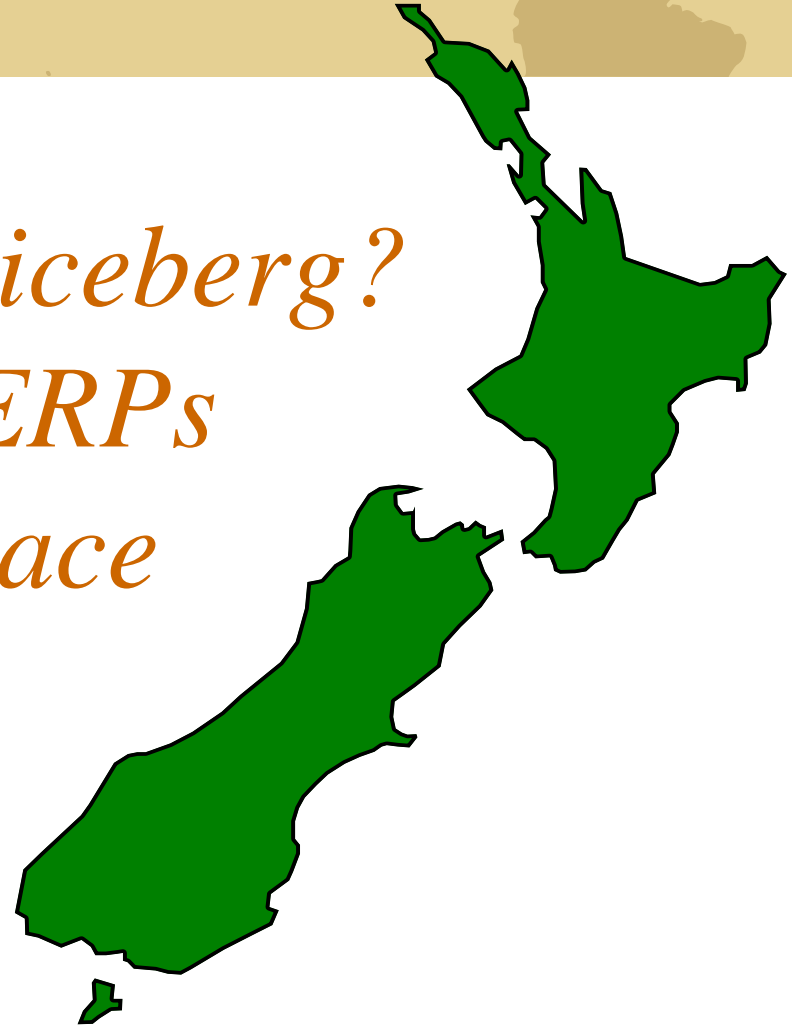# *The top of the iceberg? Dealing with ERPs in the workplace*

Erling Rasmussen

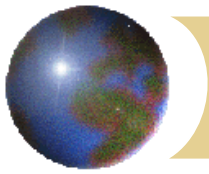AUT

Overview

- ERPs are important; numbers are big
- ERPs: is the ER Act functioning well?
- Workplace ERPs is associated with a key employee decision: Voice or Exit?
  - Have we got the balance right?
- What do we know about workplace ERPs?
  - Why has there been so little focus on employees?
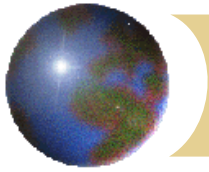- How can we improve on ERP information?

ERPs: these are BIG numbers

- Employment Institutions have many cases, with mediation resolving many ERPs
  - Also signing off ERPs resolved outside institutions
- There are many inquiries about ERPs
  - But we are not sure how many are resolved
- But what about workplace resolution of ERPs?
- My talk makes two suggestions:
  - Institutions' numbers - just the 'top of the iceberg'
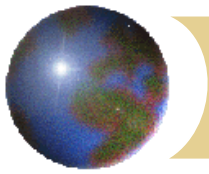 - Workplace ERPs are often 'endured'

Voice versus Exit decisions

- Hirschman (1970): "Exit, Voice and Loyalty."
  - Focus on choice & favour voice over exit
- Many NZ employers have improved on "voice"
  - But has it been enough? Probably not!
- Two types of "exit" options
  - (1) Total exit: "voluntary or involuntary turnover"
  - (2) Staying but 'psychological adjusting/coping'
    - Exit – doesn't have to be associated with ERPs
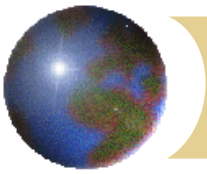 - ERPs & Exit: are there particular characteristics – profession, industry, job types & levels, firm size?

Voice versus Exit decisions 2

- Let us talk about lawyers **and** the rest of us
  - 'Bullying' literature raises uncomfortable issues
    - Why is the level of "bullying" so high?
    - Why do many employees **avoid** the "voice" options?
- Many factors work against "voice" option
  - Goes beyond cost-benefit reasons but key factors are costs, career opportunities, distrust in process, time-use and 'unpleasantness' & 'inconvenience'
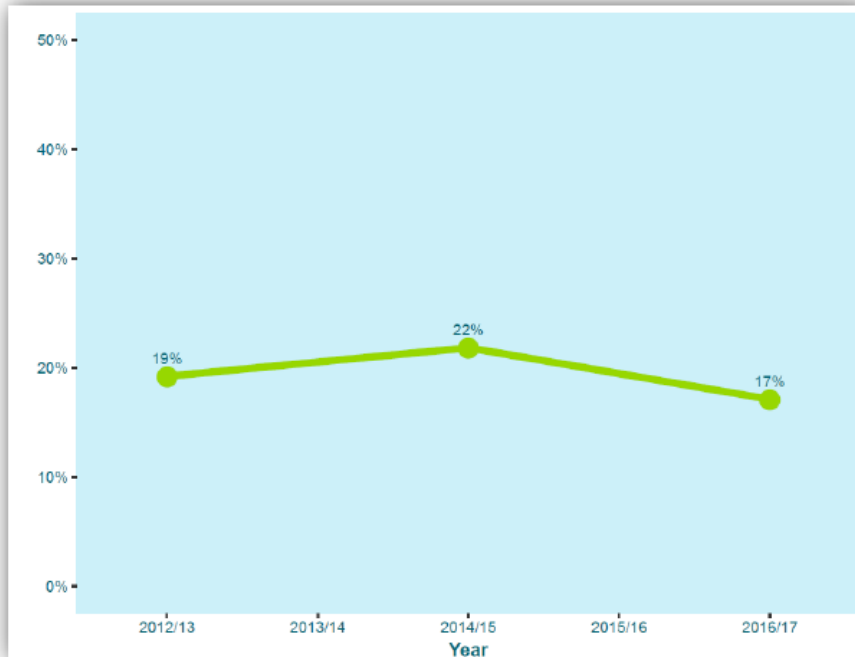 - How can & should we change the level & the voice-exit balance?

What do we know?

- Various surveys indicate that ERPs constitute a major issue for **employers**

- National Survey of Employers (NSE)
  - Comprehensive repeated surveys;
    - latest 2016/17 survey drew on 7,035 business and had 1,850 responses (32% response rate)
  - Questions/issues vary over surveys but there have been **repeated** questions about ERPs & their resolution (2012/13, 2014/14 & 2016/17 NSEs)
  - Information about level, types of ERPs, external involvement & result re: employment relationship

Almost one in five employers had an employment relationship problem that required management action
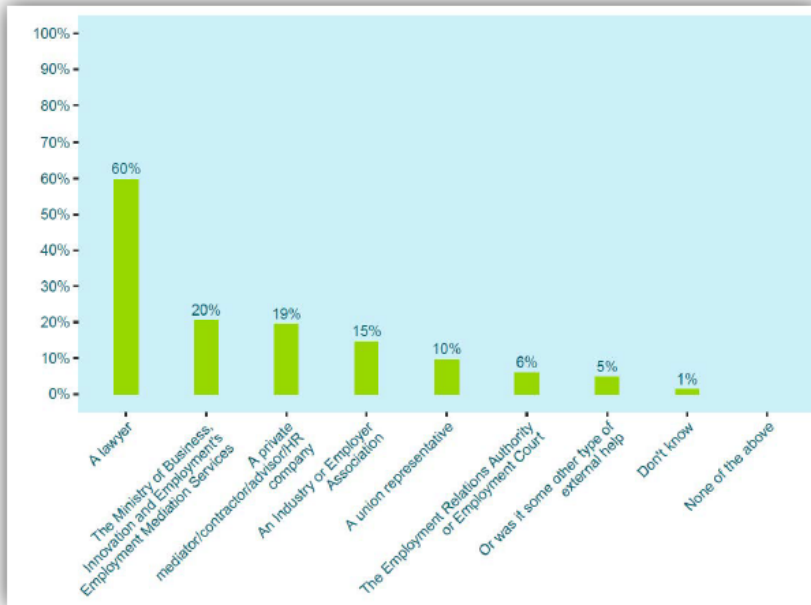
Question 28. In the last 12 months, has the business had any employment relationship problems or disputes that required action or involvement by the business owners or managers? (range of n= 1483 to 1863)

- In the previous year, 17% of businesses had an employment relationship problem or dispute that required action or involvement by the business owners or managers. This was a decrease from the 2014/15 NSE result of 22%, but similar to the 2012/13 result of 19%.

- Of those employers who experienced an employment relationship problem, the reasons given for the most recent problem were as follows:
  - performance issue (47%)
  - misconduct (37%)
  - personality conflict (21%)
  - restructuring or redundancy (15%)
  - alleged unfair treatment, such as allegations of harassment or discrimination (14%)
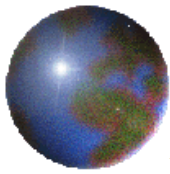 - some other type of issue (7%).

About half of employers reported that employment relationship problems were handled using external help

Question 32. Who or which of the following provided the external help to deal with the most recent problem or dispute? You can choose more than one option. Was it...? (n=288)
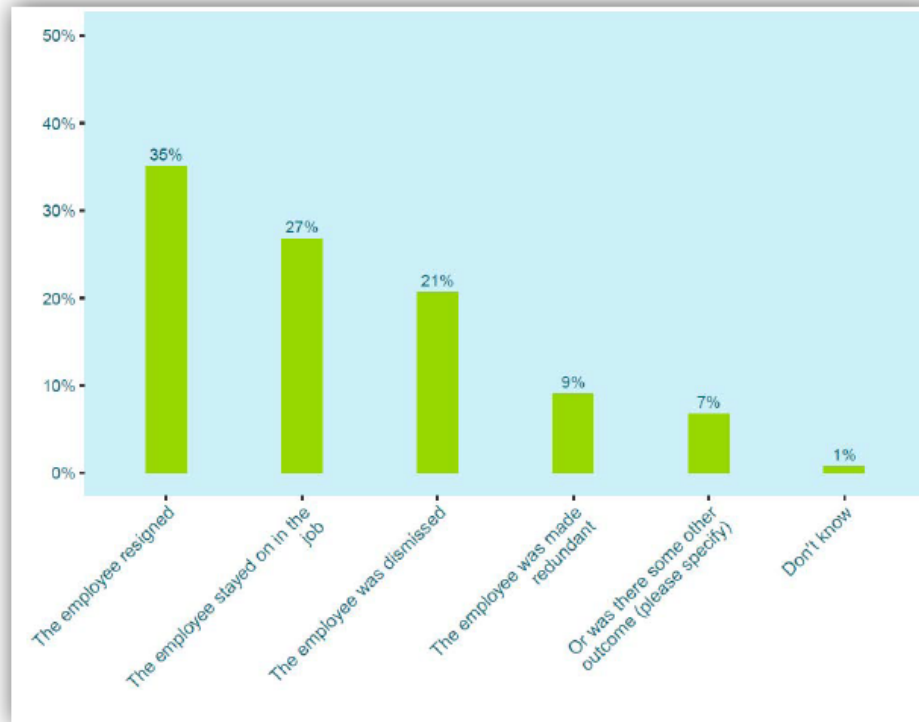

Note: Sub-sample based on employers who had an employment relationship problem in the last 12 months that required involvement by the business owner and was handled with the help of an external party.

- Focusing on the most recent employment relationship problem in the previous year, 55% of employers (who experienced problems or disputes) handled these internally, while 49% of employers handled problems with the help of an external party. Most employers who experienced these problems or disputes (82%) reported that this is how the business usually deals with these types of problems.

- In cases where external help was sought:
    - 60% of employers used a lawyer
    - 20% of employers sought help from MBIE's Employment Mediation Services
    - 19% used a private mediator, contractor, advisor or HR company
    - 15% used an industry or employer association
    - 10% were assisted by a union representative
    - 6% used the Employment Relations Authority or Employment Court
    - 5% of employers got some other type of help.

Over one-third of employers reported that an employee resigned following a recent employment problem

Q33. And which of the following best describes the outcome of this problem or dispute? (n=582)

- Employers reported the following outcomes for the most recent employment relationship problem experienced in the previous year:
  - the employee resigned (reported by 35% of employers)
  - the employee stayed on in the job (27%)
  - the employee was dismissed (21%)
  - the employee was made redundant (9%)
  - some other outcome (7% of employers).

- Three in ten employers (30%) reported that the outcome (of the most recent employment relationship problem) included a confidential settlement, while 66% said that a confidential settlement was not included.
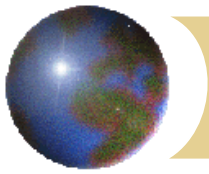
Note: Sub-sample based on employers who had an employment relationship problem in the last 12 months requiring involvement by the business owner/manager.

What do we know? 2

- There are some info re: **employees**
  - Surveys & estimates of bullying & harassment
    - Survey of Working Life (2008 & 2012) provides basic stats
  - Various union campaigns & information highlights
    - From particular issues to particular firms/industries
      - 90-day trial periods, zero-hours, unpaid hours, stress, unfairness
  - Surveys of turnover intentions, job dissatisfaction, engagement (but little specific about ERPs)
- Overall, we are missing survey information re: employees & ERPs across labour market

How can we improve workplace info?

- ⊕ NSE provides solid employer info on ERPs
  - ⊞ Improve: questions asked, analysis & linkages
- ⊕ Less info on employees & resolving ERPs
  - ⊞ Could probably focus on 'exit/silence decisions'
- ⊕ Standard response: let's do a survey
  - ⊞ Extra questions in SoWL could take several years
  - ⊞ Survey issues: quality, costs, being longitudinal
  - ⊞ Could regional & industry studies add more info?
  - ⊞ Could start with analysing available information

Where are we re: workplace ERPs?

- Big numbers – important to get it 'right'
- Need more focus on workplace resolutions
- Can we rebalance/improve Voice & Exit?
- NSEs show employers having many ERPs
    - Time, efforts & costs are key concerns
- Less info re: employees & ERPs
    - Need better info across the labour market
    - Employee choices are crucial: fairness & efficiency