

The Australian Work and Life Index 2010

How much should we work?

Working hours, holidays
and working life: the
participation challenge

AWALI

**Barbara Pocock, Natalie Skinner
and Sandra Pisaniello**



University of South Australia
unisa.edu.au/hawkeinstitute/cwl

The Australian Work and Life Index 2010

How much should we work?

Working hours, holidays
and working life: the
participation challenge

AWALI

**Barbara Pocock, Natalie Skinner
and Sandra Pisaniello**

CENTRE FOR WORK + LIFE

University of South Australia
unisa.edu.au/hawkeinstitute/cwl

INDUSTRY PARTNERS:



Government of South Australia
SafeWork SA



Government of Western Australia
Department of Health

© July 2010

Published by the Centre for Work + Life
University of South Australia
<http://www.unisa.edu.au/hawkeinstitute/cwl/default.asp>

STREET ADDRESS

St Bernards Road
Magill SA 5072
Adelaide

POSTAL ADDRESS

GPO Box 2471
Adelaide, SA 5001 Australia

Authors: Barbara Pocock, Natalie Skinner and Sandra Pisaniello

Title: How much should we work: Working hours, holidays and working life: the participation challenge. The Australian Work and Life Index 2010.

ISBN 978-0-9803799-2-1

ACKNOWLEDGEMENTS

AWALI 2010 was funded through an Australian Research Council Linkage grant in partnership with the South Australian (through SafeWork SA) and Western Australian Governments (through the State Department of Health).

We thank Dr Josh Healy (National Institute of Labour Studies, Flinders University) and Dr Josh Fear (The Australia Institute) for their comments on the draft report. Of course, responsibility for the final text rests with the authors.

Executive summary

What is AWALI?

The Australian Work and Life Index (AWALI) measures how work affects the rest of life for employed Australians. It measures how often work interferes with responsibilities or activities outside work, how often it restricts time with family or friends, how often it affects connections and friendships in the local community, overall satisfaction with work-life 'balance', and how often people feel rushed and pressed for time. The AWALI index brings together these five measures and scales them from 0 (the lowest work-life interference) to 100 (the highest work-life interference). In AWALI 2010, the national AWALI score was 43.0, very close to the previous three years.

The context

The AWALI 2010 survey was conducted in March 2010. It is published against the background of several significant long-term trends.

- Firstly, participation in paid work has been increasing steadily (especially amongst women who are also investing more in their qualifications). This participation includes many – over a quarter of full-timers – who are working 48 hours or more a week.
- Secondly, more paid work is being undertaken out of dual-earner and sole parent homes, leaving many workers pressed for time – especially women who continue to do two-thirds of all unpaid work and care.
- Thirdly, despite the 2008/09 international economic downturn, Australian GDP has continued the relatively robust growth of the past decade. However, there has been a redistribution of GDP from wages to profits: the profit share of GDP is now at a record level in Australia, in part reflecting falling unit labour cost and rising employee productivity. Many households are giving more to paid work, while taking home a declining share of its rewards.
- Finally, the age profile of the workforce is changing, with a much older workforce likely in the near future. This is generating a strong public policy push to increase employment rates, the span of working life into old age, and increase the hours of part-timers (including many women and mothers).

This background makes the issue of sustainable engagement in paid work over the life-cycle an important issue. How does the objective of increasing participation in paid work mesh with people's preferences and current working arrangements? And how does the long term increase in the rate of participation in paid work – in the context of a declining wages share, a rising profit share, and a sense of overload amongst many – shape the prospects for future increases in labour participation in Australia in the context of an ageing population?

Economic slowdown, what slowdown?

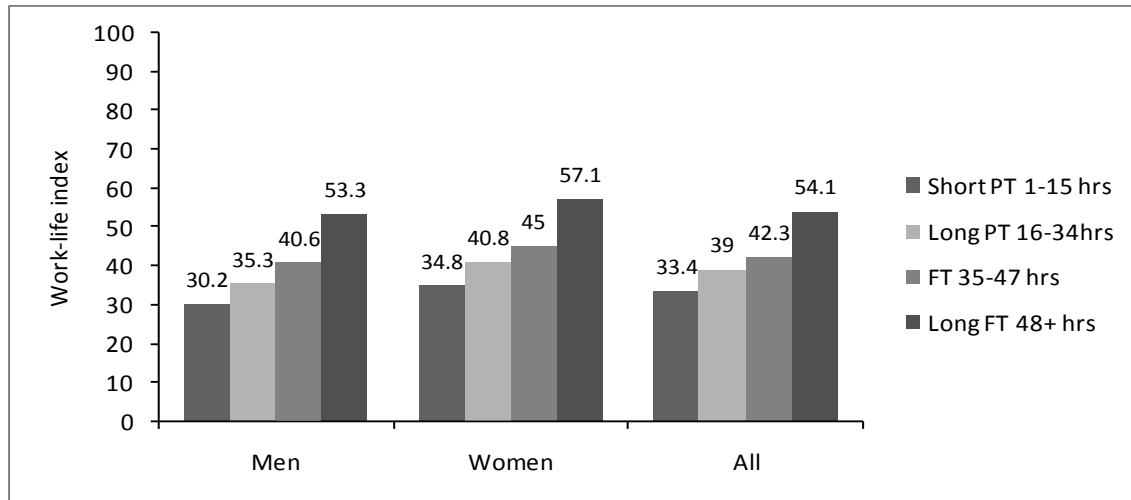
The economic slow-down in Australia has not been associated with less work-life interference despite a seven per cent fall in aggregate hours worked between 2008 and 2009. Instead work-life interference has stayed fairly steady. Unfortunately, negative work-life interference appears to be recession-proof.

What is unchanging?

Over the past four years AWALI has canvassed through four national surveys the views of almost 10,000 workers about their work-life situation, resulting in some very consistent findings. Daily life is very busy for many workers and time strains and pressures are common:

- *The majority of women – 60 per cent – feel consistently time pressured, and nearly half of men also feel this way:* The ‘barbecue-stopper’ of 2001, as John Howard termed it, has not diminished in recent years. Indeed, some groups appear to be showing signs of increased stress, especially women in full-time work and working mothers;
- *Negative work-life effects are widespread:* The majority of working Australians say that work – for all its benefits – has negative effects on the rest of life, creating strain and restricting time they have for themselves, families and friends, and communities. Many of those affected are not parents. More than half of all workers find that work interferes with their activities beyond work and feel often or almost always rushed and pressed for time;
- *Managerial and professional workers are especially negatively affected with poor work-life scores and long hours of work:* These are the leaders who set the terms of working life for others. Their pressured working lives do not augur well for the changes in workplace cultures and supervision and leadership that research shows are very important factors associated with good work-life outcomes;
- *Professional women are especially hard-hit:* Women in professional occupations have worse work-life interference than their male colleagues, regardless of whether differences in work hours are statistically controlled or not. This is an important finding in view of the growing proportion of women who are graduating with professional qualifications. Many will experience worse work-life outcomes than male colleagues, even when their hours are similar;
- *Workers in service industries have worse work-life interference:* Workers in industries like health, education, retail, food and accommodation have worse work-life interference, statistically controlling for differences in work hours. When differences in work hours are not controlled for, then construction and mining - two industries well known for long work hours - are associated with worst work-life outcomes;
- *There is no evidence that self-employment enables a better work-life relationship than being employed:* Self-employment is associated with longer work hours for those in full-time work and for fathers. This translates into worse work-life interference for full-time, self-employed workers compared to their employee counterparts;
- *Casual work does not, as is sometimes assumed, help workers better reconcile work and care:* Casuals work shorter hours than other workers. Statistically controlling for this difference, there is no evidence that casual work provides any work-life benefits;
- *Many workers do not work the hours they would prefer:* Just over half of all workers worked more than half a day (4+ hours) more or less than they would prefer taking account of the effect on their income. Most would like to work less. Working more than preferred is associated with much worse work-life interference – almost as much as working 48+ hours;
- *A third of women working full-time would like to work less:* This is despite the large proportion of working women – almost half – who already do;
- *Many fathers want to work less:* Almost half of all fathers living in couple households work more than they would prefer.

Work-life scores by hours of work and gender, AWALI 2010



- Workers who work long hours are especially negatively affected:* As the figure above shows, the worst work-life scores are experienced by those who work long hours (48+). Almost three-quarters of those working these hours would like to work less, taking account of the effect this would have on their pay packets;
- Men have worse work-life outcomes than women:* This reflects their longer hours. When we allow for differences in hours, women fare worse than men when they work long part-time hours or 34-47 hours;
- Working parents have worse work-life interference:* This is especially the case for mothers (controlling for differences in work hours). However, many workers without children are also affected by work-life interference;
- Part-time work helps, but not as much as might be expected:* Part time hours help men much more than women, as the latter try to meet expectations both at home and at work. Women working part-time are more likely to experience frequent time pressure than full-time men;
- Geographic location does not affect work-life interference:* Where workers live – whether in a city, rural or regional location – has little effect. Factors like hours of work and the nature of the job are much more influential. However, compared to fathers, mothers in rural/regional areas are particularly susceptible to work-life strains, a result that is consistent in 2009 and 2010 and deserves further investigation;
- Poor work-life outcomes cost society:* While the majority are satisfied with their work-life ‘balance’, poor work-life outcomes are associated with poorer health, more use of prescription medications, more stress, and more dissatisfaction with close personal relationships (as our 2007 findings showed). Work-life outcomes are imposing high costs on individuals, families and the broader community.

What's new?

In addition to examining the factors considered in earlier AWALI surveys, AWALI 2010 pursues the issues of future employment participation, generational differences and holiday leave. We find that:

- *There are no signs that things are getting easier on the work-life front:* Indeed, the situation of full-time women has deteriorated, with a 10 percentage point increase between 2007 and 2010 in the proportion who find that work interferes with activities outside work— more than three times the increase amongst similar men;
- *A quarter of women working full-time and one fifth of similar men were dissatisfied with their work-life balance in 2010.* This proportion has increased over the past three years;
- *Many workers are working more than they would prefer :* This is associated with significantly worse work-life outcomes;
- *Most workers – including older workers – are not eager to increase their hours of work:* The reverse is more common despite the fact that just over half of older worker are part-time at present.
- *There are no signs that Generations X and Y are less interested in work than Baby Boomers:* New generations of workers – Gen X and Gen Y – despite populist generalisations do not appear to be ‘lazier’ than the Baby Boomers they work alongside. More Gen X are affected by work-life interference because of their longer hours and life-stage of family formation and child rearing;
- *All generations share a common preference for a 35 hour week.* However, many are far from achieving it, with significant cost to their work-life ‘balance’;
- *Gen X men have the worst work-life outcomes compared to other men:* This is not surprising given they also work the longest hours. A substantial portion of these hours are involuntary;
- *Most workers would rather have an extra two weeks holiday than an equivalent pay rise:* Time matters more than money for most, and this preference is more widespread than eight years ago in a similar survey;
- *Many workers don't take a holiday and it matters:* Around six in ten workers stockpile their leave, about the same proportion as in 2002;
- *Not taking a holiday is associated with worse work-life interaction.* Mothers are particularly negatively affected;
- *Work pressures stand in the way of holidays for almost a third of those who stockpile their leave:* This especially affects those working long hours, professionals and those employed on limited term contracts. Others save their leave to use it at another time;
- *Encouraging workers to take their leave will improve work-life outcomes:* Relieving the work pressures which stand in the way, and giving workers access to more paid leave, compared to giving them a pay rise, may be beneficial.

Feeling rushed?

In 2010, the majority of workers say they are frequently (often or almost always) rushed and pressed for time. Two-thirds of full-time women (50.1 per cent of men) and more than half of part-time women (33.5 per cent of men) say this.

Seven out of ten working mothers say they *almost always* feel rushed and pressed for time, and this is consistent in recent years. Convincing women who already feel over-worked to increase

their hours, or persuading their peers who are not in the labour market to join them, will require a large shift in the terms of work and home life for Australia's working mothers.

This could either be achieved by means of the 'stick' to push them to work (e.g. withdrawing benefits for sole mothers) or the carrot (increased tax/benefit gains, or improved flexibility, childcare and workplace cultures). The latter approach is much to be preferred given how the former is likely to result in significantly worse work-life interference.

A policy objective of increasing women's participation rates or hours in paid work seems optimistic: the policy challenge may instead be to renovate the terms of employment to *retain* them. At present, it seems, too much is being asked all round of these workers.

Work less, not more?

Australia has a lower rate of labour force participation than many OECD countries. Our ageing population, and the consequent increases in the dependency ratio, make raising this a pressing policy issue, especially amongst older workers, mothers and women. However, successive AWALI surveys suggest that Australia's participation issues are not going to be easily addressed, and they may be exacerbated by a new challenge: retaining the sizeable group of workers who would like to work less, not more.

A third of full-time women would like to reduce their working hours to part-time – despite the fact that Australia already has a very high proportion of women who work part-time. There is little difference on this between mothers of children under 18 and other women.

We find that a third of all workers would like to work fewer hours – even allowing for the effect on their incomes. The majority of those who want to work less are working full-time. In 2010 full-timers want to reduce their hours by 5.6 hours a week. Sixteen per cent of all workers would like to work more hours. Two-thirds of these workers are part-time, and would prefer 4.0 more hours. If these working time preferences were realised, there would be a significant reduction in labour supply in Australia.

We find no evidence of a desire or willingness to increase employed hours across the generations of X, Y or Baby Boomers. There is firmer evidence of the reverse.

While policy makers are interested in increasing labour market participation, many workers have other plans. The time pressures they currently face – especially if they work long hours or are mothers or women – mean that, rather than increase their working time, they would like to reduce it, even where it means taking a pay cut. Further, if they have the chance to take a holiday (and many do not, because of pressure of work) they would prefer more holidays over more pay: *time* is trumping *money* in many Australian households at present.

This context complicates the prospects of ensuring the workforce of tomorrow, especially if we are to do so whilst maintaining worker well-being. High work-life pressures amongst those who work long hours, who do not work the hours they would prefer, or do not take their holidays, raises issues about the sustainability of the existing workforce and levels of worker well-being into the future.

Poor work-life interference imposes costs on workers and their households and community, as well as on the health budget. It also affects workplace costs when workers leave their jobs over poor work-life arrangements, unsympathetic supervisors and overload, affecting profitability and service quality. These effects go beyond the workplace to affect the larger economy as well as individuals, families and communities.

Australian workers will benefit from more flexibility over the life-cycle, more accommodating cultures and supervision, and improved job quality. Without changes in work practices and cultures, chances are that Australia's labour supply challenges will be exacerbated.

What to do? Implications for policy and action

The accumulating AWALI evidence suggests that reducing negative work-life interference requires change in the terms of work. Many Australian workers want to cut their hours – and this will improve work-life outcomes for many, especially those working long hours, or more than they would like. For others, improved flexibility, better quality jobs and more sympathetic supervision and work cultures will be beneficial. Seven policy proposals are pertinent:

1. More say over working flexibly

The fact that so many workers – more than half – are not working the hours that they would prefer, suggests that – despite the flexibility changes of the past two decades – many workplaces are far from flexible on terms that suit workers' needs. A more effective and practical employee-friendly flexibility regime is required. Workers who have more say over when, where and how much they work, have better work-life outcomes.

Improved rights for working parents of pre-school children or children with a disability, as embodied in the *Fair Work Act* are a step in the right direction, as AWALI 2009 showed. However, the fact that work-life issues affect many workers without children or those with other forms of responsibilities means that a broader right to request flexibility would be helpful. Further, given the evidence that men's requests meet with a higher rate of rejection, more support and appeal opportunities for those whose requests have been refused, and more support for effective implementation would also assist. Improved rights for employees to request flexibility are important, but only if these rights have real operational meaning in workplaces where reasonable workloads, supervision and cultures support their realisation.

2. Long hours of work

Long work hours are now widespread in Australia, especially for men. The worst work-life interference, as measured by AWALI, occurs amongst long hours workers. Other recent Australian findings tell us that long hours of work are associated with higher absenteeism and lower productivity (Holden et al, 2010) and the international evidence about health consequences of long hours also provides arguments for containing long hours of work. Given the poor work-life scores for those working long hours and the close correlation between long hours of work and a poor fit between actual and preferred hours, limits on long hours of work are likely to reap significant benefits. This realisation has led to the adoption in Europe of the European Working Time Directive which requests each European member state to ensure that working hours are limited to a weekly working period of not more than 48 hours on average, including any overtime. There are also requirements in relation to rest breaks and specific recommendations for some industries. In South Australia, a new Code of Practice for Working Hours came into effect on 1 July 2010 as part of the work of the state's Work Life Balance Strategy in response to the South Australian Government's Strategic target to improve the quality of life of all South Australians through the maintenance of a healthy work-life balance.

Given the importance of long hours to poor work-life interference there are good arguments for considering policy change, including regulatory change, to restrict working hours to no more than 48 hours on average, including overtime.

3. Reducing the burden on working women

Australian women, especially mothers, are hard pressed for time. Many are working part-time and many more would like to. This is a consistent finding of AWALI.

Efforts to increase women's hours of employment from part-time to full-time are unlikely to be successful without substantial changes to current policy settings and workplace arrangements. Shorter hours clearly suit many women's needs and preferences more than full-time work - given current workplace arrangements. Even under existing settings, the majority of women in full-time or part-time work report feeling frequently rushed or pressed for time. The factors that create time strains and pressures for working women are well documented: lack of quality, accessible, affordable childcare, inflexibility at work, unsupportive cultures, disincentives in the wages, benefits and taxation systems, and inequality in time spent on childcare and domestic work at home.

Efforts to redistribute unpaid work and care would assist many women to deal with their time pressure. More flexibility in their working conditions would also assist, as would a reduction in the hours worked by their partners where these reduce engagement on the home front.

4. More support for working fathers

Many fathers would like to have more say about their working hours and reduce them. Their requests for flexibility are less often fulfilled and many find their working lives demanding. In this light, particular policy interventions to support working fathers are important, including 'father-specific' forms of paid leave, opportunities to work part-time without penalty, and improvements in access to flexible working conditions generally. A greater proportion of men making use of non-standard work conditions may improve the quality of part-time work. It may also enable men to shoulder a greater share of unpaid work and care.

5. More supportive workplace culture, practice, management and leadership

More supportive first line supervision and workplace cultures that 'walk the talk' of flexibility, workload management, and responsive work patterns over the life-cycle, matter a great deal to improving work-life integration. AWALI results suggest that despite much talk about flexibility over the past decade in Australia, many workplaces lack real worker-friendly flexibility. AWALI findings show that supervisors' actions matter, as do the expectations of senior managers and their personal practices. In this light, we recommend that managers, their educators, and governments, consider giving much greater attention to the promulgation of models of good practice in relation to work-life friendly practices and the development and use of reliable metrics to measure the effects of changes in policy and practice.

6. Holidays matter: time, money and rest

AWALI 2010 shows that holidays matter, and that many workers do not take them because of workload pressures. Once again, managers and supervisors are often most negatively affected, setting a poor example for others. This suggests that work-life outcomes will be assisted by the management of workloads to enable vacations, by managers and leaders who set an example by taking leave and by encouragement to employees to take their holidays. It also means that increased leave opportunities, including longer holidays, are likely to be associated with improved work-life outcomes and appreciative workers.

7. Future research

Increasing labour participation, as well as retaining existing workers and increasing their hours of work, requires good evidence about the factors affecting work-life outcomes, their consequences, and policies and actions that respond to them. Evidence arising from AWALI suggests that more worker say over working conditions and hours, supportive supervision and workplace cultures, and reasonable workloads will all help. However, there is a great deal that we know too little about, including the health and safety consequences and health costs of poor work-life

interference, the particular circumstances of some sub-groups like rural mothers and professional women, and the forms of regulation, support, education and inducements that will encourage change in workplace practices, cultures and management. Further research to develop better metrics to drive change would be helpful. Evaluated interventions, utilising control groups, would also inform the development of effective responses. At present, despite a large number of work-family consultants, robust evidence about the most effective practice and change is thin.

Finally, successive AWALI surveys tell us work-life interference is not in decline in Australia. There are no signs of general improvements. Despite much rhetorical discourse about the importance of the issue, and its importance in the lives of many Australians, effective action is slow. More reliable measurement of costs and consequences, and more practical and robust guides to effective action might help. Clearly, talk is not enough.