



**MINISTRY OF BUSINESS,  
INNOVATION & EMPLOYMENT**  
HĪKINA WHAKATUTUKI

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# National Survey of Employers 2015/16: Snapshot of Key Trends

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# National Survey of Employers 2015/16

MBIE's National Survey of Employers (NSE) collects data on workplace practices in New Zealand's business establishments within the context of current employment-focused legislation. The survey monitors business practices and employer views on recruitment, workplace relations and employment standards, health and safety, employing recent migrants, and migrant settlement. The results are used to develop and evaluate policies and programmes.

For the 2015/16 survey, 1,528 employers from across New Zealand were interviewed. The survey results were weighted by business size and by industry to represent the 178,494 business establishments in New Zealand as at February 2015.<sup>1</sup>

This document presents a snapshot of the high level results from NSE 2015/16, with some comparisons made with previous surveys. For further information and more detailed results, please refer to the National Survey of Employers 2015/16 Summary Findings report:

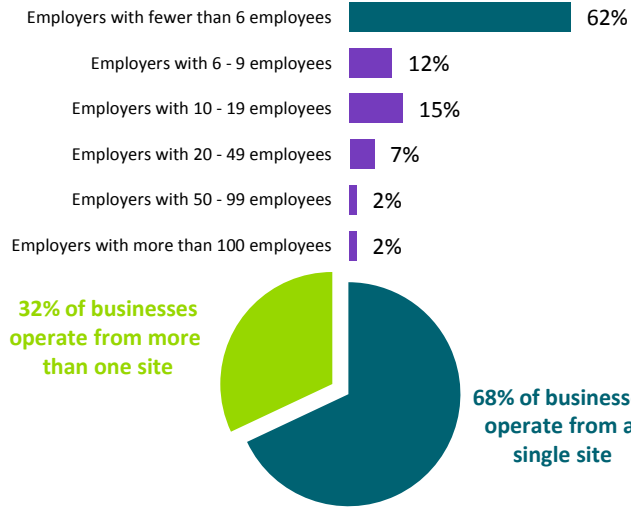
<http://www.mbie.govt.nz/info-services/employment-skills/labour-market-reports/national-survey-of-employers/2015-2016/summary-findings.pdf>

and the Appendix to this report:

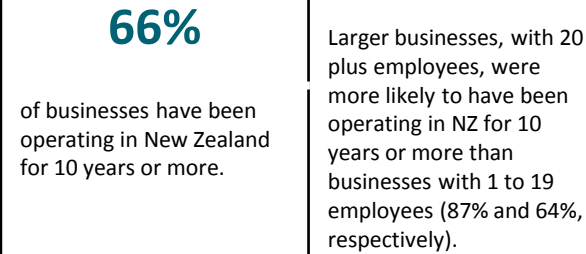
<http://www.mbie.govt.nz/info-services/employment-skills/labour-market-reports/national-survey-of-employers/2015-2016/appendix.pdf>

<sup>1</sup> Source: Statistics New Zealand's Business Register

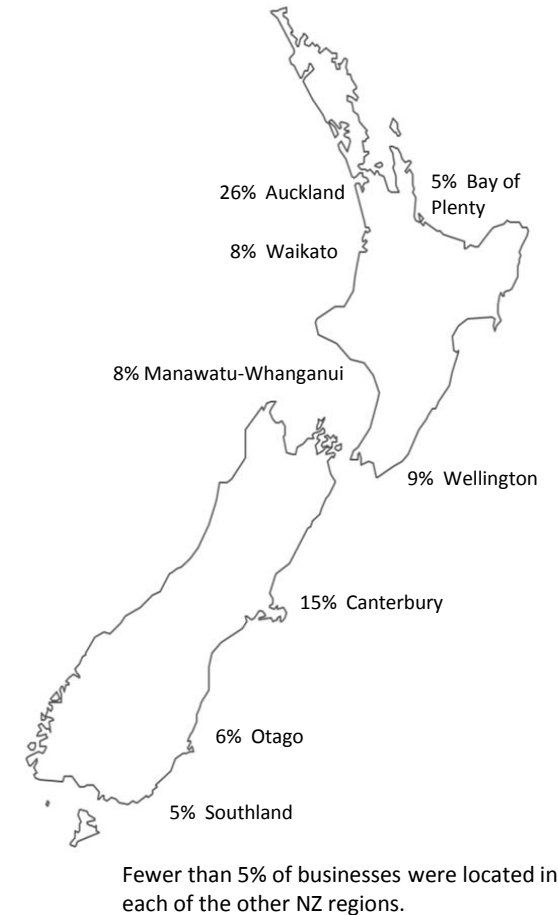
## 1 Most New Zealand businesses are small and operate from a single site



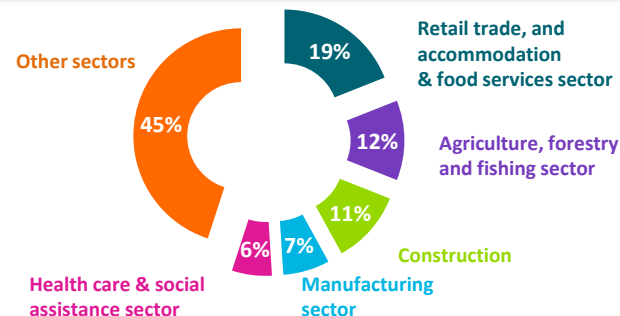
## 2 Two-thirds of businesses have been operating in New Zealand for 10 years or more



## 4 Seven out of ten New Zealand businesses are located in the North Island



## 3 One in five New Zealand businesses are in the retail trade, and accommodation and food services sector



# 1 Minimum employment standards

Employers are required by law to meet minimum employment standards, such as paying the minimum wage, providing annual holiday entitlements and keeping written employment agreements. These standards protect vulnerable workers and help to ensure workplaces are fair and competitive.

The NSE 2015/16 included questions on the following topics:

- minimum wages
- managing parental leave
- payroll system and compliance with the Holidays Act 2003
- accessing information on minimum employment rights and obligations.

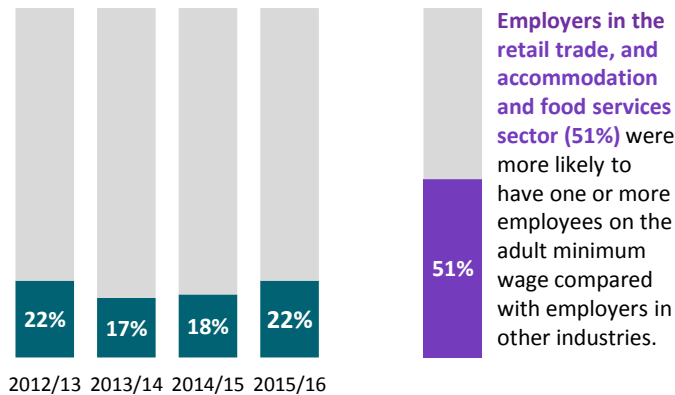
## Minimum wages

The minimum wage is reviewed annually. Setting this rate requires balancing the benefits of any changes, such as protecting the lowest-paid workers in society against the costs, such as possible job losses. To help determine the likely effects of changing the minimum wage rate, MBIE monitors the use of this by employers and the likelihood of flow-on effects from minimum wage increases.

The starting-out wage is designed to help employers to take a chance on a young person, enabling them to earn money, gain skills, and get the work experience they need. This can help young people to gain a foothold on the employment ladder. Similarly, the training minimum wage incentivises employers to take on employees aged 20 years and over who are engaged in training but not yet qualified.

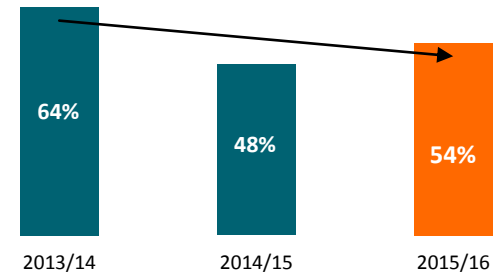
## 1 About one in five employers were using the adult minimum wage

Similar to previous years, **22% of employers were paying the adult minimum wage** to one or more of their employees.



## 2 Increases in the minimum wage have flow-on effects for other employees

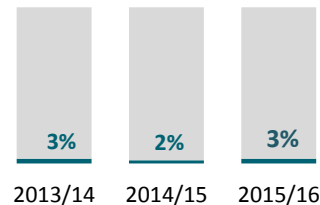
**Just over half of employers (54%)** said they usually increase wages or salaries for employees paid above the minimum wage in response to an increase in minimum wage rates. This is similar to last year's survey result but a decrease from 2013/14.



## 3 Few employers were using the starting-out or training minimum wage

35% of employers had hired an employee aged 16 to 19 years in the last 12 months. Of these employers, 9% were paying the starting-out wage to one or more of these employees.

This means that only **3% of all employers had paid any employee the starting-out wage in the last 12 months** – similar to previous years.



About half of employers who could have used these wage rates reported they did not do so because they felt that it was unfair to pay less based on age

10% of employers had one or more current staff aged 20 years or over who were required by their employment agreement to undertake industry training. Of these employers, 7% were paying the training minimum wage or a rate between this and the adult minimum wage to one of more of these employees.

This means that only **1% of all employers were paying one or more employees the training minimum wage or a rate between this and the adult minimum wage.**



2015/16

Over one-quarter of employers who could have used these wage rates did not do so because they thought it would effect their ability to attract high-quality applicants



# Minimum employment standards – continued

## Parental leave

The Parental Leave and Employment Protection Act 1987 enables eligible parents to take leave from employment on the birth or adoption of their child. At the time of surveying, New Zealand legislation entitled eligible parents to 16 weeks of paid parental leave, their partners to two weeks of unpaid parental leave, and a further 36 weeks of unpaid leave that could be shared between parents.

## Payroll systems and compliance with the Holidays Act

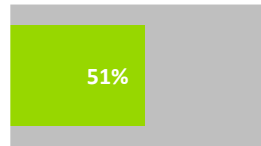
Employers' payroll systems are expected to be compliant with the Holidays Act 2003.

**4** Almost one-third of employers had a formal policy for managing parental leave

**29% of employers** had a formal policy or system to manage parental leave for employees when a child is born or adopted



**Employers with 20 or more employees** were more likely to have a formal policy or system for managing parental leave than employers with 1 to 19 employees (51% and 26%, respectively)



**5** Most employers with staff who had returned from parental leave had offered flexible or reduced hours to these employees on their return

**24% of employers** reported their business had an employee return from parental leave in the last two years



Of these 24% of employers:

46% reported giving employees paid or unpaid parental leave on top of the statutory requirements



76% reported offering employees flexible or reduced hours

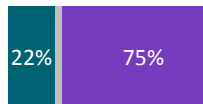


45% reported that it was difficult or very difficult to manage the overall effects of staff taking parental leave



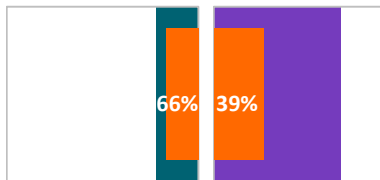
**6** Most employers processed their payroll in-house. However, those who outsourced their payroll requirements were more likely to have had their system audited for compliance

**22% of employers** outsourced their payroll requirements.



**75% of employers** processed payroll in house

Of those who outsourced their payroll requirements, 66% had been advised that their payroll system had been audited or checked for compliance with the Holidays Act 2003 within the last 12 months



Of those who processed payroll in-house, 39% reported that their payroll system had been audited or checked for compliance with the Holidays Act 2003 within the last 12 months

**7** About one-quarter of employers were aware of MBIE's guidance for assessing payroll systems for compliance with the Holidays Act

**27% of employers** were aware of MBIE's online guidance



Of those employers who were aware of MBIE's guidance, 54% had used this



This means that **15% of all employers** had used MBIE's online guidance for assessing payroll systems for compliance with the Holidays Act 2003.

**8** Employers accessed information about minimum employment standards from a range of sources

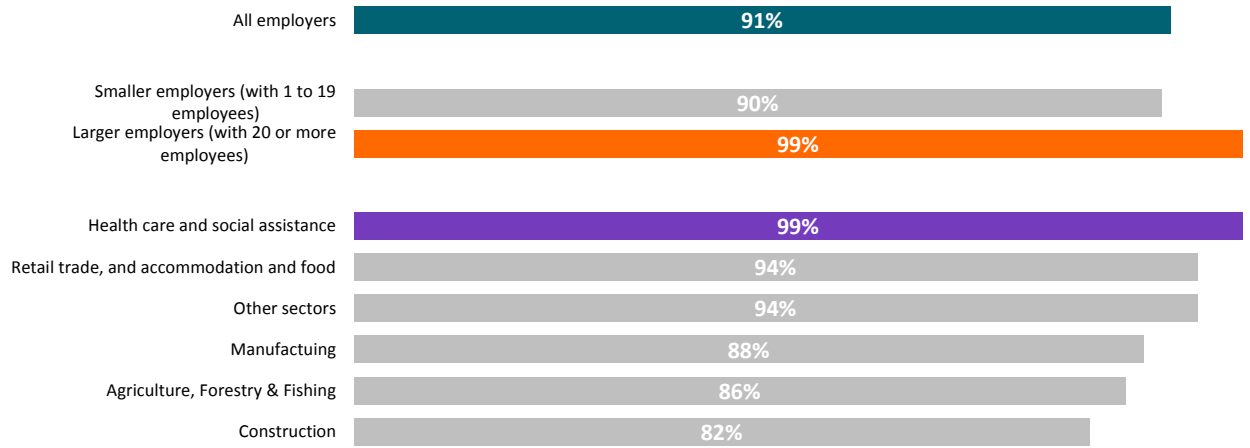


# 2 Employment agreements and non-standard working arrangements

Good employment relationships begin with both parties having clear expectations about the role of the job, working conditions and employment rights. There are some provisions that must be included in employment agreements by law. Every employee must have a written employment agreement and employers are required to retain signed copies of employment agreements for all employees.

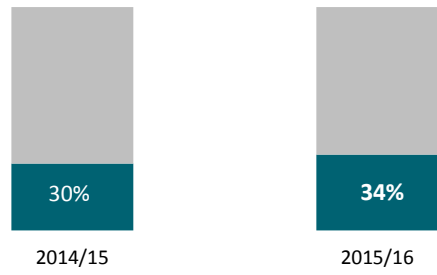
## 1 Similar to previous years, most employers had written employment agreements for all of their employees

91% of employers had written employment agreements for all of their employees. Larger employers and those in the health care and social assistance sector were more likely to have employment agreements for all employees.



## 2 Similar to 2014/15, a minority of employers were using non-standard working arrangements for one or more of their staff

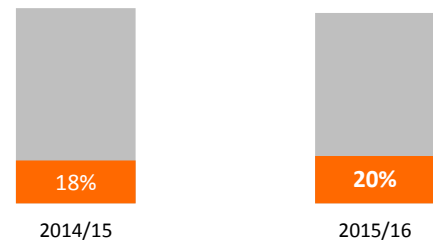
34% of employers had at least one employee on a casual agreement



Of those employers who used casual agreements for one of more employees...

- 73% did so to manage fluctuating demand/seasonal work
- 28% did so to cover staff absence.

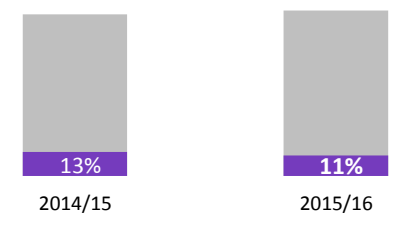
20% of employers had at least one employee on a fixed-term agreement



Of those employers who used fixed-term agreements for one of more employees...

- 57% did so to manage fluctuating demand/seasonal work
- 26% did so to cover staff absence.

11% of employers had at least one self-employed worker on staff who, to the best of the employers' knowledge, worked only for their business



Of those employers who had one or more self-employed workers who worked solely for their business...

- 48% used these workers because they needed specific skills
- 41% used these workers to manage fluctuating demand/seasonal work.

# 3 Employment Relations Amendment Act 2014

The *Employment Relations Amendment Act 2014 (ERA Act 2014)* came into effect in March 2015. The NSE asked employers about their awareness of the following changes implemented in the Act:

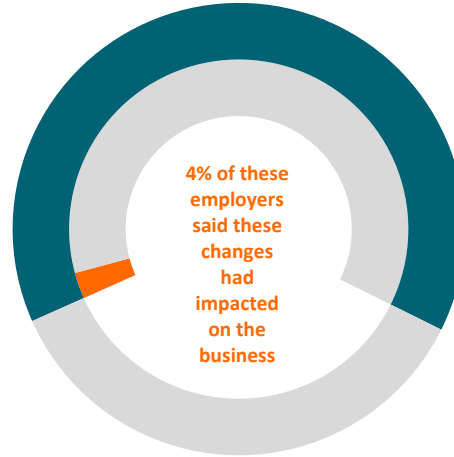
- changes to rest and meal breaks
- changes to requests for flexible working arrangements
- changes to collective bargaining
- changes to employment if an employee's work is affected by restructuring.

At the time of surveying, these changes to legislation had been in place for less than one year.

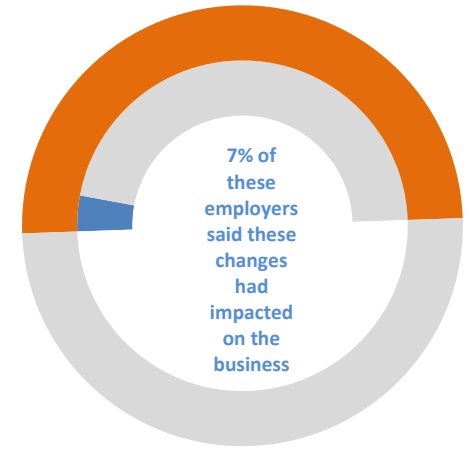
Employers with 20 or more employees were more likely to be aware of each of these changes introduced in the *ERA Act 2014* compared with employers with 1 to 19 employees.

## 1 Employers were more aware of some of the changes introduced in the *ERA Act 2014* than other changes. However, few employers said that the changes had impacted on their business

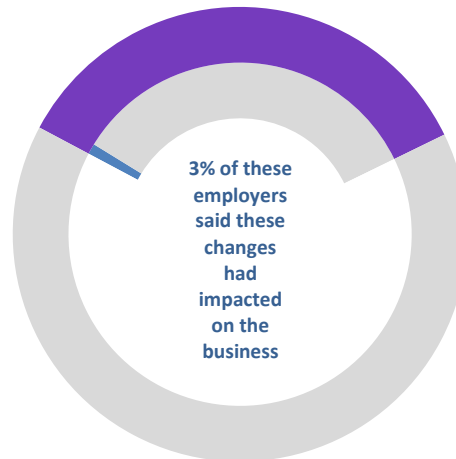
64% of employers were aware of the changes to rest and meal breaks



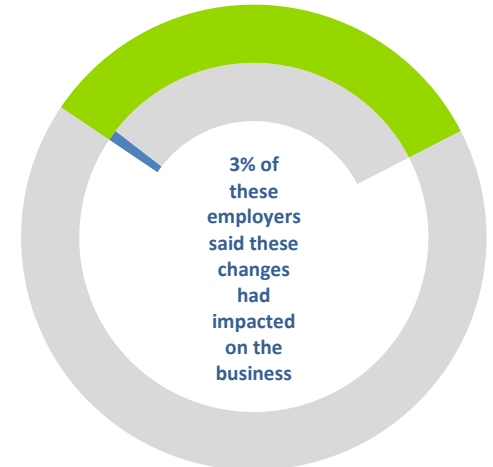
50% of employers were aware of the changes to flexible working arrangements



35% of employers were aware of the changes to collective bargaining



33% of employers were aware of the changes to employment where an employee's work is affected by restructuring



# 4 Health and Safety

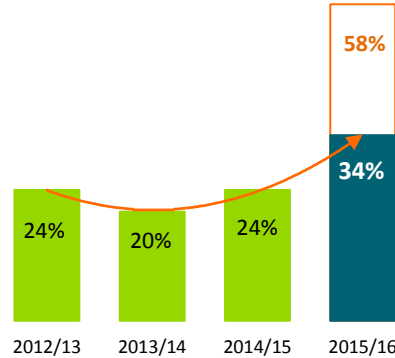
The NSE collects information on workplace health and safety systems and practices, including compliance with aspects of legislation, and employer views on the law. The 2015/16 survey focused on:

- health and safety leadership and expertise
- systems and practices in place
- employee participation and engagement.

The survey was conducted after the passing, but before the enactment of the Health and Safety at Work Act 2015, that is, while the *Health and Safety in Employment (HSE) Act 1992* was still in place. The NSE data provides baseline information for evaluating the uptake and impacts of the new law.

## 1 More employers made changes to their health and safety systems and practices in 2015/16 than in previous years

One-third of employers (34%) reported making significant changes to their health and safety (H&S) systems and practices in the last 12 months, up from 24% in 2014/15.



Similar to last year, **employers with 20 or more employees** were more likely to have made significant changes to their H&S systems and practices than employers with 1 to 19 employees (58% and 31%, respectively).

## 2 Most employers agreed that good health and safety systems were good for the business

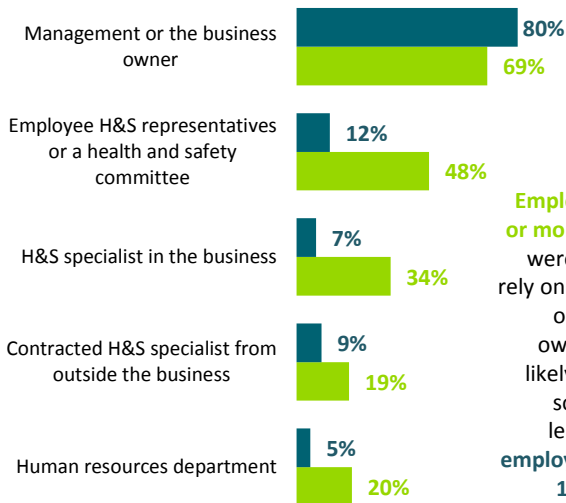
**84%**

of employers agreed or strongly agreed that **having good health and safety systems is good for the business**.

Employers with 20 or more employees were more likely to agree that “having good health and safety systems is good for the business” than employers with 1 to 19 employees (92% and 83%, respectively).

## 3 Health and safety expertise and leadership was mainly provided by management or the business owners

The most frequently identified sources of health and safety expertise and leadership were:



**Employers with 20 or more employees** were less likely to rely on management or the business owner and more likely to use other sources of H&S leadership than **employers with 1 to 19 employees**.

## 4 Most employers said they would know where to get more expert advice on health and safety if this was needed



**83% of employers** said they would **know where to get more expert advice on health and safety** if this was needed.

Employers with 20 or more employees were more likely to say they would know where to source more expert advice on H&S if this was needed than those with 1 to 19 employees (94% and 82%, respectively).

**Seven out of ten employers** reported that the **owners or directors of the business made “a lot” of decisions about health and safety policies and systems** – this result was similar irrespective of business size and industry sector.



## 5 Almost half of employers agreed that government is effective at enforcing legislative obligations

**45%**

of all employers agreed or strongly agreed that **government is effective at enforcing obligations** under the *HSE Act 1992*.

This result did not vary much by business size or by sector and is similar to the 2014/15 result of 52%.

However, also similar to last year’s results, one-quarter of employers neither agreed nor disagreed with this statement (26%) and 17% said ‘don’t know’. Only 11% of employers disagreed with this statement.



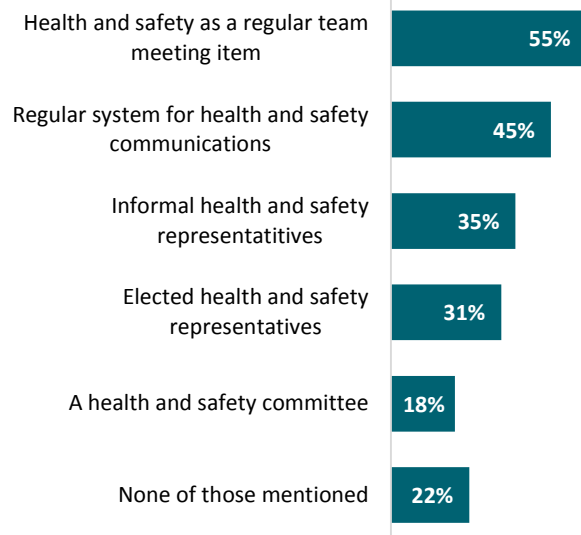
## 6 Similar to previous years, half of all employers had a formal system for employees to participate in managing health and safety, with employers also involving staff in other ways

51%

of all employers had a formal system for employees to participate in managing health and safety.

Employers with 20 or more employees were more likely to have a formal system for employees to participate in managing health and safety than those with 1 to 19 employees (78% and 48%, respectively).

Employers also involved staff in health and safety as follows:



## 7 Six out of ten employers had a documented hazard management system that was actively used

Most employers reported having a system for identifying and managing workplace hazards



Of these employers, 82% reported that their hazard management system was documented, and



79% said that new hazards are recorded in the system as they are identified or if an existing hazard changes.

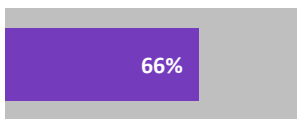


This means that **62% of all employers had a system for identifying and managing hazards that was both documented and actively used** – similar to last year (61%).

Employers with 20 or more employees were more likely to have a documented and actively used hazard management system than those with 1 to 19 employees (91% and 58%, respectively).

## 8 Two-thirds of employers had a documented process for investigating workplace accidents

Similar to previous years, two-thirds of employers had a documented process for investigating workplace accidents



63%

of employers with 1 to 19 employees had a documented process for investigating accidents

92%

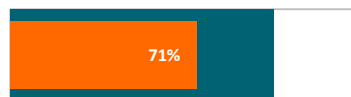
of employers with 20 or more employees had a documented process for investigating accidents

## 9 Most employers had health and safety inductions for all new employees

Three-quarters of employers reported that all new employees received a health and safety induction



Of those employers who provided health and safety inductions for all employees, 71% kept records of all employee health and safety inductions



This means that **53% of all employers both provided health and safety inductions and kept records of these inductions** – similar to previous years.

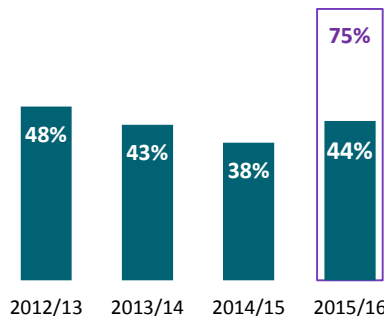
Employers with 20 or more employees were more likely to both provide inductions and keep records of these inductions than employers with 1 to 19 employees (80% and 50%, respectively).

## 10 Fewer than half of employers had 'comprehensive and effective' systems for managing hazards, investigating accidents and employee inductions

**44% of employers** had all three of the following elements in their health and safety system:

- a documented system for identifying and managing hazards that was actively used
- a documented process for investigating workplace accidents
- health and safety inductions for all new employees, with records kept of every induction.

This result is similar to those from previous NSEs.



**75%** Employers with 20 or more employees were more likely to have all three of these elements in their H&S system than those with 1 to 19 employees (75% and 41%, respectively).



# 5 Employing recent migrants

People born overseas have historically formed a large proportion of New Zealand's population and workforce. Foreign nationals can work in New Zealand if they are residents or hold temporary visas enabling them to work. The following findings apply to employers of "recent migrants", that is, employers of people not born in New Zealand and who arrived in New Zealand within the previous five years.

## 1 One quarter of employers had a recent migrant on staff

Similar to previous years:

**25%** of employers had a recent migrant on staff

**21%** of employers had hired a recent migrant in the last 12 months

Employers with 20 or more employees were more likely than those with 1 to 19 employees to have:

- a recent migrant on staff (61% and 21%, respectively)
- hired a recent migrant in the last 12 months (52% and 17%, respectively).

## 2 Employers most often hired recent migrants because they were the best candidate and because of their skills and qualifications



## 3 Employers were very positive about their migrant staff

**93% of employers of migrants rated their recent migrant employees' overall job performance as either "good" or "very good"** – similar to previous years. The most common reasons given for these positive ratings were:

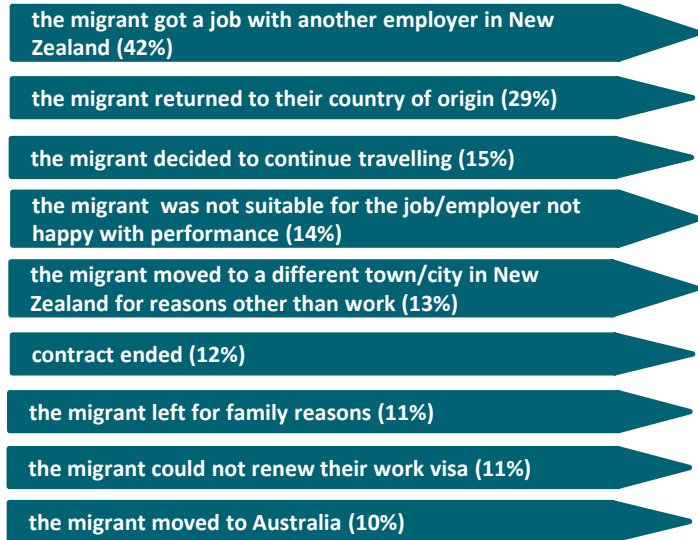


## 4 Employers reported that migrants had left the business for a variety of reasons

Of the 21% of employers who had hired a recent migrant in the last 12 months, 49% reported that at least one of these migrant employees had subsequently left the business.

In most cases, the most common reasons employers gave for recent migrants leaving the business were similar to last year.

The most common reasons given by employers as to why recent migrant employees left the business were as follows:



# 6

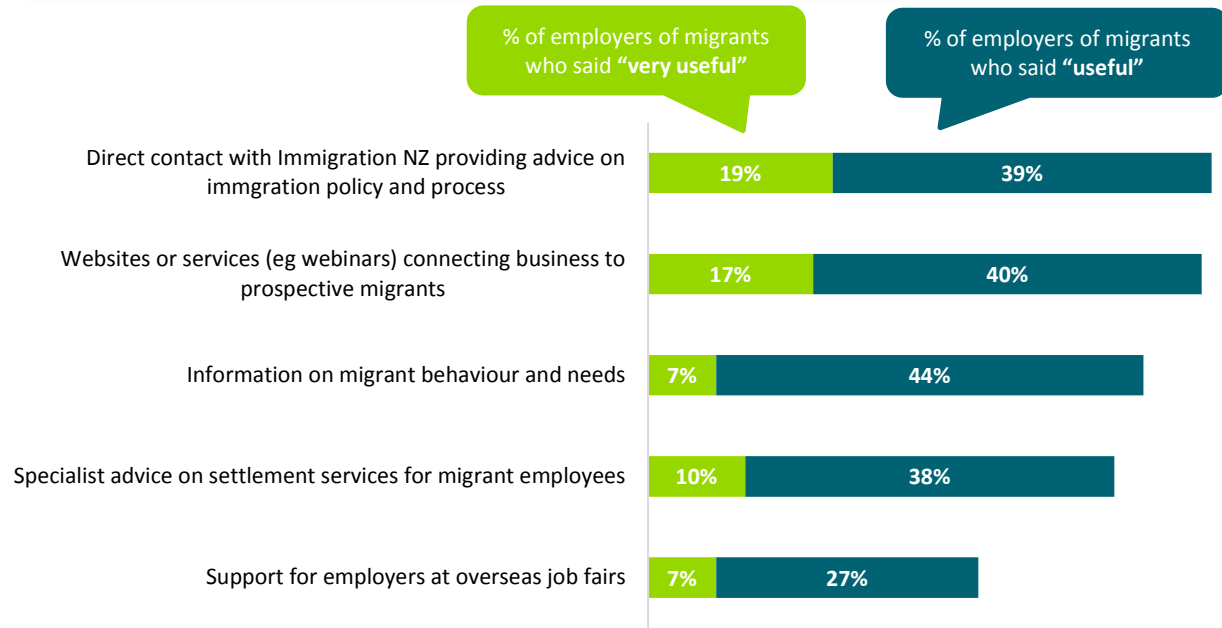
## Immigration Services

MBIE has a role in supporting migrants to settle in work in New Zealand. Our aim is to retain migrants with the skills New Zealand businesses need to grow.

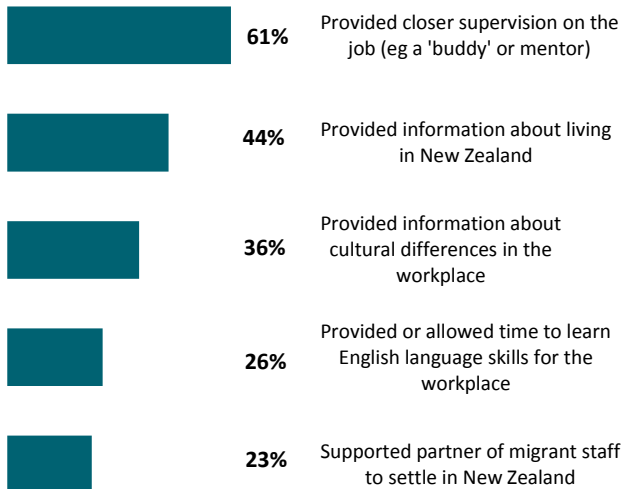
The 2015/16 NSE included questions on:

- the usefulness of various types of assistance to help attract migrant staff
- the usefulness of various types of assistance to help employ and retain migrant staff
- types of support that businesses provide to support migrant staff.

### 2 Employers of recent migrants said that some types of support from Immigration New Zealand would be more useful than others in helping their business to attract migrant staff



### 1 Six out of ten employers supported their migrant employees by providing closer job supervision



### 3 Most employers of recent migrants agreed that various types of assistance from Immigration New Zealand would be useful in helping their business to employ and retain migrant staff

