



The Human Resources Specialists

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HR KNOWHOW
WHAT'S NEW

In this edition:

- **Vacancies on the Up – will job hunting now begin?**
- **90 day Trial Period – Update**
- **The Cost of Getting It Wrong**
- **Personal Grievances on the Rise**
- **Update on Bills before Parliament**
- **Holidays Act**
- **Wood & Associates**

Vacancies on the Up – will job hunting now begin?

The number of skilled jobs advertised has now risen for 10 consecutive months by 21.7 percent in total and by 8.5 percent in just the last three months.

"We're now seeing business confidence pick up post-recession and as a result many employers are hiring again," says Paula Bennett, Minister for Employment.

Skilled vacancies increased across almost all industries, with the biggest rises in construction and engineering (up 15%) and sales, retail and marketing and advertising (up 11%). Accounting, HR, Legal fared less well (5.2%) and IT rose 10.8%

"These encouraging indicators when added to the drop in the official unemployment rate to six percent, signal a labour market slowly on the mend," says Paula Bennett.

This increase in jobs advertised, if it continues, is likely to take the lid off suppressed movement especially when we consider recent salary surveys showing a median pay increase of only 2.5% for the last 12 months ending February 2010 and other surveys indicating that many people have not changed jobs in the last 18 months owing to a lack of security.

Our concern is that there is a lot of potential change in the market and employers should now be looking at their remuneration structures and how to retain their key staff.

KnowHow can work with you to retain your key employees and ensure that you get the best out of your people. Please contact us on 09 377 9891.

90 day Trial Period - Update

We are now seeing the 90 day trial period as a 'common' term of an employment agreement. As we had expected, we are seeing that employers are making good use of the trial period legislation by providing employees with an opportunity and not necessarily hiring and firing 'willy nilly'.

Termination During the Trial Period

To terminate an employee on a trial period **it is essential that:**

- The trial period has been agreed and recorded in the employment agreement
- That the trial period is 90 days or less, commencing from the start of the employment relationship (i.e. this could be less than 3 months).
- That the notice of termination is provided during or before the end of the 90 day trial period
- Your business has less than 20 employees (including fixed term and casuals)

If you are unsure of how to terminate during the trial period or if you can do so on solid grounds we are more than happy to talk this through with you. Please contact our team on 09 377 9891.

The Cost of Getting It Wrong

Recent awards to employees have included:

- **\$350,000** to a former deputy Managing Director for constructive dismissal and redundancy. Costs included; \$193,333 in lost wages, \$128,615.38 for redundancy compensation, \$15,000 for hurt and humiliation and \$6,344 for lost benefits.
- **\$30,000** to a café worker for an unjustified dismissal
- **\$3,000** to an allegedly 'pot smoking' employee for hurt feelings

And even when you win you lose....

A former Air New Zealand Accounts Clerk was ordered to pay \$65,000 towards the airline's legal costs (of \$88,878 actual) following her unsuccessful appeal in the Employment Court in 2009. The cost of *winning the appeal* for her employer was therefore over **\$23,000**.

Personal Grievances on the Rise

The recent statistics on Personal Grievance Awards for 2009 show personal grievance claims have increased 11% compared with 2008. Compensation awarded to employees for hurt and humiliation has increased by 3% to \$5,402, compared with 2008. These figures show that regardless of 2009 being a recession year and employers well justified in restructuring there is still a portion of the workforce (albeit a small one) that will take action against employers.

Update on Bills before Parliament

The Employment Relations (Rest Breaks & Meal Breaks) Amendment Bill

The Employment Relations (Rest Breaks & Meal Breaks) Amendment Bill passed its first reading on 29 April 2010.

The Bill amends the Employment Relations Act 2000 to implement government policy on relaxing rest break and meal break provisions for employees.

Under the Bill, there is a requirement for meal breaks and paid rest breaks or compensatory measures. Compensatory measures could include later start or earlier finish times, or time off in lieu. Parties will need to agree in good faith. However failing agreement, the employer can determine the times and duration of the breaks. Compensatory measures would be agreed between the parties and only where there is a reasonable restriction to taking the breaks.

While we agree that a practical and more flexible approach is needed in the legislation, we see that employers will be spending more time updating rosters, following up late starts, and administering time in lieu systems.

The Bill however does provide the employer with more control around the breaks and seeks to ensure that his/her service or production is not compromised.

The closing date for submissions is 11 June 2010, with the report due 29 October 2010.

Unsuccessful Bills:

There was intent to provide employees with statutory entitlements in the event of redundancy or dismissal. This Bill has failed.

A proposed Bill to provide differing levels of minimum wages for youth will also not proceed further.

Holidays Act

We are following the Holidays Act review. It appears that this is sitting with the Review Committee who will be considering the submission and drafting legislation. We will advise you upon any further developments.

Wood & Associates - Recruitment

Wood & Associates provide recruitment services on the same basis as our HR Knowhow services. In large part, we will rely on our knowledge of you and your business and we will work hard to find people who are the right fit.

We will provide you with fee estimates for an assignment and we provide a significantly longer guarantee than is the norm.

If you would like to know more about our recruitment services, how we operate and the fee structure please call me, or my recruitment business manager, James Cozens on 09 358 2838 or contact us at James@woodandassociates.co.nz.

Referrals

We are very grateful to our clients who provide us with referrals. If you know of an employer who needs support in managing employment matters or perhaps needs Employment Agreements brought up to date please pass on our contact details or let us know and we will contact them to outline what we do.

Please do let us know if there is more we can do to assist you with your HR matters.

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The Employer's Resource

Employment Agreements, Company Policy and Procedures, Health and Safety Manuals/Systems Compliance, Restructuring, Redundancies, Managing Performance, Mediations, Dispute Resolution, Personal Grievances, Compliance, Termination

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