Permanent Part-Time Work:
the Perspectives of Managers in
Two New Zealand Government Departments

A thesis presented in partial fulfilment of the requirements for the degree of

Master of Business Studies

at

Massey University

Heather Gail Thomas

1994

Abstract

This study explores the experiences of managers within two New Zealand government departments with permanent part-time work. The research strategy incorporates an extensive literature review and an exploratory, qualitative empirical study.

The literature review identifies labour demand and supply factors which influence the use of part-time work; examines theoretical perspectives on reasons for its structure as permanent or casual work; and identifies organisational context factors, personal factors, and operating and cost factors which influence managers' decisions on use.

Existing studies consistently report strong operating and cost advantages arising from the use of permanent part-time work. In spite of this, and in spite of the reported needs of a growing proportion of the workforce, relatively few organisations have institutionalised permanent part-time work options. Much of the literature thus focuses on documenting the relatively poor conditions of part-time workers, or on prescribing a widening of permanent part-time work opportunities. Very little research has considered permanent part-time work from the manager's perspective. The present study therefore sets out to build on the handful of studies which have done so.

The empirical part of this study involved in-depth interviews with 24 managers in the Department of Social Welfare and the Inland Revenue Department, and a nominee for the State Services Commissioner. Managers at each level of the hierarchy in the two departments, and in both line and staff positions, were included. Factors influencing the managers' use and experience of permanent part-time work were identified and explored.

Models of the organisational use of permanent part-time work and of the managerial decision process were generated. In contrast to the major reported management studies, where permanent part-time work was usually initiated by managers to address specific operating or cost needs of organisations, in this study, use was usually initiated by staff requests for reduced hours of work. The staff-driven process of use arose because of permanent part-time work policy and related policies on Equal Employment Opportunities (EEO). In fact, due to staff reductions and to past institutional rigidities, managers had been largely constrained from initiating permanent part-time positions to

address operating needs. Where they had used permanent part-time staff, managers reported them to be highly productive, and stated that their use had almost always contributed positively to organisational objectives. In those instances where it had not, the difficulty could be traced to teething problems in implementing a form of work which was not as yet well understood, rather than to any intrinsic characteristic of permanent part-time work.

These observations suggest that the potential of permanent part-time work to enhance organisational efficiency has been largely unexplored in the organisations studied. They may also suggest that managers can simultaneously pursue goals of operating and cost efficiency, and goals of "good employer" practice in relation to permanent part-time work. Further, they may indicate that even in the absence of pressing operating needs, permanent part-time work can be introduced successfully through policy changes.

Acknowledgements

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Introduction

This study explores the ways in which managers in two departments of the New Zealand Public Service experience permanent part-time work. It identifies incentives and constraints to the use of permanent part-time work in the Department of Social Welfare (DSW) and the Inland Revenue Department (IRD), and examines the way in which managers make decisions on use or non-use. The study places managers in the context of their internal organisational environment and their external socio-economic and political environment. An extensive literature study examines the scarce management research on permanent part-time work, supplementing this with empirical and theoretical studies from the social sciences.

Existing research shows that managers who use permanent part-time workers find them to be loyal and highly productive. At the same time, permanent part-time work is increasingly important to society, especially to women and older workers, but also, increasingly, to men of all ages. Yet, in spite of the potential benefits to organisations and individuals, there are relatively few opportunities for permanent part-time work in organisations. The lack of availability of permanent part-time work contrasts with the much wider availability of part-time work in casual positions.

There are two aspects to the question of why permanent part-time work is not used more: first the question of why more existing part-time work is not permanent rather than casual; and second, the question of why there is not more opportunity for full-time permanent staff to reduce their hours of work. Empirical management research has given little consideration to permanent part-time work, although there is a substantial body of prescriptive Human Resources literature which advocates its use. A small body of management literature which examines the organisational use of part-time work in terms of operating and cost incentives and constraints is a starting point in exploring the question, but the limited use of permanent part-time work cannot be explained solely by rational cost and operating decisions. These explanations ignore context, as well as personal factors.

A very small number of management studies widen the discussion to a consideration of organisational context factors such as climate and institutionalisation. These valuable and ground-breaking studies go some way towards deepening an understanding of the managerial decision process on permanent part-time work. However, the discussion must be widened further still so that the manager is seen in the context of the external environment which impinges upon the organisational use of permanent part-time work. Use of part-time work appears to be fundamentally bound up with major global and national economic changes, sectoral changes, technological changes, and changes in the structure of the labour market. Without acknowledging that use of part-time work is entangled with these sometimes disturbing issues, the failure of organisations to use it more cannot be understood.

The issues underlying part-time work are extremely complex, and cannot all be encapsulated within this study. However, neither can they be ignored. The study therefore begins with an overview of the contextual issues to provide background for a consideration of the direct influences on managers' perspectives on permanent part-time work.

Chapter One identifies the changes in labour demand and supply which have brought about the growth in part-time and permanent part-time work. It traces the statistical growth of part-time work, and describes the conditions of part-time workers. It describes changes in the demand for part-time workers in terms of the rise of the service sector, recession, and developments in technology. It describes changes in the supply of part-time workers in terms of alterations in lifestyles, the ongoing and permanent mass entry of women to the paid workforce, and the ageing of the workforce. The chapter concludes by describing the institutional responses to these changes in terms of collective bargaining, the actions of governments as legislators and employers, and the growing inclusion of the "good employer" policies of family responsiveness and equal employment opportunities in organisational approaches to Human Resources management.

What unites these diverse changes is the fact that they all appear to be long-term, and to encourage an ongoing use of part-time work. What divides the changes is that some encourage permanent part-time work and others encourage part-time work which is casual. There are thus countervailing tendencies. Further consideration is needed in order

to answer the question of why more part-time work is not permanent and why more permanent part-time work opportunities are not available to full-time workers.

Chapter Two approaches the first aspect of the question by considering explanations from several theoretical perspectives, including: neoclassical economics; Marxist reserve army of labour and labour process theories; the management theory of the Flexible Firm; dual and segmented labour market theories; and feminist theories of gender, patriarchy and the social construction of skill. Notwithstanding that some of these theories are mutually contradictory, their combined weight lends formidable support to the general idea that there is a strong tendency for casual, poorly rewarded forms of part-time work to be preferred by many organisations.

The second aspect of the question - why is there not more opportunity for full-time permanent workers to work as permanent part-time workers - is addressed in Chapter Three in a study of the management literature on the use of permanent part-time work. Few management studies have considered the manager in his or her own right in relation to permanent part-time work. Chapter Three reviews those studies which have identified operating and cost incentives and constraints for managers to use permanent part-time work, and the few studies which consider organisational context factors and personal factors. The results of one major permanent part-time work study offer some explanations for the fact that permanent part-time work is limited in availability, in spite of the overwhelming satisfaction reported by the managers who employ permanent part-time workers, and in spite of their high productivity. One factor is that there is a large difference in the expectations of those managers who use permanent part-time work and those who do not: users, basing their expectations on experience, have positive expectations, whereas non-users expect the worst. Another factor is that cost-benefit considerations do not figure largely in the decision-making processes on permanent part-time work. Rather, permanent part-time work is most often initiated by managers in response to operating problems, and not in response to cost incentives. Reasons for limited use are also found in the *ad hoc* nature of the management decision process on permanent part-time work, and in the usual absence of any organisation-wide policy which addresses it. These observations were considered when making decisions about the research design of this study.

Chapter Four describes the rationale for setting the study in the New Zealand Public Service, an environment where permanent part-time work is the subject of policy, legislation and collective agreements. In this setting, in spite of the various external and organisational factors militating against it, managers have to consider the use of permanent part-time work. Chapter Four goes on to describe the research design and method. The research involved 24 managers at several levels of the hierarchies of two government departments, and a nominee for the State Services Commissioner. Through in-depth interviews, the study explores the ways in which the managers made decisions on permanent part-time work, experienced permanent part-time work, and viewed the impact of permanent part-time work on organisational goals.

Chapter Five describes the organisational context of the empirical study in terms of the contextual factors identified in earlier chapters. There has been a permanent part-time work policy in the New Zealand Public Service since 1986, and permanent part-time work provisions are included in collective agreements. The State Sector Act 1988 contains "good employer" clauses which require government departments to make Equal Employment Opportunities (EEO) plans, and which provide for the monitoring of departmental progress by the State Services Commission. There was a strong association of permanent part-time work with EEO policy in this study. Another significant aspect of the internal context of the Departments included in the study was the restructuring which they had been undergoing for some years. This restructuring had involved staff reductions, including reductions in the numbers of middle-level managers.

Chapter Six reports on the results of the interviews with managers. It outlines the incentives and constraints which managers in the Departments identified as affecting their decisions on permanent part-time work. It does so in terms of the categories identified in the literature, including operating and cost factors, and organisational and personal determinants of use or non-use. One strong continuity of this study with the previous research is the general satisfaction of managers with permanent part-time work, and the absence of serious problems in its use. The suggestions of managers for dealing with those problems which did arise are also reported.

Chapter Seven analyses the results further, and compares them with those in the literature which has been reviewed. One theme which emerges is that the policy environment of the study gives rise to models in which permanent part-time work is

initiated, not in response to operating problems, but in response to staff requests. Within this environment, operating and cost factors act as a sort of checklist for potential obstacles to permanent part-time work use, rather than as genuine incentives. Chapter Seven also considers the roles which top managers, Human Resources managers, EEO managers, and District line managers play in the implementation of permanent part-time work policy. It concludes by considering factors which might encourage the expansion of permanent part-time work in the organisations, and, in particular, suggests that this might come about through finding areas of congruence between organisational needs and staff needs.

The Conclusion draws out some of the implications of the study and makes some suggestions for further research. One major implication of the study is that if permanent part-time work is introduced into organisations through policy *fiat*, far from creating conflicts with organisational goals, this may lead to positive benefits, not only to individuals but also to the organisations themselves.

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