

Ethical and
sustainable
work practices

A guide for Recruiters and employment brokers

April 2022

This guide helps you as a recruiter or employment broker understand ethical and sustainable work practices from a labour and human rights perspective. Find out what those rights are and why they are important for you.

**EMPLOYMENT
NEW ZEALAND**





Understand ethical and sustainable work practices

Today's consumers, employees, procurers and investors expect certain ethical standards. They increasingly want businesses to treat workers fairly, ethically and sustainably – not just their own workers but also the workers in the organisations they engage with.

New Zealanders are becoming more aware of exploitation and mistreatment of workers, especially of migrants, and do not want to engage with businesses that exploit their workers. When deciding where to shop, consumers consider how businesses treat their workers.

A 2021 Colmar Brunton survey found New Zealanders want fairer businesses.

- 59% of respondents wanted their future employer to be socially and environmentally responsible.
- 73% would stop buying from a company that was irresponsible or unethical.

What ethical and sustainable means

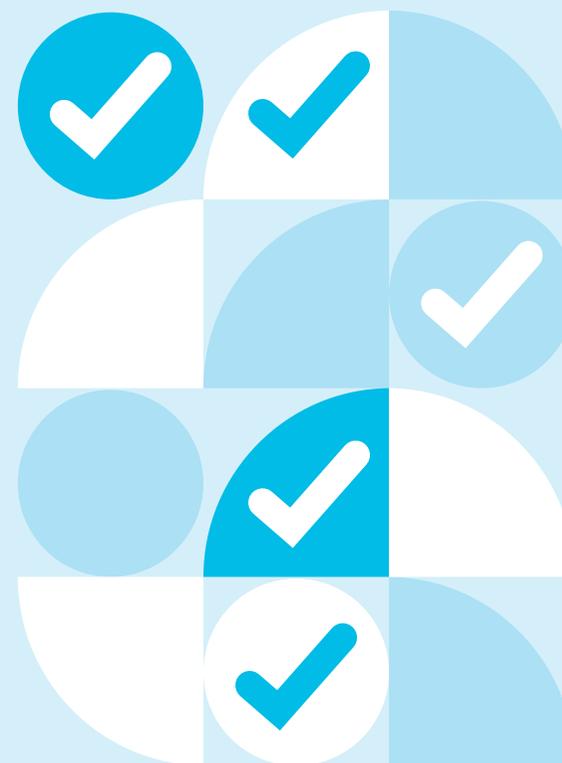
Having ethical work practices means treating your workers legally, fairly and with dignity. It includes providing safe working conditions and meeting or exceeding all minimum employment standards.

Sustainability means working in a way that meets the needs of your business or industry now and in the long term.

Exploitation, child labour, forced labour, human trafficking and slavery are the opposite of ethical and sustainable work practices.

🔗 Ethical and sustainable work practices

or go to www.employment.govt.nz and search for 'ethical and sustainable practices'



Why good work practices matter

Behaving ethically and sustainably is the right thing to do.

Good work practices help create a level playing field where those who meet employment obligations cannot be undercut by those who cut corners using unfair work practices. Good work practices can have a positive impact on customer goodwill, loyalty and demand for your goods and services. They can also help to attract and retain good workers. On the other hand, employment practices that are not legal, ethical or sustainable can hurt your reputation and brand. This could reduce your company's revenue, profit, financial viability and market value.

Businesses that have been penalised for exploiting or mistreating their workers are identified in publicly available information. The law fines and penalises these businesses, and prevents them from supporting visa applications from overseas workers for a specific period.



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A guide for
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Understand who recruiters and employment brokers are

Recruiters and employment brokers specialise in connecting workers to work, whether the work is permanent, fixed term or contract.

They work for both the hiring company and applicants, often taking responsibility for identifying and vetting candidates, organising interviews, and handling salary and benefit negotiations.

Why ethical and sustainable work practices matter for recruiters and employment brokers

If you want to be seen as a trustworthy recruiter or employment broker, you have a duty to make sure the hiring companies you work with have ethical and sustainable work practices. You also have a duty to make sure that job seekers are placed in companies with good practices. Placing a worker in a workplace that has unlawful or unfair work practices is likely to affect the worker's welfare, and may affect your reputation too. This can affect your agency's ability to attract clients and workers in the future.



Florence is the chief executive of a recruitment agency. Her company works closely with hiring organisations to find suitable staff.

For example, a business may ring her agency to ask for help recruiting construction site workers. One of her team members first meets with the business to find out more about the kind of person the business wants – personality, qualifications, experience and so on. Florence's agency then looks through the job seekers on their database or contacts people directly to find a suitable candidate.





Take reasonable steps when placing a worker

It is not in your candidate's best interest to be placed in a workplace that has unfair or illegal work practices, and where they do not receive their legal rights and entitlements.

Placing a worker into such an organisation, as a contractor or an employee, may contribute to poor practices continuing.

Carry out due diligence on any employer before placing workers with them, and follow up with workers you have placed.

Does the employer check that it meets employment standards?

One way to see if an employer checks that it meets employment standards is to ask these questions.

- › Does the business carry out audits to check that they treat workers fairly and comply with employment standards?
- › What audit or certification system do they use? How often?
- › When was the last audit? What did they find and what action did they take?
- › Does the employer belong to a group that undertakes assurance reviews, such as an industry body or association?

Check if the employer has breached employment requirements

If the employer has breached employment standards, find out what they did to solve the issue. Think carefully about the risks of placing a client into a business that is being investigated.

- › Has the employer or business been investigated for breaching employment standards?
- › Has the employer been in a position of authority in a company that has breached employment standards?
- › Has the employer or business ever employed migrant workers that are not allowed to work by Immigration New Zealand?

Employers who have recently been penalised for breaching employment standards

or go to www.employment.govt.nz and search for 'stand-down'

Employment Law Database – for breaches identified by the Employment Relations Authority

or go to www.employment.govt.nz and search for 'employment law database'

Judgments Database – for judgment decisions by diverse courts

or go to www.courtsofnz.govt.nz and search for 'judgments'

You might want to know if the employer is currently under investigation or involved in any legal cases that did not comply with employment standards. This information may not be publicly available. You may need to request it from the employer, though they do not have to answer. However, if they do not answer, you might find this to be useful information in itself.





Make sure the employer gives workers what they are entitled to

Ask for documents that prove the employer's responses to these questions.

| You can ask... | The answer... |
|--|---|
| 1. Do workers have written employment agreements, individual employment agreements or collective agreements? | The employer must be able to answer 'yes' under the law. Find out more about the requirement below. |
| 2. Does the employer keep up-to-date wage and time, leave and holidays? | The employer must be able to answer 'yes' under the law. Find out more about the requirement below. |
| 3. Does the employer pay their workers minimum wage or above for every hour worked? | The employer must be able to answer 'yes' under the law. Find out more about the requirement below. |
| 4. Does the employer give their workers regular payslips when asked to? | An employer demonstrates good practice if they can answer 'yes'. |
| 5. Does the employer give workers information about their employment rights? | An employer demonstrates good practice if they can answer 'yes'. |

Do workers have written employment agreements, individual employment agreements or collective agreements?

⊕ Things an agreement must contain

or go to www.employment.govt.nz and search for 'things an employment agreement must contain'

Does the employer keep up-to-date records of wages and time, leave and holidays?

⊕ Keeping accurate records

or go to www.employment.govt.nz and search for 'keeping accurate records'

Does the employer pay their workers minimum wage or above for every hour worked?

⊕ Current minimum wage rates

or go to www.employment.govt.nz and search for 'current minimum wage rates'

Workers who are employed or contracted by providers to deliver cleaning, catering or security guard services to public service departments and departmental agencies must be paid at least a living wage.

⊕ Guide to paying a living wage in contracts – Guidance and resources

or go to www.procurement.govt.nz and search for 'paying a living wage'

Useful information for employers

⊕ Employment agreement builder – to help employers write up a compliant employment agreement

or go to www.employment.govt.nz and search for 'employment agreement builder'

⊕ Minimum employment rights and responsibilities booklet [PDF, 980KB] – to help employers understand employment legislation

or go to www.employment.govt.nz and search for 'minimum employment rights and responsibilities'

⊕ Employment Learning modules

or go to www.employment.govt.nz and search for 'learning modules'



Ethical and sustainable work practices

Make sure workers are treated fairly after you place them

Ask the worker these questions.

1. Were you given a copy of your written employment agreement, and can you access it?
2. Are you given a regular payslip?
3. Do you feel you know your employment rights? Have you been told where to find more information about them?
4. Do you get paid at least the minimum wage for all the hours you work? Did you get paid while you were being trained for your job?
5. Have any of your conditions changed or got worse since you started the job?
6. Do you know how to approach your employer if you have concerns about your job?
7. If boarding and meals are part of your payment, is the cost reasonable? Is your accommodation of a legal standard? For example, service tenancies must include working smoke alarms or detectors within three metres of each bedroom door. They must also have ceiling and under-floor insulation and an insulation statement.

➔ **Service tenancy – accommodation you give your workers** – to help employers and workers understand boarding as part of payment

or go to www.tenancy.govt.nz and search for 'service tenancy'

8. Has your employer asked you to pay back any of your wages, or make a deduction from them, that you have not agreed to in writing?
9. Do you have to pay for your own safety equipment or anything you need to do your job?

➔ **Deductions employers can make from a worker's pay**

or go to www.employment.govt.nz and search for 'deductions'

10. Do they have written policies, or a code of conduct, to deal with bullying, sexual harassment or discrimination?

Monitor compliance with regular checks

Check in with the worker within the first month, after six months, and every year after that. If any responses to the questions above raise concerns, discuss them with the employer and try to solve them. Require the employer to tell you if they change your worker's arrangements.



Florence has heard about recruiters running into trouble for placing workers in inappropriate workplaces with poor employment practices. To make sure her agency keeps its good reputation, she reviews the questions they ask employers about their employment standards.

After carrying out her review, Florence is confident that her agency gets the information they need from employers. However, she realises that some other recruiters have a more detailed feedback process for the workers they place. She creates a questionnaire that her agency can send to workers. The workers can say if they are fairly treated and receive what they are entitled to. This way, she can find out if what employers tell her matches the workers' experiences.





Learn more and use our free resources

Resources on our website

If you are reading a printed version of this brochure, go to www.employment.govt.nz and search for key words.

| To learn about. . . | ..search for | What you'll get |
|--|--|-----------------|
| Recruiters and employment brokers | Recruiters | A web page |
| Employment due diligence | Employment due diligence questions | A web page |
| Employers who have recently breached minimum employment standards | Stand-down | A web page |
| Employment law database | Employment law database | A web page |
| Minimum details an agreement must contain | Things an employment agreement must contain | A web page |
| Keeping accurate records | Keeping accurate records | A web page |
| Current minimum wage rates | Current minimum wage rates | A web page |
| Employment agreement builder | Employment agreement builder | A web page |
| Minimum employment rights and responsibilities booklet | Minimum employment rights and responsibilities | PDF, 980KB |
| Minimum employment rights and responsibilities – other language translations | Other language translations | A web page |

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