to take the lead in reshaping work patterns.❖

“...better work outcomes, in particular reduced work-life conflicts, depend on the amount of control and autonomy workers have, alongside supportive organisational cultures and line managers.”



NZ businesses role in addressing human rights issues



New Zealand businesses have an extraordinary opportunity to influence and address emerging social issues and contribute to the advancement of human rights for people that come into contact with their company.

In 2016, the New Zealand Human Rights Commission hosted the inaugural forum on Business and Human Rights. The forum was attended by many of New Zealand's big businesses, where they discussed the corporate responsibility to embed human rights into business practice. This meant identifying key human rights risks within business and addressing them.¹

New Zealand companies identified the top five human rights issues affecting business as ethical sourcing and transparency in supply chain; violence, abuse and bullying in the workplace; decent work and pay; data and surveillance for big business; and migrant exploitation.

Steering groups convened to address the issues, with the Family Violence Steering group being particularly successful.

New Zealand has the highest rate of family violence in the OECD. At the latest United Nations Examination on Women's Rights, gender-based

violence was the main human rights issue raised and addressed by the Committee. A 2014 study in New Zealand on the cost of family violence to business estimated there are half a million victims of family violence in New Zealand, of whom more than 40% are in paid employment. The study estimated that the cost to business due to family violence in lost productivity, cover for sick days, and recruiting new workers when victims are not able to keep working is \$328 million dollars annually.²

The Family Violence Steering Group convened because they believed that business had a role in addressing this human rights issue. The group consisted of Vodafone, Fonterra, ANZ, Countdown, EY, The Warehouse Group, Ricoh and the New Zealand Human Rights Commission. They met every two months over 2017 and the first half of 2018. In June 2018 they finalised a template family violence policy, setting out how employers can



Dr Jackie Blue

Jackie is a Human Rights Commissioner at the New Zealand Human Rights Commission and has the Equal Employment Opportunities and Women's Rights portfolio.

Jackie has a strong commitment to advancing the participation of women in society and is the Commission's lead on stopping violence against women.

¹ The forum and this article is centred around the United Nations Guiding Principles on Business and Human Rights

² Kahui, Ku and Snively, "Productivity Gains from Workplace Protection of Victims of Domestic Violence", Commissioned by the PSA, 21.03.2014



NZ businesses role in addressing human rights issues

offer employees who are victims of family violence additional paid leave, flexible working to ensure safety at work, refer employees to counselling services, train staff, keep disclosures of violence as confidential as possible, and deal with perpetrators of family violence in the workplace. It is available to be used by any sized business and an accessible website³ means that

“ New Zealand businesses will have to know and show that they have no slavery in their supply chains even two tiers removed.”

businesses can easily implement the policy into their practice.

The timing was impeccable. Jan Logie’s private members bill, the Domestic Violence Victims Protection Bill, had been drawn from the ballot and was going through the Select Committee process while the group was formulating the policy to help

business support victims of family violence. The Bill has now had its third reading and will become law in 2019. The new law will give victims of family violence an entitlement to request up to 10 days paid leave to use to go to Court, apply for a Protection Order, attend medical appointments, move house, etc. It also allows employees to request flexible working arrangements such as changing hours or working from a different site to ensure their safety. The groups’ policy is timely for businesses and will soon be adopted by MBIE for the public sector and displayed on their business.govt.nz website.

The Family Violence Steering Group is an example of businesses addressing a pertinent and unique human rights issue for New Zealand.

Steering groups involving businesses, the government and NGO’s can be highly effective in addressing emerging issues. The government can legislate and make rules and regulations, but businesses have an opportunity to lead and influence in sometimes stronger ways.

We have seen this with the Modern Day Slavery Act UK where businesses earning over a certain revenue have to show they have

no human trafficking or modern day slavery in their supply chain. This has placed an onus on any businesses trading with the UK that meet this threshold to comply with this legislation.

The Modern Day Slavery Act Australia is coming into effect at the end of this year and will have an impact on approximately 500 New Zealand businesses earning over the threshold of \$100 million. New Zealand businesses will have to know and show that they have no slavery in their supply chains even two tiers removed. It will require businesses to carry out human rights due diligence, map out their supply chain and identify potential problematic areas or resources.

By upholding workers human rights, whether it be via decent pay, fair conditions, or in policies that support the health and wellbeing of their workers, businesses reap the dividends of increased productivity, attraction and retention of staff, reduced re-training costs, and enhanced reputation with consumers.

We might be at the bottom of the world with a tiny population, but our businesses can affect positive social change here and globally. ♦

³ <https://www.businessworkingtoendfamilyviolence.co.nz/>

Equal Pay: An employers' guide to manage the revolution



When speaking to employers about equal pay I often find myself in the seat of “bad cop”, asked to explain the hard truth that dealing with gender discrimination in pay (or remuneration) requires a revolution in thinking and practice.

The decision of the New Zealand Court of Appeal in the matter *Terranova v SFWU & Kristine Bartlett* (“the Terranova case”) put to rest any sense that the obligations under the Equal Pay Act 1972 (“the Act”) are optional or in fact non-existent. The Terranova decision confirms that the purpose of the Act is to remove and prevent sex-based discrimination in the rates of remuneration of males and females in paid employment. Employers have positive obligations to remove systems of remuneration and methods of employment (including selection, promotion and rewards processes) that result in women being paid less than men.

Unless they have consciously adopted strategies to ensure equality in pay and remove conscious and unconscious bias in employment practices and pay systems, it’s safe to assume that gender pay inequality exists in every organisation. Endless inquiries, investigations, and research reports have established that historic and current conscious and unconscious biases have led to women being paid less than men

for the same work or for work of comparable worth. In summary, some of what we know is:

Women university graduates are offered lower starting salaries than male counterparts for the same role, even though they have the same qualifications and experience.

Women lose opportunities to act in higher roles or have access to training and development opportunities when they have caring responsibilities outside of the workforce, or where it is assumed that they might have these responsibilities.

Interruptions to women’s employment due to caring responsibilities not only costs them in terms of their earnings at the time but it also sets them back in terms of future earnings. This is because they often return part-time to lower status more “flexible” roles, or they are perceived as being less “promotable” when they have external responsibilities away from work.

Commercial job evaluation or job sizing tools and market-based remuneration systems promote



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She has led successful litigation in the area of gender pay inequality and currently advises the Public Services Association on equal pay issues across its membership.



Equal Pay: An employers' guide to manage the revolution

“ Fixing decades (if not centuries) of undervaluation of women’s work doesn’t come cheap.”

gender pay inequality. These tools and systems devalue and ignore factors present in work historically performed by women in favour of those in areas of work predominantly performed by men.

Occupations, departments or work that is either female-dominated or aligned with functions associated with a women’s role in society – like caring – have historically been undervalued and paid less, even when this work is highly skilled.

Where employer or management discretion is involved in decision making about pay - including whether a person gets advancement along a pay scale, such as so called “merit steps” - the result is often lower outcomes for women.

Given that the Terranova Case has reminded employers of their legal obligations under that Act, every employer should now have a plan of action to remove and prevent sex-based discrimination in the rates of remuneration of males and females in their employ. The following is a guide of where to start, however it comes with a warning: rigidly adhering to past known knowns won’t get you very far in this space.

1. Don’t be a denier

The first step to understanding how to overcome gender pay inequality is to accept that it exists. Countless hours of

discussion and unquantifiable amounts of resources have been spent (not only in New Zealand) on measuring the existence of the gender pay gap and watching it rise and fall like the tide. You can spend your time debating whether it should be counted using means or medians, or whether like-with-like comparisons is the best method, or you can get on to fixing the problem. The fact remains that gender pay inequality exists everywhere. Your time is better spent assessing where your risks are and establishing a plan of action to overcome or mitigate these. Having audit points and affirmative actions around recruitment and starting salaries, what happens when returning from caring or parental leave, the pay and career trajectory for part-time workers, and pay audits in areas where women are predominantly employed, are all good starting points.

2. Put your hands in your pocket

Fixing decades (if not centuries) of undervaluation of women’s work doesn’t come cheap. Where claims of historical undervaluation are being made – as per care and support workers, social workers, or administrative and clerical workers in the health system – a light tweak to pay rates will not be the solution. Rather than looking at this matter as a substantial cost to the budget

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it might be worthwhile accepting that for a long time you've gotten this work on the cheap and it's now time to pay it what it's worth. There is not only substantial public interest in raising the rates of pay for women, particularly low paid women, but there are demonstrated benefits in terms of skills retention within organisations too.

3. Get used to upsetting people

Addressing historical undervaluation of women's work will by its very nature mean disrupting existing hierarchies and relativities. This in turn is likely to upset some people's (and professions') sense of themselves in the world. You should be prepared for this, and resist arguments that historical relativities must be maintained. These historical relativities are part of the systemic discrimination that has undervalued women's work. We can't address this undervaluation by perpetuating the system that reinforces it.

4. Tweaking around the edges won't cut it

It's time to come to terms with the fact that most commercial job evaluation and pay systems have built-in gender biases. Everybody knows it, even if they don't want to talk about it. This requires a commitment by you to move away from these biased systems

if you want to do more than just tinker with overcoming gender pay inequality. The New Zealand Gender Inclusive Job Evaluation Standard NZS 8007:2006 sets out the requirements for any system to overcome conscious and unconscious bias, and it's a good starting point. Having transparent pay and classification structures which remove discretionary pay points is another.

New Zealand employer representatives often put to me that market rates predominate here, as if this is a defense to why they discriminate when it comes to pay. If I was being less than polite I might say "Bah! That's what got you into this mess." There is no "invisible hand" of the market. The so-called market has inherent biases. Like it or not, your legislators saw fit in the past and the present to regulate the market by enacting equality-based legislation.

It's time to meet your minimum legal obligations by ending gender pay discrimination. ♦

“ There is no “invisible hand” of the market. The so-called market has inherent biases.”



Our contributors



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Andrew is the director of communications and research and deputy general secretary at Prospect, the UK's professional and specialist union with over 142 000 members.

He has over 20 years' experience in advocacy and strategic campaigning roles holding posts as an agency director, communications director, political advisor and a senior official in regional government.



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Laura Harvey is a PhD candidate at the University of Auckland's Business School.

Laura has an enduring interest in work, particularly around the ways in which workers can achieve greater levels of participation in decision-making.



Our contributors



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Co-author *Human Rights in NZ: Emerging Faultlines* and currently has Law Foundation funding to research how Parliament deal with human rights issues with Professor Judy McGregor.



Bill Rosenberg

Bill Rosenberg was appointed Economist and Director of Policy at the CTU in May 2009.

He holds a BCom in Economics, a BSc in Mathematics and a PhD in Mathematical Psychology.

Bill was previously Deputy Director, University Centre for Teaching and Learning at the University of Canterbury, a Commissioner on TEC, and a member of the Regional Land Transport Committee of Environment Canterbury.



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Laila Harré is a trade unionist who has been involved in industrial relations as a lawyer, union leader, politician and ILO specialist. She was the assistant minister of labour between 1999 and 2002. Laila has recently completed her LLM on labour and investment treaties.

She's owned and operated a living wage restaurant and now works for UnionAID, supporting young community workers from Eastern Indonesia to understand and develop their capacity as social innovators. Laila lives in West Auckland.



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Sam was elected CTU Secretary in October 2014. He has over 15 years experience in trade unions, the community sector and students' associations. He has spent the past 6 years in a campaigns position at FIRST Union and worked at the CTU in communications prior to that.

Sam was raised in Auckland and his family roots are in Wellington, Otago and Southland.



Our contributors



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Jackie is a Human Rights Commissioner at the New Zealand Human Rights Commission and has the Equal Employment Opportunities and Women's Rights portfolio.

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Public Service Association Te Pūkenga Here Tikanga Mahi

The PSA is New Zealand's largest union, representing over 67,000 workers in central government, state-owned enterprises, local councils, health boards and community groups.

We're proud of our history of sponsoring and publishing writing and thinking on the role and health of the state. Over the past decade this has included:

- *Re-imaging Government – Putting people at the heart of New Zealand's Public Sector* (commissioned in 2006 from UK think tank Demos)
- *Reviving the Public – A new governance and management model for public services* (commissioned in 2006 from David Coats of the UK's Work Foundation)
- *The Chief Executive as Employer: Reinforcing the New Public Management Silos* (paper presented by G. Barclay & B. Pilott in 2008 at the After the Reforms conference)
- *State of the Future – strong public services for tough times* (published in 2009 in response to the global financial crisis)
- *Why We Need Public Spending* (commissioned in 2010 from David Hall of Greenwich University)
- *Modern Public Services* (policy paper series published in 2011)
- *Rethinking the State Sector Act* (published in 2014 in collaboration with the New Zealand Fabian Society)
- *Progressive Thinking: Ten Perspectives on Tax* (2017)
- *Progressive Thinking: Ten Perspectives on Housing* (2017)



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