

# Walking the tightrope

Have Australians achieved work/life balance?

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## About TAI

The Australia Institute is an independent public policy think tank based in Canberra. It is funded by donations from philanthropic trusts and individuals and commissioned research. Since its launch in 1994, the Institute has carried out highly influential research on a broad range of economic, social and environmental issues.

## Our philosophy

As we begin the 21st century, new dilemmas confront our society and our planet. Unprecedented levels of consumption co-exist with extreme poverty. Through new technology we are more connected than we have ever been, yet civic engagement is declining. Environmental neglect continues despite heightened ecological awareness. A better balance is urgently needed.

The Australia Institute's directors, staff and supporters represent a broad range of views and priorities. What unites us is a belief that through a combination of research and creativity we can promote new solutions and ways of thinking.

## Our purpose—'Research that matters'

The Institute aims to foster informed debate about our culture, our economy and our environment and bring greater accountability to the democratic process. Our goal is to gather, interpret and communicate evidence in order to both diagnose the problems we face and propose new solutions to tackle them.

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## Introduction

Former Prime Minister of Australia John Howard described work/life balance as a “BBQ-stopper” in 2001. Since then, the term “work/life balance” has been part of the Australian lexicon, but just how well are Australians achieving it?

National Go Home on Time Day was launched by The Australia Institute in 2009 as a light-hearted way to start a conversation balance with Australian employees (11.6 million people) about the importance of work/life and the many significant consequences it can have on physical and mental health, relationships and communities.

Now in its sixth year, Go Home on Time Day continues to promote such conversations, and this paper seeks to measure: have Australians achieved work/life balance? The finding is that work/life balance continues to be an issue for many people with only three-out-of-ten people (3.4 million) reporting an improvement in the past five years.

Furthermore, Australians continue to work large amounts of unpaid overtime. Research conducted for Go Home on Time Day this year found that these ‘donated’ hours add up to almost \$110 billion. If these hours were paid and allocated to Australians looking for work the unemployment rate could be zero.

In 2010 Australians were on average working 2.5 hours more a week than they would have liked. Only one-in-five workers reported they were working the hours they would like to. Unsurprisingly, the desire for fewer hours was stronger amongst people working long hours, whereas part-time workers indicated they would like to work more hours.<sup>1</sup> The general desire for more work by some and less work by others highlights the need to balance the distribution of work hours across the labour force.

## How we compare

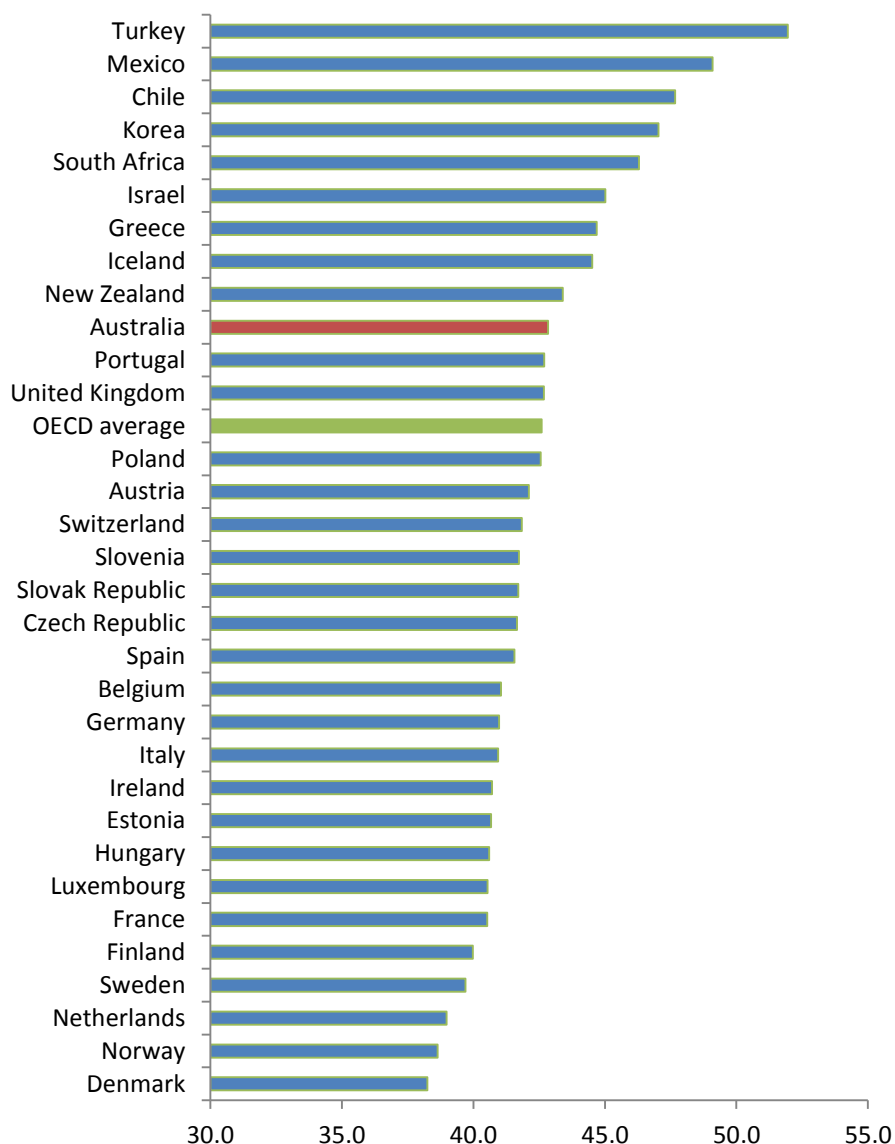
In 2013 Australia ranked ninth amongst OECD countries with an average working week for full-time employees of 42.8 hours. The OECD defines a full-time employee as someone who usually works 30 hours or more a week. However, the Australian Bureau of Statistics (ABS) defines a full-time employee as someone who usually works 35 hours a week or more.<sup>2</sup> The *Fair Work Act 2009* sets a maximum working week at 38 hours. Considering the differences in definitions and legislation between Australia and other countries, it is not surprising that Australians are working some of the longest hours amongst developed economies (Figure 1).

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<sup>1</sup> Fear, Rogers and Denniss (2010), Long time, no see: The impact of time poverty in Australian workers.

<sup>2</sup> ABS (2014), Labour Force, Cat. No. 6202.0, Canberra, September, Understanding full-time/part-time status in the labour force survey.

**Figure 1: Average hours worked by full-time employees in OECD countries, 2013.**



Source: OECD. (2013), 'Average usual weekly hours worked on the main job'.

Note: Data not available for Canada, Japan, United States, Brazil, Russian Federation.

### *Working for free*

While Australians working full-time work longer hours than many of their colleagues in other developed economies, the challenge of working fewer hours is made harder by the culture of overtime. While “full-time work” can vary depending on a country’s definition, unpaid overtime is perhaps a better measure for whether employees are achieving work/life balance. Australians continue to ‘donate’ many hours of overtime amounting to millions of dollars in foregone pay and less time for themselves. On average full-time workers reported working six hours unpaid overtime each week and part-timers, three hours. This donated contribution adds up to 1.13 million hours or \$2.1 billion – a week. The average worker donates \$9,471 in

unpaid overtime to their employers each year, which adds up to \$109.8 billion across the workforce.<sup>3</sup>

Unpaid hours represent approximately 14.7 per cent of all hours worked. While this represents a large contribution of free labour, it also exceeds the hours required to find employment for Australians looking for work. If these donated hours were allocated to and paid to Australians looking for work the unemployment rate could be zero rather than 6.2 per cent.

## Setting the ground rules

The importance of an achievable balance is reflected in laws that set maximum work hours and a right to request flexible work arrangements. Although this right is part of the National Employment Standard for many workers in the *Fair Work Act 2009* most remain unaware of this right and request rates have not changed significantly since enacted. The right was extended to all workers with care responsibilities under the *Fair Work Amendment Bill 2013*. The laws require that employers reasonably consider requests for work flexibility.

The 2014 *Australian Work and Life Index*<sup>4</sup> examined the pattern of requests for flexible work arrangements. It was found that despite an increase in awareness, there had not been an increase in requests. A similar awareness of the right to request flexible work arrangements was reported for men and women (42 and 43 per cent respectively), although an above average awareness was evident amongst women with preschool aged children. Older workers are more aware of their right. In terms of requests made, the rate was higher amongst women (25 per cent) than men (15 per cent). The rate increased for women with caring responsibilities, most noticeably amongst women with preschool aged children (41 per cent). Interestingly, despite lower rates of awareness it is younger people who make proportionally more requests. The rate of requests made by part-time employees is approximately double that of people working full-time.

An Australia Institute survey of Australian workers conducted in 2012 found that approximately half the workforce rated their employer as good or very good with regard to work/life balance.<sup>5</sup> Findings from the 2014 *Australian Work and Life Index* confirm this perception. The 2014 report found that a majority of requests were fully granted and only 11 per cent of requests were declined and 17 per cent partly granted. Amongst people who did not make a request six-out-of-ten were content with their current arrangements and only 15 per cent reported that flexibility was not possible.

This year the focus for Go Home on Time Day was measuring the achievement of work/life balance. The Australia Institute asked Australians about unpaid overtime in August, 2014 and followed this up with a second survey (November, 2014) about work/life balance. To understand what, if any, change had been achieved survey respondents were asked what has informed the current balance; what workers would be willing to do to improve the balance; and what barriers they perceived to achieving a better balance.

## Balancing act

Work/life balance is a measure of how much work interferes with a person's available time to engage with life outside of work and complete the accompanying responsibilities. Do people

<sup>3</sup> Figures calculated using ABS, (2014), *Labour Force*, Cat. No. 6202.0, Canberra, October.

<sup>4</sup> Skinner and Pocock (2014), *The Persistent Challenge: Living, Working and Caring in Australia in 2014*. The Australian Work and Life Index.

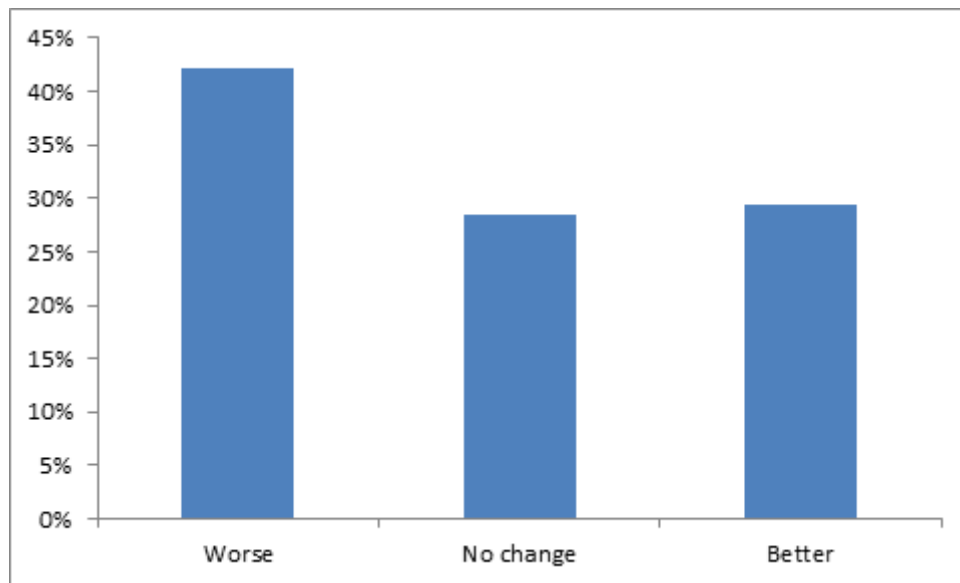
<sup>5</sup> Denniss and Baker (2012), *An unhealthy obsession?: The impact of work hours and workplace culture on Australia's health*.

have enough time to maintain social and community connections? Does work compete with caring responsibilities? Are you able to make time for medical appointments? Is your lunch break a race to complete errands that you do not have time for after work? Balancing the competing demands of a fulfilling life and satisfying job is an ongoing challenge for millions of Australians.

### Getting better or worse?

The balance between work and life has worsened for 4.9 million workers (42 per cent) over the past five years. For 3.4 million workers (29 per cent) the situation had improved, however, a similar proportion reported no change.

**Figure 2: In the past five years work/life balance has...**



Sample size: 985. Question: Has the balance between your work and life gotten better or worse over the past five years?

We now examine why changes in work/life balance have occurred for some people and not others.

#### *Why has work/life balance become worse?*

It is concerning that the most common response was that work/life balance had become worse. Survey respondents who reported their work/life balance had worsened in the past five years were asked why they thought improvements had not occurred (Table 1). Respondents were permitted to select as many responses as applied to their situation.

Nearly half of all people who have experienced deterioration in work/life balance believed longer working hours were a contributing factor (46 per cent). Job insecurity (27 per cent), restrictions in changing jobs (22 per cent) or moving to another job (21 per cent) were also common reasons for worsening work/life balance. Furthermore, the lack of flexibility of management affected around one-in-five people. Only seven per cent of people stated that their work/life balance had worsened because they had not done anything about it suggesting that most people are actively attempting to improve their situation.

**Table 1: Factors preventing improvements**

	Percentage
Expected to work longer hours	46%
Position has become insecure	27%
Can't change without harming my career prospects	22%
Changed job	21%
Management not open to flexible work hours	20%
Have a different manager	15%
Other	13%
I didn't do anything about it	7%
None of these	5%

Sample size: 415. Question: Why do you think there has not been any improvement in your work/life balance?

### *Why has work/life balance improved?*

Survey respondents who reported there had been improvements in their work/life balance in the past five years were asked to identify how this improvement had been achieved (Table 2). Respondents were permitted to select as many responses as applied to the improvements they had seen.

**Table 2: Factors influencing improvements**

	Percentage
Changed job	51%
Reduced hours being worked	42%
Taking leave	15%
Other	15%
Have a different manager	12%
Purchased additional leave	3%
Job-sharing	3%
None of these	3%

Sample size: 290. Question: How was this improvement been achieved?

The key reasons that people had seen an improvement in work/life balance was a change in jobs (51 per cent) and reduced working hours (42 per cent). Other factors, such as taking leave, were selected by less than one sixth of people.

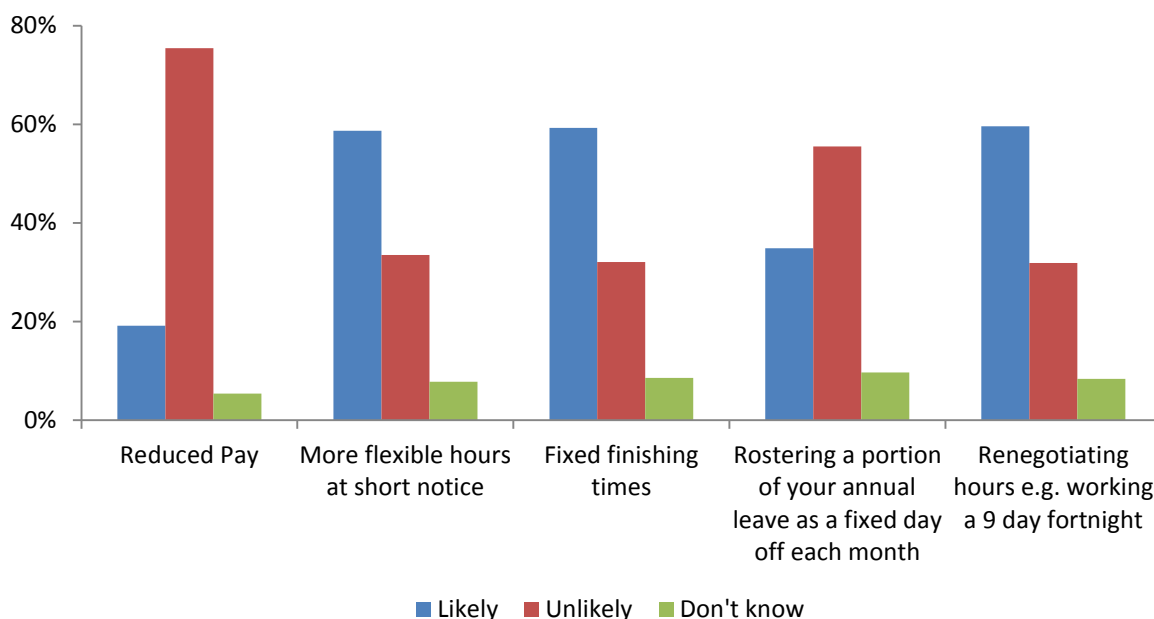
It appears that the reasons behind work/life balance either worsening or improving are very similar. That is, longer working hours were blamed for a worsening of work/life balance while shorter workers hours contributed to an improvement. Similarly, a change in jobs was cited as a reason for both preventing and creating an improvement in work/life balance. This suggests that there are changes that people can make that could prevent a worsening of work/life balance and potentially lead to an improvement.

### *What changes would people be willing to make?*

In order to gain a better understanding of how an improvement in work/life balance might be achieved, survey participants were asked what changes they would be willing to make if it meant an improvement in work/life balance.

As shown in Figure 3 people are most likely to make changes to their working hours. The majority of people are willing to get more flexible work hours (59 per cent), fixed finishing times (59 per cent) and renegotiate hours (60 per cent) to improve their work/life balance. People are not willing to reduce their pay in order to improve work/life balance; 75 per cent of people are unlikely to reduce their pay and 56 per cent of people are unlikely to roster a portion of their annual leave as a fixed day off.

**Figure 3: Willingness to make changes to improve work/life balance**



Sample size: 985. Question: To what extent would you be likely to make each of the following changes if it meant an improvement in your work/life balance?

A conflict exists between the reduced hours and flexibility that people desire and the unwillingness that many people have to reduce their pay. It appears that financial factors are the key restraint to improving work/life balance at an individual level.

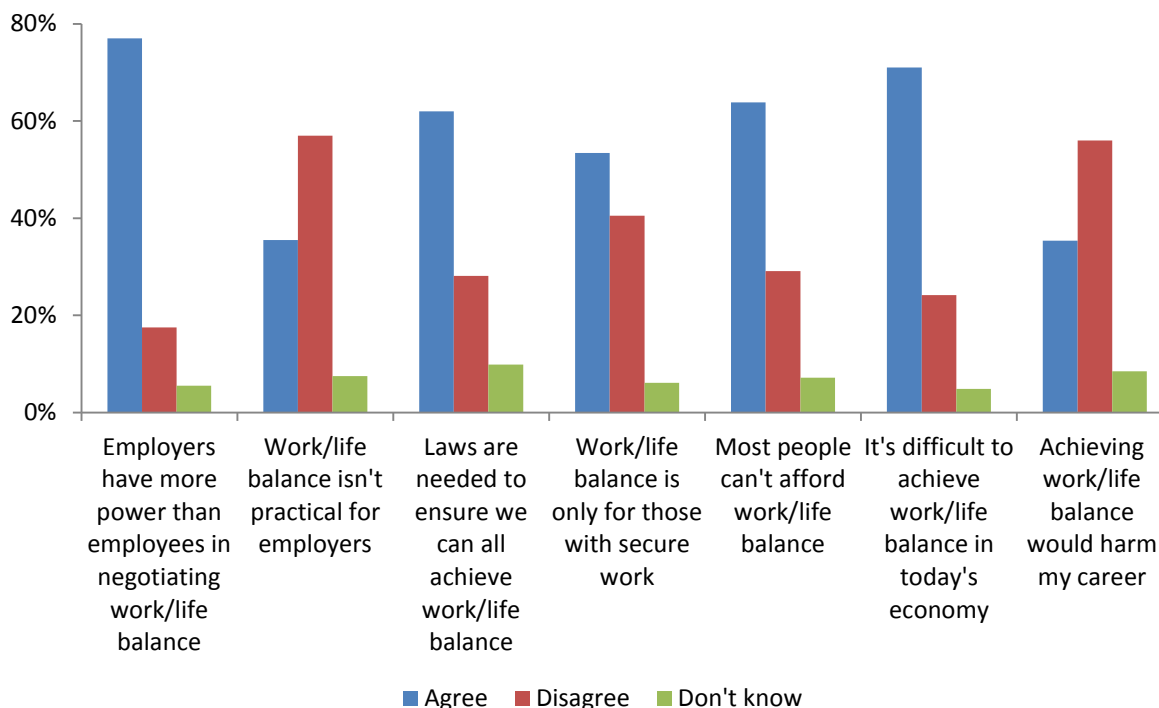
### *What is standing in the way?*

Alongside the steps people might be willing to take themselves we asked them about their perceptions of what other factors might influence improved outcomes in the balancing work and life (Figure 4). The vast majority (77 per cent) of people believed that employers have more power than employees in negotiating work/life balance, highlighting the key role that



employers play in improving work/life balance in Australia. Additionally, many people (62 per cent) believed that laws are necessary to ensure that everyone can achieve work/life balance.

**Figure 4: External factors affecting work/life balance**



Sample size: 985. Question: To what extent do you agree with the following statements about work/life balance?

The majority of people appear to be pessimistic about achieving work/life balance in general. For instance, there is an attitude that most people cannot afford work/life balance (64 per cent), it is only for those with secure work (53 per cent) and it is difficult to achieve in today's economy (71 per cent). Similarly, more than a third of people (35 per cent) believe achieving work/life balance would harm their career.

## Conclusion

The evidence gathered this year for the sixth Go Home On Time Day research paper shows that more work still needs to be done before all Australian workers have the opportunity to benefit from improved balance between our working lives and everything else life has to offer.

This review into the achievement of work/life balance shows that it has worsened over the past five years. The key factor contributing to this degradation in work/life balance is work hours. With Australians donating almost \$110 billion in unpaid overtime every year, it is no surprise that work hours are taking their toll on people's personal lives. Furthermore, these donated hours represent 14.7 per cent of all hours worked, more than twice the hours required to provide employment for unemployed Australians.

On a more positive note, three-out-of-ten workers report an improvement in work/life balance over the past five years. The key factors that have helped achieve this are reducing work hours and changing jobs. Though many people would like to reduce their work hours to improve work/life balance, financial factors are a key restraint.

To tackle work/life balance changes need to be made beyond the actions of an individual worker. Particularly important is involvement by employers who are seen as having a large amount of power when it comes to negotiating work/life balance issues. Additionally, laws that promote work/life balance could be used to support an achievement of work/life balance.

The term work/life balance has been around for more than a decade and the issue has attracted increasing media attention. However, despite the awareness of the issue many Australian workers are still struggling to achieve work/life balance. This review of the achievement of work/life balance shows that more needs to be done and action is required at a level beyond that of the individual worker.

## Appendix

The Australia Institute conducted two online surveys of Australian workers for the research paper. In August 982 people were asked about their working hours and 985 were asked about work/life balance in November 2014.

The survey questions regarding work hours were:

1. Thinking of the average week, how many hours do you work....?  
[Open answer]
2. How many unpaid hours do you work per week on average?  
[Open answer]

The survey questions regarding experiences and perceptions of work/life balance were:

1. Has the balance between your work and life gotten better or worse over the past five years?
  - A lot worse
  - A little worse
  - No change
  - A little better
  - A lot better
2. How was this improvement been achieved?
  - Changed job
  - Purchased additional leave
  - Reduced hours being worked
  - Job-sharing
  - Taking leave
  - Have a different manager
  - Other (please specify)
  - None of these
3. Why do you think there has not been any improvement in your work/life balance?
  - Changed job
  - Expected to work longer hours
  - Management not open to flexible work hours
  - Have a different manager
  - Position has become insecure
  - Can't change without harming my career prospects
  - I didn't do anything about it
  - Other (please specify)
  - None of these
4. To what extent would you be likely to make each of the following changes if it meant an improvement in your work/life balance?  
<Very likely      Somewhat likely      Somewhat unlikely      Very unlikely      Don't know/Not sure>

- Reduced pay
- More flexible hours at short notice
- Fixed finishing times
- Rostering a portion of your annual leave as a fixed day off each month.
- Renegotiating hours e.g. working a 9 day fortnight

5. To what extent do you agree with the following statements about work/life balance?

<Strongly agree   Agree   Disagree   Strongly disagree   Don't know/

Not sure>

- Employers have far more power than employees when it comes to negotiating work/life balance
- Work/life balance isn't practical for employers
- Laws are needed to ensure we can all achieve work/life balance
- Work/life balance is only for those with secure work
- Most people can't afford work/life balance
- It's difficult to achieve work/life balance in today's economy
- Achieving work/life balance would harm my career

## References

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