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Working Time and Workers' Preferences in Industrialized Countries

Finding the balance

Edited by
Jon C. Messenger

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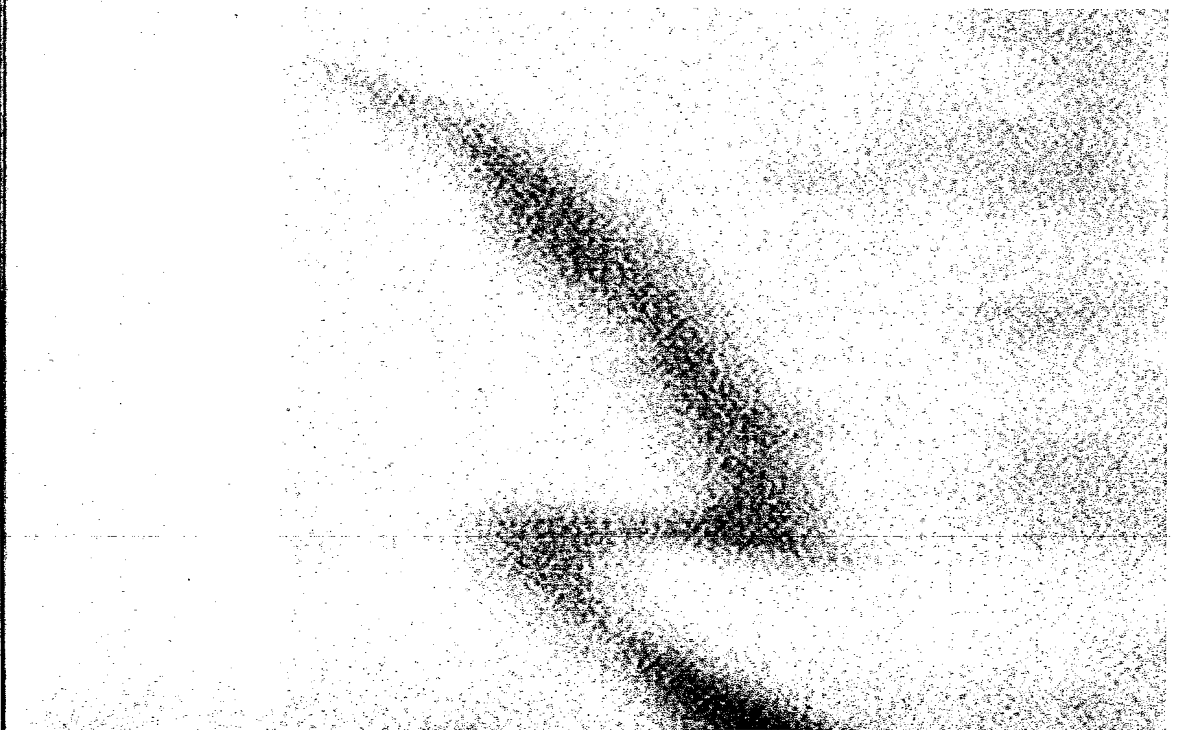

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Introduction

Working time in industrialized countries

Dominique Anxo, Colette Fagan, Deirdre McCann, Sangheon Lee and Jon C. Messenger

Working time changes and challenges

Working time issues have been at the heart of political and social debates since the Industrial Revolution. The focus of the debate, however, has changed over time. After the First World War, a number of legislative measures were introduced in order to regulate working time. The main objective of these initial laws on working time, which introduced the goal of an 8-hour working day, was to combat the adverse effects of long working days on employees' mental and physical health in order to diminish the high numbers of industrial accidents and to standardize employers' practices as regards working time. During the period of economic prosperity following the Second World War, as working conditions began to improve and incomes started to grow, there was a change in the focus of the debate on working time. In particular, the concerns about working time and health widened to include more general welfare issues, i.e. the distribution and trade-off of productivity gains and economic growth between increased income and/or leisure. In the context of full employment and sustained growth, most industrialized countries experienced a substantial reduction of actual working time.

The rising imbalances and slackening-off of growth brought about by the first oil crisis in the early 1970s led to a lively debate in a number of European countries about ways of reducing unemployment by a general reduction in working time. In some European countries, like France and Germany, trade union organizations and governments took a favourable attitude towards a reduction of working time, hoping for net job creation or at least to preserve existing jobs in order to curb rising unemployment (Anxo and O'Reilly 2002). In addition, while working time reduction was being discussed in relation to unemployment in some countries and sectors, in many cases the focus was on the use of working time flexibility rather than reductions as a means of stimulating economic growth and job creation. This marked the beginning of the big 'flexibility debate' that has dominated much of the activity around working time policies since the early 1980s.

During the past few decades in most industrial societies, the historical trends towards a progressive standardization of working time have given way to a *diversification, decentralization and individualization* of working hours. This is the result of pressures from a number of sources over this period. First, profound changes in household and demographic structures, and in particular, the increased feminization of the labour force and the related shift from the single male breadwinner household to dual earner households have created new needs and also new challenges for patterns of working time and household composition. The process of globalization and the resulting intensification of competition, the associated development in information and communications technologies, and new patterns of consumer demand for goods and services in the '24-hour economy' have had a great impact on production methods and work organization. Modifications in consumer behaviour and product diversification have meant that an increasing number of enterprises have gradually abandoned traditional Taylorist methods of mass production. The introduction of new methods of flexible production (just-in-time, lean production, etc.) has been accompanied by a gradual abandonment of traditional ways of adjusting employment and by a much more flexible organization of work and working time, and also by an increased variation in the hours that people work. These changes often make the conventional weekly standard of working time obsolete, and thus are forcing enterprises to rethink the ways in which they structure working time. For example, in a growing number of enterprises, strict control of working hours is being replaced by performance monitoring.

These modifications in working time appear to give employees much more freedom in choosing their working hours, in that more diversified forms of working time appear to be on offer. However, it should be borne in mind that the development of some forms of working time also seems to exacerbate the duality between the primary and secondary segments of the labour market, as well as increasing gender segregation. In particular, certain forms of flexible working time are often associated with lower pay levels and with less stable employment relationships. Thus, in parallel with the upturn in flexible forms of working time, there has also been an increase in fixed-term and other temporary forms of employment contracts. These trends reflect the transition from a relatively standardized structure of work organization and working time patterns to more complex and more diversified structures (Anxo and O'Reilly 2002). Second, these working time developments have also meant an increase in long and 'unsocial' working hours (i.e. work in the evenings, at nights and on weekends) for increasing numbers of workers, particularly in those countries that are in transition towards a '24-hour society'. While some workers may actively seek out long or 'unsocial' hours of work, many others may have little choice but to follow these working time patterns if they are the only ones which are on offer to them. Third, in a number of

economic sectors (e.g. the retail trade), tensions have emerged over the extension of opening hours between the interests of individuals as workers and individuals in their role as consumers.

Over the same period, on the supply side, individuals have increasingly sought working time schedules which allow them to combine employment with other activities, most often with domestic and care responsibilities. This development has emerged primarily from the 'feminization' of the labour force, as women's increasing participation in paid work has ushered in a shift from male breadwinner to dual-earner households. Most visibly, part-time work has expanded across the industrialized world. In many countries, this expansion has accounted for a significant proportion of the employment of women, while in some countries there is also an expanding part-time workforce of students and older persons approaching retirement. The result of this increase in part-time work for some workers and the lengthening of the working week for others has been a general trend towards the polarization of working hours.

Nonetheless, the primary objectives of traditional measures on working time – the concern for health and safety and the preservation of 'leisure' time – have remained prominent in regulatory measures which limit working hours. However, beginning in the 1980s when 'flexibility' began to dominate the discourse on working time policies, these types of measures were increasingly accompanied by those which facilitate the diversification of working time. Depending on the legal and regulatory framework of the particular country, these measures can be initiated through legislative changes, by way of collective bargaining, at the individual level, or as a combination of all of these techniques. Their common goal, however, is the removal or liberalization of restrictions on unsocial hours and on the variation of working hours.

Needs and preferences: issues and approaches

These changes in enterprises' working time arrangements, in conjunction with labour supply changes – particularly the integration of an increasing number of women into paid work – are contributing to a growing concern about conflicts between paid employment and individuals' personal responsibilities (e.g. caring for family members), and point to the increasing importance of assisting workers to better balance work and personal life. As Supiot (2001: 84) notes, it needs to be acknowledged that 'time must be envisaged not only as working time, as a measure of the exchange of work for pay, but also as a subjective experience, that is to say, as time in workers' lives'. As a consequence, insofar as working time tends to be increasingly heterogeneous and individualized, it is important to try and establish the extent to which such developments reflect the needs and preferences of individual workers.

This concern with heterogeneity in working time arrangements and the

working time needs and preferences of workers is in many ways a departure from the traditional approach to working time regulation, but this departure is an elaboration rather than a radical break. From the outset of the Industrial Revolution, working time regulation has always been rooted in concerns about health and safety and the preservation of 'free time' – time away from employment. Traditionally, the predominant concerns have been the negative impacts of long hours, night work and certain shift patterns on workers' health and safety. Related public safety issues have also been drawn into the debate, for example, in relation to the working hours of transport workers. The need to preserve 'free time' has also been present since the earliest campaigns for working time reductions, initially expressed in terms of the need for time for physical recuperation and for 'moral development' through religious instruction,[1] and subsequently elaborated to include time for leisure and family life, most recently expressed in terms of the 'work–life balance'. Hence, the core focus remains the same – to promote health and safety and work–life balance – but the issues involved have expanded and thus require a shift in perspective.

In particular, the regulatory measures that developed under the traditional approach to working time regulation emphasized homogeneity. These measures were largely designed in relation to one 'ideal type' of worker: men working full-time in primary or manufacturing activities, who were implicitly assumed to have fairly homogeneous needs and preferences. By comparison, women and children were precluded from the labour required by the 'ideal type' worker through protective legislation that often included limits on their working hours. It is the diversification in working time arrangements found in enterprises, in conjunction with more diversity in the workforce – or at least an awareness of this diversity – (by age, care responsibilities for children and elderly parents, etc.) that makes it imperative to incorporate individuals' working time needs and preferences into debates about working time regulation.

These new concerns and challenges were echoed in several ILO discussions as early as the 1970s (Evans 1975; Maric 1977). In particular, while recognizing the changes in the social and human aspects of working hours, it was suggested that:

> [the] problem of working hours goes beyond the setting of statutory limits and involves also the scheduling and distribution of hours in accordance with two principles, i.e. a relaxation of standard patterns and a degree of freedom of choice, accepted by society and regarded as basic to job satisfaction.
>
> (Maric 1977: 4)

However, it is only fairly recently that workers' needs and preferences began to be seriously considered by enterprises and in government policies. For example, some companies began to realize the value of introducing quality part-time work so as to induce qualified women with family responsibilities to enter or continue in paid employment. As is discussed by Messenger in Chapter 5, a better consideration of workers' needs and preferences can be part of a successful management strategy for enhancing firms' competitiveness.

Working time policies in many industrialized countries have also demonstrated creative and innovative ways of better accommodating workers' needs in achieving different economic and social goals. In some countries, for example, workers have a statutory right to reduce their working hours to part-time and to resume full-time hours at a later period while remaining in their current job. For example, this option has been available in the Swedish parental leave system for many years, and recently a number of countries, including the Netherlands, have introduced a legal entitlement to request part-time hours in order to meet their personal needs. Another example is Germany, which has been a pioneer in increasing flexibility in organizing working time, such as flexi-time and time banking schemes – initiatives that have been developed largely through collective bargaining. The French laws establishing a 35-hour workweek have also encouraged workplace negotiations, so as to ensure that workers' needs and preferences are appropriately considered in the process of implementing this reduction in working time. Alternatively, the UK provides an example in which companies' voluntary initiatives are emphasized, for instance, through the 'work–life balance' campaign. A similar situation exists in the USA, where flexi-time has become increasingly widespread in individual enterprises. In Japan, the government has been developing guidelines to improve the quality of part-time work so as to create a better environment for voluntary take-up of part-time work. Finally, the developments in different EU countries regarding working time policies have recently been consolidated in the EU-level initiatives concerning indicators on the quality of work, with the suggestion that workers' ability to combine working and non-working life is one of the key dimensions of quality of work (European Foundation 2002).

However, any analysis of workers' needs and preferences regarding working time is a difficult proposition and should be undertaken with great care. In fact, different views have been expressed about how workers' preferences on working time should be analysed. In economic theory, workers' preferences are important elements in determining their labour supply, and, more importantly, it is often assumed that workers' *preferred* working time corresponds to their *actual* working time due to the effective role of the labour market in matching workers' and employers' preferences (Ghez and Becker 1975). This assumption has often led economists to believe that workers' preferences can be induced from actual (often called 'revealed') preferences, and led them to question the usefulness of any information on workers' 'subjective', self-reported preferences. However, as continuing concerns about 'under-employment' suggest, the

belief that workers' preferred working time corresponds to their actual working time is not well supported by the reality of labour markets in which workers' preferences regarding their working hours remain unfulfilled.

The presence of a mismatch or 'gap' between actual and preferred working time – which is clearly demonstrated throughout this volume – points to the need for obtaining information on workers' needs and preferences, in order to develop better working time policies. Recent EU data on gaps between actual and preferred working time suggests considerable room for policy initiatives regarding the labour market in general and working time in particular (Bielenski *et al.* 2002; Fagan *et al.* 2001a). In essence, this information provides an overall indication of policy developments that workers would like to see, and some statistical analyses indicate that information on workers' current working time preferences can even be used to predict their future working hours (for example, Euwals 2001). Thus, workers' preferences provide an indication of individuals' future actions and suggest the types and directions of policy interventions that can help workers to undertake these preferred actions.

At the same time, it is also clear that the working time preferences expressed by respondents should be interpreted very carefully, in part because they could differ significantly depending on the structure and wording of working time preference questions in surveys. For example, if a question refers explicitly to wage adjustments that would occur with changes in working hours, respondents are less likely to report preferences for reduced working hours. In addition, the reported preferences tend to be sensitive to the circumstances in which workers work and live (cf. Hakim 2000; Fagan 2001b, 2001a). As Bielenski *et al.* succinctly note:

> On the one hand, preferences express individual desires for change; on the other hand, however, these desires are influenced by objective factors within which individuals plan their lives. Thus, preferences are usually compromises between what is desirable and what is feasible.
> (2002: 16)

One often-quoted example in this regard is the observation that mothers tend to prefer shorter hours when public child-care services are not readily available, implying that the extent of child-care services would be an important factor determining mothers' preferences regarding working time. Other economic and social factors, including the wage structure and tax and benefit systems, are also known to affect working time preferences. At the same time, working time preferences are neither fixed nor static. They are changing across different stages of life, and the historical evidence also demonstrates continuing shifts in working time preferences, as seen in the historical changes in expectations regarding what is considered to be 'healthy' working time.

The interest in workers' needs and preferences in this report is not designed to resolve these methodological and conceptual issues, but rather to place them in context as a 'social phenomenon' and then see how policy measures would be helpful in addressing them. By 'social' it is meant to emphasize that the existence of gaps between actual and preferred working time is not a purely individual matter, and achieving success in realizing workers' needs and preferences requires strong *social* support. More specifically, while recognizing the roles of various social factors in shaping workers' preferences, *the focus of the analysis in this book is placed on the social mechanisms creating working time gaps – the gaps between workers' actual and preferred working time.* Policy initiatives are therefore aimed not only at reducing the existing working time gaps, but also at broadening the range of working time options available to workers (or 'what is feasible'), thereby making their choices less constrained and thus more meaningful. This report also takes a cautious approach in estimating the extent of working time gaps. For example, some supplementary objective information, such as the health effects of long working hours and the quality of part-time work, is used in estimating working hour gaps in Chapter 2. Various structural constraints on workers' preferences are also explicitly considered throughout the book, particularly in Chapters 4 and 5.

Overview of the report

The focus on ways of balancing work and life in this report is an important step towards the elaboration of the ILO's goal of 'decent work' in the area of working time. As decent work should be an issue for *all* and 'the goal of decent work is best expressed through the eyes of people' (ILO 2001a: 7), the concept of 'decent working time', which is further developed in the conclusion of this report, requires going beyond the vague and abstract concept of the 'average worker'. The focus should instead be on *individual* workers' concerns in different and varying contexts at different stages in the life cycle, as revealed in their daily working lives. For this reason, the report investigates various initiatives taken by governments, employers and workers to ensure that workers' needs and preferences are reflected in their working time arrangements. These measures represent attempts to more comprehensively integrate family-work and the time demands of care responsibilities, as well as gender equality, into working time policies. And as will be discussed in detail throughout this report, these developments have fostered debates across the industrialized world about the best ways to respond to the heterogeneous nature of working time needs and preferences; to better coordinate work, family and public life; and to balance the needs of consumers and workers. These initiatives have also raised questions about the relationship between collective and individual needs and how they can be balanced in regulatory measures.

Addressing workers' needs and preferences inevitably involves the issue of how to coordinate different (and often conflicting) needs and preferences among different types of workers. Key factors which can induce significant differences in working time needs and preferences are unquestionably family structure and gender (discussed in Chapters 3 and 4), and coordination can be achieved either at the national level (discussed in Chapter 1) or at the enterprise level (discussed in Chapter 5), yet in many cases may require an effective combination of the two (which is discussed in the concluding chapter, Chapter 6).[2]

Following the Introduction, in Chapter 1, Deirdre McCann reviews recent trends in working time policies in industrialized countries, outlining different regulatory models and their implications. This chapter then discusses the range of policy goals that underlie recent initiatives, highlighting their inter-relationships and the ways in which they shape and are influenced by the regulatory models within which they are situated.

In Chapter 2, Sangheon Lee explains the actual situation of working hours and the existence of 'gaps' between actual and preferred working hours. This chapter reviews available data on working hours for individual workers, and identifies two types of 'gaps' between actual and preferred working hours – working hour surpluses and working hour deficits – which indicate an increasingly important area for future working time polices.

Working time from the perspective of families, using households as the unit of analysis, is investigated by Dominique Anxo in Chapter 3. This chapter investigates the incidence of different types of working time patterns among different types of households (singles, lone parents with children, couples with no children, and couples with children); assesses the main factors affecting the distribution of working time among the different types of households, in the context of different societal characteristics, including different regulatory frameworks; and considers the extent to which the prevailing pattern of working time is meeting household income and welfare needs and preferences.

Colette Fagan focuses on the increasingly important gender dimension of working time in Chapter 4. This chapter compares the current pattern of working time arrangements in selected industrialized countries by gender and occupation along the following dimensions: volume of hours, schedule, and autonomy. The working time preferences of men and women are then considered, based on data regarding individuals' perceptions of their current hours of work and working time arrangements.

In Chapter 5, Jon Messenger investigates how the working time trends outlined in the previous chapters have manifested themselves at the enterprise level. This chapter uses enterprise case studies to illustrate the range of working time practices which have emerged in particular industries and firms, while also considering the extent to which such arrangements fit with workers' needs and preferences regarding working time. In addition, the chapter examines some enterprise cases that illustrate innovative working time arrangements in which firms have explicitly attempted to balance business requirements with workers' needs and preferences regarding working time.

Based on the findings and policy suggestions from each of these chapters, the concluding chapter proposes and elaborates the concept of 'decent working time', consisting of five key dimensions: healthy working time, 'family-friendly' working time, gender equality through working time, productive working time, and choice and influence regarding working time.

Industrialized and developing countries

This report covers only industrialized countries. Such limited coverage is primarily related to the existing disparity in hours of work between developing and industrialized countries, which makes it extremely difficult to undertake meaningful comparisons around the world. The gap between these two groups of countries is also reflected in the fact that the issue of workers' needs and preferences has not taken the central stage of working time debates in many developing countries, while there has been a lively discussion of this issue in industrialized countries. Consequently, developing countries typically have not addressed issues concerning workers' preferences regarding their working time.

However, we expect that those issues discussed in this book will concern some developing countries and countries in transition to market economies in the future, as an increasing number of these countries are becoming interested in different working time patterns such as flexi-time to improve workers' ability to balance work and family life. It is thus hoped that these countries will also find this book helpful in developing better working time policies. In addition, the ILO is currently investigating working time trends and issues that exist in the developing countries and countries in transition, and the results of this important research will be forthcoming in the near future.

Notes

1 The efforts of the religious organizations and other philanthropic organizations concerned with the moral welfare of the working class were very influential in the early campaigns for working time reductions.

2 We expect that the diversification of working time preferences might make it harder for trade unions to establish 'collective' preferences based on which collective negotiations are undertaken. While this issue is not fully discussed in this report, a useful discussion is provided in Ozaki (1999). Nonetheless, it is suggested in this report that, given the changing environments, collective bargaining should pay more attention to the possibility of establishing collective entitlements to some type of a *portfolio* of working time options, which can better accommodate the heterogeneity of individual working time preferences. See the Conclusion of this report (Chapter 6) for a further discussion of this issue.