



**Asia Pacific Federation of Human Resource Management  
(APFHRM)**

*New Zealand Report – March 2011*

[www.hrinz.org.nz](http://www.hrinz.org.nz)

## Economic Profile<sup>1</sup>

New Zealand is a parliamentary democracy situated in the south west Pacific. It has a population of around 4.3 million in a country similar in land area to Japan. New Zealand has a market economy with sizeable manufacturing and services sectors complementing a highly efficient export-oriented agricultural sector. Exports of goods and services account for around one third of real expenditure GDP. New Zealand's high proportion of winter sunshine hours and considerable rainfall provide an ideal resource base for pastoral agriculture, forestry, horticulture and hydro-electricity generation. Hydro-electricity provides a relatively cheap source of energy and has allowed the development of energy-based industries such as aluminum refinement. New Zealand is also a popular overseas visitor destination and tourism is an important source of export income.

The economy was weaker than we expected in mid-2010 even allowing for extraordinary events. Further recession is likely to be avoided as real GDP has risen in the December 2010 quarter, although weaker than previously forecast. The outlook for 2011 is more positive than 2010, largely owing to the Rugby World Cup, earthquake reconstruction and high commodity prices.

The recovery in the New Zealand economy stalled in the middle of last year as real GDP fell in the September 2010 quarter for the first time since the 2008/09 recession ended. The recovery from this recession has undershot our expectations, only partly due to events such as the earthquakes in the Canterbury region. Domestic demand has been softer than we expected, despite the incentive for a pre-GST spend-up, owing to greater caution being shown by households, farms and firms.

As the Treasury prepares its Budget Economic and Fiscal Update, there are a number of issues that will influence the New Zealand economy in 2011. Key amongst these is the global economic and financial environment, which will remain an important determinant of New Zealand's fortunes. In particular, inflation concerns have begun to develop worldwide, sovereign debt and banking sector concerns remain in the Euro area, and weak housing and labour markets are constraining consumption growth in many advanced economies, particularly the US.

In New Zealand, key issues for the economy in 2011 include one-off events such as the hosting of the Rugby World Cup, earthquake recovery work, and the current La Nina weather pattern. Uncertainty surrounds other key influences such as saving behaviour and the exchange rate. At this stage, the outlook for real economic growth in calendar year 2011 is looking better than what was experienced in 2010. Price developments, particularly the terms of trade, will also be important. As a result, although data have been weaker than expected, the overall outlook for 2011 may not be materially different from that presented in the Half Year Update 2010.

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<sup>1</sup> [www.treasury.govt.nz](http://www.treasury.govt.nz)

## Current HR Trends

### *Employment Summary<sup>2</sup>*

Quarterly Employment Survey (QES) results for the December 2010 quarter show that employment measures remained steady while average earnings have continued to increase. In the December 2010 year, the number of full-time equivalent employees (FTEs) increased 0.2 percent while average total hourly earnings increased 1.9 percent.

In the December 2010 quarter, seasonally adjusted total gross earnings increased 0.6 percent while seasonally adjusted total paid hours decreased 0.2 percent.

In the December 2010 quarter, seasonally adjusted average total weekly paid hours (FTEs) rose by 0.9 percent. This is the third consecutive increase in seasonally adjusted average total weekly paid hours (FTEs) and is the largest increase since the December 2004 quarter.

QES average earnings statistics reflect not only changes in pay rates, but also compositional and other changes across and within the paid workforce. In comparison, the labour cost index (LCI) measures changes in salary and wage rates for a fixed quantity and quality of labour input.

In the year to December 2010, salary and wage rates (including overtime), as measured by the LCI, increased 1.7 percent.

### *Employment*

In the December 2010 year, the number of FTEs increased by 0.2 percent (to 1.31 million). Filled jobs decreased 0.4 percent in the December 2010 year, which is the first decrease in filled jobs since the March 2010 year.

For the same period, the number of full-time employees remained unchanged at 1.08 million while part-time employment increased 0.9 percent. This is the fifth consecutive increase in part-time employment on an annual basis.

### *Paid hours*

In the December 2010 quarter, seasonally adjusted average total weekly paid hours (FTEs) increased by 0.9 percent (to 38.35 hours).

Actual average total weekly paid hours (FTEs) increased 1.9 percent for the December 2010 year, which is the largest increase since the series began. The main contributors to this increase were the health care and social assistance; and transport, postal, and warehousing industries.

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<sup>2</sup> [www.stats.govt.nz](http://www.stats.govt.nz)

In the December 2010 quarter, seasonally adjusted total paid hours decreased 0.2 percent.

Actual total paid hours increased by 2.0 percent for the December 2010 year. The health care and social assistance; and transport, postal, and warehousing industries drove this movement.

### **Earnings**

Seasonally adjusted total gross earnings increased 0.6 percent for the December 2010 quarter.

For the December 2010 year, actual total gross earnings increased 3.9 percent. This increase was mainly driven by the health care, and social assistance; and manufacturing industries.

For the same period, average total hourly earnings increased 1.9 percent. The main contributors to this increase were the health care and social assistance; and manufacturing industries.

Private sector average ordinary time hourly earnings increased 0.6 percent (to \$23.87) for the December 2010 quarter. In the public sector, average ordinary time hourly earnings increased 0.3 percent, to reach \$32.71.

Average total weekly earnings (FTEs) increased 1.9 percent (to \$991.05) for the December 2010 quarter due to increased contributions from the manufacturing; and education and training industries.

In the December 2010 quarter, average ordinary time hourly earnings for females increased 0.5 percent (to \$24.04). For the same period, average ordinary time hourly earnings for males increased 0.5 percent (to \$27.40).

## **Update on the HR Institute of New Zealand**

### **Leadership**

**President:** Ms Catherine Taylor

**Vice Presidents:**

- Ms Debbie Dawson
- Mr Tony McKone
- Mr Crispin Garden-Webster (ex-Officio for Asia Pacific)

### **Membership**

Membership stands at 4012 which is approximately 52.8% of the HR sector in New Zealand. This reflects a net increase of 5% on last year. The Institute only offers individual membership of which there are two main categories:

- **General Members** are people who are interested or involved in some aspect of Human Resources management and development.

- **Professional Members** are members who seek and gain the institute's formal recognition and accreditation of their skills, knowledge and experience in Human Resources management and development. This group is growing at 12.5% pa and stands at just under 10% of the Institute.

The first level of Professional Membership is recognised with the suffix - **MHRINZ** (Generalist and Specialist). The second level of Professional Membership is when the member is subsequently recognised by the institute and can advance to become Associate Fellows - **AFHRINZ** - and Fellows - **FHRINZ** - in recognition of outstanding contribution to Human Resources and the institute.

**Professional Membership.** Accreditation is an important membership step. It demonstrates that a Human Resources practitioner has satisfied the institute that they have particular qualifications and experience and possess an ongoing commitment to professionalism and excellence. Accreditation also provides a visual reminder to others that the member has advanced skills and knowledge in Human Resources Management.

Professional Members have full rights to participate in the activities and affairs of HRINZ, including the right to hold membership of the National Board and various other governance roles in the institute. Professional Members are presented with a certificate to recognise their status and may use the letters **MHRINZ** to denote Generalist Member or **SHRINZ** to denote Specialist Member, after their names.

**Fellows.** Associate Fellows will have had Professional Membership status for at least two years and who have been recognised by their Branch peers as having been actively involved as an influential leader in the HR community and branch. Fellowship of the institute is only granted to leaders in the HR Industry who have had Professional Membership status for at least five years and satisfies the Board of a high standard of personal integrity and professional competence; and has made an outstanding contribution.

### ***Social Media***

HRINZ uses social media to reach members with regular updates being made most weeks on twitter, Facebook and HRINZ blogs. Linked In also features HRINZ discussion groups

### ***Academic Linkages***

The inaugural Research Forum was held in Auckland in November 2010. Hosted by the Academic Branch, the forum brought together practitioners and applied HR research from New Zealand universities and proved a successful meeting of the minds.

### ***Challenges***

- After some early success with influencing government, we have struggled with writing submissions on recent employment legislation relating to the Holidays Act and amendments to the Employment Relations Act
- Resourcing for visiting Branches
- Providing networking facilities for overseas members

## **Professional development**

### **HR FOUNDATIONS**

HR Foundations is a three day workshop that familiarises participants with Human Resource management practices in a wide range of functions.

**Level:** Introductory/Refresher

**Wellington:** 21-23 September

**Auckland:** 13-15 April, 16-18 November

**Christchurch:** 22-24 June

### **THE CHALLENGE OF CHANGE**

This resilience training programme offers a radical alternative that has been shown to impact significantly on job satisfaction and performance. The programme has been developed by Dr Derek Roger, one of the world's leading experts in the field of resilience and stress management.

**Level:** General

**Wellington:** 11 March 2011

**Dunedin:** 14 July 2011

### **REFRESH HR**

Studying HR theory is important, but HOW you apply it once you are in the workplace can make the difference in being an average or an exceptional HR professional. Each Refresh HR workshop covers one key area of HR and ensures you learn the key points you need to know to develop your HR skills. The content includes employment legislation, case law, real life case studies and best practice. Throughout the workshop there will be discussions, quizzes, real situations to analyse and a focus on practical tools and techniques that you can use.

**Level:** General / Mid Level Practitioner

Auckland	7 April	Driving Performance: KPI's, Competencies and Performance Reviews
Auckland	5 May	Remuneration & Rewards
Auckland	2 June	Managing Medical Incapacity
Auckland	7 July	The Disciplinary Dilemma 2: Misconduct including Fraud, Breaching Policy and Bullying/Harassment
Auckland	4 August	Talent Management & Succession Planning (New Topic)
Auckland	1 September	Managing Culture Change (New Topic)
Auckland	6 October	Restructures & Redundancy

Auckland	3 November	HR Planning & Advice
Wellington	6 April	Driving Performance: KPIs, Competencies & Performance Reviews
Wellington	6 April	The Disciplinary Dilemma 1: Dealing with Performance Issues
Wellington	21 July	The Disciplinary Dilemma 2: Misconduct including Fraud, Breaching Policy and Bullying/Harassment
Wellington	21 July	Managing Medical Incapacity
Wellington	12 October	Remuneration & Rewards
Wellington	12 October	Advanced Employment Relations (New Topic)
Christchurch	19 May	Employment Relations
Christchurch	19 May	The Disciplinary Dilemma 2: Misconduct including Fraud, Breaching Policy and Bullying/Harassment
Dunedin	9 November	The Disciplinary Dilemma 1: Dealing with Performance Issues
Dunedin	9 November	Remuneration & Rewards

### ***ESSENTIAL EMPLOYMENT LAW***

This course consists of a one day facilitated workshop with a post course assessment component to test base level knowledge. As with Refresh HR workshops the content is very practical, with lots of discussions, real employee questions to answer, exercises, case studies and employment case law examples.

**Level:** General

**Wellington:** 5th April 2011

### ***ACHIEVING SUCCESS FOR HR PRACTITIONERS***

Learn ten ways to improve your personal and work productivity as a HR professional and get a work/life balance that is right. Based on leading research into the habits of successful people, this one-day workshop features one additional hour of personal coaching for each participant.

**Level:** General

**Wellington:** 26 - 27th May 2011

### ***HR & BUSINESS PERFORMANCE***

A course for HR Practitioners moving into positions with responsibilities for managing change and ensuring HR adds value. This course bridges HR Foundations and SHRM.

**Level:** 3-5 years HR experience

**Auckland:** 18-20th July 2011

### ***STRATEGIC HUMAN RESOURCE MANAGEMENT***

Strategic HRM is an intensive 3 ½ day residential course designed to provide managers with a powerful and practical framework to enable them to gain a competitive advantage from their workforce.

**Level:** Advanced

**2011 Dates:** (To be confirmed)