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Research Programme

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Recruitment, Training and the Māori Labour Market Supply: An Analysis of Māori Employers

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INTRODUCTION

The 'Pathways to Sustainable Employment' (PASE) project is a five year, Foundation for Research, Science and Technology (FRST) funded project which examines the impact of the increasing variability of employment pathways on workers and employers.

Over the life of the research, a range of methodologies are being used to examine the way in which individuals understand and negotiate access to employment, and how employers obtain and manage labour, in an increasingly dynamic labour market. The project has two major components. Objective One investigates supply-side employment issues, in particular the way in which younger people (15-34 year olds) understand and negotiate access to employment. The first survey for Objective One has been completed (see Dupuis, Inkson and McLaren, 2005) and the purpose of this survey was to gather base-line employment and other data from 966 participants aged between 15 and 34 years domiciled in four regional areas in New Zealand. Objective Two has a demand-side focus concentrating on the strategies and expectations of employers in organising labour supply. A survey of 200 employers in the North Island has been undertaken as part of this objective and comprised two components. (see de Bruin, McLaren and Spoonley, 2005). Included in the survey of 200 employers are the opinions and views of 30 Māori employers.

This report provides a descriptive analysis of the opinions of 30 Māori employers involved in a variety of industries across New Zealand and provides valuable insights for the formulation employment related policy that feeds into advancement of a rapidly growing Māori economy and, ultimately, the wider New Zealand economy.

A central aim of this study has been a focus on aspects of training, recruitment and the supply of labour to meet the needs of a growing Māori economy. Māori participation in the national economy as employers has grown rapidly over the last decade to the extent that economists now talk meaningfully about a Māori economy. In a recent report produced by the New Zealand Institute of Economic Research (see NZIER 2003) reference is made of the importance of the Māori economy as "net lenders to the rest of New Zealand...While Māori households indeed receive \$2.3 billion in fiscal transfers, this is offset by a tax contribution of \$2.4 billion from the Māori economy." The report asserts that, "rapid development of the Māori economy ... will boost the overall growth rate". In order that both the Māori economy and the wider New Zealand economy continue to enjoy positive growth rates, on-going improvement in Māori human capital, (i.e. the up-skilling of the Māori labour force), and the enhanced development of a Māori employer base is necessary. The supply of skilled Māori individuals to the New Zealand economy will be enhanced by growth of the Māori economy, "because culturally self-determined development has the potential to widen the horizons and lift the aspirations of many Māori who are currently marginalized and unmotivated."

Recent studies by members of the research team (see, for example, McLaren and Spoonley, 2005) highlighted employer and sector concerns with what they perceived as disconnected education, training and employment assistance programmes and the misalignment of supply and demand and that this mismatch has contributed to skill shortages. These findings are supported by Department of Labour (2005) which

reported that 45 per cent of firms are finding it difficult to locate skilled staff, 26 percent unskilled staff and 26 per cent of businesses say that their lack of staff is one factor limiting their ability to expand. The lack of skilled workers is a bigger problem for New Zealand business owners than their counterparts in 23 other countries (Vaughn, 2005) and has been cited as one of the biggest barriers to expansion. These industry skills shortages are also highlighted in the popular press, media and other studies (see e.g. Bennett, 2005; O'Sullivan and Inder, 2005; Inder, 2005; McLaren and Spoonley, 2005). To further investigate these issues, the questionnaire used in this survey was adapted from the Employers Skill Survey (2002), which was designed to investigate the extent, causes and implications of skills deficiencies in England was used. In addition, a section was added on the employment of Māori staff. The following issues are addressed:

- The extent to which employers face difficulties in recruitment and whether the lack of skills contribute to these difficulties;
- The main causes of skill deficiencies identified by employers and the consequences of these;
- Employers' perceptions of the skills gaps among those currently employed; and
- The relevance and effectiveness of education and training provision for their companies.
- The importance of the employment of Māori staff, the unique skills they bring to an enterprise and whether the skill requirements of the organisation are met.

METHODOLOGY

Thirty Māori employers were interviewed to identify their particular approaches to employment, desired employee characteristics and experiences as employers playing a much greater role in the economic arena, in part because of the Treaty of Waitangi settlements. Data collection for the survey of 30 employers was carried out by a team of Māori interviewers led by Eljon Fitzgerald. Interviews were carried out between May and October 2005. A breakdown of industries (Table 1) and areas (Table 2) are as follows:

Table 1: Industries

Industry	No.	%
Education	1	3.3
Manufacturing	1	3.3
Retail trade	2	6.7
Tourism	5	16.7
Agriculture/fisheries/forestry	8	26.7
Business services (incl. IT, events mgt)	4	13.3
Research centre	1	3.3
Personal services (incl. cleaning, security)	2	6.7
Media	2	6.7
Health	1	3.3
Māori economic development	3	10.0
Total	30	100.0

Table 2: Areas

Area	No.	%
Manawatu/Wanganui	10	33.3
Auckland	4	13.3
Rotorua	4	13.3
Gisborne	3	10.0
South Island	2	6.7
Whangarei	1	3.3
New Plymouth	1	3.3
Hamilton	1	3.3
Taumaranui	1	3.3
Wairoa	1	3.3
Missing	2	6.7
Total	30	100.0

The sample of Māori employers was recruited through a three stage process. Firstly a range of industries where Māori employers are active was identified. From this exercise, the 11 industry categories (refer Table 1) were chosen. The second stage of recruitment involved the selection of Māori employers to match the 11 categories. A list of Māori employers was constructed and included contact details for each organisation. The third stage entailed making contact with the organisation to explain the study and invite their participation. An information sheet describing the study was sent to each employer. Accompanying the information sheet was a covering letter explaining that a telephone follow up call would be made to their office within a week of receipt of the letter. During this call, an invitation to participate in the study would be extended to the employer and an interview time and venue would be scheduled, should they agree to take part. The letter also included contact details for the study researchers who could be reached to discuss any immediate questions or queries. All 30 Māori employers who were approached to participate in the study agreed to take part.

As the sample of employers interviewed is small, it is not representative. Instead, it provides us with a good understanding of the issues facing Māori employers in the current environment. However, the size of the sample, the range of industries and areas employers operate in and because of the need to protect the anonymity of the employers we interviewed, most of the analysis in this report is based on aggregated data only.

BACKGROUND

The largest group of employers in our sample was from the agriculture, fisheries and forestry sector (8), followed by tourism (5), business services which includes IT and events management (4), Māori economic development (3), personal services – cleaning and security (2), retail trade (2), media (2) and one each of the following: education, manufacturing, research and health.

Almost 37 percent of the employers we interviewed exported their services or products. This is significantly more than in the larger sample of employers we interviewed in five industries mentioned before, namely, 8.8 percent (de Bruin, McLaren and Spoonley, 2005). This could be a reflection of the industry profiles in the other survey with construction, education, hospitality and retail not traditional exporters of goods and services. Māori employers in the agriculture, fisheries and forestry sector were the greatest exporters of goods (62.5 percent) followed by 60 percent of employers in the tourism sectors. The following table provides a breakdown of exporters in the sample.

Table 3: Exporters by Industry

Industry	Exporting products or services			
		Yes	No	Total
Education	No.	0	1	1
	%	.0	100.0	100.0
Manufacturing	No.	1	0	1
	%	100.0	.0	100.0
Retail trade	No.	1	1	2
	%	50.0	50.0	100.0
Tourism	No.	3	2	5
	%	60.0	40.0	100.0
Agriculture/fisheries/forestry	No.	5	3	8
	%	62.5	37.5	100.0
Business services (incl. IT, events mgt)	No.	0	4	4
	% w	.0	100.0	100.0
Research centre	No.	0	1	1
	%	.0	100.0	100.0
Personal services (incl. cleaning, security)	No.	0	2	2
	%	.0	100.0	100.0
Media	No.	1	1	2
	%	50.0	50.0	100.0
Health	No.	0	1	1
	%	.0	100.0	100.0
Māori economic development	No.	0	3	3
	%	.0	100	100.0
Total	No.	11	19	30
	%	36.7	56.7	100.0

The size of the businesses we surveyed did not fit the profile of New Zealand's business community as we did not seek a representative sample. In this survey, businesses with less than five employees, the overwhelming numerical majority of all businesses in New Zealand, are under-represented. New Zealand is a nation of small firms with 86 percent of enterprises employing 5 or fewer FTEs, 96.8 percent employ 19 or fewer FTEs and 20 percent do not employ anyone (www.med.govt.nz/irdev/ind_dev/smes/2004/2004-03.html). Following the Ministry of Economic Development's definition of small, medium and large enterprises,¹ we interviewed employers in 12 micro-enterprises, 8 in small, 4 in medium and 4 in large organisations. Two employers did not provide this detail. These figures should be viewed with a note of caution and be used as a guide only as they are based on full-time employees and exclude part-time and temporary staff.

One of the difficulties when asking employers about the number of people employed concerns the nature of the employment relationship, that is, whether employees are permanent or temporary. We can no longer take it for granted that people work for a single employer with the assumption of ongoing employment as there is an increasing trend towards self-employment, casual, fixed-term and seasonal employment (McLaren et al., 2004). To get some sense of the temporary working arrangements in the enterprises and industries surveyed, we distinguish between permanent full-time and permanent part-time employees, and temporary employees. It is difficult to get exact numbers concerning the nature of employment relationships because of the transient nature of many of these employees and the seasonal arrangements of industries like agriculture, horticulture, hospitality and tourism where the employment of non-standard workers can increase at certain times of the year. The table below gives us a guide to the types of employment relationships that exist in the companies surveyed that answered this question and indicates that temporary working arrangements are prevalent in half of the businesses surveyed. Sixty percent reported employing part-time workers. In the remaining analysis, we will confine reporting of enterprise size to full-time permanent employees only.

¹ The definition of SMEs varies across countries and within countries. Differentiation is often on the basis of the numbers of full-time equivalent (FTE) employees. In New Zealand, small firms are those with fewer than 50 FTEs and large firms have more than 100 according to Cameron and Massey (1999), yet government agencies (e.g. Ministry of Economic Development) often define 'small' firms as those with 6-19.5 FTEs, 'medium' firms are those with 20-49.5 FTEs and 'large' firms 50 and more employees. Micro enterprises are those with less than 6 employees. Large firms comprise only around one percent of total firms, according to the latter classification. For purposes of this study, we use the latter SME definition.

Table 4: Employment: Number of Employers

No. of employees	PERMANENT				TEMPORARY	
	Full-time (30 hrs or more per week)		Part-time (less than 30 hrs per week)		Casual/fixed-term/seasonal	
	No.	%	No.	%	No.	%
None						
1-5	12	42.9	11	61.1	5	33.3
6-9	5	17.9	3	16.7	0	0
10-20	3	10.7	3	16.7	3	20.0
21-49	4	14.3	0	0	1	6.7
50-99	2	7.1	1	5.6	0	0
Over 100	2	7.1	0	0	0	0
Varies/seasonal	-	-	-	-	6	40.0
Total	28	100.0	18	100.0	15	100.0

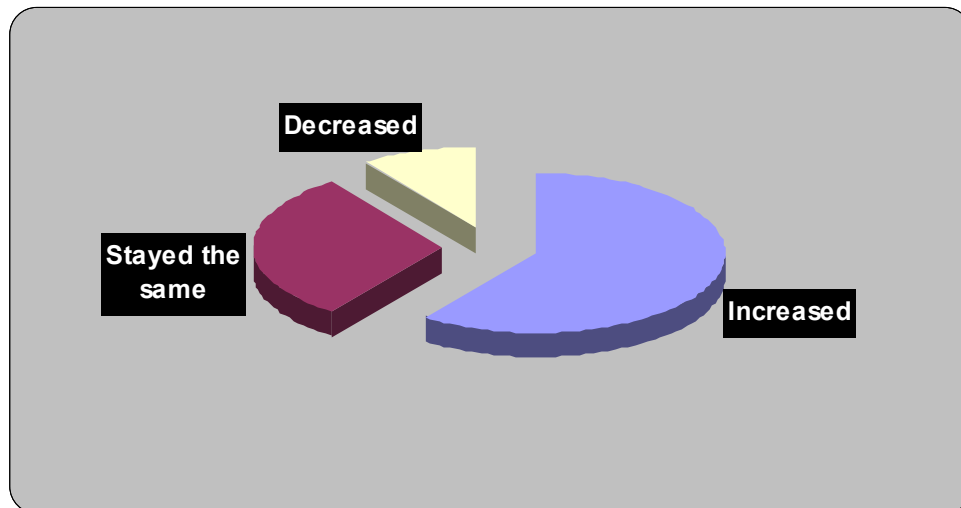
We asked employers to describe their business ownership arrangements and this is contained in Table 5 below. As this question allowed for multiple responses, several employers reported more than one type of ownership form. The largest group 14 employers (46.7 percent) were registered as limited liability companies, followed by four employers in private companies and charitable trusts and 3 were family-owned businesses.

Table 5: Forms of Ownership

Form of Ownership	No. (n=30)	% of employers
Limited liability	14	46.7
Private Company	4	13.3
Charitable trust operating as a business	4	13.3
Family Owned	3	10.0
Government organization	2	6.7
Partnership	2	6.7
Not for profit organisation	1	3.3
Māori Incorporated	1	3.3
Other	1	3.3
Total	32	

To help to establish the buoyancy of economic activity amongst the companies surveyed and to indicate the health of the economy, employers were asked whether their volume of business had increased, stayed the same or decreased over the last twelve months. For 9 employers, it had stayed the same and for 3 (two in tourism and one in Māori development) it had decreased.

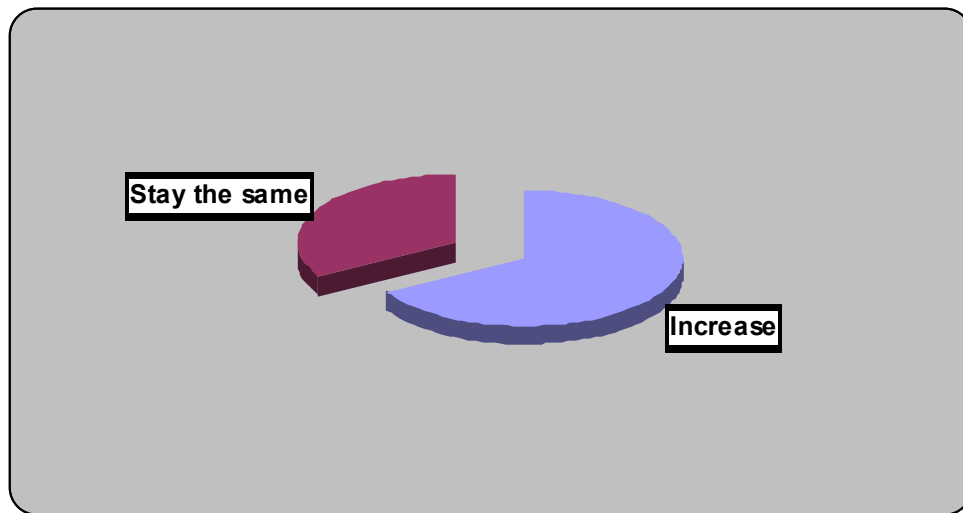
Figure 1: Volume of Business over the Last 12 Months



A significant number of Māori employers we interviewed, 18 or 60 percent, reported an increase in the volume of business over the last year. For seven of these employers it had increased a great deal.

To gauge business confidence in the next 12 months, and the effect that the widely reported national skills shortages might have on employers, they were asked what their employment expectations in the next year might be. Table 6 gives a breakdown of this and Figure 2 shows that none of the employers interviewed anticipated a decline in employment levels, for a third, levels would stay the same and two-thirds anticipated an increase. In contrast, the outlook of the sample of 170 employers we interviewed during the same period is far less optimistic. Eight percent of these employers anticipated a decline in employment, almost half (49 percent) suggested it would stay the same and 43 percent that employment levels would increase. Once again, we are comparing different industries but it is interesting to note that the expectations are so different.

Figure 2: Employment Expectations for the Next 12 Months by Industry



Of the four employers who were most buoyant about an increase in employment, two were in tourism and one each in retail and research. Four employers in the agriculture/fisheries/forestry sector suggest that employment levels would stay the same.

The table below compares business volume in the last year with expectations for the following year and indicates that employers are generally positive about the future employment outlook.

Table 6: Volume of Business over the Past Year and Employment Expectations for the Next Year by Industry

	Volume		Expectations	
	No.	%	No.	%
Increase/d a great deal	7	23.3	4	13.3
Increase/d a little	11	36.7	16	53.3
Stay/ed the same	9	30.0	10	33.3
Decrease/d a little	3	10.0	-	-
Decrease/d a great deal	-	-	-	-
Total	30	100	30	100

EMPLOYEE RECRUITMENT AND VACANCIES

Introduction

In this report, we are focusing on hard-to-fill positions because these are generally referred to as skills shortages. Information on hard-to-fill vacancies gives a clearer picture of whether vacancies are related to the normal functioning of the labour market or if they are more problematic and persistent. In this section, we therefore focus on these difficult-to-fill vacancies. Half the employers we interviewed (15 of 30) had positions that they generally found difficult to fill. However, of the 30 employers who were interviewed, 12 employers reported at least 19 positions in their companies that were vacant in the last year. It should be noted that this is not the number of people being sought but the positions that were vacant. Table 7 below compares the occupational groups with current vacancies and positions that were identified as generally hard-to-fill.

Distinctions in terminology are not always clear-cut. The approach we use in the Labour Market Dynamics Research Programme is to take note of the terminology of the New Zealand Department of Labour (2005) which is in line with the United Kingdom practice. Thus 'skills shortages' occur when employers have considerable difficulty filling their vacancies because there are insufficient job seekers with the required skills; 'skills gaps' occur when employers only find people who have some, but not all, of the skills required; and 'recruitment difficulties' occur when there are enough job seekers with the required skills but they are unwilling to take up the work that is on offer. 'Hard-to-fill vacancies' is yet another distinction that might be made. According to the employers skill survey (Felstead, 2002:171), hard-to-fill vacancies are not only equated with skills shortages, but rather can be distinguished between those that are skill-related and those that can be attributed to company-specific factors such as the industry, unattractive rates of pay or conditions of employment.

Source of New Employees

Before we begin the discussion on vacancies, we asked employers about their main source of new employees. Since multiple responses were possible, there were 61 responses from the 30 employers surveyed. Table 11 provides a breakdown of these responses.

Table 11: Employee Source

Recruitment	No.	% of Employers (n=30)
Word of mouth/contacts	20	66.7
Advertisement in newspapers	14	46.7
Through employment agency	10	33.3
Advertising on the Internet	8	26.6
Advertisement in other media	7	23.3
Internal	1	3.3
Job Plus	1	3.3
Subcontractors	1	3.3
Total	61	

It is interesting to note that two-thirds of the employers relied on word of mouth or contacts to find employees (in contrast to 51.7 percent of employers in the sample of 170). Just less than half filled vacancies by advertising in newspapers, a third used the services of employment agencies and just over a quarter advertised on the Internet and just under a quarter used other media sources.

Nature of Current and Hard-to-Fill Vacancies

From the table below, it is evident that the positions difficult-to-fill are not necessarily those where vacancies exist. This is illustrated by the finding that although half the employers we interviewed reported roles that were difficult-to-fill whereas only 40 percent (12 employers) reported that they had current vacancies. For example, Table 7 shows that although three clerical positions were currently vacant, these vacancies were not necessarily more persistent and in general difficult-to-fill. Only one of vacancies in clerical occupations was considered hard-to-fill. Professional positions, followed by roles in the agricultural/forestry and fisheries sector, were seen to be most difficult-to-fill. Unlike all the other surveys we have undertaken, none of the employers mentioned trades positions which is indicative of the industry sectors included in this survey.

Table 7: Current and Hard-to-Fill Vacancies

Skill Level	Occupational Group	Current Vacancies (n=12)			Hard-to-Fill Vacancies (n=15)		
		No.	% of Responses	% of Employers	No.	% of Responses	% of Employers
Highly Skilled ²	Legislator/administrator/manager	4	21.1	33.3	3	18.8	20.0
	Professional	4	21.1	33.3	5	31.3	33.3
Skilled	Associate professionals	3	15.8	25.0	1	6.3	6.7
	Trades	-	-	-	-	-	-
Semi-skilled and elementary	Clerical	3	15.8	25.0	1	6.3	6.7
	Service and sales	1	5.3	8.3	1	6.3	6.7
	Agriculture/horticulture/forestry	2	10.5	16.7	4	25.0	26.7
	Machine operator	-	-	-	1	6.3	6.7
	Elementary	2	10.5	16.7	-	-	-
	Total	19	100.0	-	16	100.0	-

Duration

The length of time for which these hard-to-fill vacancies had existed is also of interest. Over half (8) of the 14 employers who answered this question indicated that the vacancies were for less than 6 months. Ongoing vacancies are of concern and 35.7 were in this category. These vacancies were as follows: drivers in the tourist industry; a client relations officer in the business services sector; a property manager; a Māori business manager and pressers and shearers.

² This breakdown is taken from the Job Vacancy Monitor (February 2005)

Table 8: Length of Time Employers had Positions Difficult-to-Fill

Duration	No.	% of Employers (n=14)
Less than 6 months	8	57.1
Over 6 months and less than one year	1	7.1
Over one year	-	-
Ongoing	5	35.7
Total	14	-

Skills Employers Demand

Just over a third (11) of the employers we surveyed responded to this question. Our research showed that employers value and place emphasis on more general skills such as customer service skills (38.5 percent), good personal characteristics (30.8 percent), management and oral communication skills among several others. One employer in the agriculture sector suggested a better attitude to hard work. These responses totalled 63 percent of all responses.

Table 12: Skills Difficult to Obtain

Skills	No.	% of Responses	% of Employers (n=13)
Other technical or practical skills	5	17.9	38.5
Customer service skills	5	17.9	38.5
Personal characteristics (incl. work ethic/reliability etc.)	4	14.2	30.8
Management skills	3	10.7	23.1
Oral communication skills	2	7.1	15.4
Problem solving skills	1	3.6	7.7
Team working skills	1	3.6	7.7
IT or software skills	1	3.6	7.7
Literacy	1	3.6	7.7
Qualified for job	1	3.6	7.7
Experience	1	3.6	7.7
Te Reo Māori	1	3.6	7.7
Not specified	1	3.6	7.7
Total	27		

Causes of Hard-to-Fill Vacancies

Employers were questioned on what they thought were the causes of having positions that were generally difficult-to-fill. These are summarised in Table 9 below.

Table 9: Causes of Hard-to-Fill Roles

Causes	No.	% of Employers (n=14)
Lack of qualifications company demands	10	71.4
Work experience for company demands	6	42.9
Low number of applicants	4	28.6
Too much competition from other employers	2	14.3
Terms and conditions offered for job	2	14.3
Poor attitude to work	1	7.2
Lack of personal attributes	1	7.2
Total	27	

The lack of qualifications the company demands accounted for the major reason for positions that had skills shortages by 71.4 percent of employers who answered this question. This is followed by the lack of work experience that the company demanded and the low number of applicants for vacant positions.

Impact of Skills Shortages

In an open-ended question, employers were asked about the impact they thought hard-to-fill vacancies had on their business. Their responses are summarised and grouped in the table below.

Table 10: The Impact of Hard-to-Fill Roles on Employers

Impact	No.	% of Employers (n=9)
More pressure/stress for existing staff	5	55.6
Need to increase training	2	22.2
Restricts expansion	2	22.2
Not providing service/	1	11.1
Skills shortage	1	11.1
Total	11	

Of the 11 responses, the predominant impact cited by 5 employers related to employees and business owners being put under more pressure and stress. As one employer in the tourism industry observed, “other drivers are over burdened and this is reflected in their performance”. For two employers, expansion was restricted and two increased training. One employer in the agricultural industry spoke about the skills shortage. He suggested that many good, skilled workers (like pressers) were lured away to Australia where money is better and work was not seasonal – employment opportunities were available all year round.

Approach Taken to Address Shortages

In an open-ended query, employers were asked what approach their enterprise would take to fill expected vacancies - skills shortages and gaps. Multiple responses were possible for this question and these are summarised in the table below.

Table 14: Approach to Overcome Hard-to-Fill Roles

Approach	No.	% of Employers (n=26)
Increase training/staff development	13	50.0
Redefine jobs	4	15.4
Advertise (incl. nationally, extensively)	3	11.5
Increase salaries	2	7.7
Māori organization so approach shareholders in group	1	3.5
Being reliable employers	1	3.5
Working closely with training provider	1	3.5
Carefully consider expansion options	1	3.5
No expected shortages	2	6.9
Total	28	

Workplace-based skills training and staff development was an accepted approach for dealing with the skills imbalances faced by half of the 26 the employers who responded to this question. Redefining jobs came a distant second only mentioned by four employers. Taking training a step further, an approach taken by a retailer was to work closely with a training provider such as TEC to develop training programmes and courses tailored to their business.

Strategies to Retain Current Employees

Employers were asked about their strategies to retain current staff. Since multiple responses were possible, there were 52 responses from the 27 employers. The most favoured approach to retain employees was to provide on-the-job training (35.7 percent of employers). An example of this is given by an employer in the business service sector who suggested that employees were given the opportunity to “choose their path of development”. This was followed by the remuneration based policy of bonus/incentive schemes (28.6 percent). Additional pecuniary based approaches were also considered useful to retain employees. These include good pay (17.9 percent), perks (7.1 percent) and other rewards (3.6 percent). Flexible working conditions were seen to be important by eight employers (28.6 percent). Good relationships, working conditions and management style were also strategies seen to be important to employers to ensure that staff turnover is minimised. One employer in the manufacturing industry summed this up by saying that staff are regarded as more important than the customer and are treated as if they own part of the business. Another employer took his shearing gang to Australia every year during the off-season.

Table 13: Strategies to Overcome Hard-to-Fill Roles

Strategies	No.	% of Employers (n=27)
Training/development	10	35.7
Bonus/incentive schemes	8	28.6
Flexible hours/work practices	8	28.6
Good relationships (incl. teamwork, unity)	6	21.4
Pay well/fair wage	5	17.9
Good working conditions/employers	4	14.3
Perks (incl. car, meals)	2	7.1
Management style	2	7.1
Job satisfaction/responsibility	1	3.6
Good communication/openness	1	3.6
Other rewards (incl. social events, parties)	1	3.6
Family orientated	1	3.6
Performance reviews/appraisals	1	3.6
Whakawhanaungatanga	1	3.6
Take gang to Australia in off-season	1	3.6
Total	52	

In the following section, we examine employer views on education and training provision.

EDUCATION AND TRAINING PROVISION

Employers were asked about the types of training they provided employees with as well as how they viewed various training and education providers in terms of meeting their needs. For some time, the matching of training with current labour market requirements has been an issue. Previous research in the Waitakere, North Shore and Rodney labour markets (McLaren and Spoonley, 2005) has shown an increasing shift towards in-house training and a preference for those external providers that are seen as having a connection to industry requirements, notably ITOs. The shortage of skilled applicants has exacerbated these issues, and made the ‘fit’ between education/training and employer requirements a matter of some importance.

In-House Training

The bulk (86.7 percent) of the employers surveyed indicated that they offered in-house training. This confirms, and corresponds with, the finding of the Business New Zealand Skill and Training Survey (2003) which found that 89 percent of respondent enterprises indicated that they were providing training for their employees. Furthermore, Business New Zealand reported that more than half of the respondents had increased the amount of training provided over the last 2 years and 95 percent of companies indicated that they were likely to offer training in the next year (http://www.dest.gov.au/ty/publications/employability_skills/final_report.pdf). This corresponds to a growing concern at the products of off-site education and training providers, the growing number of employers offering in-house training (a trend that has been noted by de Bruin, McLaren and Spoonley, 2005) and research conducted by the Labour Market Dynamics Research Programme (see McLaren and Spoonley 2005; Dupuis, Inkson and McLaren, 2005) that job-seekers and employees rank such training highly.

The next table indicates that this in-house training is focused around particular requirements. The two that employers noted were particularly important were training which concerned specific technical and training skills (40.7 percent) and health and safety requirements (37 percent). These priorities were followed by other forms of in-house training which were concerned with management skills (33.3 percent), communication skills (29.6 percent), supervisory skills (25.9 percent) and computing/IT skills (25.9 percent). Generic skills such as the ability to adequately and appropriately communicate in the workplace are identified by employers as a major concern and it is interesting to note that this has become something that firms are now prepared to provide. The other two – management and supervisory skills – indicate that employers are ensuring that there is an internal supply of adequately trained staff for a range of leadership and management positions. The other aspect that did receive some attention was in-house training which provided literacy (11.1 percent) and numeracy (7.4 percent).

Table 15: Training Offered by Employers

Type of Training	No.	% of Employers (n=27)
Specific technical and trade skills	11	40.7
Health and safety	10	37.0
Management skills	9	33.3
Communication skills	8	29.6
Product knowledge	8	29.6
Supervisory skills	7	25.9
Computing/IT skills	7	25.9
Literacy	3	11.1
Numeracy	2	7.4
People skills	1	3.7
Te Reo	1	3.7
Whatever is needed	1	3.7
Not specified	4	14.8
Total	75	

Employers were then asked what the key considerations were in providing education and training. By far, the two most significant considerations for employers revolved around employment growth. Over half the employers (57.1 percent) suggested that trained employees contributed to the growth of the enterprise and 46.4 percent who wished to grow their businesses. For 39.3 percent, it was to address skills shortages in the industry or enterprise and one-quarter provided training to retain staff. The table below summarises the responses received.

Table 16: Key Considerations in Providing Training

	No.	% of Employers (n=28)
Growth of enterprise	16	57.1
Desire to grow enterprise	13	46.4
To retain staff	7	25.0
Skill shortage in industry	6	21.4
Customer requirements	5	17.9
Skill shortage in enterprise	5	17.9
Government subsidies for training	3	10.7
Availability of suitable applicants	2	7.1
To upskill current staff	2	7.1
To meet requirements	1	3.6
Staff motivation/to feel valued	1	3.6
Safety	1	3.6
To ensure training courses are completed	1	3.6
Not specified	5	17.9
Total	68	

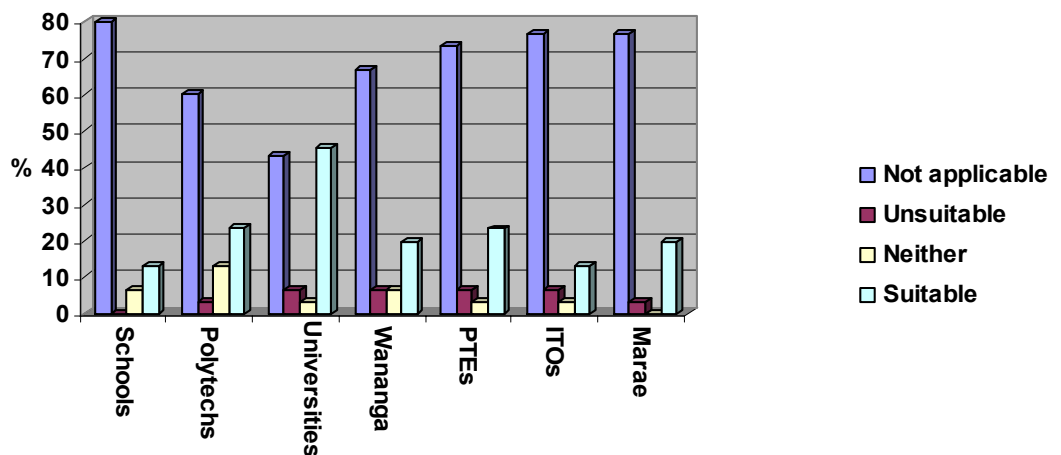
The following section examines employers' attitudes to the relevance of training and education for their employment needs.

The Performance of Education and Training Providers

Questions were asked about various education and training providers, including schools, polytechs, universities, wananga, PTEs and marae-based training. Employers were asked how appropriate each group of providers are in terms of providing ‘suitably skilled staff’, the reasons for the response and whether the situation could be improved. As the sample of employers in this report is limited, and different forms of education and training provision were not applicable, the numbers responding to questions in this section of the report are small. In spite of this, however, it is interesting to briefly outline responses we received.

The figure below highlights these findings.

Figure 3: The Performance of Education and Training Providers



Schools

Most employers (80 percent) did not answer the question on the relevance of school education, 2 found it neither suitable nor unsuitable and 4 found it suitable for their needs. None were completely dissatisfied.

Polytechs

Sixty percent of employers (18) did not find the question on polytechs relevant to them, but for those who did, seven were generally positive about polytech education or training. Four were ambivalent and one employer providing business services found it very unsuitable because of the lack of practical training.

Universities

Forty-three percent of employers (13) did not find university education relevant to their needs. Two employers – one in business services and another in tourism - found the education unsuitable, one employer was ambivalent and the remainder, almost half (14) were satisfied with the education that university graduates had acquired.

Wananga

Ten employers commented on wananga education/training and of these six found graduates well trained, two were ambivalent and two – one in business services and the other in Māori economic development - found it unsuitable for their needs. This response was given because of the lack of practical, work-related skills.

Marae-Based Training

Only seven employers commented on marae-based training – six finding it suitable for their needs and one employer in business services unsuitable.

PTEs

Once again, almost three-quarters of the employers did not comment on PTE training in spite of the large number providing in-house training. Five of the six employers responded positively to this form of training and one was ambivalent.

ITOs

Finally, over three-quarters (23) of the employers did not use Industry Training Organisations for their training needs. Of those who did, two employers in the business service sectors were unhappy with the training received, one was ambivalent and four satisfied with the standard of training.

Policies to Assist in the Growth of Employment

The final question employers were asked in this section was about the policies or procedures that would assist them in facilitating employment growth and business performance. The variety of responses we received are contained in the table below.

Table 17: Policy Considerations to Facilitate Employment Growth

Policy	No.	% of Employers (n=18)
Training subsidy	7	30.4
Compliance	4	13.8
Immigration	2	8.7
Employment laws	2	8.7
Increase resourcing	1	4.3
Economic growth	1	4.3
Improved language acquisition in Japanese, Spanish and Korean	1	4.3
Attract more people into town via marketing strategies etc.	1	4.3
Capital growth subsidies	1	4.3
Decrease free-trade with China and regulate import/local industry agreement	1	4.3
Increasing staff and turnover	1	4.3
More skilled graduates	1	4.3
EEO policy	1	4.3
Trade agreement and stable NZ dollar	1	4.3
Improve standard of education	1	4.3
Total	26	

Thirty percent of employers suggested that training subsidies would be helpful in facilitating employment growth which confirms the finding that well over half the employers interviewed (see page 25) recognised that to achieve employment growth, training provision was a key consideration. This was followed by an easing of compliance issues (13.8 percent). As one employer in the tourism sector commented, ACC has increased 800 percent per staff member and this has taken a big toll on business. The remainder gave various responses to this question. Several responses were industry specific – for example, one of the employers in the agricultural industry commented that the farming industry needed to be supported. Good returns for wool and sheep would allow the shearing industry to grow as would overseas trade agreements and a stable New Zealand dollar. Similarly, a retailer suggested that free trade with China should be “decreased” and the import market regulated. Another employer in the manufacturing industry observed that the government was not helping as it was penalising small businesses and the introduction of new holiday pay legislation was another difficulty for small businesses. For another employer in agriculture, the quality of education provision was of concern.

EMPLOYMENT OF MĀORI STAFF

The following section focuses on issues around the employment of Māori staff.

Affirmative Action Programme

Employers were asked whether their business adopted an affirmative action programme for the recruitment of Māori staff. Sixty-four percent (18 of the 28 employers) who answered this question suggested that their company had adopted an affirmative action programme for the recruitment of Māori staff. In saying this, however, six employers commented that they still employed the best person for the job irrespective of ethnicity. One employer in the agricultural sector commented: “we take anyone who is prepared to work hard and be trained as and where necessary”. A couple suggested that because of their location, it was difficult to attract Māori staff. Just under a third (9 employers or 32 percent) did not have any affirmative action programmes and one employer suggested that it depended on the role. Four employers in fisheries and agriculture commented that they employed the best people for the job and for two employers in the tourism industry, attracting Māori staff was difficult. One of these employers suggested that transport to the workplace from town was difficult and ultimately that the desire to work was the most important factor.

Table 18: Does your Company have Affirmative Action Programmes

Responses	Affirmative Action Programme				% of Employers
	Yes	No	Depends	No. of Responses	
Employ best person for the job	1	4	1	6	54.5
Hard to attract Māori	-	1	1	2	18.2
Māori would be first choice	-	1	-	1	9.1
All staff are Māori	1	-	-	1	9.1
Have Māori clients	1	-	-	1	9.1
All staff to support Māori way	1	-	-	1	9.1
Total	4	6	2	12	

Employers were then asked how important it was for their enterprise to employ Māori. For 53.3 percent (16 employers), it was extremely important, 26.7 (8 employers) said it was important and for 20 percent (6 employers), it was unimportant. These were in the fisheries (2 employers), business services (2 employers), tourism and shearing industries.

Unique Skills Māori Bring to Enterprise

Twenty-eight of the employers felt that Māori employees brought unique skills to their organisation, although several commented that it depended on whether the individuals had the skills and willingness to work. Furthermore, it was difficult to attract and keep Māori employees. For one employer in the shearing business, it did not matter and for another in business services, it varied but for another employer in the business services environment, Māori staff added to the “face value of the company” which made it easier for staff to relate to clients. The table below outlines responses given by the 18 employers who provided comment. For one of the employers in the retail sector, Māori employees tend to relate to customers better because they were less judgmental and mix easily with most ethnic groups.

Table 19: Responses on Whether Māori Bring Unique Skills

Responses	Do Māori employees bring unique skills				% of Employers (n=18)
	Yes	No	Depends	No. of Responses	
Depends on individuals/willingness to work	3	-	1	4	22.2
Initiative/creativity/heart	2	-	-	2	11.1
Relate well/better	2	-	-	2	11.1
Unique skills (incl. Te Reo, for Hapu/Iwi/Whanau)	2	-	-	2	11.1
In most cases	2	-	-	2	11.1
Role modeling	1	-	-	1	5.6
Bring bicultural perspective	1	-	-	1	5.6
Māori focused service	1	-	-	1	5.6
Clean people	1	-	-	1	5.6
Anyone can do the work	-	1	-	1	5.6
Difficult to attract/keep Māori staff	1	-	-	1	5.6
Hasn't been obvious	1	-	-	1	5.6
Total	17	1	1	19	

Skills Requirements of Māori Employers

In the final question in this section, employers were asked whether they felt that the supply of Māori employees met the requirements of their enterprise. For just under half of the employers (14), the supply was adequate, for 13 employers, requirements were not met and for one employer in the personal services industry, it varied. One employer in Māori economic development overcame the potential shortage of skilled Māori employees by employing a core staff of Māori and then using contractors for the remainder of the work. According to one employer in the tourism industry, the supply of Māori employees did meet requirements as he felt that ethnicity was not an issue – it was qualifications that were important. The same sentiment was echoed by an employer in agriculture who suggested that “business is indifferent to who it recruits”. For another employer, however, Māori have the skills to do anything they put their minds to but more was required to motivate young Māori. Several employers in rural areas commented that there were not enough Māori who wanted to stay in these areas. Another problem articulated by an employer in agriculture and manufacturing was that it was difficult to access Māori employees through the conventional avenues and employers needed to be more proactive. In addition, Māori should be more confident “in coming forward”.

The table below summarises the employers’ comments.

Table 20: Reasons Why Supply of Māori Employees is Adequate or Not

Responses	Adequacy of supply of Māori employees				% of Employers (n=14)
	Yes	No	Depends	No. of Responses	
Difficult to find/attract Māori staff	-	4	-	4	28.6
People need more motivation/work ethic	-	4	-	4	28.6
Not enough are qualified/need more training	-	3	-	3	21.4
Ethnicity not an issue	2	-	-	2	28.6
Depends on job/qualifications required	-	-	1	1	7.1
Use consultants where necessary	1	-	-	1	7.1
Not enough with Te Reo	-	1	-	1	7.1
Everyone employed has met requirements	1	-	-	1	7.1
Total	4	12	1	17	

CONCLUDING COMMENTS

The match between employer demand for skilled labour and the labour supply is one of the most critical factors concerning growth of the national economy. The disconnect between the labour supply side of this dynamic, including the education sector, training and employment assistance programmes, and the demand side dynamic of employer need for skilled workers has been confirmed in this study and is of particular relevance to Māori employers.

Findings from the analysis of Māori employers are summarised below:

- Māori employers demonstrated greater business confidence about the future of their organisations than non-Māori employers
- Māori employers tend to rely more heavily on ‘word of mouth’ to recruit employees than non-Māori employers
- Māori employers value and place emphasis on more general skills such as customer service skills, good personal characteristics, management and oral communication skills
- Workplace-based skills training and staff development was an accepted approach for dealing with skills imbalances
- Māori employers identified technical and training skills and health and safety requirements, management skills, communication skills, supervisory skills, and computing/IT skills as the most important in-house training programmes for their organisations
- Māori employers agreed that the key consideration in providing education and training for employees concerned employment growth. In addition, a significant number of Māori employers believed that providing education and training for employees would also address skills shortages in the industry or enterprise
- Training subsidies were deemed most helpful in facilitating employment growth. Māori employers also felt that an easing of compliance issues such as ACC levies would greatly assist their business.

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