Understanding Insecure Work in NZ

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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
- 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
  \( \approx \frac{1}{2} \text{ are casuals}; \approx \frac{1}{3} \text{ are fixed term}; 13\% \text{ seasonal}; 8\% \text{ temp agency} \)
- 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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