



## Implications for working time policies

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# **Working Time and Workers' Preferences in Industrialized Countries**

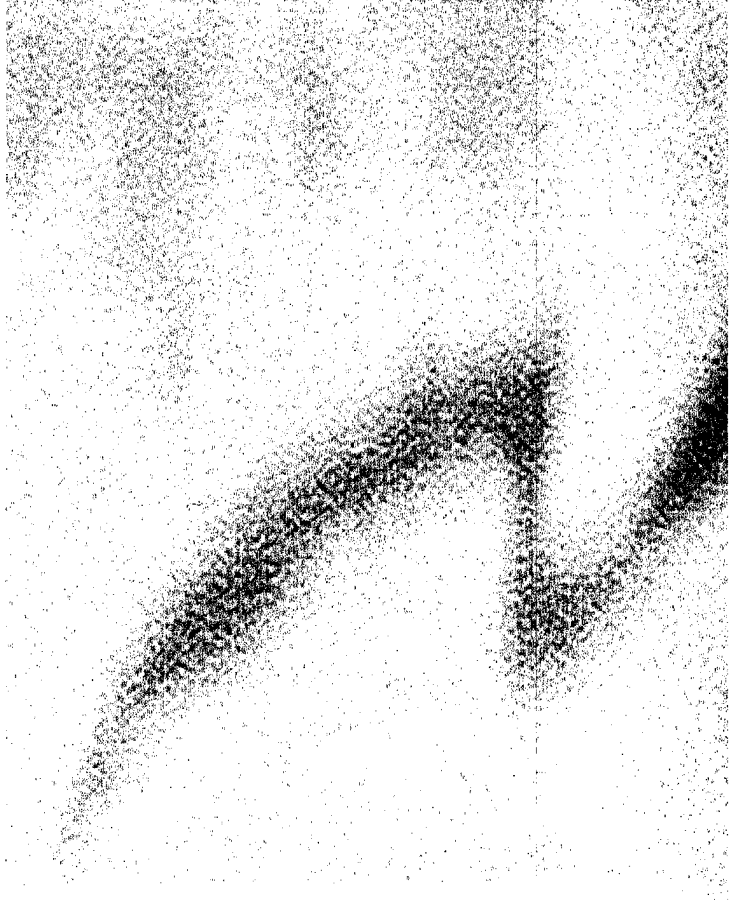
Finding the balance

*Edited by*

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*Dominique Anxo, Colette Fagan, Sangheon Lee,  
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### **Introduction: the dimensions of 'decent working time'**

The preceding chapters have explored different aspects of individual workers' needs and preferences with respect to their working time by addressing one kind of 'decent work deficit' (ILO 2001a): the gap between the working time schedules which individuals need or would prefer and the ones they are required to work. In adopting this approach, they provide a basis from which to consider how the goal of decent work can be advanced in the arena of working time, allowing a notion of 'decent working time' to take shape. Drawing on the discussions presented here, the most significant dimensions of decent working time can be identified: working time arrangements should be healthy; 'family-friendly'; promote gender equality; advance productivity; and facilitate worker choice and influence over their hours of work.

Each of these dimensions of decent working time is analysed in more detail in the remainder of this chapter together, along with the kinds of policy measures which can support them. In fact, as will become clear, a number of the same policy initiatives – quality part-time work, flexi-time and collective reductions in working time, for example – can be employed to advance different dimensions of decent working time. Of course working time-focused initiatives are not the only kind of policy interventions that can advance decent working time – a number of other policy arenas beyond the scope of this report are also relevant. Perhaps most significantly, working time preferences tend to be influenced by income distribution including across the individual's life cycle. Women's preferences, for example, can be seen to shift when more affordable child-care is made available, while the reduction of excessively long hours is inevitably as dependent on wage policies as working time measures. The implication for working time policies is that they must be affordable to individual workers if they are to be effective.

Moreover, as this book has demonstrated, the goal of advancing gender equality – which has been identified as at the core of the ILO's decent work agenda (ILO 2000a) – needs to be integrated into all working time

policies if they are to be prevented from entrenching existing gender inequities. However, although the goal of gender equality is shared across industrialized countries, the ways in which it is realized take different forms in different countries depending on the gender 'contract' (explained by Fagan in Chapter 4) prevalent in each of them. In crafting working time policies, then, sensitivity to the national context is needed, not only with respect to gender equality but also to the relationship between different levels of intervention and the cost-sharing arrangements for various measures among the main actors.

### Healthy working time

Healthy working time represents a traditional but essential dimension of decent working time, in which workers' well-being is advanced through addressing the health and safety implications of various working time arrangements, such as long hours of work and night work – especially when these working time patterns, notably night work, are sometimes socially or technically necessary (e.g. hospitals). As discussed in Chapters 2 and 4, long working hours and unsocial working hours (especially night work) are neither preferred nor healthy. It is also important to emphasize that the effects of long hours and 'unsocial' working hours such as night work are not confined to individual workers, but also concern their families and the society as a whole (Spurgeon 2003). In some cases, these negative effects, particularly when they are revealed over an extended period of time, are not properly considered by individual workers and employers in determining working hours. For example, young workers may want to work very long hours to earn higher incomes without realizing the long-term consequences for their future health. The presence of these negative externalities suggests the need for regulation against excessively long hours and protective measures concerning 'unsocial' working hours. The underlying principle here should be that unhealthy working time should not be used as a tool to improve company profitability, which is a principle that is referred to in the international standards on working time, most significantly the Hours of Work (Industry) Convention 1919 (No. 1) and the Hours of Work (Commerce and Offices) Convention 1930 (No. 30). More recently, this principle has been highlighted in the EU Directive on Working Time of 1993 which states that 'the improvement of workers' ... health at work is an objective which should not be subordinated to purely economic considerations' (European Industrial Relations Review 1994: 29).

Of course, discouraging excessive hours of work and unsocial working hours is not a sufficient condition for healthy working time. In fact, the available evidence suggests that shorter working hours may involve higher work intensity, which can also negatively impact on the mental as well as the physical health of workers. Such interaction between the length of

working time and work intensity needs much more attention, particularly given the indications of work intensification in the 1990s in many industrialized countries (Boisard *et al.* 2002; Fagan and Burchell 2002; Green and McIntosh 2001). Obviously, however, appropriate policies to protect workers against long and 'unsocial' working hours are a necessary condition for healthier working time. It is worthwhile reiterating our finding that weak regulatory and institutional frameworks regarding working time are strongly associated with a higher incidence of long working hours (Chapters 2 and 3).

In promoting healthy working time, however, the establishment of a sound regulatory framework is not a panacea. Strong economic incentives towards long hours among certain types of workers can reduce the effectiveness of such regulations. First, these incentives may be considerably higher among low-paid workers when they have to rely on overtime payments as an important source of additional income. If workers' dependency on overtime work is utilized as part of company cost-saving strategies, longer working hours might be institutionalized while increasing downward pressures on wages. In this respect, the establishment of a minimum wage would be helpful in preventing such a vicious circle between long working hours and low wages, which can be considered a type of 'race to the bottom' among low-paid workers.

Unhealthy working time concerns also some types of high-paid workers, particularly professionals. In this case the reasons are more complicated, however. For example, long working hours among IT workers appear to be associated with the shortage of skilled workers and the nature of their jobs, as is discussed in Chapter 5 (i.e. for these workers, for a number of reasons, there is no clear demarcation between work and non-work). In other cases, corporate culture, intense competition among colleagues, and management strategies, as well as different institutional frameworks, induce workers to work long hours (Meager *et al.* 2002). In addition, there are increasing concerns about health and safety among these workers. Both employees and employers across the European Union are reported to be becoming more aware of the dangers involved in stress brought about by unmanageable workloads (European Commission 2002a). In the UK, for example, work-related stress cases (many of which involve accusations against employers of unmanageable workloads brought by unions on behalf of their members) increased twelve-fold, with 6,428 new cases reported in 2000, compared with just 516 in 1999 (Trade Union Technical Bureau 2002).

Admittedly, despite the strong concerns about long working hours among professionals and managers and their effects on the personal lives of workers, it is often not easy to address unhealthy working time among these individuals, in part because of insufficient legal support and the strength of an incentive structure which rewards long hours. Nonetheless, it is important to keep their working-hour norm at a reasonable level, and

as close as possible to the national standard. One notable experience in this direction is found in France where the legal regulation of working hours was to a large extent extended to cover managerial and professional staff (*cadres*), through regulation of the number of days worked (via extended paid holidays) rather than the total number of hours used for other workers (IDS 2002). In some circumstances it may be feasible to incorporate some of these workers into workplace collective agreements, but additional new time 'accounting currencies' (Bosch 1999b) and new mechanisms of regulation that centre around work organisation and the volume of hours may be needed. As Fagan argues in Chapter 4, this might include developing better time-accounting and budgeting methods to measure the required input for particular tasks and hence to monitor workloads, combined with incentives and targets for line managers to re-organize work methods and to replace the 'long hours culture' with 'smart working'.

Collective negotiations are a very effective method of promoting healthy working time, while taking into account company – or industry-specific – circumstances and the needs of individual workers. As discussed in Chapter 2, higher union density is itself associated with a lower incidence of excessively long working hours. The presence of trade unions can increase the effectiveness of monitoring working time developments in relation to the agreed or legislated norm regarding working time. However, they cannot be a replacement for legislation, especially with respect to unorganized workers. Thus, it is essential to have a legal framework that specifies minimum standards while allowing for flexibility through collective negotiations.

Finally, long working hours are largely a male phenomenon, which implies that men have insufficient time for family life. This phenomenon and the resulting gender inequality in the sharing of family responsibilities between men and women are discussed in the following section.

### 'Family-friendly' working time

The available empirical evidence (see, for example, Anxo *et al.* 2002; Ger-shuny 2000) indicates that the allocation of an individual's time among various activities (paid work, housework, caring, leisure and other social activities) is very sensitive to the composition of their household (e.g. the number and age of individuals in the household) and also to different phases in the life cycle. In particular, the presence and age of children dramatically affect households' time allocation and the gender division of labour. Time is a scarce resource and the presence of children – by increasing the time devoted to domestic and caring activities – must therefore affect the time spent on other activities (paid work, leisure, etc.).

In Chapter 3, we saw that the gendered impact of children on time allocation varies dramatically across countries and societal contexts. In other

words, the ability to combine family commitments and work exhibits a large variation among industrialized countries. A part of this time-consuming activity can be and is to a varying extent already outsourced (e.g. child-care facilities, private and public schooling, domestic help and other market-based household services), yet there is obviously a substantial portion of this activity which remains the responsibility of the family/household unit. Not all care activities can reasonably be outsourced. The increasingly accepted idea that children have a 'right' to be with their parents and also parents' preferences to spend time taking care of their children themselves are two factors that limit the extent to which child-care activities can be outsourced. Yet, rigidity in working time arrangements, combined with a low provision of child-care and other family-related support facilities, tends to reinforce the traditional 'male breadwinner–female homemaker' division of labour and create difficulties in combining paid employment with family responsibilities. In fact, the empirical evidence reported by Anxo in Chapter 3 clearly shows that males' labour supply, be it in terms of labour market participation or working time, is hardly affected by children, and that the burden of caring and domestic work remains disproportionately the responsibility of mothers – even when mothers are also in paid employment.

Of course, being able to fulfil care responsibilities and social activities is not just about how much time is available, it is also about *when* people are available, and the energy that they have left for the practical and emotional inputs to social relationships and activities outside of the workplace. Intense workloads, non-standard schedules and unpredictable variations in working hours seem to be spreading. Each of these factors increase the probability that people will evaluate their employment as incompatible with family and other activities (as discussed by Fagan, Chapter 4), as well as increasing their reports of work-related illnesses. Where regulations exist to address these issues they usually come under health and safety policy, yet the links with work-family reconciliation should also be drawn into policy formulation. Developments in EU legislation and policy are instructive here. The 1993 EU Working Time Directive draws together standards on health and safety and work-family reconciliation and encourages the social partners to take both into account in their negotiations, although there is no requirement for them to do so.

Hence a second important dimension of 'decent working time' is providing parents who are engaged in paid employment – both fathers and mothers – with the time that they need to handle their family responsibilities, in line with the ILO's Workers with Family Responsibilities Convention 1981 (No. 156). Such responsibilities include both caring for family members (not only their children, but also elderly relatives, etc.) and also performing other necessary household tasks (cooking, cleaning, shopping, laundry, etc.). 'Family-friendly' working time allows individuals sufficient time to meet their domestic obligations, and is therefore of benefit not

only to the individuals in question, but also to society as a whole. In particular, working time-focused 'family-friendly' measures' (in contrast to other types of work-family initiatives such as the provision of onsite child-care services) address the need for parents to have sufficient time to spend with their families on a daily basis, and thus promote the value of parenting for those workers who want to provide care themselves.

The possibility of using working time arrangements to facilitate the combination of work and family commitments may be achieved by different but complementary means. These 'family-friendly' working time measures include a variety of different policy options. For example, a collective reduction in full-time hours (which was discussed in the previous section with regard to 'healthy working time') makes full-time employment more compatible with raising children and other time-consuming commitments. Although such reductions can be introduced through annualization of hours or an extension of annual leave entitlements, the reference period of weekly hours is also important to provide time for the regular activities and timetables of domestic life. Alternatively, an individual right to reduce working time for family reasons could be established, similar to laws in several countries regarding the right to request changes in working time (discussed below). However, for most parents, the right to reduce working time or take leave to take care of children or other dependants is in practice limited by financial constraints. Therefore, such a right to adapt working time for family reasons would need to be complemented by some form of financial support to help replace at least part of the income foregone.

As we have seen throughout this book, part-time work represents a particularly important vehicle for balancing paid employment with personal life, including family responsibilities. However, part-time jobs are, on average, of lesser quality than comparable full-time jobs (wages, non-wage benefits such as pensions – and health insurance in the USA – social insurance coverage, training, career development, etc.). We have also seen that 'substantial' part-time hours (20–34 hours) are much more popular than 'marginal' part-time hours, and that many full-timers would prefer to switch to part-time work but for the workplace obstacles and career penalties that part-time work currently incurs, as well as the financial constraints which often limit individual workers' ability to reduce their hours of work.

Thus, it is important to improve the quality of available part-time work. Equal treatment regulations in employment, non-wage benefits and social protection systems help to improve the conditions of part-time work. Promoting the equal treatment of part-time and full-time workers is a principle that is enshrined in the ILO's Part-Time Work Convention 1994 (No. 175), and constitutes a crucial step towards improving the quality of part-time work. In the EU, this principle has been written into law through the adoption of the 1997 Part-Time Work Directive. A complementary mechanism is the introduction of employee entitlements to reduce their

hours in their current jobs as part of work-family reconciliation measures, with a right to resume full-time hours in a later period. Entitlements to work reduced full-time or part-time hours, perhaps as an option within extended parental leave schemes, enhance the autonomous flexibility of parents. This option has been available for some time under the Swedish parental leave system and more recently has been introduced with varying degrees of regulated entitlement in a number of other countries, notably in the Netherlands (see the discussion later in this chapter regarding choice and influence regarding working time).

Other types of flexible working time arrangements can contribute to the reconciliation of employment and family responsibilities, particularly various forms of flexi-time programmes and 'time-banking' accounts, which allow workers to vary their hours of work on a daily basis based on their individual needs. Opportunities to 'telecommute' to their jobs by working from home can also provide workers with the ability to tailor the hours that they work on a daily basis.

Maternity, paternity, parental and other care-related leave systems provide longer-term working time adjustments for care responsibilities (and physical recovery in the case of maternity leave). Statutory entitlements to maternity, paternity and parental leave have been increased in almost all OECD countries in recent years, and some countries have also introduced measures to reserve periods of leave specifically for fathers (OECD 2001). It should be noted that the compatibility of different working time arrangements with family life are mediated, particularly for mothers, by the availability of pre-school child-care services, school opening hours and after-school care. Similarly, leave arrangements, working time autonomy and care services are important for those with elder care responsibilities.

Another important consideration in relation to work-family reconciliation measures is that take-up of extended leave or working time adjustments is often low, and hence there is a large implementation gap between policy and practice. Take-up rates tend to be greatest where there are statutory entitlements rather than voluntary workplace agreements, and in the case of extended leave, where the leave is paid at a reasonably high earnings-replacement rate (Moss and Deven 1999; OECD 2001). In some countries, such as the USA, trade unions have played an important role in the development of workplace work-family policies in the absence of statutory entitlements, but elsewhere collective bargaining has been more limited.

Nevertheless, the low take-up rates for work-family reconciliation measures cannot simply be interpreted as indicating that employees do not want to make use of these benefits, as part of the reason may be that there are penalties or obstacles in their way at the workplace. Lewis (1997) has argued that workplace policies on reconciliation measures such as rights to working time adjustments, extended leave or working from home are



often in practice 'symbolic statements' that are undermined by wider organizational cultural norms of full-time and long or variable hours of work. For example, employees may lack a sense of genuine entitlement to take up the opportunity to work part-time or take extended leave, perhaps because of the reluctance of their line manager to sanction this arrangement, or an awareness that this will rebound on the workloads of colleagues. Alternatively, employees may be aware that by making such working time adjustments this action will be interpreted by their managers as a lack of commitment to the company and hence their future promotion potential and perhaps even their job security will be compromised.

Hence, the development and implementation of 'family-friendly' working time measures will require a number of supporting measures at the workplace to ensure that they become embedded, legitimated and used in organizational practices. These supporting measures are also pertinent to the particular problem that take-up rates for these measures are systematically much lower for men than women, and so are discussed in the next section, which focuses on promoting gender equality through working time.

### Gender equality through working time

Yet another important dimension of 'decent working time' concerns the use of working time as a tool for promoting gender equality. The fundamental principle of achieving equality of opportunity and treatment between women and men in the world of work is enshrined in a number of ILO conventions, in particular the ILO's Discrimination in Employment and Occupation Convention 1958 (No. 111) which establishes as a fundamental principle the elimination of discrimination in respect of employment and occupation (ILO 2000a).

The gender equality dimension has two important implications for working time policies. First, there is a need for working time policies that advance the objective of gender equality through gender-neutral measures. Second, there is also a need to ensure that measures that are effective in advancing the other dimensions of decent working time do not have detrimental effects for gender equality. In this sense, the gender equality dimension of 'decent working time' is 'cross-cutting' because it affects all the other dimensions as well.

The promotion of gender equality through working time measures necessitates a combination or 'portfolio' of instruments. Many, but not all of these measures, have been discussed above in relation to expanding working time arrangements that better accommodate the rhythms and demands of family life (see above). However, it is important to differentiate between working time measures that are 'family-friendly' *per se* and those that promote gender equality. Some measures that are family-friendly may enable one parent to allocate more time to child-care care.

However, if this parent is always the mother, then this measure may facilitate a balance between work and family responsibilities, but may also simultaneously reinforce gender inequality (e.g. many years of working part-time, long periods of parental leave, etc.) by modifying the traditional 'male breadwinner' arrangement only to allow women some marginal forms of labour market participation, rather than paving the way for a more significant transformation. To promote gender equality, measures must enable women to be on an equal footing with men in employment (the level or status of jobs, promotion prospects etc.) and encourage a more equal sharing of the time-consuming aspects of family responsibilities between men and women. This objective can be facilitated by encouraging more men to adjust their working time at different stages in the life course, such as when they have young children.

As discussed by Fagan in Chapter 4, a coordinated combination or 'portfolio' of policies is required to promote gender equality because the efficacy of one particular instrument is usually contingent upon other measures. For example, policies designed to promote equal treatment between part-timers and full-timers may be undermined if part-time workers are concentrated into a narrow range of occupations where there are few, if any, similar full-time positions with whom comparisons regarding the 'equal treatment' of part-time workers could be made.

So what are the policy elements that are specific to promoting gender equality over and above that of making employment more compatible with the time-consuming activities of raising children, caring for elders and other family responsibilities?

First, policies are needed to close the 'gender gap' in hours of work by restricting excessive hours and promoting longer hours for part-time workers. A particularly difficult issue is how to change the 'long hours culture' that is often associated with the 'self-determined' working time patterns of a growing number of managers and 'new economy' professionals who largely fall beyond the scope of traditional working time regulations, as discussed in the first section of this chapter. The long hours in these types of occupations make it difficult for women with care responsibilities to advance, and hence reinforce gender segregation.

As was discussed in the previous section on 'family-friendly' working time, part-time work is an important means of reconciling employment with other activities. The key issue here is that the quality of part-time work must be enhanced if it is to be used to promote gender equality (OECD 1994; OECD 2001; O'Reilly and Fagan 1998). As discussed earlier, this can be accomplished primarily through measures to promote the equal treatment of part-time workers and full-time workers and also to facilitate movement from full-time to part-time work and vice versa. In addition, however, it is also important to extend the availability of part-time work across all occupations and position levels, so that part-time work does not remain segregated in lower-paid occupations and lower-level jobs, but

instead becomes a viable option across a broad array of occupations and at all levels of the organizational hierarchy.

To achieve this objective, measures are needed to increase opportunities for part-time work in a wider range of jobs and to encourage employers to arrange part-time work around 'substantial' rather than 'marginal' part-time hours. Under these conditions under-employment plus the loss of earnings and career advancement associated with part-time work is reduced, and part-time workers become more integrated alongside full-timers in the workplace and the wider employment hierarchy (O'Reilly and Fagan 1998). Useful policy measures here may include fiscal reform to remove any cost incentives for creating 'marginal' over 'substantial' part-time jobs, perhaps in conjunction with regulations to establish minimum hour thresholds. Dissemination of good practice examples can also contribute to increasing the opportunities for part-time work in a wider range of jobs by reducing information and design costs.

Another important issue for promoting gender equality involves using working time adjustments to involve men in care work. Currently it is women who make most of the adjustments to their working lives to accommodate care responsibilities. Very few men switch to part-time work or take advantage of other reconciliation measures to adjust their hours, and they use only a small fraction of the available parental and other family-related leave entitlements. This situation creates a 'Catch-22' dilemma of work-family reconciliation measures, for these policies are designed to promote women's employment integration and gender equality, but they may simultaneously serve to reinforce gender inequality in the division of care responsibilities and so undermine the achievement of gender equity in employment (Moss and Deven 1999). Hence, it is important that work-family reconciliation measures incorporate elements that are designed to increase male take-up and hence promote gender equality in the use of these measures.

The empirical evidence presented in Chapters 3 and 4 of this book suggests the need for a pro-active policy in order to favour a larger involvement of fathers in both domestic and caring activities. One way to tackle this is to empower fathers by providing them with the same rights as mothers to take leaves of absence for family reasons or reduce their working time when they have young children. Research has shown that male take-up of paternity and parental leave has increased, particularly in the Nordic countries, and that there are a number of factors that contribute to these changes in men's behaviour (Moss and Deven 1999). The Swedish model of parental leave is one of the most successful in terms of being extensively used by mothers and with a growing take-up by fathers – half of all Swedish fathers now take parental leave for an average of two months, which though still much less than the average of 11 months taken by Swedish mothers, is greater than that found in most other industrialized countries (Haas and Hwang 1999). The policy elements that have con-

tributed to raising men's use of parental leave in Sweden include a high earnings replacement ratio, a non-transferable 'daddy quota' of leave, flexible options as to when and how the leave is taken, plus promotional campaigns and target setting which have been underpinned by cross-party support (Moss and Deven 1999).

The fact that fathers as well as mothers can face discriminatory treatment when they want to reduce their working time or take leave to accommodate care responsibilities also needs to be addressed. Measures to remove organizational resistance to men adapting their working time would have wider benefits for female colleagues as well by 'normalizing' and legitimizing a range of working time arrangements. Managerial resistance and the negative attitudes of colleagues create obstacles to men's use of reconciliation measures, particularly in male-dominated workplaces where few examples have been set by women's use of leave. Thus, enterprise level action is needed, first, in the form of information campaigns to raise employees' awareness of their entitlements. Second, managers need training and information on good practice to skill them in how to plan and rearrange workloads to accommodate these adjustments. Third, targets for take-up rates, perhaps set in conjunction with incentives for the relevant line managers are needed to monitor the situation. Fourth, information on employees' evaluations of the existing policies should be collected. In other words, a new standard has to be developed, whereby the use of family reconciliation measures is positively valued and encouraged for both men and women. A number of social actors have a role to play in developing this standard, including governments, employers' organizations and workers' organizations.

### Decent working time as productive working time

'Decent working time' also has important advantages for enterprises in today's highly competitive global economy. More and more enterprises are recognizing that listening to the needs and preferences of their employees for a healthy work-life balance isn't just the right thing to do, but it also makes good business sense. Why? Because promoting work-life balance can serve as an effective competitiveness strategy. Specifically, enterprise policies and practices that improve work-life balance by taking workers' needs and preferences into account can increase firm productivity in a number of different ways. For example, as was discussed in Chapter 5, there is a substantial body of empirical evidence demonstrating that reductions in 'excessively' long hours of work – typically linked with changes in work organization, methods of production and similar factors – have resulted in substantial productivity gains over the years (see, for example, Bosch and Lehndorff 2001). Because the productivity gains connected with reductions in working time tend to decrease as the length of working time decreases, the largest potential gains can be expected from

reductions in very long hours of work (over 48 hours per week or more) – exactly the ‘excessive’ hours of work discussed in this book. In addition, because long hours of work are positively related to absenteeism and staff turnover, shortening these hours can also provide benefits to firms in terms of reduced absenteeism and lower staff turnover (Barmby *et al.* 2002; Meager *et al.* 2002).

Other empirical research indicates that productivity gains result not only from physiological factors such as reduced fatigue (as in the case of workers who are working long hours on a regular basis), but also from an improvement in employee attitudes and morale, leading to increased productivity and ultimately, higher profits for the firm and its shareholders. As discussed in Chapter 5, flexible working time arrangements such as flexi-time and compressed workweeks have positive effects on employee morale (see, for example, Hogarth *et al.* 2001). Logically, it makes intuitive sense that workers with better morale would be more productive, and in fact, there is some recent empirical evidence which shows a statistically valid, positive relationship between employee emotions about work and company financial performance (Towers Perrin and Gang & Gang 2003).

There are also numerous enterprise-level studies that show the business benefits of adopting policies that promote work–life balance, as was discussed by Messenger in Chapter 5. For example, one study of six large American companies found that 70 per cent of managers and 87 per cent of workers reported that working time arrangements which allowed workers to adjust their work schedules in response to their individual needs, such as flexi-time and telecommuting, had positive effects on productivity (Boston College Center for Work and Family 2000). Flexible working time arrangements, like reductions in very long hours of work, can also result in benefits to firms due to decreased tardiness and absenteeism, as well as serving as an important tool for recruiting (and retaining) new employees, particularly when labour markets are tight (see Avery and Zabel 2001, for a review of the relevant literature). For example, the UK government’s current initiative to promote the work–life balance has identified a large number of British companies that have introduced ‘flexible ways of working which will both help the business and enable staff to balance work and the rest of their lives’ (United Kingdom Department for Education and Employment *et al.* 2000: 2). Many firms involved with this Work–Life Balance Campaign offer company packages that include a menu of options for flexible working time arrangements (e.g. flexi-time, part-time, telecommuting, etc.) as a recruitment and retention strategy, particularly given a more diverse workforce, and 52 per cent of them reported that these measures helped lower labour turnover, reduce absenteeism, and retain employees, particularly female employees (Hogarth *et al.* 2001: 233). In addition, the available evidence indicates that, overall, broader work–family reconciliation policies – including child-care, leave and rights to return to work on a part-time basis – increase

women’s labour market attachment and, at the enterprise level, the positive effects include better retention rates, reduced absenteeism and productivity gains (OECD 2001).

While reducing long hours and adopting various types of flexible working time arrangements can indeed produce important business benefits, it appears that the most important factor is not the working time arrangement *per se*, but rather it is workers’ ability to *choose* their arrangement – the exercise of ‘choice’ – that shows the strongest impact on employees’ job performance, and hence on firms’ productivity. For example, as discussed in Chapter 5, a comprehensive study of the effects of flexible work arrangements found that (based on their managers’ ratings) workers who had requested their current work arrangement had higher levels of job performance, and were rated higher in customer, co-worker and manager relations, than workers who were assigned or hired into their work arrangement (Gottlieb *et al.* 1998). Thus, by adopting enterprise policies that offer workers a range of working time options and allow them the opportunity to choose the arrangement that best meets their individual needs, firms can also reap important business benefits.

Finally, the existence of work–life balance policies in an enterprise can also serve as an important indication of harmonious labour relations and corporate social responsibility. This recognition can, in turn, burnish a firm’s image and make them that much more attractive to both potential customers and potential recruits. For example, US firms compete with each other to be recognized as one of the nation’s best companies for the work–family balance by publications such as *Working Mother* magazine, and actively use this recognition in their public relations efforts in order to promote a positive corporate image.

Nevertheless, while policy measures to meet workers’ needs and preferences and hence promote work–life balance have important benefits, there are also costs associated with most of them. These costs may be fairly minimal, as in the case of flexi-time, or quite substantial, as in the case of extended periods of paid leave. The costs may be financial, such as those associated with providing financial support for parents during periods of parental leave, but they may also be non-financial, such as the cost of foregoing the services of a particularly valuable employee for a period of time. Estimates of the costs vary, depending on whether the policy measures are considered as a short-term form of consumption or a longer-term form of investment, and also on whether the costs are calculated from a macro-economic societal level or from an enterprise perspective (Rubery *et al.* 2003). However, it must be recognized that the benefits of these measures are not reaped by enterprises alone, and thus the costs cannot be borne by enterprises alone; the costs need to be shared among the different actors, including governments, employers and workers.

## Choice and influence regarding working time

The focus of this chapter has been on the 'decent work deficit' between workers' preferred and actual working time arrangements. If this deficit is thought of as 'a gap between the world that we work in and the hopes that people have for a better life' (ILO 2001a: 8), it suggests that 'decent working time' can be promoted by increasing the choice and influence of individuals over their working hours and schedules. This kind of choice can be enhanced and realized in two related ways. First, increasing the number of available working time options is in itself a way of allowing workers a choice over how they arrange their working lives including how they balance paid work with their caring and other commitments. In addition, working time policies can ensure that workers' preferences are realized by allowing workers the opportunity to exercise a direct influence over the length and arrangement of their working hours. This 'individual influence' approach recognizes that decent working time has a procedural as well as a substantive dimension and cannot therefore be determined solely at the macro level, but instead must involve identifying and promoting the substantive outcomes which workers themselves need and prefer.

Policy measures that advance worker influence can be adopted at all levels. As discussed by Messenger in Chapter 5, for example, organizations that operate 'time banking' accounts can integrate them into annualized hours schemes. Indeed, any firm-level practices that facilitate worker influence over scheduling would be of some benefit to individual workers and can be encouraged through a range of government incentives. At the national level, legislation in Europe that allows collective agreements to implement or adapt working time standards is increasingly being introduced and can enhance worker influence by facilitating the involvement of the social partners in determining the ways in which working time flexibility is introduced (EIROonline 1998). More directly, legislation has been introduced in a number of European countries (e.g. the Netherlands and Germany) throughout Europe that provides individual workers with a right to request working time changes. The strongest version of this kind of legislation permits workers to request both increased or decreased hours and changes in their scheduling; carefully limits the grounds on which working time changes can be refused; and enables individuals to return to their original working time arrangement at a later stage without any career penalties. These kinds of laws are most effective when enacted in conjunction with legislation ensuring equal treatment of part-time workers, which is discussed in the section on gender equality above. Indeed, enacting both kinds of measures may have the potential to avoid the risk of further entrenching the dichotomy between full-time and part-time work which has served to discriminate against women workers, favouring instead a notion of the 'modulation' of working hours by facili-

tating smoother transitions between different working time arrangements, including over the life-cycle of a worker.

As McCann highlighted in Chapter 1, however, there is a need to strike a balance between legislation and collective bargaining in a way that ensures that individual influence over working hours does not detract from strong legal standards. Most significantly, fundamental legal rights can be enacted as a basis for collective bargaining that are not subject to derogation. It is also apparent that individual rights are best realized from a position of collective strength. There is therefore cause for concern over 'bargaining' by unrepresentative bodies and by individuals, in line with traditional labour law concerns about the protection of groups with limited bargaining power. As a consequence, in addition to ensuring that non-unionized workers are covered by legislative measures, laws that strengthen unions such as those on independence, recognition and the right to strike, would also strengthen worker influence. This approach, then, would both draw on and advance the ILO's fundamental principle of freedom of association and the effective recognition of the right to collective bargaining (see ILO 2000b).

There is also a need to ensure that collective bargaining is sensitive to the needs and preferences of individual workers, particularly at the enterprise level. In some areas of employment the 'insiders' may be predominantly male, or young and childless and hence may agree to working time arrangements that contribute to the exclusion of those with care responsibilities from the workplace. The interests of women and of workers with care responsibilities, then, need to be identified and represented. Requiring that the representativity of worker bodies be enhanced and, for example, requiring that both of the above groups are represented on negotiating bodies can help to address this concern. The principle of representativity also demands that different kinds of employers be represented on employer bodies, particularly small employers.

Attention should also be directed at ensuring that broader goals can be realized in conjunction with the facilitation of individual choice, including taking account of the need to pursue community values in drafting legislation. The need for preserving time traditionally dedicated to societal and family needs, for example, can be advanced by working time policies that take into account the opening hours of public and private services. Finally, if workers are to be allowed a meaningful choice with respect to their working time arrangements, the measures just outlined must be underpinned by a range of other initiatives. Most obviously, a real choice over working time arrangements cannot be realized without the widespread provision of high quality child-care, as noted above, and also depends on ensuring that individual workers are aware of the options available to them, for example, through policies on information dissemination and the transparency of legal rights.

## Conclusion

This chapter has shown that there are substantial gaps between, on the one hand, the actual hours of work and working time arrangements that currently exist, and on the other, workers' needs and preferences regarding their working time. In particular, there is a substantial group of workers with 'excessively' long hours in comparison with their preferred hours, and simultaneously, a substantial group of workers whose working hours are substantially shorter than what they would prefer. The chapter also reviewed the implications of these imbalances or 'gaps' between workers' actual and preferred working times, concluding that they have a number of negative impacts on workers' ability to balance their work responsibilities with other aspects of their lives, such as family commitments, other social activities, and the increasing need for them to enhance their skills via lifelong learning. The result is a 'decent work deficit' in the area of working time resulting from these important gaps between workers' needs and preferences regarding their working time and their actual working time arrangements.

Based on these findings, this chapter has proposed a range of possible policies and practices that are designed to close these working time gaps and thus advance the goal of 'decent working time.' These measures include suggestions for both national and enterprise-level policies that are designed to promote an improved work-life balance by better reflecting workers' needs and preferences regarding working time, while meeting enterprises' business requirements. These policy measures are arrayed along five dimensions: healthy working time; 'family-friendly' working time; gender equality through working time; productive working time; and choice and influence regarding working time. Achieving 'decent working time' requires a mix of policy measures that simultaneously address all five of these dimensions.

Working time arrangements are not set in stone, but reflect the legal and regulatory framework within a given country, the competitive realities in different industrial sectors, and the objectives and choices of the various actors involved, particularly enterprises. In establishing policies and practices that promote 'decent working time', it is important to recognize that different types of policies are likely to be required in different environments, and that solutions will need to be customized. Nonetheless, the evidence provided in this report demonstrates that the 'status quo' on working time in the industrialized world is out of sync with the needs and preferences of many workers, and that action is needed to find the balance between workers' needs and preferences and enterprises' business requirements - and thus make 'decent working time' a reality.

## Note

- 1 'Family-friendly' measures include a variety of different policies and practices, including not only measures relating to hours of work but also other measures such as maternity protection and affordable, accessible and high-quality child-care services.