

STUDY OF OVERTIME WORKING IN IRELAND

MAIN REPORT

By:

L. Brennan  
A. R. Gault  
M. E. J. O'Kelly

Department of Industrial Engineering,  
University College,  
Galway,  
Ireland.

For:

Commission of the  
European Communities

STUDY OF OVERTIME WORKING IN IRELAND

MAIN REPORT

By:

L. Brennan, et al  
A. R. Gault  
M. E. J. O'Kelly

For:

[Commission of the  
European Communities

Department of Industrial Engineering,  
University College,  
Galway,  
Ireland.

S U M M A R Y

This is a study of overtime working in the non-Agricultural sectors of the Republic of Ireland's economy. Three aspects of overtime are examined: its extent, the reasons it is used and the employment potential associated with a reduction in overtime levels.

The findings are based on a questionnaire administered to the management of a large sample of Irish enterprises. Additionally the views of employer and employee bodies were obtained and related research findings considered.

It is estimated that for the year ending June 1979 about 75 million hours of overtime were worked. On the basis of a direct translation of these hours into 40 hour per week jobs this is equivalent to around 40,000 full-time jobs. However, the study shows that only 12,000 jobs could be created by eliminating overtime. Indeed it appears that in any reduction of overtime only at most 30% of the hours will be translated into full-time jobs.

Many reasons are revealed for using overtime. In the main these appear to be pragmatic (e.g. to cope with fluctuating demand). Those relating to labour shortages or the cost of labour are less important.

There is scope for increasing employment by reducing overtime. The best method might be an effectively enforced annual limit. However, any method will raise capital costs and tend to reduce output.

This study was financed by the Irish Government Departments of Labour and of Economic Planning and Development and by the Commission of the European Communities. The analysis and results presented do not necessarily reflect the views of these bodies nor do they commit them to a particular view of the labour market or to any particular policy.

The report has been made available for information only. It should not be quoted or referred to in published material without the authority of the Commission.

Enquiries relating to the study should be addressed to the Directorate General for Employment and Social Affairs - attention of Division V/B/3 - Commission of the European Communities - 200, rue de la Loi - 1049 Bruxelles.

A C K N O W L E D G E M E N T S

Our thanks are due to many individuals and organisations for their co-operation and assistance in this study.

We wish to acknowledge the co-operation received from the management and staff of the large number of firms who responded in the survey.

Our thanks is also due to the survey field staff drawn from the Economic and Social Research Institute's Survey Unit, the National Manpower Service and the Social Science Research Centre at U.C.G.

We are particularly grateful to Mr. J. Corcoran, Department of Labour, Mr. F. Larkin, Department of Finance (formerly of the Department of Economic Planning and Development) and Herr A. Bunz, E.E.C. Commission who made a number of important individual inputs to the work.

The willing assistance and co-operation of the following individuals is very much appreciated.

Mr. D. Bell	
Mr. R. Hart	Strathclyde University, Glasgow.
Mr. F. X. Kirwan	
Dr. P. Bourke	U.C.C.
Mrs. Corbett Stanley	E.S.R.I.
Dr. P. Frain	N.B.S.T. (formerly of C.S.O.)
Mr. B. Geoghegan	C.S.O.
Mr. J. Lynch	C.I.I.
Dr. E. McCarthy	F.U.E.
Prof. M. F. McHugh	U.C.G.
Mr. D. Nevin	I.C.T.U.
Mr. M. O'Connell	Dept. of Finance (formerly of Department of Economic Planning and Development)
Mr. C. O Feintheadha	National Manpower Service
Mr. E. R. O'Neill	Dept. of Labour
Dr. A. O'Reilly	AnCO
Mr. J. Power	AnCO
Mr. B. Whelan	E.S.R.I.



<u>CONTENTS</u>	<u>Page</u>
SUMMARY	(i)
ACKNOWLEDGEMENTS	(ii)
CONTENTS	(iii)
LIST OF TABLES	(ix)
 Section 1.	
1. INTRODUCTION	1
1.1 Introduction	1
1.2 European background	1
1.3 Irish background	1
1.4 Reasons for this study	3
1.5 Objectives of the study	4
1.6 Methodology	4
1.7 Preview	5
1.8 Conclusion	6
 Section 2	
2. LEGISLATIVE POSITION ON HOURS OF WORK	7
2.1 Introduction	7
2.2 Limits and entitlements under the legislation	7
2.3 Employer-Labour Agreements	9
2.4 Conclusion	10
 3. CURRENT DATA SOURCES ON HOURS OF WORK IN IRELAND	
3.1 Introduction	11
3.2 Quarterly Industrial Inquiry	11
3.3 Labour Force Sample Surveys	14

3.4	Labour Costs Surveys	16
3.5	Structure and Distribution of Earnings Survey	18
3.6	Future Survey Results	18
3.7	Conclusion	18
4.	WORK-SHARING IN IRISH ECONOMIC POLICY	20
4.1	Introduction	20
4.2	Employment Policy Requirements	20
4.3	Work-sharing	21
4.4	Conclusion	23
5.	E.E.C. DEVELOPMENTS	24
5.1	Introduction	24
5.2	Initial Commission statement	24
5.3	Subsequent Developments	25
5.4	Communication from the Commission of May 1979 and Conclusions fo the Council Meeting of May 1979	26
5.5	Opinion of Economic Policy Committee	27
5.6	Council Resolution of November 1979 on the re-organisation of working time	27
5.7	Possible work-sharing measures	28
5.8	Conclusion	31
Section 3		
6.	HOURS OF WORK AND EMPLOYMENT	33
6.1	Introduction	33
6.2	Overtime	33
6.3	Empirical studies	34
6.4	Raising the Overtime Premium	35
6.5	Non-wage costs in Ireland	36

6.6	Conclusion	37
7.	STUDIES UNDERTAKEN ON WORKSHARING	38
7.1	Introduction	38
7.2	Econometric Simulations	38
7.3	French Studies	39
7.4	Belgian Studies	40
7.5	Dutch Studies	41
7.6	British Studies	42
7.7	German Studies	43
7.8	Conclusion	44
8.	RESPONSES TO WORKSHARING SUGGESTIONS	45
8.1	Introduction	45
8.2	NESC response to Green Paper suggestions on Work-sharing	45
8.3	Other reactions to work-sharing proposals	45
8.4	Conclusion	47
9.	EMPLOYMENT AND TRADE UNION ATTITUDES	49
9.1	Introduction	49
9.2	F.U.E. views	49
9.2.1	Introduction	49
9.2.2	Shorter Weekly Working Hours	50
9.2.3	Early Retirement	53
9.2.4	Overall Viewpoint	54
9.3	C.I.I. views	54
9.3.1	Introduction	54
9.3.2	Reduction in the incidence of overtime	55
9.3.3	Early Retirement	56

9.3.4	Reduction in the length of the standard working year	56
9.3.5	Overall viewpoint	56
9.4	I.C.T.U. views	57
9.4.1	Introduction	57
9.4.2	Overtime	57
9.4.3	Other measures	58
9.4.4	Overall viewpoint	58
9.5	Conclusion	59

#### Section 4

10.	THE PRACTICE AND EXTENT OF OVERTIME WORKING IN IRELAND	61
10.1	Introduction	61
10.2	Practice of overtime	62
10.2.1	Practice of overtime working by sector and activity grouping	62
10.2.2	Practice of overtime working by employment size of firm	63
10.2.3	Practice of overtime working and use of shiftworking by firms	64
10.2.4	Practice of overtime working and the level of standard hours	65
10.2.5	Practice of overtime and the level of non-attendance among employees	67
10.2.6	Trade Union membership levels and the Practice of Overtime	67
10.3	Frequency of Overtime Working	68
10.4	Extent of Overtime Working	69
10.4.1	Annual Overtime Working	70
10.4.2	Estimates of the amount of annual overtime working	73
10.4.3	Overtime working during reference week	76
10.5	Rates applicable to Overtime Hours	87
10.5.1	Production Sector	

10.5.2	Service Sector	
10.6	Management attitude to overtime	
10.7	Details related to the practice of overtime within firms	91
10.7.1	Reviewing the practice of overtime within firms	91
10.7.2	The Overtime Decision	93
10.7.3	Productivity and Overtime	94
10.7.4	Trade Union and employee attitudes to overtime as perceived by management	97
10.7.5	Other details on overtime	97
10.8	Reasons for overtime working	99
10.8.1	Spontaneous reasons	100
10.8.2	Evaluation of prompted reasons by firms on overtime - basic analysis	109
10.8.3	Prompted reasons - analysis of weighted evaluations	116
10.8.4	Overall evaluation of reasons for overtime	120
10.9	Circumstances required to reduce overtime working	122
10.9.1	Spontaneously supplied conditions	123
10.9.2	Evaluation of prompted conditions - basic analysis	128
10.9.3	Prompted conditions - analysis of weighted evaluations	133
10.9.4	Overall evaluation of conditions required to reduce overtime	133
10.10	Attempts by firms to reduce overtime	136
10.11	Firms not working overtime in 12 months prior to survey	140
10.12	Non-remunerated overtime hours	143
10.13	Conclusion	145
11.	EMPLOYMENT AND OVERTIME	151
11.1	Introduction	151
11.2	Potential for replacing overtime with jobs	151
11.2.1	Firms assessment of employment possibilities	151
11.2.2	Estimates of employment possibilities	153
11.3	Impact on firms of measures to eliminate or reduce overtime	153

11.3.1	Overtime eliminated by law 12 months previously	160
11.3.2	Overtime eliminated by law 3 years previously	161
11.3.3	Maximum weekly hours per employee restricted to 50 12 months previously	162
11.3.4	Maximum annual limit set on overtime 12 months previously of 150 hours per employee with any additional hours worked to be compensated with time off in lieu	163
11.3.5	Overtime rates set at double time for all overtime hours 12 months previously	165
11.4	Further possibilities in reducing overtime	166
11.4	Conclusion	168
12.	CONCLUSION	171
12.1	Introduction	171
12.2	Extent of overtime working	173
12.3	Reasons for overtime working	175
12.4	Scope for job creation	183
12.5	Measures to reduce overtime	184
12.6	Conclusion	185

APPENDICES - VOLUME 2

1.	DATA ON HOURS OF WORK
2.	WORK-SHARING - E.E.C. DEVELOPMENTS
3.	SUMMARY OF MEASURES TAKEN IN THE MEMBER STATES OF THE COMMUNITY
4.	OVERTIME, EMPLOYMENT AND OUTPUT
5.	DETAILED SURVEY RESULTS ON OVERTIME
6.	DETAILED SURVEY RESULTS ON EMPLOYMENT
7.	CATEGORIES RELATING TO REASONS AND CONDITIONS ASSOCIATED WITH OVERTIME
A.	SURVEY PROCEDURES
	Bibliography

LIST OF TABLESPAGES

Table 1.1	Labour Statistics for 1975 and 1977	2
Table 2.1	Limits under the Conditions of Employment Act and Shops Act on hours of work	7
Table 2.2	Hours of Work for Young Persons	8
Table 2.3	Exemptions granted on hours of work	9
Table 3.1	Distribution of average hours worked by men in a week in each of the periods cited for the 48 industry branches	12
Table 3.2	Average hours worked per week for all industrial workers for the second quarter of 1978 for the industries specified	14
Table 3.3	Average number of hours worked by employees by economic activity	15
Table 3.4	Annual hours worked in the Services Sector in 1974	17
Table 3.5	Hours actually worked during 1975 per manual worker and customary hours of work during the year per non-manual worker in industry	17
Table 10.1	Percentage of respondents in sample within the Production and Service sectors working overtime in the 12 months up to June 1979.	63
Table 10.2	Distribution of firms within the Production sector by the use of shiftwork and the practice of overtime	64
Table 10.3	Distribution among firms of standard hours by occupational groups	66
Table 10.4	Overtime frequency by sector	68
Table 10.5	Distribution among firms on overtime of the percentage of employees engaged in overtime for the 12 month period up to June 1979	70
Table 10.6	Distribution among firms of the level of overtime hours worked per employee on overtime over 12 months	72

10.7	Distribution among firms of the average weekly level of overtime hours per full-time employee averaged over the working year	73
10.8	Estimates of the annual amount of overtime hours worked by activity grouping for the Production sector and the numbers engaged	74
10.9	Estimates of the annual amount of overtime hours worked by activity grouping for the Service sector and the numbers engaged.	75
10.10	Distribution among firms of the percentage of employees engaged in overtime for the reference week in June 1979	77
10.11	Percentage of total full-time workforce engaged in overtime for reference week by occupational group	77
10.12	Distribution among firms of the level of overtime worked per employee on overtime for the reference week	79
10.13	Distribution among firms working overtime of the average level of overtime hours per full-time employee for the reference week	79
10.14	Distribution among employees of the level of overtime hours worked for the reference week by sector	81
10.15	Average overtime hours worked for the reference week by employees on overtime among firms surveyed by activity grouping for the Production Sector.	83
10.16	Average overtime hours worked for the reference week by employees on overtime among firms surveyed by activity grouping for Service sector	84
10.17	Estimates of total amount of overtime hours worked and numbers engaged for reference week in the Production Sector	85
10.18	Estimates of total amount of overtime hours worked and numbers engaged for reference week in the Service sector	86
10.19	Distribution of overtime rates within firms for (a) Production and (b) Service sectors	88
10.20	Firms opinion as to how overtime levels will change over the 12 months following the survey	90
10.21	Percentage of firms who reviewed the practice of overtime indicating the following results of their review for the Production and Service sectors	92
10.22	Percentage of firms who indicated the following as decision makers on overtime working	94



Table 10.23	Firms views of level of productivity during overtime hours by sector.	96
Table 10.24	Firms views of effect of overtime working on productivity during standard hours	96
Table 10.25	Distribution of firms responses in relation to their perception of (a) trade union attitudes and (b) employee attitudes to overtime	98
Table 10.26	Most important reasons for working overtime cited by 2% or more of respondents in the Production sector	101
Table 10.27	Most important reasons for overtime working cited by 2% or more respondents in the Services sector	102
Table 10.28	Ordering of most important reasons cited by respondents in the Production sector for overtime working when weighted by the amount of overtime worked	104
Table 10.29	Ordering of most important reasons cited by respondents in the Services sector for overtime working when weighted with the amount of overtime worked.	105
Table 10.30	Reason most often cited within each of the activity groupings of the Production Sector as being most important for working overtime	108
Table 10.31	Reason most often cited within each of the activity groupings of the Service sector as being most important for overtime working	108
Table 10.32	Responses to prompted reasons for working overtime in Production sector	110
Table 10.33	Responses to prompted reasons for working overtime in Service sector	113
Table 10.34	Ranking of prompted reasons cited as very important in the Production sector as a result of weighting procedure	118
Table 10.35	Ranking of prompted reasons cited as very important in the Service sector as a result of weighting procedure	119
Table 10.36	Circumstances cited by 3% or more firms within the Production sector which would make it possible to reduce overtime working	124
Table 10.37	Circumstances cited by 3% or more firms within the Service sector which would make it possible to reduce overtime working	125

Table 10.38	Ranking of most important conditions under which overtime could be reduced when weighted with the amount of overtime worked in the Production sector	127
Table 10.39	Ranking of most important conditions under which overtime could be reduced when weighted with the amount of overtime worked in the Service sector	128
Table 10.40	Evaluation of conditions required to reduce overtime by firms in the Production sector	129
Table 10.41	Evaluation of conditions required to reduce overtime by firms in the Service sector	
Table 10.42	Ranking of major conditions cited as very much applicable in reducing overtime by firms after being weighted with overtime hours for the Production sector	134
Table 10.43	Ranking of major conditions cited as very much applicable in reducing overtime by firms after being weighted with overtime hours for the Service sector	135
Table 10.44	Effects of attempts in reduction of overtime on overtime, employment, productivity, labour and capital costs by sector	138
Table 10.45	List of most important reasons for not working overtime cited by 4% or more of firms not working overtime within (i) the Production sector and (ii) the Service sector	139
Table 10.46	Distribution of firms not now working overtime by the frequency of overtime working formerly undertaken in the firm	141
Table 10.47	Percentage of employees within the surveyed firms on non-remunerated overtime	
Table 10.48	Estimates of annual non-remunerated overtime hours worked and number of employees engaged by sectoral activity groupings	
Table 10.49	Overtime working in Ireland over 12 month period up to June 1979	146
Table 10.50	Overtime working in Ireland for reference week in June 1979	147

Table 11.1	Distribution of firms within Production and Services by the number of jobs that could be created by replacing overtime with additional full-time employees	152
Table 11.2	Estimated number of jobs that could be created within firms by replacing overtime with additional employees	154
Table 11.3	Estimates of the overall effect on full-time employment of the measures cited for both sectors	155
Table 11.4	Effect on overtime working of various measures designed to reduce it in Production and Service sectors	157
Table 11.5	Anticipated effects of various measures designed to reduce/eliminate overtime by firms in Production sector	158
Table 11.6	Anticipated effects of various measures designed to reduce/eliminate overtime by firms in Service sector	159
Table 12.1	Summary of major results on overtime working for 12 month period to June 1979	174
Table 12.2	Summary of major results on overtime working for reference week in June 1979	174
Table 12.3	Percentage of overtime hours associated with the following categories of reasons for overtime working for unprompted and prompted responses in both sectors	180
Table 12.4	Percentage of overtime hours worked associated with the following categories of conditions required to reduce overtime working for unprompted and prompted responses in both sectors	181

Section 1

# 1.

## 1. INTRODUCTION

### 1.1 Introduction

This is a study of overtime working in the Republic of Ireland. Basically, the purpose of the study is to examine the potential for increasing employment by reducing overtime working. Unemployment is a continuing problem in Ireland and throughout the E.E.C. as a whole. Thus while of particular relevance for Ireland the findings of the study are expected to be of much wider interest.

In this introductory chapter the background to the study and the reasons for it are outlined. The objectives of the study are detailed and a description of the methodology employed is presented. The chapter concludes by outlining the contents of the subsequent chapters of this report.

### 1.2 European background

Within Europe the recession, combined with the greater number of young people coming onto the labour market and the higher participation rates among the female population has raised questions about the ability of the economy to absorb the labour supply given reliance on traditional means of employment generation. While the rate of growth in the numbers of young people on to the job market is expected to decline in the coming years, the restructurings within industry provoked by technical change and external competition ensure a continued problem of unemployment. Consequently the concept of Work-Sharing as a means of job creation has evoked considerable interest particularly at E.E.C. (Community) level.

### 1.3 Irish background

Within Ireland the picture is somewhat dissimilar. Emigration was

up to the seventies the main outlet for the labour surplus which was exacerbated by the continuous decline in agricultural employment. The Census of Population figures for 1971 revealed however, increases over the previous decade in population and total numbers at work. The population trend has continued upwards over the past decade and appears likely to continue to do so into the next decade. The total numbers at work which continued to increase up to 1974 decreased however (as a result of the 1975/76 recession) from 1,067,000 to 1,034,000 in 1975 with employment in industry showing a marked decline. By 1978 with the total numbers at work at 1,048,000 the decline had reversed somewhat. (1) The fall in agricultural employment which continued throughout the past decade is likely to persist for some years to come. This together with an inevitable level of redundancy arising in other areas of employment increases the size of the challenge facing Ireland in the provision of employment for its expanding population.

The following information in Table 1.1 is obtained from the E.E.C. Labour Force Sample Surveys conducted in 1975 and 1977.

Table 1.1 Labour Statistics for 1975 and 1977

Year	1975	1977
Population in private households	3,038,000	3,101,000
Labour Force	1,114,000	1,107,000
Labour Force as a percentage of total population	36.7%	35.7%
Unemployed persons	107,000	101,000
Unemployed persons seeking a first time job as a proportion of total unemployed	24.7%	15.8%
Unemployment ratio	9.8%	9.2%

The major points to be noted from the table are the high unemployment ratios which are considerably higher than is the case for any of our Community partners and the high proportion of those unemployed seeking a first time job.

The structure of the population distribution among age-groups revealed in the 1977 survey shows that over 40 percent of the population are in the 0-19 age group and that the percentage in the 0-14 age group greatly exceeds that in other Community countries. This offers some appreciation of the extent to which the demand for employment opportunities will manifest itself in the coming years.

Accordingly Work-Sharing has been proposed as a possible means of job creation over and above that provided by traditional means.

#### 1.4 Reasons for this study

A number of possible work-sharing strategies exist. This study concentrates on the overtime aspect of work-sharing. This is mainly attributable to the following reasons.

There is an absence of information currently available on the incidence of overtime working in Ireland. This is a serious lack given the increasing emphasis on the volume of work in employment policy considerations. Thus the need exists to provide some information on the extent of overtime working.

Given the general feeling among those concerned that reduction in the incidence of systematic overtime working might represent a work-sharing strategy with scope for job creation an examination of this

possibility seemed appropriate.

Within the Community a movement is taking place towards the drafting of an agreed framework on the control of overtime. This adds to the need to have some information available on the incidence of overtime working in Ireland and the possible employment potential from a reduction in overtime hours.

### 1.5 Objectives of the study

Arising from considerations such as those outlined above, this study of overtime working was commissioned. It was jointly sponsored by the Department of Labour and Department of Economic Planning and Development, Dublin, and by the E.E.C. Commission, Brussels. The objectives of the study were threefold and were set out as follows:

- (i) To study the extent of overtime working in the non-agricultural sectors of employment in the Republic;
  - (ii) To examine the reasons for overtime working;
- and
- (iii) To evaluate the number of additional jobs which might result from the curtailment of overtime working.

### 1.6 Methodology

The methodology involved in the study involved four approaches. These are described below.

- (i) A sample survey of about 1500 firms and organisations was undertaken within the Production and Service Sectors of the economy. A questionnaire seeking information on the incidence and reasons for overtime, probing the employment implications of measures related to overtime and examining other aspects of the undertaking thought to be of interest was designed for both sectors. The questionnaire



was administered to the management of the surveyed firms and organisations.

This approach was adopted because of the lack of available statistics. A sample survey carried out at establishment/enterprise level was considered the most reliable method possible of collecting data on the extent of overtime. Furthermore it was considered that management at the level of the individual firm would be best able to evaluate the reasons for overtime and the employment potential which might exist. As the study was concerned with the consequences of a reduction in overtime for a number of firm variables, such as employment, costs and output, the study does not deal with the position and attitude of the individual employee.

- (ii) Employer organisation attitudes were assessed on the basis of their published viewpoint and discussions held with them.
- (iii) The trade union viewpoint was sought in a similar manner.
- (iv) Examination of views on overtime and related worksharing ideas in recent Irish economic planning documents and given by the E.E.C. Commission and other researchers.

The various aspects of the methodology are discussed in more detail at later stages and in Appendix A.

## 1.7 Preview

The report is divided into four further sections. Section 2 deals with the environment of the overtime question. This concerns the current legislative position and the data currently available on hours of work. The economic policy aspects of work-sharing are also presented.

The following Section examines some studies which have been undertaken at various levels in relation to overtime and other worksharing proposals. It also presents some Irish viewpoints on work-sharing and the views of

employer and trade union bodies.

Section 4 contains the results of the survey undertaken throughout the non-Agricultural Sectors of the economy. Results are presented of the nature and extent of overtime working and the reasons for overtime working. The scope for extra jobs from overtime is examined.

Finally the principal findings and conclusions of the study are presented in Section 5. This is the section which will probably be of widest interest particularly on an initial reading. It can be interpreted without prior consideration of the intervening sections.

## 1.8 Conclusion

The reasons for this study have been outlined, and the aims and methodology used have been given. The next section considers in some detail the context within which this study took place.

- the current legislation on hours of work
- the current knowledge of the distribution of hours of work
- the statements on work-sharing in Irish economic policy documents and by the E.E.C. Commission.

6

Section 2

## 2. LEGISLATIVE POSITION ON HOURS OF WORK

### 2.1 Introduction

This chapter deals briefly with the present legal position in relation to hours of work. This is governed by the Conditions of Employment Act 1936, the Shops (Conditions of Employment) Act 1938 and the Holidays (Employees) Act 1973.

### 2.2 Limits and entitlements under the legislation

The Conditions of Employment Act covers the area of industrial work and the Shops Act cover retail, wholesale and hotel work. They provide for the limits indicated on hours of work in the following table for adults.

Table 2.1 Limits under the Conditions of Employment Act and the Shops Act on hours of work

Limits on Hours of Work				
1. Normal Hours	Industrial Work		Service Work	
	Day (i.e. non shift)	Shift	Shop	Hotels
a) Daily	9 hours	9 hours	11 hours	11 hours
b) Weekly	48 hours	a) Continuous process 56 hours b) Licensed Average weekly hours over 3 consecutive weeks not to exceed 48	48 hours	56 hours

Table 2.1 (continued)

2. Uncontrolled Overtime (i.e. Overtime not requiring permit and above those specified under Normal hours)			
	Industrial Work	Shop	Hotels
a) Daily	2 hours		
b) Weekly	12 hours	12 hours	10 hours
		Total Working time of:	
c) 4 consecutive weeks	36 hours	216 hours	240 hours
d) Annual	240 hours	2,600 hours	2,900 hours

The Protection of Young Persons Act 1977 provides the legal position for any young people under the age of 18 years. It lays down in the case of those between 16 and 18 years the hours of work given in the table below.

Table 2.2 Hours of Work for Young Persons

Period	Normal Hours of Work	Maximum Hours of Work
In any day	8	9
In any week	40	45
In any 4 weeks		172
In any year		2,000

The various acts mentioned above stipulate that hours above normal must be paid at not less than the normal rate of pay increased by 25%. Additionally the 1936 and 1938 Acts allow the Minister to authorise overtime

above the specified limits by granting permits under the act. The number of such permits issued during the past five years is tabulated below.

Table 2.3 Exemptions granted on hours of work

1975	1976	1977	1978	1979
4	4	3	3	2

The nature of the permits varies considerably, but adult workers have been permitted to work hours varying from 12 to 13 hours in any ordinary day and 5 to 10 hours in any short day.

Holidays are regulated under the Holidays (Employees) Act, 1973 which provides for 15 days annual leave for all employees and 8 days Public Holidays. The National Understanding on Economic and Social Development has however, increased the entitlement to 17 days annual leave for all employees.

### 2.3 Employer-Labour Agreements

The actual situation in practice is somewhat different from that which is cited in the legislation insofar as conditions of employment and standard hours of work particularly are concerned. The standard working week for employees is now generally 40 hours and in some cases less having been reduced from the level of 42.5 hours which existed in the mid-sixties. Collective agreements and Joint Labour Committees have the 40 hour week established as standard. Overtime rates in most private Sector employment are higher than time and a quarter. Thus the legislation is considerably outdated. The question of introducing legislation

to reduce the statutory limit on adult working hours is however, under consideration.

#### 2.4 Conclusion

The current legislative position has been outlined, and it has been remarked that this is now generally out of step with actual employer-labour agreements. Having considered the legal context the information available prior to this study on hours worked in Ireland will be discussed.

### 3. CURRENT DATA SOURCES ON HOURS OF WORK IN IRELAND

#### 3.1 Introduction

This chapter examines a number of published sources of data on hours of work. These are:-

- (1) The Quarterly Industrial Inquiry of the Central Statistics Office (C.S.O.)
- (2) Labour Force Surveys conducted by the C.S.O. on behalf of the E.E.C.
- (3) Labour Costs Surveys conducted by the C.S.O. on behalf of the E.E.C.
- (4) Structure and Distribution of Earnings Surveys conducted by the C.S.O. on behalf of the E.E.C.

The information available from these surveys is outlined and some pertinent details which emerge are highlighted.

#### 3.2 Quarterly Industrial Inquiry

The data for the Quarterly Industrial Inquiry is collected from a sample of all manufacturing industry and Mining, Quarrying and Turf i.e. the Transportable goods industries. Data on hours worked and employment is collected by the Central Statistics Office (C.S.O.) for a reference week in each quarter and for the quarter as well in the case of hours worked. The data on hours worked includes the normal working hours of employees on holidays or sick leave with pay and also includes overtime hours on the basis of actual hours worked. The data on hours worked is produced by 48 industrial groupings and for males and females for a week in each quarter. Average hours worked per week are also calculated for all industrial workers for each branch.

Appendix I provides for 1970-78 details on the average hours worked



by both male and female industrial workers in a week for each quarter over the period. Average hours worked per week for all industrial workers are also presented for each quarter. There is a considerable difference in average hours worked between male and female industrial workers. Furthermore, the figures presented indicate a substantial drop in hours worked during 1975 and part of 1976 as a result of the recession. This indicates that hours of work by male workers tend to be higher than is the case with female workers and that the level of hours worked is responsive to changes in demand conditions.

The distribution of average hours worked by men in a week in each of the 5 quarters from June 1977 to June 1978 is given in the table below. The distribution of average hours worked per week for all industrial workers is given in Appendix I. These distributions are calculated from the figures provided in the Quarterly Inquiry and are for the 48 industry branches.

Table 3.1 Distribution of average hours worked by men in a week in each of the periods cited for the 48 industry branches

Period	% of Industries with average hours worked per week					Total Industries
	Under 40	40-41	42-44	45-49	50 +	
June 1977	23%	21%	31%	21%	4%	100%
Sept. 1977	2%	21%	31%	31%	8%	100%
Dec. 1977	2%	23%	44%	25%	6%	100%
Mar. 1978	21%	31%	23%	23%	2%	100%
June 1978	21%	29%	27%	19%	4%	100%

Source: C.S.O.

The table reveals that a substantial percentage of industry branches work in the case of men 45 hours or more per week. The industry branches for which male workers usually work an average of 45 hours or more in the week are:

Mining, Quarrying and Turf

Creamery butter

Grain milling

Sugar

Margarine

Malting

Brewing

Aerated and Mineral Waters

Cement

Assembly

It can be noted that many of these industries have seasonal peaks in their operations e.g. Sugar, Brewing. A number of other industry branches work well in excess of an average 40 hours per week in the case of male industrial workers. The following table represents for the second quarter of 1978 the average hours worked per week for all industrial workers in the case of industry branches for which male workers usually work in excess of an average of 45 hours per week.

The C.S.O also do a quarterly enquiry on earnings and hours worked in the private building and construction industry. Average hours worked by skilled and unskilled operatives for a week in each quarter are presented for respondent firms. Skilled operatives generally work longer hours than semi-skilled and unskilled but both groups usually work in excess of an

Table 3.2 Average hours worked per week for all industrial workers for the second quarter of 1978 for the industries specified.

Industry	Average hours worked
Mining, Quarrying and Turf	48.3
Creamery butter	52.8
Grain Milling	48.8
Sugar <sup>1</sup>	43.7
Margarine	46.5
Malting	46.7
Brewing	50.4
Aerated waters and Mineral waters	46.9
Cement	46.4
Assembly	48.9

<sup>1</sup>The second quarter tends to be off peak for this industry

Source: C.S.O.

average of 44 hours in the week.

As explained above the data from the Quarterly Industrial Inquiry does not make any distinctions between standard hours and overtime hours. Thus all hours worked are taken together so that it is not possible to identify the separate contributions from standard hours and overtime hours.

### 3.3 Labour Force Sample Surveys

A total of three labour force sample surveys have been carried out. These have been undertaken every 2 years since 1975 - the latest one for

which the results are not yet available being 1979. The survey collects detailed information from a representative sample of the population on employment and related topics as well as some basic demographic information. The surveys results detail average number of hours worked by employees by economic activity and these are presented in the table below. Again no details are available as to the breakdown between standard hours and overtime hours.

Table 3.3 Average number of hours worked by employees by economic activity

Activity	1975	1977
Agriculture, Forestry and Fishing	49.1	48.5
Energy and Water	40.1	40.2
Minerals	42.9	41.8
Metal manufacture	40.8	42.0
Other Manuf. Industries	40.7	41.2
Building and Civil Eng.	42.2	42
Distributive Trades	41.7	41.5
Transport and Communication	41.3	41.7
Credit/Insurance	39	38.6
Public Administration	41.3	39.9
Other Services	37.7	37.6
Total	41	40.9

The breakdown by male and female is given in Appendix 1 which reveals that average hours worked by males tend to be significantly higher than females. A recent study by Zighera (2) on behalf of the E.E.C. Commission uses labour force sample survey data on hours of work. It states that on the assumption that all hours of work above 45 could be translated directly into new job units the increase in employment in the Republic would be of the order of 34,700. This takes the hours of employees only into account but it includes all employees engaged in all sectors of the economy irrespective of activity or size of the employment undertaking. Such a direct translation of hours into jobs needs to be treated with great caution.

#### 3.4 Labour Costs Surveys

These surveys are concerned with annual details of all costs associated with labour (wage and non-wage). Two such surveys have been undertaken. One related to the costs in 1974 in the Wholesale and Retail, Credit and Insurance activities of the Services Sector and the second related to costs in 1975 for the Industrial Sector.

In the case of the Services survey respondents were asked to report the annual customary hours worked by the bulk of their employees excluding overtime, paid annual holidays and all public holidays. Thus while annual customary hours are available no information was collected on overtime hours. The annual hours worked for the activities covered are given over.

In the case of the survey relating to the industrial sector annual hours worked were collected in the case of both manual and non-manual employees. In both cases it excludes paid holidays and public holidays.

Table 3.4 Annual hours worked in the Services Sector in 1974

Activity	Annual hours	Hours/Week <sup>1</sup>
Wholesale	1936	40.3
Retail	1907	39.7
Credit	1706	35.5
Insurance	1729	36.0

<sup>1</sup> Assuming a 48 week working year.

It includes overtime in the case of manual workers. If overtime hours are a regular and constant feature of the work of non-manual employees an allowance for them is included. However, the breakdown between the two sets of hours is not presented separately. The following table presents the results of the survey.

Table 3.5 Hours actually worked during 1975 per manual worker and customary hours of work during the year per non-manual worker in industry

	Mining and Quarrying	Total Manufacturing	Total all Industry	Hours/week <sup>1</sup>
Manual	2302	2038	2051	42.7
Non-Manual	1785	1849	1847	38.4

<sup>1</sup> Assuming a 48 week working year.

### 3.5 Structure and Distribution of Earnings Survey

This survey presents data on weekly duration of work in respect of the retail and wholesale, banking and credit groupings of the Services Sector. The survey results indicated that virtually all of the employees in banking and insurance worked 40 hours or less while in the case of the retail and wholesale groups there was a significant number working above 40 hours particularly among male employees.

### 3.6 Future Survey Results

Surveys of Labour Costs and the Structure and Distribution of Earnings are currently in progress in the Industrial, Retail and Wholesale, Banking, Credit and Insurance Sectors. The Structure and Distribution of Earnings survey will be seeking information on duration of weekly work under:

- (i) Contractual weekly hours
- (ii) Paid hours in reference week (manual employees)
- (iii) Overtime hours in reference week

This information will be collected from a one in five sample of employees for April 1979.

### 3.7 Conclusion

The various data sources on hours of work have been briefly examined and some of the major results of interest presented. The examination reveals that the current data is unsatisfactory. It fails to present either on an average weekly basis or an annual basis a breakdown of hours of work into standard hours and overtime hours. Thus it is not possible to identify the extent to which overtime working is being practised.

The levels of hours being worked as revealed by this data indicates that overtime hours are being worked. This would appear to be particularly the case in respect of male industrial workers in some industry branches.



#### 4. WORK-SHARING IN IRISH ECONOMIC POLICY.

##### 4.1 Introduction

The challenge posed by the provision of employment opportunities has already been referred to. This Chapter outlines the projected employment requirements as spelt out in the series of economic planning documents published in recent years. It then presents the role outlined in these documents for work-sharing in the context of providing full employment.

##### 4.2 Employment Policy Requirements

The White Paper "National Development 1977-80" (Jan. 1978) states that the "Government's employment aim is not merely to provide for the expected increase in the labour force but to reduce substantially the numbers out of work".

The White Paper employment estimations are based on the 1975 Labour Force Sample Survey and the NESC report (No. 35) on "Population and Employment Projections 1986: A Reassessment". The NESC report on the basis of allowing for an unemployment rate of 4 percent in 1986 estimated that the number of new jobs required would lie in the range of 23,000 to 28,000 per year over the period 1975 to 1986.

The White Paper estimates that the level of job provision sought would necessitate an annual net increase of non-agricultural employment of 29,000. This increase would cater for the increase in the labour force, the decline in agriculture and the unemployed. This after adjustment for the outflow from agriculture would represent an annual average net reduction in

the numbers out of work of 25,000 up to 1980.

The Green Paper "Development for Full Employment" (June 1978) discusses the implications of full employment by 1983. This target informs the policy objectives set in the subsequent White Paper "Programme for National Development 1978-81" (Jan. 1979) and is reviewed in the recent White Paper "Investment and National Development 1979-1983" (Jan. 1980).

The Green Paper sets out the requirements and the options possible if full employment is to be achieved by 1983. It estimates that on the basis of results from existing policies an increase of 13,000 in manufacturing and 9,000 in services employment is possible. This is however, 7,000 short of the target of an average of 29,000 jobs per annum required if the numbers without work were to be reduced to 80,000 by 1980. The Green Paper therefore sets out development options for action in the fields of agriculture, industry, services and infrastructure which if put into effect would make a significant contribution to meeting the shortfall under existing policies. On the basis that the continuation of these programmes would be more than sufficient to cater for the growth of the labour force beyond 1980, an unemployment figure of 65,000 is suggested for 1983. The Green Paper then proceeds to suggest and examine two options for achieving full employment through the provision of an extra 65,000 jobs. It considers that some combination of work-sharing measures and a Government direct job creation programme would almost certainly be necessary.

#### 4.3 Work-Sharing

The Green Paper on "Development for Full Employment" emphasizes that while the primary aim must be to create the maximum number of jobs through growth and development, work-sharing could make a major contribution to reducing unemployment. It is stressed in the

White Paper on "National Development 1978-81" that in the provision of additional jobs primary reliance will be placed on direct job creation. It argues however, that a contribution through the phased implementation of some work-sharing schemes is both possible and desirable.

The Green Paper points out that work-sharing proposals must not involve additional costs of production and any arrangements made must entail income-sharing. It makes reference to a reduction in overtime, early retirement and a reduction in the length of the standard working year. It estimates that a cut of about 2% in the working year achieved by an extra weeks holidays would represent an equivalent of about 16,000 jobs. It also estimates that each cut of one standard hour would represent an equivalent of 20,000 jobs. While it states that in combination the various work-sharing possibilities could produce a total of 65,000 jobs it points out the dangers of simple arithmetical calculations in assessing the employment impact of work-sharing measures.

The need to maintain competitiveness in the context of any work-sharing measures is emphasized again in the White Paper "Programme for National Development 1978-81". The point is made that any reduction in the working year can only be achieved in the context of wage developments generally. It also points out that the overall impact on employment arising from arrangements encouraging early retirement might not be sufficient to warrant the costs involved. It maintains however, that there is considerable scope for the creation of additional jobs by discouraging systematic overtime working and raises the question of the reduction of the statutory limits on adult working hours.

#### 4.4 Conclusion

It has been emphasized in the series of economic planning documents that the primary aim must be to create the maximum number of jobs through growth and development. The series has however, suggested that work-sharing has a contribution to make towards achieving this situation.

The documents have stressed that competitiveness must be maintained in any work-sharing arrangements and that these must entail "income-sharing". They consider that any reduction in the working year can only arise in the context of wage bargaining generally. They question the cost-effectiveness of any arrangement encouraging early retirement. The view is expressed however, that there is scope for job creation by discouraging the working of systematic overtime.

The E.E.C. Commission's position will be examined next.

## 5. E.E.C. DEVELOPMENTS

### 5.1 Introduction

This chapter outlines the developments which have taken place in relation to work-sharing within the Community. The attitudes and views which have been expressed about work-sharing generally and about specific work-sharing strategies are presented. A more detailed account of the developments which have occurred in the debate on work-sharing within the E.E.C. appears in Appendix 2. Appendix 3 contains a summary of the work-sharing measures which have been taken in the Community.

### 5.2 Initial Commission statement

In the initial statement on work-sharing (3) the Commission described as the aim of work-sharing the redistribution of the total volume of work in the economy to increase employment opportunities for all those wishing to work. It considered that work-sharing could be achieved in one or more of the following ways:

- a reduction of the actual work week
- a restriction of overtime
- increased annual holidays
- the lowering of retirement age
- an increase in part-time work
- a longer period in education and training
- facilities for a temporary interruption of careers for personnel or educational reasons.

The Commission suggests that the possibilities of extra jobs, the costs and benefits incurred by the people directly affected, by companies and the

economy in general are important factors in ranking the various methods of work-sharing.

It admits (4) that any comprehensive work-sharing scheme would give rise to labour force adjustment problems. It might attract entrants to the labour market. It could also increase the scope for 'moonlighting' (i.e. second jobs, often within the black economy). It points out the importance of the company reaction to the measures introduced insofar as extra employment is concerned. It concedes that the most powerful arguments against the effectiveness of work-sharing measures are the cost burdens they entail.

The Commission considers however, that a work-sharing strategy will be more successful if it fulfills a number of conditions. These relate to the need to ensure individual agreements, to avoid the burden of costs falling on one side of industry alone, to avoid interfering with market forces and other policies aimed at improving the economic situation.

### 5.3 Subsequent Developments

Following the communication from the Commission the Standing Committee on Employment in March 1978 agreed that work-sharing measures had an important role to play in alleviating grave employment problems. It agreed on the general aim of reducing the annual number of working hours per man and asked the Commission to continue its work on work-sharing.

In the communication from the Commission to the Tripartite Conference of November 1978 (5) the Commission indicated that it viewed the development of measures to discourage and limit the systematic use of overtime

hours as fundamental to the success of any policy on work-sharing particularly agreed reductions of annual working time.

The Tripartite Conference provided differing viewpoints on the question of working hours. The Unions urged an overall reduction in working hours of 10% over four years. The Employers urged caution until closer analysis of the implications of work-sharing for firms had been prepared. The Government representatives recognised that a reduction in the working week under certain circumstances might improve the employment position.

#### 5.4 Communication from the Commission of May 1979 and Conclusions of the Council Meeting of May 1979

This communication (6) presents the Commissions view of the social and economic implications of a co-ordinated re-organisation of working time. It argues that community action must take account of the harmonization of living and working conditions, avoid an increase in public expenditure, not damage the revival of firms profitability, allow for reversibility and result from negotiation between all the parties concerned. The Commission emphasizes that an effective work-sharing policy requires the allocation of part of the product of growth to the reduction of hours rather than to wage increases.

The Commission stresses the importance attached to the manner in which the shortfall in wages is made up in determining the employment outcome from work-sharing measures. It argues that the impact on employment will be magnified if wage losses are offset only partially and changes are adapted to each sector and firm.

The Council Meeting of May 1979 requested the Commission to continue

its work with a view to establishing a Community framework for work-sharing. The Council considered any approach to work-sharing should take account of the competitiveness of the community both internally and externally. It also considered that both sides of industry would have to co-operate closely in preparing and implementing any measures.

#### 5.5 Opinion of Economic Policy Committee

The Committee (7) considered it difficult to quantify the economic consequences of possible measures to adapt working time because they considered past experience was of limited value and because statistical knowledge of working time was imperfect.

It considers that the effect of any measures taken on productivity and on wage costs to be important as regards the extent to which increases in employment would occur. The Committee feels that because of the risks of adverse effects on growth and inflation work-sharing measures should be placed in the context of overall wages policy and should be negotiated primarily by the two sides of industry. It urges the utmost caution as regards the possibility of formal decisions or recommendations on the matter.

#### 5.6 Council Resolution of November 1979 on the re-organisation of working time

The resolution notes that measures to re-organise working time might be integrated as ancillary measures to improve the employment situation. It notes that measures taken should improve living and working conditions and should be assessed primarily in terms of the effects on the production capacity of firms, productivity changes and wage compensation.



The resolution states that limits should be applied to the systematic use of overtime and the provision should be made for the gradual implementation of this principle. It states that one appropriate method of achieving the above limitation would be to introduce the principle of compensatory time off. The resolution also refers to flexible retirement, part-time and temporary work.

The Council asks the Commission to present its conclusions on possibilities of developing a Community approach as regards limiting systematic overtime working and reduced annual hours of work.

#### 5.7 Possible work-sharing measures

In the course of the debate on work-sharing a number of measures have received close attention as possibilities which might be introduced.

In relation to these work-sharing measures, the following are the major points which have been made:

##### 1. Reduction in the annual volume of work

###### (a) Shortening the working week

The point is emphasised here that any reduction in the working week must relate to actual hours worked rather than agreed hours since due to overtime there is a difference. This action on overtime is imperative if other measures are to have any effect. The question of cost factors, productivity factors and the extent of reductions

undertaken are considered to be major determinants of the success of any reductions undertaken. The reduction can be effected either by means of a reduction in the number of hours worked per day or the number of days worked per week.

(b) Extension of annual holidays

A major extension is vital if this measure is to be successful since a day by day extension of holiday entitlement, while it stimulates productivity, probably creates hardly any new job possibilities. The employment effect of longer holidays will also vary depending on how they are granted. If longer holidays do not mean that the firm will close down for a longer period every year, this may lead to more recruitment. The change in holidays is also likely to involve increased wage costs and is practically irreversible.

2. Restriction of regular overtime

This can be viewed as a pre-requisite to a reduction in working hours as recourse to overtime is one method by which a firm can react to a reduction in working hours.

A general ban on overtime would appear to be impractical as it would curtail company flexibility. However, there may be some scope for revising upper limits which are provided for in statutory rules and collective agreements downwards. A system of compensation for overtime above a certain limit has also been envisaged.

Although a reduction of overtime can theoretically allow a reduction of working time without wage compensation, where overtime pay is a substantial proportion of workers incomes, any restrictions on overtime could cause

demands for higher normal rates of pay.:

### 3. Flexible retirement arrangements

There are a number of variations on early retirement:

- (a) The reduction of the normal retirement age
- (b) Payment of early pensions to elderly people who have been unemployed for a certain, fairly long period of time.
- (c) Reduction in the number of hours worked as workers near retirement age (part-time work).

It is likely that early and voluntary retirement of older workers affects employment more directly than other measures. The departure of older workers starts a process of job rotation which improves the prospects of younger workers at the same time as offering "freed" jobs to the unemployed. It is possible that in the short term productivity would decrease within the firm given the younger worker's inexperience and that it would be some time before productivity would improve. The extent to which retired workers are replaced is important since if this is not complete, there would be a considerable increase in public expenditure caused by early retirement which would not be counterbalanced by a reduction in the total of unemployment benefits. The financing of the lowering of retirement age would imply a rise in contributions to pension funds which would adversely affect the cost and competitive position of firms.

### 4. Part-time work

The extension of part-time work provides increased flexibility for both employers and employees. However, it involves considerable disadvantages as part-time work is mainly confined to inferior jobs and lacks social

protection in many cases. The extension of part-time work does not however, involve any question of wage compensation but might involve higher staff management costs and changes in the organisation of work. The effects on unemployment of extending opportunities would be mixed as it might lead to an increase in the number of job seekers and possibly a reduction in the number of full-time jobs.

## 5. Shift work

A reduction in the length of shifts and an increase in the number of shifts would make it possible to create a certain number of jobs provided that enough workers can be found who are prepared to do shift work. The extension of shift work may ensure the avoidance of a loss of productive capacity in the event of a reduction in working hours. Where it has not existed previously it improves the productivity of capital. However, it also involves higher labour costs, re-organisation of production and adaptation of management.

## 6. Training

Measures designed to meet the training needs of workers can help curb the rise in the supply of labour as well as contributing to reducing structural disparities between supply and demand on the labour market. Extending training leave for adults and the provision of sabbatical leave for employees with a certain period of employment are other possibilities in this area.

### 5.8 Conclusion

The debate on work-sharing within the Community has been briefly presented. The debate has emphasized the importance attached to the

question of wage compensation, productivity and production capacity arising from the introduction of work-sharing measures. The importance of individual agreements at the firm level has also been highlighted and the involvement of both sides of industry in the negotiation of work-sharing measures is also stressed.

The development of measures to curtail the systematic use of overtime is viewed as fundamental to the success of any policy on work-sharing. The Council resolution of November 1979 states that limits should be applied to the systematic use of overtime and that this principle should be gradually implemented. It mentions the principle of compensatory time off as one method of limiting overtime.

Section 3

## 6. HOURS OF WORK AND EMPLOYMENT

### 6.1 Introduction

The previous section examined the environment of this study on overtime. The law limits hours of work but appears out of step with current practice. The economic policy objective to increase employment has been stated and the possibility of worksharing and in particular a reduction in overtime has been raised as a means of doing so. Unemployment is a problem throughout the E.E.C. and the Commission has also proposed work-sharing as a method of alleviating the problem.

In this section the findings of previous studies on overtime and the views of professional researchers on the relationship between employment and hours of work will be presented. In this chapter a brief survey of such studies is given together with their conclusions. A more intensive treatment can be found in the Appendix.

The following chapter presents the pertinent results of studies specifically on work-sharing in E.E.C. member states. No such study has previously been carried out in Ireland. However, a number of economists and economic, employer and trade union bodies have commented on work-sharing particularly in the Irish context. Their views are presented in the final chapters of this section.

### 6.2 Overtime

Continuous processing, hours of work determined by customers requirements and low levels of earnings among employees were found by Whybrew (9) to be characteristics of industries with persistently high levels of overtime. Sallin (10) found that for British industry generally the type of payments system (i.e. payments by results or time payments) was a factor influencing the length of hours of work. He also found that industries with low levels of average earnings tended to have relatively long hours.

The main reasons for overtime working which have been advanced from other studies (9,10,11,12) are:

- (i) To meet the normal level of demand (normal variations in sales or disruptions in production schedules occur and may give rise to overtime)
- (ii) To attract and retain key workers by increasing pay.
- (iii) To raise the level of earnings for employees

- (iv) Manpower shortages.
- (v) Less costly than recruiting extra employees.
- (vi) To meet fluctuations in demand.
- (vii) Nature of technological process or type of service to customer.

Collective agreements and the incidence of unionization were found not to be significant insofar as overtime working was concerned.

### 6.3 Empirical studies

Many of the short-run demand functions for employment and hours are based on the original formulations of Brechling (13) and Ball and St. Cyr (14). Brechling used quarterly U.K. data to obtain a negative correlation between numbers employed and hours worked. Fair (15) adopted a different formulation and used monthly data on U.S. manufacturing industry. He found that the change in total manhours paid for is a function of current and expected future changes in output, the degree of labour market tightness, the amount by which the number of hours paid-for per worker differs from the standard level of hours and finally the amount by which the number of hours differs from the desired number.

Oi (16) introduced the concept of a quasi fixed factor as one whose total employment cost is partially variable and partially fixed. He also defined fixed costs as being the sum of hiring and training costs. Other non-wage or fringe costs are also associated with employees. This had led to the development of the fringe barrier to employment hypothesis. This states that rising fringe costs will encourage the substitution of overtime for new employees in meeting temporary demand increases. It is argued that when the costs of extra employees in terms of hiring, training and other fringe costs which tend to be employee centred are taken into account that overtime is cheaper despite the premium rate which applies. A number of empirical studies have investigated the influence of non-wage costs.

Both Van Atta (17) and Ehrenberg (18) using U.S. data for Production workers and cross section industry data found that the ratio of fringe wage costs to the overtime premium wage had influenced the level of overtime hours in use. Hughes (19) in a study of the automobile assembly industry in the U.S. and Schwartz (20) in a study of the auto industry in Michigan



both concluded that the growth in fringe benefits had led to an increase in the level of hours being worked.

Hart and Sharot (21) develop a model similar to Brechling for numbers employed and hours worked. They include an additional variable within their equations representing the ratio of non-wage to wage costs. Using monthly data for British manufacturing industry they found that the numbers employed are negatively related to the non-wage to wage ratio.

#### 6.4 Raising the Overtime Premium

One method which has been suggested to offset the influence of non-wage costs is to raise the level of the overtime premium. It has been argued (22) that if an employer is faced with a double time rate for all overtime hours worked he can take one or a combination of the following courses of action:

1. Increase overall efficiency of operation in order to attain the same output with fewer hours.
2. Introduce labour saving equipment
3. Hire new workers
4. Continue to schedule overtime at higher rates or curtail overtime and at the same time reduce output.

Thus the possibility of increased employment arises from the use of the third course of action.

Ehrenberg (18) and Schwartz (20) both estimate that employment increases and hours reductions would follow from an increase in the premium rate. However, Ehrenberg does not recommend such a course of action pointing out that the estimated increase in employment is not great. Van Atta (17) argues against an increase in the premium rate on the basis that it would

redistribute earnings in favour of strategically located workers whose skills are in short supply and against the lower paid workers.

#### 6.5 Non-wage costs in Ireland

The distribution of labour costs (23) in 1974 for certain activities within the Service Sector and in 1975 for total Manufacturing, Mining and Quarrying and Electricity and Gas supply show that total wages and salaries (incl. payments for days not worked, irregular bonuses etc.) to be in the region of 86-90% of total labour costs. This applies in the case of all activities with the exception of Credit and Insurance activities in the Service Sector where the non-wage costs form a larger proportion of total labour costs.

A comparison (23) with the other E.E.C. countries shows that, with the exception of Denmark, wages and salaries at 78.1% of total labour costs within manufacturing form the highest percentage of labour costs for any of the E.E.C. countries. This is due mainly to the relatively low percentage of labour costs represented by statutory employer contributions to social security. Apart from the Credit and Insurance activities of the Service Sector Ireland is among the countries in the other activities with the highest percentages of labour costs represented by earnings.

Kirwan (24) constructed a model for the Irish Manufacturing Sector similar to that of Brechling and Ball and St. Cyr to examine the short-term demand for labour but including a non-wage to wage ratio. He found a lag in the response of employment to changes in output but found that average hours adjusted almost instantaneously.

The non-wage to wage ratio has the expected negative effect on the level of employment. This suggests that increases in this ratio will cause

reduction in employment while increasing the number of hours worked.

He uses the results of his analysis to consider the effect of a £1 reduction in the employees statutory social insurance contribution. At mid-1977 levels of non-wage costs and employment he finds that this would lead to the creation of 1,200 jobs in Manufacturing industry at a net weekly cost to the Exchequer of £160,000.

#### 6.6 Conclusion

The results of a number of studies which have examined the characteristics of industries with high levels of overtime and the reasons for overtime have been outlined. The reasons presented relate to demand, labour supply and conditions and nature of the activity of the firm. A number of empirical studies have also been briefly examined. These highlight the influence of the non-wage to wage ratio on the level of hours worked and numbers employed. Raising the premium rate and altering the non-wage to wage ratio are seen to increase the numbers employed and reduce the level of hours worked.

The determinants of hours of work and overtime have been examined. The next chapter proceeds to examine the effect of reductions in hours of work on employment in the case of a number of Community countries.

## 7. STUDIES UNDERTAKEN ON WORKSHARING

### 7.1 Introduction

The effects of adopting work-sharing strategies have been studied in a number of European countries. The studies have ranged from econometric simulations to survey work and case study work. The strategies studied have related mainly to reductions in hours of work including overtime and early retirement schemes.

### 7.2 Econometric Simulations

The econometric simulations are based on two hypotheses which limit to some extent the results obtained. The hypotheses are:

- a uniform reduction in working time is assumed to apply throughout the economy.
- the reduction in working time is assumed to take place only in the country being studied.

The simulations indicate the sensitivity of the results to the assumptions adopted. There are two types of assumptions:

- The first relates to the extent to which production capacity is lost. If constant growth in labour productivity is assumed any reduction in the length of time during which capital is utilized will lead to a loss in productive capacity. The profitability of capital will be reduced and employment will fall and prices will rise.
- The other assumption relates to the question of wage compensation. The economic results are best on the assumption of no wage compensation for employees. However, some simulations illustrate the risk of demand declining as a result of the decrease in incomes. Full wage compensation will lead to an increase in firms unit costs and a deterioration in their external competitiveness. Internal demand may be increased however. Thus, the effect would be to reduce exports, increase imports and so affect the balance of trade.

The simulations also require a number of exogenous assumptions to be made. The most important, relating to hourly productivity trends in the short and medium term and those about investment behaviour are subject to uncertainty. While it is generally assumed that shorter working time leads to increased productivity gains in the short-term, there is greater uncertainty as to whether this continues in the medium term. Whether firms' investment behaviour is simulated by the expectation of higher demand or by the present and expected future level of profits determines the effect of wage compensation. If the latter is the case non-compensation provides

the best results. If it depends on demand full compensation gives a positive effect on growth and employment but also a deterioration of the external balance.

The effects of a reduction in working time on a country's competitiveness will be slight if wage compensation is limited and the gain in productivity significant. If these conditions do not exist the simulations indicate a rise in unit labour costs and an adverse affect on the competitive position of the country.

### 7.3 French Studies

A study combining a survey of 526 enterprises and simulations of the French economy were carried out to determine the effects of a reduction in working time (25).

The survey was carried out in October 1978 and respondents were asked to indicate the effect of a reduction of 2.5% in the annual hours of work without changing wage levels. Forty-six percent said they could maintain production at current employment and capacity levels. As regards employment alone, thirty one percent said they would have recourse to increased employment while two percent indicated reduced levels. As regards capacity alone, twenty four percent said they would have to invest in new equipment while 9% indicated that they would have to introduce shiftwork.

Four simulations involving an agreed reduction in weekly hours by one hour were effected under different assumptions for the period 1979-1981.

The four variations are as follows:

1. Reduction of one hour with no loss in production capacity and without wage compensation. This over the three years gives a reduction of

92,000 in unemployment and decreases the external balance.

2. Reduction of one hour without wage compensation but with a reduction in capacity. This over the three years decreases unemployment by 69,000 and increases the external balance.
3. Reduction of one hour with wage compensation and without capacity reduction on the assumption of firms investment increased by demand. This over the three years gives an increase in the external balance and a decrease of 115,000 in the numbers unemployed.
4. This variation is the same as 3 with the exception that the model used incorporates the assumption of a decline in firms investment caused by fall in profits. This results in an increase in the external balance and a decrease in unemployment of 83,000.

#### 7.4 Belgian studies

A number of simulations have been performed examining reductions in hours (26). Variation 1 incorporates a rate of decrease in annual hours corresponding to that observed from 1960-1975 over the period 1976-1980 while variation 2 envisages a higher rate of reduction. Both variations assume compensation for employees and a less than proportionate reduction in production capacity. They both result in higher inflation, a reduction in competitiveness and a worsening in the external balance with unemployment mainly unaffected. Variation 3 incorporates a decrease in overtime working without compensation. By comparison with the earlier variations the rate of salary and wage increases is steadied and unemployment decreased.

The final variation examines the implications of a reduction from 40-36 hours of weekly work over 1977-80 without compensation and with a proportionate reduction in capacity. The model shows a slow-down in the rate of increase of purchasing power restraining as a result private consumption. A certain amount of investment is favoured while the effect on growth is slightly positive. Unemployment which reduced substantially during the early phase of the period is less affected as time goes on in

the absence of stimulation of global demand.

### 7.5 Dutch Studies

Calculations have been carried out in relation to working hours reductions and early retirement (27). In the case of working hours reductions calculations were carried out on the implications of a total reduction of 12½% in working hours on a phased basis over the period 1979-83. The effects for the period up to 1988 are also presented by the model. The model presents results for "surrender" of wages by employees and no "surrender". Work rotation is assumed i.e. loss of capacity is made up. Under the circumstances of no wage compensation employment is seen to improve but this involves sacrifices in terms of reduced output and labour productivity which may involve a decline in the firms profitability. In the event of full wage compensation employment actually decreases with increases in unemployment and a greater reduction in output. Thus in the case of the Dutch economy unless reductions in working hours are matched by a lack of wage compensation the effect will be negative.

In relation to early retirement calculations were performed to assess the impact of the early retirement of 50,000 employees in enterprises during the period 1979 to 1983. In the case of employees bearing the financial burden of early retirement there is some decrease in unemployment and also in employment but output is unaffected and labour productivity increased. Productivity is also increased in the case of employers bearing the burden of early retirement but output is somewhat decreased and both employment and unemployment are made worse. Thus while early retirement has little to offer in terms of employment and unemployment output is less affected than in the case of working hours reduction.

## 7.6 British Studies

Calculations have been made of the effect of reducing working hours (28) and introducing a form of early retirement (29). In the case of normal weekly working hours two cases have been considered:

- (a) Reduction to 35 hours
- (b) Reduction to 38 hours

Depending on the assumptions made in relation to the proportion of potential output lost by a reduction in hours which would be made up by:

- (i) Increased employment
- (ii) Higher output per man hour
- (iii) More overtime
- (iv) Lower output

reductions in unemployment range in the case of (a) from 100,000 to 480,000 and in the case of (b) from 40,000 to 100,000. Labour costs increase from 6.1% to 8.5% for (a) and from 2.2% to 3% in the case of (b). Government expenditure is reduced in both cases.

For annual holiday entitlements on the same range of assumptions as for normal hours, increasing the annual paid holiday entitlement to all workers by one week could reduce unemployment by between 25,000 and around 100,000. Labour costs would increase by about 2%

It is estimated that the effect of reducing the statutory retirement age for men from 65 to 60 would reduce unemployment by nearly 200,000 in the first year of operation, building up to nearly 600,000 after firms and employees had fully adjusted to the change at a net financial cost in excess of £1,000m. Some case studies on individual firms to assess the employment impact of certain worksharing measures have also been completed. The measures examined were cuts in overtime working, introducing



shorter shifts and expansion of part-time employment. The research found that each measure would face formidable barriers to their implementation at the level of the workplace although it did show that there existed limited scope for worksharing measures within some of the firms studied.

### 7.7 German Studies

A study (30) has estimated that various measures to reduce working life such as extension to training and education lowering or retirement age, extension of holidays and reduction in agreed working week implemented since 1973 has resulted in a reduction of 562,000 persons among the registered unemployed. Surveys have been conducted by the German Research Institute (I.F.O.) on various work-sharing measures.

In the case of part-time work undertakings indicated that they could divide up on average about one tenth of their full-time jobs without economic disadvantages for the undertaking, under prevailing circumstances. From a cost point of view the assessment from the survey of part-time work was mainly negative while from an output point of view the assessment was in the majority of cases positive. In the case of hours reductions achieved by shorter working weeks or longer holidays both methods were rated on average roughly the same as far as technical implementation was concerned. However, there were varied reactions between firms of different sizes and sectors. Smaller firms indicated they would find it easier to cope with a shorter working week while larger firms mostly preferred longer holidays to shorter working weeks. The effect of a reduction in hours of about 5% on employment (assuming that on balance wage costs were not increased) would according to respondents be that extra staff would be recruited to make up for about half of the reduced working time. In the case of early retirement respondents have indicated that about 80% of jobs vacated by employees retiring early would be filled.

## 7.8 Conclusion

The studies which have been examined in this chapter indicate that the effect on employment of reductions in hours is influenced by the assumptions made in regard to wage compensation and production capacity. On the assumption of no wage compensation the reduction in unemployment is found to be much greater than is the case when wage compensation is assumed. Likewise with no loss in production capacity unemployment is found to decrease more than is the case where a loss in capacity is assumed to occur. In relation to an early retirement policy the results presented indicate that unemployment would decrease if employees bore the financial burden of early retirement. The position is less certain if the burden fell on employers.

The conclusions which have been drawn in a number of countries within the E.E.C. have been presented. The reaction by various economic bodies and individuals in Ireland is presented in the following chapters.

## 8. RESPONSES TO WORK-SHARING SUGGESTIONS

### 8.1 Introduction

The previous chapter presented the results of various studies undertaken to assess the impact of work-sharing strategies in a number of countries. There has been no such studies attempted in Ireland. However, a number of responses and analysis of work-sharing have been forthcoming. These are discussed in this chapter.

### 8.2 NESC response to Green Paper suggestions on Work-sharing

NESC (31) considers that given the relative underdevelopment of Ireland, policies should be concentrated on attaining the full and productive use of all resources including manpower. It sees the use of work-sharing as only being appropriate in relation to residual unemployment when maximum development has been achieved. It considers that it would be difficult to obtain a voluntary reduction in overtime and its replacement by extra employment. However, it does see it as the task of management and trade unions to wind down "excessive" overtime and it feels that to this end legislative support would be desirable. It considers that the resultant increase in employment is unlikely to be large.

It does not consider retirement as likely to be an effective measure for reducing unemployment. It believes however, that the long run aim should be to provide a much more flexible range of possibilities as far as the present standard life-cycle is concerned. It considers that a reduction in the standard working year might only be effective insofar as extra employment might be created if explicit measures were taken to restrict overtime.

### 8.3 Other reaction to work-sharing proposals

Quinn (32) points out that the snag in work-sharing is that it means income-sharing. It would require agreement that a part of the general aim of achieving higher standards of living should be provided in the form of more leisure rather than more money. Without such agreement work-sharing would be inimical to employment instead of being helpful. He considers the merits of work-sharing arrangements attractive but that their practical implementation might prove difficult.

O'Riordan (33) considers that statutory limits on overtime and second jobs are not work-sharing but work-rationing. He argues that they deny

the right to choose the balance between work and leisure which is most appropriate to the individuals own judgement. He also maintains that they will be almost impossible to enforce and that work-sharing strategies will only be adopted if they do not interfere with the competitiveness of industry.

Walsh (74) discusses the whole range of work-sharing proposals. He states that even if work-sharing raised all labour costs by the same percentage in all E.E.C. countries the effects on capital-labour substitution might be intensified and the threat of competition from non-EEC countries would also be intensified.

He concludes that in relation to a shorter working week attained by shortening the standard week or by imposing a ceiling on overtime the scope for reducing unemployment appears quite limited. This is based on the belief that the above measures would result in increases in average wage rates which would tend to depress employment. He also points out that suitable workers may not be available on the labour market and that the provision of increased leisure time may encourage the practice of second jobbing. He also identifies the above three factors - labour costs, availability of suitable workers and second jobbing as determining the affects of increased annual leave on unemployment.

Walsh considers that the scope for work-sharing through increased shift working is limited although he envisages that other work-sharing measures reducing the length of the working week would involve an increase in shift working.

While he considers the age structure of our population to be more favourable than other European countries to early retirement he points to

the high overall burden of dependency in the population and the fact that even a fairly dramatic increase in the retirement rate would involve fairly small numbers relative to the numbers unemployed or the annual outflow from the educational system. He also considers that the cost to employers of an early retirement scheme could be substantial.

He considers that many of the employment opportunities that could be created from work-sharing measures (e.g. a reduction in overtime) could be part-time. He points out the danger that increased part-time employment opportunities might increase the labour supply.

Finally Walsh considers that changes in the transition from education to employment could be promoted as part of a work-sharing proposal. He considers that a strategy of prolonged education allied to schemes for giving young people work experience and training which would help them to acquire employment in the future would make economic sense as a means of slowing down the rate of increase in the work force.

Walsh maintains that if workers reduce their volume of work without accepting any fall in income the results of work-sharing could be reduced employment. He also notes that work-sharing measures can be frustrated if those currently in employment take on part-time or temporary work as a result of increased leisure or if suitable workers are unobtainable or are recruited from outside those presently in the labour force. Further if labour productivity increases as a result of reduced working time thus maintaining the level of output or if employers increase investment work-sharing may not achieve the desired employment effects.

#### 8.4 Conclusion

The responses to the work-sharing proposals reviewed here suggest that

there are not likely to be large increases in employment resulting from reduction in overtime, early retirement or reduction in working hours achieved by shortening the standard working week or year. The difficulties in successfully implementing a work-sharing strategy are also stressed. The likelihood of a reduction in employment taking place without some form of income-sharing accompanying work-sharing is also stressed.

The following chapter proceeds to examine further the Irish response to work-sharing by considering the views of Employer and Trade Union bodies.

## 9. EMPLOYER AND TRADE UNION ATTITUDES

### 9.1 Introduction

Given that the introduction of any work-sharing measures would be likely to have some effects on the conditions of employment of workers and on the operations of business and industry it was considered appropriate to seek out and examine Employer and Trade Union attitudes.

The following bodies were consulted in order to obtain their viewpoint on work-sharing. As representatives of Employers the Federated Union of Employers (F.U.E.) and the Confederation of Irish Industry (C.I.I.) were approached and as representatives of employees the Irish Congress of Trade Unions (I.C.T.U.). The views of these bodies were ascertained on the basis of their previously published statements on the matter (35, 36, 37) and further explored in meetings with representatives of these bodies.

### 9.2 F.U.E. Views

#### 9.2.1 Introduction

The F.U.E. believes that the work-sharing concept involves an element of wage sharing. Given however, the following economic and sociological facts it does not see much scope for the creation of additional jobs through work-sharing.

- (i) The general level of income in Ireland ranges between 50% and 70% of community levels.
- (ii) There is a constant demand and expectation for higher living standards with no evidence of any significant group wishing to substitute

leisure for income growth. (This point is reinforced by the results of a recent survey of workers attitudes to increased leisure conducted by the E.E.C. Commission. Only in Ireland and Italy was it found that a majority would prefer increased earnings to more leisure time. (38) ).

- (iii) Our dependency ratio is the highest in Europe. This it argues would limit the possibility of action in encouraging early retirement as a work-sharing measure.

In fact the F.U.E. fear that without an income adjustment paralleling the reduction in the volume of work, labour costs for the firm would increase and the end result might be that work-sharing would reduce employment.

### 9.2.2 Shorter Weekly Working Hours

- (i) Standard Weekly House.

Half the reductions in the standard working week in the period 1965-77 was made up by an increase in the average amount of overtime worked. So the F.U.E. see a danger that any further reductions in the standard working week would be compensated with additional overtime working. The F.U.E. would also expect to see a certain amount of the decrease in hours absorbed by productivity improvements. This coupled with the belief held by the F.U.E. that there is reluctance on the part of employers to recruit additional employees due to recruitment costs, labour protection legislation and the greater potential for industrial relations problems would leave little scope for employment increases.

Furthermore the F.U.E. believe that there could be the following additional consequences of reducing the standard working week.



- (a) An increase in hourly labour costs.

The magnitude of the increase would be dependant upon the extent of the reduction in working hours. Notwithstanding that firms have successfully survived such changes of much greater magnitude in the past, it is argued that the economic environment is now less favourable. In the past the F.U.E. felt the legislation followed rather than lead the trends in working hours.

- (b) A loss in competitiveness.

If the reduction were applied throughout the EEC then the effect on the competitiveness of Irish goods within the Community would be little affected. However, firms exporting to non-EEC countries or facing competition from imports from outside the Community would experience difficulty. This would particularly apply to the labour intensive firms which are most open to third world competition.

- (c) In the case of firms operating shift work where the actual hours worked could not be reduced reductions in the standard working week would have to be substituted by overtime working with all the obvious cost consequences.

- (d) Some employees benefiting from a shorter standard working week might use the opportunity to seek part-time work in addition to their normal full-time employment.

- (e) A reduction in the working week could bring into the labour market people unable or unwilling to work present standard hours.

- (f) Were a reduction in standard hours introduced some workers would discover that their standard working week is already within the new limit. Nevertheless such workers might feel prompted to create

pressure for a reduction in their working week.

- (g) A reduction could lead to greater investment in capital equipment in order to offset the rise in unit labour costs.

(ii) Overtime Working

The F.U.E. see whatever scope which exists for work-sharing being in a limitation on the length of the working year, principally through curbing overtime working where it is inordinately high. However, it views as unrealistic any suggestion that overtime could be eliminated completely. It considers that a certain level of overtime is required because:

- (i) There is an almost universal and serious shortage of skilled labour and additionally an unskilled labour shortage in many parts of the country.
- (ii) Maintenance work makes overtime necessary.
- (iii) Seasonal factors necessitate it.
- (iv) Management need to retain the flexibility afforded by overtime.

Other general points to emerge on overtime working were that the tax system tended to discourage workers from engaging in overtime and that overtime was used in cases in order to maintain differentials on the part of craftsmen.

The F.U.E. considered that a system of time off in lieu of compensation for overtime hours worked would have little potential due to the lack of interest in leisure on the part of the workforce. The setting of premium

rates at higher levels would in the F.U.E. view have the twin effects of raising costs and encouraging employees to seek overtime. It would welcome the introduction of part-time employees insofar as it would enhance the flexibility of the firm.

The expansion or introduction of shiftworking instead of overtime would in the F.U.E.'s view not be organisationally feasible in many cases. However, even where feasible there are two important difficulties. Firstly it is difficult to attract workers to do shiftwork in Ireland. Secondly, the relatively high levels of premium payments associated with shiftwork in Ireland would cause higher unit labour costs.

### 9.2.3 Early Retirement

The F.U.E. point out that early retirement schemes do not appear to have had a significant impact on unemployment in Europe. As any scheme would have to be voluntary it would not envisage all eligible employees participating. Employers might not need to fill all the vacancies created. It also refers to the likelihood of job seekers not having the skills or qualifications needed to replace older more experienced workers.

It sees the possibility of a reduction in unemployment given a voluntary and phased reduction of the retirement age from 65 to 60. However, such a move would also in the F.U.E. view increase the dependency ratio and increase State expenditure and Employers costs. It does however, favour a more flexible arrangement of working hours in the years immediately preceding retirement which would have a beneficial social effect and offer some scope for additional employment on a part-time basis.

#### 9.2.4. Overall Viewpoint

The F.U.E. are concerned that the widespread application of work-sharing measures could create or aggravate (skilled) labour shortages leading to a reduction rather than an increase in the overall level of employment. The impact on labour costs and the difficulties associated with the reversibility of work-sharing measures are points of concern to the F.U.E.

However it does accept that it might be appropriate to amend the Conditions of Employment Act 1936 to take account of the now generally prevailing forty hour standard working week. It considers that working hours generally should be approached on an annual basis and it mentions the possibility of a reduction in the length of the standard working year as part of a three to four year programme dealing with pay and conditions of employment. It would favour any future limitation of overtime to be on an annual basis thus permitting maximum flexibility to firms. The F.U.E. voiced a concern that the existence of such a limit might lead employees to seek overtime hours up to the limit as a right. Finally, it points out that the current legislation on overtime working is not policed effectively.

#### 9.3 C.I.I. Views

##### 9.3.1 Introduction

It is not opposed in principal to the concept of work-sharing as long as it would not result in an increase in industrial unit costs. However, it is clear that the C.I.I. does not view work-sharing as being currently appropriate because of the widespread shortages of skilled and unskilled labour. C.I.I. views strong and efficient growth of the industrial sector as being the only long term solution to unemployment.

It is concerned that the introduction of work-sharing measures would mitigate this growth. In the absence of similar measures being taken by our trading partners they would result in the erosion of our trading position and the loss of jobs.

### 9.3.2 Reduction in the incidence of overtime

C.I.I. would be concerned about any compulsory reduction in overtime although it recognises that a reduction in overtime may be possible in some areas where overtime is a constant feature of employment.

- (i) CII considers that in many cases a reduction in overtime would be impractical as peak demand often requires the overtime of the most skilled and efficient workers. New workers brought in in lieu of overtime would have to be trained and might only be required for a part of the year. The effect would be to reduce productivity and possibly the quality of the final product as well as increasing administration and supervisory costs. Thus it sees the efficiency of the firm being decreased.
- (ii) C.I.I. would consider that abolition of overtime would lead to a reduction in incentive and reduce disposable income for the many workers who are prepared to do additional work to increase their standard of living.
- (iii) C.I.I. reports considerable reluctance on the part of firms to hire labour because of the growth in protective legislation and industrial relations difficulties. Thus it argues that firms might in the absence of overtime prefer to forego orders rather than take on additional employees.

### 9.3.3 Early Retirement

C.I.I. view a policy of early retirement as merely reallocation of unemployment from the younger to the older members of the workforce. This would increase the dependency ratio and hence taxation. The result would be a deterioration of the competitive position of industry.

### 9.3.4 Reduction in the length of the standard working year.

The C.I.I. believe that implied in a reduction of the working year is an increase in the numbers employed. This through increased requirements for managerial resources and possibly machinery would lead to reduced efficiency and productivity and increased unit costs.

### 9.3.5 Overall Viewpoint

The C.I.I. position is that currently within Ireland the circumstances are not appropriate for the adoption of work-sharing measures. It recognises that within certain countries of the Community, such as Belgium where large numbers of employees are being displaced, work-sharing has much more relevance as a means of preserving current levels of employment. However, it argues that given the serious labour shortages existing in Ireland and the need to maintain productivity growth at the highest levels possible, work-sharing is not presently a desirable course of action.

It emphasizes the necessity for firms to operate with a high degree of flexibility. In fact in the response to the Green Paper "Development for Full Employment", the Engineering sector of the Confederation specifically recommends the retention of flexible overtime working arrangements. The C.I.I. supports the provision of more extensive training programmes related to industrial needs which should have the effect of improving the labour supply.

It does not discount work-sharing as an option to be considered at a future time.

#### 9.4 I.C.T.U. views

##### 9.4.1 Introduction

The I.C.T.U. consider that without a reduction in normal working hours and longer annual leave, there is little likelihood of work-sharing contributing significantly to increasing employment. It strongly urges that in accordance with a recommendation made by the E.E.C. Council of Ministers in 1975 that a forty hour week and four weeks annual leave should be implemented for all employees. In addition it is pledged in accordance with the policy of the European Trade Union Confederation to the achievement of a thirty five hour week.

##### 9.4.2 Overtime

It argues that legislative measures and action by trade unions and employers should eliminate the working of excessive overtime as a regular feature of employment. However, it takes the view that where employees would incur a reduction of regular earnings from such a step that they would have to be compensated. It feels, that a considerable amount of overtime being worked is due to shortcomings on the part of management. The I.C.T.U. would hold the view that there is some scope for job creation from reduction in overtime levels but that the precise extent is unclear due to the lack of sufficient information in this area. It feels that the information and analysis required might only be determined on an individual firm basis.

The view is held among some in the trade union movement that the question of leisure is not a priority matter for the workforce and that there would be opposition to a reduction in working hours or the introduction of a system of time off in lieu of payment for overtime. In the I.C.T.U.'s view premium rates for overtime should be increased but it might be that this would cause overtime to be more attractive to employees for overtime hours.

#### 9.4.3 Other Measures

- (a) The I.C.T.U. are anxious that the State Old Age Pension be payable at the age of 65 as opposed to the current level of 66. However, this viewpoint is based primarily as a matter of social policy rather than as an employment policy.
- (b) It strongly favours the expansion of industrial and vocational training schemes. It furthermore advocates the introduction of paid educational leave as part of a program of residual job-creation.

#### 9.4.4 Overall Viewpoint

It argues that there should be a statutory limit on maximum hours of employment and notes that up to the present the legislation in this area has not been policed. However, it is of the view that the workforce should not have to undergo any income reductions in the event of working hours being reduced either on a weekly or annual basis. It furthermore is anxious that the practice of double jobbing be curtailed as far as is reasonably possible. Finally it does not find that work-sharing is a "live" issue within Irish Trade Unions at present.



## 9.5 Conclusion

There is agreement among the various bodies that excessive levels of regularly worked overtime ought to be eliminated. This area is viewed as having the most likely scope for job-creation among the various Work-Sharing possibilities. There is agreement that the policing of the existing legislation on hours of work has been ineffective. A restriction on the amount of overtime worked on an annual basis is advocated. This would help to ensure that flexibility is retained by management in dealing with constraints associated with seasonality of production and peaking in demand. Some degree of legislative change coupled with effective policing thus appears desirable. It is clear from all bodies that any changes in standard hours would be ineffective without concurrent legislative changes in overtime working hours.

An expansion in training programs on the part of the Government and its agencies is commonly urged. This should help to improve labour supply and thus remove the most immediate objection of employer bodies to the introduction of work-sharing measures - the development of new labour shortages and exacerbation of existing ones.

The prospect of an increase in labour costs and a loss in competitiveness is advanced by the Employer bodies if work-sharing measures such as shorter standard hours and early retirement were introduced. The I.C.T.U. do not contest that some increase in the labour costs of firms may be associated with work-sharing measures since they would in any event be insisting on no loss of earnings for employees. It questions however whether such costs changes would adversely affect the competitiveness of firms.

It is noteworthy that in the "National Understanding for Economic and Social Development" concluded last Summer (1979) between the Government

Employer and Industry Organisations and the I.C.T.U. that it is agreed to "immediately investigate work-sharing possibilities insofar as these can be used as a job creation mechanism without adversely affecting competitiveness. The Government will introduce legislation to reduce the statutory limits on adult working hours. A combined effort will be made to curtail as far as possible the practice of second jobs".

It was also agreed to negotiate the introduction of a total of 17 days annual leave for those employees who did not have 17 days annual leave. However, the agreement went on to state that there was no scope for a reduction in working time other than that referred to above.

Thus the examination of Employer and Union positions reveal that the institution of work-sharing measures is likely in the Employer's view to impose greater inflexibility on the operations of firms in present circumstances. This coupled with the lack of desire as perceived by both Employer and Union representatives, on the part of the workforce for increased leisure opportunities means in effect that there is no great pressure on the part of either Employers or Unions to pursue work-sharing at the present moment.

The following section presents the results of the survey on overtime. Having considered Employer and Trade Union organisations viewpoints as to the reasons for overtime and the scope for employment from overtime the views of managers on these questions will be presented.

Section 4

## 10. THE PRACTICE AND EXTENT OF OVERTIME WORKING IN IRELAND

### 10.1 Introduction

The previous sections of this report have dealt with the environment of the overtime question, the results of previous studies and the viewpoint of various bodies on the question of overtime working and hours of work generally in the context of work-sharing.

This section deals with the practice and extent of overtime working in Ireland. It also deals with the employment possibilities arising from reductions in overtime. The results presented are based on a sample survey of firms within the Production Industries sector of the economy. This comprises establishments within Manufacturing Industry, Mining, Quarrying and Turf Production, Electricity and Gas Supply and Construction. They are also based on a sample survey of firms within the Service Industries sector comprising enterprises within Retail and Wholesale Distribution, Transport, Insurance and Finance, Local Authorities and Hotel establishments. Additionally for this sector a survey of Government Departments, Health Boards, Semi-State Bodies and a miscellaneous grouping of other significant service employments was conducted. Only firms with 10 or more employees were sampled while the agricultural sector was excluded from the study. Further details relating to the sample coverage and other aspects of the survey can be found in Appendix A.

In this chapter details are provided of the extent of overtime worked among the sampled firms, the level of overtime hours being worked and the numbers involved in overtime working. Estimates are produced of the amount of annual and weekly overtime hours being worked and the numbers engaged in overtime working.

Reasons for overtime working are also outlined and the circumstances in which firms considered overtime could be reduced. Additional details related to the practice of overtime are also presented.

Results are presented here at two levels. These are:

- (i) By Sector
- (ii) by activity grouping within each sector

An additional breakdown by size classification within the activity groupings of the sectors is presented in the Appendix.

## 10.2 Practice of Overtime

### 10.2.1 Practice of overtime working by sector and activity grouping

Overtime working is quite extensive throughout both the Production Industries sector and the Service Industries sector of the economy. In the former sector the overall percentage of firms who reported working overtime in the 12 month period up to June 1979 was over 88% of the total sampled. This high percentage was maintained throughout all the activity groupings of the Production sector with only the Clothing and Footwear grouping reporting a figure of less than 80%

A greater degree of variability exists within the activity groupings of the Service sector where the overall percentage of firms working overtime was 72%. With the exception of the Hotels grouping where the percentage of firms working overtime was as low as 37% the other groupings had at least 50% of the firms working overtime. However, along with the Hotels grouping, the Retail and Wholesale Distribution grouping and the miscellaneous grouping (which contains a wide range of service activities) tend to have a lower proportion of firms working overtime by comparison with the other activity groupings. Table 10.1 below gives the overall picture for the sectors while tables in Appendix 5 provide the details for the activity

groupings.

Table 10.1 Percentage of respondents in sample within the Production and Service sectors working overtime in the 12 months up to June 1979

Sector	Percentage of responding firms who:		Total firms
	Worked Overtime	Did not Work Overtime	
Production	88%	12%	100%
Services	72%	28%	100%

#### 10.2.2 Practice of overtime working by employment size of firm

A greater proportion of larger sized firms tend to work overtime than is the case with smaller firms. Firms with large numbers of full-time employees are more likely to work overtime than those with small numbers of full-time employees. Likewise firms with temporary employees are more likely to have overtime working. In fact all firms with five or more temporary employees within the Production sector had overtime working. However, the extent to which firms had part-time employees did not have an influence on whether firms practised overtime working. The relationships between the numbers of full-time and temporary employees and practice of overtime by firms are given in Appendix 5 for both sectors.

### 10.2.3 Practice of overtime working and use of shiftworking by firms

Within the Production sector firms with shiftworking are more likely to have overtime than those without shiftworking. In fact over 97% of firms on shiftwork in this sector had overtime working. Not surprisingly then, the impact of different systems of shiftwork or the percentage of employees engaged in shiftwork was not significant in relation to whether firms practised overtime in this sector. Table 10.2 below gives the distribution among firms of the use of shiftwork and the practice of overtime for the Production sector.

Table 10.2 Distribution of firms within the Production sector by the use of shiftwork and the practice of overtime

	Worked Overtime	Did not work Overtime	Total of firms for category
Had Shiftwork	97.7%	2.3%	100%
No Shiftwork	83.2%	16.8%	100%

Corrected Chi-Square = 27.5 with 1 d.f. and statistical significance = 0.0001  
Phi = 0.21

Within the Service Sector almost identical percentages of firms (just over 70%) on shiftwork and without shiftwork have overtime working. However, of those on shiftwork, a higher proportion of firms with a continuous (i.e. 24 hours a day, 7 days a week) or with a semi-continuous system (i.e. 24 hours a day for less than 7 days a week) of shiftworking have overtime working. In addition, among those firms with a smaller percentage of their employees engaged on shiftwork, a greater proportion

work overtime than is the case for those with 50% or more of their employees engaged. Tables relating the working of overtime to type of shiftwork and percentage of employees engaged in shiftwork are given in Appendix 5.

#### 10.2.4 Practice of overtime working and the level of standard hours

The most common level of standard hours prevailing in employment generally is the 40 hour week. This applies particularly in the case of skilled, semi-skilled and unskilled workers in the Production Sector where over 90% of firms report it as the standard week for these occupational groups. To a somewhat lesser extent this level also applies within the following occupational groups within the Service sector: Maintenance, Persons engaged in sales or point of service activity only and the miscellaneous grouping termed "Others".

There are a large number of firms within both sectors reporting standard hours of under 40 for the Clerical occupational group and the Higher Administrative, Managerial and Professional groups. A number of these firms report standard hours in the 36-37 hours category. In fact a majority of the firms in the Production Sector report clerical employees working less than 40 hours per week while just under 50% of firms report this in the Service Sector.

A number of firms report standard hours in excess of 40. This is more prevalent within the Service Sector than within the Production Sector. For the latter the number of firms reporting standard hours in excess of 40 does not exceed 2% for any of the occupational groupings. The distribution of standard hours among firms by the occupational groups is given in Table 10.3. Further details related to standard hours are presented later.



Table 10.3 Distribution among firms of standard hours by occupational groups

1. Production Sector		Percentage of firms with standard hours							Total firms
Occupational Group	Under 34	35	36-37	38-39	40	41-42	43-44	45 +	
Higher Admin., Managerial and Professional	1.2%	8%	26.1%	4.3%	53.1%	0.9%	0.3%	6.1%	100%
Clerical	1.9%	11.3%	36.1%	5.7%	42.8%	1.0%	0.0%	1.2%	100%
Skilled	1.1%	0.2%	2.2%	2.4%	90.9%	1.3%	0.4%	1.6%	100%
Semi-skilled and unskilled	0.5%	0.3%	2.1%	1.9%	91.1%	1.7%	0.3%	1.9%	100%
2. Service Sector									
Occupational Group									
Higher Admin., Managerial and Professional	6.4%	16.2%	14.4%	2.7%	42.0%	8.0%	0.5%	9.8%	100%
Clerical	7.8%	17.8%	20.7%	3.3%	39.4%	8.6%	0.5%	1.9%	100%
Persons engaged in sales or point of service activity only	3.6%	5.7%	13.9%	4.5%	62.2%	4.8%	1.5%	3.6%	100%
Maintenance	4.5%	5.9%	6.8%	1.8%	72.5%	4.5%	1.8%	2.3%	100%
Others	3.6%	8.0%	10.5%	3.3%	64.5%	6.2%	2.5%	1.4%	100%

10 - 25%

For firms within the Service Sector with employees working under 35 hours or over 42 hours as standard weekly hours a smaller proportion worked overtime

than was the case with firms working other hours as standard. This also tended to apply in the case of the Production Sector though this was less pronounced for those working over 42 hours as standard.

#### 10.2.5 Practice of overtime working and the level of non attendance among employees.

Examination of the level of non-attendance among employees and whether overtime is practised or not reveals an unusual pattern which obtains particularly in the Production Sector. The proportion of firms working overtime increases as the level of non-attendance increases. However, when it exceeds a certain level (10% in the case of the Service Sector and 20% in the case of the Production Sector) the proportion of firms working overtime decreases. This could be explained by firms finding it cheaper to make up the shortfall in the workforce due to non-attendance by taking on additional employees rather than using overtime when the level of non-attendance is high. It may also be the case that where non-attendance rates are high the workforce are unlikely to be favourably disposed to overtime working. Tables relating the practise of overtime working and non-attendance rates are given in Appendix 5.

#### 10.2.6 Trade Union Membership levels and the Practice of Overtime

In the case of both Sectors firms with no trade union membership among employees in the various occupational groups were less likely to have overtime working. For all occupational groups in the two Sectors there exists a statistically significant measure of association between the practise of overtime and levels of Trade Union membership. This association is not very strong however with Cramer's V (measure of association) not exceeding 0.4 in any case. However, firms with zero level and high levels

of trade union membership were less likely to work overtime than those with intermediate levels of employee membership of Trade Unions.

### 10.3 Frequency of Overtime Working

Consideration is now given to the frequency of overtime working within the firms who indicated that they had worked overtime over the 12 month period up to June 1979.

Overtime tends to be worked more often on a regular basis in the Production Sector than in the case of the Service Sector. While almost 50% of respondents in the Service Sector report overtime working in their firms to be best described as occasional or seasonal, over 60% in the Production Sector report overtime to be on a regular basis in their firms. The frequency of overtime working is given for the two Sectors in Table 10.4.

Table 10.4 Overtime frequency by Sector

Percentage of firms in		
Frequency of O/T	Production Sector	Services Sector
Occasional	16.9%	24.6%
Seasonal	20.1%	24.0%
Regular monthly	6.5%	9.0%
Regular weekly	34.2%	29.0%
Regular daily	22.3%	13.5%
Total for Sector	100%	100%

63%

51

Within the activity groupings of both Sectors there is a great deal of variability. However, with the exception of the Clothing and Footwear grouping in the Production Sector where overtime working tends to be predominantly occasional or seasonal in nature, the majority of firms in the other activity groupings report overtime to be on a regular weekly or daily basis (i.e. usually at least one or more times a week).

Within the activity groupings of the Service Sector overtime frequency does not tend to be on a regular daily basis (i.e. usually at least 4 days a week). The exception is the Transport grouping where 50% of firms report overtime frequency to be on a regular daily basis. To a lesser extent the Semi-State grouping uses regular daily overtime but this applies only in the case of 40% of the responding firms. The distribution among firms by activity grouping of overtime frequency is given in Appendix 5.

There is a greater tendency on the part of firms on shiftwork to work overtime on a regular basis than is the case for those firms who do not use shiftwork. Thus while over 70% of firms on shift use overtime regularly in both Sectors only 45% of firms in the Service Sector and 57% in the Production Sector who have no shiftworking work overtime regularly. The distribution of firms by overtime frequency and shiftwork is given in Appendix 5.

Finally it can be noted that a higher proportion of the larger sized firms who work overtime do so on a regular basis than is the case for the smaller sized firms on overtime.

#### 10.4 Extent of Overtime Working

The extent of overtime working will be examined on the basis of

- (i) overtime working over the 12 month period up to June 1979 and
- (ii) overtime working for a reference week in June 1979.

#### 10.4.1 Annual Overtime Working

In all a total of 56.6% of the workforce in the firms sampled was engaged in overtime over the 12 month period in the Production Sector and a total of 40.8% in the Service Sector.

The distribution among firms of the percentage of employees on overtime for each sector is given in Table 10.5 while the detailed activity breakdown is given in Appendix 5.

Table 10.5 Distribution among firms on overtime of the percentage of employees engaged in overtime for the 12 month period up to June 1979

Sector	Percentage engaged in overtime					Total firms
	Under 20%	21-40%	41-60%	61-80%	80% +	
Production	15.6%	20.4%	21.9%	25.3%	16.8%	100%
Service	27.1%	31.1%	18.4%	14.7%	8.7%	100%

Of those firms on overtime over the period, over 40% reported that 60% or more of their employees were engaged in overtime in the case of the Production Sector. Only a little over 20% of firms in the Service Sector reported such numbers engaged in overtime. Thus firms within the Production Sector who work overtime have a higher percentage of their employees involved in overtime working.

Within the Production Sector over 40% of the firms within the activity groupings Food, Drink and Tobacco, Construction, Chemicals, Print/Paper,

Mining, Quarrying and Turf, and Electricity and Gas had in excess of 60% of their employees engaged in overtime during the period. Within the Service Sector however, only the Transport grouping had over 50% of firms with more than 40% of it's employees on overtime.

In relation to the average overtime levels being worked by employees on overtime a larger proportion of firms within the Production Sector work in excess of an average of 200 hours per employee on overtime than is the case in services. In fact 56% of firms on overtime in the Production Sector report average levels of overtime being worked in excess of the legal limit of 200 hours per annum per employee. The equivalent figure was 33% of firms for the Services Sector.

The activities within which a majority of firms work in excess of an average of 200 hours overtime per employee are Food, Drink and Tobacco, Construction, Engineering, Print/Paper, Mining, Quarrying and Turf and Electricity and Gas. Transport and Government departments are the only activities in the Service Sector where a majority of respondents work in excess of 200 hours overtime per employee.

The distribution of overtime hours worked per employee is given in Table 10.6 for the Sectors as a whole, while the details for the activity groupings are given in Appendix 5.

Firms on shiftwork in both sectors are more likely to have higher average levels of annual overtime worked per employee. Those on continuous shift work tend to have higher overtime hours than those on other types of shift systems.

Table 10.6 Distribution among firms of the level of annual overtime hours worked per employee on overtime over 12 months.

Sector	Percentage of firms with level of annual overtime per employee								Total firms
	1-50	51-100	101-200	201-300	301-500	501-700	701-1000	1000 +	
Production	13.3%	11.2%	19.5%	15.1%	27.1%	10.6%	2.8%	0.4%	100%
Services	24.6%	19.7%	22.3%	14.8%	10.2%	7.2%	1.3%	0.0%	100%

Levels of overtime worked are more likely to be higher in larger firms than in the case of smaller sized firms. In addition firms who work overtime on a regular basis tend to have significantly higher levels of overtime than applies in the case of firms with other patterns of overtime frequency.

Calculating an approximate weekly average from the annual overtime figures (by averaging over 48 weeks) and dividing it by the number of total full-time employees (i.e. full-time + temporary employees) reveals that in the Service Sector over 95% of firms had 5 hours or less of weekly overtime per full-time employee. The figure for the Production Sector was 78% of firms. Furthermore while just 3.4% of firms had average weekly overtime hours per full-time employee in excess of 10 in the Production Sector only 0.7% of firms were in this category in the Service Sector. Thus the level of average overtime hours worked per full-time employee is higher in a greater number of firms within the Production. It is clear that when the overtime hours worked are averaged out over the whole of the full-time workforce the level is lowered substantially. Thus the actual level of overtime hours being worked by some employees is not fully revealed. The distribution of annual overtime hours per full-time employee averaged over 48 weeks is given in

Table 10.7.

Table 10.7 Distribution among firms of the average weekly level of overtime hours per full-time employee averaged over the working year

Sector	Percentage of firms with level of overtime hours:					Total all firms
	Up to 5	6-10	11-15	16-20	21+	
Production	78.7%	17.8%	2.6%	0.6%	0.2%	100%
Service	95.7%	3.6%	0.7%	0%	0%	100%

10.4.2 Estimates of the amount of annual overtime working

Estimates have been made of the annual amount of overtime hours worked within the Production Sector and within certain activity groupings of the Service Sector.

It was discovered that within the Production Sector the total amount of annual overtime hours estimated to have been worked was over 51 million with a total number of over 165,000 employees engaged. This amount of overtime hours represents the equivalent of over 25,000 full-time 40 hour week jobs on the unrealistic assumption that all overtime hours could be directly transformed into full-time jobs. Not surprisingly within the Production Sector groupings the Construction and the Food, Drink and Tobacco groupings account for almost half of this total.

Within the Service Sector an estimate has been made of the annual amount of overtime hours worked within certain activity groupings of 21



Table 10.8 Estimates of the annual amount of overtime hours (in 000's)  
worked by activity grouping for the Production Sector and  
the numbers engaged.

Activity	Numbers engaged on Overtime	Overtime hours	Number of 40 hour week jobs <sup>1</sup>
Textiles	4601	1,410.9	734
Clothing and Footwear	7731	1,547.2	805
Food, Drink and Tobacco	43,956	11,944.3	6,220
Construction	39,073	12,561.2	5,542
Engineering	26,528	8,063.4	4,199
Chemicals	17,021	3,533.8	1,840
Print/Paper	6,983	2,059.6	1,072
Mining, Quarrying & Turf	9,133	4,412.7	2,298
Total	165,091	51,499.8	26,822

<sup>1</sup> For illustrative purpose only

million with over 87,000 employees engaged. This represents the equivalent of over 10,000 full-time 40 hour week jobs. The Transport grouping accounting for over 10 million of this total has well in excess of twice the amount estimated to be worked by any of the groupings for which estimates have been made.

Table 10.9 Estimates of the annual amount of overtime hours (in 000's) worked by activity grouping for the Service Sector and the numbers engaged.

Activity	Numbers engaged on	Overtime hours	Number of 40 hour week jobs
Retail and Wholesale Distribution	28,338	4,597.9	2,394
Transport	16,498	10,858.6	5,655
Insurance and Finance	16,109	1,321.7	688
Hotels	5,581	521.8	271
Local Authorities and Health Boards	20,726	3,920.9	2,042
Total (for activities specified)	87,252	21,220.9	11,052

1 For illustrative purpose only

The Government Departments have not been included above. However, for a total of 24 respondents in this grouping there was over 4 million hours worked. This excludes the Departments of Posts and Telegraphs, Agriculture and Public Works for which past evidence suggests that there may be as much again worked within these departments (39).

Tables 10.8 and 10.9 give the amount of overtime estimated to have been worked and the estimated numbers engaged for the activity groupings within the Sectors. Similar details are provided for each activity grouping

within the two sectors by size classification in Appendix 5.

For illustrative purposes the numbers of full-time 40 hour week jobs represented by the amount of overtime hours worked are included in tables 10.8 and 10.9.

#### 10.4.3 Overtime working during reference week.

For the reference week in June 1979 56% of the firms in the Service Sector reported having 20% or less of their employees on overtime while only 30% of firms in the Production Sector reported the percentage of employees falling into this category. The pattern which emerged from the annual figures also appears for the reference week with firms in the Production Sector having higher percentages of their employees on overtime. Over 27% of the firms in the Production Sector have overtime working among more than 60% of their employees while the figure is only 8.5% in the Service Sector. The overall percentage of full-time employees engaged in overtime is 31% in the Service Sector and 38% in the Production Sector.

The percentages within the occupational groupings engaged in overtime for the reference week vary. They do not exceed 10% for the Higher Administrative, Managerial and Professional grouping within both Sectors and for the Clerical grouping within the Production Sector. Over 40% of the skilled, semi-skilled and unskilled employees within the Production Sector were engaged in overtime during the reference week.

Forty-five percent of employees in the maintenance occupational group within the Service Sector were engaged in overtime for the reference week. In the case of the miscellaneous grouping of occupations under the "Others"

category within the Service Sector there was 47% of total full-time employees engaged in overtime which was the highest percentage recorded for any occupational group.

Tables 10.10 and 10.11 give the distribution among firms of the percentage of employees engaged in overtime and the actual percentage of employees engaged in overtime by occupational groups for both sectors during the reference week.

Table 10.10 Distribution among firms of the percentage of employees engaged in overtime for the reference week in June, 1979.

Sector	Percentage engaged in overtime:					Total firms
	Under 20%	21-40%	41-60%	61-80%	80% +	
Production	30.5%	22%	19.9%	18.5%	9.1%	100%
Service	56.3%	27.3%	7.8%	4.1%	4.4%	100%

Table 10.11 Percentage of total full-time workforce engaged in overtime for reference week by occupational group

Sector	Occupational Group					Total
	Higher Admin., Managerial & Prof.	Clerical	Skilled	Semi-skilled		
Production	6.4%	8.4%	43.8%	42.1%		38.4%
Service	Higher Admin., Managerial & Prof.	Clerical	Service Personnel	Main.	Others	Total
	8.0%	19.5%	32.7%	45.1%	47.3%	30.6%

The majority of firms have a level of overtime hours worked per employee on overtime of 10 hours or less. Only in the case of 3.7% of firms in the Production Sector and 1.9% of firms in the Service Sector were more than 20 hours worked.

A number of firms reported higher levels of overtime for the skilled, semi-skilled and unskilled categories within the Production Sector and for the maintenance category within the Services Sector than for the other occupational categories. However, over 15% of firms within the Service Sector report employees within the Higher Administrative, Managerial and Professional grouping working over 12 hours overtime for the reference week.

The distribution of the average levels of overtime per full-time employee reveals that over 70% of firms in Production and almost 95% of firms in Service have employees working 5 hours or less in the reference week. 5.9% of firms in the Production Sector work more than 10 hours on average while only 0.6% work more than 10 hours on average in the Service Sector.

The distribution among firms of the level of overtime hours worked per employee on overtime and the distribution among firms of the level of overtime hours worked per full-time employee are given in the tables over. The distribution of overtime hours per employee on overtime by occupational group is given in Appendix 5.

The distribution among firms of the level of overtime working by employees on overtime indicates variation among the activity groupings of the Sectors. Thus within the Service Sector a majority of firms within the Insurance and Finance, Hotels and Miscellaneous groupings worked 5 hours

Table 10.12 Distribution among firms of the level of overtime worked per employee on overtime for the reference week.

Sector	Percentage of firms with level of overtime hours						Total firms
	1-5	6-10	11-12	13-15	16-20	20 +	
Production	23.6%	46.4%	11.5%	8.9%	6%	3.7%	100%
Service	38.1%	42.2%	7.1%	6.3%	4.5%	1.9%	100%

Table 10.13 Distribution among firms working overtime of the average level of overtime hours per full-time employee for the reference week

Sector	Percentage of firms with level of overtime hours						Total firms
	0	1-5	6-10	11-15	16-20	20 +	
Production	7.4%	64.9%	21.8%	5.1%	0%	0.8%	100%
Service	10.1%	84.8%	4.4%	0.3%	0.3%	0%	100%

or less and on the other hand a majority within the Transport and Government Departments worked more than 10 hours on average. Within the Production Sector the Clothing and Footwear grouping is the only one to report a majority of firms working 5 hours or less.

The distribution among firms by activity grouping of the average level of overtime worked by employees on overtime is given in Appendix 5.

High levels of overtime were worked during the reference week by those on overtime within the Production Sector. The Clothing and Footwear

grouping reported the lowest average level of 6.1 hours. The average level of the other groupings was mainly placed in the 8-10 hour category. High levels of overtime working are obtained among all the occupational categories. The average level in the skilled category surpasses 10 hours in 4 out of the 9 activity groupings.

High levels of overtime hours were also worked among employees on overtime for the reference week in the Service Sector. This is particularly so within the Transport, Semi-States and Local Authorities activity groupings. In fact in the breakdown by occupational classification the average overtime hours worked exceeded 20 hours in respect of Higher Admin., Managerial and Professional occupational group in the Semi-States activity, in respect of the maintenance grouping in the Transport activity and in respect of the grouping "Persons engaged in Sales and point of service activity only" for Government Departments.

The distribution among employees by occupational category of the level of overtime hours worked for the reference week is given in Table 10.14. This shows that within the Production Sector higher levels of overtime tended to be worked and greater numbers were involved in overtime working in the skilled, semi-skilled and unskilled categories of the labour force. A higher proportion of the Clerical category worked overtime within the Service Sector than was the case in the Production Sector. Within the Sales and Pt. of Service Category and Maintenance Category of the Service sector high levels of overtime were worked by a large proportion of the work force. This amounted to 24% of the former category working over 10 hours with a similar figure in the latter category working over 20 hours.

Tables 10.15 and 10.16 give the average level of overtime hours worked for the reference week among the firms surveyed by activity grouping and by occupational classification. In addition Appendix 5 contains details

Table 10.14 Distribution among employees of the level of overtime hours worked for the reference week by sector

Production	Percentage of employees with level of overtime hours						Total employees
	0	1-5	6-10	11-15	16-20	20+	
Higher Admin. Managerial & Prof.	93.6%	1.7%	3.9%	0.5%	0.1%	0.2%	100%
Clerical	91.6%	2.8%	5.3%	0.3%	0%	0%	100%
Skilled	56.2%	11.1%	19.1%	10.5%	1.7%	1.4%	100%
Semi-skilled and unskilled	57.9%	6.5%	21.3%	7.9%	4.9%	1.5%	100%
Total	61.6%	5.3%	20.1%	10.0%	2.1%	0.9%	100%
Service	38 %						
Higher Admin. Managerial & Prof.	92.0%	5.4%	0.1%	1.2%	1.3%	0%	100%
Clerical	80.5%	13.7%	2.9%	2.9%	0%	0%	100%
Personnel engaged in Sales or Pt. of Service activity only	67.3%	5.9%	2.9%	23.7%	0.1%	0.1%	100%
Maintenance	54.9%	0.8%	7.1%	5.1%	8.3%	23.8%	100%
Others	52.7%	27.3%	15.6%	3.9%	0.4%	0.1%	100%
Total	69.4%	11.2%	6.6%	11.6%	1.1%	0.1%	100%

30 %



of the level of overtime hours worked by employees on overtime for the reference week by both activity grouping and size classification.

Appendix 5 contains tables illustrating for each Sector by size classification and activity grouping average hours worked by all full-time employees within the firm surveyed for the reference week.

This shows that in the Service Sector average standard hours per employee are almost universally 40 hours or under. The exceptions to this are in the smaller hotel size classifications and within Government Departments. Average overtime hours rarely exceed 2 hours. The principal exception to this is however the transport activity grouping where in the larger size employee classification average overtime hours are 12.3 for the week. The average level of overtime hours within some Local Authorities activity size classifications and within the Semi-state activity grouping also exceed 2 hours, but in no case by more than 4 hours and generally by a great deal less.

Consequently when overtime hours has been included along with standard hours the average hours worked for the reference week exceeds the 40 hours level within some of the size classifications of the activity groupings.

Within the Production Sector the level of standard hours is in the vast majority of cases 40 hours or less. To the extent that a higher level occurs it is almost exclusively in certain size classifications of the Construction activity grouping. The average level of overtime hours varies between the activity groupings but generally the Food, Drink and Tobacco, Construction, Mining, Quarrying and Turf and Electricity and Gas have the highest levels within their size classifications. The Clothing and Footwear

Table 10.15 Average overtime hours worked for the reference week by employees on overtime among firms surveyed by activity grouping for the Production Sector

Activity	Occupational Classification				
	Higher Admin. Managerial & Professional	Clerical	Skilled	Semi-skilled & unskilled	All employees
Textiles	9.2	7.01	8.1	10.1	9.6
Cloth. & Footwear	7.2	5.5	11.7	4.8	6.1
Food, Drink & Tobacco	7.8	5.3	11.0	11.8	10.8
Construction	8.6	8.4	8.5	9.6	9.2
Engineering	5.7	5.2	9.0	7.6	9.0
Chemicals	12.6	4.6	10.9	8.4	8.5
Paper/Print	12.5	6.7	2.4	8.8	8.5
Mining, Quarrying	10.7	9.3	10.7	9.4	9.7
Electricity & Gas	0	6.0	9.8	8.5	9.2
Total Sector	8.3	6.0	8.5	9.5	9.4

activity grouping has the lowest average overtime levels in each size classification. Generally the average level of hours worked per week exceeds 46 for the Production Sector.

Finally estimates are made for both sectors of the amount of overtime hours worked and the number engaged for the reference week. These estimates

10.16 Average overtime hours worked for the reference week by employees on overtime among firms surveyed by activity grouping for Service Sector

Activity	Occupational Classification					
	Higher Admin. Managerial & Professional	Clerical	Personnel engaged in sales or point of service activity only	Main.	Others	All employees
Retail & Wholesale	4.5	3.6	5.7	8.8	5.2	5.5
Transport	0.5	2.9	11.4	20.1	8.4	12.8
Insurance & Finance	1.6	3.3	8.8	11.2	6.2	3.8
Hotels	8.0	3.1	6.2	8.1	13.4	8.8
Local Government	0	14.6	6.2	11.0	9.8	9.8
Consulting Engineers	14.7	0	0	0	7.3	9.0
Government Departments	13.5	11.5	21.7	11.6	4.0	5.4
Health Boards	0	12.0	16.7	14.9	5.2	7.5
Semi-States	23.6	4.8	3.1	16.8	16.2	10.6
Miscellaneous	4.9	0	6.0	8.5	7.8	6.4
Total Sector	5.8	4.7	9.5	16.8	5.8	8.4

are presented in Tables 10.17 and 10.18. The pattern found for the activity groupings within the sectors follows that found in the case of the annual

estimates. Thus over 50% of the total overtime estimated to have been worked in the reference week is found in the Food, Drink and Tobacco and Construction activities of the Production Sector and the Transport activity of the Service Sector.

Table 10.17 Estimates of total amount of overtime hours worked and numbers engaged for reference week in the Production Sector

Activity	Numbers engaged	Overtime hours (in '000's)	Equivalent number of 40 hour jobs
Textiles	3,107	26.1	652
Clothing & Footwear	3,252	17.6	440
Food, Drink & Tobacco	27,143	262.6	6,565
Construction	40,120	351.4	8,785
Engineering	20,700	180.9	4,522
Chemicals	10,993	86.3	2,157
Paper/Print	5,772	45.3	1,132
Mining, Quarrying and Turf	9,985	101.1	2,527
Electricity and Gas	5,783	50.8	1,270
Total	126,855	1,122.1	28,050

1. For illustrative purpose only

Table 10.18 Estimates of total amount of overtime hours worked and numbers engaged for reference week in the Service Sector.

ACTIVITY	Numbers engaged	Overtime Hours (in '000's)	Equivalent number of 40 hour jobs <sup>1</sup>
Retail and Wholesale	17,837	121.1	3027
Transport	17,662	217.0	5425
Insurance and Finance	13,513	57.6	1440
Hotels	1,623	10.4	260
Local Authorities and Health Boards	10,445	91.1	2277
Total	61,040	497.2	12,429

<sup>1</sup>For illustrative purpose only.

## 10.5 Rates applicable to Overtime Hours

Rates paid for overtime hours are examined on the basis of rates applying to weekday working and weekend working.

### 10.5.1 Production Sector

Premium rates paid for overtime hours worked are given for both sectors in Table 10.19. In respect of weekday working over 27% of respondents indicated that the same premium rate applied for all hours above standard. The remainder indicated higher premium rates after various amounts of hours worked with 4 hours being cited by 26% of respondents and 7 hours by over 20% of respondents.

The rate most widely cited was time and a half. This applied in the case of 94.5% of respondents in the case of the low premium hours while it also applied in over 27% of the high premium cases as well. The rate applying in the majority of firms (69.7%) was double time for the higher premium hours.

In respect of weekend overtime hours under 10% of firms reported the same rate applying for all hours. This was either time and a half or double time. The changeover to higher premium rates occurred to a small degree after 2/3 hours and to a somewhat larger degree after 5 hours but in almost 70% of the firms after 4 hours. The lower premium was 50% for over 90 percent of firms while roughly the same number had a double time rate applying for the higher premium hours.

### 10.5.2 Service Sector

Forty seven percent of respondents reported the same rate applying

Table 10.19 Distribution of Overtime rates within firms for a) Production and b) Service Sectors

a) Production Premium rate	Percentage of firms with cited rate for:			
	Weekday		Weekend	
	Lower Premium	Higher Premium	Lower Premium	Higher Premium
0%	1.5%	1.5%	1.4%	1.4%
25%	2.6%	0.8%	1.0%	0.8%
50%	94.5%	27.6%	93.4%	6.3%
75%	0.2%	0.2%	0.6%	0%
100%	1.1%	69.7%	3.7%	90.7%
200%	0%	0%	0%	0.8%
Total all firms	100%	100%	100%	100%
b) Service				
0%	1.6%	1.3%	1.1%	1.1%
25%	15.6%	2.9%	3.2%	1.5%
33%	0.3%	0.3%	0.4%	0%
50%	79.7%	50.3%	74.3%	13.9%
75%	0%	0.6%	1.8%	1.1%
100%	2.8%	44.5%	18.9%	80.7%
200%	0%	0%	0.4%	1.8%
Total all firms	100%	100%	100%	100%

for all hours of weekday working with over 20% reporting a higher rate after 4 hours of overtime working and 12.1% after 6 hours. The lower premium rate was 25% in the case of over 15% of firms and 50% in just under 80% of firms. The higher premium rate was 50% in just over 50% of firms and double time applied in the case of 44% of firms.

In respect of weekend working just under 40% of respondents indicated the same rate applying for all hours worked while a similar number indicated a higher premium applied after 4 hours. 74.3% of firms indicated a lower premium rate of 50% and 18.9% indicated that double time applied. A double time rate applied in over 80% of the firms for the higher premium rate while just under 14% indicated that time and a half applied.

#### 10.6 Management attitude to Overtime

Within the Production Sector 97.6% of respondents felt overtime was essential while 96.1% thought so in the Services Sector. Almost half of the firms in the Production Sector felt overtime levels would be maintained over the following 12 months while just under 60% felt so in the Services Sector. A significant number of firms indicate that overtime will be somewhat reduced while a smaller number think it will be greatly reduced. Table 10.20 over gives details of how firms think overtime levels will change in the 12 months following the survey. It is clear that while firms may consider overtime essential, this does not necessarily imply that the amount being worked will not be reduced. The extent to which overtime is thought essential is fairly uniform throughout all the activity groupings in the Sectors. As might be expected overtime is viewed as essential by a lower proportion of those who work overtime on an occasional basis than by other firms.



Table 10.20 Firms opinion as to how overtime levels will change over the 12 months following the survey.

Overtime will be:	Sector	
	Production	Services
1. Eliminated completely	0.9%	0.9%
2. Greatly Reduced	9.9%	7.8%
3. Somewhat Reduced	33.6%	24.7%
4. Maintained at current levels	49.7%	59.3%
5. Somewhat Increased	5.3%	6.0%
6. Greatly Increased	0.6%	1.2%
Total all firms	100%	100%

Within the Production Sector a greater proportion of firms within the Textiles, Clothing and Footwear, Electricity and Gas, and Chemicals activity groupings thought the overtime might be reduced as compared to the Mining, Quarrying and Turf and the Construction activity groupings where there was a much smaller proportion of firms who thought that overtime reductions would take place.

Within the Service Sector the activities in which firms were most likely to consider reductions in overtime would occur were Insurance and Finance, Government Departments and Health Boards while firms in the Transport activity were least likely to do so.

The details of the opinions of firms on changes in the level of overtime over the 12 months following the survey are given in Appendix 5.

#### 10.7 Details related to the practice of overtime within firms

This section considers a number of issues related to the practice of overtime within firms. It provides details related to the extent to which firms review the practice of overtime and the nature of such reviews where these occur. It also deals with the nature of the decision making process as it operates within firms insofar as overtime is concerned. It further explores managements viewpoint of the relationship between the productivity of employees and overtime, the perception management has of employee and trade union attitude to overtime working as well as some other items related to overtime within firms.

##### 10.7.1 Reviewing the practice of overtime within firms

Sixty six percent of respondents in the Production Sector and 52.8% of respondents in the Service Sector indicated that they had reviewed the practice of overtime in the six months prior to the survey. Over 50% of those reviewing the practice of overtime indicated one result of the review to be an examination of the feasibility of replacing overtime with extra employees. However, an even greater percentage indicated steps designed to improve efficiency aimed at reducing the level of overtime. Only a small percentage indicated plans to increase the level of overtime. Table 10.21 indicates what the results of the review were for both Sectors.

The reviews took place in the majority of cases at Higher Management level. There were some cases of reviews being held jointly at middle and higher management levels. Floor management was not widely involved in the review process. Appendix 5 contains the distribution of firms by management

Table 10.21 Percentage of firms who reviewed the practice of overtime indicating the following results of their review for the Production and Services Sector

Result of Review	Production	Services
1. Approval of current levels of overtime	49.6%	55.4%
2. Cost benefit analysis of overtime	54.4%	35.6%
3. Examination of feasibility of replacing overtime with extra employees	61.6%	55.9%
4. Improved efficiency aimed at reducing level of overtime	67.4%	62.1%
5. Plans to increase level of overtime	3.7%	3.4%
6. Other measures	28.3%	23.7%

level at which review took place.

Firms working overtime on a regular basis were more likely to review the practice of overtime. A table giving the distribution of firms by frequency of overtime and whether they reviewed the practice of overtime is given in Appendix 5 for each sector.

There is considerable variability between the activity groupings as to the percentage of firms who reviewed the practice of overtime. This varies in the case of the Production Sector from 100% for Electricity and Gas to 47.5% in the Construction activity. In the Service Sector it varies

from 36% in Local Authorities to 80% in the Semi-States activity grouping.

Larger firms were more likely to have reviewed the practice of overtime. In the Production Sector firms on higher levels of overtime were more likely to have reviewed the practice of overtime than firms with a low level of overtime. Although there was some evidence of this being the case within the Service Sector as well, the relationship was not significant.

#### 10.7.2 The Overtime Decision

A third of respondents in the Service Sector and almost 50% of respondents in the Production Sector had more than one decision maker involved in deciding on what overtime should be worked. The decision maker tended to be for the most part either the General Manager or Middle Management. To a lesser extent when more than one decision maker existed the floor manager tended to be involved. In less than 1% of the firms did the employee alone make the decision on what overtime was to be worked. The table over gives the details of the decision makers on overtime within the firm. Appendix 5 provides details on the nature of the decision process when more than one decision maker is involved. This mainly involves either senior and middle management consultation or senior management agreeing in principle while the details of the overtime are left to be decided at floor supervisory level.

Around 42% of firms in both Sectors reported that there were guidelines or financial or other limits in relation to the amount of overtime to be worked. In respect of these firms the majority reported these restrictions to be related to budget limits or demand requirements. The details on the nature of the limits/guidelines are set out in Appendix 5. However, the existence of limits/guidelines did not affect significantly the levels

Table 10.22 Percentage of firms who indicated the following as decision makers on overtime working

Decision Makers	Production	Services
Owner	15%	10.1%
General Manager	47.2%	38.8%
Middle Management	52.6%	59.1%
Floor Supervisor	25.4%	17.0%
Floor Employee	2.2%	1.4%
Other	4.8%	5.0%

of overtime being worked.

### 10.7.3 Productivity and Overtime

Among those firms expressing a viewpoint on the level of productivity during overtime hours a majority of the firms in both sectors felt it was the same as on standard hours. This was explained principally on the grounds that there were predetermined times for jobs or that the amount of overtime to be worked is fixed and hence unaffected by the productivity levels of workers.

A majority of the remaining firms in the Production Sector felt productivity was lower on overtime while by contrast a majority of the remaining firms in the Service Sector felt productivity was higher on overtime. Arguments to support the latter viewpoint included items such as:

- (a) jobs needs to be finished quickly (rush orders)
- (b) less interruptions during overtime

- (c) employees anxious to finish overtime early
- (d) higher rates apply.

The former viewpoint was supported mainly on the basis of:

- (a) employees being tired at the end of the day
- (b) less supervision of employees on overtime

The levels or frequency of overtime working are not affected significantly by the views of the firms on the level of productivity during overtime hours.

A majority of respondents also indicated that they felt the productivity of standard hours was unaffected by the possibility of overtime working. Of the remainder most felt that the productivity of standard hours was diminished by the possibility of overtime working. This was supported on the basis that:

- (a) People reserved their energy somewhat for the longer day
- (b) Delays were generated during standard hours
- (c) Continuous overtime affected standard hours

The counter viewpoint was supported on the basis that:

- (a) Employees are not anxious to work overtime
- (b) Higher payments associated with overtime generate greater interest among employees overall.

The viewpoint expressed by the majority of firms that productivity was unaffected was supported on the basis that:

- (a) The work rate was predetermined
- (b) Overtime was generally available only to responsible employees

Again the viewpoints expressed by firms did not affect significantly the levels or frequency of overtime worked.

The tables below give the distribution of firms viewpoint by sector in relation to the points about productivity while Appendix 5 gives the explanations offered by firms in support of their viewpoint.

Table 10.23 Firms views of level of productivity during overtime hours by Sector

Level of Productivity as compared to Standard hours	Sector	
	Production	Services
1. Lower on Overtime	29.8%	14.7%
2. Same	60.4%	62.3%
3. Higher on Overtime	9.7%	23.0%
Total all firms	100%	100%

Table 10.24 Firms views of effect of overtime working on productivity during standard hours

Effect of overtime working on productivity of workers during standard hours	Sector	
	Production	Services
Greatly Increased	0.9%	0.3%
Increased Somewhat	8.1%	4.6%
Unaffected	63.5%	75.4%
Somewhat Diminished	26.2%	18.8%
Greatly Diminished	1.3%	0.9%
Total all firms	100%	100%

#### 10.7.4 Trade Union and employee attitudes to overtime as perceived by management

In relation to trade union attitudes to overtime working as perceived by management the vast majority of firms reported the trade union attitude to be one of acceptance or indifference. However, within the Production Sector 14.1% of firms reported the attitude to be one of encouragement. Less than 3% of firms perceived the Trade Union attitude as one of opposition. Opposition where it is perceived is more likely in the more highly unionised firms.

The majority of firms report employees eager or willing to work overtime with only 10% in the Service Sector reporting employees reluctant to work overtime and almost 8% in the Production Sector reporting employees reluctant to work overtime or opposed to overtime working.

Firms with opposition from employees or unions are less likely to have high levels of overtime working. The responses from firms in relation to their perception of trade union and employee attitudes are given in table 10.25.

#### 10.7.5 Other details on overtime

Only 6% of firms on overtime in the service sector and just over 9% in the Production Sector reported that employees were guaranteed a level of overtime. This ranged in the Service Sector from 2 hours to 15 hours per week and in the Production Sector from 1 hour to 20 hours per week with 10 hours being the most common guaranteed overtime. The distribution of the level of guaranteed overtime among firms with such a guarantee is given



Table 10.25 Distribution of firms responses in relation to their perception of (a) trade union attitudes and (b) employee attitudes to overtime

(a) Trade Union attitude	Sector	
	Production	Service
1. Encouragement	14.1%	4.6%
2. Acceptance	54.0%	54.6%
3. Indifference	18.9%	20.6%
4. Opposition	2.4%	1.2%
5. No unionised employees	10.5%	19.0%
Total all firms	100%	100%
(b) Employee attitude		
1. Eager to work overtime	22.0%	9.7%
2. Willing to work overtime	59.5%	68.8%
3. Indifferent to working overtime	10.7%	12.4%
4. Reluctant to work overtime	7.1%	9.1%
5. Opposed to overtime and refuse to work it	0.8%	0%
Total all firms	100%	100%

in Appendix 5. Firms working overtime regularly were more likely to guarantee employees a level of overtime and firms in the Production Sector with overtime guaranteed to employees were more likely to be working high levels of overtime.

Close to 75% of firms in both sectors indicated that employees worked overtime at management discretion. Over 80% of firms said that there was no limit to the amount of overtime to be worked by employees. Limits within firms ranged from 2 to 25 hours per week in the Service Sector and from 1 to 30 hours per week in the Production Sector with 10 hours and 20 hours being the limits most often reported.

Almost 60% of firms in the Production Sector and almost 50% of firms in the Service Sector reported that conditions related to overtime were included in an employee/trade union and management agreement. Firms working overtime on a regular basis were more likely to have overtime conditions included in such agreements.

#### 10.8 Reasons for Overtime Working

Reasons for overtime working were obtained from firms in two ways. Firstly reasons were supplied spontaneously by respondents without prompting from the interviewer. Respondents were asked to supply in order of importance up to three reasons for overtime working in their own firms. Subsequently respondents were supplied with a list of possible reasons for overtime working. They were then asked to assess the importance of these reasons in relation to overtime working in their own firms. It can be noted that in regard to spontaneous reasons not all firms supplied more than one reason for overtime working.

### 10.8.1 Spontaneous reasons

A wide range of reasons were advanced by management in the different firms surveyed. The most important reasons cited by 2% or more of firms within the Production and Service Sectors are given in tables 10.26 and 10.27 respectively.

The most striking feature of these lists is the importance given to reasons relating to the demand for the firms goods or services. These include: fluctuations in demand (including seasonal variations), the need to meet deadlines, the need to meet normal level of demand, occasional increases in demand and the need to meet rush orders. Demand considerations are in the main exogenous factors. Other exogenous factors cited are employee absenteeism/sickness, problems of supplies, the need to take advantage of seasonal conditions and the shortage of skilled workers. i.e. Firms are stressing that the reasons for utilising overtime lie outside their control.

In addition to these reasons related to demand the nature of the production process of the firm or the nature of the service activity engaged in are quite important. Thus many firms feel that the very nature of the operation they are engaged in virtually requires the use of overtime.

Employee absenteeism/sickness provides another major reason for overtime working. This is more often cited within the Production Sector than within the Service Sector. This is in accord with the evidence obtained from the survey however, that non-attendance is more widespread among employees within the Production Sector. Another reason common to both sectors is that overtime is required to do work which would interfere with normal activities during standard hours. This work refers to maintenance

Table 10.26 Most Important reasons for overtime working cited by 2% or more of respondents in the Production Sector

REASON	Percent of firms citing
1. Fluctuations in customer demand (incl. seasonal fluctuations)	14.1%
2. Nature of production process	12.2%
3. Overtime is necessary to meet deadlines	11.4%
4. To meet volume of demand/work in normal conditions	10.7%
5. Employee absenteeism/sickness	8.8%
6. Overtime is used to meet occasional increases in demand	8.0%
7. Overtime is required to do work which would interfere with normal activities during standard hours	7.6%
8. Rush Orders	3.6%
9. Need to make maximum use of capital equipment, men and time resources	3.2%
10. Problems associated with obtaining supplies of raw materials/parts etc. (incl. seasonal fluctuations in supply)	3.0%
11. Overtime is used to take advantage of weather and light (i.e. seasonal) conditions	2.7%
12. Shortage of skilled workers	2.7%
TOTAL PERCENTAGE OF FIRMS REPLIES COVERED	88.0%

Table 10.27 Most Important reasons for overtime working cited by 2% or more respondents in the Services Sector

REASON	Percent of firms
1. Nature of service activity	21.3%
2. Fluctuations in customer demand (incl. seasonal fluctuations)	17.9%
3. To provide level of service (in normal conditions)	14.1%
4. Overtime is used to meet occasional increases in demand	9.4%
5. Overtime is necessary to meet deadlines	7.2%
6. Overtime is required to do work which would interfere with normal activities during standard hours	6.6%
7. Employee absenteeism/sickness	3.1%
8. Rush Orders	2.2%
TOTAL PERCENTAGE OF FIRMS COVERED	81.8%

and cleaning activities, stocktaking etc.

Seasonal factors relating to weather and supplies of raw materials, and the need to make maximum use of capital equipment, men and time resources are also cited by over 2% of respondents in the Production Sector. Finally 2.7% of respondents in this sector also report shortage of skilled workers as the most important reason for overtime working.

In the tables just examined each respondent's view was considered equal. So for example, the reason advanced by the manager of a small firm with only 200 hours of overtime worked in a year was treated in precisely the same way as the view of the manager of a firm with over 10,000 hours annual overtime. It seems sensible to give more weight to the latter manager's views. So a further analysis was carried out in which the reasons spontaneously cited were weighted according to the overtime hours worked in the respondent's firm or organisation. Tables 10.28 and 10.29 present the results of this procedure.

The effect of the weighting can be clarified by considering a particular reason in the Production Sector - 'Employee absenteeism/sickness'. Table 10.26 reveals that 8.8% of firms give this as their most important reason for using overtime. When the reasons are weighted this particular reason taken a value of 31%. This means that in the Production Sector the management of firms which accounted for 31% of overtime worked (among the surveyed firms) gave this as the single most important reason for using overtime.

In fact the emergence of this as the one with the greatest weighting is the most significant difference between this analysis and the original, unweighted one. It is noted also that absenteeism is relatively unimportant

Table 10.28 Ordering of most important reasons cited by respondents in the Production Sector for overtime working when weighted by the amount of overtime worked.

REASON	Percentage Weighting
1. Employee absenteeism/sickness	31%
2. Fluctuations in customer demand	23%
3. Nature of production process	13%
4. To meet volume of demand/work in normal conditions	5%
5. Overtime is required to do work which would interfere with normal activities during standard hours	5%
6. Overtime is necessary to meet deadlines	4%
7. Overtime is used to meet occasional increases in demand	4%
8. Problems associated with obtaining supplies of raw materials/parts etc. (incl. seasonal fluctuations in supply)	3%
9. Need to make max. use of capital equipment, men and time resources.	2%
Total percentage weighting accounted for	90%

Table 10.29 Ordering of most important reasons cited by respondents in the Services Sector for overtime working when weighted with the amount of overtime worked.

REASON	Percentage Weighting
1. Nature of service activity	56%
2. To provide level of service (in normal conditions)	12%
3. Overtime is required to do work which would interfere with normal activities during standard hours	9%
4. Fluctuations in customer demand	6%
5. Interruptions in essential services	5%
6. Recruitment difficulties arising from shortages of labour	4%
7. Overtime is used to meet occasional increases in demand	2%
8. Employee absenteeism/sickness	2%
Total percentage weighting accounted for	96%



in the Service Sector. This is a striking difference between the two sectors. While it might be of interest to explore this further, no attempt will be made to do so here.

Exogenous factors are stressed in the Production Sector. Absenteeism, and fluctuation in demand, the two principle reasons to emerge, account for the views of managers in firms working over 50% of the overtime hours. However, a shortage of skilled labour no longer appears in the list. The nature of the production process is associated with 13% of the overtime hours worked.

In the Service Sector, one reason dominates - the nature of the activity itself. It represents the views of management of firms accounting for 56% of overtime hours worked in the Service Sector. Many of the reasons which emerge are exogenous though the demand related reasons are less important than in the Production Sector. A shortage of labour emerges as a reason of some significance. 'Rush Orders' disappears, as it did also in the Production Sector.

These analyses have focussed on the most important reason given by respondents for working overtime. In relation to the second reason advanced by firms for overtime working the following additional reasons emerged:

1. Machine breakdowns (Production Sector);
2. Overtime provides increased monetary reward for employees (Production Sector);
3. Overtime is cheaper than taking on additional staff (Production Sector);
4. Employee holidays (Service Sector);

Some firms also supplied a third reason for overtime working but this did not reveal any previously unmentioned reason. Details are supplied

in Appendix 5 of the second and third most important reasons most often cited for overtime working.

Tables 10.30 and 10.31 indicate what was most often cited as being the most important reason for overtime within each of the activity groupings of the Production and Service Sector. A more detailed breakdown of reasons by activity is given in Appendix 5.

A breakdown of the reasons given by levels of overtime worked did not indicate that some reasons were more likely to be associated with higher average levels of overtime than others. However, a breakdown of the reasons cited as being most important by the frequency of overtime worked revealed a significant measure of association between the two. The nature of the production process or nature of the service activity usually implied regularly worked overtime as did the need to make maximum utilization of capital, men and time resources. Likewise those citing the need to meet normal level of demand/service were usually those working regular overtime. As might be expected those citing seasonal fluctuations in demand as the reason for overtime working generally used overtime on a seasonal basis.

An additional, third type of analysis was carried out. All the spontaneously cited reasons were ranked on the basis of the proportion of the number of times they were cited in relation to the total number of reasons cited. While the ranking of reasons tends to change somewhat similar reasons emerge as being significant. However, machine breakdowns within Production and employee holidays within Service are ranked higher than formerly. Tables of the higher ranking reasons are given in Appendix 5.

Table 10.30 Reason most often cited within each of the activity groupings of the Production Sector as being most important reason for working overtime.

ACTIVITY	REASON
Construction Engineering Print/Paper	1. Overtime is necessary to meet deadlines
Mining, Quarrying and Turf Food, Drink and Tobacco	2. Fluctuations in customer demand (incl. seasonal fluctuations)
Clothing and Footwear Chemicals	3. Employee absenteeism/sickness
Electricity and Gas	4. Nature of Production Process
Textiles	5. Overtime is required to do work which would interfere with normal activities during standard hours

Table 10.31 Reason most often cited within each of the activity groupings of the Service Sector as being most important for overtime working

ACTIVITY	REASON
Retail and Wholesale Transport Hotels Semi-States Miscellaneous	1. Nature of service activity
Insurance and Finance	2. To provide level of service
Health Boards Consulting Engineers	3. Overtime is necessary to meet occasional increases in demand/work load
Government Departments	4. Overtime is necessary to meet deadlines
Local Authorities	5. Overtime is required to do work which would interfere with normal activities during standard hours

#### 10.8.2 Evaluation of prompted reasons by firms on overtime - basic analysis

Respondents were also asked to evaluate a number of possible reasons for overtime working. Many of the reasons rated as very important correspond to those volunteered by management earlier. The extent to which firms evaluated the list of supplied reasons as very important is given in tables 10.32 and 10.33 for the Production and Service Sectors respectively. The necessity of overtime in meeting deadlines is rated as very important by most firms in both Sectors. The demand related factors which arose from the unprompted questions are also rated as very important by many firms. Likewise the nature of the activity engaged in and absenteeism are regarded

as very important by many.

Table 10.32 Responses to prompted reasons for working overtime in Production Sector (Reasons ranked according to percent of respondents evaluating them as 'very important')

REASONS	Percentage of firms
1. Overtime is necessary to meet deadlines	57%
2. Overtime is used to meet occasional increases in demand	41%
3. Nature of production process	38%
4. Rush Orders	32%
5. Need to make maximum utilization of capital equipment	27%
6. Fluctuations in customer demand	26%
7. Employee absenteeism/sickness	23%
8. Shortage of skilled workers	20%
9. Overtime is required to do work which would interfere with normal activities during standard hours	19%
10. Interruptions in essential services	18%
11. Problems associated with obtaining supplies of raw materials/parts	17%
12. Recruitment difficulties arising from shortage of labour	16%
13. Overtime provides increased monetary reward for employees	15%
14. Overtime is used to retain skilled employees in short supply	14%

Table 10.32 continued

REASONS	Percentage of firms
15. Desire by establishment ownership/management to keep numbers employed within manageable proportions	14%
16. Machine breakdowns	14%
17. Overtime is used to take advantage of weather conditions	13%
18. Overtime is cheaper than taking on additional staff	13%
19. Problems arising from start up of new operation	9%
20. Constraints in capacity due to lack of capital	9%
21. Social insurance contributions and other employee costs incurred by employer make overtime more economic than increasing employment	9%
22. Constraints in capacity due to lack of space	8%
23. Labour legislation and redundancy payment regulations act as a disincentive to take on extra employees instead of overtime	8%
24. Demand from employees for overtime hours	8%
25. Low Productivity	8%
26. Employee holidays	7%
27. Agreement with Trade Union or employee guaranteeing level of overtime	6%
28. High turnover of employees	5%

Table 10.32 continued

REASONS	Percentage of firms
29. Fashion trends	4%
30. Restrictions on employment	4%
31. Lack of Supervision	3%
32. Industrial dispute within establishment	2%

Table 10.33 Responses to prompted reasons for working overtime in Service Sector (Reasons ranked according to percent of respondents evaluating them as 'very important')

REASONS	Percent of firms
1. Overtime is necessary to meet deadlines	46%
2. Overtime is used to meet occasional increases in demand	36%
3. Nature of service activity	35%
4. Fluctuations in customer demand	23%
5. Rush Orders	19%
6. Interruptions in essential services	17%
7. Need to make maximum utilization of capital equipment	13%
8. Desire by establishment management/ownership to keep numbers employed within manageable proportions	12%
9. Overtime is required to do work which would interfere with normal activities during standard hours	12%
10. Employee holidays	11%
11. Employee absenteeism/sickness	10%
12. Overtime is cheaper than taking on additional staff	10%
13. Overtime is used to take advantage of weather conditions	9%
14. Shortage of skilled workers	8%
15. Recruitment difficulties arising from shortage of labour	7%
16. Machine breakdowns	7%



Table 10.10 continued

REASONS	Percentage of firms
17. Overtime provides increased monetary reward for employees	6%
18. Problems associated with obtaining supplies of raw materials/parts etc.	5%
19. Agreement with Trade Union/Employee guaranteeing level of overtime	5%
20. Problems arising from start-up of new operation	4%
21. Social Insurance contributions and other employee costs incurred by employer make overtime more economic than increasing employment	4%
22. Labour legislation and redundancy payment regulations act as a disincentive to take on extra employees instead of overtime	4%
23. Constraints in capacity due to lack of space	3%
24. High turnover of employees	3%
25. Restrictions on employment	3%
26. Constraints in capacity due to lack of capital	3%
27. Lack of supervision	2%
28. Low Productivity	2%
29. Overtime is used to retain skilled employees in short supply,	2%
30. Fashion trends	2%
31. Industrial dispute within establishment	2%
32. Demand from employees for overtime hours	1%

However, a number of additional reasons are also evaluated as very important by 10% or more of firms. These include for both sectors interruptions in essential services and desire by establishment ownership/management to keep numbers employed within manageable proportions. In the case of the Service Sector the need to make maximum utilization of capital equipment and the suggestion that overtime is cheaper than taking on additional staff are also rated as very important by over 10% of firms. These two reasons had earlier emerged as important in the Production Sector. Additional reasons which are rated as very important in the Production Sector by over 10% of firms include recruitment difficulties arising from shortages of labour and the use of overtime as a means of retaining skilled employees in short supply.

Factors such as demand from employees for overtime hours, employee holidays, low productivity and the view that social insurance contributions and other employee costs incurred by employee make overtime more economic than increasing employment are rated as important in having overtime by over 20% of firms in the Production Sector. Within the Service Sector over 20% of firms rate as an important reason for overtime the view that overtime provides increased monetary reward for employees.

The following factors are rated as not important by 75% or more of firms in both sectors:

- Agreement with trade union/employee guaranteeing level of overtime
- High turnover of employees
- Constraints in capacity due to lack of space
- Industrial dispute within establishment
- Labour legislation and redundancy payment regulations act as a disincentive to take on extra employees instead of overtime
- Lack of supervision of employees

- Overtime used to take advantage of weather conditions
- Restrictions on employment

In addition the following reasons were rated as unimportant by 75% or more of firms in the Service Sector:

- Constraints in capacity due to lack of capital
- Demand from employees for overtime hours
- Low Productivity
- Overtime is used to retain skilled employees in short supply
- Social Insurance contributions and other employee costs incurred by employer make overtime more economic than increasing employment.

### 10.8.3 Prompted reasons - analysis of weighted evaluations

A second analysis of the evaluation of the prompted reasons assigns a weight to the responses in a manner related to that applied earlier to the spontaneous replies. So again the responses from firms with high levels of overtime receive a greater weight than those obtained from firms with low levels of overtime.

However in this analysis an additional weighting factor was applied. This related to the number of 'very important' evaluations given. An example clarifies this aspect of the weighting. Consider two respondents, both representing firms with 10,000 annual hours of overtime. Suppose both evaluate 'Absenteeism' as a very important reason, but that the first respondent has evaluated no other reasons as very important whereas the second gives four other very important reasons. It seems reasonable to give more weight to Absenteeism in the first case than in the second.

The complete approach was as follows. Each respondents overtime hours was divided by the total number of reasons he evaluated as very important. The resulting figure was 'assigned' to each of the very important reasons he gave. Thus in the example above 10,000 was assigned to 'absenteeism' for the first respondent, but only 2,000 assigned to this reason in the case of the second respondent.

When this is done for all respondents within a sector the total figure for each reason is the total overtime hours assigned to that reason. This is then divided by the total overtime hours worked within all firms surveyed in the sector. The result for each reason is a percentage. Crudely, this percentage could be considered as the proportion of overtime accounted for by the particular reason. The results of this weighting procedure are presented in tables 10.34 and 10.35.

The nature of the activity engaged in is ranked highest on this basis as the most important reason for overtime within both sectors. The need to make maximum utilization of capital ranks second within the Production Sector and third within the Service Sector. Demand related factors and absenteeism are also ranked high within the Production Sector.

Within the Production Sector the provision of increased monetary reward for employees by the use of overtime is ranked higher on this basis as are machines breakdowns and the use of overtime to take advantage of weather conditions.

Factors such as the view that overtime is cheaper than taking on additional staff, recruitment difficulties, high turnover of employees, shortage of skilled workers, social insurance and other employee costs rank higher on this basis within the Service Sector. Industrial disputes within firms and constraints in capacity due to lack of capital also rank

Table 10.34 Ranking of prompted reasons cited as very important in the Production Sector as a result of weighting procedure

REASON	Percentage of overtime hours accounted for
1. Nature of production process	11.6%
2. Need to make max. utilization of capital equipment	10.6%
3. Overtime is necessary to meet deadlines	9.1%
4. Employee absenteeism/sickness	7.6%
5. Overtime is used to meet occasional increases in demand	6.3%
6. Overtime provides increased monetary reward for employees	5.8%
7. Desire by management to keep numbers employed within manageable proportions	5.4%
8. Problems associated with obtaining supplies of raw materials	3.5%
9. Interruptions in essential services	3.1%
10. Fluctuations in customer demand	3.1%
11. Machine breakdowns	3.1%
12. Overtime is used to take advantage of weather conditions	3.1%
Total percentage of overtime hours covered	72.3%

Table 10.35 Ranking of prompted reasons cited as very important in the Service Sector as a result of weighting procedure

REASON	Percentage of overtime
1. Nature of service activity	14.4%
2. Overtime is necessary to meet deadlines	13.9%
3. Need to make maximum utilization of capital equipment	7.4%
4. Overtime is cheaper than taking on additional staff	5.8%
5. Recruitment difficulties arising from shortages of labour	5.8%
6. Desire by management to keep numbers employed within manageable proportions	5.7%
7. High turnover of employees	5.6%
8. Shortage of skilled workers	5.4%
9. Industrial dispute within establishment	5.4%
10. Social insurance contributions and other employee costs incurred by employer make overtime more economic than increasing employment	5.3%
11. Constraints in capacity due to lack of capital	5.3%
12. Overtime is used to meet occasional increases in demand	4.1%
Total percentage of overtime hours covered	84.1%

higher in this sector when the amount of overtime worked is taken into account.

On this basis of evaluation factors such as demand from employees for overtime hours, labour legislation and the use of overtime to retain skilled labour in short supply do not rank highly in either sector. Social insurance contributions and other employee costs incurred by employers do not rank highly within the Production Sector. The use of overtime to provide increased monetary reward for employees does not emerge among the higher ranked reasons in the Service Sector.

#### 10.8.4 Overall evaluation of reasons for overtime

A number of different rankings of reasons for overtime has been produced. It is possible to identify for both sectors the reasons which emerge of greatest significance among the different lists produced.

In the Production Sector the nature of the production process emerges in all the rankings as significant. A number of demand related reasons also emerge. These include fluctuations in customer demand, the need to meet deadlines and rush orders and to meet the volume of demand in normal conditions. Employee absenteeism is also ranked as an important reason for overtime working. The need to make maximum utilization of capital equipment also emerges as an important reason for overtime working.

The nature of the service activity is ranked highly in the Service Sector among all the ranking schemes. Demand related conditions are also important with fluctuations in demand, the need to meet deadlines and to provide a level of service in normal conditions being the most important. Other reasons which emerged from this sector include the requirement of overtime to do work which would interfere with normal activities during

standard hours, the need to make maximum utilization of capital equipment and the view that overtime is cheaper than taking on additional employees.

It is possible to evaluate the major reasons emerging as very important from the analysis on the basis of their source and the degree of control possible.

Considering initially the nature of the Production process and the service activity, this relates to the activity of the firm and is not likely to be greatly influenced by Government initiative or to a lesser extent by management initiative. Within Service a reduction in the level of service provided might be one course of action open to the firm to reduce overtime working where the nature of the service activity generates overtime working. The need to make maximum utilization of capital equipment is again a firm centered problem. This could be resolved by the introduction/expansion of a shift system but such a step is not without its own difficulties.

The various demand related factors are principally exogenous to the firm. However, the most important of these - the need to meet deadlines may indicate that given greater efficiency at firm level overtime could be reduced. There might not however be any employment gain in such a situation.

Employee absenteeism/sickness is a major factor within the Production Sector and along with the use of overtime to increase monetary rewards for employees and the desire by management to keep numbers employed within manageable proportions represent problems at the firm level involving employees and management. Machine breakdowns and the use of overtime to do work which would interfere with normal activities during standard



hours are again centered at the firm level. These might be reduced by the operation of an effective maintenance policy.

Reasons associated with supply problems whether seasonal or otherwise and weather conditions are obviously beyond the control of the firm.

Interruptions in essential services, shortages of skilled labour and recruitment difficulties are largely outside the control of the individual firm. They are however, amenable to government action which might reduce the significance of these factors as reasons for overtime working. Finally, the burden of social insurance on employers could be reduced by the Government thus reducing the level of non-wage cost borne by the employer. However, these latter factors while amenable to some degree to government action are not as widely viewed in their importance as those referred to earlier.

#### 10.9 Circumstances required to reduce overtime working

An approach similar to that undertaken in determining reasons for overtime working was adopted in attempting to determine the circumstances/conditions under which it would be possible to reduce overtime. Thus firms were asked to indicate on a spontaneous basis circumstances under which they considered it would be possible to reduce overtime in their firms. Firms were then asked to indicate the applicability of a number of possible conditions for reducing overtime.

### 10.9.1 Spontaneously supplied conditions

Many firms indicated in their responses that they felt overtime could not be reduced. In the Production Sector 24.6% of firms and 37.5% of firms in the Service Sector felt it was not possible to reduce overtime.

The main reasons advanced for overtime working by firms who considered it could not be reduced were:

- the nature of the production process/service activity
- fluctuations in customer demand
- to do work which would interfere with normal activities during standard hours
- to meet occasional increases in demand
- the need to meet the volume of work/demand (in normal conditions) or to provide a level of service.

The list of circumstances cited by 3% of more firms is given in Tables 10.36 and 10.37 for both sectors.

Among respondents who indicated that it would be possible to reduce overtime the most often advanced circumstances under which overtime could be reduced within the Service Sector was an increase in the numbers employed followed by increased automation and investment. In the Production Sector the circumstance most often cited was increased automation

Table 10.36 Circumstances cited by 3% or more firms within the Production Sector which would make it be possible to reduce overtime working. These refer to respondents first choice.

CIRCUMSTANCES	Percentage of firms citing
1. Not possible to reduce overtime	23.6%
2. Increased automation and investment	15.7%
3. Stricter control on attendance of employees	8.9%
4. Cut back in volume of production	8.7%
5. Increase in numbers employed	7.9%
6. Increased Productivity	5.8%
7. Introduction/expansion of shiftworking	4.2%
8. Adequate supply of skilled labour	4.0%
9. Steady demand for products/service	3.8%
Total percentage of firms replies covered	82.6%

Table 10.37 Circumstances cited by 3% or more firms within the Service Sector which would make it possible to reduce overtime.  
These refer to respondents first choice

CIRCUMSTANCES	Percent of firms
1. Not possible to reduce overtime	37.5%
2. Increase in numbers employed	14.6%
3. Increased automation and investment	10.1%
4. Cut back in volume of work	8.3%
5. Steady demand for service	4.5%
6. Adequate supply of skilled labour	3.1%
Total percentage of firms replies covered	78.1%

and investment with stricter control on attendance of employees and a cut back in volume of production the next most cited circumstance. An increase in the numbers employed was the most cited circumstance after those above but this included only 7.9% of firms on overtime. Some respondents supplied a second condition under which it would be possible to reduce overtime. In the case of the Production Sector this did not reveal any additional widely cited circumstance but 11% of those citing a second choice in the Service Sector cited alteration of nature of the firms activities as a condition under which overtime could be reduced. The details of respondents second choice are presented in Appendix 5.

Appendix 5 also contains a breakdown by activity of the most often cited circumstance under which overtime could be reduced. In the case of

the Production Sector the most common response within two thirds of the activity groupings was that it was not possible to reduce overtime. This also applied in respect of 60% of the activity groupings in the Service Sector. However, within the Mining, Quarrying and Turf and the Print/Paper activity groupings increased automation was the most widely cited circumstance while within Electricity and Gas increased productivity was cited most often. Increase in numbers employed was most widely cited as the circumstance under which overtime could be reduced in Government Departments and Health Boards while within the Semi-States activity grouping a cut-back in the volume of work was most widely cited.

Firms working overtime on a regular basis were less likely to consider it impossible to reduce overtime levels than those working overtime on some other basis. Furthermore within the Production Sector firms with high levels of overtime were more likely to cite increased remuneration for employees and introduction of shiftworking than firms with low levels. Within the Service Sector firms with high levels of overtime were more likely to cite a cut back in the volume of work than were firms with low levels of overtime.

Firms on regular overtime within the Production Sector were more likely to cite increases in numbers employed, increased productivity, introduction of shift-work and cut back in volume of work/production than firms with other patterns of overtime frequency. Firms with seasonal overtime were more likely to cite steady demand for products.

Within the Service Sector firms on regular overtime were more likely to cite increase in numbers employed, increase in investment and automation and cut back in volume of work/production.

As in the case of the spontaneous reasons cited the most important

conditions cited spontaneously by respondents were weighted with the amount of overtime hours worked and ranked on this basis. The ranking of the conditions based on this weighting is given for both sectors in Tables 10.38 and 10.39. Within the Production Sector the condition of

Table 10.38 Ranking of most important conditions under which overtime could be reduced when weighted with the amount of overtime worked in the Production Sector

CONDITION	Percentage weighting
1. Increased automation and investment	46.9%
2. Not possible to reduce overtime	12.8%
3. Stricter control on attendance of employees	6.0%
4. Cut back in volume of production	5.4%
5. Increased remuneration for employees	4.5%
6. Increased Productivity	3.6%
7. Increase in numbers employed	3.0%
8. Greater labour availability	2.7%
Total percentage of overtime covered	85%

increased automation and investment is associated with 47% of the overtime hours worked. Increased remuneration for employees and greater labour availability rank higher on this basis for the Production Sector than formerly. A cut back in volume of work is the highest ranked condition within the Service Sector. The conditions of trade union/employee agreement and the introduction/expansion of shiftworking rank higher in the Service Sector on this basis.

Table 10.39 Ranking of most important conditions under which overtime could be reduced when weighted with the amount of overtime worked in the Service Sector

CONDITION	Percentage weighting
1. Cut back in volume of work	54.5%
2. Increase in numbers employed	16.4%
3. Trade Union/Employee agreement	10.6%
4. Not possible to reduce overtime	9.5%
5. Increased automation and investment	2.2%
6. Introduction/expansion of shiftworking	1.6%
Total percentage of overtime covered	94.8%

#### 10.9.2 Evaluation of prompted conditions - basic analysis

Respondents were also asked to evaluate the applicability of a list of possible conditions in reducing overtime in their own firms. The percentage of firms on overtime citing the conditions as very applicable to reducing overtime is given in Tables 10.40 and 10.41 for both sectors. A detailed breakdown of firms evaluation of the conditions is given in Appendix 5.

A steady demand for products/service emerges as the condition most often cited as very applicable in reducing overtime for firms in both sectors. Increased Productivity is also widely cited within both sectors as is

Table 10.40 Evaluation of conditions required to reduce overtime by firms in the Production Sector

CONDITION	Percentage of firms citing condition as very applicable
1. Steady demand for products	33.8%
2. Increased Productivity	31.4%
3. Adequate supply of skilled labour	27.4%
4. Steady supply of raw materials to establishment	26.2%
5. Stricter control on attendance of employees	24.8%
6. Increased automation and investment	23.2%
7. Production of quality product on first attempt	22.2%
8. Ready availability of parts/raw materials/ other inputs	21.5%
9. Greater labour availability	19.6%
10. Increased remuneration for employees	17.1%
11. Increase in numbers employed in establishment	15.8%
12. Trade Union/Employee agreement	15.6%
13. Reduction in cost of social insurance and other employee costs incurred by employee	14.1%
14. Low turnover of staff	12.5%
15. More adequate supervision of staff	11.9%
16. Introduction/expansion of shiftworking	11.7%
17. Elimination of industrial unrest within the establishment or elsewhere	11.3%



Table 10.40 continued.

CONDITION	Percentage of firms citing condition as very applicable
18. Hire of temporary staff	6.0%
19. Time off in lieu of payment for hours worked outside standard hours	4.4%
20. Introduction/expansion of part-time staff in the establishment	3.8%

stricter control on attendance of employees in the Production Sector. This corresponds to the importance attached to absenteeism as a reason for overtime in the Production Sector. An adequate supply of skilled labour and increased automation and investment are also widely cited for both sectors. About 15% of firms in both sectors cited increase in numbers employed as very much applicable in reducing overtime.

Steady supply of raw materials and ready availability of parts/raw materials were considered to be very much applicable in reducing overtime by over 20% of firms in the Production Sector.

These conditions are not widely cited as applicable in the Service Sector of firms. The Production of a quality product on first attempt was considered very much applicable by over 20% of respondents in the Production Sector while a reduction in the level of service was similarly evaluated in the Service Sector.

Greater labour availability, hire of temporary staff, and more adequate supervision of staff were evaluated as applicable to a limited

Table 10.41 Evaluation of conditions required to reduce overtime by firms in the Service Sector

CONDITION	Percentage of firms citing condition as very applicable
1. Steady demand for service	25.1%
2. Reduction in level of service	23.6%
3. Adequate supply of skilled labour	16.8%
4. Increased Productivity	15.6%
5. Increase in numbers employed in establishment	14.6%
6. Increased automation and investment	12.3%
7. Hire of temporary staff	12.3%
8. Trade Union/Employee agreement	11.5%
9. Greater labour availability	11.1%
10. Low turnover of staff	11.1%
11. Increased remuneration for employees	8.9%
12. Introduction/expansion of part-time staff in the establishment	8.0%
13. Steady supply of raw materials to establishment	7.7%
14. Elimination of industrial unrest within the establishment or elsewhere	7.6%
15. More adequate supervision of staff	7.6%
16. Reduction in cost of social insurance and other employee costs incurred by employer	7.3%
17. Time off in lieu of payment for hours worked outside standard hours	7.3%

Table 10.41 continued

CONDITION	Percentage of firms citing condition as very applicable
18. Ready availability of parts/ raw materials/other inputs	6.4%
19. Stricter control on attendance of employees	6.4%
20. Introduction/expansion of shiftworking	3.8%

extent in reducing overtime by over 20% of firms in both sectors. Increased remuneration for employees, low turnover of staff, reduction in cost of social insurance and other employee costs incurred by employer and trade union/employee agreement were also evaluated as applicable to a limited extent in reducing by over 20% of respondents in the Production Sector.

While over 20% of respondents in the Service Sector saw the introduction of part-time staff or time off in lieu of payment for hours worked outside standard hours as applicable to a limited extent 80% of firms in the Production Sector felt such conditions were not applicable in reducing overtime.

Finally the introduction/expansion of shiftworking was more widely viewed as applicable in the Production Sector than in the Service Sector.

### 10.9.3 Prompted conditions - analysis of weighted evaluations

The conditions cited by firms as being very much applicable in reducing overtime were weighted with the amount of overtime worked as in the case of prompted reasons and ranked on the basis of the results of the weighting. The results of the weightings are given in Tables 10.42 and 10.43 for both sectors.

Increased Productivity is ranked highest among the list of conditions in the Production Sector as a result of the weighted procedure while trade union/employee agreement and elimination of industrial unrest rank higher than formerly in both Sectors. Reduction in the level of service provided is ranked highest on this basis in the Service Sector. Factors such as ready availability of raw materials, reduction in cost of Social Insurance and other employee costs borne by employer and time off in lieu of payment for hours rank higher in the Service Sector using the weighting scheme than formerly.

---

Factors related to time off in lieu, part-time and temporary staff, reductions in non wage costs and increase in numbers employed are ranked lowest when the weighting scheme is used within the Production Sector. Steady supply of raw materials, introduction of part-time staff, and introduction of shiftworking rank lowest in the Service Sector.

### 10.9.4 Overall evaluation of conditions required to reduce overtime

The condition of steady demand for products or service is widely cited in both Sectors as being required if overtime is to be reduced. It may not be possible for the individual firm to influence greatly the attainment of such a condition. Another demand related condition which

Table 10.42 Ranking of major conditions cited as very much applicable in reducing overtime by firms after being weighted with overtime hours for the Production Sector

CONDITION	Percentage of overtime
1. Increased Productivity	13.1%
2. Trade Union/Employee agreement	10.0%
3. Adequate supply of skilled labour	9.5%
4. Steady demand for products	9.5%
5. Stricter control on attendance of employees	7.9%
6. Elimination of industrial unrest within the establishment or elsewhere	7.5%
7. Increased automation and investment	7.3%
8. Steady supply of raw materials to establishment	5.2%
Total percentage of overtime covered	70%

Table 10.43 Ranking of major conditions cited as very much applicable in reducing overtime by firms after being weighted with overtime hours for the Service Sector

CONDITION	Percentage of overtime
1. Reduction in level of service	13.4%
2. Trade Union/Employee agreement	10.9%
3. Steady demand for service	8.9%
4. Increased automation and Investment	8.9%
5. Adequate supply of skilled labour	8.3%
6. Increase in numbers employed	8.1%
7. Elimination of industrial unrest within the establishment or elsewhere	7.2%
8. Ready availability of raw materials/parts/ other inputs	7.1%
9. Reduction in cost of social insurance and other employee costs incurred by employer	7.0%
10. Time off in lieu of payment for hours worked outside standard hours	5.8%
Total percentage of overtime covered	85.6%

is widely cited is a cut back in the volume of production or the level of service provided. While such a step is within the competence of firms, firms are hardly likely to adopt such a course of action.

The condition of increased productivity and within the Production Sector production of a quality product at first attempt are conditions which can be achieved at the individual firm level. Increases in numbers employed and increased automation and investment are conditions which can be implemented at the individual firm's discretion though there may be constraints particularly related to skill shortages. Thus the condition of an adequate supply of skilled labour can primarily be implemented by externally directed action.

Factors related to supply and availability of raw materials are mainly exogenous to the firm. Control on the attendance of employees and employee/trade union agreement are conditions which can be achieved on the basis of an effective personnel policy at firm level and by negotiation.

#### 10.10 Attempts by firms to reduce overtime

Within the Production Sector 54.7% of firms and within the Service Sector 49.4% of firms indicated they had attempted to reduce the level of overtime being worked. Larger firms within the Production Sector were more likely to have attempted to do so than smaller firms. A greater proportion of firms on higher levels of overtime and of firms on regularly worked overtime had attempted to reduce overtime working.

Of these firms who had attempted to reduce overtime the majority in both sectors said that the reason they did so was to reduce costs. This amounted to 68% of respondents in the Production Sector and 64% in the

Service Sector. The complete list of responses is given in Appendix 5.

In regard to measures taken to reduce overtime almost 30% of firms in both sectors indicated increased productivity/efficiency while over 25% within the Service Sector indicated increased employment. Just 8.8% indicated an increase in employment as the measure taken to reduce overtime in the Production Sector. The remaining firms indicated a number of measures including increased investment, shiftwork and increased incentive for employees. Roughly equal numbers of respondents indicated that the reduction was either arbitrarily implemented or implemented by agreement with less than 10% reporting that the reduction was achieved by incentive.

In regard to the eventual effect of the measures most firms reported some reduction in overtime and while many firms reported no change in employment 37.5% in Production and 40.2% in Service reported increases in employment. There was an improvement in productivity among firms overall and a labour cost reduction among a majority of firms. Most firms reported capital costs to be unaffected while a majority of the remainder reported increases in capital costs. The details of the eventual effects of the measures taken to reduce overtime are given in Table 10.44.

Thus the eventual effects on the firm of the attempts to reduce overtime included increases in employment and productivity overall while decreases took place in overtime and labour costs overall. There was also some increase in capital costs overall.



Table 10.44 Effect of attempts in reduction of overtime on overtime, employment, productivity, labour and capital costs by Sector

1) Production	Greatly Reduced	Somewhat Reduced	Unaffected	Somewhat Increased	Greatly Increased
1. Overtime	24.4%	64.3%	10.6%	0.7%	0%
2. Productivity	2.9%	15.0%	44.6%	33.2%	4.3%
3. Employment	2.8%	8.9%	66.2%	20.6%	1.4%
4. Labour Costs	6.8%	64.1%	16.7%	10.3%	2.1%
5. Capital Costs	1.1%	10.5%	65.8%	16.7%	5.8%
2) Services					
1. Overtime	19.7%	61.1%	16.6%	2.5%	0%
2. Productivity	0%	8.4%	51.3%	37.0%	3.2%
3. Employment	0%	7.8%	59.5%	31.4%	1.3%
4. Labour Costs	0.7%	57.5%	22.2%	19.6%	0%
5. Capital Costs	0%	11.2%	65.7%	21.7%	1.4%

Table 10.45 List of most important reasons for not working overtime cited by 4% or more of firms not working overtime within (i) the Production Sector and (ii) the Services Sector

Sector	Reasons	Percent of firms
(i) Production		
	1. Possible to meet demand without use of overtime	55.7%
	2. Not economically justified	17.1%
	3. Tax removes incentive to work overtime	8.6%
	4. The working of overtime reduces the level of productivity during standard hours	4.3%
	5. Employees not willing to work overtime	4.3%
	Total percent of firms covered	90%
(ii) Services		
	1. Possible to meet demand without use of overtime	43.7%
	2. The nature of the activity makes overtime infeasible	14.3%
	3. Not economically justified	10.3%
	4. Family/senior management commitment to business removes necessity of overtime	10.3%
	5. Employees not willing to work overtime	7.9%
	6. The working of overtime reduces the level of productivity during standard hours	7.1%
	7. Other reasons	4.0%
	Total percent of firms covered	97.6%

### 10.11 Firms not working overtime in 12 months prior to survey

For firms who indicated that they had not worked overtime over the 12 months prior to the survey an attempt was made to determine the reasons for not working overtime. This was done in two ways. First firms were asked to supply unprompted reasons for not working overtime and secondly firms were asked to evaluate the importance of a number of possible reasons for not working overtime.

The main reason offered by firms for not working overtime was that it was possible to meet demand without the use of overtime. This applied to 55.7% of the firms in the Production Sector and 43.7% of the firms in the Service Sector. The unwillingness of employees to work overtime, the lack of economic justification for overtime and the effect of overtime on productivity during standard hours were reasons cited in both sectors for not working overtime. The effect of taxation as a disincentive to work overtime was also advanced as a reason within the Production Sector. Within the Service Sector other reasons cited by firms included the fact that family/senior management commitment to business meant that overtime was unnecessary while other firms felt that the nature of the activity made overtime infeasible.

Firms evaluation of the importance of a list of reasons for not working overtime correspond with the above cited reasons. The ability to meet demand without the use of overtime and the lack of economic justification for overtime were evaluated as important by most firms. The suggestion that overtime was cheaper than employing extra staff was not considered to be of importance by 60% of firms in not working overtime.

The list of the reasons cited by firms is given in Table 10.45 and their evaluation of the list of prompted reasons for not working overtime is given in Appendix 5.

Of those firms not on overtime in the 12 months prior to the survey 27 in the Production Sector and 20 in the Service Sector had worked overtime in the past 10 years. The majority of these had under 10 people engaged in overtime and worked 100 hours or less on an annual basis. The distributions among firms of the numbers engaged and the hours worked are given in Appendix 5. Table 10.46 gives the distribution of firms by the frequency of overtime worked. This shows that particularly within the Services Sector overtime was most often worked only rarely.

In making the decision to eliminate the overtime being worked within firms higher management were responsible in the majority of cases. However, in 28% of the firms in the Production Sector and 11.1% in the Service Sector employees were reported as making the decision.

Table 10.46 Distribution of firms not now working overtime by the frequency of overtime working formerly undertaken in the firm

Frequency of Overtime	Service	Production
Regularly	10.0%	28.6%
Fluctuating seasonally	35.0%	21.4%
Fluctuating	5.0%	14.3%
Rarely	50.0%	35.7%
Total all firms	100%	100%

Floor management were never involved in the Service Sector and were only involved in 4% of cases in the Production Sector.

In eliminating overtime, the measures taken were usually on an arbitrary basis or by agreement with the workforce. 19% of firms in Production and 5% in the Service Sector reported incentive being used to eliminate overtime.

While a majority of firms reported no change in employment it was noticeable that within the Production Sector a greater number of firms (34.8%) reported reductions in employment than increases (4.3%). This can be explained however, by the reasons outlined below for the elimination of overtime with a fall-off in demand emerging as the major factor. In the Service Sector the reverse was the case with 21.1% reporting increases in employment. A greater proportion of firms in the Production Sector reported a reduction in output as compared with the Service Sector. A reduction in labour costs was reported by the majority of firms in both Sectors with capital costs largely unaffected within the Service Sector. The effects of the elimination of overtime among firms is given in detail in Appendix 5.

The main reasons offered for eliminating overtime in the Production Sector related to reduction in demand, lack of willingness of the workforce to work overtime and the lack of economic justification to continue working overtime. The effects on productivity, the lack of necessity and the above mentioned factors are mainly cited in the Service Sector. However, 15% of firms in this Sector report an increase in their labour force as being the reason for the elimination of overtime. This applies in only 7.4% of firms in the Production Sector. The list of reasons for eliminating overtime are given in Appendix 5 as is the evaluation by firms of the importance of a list of possible reasons for eliminating overtime. The

evaluation reflects the response obtained above.

Only 25.5% of firms not on overtime in the Production Sector and 20% in the Service Sector thought it might be necessary to use overtime in the future. The main reasons cited in the Production Sector for the possible use of overtime in the future were a rise in demand and shortages of suitable staff. Within the Service Sector a rise in demand and an increase in the level of service were the principal reasons cited. Again the responses by firms indicating the importance of a list of reasons in necessitating the use of overtime correspond with the reasons above. The evaluation of the list of reasons is given in Appendix 5. The responses indicate the importance of the demand factor in determining the working of overtime.

#### 10.12 Non-remunerated Overtime Hours

Almost 44% of firms in the Production Sector reported no employee working overtime on a non-remunerated basis in the 12 months prior to the survey. A majority of the remainder reported fewer than 10 employees on non-remunerated overtime and 3% of firms reported fifty or more employees on non-remunerated overtime. In fact only 3.5% of respondents had more than 20% of their employees working overtime on a non-remunerated basis.

Within the Services Sector about 56% of firms reported that no employee worked overtime on a non-remunerated basis in the 12 months prior to the survey with the remainder mostly reporting fewer than 20 employees on non-remunerated overtime. However, 4.4% of firms had 50 or more employees on non-remunerated overtime and 9.6% of respondents reported more than 20% of their employees on non-remunerated overtime.

The distribution among firms of annual hours worked on this basis reveals that for both Sectors the majority of firms do not exceed 5,000 hours. The following table which indicates the percentage of full-time

employees covered in the sample in non-remunerated overtime reveals that only a small percentage actually work non-remunerated overtime hours.

Tabl3 10.47 Percentage of employees within the surveyed firms on non-remunerated overtime

Sector	Percentage of employees
Production	3%
Services	2.3%

Over 50% of the firms in both sectors with non-remunerated overtime report having average levels for the 12 month period of 200 hours or less while only 7.2% in manufacturing and 8.6% in Service report average levels in excess of 500 hours.

The actual distribution of annual non-remunerated overtime hours among firms and of numbers working it is given in Appendix 5 for both Sectors. The distribution of the percentage of employees engaged in overtime in firms and the distribution of the average non-remunerated overtime is also given in Appendix 5.

Estimates have been made for both sectors of the amount of annual non-remunerated overtime hours worked and the numbers engaged in working these hours by size and activity classification. These results are presented in Appendix 5 while the table below gives similar estimates for the activity classifications within the Service and Production Sectors.

Thus in the case of non-remunerated overtime hours the overall numbers engaged in such working practice is limited and the actual average level of hours worked is normally not high. The overall numbers of hours worked tends to be relatively low.

Table 10.48 Estimates of annual non-remunerated overtime hours (in thousands) worked and number of employees engaged by sectoral activity groupings

Sector		
PRODUCTION INDUSTRIES		
Activity	No. of employees	Hours
Textiles	778	108.6
Clothing & Footwear	921	102.3
Food, Drink & Tobacco	1872	316.5
Construction	4192	1035.1
Engineering	2608	516.7
Chemicals	1254	314.8
Paper/Print	602	214.0
Mining, Quarrying & Turf	697	308.4
SERVICES INDUSTRIES		
Retail & Wholesale	3936	835.9
Transport	28	9.6
Insurance, Banking & Finance	2440	201.3

### 10.13 Conclusion

In this chapter the extent of overtime working and the reasons that firms use overtime have been presented. Overtime is extensively practised and there are many reasons offered for the practice of overtime.

The table over summarises the information relating to annual overtime working.



Table 10.49 Overtime working in Ireland over 12 month period up to June 1979.

SECTOR	Percent of workforce engaged in overtime among firms sampled	Estimated numbers engaged in overtime	Total estimated overtime hours worked (in millions)	Equivalent full-time jobs <sup>1</sup>
PRODUCTION	56%	165,000	51.5	26,800
SERVICE	41%	87,000	21.2	11,100
Total	48%	252,000	72.2	37,900

<sup>1</sup>Illustrative only

The figures clearly indicate the widespread nature of overtime. The vast majority of firms and organisations surveyed worked overtime during the 12 months prior to the survey. In the Production Sector 88% had done so while in the Service Sector the figure was 72%.

In addition overtime was worked within the Government Departments and the Semi-State Bodies which were surveyed. For various reasons it was not possible to produce an equivalent estimate of the extent of overtime working for this group. However, annual overtime hours were estimated to have been at least 4.7 million hours.

Lesser numbers of employees were engaged in overtime working over the reference week than were reported for the 12 month period. The major results for the reference week are given in Table 10.50.

Table 10.50 Overtime working in Ireland for reference week in June 1979

SECTOR	Percent of workforce engaged in overtime among firms sampled	Estimated numbers engaged in overtime	Total estimated overtime hours worked (in millions)	Equivalent full-time jobs <sup>1</sup>
PRODUCTION	38%	127,000	1.1	28,000
SERVICE	31%	61,000	0.5	12,400
Total	34%	188,000	1.6	40,400

<sup>1</sup> Illustrative only.

Overtime working was most prevalent within the skilled, semi-skilled and unskilled groups within the Production Sector and within the Maintenance and the miscellaneous grouping of occupations in the Service Sector. The majority of firms had average overtime hours worked by employees on overtime of 10 hours or less. However, 24% of employees worked over 20 hours overtime in the maintenance grouping of the Service Sector. Average hours worked by the employees in the firms surveyed tend to be higher for the Production Sector than for the Service Sector.

Within the Production Sector rates of time and a half and double time were most often cited by firms as the rates payable for overtime

for lower premium and higher premium hours respectively for both weekday and weekend working. To a lesser extent this also applied in the Service Sector but double time was paid in under 50% of cases for higher premium hours during weekday work.

Over 95% of firms in both Sectors viewed overtime as essential. A majority of firms had reviewed the practice of overtime over the 12 months prior to the survey. The most common result of the review was improved efficiency with the object of reducing overtime. A lesser number indicated that they examined the feasibility of replacing overtime with extra employees.

The decision on overtime working within firms was mainly made by Higher and Middle Management with Floor management involved to a limited extent. Employees were rarely involved in the overtime decision. Less than 10% of firms reported employees to be reluctant or opposed to overtime working or that employees were guaranteed a level of overtime.

A majority of the firms in both Sectors considered that productivity on overtime was the same as on standard hours and that the productivity of standard hours was unaffected by the possibility of overtime working.

Many reasons emerged for overtime working. The most important of these related to the nature of the process/activity engaged in by firms. A number of reasons relating to demand considerations were also found to be important. These concerned fluctuations in demand, the need to meet deadlines and rush orders and the need to meet the level of demand in normal conditions. Employee absenteeism/sickness is also an important reason particularly in the Production Sector.

The need to make maximum use of capital equipment, men and time resources and the use of overtime to do work which would interfere with normal activities during standard hours are other reasons advanced by many firms for overtime working.

It is of interest to note that factors such as agreement with trade union/employee guaranteeing level of overtime and labour legislation and redundancy payment regulations were not widely viewed as of importance.

Many firms felt it would not be possible to reduce overtime. This applied to a larger proportion of firms in the Service Sector than in the Production Sector. The condition of steady demand and a cut back in the level of service/production were widely viewed as applicable in reducing overtime. Increased automation and investment and increases in the numbers employed also emerged as applicable conditions to be implemented if overtime were to be reduced. The conditions of trade union/employee agreement, increased productivity and an adequate supply of skilled labour were also considered necessary by some firms to be implemented if overtime working were to be reduced.

Among firms who had attempted to reduce overtime in the past there were increases in productivity and employment overall as a result. There was a reduction in labour costs among a majority of the firms concerned.

Among firms not working overtime the main reason offered for not working overtime was that it was possible to meet demand without its use. Demand factors were again of major importance in firms decision to eliminate

the working of overtime in the past.

Finally, estimates of the extent of non-remunerated overtime working are presented. Less than 3% of the workforce in the firms surveyed had worked non-remunerated overtime in the 12 months prior to the survey.

The details relating to the practice and extent of overtime working have been presented. The question to be answered next relates to the employment potential of overtime. The next chapter presents the evaluation of managers in the firms surveyed of the extent to which employment can be created from overtime hours.

## 11. EMPLOYMENT AND OVERTIME

### 11.1 Introduction

The details of the overtime hours currently being worked were presented in the last chapter. This chapter considers the employment potential which exists from these hours. On the basis of respondents assessment of the employment possibilities which exist within their own firms an estimate is made of the overall employment potential. The response of firms to certain measures aimed at eliminating or reducing overtime working is also presented. The scope for part-time work or a system of time off in lieu of payment for overtime hours is also examined.

### 11.2 Potential for replacing overtime with jobs

#### 11.2.1 Firms assessment of employment possibilities

A majority of firms within both sectors consider that it is not possible to increase employment by replacing overtime with additional jobs. About 60% of the firms surveyed within the Production Sector and 74% of those within the Service Sector expressed such a viewpoint. Thus, a greater proportion of respondents within the Service Sector see no scope for replacing overtime with extra jobs.

Within the Production Sector a greater proportion of firms within the Food, Drink and Tobacco, Engineering, Print/Paper and Electricity and Gas activities allow for the feasibility of replacing overtime with additional employees than within the other activities. A greater proportion of firms in the Semi-State, Hotels, Health Boards, Insurance and Finance and Transport activities see scope for replacing overtime with additional employees than within the other activities of the Service Sector.

Table 11.1 gives the distribution among firms by Sector of the number of jobs that could be created by replacing overtime with additional full-time employees for both sectors. A table containing the distribution by activity grouping is given in Appendix 6.

Table 11.1 Distribution of firms within Production and Services by the number of jobs that could be created by replacing overtime with additional full-time employees

Sector	No. of jobs					Total all firms
	0	1-5	5-10	10-20	20+	
Production	60.8%	22.8%	5.8%	4.9%	5.7%	100%
Services	73.7%	14.7%	5.3%	2.8%	3.4%	100%

As would be expected the greater the amount of overtime worked within a firm, the greater the employment potential likely to be reported by the firm. However, two additional observations can be made. Those firms working overtime on a regular basis see greater scope for additional employment from overtime than firms on seasonal or occasional overtime. Firms within the Production Sector working above average levels of overtime tend to indicate that a greater percentage of overtime could be replaced by additional employees. Appendix 6 contains the distribution among firms for both sectors of the number of extra jobs possible by replacing overtime with additional employees by (i) overtime frequency and (ii) numbers of full-time employees for both sectors.

Among the firms surveyed an increase of 1.8% in total employment within the Production Sector and of 1.3% in the Service Sector was considered

possible by replacing overtime with additional employees. However, these figures represent only 20% of the theoretical maximum i.e. if all overtime hours were replaced by regular hours worked by full-time employees, the increase in employment would be about five times greater. The main contribution to these totals comes from the Food, Drink and Tobacco grouping in the Production Sector and from Government departments in the Service Sector. Appendix 6 contains the activity breakdown of the number of jobs which could be created by replacing overtime with additional employees.

### 11.2.2 Estimates of employment possibilities

Estimates have been made of the number of full-time jobs that could be created by replacing overtime with additional employees throughout the non-agricultural sectors. This amounts to almost 8,000 jobs in the Production Sector and 4,600 in the Service Sector. Table 11.2 over gives further details of the estimates.

The Food, Drink and Tobacco and Construction activity groupings contribute about 60% of the Production Sector total. The major contributions to the total within the Service Sector comes from the Retail and Wholesale activity grouping and from Government Departments.

Appendix 6 gives a finer breakdown of these estimates on an activity and size classification basis.

### 11.3 Impact on firms of measures to eliminate or reduce overtime

As a means of determining the possible consequences of a number of changes in the regulations governing overtime working the views of firms were sought as to the likely impact that these changes would have had on a



Table 11.2 Estimated number of jobs that could be created within firms by replacing overtime with additional employees

PRODUCTION SECTOR	NUMBER OF JOBS
Textiles	200
Clothing and Footwear	567
Food, Drink & Tobacco	2031
Construction	2789
Engineering	973
Chemicals	631
Paper/Print	340
Mining, Quarrying and Turf	283
Electricity and Gas	22
Total - PRODUCTION SECTOR	7836
SERVICE SECTOR	
Retail and Wholesale	1905
Transport	64
Insurance and Finance	314
Local Government and Health Boards	262
Government Departments	1816
Total - SERVICE SECTOR	4667
Total - PRODUCTION AND SERVICES SECTORS	12,503

number of key variables within the firm. It was supposed that the changes had been introduced at some time in the past (usually 12 months earlier). Firms were asked to indicate how different the level of certain variables such as employment and costs and (where applicable) overtime would be compared to the actual levels prevailing as a result of the measures being introduced.

Estimates of the impact on full-time employment of these measures have been made and are presented for both sectors in Table 11.3. Appendix 6 provides details for the activity groupings. The measures which firms were asked to consider were based on options which were put forward by the funding agencies. These consisted of the main courses of action which have been suggested as a means of reducing/eliminating overtime. The

Table 11.3 Estimates of the overall effect on full-time employment of the measures cited for both sectors

Sector	Overtime eliminated 12 months ago	Overtime eliminated 3 years ago	Weekly hours limited to 50 hours 12 months ago	Annual Overtime limited to 150 hours 12 months ago	Overtime set at double rates 12 months ago
Production	5,856	1,547	3,099	7,333	149
Service <sup>1</sup>	5,367	3,680	807	2,645	1,328
Total	11,223	5,227	3,906	9,978	1,477

<sup>1</sup> Estimates supplied here exclude the Transport grouping and Government Departments.

following were the measures the consequences of which firms were asked to evaluate:

- Elimination of all overtime working 12 months prior to the survey
- Elimination of all overtime working 3 years prior to the survey
- Change in the legislation governing hours of work 12 months ago which limited maximum working hours per week to 50.
- Change in the legislation governing hours of work 12 months ago which limited maximum annual working hours to 150 with any extra hours worked compensated with time off.
- Change in the legislation governing hours of work 12 months ago with all overtime hours to be paid for at double rates.

Clearly difficulties were created for respondents in answering such questions given the limited time available and the nature of the questions. Estimates given are based mainly on the experience and knowledge of the respondents. While the estimates need to be treated with caution, they do represent nevertheless the most comprehensive picture possible of the consequences of such measures at the firm level.

Each of the changes referred to are discussed separately below. It can be noted that some firms found it impossible to quantify the changes which these measures would have involved.

Table 11.4 below shows the effect on overtime working itself for the measures designed to discourage rather than eliminate it. An annual limitation appears to have the greatest effect.

The anticipated consequences of the measures outlined above on employment, costs, productivity and output is summarised in Table 10.5 for the Production Sector and Table 10.6 for the Service Sector. In every case '+' indicates an increase, '0' no change and '-' decrease. Thus for example, 50% of firms in the Production Sector would expect an increase

in full-time employment if overtime had been eliminated twelve months previously, 43% would expect no change in full-time employment and 7% would expect a fall in the numbers of full-time employees.

Table 11.4 Effect on overtime working of various measures designed to reduce it in Production and Service Sector (per firms reporting)

EFFECT (by Sector)	Measure		
	50 hour week	150 hours overtime per annum	Double time
<u>PRODUCTION</u>			
Overtime Increased	5	5	7
No change	77	50	63
Overtime Decreased	18	45	30
Total all firms	100	100	100
<u>SERVICE</u>			
Overtime Increased	5	4	11
No change	85	74	68
Overtime Decreased	10	22	21
Total all firms	100	100	100

Table 11.5 Anticipated effects of various measures designed to reduce/eliminate overtime by firms in Production Sector - percent reporting

EFFECT	MEASURE				
	O.T. eliminated 12 months ago	Overtime eliminated 3 years ago	50 hour week	150 hours O.T. p.a.	Double time
<u>EMPLOYMENT</u>					
Fulltime +	50	46	15	31	16
" 0	43	44	84	65	81
" -	7	10	1	4	3
-----					
Part-time +	11	9	3	6	3
" " 0	87	88	96	93	96
" " -	2	3	1	1	1
-----					
Temporary +	15	13	4	7	4
" 0	84	85	96	97	95
" -	1	2	0	1	1
<u>COSTS</u>					
Capital +	31	36	12	11	17
" 0	63	55	87	76	81
" -	6	9	1	3	2
-----					
Labour +	37	32	14	26	59
" 0	30	40	78	54	33
" -	33	28	8	20	8
<u>PRODUCTIVITY</u>					
Productivity +	16	17	3	7	8
" 0	52	60	87	72	81
" -	32	23	10	21	11
<u>OUTPUT</u>					
Output +	9	12	3	4	9
" 0	57	62	88	74	75
" -	34	26	9	22	16

Table 11.6 Anticipated effects of various measures designed to reduce overtime by firms in Service Sector (percent reporting)

EFFECT	MEASURE				
	Overtime eliminated 12 months ago	Overtime eliminated 3 years ago	50 hour week	150 hours O.T.p.a.	Double time
<u>EMPLOYMENT</u>					
Full-time +	46	42	10	19	13
" " 0	51	52	89	80	84
" " -	3	6	1	1	3
-----					
Part-time +	16	13	5	6	7
" " 0	82	85	95	93	92
" " -	2	1	0	1	1
-----					
Temporary +	18	17	5	7	6
" 0	81	81	95	93	93
" -	1	2	0	0	1
<u>COSTS</u>					
Capital +	21	21	7	12	14
" 0	77	73	92	87	85
" -	2	6	1	1	1
-----					
Labour +	37	30	10	16	55
" 0	46	51	86	76	40
" -	17	19	4	8	5
<u>PRODUCTIVITY</u>					
Productivity +	10	9	2	3	6
" 0	70	74	92	88	87
" -	20	17	6	9	7
<u>FINANCIAL TURNOVER</u>					
Turnover +	5	4	3	2	6
" 0	79	79	91	90	86
" -	16	17	6	8	8

### 11.3.1 Overtime eliminated by law 12 months previously

The impact of such a change on firms would have varied considerably. While over 42% of the firms on overtime in the Production Sector and over 51% of firms in the Service Sector would have incurred no changes in full-time employment over 2% of firms in the Production Sector and under 1% of firms in the Service Sector reported that they would have gone out of business. The impact of the elimination of overtime on a number of firm variables is spelt out in Table 11.5 and 11.6.

Over 50% of firms in the Production Sector would have increased full-time employment and 45% in the Service Sector would have done so.

The resultant net increase in full-time employment is estimated to be over 5,800 in the Production Sector and over 5,300 in the Service Sector (excluding Government Departments and Transport Groupings). These estimates need to be treated with caution due to lack of quantification by some firms of the changes resulting. Major employment increases occur in the Food, Drink and Tobacco, Engineering and Mining, Quarrying and Turf activity groupings of the Production Sector while decreases occur in the Textiles grouping. The Retail and Wholesale grouping is the major contributor to the estimated increase in employment in the Service Sector.

In reaction to part-time and temporary employment well in excess of 80% of firms report no changes as a result of the elimination of overtime. However, about 15% of firms in the Service Sector report increases in both part-time and temporary employment. Around 15% of firms in the Production Sector anticipate an increase in temporary employees while over 10% expect increases in part-time employment within their firms.

Thirty percent of firms in the Production Sector report increases in capital costs with almost 6% reporting decreases. Under 2% in the Service Sector report decreases in capital costs and 21% report increases. Labour costs increase for about 37% of respondents in both Sectors while over 32% report decreases in the Production Sector and 17% report decreases in labour costs in the Service Sector.

Seventy percent of respondents in the Service Sector and 52% in the Production Sector report no change in Productivity as a result of eliminating overtime. Of the remainder about two thirds report decreases in Productivity.

About a third of firms report that output would be decreased in the Production Sector with under 10% reporting an increase and the remainder reporting no change. Almost 80% of firms within the Service Sector report no change in financial turnover and 16% report a reduction. Thus the elimination of overtime has a substantially greater effect on the level of activity of Production Sector firms.

### 11.3.2 Overtime eliminated by law 3 years previously

The impact of such a step been taken three years previously would have had results broadly similar to those noted above. There are differences however in the size of the effects on the variables within the firms.

Over 3% of firms in the Production Sector and over 1% of firms in the Service Sector reported that they would have closed down as a result of such a measure being introduced. The estimated effect on full-time employment is a great deal less than that obtained when overtime was eliminated 12 months previously. There is an increase in the Production Sector of over 1,500 full-time jobs. Decreases occur however in the Textiles,



Engineering and Clothing and Footwear activity groupings. The major contribution to jobs comes from the Food, Drink and Tobacco grouping. The estimated increase in the Service Sector is over 3,600 with the Retail and Wholesale grouping making the greatest contribution.

With certain exceptions the effect on part-time and temporary employment, costs and productivity of eliminating overtime three years previously is similar to that of eliminating it 12 months previously. There tends to be less of an increase in part-time and temporary employment, greater change in regard to capital costs and less change with regard to labour costs and productivity. The effect on financial turnover is virtually the same for the Service Sector while there is less of a decrease in output recorded for the Production Sector.

#### 11.3.3 Maximum weekly hours per employee restricted to 50 twelve months previously

Most firms report that they would be unaffected by this change. Overtime would be the variable affected in most firms with over 17% of firms in the Production Sector reporting decreases. The Food, Drink and Tobacco, Construction, Engineering and Chemicals activities would be mainly affected insofar as reductions in overtime are concerned. Almost 10% of firms report decreases in overtime working in the Service Sector. It is likely that the Transport activity would be affected considerably by such a measure.

A small percentage of firms report increases in overtime resulting from this measure. This is difficult to understand unless as has been suggested firms consider that the existence of such a limit would create pressure from employees to be allowed work to the fullest extent possible within the limit.

Only 0.4% of firms in the case of Services and 0.2% in the case of Production considered that they would have closed down under such circumstances.

Employment would be unaffected in over 80% of firms with increases in full-time employment in about 15% of firms in the Production Sector and 10% in the Services Sector and fewer firms indicating increases in part-time and temporary employment. Less than 1.5% of firms would have anticipated employment decreases. The estimated increase in full-time employment would have been over 3,000 in the Production Sector. The Construction grouping is estimated to make the largest contribution to this total while a slight decrease in employment is estimated for the Engineering grouping. Within the Service Sector an increase of over 800 in full-time employment is estimated.

Capital costs would have risen in about 12% of firms in the Production Sector and over 7% in the Service Sector. Labour costs would have increased in 14.2% of firms and decreased in over 8% of firms in the Production Sector. Over 10% of firms in the Service Sector reported increases in labour costs and under 4% reported decreases. Productivity was largely unaffected though slightly more firms reported decreases than increases.

Output/Financial Turnover would have been increased in over 2% of firms in both Sectors while decreases would have taken place in 6% of firms in the Service Sector and in under 9% of firms in the Production Sector.

11.3.4 Maximum annual limit set on overtime 12 months previously of 150 hours per employee with any additional hours worked to be compensated with time off in lieu

This measure would have had a much greater impact on the amount of overtime being worked in both sectors of the economy than in the case of the

weekly limit referred to above. In the Production Sector 45% of the firms considered that they would have reduced overtime while almost 22% of firms in the Service Sector would have reduced overtime. The Chemicals, Food, Drink and Tobacco and Construction activity groupings considered that large reductions in overtime would have occurred with the major employment increases also occurring in these groups. Thirty one percent of firms within the Production Sector and under 20% in the Service Sector considered they would have had employment increased. Less than 5% of firms in the Production Sector and just over 1% of firms in the Service Sector reported that decreases in employment would have occurred. Part-time employment and temporary employment would have been unaffected in over 90% of firms with about 6% of firms in both sectors reporting increases. Less than 0.5% of firms reported that they would have closed down as a result of this measure. The overall impact on full-time employment is estimated to be in excess of 7,000 extra jobs for the Production Sector. The Construction and Food, Drink and Tobacco activities account for over 70% of these extra jobs. The Engineering grouping shows a slight decline however. The estimate for the Service Sector is over 2,600 full-time jobs with the Retail and Wholesale grouping accounting for the bulk of this total.

Capital costs increases would have occurred in over 21% of firms in the Production Sector and 12% of firms in the Service Sector. Labour costs would have increased in over 25% of firms in the Production Sector but decreased in almost 20% of firms. Increases would have occurred in 15.8% of firms in the Service Sector and over 8% of firms considered decreases would have occurred. There would have been no effect on Productivity in 71% of firms in the Production Sector and 87% of firms in the Service Sector with about two thirds of the remaining firms in both Sectors reporting decreases.

Over 22% of firms in the Production Sector considered that output

could have decreased as a result of the introduction of the annual limit of 150 hours and only 4% thought it would have increased. Over 8% of firms in the Service Sector considered that financial turnover would have decreased while over 2% considered it would have increased.

#### 11.3.5 Overtime rates set at double time for all overtime hours 12 months previously

The effect of such a measure on reducing overtime working tends to be less than in the case of the imposition of an annual limit. Over 11% of firms in the Service Sector considered that it would have the effect of increasing overtime while 7% considered so in the Production Sector. This is presumably due to the increased attraction of overtime working to employees and the consequent greater willingness of employees to work overtime and pressure on firms from employees for overtime working. Thirty percent of firms in the Manufacturing Sector and 20% in the Services Sector considered however, that overtime working hours could be reduced as a result of this measure.

The employment impact would have involved increases in over 15% of firms in the Production and 13% of firms in the Service Sector. Part-time and temporary would be mainly unaffected though to a lesser degree within the Service Sector. Less than 0.5% of firms reported that they would have closed down as a result of this measure. The estimated impact on full-time employment of this measure would have been an increase of 149 in the numbers employed in the Production Sector. However, decreases would have occurred in Clothing and Footwear, Construction, Chemicals and the Paper/Print groupings. Within the Service Sector an increase of 1300 is estimated but a slight decline is estimated for the Hotels grouping.

Capital costs would have increased in 14% of firms in the Service Sector and over 17% in the Production Sector. However, labour costs would have increased in almost 60% of firms in Production and over 55% of firms in the Service Sector with under 10% reporting decreases in the Production Sector and under 5% of firms reporting decreases in the Service Sector.

Finally, output would have decreased in over 15% of firms in Production and financial turnover in over 8% in the service Sector. Increases in output would have occurred in 9% of firms in the Production Sector and in financial turnover in over 6% of firms in the Service Sector.

#### 11.4 Further possibilities in reducing overtime

Firms were also asked to assess the scope for replacement of overtime with part-time employees or through the introduction of a system of time off in lieu of payment for hours worked.

Firms in the Service Sector are more likely to see scope for these measures as a means of reducing overtime than firms in the Production Sector. This is in agreement with the earlier results of the evaluation of conditions required to be implemented if overtime working were to be reduced. In the Production Sector 86% of firms see no scope for a system of time off while the figure is only 75% of firms in the Service Sector.

While 80% of firms in the Production Sector saw no scope for replacing work done on overtime with part-time employees, 75% of firms within the Service Sector saw no scope.

Tables are given in Appendix 6 containing for each Sector the distribution of firms by the percentage of overtime hours which could be

replaced by (i) time off and (ii) part-time employees. These show that among those firms who see scope for any of these measures replacing overtime the percentage of overtime hours mainly cited is generally not greater than 20%.

The overall percentage of overtime hours worked within the firms surveyed which it would be possible to compensate with time off in lieu of payment is 4.5% in the Production Sector and 3.1% in the Service Sector. The Construction, Mining, Quarrying and Turf and Paper/Print activity groupings offer the greatest scope in regard to this measure with Engineering, Textiles and Clothing and Footwear offering the least. No activity grouping within the Production Sector has the percentage of overtime which it would be possible to compensate with time off in lieu greater than 10%. However, a number of activities exceed this figure in the Service Sector. These include Hotels, Retail and Wholesale Distribution and Insurance and Finance. Lesser scope is envisaged within the Government Departments, Health Boards and Semi-State Bodies while no scope is envisaged in the Transport grouping. It is because such a high proportion of overall overtime hours worked in the Service Sector is in this grouping that the overall percentage is lower than in the Production Sector. However, as pointed out earlier more firms within the activity groupings see scope for such a measure within the Service Sector than within the Production Sector.

The same points can be applied to the percentage of overtime hours which it would be possible to replace with part-time employees. The overall percentage of hours is 6.9% within the Production Sector as compared to 2.1% in the Services Sector. Within the Production Sector the majority of activities report that less than 5% of total overtime hours could be replaced with part-time employees. The Electricity and Gas grouping report no scope. At the other end of the scale firms in the Mining, Quarrying and

Turf activity group consider that almost 40% of overtime hours could be replaced by part-time employees. Within the Services Sector, the Transport Group see no scope for such a measure while Hotels, Health Boards and Retail and Wholesale Distribution allow for percentages of 72%, 27% and 11% respectively.

Appendix 6 contains the activity breakdown of the number of jobs which could be created by replacing overtime with additional employees, the percentage of overtime hours worked for which it would be possible to compensate employees with time off in lieu of payment and the percentage of overtime hours which it would be possible to replace with part-time jobs in respect of the surveyed firms.

#### 11.4 Conclusion

In this chapter the effect on employment of reducing overtime was examined.

Firms were asked what potential there was for substituting additional full-time employees for overtime working. The results show that about 20% of overtime could be translated into extra jobs. If this were achieved around 12,000 additional jobs would be created in the non-agricultural Sectors.

This estimate is based on the answers to a survey question which did not require respondents to indicate how the reduction in overtime would be encouraged - or achieved. Further questions sought the effects of various hypothetical legislative measures designed to discourage overtime working.

The complete elimination of overtime is the extreme measure. It has

the greatest effect on employment. However, output would be expected to fall particularly in the Production Sector. Capital costs would also rise. The estimated employment effect is twice as great as a result of overtime being eliminated 12 months previously as compared to three years previously. The estimated employment affect appears to decline over time. Thus the short-term employment gain may be eroded over time.

Of the three measures intended to discourage overtime working, the payment of double time for all overtime hours appears the least satisfactory. Its positive affect on employment is less than either of the other two. However, its detrimental effects on costs is greater.

The annual limit on hours of work would have a greater effect on employment than a weekly limit. Twice as many firms report an increase in full-time employees if this measure had been introduced than if the weekly limit were in effect. The increase in full-time employment is estimated to be around 10,000 compared with 4000 resulting from the 50 hour week limit. Neither of these measures would have a widespread effect on costs or turnover in the Service Sector - although if anything costs would rise and turnover fall. In the Production Sector the adverse effects of the annual limitation particularly on output are more apparent. Twenty two percent of firms in this sector would have expected a fall in output if there were an annual limit on overtime.

Few firms see scope for the introduction of a system of time off in lieu of payment as compensation for overtime or for the replacement of overtime with part-time employment. Less than 20% of firms see changes occurring in part-time or tmeporary employment as a result of the measures examined.



In summary it seems that around 12,000 full-time jobs could be created by reducing overtime working. The important question then becomes how can this be achieved and at what cost? Of the three legislative measures which might be considered feasible, the setting of overtime rates at double time seems to have little to commend it. An annual limitation of 150 hours per employee will reduce overtime and increase employment to a much greater extent than a weekly limit of 50 hours work. It is estimated that 10,000 additional jobs would result. However, its adverse consequences are greater.

12 CONCLUSION12.1 Introduction

This final chapter of this report on overtime working in the Republic of Ireland outlines the main findings of the study.

The reduction of overtime has been suggested as one of the possible worksharing policies which can increase employment. Worksharing as an approach to coping with unemployment has received increasing attention both at national and at Community level during recent years. Essentially this is because there is a developing view that traditional methods of generating employment may be less effective now than in the past. Technological developments, particularly the advent of the microprocessor, may reduce labour requirements. The relative scarcity and increasing cost of energy and materials may restrict economic growth and hence the demand for labour. So the response to the problem of unemployment might have to include sharing available work amongst the potential workforce. Worksharing suggests that more people be employed to produce a similar volume of goods or services, and hence that on average each individual works less than at present.

The attractiveness of worksharing policies has been tempered by an awareness that relatively little is known of the feasibility and practical consequences of such policies. This study was commissioned in order to seek information about the scope that a reduction in overtime might have for increasing employment in Ireland. There had been no previous such study.

The study addressed three questions. Firstly, what is the extent of overtime in the non-Agricultural sectors of the Irish economy? Secondly,

why is overtime worked? Finally, what is the potential for job creation by reducing overtime? Related to the latter crucial question are the important ancillary ones of how such a reduction might best be achieved and what additional (perhaps undesirable) consequences such a policy could have.

In this chapter the answers to these questions are provided in as far as the study is able to do so. The results summarised below are based principally on a sample survey of establishments throughout Ireland. Information was sought from the management of 1500 firms chosen scientifically to represent enterprises in the non-Agricultural sectors of the economy. The response rate was high at near 70%. The actual responses represent organisations which in total employ 50% of those working in the Production sector and 35% of those working in the Service sector. The analysis then yields estimates based on this sample. However, given the large sample size the scientific way in which the sample was chosen and the estimates derived, the conclusions can be taken to apply to enterprises throughout the non-Agricultural sectors.

Some of the information sought on the survey was qualitative in nature (e.g. of the form, would capital costs rise if overtime were reduced?) rather than quantitative (e.g. By how much would capital costs rise if overtime were reduced?). The qualitative nature of such information does restrict the analysis and implies that the conclusions will also be qualitative in form. While quantitative information is more desirable in the sense that more detailed conclusions can be obtained, it was simply not feasible to collect exclusively quantitative data in the survey.

In the results described below a distinction is made between the Production and Service sectors. Analysis was actually performed at a

finer level in which organisations were classified by size (i.e. number of employees) and by the precise nature of their activity (e.g. Construction, Transport). Only the most pertinent observations regarding the differences discovered amongst organisations according to size and activity are reported in this chapter. Finer details of the analysis were described in earlier chapters and are presented as appendices. Employers can also be discriminated amongst, according to their activity or skill level. Here, this level of detail is not considered deeply.

In addition to the survey, the study concerned examinations of previous related work by others, the views of employer and employee organisations and the existing legislation on overtime. So here an attempt is made to bring together the results of these examinations and the findings of the survey. Initially, the extent of overtime in the Republic is considered.

## 12.2 Extent of overtime working

Tables 12.1 and 12.2 present the major results on overtime working for the 12-month period up to June 1979 and for the reference week in June 1979. The Government departments and the semi-state activity grouping are excluded from the estimates given as the coverage was incomplete.

Overtime is quite extensively worked. Within the Production sector overtime is particularly high in the two groupings - Food, Drink and Tobacco and Construction. Overtime is well above average in the Transport grouping of the Service Sector.

Hours of work is restricted by legislation and this was described in detail in Chapter 2. The maximum annual hours of overtime any employee can work

Table 12.1 Summary of major results on overtime working for 12 month period to June 1979

SECTOR	Percentage of firms surveyed on overtime	Percentage of employees engaged in overtime among firms surveyed	Estimated overtime hours worked	Equivalent number of 40 hour full-time jobs <sup>2</sup>	Percentage of firms exceeding annual overtime level of 500 hours
Production	88%	56%	51 million	26,500	11%
Service	72%	40%	21 million <sup>1</sup>	11,000	6%

<sup>1</sup>An additional 4 million hours of overtime was worked by respondents in Government Departments

<sup>2</sup>Illustrative only

Table 12.2 Summary of major results on overtime working for reference week in June 1979

SECTOR	Percentage of employees engaged in overtime among firms surveyed	Estimated overtime hours worked	Percentage of firms working average overtime hours in excess of 20
Production	39%	1.1 million	3%
Service	31%	0.5 million	1%

is 240. Permission to exceed this may be granted by the Minister of Labour, but few applications to do so are received. This is probably due to the fact that the law is outdated. Most firms can work over 600 hours per employee per annum in excess of agreed standard hours. Thus it is possible to work very high levels of overtime without in fact exceeding legal limits.

If the legislation conformed to actual practice insofar as specification of standard weekly hours were concerned the position would be different. On current levels of overtime 35% of firms in the Production Sector and 12% in the Service Sector would be in excess of the legal limit (of 240 hours).

The figures for the reference week in June 1979 show overtime working to be concentrated among manual employees in the Production Sector. Within the Service Sector overtime is concentrated among maintenance personnel and those employees in the miscellaneous grouping (i.e. other manual employees).

Few firms reported standard weekly hours in excess of 40. The 40 hour week dominates as standard. Among clerical employees and to a lesser extent among the higher Administrative, Managerial and Professional employees there are significant numbers of employees working under 40 hours as standard for the week.

### 12.3 Reasons for working overtime

Many reasons for employing overtime were discovered in the survey. These were considered in detail in Chapter 10. Here to facilitate

discussion it is suggested that these reasons can be grouped into six categories.

The six categories of reasons suggested are:

- (i) Nature of the organisations operation;
- (ii) Uncertainty
- (iii) Employee behaviour
- (iv) Labour shortages
- (v) Labour costs and
- (vi) Other miscellaneous reasons.

Each of these will be described in some more detail.

The nature of the operation might require overtime to be worked. For example, on a continuous four shift system where forty hours is the standard week each shiftworker will work two hours overtime each week. In some cases, maintenance operations may have to be performed outside normal hours. The service provided may require overtime to be worked - as in hotels which must offer the facility for functions at weekend and at night. In the main it can be anticipated that such reasons would be difficult to overcome. It need not be impossible to do so, but it would probably require a significant change in the structure of the operation.

The uncertainty of the organisations environment includes uncertainty about the demand for its output and uncertainty about the supply of its raw materials. Such uncertainty can be coped with in part by using overtime when necessary. The organisation cannot control such exogenous factors and neither can they be predicted. In certain situations, an alternative to using overtime could be to increase the stock of raw materials and finished goods. How feasible this is as an alternative to overtime is debatable. Stock holding costs are increased, more storage is required and of course services cannot be stored! So uncertainty is probably a valid reason for working overtime about which little could be

done by the management of an organisation.

There are a number of labour related categories, the first of which is related to uncertainty in a sense. This is the behaviour of employees. Employees may not provide the labour as expected, when expected and so overtime is used to compensate. The particular reasons included in this category are employee absenteeism or sickness, high turnover of employees and the existence of industrial disputes within an establishment. Perhaps employee behaviour as described here could be modified by management so as to reduce the need for overtime. For example, improved industrial relations might reduce strikes; improved conditions of work including job enlargement and enrichment might increase job satisfaction and reduce absenteeism in relation to job dissatisfaction. However, whether this is feasible or not, overtime reductions achieved in this way have no employment potential.

There could be labour shortage, and so it would not be possible to hire additional full-time employees as desired. Then overtime might be used instead. If the labour supply could be increased overtime would be reduced and employment increased. Labour supply is only partly within the control of the management of the organisation (e.g. training of apprentices; good manpower planning). So while this category does imply an employment potential, to realise it would require action by both Government and management.

Finally, amongst labour related reasons there are those associated with the cost of employees. It may simply be cheaper to work overtime than to employ additional full-time workers. These costs may be direct - such as the cost of social insurance, training, holiday pay, or anticipated - such as increasing the possible costs of redundancy payments.



There could be scope for reducing these costs by Government action and so reducing the attraction to employers of overtime and increasing employment. This is a view put forward by a number of economists. They argue that the non-wage costs incurred by employers affect the balance between the hours and labour components of labour services. Thus firms will in their view utilize present employees more intensely by overtime working rather than employ extra labour when non-wage costs are high.

The last category of reasons includes all those which can not be allocated to any of the previous five - the miscellaneous category. These include agreement with employee/trade union guaranteeing level of overtime, constraints in production capacity, demand from employees for overtime hours, desire by management to keep numbers employed within manageable proportions, lack of supervision, need to make maximum utilization of capital equipment, provision of increased monetary reward for employees and opposition by employees to shift work.

Likewise the conditions which would make it possible to reduce overtime working can be grouped into similar categories. Some modifications are required. The categories relating to uncertainty, employee behaviour and labour cost as previously described were retained. A number of new categories are needed however.

The first of these is a category consisting of those respondents who considered that it would not be possible to reduce overtime.

Conditions related to labour supply were assigned a category. This related to conditions which involved increased labour availability generally or increased employment on the part of the firm itself. Thus these conditions would involve employment creation if overtime were reduced.

A category relating to conditions which would enable overtime to be reduced without any additional labour input to the firm was also established. Thus conditions involving increased automation or productivity, reduction in level of service and volume of work etc. would be unlikely in reducing overtime to offer any scope for increased employment. This category in many ways corresponds to the 'nature of the activity' category described above.

The miscellaneous category containing conditions such as increased remuneration for employees, more adequate supervision of employees and trade union/employee agreement was maintained.

Details of the composition of both sets of categories is given in the Appendix. The results of the survey relating to both reasons and conditions are given in respect of unprompted and prompted responses for both sectors in tables 12.3 and 12.4. Furthermore these responses have been weighted with the amount of overtime worked.

The results point to the importance of factors related to the nature of the activity engaged in and factors characterised by uncertainty especially demand. The role of factors relating to labour behaviour as a reason for overtime is quite significant in the Production sector. Labour cost factors and labour shortages factors account for little of the overtime hours worked.

These results are in broad agreement with those obtained from other studies conducted at the firm level (9,11,40). The role of overtime in meeting both normal demand and demand variations combined with the use of overtime arising from the nature of the process or type of service to customer is well established from previous studies. Some evidence has

Table 12.3 Percentage of overtime hours worked associated with the following categories of reasons for overtime working for unprompted and prompted responses in both sectors

Category	PRODUCTION		SERVICE	
	Unprompted responses	Prompted responses	Unprompted responses	Prompted responses
Nature of operation	29%	34%	79%	36%
Uncertainty	31%	19%	13%	9%
Employee Behaviour	31%	9%	2%	12%
Labour Shortage	1%	6%	4%	11%
Labour Cost	-	4%	1%	11%
Miscellaneous	6%	28%	-	19%
Total percentage of overtime hours <sup>1</sup>	98%	100%	99%	99%

<sup>1</sup>All figures rounded to nearest percent. Hence totals are not necessarily 100%

Table 12.4 Percentage of overtime hours worked associated with the following categories of conditions required to reduce overtime working for unprompted and prompted responses in both sectors

Category	PRODUCTION		SERVICE	
	Unprompted responses	Prompted responses	Unprompted responses	Prompted responses
Impossible to reduce overtime	13%	N/A	10%	N/A
Uncertainty	3%	17%	1%	16%
Labour Behaviour	7%	18%	1%	8%
Labour Supply	12%	25%	18%	22%
Labour Cost	-	2%	-	7%
Without additional labour	57%	25%	58%	30%
Miscellaneous	8%	13%	12%	15%
Total percentage of overtime hours <sup>1</sup>	100%	100%	100%	98%

<sup>1</sup>All firms rounded to nearest percent. Hence totals are not necessarily 100%

also been cited (11, 40) of absenteeism as a reason for overtime working.

Factors related to the cost advantage of overtime, labour shortages and the use of overtime to raise the levels of earnings have been emphasized in previous studies as important reasons for overtime (9, 10, 11, 12, 40). These factors do not emerge as greatly significant from this study. Thus the emphasis placed by employer representatives on the influence of skill shortages as a reason for overtime is not reflected in the results obtained. Likewise the emphasis placed by such bodies on the role of protective legislation and labour costs as a deterrent to employment is not reflected in the results of this survey.

The role of non-wage costs in influencing the employment - hours mix in favour of hours has been widely reported in the literature. Kirwan (24) has estimated for Irish manufacturing that every 1% rise in the non-wage to wage ratio will produce a 0.03% fall in employment and increase the average hours worked by employees (i.e. tend to raise overtime levels). The findings presented in this study do not reflect the importance attached to this factor in some of the literature. The question of non-wage costs and labour legislation do not appear to be uppermost in the minds of managers when making the overtime decision.

Overtime is therefore seen to be accounted for largely by factors involving uncertainty and the nature of the operation engaged in. Firms have little if any control over the former while the degree of control over the latter is limited and mainly determined by factors external to management.

The uncertainty category is dominated by demand related factors. The influence of demand on the overtime decision is illustrated also in the case of firms not working overtime. About 50% cite the ability to meet demand

without the use of overtime as the main reason for not working overtime. Of those who had worked overtime at some time in the previous 10 years but no longer do so, ability to meet demand was an important reason for abandoning overtime working. Again increased demand dominates as the most important reason viewed as necessitating the use of overtime in the future.

Factors related to uncertainty decline in importance among the conditions required to reduce overtime. This may be because respondents feel that these conditions are unattainable. Conditions relating to labour cost are of little significance in reducing overtime. Labour supply factors do emerge as significant. These include adequate supply of skilled labour and increase in numbers employed. Thus it may be that firms consider that the overtime worked due to factors related to demand can be reduced by the existence of certain conditions related to the firms labour supply.

Conditions other than that which would involve the firm employing additional labour appear most significant in reducing overtime. This corresponds to the results of the outcome of the reviews by firms of the practice of overtime. Most firms indicated the result of the review to be improved efficiency aimed at reducing the level of overtime. Likewise among firms who had attempted to reduce overtime 30% of firms indicated increased productivity/efficiency as the measures taken to reduce overtime. However in both cases increased employment was cited by many firms. It appears that many firms would be most likely to reduce overtime by increasing productivity and efficiency which fewer firms would do so by increasing employment.

#### 12.4 Scope for job creation

Over 60% of firms in the Production sector and 73% in the Service sector saw no scope for extra jobs from overtime in their firms. Nevertheless

on the basis of responses from firms overall it is estimated that somewhere in the region of 12,000 jobs could be possible from reductions in overtime. The results obtained from the sample indicate that over 20% of overtime hours worked could be transformed into extra jobs. Due to estimating procedure adopted and other reasons the overall number of jobs estimated is somewhat higher than 20%.

Lesser scope is seen for extra part-time employees from a reduction in overtime hours or for the compensation of overtime working with hours off in lieu of payment.

#### 12.5 Measures to reduce overtime

The elimination of overtime 12 months prior to the survey would have given rise to increases in employment among a majority of firms surveyed, then working overtime. It is estimated that the employment increase would have been at least 11,000 jobs. However, particularly within the Production sector it would also have given rise to changes in labour costs and output among a large number of firms.

The reduction of maximum weekly hours to 50 per employee 12 months prior to the survey would have affected overtime, employment and costs in less than 20% of firms. Reductions in output/financial turnover would have occurred in less than 10% of firms.

Setting the maximum limit on annual overtime to 150 hours (with provision for time off in lieu of payment for greater hours) would have affected a large number of firms in both sectors causing substantial reductions in overtime and leading large numbers of firms to increase employment. It is estimated that the employment increase would be in the region of 10,000 jobs. This represents over twice the number generated

by reducing the weekly limit on hours to 50. Although some firms report decreases in labour costs as a result there would be increases in capital and labour costs overall among firms. Over 20% of firms in the Production sector felt output would have been reduced as a result while less than 10% felt so in the Service sector. In the sample of firms surveyed 52% of firms in the Production sector and 29% in the Service sector had employees working in excess of 150 hours overtime.

Setting overtime rates at double time for all overtime hours worked 12 months previously would have had a mixed effect on overtime hours within firms with some reporting increases and others decreases. It is clear that labour costs would have increased in a majority of firms while fewer firms report changes in employment and output. The increase in employment of 1,500 arising from this measure must be viewed in the context of the increased burden of costs on firms and the decreases in employment which are estimated to arise in a number of activities. Thus the lack of enthusiasm among employer representatives and others (17, 18) for such a measure appears justified. The effect of these measures on firms overall as evaluated by managers is different from that reported by firms working overtime who had previously attempted to reduce it. Among the latter firms there was an increase overall in productivity and a reduction in labour costs. The former report increases in labour costs overall and decreases in productivity overall. Both groups however, report increases overall in capital costs indicating that increased automation may replace overtime in some cases. A study in Belgium (26) revealed however, that a decrease in overtime without employee compensation has beneficial employment effects without undue inflationary affects.

#### 12.6 Conclusion

The study has established the existence of the widespread practice of overtime working in the country. It has also revealed that employees



in many firms work high levels of overtime on an annual basis. Within the Production Sector 11% of firms have employees working in excess of an average of 500 hours overtime for the 12 month period up to June 1979 while 6% did so in the Service Sector. Less than 3% of firms exceeded the weekly overtime limit of 20 hours for industrial work for the reference week in June. Skilled manual employees were most likely to be exceeding the limit within these firms. It is noteworthy that Irish manual industrial workers work longer annual hours than any of their Community Counterparts (46).

There is little evidence to point to largescale contravention of the current legislation. However, the current legislation on hours of work is anomalous. If it were brought to confirm with actual practice in regard to standard hours there would be a significant reduction in overtime working hours. It appears likely that an increase in employment would follow.

Provision for a certain level of overtime working is necessary if the operations of firms are not to be severely affected. This is obvious from the reasons presented for overtime working. However, the results of the study show that levels of overtime exist which remove one of the main arguments for overtime working - that of affording the firm flexibility. Clearly the operation of systematic overtime working within a firm diminishes greatly the flexibility normally afforded by overtime.

The introduction and effective implementation of an annual limit on overtime to be worked for employee of 150 hours might be the most effective means of reducing overtime and generating extra jobs. The concept of an annual limit which is advocated by both Employer and Trade Union representatives ensures that firms retain the flexibility afforded by the overtime option while at the same time excluding the possibility of systematic overtime working over prolonged periods of time.

A gradual reduction of the present limit to 150 hours might be necessary since the study shows that a reduction to 150 hours would have an effect on the output of a substantial number of firms. A gradual reduction would allow firms to adapt over a period of time. Policing of an annual limit might present some difficulties. It would require the determination of hours worked over an extended period by reference to employee records and employees recollection of hours worked over the year. The success of any legislation requires the active support of management and employees as well as trade union and employer bodies.

Reducing the present level of maximum weekly hours to 50 would have a much lesser effect on overtime hours and employment. However, it would be necessary to bring the legislation, particularly that regarding standard hours into conformance with current practice if an annual limit were to be effective.

The concept of time off in lieu of compensation for overtime working as included in the recent draft resolution of the Community Council of Ministers appears to offer some limited scope for the reduction of overtime particularly among Service sector firms. The establishment of this practice in legislation might provide some impetus towards the wider acceptance and adoption of such a practice in the context of collective bargaining.

As reported many of the reasons relating to overtime were exogenous factors outside the firms control while others were concerned with the nature of the firms activities themselves. The influence of non-wage costs while acknowledged as important in some firms was clearly not a major determinant of overtime working in many firms. Nevertheless as Kirwan has demonstrated and as our study has confirmed non-wage costs do serve as an impediment to employment growth. Changes in the non-wage element of firms employees costs would be an easy and attractive policy to adopt

but there are many other factors affecting the use of overtime which would have to be taken into account.

Contrary to suggestions which have been made as to the appropriateness of raising the overtime premium as a means of reducing overtime in favour of increased employment our results show that this is not necessarily an effective measure to adopt. Such a measure would have the effect of actually increasing overtime in some firms while the effect on employment would have to be balanced by the increased costs imposed on a large number of firms by such a move.

Since fluctuations in demand and to a much lesser extent shortages of labour have such an importance in regard to firms working overtime, the proposal to set up a National Hire Agency seems very appropriate. This agency would involve itself in the filling of temporary full-time vacancies to client firms while accepting the responsibilities placed on employers in relation to workers. The effective operation of such an agency would be likely to have some impact in persuading firms to meet fluctuations in demand by the use of extra employees rather than overtime hours. This is particularly so given the importance of labour supply factors in reducing overtime.

This study has provided an overall picture of overtime working in Ireland. The results presented have been to a large degree qualitative in nature and have largely reflected the management viewpoint. A number of further studies incorporating employee attitudes and more indepth treatment of individual firms with high levels of overtime seems appropriate. Finally with new data coming available in the future on hours of work and wage and non-wage costs from E.E.C. surveys cross-sectional econometric analysis on the employment - hours relationship could be attempted.

STUDY OF OVERTIME WORKING IN IRELAND

VOLUME 2

By:

L. Brennan  
A. R. Gault  
M. E. J. O'Kelly

Department of Industrial Engineering,  
University College,  
Galway.

For:

Commission of the  
European Communities.

Study No.79/30

APPENDIX 1

DATA ON HOURS OF WORK

## LIST OF TABLES

## PAGES

Table 1.	Average hours worked by Male Industrial Workers and Female Industrial Workers in a week during the cited quarters and average hours worked per week by all industrial workers in each quarter cited.	1.1
Table 2.	Distribution of average hours worked per week for all industrial workers for each quarter cited for the 48 Industry branches.	1.2
Table 3.	Average number of hours worked by Male and Female employees by economic activity.	1.3

Table 1 Average hours worked by Male Industrial Workers and Female Industrial Workers in a week during the cited quarters and average hours worked per week by all industrial workers in each quarter cited.

Period	Average hours by:		Average hours by:
	Male Industrial Workers	Female Industrial Workers	All Industrial Workers
1970 Q.1	44.6	38.4	42.5
Q.2	45.2	38.6	42.7
Q.3	45.4	38.4	43.0
Q.4	45.5	38.4	42.9
1971 Q.1	44.1	38	41.7
Q.2	45.1	38	42.4
Q.3	45	38.2	42.6
Q.4	45	38	42.6
1972 Q.1	44.4	38.3	42.2
Q.2	45	38.3	42.6
Q.3	45.1	38.1	42.6
Q.4	45.1	38.2	42.7
1973 Q.1	44.7	37.9	42.2
Q.2	45.4	38.1	42.5
Q.3	44.9	37.8	42.2
Q.4	45.2	38.0	42.6
1974 Q.1	44.1	37.4	41.9
Q.2	44.4	37.6	42.1
Q.3	43.9	37.2	41.7
Q.4	43.6	36.4	41.3
1975 Q.1	42.3	36.5	40.6
Q.2	43.7	37.2	41.6
Q.3	43.2	37.6	41.5
Q.4	43.8	37.6	41.8
1976 Q.1	42.7	37.0	41.0
Q.2	43.6	37.3	41.7
Q.3	44.5	37.8	42.3
Q.4	45.2	37.7	42.9

1977 Q.1	44.2	37.7	42.2
Q.2	45.1	37.7	42.9
Q.3	45.0	38.2	43.0
Q.4	44.7	38.3	42.7
1978 Q.1	44.1	38.2	42.3
Q.2	44.9	38.2	42.9

Table 2 Distribution of average hours worked per week for all industrial workers for each quarter cited for the 48 Industry branches

Quarter	% of Industries with Average Hours worked per week					Total Industries
	Under 40	40-41	42-44	45-49	50+	
Q.II 1977	23%	21%	31%	21%	4%	100%
Q.III 1977	25%	19%	29%	19%	8%	100%
Q.IV 1977	17%	25%	39%	17%	2%	100%
Q.I 1978	21%	31%	23%	23%	2%	100%
Q.II 1978	21%	29%	27%	19%	4%	100%

Sources: C.S.O.



Table 3 Average number of hours worked by male and female employees by economic activity

Activity	1975		1977	
	M	F	M	F
Agriculture, Forestry and Fisheries	49.6	37.7	48.9	41.8
Energy and Water	40.5	36.9	40.7	36.3
Minerals	43.9	38.2	42.4	38.9
Metal manufacture	41.5	38.3	42.5	39.3
Other manufacturing industries	42.1	38.4	42.4	38.9
Building and Civil Eng.	42.4	37.1	42.2	37.1
Distributive Trades	43.1	39.4	43.1	38.7
Transport and Communication	41.8	38.8	42.1	39.9
Credit/Insurance	40.5	37.3	39.9	36.9
Public Administration	42.6	37.8	41.3	36.0
Other Services	41.5	35.6	41.3	35.3
Total	42.6	37.6	42.4	37.4

Source: Labour Force Sample Survey.

APPENDIX 2

WORK-SHARING - E.E.C. DEVELOPMENTS

CONTENTSPAGES

2.1	Introduction	2.1
2.2	Initial Commission Statement on Work-Sharing	2.2
2.3	Reasons for Community Concern	2.3
2.4	Ranking of Work-Sharing	2.3
2.5	Objections to Work-Sharing	2.3
2.6	Initial Commission Suggestions	2.5
2.7	Standing Committee on Employment Viewpoint	2.6
2.8	Communication from the Commission to Tripartite Conference of 9th November, 1978.	2.7
2.9	Conclusions of the Tripartite Conference of 9th. November, 1978.	2.7
2.10	Communication on Work-Sharing of 27th. February, 1979.	2.8
2.11	Communication from the Commission of May 1979.	2.9
2.12	Economic effects of Work-Sharing Measures	2.10
2.13	Conclusion of European Council of May 1979.	2.11
2.14	Opinion and Report of Economic Policy Committee of October, 1979.	2.12
2.15	Draft Resolution adopted by Council of November 1979.	2.14

WORK-SHARING - E.E.C. DEVELOPMENTS2.1 Introduction

This appendix examines the developments which have occurred in the debate on work-sharing within the E.E.C. It presents in more detail the opinions and views which were outlined in Chapter V of this report.

2.2 Initial Commission statement on Work-Sharing

Arising from the Tripartite Conference of June 1977 where it was decided to examine the possibilities for a better sharing of work amongst all persons seeking employment in order to tackle the unemployment problem the Commission prepared a paper on work-sharing (3) The paper examined the form and methods of work-sharing.

The aim of work-sharing is to redistribute the total volume of work in the economy to increase employment opportunities for all those wishing to work. While respecting the right to a possibility of employment for all persons it must also take account of the need for social progress and a better quality of life and avoid penalising the least privileged.

Work-sharing can be achieved in one or more of the following ways:

- a reduction of the actual work week
- a restriction of overtime
- increased annual holidays
- the lowering of retirement age
- an increase in part-time work
- a longer period in education and training
- facilities for a temporary interruption of careers for personnel reasons or educational reasons.

The policy envisaged although in line with long-run trends implies two differences:

- The reductions would be deliberate and designed to open up job prospects for persons wishing to work but currently unemployed.
- In addition there would be an acceleration of past trends. Reductions in working time would no longer be so closely linked to the process of economic growth. A better balance would thus be sought between growth in incomes, and more leisure and improved working conditions.

The Commission makes some general comments on work-sharing. It points out that

- (a) work-sharing cannot take the place of economic policy
- (b) work-sharing cannot be approached from a purely quantitative point of view (i.e. that a given reduction in hours etc. will produce a proportional increase in jobs)
- (c) work-sharing may help stabilize employment if the following conditions are met:
  - account is taken of costs and their sharing
  - account is taken of undesirable side effects
  - supporting measures are developed to help bring about changes at the level of the company or of the economy
  - the diversification of different work-sharing measures according to the positions in each country and each sector.
- (d) each method involves some cost for companies or the economy. Such costs should be viewed in terms of the high costs of unemployment.
- (e) a work-sharing policy should allow for the use of all appropriate methods but varied according to the particular circumstances.
- (f) The question of reversibility should be borne in mind in examining work-sharing measures.
- (g) a work-sharing policy should take account of the constraints imposed by international competition on companies and on the public finances.

### 2.3 Reasons for Community Concern

The Commission indicates three main ways in which the Community is concerned with a work-sharing policy.

1. Objections raised to work-sharing at national level regarding competitiveness can be overcome if there is a community approach

2. Measures taken in isolation at national level inhibit the objective of greater economic convergence within the Community.
3. Compatibility between the measures taken at national level may become indispensable from the point of view of competition policy.

#### 2.4 Ranking of Work-sharing measures

The Commission suggests that the following questions should be taken into account in drawing up a definitive ranking of the various methods of work-sharing.

1. What real possibilities of additional jobs are created by work-sharing?
2. What are the resulting costs and benefits for companies and for the economy in general?
3. What are the benefits and the costs of each type of measure for the people directly affected?
4. What are the resulting advantages and drawbacks for social policy aims in general?

#### 2.5 Objections to Work-Sharing

In the working document (4) annexed to the Commissions paper the point is made that many questions surround the practical application of work-sharing and that the effectiveness of work-sharing is hard to assess because of limited experience. It groups objections to work-sharing as an unemployment strategy under seven headings.

##### 1. Past-experience

It considers that those who look to past experience to contest the value of work-sharing in employment policy fail to realise that the examples of the past have only limited application to present problems.

##### 2. Labour force adjustment

It admits that short-term imbalances between supply and demand would arise from any comprehensive ad hoc work-sharing but considers that this could be alleviated by an active labour market policy (retraining, aids to mobility etc.)

### 3. Side Effects

It points out that solidarity at company level would be essential to ensure the success of work-sharing measures (by supporting the adaptation of staffing plans). Entrants to the labour market attracted by the effect of work-sharing measures and the problem of moonlighting are also side effects which it considers might arise.

### 4. Company reactions

It stresses that the reaction of the company is vital. Without the jobs which become vacant being filled or the working hours which become available being worked the company may reduce its production/services. If the company is in an unsatisfactory demand position, this will suit the company but of course there will be no employment gain arising. If the potential fall in production is to be offset the company has at its disposal a wide range of decisions including:

- (a) The transfer of production to locations which are more suitable from the point of view of competition
- (b) Increase in productivity
- (c) Develop overtime or special shifts

### 5. Practical application

It claims that the problem posed by the rigidity in the relationship of capital and labour apply only in a limited area of employment. Likewise it claims that the theory that the beneficial effects of work-sharing measures will only be felt where a company exceeds a certain minimum size is only partly true.

### 6. Cost effectiveness

It admits that the most powerful arguments against the effectiveness of work-sharing measures are the cost burdens they entail. However, it does not conduct a cost-benefit calculation for work-sharing because of the difficulties and uncertainties involved. Depending on the type of measure involved different effects can be distinguished in relation to:

- Individual incomes
- the tax burden on the population
- the cost structure of the individual firm
- the competitive position of the sector
- the social security systems
- the public expenditure

#### 7. Labour market rigidities

- (a) It is claimed that work-sharing measures affect the scope and freedom of the company's decision making
- (b) It is claimed that work-sharing measures are too closely tailored to the economic situation of the moment
- (c) It is further claimed that work-sharing would create a social situation which would remain fixed in the long run.

The document points out that a work-sharing strategy will be more successful if it prevents:

- blanket measures blocking the road to individual decisions or agreements
- financial burdens being imposed on one side only
- market forces being excessively blocked
- interference with other policies aimed at improving the economic situation

#### 2.6 Initial Commission suggestions

The Commission in submitting its paper (3) to the Standing Committee on Employment - a tripartite body of the European Community proposed that the Committee take account of the following possibilities:

- a community initiative to reduce the annual volume of work performed by each worker.



- the implementation of specific Community measures in respect of:
  - overtime working
  - shift work
  - the right to training
- a fuller study of questions concerning:
  - social security
  - retirement age
  - temporary employment agencies
  - part-time work
  - equal treatment

It stresses the need to maintain the competitiveness of the European economy and to take account of the costs and benefits of the different measures considered. Finally the paper stresses that work-sharing is only a partial response to the problems posed by unemployment.

### 2.7 Standing Committee on Employment Viewpoint

At the meeting of the 21st March 1978 the Standing Committee on Employment agreed that it would be unrealistic to expect active economic, employment and investment policies in the short run to absorb existing levels of unemployment and that therefore work-sharing measures had an important role to play in alleviating grave employment problems. It emphasised the importance of overcoming the difficulties both of principle and of implementation especially as regards the costs involved, which would arise in developing work-sharing measures acceptable to all the parties concerned. While not making any specific suggestions between the various measures it agreed on the general aim of reducing the annual number of working hours per man. It asked the Commission to continue its work in this area.

2.8 Communication from the Commission to Tripartite Conference of 9th November, 1978.

In the Communication from the Commission to the Tripartite Conference of 9th. November, 1978 (5) the role of work-sharing as a complementary policy in an overall policy for employment is stressed. It notes the conclusions of the Standing Committee on Employment and as a follow up the Commission indicates that it is developing appropriate measures to discourage and limit the systematic use of overtime hours. It views such a step as fundamental to the success of any policy on work-sharing particularly insofar as it concerns agreed reduction of annual working time. Other initiatives envisaged by the commission are action aimed at eliminating the abuse of temporary work and helping to develop a more flexible retirement system. It is also continuing work on re-arrangement of shift-work, part-time work and the extension of training opportunities.

2.9 Conclusions of the Tripartite Conference of 9th November, 1978

The conclusions at the Tripartite Conference held on 9th November, 1978 revealed varied viewpoints on the subject of working hours. The Union's view was that work-sharing measures should be introduced including an overall reduction of working hours by 10% in the next four years. The employer's reaction was reserved - stressing that no hasty conclusions should be drawn until the impact of the proposed measures on the working methods and costs situation of the firms concerned had been more closely analysed. The Government representatives recognised that a reduction in the working week tailored to the existing competitive and financial situation as well as to the possibilities open to individual sectors might go some way towards improving the employment situation.

2.10 Communication on Work-Sharing of 27th February, 1979

In his communication on Work-Sharing of the 27th February 1979 Mr. Vredeling (Vice-president of the Commission) stresses the importance of taking account of certain prior conditions in the implementation of a work-sharing policy if it is to make a substantial contribution to the Community strategy aimed at achieving a lasting improvement in the employment situation:

- it should be related to the prospect of a progressive harmonization of living and working conditions
- the costs that it involves should not jeopardize the restoration of the profitability of firms nor introduce distortions of competition within the Community nor weaken the competitive capacity of community industries at world level
- it must be achieved through constant and voluntary discussion, and concerted action and negotiation between all the parties concerned.

He states that the Commission considers it is necessary to concentrate at Community level, on a limited number of actions for which Community intervention seems justified. These are:

- overtime
- temporary work
- part-time work
- annual volume of work
- shift work
- flexible retirement and early retirement
- right to training

He considers that it is necessary to think of procedures in the form of a framework which fix the objectives but leave the two sides of industry, and where appropriate, the Member States, to adopt the means necessary to enable the Community objectives to be achieved.

2.11 Communication from the Commission of May 1979

Following the request of the European Council meeting of 12-13 March 1979 to present a communication on the social and economic implications of a co-ordinated re-organisation of working time the Commission presented a communication dated 7th. May 1979 to the Council on Work-Sharing (6).

The Communication outlines the economic position prevailing noting once again the need for accompanying work-sharing measures. It points out the divergence of viewpoint between Unions and Employers in regard to work-sharing measures to be adopted.

In relation to Community action it considers that this must take account of a number of prior conditions:

- (a) be integrated with the harmonization of living and working conditions
- (b) avoid an increase in public expenditure
- (c) not damage the revival of firms' profitability
- (d) allow for reversibility
- (e) result from negotiations between all the parties concerned.

The Commission considers Community action as important and necessary to ensure a contribution to economic convergence. It outlines two possible forms of Community action:

1. The negotiation of European outline agreements by the social partners with assistance from the Commission.
2. The adoption of outline directives. These would fix the common aim but would it be up to the member states to decide on detailed arrangements.

The Commission emphasized that an effective work-sharing policy requires the allocation of part of the product of growth to the reduction of hours worked rather than to wage increases. It states that action in any of the areas of work-sharing must take into account the impact on employment, intrinsic merit from the point of view of working conditions and relative cost.

The Commission asks whether the annual duration of work could be the subject of outline agreements between the Social partners and whether restrictions on systematic overtime could be the subject of a directive. The Commission states that it will deal with shift-work, flexible retirement, training, part-time and temporary work at a later stage.

#### 2.12 Economic effects of work-sharing measures

Finally it deals with the economic effects of measures to reduce hours of work.

The Commission draws a distinction between past reductions in working time (being part of a general improvement in working conditions and reflecting the wage-earner's choice between free time and the increased real wages made possible by productivity gains) and those currently being considered designed to improve employment. It considers that the general effects of shorter working hours on the trend of employment depend on the economic situation on the institutional and organizational flexibility of firms, on the regional sectoral and vocational distribution of workers and on their mobility and on the solidarity of the two sides of industry.

It points out that no general rule can be used to calculate the effect of work-sharing measures since productivity increases will play a role. Possibilities which may arise which counteract the impact of work-sharing

measures include the non-availability of staff and an increase in undeclared work particularly within smaller firms.

The Commission points out that the way in which the shortfall in wages is made up will determine the extent of the success of work-sharing as an employment policy instrument. If the firm bears the cost, unit costs of production will increase and inflation will be fueled by the amount compensation exceeds productivity gains. Likewise Government expenditure will have to bear the burden if the State is required to provide compensation. The Commission points out that the effects of measures to reduce hours of work may be favourable when the wages lost are made up only in proportion to productivity gains. Again it makes the point that the exact distribution of compensation can only be decided at firm/branch level. It considers however, that compensation for wages lost must be inversely related to the level of remuneration.

The impact on employment will be magnified if:

1. Measures form part of a Community growth and employment strategy allowing for the requirements of economic convergence.
2. Wage losses are offset only partially.
3. Changes are adapted to each sector and firm.
4. Special arrangements are made in respect of workers with unpleasant working conditions and low incomes.

### 2.13 Conclusions of European Council of May 1979

The European Council meeting of the 15th May 1979 considered that the approach to work-sharing must take account of the following requirements:

- (a) The internal and external competitiveness of the Community.
- (b) Measures to be proposed should be conceived as accompanying measures forming part of an active employment policy.
- (c) Both sides of industry will have to co-operate closely both in preparing and in implementing any measures.

The Council requested the Commission to continue work with a view to establishing a Community framework for work-sharing concerning in particular:

- the annual duration of work
- the restriction of systematic overtime
- the development of training
- flexible retirement arrangements
- part-time voluntary work
- shift work
- temporary work

and to submit any suitable proposals.

#### 2.14 Opinion and Report of Economic Policy Committee of October, 1979

The Economic Policy Committee submitted a report and opinion on the Commission's communication on work-sharing in October 1979 following a request from the Economic and Financial Committee. (7)

The Committee notes firstly that it is difficult to give a quantified assessment of the economic consequences of possible measures to adapt working time for various reasons:

- (a) Past experience of limited value
- (b) Statistical knowledge of working time imperfect

It states that particular account should be taken of the following factors as regards the extent to which any positive effects on employment may be expected.

- the effect on productivity
- the effect on wage costs.

The Committee feels that adaptation of working hours tend to lead to an increase in productivity and thus only partially to an increase in employment in the short-term. As regards costs it considers that an increase in costs may slow down growth and/or increase inflation and thus affect demand which would in turn depress employment. It considers that if a reduction in working time took place in the public sector it would place a burden on the budget and could set a precedent for the private sector. It states that work-sharing measures can only play a back-up role in providing a solution of employment problems, and their success depends on a number of factors:

- Consideration of the differences in the situation between sectors and between enterprises.
- the type of measures envisaged
- the question of wage compensation
- the existence of qualitative discrepancies on the labour market
- the gradualness of the measure's application and
- their reversibility.

Because of the risks of adverse effects on growth and inflation the Committee feels that work-sharing measures should be placed in the context of overall wages policy and should be negotiated primarily by the two sides of industry.

It states that the effects of a reduction in working time on competitiveness are highly sensitive to the assumptions made in relation



to wage compensation, productivity gains and productive capacity. It points out that a concerted community approach would not be able to prevent a weakening of the external competitiveness of the Community as a whole vis a vis the rest of the world. It maintains that while the community institutions should seek to promote the dialogue between the two sides of industry, it should maintain the utmost caution as regards the possibility of formal decisions or recommendations on the matter.

#### 2.15 Draft Resolution adopted by Council of November 1979

Finally in November 1979 the Council of Social Affairs Ministers adopted a draft resolution on the re-organisation of working time. The preamble to the resolution notes the following:

1. Measures to re-organise working time might be integrated in the overall economic strategy as ancillary measures in support of policies which might help to improve the employment situation.
2. Measures taken must improve living and working conditions.
3. Regard should be had to the possibility of distributing the overall increase in productivity between adaptation of working time and wage increases.
4. Any measures to re-organize working time should be assessed in the light of numerous factors and primarily of the effects on the production capacity of firms, productivity changes and wage compensation. The possibilities for decentralization, differentiation for sectors and areas of activity and phased implementation should be taken into account in the search for measures to be adopted and there should be scope for the review of the measures taken.

In the enacting terms of the resolution the Council considers that as regards overtime

- (i) Limits should be applied to the systematic use of overtime
- (ii) Provision should be made for the gradual implementation of this principle.
- (iii) One appropriate method of achieving the above limitations would be to introduce the principle of compensatory time off.

2.15

As regards flexible retirement the Council considers that flexible retirement should be voluntary and should be developed in liaison with other measures to facilitate withdrawal from working life at the end of the worker's career, such as part-time work and longer holidays for older workers.

As regards part-time work the Council believes that a Community approach should be based on the following principles:

- (i) Should be voluntary and open to all
- (ii) Part-time workers should have the same social rights and obligations as full-time workers.
- (iii) Part-time work should be adapted to the needs of different groups of workers and undertakings.

As regards temporary work the Council considers that it should be controlled and that temporary employees receive social security protection.

As regards annual hours of work the Council invites the Commission to examine with both sides of industry the conditions under which a community approach on the subject of a reduction in annual working time could be established account being taken of:

- (i) The need to improve working conditions and the importance of favouring new recruitment.
- (ii) The need to preserve conditions of competition and the effects on labour costs of reducing working time.

Finally the Commission is asked by the Council to (i) present conclusions on possibilities of developing a Community approach as regards limiting systematic overtime working and reduced annual hours of work in the Community and (ii) present specific communications on flexible retirement, part-time work and temporary work.

APPENDIX 3

SUMMARY OF MEASURES TAKEN IN THE MEMBER STATES OF THE  
COMMUNITY

SUMMARY OF MEASURES TAKEN IN THE MEMBER STATES OF THE  
COMMUNITY.

1. The Working week.

Belgium: 1978 law fixes standard working week at 40 hours with provision for less than 40 hours by royal decree.

France: Recent legislation limits absolute maximum hours to 50.

Luxembourg: 1977 law imposed a 40-hour standard week for manual workers.

2. Overtime.

Belgium: In general overtime which is allowed only within certain limits must be notified to, or authorised by the labour inspectorate with the reasons for the overtime and the arrangements proposed.

Denmark: Proposals have been presented involving the principle of compensatory time off for all overtime worked.

France: Workers working more than 42-hour week are entitled to paid compensatory rest in firms employing more than 10 workers.

Luxembourg: 1977 law requires authorization of the Minister of Labour for overtime and the onus of proof is on the applicant enterprise to show that requirements cannot be met by taking on new recruits.

3. Annual holidays.

Luxembourg: 1975 law fixed annual holidays at a minimum of 25 working days in 1979.

#### 4. Age of retirement.

- Belgium: 1976 law allows retirement at 60 for men and 55 for women on condition of their replacement by young unemployed persons of under 30.  
1977 law established a system of early retirement pensions for elderly unemployed persons.
- Denmark: 1978 Law allows early retirement for anyone at 60 years who is unemployed and meets certain requirements.
- France: Although retirement is normally at 65 years the principle of early retirement with full pension has been introduced among a number of groups (e.g. workers over 60 with 10 year's membership of an insurance scheme who would otherwise be redundant)
- Luxembourg: 1977 law makes provision for regulation of compulsory early retirement where part of the labour force is redundant because of structural difficulties or rationalisation.
- United Kingdom: Job release scheme offers an allowance to those working at least 30 hours a week and 62-64 years in the case of men and 59 in the case of women provided they leave their jobs and employers recruit someone from the unemployment register.

#### 5. Training.

- France: 1978 law provides a right to up to a year's training leave for employees, having spent at least two years in their present employment and not having any recently acquired qualifications,

the number of trainees simultaneously absent in any enterprise being limited to 2%.

APPENDIX 4

OVERTIME, EMPLOYMENT AND OUTPUT

CONTENTS	PAGES
4.1 Introduction	4.1
4.2 Characteristics of Industries with persistently high levels of overtime	4.1
4.3 Supposed Functions of Overtime	4.2
4.3.1 Technical Necessity	4.2
4.3.2 Social and Economic Considerations	4.2
4.4 Reasons for Overtime	4.2
4.4.1 Absenteeism	4.3
4.4.2 Trade Unions	4.4
4.5 Determinants of Overtime Working	4.5
4.6 Empirical Studies	4.6
4.6.1 Brechling Model of the relationship between output and employment	4.6
4.6.2 Other Short-Run Demand Functions	4.7
4.6.3 Influence of Non-Wage Costs	4.9
4.6.4 Adjustments in hours and employment to Changes in Demand	4.12
4.7 The Nature, Extent and Influence of Non-Wage Costs in Ireland	4.14
4.8 Raising the Overtime Premium	4.19
4.9 Reducing Overtime	4.21
4.10 Conclusion	4.22

#### LIST OF TABLES

Table 4.1 Percentage Distribution of Labour Costs in Service 1974	4.17
Table 4.2 Percentage Distribution of Labour Costs in Industry 1975	4.17



## OVERTIME, EMPLOYMENT AND OUTPUT

### 4.1 Introduction

This chapter reviews the conclusions which have been drawn in other studies on overtime. It presents reasons which have been highlighted as contributing to overtime working. In particular it considers the evidence relating to the impact of non-wage costs and measures which have been suggested to counter-act their influence on the firms employment-hours decision.

### 4.2 Characteristics of Industries with persistently high levels of overtime

Whybrew (9) reported that in the United Kingdom the following industry characteristics/features were associated with persistently high levels of overtime:

1. Industries involved in continuous processing containing a high proportion of firms in which raw materials are processed by machines rather than where parts are machined/assembled.
2. Groups of industries where the hours of work are determined by customers requirements.
3. Industries where low levels of earnings prevail.

Our results show that industries possessing the first two characteristics have persistently high levels of overtime.

Sallis (10) found that for British industry generally:

- (1) No significant relationship existed between capital intensity and hours of work.
- (11) There was a tendency for regions with serious labour shortages to be those in which average actual hours are long and conversely
- (111) The type of payment system is a factor influencing the length of hours of work (there appears to be a general belief that employees in payment by results schemes work less overtime than

those in time payments).

- (IV) There is a tendency for industries with low average earnings to have relatively long hours. (This conclusion accords with that of Whybrew).

#### 4.3 Supposed Functions of Overtime

Whybrew suggested that the functions of overtime could be grouped as those of technical necessity and those of a social and economic nature.

##### 4.3.1 Technical Necessity

1. Work outside the normal running hours of the plant.
2. Indivisability of certain tasks (e.g. delivery run cannot be completed within standard bonus).
3. Maintenance of regularity of shiftsystem (e.g. 4 x 42 hour shift system)
- 4 Variations in the work content of particular orders leading to overtime in certain departments.

##### 4.3.2 Social and Economic Considerations

1. Continual fluctuations in the demand for goods and services.
2. Acute manpower shortages.
3. Raising level of earnings for employees.
4. Spreading labour overheads over increased output.

#### 4.4. Reasons for Overtime

The National Board for Prices and Incomes (11) found that in a survey of establishments the following reasons were chiefly cited for overtime working.

- (I) To meet the normal level of demand.
- (II) To attract and retain workers by increasing pay
- (III) Labour shortages
- (IV) Less costly than recruiting more workers

(V) To meet occasional peaks in demand or emergencies.

(VI) Nature of technological process or type of service to customer.

While all these arise from our survey of establishments (I), (V) and (VI) were of greater importance among a wider number of firms.

Mabry (12) argues that in periods of stable demand overtime occurs because normal variations in sales often require an extension of the normal work period and because disruptions in production schedules inevitably occur. In periods of demand expansion overtime progressively increases because

- (1) Manpower needs expand more rapidly than accessions.
- (2) Rising training costs tend to make overtime relatively less costly as the external labour market tightens.
- (3) Disruptions become more severe, if not more numerous.
- (4) Other incremental labour costs make new hires more expensive.

#### 4.4.1 Absenteeism

The National Board for Prices and Incomes (11) in its' report concluded that absenteeism was lower among manual workers who worked substantial overtime in the survey week than among those who worked less.

It found that in a number of establishments there was evidence of a positive relationship between overtime and absenteeism. This could be explained in its view by the following hypothesis:

- (a) That absence in heavy process industry may be the consequence of the fatigue that results from relatively long periods of overtime.
- (b) That absenteeism is likely to arise from the attainment of target earnings made possible through overtime pay. This occurs for example when a worker takes time off during one part of the week and substitutes overtime working at another part of the week at higher rates of remuneration. This is most likely to

arise with employees on low earnings.

Although our results do not reveal any significant relationship between non-attendance levels and overtime levels absenteeism is cited and rated by firms as being an important reason for overtime working. Ehrenberg (18) concluded that employment was likely to be greater with a stochastic absentee rate than with a certainty rate but his analysis of the influence of absenteeism on overtime working hours was largely inconclusive.

#### 4.4.2 Trade Unions.

The official tradeunion attitude in relation to hours of work and overtime has traditionally been that workers should have the opportunity to enjoy part of the product of their endeavour in the form of leisure and that reductions in hours should be exploited to develop employment opportunities. The National Board for Prices and Incomes report, however, that insofar as the provisions limiting/regulating overtime were concerned they came across no instance where an employer who wished to exceed the limit had pressure put on him by unions not to do so. The only exception to this was in relation to temporary bans on overtime for tactical reasons.

As with our own results Mabry (12) finds no evidence that the incidence of unionization affects the magnitude of overtime worked though as reported the attitude of unions and employees can have a negative influence on the magnitude of overtime worked. Ehrenberg (18) found that the influence of unionization might be geared to limiting overtime as a means of reducing unemployment among their members in the few industries in which it was significant.

Whybrew (9) reported that Trade Unions often find the extent of overtime and overtime earnings as an argument against them in discussing claims for better wages and conditions. The use of overtime, while increasing the size of the labour supply does not insofar as the Trade Unions are concerned have any compensating increase in their influence. On

the other hand an extra employee is a potential recruit for the Union.

By contrast Whybrew argues that the individual worker see an extra employee as increasing the supply of his type of labour with few compensating benefits. For him, however, an increase in overtime supplies the extra labour but also raises his earnings and gives his workship organisation the possibility of using a cheap industrial weapon - an overtime ban.

This assessment may represent an explanation of the often perceived dichotomy between the official trade union attitude and the attitudes at shop floor level.

#### 4.5 Determinants of Overtime Working.

Recent work involving case studies in Britain (40) found the determinants of overtime working at firm level to be as follows in increasing order of importance:

- (I) Legislation and collective agreements - of minor importance.
- (II) Economic activity - not considered to exert a major influence on the pattern of overtime working.
- (III) Workers preferences.
  - (a) Overtime was needed and sought as a means of raising earnings.
  - (b) Skilled manual workers were found to exploit overtime working as a means of improving earnings differentials.
  - (c) More overtime was sought and worked by those workers for whom it was the only means of controlling their level of earnings.

- (d) Overtime was found to be a useful bargaining tool.

#### (IV) Employers preferences

- (a) Technical reasons.
- (b) Overtime was found to increase the effective supply of

labour and capital from existing plant more cheaply and quickly than recruitment.

- (c) Overtime affords greater flexibility in meeting cyclical/seasonal changes in demand and output.
- (d) Overtime used to cope with labour shortages/absences.
- (e) Overtime used to attract and retain key workers.

Again there is a reasonable degree of correspondance between the employers preferences expressed above and those obtained from our own survey. Insofar as the other determinants are concerned the evidence obtained from the survey indicates that legislation at least on an annual basis and collective agreements do not play a great influence. From the figures available on average hours and on the basis of the survey results it is difficult to accept completely conclusion reached in relation to economic activity. Trade union and employer representatives have often expressed points (a) and (b) in relation to employee preferences.

These points arose in our discussions with Employer and Trade Union representatives. The use of overtime as a bargaining tool is not thought to be very underspread through its use as such is acknowledged.

#### 4.6 Empirical Studies

There have been a number of empirical studies carried out to assess the relationship between hours of work, employment and other factors including the non-wage ratio. The model formulations have progressed over time to the situation where separate functions for the hours and the numbers employed of the labour input are now being derived and estimated.

##### 4.6.1 Brechling(13) Model of the relationship between output and employment.

Brechling deals with a model which expresses labour services  $E_s$  as a function of output  $Q$ , capital  $K$  and technology  $T$ . The independent variables are considered exogenous to the short-run labour input decision.

His model is a simple inversion of the Production function.

$$Q = f(E_s, K, T)$$

He distinguishes between two dimensions of labour services; the number of workers employed (E) and the degree to which they can be utilised which he approximates by average hours worked per man. He constructs a wage cost equation based on the straight time hourly wage rate and the overtime wage rate. By minimising this bill w.r.t. employees and hours a cost minimising number of workers are derived.

$$E = F(Q, K, T, H, W2/W1)$$

where H = normal hours

W2 = overtime rate

W1 = standard pay.

Brechling assumes W2/W1 is constant over time and can be ignored.

He assumes an adjustment process of the form

$$E_t - E_{t-1} = \alpha(E^*t - E_{t-1})$$

Where E\*t is desired numbers employed.

He incorporates it into the above equation to obtain his final regression equation.

Using quarterly data from 1949 to 1963 he obtained a negative correlation between numbers employed and hours worked.

#### 4.6.2 Other Short-Run Demand Functions.

Most of the short-run demand functions for employment and hours which have followed have been based on Brechlings original Construction described above. Thus Ball and St. Cyr (14) applied a model very similar to Brechlings to industry groups within manufacturing using quarterly data from 1955 to the first quarter of 1964. They take the total labour input as simply hours times employment and use a Cobb-Douglas production function instead of the more general type. By minimizing a cost function and using a lagged adjustment model of the form

$$\frac{E_t}{E_{t-1}} = \left( \frac{E_{t^*}}{E_{t-1}} \right)^\lambda \quad 0 \leq \lambda \leq 1$$

a demand for labour function is derived. This function is similar to Brechlings except that it is in log form and the capital and standard hours terms are missing. A high degree of goodness of fit is obtained overall for the model while evidence suggests increasing returns to labour in the short run in a number of cases.

Fair (15) adopts a different approach. He considers that employment changes can be viewed as a function of the amount of excess labour on hand and the expected future production levels. The amount of excess labour on hand is measured as the difference between actual employment and the amount of employment needed to produce the current level of output at peak productivity.

Fair attributes the phenomenon of increasing returns to labour as resulting from "excess labour". He finds that the amount of excess labour on hand and the time stream of expected future output changes are significant determinants of the change in numbers employed. He also developed a model for the number of hours paid for per worker as a function of the amount of excess labour in hand, the time stream of expected future output changes, the differences between the past level of hours paid for per worker and the standard number of hours of work per worker, and the degree of labour market tightness as measured by the unemployment rate. He found that all the above factors appeared to be significant.

Comparing the demand for workers and the demand for hours paid for per worker he finds that in the short-run firms react to a positive amount of excess labour on hand, by decreasing both the number of workers employed and the number of hours paid - for per worker and that they react to hours paid - for per worker being



greater than the standard level by decreasing the number of hours paid - for per worker but not by increasing the number of workers. He also finds that expected future changes in man-hour requirements have less significance for current decisions on the number of hours to be paid per worker than for current decisions on the number of workers to employ. Tight labour markets increase the number of hours paid for per worker more or decrease it less than they otherwise would as an inducement to keep workers from looking for other jobs and they also hire fewer workers or lay off fewer workers than they otherwise would since new workers are hard to find and workers once laid off may not be available for rehire when needed again.

Finally Fair determines the short-run demand for total man hours paid - for. He finds the change in total manhours paid - for is a function of current and expected future changes in output, of the degree of labour market tightness, of the amount by which the number of hours paid - for per worker differs from the standard level of hours, and of the amount by which the number of workers employed differs from the desired number. The data used was monthly data on three digit manufacturing industries in the U.S.

#### 4.6.3 Influence Of Non-Wage Costs

Oi (16) introduced the concept of a quasi fixed factor as one whose total employment cost is partially variable and partially fixed. He considers labour to be such a factor. He defined fixed costs as being the sum of hiring and training costs and defined the degree of fixity

$$f = \frac{R}{W + R}$$

Where R represents the fixed cost and W the variable cost. He argues that a higher degree of fixity leads to a greater stability of employment in terms of numbers or machines employed but also tends to lower labour

turnover rates. He draws a distinction between specific training and general training. The former increases the workers productivity to a particular firm without affecting his productivity in alternative employments while general training can increase a workers productivity in a number of competing employments.

Allied to the above fixed costs are other fringe costs (non-wage) which have led to the development of the fringe barrier hypothesis. This states that rising fringe costs will encourage the substitution of overtime for new hires in meeting temporary demand increases. It is argued that when the costs of extra employment in terms of hiring, training and other fringe costs which are principally employee centered (such as holidays, pensions etc.), are taken into account that overtime is cheaper despite the premium rate which applies.

Hughes and Leslie (41) maintain that standard hours will be optional in the case of the motor vehicle industry only when man related fringe costs are non-existent.

A number of empirical studies have been carried out to investigate the influence of non-wage costs on hours of work.

Van Atta (17) found using time series data for Production Workers for 1957 - 1965 in the U.S. that supplementary wage costs relative to overtime wage rates were an important factor leading to increased use of overtime labour hours during the period.

Ehrenberg (18) examined the effect of fringe benefits and the overtime premium on employment and hours in 1966. Cross section data was used for 16 manufacturing and 8 non-manufacturing industries. An equation was estimated for the number of overtime hours per person per week as a function of the ratio between fringe benefits and the overtime premium and a number of other variables. In the regression run for 24 industries

the ratio of fringe benefits to overtime premium variable had the expected positive sign in all 24 and in 18 out of the 24 was significant at the 5% level.

Hughes (19) on the basis of a time series investigation of hours worked in the automobile assembly industry concluded that the growth of fringe benefits led to an increase in hours worked in the industry of between 1 and 2½ hours weekly over the period 1949-1966. Despite this Hughes questions whether the fringe barrier effect to employment represent necessarily an undesirable development since he argues that this is to prefer cyclical variations in demand to be met by employment rather than hours fluctuations. He argues that the existence of fringe barriers reduce a substantial part of the traditional insecurity of employment. Schwartz (20) considers that there has been a fringe barrier to employment in the auto industry in Michigan in the U.S.A. He finds on the basis of simulation exercises that if the ratio of fringe benefit costs to overtime costs were held constant over the period 1958-1976 employment would be higher by 26,000 and average hours would be lower by over 2 hours.

Hart and Sharot (21) develop a model of the short-run employment demand function by investigating both the separate influence on the men and average hours components of manhours and the relationship between them. They consider that the major reasons warranting a separate specification for equations depicting the demand for workers and their rate of utilization are:

- (i) Hours may be considered as comprising the principal short-run means of adjusting labour to output changes while men are adjusted to meet longer-term movements in output, capital stock etc.
- (ii) Men and hours may themselves be interdependent given the different

time scales mentioned above.

(111) Certain exogenous influences may affect the demand for men in different ways from their effect on hours.

They derive equations similiar to Brechling for numbers employed and the degree to which workers are utilised. They include an additional variable within the equations representing the ratio of non-wage to wage costs. The adjustment process and excess demand are treated for within the model which represents equations for numbers employed and hours worked.

Using monthly data for British manufacturing industry they find that the numbers employed are negatively related to the non-wage to wage ratio. However, contrary to expectations they also get a negative sign in the hours equation.

The essential difference between the employment and worker utilization equations in the model is in the relative speeds of adjustment between the desired and actual values of the two dependent variables. The results hinge on the proposition that firms achieve short-run changes in labour requirements by varying their worker utilization rates, whereas the response of employment is decidedly more sluggish and long term.

#### 4.6.4 Adjustments In Hours and Employment To Changes In Demand.

Hours of work and output per hour of workers respond more or less at the same time to cyclical and shorter-term changes in demand. Hours change, however, by less than half the extent that productivity changes. Changes in employment tend to follow much later and are spread over the following year but the movement is closer to that of productivity and more than twice that in hours.

The lag in employment arises because it may be difficult and costly to reduce manpower quickly when demand falls and to recruit more

labour when demand picks up. The length of the lag will depend on the response of employees to changes in the demand for workers. During a decline in demand employees will evaluate overtime the balance between the costs of hoarding workers and the costs of firing them and then hiring them should demand pick up. When expectations of future demand are uncertain they will delay any changes. Solow (42) shows that the speed of adjustment parameters is proportional to the overtime premium size and inversely proportional to the size of employment cost changes i.e.

$$h \text{ ( speed of adjustment )} = \sqrt{\frac{a}{v}}$$

When  $a$  = overtime premium

and  $v$  = size of employment cost changes.

Thus the length of the delay will be longer the larger the financial costs of firing.

During an upturn in demand employees will increase the utilization of the existing employees. The delay in adjustment will be dependent on the level of skills of the employees. If the skills are job specific the firm will be reluctant to reduce the number of employees as they will be costly to replace and the training investment in the employees may be lost.

Thus Nickell (43) argues that if hiring and firing costs are significant they will play an important role in determining the cyclical structure of labour demand. They accentuate labour hoarding, though they may lead to a decrease in average employment over the cycle, by lowering employment during periods of high demand and providing encouragement to firms to leave themselves short of capacity.

Phipps (44) argues that industries which employ a large proportion of specifically trained labour adjust their desired labour input requirements less in proportion to a change in demand and output

than those industries which employ a lower proportion of less-specifically trained labour. He also points out that because adjustment of employment involves the firm in costs which may increase with the speed of adjustment it will adjust the actual level of employment to the desired level only partially in any given period.

Labour hoarding may also give rise to the phenomenon of increasing short-run returns to employment observed in some studies. Where large scale hoarding exists, the variability of output will tend to exceed that of employment. Changes in output are likely to be associated with somewhat lower employment changes and thus increasing returns to employment arise.

#### 4.7: The Nature, Extent and Influence of Non-Wage Costs in Ireland.

Non wage costs are composed of a number of components. There are firstly the costs associated with hiring employees, training costs which may be of a general or specific nature and include levies payable to AnCO (Industrial Training Authority). These levies may be balanced by grants received by employees for training. The levy rate varies between industrial activities, but is generally 1 to 1.25% of the annual payroll of the firm provided the payroll exceeds a certain minimum level. In addition there are the costs associated with employees being fired or leaving the firm.

Other non-wage costs can be viewed as being either of a statutory nature or a voluntary nature.

It is argued that the existence of these costs influence the firms rate of adjustment of employment to it's desired level and affect the balance of labour input between hours and numbers employed in favour of the former. Geary (45) argues that the Redundancy Arguments Act and the Unfair Dismissals Act increase the adjustment costs associated with

changes in the level of employment in the firm and are a disincentive to employment.

Since April 1979 the statutory social insurance system has become pay related. Previously the system was a combined flat rate pay related contribution. The total rate now payable in respect of persons in industrial, commercial and service type employment by the employer is 8.75% of the employee's earnings up to a ceiling of £5,500.00. This includes a 0.5% contribution in respect of the redundancy fund while the health contribution is normally paid by the employee. Above £5,500 no further contribution is due, so the contribution becomes a flat rate charge. Since average male industrial earnings are only now attaining this level the new system provides less incentive for the employer to use overtime rather than take on extra employees. This is because employers will be likely to incur an additional charge for at least some hours of overtime worked by some employees. The other non-wage costs such as holiday payments and pension fund contributions will still be incurred by employers in respect of additional employees. Geoghegan and Frain (23) report 86.7% of firms with fifty or more employees in the Wholesale activity making some contributions to pensions while the corresponding figure is 75.3% in the retail activity. In the financial sectors nearly all enterprises had pension provisions. Within Manufacturing 40.5% of respondent establishments reported contributions to pension funds for manual employees while 49.2% reported contributions for non-manual employees.

The distribution of labour costs (23) is available in respect of 1974 for certain activities within the Service sector and in respect of 1975 for total Manufacturing, Mining and Quarrying and Electricity and Gas supply. These show total wages and salaries (incl. payments for days

not worked etc.) to be in the region of 86-90% of total labour costs for all activities with the exception of credit and insurance activities. The distributions of labour costs are given below. A more detailed breakdown is available in respect of the industrial sector with total wages and salaries broken down into basic wages and salaries for days worked, irregular bonuses and payments for days not worked,

A comparison for E.E.C. countries of the distribution of labour costs in manufacturing in 1975 shows that with the exception of Denmark wages and salaries in Ireland at 78.1% of total labour costs form the highest percentage of labour costs for any of the E.E.C. countries. This is chiefly attributable to the low percentage of labour costs represented by statutory employer contributions to social security by comparison with some of the other countries.

There is some variation in Ireland's position in respect of the activities within the services sector. Our Retail and Wholesale activities along with these of the United Kingdom and Denmark have the highest percentage of labour costs represented by earnings. With the exception of France, however, our credit activity grouping has the lowest percentage of labour costs represented by earnings. Our insurance activity grouping's percentage exceeds that of half the other community countries.

It can be noted that the 1975 Labour costs in Industry survey of the E.E.C. showed that in almost every country indirect labour costs had risen faster than direct wages since the previous survey in 1972. (Ireland was not involved in the 1972 survey as it was not then a member of the E.E.C.).

Kirwan (24) examines for Ireland the theory that fixed costs render employment less sensitive to output fluctuations by encouraging



Table 4.1 Percentage Distribution of Labour Costs in Service 1974

SERVICE ACTIVITY	WAGES AND SALARIES	STATUTORY SOCIAL SECURITY	VOLUNTARY SOCIAL SECURITY	OTHER	TOTAL
Wholesale	88.99	4.96	3.93	2.12	100.
Retail	88.04	5.86	2.95	3.15	100.
Credit	71.87	3.62	15.85	8.65	100.
Insurance	78.2	3.54	10.41	7.86	100.

Table 4.2 Percentage Distribution of Labour Costs in Industry, 1975.

	TOTAL MANUFACTURING	MINING AND QUARRYING	ELECTRICITY AND GAS
Basic wages and salaries for days worked	77.15	78.34	78.44
Irregular bonuses	0.92	0.47	0.05
Payments for days not worked	8.35	9.79	11.26
Social security contributions by employees : Statutory	5.59	4.65	1.47
Voluntary	4.05	3.80	5.83
Other labour costs	3.94	2.96	2.95
TOTAL	100.00	100.00	100.00

labour hoarding, reducing the desired level of employment corresponding to a particular level of output and increasing the desired utilization of the retained workforce. He constructs a model similar to that of Brechling and Ball and St. Cyr, but including a non wage to wage ratio and modified to take account of the lagged adjustment of actual to desired employment, the substitution possibility between numbers employed and hours of work and the employers output expectations. He finds that somewhere between 27% and 41% of the discrepancy between desired and actual levels of employment is closed within three months of its arising. However, average hours adjust almost instantaneously to accommodate the short-term demand for employment. The model is applied to data over the period from the final quarter of 1969 to the second quarter of 1977.

The nonwage to wage ratio exerts the expected negative effect on the level of employment. This suggests that a 1% rise in the fixed cost ratio will cause a fall of 0.03% in employment. The ratio exerts positive influence on the number of hours worked.

Kirwan estimates that the nonwage to wage ratio has more than doubled over the period used for estimation his model. He includes only the statutory social insurance contributions in constructing the non-wage component of the ratio. These are the statutory social insurance flat rate and pay related contributions and the redundancy fund contribution.

He considers the consequences of a reduction of £1 in the employers statutory social insurance contribution which represents the major component of his non-wage costs in the non-wage ratio. He finds using the results of his model that at mid 1977 levels of non-wage costs and employment this would lead to the creation of 1,200 jobs in Manufacturing industry. He estimated a net weekly cost to the exchequer of £160,000.00.

While the influence of the non-wage factor on firms decision to have overtime working emerges from the survey it is reasonable to conclude that it's importance was not as widely perceived by management as might have been expected considering the emphasis given to it in the literature..

#### 4.8. Raising the Overtime Premium.

Apart from a reduction in non-wage costs the principal measure which has been suggested to offset the influence of non-wage costs has been an increase in the overtime premium.

The Wage and Hour and Public Contracts Division of the U.S. Department of Labour (22) considers that if an employer is faced with having to pay double time for overtime he can take one or a combination of the following courses of action:

1. Increase overall efficiency of operation in order to attain the same output with fewer hours.
2. Introduce labour saving equipment. (The increased premium may provide the economic justification for such a move).

The above two courses of action cause the potential for creating new jobs from overtime to be lost.

3. Hire new workers to work the hours now being worked as overtime.
4. Continue to schedule overtime at higher rates or curtail overtime and at the same time reduce output.

Thus the third course of action represents scope for employment potential materialising. However, the following obstacles to hiring new workers may exist.

- A. Cost of fringe benefits, hiring and training of new workers. However, apart from that premium rate for overtime there may be a cost of higher absenteeism and lower productivity per hour by employees working long work weeks on a regular basis.

- B. To the extent that overtime is of emergency, non-recurring and seasonal forms the potential for new jobs is reduced.
- C. If the upturn in business prospects is viewed as being of a temporary nature overtime will be more favoured.
- D. There may be organizational and physical limitations such as:
  - Plant crowded.
  - Certain machines may require a set number of workers.
  - Installation of new machines may be expensive.
  - There may not be enough overtime worked to allow for the introduction of new shift.
- E. The availability of skilled workers among the unemployed.
- F. Worker attitudes may not be favourable.

Instead of setting the overtime rate at double time an alternative proposal would be to tie the premium rate to the unemployment rate or contribute the increased portions of premium to a social welfare fund rather than to employees.

Ehrenberg (18) used his regression results to estimate the employment effects of raising the overtime premium from time and a half to double time assuming that total aggregate hours remained constant. In all industries an increase in the overtime premium would lead to an increase in employment and a drop in overtime. He points out that the increase in employment is not great varying from 0.2% to 6.2%. Ehrenberg does not recommend such a course of action.

Schwartz (20) finds that if the overtime premium was raised to double time the effects on the auto industry in Michigan, U.S.A. would have been an increase of 15,000 - 17,000 more jobs and 1.3 hours per week less.

Van Atta (17) considers that raising the premium rate for overtime would be a poor way to try to reduce unemployment as the magnitude of the total effect would be highly uncertain. He argues that reduction of overtime would tend to take place in low-wage industries and that overtime would not be reduced considerably in high wage industries where supplementary costs, hiring and training costs and levels of overtime are typically high. He argues that the net effect would be a redistribution of earnings in favour of strategically located workers whose skills are in relatively short supply and who are for the most part already the better paid workers and against the lower paid workers who would be deprived of much of whatever overtime work they get.

#### 4.9 Reducing Overtime.

Whybrew (9) contends that if real progress in reducing overtime is to be made the decision must be taken by top management within the company. He maintains that once the decision is taken that many of the problems related to the nature of the work are fairly easily solved. He maintains that detailed knowledge of the actual position relating to overtime working is important and that examination of its use reveals additional opportunities for other changes which can increase productivity. Examination of the Labour Court recommendations reveal, however, that where regularly worked overtime is reduced/eliminated as a result of changes in work practices/procedures and organisation the employee is normally awarded a lump sum compensation for the loss of earnings. The National Board for Prices and Incomes (11) concludes that while overtime levels for men may not necessarily be the cause of, or the result of inefficient use of manpower and other resources, they are often found in conjunction with inefficient use of resources. Thus if firms can accompany reductions in overtime with measures to improve efficiency employment potential will

be reduced while firms can recoup outlays on compensation to employees by greater productivity.

#### 4.10 Conclusion.

The circumstances and reasons giving rise to overtime working have been outlined from a number of studies. Our results are seen to reflect many of these findings. A number of models of short-run employment demand behaviour are outlined. The concept of non-wage costs is introduced and the results of a number of empirical studies are given. These show that non-wage costs have had a negative effect on employment. Their influence on the lagged adjustment of employment to output changes is also explained.

The influence of non-wage costs on manufacturing employment in Ireland is outlined based on the results of Kirwans. This shows that the ratio of non-wage to wage costs has had a slight negative effect on employment over the period 1967-1977.

Finally the results of a number of studies on the effects on employment of increasing the overtime premium rate are described. Possible obstacles to increases in employment are also described.

APPENDIX 5

DETAILED SURVEY RESULTS ON OVERTIME

LIST OF TABLESPAGES

Table 1	Breakdown of firms within each activity for the Production sector between those who worked overtime in the 12 month period prior to the survey and those who did not.	5.1
Table 2	Breakdown of firms within each activity for the Service sector between those who worked overtime in the 12 month period prior to the survey and those who did not.	5.2
Table 3	Breakdown of firms by full-time employees between those who worked overtime and those who did not over the 12 month period for the Production sector.	5.3
Table 4	Breakdown of firms by full-time employees between those who worked overtime and those who did not over the 12 month period for the Service sector.	5.4
Table 5	Breakdown of firms by temporary full-time employees between those who worked overtime and those who did not over the 12 month period for the Production sector.	5.5
Table 6	Breakdown of firms by temporary full-time employees between those who worked overtime and those who did not over the 12 month period for the Service sector.	5.6
Table 7	Breakdown of firms on shift work within the Service sector by type of system and practice of overtime working.	5.7
Table 8	Breakdown of firms on shiftwork within the Service sector by percentage of employees on shiftwork and practice of overtime.	5.7
Table 9	Breakdown of firms by non-attendance levels and the practice of overtime in the Production sector.	5.8



Table 10	Breakdown of firms by non-attendance levels and the practice of overtime in the Service sector.	5.8
Table 11	Distribution of overtime frequency by activity grouping within the Production sector.	5.9
Table 12	Distribution of overtime frequency by activity grouping within the Service sector.	5.10
Table 13	Distribution of firms by overtime frequency and shiftwork for the Production sector.	5.11
Table 14	Distribution of firms by overtime frequency and shiftwork for the Service sector.	5.12
Table 15	Distribution of percentage of employees engaged in overtime over 12 month period within the surveyed firms on overtime by activity grouping for Production sector.	5.13
Table 16	Distribution of percentage of employees engaged in overtime over 12 month period within the surveyed firms on overtime by activity grouping for Service sector.	5.14
Table 17	Distribution among firms of the level of average overtime worked over 12 months by employees on overtime.	5.15
Table 18	Estimates of (i) the annual amount of overtime worked by activity and size category for the Production sector and (ii) the numbers engaged for a 12 month period.	5.17
Table 19	Estimates of (i) the annual amount of overtime worked by activity and size grouping for the Service sector and (ii) the numbers engaged for a 12 month period.	5.18

Table 20	Distribution among firms of the overtime hours per employee in overtime for the reference week in June 1979 by occupational group.	5.19
Table 21	Distribution among firms by activity grouping of the level of average overtime worked by employees on overtime during the reference week.	5.20
Table 22	Average overtime hours worked for reference week in June by employees on overtime by activity and size grouping for the Production sector.	5.22
Table 23	Average overtime hours worked for reference week in June by employees on overtime by activity and size grouping for the Service sector.	5.23
Table 24	Average hours represented by (i) Standard (ii) Overtime and (iii) Total hours worked for reference week in June 1979 by activity and size grouping for the Production sector.	5.24
Table 25	Average hours worked represented by (i) Standard (ii) Overtime and (iii) Total hours for reference week in June 1979 by activity and size grouping for the Service sector.	5.25
Table 26	Firms opinion as to how overtime levels will change over the 12 months following the survey by activity for the Production sector.	5.26
Table 27	Firms opinions as to how overtime levels will change over the 12 months following the survey by activity for the Service sector.	5.27
Table 28 (a)	Distribution of firms who reviewed overtime practice by the management level at which the review occurred.	5.28
Table 28 (b)	Breakdown of firms by frequency of overtime and review of overtime by Sector.	5.28

Table 29	Percentage of firms indicating the following decision process where more than one decision maker involved in decision on overtime.	5.29
Table 30	Distribution of firms who indicated limits on the amount of overtime worked by the nature of the limit by (i) Production (ii) Service sector.	5.30
Table 31	Explanations by management of choice of response in respect of level of productivity during overtime hours.	5.31
Table 32	Explanations by management of choice of response in respect of the effect of the possibility of overtime working on standard hours productivity.	5.32
Table 33	Distribution among firms with guaranteed overtime of level of overtime guarantee by Sector.	5.33
Table 34	Second most important reasons for working overtime cited by 3% or more respondents in the Production sector.	5.34
Table 35	Second most important reason for working overtime cited by 3% or more respondents in the Service sector.	5.35
Table 36	Third most important reason for working overtime cited by 4% or more respondents in the Production sector.	5.36
Table 37	Third most important reason for overtime working cited by 4% or more respondents in the Service sector.	5.37
Table 38	Two most important reasons for working overtime cited by most respondents and the second most important reason for overtime working cited by most respondents for the Production sector by activity.	5.38

Table 39	Two most important reasons for working overtime cited by most respondents and the second most important reason cited by most respondents for the Service sector by activity.	5.40
Table 40	Ranking of spontaneous reasons on the basis of the percentage of total citings of reasons for Production sector.	5.42
Table 41	Ranking of spontaneous reasons on the basis of the percentage of total citings of reasons for the Service sector.	5.43
Table 42	Responses of firms to list of possible reasons for overtime indicating the importance of the reasons in their own case for (i) Service sector and (ii) Production sector.	5.44
Table 43	List cited by 10% or more firms within the Production sector of circumstances under which it would be possible to reduce overtime working.	5.47
Table 44	List cited by 10% or more firms within the Service sector of circumstances under which it would be possible to reduce overtime working.	5.48
Table 45	Set of circumstances cited by most respondents under which overtime working could be reduced in Production sector.	5.49
Table 46	Set of circumstances cited by most respondents under which overtime working could be reduced in Service sector.	5.50
Table 47	Responses of firms to list of possible conditions for reducing overtime working indicating the extent to which they apply in their own case for (i) Service and (ii) Production sectors.	5.51
Table 48	Distribution among firms who attempted to reduce overtime by reasons for deciding to do so.	5.53

Table 49	Responses of firms to list of possible reasons for not working overtime indicating the importance of the reasons in their own case for (i) Service sector and (ii) Production sector.	5.54
Table 50	Distribution by sector of (a) the numbers engaged in overtime working and (b) the number of hours worked on an annual basis among those firms who eliminated overtime over the last ten years.	5.55
Table 51	Distribution among firms of the effects of the elimination of overtime on the cited variables for (i) Production and (ii) Service sectors.	5.56
Table 52	List of most important reasons for eliminating overtime cited by 4% or more firms who eliminated it at some stage over the past decade by Sector.	5.57
Table 53	Responses by firms who eliminated overtime over the past ten years to list of possible reasons for doing so indicating their importance in their own case for both Sectors.	5.58
Table 54	Responses of firms not on overtime indicating importance of reasons in their own case which might necessitate the use of overtime by (i) Production sector and (ii) Service sector.	5.59
Table 55	Distribution among firms of annual non-remunerated overtime hours.	5.60
Table 56	Distribution among firms of the numbers engaged in non-remunerated overtime.	5.60
Table 57	Distribution among firms of percentage of full-time employees on non-remunerated overtime hours.	5.60
Table 58	Distribution among firms with non-remunerated overtime of the level of average non-remunerated overtime hours worked.	5.61

Table 59	Estimates of (i) annual non-remunerated overtime hours worked and (ii) numbers engaged by strata for Production sector.	5.62
Table 60	Estimates of (i) annual non-remunerated overtime hours worked and (ii) numbers engaged in by strata for Service sector.	5.63

DETAILED SURVEY RESULTS ON OVERTIME

Table 1 Breakdown of firms within each activity for the Production Sector between those who worked overtime in the 12 month period prior to the survey and those who did not.

Activity	Percentage of firms who:		Total all firms
	Worked Overtime	Did not work O/T	
Textiles	95.8%	4.2%	100%
Clothing & Footwear	79.4%	20.6%	100%
Food, Drink & Tobacco	93%	7.0%	100%
Construction	82.8%	17.2%	100%
Engineering	92.4%	7.6%	100%
Chemicals	89.2%	10.8%	100%
Print/Paper	88.9%	11.1%	100%
Mining, Quarrying and Turf	92.9%	7.1%	100%
Electricity & Gas	100%	0%	100%
All Activities	88.3%	11.7%	100%

Chi - Square = 16.14 with 8d.f. and statistical significance = .04

Cramer's V = 0.162.

Table 2. Breakdown of firms within each activity for the Service Sector between those who worked overtime in the 12 month period prior to the survey and those who did not

Activity	Percentage of firms who:		Total all firms
	Worked O/T	Did not Work O/T	
Retail and Wholesale	73%	27%	100%
Transport	88.9%	11.1%	100%
Insurance and Finance	92.9%	7.1%	100%
Hotels	37.3%	62.7%	100%
Local Authorities	100%	0%	100%
Consulting Engineers	57.1%	42.9%	100%
Government Departments	96.7%	3.3%	100%
Health Boards	100%	0%	100%
Semi-States	90.9%	9.1%	100%
Miscellaneous	51.3%	48.7%	100%
All activities	72%	28%	100%

Chi-Square = 85.35 with 9d.f. and Stat. significance = .0001

Cramers V = 0.428



Table 3 Breakdown of firms by full-time employees between those who worked overtime and those who did not over the 12 month period for the Production Sector

No. of full-time employees	Percentage of firms who:		Total firms
	Worked O/T	Who did not work Overtime	
1-9	38.9	61.1	100%
10-19	70.2	29.8	100%
20-49	81.1	18.9	100%
50-74	95.0	5	100%
75-99	100.0	0	100%
100-149	94.8	5.2	100%
150-199	95.0	5.0	100%
200-499	97.1	2.9	100%
500-999	97.7	2.3	100%
1,000 +	100	0	100%

Chi-Square = 96.02 with 10 d.f. and stat. significance = 0.0001

Cramer's V = 0.399

Table 4 Breakdown of firms by full-time employees between those who worked overtime and those who did not over the 12 month period for the Service Sector

No. of full-time employees	Percentage of firms who:		Total firms
	Worked O/T	Did not work O/T	
1-9	10.9	89	100%
10-19	45.8	54.7	100%
20-49	71.9	28.1	100%
50-74	90.0	10.0	100%
75-99	87.1	12.9	100%
100-149	89.7	10.3	100%
150-199	100	0	100%
200-499	95.9	4.1	100%
500-999	96.7	3.3	100%
1,000 +	100	0	100%

Chi-Square = 166.01 with 10 d.f. and Stat. significance = 0.0001

Cramer's V = 0.602

Table 5 Breakdown of firms by temporary full-time employees between those who worked overtime and those who did not over the 12 month period for the Production Sector

No. of temporary full-time employees	Percentage who:		Total firms
	Worked O/T	Did not work O/T	
0	84.8	15.2	100%
1-4	93	7	100%
5-9	100	0	100%
10-19	100	0	100%
20-49	100	0	100%
50-74	100	0	100%
75-99	100	0	100%
100-149	100	0	100%
150-199	100	0	100%
200 +	100	0	100%

Chi-Square = 21.63 with 9d.f. and Stat. significance = .01

Cramer's V = 0.18

Table 6 Breakdown of firms by temporary full-time employees between those who worked overtime and those who did not over the 12 month period for the Services Sector

No. of temporary full-time	Percentage of firms who:		Total firms
	Worked O/T	Did not work O/T	
0	68.4	31.6	100%
1-4	73.4	26.6	100%
5-9	81.1	18.9	100%
10-19	61.5	38.5	100%
20-49	76.2	23.8	100%
50-74	90.9	9.1	100%
75-99	100	0	100%
150-199	100	0	100%
200 +	100	0	100%

Chi-Square = 15.93 with 8d.f. and Stat. significance = 0.04

Cramer's V = 0.18

Table 7 Breakdown of firms on shift-work within the Service Sector by type of system and practice of overtime working

Type of shift	Percentage of firms who:		Total firms
	Worked Overtime	Did not work Overtime	
Continuous	88.2	11.8	100%
Semi-Continuous	81.8	18.2	100%
Dis-Continuous	63.9	36.1	100%

Chi-Square = 7.06 with 2 d.f. and statistical significance = 0.02

Cramer's V = 0.25

Table 8 Breakdown of firms on shift work within the Service Sector by percentage of employees on shiftwork and practice of overtime

Percentage of employees	Percentage of firms who:		Total firms
	Worked Overtime	Did not work O/T	
Under 10%	92.1	7.9	100%
10-29%	84.6	15.4	100%
30-49%	77.8	22.2	100%
50-69%	46.7	53.3	100%
70% +	55.2	44.8	100%

Chi-Square = 18.01 with 4d.f. and stat. significance = 0.001

Cramer's V = 0.416

Table 9 Breakdown of firms by non-attendance levels and the practice of overtime in the Production Sector

Percentage of employees in non-attendance	Percentage of firms who:		Total firms
	Worked O/T	Did not work O/T	
0%	77.6	22.4	100%
1-5%	82.7	17.3	100%
6-10%	96.2	3.8	100%
11-20%	97.8	2.2	100%
20% +	57.1	42.9	100%

Chi-Square = 39.4 with 4d.f. with statistical significance = 0.0001

Cramer's V = 0.2549

Table 10 Breakdown of firms by non-attendance levels and the practice of overtime in the Service Sector

Percentage of employees in non-attendance	Percentage of firms who:		Total firms
	Worked Overtime	Did not work O/T	
0%	40.9	59.1	100%
1-5%	79.2	20.8	100%
6-10%	85.0	15.0	100%
11-20%	71.4	28.6	100%

Chi-Square = 51.2 with 3d.f. with statistical significance = 0.0001

Cramer's V = 0.311

Table 11 Distribution of overtime frequency by activity grouping within the Production Sector

Sector	Percentage of firms with overtime frequency					Total firms
	Occasional	Seasonal	Regular Monthly	Regular Weekly	Regular Daily	
Textiles	21.7	4.3	17.4	34.8	21.7	100%
Clothing & Footwear	31.5	42.6	3.7	16.7	5.6	100%
Food, Drink & Tobacco	6.6	33.0	2.8	26.4	31.1	100%
Construction	15	17.5	4.2	30	33.3	100%
Engineering	21.5	11.6	9.1	44.6	13.2	100%
Chemicals	20.7	15.5	6.9	43.1	13.8	100%
Print/Paper	15.0	7.5	12.5	47.5	22.5	100%
Mining, Quarrying & Turf	0	15.4	0	38.5	46.2	100%
Electricity & Gas	0	0	33.3	66.7	0	100%

Chi Square = 110.7 with 32 d.f. and Statistical significance = 0.0001

Cramer's V = 0.226

Table 12 Distribution of overtime frequency by activity grouping within the Services Sector

Sector	Percentage of firms with overtime frequency					Total firms
	Occasional	Seasonal	Regular Monthly	Regular weekly	Regular Daily	
Retail and Wholesale	22.2	28.4	4.9	34	10.5	100%
Transport	0	0	12.5	37.5	50	100%
Insurance & Finance	30.8	15.4	30.8	10.3	12.8	100%
Hotels	20.0	24.0	12.0	36	8.0	100%
Local Authorities	21.9	25.0	3.1	37.5	12.5	100%
Consulting Eng.	75	0	0	0	25	100%
Government Depts.	24.1	24.1	10.3	17.2	24.1	100%
Health Boards	80.0	0	0	20.0	0	100%
Semi-States	10.0	10	10	30.0	40	100%
Miscellaneous	35.0	30	5	25	5	100%

Chi-Square = 79.19 with 36 d.f. and statistical significance = 0.0001

Cramer's V = 0.243



Table 13 Distribution of firms by overtime frequency and shiftwork for the Production Sector

Overtime Frequency	Worked Shift	Did not work Shift
Occasional	12.1%	20.2%
Seasonal	16.8%	22.1%
Regular Monthly	7.9%	5.6%
Regular Weekly	38.8%	30.8%
Regular Daily	24.3%	21.2%
Total all firms	100%	100%

Chi-Square = 10.76 with 4 d.f. and Statistical significance = .02

Cramer's V = 0.14

Table 14 Distribution of firms by overtime frequency and shiftwork for the Services Sector

Overtime Frequency	Worked Shift	Did not work Shift
Occasional	14.1%	28.0%
Seasonal	15.4%	26.4%
Regular Monthly	12.8%	7.9%
Regular Weekly	34.6%	27.6%
Regular Daily	23.1%	10.2%
Total all firms	100%	100%

Chi-Square = 17.72 with 4 d.f. and Statistical significance = 0.001

Cramer's V = 0.23

Table 15 Distribution of percentage of employees engaged in overtime over 12 month period within the surveyed firms on overtime by activity grouping for Production Sector

Activity	Distribution of employees engaged in Overtime					Total firms
	Under 20%	21-40%	41-60%	61-80%	80% +	
Textiles	33.3%	23.8%	14.3%	14.3%	14.3%	100%
Clothing & Footwear	34.6%	26.9%	19.2%	11.5%	7.7%	100%
Food, Drink & Tobacco	13.4%	15.5%	28.9%	22.7%	19.6%	100%
Construction	9.6%	16.7%	15.8%	36.8%	21.1%	100%
Engineering	17.5%	24.3%	24.3%	21.4%	12.6%	100%
Chemicals	9.1%	21.8%	23.6%	29.1%	16.4%	100%
Print/Paper	10.8%	27.0%	18.9%	29.7%	13.5%	100%
Mining, Quarrying & Turf	8.3%	8.3%	33.3%	16.7%	33.3%	100%
Electricity & Gas	0%	0%	0%	33.3%	66.7%	100%

Table 16 Distribution of percentage of employees engaged in overtime over 12 month period within the surveyed firms on overtime by activity grouping for Services Sector

Activity	Distribution of employees engaged in Overtime					Total firms
	Under 20%	21-40%	41-60%	61-80%	80% +	
Retail and Wholesale	20.8%	34.2%	19.5%	17.4%	8.1%	100%
Transport	0%	25%	37.5%	25%	12.5%	100%
Insurance and Finance	25%	33.3%	16.7%	13.9%	11.1%	100%
Hotels	21.1%	42.1%	15.8%	10.5%	10.5%	100%
Local Authorities	43.3%	23.3%	23.3%	6.7%	3.3%	100%
Consulting Engineers	25.0%	50%	25.0%	0%	0%	100%
Government Depts.	45.8%	16.7%	12.5%	20.8%	4.2%	100%
Health Boards	25%	25.0%	25.0%	0.0%	25%	100%
Semi-States	37.5%	25.0%	12.5%	0.0%	25%	100%
Miscellaneous	47.1%	23.5%	5.9%	11.8%	11.8%	100%

Table 17 Distribution among firms of the level of average overtime worked over 12 months by employees on overtime

(a) Production Activity	Percentage of firms with level of overtime of:			Total
	Up to 200 hours	200-500 hours	Over 500 hours	
Textiles	54.5	31.8	13.6	100%
Clothing & Footwear	82.7	15.4	1.9	100%
Food, Drink and Tobacco	33.0	48.5	18.6	100%
Construction	39.5	43.0	17.5	100%
Engineering	35.8	53.8	10.4	100%
Chemicals	54.5	34.5	10.9	100%
Print/Paper	43.2	43.2	13.5	100%
Mining, Quarrying & Turf	16.7	50.0	33.3	100%
Electricity & Gas	33.3	33.3	33.3	100%

Table 17 continued

(b) Service Activity	Up to 200 hours	200-500 hours	Over 500 hours	Total
Retail & Wholesale	64.7	29.4	5.9	100%
Transport	12.5	25.0	62.5	100%
Insurance & Finance	94.6	5.4	0	100%
Hotels	75	10.0	15	100%
Local Authorities	56.7	33.3	10	100%
Consulting Engineers	75.0	25	0	100%
Government Depts.	45.8	37.5	16.7	100%
Health Boards	75.0	25	0	100%
Semi-States	62.5	25	12.5	100%
Miscellaneous	82.4	11.8	5.9	100%

Table 18 Estimates of the (i) annual amount of overtime (in 000's) worked by activity grouping and size category for the Production Sector and (ii) the numbers engaged for a 12 month period.

Activity	Size Categories									Total
	10-19	20-49	50-74	75-99	100-149	150-199	200-499	500-999	1,000+	
Textiles (i)	175.0	112.7	57.4	64.6	188.4	121.9	522.0	60.9	108.0	1410.9
(ii)	682	209	294	204	870	672	1108	262	300	4601
Clothing (i) & Footwear (ii)	35.2	58.6	77.8	91.8	104.7	63.2	957.1	103.8	55	1547.2
(ii)	910	1098	786	1236	800	537	1437	427	500	7731
Food, Drink (i) & Tobacco (ii)	289.9	429.2	548.9	828.5	620.2	626.2	2928.5	2682.9	2990.0	11,944.3
(ii)	1116	2198	2624	2286	2944	1420	17,469	6045	7854	43,956
Construction (i)	1,462.4	3,591.9	1,152.7	193.5	1,011.1	376.99	1,875.8	1,111.0	1,785.9	12,561.2
(ii)	4497	12,889	2,660	1,128	4,161	807	4,589	4,160	4,182	39,073
Engineering (i)	295.9	1,117.1	1,062.5	343.2	863.1	1,016.5	1,354.9	1,285.1	429.2	8,063.4
(ii)	868	3968	4848	1355	1407	1419	4514	4955	3194	26,528
Chemicals (i)	13.4	211.5	214.8	418.5	307.3	225.2	796.4	770.8	595.9	3553.8
(ii)	250	808	912	1540	1615	1833	4632	2874	2557	17021
Printed Paper (i)	4.6	327.7	239.9	163.1	230.8	157.5	427.1	288.9	220.0	2059.6
(ii)	92	1361	989	600	726	490	1224	701	800	6983
Mining, Quarrying (i) & Turf (ii)	72.0	217.5		313.6			3,809.6			4,412.7
(ii)	240	422		547			8836			10,065
Electricity (i) & Gas (ii)			14.1				5,952.6			5,966.7
(ii)			65				9068			9133

Table 19 Estimates of (i) the annual amount of overtime (in 000's) worked by activity and size grouping for the Services Sector and (ii) the numbers engaged for a 12 month period

Sector	10-19	20-49	50-74	75-99	100-149	150-199	200-499	500-999	1,000 +	Total
Retail & Wholesale (i)	934	907	690.2	276.7	175.7	561	753.3	200		1497.9
(ii)	5262	5365	3001	2128	955	3465	4162	4000		28338
Transport (i)	50.9	10,756.8								10,858.6
(ii)	261	16237								16498
Insurance (i)	113.4	225.7				982.6				1,321.7
(ii)	1518	2066				12,525				16,109
Hotels (i)	0	62.0	217.9	7.5	5.5	17.5	211.4			521.8
(ii)	0	806	525	1000	260	375	2615			5,581
Local Authorities (i)	-	32.1	8.9	0	-	50.0	250.1	862.9	1,999.8	3203.8
(ii)	-	192	28	0	-	100	1638	3467	8781	14,206
Consulting Engineers (i)	0	1.1	17.1	0	4.0	12.6				34.8
(ii)	0	65	132	0	18	154				369
Government (i)										4,017.9
Dpts. <sup>1</sup> (ii)										13,473
Health Boards (i)										717.1
(ii)										6,520
Semi States (i)										1,722.8*
(ii)										4493
Miscellaneous (i)										72.5*
(ii)										963

\* Results for sample only. <sup>1</sup> Results for 24 respondents only.



Table 20 Distribution among firms of the Overtime hours per employee on overtime for the reference week in June 1979 by occupational group

(a) Production Sector							Percentage of firms with number of hours	
Grouping	1-5	6-10	11-12	13-15	16-20	21+	Total firms	
Higher Admin. & Managerial	39.4	39.4	8.5	5.3	5.3	2.2	100%	
Clerical	46.9	44.4	4.4	1.9	1.9	0.6	100%	
Skilled	23.7	40.1	13.6	10.1	7.1	5.5	100%	
Unskilled	24.4	43.5	11.7	9.3	7.2	3.8	100%	
(b) Services Sector								
Grouping							Total firms	
Higher Admin. & Managerial	55.2	23.7	5.3	2.6	7.9	5.3	100%	
Clerical	52.4	25.4	10.3	5.6	3.2	3.2	100%	
Service Personnel	51.6	35.5	8.1	0	3.2	1.6	100%	
Maintenance	25	31.3	9.4	17.7	11.5	5.2	100%	
Others	32.3	43.2	8.3	7.6	5.3	2.3	100%	

Table 21 Distribution among firms by activity grouping of the level of average overtime worked by employees on overtime during the reference week

(a) Production	Level of Hours			Total all firms
	Up to 5	5-10	10+	
Activity				
Textiles	28.6%	47.6%	23.8%	100%
Clothing & Footwear	53.5%	41.9%	4.7%	100%
Food, Drink etc.	14.0%	45.2%	40.9%	100%
Construction	19.3%	43.1%	37.6%	100%
Engineering	23.8%	51.5%	24.8%	100%
Chemicals	19.6%	54.9%	25.5%	100%
Print/Paper	30.6%	38.9%	30.6%	100%
Mining, Quarrying and Turf	15.4%	46.2%	38.5%	100%
Electricity & Gas	33.3%	33.3%	33.3%	100%

Table 21 (b) Distribution among firms by activity grouping of the level of average overtime worked by employees on overtime during the reference week.

(b) Service Activity	Up to 5	5-10	10+	Total all firms
Retail and Wholesale	43.8%	46.1%	10.2%	100%
Transport	14.3%	28.6%	57.1%	100%
Insurance & Finance	56.3%	37.5%	6.3%	100%
Hotels	68.4%	21.1%	10.5%	100%
Local Authorities	6.5%	58.1%	35.5%	100%
Consulting Engineers	0%	66.7%	33.3%	100%
Government Depts.	13.6%	27.3%	59.1%	100%
Health Boards	0%	66.7%	33.3%	100%
Semi-States	20.0%	30.0%	50.0%	100%
Miscellaneous	53.8%	38.5%	7.7%	100%

Table 22 Average overtime hours worked for reference week in June by employees on overtime by activity and size grouping for the Production Sector

Sector	10-19	20-49	50-74	75-99	100-149	150-199	200-499	500-999	1,000 +	
Textiles	8.5	8.7	5.7	4.0	6.4	8.0	8.9	6.6	11.6	
Clothing & Footwear	7.5	4.8	5.2	4.8	5.0	4.2	5.2	6.2	13.8	
Food, Drink & Tobacco	7.0	7.4	4.8	12.2	10.3	10.4	12.0	10.6	10.3	
Construction	9.4	7.3	15.7	6.6	10.1	3.6	9.9	8.1	11.5	
Engineering	5.0	10.9	6.1	8.4	9.7	12.7	8.5	10.2	7.5	
Chemicals	3.0	9.9	8.3	8.5	3.8	5.1	8.1	8.4	10.5	
Print/Paper	8.2	7.6	5.7	7.9	11.4	6.9	8.8	9.5	7.6	
Mining and Quarrying etc.	9	13.0	9.3				9.6			
Electricity and Gas	—		5.6		8.9					

Table 23 Average overtime hours worked for reference week in June by employees on overtime by activity and size grouping for the Service Sector.

Sector	10-19	20-49	50-74	75-99	100-149	150-199	200-499	500-999	1,000+	
Retail & Wholesale	5.0	7.6	6.6		6.5	5.9	4.9	4.3	10.2	
Transport	7.6	12.85								
Insurance & Finance	8.5		5.5				3.5			
Hotels	0	4.2	5.1	13.3	4.1	2.6	12.6			
Local Authorities	-	7.5	8.8	0	-	14.1	7.6	11.1	9.9	
Consulting Engineers	0	6.0	0	0	17.8	7.5				
Government Depts. <sup>1</sup>									5.4	
Health Boards									7.5	
Semi States <sup>1</sup>									10.6	
Miscellaneous <sup>1</sup>									6.4	

<sup>1</sup>Average for all size groupings.

Table 24 Average hours represented by (i) Standard (ii) Overtime and (iii) Total hours worked for reference week in June 1979 by activity and size grouping for the Production Sector.

Sector	10-19	20-49	50-74	75-99	100-149	150-200	200-499	500-999	1000+
Textiles (i)	39.7	39.8	39.8	40	39.6	37.9	39.6	39.1	39.8
(ii)	3.5	1.8	2.3	0.7	2.0	1.6	2.0	0.8	4.8
(iii)	43.2	41.6	42.1	40.7	41.6	39.5	41.6	39.9	44.6
Clothing & Footwear (i)	39.8	38.4	39.5	40	39.7	39.8	40.3	39.7	39.8
(ii)	0.1	0.5	0.6	0.6	1.2	0.3	0.6	0.7	1.6
(iii)	39.9	38.9	40.1	40.6	40.9	40.1	40.9	40.4	4.4
Food, Drink & Tobacco (i)	39.8	40	38.4	39.7	39.8	40.6	39.2	39.3	39.3
(ii)	1.6	1.5	1.8	7.9	5.1	4.3	0.4	4.6	3.4
(iii)	41.4	41.5	40.2	47.6	44.9	44.9	39.6	43.9	42.7
Construction (i)	38.3	40.5	39.5	40.8	39.6	39.6	40.1	39.7	40.6
(ii)	2.7	5.4	5.9	2.9	5.5	3.7	5.6	5.9	8.1
(iii)	41.0	45.9	45.4	43.7	45.1	43.3	45.7	45.6	48.7
Engineering (i)	39.7	40.6	39.7	39.2	39.3	39.3	39.4	39.4	39.5
(ii)	1.6	3.6	2.1	2.6	3.6	6.7	2.7	2.8	2.9
(iii)	41.3	44.2	41.8	41.8	42.9	46.0	42.1	42.2	42.4
Chemicals (i)	40	38.7	39.3	39.2	39.6	39.1	38.9	38.9	38.8
(ii)	0.1	1.4	3.6	3.3	2.1	1.9	3.1	3.5	3.6
(iii)	40.1	40.1	42.9	42.5	41.7	41.0	42.0	42.4	42.4
Print/Paper (i)	38.2	39	39.2	39.5	39.4	38.6	39	36.9	37.5
(ii)	0.7	2.5	3.5	1.8	6.8	2.3	2.4	4.6	1.8
(iii)	38.9	41.5	42.7	41.3	46.2	40.9	41.4	41.5	39.3
Mining & Quarrying (i)	40	39.6		39.7				39.4	
(ii)	4.9	11.6		4.8				7.1	
(iii)	44.9	51.2		44.5				46.5	
Electricity & Gas (i)				39.5			39.0		
(ii)				3.7			4.1		
(iii)				43.2			43.1		

Table 25 Average hours worked represented by (i) Standard (ii) Overtime and (iii) Total Hours for reference week in June 1979 by activity and size grouping for the Services Sector

Sector		10-19	20-49	50-74	75-99	100-149	150-199	200-449	500-999	1,000+
Retail & Wholesale	(i)	39.2	39.2	38.6		38.5	39.6	38.6	38.0	40
	(ii)	0.9	1.6	1.4		1.2	1.6	1.4	1.8	0.7
	(iii)	40.1	40.8	40.0		39.7	41.2	40.0	39.8	40.7
Transport	(i)	40	39.4							
	(ii)	3.9	12.3							
	(iii)	43.9	51.7							
Insurance	(i)	37	34.9				36.1			
	(ii)	3.6	0.7				1.1			
	(iii)	40.6	35.6				37.2			
Hotels	(i)	42.6	41.4	40.4	40	40	39	40		
	(ii)	0	0.5	0.5	0.1	0.4	0.1	1.8		
	(iii)	42.6	41.9	40.9	40.1	40.4	39.1	41.8		
Local Authorities	(i)	-	38.9	40	38.9	-	39.1	39	38.7	38.6
	(ii)	-	1.6	.6	0	-	3.7	1.4	2.3	2.2
	(iii)	-	40.5	40.6	38.9	-	42.8	40.4	41.0	40.8
Consulting Engineers	(i)	35	35.5	37	36	35	36			
	(ii)	0	0.5	0	0	0.7	0.8			
	(iii)	35	36	37	36	35.7	36.8			
Government Depts. (All sizes)	(i)									40.2
	(ii)									1.4
	(iii)									41.6
Health Boards	(i)									39.2
	(ii)									0.5
	(iii)									39.7
Semi States (All sizes)	(i)									37.1
	(ii)									3.1
	(iii)									40.2
Miscellaneous	(i)									37.7

Table 26 Firms opinion as to how overtime levels will change over the 12 months following the survey by activity for the Production Sector

Activity	Overtime Reduced/ Eliminated	No Change	Overtime Increased	Total firms
Textiles	60.9%	39.1%	0%	100%
Clothing & Footwear	36.7%	49.5%	3.8%	100%
Food, Drink & Tobacco	36.7%	49.5%	3.8%	100%
Construction	21.8%	67.2%	10.9%	100%
Engineering	4.5%	48.3%	6.6%	100%
Chemicals	63.8%	32.8%	3.4%	100%
Print/Paper	52.5%	45%	2.5%	100%
Mining, Quarrying and Turf	23.1%	69.2%	7.7%	100%
Electricity & Gas	66.7%	33.3%	0%	100%



Table 27 Firms Opinion as to how overtime levels will change over the 12 months following the survey by activity for the Services Sector

Activity	Overtime Reduced/ Eliminated	No Change	Overtime Increased	Total firms
Retail & Wholesale	26.3%	66.3	7.5%	100%
Transport	12.5%	62.5%	25%	100%
Insurance and Finance	61.5%	33.3%	5.1%	100%
Hotels	36%	48%	16%	100%
Local Authorities	33.3%	66.7%	0%	100%
Consulting Engineers	50%	50%	0%	100%
Government Departments	37.8%	51.7%	10.3%	100%
Health Boards	60%	40%	0%	100%
Semi-States	30%	60%	10%	100%
Miscellaneous	76.4%	73.7%	0%	100%

Table 28 Distribution of firms who reviewed overtime practice by the management level at which the review occurred.

Managerial Level	Production	Services
Floor Management	1.4%	2.9%
Middle Management	10.7%	6.9%
Floor + Middle Management	2.6%	1.7%
Higher Management	56.2%	64.7%
Higher + Floor Management	1.2%	2.9%
Higher + Middle Management	15.7%	16.8%
All Management Levels	12.2%	4.0%
Total all firms	100%	100%

Table 28 Breakdown of firms by frequency of overtime and review of overtime by Sector.

a) Services	Frequency of overtime				
	Occasional	Seasonal	Regular Monthly	Regular Weekly	Regular Daily
Reviewed Overtime	40.2%	43.8%	70.0%	56.7%	73.3%
Did not Review Overtime	59.8%	56.3%	30.0%	43.3%	26.7%
Total all firms	100%	100%	100%	100%	100%

Chi-Square = 19.5 with 4d.f. stat. significance = 0.006; Cramer's V = 0.24

b) Production	Frequency of overtime				
	Occasional	Seasonal	Regular Monthly	Regular Weekly	Regular Daily
Reviewed Overtime	51.1%	59.8%	71.4%	72.3%	77.3%
Did not review Overtime	48.9%	40.2%	28.6%	27.7%	27.7%
Total all firms	100%	100%	100%	100%	100%

Chi-Square = 16.5 with 4d.f. stat. significance = 0.002

Cramer's V = 0.17

Table 29 Percentage of firms indicating the following decision process where more than one decision maker involved in decision on overtime

Decision Process	Production	Services
1. Decision and details decided by General Manager/Owner	7.1%	8.2%
2. Decision and details decided by General Manager/Owner. Middle/Floor Management have power to make overtime decision only in emergencies	10.4%	13.3%
3. Decision made arising from Senior/Middle Management Consultation	30.3%	29.6%
4. Senior Management agree in principle - details decided at Floor Supervisory level.	22%	18.4%
5. Floor Management may decide up to X number of hours. Any additional hours require higher approval.	1.7%	6.1%
6. Floor Supervisor has authority to make overtime decision.	7.9%	2%
7. Decision arises from Management/employee consultations.	10.4%	10.2%
8. Employee can make decision on overtime to be worked.	3.7%	3.1%
9. Other process	6.6%	9.2%
Total all firms	100%	100%

Table 30 Distribution of firms who indicated limits on the amount of overtime worked by the nature of the limit by (i) Production (ii) Services Sector

Nature of limit	Production	Services
1. Budget limits must not be exceeded	41.4%	50.4%
2. Amount depends on demand/business requirements	20.7%	20.6%
3. Terms of Union/Employee agreement observed	3.2%	4.3%
4. No overtime worked at higher rates of remuneration i.e. overtime hours confined to hours for which lower premium applied.	4.5%	0.7%
5. No overtime worked after a certain time on weekdays and Saturdays.	5.9%	0.7%
6. Where overtime working becomes systematic it is curtailed.	4.1%	5.0%
7. Other	20.3%	18.4%
Total all firms	100%	100%

Table 31 Explanations by management of choice of response in respect of level of productivity during overtime hours.

Explanation	Production	Services
1. Job needs to be finished quickly (rush orders)	3.8%	8.8%
2. Less interruptions	4.9%	18.0%
3. Employees anxious to finish Overtime early	2.4%	4.1%
4. Only reliable employees selected for Overtime	2.4%	2.1%
5. Higher rates apply	3.5%	4.1%
6. Pre-determined times for jobs	12.2%	6.2%
7. The amount of overtime to be worked is fixed (i.e. employees productivity does not influence level to be worked)	10.8%	18.0%
8. Effect on following day's productivity	2.2%	1.0%
9. Tiredness, fatigue at end of day	20.1%	12.9%
10. Less supervision	4.6%	4.1%
11. Other (Mainly by observation)	33.1%	20.6%
Total all firms	100%	100%

Note: No. 1-5 generally apply for higher productivity on overtime  
6-7 generally apply for same productivity on overtime  
8-10 generally apply for lower productivity on overtime

Table 32 Explanations by management of choice of response in respect of the effect of the possibility of overtime working. on standard hours productivity

Explanation	Production	Services
1. Employees not anxious to work overtime	6.7%	10.8%
2. Higher payments generate greater interest overall	12.7%	4.0%
3. Work rate predetermined	18.8%	15.9%
4. Overtime generally available only to responsible employees	2.4%	4.0%
5. Overtime used only as required	9.7%	18.8%
6. Continuous overtime affects Standard Hours	4.8%	7.4%
7. People reserve their energy somewhat for the longer day.	7.6%	8.5%
8. Delays generated during standard hours	11.2%	8.5%
9. Other	26.1%	22.2%
Total all firms	100%	100%

Note: 1-2 generally apply for increase in standard hours productivity  
 3-5 generally apply for no change in standard hours productivity  
 6-8 generally apply for no decrease in standard hours productivity

Table 33 Distribution among firms with guaranteed overtime of level of overtime guarantee by Sector

Level of guarantee	Production	Service
Up to 5 hours	29.5%	38.9%
5-10 hours	47.7%	55.6%
Over ten hours	22.7%	5.6%
Total all firms	100%	100%

Table 34 Second most important reason for working overtime cited by  
3% or more respondents in the Production Sector

Reason	Percent of Firms
1. Overtime is required to do work which would interfere with normal activities during standard hours	14.4%
2. Overtime is necessary to meet deadlines	10.5%
3. Fluctuations in customer demand (incl. seasonal fluctuations)	8.4%
4. To meet volume of demand/work (in normal conditions)	7.3%
5. Employee absenteeism/sickness	7.3%
6. Machine breakdowns	5.9%
7. Shortage of skilled workers	5.0%
8. Rush Orders	4.8%
9. Nature of Production Process	4.6%
10. Overtime is used to meet occasional increases in demand	4.6%
11. Problems associated with obtaining supplies of raw materials/parts etc. (including fluctuations in supply)	4.1%
12. Overtime provides increased monetary reward for employees	3.7%
13. Need to make maximum use of capital equipment, men and time resources	3.7%
14. Overtime is cheaper than taking on additional staff	3.0%
Total percentage of firms who supplied 2 reason	100%



Table 35 Second most important reason for working overtime cited by 3% or more respondents in the Service Sector.

Reason	Percent of firms
1. Overtime is used to meet occasional increases in demand	11.5%
2. Fluctuations in customer demand (incl. seasonal fluctuations in supply)	10.8%
3. Overtime is required to do work which would interfere with normal activities during standard hours.	10.4%
4. To provide level of service (in normal conditions)	9.2%
5. Employee absenteeism/sickness	8.5%
6. Nature of service activity	8.1%
7. Employee holidays	6.9%
8. Overtime is cheaper than taking on additional staff	3.5%
9. Rush Orders	3.5%
10. Overtime is used to take advantage of weather and light (i.e. seasonal) conditions	3.1%
Total percentage of firms who supplied a reason	75.5%

1. 22.4% of firms did not supply a second reason for overtime working.

Table 36 Third most important reason for working overtime cited by 4% or more respondents in the Production Sector.

Reason	Percent of firms
1. Employee absenteeism/sickness	11.8%
2. Overtime is required to do work which would interfere with normal activities during standard hours	9.8%
3. Overtime is necessary to meet deadlines	7.3%
4. Overtime is used to meet occasional increases in demand.	6.6%
5. Fluctuations in customer demand (incl. seasonal fluctuations)	6.6%
6. Machine breakdowns	5.9%
7. Need to make maximum use of capital equipment, men and time resources	5.2%
8. Overtime provides increased monetary reward for employees	4.5%
9. To meet volume of demand/work (in normal conditions)	4.2%
Total percentage of firms who supplied a reason	61.9%

46.7% of firms did not supply a third reason for overtime working

Table 37 Third most important reason for working overtime cited by 4% or more respondents in the Services Sector.

Reason	Percent of firms
1. Employee absenteeism/sickness	14.1%
2. Overtime is required to do work which would interfere with normal activities during standard hours	12.1%
3. Nature of service activity	8.1%
4. Fluctuations in customer demand (incl. seasonal fluctuations)	7.4%
5. Overtime is used to meet occasional increases in demand	7.4%
6. Overtime is necessary to meet deadlines	5.4%
7. Employee holidays	5.4%
8. To provide level of service (in normal conditions)	4.7%
9. Rush Orders	4.7%
Total Percentage of firms <sup>1</sup> covered who supplied a reason	69.3%

1. 55.5% of firms did not supply a third reason for overtime working.

Table 38: Two most important reasons (i) and (ii) for working overtime cited by most respondents, and the second most important reason (iii) for overtime working cited by most respondents.

Production Sector	Reasons
Textiles	<p>(i) Overtime is required to do work which could interfere with normal activities during standard hours</p> <p>(ii) Employee absenteeism/sickness</p> <p>(iii) As for (i)</p>
Clothing & Footwear	<p>(i) Employee absenteeism/sickness</p> <p>(ii) Fluctuations in customer demand (incl. seasonal fluctuations)</p> <p>(iii) Problems associated with obtaining supplies of raw materials/parts (incl. seasonal fluctuations in supply)</p>
Food, Drink and	<p>(i) Fluctuations in customer demand (incl. seasonal fluctuations)</p> <p>(ii) Nature of production process</p> <p>(iii) Overtime is required to do work which would interfere with normal activities during standard hours</p>
Construction	<p>(i) Overtime is necessary to meet deadlines</p> <p>(ii) Overtime is used to advantage of weather and light (i.e. seasonal) conditions</p> <p>(iii) As for (i)</p>
Engineering	<p>(i) Overtime is necessary to meet deadlines</p> <p>(ii) Fluctuations in customer demand</p> <p>(iii) As for (i)</p>
Chemicals	<p>(i) Employee absenteeism/sickness</p> <p>(ii) To meet volume of demand/work (in normal conditions)</p> <p>(iii) Overtime is required to do work which would interfere with normal activities during standard hours</p>

/....

Print/Paper	(i) Overtime is necessary to meet deadlines (ii) To meet volume of demand/work (in normal conditions) (iii) Rush Orders
Mining and Quarrying	(i) Fluctuations in customer demand (incl. seasonal fluctuations) (ii) Overtime is required to do work which would interfere with normal activities during standard hours (iii) Machine breakdowns
Electricity and Gas	(i) Nature of production process (ii) Employee absenteeism/sickness (iii) Machine breakdowns

Table 39 Two most important reasons (i) and (ii) for working overtime cited by most respondents and the second most important reason (iii) cited by most respondents

Service Sector	Reasons
Retail and Wholesale	(i) Nature of service activity (ii) Fluctuations in customer demand (incl. seasonal fluctuations) (iii) Overtime is necessary to do work which would interfere with normal activities during standard hours.
Transport	(i) Nature of service activity (ii) To provide level of service (iii) Need to make maximum use of capital equipment, men and time resources.
Insurance, Business and Finance	(i) To provide level of service (ii) Fluctuations in customer demand (iii) Overtime is used to meet occasional increases in demand.
Hotels	(i) Nature of service activity (ii) Employee absenteeism/sickness (iii) Employee holidays
Local Authorities	(i) Overtime is required to do work which would interfere with normal activities during standard hours. (ii) Fluctuations in demand on services (iii) Overtime is used to meet occasional increases in demand for services
Consulting Engineers	(i) Overtime is necessary to meet occasional increases in demand (ii) Overtime is necessary to meet deadlines (iii) Nature of service activity
Government Departments	(i) Overtime is necessary to meet deadlines (ii) Overtime is used to meet occasional increases in work (iii) Fluctuations in work demands
Health Boards	(i) Overtime is used to meet occasional increases in work load (ii) Employee holidays/absenteeism/sickness (iii) Overtime is necessary to meet deadlines

Semi-States	(i)	Nature of service activity
	(ii)	Overtime is necessary to meet deadlines
	(iii)	Employees absenteeism/sickness
Miscellaneous	(i).	Nature of service activity
	(ii)	Fluctuations in customer demand
	(iii)	To provide level of service (in normal conditions)

Table 40 Ranking of spontaneous reasons on the basis of the percentage of total citings of reasons for Production Sector

Reason	Percentage of overall citings
1.(a) Fluctuations in customer demand	10.4%
1.(b) Overtime is required to do work which would interfere with normal activities during standard hours	10.4%
2. Overtime is necessary to meet deadlines	10.1%
3. Employee absenteeism/sickness	8.9%
4. Nature of Production process	7.6%
5. Overtime is used to meet occasional increases in demand	6.4%
6. To meet volume of demand/work	4.6%
7. Rush Orders	4.0%
8. Machine breakdowns	3.9%
9. Need to make max. use of capital equipment, men and time resources	3.8%
10. Shortage of skilled workers	3.5%
Total percentage of citings covered	65%



Table 41 Ranking of spontaneous reasons on the basis of the percentage of total citings of reasons for the Service Sector.

Reason	Percentage of overall citings
1. Nature of service activity	13.8%
2. Fluctuations in customer demand	13.1%
3. To provide level of service	10.4%
4. Overtime is used to meet occasional increases in demand	9.7%
5. Overtime is necessary to do work which would interfere with normal activities during standard hours	9.0%
6. Employee absenteeism/sickness	7.2%
7. Overtime is necessary to meet deadlines	6.5%
8. Employee holidays	4.1%
9. Rush Orders	3.1%
Total percentage of citings covered	76.9%

Table 42 Responses of firms to list of possible reasons for overtime indicating the importance of the reasons in their own particular case for (i) Services Sector and (ii) Production Sector

Reasons		Very Important	Important	Not Important
1. Agreement with Trade Union/ Employee guaranteeing level of overtime	(i)	5.7%	8.2%	86.1%
	(ii)	6.8%	9.5%	83.7%
2. Constraints in production capacity due to lack of capital	(i)	3.2%	8.8%	88.0%
	(ii)	9.1%	19.2%	71.6%
3. Constraints in production capacity due to lack of space	(i)	3.8%	11.3%	85.0%
	(ii)	8.8%	16.0%	75.2%
4. Demand from employees for overtime hours	(i)	1.6%	14.4%	84.0%
	(ii)	8.4%	25.1%	66.5%
5. Desire by establishment ownership/management to keep numbers employed within manageable proportions	(i)	12.8%	26.6%	60.6%
	(ii)	14.1%	33.0%	53.0%
6. Employee absenteeism/ sickness	(i)	10.9%	34.7%	54.4%
	(ii)	23.3%	33.7%	43.0%
7. Employee holidays	(i)	11.5%	41.5%	47.1%
	(ii)	7.1%	25.4%	67.6%
8. Fashion Trends	(i)	2.5%	4.7%	92.8%
	(ii)	4.4%	6.9%	88.7%
9. High turnover of employees	(i)	3.8%	14.4%	81.9%
	(ii)	5.3%	16.4%	78.3%

/....

Reasons		Very Important	Important	Not Important
10. Industrial dispute within establishment	(i)	2.5%	5.0%	92.5%
	(ii)	2.9%	7.4%	89.7%
11. Interruptions in essential services	(i)	17.4%	24.8%	57.8%
	(ii)	18.2%	29.6%	52.2%
12. Labour legislation and redundancy payment regulations act as a disincentive to take on extra employees instead of overtime	(i)	4.4%	11.2%	84.8%
	(ii)	8.8%	16.3%	75%
13. Lack of supervision (of employees)	(i)	2.8%	9.7%	87.5%
	(ii)	3.6%	13.1%	83.2%
14. Low Productivity	(i)	2.8%	14.3%	82.9%
	(ii)	8.0%	22.6%	69.3%
15. Machine breakdowns	(i)	7.5%	18.1%	74.5%
	(ii)	14.0%	32.5%	53.5%
16. Nature of production process/ service activity	(i)	35.3%	24.1%	40.6%
	(ii)	38.3%	28.4%	33.3%
17. Need to make maximum utilization of capital equipment	(i)	13.2%	21.0%	65.8%
	(ii)	27.2%	33.5%	39.4%
18. Overtime is cheaper than taking on additional staff	(i)	10.9%	25.3%	63.8%
	(ii)	13.7%	32.6%	53.7%
19. Overtime is necessary to meet deadlines	(i)	46.9%	34.3%	18.8%
	(ii)	57.1%	33.6%	9.3%
20. Overtime is required to do work which would interfere with normal activities during standard hours	(i)	12.1%	31.8%	56.1%
	(ii)	19.5%	31.9%	48.7%

Reasons		Very Important	Important	Not Important
21. Overtime is used to meet occasional increases in demand	(i)	36.1%	47.5%	16.4%
	(ii)	41.3%	44.8%	13.9%
22. Overtime is used to take advantage of weather conditions	(i)	9.7%	10.0%	80.4%
	(ii)	13.9%	11.1%	75.0%
23. Overtime is used to retain skilled employees in short supply	(i)	2.8%	10.3%	86.9%
	(ii)	14.3%	21.0%	64.7%
24. Overtime provides increased monetary reward for employees	(i)	6.2%	21.5%	72.3%
	(ii)	15.6%	33.0%	51.3%
25. Problems arising from start up of new operation	(i)	4.7%	16.8%	78.5%
	(ii)	9.3%	20.8%	69.9%
26. Problems associated with obtaining supplies of raw materials/parts etc. (incl. seasonal fluctuations in supply)	(i)	5.9%	9.7%	84.4%
	(ii)	17.8%	24.1%	58.1%
27. Recruitment difficulties arising from shortage of labour	(i)	7.8%	21.3%	70.9%
	(ii)	16.1%	25%	58.9%
28. Restrictions on employment	(i)	3.4%	7.8%	88.8%
	(ii)	4.4%	9.4%	86.2%
29. Rush Orders	(i)	19.6%	23.9%	56.5%
	(ii)	32.4%	36.2%	31.3%
30. Fluctuations in customer demand	(i)	23.1%	31.8%	45.2%
	(ii)	26.8%	42.2%	31.0%
31. Shortage of skilled workers	(i)	8.4%	14.3%	77.3%
	(ii)	20%	24.2%	55.8%
32. Social Insurance contributions and other employee costs incurred by employer make overtime more economic than increasing employment.	(i)	4.4%	16.6%	79.1%
	(ii)	9.0%	24.9%	66.2%

Table 43 List cited by 10% or more firms within the Production Sector of circumstances under which it would be possible to reduce overtime working. These refer to respondents citing a 2nd choice

Circumstances	Percent of firms
1. Increased automation and investment	17.1%
2. Increase in numbers employed	12.0%
3. Increased Productivity	10.3%
Total percentage of firms <sup>1</sup> offering a reply covered.	39.4%

<sup>1</sup>78.2% of firms did not supply a second circumstance under which it would be possible to reduce overtime.

Table 44 List cited by 10% or more firms within the Service Sector of circumstances under which it would be possible to reduce overtime working. These refer to respondents citing a 2nd 2nd choice

Circumstances	Percent of firms
1. Increase in numbers employed <sup>1</sup>	20.5%
2. Alter nature of firms activities	11.4%
Total percent of firms offering a reply covered	31.9%

<sup>1</sup>Almost 87% of firms did not supply a second circumstance under which it would be possible to reduce overtime.

Table 45 Set of circumstances cited by most respondents under which overtime working could be reduced in Production Sector

Production Sector	Circumstances
Textiles	Not possible to reduce overtime. Stricter control on attendance of employees
Clothing and Footwear	Not possible to reduce overtime. Stricter control on attendance of employees.
Food, Drink and Tobacco	Not possible to reduce overtime. Increased automation and investment
Construction	Not possible to reduce overtime. Cut back in volume of work.
Engineering	Not possible to reduce overtime Increased automation and investment Stricter control in attendance of employees
Chemicals	Not possible to reduce overtime Increased automation and investment
Print/Paper	Increased automation and Investment Not possible to reduce overtime
Mining, Quarrying and Turf	Increased automation and Investment Not possible to reduce overtime
Electricity and Gas	Increased Productivity Increased automation and investment

Table 46 Set of circumstances cited by most respondents under which overtime working could be reduced in Services Sector.

Service Sector	Circumstances
Retail and Wholesale	Not possible to reduce overtime Cut back in volume of work Increased automation and investment
Transport	Not possible to reduce overtime Cut back in volume of work
Insurance and Finance	Not possible to reduce overtime Increased automation and investment
Hotels	Not possible to reduce overtime Increase in numbers employed
Local Government	Not possible to reduce overtime Increased automation and investment
Consulting Engineers	Steady demand for service Not possible to reduce overtime
Government Departments	Increase in numbers employed Not possible to reduce overtime
Health Boards	Increase in numbers employed Not possible to reduce overtime
Semi-States	Cut back in volume of work Alter nature of activities
Miscellaneous	Not possible to reduce overtime Increase in numbers employed Steady demand for service



Table 47 Responses of firms to list of possible conditions for reducing overtime working indicating the extent to which they apply in their own case for (i) Service and (ii) Production Sectors

Condition		Very much Applicable	Applicable to a limited extent	Not Applicable
1. Adequate supply of skilled labour	(i)	16.8%	22.5%	60.6%
	(ii)	27.4%	28.6%	44.0%
2. Elimination of industrial unrest within the establishment or elsewhere	(i)	7.6%	12.0%	80.4%
	(ii)	11.3%	18.5%	70.2%
3. Greater labour availability	(i)	11.1%	20.3%	68.6%
	(ii)	19.6%	25.5%	54.9%
4. Hire of temporary staff	(i)	12.3%	27.0%	60.7%
	(ii)	6.0%	21.2%	72.8%
5. Increase in numbers employed in establishment	(i)	14.6%	30.4%	55.1%
	(ii)	15.8%	35.1%	49.0%
6. Increased automation and investment	(i)	12.3%	20.6%	67.1%
	(ii)	23.2%	29.2%	47.7%
7. Increased Productivity	(i)	15.6%	27.9%	56.5%
	(ii)	31.4%	36.2%	32.4%
8. Increased remuneration for employees	(i)	8.9%	19.4%	71.7%
		17.1%	29.9%	53%
9. Introduction/expansion of part-time staff in the establishment	(i)	8.0%	25.2%	66.9%
	(ii)	3.8%	16.5%	79.6%
10. Introduction/expansion of shiftworking	(i)	3.8%	12.4%	83.8%
	(ii)	11.7%	19.8%	68.5%

Condition		Very much Applicable	Applicable to a limited extent	Not Applicable
11. Low turnover of staff	(i)	11.1%	16.8%	72.1%
	(ii)	12.5%	23.0%	64.5%
12. More adequate supervision of staff	(i)	7.6%	21.9%	70.5%
	(ii)	11.9%	27.8%	60.3%
13. Ready availability of parts/ raw materials/other inputs	(i)	6.4%	11.8%	81.8%
	(ii)	21.5%	24.0%	54.5%
14. Reduction in cost of social insurance and other employee costs incurred by employer	(i)	7.3%	15.0%	77.6%
	(ii)	14.1%	20.4%	65.5%
15. Steady demand for products/ service	(i)	25.1%	27.3%	47.6%
	(ii)	33.8%	30.5%	35.7%
16. Steady supply of raw materials to establishment	(i)	7.7%	11.3%	81.0%
	(ii)	26.2%	22.9%	50.9%
17. Stricter control on attendance of employees	(i)	6.4%	25.8%	67.8%
	(ii)	24.8%	30.8%	44.4%
18. Time off in lieu of payment for hours worked outside standard hours	(i)	7.3%	24.6%	68.1%
	(ii)	4.4%	14.1%	81.5%
19. Trade Union/Employee agreement	(i)	11.5%	15.1%	73.4%
	(ii)	15.6%	20.8%	63.6%
20. (a) Production of quality product on first attempt (Production firms only)	(i)	22.2%	22.4%	55.4%
	(b) Reduction in level of service (Service firms only)	(ii)	23.6%	19.7%

Table 48 Distribution among firms who attempted to reduce overtime by reasons for deciding to do so.

Reasons	Production	Service
To reduce costs	68.2%	64.0%
Levels of Overtime being worked too high	9.4%	13.0%
Reduction in demand/volume of business	9.8%	2.5%
Overtime giving rise to reduced productivity overall	4.5%	3.7%
Other reasons	8.0%	16.7%
Total all firms	100%	100%

Table 49 Responses of firms to list of possible reasons for not working overtime indicating the importance of the reasons in their own particular case for (i) Service Sector and (ii) Production Sector

Reasons		Very Important	Important	Not Important
1. Cheaper to employ extra staff than to work overtime	(i)	12.6%	26.9%	60.5%
	(ii)	14.9%	25.4%	59.7%
2. Employees not willing to work overtime	(i)	12.6%	21.0%	66.4%
	(ii)	25.4%	26.9%	47.8%
3. Not economically justified	(i)	31.1%	24.4%	44.5%
	(ii)	32.4%	33.8%	33.8%
4. Overtime bought out as part of productivity agreement with employees	(i)	4.3%	2.6%	93.2%
	(ii)	5.3%	10.9%	82.8%
5. Possible to meet demand without use of overtime	(i)	50.0%	37.3%	12.7%
	(ii)	49.3%	28.4%	22.4%
6. Surplus of labour employed in establishment	(i)	11.0%	16.1%	72.9%
	(ii)	9.0%	19.4%	71.6%
7. The nature of the production	(i)	22.7%	20.2%	57.1%
	(ii)	18.2%	10.6%	71.2%
8. The working of overtime reduces the level of productivity during standard hours	(i)	28.2%	15.4%	56.4%
	(ii)	32.4%	14.7%	52.9%

Table 50 Distribution by sector of (a) the numbers engaged in overtime and (b) the number of hours worked on an annual basis among those firms who eliminated overtime over the past 10 years

Numbers engaged in overtime						
	Up to 10	11-20	21-50	51-100	100+	Total firms
Production	83.1%	7.0%	8.5%	0%	1.4%	100%
Service	98.5%	0%	1.5%	0%	0%	100%
Overtime hours worked						
	Up to 100	101-500	501-1000	1001-5000	5000+	Total firms
Production	73.2%	2.8%	4.2%	11.3%	8.5%	100%
Service	91.5%	5.4%	1.5%	1.5%	0%	100%

Table 51 Distribution among firms of the effects of the elimination of overtime on the cited variables for (i) Production and (ii) Service Sector

		Greatly Reduced	Somewhat Reduced	Unaffected	Somewhat Increased	Greatly Increased
Employment	(i)	8.7%	26.1%	60.9%	4.3%	0%
	(ii)	5.3%	5.3%	68.4%	21.1%	0%
Productivity	(i)	13.01%	21.7%	52.2%	8.7%	4.3%
	(ii)	0%	22.2%	55.6%	16.7%	5.6%
Output	(i)	21.7%	21.7%	52.2%	4.3%	0%
Financial Turnover	(ii)	5.3%	21.1%	57.9%	15.8%	0%
Labour Costs	(i)	21.7%	43.5%	21.7%	8.7%	4.3%
	(ii)	15.8%	63.2%	10.5%	10.5%	0%
Capital Costs	(i)	4.3%	13.0%	56.5%	17.4%	8.7%
	(ii)	0%	0%	94.1%	5.9%	0%

Table 52 List of most important reasons for eliminating overtime cited by 4% or more of firms who eliminated it at some stage over the past decade by (a) Production and (b) Services

(a) Reasons	Percent of firms
1. Reduction in demand	22.2%
2. Employees no longer willing to work overtime	22.2%
3. Use of overtime no longer economical	18.5%
4. Improvements in productivity during standard hours made it's use no longer necessary	7.4%
5. Labour force increased	7.4%
6. Overtime had adverse effect on Productivity during standard hours	7.4%
7. Other reasons (e.g. level of employee taxation)	7.4%
(b) Reasons	
1. Overtime had adverse effects on productivity during standard hours	20.0%
2. No longer necessary	20.0%
3. Labour force increased	15.0%
4. Employees no longer willing to work overtime	10.0%
5. Reduction in demand	10.0%
6. Use of overtime no longer economical	10.0%
7. Greater labour availability	5.0%
8. Overtime created divisiveness among employees	5.0%
9. Other reasons	5.0%

Table 53 Responses of firms who eliminated overtime over the past 10 years to list of possible reasons for doing so indicating their importance in their own particular case for (i) Production Sector and (ii) Service Sector.

Reasons		Very Important	Important	Not Important
1. Demands for product/service more stable	(i)	27.3%	36.4%	36.4%
	(ii)	18.2%	27.3%	54.5%
2. Employees no longer willing to work overtime	(i)	45.5%	4.5%	50.0%
	(ii)	27.3%	18.2%	54.5%
3. Greater labour availability	(i)	9.1%	18.2%	72.7%
	(ii)	18.2%	18.2%	63.6%
4. Improvements in productivity during standard hours made it's use no longer necessary	(i)	27.3%	22.7%	50.0%
	(ii)	27.3%	18.2%	54.5%
5. Labour force increased	(i)	9.1%	13.6%	77.3%
	(ii)	9.1%	45.5%	45.5%
6. Overtime created divisiveness among employees	(i)	9.1%	22.7%	68.2%
	(ii)	18.2%	0%	81.8%
7. Overtime had adverse affect on Productivity during standard hours	(i)	45.5%	4.5%	50.0%
	(ii)	18.2%	36.4%	45.5%
8. Reduction in demand	(i)	22.7%	9.1%	68.2%
	(ii)	18.2%	9.1%	72.7%
9. Stable supply of raw materials /parts/inputs	(i)	13.6%	22.7%	63.6%
	(ii)	18.2%	27.3%	54.5%
10. "Start-up" problems eliminated	(i)	9.1%	9.1%	81.8%
	(ii)	9.1%	27.3%	63.6%
11. Use of overtime no longer economically viable	(i)	45.5%	9.1%	45.5%
	(ii)	27.3%	36.4%	36.4%



Table 54 Responses of firms not on overtime indicating importance of reasons in their own case which might necessitate the use of overtime by (i) Production Sector and (ii) Services Sector

Reasons		Very Important	Important	Not Important
1. High rate of absenteeism	(i)	23.5%	20.6%	55.9%
	(ii)	14.5%	19.7%	65.8%
2. High turnover of staff	(i)	16.2%	17.6%	66.2%
	(ii)	12.7%	16.1%	71.2%
3. Increases in employee costs which are borne by employer	(i)	14.7%	36.8%	48.5%
	(ii)	13.6%	16.1%	70.3%
4. Increase in rush orders	(i)	35.3%	22.1%	42.6%
	(ii)	11.3%	20.0%	68.7%
5. Rise in demand	(i)	32.4%	38.2%	29.4%
	(ii)	15.3%	32.2%	52.5%
6. Requests from workforce for overtime	(i)	5.9%	13.2%	80.9%
	(ii)	17%	9.3%	89.0%
7. Shortages of suitable staff	(i)	26.5%	33.8%	39.7%
	(ii)	20.3%	22.0%	57.6%

Table 55 Distribution among firms of annual non-remunerated overtime hours.

Sector	Percentage of firms with level of hours worked:						Total firms
	0	1-999	1,000-4,999	5,000-9,999	10,000-19,999	20,000+	
Production	45.4%	27.9%	20.4%	3.2%	2.1%	1.1%	100%
Services	57.8%	23.7%	12.0%	3.6%	2.2%	0.7%	100%

Table 56 Distribution among firms of the numbers engaged in non-remunerated overtime

Sector	Percentage of firms with numbers engaged in overtime:							Total firms
	0	1-4	5-9	10-19	20-49	50-99	100+	
Production	43.9%	24.5%	11.5%	9.5%	7.5%	1.7%	1.3%	100%
Services	56.2%	19.8%	7.2%	6.5%	5.8%	7.1%	2.3%	100%

Table 57 Distribution among firms of percentage of full-time employees on non-remunerated overtime

Sector	Distribution of firms with percentage of full-time employees:						Total firms
	0%	1-5%	6-10%	11-20%	21-40%	40+	
Production	43.8%	23.4%	16.7%	12.5%	2.1%	1.4%	100%
Service	5.6%	11.7%	12.7%	10.0%	6.0%	3.6%	100%

Table 58 Distribution among firms with non-remunerated overtime of the level of average non-remunerated overtime hours worked.

Percentage of firms with level of average hours						
Sector	1-50	51-100	101-200	201-500	501+	Total firms
Production	22.1%	16.3%	20.8%	33.6%	7.2%	100%
Service	22.9%	17.7%	24.6%	26.3%	8.6%	100%

Table 59 Estimates of (i) Annual non-remunerated overtime hours worked (in 000's) and (ii) numbers engaged by strata for Production Sector

Manufacturing Sector	Size Groupings									Total
	10-19	20-49	50-74	75-99	100-149	150-199	200-499	500-999	1,000 +	
Activity (i)	37.4	5.5	4.2	7.6	12.3	8.0	10.1	19.5	4.0	108.6
Textiles (ii)	176	44	42	272	48	24	82	82	8	778
Clothing & Footwear (i)	44.8	3.6	5.0	6.0	8.2	24.8	9.7	0.2	0	102.3
(ii)	94	66	55	78	383	100	142	3	0	921
Food, Drink & Tobacco (i)	39.2	36.5	59.9	27.3	13.9	9.1	48.2	45.8	36.6	316.5
(ii)	148	115	141	70	110	92	766	183	247	1872
Construction (i) & (ii)	71.4	228.2	30.6	24.2	55.8	8.5	66.8	6.8	442.8	1035.1
(i)	1013	1108	162	87	185	63	557	165	852	4192
Chemicals (i)	0	12.6	18.5	56.6	15.1	14.4	76.2	21.0	100.4	314.8
(ii)	0	109	119	147	127	208	254	70	220	1254
Paper & Print (i)	11.1	140.1	7.3	5.7	12.4	6.7	16.7	14.0	0	214
(ii)	221	138	51	28	66	14	49	35	0	602
Mining, Quarrying & Turf (i)	36.0	2.2	6.7				263.5			308.4
(ii)	48	8	27				614			697
Electricity & Gas (i)	*	0					7.6			7.6 <sup>1</sup>
(ii)	*	0					138			138 <sup>1</sup>

\* Estimate not available due to non response

<sup>1</sup>Incomplete estimate

Table 60 Estimates of (i) Annual non-remunerated overtime hours worked in (000's) and (ii) numbers engaged by strata for Services Sector

Services Sector	Size Groupings									Total
	10-19	20-49	50-74	75-99	100-149	150-199	200-499	500-999	1,000+	
Activity										
Retail & Wholesale	423 913	244 1435	38.9 269	40.1 214	3.7 43	60.6 331	14.4 163	11.2 568	835.9 3936	
Transport	7.2 15	2.4 13								9.6 28
Insurance, Banking & Finance	85.9 374		26.9 259			88.5 1807			201.3 2440	
Hotels	46.6 142	24.9 304	32.6 43	0 0	* 12	0 0	18.7 25		* 526	
Local Gov.	* *	384 10	0 0	0 0	* *	0 0	6.8 102	23.0 251	50.4 143	* *
Consulting Engineers	0 0	0 0	7.5 45	0 0	0 0	17.6 200			25.1 245	
Government Offices <sup>1</sup>										30.8 259
Health Boards										7.2 684
Semi-State Bodies <sup>1</sup>										53.9 551
Miscellaneous Groups <sup>1</sup>										59.3 496

<sup>1</sup> Estimates for respondents only

\* Estimates not available due to non response

APPENDIX 6

DETAILED SURVEY RESULTS ON EMPLOYMENT

LIST OF TABLES

PAGES

Table 1	Distribution of firms by activity grouping and number of jobs that could be created by replacing overtime with additional employees.	6.1
Table 2	Distribution among firms of the number of extra jobs possible by replacing overtime with additional employees by overtime frequency.	6.3
Table 3	Distribution among firms of the number of extra jobs possible by replacing overtime with additional employees by the numbers of full-time permanent employees.	6.4
Table 4	Number of extra jobs, Percentage of overtime hours worked which it would be possible to compensate with time off in lieu of payment and percentage of overtime hours which could be converted to part-time jobs as reported by the respondents in the specified activities.	6.5
Table 5	Estimated number of jobs that could be created within firms by replacing overtime with additional employees.	6:7
Table 6	Estimated number of jobs that could be created within firms by replacing overtime with additional employees.	6.8
Table 7	Estimates of the overall effect on full-time employment of the measures cited by activity grouping for both sectors.	6.9
Table 8	Distribution of firms by Sector and by (a) the percentage of overtime hours which could be compensated with hours off in lieu of payment to employees and (b) the percentage of overtime which could be done by part-time employees.	6.10

Table 1 Distribution of firms by activity grouping and number of jobs that could be created by replacing overtime with additional employees

Sector	Number of Jobs				Total all firms
	0	1-10	10-20	20+	
a) Production	0	1-10	10-20	20+	
Textiles	68.2%	22.7%	9.1%	0%	100%
Clothing and Footwear	68%	22%	6.0%	4%	100%
Food, Drink and Tobacco	52.9%	28.8%	6.7%	11.5%	100%
Construction	64.3%	27.8%	2.6%	5.2%	100%
Engineering	58.6%	35.3%	2.6%	3.4%	100%
Chemicals	66.0%	20.8%	9.4%	3.8%	100%
Print/Paper	57.5%	35%	2.5%	5.0%	100%
Mining, Quarrying and Turf	63.6%	27.3%	0%	9.1%	100%
Electricity & Gas	50%	0%	50%	0%	100%



Table 1 continued

Sector	Number of jobs				Total all firms
	0	1-10	10-20	20+	
b) Service					
Retail & Wholesale	81.8%	13.6%	0.6%	3.9%	100%
Transport	62.5%	25%	12.5%	0%	100%
Insurance and Finance	62.2%	32.4%	2.7%	2.7%	100%
Hotels	56%	44%	0%	0%	100%
Local Government	71.9%	18.8%	6.3%	3.1%	100%
Consulting Engineers	100%	0%	0%	0%	100%
Government Departments	68%	16%	8.0%	8.0%	100%
Health Boards	60%	20%	0%	20.0%	100%
Semi-States	55.6%	33.3%	11.1%	0%	100%
Miscellaneous	75%	20%	5%	0%	100%

Table 2 Distribution among firms of the number of extra jobs possible by replacing overtime with additional employees by overtime frequency

a) Production	Occasional	Seasonal	Regular Monthly	Regular Weekly	Regular Daily
No. of jobs					
0	80.9%	62.5%	46.9%	56%	54.9%
1-10	19.1%	26.0%	46.9%	33.7%	25.7%
11-20	0%	4.8%	3.1%	5.7%	8.0%
20+	0%	6.7%	3.1%	4.6%	11.5%
Total all firms	100%	100%	100%	100%	100%

Cramer's V = 0.15 Stat. signif. = 0.0002

b) Service

No. of Jobs					
0	79.0%	85.7%	75.0%	62.0%	65%
1-10	18.5%	13.0%	14.3%	31.5%	15.0%
11-20	1.2%	0%	3.6%	1.1%	15.0%
20+	1.2%	1.3%	7.1%	5.4%	5%
Total all firms	100%	100%	100%	100%	100%

Cramer's V = 0.21 Statistical significance = 0.0001

Table 3 Distribution among firms of the number of extra jobs possible by replacing overtime with additional employees by the numbers of full-time permanent employees.

a) Production		No. of full-time employees				
No. of jobs	Under 20	21-50	51-100	101-200	201-500	500+
0	80.4%	59.7%	63.8%	61.0%	50%	57.1%
1-10	19.6%	38.7%	32.5%	30.5%	27.6%	10.7%
11-20	0%	1.7%	2.5%	4.8%	12.2%	7.1%
20+	0%	0%	1.3%	3.8%	10.2%	25%
Total all firms	100%	100%	100%	100%	100%	100%

b) Service Kendalls Tan C = 0.14 Statistical significance = 0.0001

b) Service		Kendalls Tan C = 0.14 Statistical significance = 0.0001				
No. of jobs	Under 20	21-50	51-100	101-200	201-500	500+
0	83.3%	82.1%	75.8%	57.5%	74.4%	63.3%
1-10	16.7%	17.9%	14.5%	35.0%	20.9%	18.4%
11-20	0%	0%	4.8%	2.5%	4.7%	6.1%
20+	0%	0%	4.8%	5.0%	0%	12.2%
Total all firms	100%	100%	100%	100%	100%	100%

Kendalls Tan C = 0.12

Statistical significance = 0.0006

Table 4 1. Number of extra jobs, 2. Percentage of overtime hours worked which it would be possible to compensate with time off in lieu of payment and 3. Percentage of overtime hours which could be converted to part-time jobs as reported by the respondents in the specified activities.

Production Sector Activity	1. Number of extra jobs	2. Percentage of overtime hours for time off compensation	3. Percentage of overtime hours for part-time jobs
Textiles	45	1%	1.9%
Clothing & Footwear	164	1%	2.9%
Food, Drink & Tobacco	1211	3.1%	5.9%
Construction	619	6.7%	0.6%
Engineering	325	0.9%	3.0%
Chemicals	206	2.4%	3.5%
Print/Paper	142	6.7%	3.8%
Mining & Quarrying	258	9.4%	39.2%
Electricity & Gas	15	4.9%	0%
Total	2985	4.5%	6.9%

Table 4 continued

b) Service Sector Activity	1. Number of extra jobs	2. Percentage of overtime hours for time off compensation	3. Percentage of overtime hours for part-time jobs
Retail & Wholesale	443	10.1%	11.4%
Transport	28	0%	0%
Insurance & Finance	124	11.0%	3.8%
Hotels	62	15.7%	72%
Local Authorities	143	6.2%	1.0%
Consulting Engineers	0	22.8%	19.7%
Government Depts.	1336	4.8%	0.1%
Health Boards	45	3.7%	27.1%
Semi-States	26	1.8%	0.3%
Miscellaneous	23	21%	3%
Total	2230	3.1%	2.1%

Table 5 Estimated number of jobs that could be created within firms by replacing overtime with additional employees.

Production Sector	10-19	20-49	50-74	75-99	100-149	150-199	200-499	500-999	1000+	Total
Textiles	110	29	0	0	6	29	3	3	20	200
Clothing & Footwear	140	56	33	75	57	50	86	70	-	567
Food, Drink & Tobacco	59	192	86	110	252	36	410	109	777	2031
Construction	707	1069	190	23	205	207	133	5	250	2789
Engineering	36	324	43	150	94	117	136	73	0	973
Chemicals	75	9	37	80	52	0	75	247	52	631
Paper/Print	0	110	27	15	22	0	149	17	0	340
Mining/Quarrying & Turf	0	15	18				250			283
Electricity & Gas			0		22				22	

Table 6 Estimated number of jobs that could be created within firms by replacing overtime with additional employees.

Services Sector	10-19	20-49	50-74	75-99	100-149	150-199	200-499	500-999	1000+	Total
Retail & Wholesale	1136	153	256		150	19	55	136	0	1905
Transport	0	64								64
Insurance & Finance	215		54			45				314
Hotels	0	152	14	100	0	25	15			306
Local Authorities	-	9	0	0	-	0	10	25	146	190
Consulting Engineers	0	0	0	0	0	0				0
Government Departments										1816
Health Boards										72
Semi-States										28
Miscellaneous										23

Table 7 Estimates of the overall effect on full-time employment of the measures cited by activity grouping for both sectors.

a) PRODUCTION	Overtime eliminated 12 months ago	Overtime eliminated 3 years ago	Weekly Overtime limited to 50 hours 12 months ago	Annual Overtime limited to 150 hours 12 months ago	Overtime set at double rates 12 months ago
Textiles	-2205	-2239	54	67	122
Clothing and Footwear	253	75	20	25	-319
Food, Drink & Tobacco	2258	1739	882	2226	305
Construction	670	661	163	2878	-452
Engineering	1820	-543	-294	-42	548
Chemicals	936	886	120	582	-57
Paper/Print	800	780	117	417	-27
Mining, Quarrying and Turf	1146	279	570	1133	
Electricity & Gas	178	59	0	47	29
Total	5856	1547	3099	7333	149
b) SERVICE					
Retail and Wholesale	3033	1427	236	2077	1165
Insurance & Finance	596	642	0	87	54
Hotels	750	481	267	120	-15
Local Authorities	749	818	106	341	124
Health Boards	239	312	198	20	0
Total	5367	3680	807	2645	1328



Table 8 Distribution of firms by Sector and by (a) the percentage of overtime hours which could be compensated with hours off in lieu of payment to employees and (b) the percentage of overtime which could be done by part-time employees.

1. Production Overtime replaced by	Percentage of overtime hours						Total
	0%	1-20%	21-40%	41-60%	61-80%	80%	
a) Time off	85.6%	10.6%	1.2%	1.3%	0.2%	1.2%	100%
b) Part-time employees	80.5%	13.0%	1.9%	1.7%	1.0%	1.9%	100%
2. Service							
Overtime replaced by							
a) Time off	74.7%	14.4%	3.1%	3.4%	2.2%	2.2%	100%
b) Part-time employee	75.7%	13.2%	1.5%	4.3%	0.3%	4.9%	100%

APPENDIX 7

CATEGORIES RELATING TO REASONS AND CONDITIONS ASSOCIATED WITH  
OVERTIME

LIST OF TABLES

PAGES

Table 1	Composition of categories relating to reasons for overtime working.	7.1
Table 2	Composition of categories relating to conditions which would make it possible to reduce overtime working.	7.3

Table 1 Composition of categories relating to reasons for overtime working.

Reasons

(i) Nature of operation

1. Nature of production process or service activity.
2. Overtime is necessary to meet deadlines.
3. Overtime is required to do work which would interfere with normal activities during standard hours.
4. Overtime is used to take advantage of weather conditions.
5. Problems arising from start-up of new operation.
6. Machine breakdowns.
7. Low productivity.
8. Employee holidays.
9. To provide level of service or to meet volume of demand in normal conditions.

(ii) Uncertainty

1. Interruptions in essential services.
2. Overtime is used to meet occasional increases in demand.
3. Problems arising with obtaining supplies of raw materials/parts etc.
4. Rush orders.
5. Fluctuations in customer demands.
6. Fashion trends.

(iii) Employee behaviour

1. Employee absenteeism/sickness.
2. High turnover of employees.
3. Industrial dispute within establishment.

(iv) Labour Shortages

1. Shortage of skilled workers.
2. Recruitment difficulties arising from shortage of labour.
3. Overtime is used to retain skilled employees in short supply.

(v) Labour Costs

1. Overtime is cheaper than taking in additional employees.
2. Social Insurance and other employee costs incurred by employer make overtime more economic than increasing employment.
3. Restrictions on employment.
4. Labour legislation (e.g. Unfair Dismissals Act) and redundancy payment regulations act as a disincentive to take on extra employees instead of overtime.

(vi) Miscellaneous

1. Agreement with trade union/employer guaranteeing level of overtime.
2. Constraints in production capacity due to lack of capital.
3. Constraints in production capacity due to lack of space.
4. Demand from employees for overtime hours.
5. Desire by establishment management/ownership to keep numbers employed within manageable proportions.
6. Lack of supervision.
7. Need to make maximum utilization of capital equipment.
8. Overtime provides increased monetary reward for employees.
9. Opposition by employees to shiftwork.

Table 2 Composition of categories relating to conditions which would make it possible to reduce overtime working.

Condition

(i) Impossible to reduce overtime

(ii) Uncertainty

1. Steady demand for products/service
2. Steady supply of raw materials to establishment
3. Ready availability of raw materials/parts/ other inputs.

(iii) Employee Behaviour

1. Elimination of industrial unrest within the establishment or elsewhere.
2. Low turnover of staff.
3. Stricter control on attendance of employees

(iv) Labour supply

1. Adequate supply of skilled labour.
2. Greater labour availability.
3. Increase in numbers employed in establishment.
4. Hire of temporary staff.
5. Introduction/expansion of part-time staff in the establishment.
6. Introduction/expansion of shiftworking.

(v) Labour cost

1. Reduction in cost of social insurance and other employee costs incurred by employer.

(vi) Without additional labour

1. Increased automation and investment.
2. Increased Productivity.
3. Time off in lieu for payment worked outside standard hours.
4. Production of quality product on first attempt.
5. Reduction in level of service.
6. Alter nature of firms activities.
7. Secure greater lead time on orders.
8. Cut back in volume of work.

APPENDIX A

SURVEY PROCEDURES



CONTENTSPAGES

A.1	Introduction	A.1
A.2	Sampling frame	A.1
A.3	Sampling and estimation procedure	A.2
A.4	Sample details	A.4
A.5	Sample response and some characteristics of the respondent firms.	A.6
A.5.1	Temporary and part-time employment among respondent firms	A.9
A.5.2	Shiftwork	A.10
A.5.3	Non-attendance levels	A.11
A.5.4	Trade Union Membership levels	A.12
A.5.5	Employees cost	A.12
A.6	Conduct of Fieldwork	A.14
A.7	Outline and copies of Questionnaire	A.14

LIST OF TABLES

Table 1	Sample size and number of size categories for the Production and Service Sector activities.	A.5
Table 2	Response rate by sector.	A.7
Table 3	Response rate for activity groupings within Production and Service Industries.	A.8
Table 4	Employees by status and sector covered in the sample.	A.9

Table 5	Distribution of temporary and part-time employees among the firms surveyed.	A.10
Table 6	Distribution of firms with shiftwork by (i) type of system and (ii) Percentage of employees engaged in shiftwork.	A.11
Table 7.	Distribution among firms of non-attendance levels of employees.	A.12
Tabel 8	Distribution among firms of membership levels of of employees in Trade Unions.	A.13
Table 9	Distribution among firms of the percentage of total operating costs represented by employee costs.	A.14

## Appendix A

A.1 Introduction

This appendix provides some details on the sampling frame for the survey and on the sample returns themselves including some details of the respondent firms. It also deals with the sampling and estimation procedures employed as well as providing copies of the questionnaires used on the survey.

A.2 Sampling frame

A number of sampling frames were used to obtain the widest possible coverage of Production and Service Sector activity in the State. Manufacturing firms and firms in the Construction Activity grouping of the Production Sector were selected from the AnCO Industrial frame. The manufacturing firms within the frame were divided into six separate activities based on the various statutory instruments established under the Industrial Training Act, 1967.

The activity groupings within manufacturing are as follows:

- Textiles
- Clothing and Footwear
- Food, Drink and Tobacco
- Engineering
- Chemicals
- Paper/Print

The C.S.O. frames were used for the Mining, Quarrying and Turf grouping and the Electricity and Gas Supply grouping within the Production Sector.

Within the Service Sector the C.S.O. frames for Retail and Wholesale Distribution, Insurance and Finance and Transport were also used. The Hotels and Restaurants frames were based on information made available from Bord Failte. The Local Authorities frame was supplied by the Dept. of Economic Planning and Development while the Department of the Public Service provided information on Government Departments and Offices. The Consulting Engineers frame was based on the directory of the A.C.E.I.

### A.3. Sampling and estimation procedures

The overall number of organisations to be surveyed was constrained by cost considerations. Thus a sample size of about 1500 firms was the maximum that was financially possible. In fact a total of 1523 organisations throughout the Production and Services Sectors of the economy were surveyed.

It was decided to stratify the population of firms by activity grouping and by size classification. While no prior information on the distribution of overtime was available, it was felt that the variability of overtime among firms within the strata would be lower thus producing a gain in the precision in the estimates derived. In addition estimates of overtime were required by these subdivisions of the population of firms.

The allocation of the sample among the strata was based in the use of Neyman allocation. This states that the variance of the estimate is minimized for a fixed total size of sample  $n$  if

$$\frac{n_h}{n} = \frac{N_h S_h}{\sum N_h S_h}$$

where  $n_h$  = stratum sample size (i.e. number of firms to be sampled from stratum  $h$ )

where  $N_h$  = stratum population size (i.e. total number of firms within the stratum)

$S_h$  = Standard deviation within the stratum.

Thus the theory of optimal allocation asserts that within a given stratum a larger sample is taken if

1. The stratum is larger
2. The stratum is more variable internally.

Thus this system implies that a small fraction of the units is taken from the strata with the smaller sized units. As the size of the units increases the sampling fraction is progressively increased from the lowest to the highest strata and is unity for the highest strata.

Within the strata the units are selected on the basis of random sampling. Thus unbiased estimates of the amount of overtime per firm ( $\bar{y}_h$ ) can be derived for each strata using

$$\bar{y}_h = \frac{\sum y_{ih}}{n_h} \quad \text{where } n_h \text{ is the sample size for the } h^{\text{th}} \text{ stratum}$$

and unbiased variance

$$V(\bar{y}_h) = \left(1 - \frac{n_h}{N_h}\right) \frac{S_y^2}{n_h}$$

$$\text{Where } S_y^2 = \frac{\sum (y_{ih} - \bar{y}_h)^2}{n_h - 1}$$

On the basis of the Central Limit theorem result confidence intervals can be determined for the estimates of the annual amount of overtime per firm ( $\bar{y}$ ) since the distribution of  $\bar{y}$  will tend towards a normal distribution. Thus a 95% confidence interval for  $\bar{y}_h$  would be represented by

$$\bar{y}_h \pm 1.96 (\text{s.e.}) \text{ where}$$

s.e. = standard error of the distribution of  $\bar{y}_h = \frac{S_y}{\sqrt{n}}$

Unbiased estimates of the total amount of overtime worked over the whole population of firms within each strata are then given by

$$Y_h = N_h (\bar{y}_h) \text{ and}$$

$$V(Y_h) = N_h^2 \left(1 - \frac{nh}{N_h}\right) \frac{S_{yh}^2}{nh}$$

Unbiased estimates of the population total for an activity grouping is

$$Y_{tot} = \sum N_h \bar{y}_h \text{ and}$$

$$V(Y_{tot}) = \frac{\sum N_h^2}{nh} \left(1 - \frac{nh}{NH}\right) S_{yh}^2$$

#### A.4. Sample details

The sampling procedure outlined above was adopted. While the number of size categories was nine within the manufacturing activities, construction, and local authorities the number of size categories varied among the other activities. Applying the allocation procedure given above all firms with 200 or more employees were selected with lesser proportions of the smaller sized firms. All firms with less than 10 employees were excluded.

While it is estimated that this excludes about 3% of employees within industrial activities it is likely that over half of employees within the Retail grouping and lesser amounts within the other Service Activities were excluded (23). However, given the nature of smaller service type activities particularly retail distribution which is largely family run it is unlikely that the amount of remunerated overtime estimated is greatly understated by the exclusion of these firms. The number of size categories and the sample size is given below for the activity groupings in Table 1.

Table 1 Sample size and number of size categories for the Production and Service Sector Activities

1. Production Sector	Sample size	No. of size categories
Textiles	37	9
Clothing and Footwear	97	9
Food, Drink and Tobacco	169	9
Construction	236	9
Engineering	166	9
Chemicals	85	9
Paper/Print	61	9
Mining, Quarrying & Turf	21	4
Electricity and Gas	5	3
Total Production	877	70
2. Service Sector		
Retail and Wholesale	327	8
Transport	13	3
Insurance and Finance	58	3
Hotels	99	7
Local Government	44	9
Consulting Engineers	8	6
Government Offices	30	-
Health Boards	8	-
Semi-State Bodies (Random sample only)	11	-
Miscellaneous Groups (Random sample only)	48	-
Total Services	646	

The following activity groupings were selected independently of the sampling scheme outlined above. This was principally due to incomplete knowledge or other operational considerations. All Government Departments and Health Boards were surveyed. No size classification was involved. The eleven Semi-State Bodies involved in Research/Promotional/Service type activity were arbitrarily selected. They tended however, to be the larger sized of the semi-state bodies involved in these activities. Finally a number of firms representing a group of miscellaneous activities covering a wide range of activities were arbitrarily selected. These included restaurants for which a listing was available but no size classification was possible. The others were selected from the following activities/occupations:

Auctioneering

Advertising

Accountancy

Solicitors

Bookmakers

Hairdressers

Laundries/Cleaners

These correspond roughly to the major activities/occupations in terms of employment within Business, Professional and Personnel Services as reported in the 1971 census of population.

#### A.5. Sample response and some characteristics of the respondent firms

The overall response rate of 1,067 firms represents a response rate of just over 70% which must be considered highly satisfactory given

(i) the nature and extent of the information sought

(ii) the coincidence of the field work with

(a) the resumption of postal services thus increasing pressure on



firms and

(b) with vacation time for employees within firms

(iii) the involvement of different organisations in the field work making centralised control difficult.

The response rate between the Sectors shows little divergence with the Service rate being slightly higher.

Table 2 Response rate by Sector.

Sector	Response Rate
Production	69.6%
Service	71.9%

Within the activity groupings of the two sectors the response rates fluctuate somewhat though they are in all cases 60% or higher. However, for some size categories within the activities, the response rates dip somewhat with one stratum in the case of the Production Sector and two strata in the case of the Service Sector revealing total non-response. These strata are not however, significant in terms of either number of firms or number of employees so their exclusion should not affect greatly the overall results.

The overall response rates are given below in Table 3 for the activity groupings in both sectors.

The firms responding covered over 160,000 employees in the Production Industries Sector and over 176,000 employees in the Service Industries Sector. This represents just under 50% of the numbers estimated to be at work from

Table 3 Response rates for activity groupings within (a) Production Industries and (b) Service Industries

(a) Production Industries	Response Rate
Textiles	65%
Clothing and Footwear	71%
Food, Drink and Tobacco	67%
Construction	62%
Engineering	79%
Chemicals	76%
Paper and Print	74%
Mining, Quarrying & Turf	67%
Electricity and Gas	60%
(b) Service Industries	
Retail and Wholesale	68%
Transport	69%
Insurance & Finance	72%
Hotels	68%
Local Government	77%
Consulting Engineers	87%
Government Offices	96%
Health Boards	62%
Semi State Bodies	100%
Miscellaneous Group	81%

the 1977 Labour Force Sample Survey in the case of Production Industries and just over 35% of the number of persons in the case of the Service Industries Sector. The breakdown of the status of employees is given below in Table 4.

Table 4 Employees by status and sector covered in the sample

Sector	Status			Total
	Full-time Permanent	Full-time Temporary	Part-time	
Production Industries	144,125	14,041	2,231	160,397
Service Industries	156,016	13,702	6,701	176,419

#### A.5.1 Temporary and Part-time employment among respondent firms

Almost 70% of respondents in the Production Sector and over 60% in the Service Sector report having no temporary full-time employees with the vast majority of the remainder having fewer than 20 employed. A similar picture emerges in the case of part-time employees (i.e. employees working less than 30 hours per week). Part-time employment is again more prevalent among firms in the Service Sector but over 58% of firms in this Sector and 74% in the Production Sector report no part-time employment. Again the remaining firms have mostly less than 20 part-time employees. The distribution among firms of part-time and temporary employment for the sectors is given below.

## A.10

Table 5 Distribution of (i) temporary employees and (ii) part-time employees among the firms surveyed.

(i) Temporary employees	Percentage of firms having					Total
	0	1-4	5-9	10-19	20+	
Production Sector	69.9%	11.8%	4.1%	4.1%	10.1%	100%
Service Sector	60.2%	14%	8.1%	5.7%	12.0%	100%
(ii) Part-time employees	0	1-4	5-9	10-19	20+	Total
	Production Sector	74.0%	16.2%	4.5%	2.5%	2.8%
Service Sector	58.6%	17.9%	7.7%	5.3%	10.5%	100%

A.5.2. Shiftwork

A higher proportion of respondents have a shiftworking system in operation in the Production Sector as compared with the Service Sector - 36.1% of respondents as compared with 23.3%. In the case of the latter a discontinuous system is operated by the majority of those on shiftwork. This is the most widely used system within the Production Sector. Of those with a shiftworking system almost 50% of respondents report having less than 30% of their employees on shiftwork in the Service Sector while slightly over 50% of firms with shiftwork in the Production Sector have less than 30% of their employees on shiftwork. The table below gives the distribution of firms with a shiftworking system by the type of system and the percentage of employees actually engaged in shiftwork

Table 6 Distribution of firms with shiftwork by (i) type of system and (ii) percentage of employees engaged in shiftwork

(i) Sector	Fully-Continuous	Semi-Continuous	Discontinuous		
Production	28.6%	25.8%	45.6%		
Service	32.1%	10.4%	57.5%		
(ii) Sector	Percentage of employees engaged in shiftwork				
	Less than 10%	10-29%	30-49%	50-69%	70% +
Production	29.8%	22.5%	18.3%	12.8%	16.5%
Sector	36.5%	12.5%	8.7%	14.4%	27.9%

### A.5.3 Non-Attendance levels

The problem of non-attendance through absenteeism/sickness appears more marked in the Production Sector than in the Service Sector. While 20.2% of firms in the Service Sector report the percentage of employees in non-attendance as being typically zero only 8.4% of firms in the Production Sector report the same figure. At the other end of the scale no firm reports the percentage of employees in non-attendance in the Service Sector greater than 20% while 1.1% of firms in the Production Sector report such a figure. The distribution of non-attendance levels is given below for the firms in both Sectors.

Table 7 Distribution among firms of non-attendance levels of employees

	Percentage of employees in non-attendance					
	0%	1-5%	6-10%	11-20%	20% +	
Production	8.4%	45.6%	29.8%	15.1%	1.1%	100%
Service	20.2%	63.7%	13.0%	3%	0%	100%

#### A.5.4 Trade Union Membership Levels

Employees within firms in the Production Sector are more unionised than in the Service Sector. For Managerial, Higher Administrative and Professional employees around 70% of firms in both sectors report zero level of Trade Union membership. Likewise for Clerical staff both Sectors have about the same proportion of firms with zero level trade union membership - in this case 50%. As might be expected the highest levels of Trade Union membership among firms obtain in the case of skilled, semi-skilled and unskilled employees in the Production Sector. A large proportion of firms also report high trade union membership levels in the case of employees in the maintenance and "others" occupational categories in the Service Sector. A feature of the distribution of trade union membership levels among firms is the small proportion of firms reporting medium to low (apart from zero) membership levels for their employees. The distribution of membership levels by occupational grouping is given below in Table 8.

#### A.5.5 Employees cost

The distribution among firms of employees costs as a percentage of total operating costs is given in Table 9 below. Employee costs rarely exceed over 80% of total operating costs, though not surprisingly the

percentage of total operating costs represented by employee costs tends to be over 40% in a larger proportion of firms in the Service Sector.

Table 8 Distribution among firms of membership levels of employees in Trade Unions

Production Sector	Level of employee membership					
	0%	1-24%	25-49%	50-74%	75-99%	100%
Higher Administrative, Managerial and Professional	71.1%	8.3%	5.6%	5.7%	6.1%	3.2%
Clerical	55.3%	5.2%	3.4%	5.3%	11.2%	19.6%
Skilled	17.0%	2.3%	2.3%	2.5%	10.8%	65%
Semi-Skilled and Unskilled	16.6%	1.6%	1.9%	3.7%	10.3%	66.0%
Service Sector						
Higher Admin., Managerial and Professional	68.2%	5.4%	2.0%	5.4%	14.0%	5.0%
Clerical	49.1%	4.0%	2.8%	4.0%	20.2%	20.0%
Personnel engaged in sales or point of service activity only	48.1%	5.3%	3.9%	5.6%	11.6%	25.5%
Maintenance	36.4%	2.5%	1.3%	6.7%	13.8%	39.3%
Others	36.1%	3.3%	2.3%	5.7%	19.4%	33.1%

Table 9 Distribution among firms of the percentage of total operating costs represented by employee costs

Sector	Employee costs as a percentage of total operating costs					Total
	Under 20%	21-40%	41-60%	61-80%	Over 80%	
Production	13%	45.3%	34.2%	6.7%	0.9%	100%
Service	13.2%	29.8%	32.3%	21.8%	3%	100%

#### A.6. Conduct of Fieldwork

The survey was undertaken on the basis of an administered questionnaire with interviewers from the Economic and Social Research Institutes survey unit, the Social Sciences Research Centre at U.C.G. and officers of the National Manpower Service involved in the fieldwork. The questionnaire accompanied by a covering letter was delivered to the selected firms. The interviewer was available to offer any explanation/assistance if respondents had difficulty with the firm.

When the form was completed the interviewer returned to collect it and check out the responses while also completing with the respondent a number of supplementary questions. In the case of firms who failed to respond initially a follow-up letter was dispatched to achieve a higher response. Most of the fieldwork was completed during July and August of 1979.

A broad outline of the questionnaire is given in the following section. The questionnaires and covering letter appear at the end of this appendix.

#### A.7. Outline of Questionnaire

The eventual set of questionnaires used in the national survey were



designed after consultations with members of the Economics Department of the University of Strathclyde, Glasgow, Officials of the supporting bodies - the Departments of Labour and of Economic Planning and Development and the E.E.C. Commission, management within firms and following the conduct of a pilot survey.

Separate questionnaires were used for the Production and Services Sectors.

The questionnaire sought information on the following:

- (i) Some background information on the firms, including details relating to numbers employed, non-attendance, employee cost levels and trade union membership levels.
- (ii) Extent of non-remunerated overtime over a 12 month period
- (iii) For those firms who had worked remunerated overtime in the 12 months prior to the survey, details sought in relation to overtime included:
  - (a) frequency of overtime
  - (b) extent of overtime working for a reference week in June 1979
  - (c) extent of overtime working for the 12 month period up to June 1979
  - (d) overtime rates
  - (e) reasons for overtime and conditions required to reduce it
  - (f) potential for jobs from overtime
  - (g) effect on firms of measures aimed at reducing/eliminating overtime
- (iv) For those firms who had not worked remunerated overtime information sought included:
  - (a) reasons for not working overtime
  - (b) details related to overtime working
  - (c) circumstances under which overtime working might be necessary in the future.

In addition when respondents had completed the form they replied to a number of supplementary questions. For respondents who had worked remunerated overtime in the previous 12 months these were concerned with:

- (i) respondents evaluation of the importance of a list of possible

reasons for overtime working in their firms.

- (ii) respondents evaluation of the applicability in their firms of a list of possible conditions required to be implemented if overtime working was to be reduced.

For respondents who had not worked remunerated overtime over the 12 months prior to the survey the supplementary questions were concerned with:

- (i) respondents evaluation of the importance of a number of possible reasons for not working overtime
- (ii) respondents evaluation of the importance of a number of reasons which might necessitate the use of overtime in the future
- (iii) respondents evaluation of a number of possible reasons for having eliminated overtime if they had worked it over the previous 10 years.

Note: While a breakdown by sex of hours worked and a finer breakdown by occupational groupings would have been desirable the outcome of our discussions with managements was that this would increase the difficulty faced by firms in responding to the information requested. This viewpoint has also been expressed more recently by Geoghegan and Frain (23).

Department of Industrial Engineering,  
University College,  
Galway, Ireland.



348  
Roinn na hInnealtóireachta Thionsclaíoch,  
Coláiste na hOllscoile,  
Gaillimh.

Telephone (091) 7611

Head: Professor M. E. J. O'Kelly Ph.D., C.Eng.

25th June, 1979.

Hours of Work Survey

Dear Sir,

The Department of Industrial Engineering at University College, Galway is carrying out a survey on hours of work in Ireland on behalf of the Government. The survey has been jointly commissioned by the Department of Economic Planning and Development and the Department of Labour. It is also being supported by the EEC Commission.

As you are aware there is considerable interest being shown in the possibility of introducing work sharing measures as a means of reducing unemployment. One such measure might be a reduction in the amount of overtime being worked. The Government and the EEC Commission recognise the need for a detailed study of the consequences of such a reduction before any decisions concerning it can be made. The survey we have been asked to carry out is intended to provide the Government and the EEC with some of the information that is required.

The survey involves the administration of a questionnaire concerning overtime practices to a representative sample of employers throughout the State. Your company has been included in this sample. I would therefore be grateful for your assistance in this study. The success of this survey depends on your fullest co-operation. By co-operating you are helping to ensure that when decisions are taken, full account will be taken of the needs and circumstances of industry and commerce.

I should therefore be grateful if you would complete the enclosed questionnaire as soon as possible. An interviewer will be calling on you from U.C.G. Social Sciences Research Centre within the next fortnight to collect the completed questionnaire. Please note the instructions attached to the questionnaire.

The information supplied by you will be treated as strictly confidential and will not be disclosed to any other person or organisation.

Your co-operation in this survey will be greatly appreciated.

Yours faithfully,

M. E. J. O'Kelly  
M. E. J. O'Kelly

HOURS OF WORK QUESTIONNAIRE - MANUFACTURING

STRICTLY CONFIDENTIAL

INSTRUCTIONS

1. Because of the difficulties caused by the petrol shortage it may not be possible to give you much notice of the interviewer's call. We would therefore be very grateful if you could complete the questionnaire as soon as possible.
2. While the questionnaire may appear bulky, it is in fact quite easy to complete for two reasons.
  - (i) All that is required to answer most questions is that you circle the number(s) most appropriate to your firm.
  - (ii) Certain questions and sections will probably not apply to your firm. You should in any case answer questions 1 - 7.

There are two or three additional questions which can only be administered by the interviewer. These will be given to you when the interviewer calls on you.

3. All questions dealing with overtime refer to remunerated overtime only (i.e. overtime for which employees receive monetary compensation) with the exception of Q. 6 which deals specifically with non-remunerated overtime.
4. If you cannot supply exact answers for any particular question give the best estimate you can.
5. The interviewer will be happy to assist you with any questions which present difficulty.

---

FOR USE BY INTERVIEWER ONLY

INTERVIEWER NO. \_\_\_\_\_

1		3

ID. NO. \_\_\_\_\_

4			7

Manufacturing or Service? M ..... 1 S ..... 2

8 = 1

350

CARD 1

1. (a) In which industry sector does your firm operate?

\_\_\_\_\_

9

(b) Do you produce (Circle appropriate number)

(i) To stock only? ..... 1                      (ii) To order only? ..... 2

10

(iii) To stock and to order ..... 3

(c) Is there a shift working system in operation in your establishment?

Yes ..... 1

No ..... 2

11

If Yes please indicate the type of shift working system and the percentage of employees on shiftwork.

(i) Type of shiftwork (Circle appropriate number)

(i) Fully Continuous (i. e. 24 hrs. a day for 7 days a week) ..... 1

12

(ii) Semi-Continuous (i. e. 24 hrs. a day for less than 7 days a week) ..... 2

(iii) Discontinuous (i. e. less than 24 hrs. a day for 7 or less days a week) ..... 3

(ii) Percentage of employees on shiftwork

Less than 10%      10-29%      30-49%      50-69%      More than 70%

1

2

3

4

5

13

(d) Please indicate how long this establishment has been in business.

Less than 2 years

2-5 years

Between 5-10 years

Greater than 10 years

1

2

3

4

14

Q. 2. Please indicate in the table below for each occupational groups

(a) Standard hours per week for the full-time employee (i. e. employee who usually works at least 30 hours or more in the week)

(b) The number of permanent full-time employees

(c) The number of temporary full-time employees

(d) The number of part-time employees (i. e. those who usually work less than 30 hours in the week)

Q. 2 (contd.)

Occupational Group	Standard hours for the full-time employee	Number of permanent full-time employees	Number of temporary full-time employees	Number of part-time employees	
1. Higher Admin., Managerial & Professional (incl. sales representatives)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	15-27
2. Clerical	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	28-40
3. Skilled	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	41-53
4. Semi-skilled & Unskilled	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	54-66
5. Total	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	67-77 80 = 1

Q. 3. The percentage of employees in non-attendance through absenteeism/sickness in a typical week is (circle the appropriate number)

- 0%      1-5%      6-10%      11-20%      Greater than 20%
- 1          2          3          4          5

4. Indicate for the occupational groupings in your establishment the extent of membership of Trade Union/Professional Associations (where these have negotiating power). Circle one number in each line of the following table

Occupational Group	Extent of Trade Union Membership						
	0%	1-24%	25-49%	50-74%	75-99%	100%	
1. Higher Administrative Managerial and Professional (incl. sales representatives)	1	2	3	4	5	6	9
2. Clerical	1	2	3	4	5	6	10
3. Skilled	1	2	3	4	5	6	11
4. Semi-skilled and Unskilled	1	2	3	4	5	6	12

Q. 5. What percentage of total operating costs is represented by employee costs (direct and indirect) (Circle appropriate number)

- Less than 20%      21-40%      41-60%      61-80%      Greater than 80%
- 1                      2                      3                      4                      5

Q. 6. Please indicate as accurately as you can the amount of non-remunerated overtime hours worked in your establishment and the number of employees typically engaged in non-remunerated overtime for a recent 12 month period.

Period	Overtime hours	Number engaged in overtime

14	15	16	17
18	19	20	21

NOTE: All further questions relating to overtime refer to remunerated overtime (i. e. overtime for which employees are compensated).

Q. 7. Has remunerated overtime been worked in this establishment during the last 12 months.

Yes ..... 1                      No ..... 2

IF NO, PLEASE GO TO Q. 31, Page 14.

Q. 8.(a) Considering all the overtime worked in a year, which of the following would best describe its frequency. (Circle appropriate number)

- (i) Occasional ..... 1
- (ii) Seasonal ..... 2
- (iii) Regular monthly (i. e. worked for a part of every month) ..... 3
- (iv) Regular weekly (i. e. usually 1 to 3 times a week) ..... 4
- (v) Regular daily (i. e. usually at least 4 days/nights a week) ..... 5

(b) Please indicate the percentage of weekly overtime hours worked during the following days. Circle one number on each line of the following table.

	0%	1-20%	21-40%	41-60%	61-80%	81-100%
Monday - Friday	1	2	3	4	5	6
Saturday	1	2	3	4	5	6
Sunday	1	2	3	4	5	6

352

Q. 9. Please indicate below the number of remunerated overtime hours worked and the number of employees engaged in remunerated overtime for the week ending 16th June, 1979.

(Where this week presents undue difficulty please use the most convenient complete week in June 1979).

Day		Month	

Indicate end date of reference week used

27, 28

Occupational Group	Total number of Remunerated Overtime hours in reference week				Number of employees on Overtime in reference week			
1. Higher Admin., Managerial and Professional (incl. sales reps)								
2. Clerical								
3. Skilled								
4. Semi-skilled and Unskilled								
5. Total								

29-34, 35-36

37-40, 41-44

45-48, 49-52

53-56, 57-60

61-64, 65-68

Q. 10. Please give as accurate an estimate as possible of the total number of remunerated overtime hours over the past 12 months in your establishment and the number of employees normally engaged in overtime work during that period.

Overtime hours					Numbers of employees engaged in overtime				

69-74, 75-79

80 = 2



Q. 11. Please indicate below the rates paid in your establishment for overtime hours worked and the corresponding hours for which they apply.

Weekdays -

For first \_\_\_\_\_ hours until \_\_\_\_\_ Rate paid = Time and a \_\_\_\_\_

Thereafter \_\_\_\_\_ Rate paid = \_\_\_\_\_

Weekends -

For first \_\_\_\_\_ hours on Saturdays until \_\_\_\_\_, Rate paid = Time and a \_\_\_\_\_

Thereafter (incl. Sundays) \_\_\_\_\_ Rate paid = \_\_\_\_\_

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
8	9	10	11	12
<input type="text"/>		<input type="text"/>		
13		14		

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
15	16	17	18	19
<input type="text"/>		<input type="text"/>		
20		21		

Q. 12. Do you feel that some element of overtime is essential in an establishment like yours?

Yes ..... 1      No ..... 2

22

Q. 13. Over the next 12 months do you think that overtime in your establishment will be: -

- (i) eliminated completely ..... 1
- (ii) greatly reduced ..... 2
- (iii) somewhat reduced ..... 3
- (iv) maintained at current levels ..... 4
- (v) somewhat increased ..... 5
- (iv) greatly increased ..... 6

23

Q. 14. Give, in order of importance, up to three reasons why your establishment uses overtime working.

1.

24

2.

25

3.

26

Q. 15. (a) Before receiving this questionnaire, have you or other members of management reviewed over the past six months the practice of overtime in your establishment?

Yes ..... 1

No ..... 2

27

(b) If Yes, did this review result in:

	Yes	No
1. Approval of current levels of overtime	1	2
2. Cost benefit analysis of overtime	1	2
3. Examination of feasibility of replacing overtime with extra employees?	1	2
4. Improved efficiency aimed at reducing level of overtime?	1	2
5. Plans to increase level of overtime?	1	2
6. Other measures?	1	2

28

29

30

31

32

33

Please specify:

---



---

(c) Was this review at (circle one or more numbers as appropriate)

Floor Management level?	Middle Management level?	Higher Management level?
1	2	4

34

(code sum)

Q. 16. The Overtime Decision

(a) Who makes the decision on what overtime is to be worked? (Circle one or more numbers as appropriate)

- Owner ..... 1
- General Manager ..... 2
- Middle Management ..... 3
- Floor Supervisor ..... 4
- Floor employee ..... 5
- Other (please specify) ..... 6

35

---



---

36

Q. 16. (b) If more than one decision maker circled in (a) explain

37

(c) Are there any guidelines or financial or other limits (apart from legal limits) in relation to the amount of overtime worked in your establishment?

Yes ..... 1

No ..... 2

38

If Yes please describe these limits/guidelines

39

Q. 17. (a) In your view, is the level of productivity during overtime hours lower than, the same as or higher than the level of productivity during standard hours? (Circle one of the following numbers).

Lower on  
Overtime

Same

Higher on  
Overtime

Not known

1

2

3

9

40

Please explain your choice of response in the space below.

41

Q. 17 (b) In your opinion, is the level of Productivity of the majority of workers during standard hours increased or diminished by the possibility of overtime working? (Circle the appropriate number)

- Greatly  
Increased  
  
1
- Increased  
Somewhat  
  
2
- Unaffected  
  
  
3
- Somewhat  
Diminished  
  
4
- Greatly  
Diminished  
  
5

42

Please explain your choice of response below.

43

Q. 18 Under what circumstances would it be possible to reduce overtime working in your establishment? Please specify below.

44, 45

Q. 19. (a) Are employees guaranteed a certain level of overtime in your establishment?

- Yes ..... 1
- No ..... 2

46

If Yes please specify the level of guaranteed overtime \_\_\_\_\_ hours/week

47, 48

(b) Are employees required to work overtime at management discretion?

49

- Yes ..... 1
- No ..... 2

(c) Is there a limit to the amount of overtime required to be worked by employees?

- Yes ..... 1
- No ..... 2

50

If Yes please specify what this limit is \_\_\_\_\_ hours/week

51, 52

(d) Are conditions relating to overtime included in any Employee-Trade Union and Management agreement?

53

- Yes .... 1
- No ..... 2

Q. 20 If there are unionised employees in your establishment do you find the Trade Union attitude in relation to overtime to be one of

- Encouragement?  
  
1
- Acceptance?  
  
2
- Indifference?  
  
3
- Opposition?  
  
4
- No unionised  
employees  
  
5

54

Q. 21 In relation to overtime working do you find that your employees generally are:

- (i) Eager to work overtime? ..... 1
- (ii) Willing to work overtime? ..... 2
- (iii) Indifferent to working overtime? ..... 3
- (iv) Reluctant to work overtime? ..... 4
- (v) Opposed to overtime and refuse to work  
it? ..... 5

55

Q. 22 (a) Have you ever tried to reduce the level of overtime being worked in your establishment?

Yes ... 1	No ... 2				
For those answering yes to (a) please reply to (b), (c) and (d)					
(b) Why did you decide to reduce the level of overtime?					
(c) What measures did you take in attempting to reduce overtime and how did you attempt to implement these measures?					
Measures taken: _____					
_____					
_____					
Implemented:-					
(i) Arbitrarily      (ii) By Agreement with workforce      (iii) By Incentive					
1	2	3			
(d) What was the eventual effect of the measures on the level of overtime, productivity, employment and costs in your establishment? (Circle one number on each line)					
	Greatly Reduced	Somewhat Reduced	Unaffected	Somewhat Increased	Greatly Increased
Overtime	1	2	3	4	5
Productivity	1	2	3	4	5
Employment	1	2	3	4	5
Labour Costs	1	2	3	4	5
Capital Costs	1	2	3	4	5

56

57, 58

59, 60

61

62

63

64

65

66

Q. 23 The percentage of overtime hours worked in this establishment which it would be feasible to replace with additional employees is

\_\_\_\_\_ %

67, 68

Q. 24 The number of extra jobs that could be created in this establishment, (enterprise) by replacing (where feasible) overtime with additional employees would be

\_\_\_\_\_

69-71

Q. 25 (a) For what percentage of overtime hours worked in your establishment would it be possible to compensate employees with hours off in lieu of payment.

\_\_\_\_\_ %

72, 73

(b) The percentage of work done on overtime which could be done by part-time employees in this establishment is

\_\_\_\_\_ %

74, 75

In the next four questions (i.e. Q. 26-29) your views of the possible consequences for your establishment(enterprise) of changes in the regulations governing overtime working are sought. You will be asked to imagine that a number of different changes have been introduced some time ago.

76-79

Blank

If your establishment (enterprise) had been obliged to operate under these changed regulations it is possible that your levels of employment, costs etc. would now be different from those which you actually experience today. We wish to seek your views on how different these levels would now be. (e.g. How different would the numbers you now employ be if overtime had been eliminated 12 months ago?)

80 = 3

Dup. 1-7

Q. 26 (a) If overtime had been eliminated by law 12 months ago, how different would your levels of employment, costs, productivity and output(financial turnover) now be compared with today's actual values?

Please indicate the percentage change (if any) in the appropriate space below.

	Increase of _____ %	No change _____	Decrease of _____ %	
Full-time employees	Increase of _____ %	No change _____	Decrease of _____ %	8 9 10
Part-time employees	Increase of _____ %	No change _____	Decrease of _____ %	11 12 13
Temporary employees	Increase of _____ %	No change _____	Decrease of _____ %	14 15 16
Capital Costs	Increase of _____ %	No change _____	Decrease of _____ %	17 18 19
Labour Costs	Increase of _____ %	No change _____	Decrease of _____ %	20 21 22
Productivity	Increase of _____ %	No change _____	Decrease of _____ %	23 24 25
Output (Financial Turnover)	Increase of _____ %	No change _____	Decrease of _____ %	26 27 28

Q.26. (b) If overtime had been eliminated by law three years ago, how different would your establishment be today in terms of employment, productivity, costs and output (financial turnover)?

	Increase of _____%	No change _____	Decrease of _____%	<input type="text"/>	<input type="text"/>	<input type="text"/>
Full-time employees	_____%	_____	_____%	29	30	31
Part-time employees	_____%	_____	_____%	32	33	34
Temporary employees	_____%	_____	_____%	35	36	37
Productivity	_____%	_____	_____%	38	39	40
Capital Costs	_____%	_____	_____%	41	42	43
Labour Costs	_____%	_____	_____%	44	45	46
Output (financial turnover)	_____%	_____	_____%	47	48	49

Q. 27. Assume that the legislation governing hours of work was amended 12-months ago to reduce the maximum number of hours (incl. overtime) to be worked in the week by any employee from the present level of 60 hours to 50 hours. How would this have affected the level of overtime, employment, costs, productivity and output (financial turnover) in your establishment?

	Increase of _____%	No change _____	Decrease of _____%	<input type="text"/>	<input type="text"/>	<input type="text"/>
Overtime	_____%	_____	_____%	50	51	52
Full-time employees	_____%	_____	_____%	53	54	55
Part-time employees	_____%	_____	_____%	56	57	58
Temporary employees	_____%	_____	_____%	59	60	61
Capital Costs	_____%	_____	_____%	62	63	64
Labour Costs	_____%	_____	_____%	65	66	67
Productivity	_____%	_____	_____%	68	69	70
Output (financial turnover)	_____%	_____	_____%	71	72	73

74-79 Blank

80 = 4

Q. 28. Assume that legislation governing hours of work was amended 12 months ago so that the maximum amount of paid overtime to be worked in the year by any employee was reduced to 150 hours, with any additional overtime hours worked to be compensated with time off. What would have been the likely effect on overtime, employment, costs, productivity and output (financial turnover) in your establishment over the last 12 months?

	Increase _____ %	No change _____	Decrease of _____ %
Overtime	Increase of _____ %	No change _____	Decrease of _____ %
Full-time employees	Increase of _____ %	No change _____	Decrease of _____ %
Part-time employees	Increase of _____ %	No change _____	Decrease of _____ %
Temporary employees	Increase of _____ %	No change _____	Decrease of _____ %
Capital costs	Increase of _____ %	No change _____	Decrease of _____ %
Labour costs	Increase of _____ %	No change _____	Decrease of _____ %
Productivity	Increase of _____ %	No change _____	Decrease of _____ %
Output (financial turnover)	Increase of _____ %	No change _____	Decrease of _____ %

8	9	10
11	12	13
14	15	16
17	18	19
20	21	22
23	24	25
26	27	28
29	30	31

Q. 29. If legislation was introduced 12 months ago requiring all overtime to be paid for at double rates what would be the effect on the levels of overtime, employment, costs, productivity and output (financial turnover) in your establishment?

	Increase of _____ %	No change _____	Decrease of _____ %
Overtime	Increase of _____ %	No change _____	Decrease of _____ %
Full-time employees	Increase of _____ %	No change _____	Decrease of _____ %
Part-time employees	Increase of _____ %	No change _____	Decrease of _____ %
Temporary employees	Increase of _____ %	No change _____	Decrease of _____ %
Capital costs	Increase of _____ %	No change _____	Decrease of _____ %
Labour costs	Increase of _____ %	No change _____	Decrease of _____ %
Productivity	Increase of _____ %	No change _____	Decrease of _____ %
Output (financial turnover)	Increase of _____ %	No change _____	Decrease of _____ %

32	33	34
35	36	37
38	39	40
41	42	43
44	45	46
47	48	49
50	51	52
53	54	55

Q. 30. Have you any other views which you would like to express about overtime working? If so, please state below.

56, 57

If you have just answered Q. 28 - 30 you should not answer the remainder of the questions. Q. 31 - 37 are to be answered only those who did not work overtime during the past 12 months. Thank you for your cooperation.



Q. 31 Please give in order of importance up to three reasons why you do not have overtime in your establishment.

- 1.
- 2.
- 3.

58  
59  
60

Q. 32 Have you ever worked remunerated overtime in your establishment in the past 10 years?

Yes... 1 No... 2

If no, please go to Q. 36

61

Q. 33 (a) Was the overtime worked

- (i) Regularly ..... 1
- (ii) Fluctuating seasonally? ..... 2
- (iii) Fluctuating? ..... 3
- (iv) Rarely ..... 4

62

(b) Please indicate in approximate terms the total number of overtime hours which you used to work in a typical year, and the number of employees involved.

No of hours

No. of employees

63-66, 67-70

(c) When did you eliminate it?  Month

19  Year

71, 72, 73, 74

(d) Who made the decision to eliminate it?

Employees	Floor Management	Middle Management	Higher Management
1	2	3	4

75

(e) Please give up to three reasons in order of importance for eliminating

- 1.
- 2.
- 3.

76

77

78

79 = Blank  
80 = 5

Q. 34 What measures were necessary in eliminating overtime and how were these implemented?

CARD 6

Measures taken:

Dup. 1-7

Implemented:

Arbitrarily	By agreement with workforce	By incentive
1	2	3

8

Q. 35 What was the effect of the elimination of overtime on employment, productivity, output (financial turnover) and costs?

	Greatly reduced	Somewhat reduced	Unaffected	Somewhat Increased	Greatly Increased	
Employment	1	2	3	4	5	9
Productivity	1	2	3	4	5	10
Output (or financial turnover)	1	2	3	4	5	11
Labour Costs	1	2	3	4	5	12
Capital Costs	1	2	3	4	5	13

Q. 36 Do you think it will ever become necessary to use overtime in the future?

Yes ... 1

No ... 2

14

For those answering Yes please give up to three circumstances under which it would be necessary to use overtime in the future.

1.

15

2.

16

3.

17

Q. 37 Have you any other views which you would like to express about overtime working? If so, please state below.

18, 19

HOURS OF WORK QUESTIONNAIRE - SERVICES

STRICTLY CONFIDENTIAL

INSTRUCTIONS

1. Because of the difficulties caused by the petrol shortage it may not be possible to give you much notice of the interviewer's call. We would therefore be very grateful if you could complete the questionnaire as soon as possible.
2. While the questionnaire may appear bulky, it is in fact quite easy to complete for two reasons.
  - (i) All that is required to answer most questions is that you circle the number(s) most appropriate to your firm.
  - (ii) Certain questions and sections will probably not apply to your firm. You should in any case answer questions 1 - 7.

There are two or three additional questions which can only be administered by the interviewer. These will be given to you when the interviewer calls on you.

3. All questions dealing with overtime refer to remunerated overtime only (i. e. overtime for which employees receive monetary compensation) with the exception of Q. 6 which deals specifically with non-remunerated overtime.
4. If you cannot supply exact answers for any particular question give the best estimate you can.
5. The interviewer will be happy to assist you with any questions which present difficulty.

---

FOR USE BY INTERVIEWER ONLY

INTERVIEWER NO. \_\_\_\_\_

ID. NO. \_\_\_\_\_

Manufacturing or Service? M ..... 1 S ..... 2

1		3

4			7

8 = 2

1. (a) In which industry sector does your firm operate?

\_\_\_\_\_



9

(b) Is there a shift working system in operation in your establishment?

Yes ..... 1

No ..... 2

10

If Yes please indicate the type of shift working system and the percentage of employees on shiftwork.

(i) Type of shiftwork (Circle appropriate number)

(i) Fully Continuous (i. e. 24 hrs. a day for 7 days a week) ..... 1

(ii) Semi-Continuous (i. e. 24 hrs. a day for less than 7 days a week) ..... 2

(iii) Discontinuous (i. e. less than 24 hrs. a day for 7 or less days a week) ..... 3

(ii) Percentage of employees on shiftwork

Less than 10%	10-29%	30-49%	50-69%	More than 70%
1	2	3	4	5

11

12

(d) Please indicate how long this establishment has been in business.

Less than 2 years	2-5 years	Between 5-10 years	Greater than 10 years
1	2	3	4

13

Q. 2. Please indicate in the table below for each occupational groups

(a) Standard hours per week for the full-time employee (i. e. employee who usually works at least 30 hours or more in the week)

(b) The number of permanent full-time employees

(c) The number of temporary full-time employees

(d) The number of part-time employees (i. e. those who usually work less than 30 hours in the week)

366

Q. 2 (contd.)

Occupational Group	Standard hours for the full-time employee	Number of permanent full-time employees	Number of temporary full-time employees	Number of part-time employees	
1. Higher Admin., Managerial & Professional (incl. sales representatives)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	14-26
2. Clerical	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	27-39
3. Personnel engaged in sales or point of service activity only	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	40-52
4. Maintenance	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	53-65
5. Others	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	66-78

Q. 3. The percentage of employees in non-attendance through absenteeism/sickness in a typical week is (circle the appropriate number)

0%	1-5%	6-10%	11-20%	Greater than 20%
1	2	3	4	5

79  
80=1

Q. 4. Indicate for the occupational groupings in your establishment the extent of membership of Trade Unions/Professional Associations (where these have negotiating power). Circle one number in each line of the following table.

CARD 2  
Dup. 1-7

Occupational Group	Extent of Trade Union Membership						
	0%	1-24%	25-49%	50-74%	75-99%	100%	
1. Higher Administrative Managerial and Professional (incl. sales representatives)	1	2	3	4	5	6	8
2. Clerical	1	2	3	4	5	6	9
3. Personnel engaged in sales or point of service activity only	1	2	3	4	5	6	10
4. Maintenance	1	2	3	4	5	6	11
5. Others	1	2	3	4	5	6	12

Q. 5. What percentage of total operating costs is represented by employee costs (direct and indirect) (Circle appropriate number)

- Less than 20%      21-40%      41-60%      61-80%      Greater than 80%
- 1                    2                    3                    4                    5

13

Q. 6. Please indicate as accurately as you can the amount of non-remunerated overtime hours worked in your establishment and the number of employees typically engaged in non-remunerated overtime for a recent 12 month period.

Period	Overtime hours	Number engaged in overtime

14	15	16	17
18	19	20	21

NOTE: All further questions relating to overtime refer to remunerated overtime (i.e. overtime for which employees are compensated).

Q. 7. Has remunerated overtime been worked in this establishment during the last 12 months.

22

Yes ..... 1                      No ..... 2

IF NO, PLEASE GO TO Q. 31, Page 14.

Q. 8.(a) Considering all the overtime worked in a year, which of the following would best describe its frequency. (Circle appropriate number)

- (i) Occasional ..... 1
- (ii) Seasonal ..... 2
- (iii) Regular monthly (i.e. worked for a part of every month) ..... 3
- (iv) Regular weekly (i.e. usually 1 to 3 times a week) ..... 4
- (v) Regular daily (i.e. usually at least 4 days/nights a week) ..... 5

23

(b) Please indicate the percentage of weekly overtime hours worked during the following days. Circle one number on each line of the following table.

	0%	1-20%	21-40%	41-60%	61-80%	81-100%
Monday - Friday	1	2	3	4	5	6
Saturday	1	2	3	4	5	6
Sunday	1	2	3	4	5	6

24

25

26

Q. 9. Please indicate below the number of remunerated overtime hours worked and the number of employees engaged in remunerated overtime for the week ending 16th June, 1979.

(Where this week presents undue difficulty please use the most convenient complete week in June 1979).

Indicate end date of reference week used

Day		Month	

27, 28

Occupational Group	Total number of Remunerated Overtime hours in reference week				Number of employees on Overtime in reference week			
1. Higher Admin., Managerial and Professional (incl. sales reps)								
2. Clerical								
3. Personnel engaged in sales or point of service activity only								
4. Maintenance								
5. Others								

29-34, 35-36

37-40, 41-44

45-48, 49-52

53-56, 57-60

61-64, 65-68

Q. 10. Please give as accurate an estimate as possible of the total number of remunerated overtime hours over the past 12 months in your establishment and the number of employees normally engaged in overtime work during that period.

Overtime hours					Numbers of employees engaged in overtime				

69-74, 75-79

80 = 2

Q. 11. Please indicate below the rates paid in your establishment for overtime hours worked and the corresponding hours for which they apply.

Weekdays -

For first \_\_\_\_\_ hours until \_\_\_\_\_ Rate paid = Time and a \_\_\_\_\_

Thereafter \_\_\_\_\_ Rate paid = \_\_\_\_\_

Weekends -

For first \_\_\_\_\_ hours on Saturdays until \_\_\_\_\_ Rate paid = Time and a \_\_\_\_\_

Thereafter (incl. Sundays) \_\_\_\_\_ Rate paid = \_\_\_\_\_

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	9	10	11	12
	<input type="checkbox"/>	<input type="checkbox"/>		
	13	14		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15	16	17	18	19
	<input type="checkbox"/>	<input type="checkbox"/>		
	20	21		

Q. 12. Do you feel that some element of overtime is essential in an establishment like yours?

Yes ..... 1      No ..... 2

22

Q. 13. Over the next 12 months do you think that overtime in your establishment will be: -

- (i) eliminated completely ..... 1
- (ii) greatly reduced ..... 2
- (iii) somewhat reduced ..... 3
- (iv) maintained at current levels ..... 4
- (v) somewhat increased ..... 5
- (iv) greatly increased ..... 6

23

Q. 14. Give, in order of importance, up to three reasons why your establishment uses overtime working.

1.

24

2.

25

3.

26



Q. 15. (a) Before receiving this questionnaire, have you or other members of management reviewed over the past six months the practice of overtime in your establishment?

Yes ..... 1	No ..... 2
-------------	------------

27

(b) If Yes, did this review result in:

	Yes	No
1. Approval of current levels of overtime	1	2
2. Cost benefit analysis of overtime	1	2
3. Examination of feasibility of replacing overtime with extra employees?	1	2
4. Improved efficiency aimed at reducing level of overtime?	1	2
5. Plans to increase level of overtime?	1	2
6. Other measures?	1	2

28

29

30

31

32

33

Please specify:

---



---

(c) Was this review at (circle one or more numbers as appropriate)

Floor Management level?	Middle Management level?	Higher Management level?
1	2	4

34

(code sum)

Q. 16. The Overtime Decision

(a) Who makes the decision on what overtime is to be worked? (Circle one or more numbers as appropriate)

Owner ..... 1

General Manager ..... 2

Middle Management ..... 3

Floor Supervisor ..... 4

Floor employee ..... 5

Other (please specify) ..... 6

35

---



---

36

Q. 16. (b) If more than one decision maker circled in (a) explain

37

(c) Are there any guidelines or financial or other limits (apart from legal limits) in relation to the amount of overtime worked in your establishment?

Yes ..... 1.

No ..... 2

38

If Yes please describe these limits/guidelines

39

Q. 17. (a) In your view, is the level of productivity during overtime hours lower than, the same as or higher than the level of productivity during standard hours? (Circle one of the following numbers).

Lower on  
Overtime

Same

Higher on  
Overtime

Not known

1

2

3

9

40

Please explain your choice of response in the space below.

41

Q. 17 (b) In your opinion, is the level of Productivity of the majority of workers during standard hours increased or diminished by the possibility of overtime working? (Circle the appropriate number)

Greatly Increased	Increased Somewhat	Unaffected	Somewhat Diminished	Greatly Diminished	
1	2	3	4	5	

42

Please explain your choice of response below.

43

Q. 18 Under what circumstances would it be possible to reduce overtime working in your establishment? Please specify below.

44, 45

Q. 19. (a) Are employees guaranteed a certain level of overtime in your establishment?

Yes ..... 1                      No ..... 2

46

If Yes please specify the level of guaranteed overtime \_\_\_\_\_ hours/week

47, 48

(b) Are employees required to work overtime at management discretion?

49

Yes ..... 1                      No ..... 2

(c) Is there a limit to the amount of overtime required to be worked by employees?

Yes ..... 1                      No ..... 2

50

If Yes please specify what this limit is \_\_\_\_\_ hours/week

51, 52

(d) Are conditions relating to overtime included in any Employee-Trade Union and Management agreement?

53

Yes .... 1                      No ..... 2

Q. 20 If there are unionised employees in your establishment do you find the Trade Union attitude in relation to overtime to be one of

Encouragement?	Acceptance?	Indifference?	Opposition?	No unionised employees	
1	2	3	4	5	

54

Q. 21 In relation to overtime working do you find that your employees generally are:

- (i) Eager to work overtime? ..... 1
- (ii) Willing to work overtime? ..... 2
- (iii) Indifferent to working overtime? ..... 3
- (iv) Reluctant to work overtime? ..... 4
- (v) Opposed to overtime and refuse to work it? ..... 5

55

Q. 22 (a) Have you ever tried to reduce the level of overtime being worked in your establishment?

Yes ... 1

No ... 2

56

For those answering yes to (a) please reply to (b), (c) and (d)

(b) Why did you decide to reduce the level of overtime?

57, 58

(c) What measures did you take in attempting to reduce overtime and how did you attempt to implement these measures?

Measures taken: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

59, 60

Implemented:-

(i) Arbitrarily    (ii) By Agreement with workforce    (iii) By Incentive

1

2

3

61

(d) What was the eventual effect of the measures on the level of overtime, productivity, employment and costs in your establishment? (Circle one number on each line)

	Greatly Reduced	Somewhat Reduced	Unaffected	Somewhat Increased	Greatly Increased	
Overtime	1	2	3	4	5	62
Productivity	1	2	3	4	5	63
Employment	1	2	3	4	5	64
Labour Costs	1	2	3	4	5	65
Capital Costs	1	2	3	4	5	66

574

Q. 23 The percentage of overtime hours worked in this establishment which it would be feasible to replace with additional employees is

\_\_\_\_\_ %

67, 68

Q. 24 The number of extra jobs that could be created in this establishment, (enterprise) by replacing (where feasible) overtime with additional employees would be

\_\_\_\_\_

69-71

Q. 25 (a) For what percentage of overtime hours worked in your establishment would it be possible to compensate employees with hours off in lieu of payment.

\_\_\_\_\_ %

72, 73

(b) The percentage of work done on overtime which could be done by part-time employees in this establishment is

\_\_\_\_\_ %

74, 75

In the next four questions (i. e. Q. 26-29) your views of the possible consequences for your establishment(enterprise) of changes in the regulations governing overtime working are sought. You will be asked to imagine that a number of different changes have been introduced some time ago.

76-79  
Blank

If your establishment (enterprise) had been obliged to operate under these changed regulations it is possible that your levels of employment, costs etc. would now be different from those which you actually experience today. We wish to seek your views on how different these levels would now be. (e. g. How different would the numbers you now employ be if overtime had been eliminated 12 months ago?)

80 = 3  
Dup. 1-7

Q. 26 (a) If overtime had been eliminated by law 12 months ago, how different would your levels of employment, costs, productivity and output(financial turnover) now be compared with today's actual values?

Please indicate the percentage change (if any) in the appropriate space below.

	Increase of	No change	Decrease of
Full-time employees	_____ %	_____	_____ %
	Increase of	No change	Decrease of
Part-time employees	_____ %	_____	_____ %
	Increase of	No change	Decrease of
Temporary employees	_____ %	_____	_____ %
	Increase of	No change	Decrease of
Capital Costs	_____ %	_____	_____ %
	Increase of	No change	Decrease of
Labour Costs	_____ %	_____	_____ %
	Increase of	No change	Decrease of
Productivity	_____ %	_____	_____ %
	Increase of	No change	Decrease of
Output (Financial Turnover)	_____ %	_____	_____ %

8	9	10
11	12	13
14	15	16
17	18	19
20	21	22
23	24	25
26	27	28

Q.26. (b) If overtime had been eliminated by law three years ago, how different would your establishment be today in terms of employment, productivity, costs and output (financial turnover)?

	Increase of _____ %	No change _____	Decrease of _____ %	<input type="text"/>	<input type="text"/>	<input type="text"/>
Full-time employees	Increase of _____ %	No change _____	Decrease of _____ %	<input type="text"/>	<input type="text"/>	<input type="text"/>
Part-time employees	Increase of _____ %	No change _____	Decrease of _____ %	<input type="text"/>	<input type="text"/>	<input type="text"/>
Temporary employees	Increase of _____ %	No change _____	Decrease of _____ %	<input type="text"/>	<input type="text"/>	<input type="text"/>
Productivity	Increase of _____ %	No change _____	Decrease of _____ %	<input type="text"/>	<input type="text"/>	<input type="text"/>
Capital Costs	Increase of _____ %	No change _____	Decrease of _____ %	<input type="text"/>	<input type="text"/>	<input type="text"/>
Labour Costs	Increase of _____ %	No change _____	Decrease of _____ %	<input type="text"/>	<input type="text"/>	<input type="text"/>
Output (financial turnover)	Increase of _____ %	No change _____	Decrease of _____ %	<input type="text"/>	<input type="text"/>	<input type="text"/>

29 30 31  
32 33 34  
35 36 37  
38 39 40  
41 42 43  
44 45 46  
47 48 49

Q. 27. Assume that the legislation governing hours of work was amended 12 months ago to reduce the maximum number of hours (incl. overtime) to be worked in the week by any employee from the present level of 60 hours to 50 hours. How would this have affected the level of overtime, employment, costs, productivity and output (financial turnover) in your establishment?

	Increase of _____ %	No change _____	Decrease of _____ %	<input type="text"/>	<input type="text"/>	<input type="text"/>
Overtime	Increase of _____ %	No change _____	Decrease of _____ %	<input type="text"/>	<input type="text"/>	<input type="text"/>
Full-time employees	Increase of _____ %	No change _____	Decrease of _____ %	<input type="text"/>	<input type="text"/>	<input type="text"/>
Part-time employees	Increase of _____ %	No change _____	Decrease of _____ %	<input type="text"/>	<input type="text"/>	<input type="text"/>
Temporary employees	Increase of _____ %	No change _____	Decrease of _____ %	<input type="text"/>	<input type="text"/>	<input type="text"/>
Capital Costs	Increase of _____ %	No change _____	Decrease of _____ %	<input type="text"/>	<input type="text"/>	<input type="text"/>
Labour Costs	Increase of _____ %	No change _____	Decrease of _____ %	<input type="text"/>	<input type="text"/>	<input type="text"/>
Productivity	Increase of _____ %	No change _____	Decrease of _____ %	<input type="text"/>	<input type="text"/>	<input type="text"/>
Output (financial turnover)	Increase of _____ %	No change _____	Decrease of _____ %	<input type="text"/>	<input type="text"/>	<input type="text"/>

50 51 52  
53 54 55  
56 57 58  
59 60 61  
62 63 64  
65 66 67  
68 69 70  
71 72 73

74-79 Blank

80 = 4

Q. 28. Assume that legislation governing hours of work was amended 12 months ago so that the maximum amount of paid overtime to be worked in the year by any employee was reduced to 150 hours, with any additional overtime hours worked to be compensated with time off. What would have been the likely effect on overtime, employment, costs, productivity and output (financial turnover) in your establishment over the last 12 months?

CARD 5  
Dup. 1 - 7

	Increase _____ %	No change _____	Decrease of _____ %
Overtime	Increase of _____ %	No change _____	Decrease of _____ %
Full-time employees	Increase of _____ %	No change _____	Decrease of _____ %
Part-time employees	Increase of _____ %	No change _____	Decrease of _____ %
Temporary employees	Increase of _____ %	No change _____	Decrease of _____ %
Capital costs	Increase of _____ %	No change _____	Decrease of _____ %
Labour costs	Increase of _____ %	No change _____	Decrease of _____ %
Productivity	Increase of _____ %	No change _____	Decrease of _____ %
Output (financial turnover)	Increase of _____ %	No change _____	Decrease of _____ %

8	9	10
11	12	13
14	15	16
17	18	19
20	21	22
23	24	25
26	27	28
29	30	31

Q. 29 If legislation was introduced 12 months ago requiring all overtime to be paid for at double rates what would be the effect on the levels of overtime, employment, costs, productivity and output (financial turnover) in your establishment?

	Increase of _____ %	No change _____	Decrease of _____ %
Overtime	Increase of _____ %	No change _____	Decrease of _____ %
Full-time employees	Increase of _____ %	No change _____	Decrease of _____ %
Part-time employees	Increase of _____ %	No change _____	Decrease of _____ %
Temporary employees	Increase of _____ %	No change _____	Decrease of _____ %
Capital costs	Increase of _____ %	No change _____	Decrease of _____ %
Labour costs	Increase of _____ %	No change _____	Decrease of _____ %
Productivity	Increase of _____ %	No change _____	Decrease of _____ %
Output (financial turnover)	Increase of _____ %	No change _____	Decrease of _____ %

32	33	34
35	36	37
38	39	40
41	42	43
44	45	46
47	48	49
50	51	52
53	54	55

Q. 30 Have you any other views which you would like to express about overtime working? If so, please state below.

56, 57

If you have just answered Q. 8 - 30 you should not answer the remainder of the questions. Q. 31-37 are to be answered only those who did not work overtime during the past 12 months. Thank you for your co-operation.

Q. 31 Please give in order of importance up to three reasons why you do not have overtime in your establishment.

- 1. 58
- 2. 59
- 3. 60

Q. 32 Have you ever worked remunerated overtime in your establishment in the past 10 years?

Yes ... 1 No... 2

61

If no, please go to Q. 36

Q. 33 (a) Was the overtime worked

- (i) Regularly ..... 1
- (ii) Fluctuating seasonally? ..... 2
- (iii) Fluctuating? ..... 3
- (iv) Rarely ..... 4

62

(b) Please indicate in approximate terms the total number of overtime hours which you used to work in a typical year, and the number of employees involved.

No of hours

No. of employees

63-66, 67-70

(c) When did you eliminate it?  Month

19  Year

71, 72, 73, 74

(d) Who made the decision to eliminate it?

Employees	Floor Management	Middle Management	Higher Management	
1	2	3	4	75

(e) Please give up to three reasons in order of importance for eliminating

- 1. 76
- 2. 77
- 3. 78

79 = Blank  
80 = 5

Q. 34 What measures were necessary in eliminating overtime and how were these implemented?

CARD 6

Measures taken:

Dup. 1-7

Implemented:

Arbitrarily	By agreement with workforce	By incentive
1	2	3

8



Q. 35 What was the effect of the elimination of overtime on employment, productivity, output (financial turnover) and costs?

	Greatly reduced	Somewhat reduced	Unaffected	Somewhat Increased	Greatly Increased	
Employment	1	2	3	4	5	9
Productivity	1	2	3	4	5	10
Output (or financial turnover)	1	2	3	4	5	11
Labour Costs	1	2	3	4	5	12
Capital Costs	1	2	3	4	5	13

Q. 36 Do you think it will ever become necessary to use overtime in the future?

Yes... 1

No... 2

14

For those answering Yes please give up to three circumstances under which it would be necessary to use overtime in the future.

1.

15

2.

16

3.

17

Q. 37 Have you any other views which you would like to express about overtime working? If so, please state below.

18, 19

HOURS OF WORK QUESTIONNAIRE SUPPLEMENTARY QUESTIONS

CARD 6

Firms which have worked overtime in past twelve months should answer S. 1 and S. 2 only,

Firms which did not work overtime in past 10 years should answer S. 3 and S. 4 only,

Firms which eliminated overtime in last 10 years should answer S. 3, S. 4 and 5.5.

INTERVIEWER NO. \_\_\_\_\_

ID. NO. \_\_\_\_\_

Manufacturing or Service?

M..... 1

S..... 2

--	--	--

20 21 22

--	--	--	--

23 24 25 26

27

S. 1. Listed below in alphabetical order are reasons establishments sometimes give for overtime working. Please indicate (by circling the appropriate number) the importance or otherwise of these reasons for overtime working in the case of your establishment.

1. Agreement with Trade Union/Employee guaranteeing level of overtime.
2. Constraints in production capacity due to lack of capital.
3. Constraints in production capacity due to lack of space.
4. Demand from employees for overtime hours.
5. Desire by establishment management/ownership to keep numbers employed within manageable proportions.
6. Employee absenteeism or sickness.
7. Employee holidays.
8. Fashion trends.
9. High turnover of employees.
10. Industrial dispute within establishment.
11. Interruptions in essential services (e. g. power, communications, transport etc.).
12. Labour legislation (e. g. unfair Dismissals Act) and redundancy payment regulations act as a disincentive to take on extra employees instead of overtime.
13. Lack of supervision.
14. Low productivity.
15. Machine breakdowns.
16. Nature of production process or service activity.
17. Need to make maximum utilization of capital equipment.
18. Overtime is cheaper than taking on additional staff.
19. Overtime is necessary to meet deadlines.

	Very Important	Important	Not Important	
1	1	2	3	28
2	1	2	3	29
3	1	2	3	30
4	1	2	3	31
5	1	2	3	32
6	1	2	3	33
7	1	2	3	34
8	1	2	3	35
9	1	2	3	36
10	1	2	3	37
11	1	2	3	38
12	1	2	3	39
13	1	2	3	40
14	1	2	3	41
15	1	2	3	42
16	1	2	3	43
17	1	2	3	44
18	1	2	3	45
19	1	2	3	46

## S.1 (cont.)

	Very Important	Important	Not Important	
20. Overtime is required to do work which would interfere with normal activities during standard hours.	1	2	3	47
21. Overtime is used to meet occasional increases in demand.	1	2	3	48
22. Overtime is used to take advantage of weather conditions.	1	2	3	49
23. Overtime is used to retain skilled employees in short supply.	1	2	3	50
24. Overtime provides increased monetary reward for employees.	1	2	3	51
25. Problems arising from start up of new operation.	1	2	3	52
26. Problems associated with obtaining supplies of raw materials/parts etc. (including seasonal fluctuations in supply)	1	2	3	53
27. Recruitment difficulties arising from shortage of labour.	1	2	3	54
28. Restrictions on employment.	1	2	3	55
29. Rush Orders.	1	2	3	56
30. Fluctuations in customer demand.	1	2	3	57
31. Shortage of skilled workers.	1	2	3	58
32. Stamp contributions and other employee costs incurred by employer make overtime more economic than increasing employment.	1	2	3	59

S.2 This is a list in alphabetical order of conditions which establishments sometimes say are required to be implemented if overtime working is to be reduced. Please indicate the extent to which these conditions are applicable in case of your establishment by circling the appropriate number below.

	Very much applicable	Applicable to a limited extent	Not Applicable	
1. Adequate supply of skilled labour.	1	2	3	60
2. Elimination of industrial unrest within the establishment or elsewhere.	1	2	3	61
3. Greater labour availability.	1	2	3	62
4. Hire of temporary staff.	1	2	3	63
5. Increase in numbers employed in establishment.	1	2	3	64
6. Increased Automation and Investment.	1	2	3	65
7. Increased Productivity.	1	2	3	66
8. Increased remuneration for employees.	1	2	3	67
9. Introduction/expansion of part-time staff in the establishment	1	2	3	68
10. Introduction/expansion of shiftworking.	1	2	3	69
11. Low turnover of staff.	1	2	3	70
12. More adequate supervision of employees.	1	2	3	71

S. 2 (cont.)

CARD 6

	Very much applicable	Applicable to a limited extent	Not Applicable	
13. Ready availability of raw materials/parts/other inputs.	1	2	3	72
14. Reduction in cost of stamp and other employee costs incurred by employer.	1	2	3	73
15. Steady demand for products/service	1	2	3	74
16. Steady supply of raw materials to establishment.	1	2	3	75
17. Stricter control on attendance of employees.	1	2	3	76
18. Time off in lieu of payment for hours worked outside standard hours.	1	2	3	77
19. Trade Union/Employee agreement.	1	2	3	78
20. (Manufacturing firms only) Production of quality product on first attempt.				
(Service organisations only) Reduction in level of service	1	2	3	79

80 = 6

CARD 7

Dup. 1-7

S. 3.

Listed below in alphabetical order are reasons establishments sometimes give for not working overtime. Please indicate the importance of these reasons for not working overtime in the case of your establishment.

	Very Important	Important	Not Important	
1. Cheaper to employ extra staff than to work overtime.	1	2	3	8
2. Employees not willing to work overtime.	1	2	3	9
3. Not economically justified.	1	2	3	10
4. Overtime bought out as part of productivity agreement with employees.	1	2	3	11
5. Possible to meet demand without use of overtime	1	2	3	12
6. Surplus of labour employed in establishment	1	2	3	13
7. The nature of the production process/activity makes overtime infeasible.	1	2	3	14
8. The working of overtime reduces the level of productivity during standard hours.	1	2	3	15

**S.4. (ONLY TO BE ANSWERED BY FIRMS WHO HAVE NOT WORKED OVERTIME IN PAST 12 MONTHS)**

Listed below in alphabetical order are circumstances some establishments say might necessitate the use of overtime in the future. You are being asked to indicate the likely importance of these circumstances in the case of your establishments.

1. High rate of absenteeism
2. High turnover of staff
3. Increases in employee costs which are incurred by employer
4. Increase in rush orders
5. Rise in demand
6. Requests from workforce for overtime
7. Shortages of suitable staff

Very Important	Important	Not Important	
1	2	3	16
1	2	3	17
1	2	3	18
1	2	3	19
1	2	3	20
1	2	3	21
1	2	3	22

**S.6. (ONLY TO BE ANSWERED BY FIRMS WHO HAVE ELIMINATED OVERTIME IN PAST 10 YEARS)**

Listed below in alphabetical order are reasons establishments give for having eliminated overtime. Please indicate the importance of these reasons in the case of your establishment.

1. Demands for product /service more stable
2. Employees no longer willing to work overtime
3. Greater labour availability
4. Improvements in productivity during standard hours made its use no longer necessary
5. Labour force increased
6. Overtime created divisiveness among employees
7. Overtime had adverse affect on Productivity during standard hours
8. Reduction in demand
9. Stable supply of raw materials/parts/inputs
10. "Start-up" problems eliminated
11. Use of overtime no longer economically viable

Very Important	Important	Not Important	
1	2	3	23
1	2	3	24
1	2	3	25
1	2	3	26
1	2	3	27
1	2	3	28
1	2	3	29
1	2	3	30
1	2	3	31
1	2	3	32
1	2	3	33

## Bibliography

1. Central Statistics Office

"The Trend of Employment and Unemployment in 1978" 1979.

This provides details and analysis of the trend of Employment and Unemployment for 1978 and previous years.

2. Zighera Jacques A. et. al.

"Analyse Des Resultats Des Enquetes Par Sondage Sur Les Forces De Travail"

This uses labour force data to examine numbers working in excess of 45 hours and the amount of extra job units possible from these hours.

-3. Importance et Repartition Des Durees Effectives Du Travail Elevees Dans Les Pays De La Communante" February 1979.

3. Commission of the European Communities SEC (78) 740

"Work-Sharing" February 1978.

This outlines the forms and methods of work-sharing. It outlines the justification for Community action and areas where possibilities for action and exploration exist.

4. Commission of the European Communities SEC (78) 740/2

"Work-Sharing - Objectives and Effects" February 1978

This forms the annex to item 3 above. Work-sharing as a strategy is evaluated and the difficulties resulting from the introduction of work-sharing measures are discussed.

5. Commission of the European Communities COM (78) 512

"Tripartite Conference of 9th November 1978  
Communication from the Commission" October 1978.

This describes the strategy and actions that the Commission considers necessary to bring about a recovery in the employment situation.

6. Commission of the European Communities COM (79) 188

"Communication from the Commission to the Council on Work-Sharing"  
May 1979.

This consists of a summary of the economic position and trends. It presents an examination of the possible role of Community intervention and a brief examination of the economic effects of a reduction in working hours.

7. Commission of the European Communities

(1) "Opinion to the Council and the Commission on the adaptation of Working Time by the Economic Policy Committee"  
II/587/79-EN October 1979.

This sets out the main conclusions of the Economic Policy Committee about the economic effects of the different measures to reduce working time.

- (ii) "Report to the Council and the Commission on the adaptation of Working Time by the Economic Policy Committee"  
II/547/79-EN October 1979.

This sets out in greater detail the results and conclusions presented in (i).

8. Commission of the European Communities.

"Communication from Mr. Vredeling on Work-Sharing"  
V/253/79-EN March 1979.

This outlines the conditions which any work-sharing policy should take account of. It also deals briefly with the measures which could apply as part of a work-sharing strategy.

9. Whybrew E.G. U.K. Royal Commission on Trade Unions and Employers Associations 1968.

"Overtime Working in Britain - a study of its origins, functions and methods of control".

This deals with the extent and characteristics of overtime working in Britain. It examines the function, regulation and determinants of overtime working in Britain. It also discusses some methods of control of overtime.

10. Sallis H. "Overtime in Electricity Supply - Its incidence and control in England and Wales 1954 - 1969". London School of Economics, 1970.

This provides an account of overtime in British industry generally and for electricity supply in particular. It examines for both possible explanations of overtime working.

11. National Board for Prices and Incomes.

"Hours of Work, Overtime and Shiftworking"  
Report No. 161, 1970.

This examines the relationship between the length of the working week (incl. overtime) and earnings, costs and productivity.

12. Mabry R.D. "Sources of Overtime Integrated"  
Industrial Relations Vol. 15 (2) 1976.

This explains pattern of overtime observed in U.S. using data for 20 manufacturing industries.

13. Brechling, F.P.R. - "The Relationship between Output and Employment in British Manufacturing Industries"  
Review of Economic Studies, July 1965.



This involves the construction of employment demand function and testing it using U.K. data.

14. Ball and St. Cyr - "Short Term Employment functions in British Manufacturing Industry"

Review of Economic Studies, July 1966.

This involves an extension of the contribution by (13) above in the development of a means of explaining the short period behaviour of employment levels in U.K. manufacturing industry.

15. Fair R.L. - "The Short Run Demand for Workers and Hours" Contributions to Economic Analysis, Vol. 59, 1969.

This contains an examination and development of models of short-run demand for employment.

16. Oi, W.Y. "Labour as a Quasi Fixed Factor" Journal of Political Economy Vol. LXX, December 1962.

This develops the concept of a quasi fixed factor and its influence on employment changes.

17. Van Atta "An analysis of Overtime Working for Production Workers in Manufacturing Industry 1957-65"

- Ph.D. thesis 1967 (U.S.A.)

This involves an examination of overtime working for U.S. Production Workers with particular reference to the effect of fixed costs associated with labour.

18. Ehrenberg R. - "Fringe Benefits and Overtime Behaviour" 1971.

This considers the relationship between overtime and ratio of fixed labour costs and overtime rates as well as other determinants of overtime behaviour.

19. Hughes, D.B. - "Overtime and fringe benefits to employment: Automobile Assembly".

Ph.D. thesis, August 1974 (U.S.A.)

This investigates the effects of fringe benefits on hours of work in the automobile industry.

20. Schwartz, A.R. "The effects of Benefits and Overtime costs on the short run cyclical demand for labour in the automobile industry in Michigan.

Ph. D. thesis 1978 (U.S.A.)

This examines the effects of fringe benefits and overtime costs on the short-run demand for labour in the automobile industry in Michigan.

21. Hart, R.A. and Sharot, T. - "The Short-run Demand for Workers and Hours: a Recursive Model".

Review of Economic Studies Vol. XLV (2), June 1978.

This involves the development of a model for the short-run demand for Workers and Hours. The model is tested using data for British manufacturing industry.

22. U.S. Dept. of Labour - Wage and Hour and Public Contract Divisions. "Premium Payments for Overtime under the Fair Labour Standards Act" 1967.

This examines practices dealing with overtime payments and the extent to which such overtime work impedes the creation of new job opportunities in American industry.

23. Geoghegan, B.J. and Frain, P.F.

"Some aspects of Labour Costs and Earnings 1974 and 1975"

- Paper read before the Statistical and Social Inquiry Society of Ireland, May 1979.

This examines the levels, composition and factors associated with labour costs and earnings based on data obtained from C.S.O. surveys carried out on behalf of the E.E.C.

24. Kirwan, F. X. "Non-Wage Costs, Employment and Hours of Work in Irish Manufacturing Industry"

- Economic and Social Review, April 1979.

This provides a model of the short-run demand for workers and hours in Irish industry. The model is tested with data for Irish manufacturing industry.

25. Oudiz, Raoul et Sterdyniak - "Reduire la duree du travail, quelles consequences?"

- Economie et Statistique, May 1979.

This presents results on the effect of a reduction of one hour in weekly working hours in France under different assumptions on its implementation.

26. Travaux Du Bureau du Plan Sur La Diminution De La Duree Du Travail, June 1979.

This examines for the Belgium economy the effect of a number of possible reductions in working hours over the period 1977-80.

27. Central Planning Bureau - "Central Economic Plan 1979". Holland, April 1979.

This examines for Holland the effect on employment of a number of changes in working time. These involve reductions in working hours and early retirement.

- 28. "Measures to alleviate Unemployment in the Medium Term; Work-Sharing". Dept. of Employment Gazette, April 1978.

This considers the implications of a reduction in working hours for unemployment in U.K.

- 29. "Measures to alleviate Unemployment in the Medium Term; Early Retirement". Dept. of Employment Gazette, March 1978.

This considers the implications of a policy of early retirement for unemployment in the U.K.

- 30. Mitteilungen aus der Arbeitsmarkt - und Berufsforschung" Vol. 12 (1979) No. 1 P. 29-30.

This presents an outline of measures which are helping to shorten working life. It presents estimates of the effect of these measures in reducing pressure on the labour market.

- 31. NESC (44) - "Comments on Development for Full Employment".

This presents the reaction of the NESC to the Green Paper Development for Full Employment".

- 32. Quinn - "Development for Full Employment - The Green Paper". The Irish Banking Review, September 1978.

This deals with the Green Paper "Development for Full Employment".

- 33. O'Riordan - "Changes in the Pattern of Employment". The Irish Banking Review, September 1979.

This considers changes in the pattern of employment concentrating on the changes in the sectoral distribution of employment.

- 34. Walsh - "Work-Sharing and the Unemployment Problem in Ireland". Report to the Federated Union of Employers, September 1979.

This contains a review of work-sharing measures with particular reference to Ireland.

- 35. Federated Union of Employers - "Submission to Government on Development for Full Employment".

This contains the response of the Federated Union of Employers to the Green Paper "Development for Full Employment".

- 36. The Confederation of Irish Industry - "Response to the Green Paper" Economic Review Number 2, 1978.

This presents the views of the Confederation of Irish Industry to the Green Paper "Development for Full Employment".

37. Irish Congress of Trade Unions - "Submission to the Government on Full Employment", October 1978.

This deals with the view of the Irish Congress of Trade Unions to the Green Paper "Development for Full Employment".

38. Clutterbuck, David "Shorter Working: more jobs or more problems?" International Management, July 1979.

This considers the renewed pressure for a cut in working hours as a means of reducing unemployment.

39. Reply to Dail Question of 16th March, 1977 giving details of amounts of payable overtime in the Public Service.

40. Institute of Manpower Studies, Brighton.

"Implications of specific work-sharing measures at the enterprise level - experience in the United Kingdom".

This presents the results of an examination at enterprise level of the possible role of work-sharing measures.

41. Hughes B. and Leslie D. "Hours of Work in British Manufacturing Industries" - Scottish Journal of Political Economy, Nov. 1975.

This considers for the Motor Vehicle industry in particular the demand for hours.

42. Solow, R. M. "Short-run adjustment of Employment to Output", 1968.

This provides a cost adjustment model of employment to output.

43. Nickell, N.J. "Fixed costs, Employment and Labour Demand over the Cycle" - *Economica* Vol. 45, November 1978.

This presents a construction of a model to explain the demand for labour. The model is used to assess the implications of hiring and firing costs.

44. Phipps, A.J. "The Relationship between Output and Employment in British Manufacturing Industry".

Oxford Bull. Econ. Statis. February 1975.

This considers the relationship between employment and output with particular reference to training and adjustment costs.

45. Geary, P.T. "Real Wages and Employment" - *The Irish Banking Review* Dec. 1978.

This deals with policies which affect the cost of labour.

990  
390

46. Eurostat: "Labour Costs in Industry 1975". 1977

1  
2

3  
4