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The Changing Distribution of
Working Hours in Australia

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Abstract

This paper presents statistical evidence on the nature of working time arrangements in Australia, and especially their distribution. More specifically, the paper analyses: (i) the distribution of weekly working hours in Australia and how that has changed over time; (ii) the extent of mismatch between usual and preferred hours of work, and the degree of persistence in such mismatch; (iii) annual leave usage and its correlation with weekly hours of work; and (iv) how working time arrangements in Australia compare with that in other industrial nations.

1. Introduction

A key feature of working time arrangements in Australia over recent decades has been the relatively high incidence of part-time employment. Whether the growth in the incidence of such jobs is a good thing, however, is still the subject of some debate, with many arguing that too often part-time works provide insufficient hours to satisfy the needs and desires of workers (e.g., Pocock 2003, Watson *et al.* 2003, Burgess 2005, Wilkins 2007). On the other hand, concerns have also been expressed about the large number of hours some Australians appear to be working, with long work weeks claimed to be damaging to worker health and safety, and to the quality of relationships, especially within the family, but also within the broader community (e.g., Pocock *et al.* 2001, Pocock 2003, Peetz *et al.* 2003, Relationships Forum Australia 2007).

In this paper we examine the statistical evidence behind these concerns. In particular, we present evidence on: (i) the distribution of weekly working hours in Australia and how that has changed over time; (ii) the extent of mismatch between usual and preferred hours of work, and the degree of persistence in such mismatch; (iii) annual leave usage and its correlation with weekly hours of work; and (iv) how working time arrangements in Australia compare with that in other industrial nations. The paper employs a combination of data drawn from the Labour Force Survey, conducted monthly by the Australian Bureau of Statistics (ABS), and from the first five waves of the Household, Income and Labour Dynamics in Australia (HILDA) Survey.

2. Trends

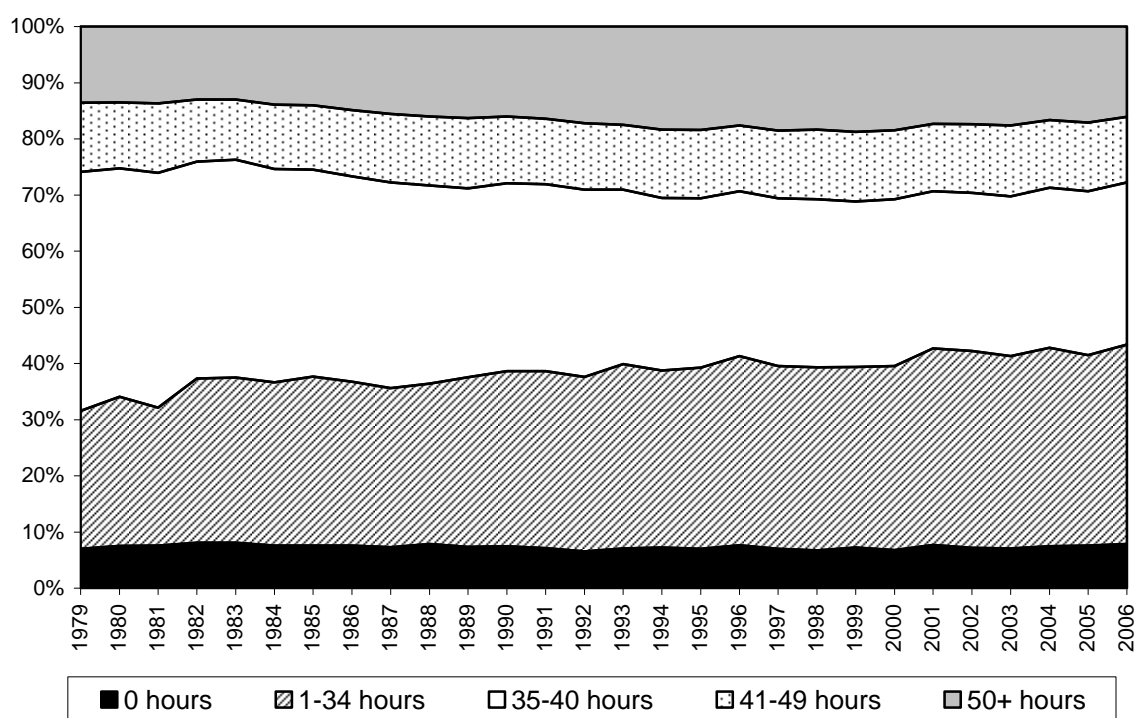
The starting point for any analysis of working time trends in Australia are the data collected by the ABS in its monthly Labour Force Survey. This survey regularly includes a question on the number of hours actually worked in all jobs during the survey reference week. Figure 1 uses these data to describe the changing distribution of working hours since 1979.¹

This figure shows that the 35 to 40 hour work week (represented by the unshaded area) – what once would have been considered the standard working time arrangement – has

¹ The first Labour Force Survey covering all of Australia was conducted in 1964. It was conducted on a quarterly basis until November 1977, after which it became a monthly survey (commencing February 1978). 1979 is thus the first year in which we have monthly data for a complete calendar year.

gradually shrunk in relative terms. Over 40 per cent of all employed persons were working a 35 to 40 hour week (42.5%) at the start of the period.² This compares with less than 30 per cent (28.9%) of workers reporting hours within this range in 2006.

Figure 1
Distribution of Employed Persons by Actual Hours Worked per Week,
1979 to 2006



Note: Estimates are monthly averages.

Source: ABS, *Labour Force, Australia, Detailed – Electronic Delivery*, ABS cat. no. 6291.0.55.001 (Table 09: Employed persons and actual hours worked by sex).

The principal source of the compression in the share of people working standard hours is the growth in part-time employment. The proportion of employed people working part-time

² The figure of 42.5 per cent will be an underestimate of the proportion of people who usually work a 35 to 40 hour week as a result of workers taking leave or other forms of absence. For example, Figure 1 shows that, on average, about 7 per cent of workers reported working zero hours in the survey week because of such absences.

hours (i.e., less than 35 hours per week) has risen steadily over the period, from 25 per cent in 1979 to close to 36 per cent in the most recent figures.³

At the other end of the hours distribution, the share of employed persons working long hours, defined here as work weeks of 50 hours or more (the dark grey shaded area) is also greater at the end of the period than at the start.⁴ This growth, however, is both much less sizeable than the growth in the part-time employment share and largely restricted to the period prior to 1994. Over the period 1979 to 1994 the share of long-hours workers rose by about 5 percentage points – from just over 13 per cent to just over 18 per cent. For the remainder of the 1990s the share of long-hours workers remained fairly stable, fluctuating between about 18 and 19 per cent. Since 2000 the share has declined, from 18.6 per cent to 16.1 per cent in 2006.

Details about the changing distribution of working time disaggregated by sex are provided in Table 1. At any point in time, female workers are relatively more concentrated in part-time jobs while male workers are relatively more concentrated in long-hours jobs. Nevertheless, the growth in the share of both part-time jobs and long-hours jobs over the 26 year period considered has been shared more or less evenly by both sexes.

Overall, the data presented in both Figure 1 and Table 1 support the view that working time patterns in Australia have become more dispersed over time. Growth in that dispersion, however, has been neither even nor symmetric. The observation that net growth in the incidence of long-hours working is concentrated in the period prior to the mid-1990s is especially intriguing given the widely held view that recent industrial relations reforms, and especially the increase in the relative importance of negotiated settlements (that is, enterprise and workplace agreements) relative to arbitrated settlements (that is, industry- and occupation-based awards), has been responsible for an increase in the incidence of unreasonable working hours (e.g., Burgess 1998, ACIRRT 1999, Heiler 1998, Campbell and

³ These proportions are not the part-time employment shares as usually defined by the ABS. The official definition of part-time employment adopted by the ABS is a combination of both actual hours worked and usual hours worked. That is, a part-time worker is someone who usually works less than 35 hours per week (in all jobs) and did so during the survey reference week. Using this definition, the part-time employment share averaged 28.6 per cent in 2006.

⁴ The choice of 50 hours per week as the cut-off for defining long hours is somewhat arbitrary, and is in part dictated by the available data. Nevertheless, many researchers have used a cut-off of 50 (or close to 50) when distinguishing long-hours workers from other workers (e.g., Jacobs and Gerson 2000, Lee 2004, Drago et al. 2006, Kuhn and Lozano 2006). It is also consistent with the European Union Working Time Directive of 1993 which required member nations to legislate to establish a maximum work week limit of 48 hours.

Brosnan 1999, Messenger 2004) and that such trends will only worsen under regimes that encourage individual agreement making (e.g., ACIRRT 1999, Pocock 2005, Peetz 2006). Indeed, the data presented here suggest that such hypotheses should be rejected, with the growth in long-hours working coming to a halt in exactly the same year that the *Industrial Reform Act 1993*, which removed many of the impediments to enterprise bargaining, came into force. This point is also made in Wooden (2003), who estimated a time-series model for the period 1983 to 2002 and found statistical evidence to support the hypothesis that all of the increase in the incidence of long-hours working occurred in the period between 1983 to 1993, and hence prior to the introduction of enterprise agreements at most workplaces. Further, in recent years, when individual agreement making is thought to have become more prominent, the incidence of long-hours working has actually fallen.

Table 1
Distribution (%) of Employed Persons by Actual Hours Worked per Week by Sex:
1980 to 2006

	<i>Actual weekly hours worked</i>					
	<i>Zero</i>	<i>1-15</i>	<i>16-34</i>	<i>35-40</i>	<i>41-49</i>	<i>50+</i>
<i>Men</i>						
1980	7.4	3.1	14.4	42.1	14.7	18.4
1985	7.3	3.6	16.8	38.6	14.3	19.4
1990	7.2	4.9	15.2	35.1	14.9	22.7
1995	6.5	6.1	14.6	31.7	15.1	26.0
2000	6.3	6.6	14.5	31.3	15.0	26.3
2006	7.2	6.8	17.5	31.0	14.5	23.0
<i>Women</i>						
1980	7.7	16.6	25.9	38.2	6.6	5.0
1985	7.9	17.4	28.1	34.2	6.9	5.4
1990	7.8	18.7	28.2	31.1	7.7	6.6
1995	7.6	19.2	28.4	28.2	8.3	8.3
2000	7.5	18.7	28.7	27.7	8.9	8.5
2006	8.7	17.2	31.9	26.3	8.2	7.7

Notes: Figures are monthly averages and all rows sum to 100.

Source: ABS, *Labour Force, Australia, Detailed – Electronic Delivery*, ABS cat. no. 6291.0.55.001 (Table 09: Employed persons and actual hours worked by sex).

This, however, does not mean that enterprise (and individual) bargaining has not facilitated increased demands by employers for long hours of work. Wooden (2003), for example, reported inter-industry data that reveal that coverage by enterprise agreements is positively associated with the incidence of long-hours workers. Nevertheless, any demand-side effects must have been outweighed by supply-side effects, which Wooden hypothesized arise through the positive wage effects associated with enterprise bargaining.

3. Working Hours Mismatch

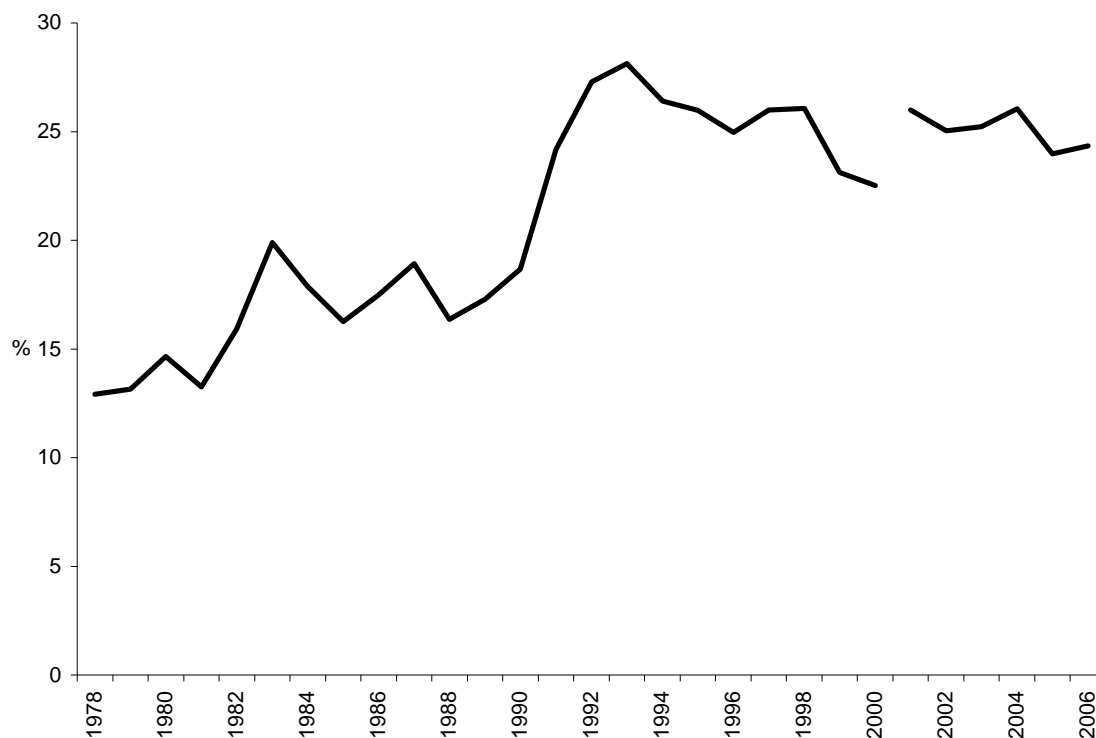
It is often assumed that working-time outcomes, at least in Australia, are largely demand determined and hence consistent with the needs of employers but not necessarily with those of employees. To assess this claim we need data on the working time preferences of Australian workers.

The Labour Force Survey asks part-time employees whether they would prefer to work additional hours. As shown in Figure 2, only a minority of the part-time workforce – currently around one-quarter – report preferences for additional hours. The proportion rose quite markedly during the 1980s, but since the recession of the early 1990s has gradually declined, especially once the discontinuity in the data series in 2001 is taken into account.

Data on overemployment, or preferences for fewer hours of work, is far less readily available, and the survey data that have been collected in the past point to contradictory conclusions.⁵ Part of the difficulty here is that in many surveys the relevant questions on work hour preferences either impose too many constraints on respondents or none at all (Reynolds and Aletraris 2006). One data source that overcomes this problem is the Household, Income and Labour Dynamics in Australia (HILDA) Survey, an annual household survey managed on behalf of the Australian Government by the Melbourne Institute of Applied Economic and Social Research. While the content of the HILDA Survey is very broad, it has a particular focus on employment and work arrangements, and thus data on usual working hours are collected every year. Respondents to the HILDA survey are also asked to indicate their work hours preferences after taking into account how any changes in working hours might affect

⁵ Compare, for example, the estimates constructed from the 1995 Australian Workplace Industrial Relations Survey and the ABS 2000 Survey of Employment Arrangements and Superannuation, and reported in Wooden and Loundes (2002).

Figure 2
Part-time Underemployment, (August) 1978 to 2006
 (% of part-time employed that prefer more hours)



Note: A break in the data series data occurs in 2001. Prior to May 2001 the relevant question in the LFS asked whether part-time workers would prefer another job which offered more hours. From May 2001 onwards the question instead focused on whether part-time workers would prefer more hours, without implying this need be in a different job. This has the effect of increasing the measured proportion of part-time workers preferring additional hours.

Source: ABS, *Labour Force, Australia, Detailed, Quarterly*, February 2007, ABS cat. no. 6291.0.55.003 (Data cube E01).

their income. The question sequence asks respondents to indicate not just whether they prefer fewer or more hours, but how many hours they would prefer to work, thus providing an indication of the magnitude of any mismatch.⁶

A key feature of the HILDA Survey which distinguishes it from previous surveys that measure work hours preferences is that it is a panel survey, and thus follows the same

⁶ For more details about the HILDA Survey, see Wooden and Watson (2007). For a discussion of, the quality of the working hours data collected in the HILDA Survey, see Wooden, Wilkins and McGuinness (2007).

individuals over time. For the present study this means we are able to identify not only the size of hours mismatches, but how long those mismatches persist.

In Table 2, we present data averaged over the period for which data are available (i.e., for 2001 to 2005). The table reveals that while more than half of the employed workforce is working their preferred hours at a point in time, a sizeable minority express preferences for different hours, with the overemployed outnumbering the underemployed by a ratio of close to two to one. Table 2 also provides evidence of a clear time divide, with many part-time workers working too little and many full-time workers working too much, a result that has been found in data in other countries (e.g., Drago 2000, Lee 2004). Indeed, among long-hours workers the majority (56%) have preferences for fewer hours. That said, the data also indicate that long hours of work are not necessarily inconsistent with worker preferences.⁷ A sizeable minority (41%) of workers reporting usual weekly hours of work of 50 or more indicated that the hours worked were their preferred hours, while a small proportion expressed preferences for even more hours.

Table 2
Working Hours Preferences by Hours Usually Worked by Sex (%):
Average 2001 to 2005

<i>Hours usually worked each week</i>	<i>Men</i>			<i>Women</i>			<i>All persons</i>		
	<i>Fewer hours</i>	<i>About the same</i>	<i>More hours</i>	<i>Fewer hours</i>	<i>About the same</i>	<i>More hours</i>	<i>Fewer hours</i>	<i>About the same</i>	<i>More hours</i>
<20	3.8*	51.3	44.9	3.9	59.0	37.1	3.9	56.7	39.4
21-34	7.3	52.4	40.3	13.6	61.9	24.5	11.8	59.0	29.2
35-40	17.3	67.2	15.5	31.7	61.7	6.5	23.3	64.9	11.8
41-49	34.0	57.8	8.2	49.7	47.9	2.4*	38.8	54.7	6.4
50+	54.3	42.5	3.1	64.3	34.9	0.8*	56.4	41.0	2.6
Total	29.5	55.4	15.0	25.3	57.1	17.6	27.6	56.2	16.1

Notes: All figures are population weighted estimates.

* Estimate based on very small cell size and thus may be unreliable.

Source: HILDA Survey Release 5.1.

⁷ For a detailed analysis of long hours of work and, in particular, the distinction between long hours conscripts and long hours volunteers and the factors associated with these states, see Drago, Wooden and Black (2007).

With respect to gender differences, the final row in Table 2 could be interpreted as suggesting minimal differences, with women slightly more likely than men to be working their preferred hours. Such a conclusion, however, would be misleading, with the situation of men and women being very different depending on hours worked. Part-time hours are clearly much more likely to be the preferred working time arrangement of women (and hence explaining why so many more women than men work part-time) while long hours are much more likely to be preferred by men.

Table 3 reveals the size of the gap or mismatch between usual and preferred hours of work. For most mismatched workers the extent of mismatch is considerable. The mean mismatch is 13 hours, with around one in five reporting mismatches exceeding 20 hours per week and another two in five reporting mismatches of between 10 and 19 hours. Surprisingly, gender differences are minimal. Women are less likely to report very large mismatches, but for the most part the magnitude of hours mismatch does not differ much between men and women.

Table 3
Magnitude of Hours Mismatches by Type and Sex: Average 2001 to 2005

	<i>Prefers fewer hours</i>		<i>Prefers more hours</i>		<i>All persons with mismatched hours</i>	
	<i>Men</i>	<i>Women</i>	<i>Men</i>	<i>Women</i>	<i>Men</i>	<i>Women</i>
<i>Gap between actual and preferred hours (%)</i>						
20+ hours	25.8	19.0	18.5	14.5	23.3	17.2
10-19 hours	45.1	45.9	39.2	39.3	43.2	43.2
5-9 hours	23.5	29.9	31.7	35.7	26.3	32.3
1-4 hours	5.6	5.2	10.6	10.6	7.3	7.4
<i>Mean mismatch (hours)</i>	14.3	13.0	11.9	11.4	13.5	12.4

Note: All figures are population weighted estimates.

Source: HILDA Survey Release 5.1

Hours mismatches are both common and sizeable, but how temporary or persistent are they? Table 4 presents evidence on the extent to which mismatches observed in one year are still present in later years. The first three rows of figures, for example, indicate the extent to which hours mismatches are resolved within a one-year period. Thus if we focus on the first column we can see that of those men who would prefer fewer hours at year t , just over 60 per cent were still in that situation a year later. Conversely, just over one-third are now working their preferred hours, while a small proportion (about 4%) would now prefer additional hours. Among women the likelihood of resolving a mismatch is slightly higher.

Among those who prefer additional hours, the likelihood of resolving mismatch is much higher. Within a year, less than half (about 44%) of this group still desire additional hours, and in this case there is little difference between men and women. Underemployment is thus a less persistent phenomenon than is overemployment, a result that seems consistent with the strong labour market conditions during the observation period. That said, it should be borne in mind that the figures presented in Table 4 are all based on balanced sub-samples of persons employed at two periods of time. Persons who were not employed in the second period are excluded, and the HILDA Survey data reveals that movements from underemployment into non-employment are much more common than movements from overemployment into non-employment.⁸

Finally, Table 4 also reveals that while many mismatches remain unresolved after four years, those that are resolved tend to be resolved quite quickly (i.e., within the first year).

4. Weekly Hours vs Annual Hours

To this point our focus has been on weekly hours of work, but for most purposes it is annual hours of work that is of most importance, and annual hours is not simply the product of usual weekly hours of work and the number of weeks available to be worked in a year. It is also dependent on the number of days of leave taken during the year, and if the use of leave entitlements has declined over time, as is often claimed, then a focus on weekly hours of work will understate the extent to which working time has been growing.

Table 4
Persistence of Hours Mismatches by Type and Sex: 2001 to 2005

	<i>Hours preferences at time t</i>					
	<i>Fewer</i>			<i>More</i>		
	<i>Men</i>	<i>Women</i>	<i>Persons</i>	<i>Men</i>	<i>Women</i>	<i>Persons</i>
<i>Hours preferences at t+1</i>						
Fewer	61.6	57.8	60.1	10.6	9.1	9.9
About same	34.5	36.9	35.4	45.0	46.4	45.7
More	3.9	5.3	4.5	44.3	44.5	44.4
<i>Hours preferences at t+2</i>						
Fewer	57.6	53.9	56.1	12.8	11.7	12.3
About same	37.5	40.1	38.5	52.8	52.6	52.7
More	4.9	5.9	5.3	34.4	35.7	35.0
<i>Hours preferences at t+3</i>						
Fewer	55.5	51.1	53.7	13.7	13.7	13.8
About same	38.9	42.4	40.3	55.2	55.9	55.6
More	5.6	6.5	6.0	31.1	30.4	30.6
<i>Hours preferences at t+4</i>						
Fewer	50.8	48.6	49.9	14.5	17.5	15.8
About same	43.0	44.1	43.4	61.2	52.1	57.2
More	6.2	7.4	6.7	24.3	30.4	27.0

Note: All figures are population weighted estimates.

Source: HILDA Survey Release 5.1.

Unfortunately, while we know a lot about access to leave entitlements, we know relatively little about the uptake of such leave, and what recent evidence we do have comes from opinion polls utilising small samples.⁹ Dennis (2004), for example, reported on one such poll which found that 39 per cent of full-time employees reported not using all the leave to which they were entitled during 2002. Dennis also reported that around 42 per cent of full-time employees who did not use their full annual leave entitlement stated that this was because they were too busy at work or because the time they could take off did not suit their own plans. Such findings suggest that we might expect to see long hours of work inversely correlated with annual leave usage, implying that a focus on weekly hours of work would

⁸ On average, about 6 per cent of those persons who prefer fewer hours are not employed one year, compared with almost 11 per cent of those who prefer more hours.

⁹ This has not always been the case; with the ABS conducting three national surveys of annual leave usage during the 1960s and 1970s (see Steinke, 1983).

understate the working time disparity between those working standard hours and those working much longer hours each week.

To get at these issues we again turn to the HILDA Survey and, more specifically, to data on the use of paid annual leave collected for the first time in wave 5. We begin by presenting, in Table 5, summary statistics on both the proportion of workers taking any paid annual leave and the average number of days taken for all persons employed at the date of interview.

Table 5
Paid Annual Leave by Current Employment Status, HILDA Survey Wave 5

<i>Employment status</i>	<i>% taking any paid leave</i>	<i>Mean leave days</i>	<i>Mean leave days for those who took leave</i>
Employees	60.2	10.0	16.7
Full-time, non-casual, and at least one year of continuous service with current employer	89.6	16.1	17.9
Employees of own business	39.9	6.9	17.4
All employees (ABS definition)	58.9	9.8	16.7
Own account workers	12.4	1.7	14.0
All employed	53.8	8.9	16.6

Notes: All figures are population weighted estimates. The total for 'All employed' includes unpaid family workers.

Source: HILDA Survey Release 5.1.

This table confirms that there are large proportions of the workforce who do not take any paid annual leave in a one-year period, and it appears to indicate that average leave usage is only half what is generally accepted as the community standard (i.e., four weeks).¹⁰ Furthermore, comparison with ABS data from 1978/79 (the last time a large national survey of annual leave usage was undertaken), and reported in Steinke (1983), suggests that annual leave usage has, if anything, declined over time. In 1978/79 the ABS reported that 63 per cent of

¹⁰ We focus on employees given the concept of paid leave is mostly meaningless to the self-employed since they have to fund it themselves. Such arguments, however, suggest that we should also ignore owner managers of incorporated businesses, which the ABS routinely classifies as employees.

wage and salary earners took at least some paid leave (compared with 59 per cent in the HILDA Survey data for 2005), that the mean number of weeks of leave taken was 2.4 (which compares with about 2 weeks in 2005), and that the mean number of weeks of leave taken by anyone who took at least one day of leave was 3.9 (compared with about 3.3 weeks in 2005).

Table 5 also presents figures for the subset of non-casual employees who are both working full-time and have been employed with their current employer for at least one year, and who thus can be expected to have access to the standard minimum of four-weeks paid annual specified in most industrial awards and agreements. Almost 90 per cent of this group reported taking at least one day of paid annual leave during the year, with mean leave being around 16 days. Further information on the pattern of leave usage for this group, however, reveals substantial dispersion. While 20 days (or four weeks) is the most common response, the majority of employees (63%) report taking less than 20 annual leave days during the year.

The data from the HILDA Survey reveal that many workers do not use their full annual leave entitlements each year, but is the use (or lack of use) of such entitlements correlated with weekly hours of work? To answer this question we again restrict our attention to the sub-group of employees who have leave entitlements, who work full-time hours and who have been employed with their current employer for at least one year.¹¹ For this sub-sample the simple (unweighted) Pearson correlation coefficient between weekly hours of work, measured at wave 4, and days of annual leave taken during the following 12 months (and measured at wave 5) is positive but small – just .067. Further, this finding alters little if we replace weekly hours with a binary variable indicating long hours of work (50 or more per week). This conclusion was also robust to testing within a multivariate framework.¹² In summary, no evidence could be found to support the hypothesis that long-hours workers are less likely to take paid annual leave; indeed, they are more likely, though the size of the relationship is relatively small.

¹¹ Failure to do this would produce an inverse relationship which would simply reflect the strong positive correlation between casual employment (and hence the absence of leave entitlements) and part-time employment.

¹² An OLS regression model predicting days of paid annual leave taken in the preceding 12 months was estimated. Among the list of control variables included were length of job tenure, age, sex interacted with marital status and the presence of dependent children, region of birth, whether of indigenous origin, occupation, union membership, employer type (private or public sector), employer size and location.

5. International Comparisons

It is clear that working time arrangements in Australia have become more diversified in recent decades, but is Australia unique in this regard? According to the OECD (2004, p. 40), a rising dispersion of weekly hours is common to many developed nations, at least over the period 1992 to 2002. Australia, however, appears to be above average in terms of its share of both long-hours workers (defined by the OECD as usual weekly working hours of 45 or more) and short hours workers (less than 20 hours per week). This is illustrated by Figures 3 and 4, which report data, collected in 2005, on the percentage of employed persons that worked less than 20 hours per week and the percentage working 50 hours or more in a group of 20 OECD countries.

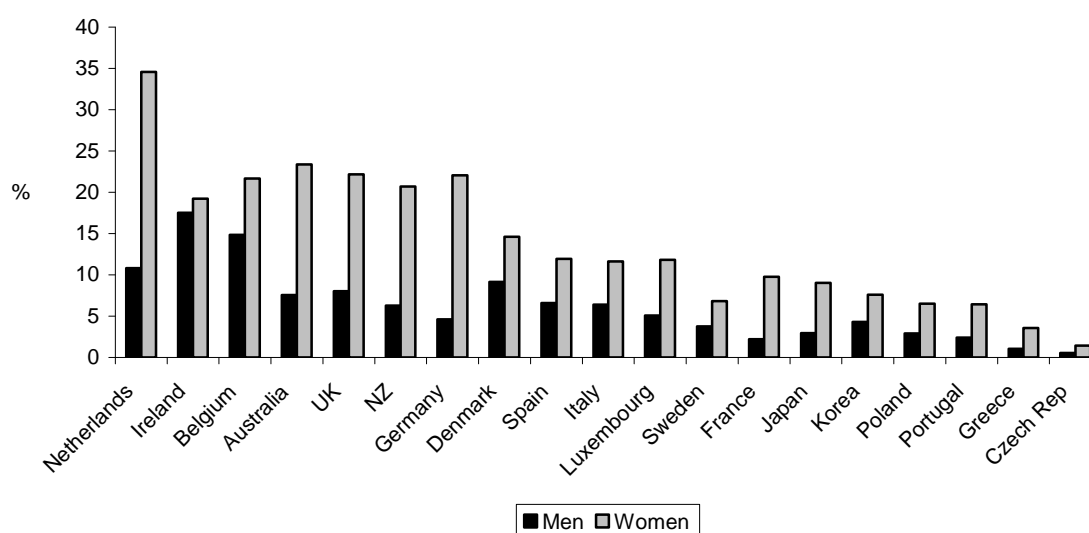
Note that we deliberately restrict our comparator countries to a subset of OECD member nations. This mainly reflects the problems obtaining a comparable set of working hours data across countries. While the OECD has done well to assemble a database on hours of work for all of its 30 member nations that is comprised entirely of data drawn from household surveys, a number of significant measurement and definitional differences remain.¹³ First, for two countries – Japan and Korea – the data collected relate to actual hours rather than usual hours. The Australian experience (where data on both actual and usual hours of work are now collected) suggests that this will cause the incidence of short-hours work to be overstated, and of long-hours of work to be understated, relative to data sources that report usual hours. The magnitude of these effects, however, will only be large for short-hours work. Second, in most countries, the data only cover the hours worked in the main job rather than in all jobs, which obviously will have the effect of understating the incidence of long hours employment and overstating short hours employment relative to the countries which collect data for all jobs. Australia is one of these.¹⁴ Third, in some countries the hours data only cover a subset of all hours worked, excluding hours worked over and above so-called ‘normal hours’ which are not paid for (Canada, Norway and Switzerland being the notable examples). Fourth, for some countries (Iceland and Switzerland) the database does not disaggregate hours of work sufficiently to identify persons working long hours (as defined here), and in other cases (Japan and Korea) the hours bands used do not mesh perfectly with those used in other

¹³ This database is quite distinct from the one regularly used by the OECD to construct annual hours of work, which draws on a much more diverse, and thus less comparable, array of sources.

¹⁴ The other OECD countries that record hours worked in all jobs are Finland, Japan, Korea, New Zealand, and Norway.

countries. Finally, there are other differences in the way the data are collected or reported that render comparisons difficult. For example, in Austria, Hungary and the USA, persons reporting working variable hours are excluded, which will almost certainly lead to an overestimate of the proportion of workers in the standard hours range, while in the data for Finland there are a large numbers of cases where hours are described as unknown.

Figure 3
Percentage of Employed Persons Usually Working Short Hours
(<20 hours per week), 2005: International Comparisons



Notes: For Australia, Iceland, Japan, Korea and New Zealand the data relate to all jobs. For all other countries the data relate only to the main job. The data for Japan use actual hours and a short hours cut-off of less than 15 hours per week. The data for Korea also use actual hours.

Source: OECD Usual Weekly Hours of Work database.

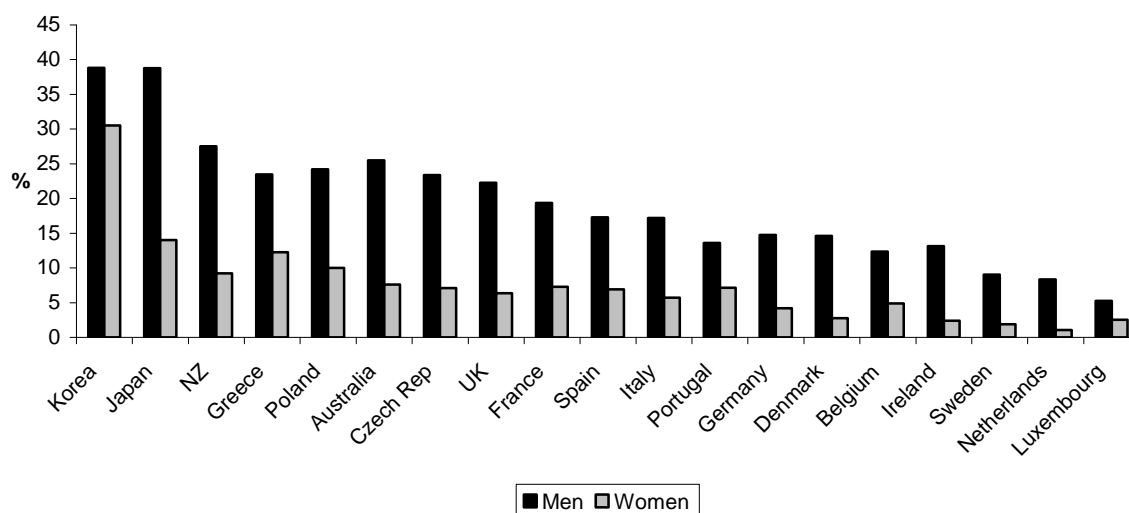
It is thus virtually impossible to produce a set of estimates that are strictly comparable across even a modest number of countries. In the figures reported here we have discarded the data for eleven countries where the definitions of hours worked mean comparisons with Australian data are meaningless. However, it still needs to be borne in mind that for five countries (including Australia), the data cover all jobs rather than the main job, the data for Japan and Korea are in respect of actual hours rather than usual hours, and there are almost certainly many other differences that are not documented by the OECD.

Focusing first on short-hours employment, it can be seen that the Netherlands is the standout with around 35 per cent of the women workers in this country and over 10 per cent of the men working less than 20 hours per week. Following the Netherlands come a collection of half a dozen or so countries, including Australia. Also in this group are New Zealand and the UK, countries with similar cultural backgrounds and labour market institutions to Australia. But the group also includes Ireland, Belgium and Germany, suggesting that if there is a common explanation we must look elsewhere (perhaps the tax and transfer systems). Overall, while it is true that short hours employment is relatively common in Australia, it is also clear that this is a feature we share with a diverse group of other developed nations.

Turning now to long hours of work, the data presented in Figure 4 indicate that a long-hours culture remains an integral feature of the Japanese workforce, and is even more entrenched in Korea. The figures for Korea are especially staggering given that the available data from that country do not use the same hours bands as elsewhere and hence we have been forced to use a cut-off of 54 hours rather than 50 hours. On these data, therefore, it seems likely that over 40 per cent of employed men in Korea and over 30 per cent of employed women are working more than 50 hours per week. Next come New Zealand, Greece, Poland, Australia, the Czech Republic and the UK, all countries where over 20 per cent of the male workforce report usual weekly hours in excess of 50. The USA would also almost certainly appear in this group if we had comparable data. Evidence from the 2001 US Census, and reported in Kuhn and Lozano (2006), for example, indicates that the proportion of employed men of working age (25 to 64 years) in America that worked 49 hours or more per week was over 30 per cent. The comparable proportion in Australia is 29 per cent. The nations of Western and Northern Europe have the lowest incidence of long-hours workers, though in no country has long-hours work disappeared, presumably reflecting both the individual opt-out provision included in the EU Directive and imperfect compliance.

Overall, the data presented here suggest that from a cross-national perspective Australia is not as distinctive as is often claimed (e.g., Campbell 2002, van Wanrooy and Wilson 2006). The incidence of long-hours employment in Australia is only high when compared with Western and Northern Europe.

Figure 4
Percentage of Employed Persons Usually Working Long Hours
(50 hours or more per week), 2005: International Comparisons



Notes: For Australia, Iceland, Japan, Korea and New Zealand the data relate to all jobs. For all other countries the data relate only to the main job. The data for Korea use actual hours and a long hours cut-off of 54 hours per week, while the data for Japan use actual hours and a long hours cut-off of 49 hours per week.

Source: OECD Usual Weekly Hours of Work database.

6. Conclusion

The distribution of working hours in Australia has clearly widened over time. The main driver behind this continues to be the growth in the share of part-time jobs in total employment. Whether the new part-time jobs are low quality is not considered here, but we do know that the large majority of part-time jobs involve hours that are consistent with workers preferences, and that most underemployment does not persist for more than one year.

Overemployment, on the other hand, tends to be both more prevalent and more persistent than underemployment, but the trend in its incidence now appears to be distinctly downwards.

Finally, despite claims to the contrary, working time patterns in Australia are not so different from many other countries. Our most distinctive feature is the combination of a relatively high incidence of both short-hours and long-hours employment, but this is a feature that we

share with both New Zealand and the UK. Claims that Australians are much more likely than workers in most other countries to work excessive hours are very wide of the mark. Instead, all that can be said is that Australians are much more likely than many EU citizens (but not those living in the UK and Eastern Europe) to be working long work weeks.

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