



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

National Survey of Employers 2018/19: Summary Findings

October 2019





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

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ISSN 2382-1493

October 2019

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Executive summary

This report provides a summary of employer practices in New Zealand (NZ) within the context of current employment-focused legislation. It is based on results from the Ministry of Business, Innovation and Employment's (MBIE's) 2018/19 National Survey of Employers (NSE).

The purpose of the annual NSE is to monitor employer practices and perspectives on workplace relations and employment standards, workplace health and safety, job vacancies, and employing recent migrants. Results from the NSE are used to develop and evaluate policies and programmes, and answer contemporary policy questions. The target population for the survey is New Zealand business establishments employing one or more employees. The NSE results are weighted to represent all employers in New Zealand.

Workplace relations and employment standards

Trial periods

- Similar to previous years, approximately two-thirds of hiring employers had used a trial period for one or more of their new employees in the last twelve months (68 per cent).
- The most common reasons for using trial periods were 'to check a person's skills or ability to do the job' (86 per cent of hiring employers who used trials) and 'to check the person was reliable and had the right attitude/fit' (83 per cent). Reasons for using trials were similar in 2017/18.
- Of hiring employers who used trial periods, 26 per cent had dismissed at least one employee during or at the end of the trial. This result was the same in 2017/18.
- Employers most commonly dismissed employees from trials because 'the employee was unreliable or had a bad attitude' (59 per cent of employers who had dismissed someone) and/or 'the employee did not have the skills needed for the job' (57 per cent).

Employment agreements

- Similar to results from previous NSEs, most employers (91 per cent) had written employment agreements for all of their employees. Compared with all employers, those in larger sized businesses and in the Health Care and Social Assistance sector were more likely to have written agreements for all of their employees (99 per cent and 98 per cent, respectively).

Minimum wages

- One-quarter of employers (27 per cent) were paying the adult minimum wage to one or more of their employees. Consistent with results from previous NSEs, those with 20 plus employees and those in the Retail Trade, and Accommodation and Food Services sector were much more likely to be paying this wage rate (41 per cent and 43 per cent, respectively).
- 44 per cent of employers who used the adult minimum wage were paying this wage rate to 'less than 10%' of their employees. However, one-quarter of minimum wage employers paid the adult minimum wage to 'more than 50%' of their employees.
- Approximately four in ten employers reported that the business took some action in response to the most recent increase in the adult minimum wage. The most common actions taken by these employers were 'increasing wages or salaries for employees already paid above the minimum wage' (29 per cent) and 'increasing the price of goods or services' (21 per cent).

- While 12 per cent of employers had current employees eligible to be paid the training minimum wage, 3 per cent of these employers were using the training minimum wage (or a rate between this and the adult minimum wage) for any of these employees.
- Approximately 28 per cent of all employers had hired a younger worker in the last 12 months and, of these employers, 16 per cent were paying the starting-out wage (or a rate between this and the adult minimum wage) to one or more of these ‘potentially eligible’ employees. There were no significant differences by size or industry in the likelihood of employers of younger workers to be using the starting-out wage for these employees.

Concerns about the underpayment of holidays

- Three per cent of employers reported that employees had raised concerns about their holidays or leave being underpaid. Where concerns had been raised, employers had most commonly undertaken an internal investigation of employees’ holiday or leave pay (reported by 75 per cent of employers with employees who had raised concerns).

Parental Leave

- One in five employers reported that one or more employees had taken parental leave within the last two years. While two-thirds of these employers had offered staff who returned from parental leave ‘flexible or reduced hours on their return to work’, a minority of these employers had offered these employees additional leave (24 per cent) or payments (9 per cent) on top of statutory requirements.

Managing employment problems and disputes

- Twenty-four per cent of employers had an employment relationship problem or dispute in the last 12 months that required management action, up from 17 per cent in 2016/17. Performance issues were the most common reason for the most recent problem (59 per cent).
- Six out of ten employers who experienced employment relationship problems or disputes handled these issues internally. Where an external party was used to deal with a problem or dispute, lawyers most commonly provided this assistance.
- The most commonly reported outcomes for the most recent employment dispute were the employee staying on in the job (38 per cent, up from 27 per cent in 2016/17), the employee resigning (32 per cent) or the employee being dismissed (17 per cent).
- The majority of employers were satisfied with the outcome of the most recent employment relationship problem or dispute experienced (81 per cent), and this result was similar irrespective of the size or industry of the business.

Health and safety systems and practices

Health and safety leadership, and managing risks and hazards

- Seven in ten employers reported that the business’s owners were mainly responsible for health and safety leadership (73 per cent). Managers (41 per cent) and/or directors, board members or senior leaders were the other main sources of health and safety leadership (35 per cent).
- The majority of employers had processes in place to identify, assess, manage and review their business’s main health and safety risks and hazards (84 per cent). This is the proportion of employers who responded ‘yes’ to all four of the questions about identifying, assessing, managing and reviewing health and safety risks and hazards.
- Businesses were more likely to have processes for managing risks of injury at work (93 per cent) and risks to physical health (86 per cent) than risks to mental health (69 per cent).

Compared with all employers, those in the Construction sector were more likely to have processes for managing the risks to physical health (95 per cent) while Health Care and Social Assistance sector employers were much more likely to have processes for managing risks to mental health (89 per cent).

- Half of employers reported that the business's officers (ie directors, board members or senior leaders) had asked for information on how health and safety risks and hazards were managed.
- Consistent with 2017/18 and 2016/17, two-thirds of employers who had 'shared duties' with another business for workplace health and safety worked with other businesses to manage health and safety risks.

Worker involvement in health and safety

- Employers most commonly involved workers in health and safety by having regular meetings where health and safety was discussed (59 per cent), a system for regular health and safety communications (48 per cent) and/or regular health and safety briefings, eg toolbox or tailgate meetings (48 per cent).
- Most employers reported involving their workers in decisions affecting their health and safety – 72 per cent did so 'all or most of the time' and 24 per cent did so 'some of the time'.
- The majority of employers (91 per cent) provided health and safety inductions for all new employees – up from 85 per cent in both 2017/18 and 2016/17.

Changes made to health and safety systems or practices

- Three in ten employers had made significant changes to their health and safety systems or practices in the last 12 months, similar to 2017/18. However, both of these results were down from 49 per cent in 2016/17. The spike in the 2016/17 result is likely to have been driven by the larger number of employers who made changes to their systems or practices at this time to ensure compliance with the *Health and Safety at Work Act 2015*.
- Of those employers who made significant changes to their business's health and safety systems or practices, 70 per cent had made changes to their policies or systems, 61 per cent to the training of workers including inductions, and 54 per cent to risk management.

Job vacancies and employing migrants

Job vacancies, difficulties filling roles and whether migrants were recruited

- Six in ten employers had job vacancies in the last 12 months, and two-thirds of these employers had difficulties finding staff to fill vacancies.
- One in four employers who had difficulties finding staff to fill job vacancies had sought out a migrant for a 'hard to fill' job vacancy.

Hiring recent migrants and support provided to migrant staff

- Fewer employers (23 per cent) reported having a recent migrant on staff than in 2017/18 (28 per cent). One in five employers had hired a recent migrant in the last 12 months, consistent with 2017/18 results.
- Over half of employers of migrants provided information and support specifically to their migrant staff. The types of information and support most commonly provided were:
 - on health and safety at work (45 per cent of employers who provided support)
 - on the New Zealand tax system and/or KiwiSaver (36 per cent)
 - on employment rights and obligations (32 per cent)
 - to welcome them to the workplace (28 per cent)
 - On communication and culture in the workplace (26 per cent).

Difficulties with hiring migrants and resulting impacts on the business

- One in ten employers had difficulties with employing migrant workers, with the most common problem being 'difficulties with the visa process' (reported by 79 per cent of employers who had difficulties).
- Most commonly, difficulties employing migrant workers had resulted in the business stopping carrying out some activities/lost business opportunities (38 per cent of those with difficulties) and the business redesigning jobs/having existing staff do extra work or working short staffed (29 per cent).

Employers' views on migrants' contribution to the workforce and the 2017 immigration policy changes

- Seven out of ten employers agreed that migrants make an important contribution to New Zealand's economy.
- Six in ten employers disagreed that migrants take jobs away from other New Zealanders.
- Fourteen per cent of employers agreed that the 2017 immigration policy changes have made it easier for businesses to employ skilled migrants.

1 Introduction

1.1 Purpose and background

This report summarises findings from the Ministry of Business, Innovation and Employment's (MBIE's) 2018/19 National Survey of Employers (NSE).

1.1.1 The NSE monitors employer practices and perspectives within the context of employment-focused legislation

The annual NSE monitors employer practices and perspectives on workplace relations and employment standards, workplace health and safety, job vacancies, and employing recent migrants. The information is used to develop and evaluate policies and programmes, and answer contemporary policy questions within the context of employment-focused legislation.

1.1.2 A total of 2,285 employers participated in the 2018/19 NSE

The target population for the NSE is NZ business establishments employing one or more employees. The survey sample is drawn from Stats NZ's Business Register based on the number of NZ businesses within six industry groupings and four business size categories – see Appendix for further details.

1.1.3 The NSE results are weighted to represent all employers in NZ

The survey data was weighted by industry category and business size to represent the 188,361 business establishments/employers in NZ as at February 2018.¹ Most NZ employers (89 per cent) are in 'smaller businesses' with fewer than 20 employees. The remaining 11 per cent are in 'larger businesses' with 20 or more employees. The terms 'smaller employer/business' and 'larger employer/business' are used throughout this report to refer to businesses with 1–19 employees and businesses with 20 or more employees, respectively. All results presented in this report are estimates for employers/business establishments rather than estimates of employees (i.e. the NSE data is all *employer-level data*).

This report provides commentary on statistically significant differences in the survey results by business size (larger versus smaller employers and, in some cases, at a more disaggregated business size), and by industry grouping (where a result was significantly different from the result for all employers). Comparisons are made with results from previous NSEs, where questions have remained consistent from year to year. Changes that are not statistically significant are referred to as being "in line with", "similar to" or "consistent with".²

1.1.4 Business and employer characteristics

The Appendix contains details about the employers who participated in the NSE and the types of businesses they operated. In summary, and as reflected in published business statistics:

- most New Zealand businesses are small
- three in ten were operating from more than one site
- one in five businesses are in Retail Trade, and Accommodation and Food Services
- two-thirds of businesses have been operating in New Zealand for 10 years or more
- seven in ten businesses are in the North Island, with 28 per cent in Auckland.

¹ Source: Stats NZ's 2018 Business Register.

² The Appendix at the end of this report contains details about using margins of error to identify statistically significant differences in the NSE results.

2 Workplace relations and employment standards

The employment relations and standards regulatory system aims to promote productive and beneficial employment relationships.³ The system also provides for a number of work-related conditions or rights (eg to leave, pay or pay protection). Many of these conditions fulfil obligations New Zealand has agreed to meet under International Labour Conventions. Several measures to strengthen the enforcement of employment standards came into force on 1 April 2016.⁴

The NSE monitors the use of specific employment practices and issues around minimum employment standards. Results from the survey provide baseline data, and are used to assess the effectiveness of policy and identify where policy interventions may be needed.

2.1 Trial periods

Since April 2011, all employers have been able to make an offer of employment that includes a trial period of up to 90 days for new employees. A key objective of introducing trial periods was to encourage employers to provide employment opportunities for people who might face greater disadvantage in the labor market.⁵ From 6 May 2019 trial periods were restricted to use by employers with fewer than 20 employees.

The NSE asked employers about their use of trial periods in the last 12 months. During this reference period all employers were entitled to use trial periods when hiring new employees.

2.1.1 Use of trial periods among hiring employers was similar to previous years

In total, 65 per cent of employers had hired one or more new employees in the previous 12 months. Consistent with previous NSE results, larger employers (with 20 plus staff) were more likely than smaller employers to have hired new staff (98 per cent and 61 per cent, respectively).

Of all hiring employers, 68 per cent had employed one or more of these new employees on a trial period – see Figure 1. This result is similar to those from the 2017/18, 2014/15, 2013/14 and 2012/13 surveys (i.e. there was no statistically significant difference in results between these years).

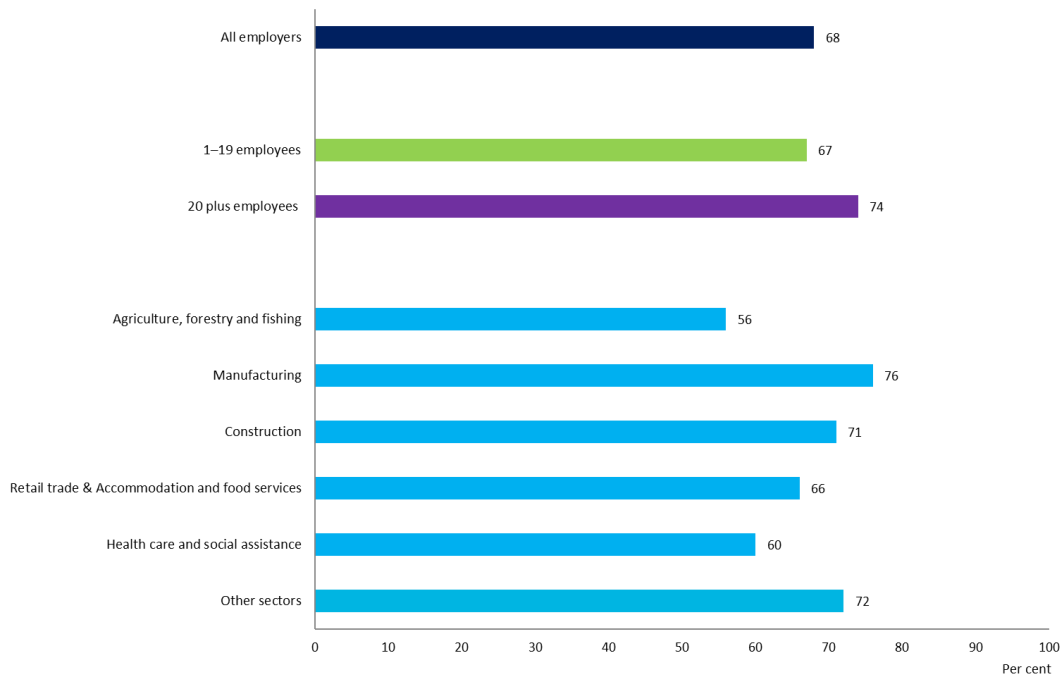
³ For further information on the employment relations and standards regulatory system please refer to: <https://www.mbie.govt.nz/cross-government-functions/regulatory-stewardship/regulatory-systems/employment-relations-and-standards-regulatory-system/>

⁴ These measures to strengthen the enforcement of employment standards included:

- sanctions for employers and officers responsible for breaches of employment standards
- clearer-record keeping requirements
- increased tools for labour inspectors
- changes to the Employment Relations Authority's approach to employment standards cases
- the requirement for employment agreements to state any set number of hours agreed between the employer and employee to address zero-hour contracts.

⁵ Businesses with 20 or more employees are still able to use probationary periods to assess an employee's skills against the role's responsibilities.

Figure 1: Proportion of hiring employers that used trial periods in the last 12 months*



* Sub-sample based on those employers who had employed new staff in the last 12 months, n = 1,930.

Note that the NSE data cannot be used to estimate the number or proportion of employees who were hired on a trial period. The NSE data is all *employer-level* data.

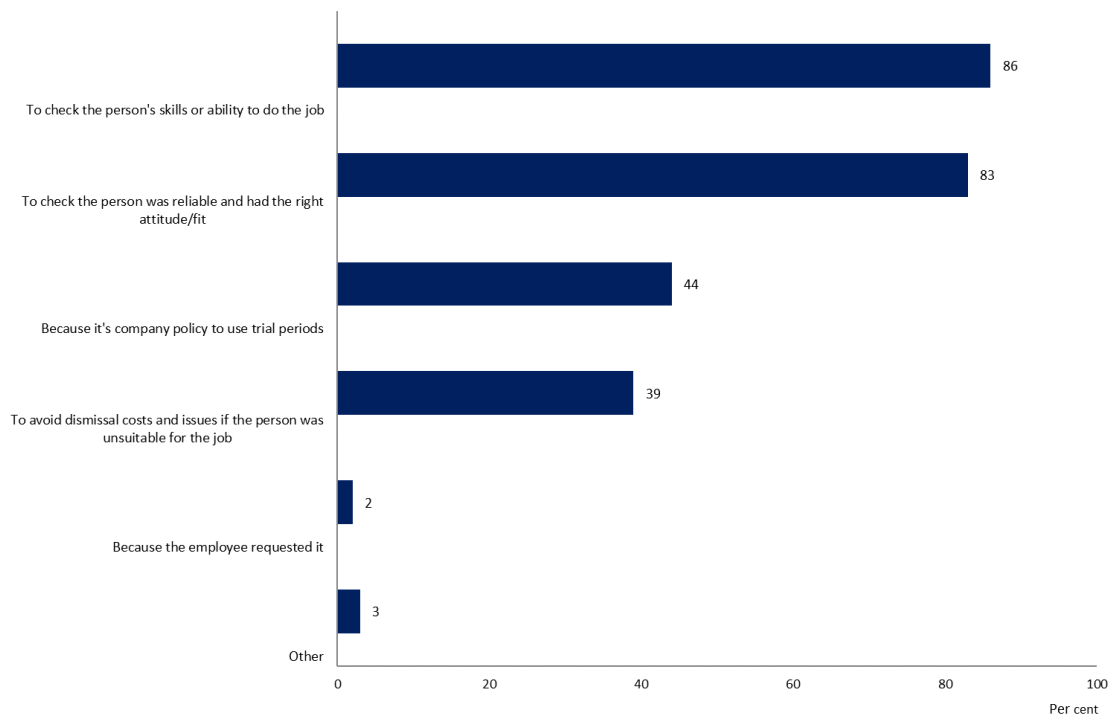
There was no significant difference in the use of trial periods when comparing larger (20 plus employees) and smaller sized (1-19 employees) hiring employers. However, looking at this result at a more disaggregated size level shows that hiring employers with 20 to 49 employees were more likely to have used a trial period compared with all hiring employers (77 per cent versus 68 per cent, respectively).

There were no statistically significant differences by industry in the proportions of employers using trial periods compared with the proportion of all hiring employers who used trial periods.

2.1.2 Trial periods were mainly used to check a person’s skills or ability to do the job and to check they were reliable and had the right attitude

The most common reasons for using a trial period (for the person most recently employed on a trial) were ‘to check the person’s skills or ability to do the job’ (86 per cent of hiring employers who used trial periods) and ‘to check the person was reliable and had the right attitude/fit’ (83 per cent, and up from 76 per cent in 2017/18) – see Figure 2.

Figure 2: Main reasons for using a trial period for employee most recently hired on a trial*



* Sub-sample based on those employers who had hired new staff on a trial period in the last 12 months, n = 1,339.

Trial periods were also used by employers ‘because it was company policy’ to do so (44 per cent) and/or ‘to avoid dismissal costs and issues if an employee was unsuitable’ (39 per cent). There was an increase from 2017/18 to 2018/19 in the proportion of employers who said they used trial periods to ‘avoid dismissal costs/manage risks’ – 29 per cent of employers gave this reason in 2017/18.

When employers who used trials were asked about their reasons for using trials, smaller employers were more likely than larger employers to report doing so ‘to avoid dismissal costs and issues if the person was unsuitable’ (41 per cent and 31 per cent, respectively).

2.1.3 One-quarter of hiring employers who used trial periods had dismissed an employee from a trial

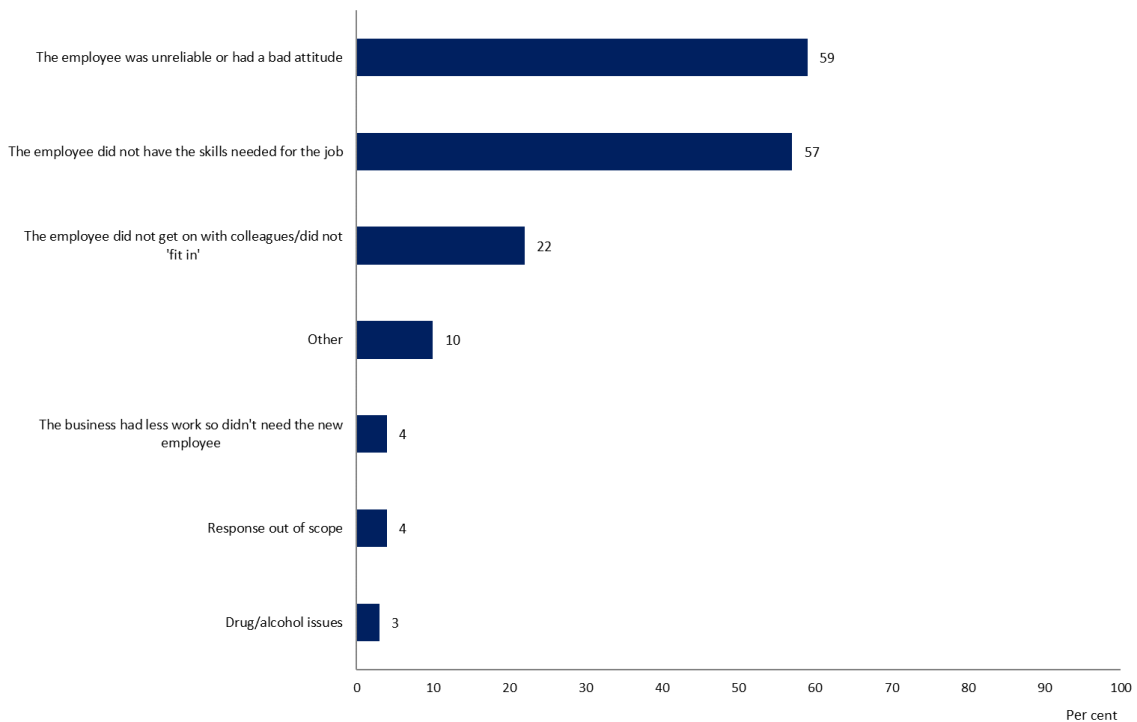
Of hiring employers who used trial periods, 26 per cent had dismissed at least one employee during or at the end of the trial. This result was the same in 2017/18 and also consistent with the 27 per cent result in 2012/13.⁶

It was more common for employers with 20 plus employees who used trial periods to have dismissed an employee on a trial compared with smaller employers who used trial periods (39 per cent and 23 per cent, respectively). This difference was also observed in the 2017/18 NSE results.

2.1.4 Employers most commonly dismissed employees from trials because they were ‘unreliable/had a bad attitude’ and ‘didn’t have the skills needed’

When asked about the person most recently dismissed while on a trial, employers most commonly reported that this was because ‘the employee was unreliable or had a bad attitude’ (59 per cent of employers who had dismissed someone) and/or ‘the employee did not have the skills needed for the job’ (57 per cent) – see Figure 3.

Figure 3: Reasons for dismissing employee most recently dismissed from a trial*



* Sub-sample based on those employers who had dismissed an employee from a trial period in the last 12 months, n = 441.

One in five employers reported that the most recent dismissal was due to ‘the employee not getting on with colleagues or not fitting in’. These results on reasons for dismissals were consistent with results to the 2017/18 and 2012/13 NSEs.

⁶ The NSE data cannot be used to estimate the number or proportion of *employees* who were dismissed from trial periods.

2.2 Employment agreements

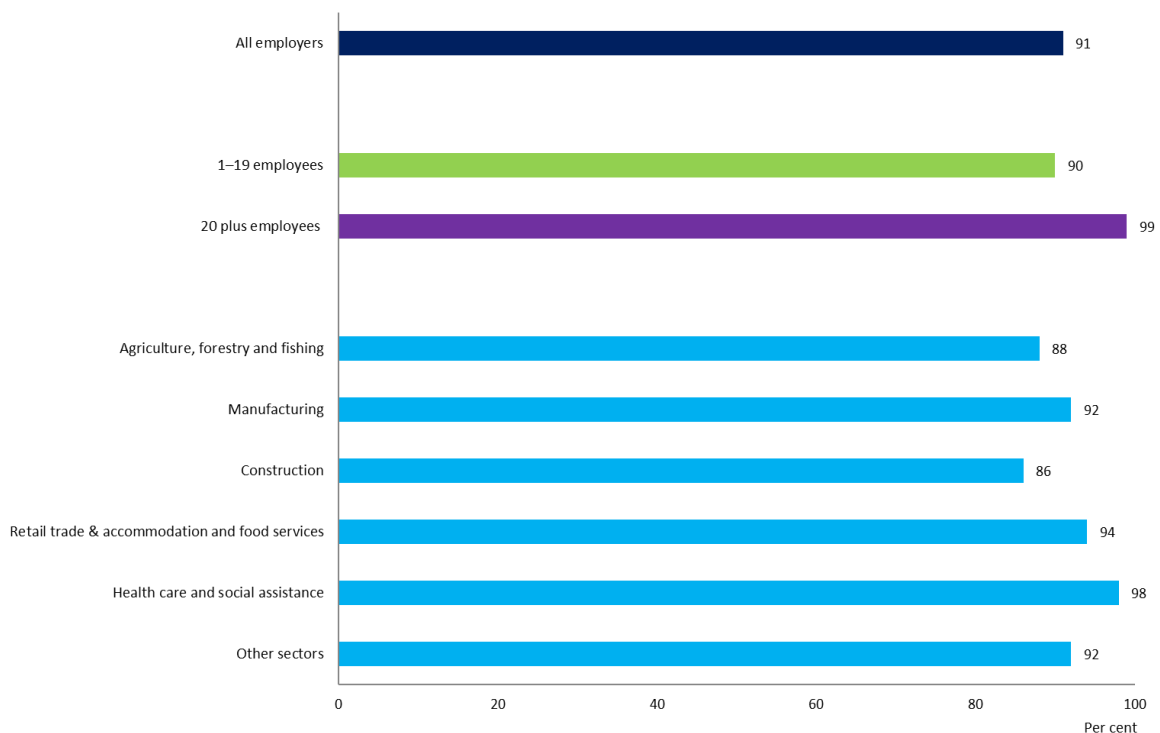
Employees and contractors have different rights and responsibilities. Every employee (including casual and fixed-term employees) must have a written employment agreement. A well written agreement helps both parties to know what is expected from them and what they're entitled to. It can be either a collective agreement or an individual agreement. There are a number of elements that must be included in employment agreements by law.

2.2.1 The majority of employers had employment agreements for all of their employees

Similar to results from previous NSEs, most employers (91 per cent) had written employment agreements for all of their employees. Compared with 99 per cent of employers in larger sized businesses, employers with fewer than 6 employees were less likely to have agreements for all employees, at 88 per cent. In these smallest sized businesses, one in ten employers reported not having written employment agreements for all employees. Compared with all employers, Health Care and Social Assistance sector employers were more likely to have written agreements for all of their employees (98 per cent).

Figure 4 shows the proportions of employers that had employment agreements for all employees, by business size and by industry.

Figure 4: Proportion of employers with written employment agreements for all employees, by business size and by industry



2.3 Minimum wages

Minimum wage rates apply to all employees, whether full-time, part-time, fixed-term, casual, working from home, and people paid totally or partly by commission or piece rates. Employees aged 16 years and over must be paid at least the adult minimum wage rate, unless they are starting-out workers or trainees.⁷

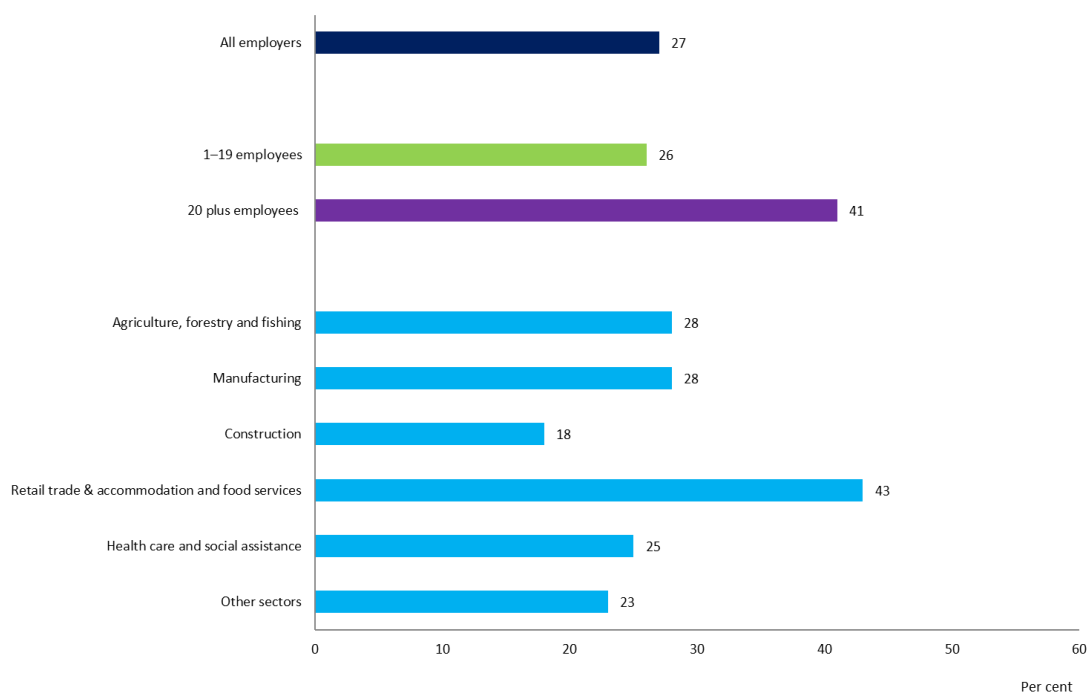
For most of the period that the 2017/18 NSE was in the field, the adult minimum wage was \$16.50 per hour, and the starting-out and training minimum wages were \$13.20 per hour. On 1 April 2019, the Government increased the adult minimum wage by \$1.20 to \$17.70 per hour.

2.3.1 Just over one-quarter of employers were paying the adult minimum wage to one or more employees

Similar to previous years, 27 per cent of employers were paying the adult minimum wage to one or more of their employees – see Figure 5. Also consistent with results from previous NSEs:

- employers with 20 plus employees were more likely to be paying the adult minimum wage to one or more employees than those in smaller businesses (41 per cent and 26 per cent, respectively)
- Compared with all employers, those in the Retail Trade, and Accommodation and Food Services sector were much more likely to be paying the adult minimum wage to one or more of their employees (43 per cent).

Figure 5: Proportion of employers paying the adult minimum wage to one or more of their employees



In 2018/19, employers in the Construction sector (18 per cent of employers) were less likely to be paying the adult minimum wage to one or more employees, compared with all employers.

⁷ For further information on the minimum wage please refer to:
<https://www.employment.govt.nz/hours-and-wages/pay/minimum-wage/>

The lower likelihood of Construction sector employers to be paying any employee the adult minimum wage has been observed in most of the previous NSEs.

2.3.2 Six in ten minimum wage employers paid the adult minimum wage to 'less than 31%' of their employees

Employers paying the minimum wage were also asked about the proportion of employees in the business that were paid the minimum wage. Forty-four per cent reported that 'less than 10%' of their employees were paid this wage rate and 16 per cent were paying the adult minimum wage to '10% to 30%' of their employees. However, one-quarter paid this wage rate to 'more than 50%' of their employees.

Larger employers were more likely than smaller employers to pay the minimum wage to a smaller proportion of their staff – 62 per cent of larger sized minimum wage employers paid the adult minimum wage to 'less than 10%' of employees, compared with 41 per cent of smaller employers. Conversely, only 8 per cent of larger minimum wage employers paid the minimum wage to 'more than 50% of employees', while 30 per cent of smaller employers reported doing so.

Results by industry show that compared with all minimum wage employers, those in the Retail Trade, and Accommodation and Food Services sector were less likely to pay 'less than 10%' of employees the adult minimum wage (29 per cent) while those in the Health Care and Social Assistance sector were more likely to do so (63 per cent).

2.3.3 Employers were more likely to be using the starting-out wage than the training minimum wage

Twelve per cent of employers had current employees eligible to be paid the training minimum wage. However, only three per cent were using the training minimum wage (or a rate between this and the adult minimum wage) for any of these employees.

Larger employers were more likely than smaller employers to have current employees eligible to be paid the training minimum wage (23 per cent and 10 per cent, respectively). There was no significant difference by business size in the proportion of employers who were paying the training minimum wage to one or more eligible employees (seven per cent and three per cent, respectively).

Compared with all employers, those in Construction were much more likely to have current employees eligible to be paid the training minimum wage (32 per cent). Health Care and Social Assistance sector employers were also more likely to have employees on staff who were eligible to be paid the training minimum wage (22 per cent). Employers in the Retail Trade, and Accommodation and Food Services sector and those in Agriculture, Forestry and Fishing were less likely to have current employees eligible to be paid the training minimum wage (seven per cent and four per cent, respectively). However, despite these differences by industry in the proportions of employers with one or more staff eligible to be paid this minimum wage rate, there were no significant differences by industry sector in employer use of the training minimum wage for these employees.

Of the 65 per cent of employers who had hired a new employee in the last 12 months, 43 per cent had employed one or more workers aged 16 to 19. This equates to approximately 28 per cent of all employers having hired a younger worker in the last 12 months. Of these employers, 16 per cent were paying the starting-out wage (or a rate between this and the adult minimum

wage) to one or more of these ‘potentially eligible’ employees. These results are consistent with the 2017/18 NSE results.

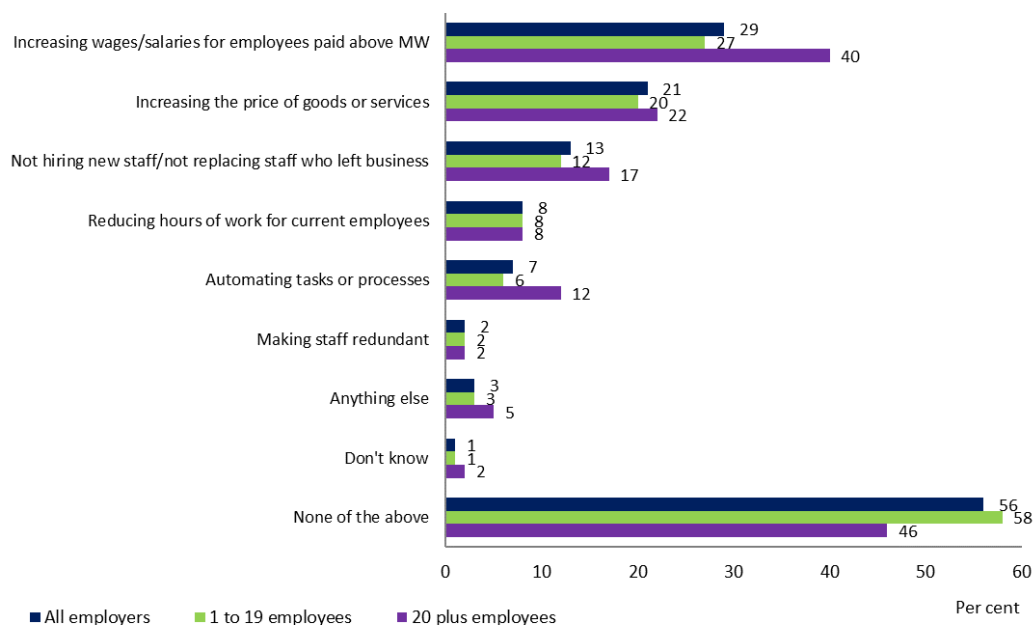
Among those who had hired a new employee in the last 12 months, larger employers were much more likely than smaller employers to have employed a worker aged 16 to 19 (62 per cent and 39 per cent, respectively). However, there was no significant difference between the proportions of larger and smaller employers of younger workers who were paying one or more of these employees the starting-out wage.

Compared with all employers, those in the Agriculture, Forestry and Fishing sector who had hired a new employee in the last 12 months were more likely to have employed a younger worker (60 per cent, compared with 43 per cent of all employers), while hiring employers in the Health Care and Social Assistance sector were less likely to have done so (29 per cent). However, there were no significant differences by industry in the likelihood of employers of younger workers to be using the starting-out wage for any of these employees.

2.3.4 Just over four in ten employers reported that the business took some action due to the most recent increase in the adult minimum wage

The most commonly reported impact on businesses from the most recent increase in the adult minimum wage was increasing wages or salaries for employees already paid above the minimum wage. Three in ten employers reported that they increased wages or salaries for employees already paid above the minimum wage in response to the most recent increase in the adult minimum wage. This is similar to results in 2017/18, noting changes were made to the 2018/19 question format.

Figure 6: Proportion of employers reporting impacts from the most recent increase in the adult minimum wage



Note: Total exceeds 100 per cent due to multiple responses.

Two in ten employers reported increasing the price of goods or services in response to the most recent minimum wage increase and 13 per cent reported not hiring new staff or not replacing staff that left the business due to the increase in the minimum wage. Other impacts reported included reducing hours of work for current employees (8 per cent) and automating

tasks or process (7 per cent). Two per cent reported having made staff redundant due to the increase in the minimum wage.

Larger employers with 20 plus employees were more likely to report various ‘flow-on effects’ from minimum wage increases than smaller employers (approximately 50 per cent and 40 per cent, respectively – see Figure 6). Specifically, larger employers were more likely than smaller employers to report increasing wages or salaries for employees already paid above the minimum wage in response to the most recent increase (40 per cent and 27 per cent, respectively). Larger employers were also more likely than smaller employers to report that they had not hired new staff or not replaced staff who had left the business (17 per cent and 12 per cent, respectively).

Compared with all employers, those in the Retail Trade, and Accommodation and Food Services sector were more likely to report that the business took some action in response to the most recent minimum wage increase (43 per cent and 59 per cent, respectively). Retail Trade, and Accommodation and Food Services sector employers were more likely to report:

- increasing wages or salaries for employees already paid above the minimum wage (42 per cent)
- not hiring new staff or not replaced staff who left the business (23 per cent)
- reducing hours of work for current employees (16 per cent).

Manufacturing sector employers were more likely to report having increased the price of goods and services in response to the most recent increase in the adult minimum wage (30 per cent) compared with all employers (21 per cent).

2.4 Employee concerns regarding underpayment of holidays

The *Holidays Act 2003* sets out employee entitlements to annual holidays, public holidays, sick leave, bereavement leave, parental leave and other types of leave. The Act also specifies how leave payments should be calculated. The purpose of this Act is to promote balance between work and other aspects of employees’ lives.

Systemic compliance issues with the *Holidays Act 2003* initially arose in 2012 and since then businesses have reported widespread non-compliance, with a large number of employers struggling to meet their obligations and a large number of employees not receiving their correct entitlements. This situation has led Government to undertake a broad review of the Act.

The 2018/19 NSE included questions on whether employees had raised concerns about their holidays or leave being underpaid and, if so, actions taken to address these concerns. Results to these questions can be compared with results from the previous three NSEs.

2.4.1 Few employers reported that employees had raised concerns about their holidays or leave being underpaid

Consistent with the 2017/18 and 2016/17 NSEs, only three per cent of all employers reported that any employee had raised concerns with the business about their holidays or leave being underpaid. It was more common for larger employers to report this than smaller employers (eight per cent and two per cent, respectively).

2.4.2 Where concerns had been raised, employers had most commonly undertaken an internal investigation of employees' holiday or leave pay

Among the 3 per cent of employers who reported that employees had raised concerns about underpayment of leave or holidays, the most common action taken in response to concerns was to undertake an internal investigation of employees' holiday or leave pay (74 per cent).

Other actions taken to address concerns included:

- making settlement payments to employees who raised concerns (29 per cent)
- seeking help or advice from a source other than MBIE (26 per cent)
- undertaking an audit of the payroll system (25 per cent)
- explaining the payroll system/entitlements to the employee (11 per cent)
- seeking help or advice from MBIE (10 per cent).

2.5 Parental leave

Questions were also included on the use of parental leave, additional payments and flexibility offered to eligible employees, and return to work after parental leave. These questions are similar to those asked in the 2016/17 NSE.

2.5.1 Most employers offered flexible or reduced hours; a minority exceeded statutory requirements

Consistent with in 2016/17, one in five employers reported that one or more of their employees had taken parental leave in the previous two years, with larger employers more likely to report that one or more employees had taken parental leave than smaller employers (61 per cent and 15 per cent, respectively).

Compared with all employers, those in the HealthCare and social assistance sector were more likely to report that one or more employees had taken parental leave (36 per cent).

Of the 20 per cent of employers with employees who had taken parental leave:

- 67 per cent offered one or more of these employees flexible or reduced hours on their return to work
- 24 per cent gave one or more of these employees additional parental leave on top of statutory requirements
- nine per cent gave one or more of these employees additional parental leave payments on top of statutory requirements, with Retail Trade, and Accommodation and Food Services sector employers less likely to do so (3 per cent)
- three-quarters reported that most of these employees returned to work at the end of their parental leave.

2.6 Managing employment problems and disputes

The 2018/19 NSE included questions to assess the extent and nature of employment relationship problems or disputes requiring action or involvement by the business owners or managers)

2.6.1 One in four employers had an employment relationship problem in the last 12 months that required management action

In the previous year, 24 per cent of businesses had an employment relationship problem or dispute that required action or involvement by the business owners or managers. This was an

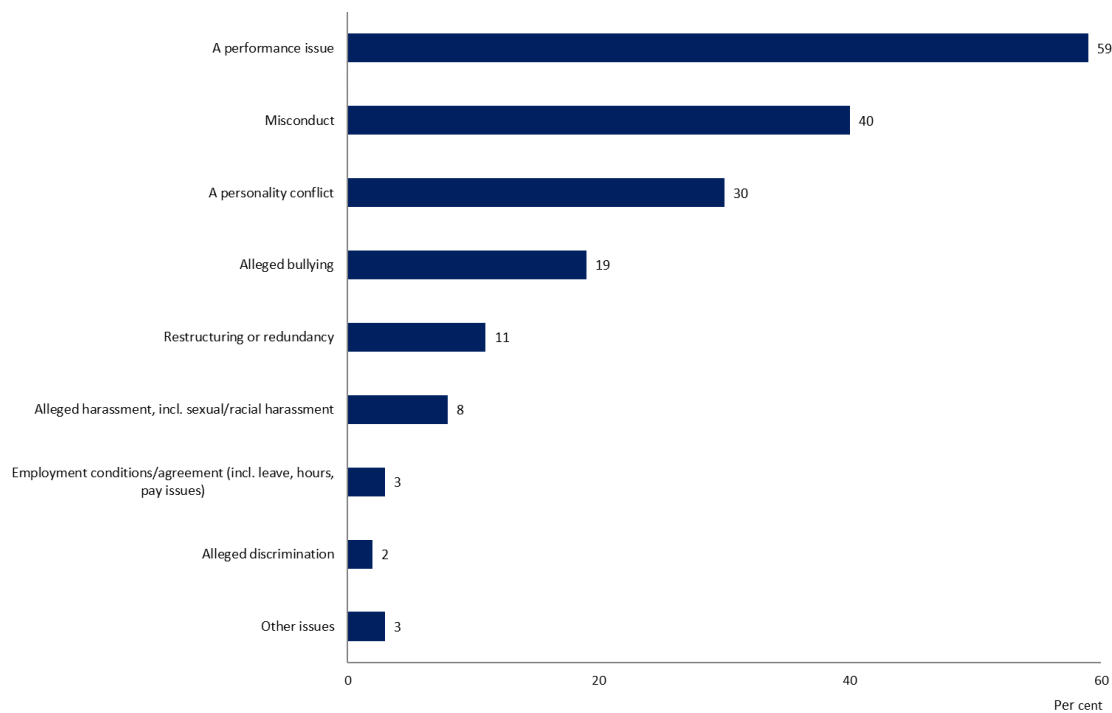
increase from 17 per cent in 2016/17, similar to the 2014/15 NSE result of 22 per cent, and also higher than the 2012/13 result of 19 per cent.

It was more common for larger employers than smaller employers to have experienced one or more employment relationship problems or disputes in the last 12 months (59 per cent and 20 per cent, respectively). Health Care and Social Assistance sector employers (32 per cent) were also more likely to have experienced disputes compared with all employers, although this is likely to reflect the size of these businesses.

2.6.2 Performance issues were the most common reason for employment relationship problems

Employers who had experienced an employment relationship problem in the last 12 months were asked what the most recent problem was about. The reasons given for the most recent problem were a performance issue (59 per cent, up from 47 per cent in 2016/17), misconduct (40 per cent) or personality conflict (30 per cent). Figure 7 illustrates full results.

Figure 7: Nature of most recent employment relationship problem or dispute*



* Sub-sample based employers who reported the business had an employment relationship problem or dispute in the last 12 months that required the involvement of the business owners or managers, n = 947.

Note: Total exceeds 100 per cent due to multiple responses.

The three most common reasons for employment relationship problems and disputes in 2018/19 were consistent with results in 2016/17 and 2014/15.

The reasons for disputes were mostly similar for employers irrespective of business size. The exception was employment problems due to personality conflicts. While only 22 per cent of larger employers who experienced a dispute said this was due to a personality conflict, the corresponding figure for smaller employers was 33 per cent.

Compared with all employers who had experienced employment relationship problems or disputes, the main differences by industry in the nature of disputes were:

- the higher proportion of Construction sector employers who reported that disputes were due to a performance issue (84 per cent) or misconduct (60 per cent)
- the lower proportion of Agriculture, Forestry and Fishing sector employers reporting that restructuring or redundancy was the reason for a problem or dispute (2 per cent)

2.6.3 Six out of ten employers who experienced disputes or employment relationship problems handled these issues internally

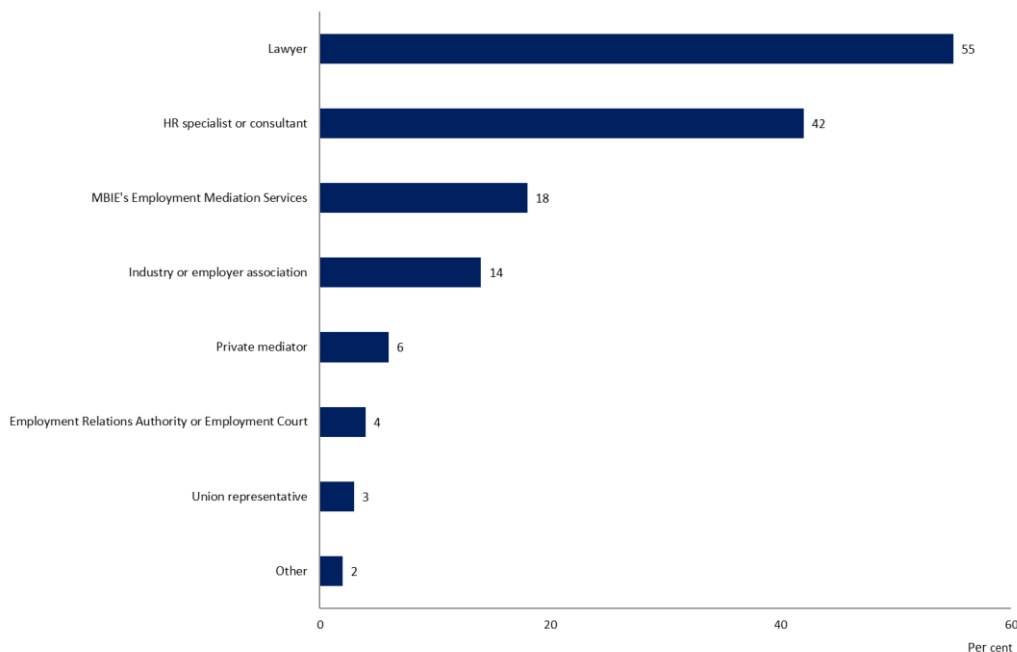
Employers who had experienced an employment relationship problem in the previous 12 months were asked whether the most recent problem was handled internally or with the help of an external party. Where the problem was handled externally, respondents were also asked about the type of help used.

While 61 per cent of employers who experienced problems or disputes reported that they handled these internally, 44 per cent handled problems with the help of an external party.⁸ Most employers who experienced problems or disputes reported that this was how the business usually deals with these types of problems (83 per cent). These results are similar to findings from the 2016/17 and 2014/15 NSEs.

2.6.4 Where an external party was used to deal with a problem or dispute, lawyers most commonly provided this assistance

Employers who used external help to deal with an employment relationship problem or disputes, had most commonly used a lawyer (55 per cent). The other most common source of external help was a human resource specialist or consultant (used by 42 percent of employers who used external help to deal with a dispute).

Figure 8: Types of external help used to deal with most recent problem or dispute*



* Sub-sample based on those employers who reported the business had an employment relationship problem or dispute in the last 12 months and who sought external advice and support to help resolve it – n = 460.

Note: Total exceeds 100 per cent due to multiple responses.

⁸ Some respondents had used both internal and external help to deal with the most recent employment relationship problem or dispute.

One in five employers who used an external party to help resolve the matter sought help from MBIE's Employment Mediation Services (18 per cent) and 14 per cent used an industry or employer association - see Figure 8.

It was more common for employers in larger businesses than smaller businesses to use a union representative as an external source of help to deal with employment problems or disputes (7 per cent and 1 per cent, respectively).

2.6.4 One-third of employers reported that an employee resigned following a recent employment problem

As part of this series of questions, employers were asked about the outcome of the problem or dispute. The most commonly reported outcomes for the most recent employment dispute experienced by the business were:

- the employee stayed on in the job (38 per cent, up from 27 per cent in 2016/17)
- the employee resigned (32 per cent)
- the employee was dismissed (17 per cent).

Another six per cent of employers who had experienced a dispute reported that the employee was made redundant, two per cent reported another type of outcome and two per cent said the issue was still ongoing or unresolved. It was more common for employers in smaller business than larger business to report that the outcome involved the employee staying on in the job (41 per cent and 30 per cent, respectively).

The majority of employers were satisfied with the outcome of the most recent employment relationship problem or dispute experienced by the business (81 per cent), and this result was similar irrespective of the size or industry or the business. Another 12 per cent of employers who had experienced a dispute were not satisfied with the outcome and the remaining eight percent gave an unspecified response ('don't know' or 'would rather not say').

3 Health and safety systems and practices

The health and safety at work regulatory system provides a balanced framework aimed at ensuring the health and safety of workers and workplaces. The NSE collects information about workplace health and safety systems and practices including compliance with aspects of legislation and employers’ views on the law.

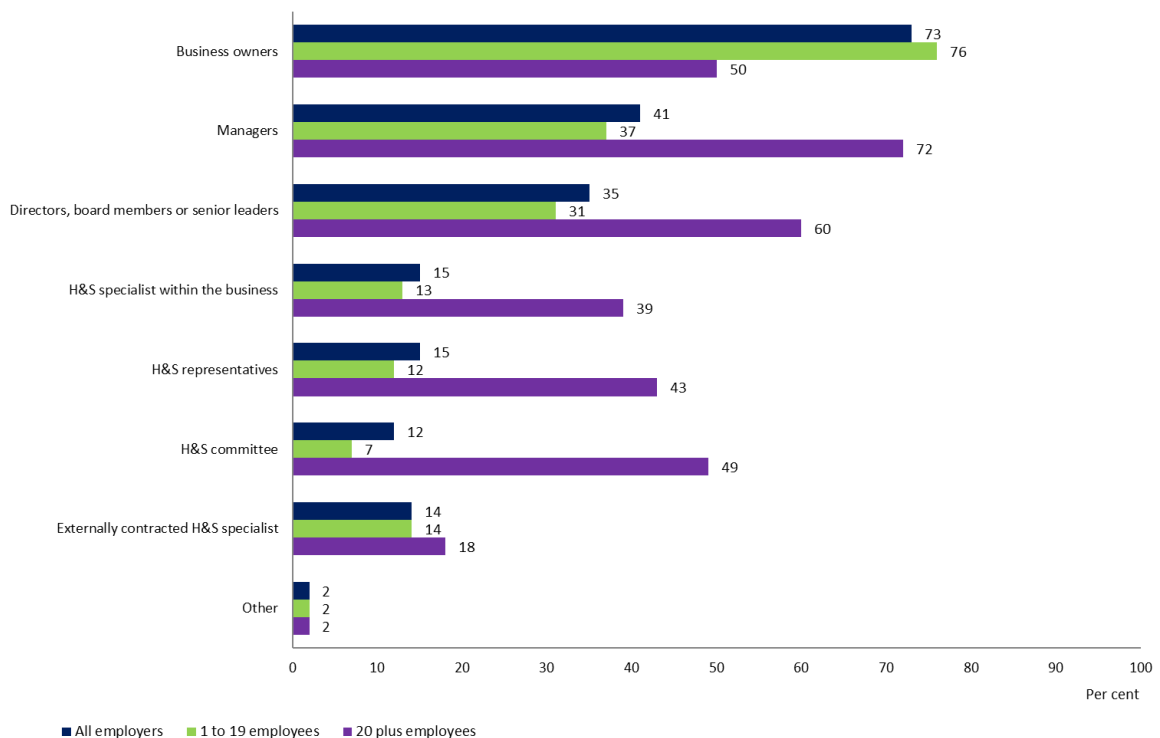
The 2018/19 survey was conducted almost three years after the enactment of the *Health and Safety at Work (HWS) Act 2015*. Data from the NSE helps in assessing how effective the legislation change has been in improving workplace health and safety in terms of employer practices and attitudes towards managing health and safety.

3.1 Health and safety leadership, and managing risks and hazards

3.1.1 Seven out of ten employers reported that their business’s owners were mainly responsible for health and safety leadership

Consistent with in 2017/18, most employers (73 per cent) reported that their business owner(s) were mainly responsible for providing health and safety leadership for the business – see Figure 9. Other main sources of health and safety leadership were managers (41 per cent), and directors, board members or senior leaders (35 per cent).⁹

Figure 9: Proportion of employers reporting who was mainly responsible for providing health and safety leadership for the business, by business size



Note: Total exceeds 100 per cent due to multiple responses.

Fifteen per cent of employers reported that a health and safety specialist within the business was mainly responsible for health and safety leadership, up slightly from 11 per cent in

⁹ Respondents could provide more than one response to this question.

2017/18. The proportion reporting that health and safety reps were mainly responsible also increased slightly (up from 11 per cent in 2017/18 to 15 per cent in 2018/19), as did the proportion reporting that a contracted health and safety specialist from outside the business was mainly responsible (up from 9 per cent to 14 per cent). For 12 per cent of employers a health and safety committee was mainly responsible for providing health and safety leadership for the business (consistent with 11 per cent in 2017/18).

Employers in larger business (with 20 plus employees) approach health and safety leadership differently from smaller employers. Seven out of ten larger employers (72 per cent) reported that managers were mainly responsible for health and safety leadership and 60 per cent reported that directors, board members or senior leaders were mainly responsible compared with 37 per cent and 31 per cent, respectively, of smaller employers.

Larger employers were also much more likely to rely on an health and safety committee (49 per cent), health and safety reps (43 per cent) and/or an health and safety specialist within the business (39 per cent) than smaller employers (7 per cent, 12 per cent and 13 per cent, respectively). Conversely, smaller employers (with fewer than 20 employees) were much more likely than larger employers to report that business owners were mainly responsible for health and safety leadership (76 per cent and 50 per cent, respectively).

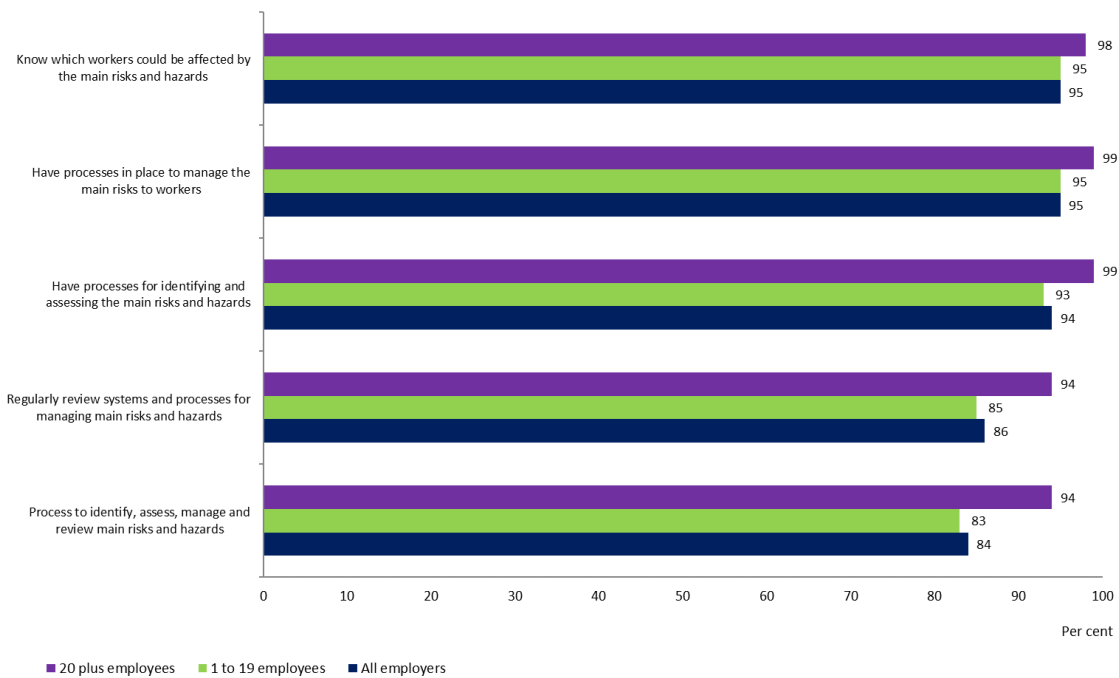
There was some variation in these results by industry. However, industry level results generally reflected the pattern of results for all employers. That is, employers in each of the six industry groupings were most likely to report that business owners were mainly responsible for providing health and safety leadership, followed by managers, and/or directors, board members or senior leaders.

3.1.2 The majority of employers had processes in place to identify and manage health and safety risks and hazards

High proportions of employers had systems and processes in place to deal with their business's main health and safety risks and hazards, with:

- 95 per cent of employers reporting that they knew which workers could be affected by the main risks and hazards
- 95 per cent of employers having processes in place to manage the main risks to workers
- 94 per cent of employers having a process for identifying and assessing the business's main health and safety risks and hazards (up from 89 per cent in 2017/18)
- 86 per cent of employers regularly reviewing their systems and processes for managing the main risks and hazards.

Figure 10: Proportion of employers with systems and processes to manage the business’s main health and safety risks and hazards, by business size



* The final set of bars in Figure 10 show the aggregate result – the proportion of employers that gave a ‘yes’ response to all four questions.

In total, 84 per cent of employers had processes in place to identify, assess, manage and review their business’s main health and safety risks and hazards. This result is an aggregate of the proportion of employers who responded ‘yes’ to all of the four questions about identifying, assessing, managing and reviewing health and safety risks and hazards (as per the four bullet points above).

This result was higher for larger employers (94 per cent) than it was for smaller employers (83 per cent) – see Figure 10. However, there was a slight increase from 2017/18 (79 per cent) to 2018/19 in the proportion of smaller employers who reported having processes in place to identify, assess, manage and review their business’s main health and safety risks and hazards. The results presented above on managing risks and hazards are consistent with those from the 2017/18 NSE, apart from the differences as noted.

3.1.3 Businesses were more likely to have processes for managing risks of injury at work and risks to physical health than risks to mental health

The 2018/19 NSE included new questions on whether the business had processes to manage risks of injury at work, risks to physical health and risks to mental health. The survey results show that there was a higher likelihood of businesses having processes to manage risks of injury (93 per cent) and risks to physical health (86 per cent) than having processes for managing risks to mental health for example, from bullying, harassment or stress (69 per cent). However, another 8 per cent of employers gave a ‘not specified’ response when asked whether the business had processes for managing risks to mental health (ie a ‘don’t know’ or ‘would rather not say’ response), while 23 per cent reported that they didn’t have processes in place for managing mental health risks.

Larger employers were more likely than smaller employers to have each of these three processes in place for managing risks. By, industry, and compared with all employers:

- those in the Construction sector were more likely to have processes for managing the risks to physical health, for example from exposure to dust and fumes (95 per cent)
- Health Care and Social Assistance sector employers were much more likely to have processes for managing risks to mental health (89 per cent).

3.1.4 Half of employers reported that the business's officers asked for information on how health and safety risks and hazards were managed

In total, 52 per cent of employers reported that the business's officers (ie the directors, board members or senior leaders of the business) had asked for information on how the business was managing its main health and safety risks and hazards in the last year. One-quarter of employers reported that the business's officers had not asked for this information, and 21 per cent gave a 'not applicable' response to this question (ie the business did not have officers). These results are similar to those reported in 2017/18 and 2016/17.

Eight out of ten employers in larger businesses (with 20 plus employees) reported that the business's officers had asked for information on how the business was managing its main health and safety risks compared with 48 per cent of smaller employers. Compared with all employers, there were no significant differences in these results by industry sector.

3.1.5 Two-thirds of employers who had 'shared duties' with another business for workplace health and safety worked with other businesses to manage health and safety risks

In the previous 12 months, just over half of employers had work done by contractors/sub-contractors from another business (53 per cent) and 47 per cent had workers who were working on the same site with workers from another business. Overall, 69 per cent of all employers had 'shared duties' with another employer for workplace health and safety (ie one or both of the above situations applied). This result is in line with the 2016/17 NSE result.

As might be expected:

- larger employers (with 20 plus employees) were more likely to have shared duties than smaller employers (90 per cent and 66 per cent, respectively)
- employers in Construction were more likely to have shared duties (91 per cent) while those in the Retail Trade, and Accommodation and Food Services sector were less likely to (55 per cent), compared with all employers.

Among those employers who had shared duties for workplace health and safety, 66 per cent reported that their business worked with other businesses to manage these risks. This result is consistent with 2017/18 and 2016/17. Reflecting the results above on the business size and industry sector of employers who more commonly reported having shared duties:

- employers with 20 plus employees who had shared duties were more likely than smaller employers with shared duties to be jointly managing shared risks (72 per cent and 64 per cent, respectively)
- Construction sector employers were more likely to be jointly managing shared risks (81 per cent) and Retail Trade, and Accommodation and Food Services employers and Health Care and Social Assistance sector employers were less likely to be doing so (53 per cent and 52 per cent, respectively), compared with all employers.

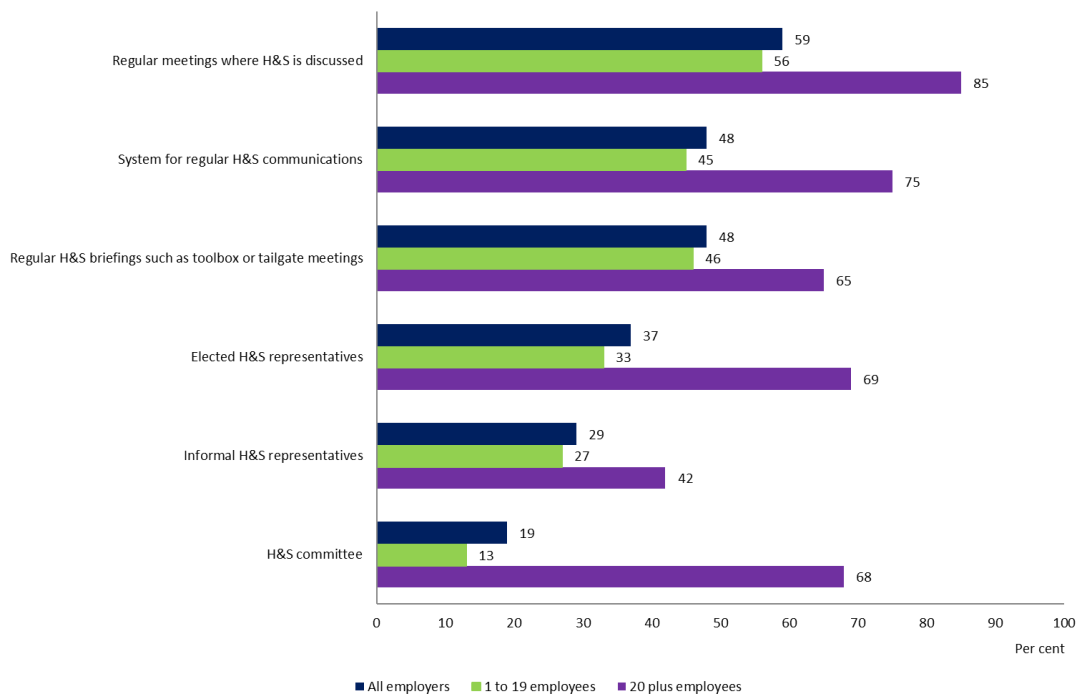
Similar differences by business size and industry were observed in 2017/18 and 2016/17.

3.2 Worker involvement in health and safety

3.2.1 Employers involved workers in health and safety in a range of ways

The most common way to involve workers in health and safety was by having regular meetings where health and safety was discussed (59 per cent). Half of all employers reported having a system for regular health and safety communications (48 per cent) and/or having regular health and safety briefings, such as toolbox or tailgate meetings (48 per cent, up from 37 per cent in 2017/18). Also showing an increase since 2017/18 was the proportion of employers who reported that the business had elected health and safety representatives (37 per cent up from 30 per cent in 2017/18).

Figure 11: Business practices for involving workers in health and safety, by business size



Note: Total exceeds 100 per cent due to multiple responses.

Consistent with 2017/18 and 2016/17:

- 29 per cent of employers reported having informal representatives or champions
- 19 per cent reported having a health and safety committee
- larger employees were more likely than smaller employees to report using each of the methods asked about to involve their workers in health and safety (Figure 11)
- 81 per cent of those in the Construction sector involved their workers by having regular health and safety briefings, such as toolbox or tailgate meetings (compared with 48 per cent of all employers).

Differences in these results by industry compared with all employers were:

- the lower proportion of employers in both the Retail Trade, and Accommodation and Food Services sector and the Health Care and Social Assistance sector that reported having regular health and safety briefings, such as toolbox tailgates meeting (27 per cent and 22 percent, respectively)
- the higher proportion of Health Care and Social Assistance sector employers who had regular meetings where health and safety is discussed (68 per cent) and the lower

proportion of Retail Trade, and Accommodation and Food Services sector employers who reported having these regular meetings (47 per cent).

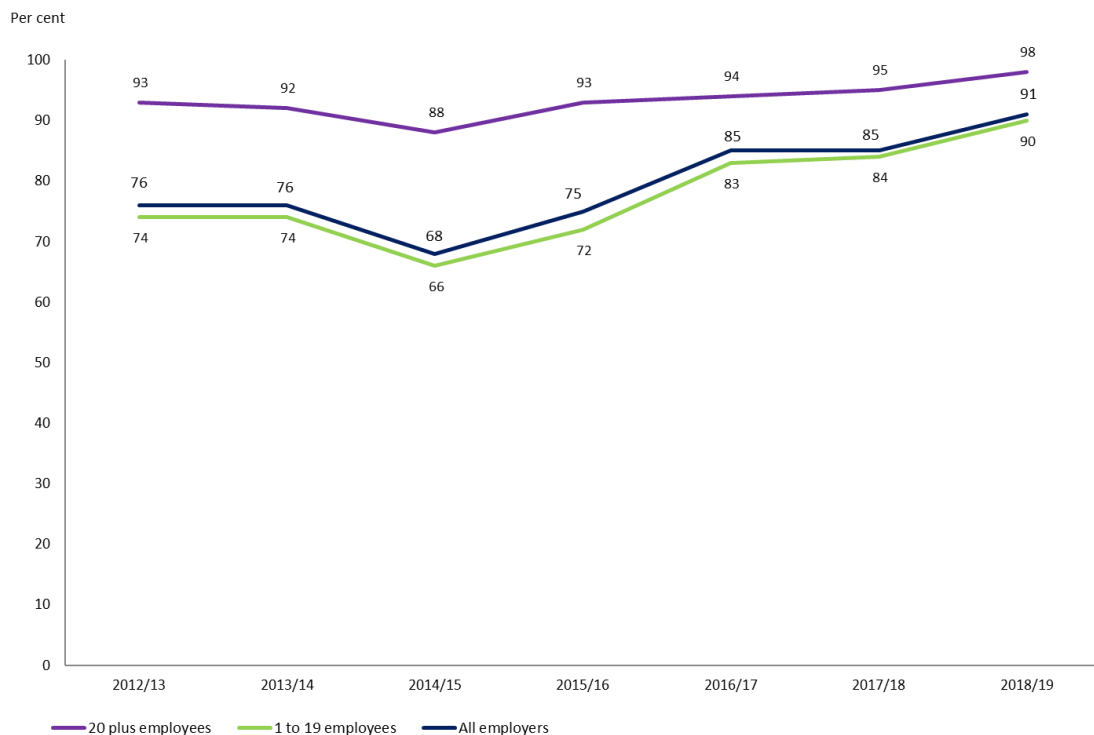
3.2.2 Seven in ten employers involved their workers in decisions affecting their health and safety

Seventy-two per cent of employers reported that they involved their workers, including any contractors, in decisions affecting their health and safety ‘all or most of the time’. This was similar to 68 per cent of employers in 2017/18, and an increase from 61 per cent in 2016/17. Another 24 per cent reported that they did so ‘some of the time’. Only 2 per cent of employers reported that they ‘never’ involved workers in decisions affecting their health and safety. Results by business size and by industry were similar to results for all employers.

3.2.2 Most employers provided health and safety inductions for all new employees, and a higher proportion reported provided inductions than in 2017/18

In total, 91 per cent of employers reported providing health and safety inductions for all new employees – this was up from a figure of 85 per cent in both 2017/18 and 2016/17 which in turn were higher than results from the four previous NSEs – see Figure 12.

Figure 12: Proportion of employers that have health and safety inductions for all new employees, by business size – 2012/13 to 2018/19



The increase from 2017/18 to 2018/19 (and from 2015/16 to 2016/17) in the proportion of all employers providing inductions was driven by the increased proportion of smaller employers that reported providing inductions (up from 84 per cent in 2017/18 to 90 per cent in 2018/19).

Consistent with results from previous NSEs, larger employers were more likely to provide health and safety inductions than smaller employers (98 per cent and 90 per cent, respectively). There were no significant differences in this result by industry compared with all employers.

3.3 Changes made to health and safety systems or practices

3.3.1 Three in ten employers had made significant changes to their health and safety systems or practices in the previous year

In total, 31 per cent of employers had made significant changes to their health and safety systems or practices in the previous 12 months (67 per cent had not done so). As Figure 13 demonstrates, this result is similar to 34 per cent in 2017/18, with both results down from 49 per cent in 2016/17. The comparatively high proportion of employers who made changes in 2016/17 was likely to have been driven by the large number of employers who made changes to their systems or practices at this time to ensure compliance with the *HSW Act 2015*.

Figure 13: Proportion of employers that made significant changes to the business's health and safety systems and practices, by business size – 2012/13 to 2018/19



Results by industry group were consistent with overall results, with the exception of the Health Care and Social Assistance sector. In this case employers who were slightly less likely to have made significant changes to their health and safety systems and practices (23 per cent).

Consistent with previous years, large employers were more likely to have made significant changes than small employers with (44 per cent and 29 per cent, respectively).

3.3.2 The most common changes made to health and safety systems or practices were to develop or review policies or systems

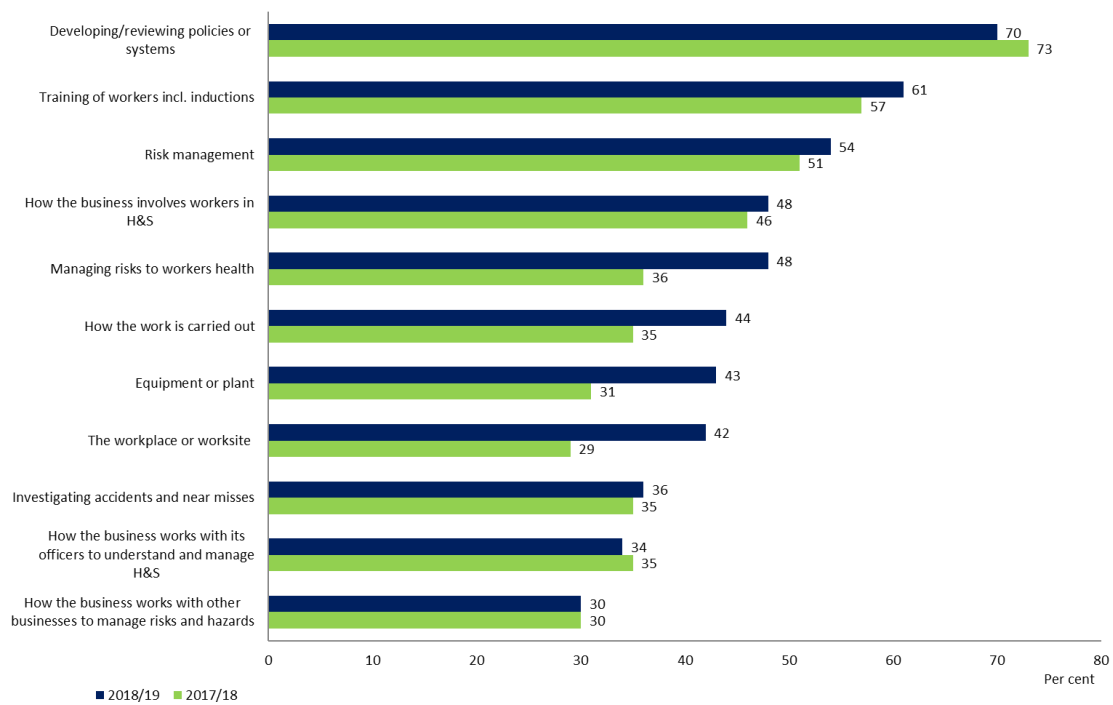
Of the 31 per cent of employers who had made significant changes to their health and safety systems or practices, the most common areas where changes were made were:

- the development of policies or systems (70 per cent)
- the training of workers, including inductions (61 per cent)

- risk management (54 per cent)
- how the business involved workers in health and safety (48 per cent)
- managing risks to workers' health (48 per cent).

These types of changes to health and safety systems or practices were also commonly reported in 2017/18 – see Figure 14.

Figure 14: The most common changes made to health and safety systems or practices – 2017/18 and 2018/19*



* Sub-samples based on those employers who had made significant changes to the business's health and safety systems and practices in the last 12 month, n = 1,030 (2017/18), n = 857 (2018/19).

In 2018/19, there were significant increases compared with the previous year in the proportions of employers reporting that they made changes to the following health and safety systems or practices:

- managing risks to workers' health (48 per cent, up from 36 per cent in 2017/18).
- equipment or plant (43 per cent, up from 31 per cent in 2017/18)
- the workplace or worksite (42 per cent, up from 29 per cent in 2017/18).

3.3.3 Larger employers more likely than smaller employers to have made some changes

Larger employers, with 20 plus employees, who made changes, were more likely than those with 1–19 employees to have made changes to:

- the development of policies or systems (84 per cent and 68 per cent, respectively)
- training of workers, including inductions (72 per cent and 60 per cent, respectively)
- investigating accidents and near misses (51 per cent and 33 per cent, respectively)
- how the business works with its officers to understand and manage risks and hazards (48 per cent and 32 per cent respectively).

Other differences by business size were not statistically significant.

3.3.4 Differences between industries

Compared with all employers who reported making changes to their health and safety systems and practices:

- those in the Health Care and Social Assistance sector were less likely to report that the biggest change was to equipment or plant (23 per cent, compared with 43 percent of all employers) and/or to the worksite or workplace (19 per cent, compared with 42 per cent of all employers)
- employers in the Manufacturing sector were less likely to have made changes to how the business works with other businesses to manage health and safety risks and hazards (13 per cent, compared with 30 per cent of all employers).

4 Job vacancies and employing migrants

Migrants are very important to New Zealand's population and workforce, bringing skills and experience that are sometimes in short supply, and increasing diversity within New Zealand workplaces. In addition, the effective use of the knowledge and skills of all workers is a key driver of innovation and growth, leading to increased wages, competitiveness, productivity, and better social and economic outcomes. NSE data helps in understanding issues for employers around accessing skills both in New Zealand and from overseas.

4.1 Job vacancies, difficulties filling roles and whether migrants were recruited

4.1.1 Six in ten employers had job vacancies in the last 12 months, and two-thirds of these employers had difficulties finding staff to fill vacancies

While 61 per cent of all employers reported having job vacancies in the last 12 months, larger employers were much more likely to have had vacancies (95 per cent) – 57 per cent of smaller employers had vacancies. These results are consistent with prior years.

Compared with all employers, those in the Health Care and Social Assistance sector were more likely to have experienced job vacancies (72 per cent).

Similar to in 2017/18, 65 per cent of employers who had job vacancies reported difficulties finding staff to fill vacancies. Larger employers with job vacancies more commonly reported difficulties with finding staff to fill vacancies than smaller employers with vacancies (77 per cent and 63 per cent, respectively). The pattern was similar across all industry sectors.

4.1.3 One in four employers who had difficulties finding staff to fill vacancies had sought out a migrant for a 'hard to fill' job vacancy

Consistent with 2017/18 and 2016/17, of those employers who had job vacancies in the last 12 months and who had difficulties finding staff to fill job vacancies, 24 per cent had intentionally sought out a migrant for a job vacancy that was hard to fill. This equates to ten per cent of all businesses surveyed. Larger employers who had difficulties finding staff to fill vacancies were more likely to have intentionally sought out a migrant for a hard to fill job vacancy than smaller employers (34 per cent and 21 per cent, respectively) – in 2017/18 there was no significant difference in this result between larger and smaller employers. The pattern was similar across all industry sectors.

4.2 Hiring recent migrants and support provided to migrant staff

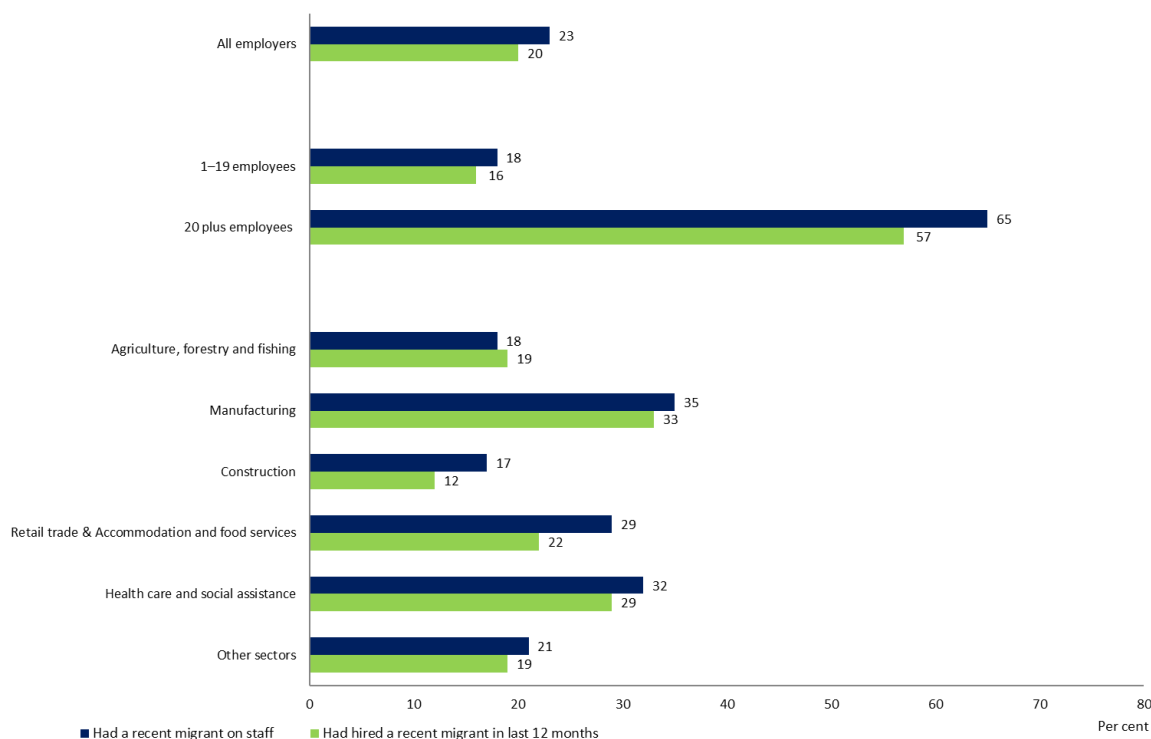
4.2.1 Fewer employers reported having a recent migrant on staff than in 2017/18

Twenty-three per cent of employers had at least one recent migrant on staff, compared with 28 per cent of employers in 2017/18. And, one in five employers had hired a recent migrant in the last 12 months, similar to 23 per cent of employers in 2017/18. The 2018/19 results are consistent with the 2016/17 results of 25 per cent of employers having a recent migrant on staff and 24 per cent having hired a recent migrant in the last 12 months.¹⁰

¹⁰ The NSE data cannot be used to estimate the number or proportion of employees who were recent migrants, as the NSE is *employer-level* data.

Larger employers were more likely than smaller employers to have a recent migrant on staff (65 per cent and 18 per cent, respectively) and to have hired a recent migrant in the last 12 months (57 per cent and 16 per cent, respectively) – see Figure 15.

Figure 15: Proportion of employers that had a recent migrant on staff/had hired a recent migrant



Compared with all employers:

- those in the Manufacturing, and Retail Trade, and Accommodation and Food Services sectors were more likely to have a recent migrant on staff (35 per cent and 29 per cent, respectively) and to report hiring a recent migrant in the previous 12 months (33 per cent and 22 per cent, respectively)
- Construction sector employers were less likely to report hiring a recent migrant in the last 12 months (12 per cent).

4.2.2 Over half of employers provided information or support specifically for their migrant staff

Employers who had a recent migrant on staff, or had hired a recent migrant in the last 12 months, were asked whether they had provided different types of information or support specifically for their migrant staff in the last 12 months (and, in addition to what was provided to other staff).

Of the 56 per cent of employers who had provided information or support specifically for migrant staff, most commonly this information and support was:

- on health and safety at work (45 per cent)
- on the New Zealand tax system and/or KiwiSaver (36 per cent)
- on employment rights and obligations (32 per cent)
- to welcome them to the workplace (28 per cent)

- on communication and culture in the workplace (26 per cent).

Fourteen per cent of employers of migrants also provided information and support for migrants to support their partner or children to settle in New Zealand and 13 per cent provided information to improve their English language skills.

Forty per cent of employers of migrants reported that they did not provide any of these types of information or support specifically for migrant staff – their migrant staff received the same information as other staff. Another four per cent have an unspecified response to this question. The types of support did not vary by industry or business size.

4.3 Difficulties with hiring migrants and impacts on the business

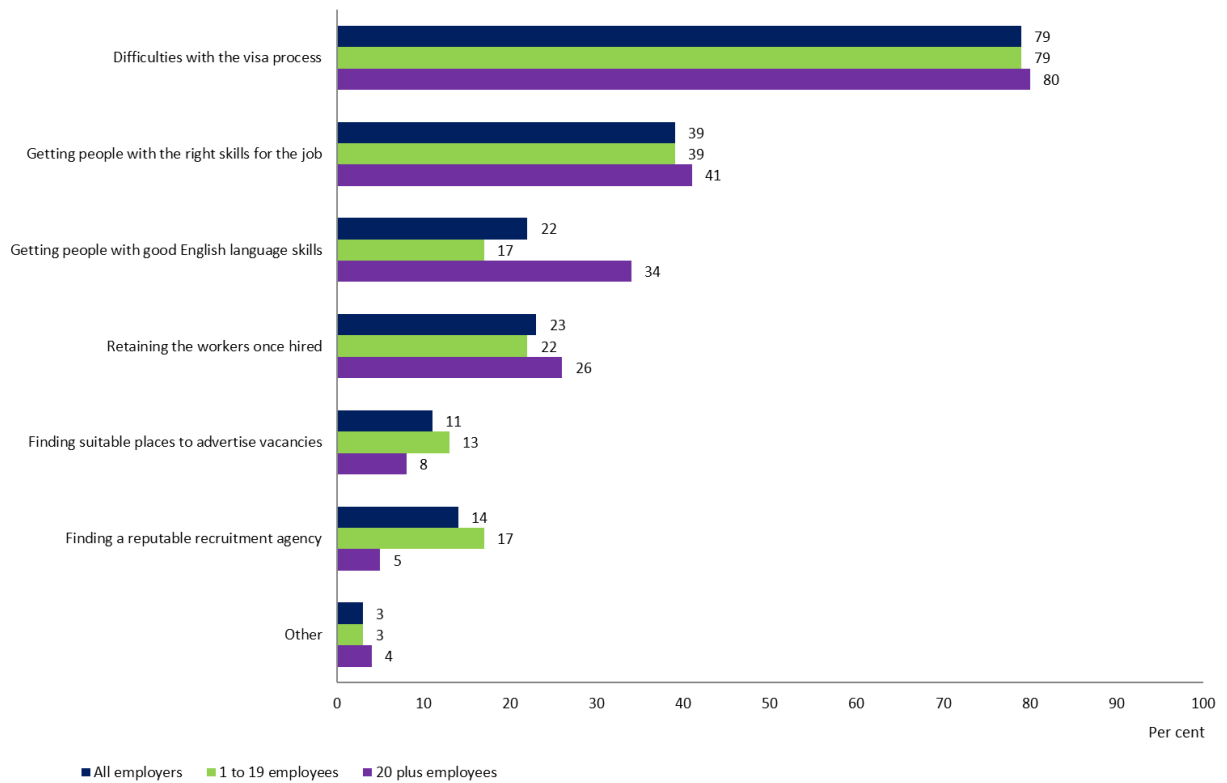
4.3.1 One in ten employers had difficulties with employing migrant workers

In total, nine per cent of employers experienced difficulties with employing migrant workers in New Zealand or from overseas in the previous year. This was similar to eleven per cent in 2017/18 and eight per cent in 2016/17. However, in the earlier surveys employees were asked about difficulties experienced with employing migrant workers ‘in the previous two years’ rather than ‘the last 12 months’. Larger employers were more than twice as likely as smaller employers to have experienced difficulties with employing migrant workers (24 per cent and 7 per cent, respectively). The likelihood of experiencing difficulties did not vary by industry.

4.3.2 The most common issue with employing migrant workers was ‘difficulties with the visa process’

Of those employers who had difficulties with employing migrant workers in the last 12 months, 79 per cent reported having difficulties with the visa process. This included difficulties with immigration policies, and with skills assessment and qualifications recognition. Difficulties with the visa process were also most frequently mentioned by employers in 2017/18 (69 per cent).

Figure 16: Types of difficulties experienced with employing migrant workers in NZ or from overseas*



* Sub-sample based on those employers who reported experiencing difficulties with employing migrant workers in NZ or from overseas in the last 12 months, n = 411.

The other main difficulty for employers in hiring migrant workers was getting people with the right skills for the job (39 per cent, similar to 34 per cent in 2017/18). There was a notable increase from 2017/18 to 2018/19 in the proportion of larger employers who reported that ‘getting people with the right skills for the job’ was a difficulty for them (up from 24 per cent in 2017/18 to 41 per cent, of those who had difficulties).

The proportions of employers who reported experiencing the other types of difficulties are as follows (see Figure 16):

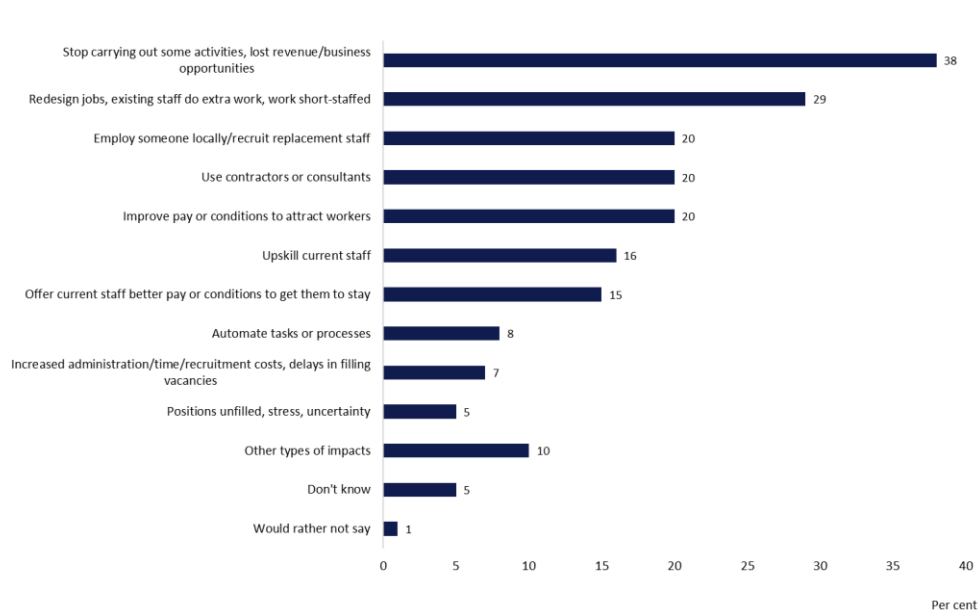
- retaining the workers once hired (23 per cent of those who had difficulties)
- getting people with good English language skills (22 per cent) – larger employers more commonly reported this difficulty than smaller employers (34 per cent and 17 per cent, respectively)
- finding a reputable recruitment agency (14 per cent) – smaller employers more commonly reported this difficulty than larger employers (17 per cent and 5 per cent, respectively), and there was a significant increase from 2017/18 (3 per cent) in the proportion of employers who reported this difficulty
- finding suitable places to advertise vacancies (11 per cent).

There were no differences by industry in the types of difficulties experienced when employing migrant staff.

4.3.3 Difficulties employing migrant workers most commonly resulted in the business not carrying out some activities or losing business opportunities/revenue

Employers who experienced difficulties with employing migrant workers were asked whether these difficulties had impacted on the business in particular ways. As Figure 17 illustrates, over a third of employers who experienced difficulties employing migrant workers had stopped carrying out some activities, or lost revenue or business opportunities. Just under a third of employers redesigned jobs, had existing staff to do extra work or worked short staffed.

Figure 17: Impact of difficulties experienced with employing migrant workers in NZ or from overseas*



* Total may exceed 100% because of multiple responses. MoE for sample size less than 30 or proportion close to 0 or 1 is indicative only.

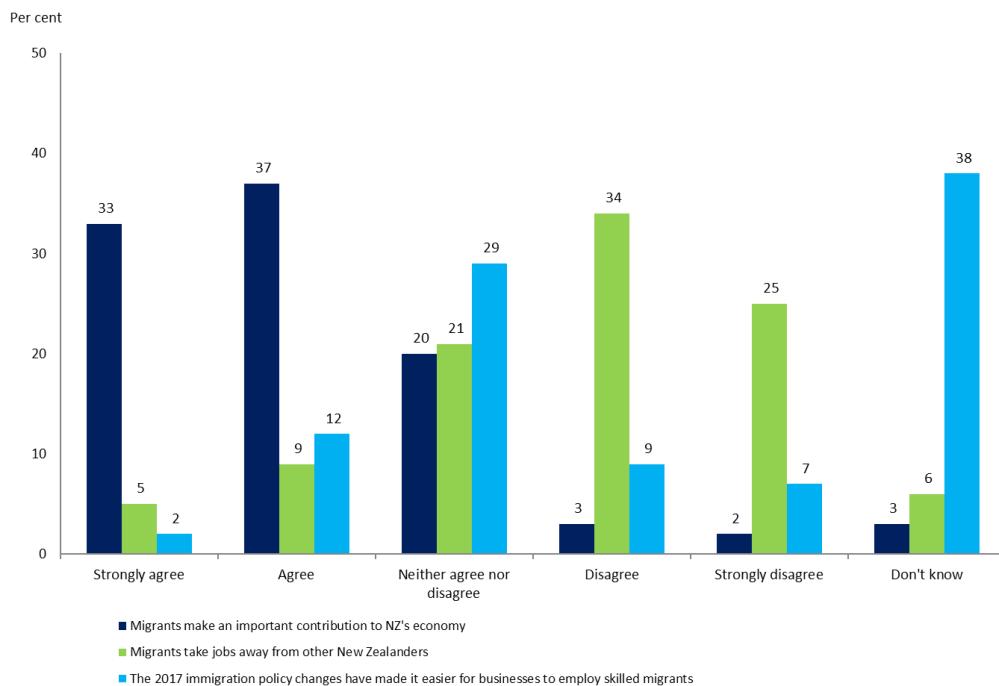
4.4 Migrants' contributions and immigration policy changes

All employers were asked about the extent to which they agreed or disagreed with the following statements:

- migrants make an important contribution to NZ's economy, for example, bring skills or new technologies into NZ
- migrants take jobs away from other New Zealanders
- the 2017 immigration policy changes have made it easier for businesses to employ skilled migrants.

Figure 18 illustrates the results.

Figure 18: Proportion of employers agreeing with statements about migrants' contribution, impact on job availability and recent immigration policy changes



4.4.1 Seven in ten employers agreed that migrants make an important contribution to New Zealand's economy

Generally employers had positive views about migrants' contribution to New Zealand with 70 per cent agreeing that migrants make an important contribution to New Zealand's economy, for example, by bringing skills or new technologies into NZ – 37 per cent 'agreed' and 33 per cent 'strongly agreed' with this statement. Twenty per cent of employers gave a neutral response to this question, 3 per cent 'disagreed' and 2 per cent 'strongly disagreed'. These results are consistent with results from the 2017/18 and 2014/15 surveys, when this question was previously asked.

Larger employers were more likely to 'strongly agree' with this statement than smaller employers (41 per cent and 32 per cent, respectively), while smaller employers were more likely to give a neutral response than larger employers (21 per cent and 15 per cent, respectively).

Compared with all employers, those in the Construction sector were more likely to give a neutral response to this statement.

4.4.2 Six in ten employers disagreed that migrants take jobs away from other New Zealanders

Consistent with previous NSEs, 59 per cent of employers disagreed with the statement 'migrants take jobs away from other New Zealanders' – this result was 55 per cent in 2017/18 and 58 per cent in 2014/15. Twenty one per cent of employers gave a neutral response to this question and 14 per cent agreed that migrants take jobs away from other New Zealanders (with 9 per cent 'agreeing' and 5 per cent 'strongly agreeing'). Six per cent of employers gave a 'don't know' response to this question.

Larger employers were more likely than smaller employers to report that they 'strongly disagreed' with this statement (31 per cent and 24 per cent, respectively), while smaller

employers were more likely than those in larger businesses to 'agree' with the statement (9 per cent and 4 per cent, respectively).

4.4.3 Fourteen per cent of employers agreed that the 2017 immigration policy changes have made it easier for businesses to employ skilled migrants

Two per cent of all employers 'strongly agreed' and 12 per cent 'agreed' that the 2017 immigration policy changes have made it easier for businesses to employ skilled migrants. Conversely, 7 per cent of employers 'strongly disagreed' and 9 per cent 'disagreed' with this statement. Most employers either gave a 'don't know' (38 per cent) or a neutral (29 per cent) response when asked whether they agreed or disagreed that the 2017 immigration policy changes have made it easier for businesses to employ skilled migrants. These results, which are consistent with 2017/18, indicate continued limited employer awareness and understanding of the 2017 immigration policy changes.

Larger employers were more likely than smaller employers to report that they 'disagreed' with this statement (15 per cent and 9 per cent, respectively), while smaller employers were more likely than those in larger businesses to give a 'don't know' response to the statement (39 per cent and 27 per cent, respectively).

Compared with all employers, Agriculture, Forestry and Fishing sector employers were less likely to 'agree' that migrants take jobs away from other New Zealanders (9 per cent and 7 per cent, respectively).

5 Appendix

5.1 Topics covered by the 2018/19 NSE

The NSE questions are developed to meet the information needs of MBIE's internal stakeholders and, in particular, MBIE's Labour and Immigration Policy branch. Some NSE questions are asked every year (where annual measures are required). Some question modules are rotated in and out of the survey in different years. In some cases new questions are developed to address emerging policy priorities. A copy of the questionnaire for the 2018/19 survey is included in a separate Appendix to this report.¹¹ For the 2018/19 NSE, employers were asked questions about the following topics:

- trial periods
- employment agreements
- minimum wages
- employee concerns regarding underpayment of holidays
- parental leave
- employment relationship problems and disputes
- drug testing
- health and safety leadership, and managing risks and hazards
- worker involvement in health and safety
- changes made to health and safety systems or practices
- job vacancies and difficulties with filling vacancies
- employing recent migrants and support provided to migrant staff
- difficulties with hiring migrants and the resulting impacts on the business
- migrants' contribution to the workforce and the 2017 immigration policy changes.

MBIE contracted Research New Zealand to contact respondents for the NSE, undertake the survey fieldwork, coding of responses, prepare a dataset, technical report and summary result tables.

5.2 Summary of survey methodology

The target population for the NSE is New Zealand business establishments employing one or more employees. The survey sample is drawn from Stats NZ's Business Register. The sample is selected based on the number of NZ businesses within six industry groupings¹², and four business size categories¹³.

Telephone calls were made to all businesses selected for the survey¹⁴ to identify the name of the business owner or senior manager at each workplace responsible for employing staff and

¹¹ The Appendix to the National Survey of Employers 2018/19: Summary Findings is available here: <https://www.mbie.govt.nz/business-and-employment/employment-and-skills/labour-market-reports-data-and-analysis/national-survey-of-employers/>

¹² Agriculture, Forestry and Fishing; Manufacturing; Construction; Retail Trade, and Accommodation and Food Services; Health Care and Social Assistance; other sectors.

¹³ 1 to 5, 6 to 19, 20 to 49 and 50 plus employees.

¹⁴ Where a phone number was found for the business during the tele-matching stage.

for health and safety matters¹⁵. Survey invitation letters/emails were then sent to these named respondents or to the business owner/manager in cases where a named respondent could not be identified.

Responding employers were asked to answer the survey questions about the business establishment/site they were currently working from.¹⁶ The pilot survey was conducted from 11 November to 14 December 2018. The main survey was in the field from 23 January to 15 May 2019 – these dates include the pre-calling stages. In total 2,285 employers participated in the 2018/19 NSE, exceeding the survey target of 2,000 interviews.

Of the 2,285 employers who completed the survey by the close-off date, 570 were interviewed by telephone, 706 completed and returned a paper questionnaire, and 1,009 responded online.¹⁷ The survey response rate for the total sample was 35.5 per cent, where a pre-notification letter or email was sent (regardless of whether the business had been successfully tele-matched). The average telephone interview length was 20 minutes and 48 seconds.

The weighting of the data ensured the results are representative of the 188,361 business establishments/ employers in New Zealand (as at February 2018).¹⁸ The survey data was weighted by industry category and business size to adjust for the sampling scheme and any non-response biases among businesses with the 24 sampling strata.

A separate Appendix to this report provides a more detailed information about the survey methodology. The appendix includes tables with the survey results by business size and by industry, including margins of error (MoEs). The MoEs in the Appendix can be used to calculate confidence intervals.

A confidence interval gives a level of certainty about a survey estimate. It indicates the range of values that would be likely to include the true result for the total population if the same survey was repeated with different samples. Confidence intervals can also be used to compare two different results (eg results for different years, or results by business size or industry).

When comparing two results with no overlap between confidence intervals, we can be 95 per cent confident that an observed difference is statistically significant. Conversely, overlapping confidence intervals indicate that a difference between two results is not statistically significant at a 95 per cent level of confidence.

The maximum MoE for the 2018/19 NSE for the total achieved sample is ± 3.3 per cent at the 95 per cent confidence level. Maximum MoEs for sub-groups – for example, by industry – are larger (see Appendix to National Survey of Employers 2018/19 Summary Findings).

5.3 Business and employer characteristics

The NSE questionnaire started by asking employers some questions about their business including:

- whether the business operates from more than one site in New Zealand
- the number of employees working at the employer's business site

¹⁵ That is, the person most appropriate to respond to the survey on behalf of the business.

¹⁶ That is, for their establishment only rather than for the total enterprise (in multi-site businesses). Thirty per cent of employers reported that their organisation operated from more than one site in NZ.

¹⁷ Two responses were removed from the original achieved sample of 2,287: one respondent was from a former employee of a business (ineligible) and the other respondent had skipped a significant number of questions in the paper questionnaire.

¹⁸ Source: Stats NZ's 2018 Business Register.

- the length of time the business had been operating in New Zealand.

The NSE also collects some information about the person who responded to the survey. The information provides a context for the survey findings, by providing a weighted demographic profile of responding employers and their business establishments.

5.3.1 Most New Zealand businesses are small

Nine out of ten New Zealand business establishments (89 per cent) have fewer than 20 employees, and 61 per cent employ 1 to 5 employees. Only 4 per cent of businesses have 50 plus employees.¹⁹

5.3.2 Three in ten New Zealand businesses operate from more than one site

Thirty per cent of employers reported that their business establishment operated from more than one site in New Zealand. As may be expected, larger businesses were more likely than smaller businesses to operate from more than one site (47 per cent for those with 20 plus employees; 28 per cent for those with 1–19 employees).

¹⁹ The business size and industry sector proportions reported in this section are based on Table C in a separate Appendix to this report where, for weighting purposes, 'Don't know' and 'Refused' responses were coded into a business size based on administrative data provided with the original sample. The Appendix to the National Survey of Employers 2018/19: Summary Findings is available here: <https://www.mbie.govt.nz/business-and-employment/employment-and-skills/labour-market-reports-data-and-analysis/national-survey-of-employers/>

5.3.3 One in five businesses are in the Retail Trade, and Accommodation and Food Services sector

After the 'other' category (45 per cent), the largest industry grouping of New Zealand's 188,361 business establishments is those in the Retail Trade, and Accommodation and Food Services sector (19 per cent), followed by those in the Construction (12 per cent) and Agriculture, Forestry and Fishing (11 per cent) sectors – see Figure 19.²⁰

Figure 19: Proportion of New Zealand business establishments in each industry category

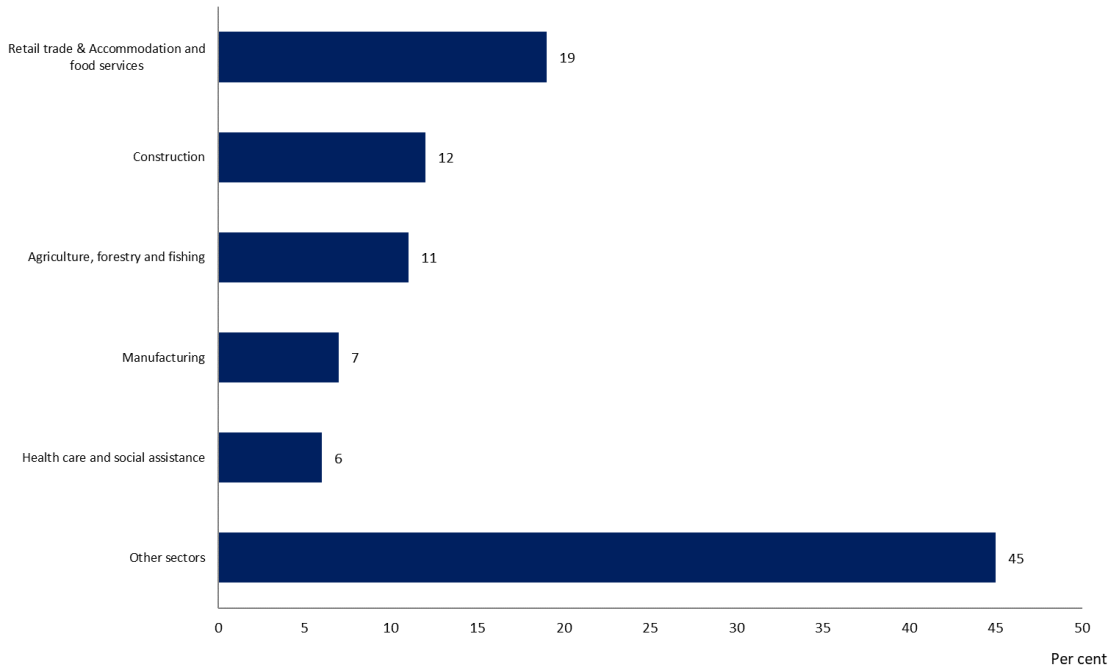
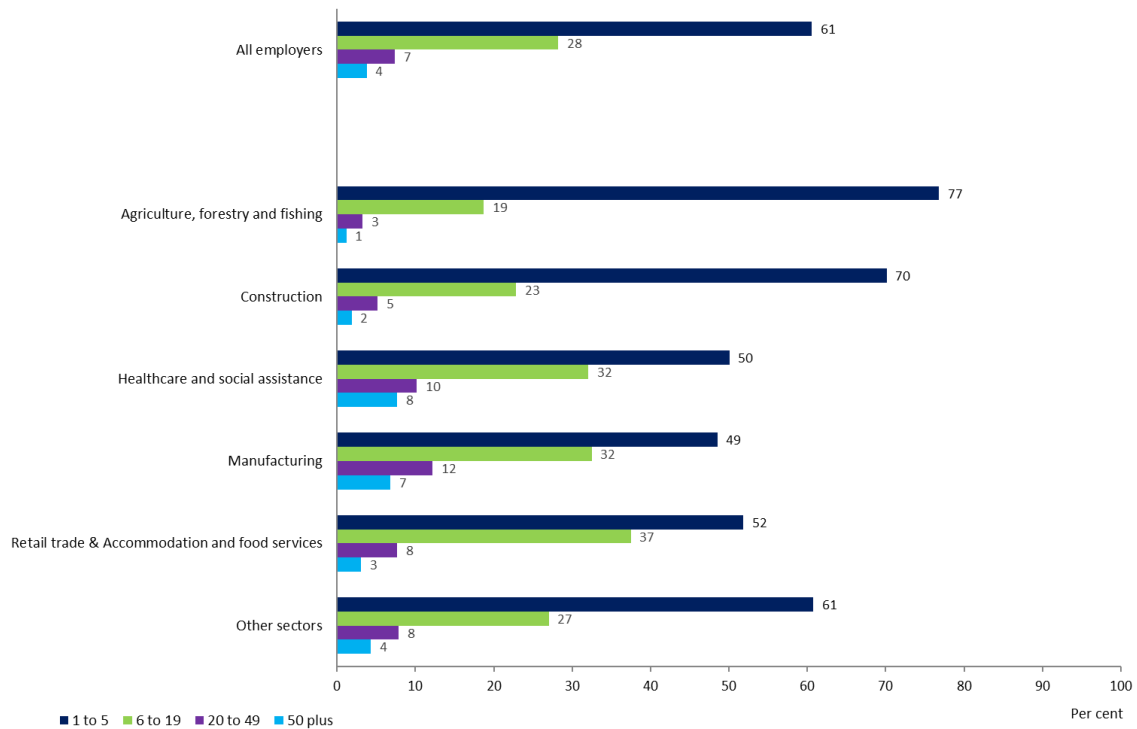


Figure 20 shows the proportion of New Zealand businesses in each industry sector by business size category (number of employees).

²⁰ Business Register data, Stats NZ.

Figure 20: Proportion of businesses in each industry sector, by business size (number of employees)



* The proportions in Figure 20 are based on Table C in the Appendix where for weighting purposes 'Don't know' and 'Refused' responses were coded into a business size based on administrative data provided with the original sample.

The smallest New Zealand businesses (in terms of the number of employees) are in the Agriculture, Forestry and Fishing and Construction sectors, where 77 per cent and 70 per cent of employers, respectively, have fewer than six employees (compared with 61 per cent of all employers). The largest businesses are in the Health Care and Social Assistance, and Manufacturing sectors, where 8 per cent and 7 per cent of employers, respectively, have more than 50 employees (compared with 4 per cent of all employers).

5.3.4 Two-thirds of businesses have been operating in NZ for 10 years or more

More New Zealand businesses are well-established, with 67 per cent having operated for 10 years or more. Another 12 per cent have been operating for 6 to less than 10 years and, 16 per cent have been operating for 2 to less than 6 years.

Five per cent had been in business for less than 2 years. Businesses with 20 or more employees and those in the Manufacturing sector were more likely to have been operating for 10 years or more (83 per cent and 79 per cent, respectively). This is higher than the average for all businesses (67 per cent).

5.3.5 Seven out of ten businesses are located in the North Island, with over one-quarter in Auckland

The North Island accounted for 72 per cent of all business establishments, with 28 per cent located in Auckland, 11 per cent in the Waikato and 9 per cent in Wellington. Three in ten businesses (28 per cent) were in the South Island, with 14 per cent located in Canterbury.

It was more likely for larger businesses to be located in Auckland (40 per cent and 27 per cent, respectively) and less likely for larger businesses to be located in the Waikato (7 per cent and 12 per cent, respectively).

5.3.6 In most cases, the business owner or a partner in the business completed the survey

While 68 per cent of NSE respondents were business owners or partners in the business, 24 per cent were 'other senior managers' and 4 per cent were human resource managers. Another 3 per cent of respondents were in some other type of position in the business. In larger businesses it was much more common for another senior manager (46 per cent) or a human resources manager (16 per cent) to have completed the survey. It was less common for the business owner/partner to have responded (34 per cent).

Reflecting results by business size, it was more likely for NSE respondents in the Agriculture, Forestry and Fishing (87 per cent) and Construction (83 per cent) sectors to be business owners or partners in the business. And, it was less likely for respondents in the Health Care and Social Assistance sector (58 per cent) to be business owners/partners – 34 per cent were 'other senior managers'.

Respondents to the NSE were more likely to be male (59 per cent) than female (40 per cent). The gender split of respondents was consistent for both smaller and larger businesses.

By industry, compared with the gender split for all employers, there was a higher proportion of female employers/respondents in the Health Care and Social Assistance sector (63 per cent) and a lower proportion of female employers/respondents in the Construction sector (24 per cent).

5.3.6 Approximately one in five NSE respondents were overseas-born, with Europe being the country of birth for four out of ten overseas-born respondents

Over three-quarters of NSE respondents were born in New Zealand (78 per cent), – consistent for smaller and larger businesses. Compared with the 22 per cent of all employers/respondents who were born overseas, there was a higher proportion of overseas-born employers/respondents in the Healthcare and Social assistance sector (36 per cent) and lower proportions in the Construction and Agriculture, Forestry and Fishing sectors (12 per cent and 11 per cent, respectively). Most overseas-born respondents had lived in New Zealand for more than 10 years (77 per cent), 14 per cent had lived in New Zealand for five to ten years and 7 per cent had lived in New Zealand for less than five years.

Of those respondents who were not born in New Zealand, 40 per cent were born in Europe and 29 per cent were born in Asia/Middle East. Another 11 per cent of overseas-born respondents were born in Africa and 5 per cent were born in Australia.

By industry, the main variation by country of birth compared with all overseas-born employers were as follows:

- A higher proportion of Agriculture, Forestry and Fishing sector employers who were born in Europe (77 per cent)
- A lower proportion came from Asia/Middle East (8 per cent) and Africa (1 per cent).

