

The Australia Institute

Research that matters.

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Are your working hours 'flexible'? Thank goodness for your annual leave, when you can recover from all that flexibility. Unfortunately, your annual leave might be eaten away by the extra hours you work throughout the year.

Australians work the longest hours in the western world. Full-time employees in Australia work an average of 44 hours a week, much more than the 'standard' working week of 38 hours. From 1856, when Melbourne stonemasons were the first in the world to achieve an eight-hour day, working hours steadily declined. However, since the 1980s the trend has been in the opposite direction—toward a longer working week.

Unfortunately, many Australians are not properly compensated for putting in long hours. In fact, official statistics show that unpaid overtime is more common than paid overtime. The Australia Institute conducted a survey of workers to investigate the nature and extent of unpaid overtime.

We found that around half of all employees work more hours than they are paid for on a typical workday, and that the average employee works 49 minutes of unpaid overtime per day. Over the course of a year this adds up to more than the standard annual leave entitlement of four weeks.

The culture in individual workplaces is often to blame, with 44 per cent of people who work unpaid overtime saying that it is 'compulsory' or 'expected' and another 43 per cent saying that it is 'not expected, but also not discouraged'.

When asked what would happen if they didn't work unpaid overtime, most say that 'the work wouldn't get done', suggesting that the demands placed on employees are too much for many people.

Across the workforce, there are 2.14 billion hours of unpaid overtime worked each year—three times as many hours as Australians volunteer to community organisations. This corresponds to 1.16 million full-time jobs, making overwork a natural target for any government seeking to reduce unemployment. Across the economy, employees are forgoing \$72 billion in wages, or six per cent of GDP. This constitutes a direct subsidy to employers by ordinary workers.

The \$72 billion worth of 'free' labour that workers 'give' to their employers every year is just one part of the costs imposed by unpaid overtime on individuals and on the

broader community. Unpaid overtime by definition does not impart the financial benefits that are usually associated with work, and it diminishes the time that people can spend with their families and engaging in pursuits outside of work.

Reducing the amount of unpaid overtime is an essential step towards helping families balance the interaction between work and other aspects of life. There are also obvious benefits for the physical, mental and cultural health of the nation in allowing people to do more of what they want to do and less of what they have to do.

Governments can tackle the problem of overwork by reducing the ordinary hours of the full-time working week, capping the amount of hours that can be worked over a given period, and allowing for workplace agreements that empower workers to refuse long working hours without penalty.

While some will object to any efforts to introduce caps on working hours as unnecessary interference in the operations of business, it is worth remembering that Australians already accept the need to limit working hours for truck drivers, train drivers and pilots. Extending this principle to ordinary workers is a natural step in a civilised country.

Nevertheless, in any discussion of overwork—paid or unpaid—it is crucial to address the culture of long hours that is part of life in many organisations. Regardless of what employees and governments do to promote a better balance between work and life, it is ultimately the responsibility of managers and business owners to foster an environment in which workers feel able to work reasonable hours without risking their career, their health or their relationships.

For too long, 'flexibility' has been a one-way gesture, in favour of employers and at the expense of employees. It is only through meaningful changes in the culture, values and management of specific workplaces that workers can truly expect to go home on time.

That is why the Australia Institute has declared November 25 to be National Go Home on Time Day. For one day each year, let's rediscover what it is like to have some of our free time back.

At www.gohomeontimeday.org.au you can get a personalised leave pass to let your colleagues (and your boss) know that you'll be leaving on the dot.

Go home, play with the kids, kick the footy, go to the pub, or laze about on the couch – whatever you do on November 25, make sure you're not at work when you don't have to be.

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