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“Mutually Beneficial Agreements” in the retail sector? The Employment Contracts Act and low-paid workers

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This article reports on research on the impact of the Employment Contracts Act on retail workers. The results of the study portray a quite compelling but disturbing account of employment conditions for retail workers in the late 1990s. Questions are also raised about the lack of research in the secondary labour market. Despite the concerns of so many about equity in the labour market, why have so few researchers actually set out to test their concerns? The lack of available information about those workers who are most likely to have been adversely affected by the legislation is indicative of the value such workers are accorded in our current society.

Introduction

Eight years on, the Employment Contracts Act 1991 (ECA) remains an extremely controversial piece of legislation. Supporters of the Act have maintained throughout that wages are rising, more people have jobs because of the Act, and many people are satisfied with their contracts (Kerr, 1996, 1997). Max Bradford (1999), the then Minister of Labour, asserted in a recent address on industrial relations, that the Act had given employers and employees flexibility and freedom of choice and enabled them to negotiate mutually beneficial agreements, “while ensuring the outcomes were fair and acceptable to society”. Critics argue on the other hand that the introduction of the ECA signalled a complete abandonment of equity as a goal of social policy (Walsh, 1992). They claim it has impacted disproportionately upon the more vulnerable segments of the labour market, eroding the wages and conditions of low-paid workers (Dannin, 1997; Gosche, 1992). Efficiency has come at the expense of equity (Kelsey, 1995).

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One of the problems in evaluating the outcomes of the ECA is the lack of available information. The limited requirements of the Act for lodging contracts with the Department of Labour and the associated monitoring problems have been well noted (for example, Harbridge, 1993; Dannin, 1997). Equally significant is that very little research has been carried out into the impact of the ECA upon the secondary labour market.¹ Much of the research that has taken place over the last eight years provides general labour market trends, but it fails to differentiate between different sectors of the labour market. The three influential surveys commissioned by the Department of Labour (Hector and Hobby, 1997; Heylen, 1992, 1993) for example, provide little information on bargaining processes and outcomes for those workers who have lost the most protections under the legislation. Thus, much of the debate surrounding the issue of equity in the labour market still relies to a large extent upon anecdotal evidence, assertion and rhetoric.

Given the radical changes to the industrial relations system ushered in by the ECA it seems surprising that there has been so little official monitoring of these changes. Several commentators have suggested that the official collection of information has become highly political, and that it may well have been a deliberate policy by the National Government to make monitoring the impact of the Act problematic. Without a sound public record of employment relations bargaining, claims about the negative social impact of the Act could easily be deflected (Harbridge, 1993; McLaughlin, 1998). This lack of information about the more vulnerable workers in the labour market is a sad indictment on both the Government and concerned academics and researchers, and is indicative of the value such workers are accorded in our current society.

The minimal amount of secondary labour market research that has been undertaken certainly suggests inequitable outcomes: Gosche (1992) found evidence of a "sign or resign" approach to bargaining by some employers; an analysis of collective contracts by Hammond and Harbridge (1993) revealed a definite gender differential; and research by Harbridge and Street (1995) found that women in the service industry had experienced reductions in take-home pay under the ECA. These examples of secondary labour market research provide some pieces in the jigsaw, but far more research is required to enable sound conclusions to be drawn.

This article sets out to add another piece to the secondary labour market jigsaw. In reporting on a survey of employees in the retail sector, it proceeds in two parts: firstly, it addresses some of the difficulties encountered in carrying out the research and suggests the need for alternative research methods; and secondly, it presents and discusses some of the results of the study.

¹ The term "secondary labour market" is used to refer to workers at the lower end of the labour market. It is used as a heuristic device to indicate that there are various segments within the labour market that experience differential outcomes, not that a dual labour market exists (Brosnan and Rea, 1991).

Research issues in the secondary labour market

Research of secondary labour market trends since the introduction of the ECA has generally relied on either the opinions of employers (for example, Hector, Henning and Hubble, 1993; Ryan, 1996), or alternatively, employee surveys which utilise union membership lists (for example, Dixon, 1994, Harbridge and Street, 1995). The first method is rather risky given the well established "opinion gap" between employers and employees (Rasmussen, 1996a; Whatman, Armitage and Dunbar, 1994). While the second method is preferable to the first, it too is open to accusations of bias in that it relies solely on union members. Thus, this research set out to survey employees, but by utilising the electoral rolls the aim was to survey both unionised and non-unionised workers. However, this method had its own limitations and difficulties.

One thousand people, whose listed occupation was identified as being in the retail sector (for example, shop assistant, sales assistant), were chosen at random from the 13 Auckland electorates and the two Maori electorates which cover the Auckland area. The survey was limited to the Auckland region for ease of administration. The survey was also limited to those who were at supervisory level or below; no managers were included in the sample. In total, 995 surveys were posted out in July 1997. Initially, only 207 completed questionnaires were returned, ten of which were unusable. An attempt was then made to make telephone contact with as many non-respondents as possible. While this did not lead to many more responses, it did reveal something of the transient nature of retail workers and the problematic nature of research in such a sector. Firstly, 57 percent of non-respondents were unlisted in the telephone directory. In addition, of those who were contacted by phone, 49 percent were ineligible to participate, the primary reasons being that they had changed occupations or moved residence. So despite the electoral rolls being only nine months out of date, a significant proportion of the sample had been ineligible to participate.

In this light, 210 usable replies is quite acceptable and gives a response rate of 27 percent when only those who we are certain were ineligible to participate are deducted ($210/(995-214) \times 100$ percent). While this response rate is below the normal expectation of one third for written questionnaires in New Zealand, given that the population being sampled has characteristics associated with low response rates, it is nonetheless satisfactory. However, because of the small size of the response group, generalising the results beyond the sample group should be done with some caution.

In addition, the sample is biased away from the more vulnerable parts of the retail sector. Anecdotal evidence suggests that those employees who have been required to make the most concessions are part-timers, the young and those who have been with their employer for only a short period of time (Harbridge and Street, 1995; NDU 1996). In this survey, more than 70 percent of respondents were full-time workers, more than 80 percent were 25 years of age or older, and more than 65 percent had been employed in the retail sector for more than five years. In addition, many were in supervisory positions.

Thus, those who responded are likely to have greater bargaining power and better bargaining outcomes than the average employee in the sector. The results presented in this study may underestimate, therefore, the reality for many retail workers. One of the strengths of the study, however, is the length of service of many respondents which placed them in a very good position to comment on the changes that had occurred through the introduction of the ECA.

One other important demographic factor in the response group relates to gender. The gender response was as expected, with 88 percent female and only 12 percent male, as males in the sector predominate in management positions (Brosnan, 1991) which excluded them from the study. Thus, the results of this study primarily apply to women in the retail sector rather than retail workers in general.

The research limitations discussed here raise questions about how to improve the quality and coverage of research results in the secondary labour market, where staff turnover tends to be high and workers are transient. It would seem that traditional random sampling survey methods fail to reach those who are most vulnerable, those with the least bargaining power. Given the limitations of this and other labour market surveys, perhaps greater use needs to be made of qualitative methods, which few researchers in the field of labour market research in New Zealand appear to be using. Such methods would enable researchers to target the specific groups of people who are currently being excluded, such as those who work in small organisations, younger workers, Maori and Pacific Islanders, or part-time employees. While no single study can claim to provide conclusive evidence, a greater range of research methods will collectively enable an overall picture of what is happening for employees in the secondary labour market to more fully emerge; a picture which presently is rather hazy.

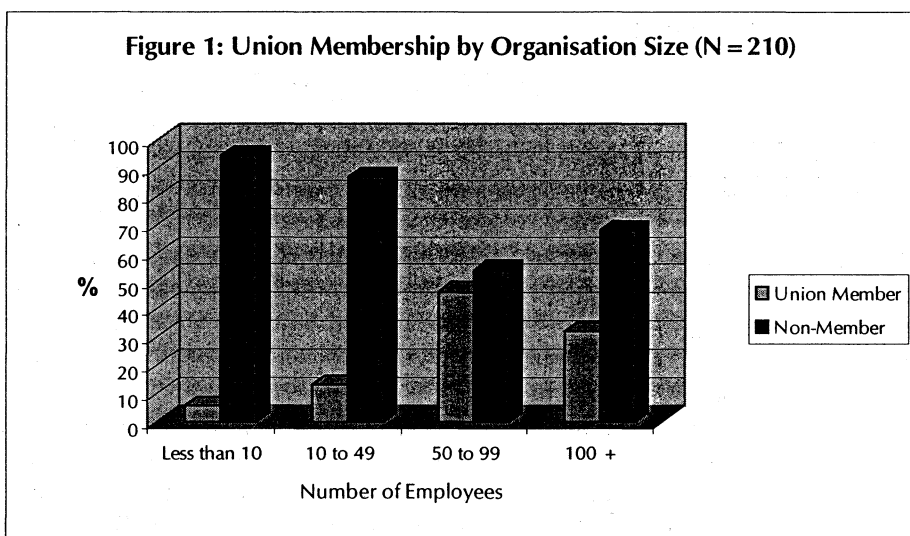
Findings

The survey investigated five key areas relating to the bargaining processes and outcomes of retail workers: contract negotiation; union membership; flexible hours of work; remuneration and income levels; and employee evaluations of workplace issues and the ECA itself. The main results of the first three areas have been previously reported in McLaughlin and Rasmussen (1998) and only a brief overview is presented below. The two key issues from the research discussed here relate to remuneration and income, and employee evaluations of the ECA.

“Freedom” and “Flexibility”

When it came to contract structure and bargaining processes the survey found there was little “freedom of choice” for many respondents. Only 26 percent of respondents indicated they had any choice as to whether they were covered by a collective or an individual

contract. Clearly, the employer decided the type of contract structure with most employees having no influence. In relation to contract negotiation, there was no negotiation whatsoever for 50 percent of the sample. While a small proportion of these respondents (20 percent) were happy with the contract offered and did not feel the need for negotiation, the large majority (80 percent) of those for whom there was no negotiations reported they had no choice in the matter. For those where negotiation did occur it should not be assumed that the negotiation process was meaningful or that respondents were able to influence the bargaining process. As a subsequent section reports, most respondents were very dissatisfied with contract outcomes and felt they had little bargaining power under the ECA, including those for whom negotiation had taken place.



In relation to union membership and “freedom of association”, while some respondents had chosen to leave the union there were clearly other structural factors playing a key role. Firstly, union membership was concentrated among larger organisations (50 or more employees) and almost non-existent in small workplaces (less than 10 employees), as depicted in *Figure 1*. This is not surprising given the lack of resources the National Distribution Union (NDU) has available to them to organise in the large number of small workplaces in the sector. In addition, those in small organisations were primarily on individual contracts and given that there was little choice in relation to this, there was no collective bargaining incentive to join the union. Thus, as Dannin (1997) argues, the absence of collective bargaining as an employee right under the ECA effectively undermines union membership.

Secondly, age and length of service in the retail sector appeared to be important determinants of membership. Membership was concentrated among those over 40 as depicted in *Table 1*. In addition, when respondents were asked to indicate their reasons for not being a union member older respondents and those who had been in the retail

sector a long time were more likely to report that they did not feel the need. In contrast, those under 40 and those who had been in the sector for less than two years were more likely to report that they had not had the opportunity, did not know how to join or did not know unions still existed. Thus, it would appear that older employees and long serving employees might have made a decision about union membership, either to join/stay in the union or, alternatively, not join/resign from the union. In contrast, younger workers and newer employees, who were predominantly not members of the union, had not actually made a conscious decision about union membership and appeared to lack an understanding about the function of unions or indeed that they even exist.

Table 1: Union membership by age (N = 210)

	Under 25 (N = 34)	25-39 (N = 68)	Over 40 (N = 104)
Member (%)	12	16	32
Non-Member (%)	88	84	68

Thirdly, a proportion (15 percent) indicated that management actively discouraged them from joining the union. While 15 percent might be interpreted as less than expected given some of the experiences of unions under the ECA (for example, NDU, 1996), one in every seven is significant given that this behaviour is in direct breach of the Act. Furthermore, this may not be a true reflection of the reality as a significant number of respondents (32 percent) were unsure of their employer's position. Almost all of these either worked at union free workplaces or were unsure whether anyone at their workplace belonged to the union. Thus, at these workplaces either unions do not play a role, are not allowed access in order to recruit members or might simply not be mentioned. Therefore, respondents may be unaware of their employer's position on unions.

These results suggest that "freedom of association" is not the only reason for low union membership, and that structural barriers to union membership combined with the difficulties unions have in organising members in a high turnover sector are also significant factors.

The third major issue, flexible hours of work, is quite significant in a seven-day industry such as retail, and particularly so for women given their dual responsibilities of paid and unpaid work. While advocates of the ECA (for example, Brook, 1990; Knowles, 1993) argue that employers and employees will arrive at flexible working arrangements to suit the needs of both parties, and that such arrangements will enable women to balance the many demands placed on their time, the survey results suggest otherwise. Seventy-seven percent of those surveyed were required to work weekends while 51 percent were required to work evenings, at least some of the time. But for half of those respondents there was no choice about working these hours, and for 25 percent there was only a limited ability to influence the hours of work. While extended retail hours suited the needs and lifestyles of a third of respondents, for 40 percent these hours had a significant negative impact on

family life. Common complaints were that these unsociable hours placed considerable pressure on relationships when their partner worked normal hours, they created difficulties for childcare when the hours of work were when their children were not at school, and they effectively ended quality family and social life. Given that most respondents are women, it seems that the ECA has done little to enable women to negotiate hours of work that suit the demands of paid and unpaid work, but rather, has increased the pressure on their dual responsibilities.

Remuneration and income issues

The survey found that the regressive phase of cuts to employment conditions experienced in the early years of the ECA (Harbridge and Street, 1995; Heylen, 1992, 1993) seems to have passed. Respondents were asked about changes to their hourly rate and to their take home pay. Over half (57 percent) of the respondents had received an increase in their basic wage and only a very small percentage (three percent) had experienced a decrease. However, the survey also found that there has been no reclaiming of lost ground for retail workers. Given the "economic upswing" in the 1995-97 period, and particularly in the Auckland area (Rasmussen, 1996b), a substantial proportion of respondents (40 percent) had experienced no change in their hourly rate over the previous twelve months. Given the economic downturn since 1997, it would be fairly safe to assume that conditions for these workers would not have improved significantly since the survey was carried out.

While there were few decreases in take home pay reported, loss of penal rates and allowances emerged, nonetheless, as an important issue for retail workers in that these were almost non-existent. Seventy five percent of respondents reported they had no overtime rates, 80 percent of those who worked weekends reported they were not paid weekend rates and 81 percent reported they were no longer paid any allowances. Those who did report having overtime rates, weekend rates and allowances were, not surprisingly, longer serving employees. Several respondents made reference to having both higher pay rates than fellow employees, and holding onto penal rates and allowances that other staff were not entitled to, as a result of earlier contract arrangements. Others reported having their allowances and penal rates compulsorily purchased by their organisation, while many said their penal rates and allowances were simply taken away.

As the Report of the Second Sweating Commission (1990) pointed out, retailing has traditionally been New Zealand's lowest paid industry and retail workers have always been reliant on penal rates and allowances to boost their weekly wage. While the survey did not specifically set out to measure the loss of penal rates and allowances on take home pay, the comments of respondents suggested quite strongly that increases in basic rates had not compensated for losses incurred since the introduction of the ECA.

Indeed, the strength of respondent emotion about low pay and inadequate income levels in the sector was one of the most compelling results of the survey. Almost two thirds of all respondents made some reference to the very low pay in the industry in the open-ended

questions, with many noting that remuneration levels were particularly low given the long hours and the requirement to work evenings, weekends and public holidays without penal rates. Many also noted that the rates of pay did not reflect the skills involved nor the physically and emotionally stressful nature of the job, particularly the stress involved with handling cash and watching out for stolen cheques and credit cards, or the abusive and demanding attitudes of many customers. In addition, some respondents reported that they were required to be more than just shop assistants, with responsibility for tasks beyond their job descriptions such as purchasing, stock control, and training and supervising, yet receiving no, or only minor, additional remuneration. As one worker stated, "I got 20 cents an hour more for becoming a supervisor, which was ridiculous". Another common theme was that pay increases happened very rarely, if at all for some.

On a rating scale of one to seven (one being "terrible", four "neutral" and seven "excellent") the mean score for satisfaction with current pay and conditions was only 3.5, with only 24 percent of the sample indicating they were satisfied.

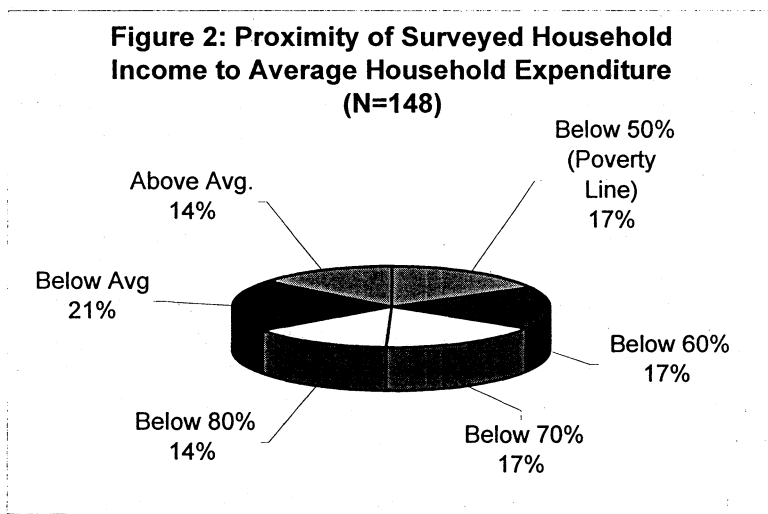
Some of the more common responses to the open-ended income and pay and conditions questions were:

- "We are told that no one is well paid in retail and should be grateful that we have a job."
- "Price of living goes up but wages stay the same. At my age it is hard to get a job elsewhere so I stay and put up with it. Have been on the same wages for the last six years, never has gone up."
- "The rate of pay has never been discussed and never changed during my time with the company" (has worked for this organisation for more than three years).
- "Wages never increase. I haven't had a wage increase for two years, and that was 10c an hour, and previously not for three or four years before that."
- "Income levels very low for the amount of work required, the responsibility and the unsociable hours. Income levels have been screwed down in the last five years and the company is still trying to cut its wages."
- "Retail workers are underpaid. In 1989 I was taking home \$500/week. In 1996 I average \$270. This was mainly due to removal of all penal rates and allowances. All hours were basic time."

These comments are supported by a recently released study in the supermarket sector (Conway, 1998). His analysis of wage data from Award agreements prior to 1991 and supermarket contracts up until 1997 found that there had been significant decreases in real wages, and that the ECA had been one of several major causes of these decreases. For example, commencement rates (adjusted for inflation, penal rates and allowances, etc.)

decreased for part-time adults by 36.3 percent and full-time adults by 18.2 percent. The results of Conway's study combined with this current survey, both of which utilised quite different research methodologies, provide quite convincing evidence that the ECA has had a detrimental impact on the incomes of retail workers.

This apparent fall in income is all the more concerning in that the majority of the workers in this study were from low-income households and hence, their income made an important contribution to the overall income of their households. The New Zealand Business Roundtable (NZBR, 1996) has, on a number of occasions, claimed that low pay is not an important social issue as low-paid workers tend to be second income earners in middle and upper-income households. While their argument is inadequate justification for ignoring low pay (Brosnan and Wilkinson, 1989), in this study it is clearly not the case. A household poverty line was established using Statistics NZ (1998) household expenditure data and the disposable household income of respondents was adjusted for household type.² The survey found that 17 percent of households were below this poverty line with many in close proximity as depicted in *Figure 2*. The majority (86 percent) of retail workers in the survey lived in households with a combined disposable income that was less than the average household expenditure and only 14 percent resided in households with a combined disposable income at or above the average expenditure level.



² For a more detailed explanation of the poverty-line methodology and the reasons for using expenditure data, and a discussion of the controversial nature of poverty-line analysis see McLaughlin (1998). The methodology was that used by Waldegrave, Stephens and Frater (1996).

These results were reflected in a group of workers who reported that they struggle to make ends meet to some extent. Forty-six percent responded that their take home pay was insufficient to meet all their weekly expenses, 27 percent said it was sufficient sometimes, and only 27 percent reported that it was sufficient. Most of those who said their income was insufficient said they "just make do", or rely on partners and family members, while 11 percent relied on Social Welfare/Income Support top ups.

In summary, respondents were very dissatisfied with their remuneration. They felt very strongly that their pay was inadequate and that they were, to quote the NDU (1996), "shortchanged". There is little doubt that low pay remains a very pressing concern for retail workers. For researchers and labour policy analysts, the issues of what constitutes an adequate and just wage, and the relationship between low-pay and household income, emerge from this section as areas for further research.

Employee evaluations of the Employment Contracts Act

Employee opinions of the ECA played a significant part in the 1996 election debate, and undoubtedly they will again in the 1999 election campaign with Labour and the Alliance still promising to make amendments to the Act. The opinion surveys quoted during the 1996 election debate were taken across the whole labour market, while low-paid workers, those most likely to be affected in an adverse way by the ECA, were not specifically asked for their opinions. This present study is unique in that it is the first study to ask a randomly selected group of low-paid workers for their opinions on the legislation. Respondents were presented with a series of statements about the ECA and asked to what extent they agreed or disagreed with the statements. They were also asked to record both positive and negative outcomes of the ECA.

Contrary to the opinions of Kerr (1996) and Epstein (1991), retail workers in this survey did not find the notion of an imbalance of bargaining power in any way mythical. Fifty-nine percent of respondents disagreed with the statement: "The ECA has increased my bargaining strength" and only 11 percent agreed. The remaining 30 percent adopted a neutral position on the issue. The figures were almost the exact opposite in relation to the ECA increasing their employer's bargaining strength, with 59 percent agreeing and only 12 percent disagreeing.

This issue of bargaining power was clearly an important one for many respondents. When asked to comment on negative aspects of the ECA, 54 percent of those who answered this open-ended and unprompted question noted the way in which the ECA reduced the bargaining power of retail workers and enabled management to dictate the terms of the contract. Many respondents said they felt they had no choice but to accept the contract they were offered. While Brook (1990) and Epstein (1991) would argue that these workers have "freedom of choice" to go and work elsewhere, many workers were very aware that they had no alternatives. Older respondents in particular noted their lack of options in a context of high unemployment and with family and financial commitments. Several older

women specifically mentioned that they had taken up retail after raising a family because they could not find alternative employment despite having qualifications. As one respondent explained:

... quite a lot of women for different reasons (widowed/older) have had to take what they can get (\$9 an hour). You may ask why do they stick it; the answer is they are too old. The fact that they are extremely competent to be employed anywhere else has no bearing, and the employer knows this and exploits it.

Older respondents expressed a very low intention to leave, despite reporting greater levels of work stress and increased workloads, greater dissatisfaction with contract outcomes, and lower evaluations of workplace issues such as trust and communication than their younger counterparts. Without *acceptable* alternatives (Cohen, 1979) it is cynical to suggest these workers have “freedom of choice”.

Some of the more prevalent comments on the ECA and bargaining power were:

- “It gives an employer the power to design a contract entirely suitable to them putting the business first rather than the employee. Negotiation sounds a good idea but there are few people at retail level who aren’t considered expendable and are therefore in no position to bargain.”
- “Most workers are fearful of raising any grievances because the employers have the attitude that there are so many people out there who are more willing to work if you are not.”
- “There is really no negotiations for wages or conditions ... we had a written contract which we were told if we did not sign there was no job for us. Also in small print on the back they could change the terms without consulting us ... At my age (56) you can’t afford to rock the boat.”
- “Management isn’t interested in negotiating when a new contract comes out, they tell you what you are getting. We are the people meeting the customers and giving the company image but we get the lowest pay.”
- “Employees can take it or leave it. In small companies employees are too frightened of losing their jobs to stand up to the employer. The ECA allows employers to erode conditions of work.”
- “The employer seems to hold all the cards; always the implied threat “if you don’t like it leave because I’m not changing anything. There are plenty more people who will do the job.”

The next two most common complaints about the ECA were low and reduced pay (20 percent) and loss of penal rates (15 percent) as a result of the ECA. Only two percent said there were no negative outcomes of the Act. These comments and the high level of

dissatisfaction with contract outcomes discussed in the previous section were reinforced by responses to the statement: "The ECA has been good for the wages and conditions of workers like me". Sixty-two percent disagreed with the statement, 24 percent were neutral and only 14 percent agreed.

The experiences of these workers under the ECA were reflected in a high level of dissatisfaction with the Act itself. When asked to record any positive outcomes of the ECA the most common response by those who answered this open-ended question was that there were no positive outcomes (39 percent). The next two most common responses were that employees now have a contract which sets out all their terms and conditions and hence they know where they stand, and that the ECA sets out minimum conditions of employment. Several respondents also noted the issue of procedural fairness, that they thought dismissal was now much harder to do, and that employers needed a very good reason to dismiss an employee. Significantly, these other positive benefits were not the sorts of outcomes that supporters of the Act would claim. Only a few respondents saw the reduction in union power and the concomitant decline of strike action (six percent), or the ability to bargain individually (six percent), as beneficial outcomes of the ECA.

Despite the on-going campaigns of employer groups to influence general public opinion, respondents were far from convinced about the efficacy of the ECA for either employment or for the economy. Only 20 percent thought the ECA had had a positive impact on employment, while 41 percent disagreed and 39 percent adopted a neutral position. This result is surprisingly low in an industry that has achieved so much job growth throughout the 1990s. If respondents themselves had not gained a new job they most certainly would be working alongside newly employed workers. However, they do not appear to see any connection between employment growth and the ECA, or remain unsure about the benefits of the ECA for employment. In relation to the impact of the Act on the economy, again respondents have not been convinced by the rhetoric of employer groups, though a large group appears to be unsure. Only 22 percent agreed that the ECA had been good for the economy, while 32 percent disagreed and 46 percent adopted a neutral position.

A comparison of respondent approval of various aspects of the ECA with the results obtained by a New Zealand Employers Federation survey (NZEF, 1996) is quite revealing. The two sets of approval ratings are set out in *Table 2* below. They indicate that the evaluations of the ECA by those at the lower end of the labour market have been coloured as a result of quite different experiences. The comparison also illustrates the point made earlier that surveys across the whole labour market provide little information on secondary labour market employees. Indeed, they often hide more than they reveal. The difference in the satisfaction rating with contract outcomes is particularly striking.

Table 2. Approval ratings under the Employment Contracts Act

	NZEF (1996)	Retail Survey (1997)
Approve of the ECA	41%	22%
ECA good for Women	41%	12%
ECA good for Employment	37%	20%
ECA good for the Economy	50%	22%
Satisfied with your Contract Outcomes	75%	24%

The results of this section show quite clearly that the majority of these workers did not think the ECA had been good for their bargaining position nor for their pay and conditions of work. Furthermore, despite the vigorous publicity campaigns by business groups, they were yet to be convinced about the benefits of the ECA for employment or the economy.

Conclusion

The results of this survey represent a compelling but disturbing account of employment conditions for retail workers in the late 1990s. They challenge the assumption that employers and employees can negotiate “mutually beneficial” contracts. The retail employees in this survey have very little “freedom of choice”, and flexibility primarily suits the needs of the employer.

For many, contract negotiations left much to be desired, with little choice over the contract structure and no negotiations for half of those surveyed. In relation to union membership, while some respondents had chosen to leave the union, there were clearly other influences, including a lack of collective bargaining, difficulties in organising, a lack of information, and anti-union employer influence. In relation to flexible hours of work, most respondents were required to work flexible hours and days but were unable to exercise much influence over those hours and days of work. In addition, many reported the requirement to be flexible as having a significant negative impact on the quality of their family lives. Contrary to the claims of Knowles (1993), the ECA had not empowered the women in this survey to negotiate contracts that enabled them to balance the demands of paid and unpaid work.

While the phase of regressive cuts to employment conditions seemed to have passed, concessions made by retail workers in the first few years of the ECA appeared to be cemented in. The absence of overtime rates, weekend rates, and allowances was widespread, many respondents lived in low-income households, and a significant proportion were below or close to the poverty line adopted for this analysis. The strength of respondents’ dissatisfaction with contract outcomes was one of the most compelling results of the survey. This issue of low pay was also reflected in strongly worded comments on the lack of bargaining power of retail workers. Respondents appeared in no

doubt that the power imbalance between retail employers and employees was very real and that contract outcomes were anything but “mutually beneficial”. Without acceptable alternatives, respondents reported having no choice but to accept the contract offered by their employer.

In relation to evaluations of the ECA, dissatisfaction with contract outcomes coincided with a very low assessment of the Act. Respondents were in no doubt that the ECA had not been good for workers such as themselves, and nor were they convinced about the efficacy of the Act for employment or the economy, despite the vigorous campaign of business groups to convince them otherwise.

It has been acknowledged that the response group is small and that there is a definite skew towards full-time, long-serving, and older employees. However, given that these workers are likely to have greater bargaining power and therefore better bargaining outcomes, the results presented here may in fact underestimate the reality for many retail workers.

These results point to the necessity for significant and urgent debate in the area of labour market policy. The need is clearly evident for more adequate protective labour market mechanisms and a stronger minimum code of employment to ensure equitable bargaining processes and outcomes for low paid employees. Within the context of the current Government’s social policy framework, getting such issues onto the social and economic agenda poses an enormous challenge for concerned policy analysts, though this may change subsequent to the General Election in November this year.

While the results of this survey are quite striking, this is only one study and it cannot claim to provide conclusive evidence. While it adds another piece to the secondary labour market jigsaw, the overall picture of what is happening for such employees remains somewhat hazy. There is therefore, an urgent need for more extensive research in this area, particularly using research methods that target specific groups in order to overcome some of the limitations raised in this article.

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