



# VOICES FROM THE FRONT LINE

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A RESEARCH REPORT BY: DR DAVID WILLIAMSON, PROFESSOR ERLING  
RASMUSSEN & CAMILLE PALAO  
AUT UNIVERSITY SCHOOL OF HOSPITALITY AND TOURISM, FACULTY OF BUSINESS,  
ECONOMICS & LAW  
2022

# PREFACE

Issues around decent labour in developed economies, particularly in the hospitality sector have been the subject of intense Government, media, academic and public debate over the past several years. Pre-Covid concerns around labour shortages and a dependency on migrant workers on temporary visas have escalated into full-blown labour shortage crises in the UK, US, Australia and New Zealand. In the New Zealand hospitality sector, a decade long pre-Covid boom has been replaced with a major decline, due to border closures and pandemic lockdowns.

As New Zealand and other countries start to emerge from Covid disruption, questions are being asked around how to re-build the service sector to create high-value, sustainable businesses and quality jobs. In New Zealand, the Minister of Tourism has established the Tourism Industry Transformation Plan Leadership Group to address this very issue. This tri-partite group is aiming to create a roadmap for an improved hospitality and tourism sector. The time is ripe for quality data around the conditions of employment in hospitality workplaces. This report is an important first step towards building concrete insights into the contemporary working conditions of hospitality employees.

## About the survey

The survey was created using Qualtrics by the primary researchers. The survey was run in late 2019 and early 2020. The survey asked 40 questions that consisted of both quantitative and qualitative nature. The survey gathered 396 responses in total. Whilst the survey was conducted during the exceptional times of Covid-19, the findings align with historical work experience problems in this sector. The survey captures crucial “voices from the frontline of hospitality”, the often overlooked or marginalised voices of employees. The findings highlight unfair and illegal practices but also aim to be the starting point for discussion to improve work experiences and long-term sustainability for the hospitality sector.

## Acknowledgements:

The authors wish to gratefully acknowledge the following support:

The New Zealand Work Research Institute at The Auckland University of Technology.

The School of Hospitality and Tourism at The Auckland University of Technology.

Dr Gay Greenwood for her early work on the project.

Dr Deirdre Curran for her initial inspiration.

Chloe Ann-King @ Raise the Bar Hospitality Union



**Dr. David Williamson**

School of Hospitality & Tourism,  
Auckland University of Technology



**Professor Erling Rasmussen**

Faculty of Business, Economics & Law,  
Auckland University of Technology



**Camille Palao**

Master of International  
Hospitality Management  
AUT School of Hospitality &  
Tourism

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## SECTION 1: INTRODUCTION

The New Zealand hospitality sector was booming until Covid hit in 2020, it had become a foundational part of the largest export revenue earning industry in the country at that time (tourism). The hospitality sector has always been, and remains, a crucial part of the New Zealand tourism industry. Yet, despite its importance to the economy, the New Zealand hospitality industry demonstrates many of the poor employment conditions also seen in the international hospitality sector: low pay, low productivity, low yields, high labour turnover and poor career pathways. Despite these long-term problems, the hospitality industry was a major employer before Covid hit, with over 140,000 employees nationally and a strong presence in regional employment creation. The pandemic has severely disrupted the hospitality industry, resulting in widespread closures and labour market stresses. The border closures cut off migrant workers that had previously filled jobs local New Zealanders avoided. However, labour market problems are nothing new to this sector, international reports prior to Covid highlighted the persistence of problems in the hospitality and tourism labour markets (Deloitte 2015; New Zealand Tourism Industry Association 2015; Tourism Industry Aotearoa 2018b). The reports contrast the rapid growth and economic success of the sectors with long-standing, yet steadily worsening labour market problems.

This combination of rapid growth, increasing economic importance and major labour problems is also confirmed by international academic research in hospitality and tourism sectors (Baum 2015; Baum et al. 2016; Lashley 2016). Much of this international research highlights well-trodden themes of high labour turnover, poor career progression, low pay, poor work conditions, poor work-life balance and weak occupation and safety systems. These problems have been particularly acute in New Zealand since the so-called neo-liberal 'NZ experiment' in the 1980s and the deregulation of employment relations by the ECA 1991. As a result, from the mid-1980s until the Employment Contracts Act era of the 1990s, hospitality and accommodation experienced some of the most extreme examples of de-unionization, casualisation and wage reduction of any industrial sector in New Zealand (Foster et al. 2009; Fryer et al. 1994; Rasmussen 2009). For example, the real value (the average hourly pay rate, adjusted for inflation) of the accommodation sector's hourly wage fell by 23.5 per cent between 1979 and 2000 (Williamson 2017: 159). It is yet to recover significantly.

The findings in the report raise many concerning employment and work issues, including problematic pay & working conditions; a high proportion of seasonal, casualised, part-time and insured jobs; disturbing reported rates of bullying and harassment and significant levels of non-compliance with basic employment law. This report doesn't shy away from presenting confronting findings, but the importance of the hospitality sector prompts the crucial question: how can the image and work experiences of hospitality be improved?

## SECTION 2: THEORETICAL AND HISTORICAL CONCEPTS AND FRAMEWORKS

This report shows how the image and working experiences of the hospitality sector has changed dramatically over recent decades. In order to have a more complex and in-depth understanding of these changes the report draws on several theoretical and historical analyses and frameworks. As such, the report will present both general frameworks and New Zealand specific analyses. This will include the following theoretical and historical analyses of employment relationships:

- New Zealand employment relations frameworks and their history
- Employment relations theory
- Decent work and atypical employment
- Psychological contract theory
- Voice-exit-loyalty notion
- Emotional and aesthetic labour concepts

While New Zealand employment relations had experienced relative stability for many decades under the arbitration and conciliation system (instituted in 1894), recent decades have witnessed a more volatile environment with many framework changes. Although the arbitration and conciliation system started to experience severe challenges in the 1960s and 1970s, the final breakdown happened in the 1980s and 1990s. The Employment Contracts Act 1991 constituted a veritable 'revolution' by jettison key fundamentals of the previous legislative frameworks and facilitating deregulation and decentralisation of employment relations in New Zealand (for a brief overview, see Rasmussen et al., 2022, chapter 3). The employment relations framework changes were situated within a comprehensive wave of economic and social reforms which transformed New Zealand society and existing business models of most sectors, including the hospitality sector.

The Employment Contract Act 1991 was a controversial legislative framework. Its frontal attack on unionism and collective bargaining proved effective with union density falling by more than 50% in less than 5 years. Additionally, income inequality, a low wage economy and insufficient vocational education and training became imbedded (McLaughlin, 2000; Rasmussen & Deeks, 1997). On that background, a Labour-led Government instituted the Employment Relations Act 2000 which sought to enhance 'productive employment relationships' through a collaborative, good faith approach with collectivism being promoted positively (Wilson, 2004). This framework has endured until now, but the embedded economic and labour market problems have not been rectified and collective bargaining still covers less than 10% of employees in the private sector.

The drift to decentralised and individualised bargaining was pronounced in the hospitality sector. With neo-corporatist employer-union accommodations evaporating in the 1960s and 1970s, the scene was set for a brutal market-orientated employment relations approach under the Employment Contracts Act 1991, including widespread privatisation, union avoidance and short-term contractual relationships (Williamson, 2017). Overseas owners practised a particular hard-nosed human resources management approach where individualised, flexible employment arrangements were promoted and union membership was frowned upon. At one hotel chain, union membership fell from 1,800 to 120 members within a year (Williamson & Rasmussen, 2020).

Hospitality sector employees had previously benefited from overtime and penal rate payments but these payments disappeared in the 1990s and they have not returned for most hospitality workers. Market-orientated employment relations philosophies gained popularity post-1980 and this scuppered many of the traditional notions, such as power imbalance, the necessary and protective roles of collective bargaining and statutory minima, individual employees having agency constraints, and employment agreement being different from other (market) contracts (Brook, 1991; Kerr, 1999). These philosophies were challenged in the new millennium, but many employers still promote a strong managerial prerogative, with collective bargaining and statutory minima being viewed as inflexible and generating unwanted costs (Foster et al., 2011 & 2013). It is only in recent years that further legislative and administrative support of union activity, statutory minima and avoiding 'cheap overseas labour' have gained some real traction in public debates.

There has been relative stability in atypical work in New Zealand, with temporary and casual work fluctuating around the 10% mark and with the proportion of contractors and part-time employees being stable for a couple of decades (Fletcher & Rasmussen, 2020). However, the hospitality sector has had an above-average proportion of its workforce being part-timers, casual and temporary employees. Additionally, many of its workers have been young, on temporary work visas, on fluctuating and asocial hours and often low paid. However, it appears that 'zero hours agreements' have been less prevalent in New Zealand since a 2016 legislative intervention (Campbell, 2018). Border closure under the Covid-19 pandemic has also reduced the number of temporary visa holders (reaching almost 300,000 or over 10% of the total workforce in mid-2020, see Spoonley, 2021). As the hospitality and tourism sectors were already facing staff shortages prior to the Covid-19 pandemic it is unclear how even a depleted hospitality sector will manage staff shortages in the coming years.

Staff shortages as a result of the hospitality sector's inability to recruit and particularly retain staff can be viewed through the theoretical lens of the psychological contract concept (Cullinane & Dundon, 2006; Tipples, 2009). The psychological contract is associated with employer and employee expectations about their employment relationship and these expectations are often based on national, industry and workplace norms and images. As the employment relationship unfolds, either employer or employee may realise that there is a dissonance between expectations and workplace realities (Rousseau & Rene Schalk, 2000). Thus, employees may start enthusiastically in a hospitality job and then realise that there are embedded employment relationship issues that can have negative impacts on their psychological contract.



If hospitality jobs and careers have a problematic image then this could prevent potential job seekers from being recruited in the first place or job seekers may have adjusted their career aspirations so they only expect to be employed for a limited time. For example, research on hospitality staff turnover found that the standard human resource management 'tool' of exit interviews did not work. Many staff did not leave because of particular workplace or job concerns; they left because they had never intended to stay in hospitality for long because of perceived job problems and limited career options (Williamson et al., 2008).

Overall, the psychological contract concept raises two fundamental problems for or questions about hospitality work. First, is there a dissonance between employer and employee expectations and is such a dissonance reinforced by employee experiences in hospitality work? Second, if hospitality work has an embedded problematic image and such an image is reinforced by employee experiences what can the hospitality sector and individual hospitality employers do to counter and overcome such images?

While the exit-voice-loyalty notion can provide another way of viewing expectation dissonance it also points to problematic cultural aspects of hospitality work. The exit-voice-loyalty notion seeks to explain why some employees stay and other choose to leave and can thereby highlight choices surrounding employee turnover or retention (Hirschman, 1970). The basic idea is that employees who are dissatisfied with their job or employing organisation can either 'exit' (leave the organisation) or give 'voice' to their dissatisfaction and hopefully change their work situation. There is also an interaction between 'voice' and 'loyalty' where 'loyalty' becomes both a precursor for pursuing the 'voice' option and can be positively influenced by successful 'voice' outcomes.



This exit-voice distinction appears to raise at least two fundamental problems about hospitality employment work. There can often be limited voice options in hospitality workplaces (rather surprisingly in view of the small size of many hospitality workplaces) which is probably linked to the management culture of a fast-paced, customer-driven hospitality environment. The famous “Yes chef” call-in many kitchens is an obvious example, though a hierarchical, commandeering management style can easily become embedded in hospitality workplaces when there are much new or inexperienced, inadequate trained staff. The other problem is a hospitality environment where skill and staff shortages together with limited training and career options facilitate that an ‘exit’ choice becomes likely. This creates a vicious circle where the ‘loyalty’ and ‘voice’ options are reserved (if at all) for a few key staff. Thus, ‘exit’ becomes prevalent whether it is leaving for another hospitality job or leaving the sector altogether.

Finally, hospitality jobs have certain unpleasant features which can limit long-term involvement. Beyond the often-mentioned features of unsocial hours, low pay and limited careers there can also be unpleasant customer interactions. The concepts of emotional labour and aesthetic labour highlight some of these customer facing pressures. The emotional labour concept highlights that customer interactions normally rely on an expression of positive, ‘smiling’, friendly attitudes by staff (Hochschild, 1983). Research on emotional labour has recorded how this can further pressure on staff, especially if staff feel that they have to ‘fake’ emotions they do not feel. This can happen if staff are faced with unpleasant customer interactions or they are dissatisfied about aspects of their work and their employment situation. The aesthetic labour concept takes emotional labour further in terms of staff presentation and embodiment of organisational images (Warhurst & Nickson, 2001 & 2020). This can lead to all kinds of discrimination in terms of gender, ethnicity, looks, dress codes, and so on.



## SECTION 3: METHODS

This research project uses both quantitative and qualitative methods that investigate the experiences and treatment of hospitality workers in New Zealand. It explores the contractual and relational nature of employment relationships in order to analyse the way problems are managed in the hospitality sector of New Zealand.

This research employed an online survey as the primary data collection method. There were a total of 400 respondents.

### THE SURVEY:

The survey consists of 40 questions that addressed the following categories:

- Demographical details of the respondents include age, gender, nationality/ethnicity, qualifications relating to the hospitality industry as well as tenure of working in the hospitality industry.
- Employment rights including employment status, terms of employment, wages, statutory and holiday pay, monetary tips and other work entitlements
- Experiences with workplace abuse (verbal, emotional, physical and psychological)
- Experiencing/witnessing workplace bullying and harassment
- Reporting of such incidents and its outcomes (whether or not the employer has taken action)
- Unions
- Management treatment and feedback
- HR practices including training, opportunities for promotion, benefits besides basic pay
- Health and safety risks
- Recommendations for change

The survey is completely anonymous and there was not any direct interaction with the participants in order to protect their identity and privacy.



## SECTION 3.1: FINDINGS

The survey contained 40 questions as follows:

**Question 1:** Declaration of consent and willingness to participate

**Question 2:** Confirmation that the participant are or have been a worker in the hospitality sector

**Question 3-10:** Demographics: Tenure of working in the hospitality sector, Age, Gender, Qualifications, Nationality/Ethnicity, Tenure of working in the most recent or current job, type of hospitality work

**Question 4-19:** Employment Rights: Employment status, Wages, Lieu Days, Holiday pay, Other work entitlements, terms of employment-related questions, payslips, rest breaks

**Question 20-27:** Abusive treatment in the workplace- i.e. experienced, witnessed, perpetrator, reported or not, whether there was action followed up)

**Question 28:** How tips were shared among the employees

**Question 29-32:** Voice of the employees, trade unions and whether or not the employees would consider joining a union

**Question 33-39:** Employment treatment and practices: Dignity and Respect, Supportive feedback, Training, Payrise/promotion and benefits besides basic pay

**Question 40:** Health and Safety Risks in the workplace

A Participant Information Sheet was provided to the respondents at the beginning of the survey to provide them with a thorough explanation of what they are participating in as well as to confirm their consent in participating in this research.

Throughout the survey, the respondents were asked to incorporate qualitative details by typing into the text box twenty-six times. In many cases 262 respondents added details which significantly inflated the amount of data gathered. This research report will use the actual words of the respondents in the most accurate extent possible in order to truly and fully emphasise and illustrate the issues and challenges employees in the hospitality sector face.



## RESPONDENT PROFILES

The tables and charts below exhibits the profile of the participants of this study. The common respondent profile characteristics are between 26-35 years old [33%], Female [55%], New Zealander [52%], does not have hospitality-related qualifications [54%], has worked in the industry between 3-10 years [42%], have worked in current / most recent job in the hospitality sector for 1-3 years [43%] and considers themselves to be a permanent part-time employee [26%].

### Age:

27% of the respondents were aged between 16 & 25 and 73% were over the age of 26. The most common group of respondents were between the ages of 26-35 years old.

Age	Number	%
16-25	105	27%
25-35	131	33%
35-45	83	21%
46-55	46	12%
56-65	30	8%
Prefer not to say	1	

### Gender:

55% of the respondents identified as female and 43% as male and 2% preferred not to disclose their gender.

Gender	Number	%
Female	218	55%
Male	171	43%
Unlisted	1	-
Prefer not to say	3	1%
Other	3	1%

### Nationality:

52% of the respondents identified themselves as 'New Zealander'. While 26% identified as Asian, nationalities under this include Chinese, Filipino, Indian, Korean, Malaysian, Sri Lankan and many others. Other nationalities total 22% of the respondents to this survey as presented below.

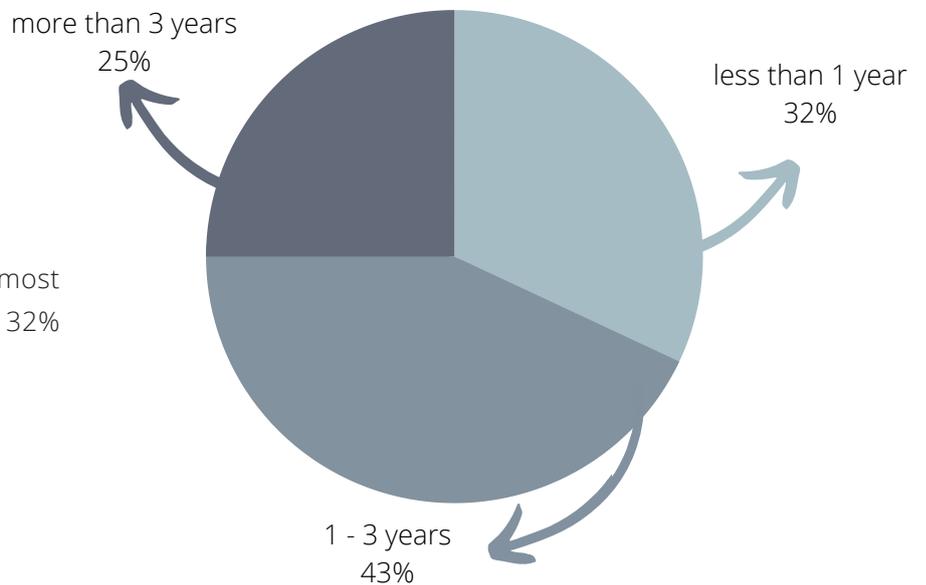
Nationality	Number
Asian	103
Australian	3
Canadian	2
European	49
New Zealander	209
North American	4
Pacific Islanders	15
South African	4
South American	5
Prefer not to say	6

**Qualifications:**

54% of the respondents did not have any hospitality related qualifications prior to working in their current/past work in the hospitality industry.

**Tenure:**

69% have worked in their current/most recent job in the sector while only 32% have worked for less than a year.



Status	Number	%
Full time	144	36%
Part time	187	47%
Casual	55	14%
Other	9	2%

**Contract Status:**

47% of the respondents described themselves as a 'part-time' employee- within this percentage of people, 11% are temporary employees and 26% are permanent employees. 36% are full-timer employees; 4% within this category are temporary and 44% are permanent employees. 16% are of the respondents fall unto 'casual' and 'others'.

**Current Work:**

The respondents came from all parts of the industry. The data presented below have been grouped into the main sectors of hospitality including accommodation, events, tourism and others. In the hospitality sector, 17% were in a managerial position, i.e. General manager, Duty manager, Food and Beverage / Bar manager. 28% were Front of House staff, i.e. waitress, bartender and barista. 4% were Back of House staff, i.e. Head/Sous/Commis Chef and Kitchen Porter. In the Accommodation Sector, 5% are in managerial positions, i.e. Hotel Operations, Duty Managers, Supervisors, 16% identify as Guest Services, and 5% are Cleaning and Maintenance. There are 4% of Tourism employees, 7% in Events and 15% in others.

Current Work	%
Hospitality	50%
Accommodation	26%
Tourism	4%
Events	7%
Others	13%

## EMPLOYMENT RIGHTS

Respondents were asked about their employment rights, i.e. written terms of employment, employment agreements, wage slips, minimum wage, lieu days, holiday pay and rest breaks.

Under the New Zealand Employment Law, both Employers and Employees have rights and responsibilities to fulfil throughout the commencement of the employment. Measures of non-compliance by employers reported in this study ranged between 13% to 25% in all subjects of the matter.

### Written terms of employment:

15% of the respondents have not been given their written terms of employment prior to starting their job in the industry.

	Number	%
Yes	334	85%
No	61	15%

### Employment Agreement:

16% of the respondents did not sign an employment agreement also known as a contract before the commencement of their job.

	Number	%
Yes	330	84%
No	65	16%

According to Employment New Zealand, written terms of employment must include; names of the *employer* and *employee*, description of the work to be performed, type of employment status; temporary/permanent, full-time or part-time, agreed hours, an indication of the place of work, wage rates and public holidays. As seen on the table below, 18% did not have the full names of the employer and employee in their employment agreement. 32% did not have the address of their employer, 55% did not have the expected duration of their contract, i.e. whether it's temporary or fixed-term employment. And lastly, 34% did not get informed on what the rate or method of pay was to be.

### Written terms of employment:

	Number	%
Full names (Employer & Employees)	324	32%
Employer Address	267	26%
Term of Contract	176	17%
Wages (rates, calculation methods & period reference)	259	25%



Legal Entitlement	Yes (%)	No (%)	Other
Pay slips showing gross pay & deductions	87%	13%	n/a
Minimum Wage (\$17.70 p/h at the time)	82%	18%	n/a
paid / had time off in lieu for working during statutory holidays	72%	22%	6%
Holiday Pay	78%	20%	2%
Rest breaks (details of entitlements provided)	73%	22%	5%

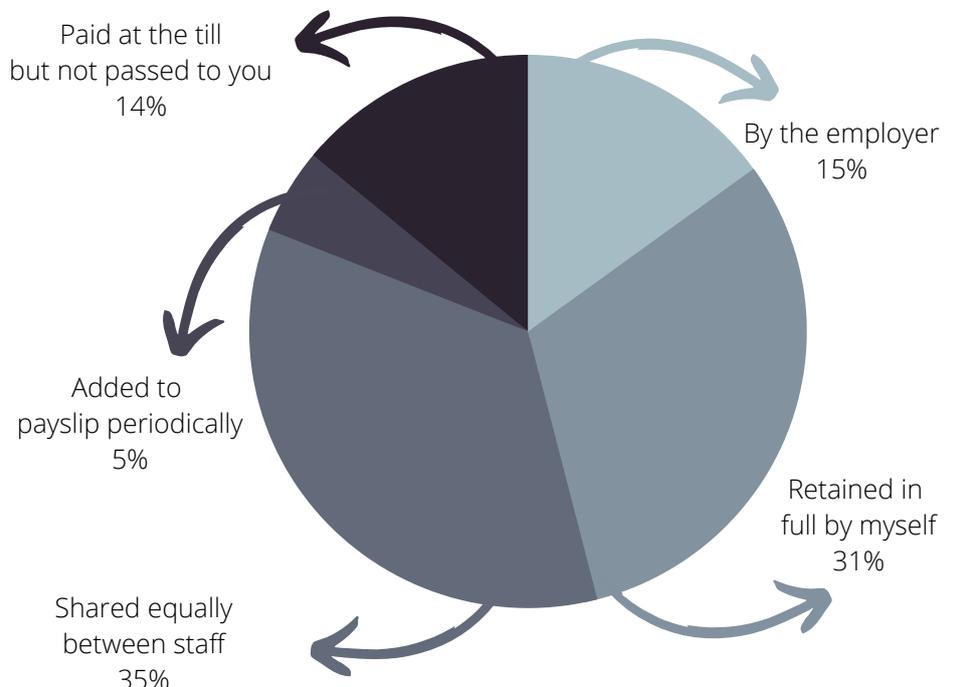


**Legal Entitlements:**

Employment New Zealand specifies the entitlements employees should receive. “Employees become entitled to annual holidays, public holidays, sick leave, bereavement leave, parental leave and other types of leave as long as they meet certain conditions.” The data above shows a significant minority group of employees do not receive such entitlements. For instance, 13% of the respondents did not even receive payslips that show deductions and gross pay to their wages. Moreover, 18% did not receive the minimum wage which at the time was \$17.70 per hour, ultimately raising a red flag as minimum wage should be considered the most basic entitlement any employee could have. Furthermore, 77% of the respondents did not receive other entitlements such as lieu days, holiday pay and rest breaks. Many of these respondents have indicated their reluctance in raising the issue to their management or HR department due to fear of receiving negative consequences, i.e. bad treatment in the workplace.

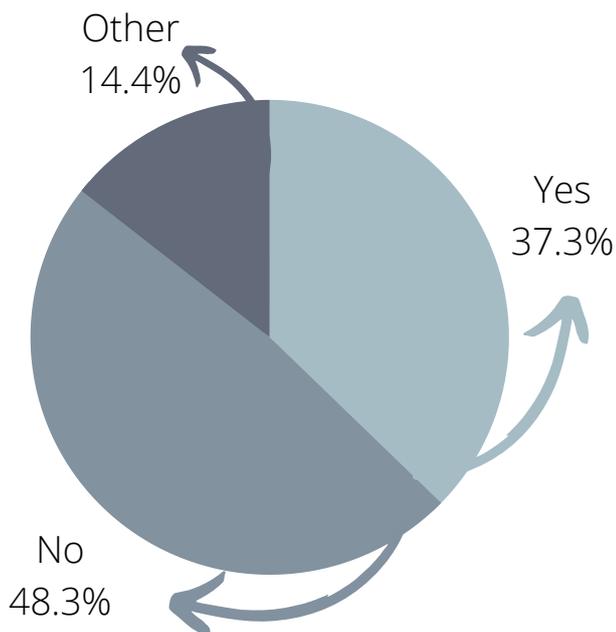
**Distribution of Tips**

Q28 asked the respondents “Have you received monetary tips from customers? If yes, how are/were they shared”. Although tipping habits vary across the globe, in New Zealand tipping is more commonly seen as a small bonus for outstanding service in the service culture.



### Opportunities to get a pay rise or promotion

Q38 asked the respondents if there are or were opportunities to get a pay rise or promotion. As seen below, 48% did not receive such opportunities.



### Indicative Quotes on obtaining opportunities to get pay rise/promotion

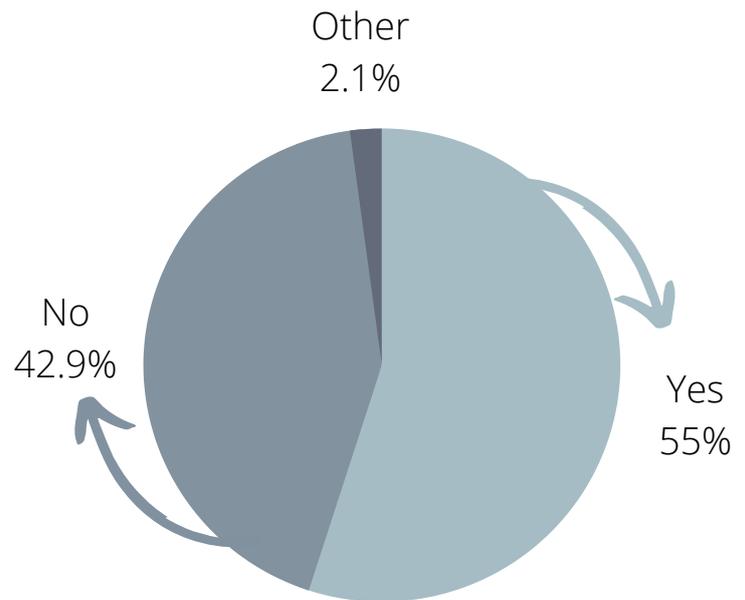
(i) No pay rise in the 5 years I worked for him. If you were not happy with the pay you got you could leave and he would find someone that was happy with the pay

(ii) Not really. Like, 20 cents a year kind of thing. It was pretty grim. So even though I was given a lot of extra responsibilities, I didn't get paid accordingly, which is ultimately why I bowed out of hospitality.

(iii) Yes, by playing into the company culture you were favoured by the boss, which lead to opportunities for pay rises. But he would turn on you in a second.

### Benefits besides basic pay

Q39 asked the respondents if they received any other benefits at work besides their basic pay. In the chart below, it can be seen that 42% were not given anything over their pay.



### Examples of benefits received besides basic pay:

- Bonuses
- Commissions
- Discount on food and beverages
- Free passes to events or leisure places
  - Holiday pay
  - Insurance benefits
- KiwiSaver contributions
  - Lieu days
  - Paid study
  - Parental leave
- Petrol and parking discounts
  - Phone allowance
  - Staff Rates on rooms
  - Staff travel allowance
    - Tips
    - Uniform
- Work events or functions

# ABUSIVE TREATMENT

The findings in relation to the abusive treatment of employees in this industry are concerning. 58% of the respondents reported that they have experienced verbal abuse, offenders were either the management (owners/managers), co-workers and customers. 18% have reported to have experienced physical abuse, 37% experienced psychological abuse, 27% experienced racial abuse and 19% experienced sexual abuse.

Type of Abuse	Often	Sometimes	Never
Verbal	10%	48%	42%
Physical	2%	16%	82%
Psychological	6%	31%	63%
Racial	4%	23%	73%
Sexual	3%	16%	81%

**Table 1: Overview of Responses Regarding Harassment**

<p><b>Most likely form of harassment:</b></p> <ul style="list-style-type: none"> <li>- General Harassment [unwanted and unjustified behaviours]; mentioned 8 times</li> <li>- Sexual Harassment; mentioned 30 times</li> <li>- Hierarchical domination; use of age and power in workplace; mentioned 21 times</li> <li>- Racial harassment; mentioned 15 times</li> <li>- Verbal harassment: mentioned 59 times</li> </ul>
<p><b>Harassment indicators:</b></p> <ul style="list-style-type: none"> <li>- Verbal aggression</li> <li>- Sexual and sexist comments/references</li> <li>- Unwanted and inappropriate touching and grabbing</li> <li>- Arrogant and demeaning attitudes</li> <li>- Racial comments and slur calling</li> <li>- Derogatory comments about physical appearance and race</li> </ul>

## Box 1: Indicative Quotes on Harassment

*(i) Witnessed a staff member of a restaurant I was dining at being verbally abused by an impatient customer. I stood up for the staff member and as a result, received a backlash of abuse from this particular customer.*

*(ii) Had an employer who was physically abusive, walked out on the job after she pulled me across the cafe and a customer saw and told me I should go.*

*(iii) I've been in workplaces that use psychological manipulation to force me into working extra time without pay, and have been exposed to inappropriate & disrespectful comments from colleagues.*

*(iv) People of colour are discriminated against a lot at hospitality workplaces because a person of colour can do the same thing as a white person but the person of colour will get disciplinary action against them while it's ok for the white person*

*(v) Short sharp biting comments in an angry tone to another employee and implying that the person was an idiot*

*(vi) In jobs early in my career, when I worked in clubs we were regularly groped, touched, non-consensually kissed, verbally abused, drugged, pushed, punched, threatened and stalked/followed home by patrons who were not removed from the venue by management.*

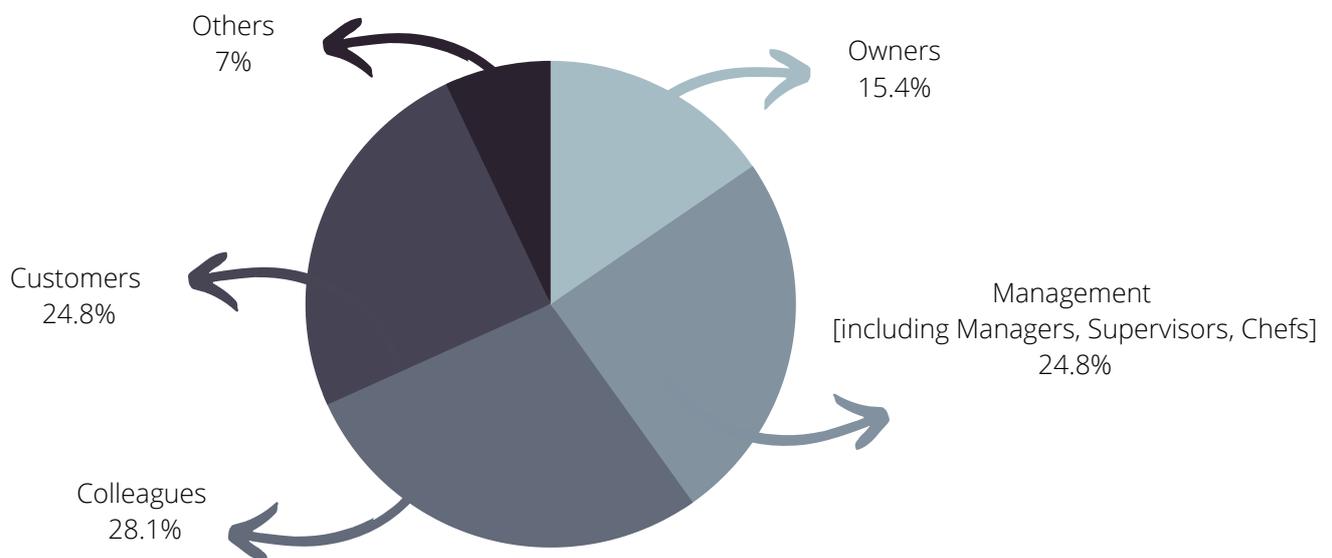
*(vii) I've had bosses who create really toxic work environments because they cut shifts at will or fire people on the spot which means they create a false sense of precarity in the workplace.*

## ABUSIVE TREATMENT

### Workplace Bullying

49% of respondents reported they have either witnessed or experienced bullying at their workplace from either the management, co-workers or customers.

The chart below illustrates the **main perpetrators when it comes to workplace bullying**



### Bullying indicators:

- Verbal/Psychological/Emotional Abuse
- Inappropriate remarks [Sexual and Racial comments]
- Belittling attitudes
- Shouting / yelling
- Co-workers badmouthing each other / gossiping
- Deliberately giving new employee the harder tasks
- Manipulation
- Gaslighting
- Malicious comments
- Intimidation
- Unfair dismissals
- Alienation
- Humiliation in front of management/co-workers and customers

### Frequently cited outcomes:

- Quitting
- Mental health related
- Fear
- Hopelessness
- Feeling of being a pushover

### Indicative Quotes on Bullying

*(i) As a witness to bullying, I saw that the employee and Manager had mediated conversations several times, but no further action was taken. The outcome was for the employee to change their behaviour and no responsibility was communicated to the Manager or other co-workers involved, or to the team as a whole.*

*(ii) Bosses often resort to threats of firing me when I haven't worked hard enough in their books or call in sick. They often also use coercive practices to keep workings in lines like cutting shifts for no reason or creating a work environment where you don't feel you can ask for raises or report bullying or bad behaviour from regular customers.*

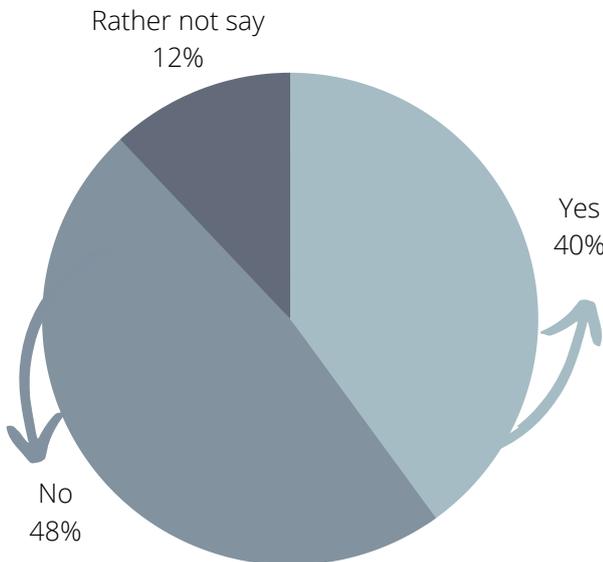
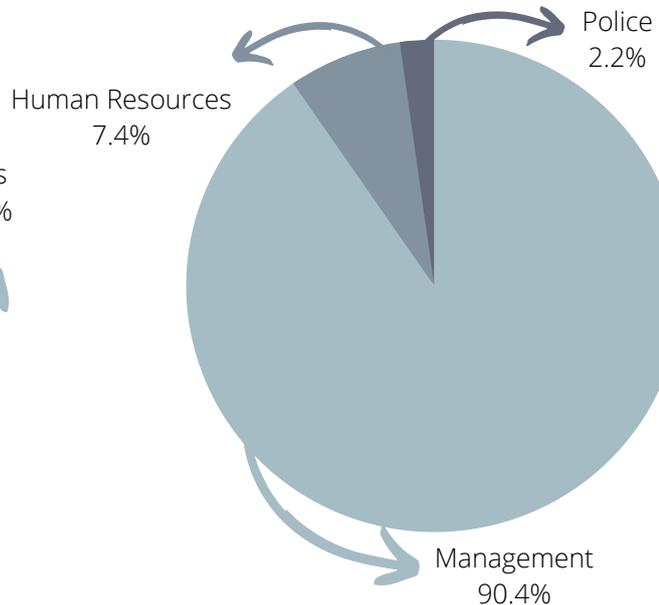
*(iii) Short-tempered boss, high staff turnover due to him losing it and firing people. Always had the threat of losing your job. Two people, in particular, bore the brunt of this and would get "fired" 2-3 times per month, only to be back at work the following day*

*(iv) I was harassed and had my backside grabbed at work by another employee. Management refused to accept that it happened, despite video evidence, because I have a penis.*

*(v) I have worked with managers who are too immature and when disciplining staff (rightly or wrongly) it was in ways that cause distress. General favouritism towards staff for favourable shifts. Different levels of discipline towards favoured staff.*

*(vi) My current employer is verbally abusive and his favourite saying is f\*\*k off for example. Especially the owner 'I have every right to tell you to get f\*\*ed. If I want to tell you to go f\*\*k yourself I'll I tell you to go f\*\*ck yourself. I own this place' his exact words. He's not the first employer I've come across It's a long horrible sorry but I'll tell you it's nearly everywhere*



**Q24. Were incidents reported?****Q24. To whom was it reported?****Indicative Quotes on why the situation of bullying or harassment was not reported**

(i) *The owner didn't care. In the case of the supervisor, I informed the supervisor he would get punched in the face if he continued to make threats about getting me fired for simply doing my job and showing up the lack of effort he was making to do his.*

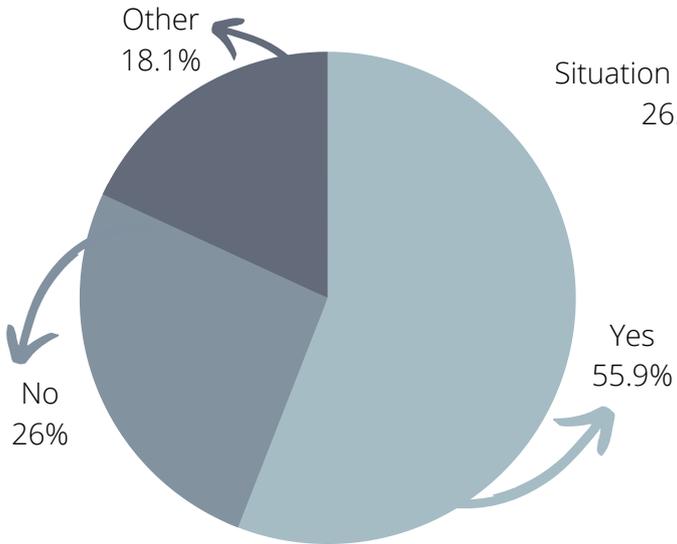
(ii) *We were too scared to report these incidents within the workplace for 1) fear of losing our jobs/income, and 2) who could we report to when the person causing the trouble (internally) was the person we should've been reporting these matters to.*

(iii) *No, they weren't reported. We didn't feel confident to say anything- at the time, we were all paid above minimum wage and other than the shitty owner, it was a good and enjoyable job and suited us as we could work weekends while studying- if we'd said anything, we wouldn't have worked, so like women have done for millennia, we endured his retarded behavior because if we didn't we wouldn't have had work. This sounds pathetic, I'm embarrassed, but it's the case. I didn't have to see him (the owner) very often, I was mostly working with normal people, so we all shared stories about him.*

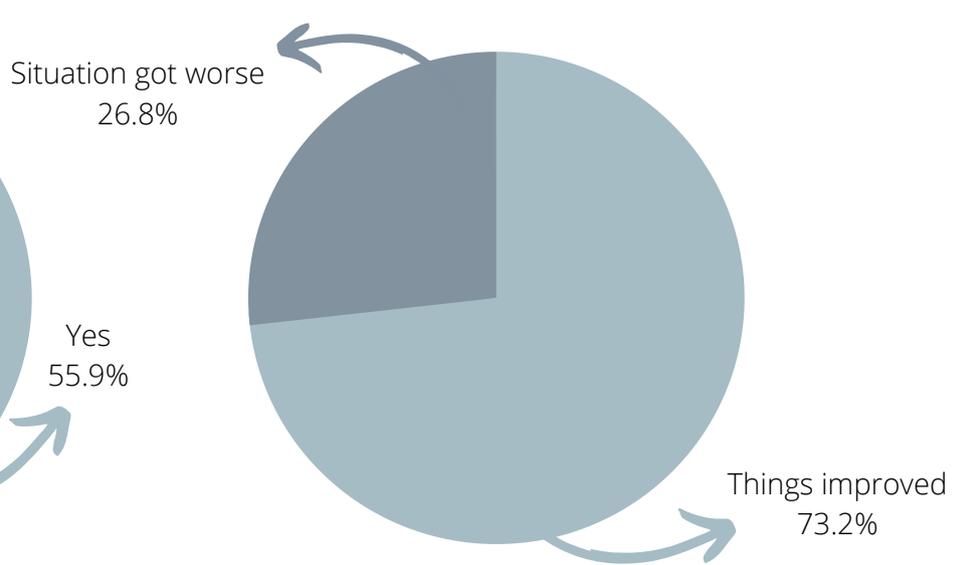
(iv) *They were not reported. Back then we had no one to report to and if you did report it you would lose your job.*

(v) *No, it wasn't reported as I felt the issue would have been brushed off. I was quite new at that time and I didn't want to make a big fuss.*

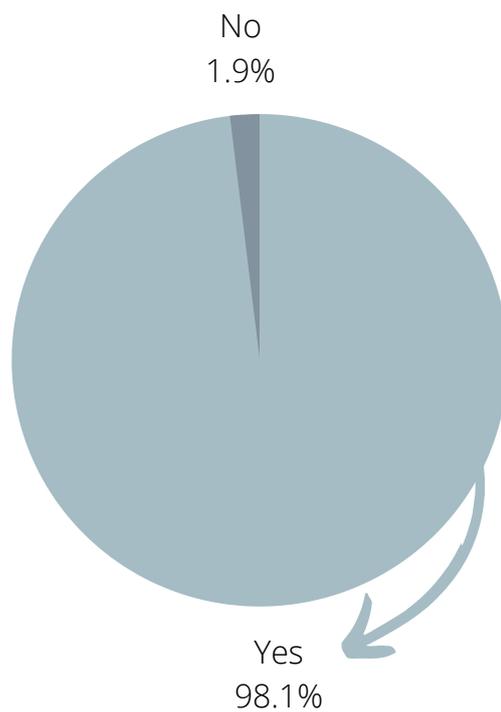
**Q25. Was there any action taken?**



**Q25. Did the situation improve or get worse?**

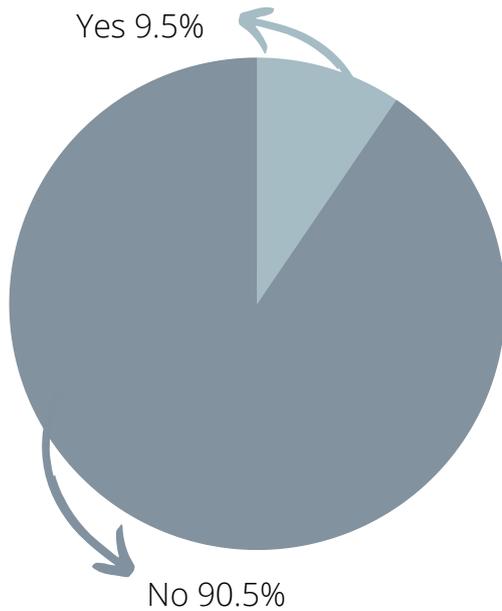


**Q29. Do/did you feel that you have/had the opportunities to express your views/opinions/concerns and others?**



# UNION

## Q30. Are you a member of a Trade Union?



## List of unions mentioned by the employees who are a part of them

- Auckland community union
- Animal Rights Union
- Association of Salaried medical specialist
  - CUPE
  - ETU
- First Union
- Labour
- NZCTU
- PSA
- RMTU
- Unite
- Workers Union

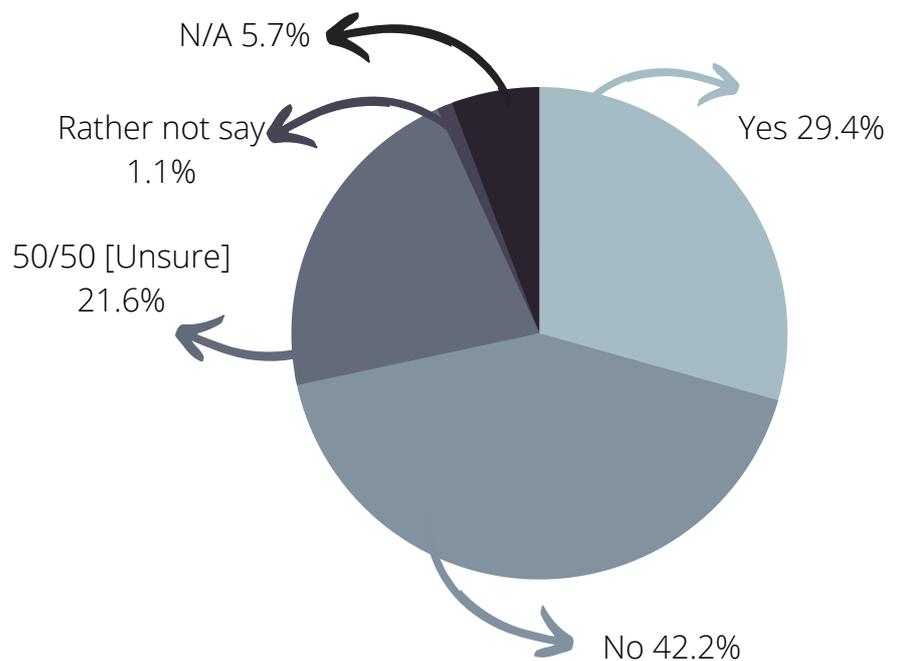
## Indicative Quotes on why respondents would not join the union

*(i) No, because I feel that they can't help me*

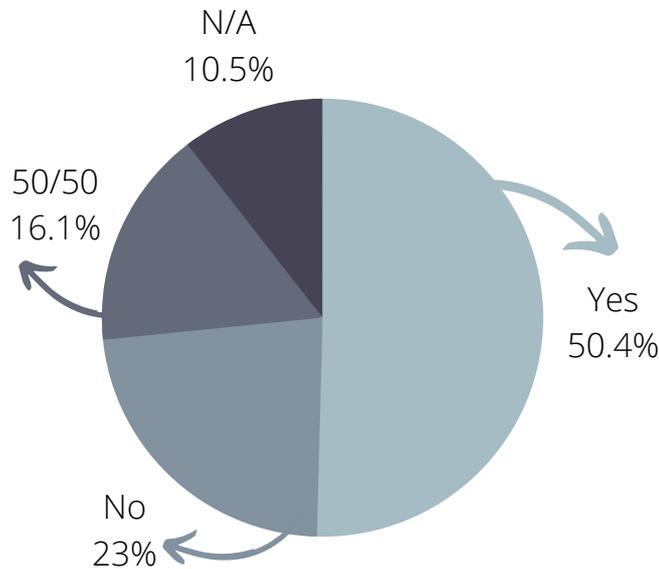
*(ii) No as I did not have a good experience in my previous work with the union company.*

*(iii). Looked into Raise the Bar but found it to be entirely unprofessional and lacking in skills/ knowledge and expertise. A dangerous waste of time.*

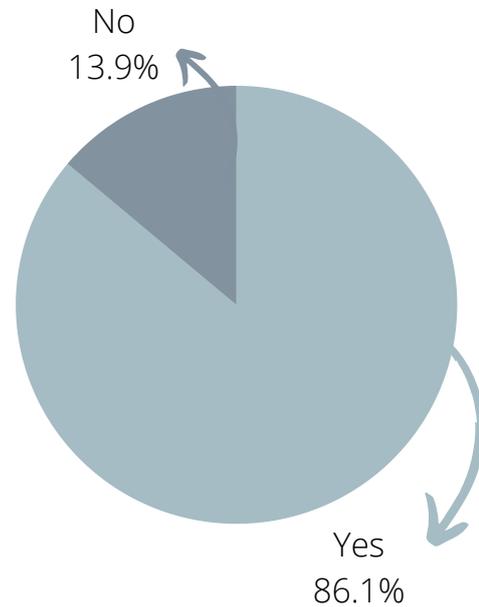
## Q32. Would you consider joining a trade union?



**Q33. In your current or previous job do you feel you are/were treated with dignity and respect?**



**Q36 - Are /were you given supportive feedback on the work you do by your manager?**



**Indicative Quotes on treatment**

*(i) Our boss was not a great person. If you messed up you got fired on the spot. On occasion if you did not get fired, you worked the night for free.*

*(ii) I didn't feel we were appreciated for the hard work we did...it was taken for granted that we'd be there, tolerating the supervisors crap day in day out. You don't realise the lack of respect/dignity until you are no longer there.*

*(iii) I don't feel respected for example when I have to fight/argue to get a legal treatment (public holiday paid, using annual leave instead of sick leave when sick, withholding a part of the wage subsidy...)*

*(iv) Absolutely not. I didn't get my minimum wage, I didn't get my holiday pay. And because of my migrant status I was too afraid to protect myself legally.*

*(v) Because I am a new staff I felt as if the store manager made me feel belittle. Talking to me as if I have no common sense or talking to me like a child*

Although the majority of the respondents had been given feedback, not all feedback received were positive nor helpful towards their learning and development at work.

**Indicative Quotes on treatment**

*(i) People are quick to tell you when you're doing/ have done something wrong but slow to acknowledge the good.*

*(ii) The feedback was more to put me down I feel. No praises for doing a good job only complaints*

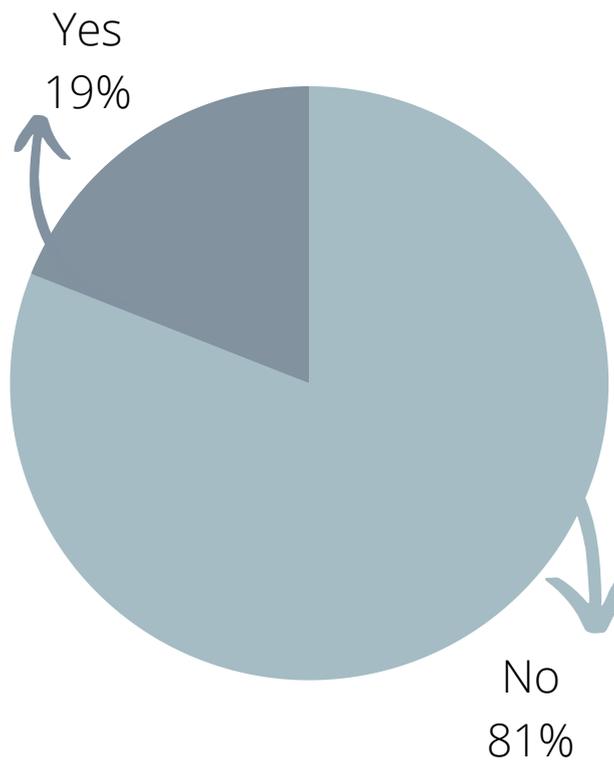
*(iii) Feedback was not supportive. If anything, my employer deliberately only highlighted short-comings so as to get more out of me for no increase in pay*

*(iv) No feedback. Managers seemed like they did not want me speaking to them, it was an inconvenience if I did. I was only yelled at for doing something wrong.*

*(v) Owner only gave negative feedback (not even constructive!). Very hard to please - Never good enough!*

## TRAINING

### 37. Have you been offered any type of training in your past or current role?



#### Indicative Quotes on treatment

*(i) I was just thrown in at the deep end and learnt myself*

*(ii) It was all on-the-job training. I wish now that I had pushed for getting some formal qualifications and certificates. I work in another industry now, but I really enjoyed the hospitality industry.*

*(iii) No official training. They just showed me what to do and I followed.*

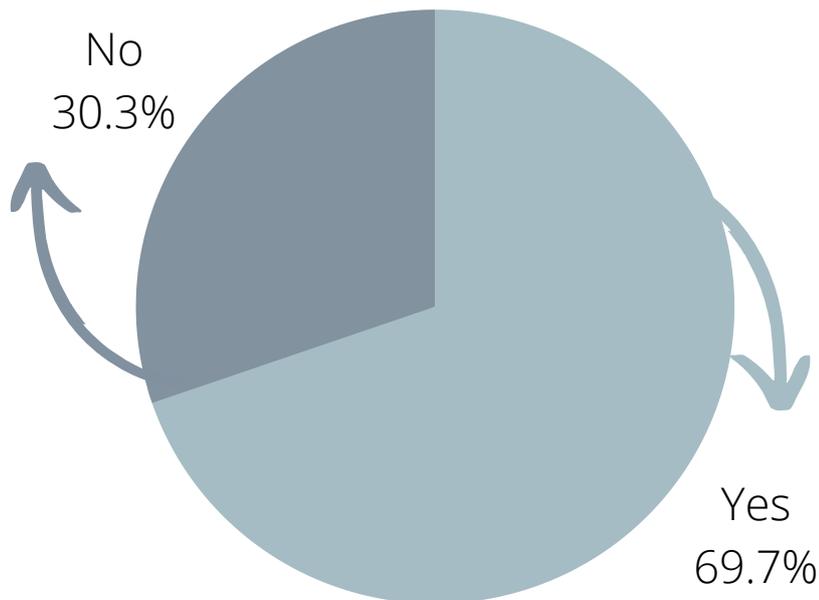
*(iv) Basic first day training. Where everything is and time limits for when certain things need to be done*

*(v) No training, just an hour to familiarise myself with the workplace.*

*(vi) Very very rarely. Although tab and pokies were more than happy to cover their requirements. For general bar, restaurant knowledge no.*

## HEALTH AND SAFETY RISKS

**Q40. Are/were you made aware of any health and safety risks in the workplace?**



### **Types of risks indicted by the respondents**

**Psychosocial risks-** Hazards include those that can have an adverse effect on an employee's mental health or wellbeing. Examples of this would be, sexual harassment, victimisation, stress and workplace violence: **mentioned 45 times**

**Physical Risks-** Physical hazards are environmental factors that can cause pain towards an employee without necessarily touching them, including heights, noise, radiation and pressure: **mentioned 176 times**

**Ergonomic risks-** These are a result of physical factors that can cause musculoskeletal injuries. For example, a poor workstation set up in an office, poor posture in the kitchen and manual handling: **mentioned 70 times**

**Chemical risks-** Chemical hazards are substances that can cause both health and physical impacts i.e. skin irritation, respiratory system issues, blindness, corrosion and explosions: **mentioned 28 times**

**Biological risks-** These risks include viruses, bacteria, insects, etc., that can cause adverse health impacts. Examples of this would be mould, blood and other bodily fluids, dust and vermin: **mentioned 55 times**



### Indicative Quotes on health and safety risks

(i) *Customers or delinquents coming in. I'm often by myself in a back alley bar that is poorly lit. There has been a stabbing outside the bar and there are plenty of people on all sorts of substances laying around. I have no panic button or form of protection, a few customers have stayed late because they were horrified I was alone. Eek.*

(ii) *Overworked and underpaid, staff turned up sick, high staff turnover so not everyone understands food safety properly etc...*

(iii) *We worked with pretty harsh chemicals for cleaning that made us cough. I explicitly told my manager I was allergic to latex and they made me wear latex gloves for cleaning the toilets for at least two weeks until one day I refused to work any longer until they bought new ones.*

(iv) *I work with 600°C pizza ovens so I work carefully around them. But I have burn scars under my arm. Part of the job I guess*

(v) *Strain on the back and neck for repeated sitting Eyes issues for staring at computer And others but can't remember*

(vi) *Heavy items kept on the top shelf that had to be reached on a ladder with arms fully extended overhead.*

(vii) *Lax around hygiene. Had to battle the owner to take it seriously who was the worst offender. No handwashing stations in the food truck for approx 8 months etc. Raw leaking chicken on top of open bags of lettuce and chips etc.*

## SUGGESTIONS FOR CHANGE

The respondents were given an opportunity to express and provide suggestions on what ideas, as well as their needs as employees of the industry, would allow the hospitality industry to improve. All 346 respondents contributed to this question. This question was one of the vital questions answered that ultimately allows us as readers to hear their voice as frontline employees in the hospitality industry. The suggestions provided ranged from no-cost to low and high costs and from short to long term. The table below illustrates these suggestions.

Pay & Tips	Working Hours
<ul style="list-style-type: none"> <li>- Better pay</li> <li>- Living Wage</li> <li>- Remove Wage gap between management</li> <li>- Pay progression</li> <li>- Fair and equal share of tips</li> <li>- Lieu Days</li> <li>- Holiday Pay</li> <li>- Sick Pay / Leave</li> <li>- Uniform</li> <li>- Bonuses</li> </ul>	<ul style="list-style-type: none"> <li>- Flexibility</li> <li>- Work-life balance</li> <li>- Realistic rostering</li> <li>- Set hours</li> <li>- Less hours on weekends</li> <li>- Ability to schedule holidays and actually be approved</li> <li>- Job security</li> </ul>
Rights, enforcements & support	Management and HR Practices
<ul style="list-style-type: none"> <li>- Guaranteed Employment Rights</li> <li>- Better written contracts</li> <li>- Provide information of rights and benefits</li> <li>- Access to unions</li> <li>- Accountability for abusers whether it is customers or staff or even management themselves</li> <li>- Penalties</li> <li>- End zero hour contracts</li> </ul>	<ul style="list-style-type: none"> <li>- Training and development opportunities</li> <li>- Follow and put in place Health and Safety precautions</li> <li>- Hire more people</li> <li>- Career Progression for staff</li> <li>- Performance Reviews</li> <li>- Compassion</li> <li>- Taking action in harassment/bullying</li> <li>- Protection from abusive customers</li> <li>- Equality</li> <li>- Leadership opportunities</li> <li>- Safety Protocols</li> </ul>
Treatment at work	Other further suggestions
<ul style="list-style-type: none"> <li>- Rewards and Praise</li> <li>- Better treatment at work</li> <li>- Respect between each other regardless of hierarchy roles</li> <li>- Acceptance of Gender diversity</li> <li>- Trust</li> <li>- Elimination of manipulative and toxic management attitudes</li> </ul>	<ul style="list-style-type: none"> <li>- Inclusivity; discussing ideas and issues between employees and management</li> <li>- Benefits besides basic pay</li> <li>- Incentives; team or individual</li> </ul>

## SECTION 4: DISCUSSION

The findings from this report show there are concerning levels on non-compliance with New Zealand employment law and failure to meet best practice management approaches in a significant minority of hospitality workplaces.

The key findings show:

- 16% of respondents have not signed an employment agreement before starting work
- 13% of respondents are not receiving the correct payslips
- 18% of respondents are not receiving the minimum wage
- 22% of respondents did not get the correct holiday pay
- 22% of respondents are not getting time off or correct pay for working statutory holidays
- 22% of respondents are not receiving the correct rest breaks
- 81% of respondents state they received no training in their jobs
- 48% of respondents did not get opportunities for promotion
- 49% of respondents experienced or witnessed harassment in the workplace
- Owners and managers/supervisors were responsible for 40% of the reported harassment
- 49% of harassment incidents were not reported
- 69% of respondents were aware of health and safety risks in their workplace
- Only 9.5% of respondents belong to a union
- 29% of respondents are in temporary/casual employment

In summary, the findings describe a sector with a significant 'rump' of workplaces that are not meeting common expectations for decent work. The results support previous research in New Zealand and internationally that depict the hospitality sector as having significant levels of labour turnover, low pay and poor work conditions. The findings raise serious questions about the outcomes of the deregulated and decentralised nature of employment relations since the mid-1980s.

### **New Zealand employment relations frameworks and their history**

Despite the Employment Relations Act 2000, the outcomes of the frontal attack on unionism and collective bargaining in the 1990s have become embedded in New Zealand. Decentralised and individualised bargaining is more pronounced in the hospitality sector and our findings clearly show that the power imbalance between management and workers has prompted an unpleasant working environment for many employees. In particular, this research raises questions about whether the current employment laws are fit for purpose and whether the enforcement of these laws is working? While the findings indicate that it is a minority of employers that transgress decent employment standards, these employers cover around a fifth of all employees and this increases to around half of all responding employees in the area of harassment. It is also noticeable that many employees do not receive any training in their jobs or get opportunities for promotion.

### **Decent work and atypical employment**

The sector's reliance on casualised/temporary and migrant labour has left it extremely vulnerable to disruption in labour supply. With the closure of the borders and strong competition from other sectors, the hospitality industry is struggling to fill jobs. The sort of employment conditions described in the findings can only intensify problems employers will face when trying to retain and recruit talent under the current conditions. The recent focus on the ILO's concept of decent work indicates a number of shortcomings regarding employment standards in the hospitality sector (Farraro et al., 2015). The majority of respondents had no hospitality related qualifications prior to their current employment and there are indications of limited full-time connection with hospitality work. There is also limited evidence of training and development and career progression with around three-quarters of respondents having less than 3 years tenure in their roles. The lack of decent work also influences psychological contracts and the voice-exit-loyalty notion (as discussed below).

### **Psychological contract theory**

The limited job tenure indicates that most employees do not see hospitality work as a long-term career path. This may indicate two problems. First, the poor image of hospitality work could condition employees to perceive hospitality work as a short-term option (as found by Williamson et al., 2008). The second problem is clearly illustrated by the findings of our research – even if employees had a positive image of hospitality work when they started their employment, the range of sub-standard employment experiences would clearly abuse them of such a view. Overall, the findings suggest a considerable dissonance in expectations between employee experiences and the notion of hospitality work being fun, exciting and worthwhile.

Again, the experience of a significant minority of employees of harassment, breaches of fundamental employment entitlements and lack of career paths will probably have a negative impact on these employees' psychological contracts.

### **Voice-exit-loyalty notion**

The dissonance associated with psychological contracts is likely to have a negative impact on loyalty. Statistics New Zealand figures also show that the hospitality sector has the highest labour turnover rate of any measured sector in New Zealand. This high turnover, coupled with the finding that only 9.5% of respondents belong to a union, would suggest that employees struggle to find a voice when dealing with the significant employment issues described in this report. In particular, the high level of reported harassment incidents and that these incidents are often not reported indicate a lack of employee voice and a preference for using the exit option. The findings suggest that despite the small size of many hospitality workplaces, employee voice is drowned out by hierarchical management structures, high turnover and the demands of fast-paced, service-oriented culture. Our findings and official statistics clearly indicate that in many cases the exit strategy becomes a default setting for large numbers of employees.

### **Emotional and aesthetic labour concepts**

It is often a given in hospitality work that employees are expected to 'go the extra mile' and provide emotional and aesthetic labour regardless of the real situation of their employment and their employment experiences. How are employees supposed to engage in sophisticated emotional and aesthetic labour when they are struggling to get basic employment conditions in their workplaces? Likewise, with significant levels of health and safety risks and deeply concerning levels of reported harassment, how can we expect employees to be providing high level service?

## RECOMMENDATIONS

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We suggest there are three priorities for change:

### 1 – Driving out employers who fail to provide a minimum of decent work experiences

- Investigate new and better systems of enforcement, that can resolve the types of non-compliance listed above in a timely and effective manner.
- Employer Representatives (for example, Restaurant Association New Zealand and Hospitality New Zealand) have a role to play in naming and shaming poor employers, in order to protect the majority of their members who do the right thing but who can be undermined by poor employers.
- Engage customers in the drive to put pressure on poor employers. For example, an 'A' Employer Ranking would allow customers to support employers who do the right thing by their staff.

### 2 – Decent Work

The nature of hospitality work is already problematic enough, due to the 24/7, customer focussed culture. It is necessary, therefore, that hospitality work adhere to or exceed the fundamental principles of decent work. In particular, there is a need to focus on three areas:

- Pay and conditions
- Training and development associated with longer-term career paths
- Enhanced the ability for employee voice to be effective and thereby make significant changes in the workplace, including lifting service quality and employment standards

### 3 – Changing the image of hospitality work

A range of indicators and research, including the findings of this report, suggest that the general view of hospitality work is poor and off-putting. This needs to change to overcome embedded recruitment and retention issues resulting from this image problem. This can only happen if the first two key recommendations are addressed for a considerable amount of time into the future.

An important prerequisite to addressing the three recommendations is the continued and strengthened tripartite approach that is driving the Tourism Industry Transformation Plan. It is clear that a significant section of employers needs both support and firm direction from employer groups, unions and the Government.

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