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# **WHEN WORKING FIVE DAYS A WEEK SEEMS RADICAL: COMPRESSED WORKING WEEKS IN THE AUSTRALIAN CONSTRUCTION INDUSTRY**

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## **Abstract**

This paper examines the working time expectations and preferences of employees within the male dominated Australian construction industry. The construction industry in Australia is a demanding work environment, with longer than average working hours. Most construction sites operate on a six-day week basis, with both salaried and waged staff often working very long hours. Through questionnaires, interviews and focus groups, this research explores the experiences of employees in four major construction sites within Australia. We argue that the complex mix of wage and salary earning staff, along with labour market pressures means that changing to a five-day working week is quite a radical notion within the industry. However, there are some organisations willing to explore opportunities for change with mixed experiences.

## **Introduction**

In 1856 stonemasons and other building workers marched through the city of Melbourne to both celebrate and proclaim victory in the new 'Eight Hours System' that they had negotiated over the preceding months with leading employers (Love, 2006). Marching under the banner of 'Eight Hours Labour, Eight Hours Recreation, Eight Hours Rest' the employees had successfully negotiated one of the earliest officially sanctioned forty hour working weeks (Love, 2006). In the late 1960s and early 1970s many commentators predicted a substantial further reduction in working time and increase in leisure time (Brown and Rowe, 1998). However, something went wrong. OECD figures suggest that full-time employed Australians now work some of the longest hours among industrialised nations. Over the last twenty years working time patterns have shifted from a pattern of declining hours worked on average to one where working hours are increasing (Campbell, 2002).

It is argued by many that there are significant social problems associated with long working hours (defined as 45 hours a week or more); for example, the potential disruption to family

life (Pocock, 2003; Townsend et al, 2003), sleep dysfunction (Dawson, McCulloch & Baker, 2001), and workplace health and safety risks (Spurgeon, Harrington and Cooper, 1997). Reductions or changes in working time practices have received research attention as contributing to improving work-life balance, however the adjustment of working time arrangements to deliver better work options for employees has been difficult to achieve. Problems of job dissatisfaction, increased turnover intention, lack of general well-being, substance abuse and psychological and psychiatric problems have been found to be caused by imbalances of work and non-work life (Allen et al. 2000; Netemeyer, Boles & McMurrian 1996; Boyar et al.2003).

Australia's increasingly decentralised IR system has potentially exacerbated the problem of long working hours (Campbell and Brosnan, 1999). Not only do Australians work long hours, it is well established that not all employees are paid for these extra hours (Peetz et al, 2003). The Australian Bureau of Statistics (ABS) reports that almost 30 per cent of employees (2.9 million) work extra hours or overtime in November 2006. Of these, 43 per cent are usually paid for this extra work whilst 48 per cent usually worked unpaid overtime (ABS, 6432.0). The discrepancy between these two cohorts is one of the most important issues to consider when managing working time arrangements for the construction industry. Each construction site consists of a combination of employees who are paid for extra hours (for example, tradespeople and labourers) and employees who are not paid for extra hours (for example, engineers and managers). The distinctly different groups are however, reliant upon the presence of each other to perform their tasks.

This paper examines data collected from four case study sites that experimented with varying success with a five-day working week – a shift from the industry standard six days. Firstly, this paper will outline some important aspects of the Australian construction industry that influence and determine working time arrangements. Secondly, this paper will introduce and describe the four worksites for this study and the research methodology. Following this, the paper will analyse the way the management team at each worksite approached the introduction of a five day working week and the success of the introduction. This paper argues that dynamics within the construction industry means that introducing working time changes can be complicated, however, when managers do make the commitment the personal and social benefits to their employees are substantial.

## **Working Time in the Australian Construction Industry**

The construction industry in Australia contributes to around seven per cent of Gross Domestic Product (GDP) and suffers from a highly volatile demand (Underhill, 2002). The traditional work patterns prevalent in the construction industry are based upon gendered assumptions about the nature of work and the ever-availability of employees (Dainty and Lingard, 2006). Work cultures that equate long hours spent at work with employee commitment assume a division of labour in which men's time is devoted to work, while women's time is devoted to managing the home and family. This division, which frees employees to be available to respond to organizational demands at all times, is no longer applicable to the workforce of the 21<sup>st</sup> Century (Lawrence and Corwin 2003)

Historically, the gendered nature of the construction industry has led to assumptions that construction is 'men's work' and discourages the entry of women. Evidence suggests that those women who do enter the industry often depart prematurely due to employment conditions (Byrne et al. 2005); in particular, the industry's failure to accommodate the family

needs of employees has reportedly acted as a barrier to women's entry into the construction industry (Fielden et al. 2000). Currently only 7.9% of all managers and professionals in the Australian construction industry are female (ABS 2003). A recent survey by the Association of Professional Engineers, Scientists and Managers revealed that many female construction industry professionals are forced to choose between career and family, with many leaving their professions in order to raise children (*The Age* 2004).

The industry's rigid adherence to long hours and inflexible work schedules is also believed to hinder its ability to attract and retain talented employees. The Australian construction industry is facing a critical shortage of skilled workers. It is estimated that, if the construction industry is to replace its retiring workers and meet growth demands, between 40,000 and 50,000 new skilled workers will be needed in the next five years (*The Australian* 2005). The industry's failure to respond to employees' work-life balance expectations by maintaining long working weeks threatens to substantially reduce the industry's long term performance and competitiveness. Combined Workplace Industrial Relations Study data from Eastern seaboard states in Australia indicates that 68 percent of construction workplaces have had difficulties recruiting personnel in recent times (Considine and Buchanan, 2007).

Overtime is usually manifest in one of two forms: paid and unpaid overtime. Campbell (2005) points out that paid overtime is when extra hours are remunerated with extra money. Unpaid overtime represents all other cases of extra hours. However, sometimes these 'unpaid' extra hours can result in other benefits such as higher salary packages, the right to more flexible working arrangements or other package arrangements (Campbell 2005). This is important for the construction industry due to the composition of the workforce at each worksite.

It is important to highlight that there are two cohorts of employees on construction sites such as these. Ostermann (1987, 1988) identified these groups as comprising two subsystems within a larger system of employment within a workplace. The first is the white-collar salaried subsystem and the second is the industrial subsystem comprising blue-collar workers. The first group, the salaried staff, includes the site manager, engineers, designers and supervisory staff. Regardless of the hours the people within this group work, they are paid a yearly salary. Hence, the overtime performed by these employees is 'unpaid overtime'.

In comparison, the waged staff are the tradespeople and those classified as unskilled labour. These employees are paid at an hourly rate covered in an enterprise bargaining agreement. By working more hours, these employees are paid penalty rates that substantially increase their pay packets, in some cases by up to 60 percent – therefore, 'paid overtime'. Certainly, neither group is homogenous, but there are direct conflicting motivations for establishing working time arrangements that suit the work-life balance of both groups of employees. Furthermore, the two groups have such a complex mix of processes to perform on a daily basis they rely upon each other to be present to adequately perform their daily tasks.

### **The Case Study Sites and Research Method**

The four case study sites considered in this paper share a range of similarities. Each site is located within the south-east metropolitan area of Queensland and each site is made up of an alliance of private companies and government departments charged with the development of significant infrastructure. Employee numbers throughout each of the site fluctuate throughout the lifecycle of the project; however, each project consists of similar types of people and

roles. For example, each worksite has a number of managerial staff, engineers, design personnel, administrative staff, and both skilled and unskilled labourers.

Each of the four case study sites experimented with the five-day working week to various extents and with varied results. The fundamental motivation for each management team was to play a role in improving the work-life balance of their employees. Case 1 implemented a compulsory five-day working week with an additional hour added to each working day Monday to Friday. Case 2 initially implemented a five-day week with no commensurate addition to the hours worked throughout the week. Case 3 provided the some employees the opportunity to work five-days a week on an ad-hoc basis, largely determined by the employee’s family needs and the ease of working five days in any particular role. Case 4 implemented a compulsory five -day working week with an additional 30 minutes per day whilst maintaining one Saturday per month roster. The differing approaches to the five day working week are outlined in Table 1.

Table 1: Case Studies Approach to 5-day week

<b>5-day week approach</b>	<b>Site 1</b>	<b>Site 2</b>	<b>Site 3</b>	<b>Site 4</b>
5 Day Week Initiated	Yes	Yes	Partially	Yes
5 Day Week Sustained	Yes	Partially	Partially	Yes
Increase in Hours Monday to Friday	Yes	No	No	Yes
Weekend Work	No	After failure of 5-day roster	Yes	One day per month*

\* Case 4 implemented a five-day week whilst maintaining one Saturday a month at work. Hence, in a four week cycle the employees would have two 2-day weekends, and one 1-day and one 3-day weekend.

The methodological approach at each case was determined through negotiation with the site management and deemed appropriate for the particular workforce. A combination of qualitative and quantitative data was collected at each worksite. The different data collection methods are set out in table 2.

Table 2: Data Collection Methods at Case Studies

<b>Methodological Approach</b>	<b>Site 1</b>	<b>Site 2</b>	<b>Site 3</b>	<b>Site 4</b>
Questionnaire	Yes	Yes	Yes	Yes
Long interviews (1 hour)	Yes	Yes	No	No
Short Episodic Interviews (15 minutes)	No	No	Yes	Yes
Focus Groups	No	No	Yes	Yes
Diary Study	No	Yes	No	No

## Case 1

Case 1 provides a clear example of a management team that decided to take a ‘radical’ approach to roster and worksite management through implementing a five-day, compressed working week. Certainly, the management team was confronted with some resistance from the workforce initially; however, the overwhelming majority of employees supported the move by management. When asked about the increase in working time through the week – the compression of existing hours into five days rather than the traditional six – there was a mixed reaction from staff. Overall, employees felt that the compression of working hours was preferred as it allowed two full days of rest on the weekend. While the income of the waged staff remained the same, there appeared to be little resistance to the change. However, the winter months saw a slight reduction in weekly hours and the corresponding reduction in income for the waged employees. Still, only two of the 23 people surveyed indicated that they would prefer the extra money than the time off work. In comparison, the salaried employees did not experience any change in income and unanimously preferred the reduction in working hours and days worked per week.

There were many benefits to the compressed working week, including the opportunity to rest and recuperate between working weeks. Comments from employees are typified by:

*‘The five day week has just made it incredible. I’ve talked to the workers out on site. I mean, they get to spend a whole weekend with their kids and their families now, not just one day’* (salary staff)

*‘Having a weekend off, you can go somewhere, even if it is only for a night – go Saturday, come back Sunday. And you are refreshed to go back to work on Monday’* (wages staff)

Completing the project six months ahead of schedule indicates that the project’s time and cost performance suggests that the change to a five day week did not hinder the attainment of objectives in other key result areas (KRAs) of the project. Employees were very satisfied with the compressed work week and reported a number of benefits, including increased physical and psychological well-being, greater motivation, improved productivity, increased job commitment and increased involvement in home/family activities.

## Case 2

Case 2 provides a very different story as the implementation of the five-day week was not as successful and therefore not sustained as a complete worksite commitment. All waged employees recognise that not working on Saturdays provides them with substantial benefits and would prefer a compressed working week. That way, all employees could maintain a five-day working week and the benefits that are associated with it, but they can also maintain the wage levels due to overtime penalty rates. However, this site operated primarily through the winter months and consequently, did not have adequate daylight hours to sustain a ‘compressed’ working week. This meant that by implementing a five-day working week the

employees were simply losing their Saturday work and the penalty rates delivered for that day.

Soon after the implementation of the five-day week another construction site opened in the area, the workplace lost approximately one-third of their waged workforce. These employees commented to the managerial staff at the time it was purely a financially driven decision – they could make more money on a worksite that provided Saturday work. The project management group reassessed their WLB initiatives and initiated a roster system for the salaried staff. This solution meant that while (some) waged staff and project requirements demanded the return of a six-day working week, the salaried staff would not be required to attend every Saturday but one Saturday in four. It is important to note that the six-day working week was not compulsory for waged staff; however, with the financial incentive of six hours at double-time rates of pay, many elected to work Saturdays. As one of the employees suggested when asked why they work six days a week, ‘Basically, I’m just happy to get the money’ (Interview 7).

Again, those employees who decided to maintain the five-day working week enjoyed the experience and noted significant benefits to their work and non-working lives. For example:

*‘The Saturdays that you do get, you appreciate them, but you do feel a lot more refreshed coming Monday, that extra day makes a big difference.’*  
salaried staff

*‘(the five-day week) ..it makes you feel better inside, because you are thinking “I’ve got the Saturday off” and you think “Oh great” and it makes you do your job better, you feel more comfortable, and you’re happier doing what you’re doing. Makes a difference.’* salaried staff

### Case 3

At Case 3 there was not the same managerial imperative to implement a 5-day working week. Certainly, the management team recognised that work-life balance was a concern for the industry and also for their worksite; however, unlike the management team at our other three sites there simply was not the same commitment to drive the change. Consequently, after many months of deliberation and working a 6-day roster and long working hours (only 20 percent of employees work fewer than 50 hours a week and more than more than 30 percent of employees work more than 60 hours a week) the management team realised that they were approximately six months ahead of timeframe targets. The decision amongst the managerial team was that they were unwilling to experiment with universal roster changes when what they were doing was working successfully for project timelines. However, employees were allowed to change to working a five-day system if they could demonstrate a personal need and their work role would permit the change without disruption to work colleagues and production schedules. Fewer than 20 of the 300 strong workforce began working a five-day week.

Despite the limited take up and the range of reasons behind this, those employees (all salaried staff) who did shift to a five-day week reported substantial improvements in their non-working lives and furthermore, they all held the perception that the increased non-work time each weekend allowed the rest and recuperation to increase their energy levels and

productivity in work time. This is consistent with the findings throughout the other cases. A 'conservative' approach by the management team in relation to roster changes demonstrates that the success of the five-day week in increasing labour productivity and reaching KRAs may not be causal; however, the data collected does support the argument that the personal lives of employees is improved greatly by the reduction in working hours and corresponding increase in leisure time.

#### Case 4

At Case 4 the management found the introduction of a five-day working week to be somewhat controversial and problematic. After initial questionnaires and focus groups provided a clear indication that there was concern amongst the workforce over the long working weeks, the management team decided to implement a five-day working week. However, there was some concern from the waged employees voiced through supervisors over the potential that their pay packets would be reduced. In an attempt to alleviate these concerns the managerial staff considered a range of roster proposals in conjunction with the enterprise bargaining agreement to find a roster that would allow a five-day week whilst not reducing the waged staff's take-home pay.

The roster system that was agreed upon meant that employees would begin work 30 minutes earlier every morning and work one Saturday per month. The accumulated penalty rates meant that on a monthly cycle the employees would receive approximately \$30 *more* take-home pay, although there was only the one weekly 'spike' in take home pay due to the Saturday penalty rates. When the employees did work on a Saturday it was following a rostered day off on the previous Monday, hence, still a five day working week. The additional benefit of this roster system was that every month all employees were taking a three day weekend.

Implementation of this roster system began in September 2007 and at the time of writing the impact of the five-day working week was not fully understood. However, some preliminary data indicates similar to Case 1 a positive, if slightly mixed result. Two employees have left because they would prefer to work Saturday. According to the HR manager the employee's reason for leaving was that were convinced that they would earn more money by working on a six day week site. A small number of employees (two of the fifteen interviewed through regular monthly interviews) indicated that the money was a concern although they admitted they had not 'done the sums' to ascertain whether they were actually earning more or less.

Overwhelmingly, the employees indicated that they were pleased with the new roster system for the real or perceived twin benefits. The first of these benefits were the increased leisure time on the weekends to spend with friends, family and simply resting and recovering. The second benefit was a flow on from the increased recuperation time – the reduction in fatigue at the workplace. Employees report arriving at work after a weekend refreshed, more alert and more ready to work particularly given they have five days ahead of them rather than six.

This case will, in time potentially provide the best opportunity to suggest causal relationships between the change in working time arrangements and a range of factors within the case study site. The research group, along with the HR employees on-site are gathering a range of measures pre- and post- roster change. These include the rate of turnover, the number of sick days, and the number of accidents and incidents at the worksite. It is anticipated that such

measures will be a contribution to establishing a greater level of causality between the compressed working week and overall changes for workplace productivity.

## **Discussion**

The four case studies presented here add to an increasing mass of literature that considers the work-life balance of employees. In these particular cases the issue at hand was one of working time – specifically the experiment with a ‘radical’ approach to rosters within the construction industry in Australia. Certainly, it is somewhat difficult to conceive that working a five-day week could be considered radical; however, by the expectations of participants and by this industry’s standards it certainly is radical.

The researchers acknowledge that through the lack of an experimental design within this research project we cannot claim any causal impact of the 5-day week on increased levels of productivity, reduction in accidents, incidents and turnover. However, what is a very clear thread throughout the four cases is that the compression of the working week leads directly to the perception of employees that their work-life balance is improved. This, coupled with the fact that we can say that shifting to a five-day roster has not increased costs and timeframes in these worksites, it can be argued that if the increased work-life balance of employees is a gain without any cost, then it may provide employers with a point of difference in an increasingly tight labour market.

Perhaps the most significant obstacle confronting managers within this industry is the disparate preferences but co-dependent nature of the two cohorts within a construction worksite – the salaried paid professional and administrative staff and the waged earning labouring employees. This complexity means that quite often, a roster that benefits one group comes at a cost to the other group. Until such time as this situation is remedied, experiments with working time rosters such as the compressed working week or a reduction in working hours are likely to remain too radical for many managers to contemplate let alone implement.

## **Conclusion**

This paper has examined experiments with working time at four construction sites in Australia. Whilst it was construction sites that lead the world in reducing working hours more than 150 years ago, these employees currently work very long hours. However, there is a significant dilemma for project managers wishing to initiate measures to reduce working hours and consequently increase employee work-life balance. Each construction worksite is made up of two distinct cohorts of workers whose labour processes are inextricably linked. The skilled and unskilled labour are paid on an hourly rate and generally receive overtime and penalty rates providing them with the opportunity to increase their standard take home pay substantially through working long hours. However, these employees are supervised and directed by a group of foreman, supervisors and engineers who are paid on an annual salary. Hence, the latter group are not entitled to overtime and would be earning the same take home pay regardless of the hours worked.

It is this dilemma that has created the greatest challenge for the four separate management teams within this paper. Each management group has demonstrated, through engaging in this research process, some concern with working hours and work-life balance. However, each

management group has taken an approach to managing the site specific long hours culture within their workplace. Consequently, this paper has been able to outline briefly the experiences of four different construction workplaces and sketch some similarities and differences. Overwhelmingly, the evidence suggests that employees benefit from reducing the number of days they work from six to five. This is evident regardless of whether they are wage or salary earning personnel. Whilst there might be some evidence supporting the argument that the reduction in working days has enough positive effect on the workplace that project timelines can be achieved sooner, we cannot argue causality. However, there appears to be enough evidence gathering throughout these cases to suggest that the reduction in working days does not have any negative impact on the success in reaching productivity targets, KRAs and other timeline targets. This means that a reduction in working days, if managed and implemented appropriately, can be a standalone benefit at no significant cost to organisations.

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