



EMPLOYER NEWS 2019

PERRIAM & PARTNERS

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HAPPY EMPLOYEES LEAD TO HAPPY CUSTOMERS

A study in the United States labour market shows a strong connection between customer and employee satisfaction.

The findings may help Kiwi businesses improve their financial performance and become better employers.



Job recruitment site, Glassdoor, recently released its research on 293 companies across 13 industries spanning 11 years. It examined the link between employee satisfaction based on Glassdoor's employee-satisfaction ratings and customer satisfaction using the American Customer Satisfaction Index. Overall, a 1-star improvement in Glassdoor's employee-satisfaction rating (on a scale from 1 to 5) predicts a 1.3-point higher customer satisfaction score (ranking from 0 to 100) - a statistically significant effect. The effect is more than twice as large in industries where employees have regular in-person contact with customers such as retail, restaurants, tourism, financial services and healthcare.

Across all industries, customer-facing roles are crucial in a company's ability to deliver great customer experiences. Sales and customer service employees are positively linked to customer satisfaction even in industries where there is an overall weak direct connection between employees and customers.

Customer satisfaction also has a positive impact on the company's financial performance. Accordingly to Glassdoor, past research indicated that higher customer satisfaction scores were linked to higher company valuations. One estimate indicated that each 1-star improvement in Glassdoor employee-satisfaction rating resulted in 7.8-18.9 percent higher stock market valuations through the channel of improved customer satisfaction.

The research suggests that employers who invest in their employee satisfaction and workplace culture also benefit more than just talent attraction and retention. New Zealand employers can take notes: Employers who have happy employees are more likely to have happy customers and achieve higher market value for their business.

Source: Employment New Zealand

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CHRISTMAS CLOSING DATES

Please note that our offices will be closed from **MONDAY 23 DECEMBER 2019** at 3pm and will re-open on **TUESDAY 14 JANUARY 2020** at 8am.

We will however have a skeleton staff on from **8 JANUARY 2020** should you require urgent assistance or support.



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PLANNING FOR THE HOLIDAY SEASON DECEMBER 2019



Each year we think it is really important to remind all our Employers about their payroll obligations for the coming holiday season.

You may receive a number of enquiries from your staff regarding annual leave entitlements and holiday pay calculations. This subject is something very important to your staff so if you are unsure at all of any of the answers, we have staff here at Perriam and Partners who are experienced in dealing with these types of matters and are ready and willing to help with any queries that you may receive.

PUBLIC HOLIDAYS FOR CHRISTMAS AND NEW YEAR 2019/2020

- Christmas Day on Wednesday 25 December 2019
- Boxing Day on Thursday 26 December 2019
- New Year's Day on Wednesday 1 January 2020
- Day after New Year's Day on Thursday 2 January 2020

This Christmas season these public holidays are again observed on the actual day they fall, being a weekday.

Where an employee **does not** work on a public holiday and the day would otherwise be a working day for the employee, the employee is entitled to be paid their "relevant daily pay" or "average daily pay".

Employers may require an employee to work on a public holiday if it falls on a day the employee would normally have worked and the employment agreement specifies that the employee may be required to work on public holidays.



WORKING ON A PUBLIC HOLIDAY

Where an employee works on a public holiday, the employee is entitled to payment at one and a half times their relevant daily pay or average daily pay for the time actually worked. The employee is also entitled to an alternative (paid) days holiday if the public holiday was a day which would ordinarily be a working day for the employee.

ANNUAL HOLIDAY PAY

Employees are entitled to the equivalent of a minimum of 4 weeks paid leave for every 12 months of service. Holiday pay for annual leave is the **GREATER** of:

The current ordinary weekly pay at the time the leave is taken. This includes all regular payments the employee is normally paid for such as regular overtime, shift allowance, commission etc.

Or;

The employee's average weekly gross earnings (including overtime) for the 12 months immediately before the end of the last pay period, before the annual holiday is taken.



Employees are entitled to receive their pay for annual holidays **BEFORE** the holiday commences, unless the employer and employee agree in writing that the normal pay cycle will continue undisturbed during the holiday period.

For those of you who may still be making manual payroll calculations you can check the amounts to be paid by using the holiday pay tool on the Ministry of Business, Innovation and Employment's website.

EMPLOYMENT AGREEMENTS FOR SEASONAL STAFF

agreement are satisfied.

If the employee is to work consistently during the busy time but will not be required once it is finished, a fixed term employment agreement is likely to be the most appropriate contract. In this case, the employment agreement itself must state: when the employment agreement will end i.e. on a particular date or at the end of a particular project or season, the reason why the employment will end then; and the way in which the employment will end.

However, if the employee is only to be engaged on an "as and when required" basis and there is no expectation of work from one engagement to the next, then a casual employment agreement is likely to be the most appropriate contract.



BEST WISHES FOR THE COMING FESTIVE SEASON!

ERA HIKING EMPLOYEE AWARDS

Recent Employment Relations Authority (ERA) cases have amply demonstrated the state of the nation with respect to employee awards for poor terminations.



Sacked for taking 'sickies' a Palmerston North roofer got awarded \$20,000, \$12,000 of which was for hurt and humiliation. The employer had also refused to attend the ERA hearing.

A Christchurch man who worked 7 days, sacked by text message awarded a total of \$26,500 by the ERA. \$15,000 of which was for hurt and humiliation. Again, the employer failed to turn up for the ERA. The Employer here was also fined \$2000 for failing to provide an Employment Agreement.

Lyttelton Port Company have been found wanting for unfairly dismissing a worker for repeatedly leaving work early. \$45,000 in total plus reinstating the worker. \$20,000 for hurt and humiliation in this case.

A successful personal grievance is not entirely unexpected when you sack someone via text but the real lessons here are the high values of the 'damages' portions of the awards. While we used to regularly see \$5k to \$10k figures there is definitely an upwards shift to the \$10k-20k range.

While each case will always have its own merits, it's fair to say failure to engage with the ERA or Mediation process is not going to reflect well on the Employer and you could be forgiven for thinking had they attended the ERA hearings the employees might not have been quite so hurt and humiliated.

Source: Employers.co.nz

18 COUNTRIES HAVE LONGER WORK WEEKS THAN THE US

The average US workweek is 38.6 hours long. That may feel like forever to some Americans, but it's nothing compared to some countries' workweeks.

According to a 40-country annual survey by the Organisation for Economic Co-operation and Development (OECD), the international average workweek was 36.8 hours in 2018. We looked at the OECD's Better Life Index to find out why workweeks were so long in some places, but not in others.

Next time you're feeling envious of the Dutch workweek (at 29 hours long on average, it's the shortest on the OECD's ranking), remember that some workers spend a lot more time at the office than you do.

Here are the countries with the world's longest workweeks.

19. The United States has a 38.6-hour workweek.

18. Lithuania has a 38.7-hour workweek.

17. Iceland has a 38.8-hour workweek.

16. Greece has a 38.8-hour workweek.

15. Slovenia has a 39-hour workweek.

14. Latvia has a 39.1-hour workweek.

13. Slovakia has a 39.1-hour workweek.

12. The Czech Republic has a 39.4-hour workweek.



11. Portugal has a 39.5-hour workweek.

10. Brazil has a 39.5-hour workweek.

9. Hungary has a 39.6-hour workweek.

8. Poland has a 39.8-hour workweek.

7. Israel has a 40.6-hour workweek.

6. Chile has a 42.8-hour workweek.

5. South Africa has a 42.9-hour workweek.

4. Costa Rica has a 44.5-hour workweek.

3. Mexico has a 45.1-hour workweek.

2. Turkey has a 47-hour workweek.

1. Colombia has a 47.7-hour workweek.



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HOW SMALL BUSINESSES CAN TACKLE WORKPLACE MENTAL HEALTH ISSUES

A new report looking into mental health in the small business sector says organisations that prioritise the wellbeing of their workforce outperform the industry average by approximately 10 per cent.

The Small Business Wellbeing report, a joint study conducted by the Mental Health Foundation and small business accounting firm Xero, says every dollar spent on mental health services in New Zealand could repay the nation with \$3.50 in productivity gains.



A Deloitte study in the UK found mental health awareness and intervention could result in a return on investment of up to \$17 for every \$2 spent, and reactive support a return of up to \$10 for every \$2 spent. Small firms in this country employ nearly \$600,000 workers, 30 per cent of the workforce. But just one third of the 1000 small businesses surveyed for the report said they believed their staff, and business, would benefit from improved wellbeing. Thirty nine per cent of owners admitted that running a small business had negatively affected their mental health.

The report found that many small business leaders lacked “a holistic understanding of what wellbeing is”. Craig Hudson, managing director of Xero New Zealand and the Pacific Islands, said it is the responsibility of an employer to take care of staff, and was both socially and financially beneficial.

“If you have your team members turning up to work in a better frame of mind and willing to go above and beyond for you as a business owner then productivity and bottom line return [will improve].” Hudson said business leaders and employers needed to change tack to bring about change as New Zealand had some of the worst mental health statistics in the world.

Hudson said employers should be doing more to combat the effects of poor mental health. “We spend way too much time at work to not be thinking as leaders about how we can better look after our people. We should be over-investing in wellbeing for our employees because it will create long-term sustainable growth for our small business economy.”

Research by Massey University referenced in the report outlined that employee mental health was identified as the biggest wellbeing challenge in the workplace this year. BusinessNZ’s own 2019 Workplace Wellness report outlined that businesses – including larger firms – spend on average \$1500 per staff member annually on initiatives to improve employee wellbeing.

Source: New Zealand Herald



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