

Understanding Insecure Work in NZ

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FoW Programme @ NZWRI: since 2012

- In the workplace of the near future we will see a more flexible, collaborative and increasingly insecure workforce.
 - The participation of older workers in the workforce will continue to grow, moving towards 30% within a decade.
 - Businesses will be run by a generation with different values, work preferences and career aspirations to their predecessors.
 - We will see a greater representation of women and increasing ethnic diversity across New Zealand industry.
 - Technology advancements mean that the business world of 2020 and beyond will bear no relation to the one we currently take for granted!
- “*Organisations that sit back and wait for something to happen will find themselves engulfed in a tidal wave of change*”



More Flexibility

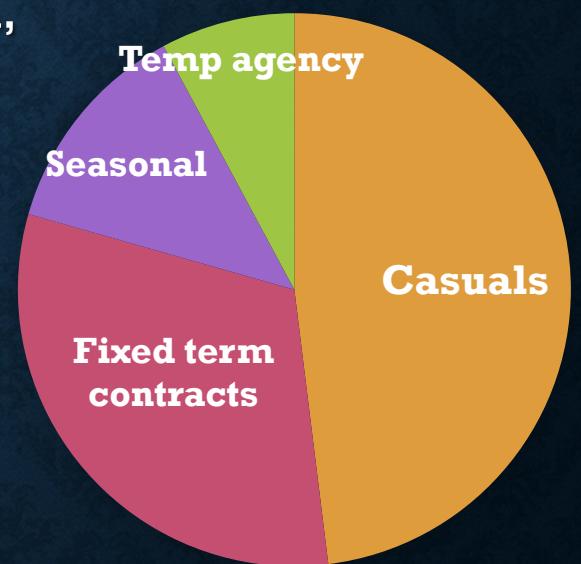
- Push for more flexibility, especially when unemployment is on the rise.
- OECD indicators on employment protection legislation:
 - Scale from 0 (least restrictions) to 6 (most restrictions)
 - OECD average for regulation on temporary employment is 2.07
 - For NZ = 0.92. Only 3 countries with less restrictions.¹



¹Based on latest year of available data, <http://www.oecd.org/employment/emp/oecdindicatorsofemploymentprotection.htm>

Portrait of temporary workers in NZ

- Campbell and Brosnan (2005) – lament lack of data on size and nature of these workers
- Dixon (2011) used first wave of Survey of Working Life (2008)
- Team working on understanding insecure work (Waikato, AUT, Victoria, CTU) – 2015
- Pacheco & Cochrane (2015) using all Survey of Working Life data
- Approximately 9% of workers
($\approx \frac{1}{2}$ are casuals; $\approx \frac{1}{3}$ are fixed term; 13% seasonal; 8% temp agency)
- More likely to be female (62%), of Maori or Pacific ethnicity, and be a sole parent
- More likely to be in agriculture, forestry, fishing; accommodation and food services; or education and training; working part-time (51%), and lack union representation



Focus on Wage Discrimination

- How much of the wage gap between temporary and permanent workers can be explained?
- Industry, occupation and job-related characteristics explain a sizable proportion of the gap
- Wage gap increases as we move up the distribution (except for fixed term workers)
 - Evidence in favour of glass ceiling hypothesis
- Matching analysis finds pay penalty ranging from insignificant (fixed term workers) to 24% (casual workers).
 - Insider / outsider argument
 - Caveat – unequal unobservables at play
- Policy implications – re further deregulation / loosening of employment protection legislation for temporary workers



THANK YOU

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