

The Australian Work and Life Index 2009

Work, Life — | a n d | — **Workplace Flexibility**

AWALI

**Barbara Pocock
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STREET ADDRESS

St Bernards Road
Magill SA 5072
Adelaide

POSTAL ADDRESS

GPO Box 2471
Adelaide, SA 5001 Australia

Authors: Barbara Pocock, Natalie Skinner and Reina Ichii

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Executive summary

This report summarises findings from the third Australian Work and Life Index (AWALI) survey of work-life interference in Australia. It builds on the findings of the 2007 and 2008 surveys.

The 2009 survey includes 2691 workers (2307 employees and 384 self-employed), providing a robust, national, stratified random sample of the Australian workforce. The survey provides good representation by gender, state, age, part-time/full-time work hours, and employee/self-employed work arrangements. However, it somewhat over-represents those with university degrees and professional workers and somewhat under-represents casual workers.

Each AWALI survey takes a particular focus: in 2007 it was on working time, in 2008 workplace culture and in 2009 we focus on requests for flexibility and their outcomes, undertake some international comparisons and consider how work-life pressures affect participation in education and training.

The 2009 context

AWALI survey data was collected in March 2009 against the background of the global economic crisis of 2008/09 and a significant economic downturn in Australia, and a year and a half after the election of the Rudd Labor Government.

AWALI 2009 provides base line data on a particular aspect of the Government's new industrial relations law, the *Fair Work Act 2009*: that is, the extent and outcomes of employee requests for flexibility in their work arrangements.

The AWALI work-life index

The summary index of work-life interference, AWALI, averages responses on five items assessing different aspects of work-life interference. The minimum score on the index is 0 (indicating the best possible work-life interference) and the maximum score is 100 (the worst possible work-life interference).

Overall work-life interference

Compared to 2008, employees' average working hours fell a little in 2009: from 38.2 to 37.1 hours, perhaps reflecting the economic slowdown. As we know from previous AWALI surveys, shorter working hours are associated with better work-life interference.

However, there has been little change in the overall work-life situation of Australian workers between 2007 and 2009. Remembering that higher scores represent worse work-life interference, the overall score has shown little change from 42.2 in 2007 to 42.6 in 2008 and 43.3 in 2009. There is no statistically significant difference in the index scores between any of the data collection years. However, as discussed below, when men and women are considered separately, there is evidence of a worsening of work-life interference for women.

Three years of data about work-life interference in Australia tell us that many employees experience frequent interference from work in their personal, home and community lives, many feel overloaded at work and feelings of time pressure are also common and growing.

However, work-life interference does not fall evenly across the population. While two-thirds of working Australians say they are broadly satisfied with their work-life balance, some groups such as women working full-time are especially negatively affected.

Gender differences

Men's scores on the AWALI work-life index suggest that their work-life interference is worse than women's. This reflects, to a large extent, their longer hours at work. When we statistically control for differences in work hours, women's work-life situation is worse than men's.

If we control for differences in working hours, men's work-life interference has not changed over the past three years, while women's has worsened significantly.

Women are much more likely than men to feel rushed and pressed for time, and these feelings of time pressure appear to be becoming more common for women.

Women working full-time are feeling the pressure

A quarter of full-time employees report frequent work interference with activities outside work and the incidence of this interference has grown quite significantly amongst full-time women between 2007 and 2009. Many full-time working women – 29.1 per cent – are feeling under pressure in Australia at present, with work often or almost always interfering with their activities outside work.

Time with family and friends is especially squeezed for full-time working women: a third say they often or almost always find that work restricts their time with family and friends, which has increased from a quarter in 2007. Many full-time men are similarly affected.

AWALI also continues to confirm that work affects the community engagement of many Australian workers: a fifth of full-timers say that work often or almost always interferes with community engagement.

Time pressures

In 2009, more women are reporting that they are often or almost always rushed or pressed for time. Two-thirds of full-time working women say so, up from 59.4 per cent in 2007. Many part-timers share this sense of time pressure, with 58.0 per cent of part-time women saying they are often or almost always rushed or pressed for time, compared with 51.0 per cent in 2007. While many full-time working men are also affected by feelings of time pressure (51.4 per cent in 2009), part-time work protects men from time pressures more than it does women.

The overall work-life index, adjusted for differences in work hours, suggests that while men's work-life situation has changed little in the past three years (and may have improved a little), women's has deteriorated somewhat. This deterioration is evident for part-time as well as full-time women. However, it is most marked for full-time women who appear to be showing signs of significant negative change in their work-life situation, with many suffering from very persistent feelings of time pressure. The economic downturn appears to have intensified pressures on women.

International comparisons

How does work-life interference in Australia compare with other places? In AWALI 2009 we ask a question that has been asked in 31 European countries about how well work fits with household and community life. Australia ranks ninth out of 32 when countries are ranked from best to worst. Just under one in five Australian workers believe that work doesn't fit well with their family and social commitments, very close to outcomes in the Netherlands, the UK, and Germany, and four percentage points below Norway, where the most positive work-life fit assessments are reported.

The Australian pattern of work-life fit by gender, parental status, industry and occupation is similar to the European pattern, with women, parents, private sector workers, managers and those working in accommodation and food services and transport, postal and warehousing perceiving the poorest work-life fit.

There are also some differences between the two regions, with more variation by age in Europe and more negative assessments of work-life fit in Europe than Australia amongst sales and service workers, plant and machinery operators and drivers, and community and personal service workers.

Personal and household characteristics and work-life interference in Australia

A number of personal and household characteristics have significant associations with work-life interference. Where longer hours are worked, work-life interference is consistently worse and this effect prevails regardless of many other factors.

Setting aside differences associated with different working hours, those in middle age, those with dependent children, single mothers, mothers living in couples and those on high and low incomes have significantly worse work-life interference than others.

While state differences are not significant, it seems that mothers in rural/regional areas are particularly at risk of poor work-life interference, especially when compared to rural/regional fathers. This risk has increased in 2009. Given the lack of research on rural/regional households and their work-life interference, these findings suggest that rural/regional mothers should be a priority for future work-life research and action.

Employment characteristics and work-life interference

When we control for the effects of differences in work hours, employees and those in non-professional and non-managerial occupations report better work-life interference than the self-employed and those in other occupations.

Casual workers and the self-employed and work-life interference

Over a quarter of Australian employees are casuals. Casual work is associated with lower work-life conflict, but this is explained by the effects of their shorter hours. Casual work is not – beyond this work hours effect – associated with better work-life interference, and neither is self-employment.

Workers may seek out casual work or self-employment as a strategy to reduce their time commitment to paid work. However, our findings suggest that they are likely to get the same work-life benefits just by working shorter hours as a permanent or fixed-term employee. Unfortunately, finding part-time work in the current Australian labour market often requires a shift to casual work – with effects on the quality of work, income, careers, retirement savings and so on. Our 2007 AWALI survey (Pocock, Skinner and Williams 2007) showed how poorer job quality is associated with worse work-life interference.

Working hours and work-life interference

Work hours are central to work-life interference. AWALI 2009 confirms findings from earlier AWALI surveys about the importance to work-life interference of the length of hours, and the fit between actual and preferred hours. Both longer hours and working more hours than preferred are associated with poorer work-life interference.

Many Australians are a long way from their preferred working hours and the 2008/09 economic downturn has not made any difference to the incidence of this mismatch. Just over half of all employees in 2008 and 2009 have a gap of at least four hours between their actual and preferred work hours. While the incidence of this gap has not changed, compared to 2008, the average size of the gap between actual and preferred hours has narrowed by an hour to 2.6 hours.

The fit between actual and preferred working hours

Most people who have a poor fit of actual and preferred hours are working longer than they want, and this is associated with significantly poorer work-life interference.

Women are more negatively affected by longer hours than men, and many want to work less, whether they have children or not. Men are more likely to be involuntarily working part-time. However, many men working long hours share women's dislike of them, and they also share in the poorer work-life interference which accompanies them. A poor fit of actual and preferred hours especially affects higher income compared to lower income employees. However, even amongst lower paid workers, four in ten are not working hours that are close to their preferences. These lower paid workers are most likely to want to work more. While many parents are affected by a mismatch of their preferred and actual working hours, so are a significant proportion of those without children.

These results all point to the value of assisting employees, whether parents or not, to get a better fit between their actual and preferred hours.

Requesting flexibility: who asks and how many?

Employee-centred flexibility matters to work-life interference. It matters a great deal to parents, but many workers without parenting responsibilities also seek more say over where, how and when they work.

Over the past year, prior to implementation of the new formal 'right to request' enacted through the *Fair Work Act 2009* from 1 Jan 2010, just over one in five Australian employees had made a request for a change in work arrangements for a sustained period of time (ie longer than a month).

Those making requests had significantly worse work-life interference than those who have not.

Almost twice as many women as men made such requests: 29.1 per cent compared to 16.3 per cent of men. Almost one in two mothers of preschoolers made such requests, one in three mothers of children under 16 years, and a quarter of women without children. Thus, many workers without parenting responsibilities seek flexibility, especially women.

Younger workers and those with parenting responsibilities are more likely to make flexibility requests. Casuals and permanents have similar rates of request, and feminised industries and occupations have much higher rates of request than male-dominated industries and occupations.

The incidence of request making is consistent for women regardless of their personal income. However, higher income men are less likely to make a request for flexibility than lower income men.

The rate of request making appears to be higher in Australia than in the UK. However, this may reflect differences in methods of data collection.

Why workers ask: what they want

People seek flexibility for diverse reasons. Most common amongst Australian women are childcare needs, although accommodating study is an important driver for both women and men. Men are more likely to be motivated by the quest for a change of job or to find more interesting work. Childcare is a much stronger motivator for requests in the UK than in Australia, perhaps reflecting the UK's less developed childcare system.

Employees are seeking very diverse kinds of flexibility arrangements in Australia, while part-time work is more commonly sought in the UK. It is important, therefore, that in Australia the definition of the kinds of flexibility that can form the legal basis for a request remains as open as possible.

The outcome of requests

Just over two-thirds of requests made in Australia (68.8 per cent) were fully granted. This is lower than in the UK where around three-quarters were fully granted. The rate of refusal is around one in ten in both countries. The remainder of requests were partially granted or still under consideration.

Women's, part-timers' and mothers' requests are more likely to be granted than men's, full-timers' or non-parents' and – reflecting these factors – those on lower incomes are more likely to have their requests agreed.

How much does request making matter to work-life interference?

Having a request fully granted is significantly associated with lower work-life interference. There is no significant difference in the work-life interference between those whose requests were refused compared to those whose requests were partially granted.

This analysis suggests that the new legislated 'right to request' might not make much difference to the fifth of workers who already make such requests, two-thirds of whom get what they want. However, many others who have never made such requests might be encouraged to do so by the new legislative right, and – if the UK experience is any guide – the rate of agreement to requests may increase as the new law takes effect. If this occurs, it will have a positive impact upon the work-life interference of those who seek and get more flexibility. Finally, having a right to request, and getting requests granted, matters to more workers than just parents of preschoolers: many parents of school-aged children – especially mothers – also seek flexibility, as do many workers – especially women – who are not parents. For instance, carers of sick or frail adults would benefit significantly from flexible work arrangements.

Many parents – and most mothers – are likely to take advantage of such opportunities, and one in four women who do not have children are also likely to see benefits, to seek flexibility and – where it is granted – to benefit from its provision. This creates plenty of scope and good arguments for expansion in the right to request to a wider range of Australian workers in the future.

Work-life and participation in education or training

AWALI 2009 examines the relationship between work-life interference and participation in education and training. We find a clear relationship between education and training and work-life interference. Those with higher levels of qualifications, particularly university qualifications, are more likely to have high levels of work-life interference. This is particularly the case for women. Much of this effect is most likely due to the close association between educational qualifications and occupational status, with the majority of those with a university education engaged in managerial or professional work which is associated with worse work-life interference.

What stands in the way of participation in education or training?

The majority of employees who were not in education or training at the time of the survey, around 60 per cent, agree that education and training can bring benefits and that their employer would support their participation. Yet work-life issues appear to be significant barriers to their participation in education and training. This is particularly the case for women. Nearly 80 per cent of full-time women who are not in education or training say they do not have sufficient time to take on education or training, and two-thirds of their part-time counterparts agree. Nearly 60 per cent of full-time women say that education and training would not fit in with their other work and life commitments.

Policy implications for education and training

Work-life fit issues prevent a significant proportion of employees from engaging in education and training and gaining the associated personal and employment benefits, even when workers agree that participation would bring such rewards and that their employer would support their participation. Time constraints are a major barrier; there is not much room in many workers' lives to add another activity or commitment. The challenge for employers and training providers is to develop realistic strategies for participation that enable workers to manage all of their work, life and family commitments.

Shifting to part-time work is not likely to be sufficient, especially for women: nearly 70 per cent of part-time women not in education or training say they don't have time to study. Options such as paid study leave or integrating education and training into paid work time would help.

These findings suggest that women face greater work-life barriers in relation to attaining higher qualifications. Work-life fit issues make their pursuit of education and training more difficult than for men. Given that human capital considerations continue to play a role in explaining the gender pay gap in Australia, reducing work-life barriers to education and training is an important policy aspiration.

Demands and resources: what matters to better work-life interference?

AWALI surveys from 2007 to 2009 tell us that work-life spillover affects many Australian workers and that such spillover is much more significant than the reverse effect of life-to-work spillover. Particular personal, household and workplace circumstances create demands and deny resources to workers, resulting in high levels of work-life interference. These include - on the personal and home front - more caring responsibilities, longer commutes, being middle aged (34-55 years), and having higher levels of education. On the work front, circumstances that increase demands include:

- having an unsupportive supervisor or workplace culture
- feeling overloaded
- working longer hours
- having a poor quality job with little control
- having little flexibility about when and how one works
- having a poor fit between actual and preferred hours of work
- being insecure at work
- being a manager or professional.

Casual workers, the self-employed or those working in the public sector do not have better work-life interference than permanent workers, employees or those in the private sector when they work similar hours.

Working time matters

Many aspects of working time show up in our analysis as important in driving poorer work-life interference. It is surprising how many Australian workers feel overloaded, frequently rushed or pressed for time, or do not have a reasonable fit between their preferred and actual hours of work: more than half in each case. Each of these is associated with worse work-life interference, as is working unsocial hours at weekends or at night.

Job quality also matters

Workers in poorer quality jobs (ie those characterised by poor job security, work overload, low levels of time and task autonomy, low flexibility and low job satisfaction) have worse work-life interference than those in better quality jobs. Managers and professionals usually have the worst work-life interference and this is a particular concern in view of their pivotal role in modeling workplace standards and managing staff. The work of managers and professional is often characterised as boundary-less; it can be done in many locations at any time of the day (or night, or weekend), often assisted by new technologies. In addition to the tendency of managers and professionals to work longer work hours than those in other occupations, the lack of temporal or physical boundaries to their work may increase their risk of work-life interference. It is important to note, however, that previous AWALI surveys have shown that many workers, not just managers and professionals, feel overloaded at work. This is strongly associated with worse work-life interference, as is an unsupportive organisational culture. This is consistent with research in other countries (Higgins, Duxbury & Johnson, 2004).

The economic slowdown and work-life interference

AWALI 2009 shows that the economic slowdown is not associated with less negative spillover from work to the rest of life for most workers: indeed for women in particular it is associated with worse work-life interference, especially for full-time women. It may be that women are feeling under pressure to increase their attachment to paid work in view of the rising insecurity in the labour market, and to up their work rate to keep their jobs – against the background of little change in their ongoing responsibility for the great bulk of unpaid work and care on the home front. The high levels of pressure and time strain felt by working women – whether full-time or part-time – as well as by those working long hours or with a poor fit between their actual and preferred hours, suggest that there is much that can be done to improve the work-life outcomes experienced by working Australians. AWALI 2009 shows that getting a positive answer to a request for flexibility can very significantly reduce work-life interference, making new rights on this front of importance. However, many workers want to reduce their working hours and helping them find a better fit between their actual and preferred hours – and avoiding long hours of work – are also likely to improve work-life outcomes.

Given the long term ageing of the Australian workforce it is a concern that so many workers especially women seem to be responding to feelings of time stress by wanting to work less, even taking account of the impact on their earnings. This suggests that increasing the overall participation rate in Australia is going to require changes in the pace, configuration and pressures of work, and the way that work fits with the rest of life.

What is to be done?

Our AWALI reports over the past three years suggest that employers and public policy makers can help workers deal with work-life pressures. This involves improving the quality of supervision and workplace culture, controlling workloads, designing ‘do-able’ jobs, reducing long working hours and work-related commuting, increasing employee-centered flexibility and options for permanent part-time work, improving the fit between actual and preferred hours and increasing care supports.