

The human resource issue I am investigating is the **consumption of alcohol by employees in their private time and how this contributes to preventable absences from work and lower productivity at work**. Statistics reveal that a significantly large portion of New Zealanders who are employed are drinkers and, according to research conducted by ACC and the NZ Ministry of Health's (MOH), drinking is an important part of the kiwi lifestyle. The **MOH research** found that "Over 50 per cent of New Zealand adults can be classified as 'binge drinkers' ... Therefore, it is inevitable that in any organisation, regardless of size, there will be a proportion of individuals experiencing problem drinking ..., and they are just as likely to be in the boardroom as on the factory floor, in the office or the sales force." **[Further statistical references have been omitted from this exemplar.]**

██████████ is the country's leading hardware and trade store. It sources stock locally and from overseas and has some customers overseas who buy through their website. I interviewed Mr DH, a department co-ordinator at the **██████████** branch of the company (interview transcript attached). He talked about what he knows about the alcohol consumption among his team members and how it impacts on work within his department and the store. Mr DH said it was a difficult topic for him to deal with because he had to be careful of his team members' privacy. Of the 18 people he is responsible for he considered seven had a drinking issue that regularly affected their attendance and performance at work. Mr DH and other department co-ordinators at the branch estimated that there were probably 10-15 days taken per week that they suspected were due to hangovers. Fridays and Mondays were the worst days for absenteeism. Using information Mr DH gave me I calculated that this preventable leave costs between \$1,656 and \$2,484 per week. From my calculations, **██████████** would be losing a minimum of \$86,112 p.a. before the impact and stress on other staff members is considered.

Mr DH told me about an incident that happened in December 2016. The annual 'Crate Day', started by a NZ radio station is held on the first Saturday of December to welcome the arrival of warm weather. People are encouraged to drink an entire crate of alcohol over the course of the day. **Mr DH said that a record number of employees called in "sick" that day or the following day when they might have had hangovers. This then caused the people who turned up to work a huge amount of stress due to them being short-staffed and having to deal with customers complaining about the lack of staff to serve them. Some staff members became angry and resented having to cover for drunk colleagues. It took several days for all regular tasks to be up-to-date.** Mr DH said this sort of problem was becoming an "increasingly alarming" issue for **██████████** as employees' contracts state the employer does not need to see a medical certificate unless they have had three days in a row off, or they have strong reason to believe there was not a genuine reason for taking sick leave. Management at **██████████** chose not to take disciplinary action against their workers, even those who had uploaded to social media drunken pictures of themselves at Crate Day parties, but they emailed all staff about inappropriate use of sick leave. This made workers who never abused their sick leave even more angry and resentful.

In Mr DH's department team members' work includes serving customers, pricing and putting out stock, arranging promotion displays, maintaining cleanliness in the department and occasionally taking part in demonstrations. Some stock, such as vanity units and pallets of plumbing fittings, needs to be moved from the warehouse to the store using a fork hoist, and sometimes there is heavy lifting required. If affected by alcohol, or if rushed because of short-staffing, workers could put customers, workmates or themselves at risk of injury either from the fork hoist or from poor or unstable stacking of stock items. This would put **██████████** in breach of health and safety legislation. When team members are absent at short notice the main focus of the other workers is on helping customers. This can mean that promotional prices are not updated, popular stock items are not replenished, aisles are not kept clear and computer records are not updated. Wrong prices and low stock levels can reduce sales and affect customers' impression of **██████████** **[Further information of impact on productivity, using the Crate Day as an example, omitted from this exemplar.]**

Some employers take discipline action, even dismissing an employee, because their work has been affected by hangovers or alcohol-impaired performance. Mr **██████████** took a Wellington construction company to the Employment Relations Authority in 2017, complaining that he had been unjustifiably dismissed over several incidents when he had taken time off work, or come to work hungover and smelling of alcohol. The ERA found that Mr **██████████**'s dismissal had been fair.

In August 2015 Stuff published an article, 'Crackdown on boozy corporate workplaces' after three breakfast radio hosts "uttered garbled and unintelligible sentences and laughed hysterically during parts of the morning show". They had come to work still drunk after a heavy night out drinking. Kirk Hardy, chief executive of The Drug Detection Agency was quoted: "Someone might come to work and look fatigued or bleary-eyed or washed out ... and you can often smell it on them and the bosses might request an alcohol test ... Tests often came after a pattern emerged in an employee. That's your Friday mornings after a big Thursday night, or even Mondays, after a big weekend – whatever the pattern". **The article also referred to how other large employers dealt with alcohol-impaired workers. "Mighty River Power, Fonterra, KiwiRail and Carter Holt Harvey** all said they had zero tolerance policies towards staff who were caught with alcohol on their breath."

As Mr DH had reported that **██████████** had not taken any disciplinary action against workers that were suspected of being hungover at work, I set out to find some possible solutions to the issue of alcohol consumption impacting on productivity at the hardware chain. Mr DH gave me a copy of **██████████** standard employment contract. It was 13 pages long but the only reference to alcohol was a statement that there must be no consumption of alcohol within the workplace or during the working day.

Solution 1: Alcohol Use Policy

████████ could contract an outside specialist to draft an Alcohol Use Policy for management to consider. This would become part of new employment agreements that employees have to sign when they accept jobs at ██████████, just as they have to sign an Internet Use Policy. The policy would contain the consequences for a worker who is found to be under the influence of alcohol, is not able to perform to a required standard due to alcohol, or who is absent due to alcohol use. The policy would include procedures such as workplace investigations, disciplinary steps, warnings and would state that alcohol testing could be conducted. Once the Board of ██████████ approved the policy, it should be distributed to all stores, warehouses and offices of the company in the country. Employees would then have to sign their own copies of the policy to say they understand and agree with it. To increase the chances of employee buy-in ██████████ should involve the First Union which Mr DH estimates 75% of the employees belong to. Some existing employees might object that alcohol testing at work goes against their human rights. This solution would improve productivity because workers would be aware that there could be consequences of turning up to work drunk or impaired and that their behaviour might cause management to bring in an alcohol testing agency to measure their blood:alcohol measure. Knowing that their warnings could go onto their employment records or their jobs could be at risk could encourage workers who consume excess alcohol to change their habits so that their future employment at ██████████ is not affected.

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Solution 2: Education and support

Education should be a key area for ██████████ to focus on. It is likely that ██████████ workers who bring their alcohol issues to work will know about the health disadvantages of drinking alcohol, but they might not have thought about the knock-on effects on ██████████ and their colleagues of taking unplanned leave because of their alcohol use. If excess drinkers are made aware of the extra stress and the health and safety risks hangovers at work or absenteeism due to alcohol abuse cause, they might be less likely to behave that way. The education should be done in a supportive way so that everyone feels safe and not victimised. ██████████ could have a video that used interviews with well-liked and respected staff within the company talking about their personal struggles with stress and lack of motivation due to colleagues' absenteeism caused by alcohol. Getting excess drinkers to think of the impact their reduced performance or absenteeism has on their peers could be very successful and could lead to them coming to work fresh and unimpaired by alcohol, leading to fully staffed stores, levelling out workloads and reducing stress. The short video could be shown at team meetings and made available on the staff intranet. Another way that could help employees drink responsibly would be to provide professional assistance or counselling to those who wanted to address their drinking. ██████████ could sign up to the Employee Assistance Programme. EAP is a confidential service where employees of registered businesses can access up to three counselling or support sessions, e.g. for lifestyle or health issues. The service is free to the employees and they are guaranteed confidentiality. EAP would invoice ██████████ for three sessions for a worker without saying who the worker was or what the counselling was about. Offering EAP to its workers would increase expenses for ██████████ but in the long term could reduce leave payments, improve team morale and maintain the expected level of sales. On its own I don't think this is a full solution to the problem ██████████ has but it would work well if used with the education strategy.

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I recommend that ██████████ should use a combination of solutions 1 and 2. The company needs to let their employees know that, like other employers like Carter Holt Harvey and NZ Post, they will have zero tolerance for staff reporting to work under the influence of alcohol or when it can be proved that a worker has taken sick leave because of excessive use of alcohol. To make sure that any Alcohol Use Policy can stand up in an employment court, ██████████ should have a specialist research the wording of policies used by other companies, examine successful relevant cases taken to the Employment Relations Authority, consult with First Union who can advise from the viewpoint of employees' rights under law. Once it is finalised the policy would become part of the employment contract process. Current employees would also be asked to sign the policy but some might refuse to because they are worried about alcohol testing. Someone who is a light social drinker whose work is not affected by alcohol they drank the night before might be concerned that alcohol might show up in their test and they might be disciplined for this. ██████████ would need to reassure staff that testing would only be done if the employer smelt of alcohol or if there were good reasons to suspect they were under the influence of excess alcohol. If an existing employee refuses to sign the policy ██████████ could not force them as it is a change to their original employment conditions, however if necessary the employer could implement investigation and disciplinary procedures as this is an option open to all employers. When the policy is ready for introducing to employees, ██████████ management should contact employees to explain the new policy and the requirement for them to sign the policy. They should explain that under health and safety legislation ██████████ has the primary responsibility for the health and safety of their staff members but workers must also take reasonable care for their own health and safety and make sure that their actions don't harm the health and safety of others. If a worker is used to driving a fork hoist while hungover learns that they might be alcohol tested and might be found guilty of causing harm to others, they might be shocked enough to change their drinking habits.

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The business could make an information video about the new policy to explain consequences for breaking it, investigation and disciplinary procedures, how alcohol testing would work, etc. This could be uploaded to the ██████████ website and shown in team meetings. ██████████ union representatives could appear on the video to discuss the union's consultation with management. The education and support programme could be launched at the same time to coincide with introduction of the new alcohol policy. This might encourage heavy drinkers whose work is affected by alcohol to change their habits for the sake of their employer and co-workers, and to make use of EAP counselling to make better lifestyle decisions.

To find out whether the new policy and support programme improves productivity at ██████████ the company could compare leave records and sales figures for three monthly periods to see if any changes can be put down to a change in employee behaviour.