THE FUTURE OF WORK:  
THE SIGNIFICANCE OF NON-STANDARD WORK IN THE TWENTY-FIRST CENTURY

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Abstract

Across the OECD, there is a significant decline in standard/typical work or employment relations and the growing presence of what is broadly (and inadequately) referred to as non-standard work. It is most obviously represented by part-time and temporary employment, accompanied by a growing variety of fixed term and contract arrangements, own account self-employment, agency-mediated and portfolio work. An increasing proportion of the workforce do not work under traditional employment contracts, at an employers place of work for specified and regular hours or with any certainty of long-term employment. The broad question is whether the work patterns which prevailed for the second half of the twentieth century represented a unique period of welfare and employment conditions and that we are now seeing major structural change that will eventually lead to new ways of working for most in the labour force. The rise of non-standard work appears to be a response by employers to contain labour costs and to introduce a greater degree of numerical flexibility (just-in-time labour), to externalise employment and, to an extent, management, to screen workers before employing them on a permanent basis and to develop new organisational strategies and networks such as joint arrangements and alliances. But there are also major policy and welfare considerations, especially as standard work has defined employer-employee relations and responsibilities, as well as access to state provisions. One effect has been to transfer costs and responsibilities (e.g. training, worker and their dependents welfare) from a firm to individuals. However, non-standard work also reflects a choice by some to enhance personal autonomy in the work environment and to develop a better work-life balance. Non-standard work is not necessarily sub-standard work. There is considerable variability in the conditions and choices faced by non-standard workers. Some of this variability will be highlighted here, based on recent research on skilled non-standard workers in New Zealand.

Introduction

During the twentieth century, and especially by the middle decades, work arrangements became characterised by certain widely shared patterns, especially for male income earners, in industrialised capitalist countries. The growth of manufacturing and its significance as a key employment sector was combined with major public sector employment in those countries that opted for a Keynesian welfare model. Mass production and mass consumption was accompanied by mass employment for male “breadwinners”, and “standard” work became characterised as involving routinised work for a specified period during each week, at the employer’s place of work, and with an expectation that employment was indefinite. Around this core of standard work were those who were economically marginalised for various reasons and their level of participation in paid work was circumscribed. In New Zealand, these groups included women, pre and post-migration Maori and immigrants. For many, they were employed under somewhat different circumstances, in non-standard work arrangements. However, given that standard work was considered the norm, the basis for the regulatory and welfare framework, including labour law, collective bargaining and social security, was based on standard work arrangements. But in the wake of significant changes to local and global forms of production and ownership, and the role of the state in welfare and labour systems, old and new forms of non-standard work have emerged as significant components of contemporary labour markets. In all the OECD countries, there has been a significant decline in the numbers in typical or standard work arrangements (Dahrendorf 1999:11), and a growth in non-standard work which now encompasses both labour market core and periphery workers and a major part of the contemporary world of paid work.

This paper begins with a definition of non-standard work, including the various types and significance of non-standard work, and recent research on a particular group of non-standard workers in New Zealand. The paper finishes with some implications of non-standard work for the policy, organisational and regulatory environment in New Zealand.
Defining Non-Standard Work

Standard work provides the starting point in this discussion of non-standard work, and is generally seen as a particular employment relationship:

This relationship has generally been characterized by specific features, including the employment of individuals for wages and salaries by a single firm, where individuals work full-time on the employer’s premises, and expect (and are expected to be employed for an indefinite period (McCarin and Schellenberg 1999:2).

This is unsatisfactory for two reasons: it reflects a normative expectation that this is the predominant form of employment arrangements whereas there are a number of groups, including women and Maori, for whom a variety of non-standard work arrangements have been particularly significant over the last century; and, by definition, it suggests that non-standard work is a residual category. I will argue here that it has become anything but and the name itself, “non-standard work”, needs a more compelling nomenclature. There have been a variety of options suggested, including “alternative working arrangements”, “market-mediated”, “vagrant”, “vulnerable”, “precarious”, “disposable”, “flexible working”, “atypical work” and “contingent work” (see Kalleberg 2000:2). The latter was widely used after Audrey Freedman introduced it in 1985. However, not all non-standard work is contingent. Permanent part-time or portfolio work is not necessarily contingent, and “non-standard work arrangements may differ considerably in their employment security” (Kalleberg 2000:13). The Bureau of Labor Statistics in its 1997 and 1999 supplementaries on “Contingent and Alternative Work Arrangements” sought to find a more appropriate label and definition (see Houseman 1999). It highlights the fact that non-standard work covers such a range of often disparate work arrangements, which leads Zeytingoglu et al (2000) to state that there is no clear definition of non-standard work in the literature. More cautiously, Carroll (1999) suggests that given the disparate nature of non-standard workers, generalisations should be made with care, particularly as categories are not mutually exclusive and standard and non-standard employment arrangements can be combined for individuals or groups. Indeed, an assessment of the literature indicates that most definitions of non-standard work do not take into account the diverse nature and combinations of working arrangements.

At this point, it is helpful to identify the various categories of non-standard work and to indicate the size of each (where possible) in the New Zealand context.

(a) Part-Time Work

In most similar labour markets, part-time work increased through the latter part of the twentieth century and now represents the largest category of non-standard workers. The number of part-time workers increased between 1991 and 2001 in New Zealand but not significantly. However, part-time workers represent 22.5% of those employed in the 2001 Census which is higher than for the USA (20%) and Europe (16%). However, there are definitional issues and an overlap with other types of non-standard work such as casual and temporary.

(b) Casual Employment

Casual workers are those employees who are defined by a particular relationship with those employing them. For example, the casual nature of their employment is reflected in the fact that they are not entitled to many of the benefits of permanent employees such as holiday pay or sick leave, they have no expectation of ongoing employment and each engagement with their employer constitutes a separate contract of employment. There are significant issues around obtaining a statistical measure of casual employment. The Australian Bureau of Statistics defines casual employees as those who do not receive paid sick or holiday leave. It has been argued by Mangan (2000) that the casual sector is a significant aspect in the New Zealand labour market but little if anything is available on casual workers or those on contracts, and there is incomplete information on multiple-job holders (see Table 1).

<table>
<thead>
<tr>
<th>Year</th>
<th>Average For Year</th>
<th>Total Employment</th>
<th>Full-Time</th>
<th>Part-Time 1</th>
<th>Self-Employed With and</th>
<th>Multiple - Job Holders</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>1,479,300</td>
<td>1,178,000</td>
<td>79.6</td>
<td>301,100</td>
<td>275,600</td>
<td>18.6</td>
</tr>
<tr>
<td>1992</td>
<td>1,461,200</td>
<td>1,147,000</td>
<td>78.5</td>
<td>314,200</td>
<td>284,300</td>
<td>19.6</td>
</tr>
<tr>
<td>1993</td>
<td>1,480,900</td>
<td>1,164,700</td>
<td>78.6</td>
<td>316,200</td>
<td>298,000</td>
<td>20.1</td>
</tr>
<tr>
<td>1994</td>
<td>1,529,400</td>
<td>1,205,500</td>
<td>78.8</td>
<td>324,900</td>
<td>310,700</td>
<td>20.3</td>
</tr>
<tr>
<td>1995</td>
<td>1,606,100</td>
<td>1,259,400</td>
<td>78.4</td>
<td>346,700</td>
<td>317,400</td>
<td>19.8</td>
</tr>
<tr>
<td>1996</td>
<td>1,695,800</td>
<td>1,322,700</td>
<td>78.5</td>
<td>362,900</td>
<td>336,100</td>
<td>19.9</td>
</tr>
<tr>
<td>1997</td>
<td>1,734,000</td>
<td>1,345,800</td>
<td>77.6</td>
<td>388,200</td>
<td>340,200</td>
<td>19.6</td>
</tr>
<tr>
<td>1998</td>
<td>1,735,900</td>
<td>1,341,800</td>
<td>77.3</td>
<td>394,100</td>
<td>351,000</td>
<td>19.1</td>
</tr>
<tr>
<td>1999</td>
<td>1,727,600</td>
<td>1,322,400</td>
<td>76.6</td>
<td>405,000</td>
<td>342,400</td>
<td>19.8</td>
</tr>
<tr>
<td>2000</td>
<td>1,756,500</td>
<td>1,352,100</td>
<td>77</td>
<td>404,300</td>
<td>355,000</td>
<td>20.1</td>
</tr>
<tr>
<td>2001</td>
<td>1,798,800</td>
<td>1,386,900</td>
<td>77.5</td>
<td>402,200</td>
<td>352,800</td>
<td>19.7</td>
</tr>
</tbody>
</table>

Source: Adapted from Labour Market Statistics 2001 (Statistics NZ 2002)
(c) **Temporary Employment**

This encompasses any employment for which there is a specified end-point which might be time specific or related to the completion of a task. Traditionally, temporary employment in New Zealand was represented by a variety of seasonal forms of employment in primary production and retailing. This has been expanded recently with a substantial increase in the arrival of employment intermediaries such as temporary help agencies and contract companies. Employment is arranged by an intermediary (Cahone 1996:31). In the case of temporary help agencies, workers from across the skill and industry spectrum in the New Zealand labour market are placed on a short term basis by an agency which is responsible for payments to the worker. With contract companies, employment is arranged through a company that employs the workers and then supplies these workers to other companies on a temporary basis. The temporary help agency or contract company facilitates a contemporary “reserve army” that helps firms to solve short term labour shortages. Although such agencies are not new, what is new is that the use of such temporary labour via intermediaries has become an integral feature of the personnel strategies of firms (Kalleberg 2000) and encompasses skilled and professional occupations in a more significant way. There are a variety of outsourcing arrangements in such temporary employment, including on-call, contract, lease and direct-hire (see McCartin and Schellenberg 1999:4). It is estimated that 12 percent of those employed in the USA were employed via agency temps, on-call and contract companies and direct hire agencies in 1997 (Houseman 1999:2). Similar statistics, or even estimates, are not available for New Zealand.

(d) **Own-Account Self-Employment**

An area of significant growth in the last ten years has been the “own-account self-employed” (see Table 2). In 1991, 158,700 people were self-employed without employees, or 57.6% of self-employed. In 2001, 225,800 or 64% of the self-employed had no employees. This category grew by 6 percent. Bururu (1998:63) suggests that highly regulated labour markets that make it difficult to hire and fire workers may encourage employers to contract out services in order to minimise labour transaction costs. In addition, increasing non-wage labour costs such as ACC levies, pay roll taxes and health and safety compliance costs may encourage contracting arrangements, in this case for sole operators. Equally, the downsizing of larger organisations and the public sector between the mid-1980s and mid-1990s encouraged a considerable growth in consultancy, some of whom would fall into this category.

<table>
<thead>
<tr>
<th>Year Ended March</th>
<th>Total Self-Employed</th>
<th>Employers as % of Self-Employed</th>
<th>Own-Account Self-Employed as % of Self-Employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>275,600</td>
<td>42.4</td>
<td>57.6</td>
</tr>
<tr>
<td>1992</td>
<td>284,300</td>
<td>41.3</td>
<td>58.7</td>
</tr>
<tr>
<td>1993</td>
<td>298,000</td>
<td>40.7</td>
<td>59.3</td>
</tr>
<tr>
<td>1994</td>
<td>310,700</td>
<td>41.3</td>
<td>58.7</td>
</tr>
<tr>
<td>1995</td>
<td>317,400</td>
<td>41.7</td>
<td>58.3</td>
</tr>
<tr>
<td>1996</td>
<td>336,100</td>
<td>41.2</td>
<td>58.8</td>
</tr>
<tr>
<td>1997</td>
<td>340,400</td>
<td>37.2</td>
<td>62.8</td>
</tr>
<tr>
<td>1998</td>
<td>331,000</td>
<td>39</td>
<td>61</td>
</tr>
<tr>
<td>1999</td>
<td>342,400</td>
<td>38.7</td>
<td>61.3</td>
</tr>
<tr>
<td>2000</td>
<td>353,000</td>
<td>36.5</td>
<td>63.5</td>
</tr>
</tbody>
</table>

(e) **Multiple Job Holders**

Sometimes referred to as portfolio workers, this group of workers hold two or more paid jobs. It is often assumed that the major incentive is to realise an income that is necessary to sustain personal or household income, combined with restricted labour market opportunities or pathways, and domestic considerations such as family care. The proportion of multiple job-holders to those in employment has changed little in the last ten years although the absolute numbers have increased from 64,900 in 1991 to 73,400 in 2001 (see Table 1). However, because of the way in which the statistics have been gathered, multiple job holders might be under-represented although not necessarily by much.

The extent and significance of the non-standard workforce is difficult to establish, especially given the lack of national statistics on casual and fixed term/task employment and a degree of overlap between categories. One estimate (Carroll 1999:104) puts the proportion of non-standard workers at around 57% of the New Zealand workforce, with part-timers making up 22 percent of those employed, and using a narrow definition of what constitutes non-standard. In Australia, the non-standard workforce accounts for 43 percent of those employed (Jobs Letter 1995). A similar figure is suggested for Canada (see McCartin and Schellenberg 1999), although the same authors note that between 1975 and 1995, 45 percent of all new employment was non-standard work. In the period 1990 to 1997, 72 percent of net employment growth was own-account self-employed (McCartin and Schellenberg 1999:3). Despite the international and local evidence on the growth of non-standard work, labour market statistics in New Zealand do not adequately capture the extent or nature of local developments. The current definitions of employment status are too locked into traditional paradigms and are insufficient to capture the hybrid and non-standard forms of working. Casual and contract workers are not identified. As Carroll
(1999:103) observes, “unfortunately, neither the census nor the HLFS are well designed for the purposes of researchers examining all the interesting dimensions of non-standard work”. Given the political and social significance of non-standard work (see Mangan 2000:xv), such statistical omissions are problematic.

Becoming Standard : The Growth of Non-Standard Work

Standard work became the norm during the twentieth century, both because of its dominance in labour markets in countries such as New Zealand and because it was incorporated into state-managed welfare and labour market policy frameworks. Self-employment declined throughout the century, there was a migration from primary sectors to the mass employment of the industrial sector and the growth of state-funded service sectors such as health and education, large corporations and the state came to be major employers (McCartin and Schellenberg 1999:3).

...the model of “standard core” employment has served as the primary reference point for our understanding of paid work, through much of the post-war period and has characterized employment in many industries (McCartin and Schellenberg, 1999:2).

According to Kalleberg (2000), the efficiencies associated with work in standard, hierarchical employment relations and the nature of internal labour markets in the post-World War II period may have been an historical irregularity, to be altered by the non-standard employment relations which are now beginning to prevail. The growth of non-standard work, along with other contemporary social and economic changes, has given rise to some interesting questions about the significance in the shift of employment in particular and society in general. The ESRC “Future of Work” programme has asked the following:

Are the claims of paradigmatic shifts in work organisations and social practices securely grounded or not?

The author then goes on to suggest that:

...contemporary debate has been excessively influenced by the work and employment patterns which became prevalent in the specific conditions of the post-war period, but which historically may come to be seen as exceptional. Is the growth of contingent labour indicative of structural change?

There is certainly a considerable literature which suggests that it is, from Beck’s notion of the Brazilianisation of the west, characterised by destandardisation, fragmentation, and “highly flexible, time-intensive and spatially decentralized forms of deregulated paid labour” (Beck 2000:17), to Sennett’s (1998) new capitalism, Castells (1996) informational capitalism, which is characterised by international reserve armies of labour, to Sassen’s (1996) analysis of the decline of traditional industries. However, there are those who argue just as strongly that standard work is still just as important as it ever was and that the degree of structural change, especially with regard to labour markets, is exaggerated (see Doogan 2001).

The evidence simply does not sustain the view that we are witnessing the emergence of a “new” kind of employment relations, seen in the “end of careers” and “the death of the permanent job for life” (Taylor n.d.:7).

Doogan (2001:423) goes on to argue that the “rise in long-term employment in the UK in the 1990s has been dramatic and challenges many of the assumptions that underpin the "insecure worker hypothesis"”. The question is an important one and the material rehearsed tends to suggest that there are significant changes to the nature of work in the late twentieth century, with more flexible labour markets, significant changes to labour market and social protection systems and the nature of labour market participation. Career and work trajectories, including entry and exit points to various forms of work have changed. The growing significance of non-standard work is one key element in these changes and it does suggest that there are substantive structural changes to labour markets.

Aside from the question of whether there is structural change, there is less disagreement about the reasons for new forms of employment and the fact that there is growth in casual employment arrangements or just-in-time labour. These can be listed as a series of demand and supply factors:

Skilled Non-Standard Workers : A New Zealand Study

As an extension to earlier research into changes in the labour market in the late 1980s, it was decided to interview New Zealanders whose employment departed significantly from standard employment arrangements (see Firkin et al. 2002). The first phase was limited to participants with a knowledge and technology focus, a group that are relatively skilled, qualified and who, in the main, chose non-standard work. The focus was generally on those who had experienced transition from standard employment that was full-time, permanent and generally secure into various forms of non-standard work such as contracting and consultancy, often involving various forms of information technology and working on-line. A smaller group had experienced only non-standard work. The research explored the nature and implications of these new working arrangements, the degree of satisfaction and feelings of security, and assessed what non-standard work meant for education, training and future employability.

The sample was chosen from people who lived in the greater Auckland area and who fulfilled three requirements. They had to be involved in non-standard
ways of working. Secondly, their work had to have either a knowledge or technology component. And thirdly, the sample had to represent a cross-section of those who met the first two criteria. The resulting group comprised 19 males and 21 females with the largest group in the 35-45 age bracket (53%). Sixty percent held university or polytechnic qualifications and twenty-seven (67.5%) of those interviewed had been born in New Zealand. Subsequent research has examined another group of non-standard workers in Hawkes Bay and, separately, looked at the impact of non-standard working arrangements on professional groupings, in this case, accountants and midwives.

Alternative work arrangements for the sample discussed here were structured very differently from standard work patterns. Even within this sample of forty, there were a myriad of complex employment arrangements. Few replicated a direct relationship with a single employer. Rather, many combinations of working roles and relationships were evident. One was the indirect or triangular one where people worked for, or with, agencies or contract companies as intermediaries in gaining employment. Another were various forms of networking and marketing to gain employment as a sole casual or contractual worker. In other cases, contractors often sub-contracted for all or part of their work, or sub-contracted others for elements that they could not meet themselves. Some participants combined full-time or part-time self-employment with other non-standard roles, such as contracting, or had a mix of part-time employment in their mosaic of work. This mix of clients and ways of working provided a portfolio of work and income, and the portfolio could be open or closed depending on whether non-standard workers were actively seeking new work outside their current client base. Naturally, the status of open and closed portfolio work could shift with time and circumstances.

(i) Entry to Non-Standard Work

While any labour market transition is likely to be the result of a mix of factors, Bururu (1998) suggest that it helps to look at push and pull factors. Almost two-thirds of the sample interviewed here chose to make a transition into alternative working arrangements. The reasons cited included the flexibility and autonomy provided by non-standard work; non-standard work as an important source of secondary earnings; providing a better balance between work and family responsibilities; a “take-off” point for a beneficiary; and as an important earning source for postgraduate students. Six of the participants were pushed into non-standard work. The reasons included company reemployment, immigrants unable to find permanent standard employment and family circumstances. While the type of work most people engaged in after a move into some non-standard form of working mirrored their background training, skills and experience, just over a third of those interviewed used the transition to make a complete change in their work activities.

(ii) Managing Non-Standard Work

There was considerable variability in the way in which non-standard work was managed amongst the sample, reinforcing one of the attractive features of this form of working, the flexibility for the worker. Most of the participants noted they could organise the time to suit themselves. Only a few had little control over the hours that they worked. However, like many sole operators, some of the contractors interviewed struggled to manage holidays and sickness in traditional ways. There was also an intensification of work with periods of extended and intense work that simply had to be done. Other studies have stressed that the degree of flexibility is a function of the type of non-standard work (see Marler et al 2002). These were skilled workers who could, mostly, exercise some choice. Involuntary non-standard workers have little or no choice by comparison.

Compared with standard working arrangements, one aspect that was stressed by those interviewed was the interaction between work and home and how it could be managed. There were diverse interactions between work and home, especially for those who worked at home for most or all of the time. There was a considerable blurring of home and work life with indistinct boundaries as a result. This encompassed both temporal and physical issues. There were a variety of strategies used to demarcate work areas from domestic activities and spaces or, in some cases, a merging. Information technologies contributed to this blurring, with mobile phones, faxes and e-mails introducing work issues to a home environment, literally at any time of the night or day. Whatever the strategy adopted, however, the participants felt that work/life balance was being achieved in a way that was not possible for standard workers, although creating boundaries, rules and routines were also common to ensure that work did not completely take-over domestic life and spaces. The point is that the weakening of the boundaries between home and work was an appealing aspect of non-standard work for those interviewed.

(iii) Advantages and Disadvantages

The respondents were clear about the advantages, to them, of non-standard work. In almost all cases, the participants earned a higher hourly return than they might in “traditional” employment. Flexibility and autonomy were mentioned as distinct advantages, particularly with regard to the balancing of home and work commitments. Having their work recognised, both materially and emotionally, was a positive benefit. One participant referred to the importance of psychological well-being which he felt the alternative working arrangements brought. This tended to outweigh any of the negative consequences. In addition, the variety of the work and the challenges it brought was an appeal for many. The lack of office politics and the interruptions imposed by organisational requirements were identified as positive aspects.
Not unexpectedly, one of the main disadvantages was the feeling of uncertainty that accompanied the unpredictability of workflows. Importantly, how participants viewed this means that it cannot simply be seen as insecurity in the traditional sense, since while there was a sense of uncertainty about workflows, there was security in many other aspects of employment, especially what might be described as ontological security in regard to work-life balance. Indeed, over 70 percent were confident of ongoing employability in the medium term and over 80 percent in the long-term. Unsurprisingly, uncertainty was not enough to tempt this group of non-standard workers back into permanent employment and there was a sense of becoming used to the insecure nature of non-standard work. However, it did affect participant’s ability to plan ahead and to take time off, for unanticipated reasons such as illness or such requirements as holidays or training. Unpredictable workflows, especially for contractors, often placed heavy demands on people and affected their home life. Isolation was also mentioned as a disadvantage. Whereas many identified the lack of interruptions as a positive, many also submitted that they missed casual office interaction.

(iv) Training, Technology and Networking

Some of those aspects that most characterised this group of non-standard workers was their use of information technologies. All those interviewed used information technologies, especially as 40 percent of them worked in businesses which were technology based. Apart from technology being the basis for their business, all used technologies in a myriad of ways. Websites were used for training, advertising, information gathering, communicating with a variety of other work communities and getting paid. Technology contributed to the networking which characterised these workers. Networks were seen as essential to working in these forms of non-standard working: “it’s not what you know, it’s not even who you know, it’s who knows you”. These contacts and maintaining them was seen as vital in identifying and gaining employment/contracts, thus obviating advertising and marketing. The networks were also seen as important in obtaining information. Furthermore, active networks were an important strategy in overcoming or reducing the feelings of isolation. Many participants had to deliberately work at networking and sometimes found this difficult, although having a business partner seemed to make networking easier as the “burden” was shared. Finally, associations and collaborations were extremely important given that many of the contractors who were interviewed had specialist skills. By forming associations for specific projects, and often only for the duration of the project, they had access to a wide range of skills and expertise without having to employ others. One participant referred to this as a virtual team. Also, use was made of various specialists to help their own business operate. Support professionals such as accountants and lawyers were used to provide specialist help and to ensure the efficient and effective running of the business.

As a counterpoint to the reliance and emphasis given to networking and collaborative activities, some mentioned that while they were working under contract to organisations, they often felt like an outsider. The culture of the company was at odds with the way in which non-standard workers operated, and in a variety of ways, the contract or casual worker was on the periphery of the company employing them, with a determinate future, and this was reflected in the level of engagement between worker and those inside the company. Moreover, the approach and ethos of the non-standard worker differed from the standard workers right across the company hierarchy who were employed by a particular organisation. It gave rise to varying levels of dissonance and a feeling of not being part, of being an outsider. This was quite different to the contractual and personal relationships between non-standard workers where there was considerably more empathy, tinged at times by a competitive element.

(v) Regulatory Environment

Non-standard workers operate in ways that are often not included or considered in the regulatory environment which reflects the operations of national or local government. Standard work has provided the normative work environment and the regulatory and policy framework tends to reflect these normative assumptions about work. This is seen in the often negative comments made by non-standard workers about how this environment operates to their disadvantage. Comments were made about the lack of flexibility in legislation which was tailored to large companies with standard workers rather than taking into account small and medium companies and non-standard workers which constitute a significant number of the businesses in many sectors. Some believed that the regulatory and policy environment was failing to consider and encompass non-standard work. Comments were made about the high levels of taxation and the disincentives of the current tax structure. Some of the non-standard contractors had taken a deliberate decision not to employ staff, or to grow their businesses, because of the provisions of the Labour Relations Act. OSH and ACC requirements and levies were also seen as disincentives to employing others. The ownership of intellectual property was mentioned as a difficult issue, given the more complicated employment relationships which have emerged in a casualised and contractual environment.

Implications for Labour Market Policy

As labour markets become more segmented, fragmented and non-standard, there are important implications for labour market policy, as well as for education and training policy frameworks. Given the normative assumptions about the centrality of standard work as the basis for labour market policy, and the growing significance of non-standard work arrangements, there is a disjuncture between policy and employment reality which is likely to become even greater in the future if there is not some realignment to encompass non-standard work. As Dahrendorf (1999:11) has observed, if welfare
is based on the status and conditions of those in typical jobs, then the people who work in atypical or non-standard arrangements are excluded. And as Marler et al (2002:426) point out: “There is agreement that heterogeneity within these alternative employment arrangements need to be better understood in order to inform organizational and policy makers”. What follows is a modest contribution in identifying these policy issues.

(i) Tracking Labour Market Trends

Increasingly, it has become evident that the available statistics provide only a limited understanding of the trends in the New Zealand labour market, particularly with reference to non-standard work. At this point, it is not clear how significant or extensive non-standard work arrangements are. Current data collection does not take into account the complexity of employment arrangements nor the changes to the labour market in the last decade or so. For example, the HLFS in New Zealand does not provide information on casual and contract workers. Given the importance of casual employment in New Zealand (see Mangan 2000), this information is essential. Callister (1997), amongst others, notes that the lack of official data series is particularly evident and a problem in terms of tracking the nature of labour market participation.

(ii) Education and Training

Given the greater levels of alternative working arrangements and the requirement for certain skills sets, the education and training systems need to respond to the reality of non-standard work as an increasingly important option for those entering the labour market at various points and stages. At a broad level, the question needs to be asked: are those entering the labour market aware of the shifting patterns of employment and what they need to be prepared for some if not many of the options? Given that there are increased levels of insecurity and casualisation, combined with increased levels of individual risk and responsibility inherent in this environment, a lack of adequate preparation could provide a significant barrier to successful engagement. Education and training providers need to recognise the importance of the ongoing acquisition of knowledge and the need to prepare those in their system by offering strategies which provide skill and knowledge accumulation over a working life. Furthermore, providers need to evaluate the match between the content and delivery of programmes and the requirements of those working outside standard arrangements.

(iii) Workplace Training

There has been talk of a paradigm shift in relation to a move away from the “current front loaded, pre-employment system of Education and Training” (Blakely 2002) to flexible learning systems increasingly supplied on the job. However, this does not fit comfortably with casualised and non-standard employment. In this environment, it is difficult to identify who is responsible for such learning and training, especially when there is a lack of continuity in employment relations and no long-term employer. Furthermore, the ageing nature of the workforce combined with the emerging shortages in certain skills and sectors, and the lack of labour replacements strategies (Lloyd et al. 2002), has significant implications for education and training. The re-composition of the labour force and the disaggregation of standard employment into much more diverse, non-standard forms suggests that innovative and rather different strategies need to be implemented with regard to future labour requirements.

(iv) Workplace Staffing

The externalisation of employment and management functions has implications for workplace relations, staffing practices and regulatory policies. New forms of employee-employer relations, specifically those associated with non-standard work, differ significantly from structured, traditional forms of employment. Kalleberg (2000) argues that research is needed on the “bundle” of practices that employers use to accomplish their staffing requirements, both through traditional, standard employment and through more casualised options involving non-standard arrangements. One issue is the psychological contract that was seen as part of the loyalty and long-term relationship of standard employment, or “…the informal arrangements and commitments that employers and employees might reasonably expect of each other” (Stephenson 2001:395). Our research has suggested that non-standard workers feel like “outsiders” in relation to a particular organisation, a departure from the psychological contract. The implications of this for both organisation and worker are far from clear.

(v) Triangular Employment Relations

Given the increasing diversity and fluidity of employment relationships, is the current regulatory environment sufficiently flexible and responsive to encompass the range of relationships? For instance, the emergence of triangular relationships that are evident in many non-standard relationships are not always adequately addressed by current labour laws. Kalleberg (2000) suggests that recognition needs to be given to the nature of co-employment and joint employer arrangements. Another interesting aspect to triangular relationships is the question of who owns intellectual property given that there may be three (or more) parties involved at any given moment. Fundamental questions are raised by triangular employment relations about who is the employer? There is considerable ambiguity about the legal obligations towards employees once an intermediary is involved (Houseman 1999:5)
(vi) Entitlements and Protection

While many of the participants in our research wanted less rather than more regulation, the challenge in a regulatory framework which adequately reflects the current employment mix is in accommodating the greater flexibility and diversity that non-standard work arrangements bring. There is also a need to balance the desire for less regulation of the boundaryless or voluntary non-standard worker with the need to ensure the wellbeing of the involuntary non-standard worker. In Canada, for example, the government has set itself the goal of devising a new set of labour requirements that ensure that all workers, irrespective of working arrangements, are given access to a basic set of employment conditions covering such issues as income equity and training (Mangan 1999:59). This becomes critically important when the involuntary and vulnerable non-standard workforce are considered. Even when minimum entitlements and protection exists, non-standard workers tend to be overlooked as they fall outside the mainstream of employment relations. One recent example is the provided by the case of the Paid Parental Leave Scheme. Eligibility is confined to those in paid employment with a single employer for ten or more hours per week for a year before the due birth or adoption (EEO Trust November 2001). This excludes the non-standard worker who is working part-time, for more than one employer or on a casual basis. The growing proportion of workers who operate, both voluntarily and involuntarily, on a non-standard basis need to be considered in the regulatory framework in terms of the key forms of labour market entitlement and protection.

(vii) Gender and Ethnic Equity

Women continue to dominate some forms of non-standard work (eg part-time work; see Figure 2), while Maori and Pacific peoples are disproportionately located in non-standard work in some of the primary and services industries. Furthermore, immigrants are found in various forms of non-standard work such as own account self-employed. Whilst some forms of non-standard work might appear to suit these groups (eg women with domestic commitments might prefer the flexibility of non-standard work while still allowing them to stay connected to the labour force), there are also some evidence to suggest that this location in non-standard work, especially if it is involuntary, might have a negative impact on future employment prospects. Part-time work tends to channel workers into lower skilled work with few opportunities to become better skilled, full-time or to invest in training and education. This has implications for life-time options and earnings. There is a significant gender and ethnic component to the involuntary non-standard labour market.

Figure 2: Full-Time and Part-Time Employment: 2002

(viii) Defining the Employment Status of Workers

The growth and nature of non-standard work has important implications for labour legislation and its application. For example, a key issue is the basis on which the courts and industrial tribunals distinguish between employees and the self-employed, and the ability of existing job classifications to accommodate non-standard arrangements. In turn, such definitional issues have implications for contractual rights and obligations, the right to refuse work, the obligations on a company to provide work, and co-employment liabilities. In the
USA, the Commission on the Future of Worker-Management Relations has recommended that a more appropriate definition of employees should be adopted, and one that ensures that those who are hired through intermediaries are covered (Houseman, 1999:5).

Conclusion

There have been significant changes in the structure of labour markets in all industrialised societies and these have been well documented (see Hensen, 1996; Crompton et al, 1996). They result from national policy changes and external developments in global production and ownership. They reflect new business imperatives, demographic changes and the shift from economies based on industrial manufacturing to service-based economies. One of the important outcomes has been the growth of non-standard working arrangements over the last two decades (Vanden Heuvel et al, 2000; Burgess et al, 1999: McCartin et al, 1999: Mangan, 2000). Since non-standard work has always existed, it is probably more accurate to note that what has changed is the size and significance of non-standard work (Zeytinoglu et al, 1999:1). By some estimates, over 50 percent of employment in New Zealand is non-standard (Carroll, 1999). Instead of working full-time for a single employer with the assumption of on-going employment, there is a trend towards self-employment, part-time work, irregular hours that vary, less continuity of job tenure and new locations of work. Reliance on direct employment relations is decreasing and instead, certain labour requirements are outsourced and employees provided by intermediaries.

The research that was reported here covered a range of co-employment and joint employer arrangements. Not only were some employed by temporary help agencies but also by other companies and contractors to do work on their behalf. For this group of skilled workers, they provided an example of a boundaryless career (see Arthur and Rousseau, 1996:3) which is in contrast to the bounded, organisational, bureaucratic career. Those interviewed tended to choose such careers or to have been subsequently convinced of their attractiveness because of the flexibility and autonomy that it gave them. They had the skills, personal characteristics and the resources to enable them to benefit from the flexibility that non-standard work provided. Involuntary non-standard workers, especially those in the less skilled and unskilled sectors of the labour market might have a very different view about the attractiveness of non-standard work. Betcherman et al (1996:7) have noted that while the spread of non-standard work, while potentially beneficial to those groups which are skilled and experienced, has far-reaching and unwelcome implications for many outside those groups.

It still leaves unanswered the larger questions surrounding the appropriate policy framework that will be required to encompass non-standard workers, as well as the standard workforce, and whether the growth of non-standard work signals a much more fundamental shift in the nature of employment arrangements in contemporary labour markets and economies.

References


Notes

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2 The main categories are given the text of the paper, but a more exhaustive list might mention: part-time, short-term, contract, temporary help agencies, own account self-employed, temporary, on-call, direct-hire temping, leased, limited term, home workers, portfolio and co-employment. There are also those jobs associated with the not-for-profit or not-for-gain work in the third or voluntary sector (Dahrendorf 1999:11).

3 Part-time workers are those who usually work fewer than 30 hours per week (Labour Market Statistics 2000).

4 The definition of self-employed includes those in paid work who employ others as well as themselves and those who work on their ‘own account’ (Burluru 1998:61).

5 Multiple-job holders are defined as “people for whom usual hours worked in other jobs are greater than zero” (Labour Market Statistics 2000).

6 Excluding unpaid family workers and unspecified.