INFLUENCING WORKPLACE CHANGE
THE NEW ZEALAND EXPERIENCE

Introduction
The New Zealand Government has over the last four years been undertaking a range of initiatives to make sure that New Zealand’s workplaces are attractive, innovative and productive and that all people have opportunities to participate in well-paid and meaningful employment.

The paper provides a snapshot of these initiatives, their impact, and lessons learnt about implementing government programmes in workplaces, particularly in relation to families and people with caring responsibilities.

To provide a context for discussion, the paper provides a brief picture of New Zealand workplaces including the predominance of small and medium enterprises, the issues of productivity, skills shortages, increasing participation, and population changes and what this means for employers and employees dealing with work-life balance issues and caring responsibilities.

The range of government programmes addressing workplace issues for people with caring responsibilities is outlined, followed by a discussion of the impact of a range of policy approaches. These include:

Regulation – the paper draws on what we've learnt from a recent evaluation of parental leave in New Zealand and from research and consultation as part of the development of the flexible work arrangements legislation.

Influence – the paper reflects on our high level work with social partners to promote work-life balance and flexible work initiatives. It also reviews what we have learnt from specific workplace intervention programmes focused on workplace change.

The paper then discusses the key learnings from our experiences with regulation and workplace change programmes and what these suggest for the future direction of government policy.

Background
Workplace productivity
For some years now, the New Zealand Government has had an interest in encouraging positive changes in workplace practices as a vehicle for improving workplace productivity and consequently stimulating economic growth.

Much of the policy investment in this area has been focused on drivers of productivity related to investing in skills and people and encouraging innovative use of technology. More recently, however, there have been increased efforts to encourage the development of positive workplace cultures. Increasing interest in

---

1 Information on all seven drivers of workplace productivity can be found at www.workplaceproductivity.govt.nz.
workplace culture stems from the view that workplace practices matter for three distinct reasons.

The first is that the available international evidence suggests that workplace returns on investment in innovation, technology and the application of acquired skills is greater where these are accompanied by complementary practices such as more flexible forms of work organisation, employee involvement, and strategic human resource management practices. Government and employer investment could potentially have a greater return if they are accompanied by workplace practices which facilitate the process of transforming inputs into productivity improvements.

Secondly, research evidence demonstrates that successful firms and workplaces have in place a distinctive set of management practices. These practices are based on the need for workplaces to operate in a holistic and sustainable manner. They also emphasise the contribution of employees to firm performance, and the need for them to be recognised and rewarded for this contribution. Furthermore, evidence also suggests that those firms and workplaces whose organisational and competitive strategy is based on the delivery of high quality, high value-added products and services are likely to gain the best advantage from such practices.²

Thirdly, labour force trends have established a new imperative for development strategies that improve the attractiveness of workplaces. A more educated labour force has different expectations of work. Employees seek a high level of job satisfaction to a greater degree than previously, and express a greater desire for a balance in the amount of time spent in work and non-work activities. Coupled with this is the dilemma faced by many countries of shortages of both skilled and unskilled labour, together with a more mobile (and internationally mobile) labour force.

All in all, these three factors combine to result in a compelling case for changes in workplace practices that will contribute to a higher level of performance and productivity than previously.

The New Zealand Government is also concerned with placing greater emphasis on raising the value of work. Priorities for the Department of Labour in this respect include supporting and promoting the transformation of New Zealand workplaces to become high performing, and to achieve high quality working lives by focusing on the drivers of productivity, skills, safe and healthy workplace cultures, decent work, and excellent employment relationships.

Increasing the value of work requires a combination of long-term interventions that produce higher value work that benefits workplaces, employees and the New Zealand economy. Increasing the value of work relies on a combination of practices that generate workplace change at the firm level, industry and sector levels, and nationally.

Raising the value of work requires us to look beyond minimum standards as a mechanism for effecting change. While measures such as increasing the minimum wage will always have an impact, the step change required in workplaces

demands new approaches that provide them with the knowledge, tools, and means to adapt to a changing economy.

Raising the value of work comprises three central components which contribute to organisational performance:

- a recognising value – jobs are appropriately and equitably valued according to the skills and competencies required and are gender neutral
- b raising value – includes critical components of the seven drivers of productivity including work organisation, innovation and high performing workplace cultures, up-skilling, and enhancing participation
- c rewarding value – organisations have effective systems for measuring performance and rewarding staff with mechanisms for individual and collective bargaining.

Community outcomes

Within the context of raising the value of work, the New Zealand Government has a particular interest in improving New Zealanders work-life balance and ensuring that people with family and caring responsibilities are supported to participate in the labour market, if and when they choose.

The notion of work-life balance is an issue in New Zealand and internationally. Work-life balance is about people achieving the ‘right’ combination of participation in paid work (defined not just by the hours they work, but also their working conditions) and what they want to do in their personal lives. Work-life balance is an important contributor to both social outcomes (by enabling people to do what they want with their lives and enhancing the well-being of themselves, their families and communities) and economic outcomes (by enhancing firm productivity).

The right balance between work and life will be different for each person. Assessing whether people have a good work-life balance requires a consideration of:

- their capacity (including their attitudes and preferences towards work and other potential uses of their time), which influences the range of options they will have, and
- the opportunities that exist, of which a subset will be attainable for any given person.

Policies to improve the matching of people’s capacity with the opportunities available may be effective for addressing some work-life balance issues (e.g. better information on flexible workplace practices that employers offer may attract more suitable workers). In other cases, people may have achieved the best work-life balance that current circumstances allow, but improvements could be made by changing people’s capacity (e.g. through education and training, or changing attitudes to work) or the nature of opportunities available (e.g. flexible workplaces). Given the different circumstances that people will find themselves in, it is likely that to be successful, any policy response would need to address all three elements.
The great diversity of individual circumstances suggests that ‘work-life balance’ policy could potentially have a very broad scope, encompassing among other things income support and employment assistance policy, the employment relations framework, parental leave, assistance to carers (including child care policy) and promotion of workplace ‘best practice’ through information provision, incentives or regulation.

Family-friendly policies are an essential part of addressing work-life balance for people with work and family responsibilities. However, ‘life’ also incorporates unpaid, community and voluntary work, personal development and recreation (and for many people, does not include significant family responsibilities), so a complete policy response to work-life balance will necessarily be broader than family-friendly policies.

**Context**

**Current labour market characteristics**

Key characteristics of the New Zealand labour market include:

- high employment growth and low unemployment
- persistent skill shortages
- high rates of long hours worked but low productivity
- the increasing participation of women, and
- the unequal distribution of paid and unpaid work between women and men.

**Employment growth and low unemployment**

Since the late 1990s, New Zealand’s labour market has been strong and tight with high employment growth and falling unemployment. The Household Labour Force Survey (HLFS) results for the December 2007 quarter showed strong annual employment growth to 2.5% in the year to December 2007, up from 1.6% in the year to September 2007. The labour force participation rate also rose to reach 68.8%, the highest rate ever recorded by the HLFS. The unemployment rate fell from 3.5% to a new record low of 3.4% in the December 2007 quarter. The unemployment rate has been relatively stable since falling below 4% in the second half of 2004.³

**Skill shortages**⁴

Skill shortage indicators in the Quarterly Survey of Business Opinion (QSBO) continued to trend upwards. Firms are continuing to report significant difficulty finding skilled labour, while there was a significant increase in the number of firms reporting difficulty finding unskilled labour.

The skill shortage indicators from the December 2007 quarter QSBO show:

---


• A net 46% of firms had difficulty finding skilled staff. This has risen from a net 41% in the September 2007 quarter and is up strongly from a net 29% recorded a year ago.

• A net 33% of firms had difficulty finding unskilled labour, up strongly from a net 19% in the September 2007 quarter. This is the highest it has been since its peak of a net 49% in early 2005, and

• A shortage of labour was the main constraint on expansion for 21% of firms at December 2007. This figure has remained around 20% for the past five quarters.

Compounding the skill shortages experienced in the New Zealand context is the increased demand for skilled labour being felt internationally at the very time when both skilled and unskilled labour has become more geographically mobile.

**Long hours and productivity**

As noted above New Zealand now has more people working, but we work longer hours than most other OECD countries. In New Zealand, more than 415,000 people reported working 50 or more hours each week, with this representing 23% of the workforce and 29% of full-time workers.

A large proportion of New Zealand’s recent economic growth has been driven by increases in labour utilisation. Whilst this has many economic and social advantages, it is not a sustainable source of long-run growth. New Zealand is nearing the limit to which economic growth can be driven by increased labour participation. Future growth will increasingly need to be derived from increases in productivity.

New Zealand’s under-performance is a long-term problem, becoming entrenched during the 1970s when annual labour productivity growth was close to zero. Since then, the annual average has risen slightly to around 1.5%. In 2006, New Zealand’s level of labour productivity ranked 22nd out of 30 nations in the OECD – around 25% below the OECD average, 30% below Australia’s level, and 44% below the United States’ labour productivity.

**Women’s participation**

Labour market conditions in New Zealand continue to be generally favourable for female workers. Robust economic growth and increased flexibility in the labour market over the past five years have seen an increase in women’s labour market participation.

Since December 2002 the female participation rate has increased from 59.2% to 61.9%. However, the female participation rate is still considerably lower than the male participation rate of 75.6% for the year ended December 2007. Female

---


7 Ibid.

participation, however, has increased more rapidly than male participation so the gap was smaller in December 2007 than it was at any other time since the HLFS began in 1986.

Female labour force participation rates are markedly lower than male rates for those aged 25–39 as females are more likely not to be in the labour force as they are caring for children. Female labour market participation rates increase considerably after age 40.

Women who are not in the labour force are far more likely to be looking after children than their male counterparts. Of females not in the labour force in year to December 2007, 24.1% were looking after children compared to only 3.8% of males. On the other hand, males are more likely than females to be studying and more likely to be retired.

Women are more likely to work part-time than men and as a result work fewer hours on average, a pattern that has been relatively stable over the past five years. Over the past 20 years, the proportion of women employed part-time has ranged from 32.1% to 38.3%. In contrast, part-time employment by males became much more common in the late 1980s and 1990s, but has been relatively stable over the past five years at 11.5% December 2002 and 11.6% in December 2007.

There is still a significant gender pay gap between men and women with estimates of the gap ranging from 12 to 16 percentage points. The difference in average wages in the New Zealand Income Survey (NZIS) in dollar terms was $3.71 in June 2007 compared to $2.63 in June 2002. In percentage terms, the gap between male and female wages has also widened slightly. In June 2007, the average female wage was 84.0% of the male wage compared to 85.4% in June 2002. While the gender wage gap has increased in percentage terms over the past five years, it has decreased from 19.2% in June 1997 to 16.0% in June 2007.

Some of the difference in male and female wages is due to females being over-represented in certain types of jobs, demographic factors such as age, and the prevalence of part-time work for females. However, there is some evidence to show that even after controlling for differences in occupational employment and qualification attainment that a pay gap remains between female and male wages.

**Distribution of paid and unpaid work**

New Zealand’s first time use survey, conducted in 1998/99, found that men and women (aged 12 years and over) tend to combine paid and unpaid work very differently. On average, men spent 29 hours per week on paid work compared with women’s 16 hours per week. Women’s unpaid work averaged 4.8 hours per day, compared with men’s 2.8 hours. The total work (paid and unpaid combined) time of men and women was very similar at seven hours per day. However, 60% of men’s work was paid, and almost 70% of women’s work was unpaid. When simultaneous activities are included in the analysis, women’s total work time is considerably higher than men’s.⁹

---

Business demographics

New Zealand has a unique business landscape. In 2006, 96% of all businesses in New Zealand employed 19 or fewer people, so are classified as small and medium sized enterprises, 87% of all businesses employed five or fewer people, and 64% of enterprises had no employees.

Small and medium sized enterprises account for 30% of all employees in the New Zealand labour market, and businesses with five or fewer employees account for 11% of all employees. From 2001 to 2006, small and medium sized enterprises accounted for 59% of all new net jobs in the economy.\(^\text{10}\)

Projected demographic changes

It is important to take account of the possible future scenarios and trends that may develop in the New Zealand labour market. Demography is a logical starting point for considering such future scenarios, and key trends that are significant for the future labour market and more particularly work-life balance are:

- a An ageing population. The proportion of the population aged 65 years and over is likely to grow from 12% of the population in 2001 to 26% by 2051. The median age of the population (and the workforce) will continue to rise, increasing from 35 years of age now to a projected 45 years of age by 2051. And a dramatic shift is forecast to occur in the population aged 65 years and over as a proportion of the working-age population (20 to 64 years) – increasing from 20.3% in 2001 to 50% by 2050. Older workers are also increasingly continuing to participate in the labour market. In 2006/07 the number of older people employed grew by 5.9%, far exceeding growth in total employment of 1.9% over the same period. The unemployment rate among older people is at 1.8%, well below the total unemployment rate of 3.8%. The proportion of the older population who are working continues to rise, with their labour force participation rate in 2007 at 40.7%, up from 39.7% in 2006. Notably, the participation of older men has improved more rapidly than older women, and their participation rate stands at 49.3% compared with 33.0% for women. New Zealand is near the top of the OECD in rates of workforce participation among older people.\(^\text{11}\)

- b A declining birth rate (low fertility) and lengthening life expectancy. The growth rate of the New Zealand population is forecast to drop to only 0.8% a year by 2011, slowing to almost zero by 2051. The total fertility rate is slightly below the replacement level of 2.1 (currently 2.0).\(^\text{12}\)

These demographic trends are likely to result in the near future in a contraction in the working age population at that same time the older population is expanding. Other factors that will affect the labour market in the next 15 years and which relate to work-life balance include:


\(^{11}\) Older Workers Labour Market Outcomes at a Glance, Department of Labour, June 2007.

\(^{12}\) All data has been drawn from Planning for New Zealand’s Future Labour Market – Workforce Challenges, Reflections on the nature of the labour force in 2020 – trends, forces of change and windows of opportunity, Department of Labour, April 2006.
• movement of significant population cohorts into, through, and out of the workforce
• the evolving nature of work including greater variety of employment arrangements, workplace cultures, and a more diverse workforce, and
• changing aspirations, including relative value placed on work, family, and community commitments.

Outline of government programmes

The role of government

Drivers for government involvement in issues relating to work and families include the government’s overall goals of facilitating participation in paid employment (particularly as women constitute the largest single group of people not participating in the labour force), increasing workplace productivity, facilitating an innovative and inclusive society, and promoting quality of life. Addressing work-life balance barriers has the potential to contribute significantly to addressing the critical present and future challenges that New Zealand faces in lifting its economic performance and meeting skills gaps.

There are several ways that the government acts as a role model and/or influences work-life balance:

• As a provider of information: government collects and disseminates information on work-life balance. It also identifies and communicates practical examples of people and employers successfully addressing these issues (or contracts with others, like the Equal Employment Opportunities Trust, to do this).

• As a coordinator or builder of partnerships: government works with others, such as local government and key employer and employee organisations, to build partnerships to put solutions into practice.

• As an employer: government sets the example by the way it treats the people it employs. As a significant employer, it has an impact on employment policies and practices, as well as influencing other employers who may recruit from the same employee pool.

• As a regulator: government sets the framework that underpins employment relations, workplace health and safety, provision of early childhood education and childcare, and taxation.

• As a funder: government is a significant funder of early childhood education, out of school services, and other things that may impact less directly or obviously on work-life balance, such as transport infrastructure.

While the government plays a variety of roles in influencing work-life balance, all New Zealanders can make a contribution, including individuals, families and whanau, communities, hapu and iwi, employers, employer organisations, unions and employees.

Internationally, many governments are involved in promoting work-life balance policies. Most of these policies are centred on childcare (identified internationally
as paramount to facilitating work-life balance by the OECD), leave policies, entitlements to workplace flexibility and the provision of information and/or funding to assist employers to develop and implement their own work-life balance initiatives.

Why is the government interested in workplaces?

 Many New Zealand workers already have good work-life balance. However, there is a significant group who experience work-life conflict and who have significant difficulty getting the balance they would like. Recent work by the Department of Labour and others suggests that there are three critical factors that make work-life balance harder for employees.¹³

Long hours - stress and fatigue are the most commonly reported impacts of working long hours or working extra hours and employers experience productivity losses as a result.

Caring responsibilities - employees who care for others report a range of impacts relating to not being able to both care and participate (optimally) in paid work. The impact for employers is in both reduced recruitment and retention.

Negative workplace cultures and attitudes – research shows a concentration of employees who have significant or moderate work-life balance problems who also feel uncomfortable about raising issues with their employer. In addition attitudes in the workplace can act as barriers limiting the use of existing work-life balance initiatives.

The most frequently cited initiative that employees say would be most helpful in addressing barriers to work-life balance is flexible working hours. This emerges across a range of research. A majority of employers offer one or more types of initiatives that support work-life balance. However, the most common form of flexibility offered (occasionally varying start and finish times) is only available on an infrequent basis to allow employees to cope with emergency situations. It also appears that there are some gaps between employee “demand” and employer “supply” in two areas relating to work-life balance barriers.

The type of flexibility offered in relation to the structure of hours. On the supply side, while most employers are offering flexible work hours to deal with occasional problems or emergencies, on the demand side, employees are seeking greater options around start and finish times that appear to be a more permanent arrangement.

Leave flexibility. On the supply side, leave flexibility is not commonly offered by employers. However, there is strong demand among carers for more options around leave taking.

There are variations across businesses though, and the initiatives offered vary by business size. Small businesses tend to be very flexible, while businesses sized between 11 and 50 staff have fewer initiatives. Large organisations are more likely to offer formalised initiatives but less likely to offer flexibility around how hours are worked during the day.

¹³ Work-Life Balance in New Zealand: A snapshot of employee and employer attitudes and experiences, Department of Labour, 2006.
The majority of employers (74%) do not agree that flexible work practices are expensive to implement. However, some barriers were mentioned including organising and managing initiatives (9%), inability to be flexible in their business (7%), and concerns about staff abusing or not appreciating flexible practices (6%). Some employers also do not have the tools to implement work-life balance initiatives.

And why is the government interested particularly in workers with caring responsibilities?

Research highlights that for many New Zealand families, the interface between work and other things in life, particularly caring for others, is at times a difficult one. While engaging in paid work brings many positive benefits for families, it can also have negative effects on the quality of family life. The Work-Life Balance in New Zealand report for example found that work-life balance ratings are lower for those with care responsibilities (49% of carers report having a ‘good’ to ‘excellent’ work-life balance, compared with 55% of non-carers), and achieving work-life balance is harder for these groups.

A key theme that is evident across much of the recent research centres on the negative effects on the quality of family life. The evidence indicates that the impact of work on family life extends beyond the time actually spent at work, with data measuring the impact of “negative spillover” common across much of the recent research. For example, the New Zealand Ministry of Social Development Work, Family and Parenting study found that 51% of parents in paid work feel too tired to pay attention to things at home on at least a weekly basis, and 42% of working parents are distracted by work worries or problems when they are at home. Further, 61% of working parents feel that work causes them to miss out on some of the rewarding aspects of being a parent, while 48% agree that their work results in family time being less enjoyable and more pressured.

Similarly, the Work-Life Balance study found that 41% of employees felt that work sometimes or often made it difficult for them to enjoy or spend quality time with their family, while 46% reported that work sometimes or often made it difficult for them to get home on time.

The blurring of the boundary between work and home life may exacerbate some of these impacts. The Work, Family and Parenting Study found that almost half of parents (48%) take work home at least once a week, and 53% make or answer work-related calls or email at home. Similarly, the Work-Life Balance study found that 39% of employees work extra hours in their own time at least once a week or more, while 42% said that having to take work home made achieving work-life balance harder.

---

Research suggests that particular factors, such as the quality of employment and work-related stress, can have a negative impact on family interactions. These factors include:

a) Type and quality of employment: The intensity of working hours, long working hours and variations in working hours are correlated with greater negative spillover between work and family life, and influence the choices about balancing work and care. The impact of long working hours is a particular issue for men. A lack of workplace flexibility, unsupportive workplace culture, precarious or non-standard employment, and the level of skills the person has also influence the choice to participate in paid work and how to balance paid work and care.

b) Work-related stress: a majority of parents experience moderate to large amounts of work-related stress. Work-related stress often has a negative impact on home life and can influence the decision to participate in paid work.

c) Care-related issues: people with caring responsibilities have difficulty achieving work-life balance. Access to and the cost of care services which enable carers to work have a major influence on peoples’ choices about participate in paid work.

d) Financial issues: sole parents and low skill/low pay employees are particularly likely to have difficulty establishing good work-life balance on a low-income, and many families are unable to live on only one income.

Some work-life balance impacts relating to caring and hours of work have a direct connection to how work is organised. A review of international literature suggests that a lack of flexibility is a key difference between New Zealand and many other countries, both in terms of immediate workplace flexibility, and also flexibility in the use of entitlements such as paid parental leave.16

What is the government doing that will make a difference to workers with caring responsibilities?

The New Zealand Government identified three priority themes for the next decade: Families – Young and Old, Economic Transformation, and National Identity. Each of the three themes has a distinct focus but all are inter-dependent and support and reinforce each other.

The focus of the Families – Young and Old theme is “that all families, young and old, have the support and choices they need to be secure and be able to reach their full potential within our knowledge based economy”. The objective of the Economic Transformation theme is “to progress work on developing a high income, knowledge based economy which is innovative and creative”.

The Department’s focus on work and families spans the Families – Young and Old and Economic Transformation themes. It contributes to the Strong Families sub-theme of Families – Young and Old which has a focus on supporting New Zealanders to have choices about living, caring and working. Work-life balance

---

16 Parental Leave and Carers Leave: International provision and research, Report for the Department of Labour, 2006
policies will also contribute to the Economic Transformation goal of developing innovative and productive workplaces by improving the way work is organised, and consequently increasing participation in the labour market and stimulating economic growth.

**Choices for living, caring and working**

Our interest in work and families is also framed by the government’s *Choices for Living, Caring and Working* Ten Year Plan of Action.\(^\text{17}\) The aim of the *Choices* Plan of Action is to improve the caring and employment choices available to parents and carers. The goals are to:

- a. achieve quality outcomes for children, families, and others who require care
- b. achieve greater fairness and opportunity for men and women to participate in high quality work
- c. enable people to balance their work and other aspects of their lives, and
- d. increase productivity and economic growth.

**Work-Life Balance Programme**

In 2003, within this very broad context, the New Zealand Government established the Work-Life Balance Programme (“the programme”) to develop an integrated and coordinated programme of policy, practice and research to promote better balance between paid work and life outside of work.

The overall outcome sought from the three-year programme was to ensure that New Zealanders have genuine choice about the way they work, enabling better balance between the time and energy they commit to paid work and other life activities. The goals of the project were, therefore, that:

- People are able to participate more often, or more effectively, in activities that are important to them, and
- New Zealand organisations prioritise the work-life balance of their employees, leading to more productive, sustainable employment relationships and workplaces.

The programme has three broad areas of activity:

**A. Research**

A range of research activities have been carried out by the Department, the most significant of which established a baseline measure of the availability and demand for work-life balance initiatives in New Zealand. This research, *Work-Life Balance in New Zealand: A snapshot of employee and employer attitudes and experiences*, was released in 2006. A second set of quantitative surveys into the availability and take-up of work-life balance initiatives, particularly flexible working arrangements, have recently been undertaken and we expect that the

\(^\text{17}\) The complete Choices Plan of Action can be accessed at www.dol.govt.nz/publications/general/gen-choices-for-living.asp.
results will be released by the end of July 2008. Research has also been completed on working hours in New Zealand, using data from the 2006 Census.\textsuperscript{18}

B Influencing change

A major focus for the programme has been working with New Zealand organisations to improve workplace cultures and practices that act as a barrier to work-life balance for individuals. The focus for this work has been establishing and running a demonstration project with workplaces, the Workplace Project. The purpose of the Workplace Project is to gather practical tools and resources that have been tested and proven successful in New Zealand workplaces. The project also provides a vehicle for gathering and distributing information about which work-life balance solutions are best suited to particular working arrangements. This information has, and will continue to, inform the development of work-life balance policies.

Key outputs from the Workplace Project include the development and release of two work-life balance tools: Making Flexibility Work: Practical Ideas for Small Businesses and Work-Life Balance: Making it Work for Your Business.\textsuperscript{19}

C Policy development

The aim of the work-life balance policy programme is to develop an integrated policy response to the range of workplace related issues identified regarding work-life balance. Doing so will ensure that firms can create and sustain competitive advantage by attracting and maximising the talent and skilled people available to them, and that a greater number of people experience high quality work. The Department’s policy work on work-life balance and parental leave has been guided by four principles:

   a Enabling choice and maximising flexibility
      i within families (or for those with caring responsibilities) to determine how best to balance paid work and caring responsibilities, and
      ii for those without caring responsibilities to maintain balance between paid work and other activities/responsibilities outside work.
   
   b Smoothing transitions – easing the transition between life stages, particularly for parents of young children (for example, greater alignment between parental leave policy and early childhood education policy) and for those towards the end of their working lives (for example, reduced working hours while moving into retirement).
   
   c Maintaining workforce attachment while meeting other needs – providing avenues and making it easier for people to participate in the labour market while meeting other responsibilities. This will have advantages for employees (for example, income stability/continuity) and employers

\textsuperscript{18} Working Long Hours in New Zealand: A profile of long hours workers using data from the 2006 Census, Lindy Fursman for the Department of Labour and Families Commission, unpublished, due for publication July 2008

\textsuperscript{19} Both resources are freely available from www.dol.govt.nz/worklife.
(retention of skills and knowledge, reduced costs associated with staff turnover).

d Balancing employer and employee interests.

Work has been completed in four major areas: flexible work, carers leave, breaks and infant feeding, and parental leave.

**Flexible work**

The issue of flexible working arrangements has long been under consideration in New Zealand. The objective of our work on flexible work is to encourage the availability and uptake of flexible working arrangements to ensure that employers are able to retain skilled workers, and to encourage people to enter and stay in the labour market while managing multiple responsibilities at home, work, and in the community. The range of research projects, stakeholder engagement and consultation undertaken by the Department over the last several years suggests that:

- Economic, social, demographic, and workforce changes are driving demand for flexible work from employees, employers, and customers.
- There are reported negative spin-offs between work and home and vice versa, particularly for parents of dependent children.
- Employees want a range of flexible working arrangements to help them mix work with other things in the lives – the most desired working arrangement being flexible start and finish times.
- Employers offer a range of flexible work arrangements. Ad-hoc variations to hours or location are likely to be more widely available than more structured arrangements.
- Take-up of flexible work arrangements varies but in general appears to be quite low. Reasons for this are unclear, however, there are indications that arrangements may be more commonly available to senior staff or management, full-time staff, and support staff, and that communication about initiatives may be an issue.
- Small employers appear to be very flexible in the range of work practices they offer staff. Large organisations are more likely to have formalised policies.
- There are significant differences in the range of flexible work options offered by different industry sectors. It appears that health and community services and the hospitality sectors are more likely to offer the widest range of flexible work practices, and manufacturing and construction the narrowest.
- Generally employers do not see barriers to implementing work-life balance initiatives including flexible work arrangements. The most significant barriers appear to be workplace cultures (particularly attitudes of colleagues and managers) and the organisation of work.
- Benefits reported include improved attraction and retention, reduced absenteeism, and improved staff morale, performance, and productivity.
Organisations cite good communication, leadership, training of managers, job redesign and organisation and a positive workplace culture as key to successful implementation of flexible work. There are good practice examples in New Zealand and an increasing number of individual organisations promoting and supporting flexible work options. However there are very few industry/business groups providing active support for their constituents.

In general, respondents to the Department’s consultation on quality flexible work agreed that flexible work was important, but to be successful it needs to work for both employers and employees. While a number of respondents said that flexible work is already happening across New Zealand, there was a general consensus that more could be done to increase availability and take up.

New Zealanders were divided in their support for specific legislative provisions for employees’ rights to request flexible work. Many, particularly individual employees, community groups, and unions, felt that legislating for a specific right to request flexible work for employees was needed to legitimise the issue and provide a clear process and grounds for refusal that would help employees and employers. Others, particularly employers, felt that more active support through funding, training and partnerships and the provision of information and resources would be a more effective approach.

There was general consensus that flexible work is important for all New Zealanders, not just parents or people with caring responsibilities. Flexible work is important for individuals and organisations but also for families, communities (rural and urban) and the environment.

Recently the New Zealand Parliament passed legislation providing employees with caring responsibilities with the right to request flexible work. The Employment Relations (Flexible Working Arrangements) Amendment Act 2007 (“the Act”) comes into effect on 1 July 2008.

While many New Zealand employers recognise the business benefits of workplace flexibility and already offer their staff flexible work arrangements, the Act will ensure that employees with the care of a person have a statutory right to ask for a variation to their hours of work, days or work, or place of work. Employers are required to consider all requests received from eligible employees and the Act provides a set of grounds on which a request can be refused.20

**Carers leave**

The Department spent some time scoping possible options for employment protection via an entitlement to unpaid leave for people with caring responsibilities. A number of small research projects were also undertaken on international experiences of carers leave and the research evidence in New Zealand regarding the effectiveness of carers leave as a tool for supporting workers with caring responsibilities.

20 Details about the Act and a range of resources to support employers and employees are available from www.dol.govt.nz/worklife/flexible/act.
This work has now been subsumed by the New Zealand Carers’ Strategy and Five-year Action Plan. The Carers’ Strategy and the accompanying Five-year Action Plan is an important step in acknowledging the difference carers make in people’s lives. It will begin to address some of the issues that impact on the thousands of New Zealanders who assist friends and family members that need help with everyday living because of ill health, disability or old age. The Carers’ Strategy was developed using a partnership approach between government, business and community organisations represented via the New Zealand Carers Alliance, a network of over 40 non-governmental organisations. This innovative approach to developing a Strategy and Five-Year Action Plan ensures that the content is highly relevant and is “owned” by each of the participating organisations.

**Breaks and infant feeding**

In April 2008, the New Zealand Government introduced the Employment Relations (Breaks and Infant Feeding) Amendment Bill. The Bill seeks to amend the Employment Relations Act 2000 to require employers to provide facilities and breaks for employees who wish to breastfeed and to provide employees with rest and meal breaks.

The objective of these amendments is to create minimum standards for a modern workforce in respect of the protection and promotion of infant feeding through breastfeeding and the provision of rest and meal breaks. These amendments also support government policy concerning the choices of employees, particularly regarding their work-life balance and caring responsibilities.

**Parental leave**

For over 20 years, the Parental Leave and Employment Protection Act 1987 has provided a statutory entitlement for women and their partners to take leave from employment on the birth or adoption of a child. Its genesis was unpaid maternity leave legislation passed in the early 1980s, which was based on an anti-discrimination and job protection framework and that was (and still is) confined to the first year of a child’s life.

In 2002, an entitlement to 12 weeks paid parental leave was introduced. The duration of paid parental leave was extended to 14 weeks from 2005, and the eligibility criteria were relaxed to enable employees with at least six months service with the same employer prior to the birth or adoption of a child access to paid parental leave. In July 2006, the entitlement to paid parental leave was extended to self-employed parents.

---

22 Previously paid parental leave was available to employees with at least 12 months service with the same employer.
23 Parents receive either their gross weekly rate of pay (before tax) or the current maximum rate of payment ($401.36 per week before tax), whichever is lower. Self-employed parents who make a loss or earn less than the equivalent of 10 hours pay at the highest rate of minimum wage, will receive the current minimum rate of $120.00 per week before tax.
The Act’s current objectives are:

a. Access to leave and payment to parents with workplace attachment

b. Gender equity in the labour market, including
   i. increased labour force retention and attachment
   ii. enables a return to work without disadvantage to pay or position
   iii. recognises childbearing as a natural function that requires mothers to take time off work

c. Gender equity within families, including improved support for fathers/partners access to and take-up of leave

d. Improved health outcomes for mothers, babies and children, and

e. Income stability during a period of significant transition for families.

To be eligible for paid parental leave, employee birth mothers or parents intending to formally adopt a child, must have worked for the same employer for at least six months for an average of 10 hours per week. Self-employed parents must have been self-employed for at least six months for an average of 10 hours per week. Mothers can transfer all or part of their entitlement to their spouse/partner (including same-sex) if they are also eligible.

Up to 52 weeks of extended unpaid leave (minus any paid parental leave taken) is available to parents who have worked for the same employer for at least 12 months, for an average of 10 hours per week. This leave can be shared between eligible parents.

Spouses and partners are also entitled to leave. Up to two weeks of unpaid partner/paternity leave is available providing they have worked for the same employer for at least six or 12 months, for an average of 10 hours per week.

Women can also take up to 10 days of special leave prior to parental leave for reasons connected with their pregnancy, e.g. antenatal checks.

**Impact of interventions**

**Regulation**

**Findings from an evaluation of the parental leave scheme**

Over 130,000 parents have taken paid parental leave since it was introduced in 2002. Just over 25,000 parents took paid parental leave in 2006/07, of which around 23,500 were employees and just over 1,800 were self-employed.\(^{24}\)

The Department of Labour conducted an extensive evaluation of parental leave in 2005/06 to test how well the scheme is meeting its objectives.\(^ {25}\) The evaluation examined the experiences of mothers, fathers and employers, as well as those ineligible for parental leave. Overall, it found that the scheme enjoys considerable support from parents and employers alike, and it identified areas where parental

---

\(^{24}\) Administrative data, Inland Revenue Department.

leave could be improved to better meet its objectives. Key findings from the evaluation include:

**Mothers**

- Approximately 80% of working mothers are eligible for paid parental leave (not including self-employed women) and about 80% of these women took paid parental leave. After the inclusion of self-employed parents within the scheme in 2006, the Department estimates that approximately 90% of working mothers are now eligible for paid parental leave.
- Paid parental leave is typically taken at the end of all other available paid leave, and allows eligible mothers to extend the total amount of leave taken.
- Mothers are not using the full entitlement of leave available. On average, most mothers return to work when their baby is six months old, but would like to return when their baby is 12 months. The biggest barrier to taking the full 12 months of parental leave available is financial pressure, for mothers from all income groups.
- Two-thirds of mothers who took paid parental leave and then returned to work, went back to the same employer.
- Most mothers change their working arrangements when returning from leave and the most common change is a reduction in the hours of work – two-thirds of mothers worked part-time following the birth of a child compared with one-third before the birth.

**Fathers**

- Most fathers take some sort of leave around the birth or adoption of a child. Very few fathers (4%) use the unpaid paternity leave and tend to take two weeks of annual leave instead. Their preference would be to take four weeks of paid leave concurrently with the mother.

**Employers**

- Two-thirds of employers agree that paid parental leave allows them to plan and manage workloads with greater confidence.
- Employing someone to cover the position of an employee on parental leave is one of the most difficult aspects for employers to manage; particularly for small and medium sized enterprises who prefer to re-allocate work across existing staff rather than hire temporary staff.
- Employers typically accommodate changes in working patterns for mothers on their return to work on an ongoing basis. However, they tend only to be supportive of changes to fathers’ working patterns around the time of the birth or adoption.
Influencing change in workplaces

Engaging with external stakeholders

Part of the Department’s strategy to influence change in New Zealand workplaces was to leverage off the interest and momentum generated by social partners (Business New Zealand and the New Zealand Council of Trade Unions) and the business sector.

Formal mechanisms were established to do this, as well as informal engagements with stakeholders. A ‘Leaders Group’ was established as a partnership between the Department, social partners and the Equal Employment Opportunities Trust. The Group was a focal point for New Zealand workplace leaders to promote the following goals:

- participation - ensuring enterprises can create and sustain competitive advantage by attracting and maximising the talent and skilled people available to them, and
- ensuring that individuals working in these enterprises experience high quality work.

The Leaders Group has been of ongoing value, specifically to the work programme on quality flexible work. In particular:

- the fact that the members of the Group prioritised issues relating to quality flexible work sufficiently enough to establish a regular forum for discussion and leadership has been valuable for the Department
- the Group was instrumental in framing the concept of ‘quality flexible work’, particularly externally with broader stakeholders, and
- the Group provided an opportunity for leadership across areas of interest, for example providing leadership for projects which have multiple goals such as flexible work and sustainability.

Working in partnership with social partners and other key stakeholders has been instrumental in maintaining a profile and generating support for the range of issues relating to work and families and work-life balance more generally. Joint ownership of the issues also strengthened the ‘public face’ of the debate about work-life balance and ensures that policy approaches are robust.

Findings from the Workplace Project evaluation

As noted above, a key element of the Work-Life Balance Programme was the Workplace Project, originally conceived as an action-research project, where a mix of 14 public and private enterprises were selected to receive consultant and other support to undertake a range of work-life balance projects that would benefit their own workplace and help the Department to better understand the interaction between policy and practice in this field. The intent was to develop a

---

26 Participating workplaces were recruited from industries where there were existing skill shortages as well as recruitment and retention issues. An analysis of skill shortages areas and work arrangements associated with work-life conflict suggested that valuable sectors for the Project to work included manufacturing, hospitality, road construction, retail, and information technology. Priority was also given to organisations employing more vulnerable workers in low paid and lower skilled occupations.
body of experience and knowledge that could support effective future work-life balance initiatives.

Participating workplaces were provided with specialist consultant time\(^{27}\) to assist with the development of a range of solutions to address work-life balance issues. The consultants were contracted to assist workplaces to gather the baseline information, identify priority issues and develop and implement practical, customised work-life balance solutions.

The project operated on several key principles, including that the project:

- utilised an approach that balanced individual and organisational needs (win-win solutions)
- operated under a partnership model, where employers, employees, and other parties in the workplace, such as unions, as relevant, each have a voice
- facilitated inclusive and innovative problem-solving and decision-making processes, and
- had a commitment to improving the organisation of work at all levels.

Project evaluation

The Department wanted to evaluate the success of the project in each workplace to assess its effectiveness, and also draw together broader learnings from the project as a whole. The primary objective of the evaluation was to assess the impact of the initiatives on each workplace but also to consider the capacity of organisations to implement enduring change, in other words what conditions are required to ensure that work-life balance issues are identified and addressed over the longer term in each organisation.

The key findings from the evaluation are summarised as follows. More detailed findings will be available in late July.

A key common theme emerging is the importance of investing significant care, time, and effort at the beginning of such projects to help ensure their success. Such investments include: clearly defining the workplace issues; allocating appropriate resources and agreeing reasonable timeframes; ensuring the ‘right’ people (influencers) are engaged and have clear and realistic expectations; and ensuring the project is located in the ‘mainstream’ of business activity.

Work-life balance is only a small part of the overall operation of any organisation; many of the benefits expected to flow from it are intangible (reduced stress, improved personal well-being) and changed outcomes would emerge slowly over a number of years. However, small additive changes were the strongest feature of the responses and should not be underestimated. So while there was little evidence of changes in workplace ‘culture’ arising from these projects, it is possible that once structural and operational changes become embedded, cultural changes will follow.

It is difficult to determine whether or not these projects have embedded, at a workplace level, an awareness of work-life balance issues and a predisposition to developing initiatives to address them so soon after their conclusion. However, it

\(^{27}\) Up to 50 hours.
is clear in some areas that the projects have opened up important issues for examination and a search for solutions. How long this momentum can be sustained may depend on management and key staff member turnover as well as how long it takes to find some satisfactory answers.

Overall, work-life balance practices in New Zealand workplaces are not so widespread as to have reached a ‘tipping-point.’ However, the cumulative knowledge and learning from this project is valuable for future initiatives. The experiences from this project should justify on-going commitment to work-life balance as part of a broader workplace development agenda. Sustaining changes of this nature and maintaining momentum are perhaps the most important challenges in the workplace development arena both within enterprises and for initiating change agencies. Building on and institutionalising knowledge gained rather than having to reinvent processes on each occasion is key. Activities in the Workplace Productivity Agenda have moved to a partnership approach where ‘trusted partners’ actively lead and influence organisations. This is a model that would be used in the work-life balance area in the future.

It is worth noting that at this juncture in New Zealand work-life balance driven changes in work practices are more likely to be acceptable if they enhance business performance. Thus far, there has not been broad acceptance that there may need to be changes in the way business is conducted in order to improve work-life balance. This suggests there may be a set of second generation questions that need to be posed at some stage about how and in what circumstances work-life improvements may drive changes in business practices.

**Key learnings**

What have we learnt about running workplace-based programmes?

Aside from the Work-Life Balance Programme, the Department has run a number of other interventions directly with organisations. When looking across these interventions the key learnings can be summarised as follows.

**Engaging the workplace/front end investment**

*Readiness of organisations*

Participating workplaces were selected in a range of ways, and the decision to participate was not always taken on the basis of whether or not the workplace was ‘ready’ for change. As a result, some workplaces were unprepared for the level of resources needed (people, time and financial) to participate. Lessons from this include:

- Implementing a better pre-assessment process to assess readiness and to commit resources.
- Making sure that the right people (the influencers) at all the right levels within the organisation are engaged, understand the project, and have realistic expectations.

---

• Assessing and providing the most appropriate support (e.g. matching consultants, internal or external project manager), tools and resources.

**Commitment and continuity**

Workplaces tended to be initially engaged at the chief executive and/or senior management level. Enthusiasm and commitment to the project over the short and long term was often dependent on this engagement continuing. In some cases project continuity was dependent on an individual enthusiast, increasing the risk of the project falling over if that individual moved on. Lessons from this include that workplaces need to be engaged at a senior level and project management needs a continuous connection to senior management over the term of the project.

**What does partnership mean?**

Projects tended to be based on partnership principles with expected engagement between management and trade unions. In order for a partnership model to work well, all parties to the project need to have an agreed meaning of partnership and/or understanding of the motivations of each partner.

**Business happens**

The nature of the organisation can impact on the process and outcomes. Business or other imperatives (e.g. change of owner) can take over and it can be difficult to sustain momentum when “business” happens e.g. busy periods, bargaining. Projects need to acknowledge that business must continue, and a stages approach with longer timeframes may be appropriate.

**Collaborative working**

Most interventions focused on the engagement process – employers, employees and unions working together to achieve a set of joint objectives. This can work well, as it encourages broad engagement across the organisation, allows for contributions from ‘those who know’ and assists in building communication between work areas. However, in many cases the time it takes to collaborate well was underestimated and the process can be derailed by un-participative parties.

**What have we learnt about influencing change in workplaces?**

Change is not necessarily systematic, structured or continual. It ebbs and flows depending on the nature of the organisation, the motivations of the organisation, and members of the organisation. Behavioural change is likely to take considerable time and if an issue or initiative is not embedded into the organisation, the change may not be sustainable.

Workplaces may have different motivations or triggers for change and these will change over time. Workplaces that sustain change are likely to have triggers that cause them to look at things differently across a range of aspects of the organisation. Triggers can include: changes in leadership/management, ownership, markets, technologies; reactions to events/crises e.g. poor climate surveys, falling profits/threat of sale/insolvency, loss of key staff; maintaining competitive edge, profits or innovation.
Sustained change needs leadership at a strategic and operational level. In some organisations this leadership is linked to a person and, as a result, sustainability is vulnerable if personnel change.

**Key elements of a sustainable change process**

Elements that contribute to ensuring the sustainability of any change process include:

**Leadership**

- Commitment from senior management to the aims and outcomes of the change process.
- If the project is focussed on a new area then champions, and a transfer of enthusiasm and commitment from these champions to the project manager, team and intended deliverers (managers/staff) is important.
- Leadership and commitment reflected formally through strategic plans, business plans, policies, performance management systems and so on, and informally through ‘the way we do things around here’.

**Management**

- Line managers must be convinced of the value of change and the organisation must have the willingness and capacity to support middle managers and line supervisors through the change process.
- There must be trust between managers and workers, and an emphasis on supportive and proficient managers that effectively communicate with workers, and who show clear leadership by walking the talk.
- Management must be flexible and open to ensure good staff engagement and a positive work culture, consistency and transparency of management is also important.
- Organisations must build the capacity and capability of their managers to build relationships and effectively manage people, support and flexible human resources policies may assist with this, particularly in larger organisations.

**Partnership**

- Partnership processes involving managers, employees and trade unions has its difficulties including time, resources, and managing expectations. But the rewards from the partnership process can be significant and in many cases extend beyond the scope and life of the project. Rewards include new ideas, shared experiences, champions and communicators, improved relationships, enthusiasm and responsibility, peer to peer communication, awareness-raising across the organisation, and increasing knowledge and skills.
- Partners need the capacity and capability to make meaningful contributions to the project and participate in the best ways they can. Any limitations on involvement need to be recognised and addressed.
- Continuity of participation by key people is critical and if not possible needs to be recognised and addressed. If continuity cannot be guaranteed,
there is a risk that the project will fall over and/or implementation of the changes won't happen.

- Staff must be engaged in the change, by helping to define the issues, explore the solutions, and leading the change.

**Communication**

- Communication is crucial and must be open and honest through all levels of the organisation.
- Information needs to be easily accessible and appropriate to the particular workplace and workforce – format, languages, and media.
- The language and conversations that organisations use is directly related to the workplace culture and deliberate and active strategies to change.

**Implementation**

- Plans can be seen as and end product when the real work to implement the change is just beginning. Progress must be measured and assessed and successes celebrated.
- Simple, small changes can make a difference. Change doesn’t have to be significant, incremental and additive can be just as effective.

**Conclusions or so what now?**

These projects have been aimed at changing workplace practices so that New Zealand workplaces are attractive, innovative and productive. Projects have been focused on the development of tools and resources (based on experiences of workplaces) and supporting workplaces to change practices using these tools and resources.

We have found that work-life balance initiatives are most likely to succeed in organisations where there is a strong level of engagement between employers and workers. This is also supported by United Kingdom research reflected in Ireland’s Workplace Strategy. It found that employee involvement is associated with more extensive and more successful adoption of new work practices. It also found that the more employee’s are engaged in an organisation, the greater the number of new work practices adopted.

When we have worked with organisations on specific initiatives, it is clear that there is no one size fits all solution to improve workplace practices. Each organisation will focus on the issues that matter to them and make decisions relevant to their particular context. This means the types of information and resources available need to be a ‘menu’ that enables employers to make choices about what works best for them.

**Developing tools and resources**

Tools and resources have been developed across a range of workplace issues including work-life balance, workplace productivity, pay and employment equity, health and safety, and sustainability. Research and learnings indicate that to be taken-up and effective projects, tools, and resources need to:
• deliver business benefits - organisations need to see clear business benefits from changing workplace practices

• be easily accessed and well marketed, simple to use and based on the experiences of other businesses, and

• be flexible and relevant to business – they need to be able to be adapted/tailored to individual businesses.

No one project or resource will be the 'silver bullet' to effect change in organisations. There is no-one-size fits all solution, therefore resources and tools need to be adaptable and a suite of tools may be required to address different sectors, types of industries, size of organisation, and stage of development.

Developing capability and practical learning

The scale of many New Zealand workplaces means that few have access to specialist resources that provide them with the skill and expertise to support the on-going commitment needed for change programmes to achieve results. Resources or tools may not be sufficient to catalyse change in organisations and may need to be supported by active delivery, such as training, incentives to adopt, and funding programmes.

While more active workplace-based support for the use of resources and tools is likely to effect workplace change (and possibly make change more rapid and more sustainable), change is more likely to occur where there is one-on-one support for business. However, such support is very resource intensive and unsustainable on a large scale. Some approaches are:

• Programmes could be developed in a way that could be picked up by support people/networks, for example online training tools.

• Workplace advisors could be used to deliver messages and tools. This would require more comprehensive coaching/training.

• Including messaging/training in existing education and training programmes, for example Industry Training Organisation and business or management schools.

Regulating for a modern workforce

In the last decade there have been some significant shifts in the New Zealand Government’s approach to enabling women, but also all carers, to optimise their participation in paid work, if and when they choose to be in the labour market. But many parents and carers still face barriers to combining their roles in a way that works best for them and their families.

This necessitates a changed approach to thinking about who is in paid work, what else is important in the lives of New Zealand workers, and how the structures and systems the government puts in place and influences, can work better for all.

This changed approach will build on the New Zealand employment relationship framework which sets minimum standards, to ensure that vulnerable workers are treated fairly and equitably, but that is also enabling. This focus on enabling regulation ensures that decision making and problem solving is devolved, as much as possible, and employers and employees are supported to develop tailored approaches to particular issues. This is best illustrated through the new
flexible working arrangements legislation. The new approach to regulating will also recognise and support transitions in and out of and within the workforce, acknowledging that ensuring smooth transitions between different life stages is key to maintaining strong workforce attachment.

What’s the impact for workers with caring responsibilities?

New survey research into work-life balance has recently been completed. The results are due to be released in late July. Preliminary results suggest that around 68% of carers report ‘good’ to ‘excellent’ work-life balance (as compared with 49% in 2006 and 76% of non-carers in 2008) and 41% report that it is ‘somewhat difficult’, ‘difficult’ or ‘very difficult’ to get the balance that is right for them (compared with 45% in 2006 and 38% of non-carers in 2008).29 These results suggest that the situation for carers in the workplace may be easing, that it is easier for them to get the balance they are looking for and they are more likely to get the balance between work and caring right.

Future direction

Parental Leave - the way of the future

At a general level, a review of parental leave provisions in other countries30 suggests that to maximise outcomes over the range of competing policy objectives, leave policies will be most beneficial to children and parents (with consequent benefits for the economy) if they incorporate:

- Enough time to safeguard maternal health following the birth, and continuity of parental care to promote child health and well-being, facilitating exclusive breastfeeding until the age of six months, then continuing in the child’s life till at least one year and ideally two
- A substantial level of income replacement during leave to encourage take-up, to protect families from either the potentially negative effects of economic hardship from re-entry to employment of the parent providing most of the care, at a time when the child is still very young
- Ring-fenced paid leave for fathers to encourage the participation of fathers in the lives of their young children as well as alleviating gender inequity in the division of unpaid work in the household as well as in the labour market
- Flexibility so that parents can choose what mix of leave and work arrangements will suit their family best

29 All comparisons are made between Employer and Employee Experiences of Work-Life Balance, Department of Labour, 2008 (forthcoming) and Work-Life Balance in New Zealand: A snapshot of employee and employer attitudes and experiences, Department of Labour, 2006.
• A strong association between extended periods of exclusive care for young children with the status of being on leave from the labour market, rather than with the status of being outside the workforce, and

• A seamless continuity of affordable leave and care arrangements until the child reaches school age, so that there is always a leave option for parents or a publicly-funded care option for the child during the first five years of life.

In general, trends in the provision of parental leave internationally are marked by the strengthening of statutory leave policies (e.g. increasing the duration of paid leave), increasing the flexibility of leave entitlements to support family transitions, and extending and encouraging fathers’ access to parental leave.

In the New Zealand context, particular consideration may need to be given to the increasing ethnic diversity within the population and its implications for the coverage of the parental leave scheme. Some ethnicities have diverse practices in terms of the raising of children, such as customary adoptions where other family members raise a child as if the child were their own. These caring arrangements are not currently recognised by the parental leave scheme, which only recognises birth parents or parents who are caring for a child they intend to adopt under the Adoption Act 1955.

As the paid parental leave scheme exists for longer, more parents are expected to access paid parental leave for subsequent children. Future reviews of the scheme may therefore also need to consider the impact of the scheme on employment and child bearing patterns, particularly the impact of the current employment-related eligibility criteria.

Work-Life Balance, where to next?

While the formal work-life balance programme is coming to an end, the government’s interest in optimising opportunities for workers with caring responsibilities remains. It is also evident that a significant proportion of New Zealand workers still have some difficulty getting the work-life balance they’d like and that workplace cultures and broader social attitudes could improve further with respect to valuing and supporting work-life balance. The conclusion being, that there is still more work to be done. Ongoing work in this area is likely to be shaped into initiatives that impact on:

• **Individuals**, for example developing tools to enable individuals to assess their own work-life balance needs, assessing the interaction between work-life balance and unpaid work and community involvement, work-life balance for multiple job holders and workers in non-standard employment, and work-life balance and the links to workplace stress/mental health.

• **Workplaces**, for example continuing to support employers to implement greater workplace flexibility, focusing on the role of managers in developing workplace cultures that support work-life balance, greater integration of programmes across the spectrum of government initiatives within New Zealand workplaces.
• **Communities**, for example ongoing consideration of the relationship between quality of life and work-life balance – does where you live and where you work matter?

Emerging issues that are likely to take centre stage within this framework include:

*Connections between work-life balance and related policies such as workplace productivity and sustainability.* Taking steps to develop the appropriate connections between, and leveraging off, the success of other government initiatives will have positive benefits for workers with caring responsibilities. For example, how work is organised is one of the seven drivers of workplace productivity and directly impacts on the ability of workplaces to support work-life balance for their workers and increased availability and take-up of flexible working arrangements might reduce travel times and peak traffic congestion.

*Raising the value of work.* Raising the value of work requires a range of interventions that produce higher value work that benefits workplaces, employees and the economy. Raising the value of work relies on a combination of workplace practices that extend beyond the regulatory environment. Encouraging responsive and flexible workplace cultures will continue to form part of a holistic approach to raising the value of work which includes pay and employment equity, workplace health and safety, workplace productivity and excellent employment relationships.

*Identifying priorities beyond workplaces and across government that contribute to improving New Zealanders work-life balance.* For example developing further understanding of and approach to the drivers of long working hours (building on recently completed research into the profile of long hours workers) and assessing the impact of life changes on employment.

*Government sector leadership.* The government is a major employer and in this ‘ownership’ role has an opportunity to model good workplace practices. Government sector leadership in identifying barriers to work-life balance and implementing initiatives to address such barriers should be a priority.

*Spatial relationships.* Any consideration of work and family life must take account of the spatial relationships between home, work, services such as schools, shops and public amenities and the connectors such as transport infrastructure and communications. Good linkages between and across services and infrastructure are of increasing importance given the cost of housing, the rising cost of petrol and the impact of climate change and particularly energy shortages.

Environmental sustainability is increasingly an area of focus in New Zealand and globally. The sustainability model provides a useful framework for conceptualising and promoting broader social issues.

**Social sustainability**, and more particularly workplace sustainability, issues are also becoming prominent. Workplace sustainability is about having a work environment which meets the needs, rights and responsibilities of current and future employers and employees without negative consequence. It encompasses a range of initiatives which support principles of:
\textit{Equity} \\
\hspace{1em} • Individuals have access to sufficient resources to participate fully in their workplace and have opportunities for personal development and advancement. \\
\hspace{1em} • There is a fair distribution of resources in workplaces to facilitate full participation and collaboration. \\
\textit{Social inclusion and interaction} \\
\hspace{1em} • Individuals have both the right and the opportunity to participate in and enjoy all aspects of working life and interact with others in their workplace, including external clients. \\
\hspace{1em} • The work environment enables individuals to celebrate their diversity and react and act on their responsibilities. \\
\hspace{1em} • Note that social exclusion limits the levels of involvement and impedes optimal development of individuals and the workplace as a whole. \\
\textit{Security} \\
\hspace{1em} • Employees and employers have economic security and have confidence that they work in a safe, supportive and healthy work environment. People need to feel safe and secure in order to contribute and engage fully in working life. \\
\textit{Adaptability} \\
\hspace{1em} • The work environment strengthens the resilience of both workers and workplaces to respond appropriately and creatively to change. Adaptability is a process of building upon what already exists, and learning from and building on experiences from both within and outside the community.