

Transfer of Editorship

We would like to announce that the New Zealand Journal of Industrial Relations is changing editors, moving location and in keeping with the new millennium, changing its title to the 'New Zealand Journal of Employment Relations'.

The new editors are: Dr Erling Rasmussen and Dr Felicity Lamm, Senior Lecturers at the University of Auckland, and Dr Rupert Tipples, Senior Lecturer at Lincoln University. They have written extensively on employment relations and their research interests range from future employment in the primary sector and the psychological contract to occupational health and safety, the impact of the employment legislation on workers and employment relations in small businesses. They have also undertaken research for public and private sector organisations in both New Zealand and overseas.

We would also like to take this opportunity to thank the editors Alan Geare and Ian McAndrew with their support staff for their excellent stewardship of the Journal and for consistently producing such as scholarly publication on industrial relations. They have set a high standard that we hope to continue.

Erling Rasmussen, Felicity Lamm and Rupert Tipples

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John T. Dunlop 1914 - 2003

John T. Dunlop, arguably the most influential industrial relations scholar of the post World War II era, died on October 2nd, aged 89 years.

John Dunlop is probably best known for his 1958 work, *Industrial Relations Systems*, a classic book, which strongly influenced industrial relations scholars for decades. The work was reprinted in 1970 and 1977, and then again in 1993 a revised edition was re-published by Harvard Business School in its "Classics" series.

During his distinguished academic career, John Dunlop found time to act as President of both the Industrial Relations Research Association, the International Industrial Relations Association and also to work as a mediator and arbitrator in many industries.

John Dunlop also distinguished himself in public service. He was Secretary of Labour under President Ford from 1974 - 1975 and in 1994 was Chair of the Commission on the Future of Worker Management Relations (the "Dunlop Commission").

The editors pay their respects to one of industrial relation's "greats".

Alan Geare
Ian McAndrew

Information Technology Use and Employment Change in New Zealand Industries

Chris Hector
University of Waikato

Abstract

The last quarter of the 20th century was marked by rapid uptake of new information and communication technologies (ICT) with far-reaching effects on workplace organization. These changes have consequent effects on demand patterns in the labour market, with less educated workers facing declining opportunities. In this paper, Census of Population data from 1991, 1996 and 2001 are used to investigate changes in employment demand by education level for full-time workers in 58 industries covering the entire New Zealand economy. To explore the role of technical change, data on industry use of computers from the 1996 Input-Output tables are related to the changes in employment levels for workers at different levels of education. The findings suggest that declining employment opportunities for workers who only have school level qualifications or less are strongly concentrated amongst the industries with higher ICT uptake.

Introduction

In the middle years of the 20th century, there was little unemployment in the OECD countries, but unemployment has risen significantly in New Zealand and in other developed countries in recent years (Martin, 1994; Nickell and Bell, 1995), and particularly afflicts workers at the lower end of the skills range. This decline in employment opportunities is coincident with the rapid diffusion of computers and other information technologies, so skill-biased technical change is one of the leading explanations for the changing pattern of employment opportunities (Goldin and Katz, 1998). The possible link between information and communication technologies (or ICTs) and changing labour market demand poses a potential problem for public policies that aim to expand the use of ICT in the economy. For example, in New Zealand, the ICT sector has recently been recognised by the government as one of three priority

sectors, due to its potential to improve productivity across the economy. At the same time, however, the government recognises that:

in an information society, there is the potential for an inequitable distribution of ICT which exacerbates existing social and economic disparities.

Given this potential tradeoff between greater productivity and wider inequality, it is important to identify the effect of ICTs on the distribution of employment opportunities for the NZ population. This paper reports on preliminary attempts to examine the link between computer use and employment change across different industries. Specifically, Census of Population data from 1991, 1996 and 2001 are used to estimate trends in employment change by educational level for full-time workers in 58 industries covering the entire New Zealand economy. To explore the role of technical change, data on industry use of computers from the 1996 Input-Output tables are related to the changes in employment levels for workers at different levels of education.

Employee-Centred Human Resource Management Practices

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Abstract

Normative models of HRM advocate the use of employee-centred HRM practices and link the use of these practices with enhanced employee well-being in the workplace. Employers have embraced the philosophy of these models. Many employers espouse the view that employees are their 'greatest assets' and also characterise their HRM practices as being employee-centred.

However, whilst many employers claim to have an employee-centred model of HRM in place, very little empirical research has been conducted investigating the extent to which this is actually the case. Similarly, few studies have explored the relationship between the use of this model of HRM and employee well-being. This study aims to fill these gaps by empirically assessing, firstly, the extent to which the employee-centred model is used in New Zealand organisations and, secondly, by examining the relationship between the use of these practices and employee well-being. Employee views about the importance of different functional areas of HRM are also explored.

This study finds that, of the 40 organisations surveyed, most appear to have moderate amounts of employee-centred HRM practices in place. Surprisingly, however, it reveals that the number of HRM practices in place is not related to employee well-being. Two possible explanations are put forward. In light of this study's finding that employees do not consider all areas of HRM to be equally important, the absence of this relationship may suggest that not all HRM practices have the potential to equally enhance employee well-being. An alternative explanation is that employers have simply failed to effectively operationalise their HRM practices.

Theory - Models of HRM practice

The literature on Human Resource Management (HRM) suggests that HRM practices can be grouped according to one of two approaches - one is organisation-focussed and the other employee-centred. Although the distinction is not emphasised in the United States literature, the two most widely used and accepted terms for these models of HRM in the United Kingdom literature are the hard model and the soft (or employee-centred) model and these are based around opposing "views of human nature" and strategies for managerial control (Stiles et al, 1997:53).

Some of the main defining differences identified are that hard HRM emphasises financial performance while soft HRM emphasises the triple bottom line; and hard HRM is utilitarian instrumentalist while soft HRM is developmental humanist (Storey, 1989; Hendry & Pettigrew, 1986) .

As far as HRM function is concerned the hard version supposedly emphasises a 'managerialist' agenda. HRM practice is linked to business strategy and is primarily aimed at meeting the interests of shareholders. This approach sees workers as a key resource to dispassionately exploit in order to gain a competitive advantage. On the other hand, the soft version, while acknowledging the importance of shareholders, also takes into account the interests of other stakeholders. The view that "people have a right to proper treatment as dignified human beings while at work, and they are only effective as employees when their job-related personal needs are met", Legge (1989:26) suggests is "identical to the values underlying all the soft version HRM models". The soft model therefore views employees as ends in themselves, rather than objects, and through using HRM to foster employee motivation, commitment and development, organisational goals can be achieved, but more importantly, employee well-being is enhanced (Legge, 1989, Guest, 1989).

The characteristics of the employee-centred model are similar to those that underpin best practice HRM. Both advocate the use of activities that meet the interests of employers as well as those of employees. Johnson (2000:69-70) describes best practice as "HR methods and systems that have universal, additive, and positive effects on organisational performance ... including profitability, shareholder return, stock prices, and organisational survival". He suggests the underlying guiding principle of best practice is the valuing and rewarding of employee performance. This is achieved through empowering and developing the employee. Thus, activities that are designed to achieve these dual objectives are often considered to constitute best practice HRM.

Notwithstanding the literary distinctions that are made between hard and soft approaches to HRM, it is acknowledged that employers are likely to have included elements of both models in their HRM practice. This is because, invariably, the overriding objective of HRM is nearly always to improve bottom-line performance and this can be achieved by adopting a hard model of HRM practice. However, at the rhetorical level, research finds that organisations nonetheless tend to embrace the philosophy of developmental humanism and purport to use a soft approach to HRM (Guest, 1999).

Despite findings that suggest that there is an abundance of employer support for the use of employee-centred models of HRM this support is, however, often not so evident in practice. Grame, Staines & Paite (1998) find that while support for individual development, which is an aim of soft HRM, is frequently reflected in employer viewpoint is, policies and practices supporting this are rarely evidenced in practice.

Take This and be Thankful: The 2002 New Zealand Cricket Pay Dispute

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University of New South Wales

Abstract

The commencement of the 2002/03 New Zealand cricket season was delayed by a six week dispute between the Cricket Players' Association and New Zealand Cricket over player payments. The Association is one of a large number of relatively small unions which have come into being since the passage of the Employment Relations Act 2000. The Act encourages trade unions and good faith bargaining to address inherent inequalities of bargaining power in employment relationships. The paper confirms an implicit proposition by Barry and Reveley (2002) that small unions, under the Act, are essentially impotent. New Zealand Cricket breached the good faith collective bargaining provisions of the Act. The appointment of Good Faith Bargaining Judicial Officers is offered as a policy recommendation that might help attain the Act's objectives.

Introduction

The commencement of the 2002/03 New Zealand cricket season was delayed by a six week dispute - from 1 October to 11 November 2002 - between the Cricket Players' Association and New Zealand

Cricket over player payments. The dispute represents another example of the collectivisation of industrial relations which is occurring in professional team sports (and goes against the blight that has been forced upon unions, more generally, in recent decades by the combined forces of globalization and neo-liberalism). Beginning in the 1960s, player associations were either established or reformed and became more active and successful in European soccer and major North American professional team sports. Player associations have become a major feature of Australian sport - operating in Australian rules football, cricket, soccer, rugby union, rugby league, basketball and netball. In the latter part of the 1990s, the New Zealand Rugby Union Players' Association was formed.

Policing Industrial Disputation: Lessons from the Lyttleton Picket Line Tragedy

David Baker
Monash University

Abstract

The sudden and unexpected death of a female picketer at Lyttleton and the two ensuing manslaughter trials have aroused scrutiny of modern policing methods of controlling industrial disputation. Justice Panckhurst, in the original trial, directed partial blame for the picketer's death on the peace-keeping and non-interventionist strategy of the local police and the behaviour of some aggressive male picketers. This article argues that the Lyttleton tragedy was a "one-off" incident and that a return to traditionally aggressive, legalistic and confrontational policing of industrial conflict must be avoided. The Lyttleton case-study has ramifications for future police procedures in controlling industrial disorder.

Picket lines, overt manifestations of industrial conflict, are unpredictable and volatile, even dangerous. The police, as the coercive arm of the state, are empowered to maintain order in such public order situations. This article, which examines the policing practices and tactics employed at the 28-29 December 1999 picket at Lyttleton, asserts that the tragic death of a picketer was a "one-off" incident that should not be used to justify a return to aggressive and confrontational policing of industrial disputation.

The unusual and sudden circumstances of Christine Clarke's death at the Lyttleton wharf picket occurred two days after she was struck and run over by a Toyota Landcruiser driven by Derek Powell, who subsequently twice stood trial for manslaughter. Clarke was not even a union member; she was a pacifist, an advocate of social and community justice, a marcher against the 1981 Springbok Tour. She was on the picket line by choice to protest the Lyttleton Port Company's (LPC) attempt to use cheap, contract labour and thereby threaten local jobs. At a micro level, the port dispute was a classic industrial relations contest between the company's resolve to employ whomsoever it desired against the unions'

attempts to safeguard the livelihood of members. The police strategy for the brief duration of the Lyttleton picketing was to maintain peace and calm until the industrial dispute was settled. Christine Clarke is the only picketer in Australasian history who has died as a result of a vehicle being driven through a picket line.

SPECIAL TOPIC: SUSPENSIONS

Natural Justice in Dismissals and Suspensions

Alan Geare
University of Otago

Abstract

The concept of natural justice is defined and its relevance to industrial relations examined. While common law, regarding natural justice and the dismissal of employees is fairly settled, it is contended that the common law regarding natural justice and the suspension of employees is fluid and inconsistent. The paper argues that the more recent decisions on natural justice and suspensions are problematic.

Introduction

The concept of 'natural justice' is important in all branches of administrative law. As Lord Morris of Borth-y-Gest put it in *Wiseman v Borneman* [1969] at 278:

... that the conception of natural justice should at all stages guide those who discharge judicial functions is not merely an acceptable but is an essential part of the philosophy of the law.

Natural justice is fundamentally a common law concept. It is imputed whenever statute law is not clear and explicit enough to render it redundant. Consequently it is rare for explicit reference to natural justice to be made in statute law, although in recent years this has occurred in New Zealand.

In the general field of industrial relations, natural justice has primarily been considered with respect to dismissal of employees. The common law in this area is reasonably well established and understood. However the applicability of natural justice when employees are not dismissed, but rather suspended from employment is not nearly so well established or understood. Indeed court decisions have changed markedly over the years. The paper considers theoretical issues, and a number of relevant cases both from the United Kingdom and New Zealand. The implications of these decisions both on common law and good management practice are considered.

The Evolving Law of Operational Suspension

John Hughes
University of Canterbury

Introduction

Suspension from work, when related to disciplinary matters, essentially takes two forms. First, the ability for the employer to impose a disciplinary penalty by way of a period of unpaid suspension is sometimes negotiated into what are now employment agreements as a "merciful substitute for ... dismissal" (NZ Labourers etc IUW v Christchurch City Council). Second, and more commonly in terms of the case law, a period of paid or unpaid suspension is often imposed whilst the employer investigates allegations of misconduct against an employee.

It is this second type of suspension with which this article is concerned, a type of action sometimes termed "operational" suspension. This is not a term of art, however. In the leading decision *Birss v Secretary for Justice*, it was noted that administrative suspension of this type is most often simply a step in disciplinary action. Further, the Employment Court has held that operational suspension of an overly lengthy duration can itself become a form of punishment (*Frank v Air New Zealand*).

A number of recent decisions by the Employment Relations Authority indicate that "operational" suspension remains a relatively common step in the disciplinary process. The focus for this article will be those decisions of the Employment Court and the Court of Appeal which establish the relevant principles for application by the Authority. A survey of the relevant Authority decisions is available elsewhere (Employment Institutions Information Centre, 2003, 11).

Unions and Union Membership in New Zealand: Annual Review for 2002

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***Victoria University of Wellington**

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Introduction

This paper reports the results of Victoria University's Industrial Relations Centre's survey of trade union membership for 2002 in New Zealand. The survey carries on from our earlier surveys, conducted by the Industrial Relations Centre since 1991. As with the 2000 and 2001 reports, 2002 also reports an increase in union membership. Union membership for the year to December 2002 rose 1.5 percent, with the number of unions rising to 174. Union density has dropped slightly to 21.7 percent due to union recruitment not matching the strong labour force growth over the year.

Methodology

When the Employment Contracts Act 1991 (ECA) ended the practice of union registration, it not only removed the distinct legal status of trade unions but it also brought to an end the official collection of data on trade union membership. In the absence of official data, the Industrial Relations Centre at Victoria University of Wellington began to undertake voluntary surveys of trade unions in December 1991, and these surveys continue to the current date. Notwithstanding their voluntary status, the surveys have always had a high compliance rate. In addition to information on aggregate membership, our surveys have also sought information on gender and industry breakdown (at two digit industry level) and organisational affiliations. We have recently included an additional question on whether unions collect statistics on the ethnic background of their membership.

The Employment Relations Act 2000 (ERA) requires unions to submit an annual return of members to the Registrar of Unions, stating the number of members as at 1 March of each year. The return to official collection of data on union membership began in 2001. In 2002 the Department made public the membership of each of the registered unions at 1 March 2002 (DOL 2002)

For our survey this year we included only those unions deemed to be registered as at 31/12/02, as per the Department of Labour website of registered unions (see www.ers.dol.gov.nz-union-registration). At the end of 2002 registered unions numbered 175. One union, the Medlab Bay of Plenty union subsequently advised us they had merged with the Northern Chemical workers, reducing the number to 174. In February, each of the registered unions was sent a survey requesting information on membership

numbers as at 31 December 2002. Two further follow up mail-outs resulted in a total of 135 returns. Details on the remaining 39 unions were established by using last year's return verified by the Registrar's figures, or telephone contact where possible, and any media information (DOL 2002).

CHRONICLE:

June 2003 - September 2003

Erling Rasmussen and Ian McIntosh

A round-up of recent New Zealand industrial relations events.
