

Advisory Group on Working Time and the Distribution of Work

Briefing Notes

December 1994

Advisory Group on Working Time and the Distribution of Work

- **Business, labour, and other representatives**
- **To study, analyze, and promote discussion on the working time issue and the distribution of work**
- **Report to Minister Axworthy**

Members of the AGWTDW

- **Arthur Donner, Chair**
- **Jean Bernard**
- **Alexandra Dagg**
- **Jon Grant**
- **Pradeep Kumar**
- **Henri Massé**
- **Sheila O'Brien**
- **Robert White**
- **Armine Yalnizyan**

Terms of Reference

- **Link to job creation**
- **Short-term research on WT and DW**
- **Examine policy options**
- **Solicit views of interested groups**
- **Provide action-oriented recommendations**
- **How to approach and promote the issue in the workplace**
- **Identify linkages with other policy issues, including the social security reform**
- **Recommend how to stimulate broader public debate and awareness of WT and DW**

Chapter Headings

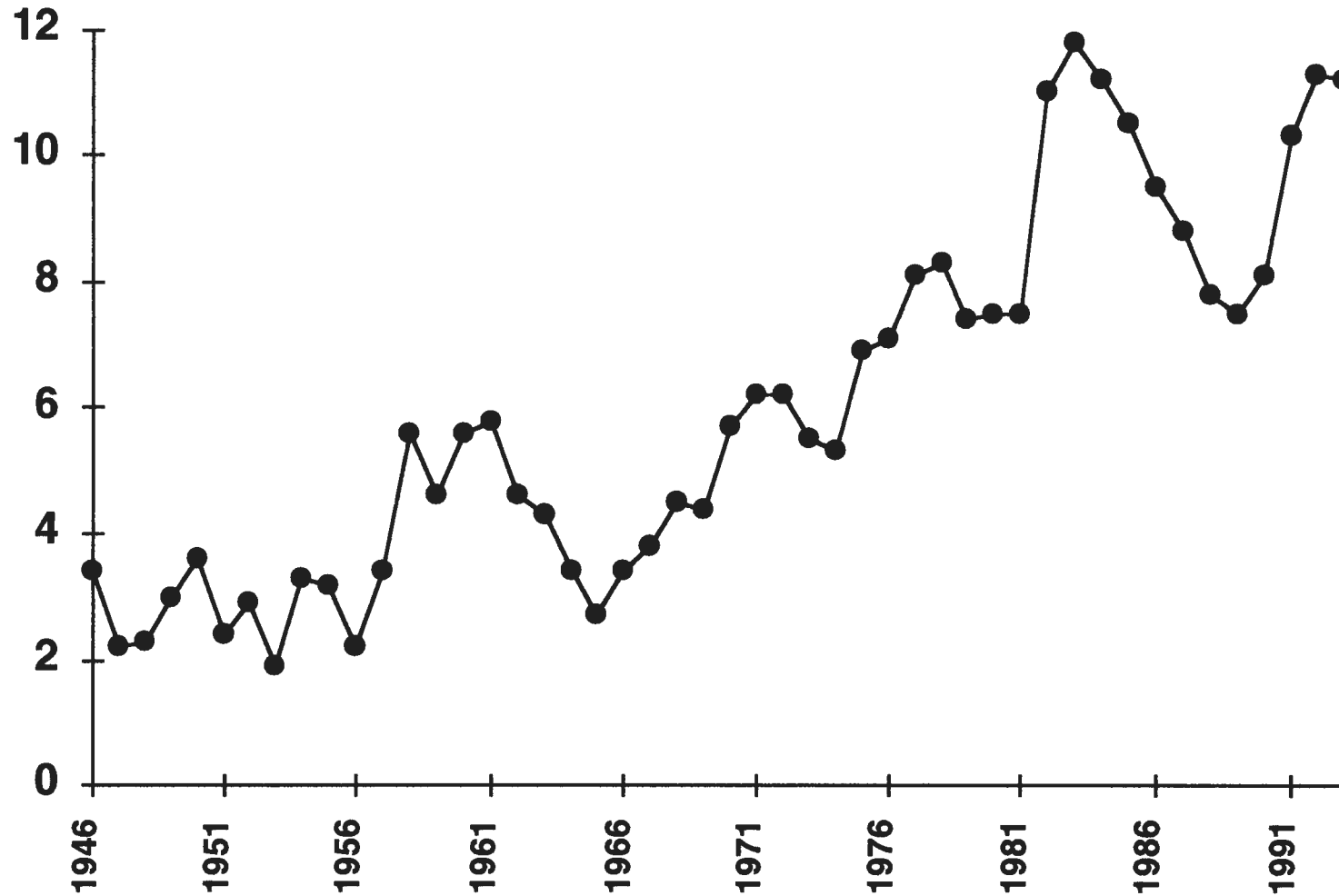
- **Introduction**
- **Hours of Work**
- **Non-standard Work**
- **Innovative Approaches to Worktime**
- **Retirement**
- **Recommendations and Conclusions**
- **Appendices**

Context

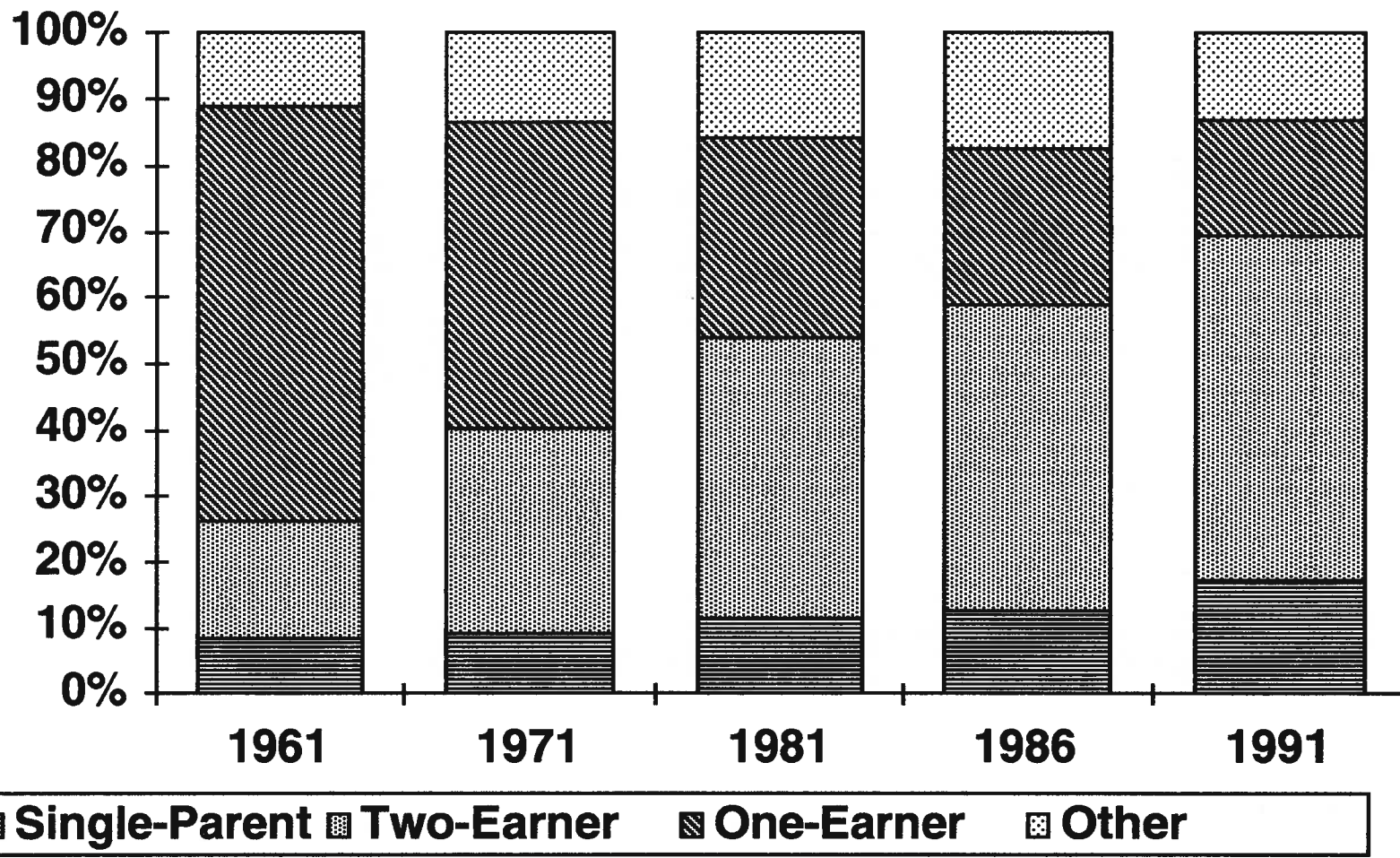
- **High Unemployment Levels**
- **Polarization of Incomes**
- **Changing Mix of Work Arrangements**
 - More part-time and other non-standard work forms
 - Longer hours for each group
 - More paid overtime
- **Worker Stresses**
 - Increased Hours
 - Slow Growth in Incomes
 - Stress on the Job
- **Family Strains**
- **Firms Under Pressure**
 - Global competition
 - Need for Longer Hours of Operation
- **Desire for more "Flexibility"**



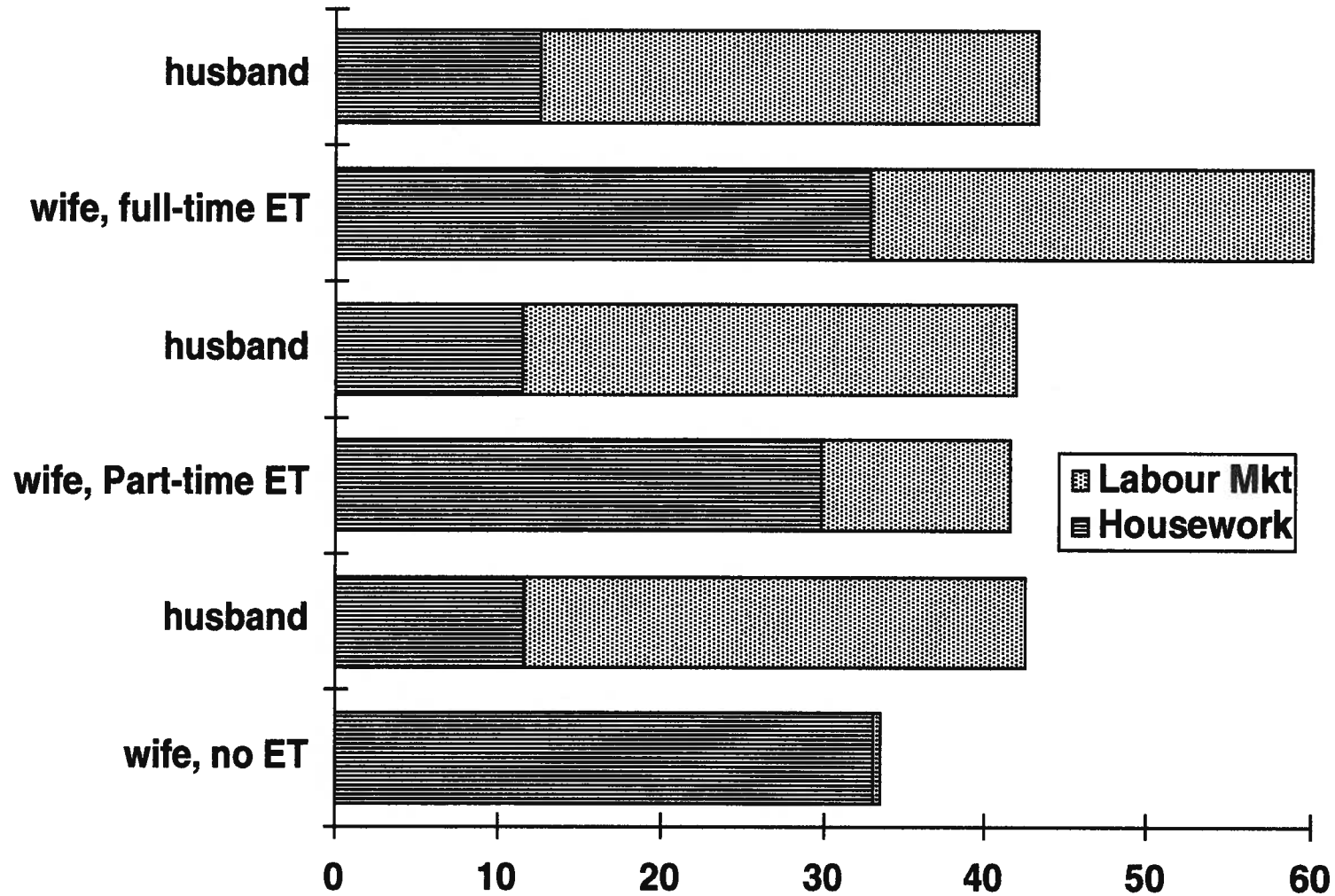
Unemployment Levels



Family Composition, 1961-91



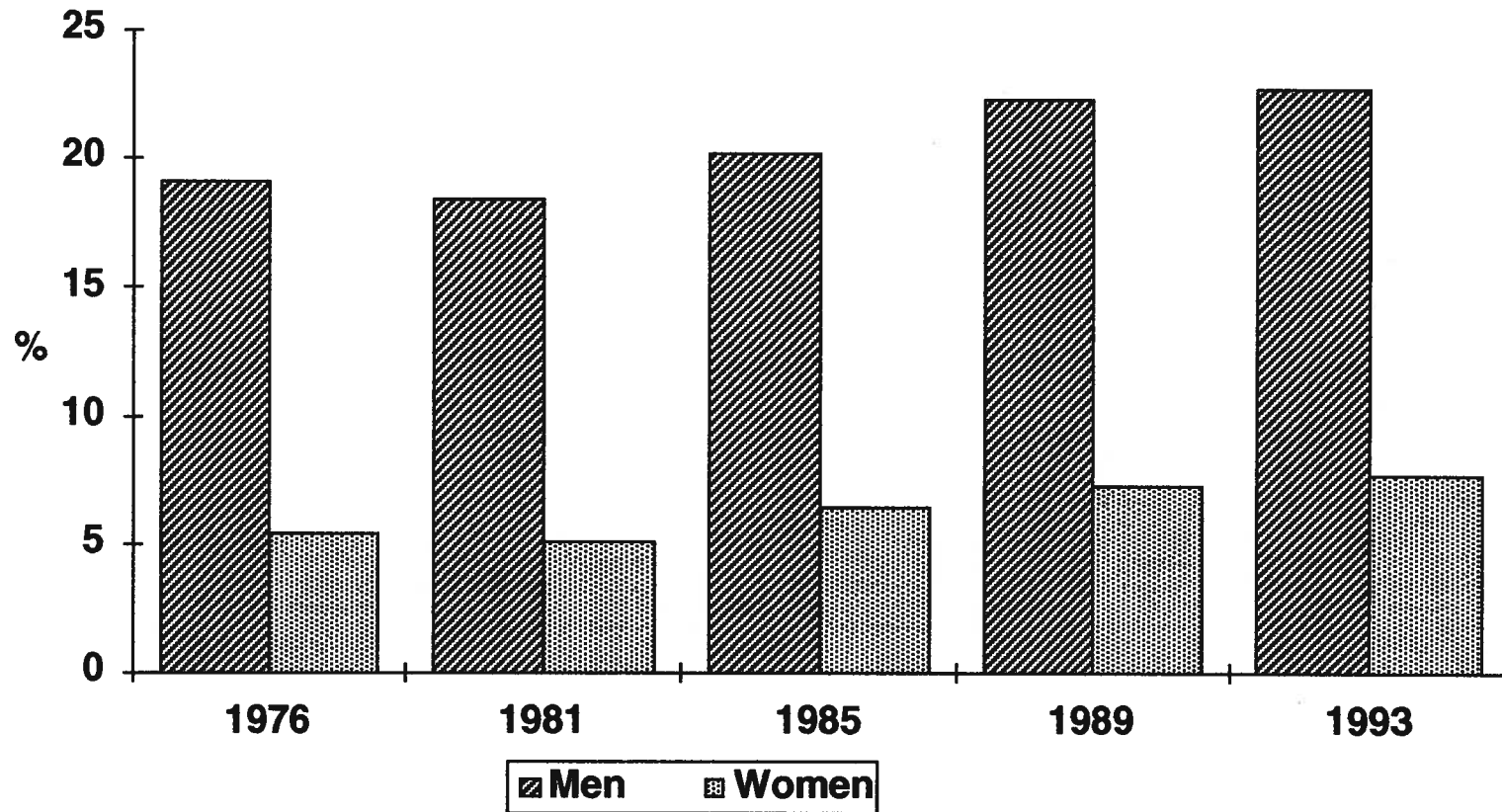
Typical Five-Day Week





Longer Hours

% Working Over 40 Hours



Standard Hours

	<u>week</u>	<u>day</u>	<u>max(day/week)</u>
Federal	40	8	48
Newfoundland	40	-	16 per day
PEI	48	-	-
Nova Scotia	48	-	-
New Brunswick	44	-	-
Quebec	44	-	-
Ontario	44	-	8/48
Manitoba	40	8	OT voluntary
Saskatchewan	40	8	44
Alberta	44	8	12 per day
British Columbia	40	8	-
Yukon	40	8	-
Northwest Territories	40	8	10/60

Principles [How?]

- **Recognize Shared Jurisdiction**
- **Take the High Road**
- **WT and DW is a major issue**
- **Cost implications kept up front**
- **Social equity and fairness equally important**
- **Involve stakeholders in change**

Policy Options

- **Encourage Voluntary Adjustments by Firms and Employees**
- **Reduce overtime**
- **Shorten Hours of full-time workers**
- **Improve mobility between full and part-time**
- **Voluntary change, collective bargaining, and legislation**

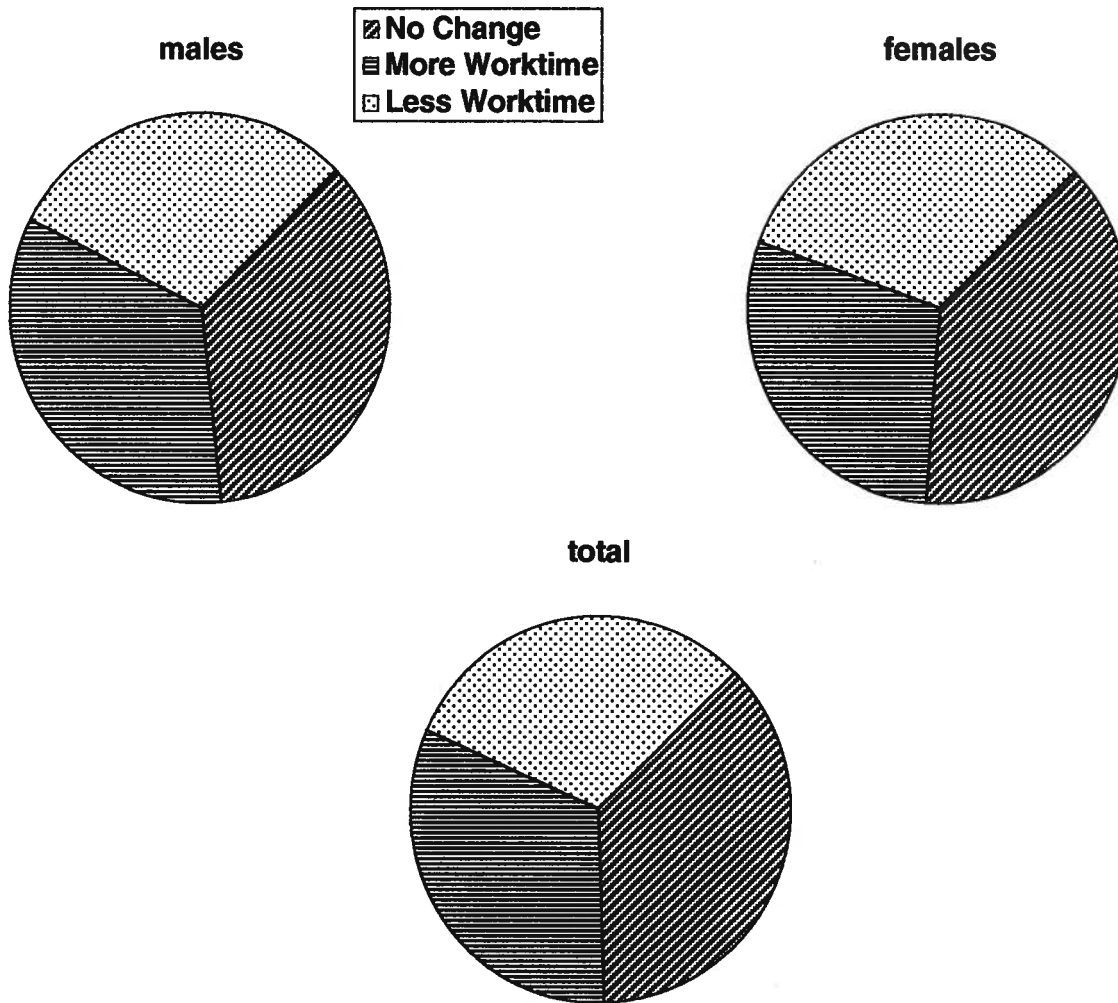
Macroeconomic Effects of Reduced Hours

- **Reduction in Hours Worked usually generates a productivity increase**
- **Best guess - about 50% increased employment and 50% productivity increase**
- **If unit labour costs do not change, then no inflation problem**
- **Employed have more leisure time, unemployed more work and income**
- **No major effects on output or real disposable income - consistent with no additional demand**

Working Time Adjustments

- **Lifecycle of Worktime**
 - Early or phased-in retirement
 - Later starting time coupled with longer period of education
 - Sabbaticals
- **Workyear**
 - More paid or unpaid holidays
 - Longer vacations
 - Limits on annual overtime
- **Workweek - Fewer Days**
- **Workday - Fewer Hours**
- **More Part Time**

Interest in Worktime Change

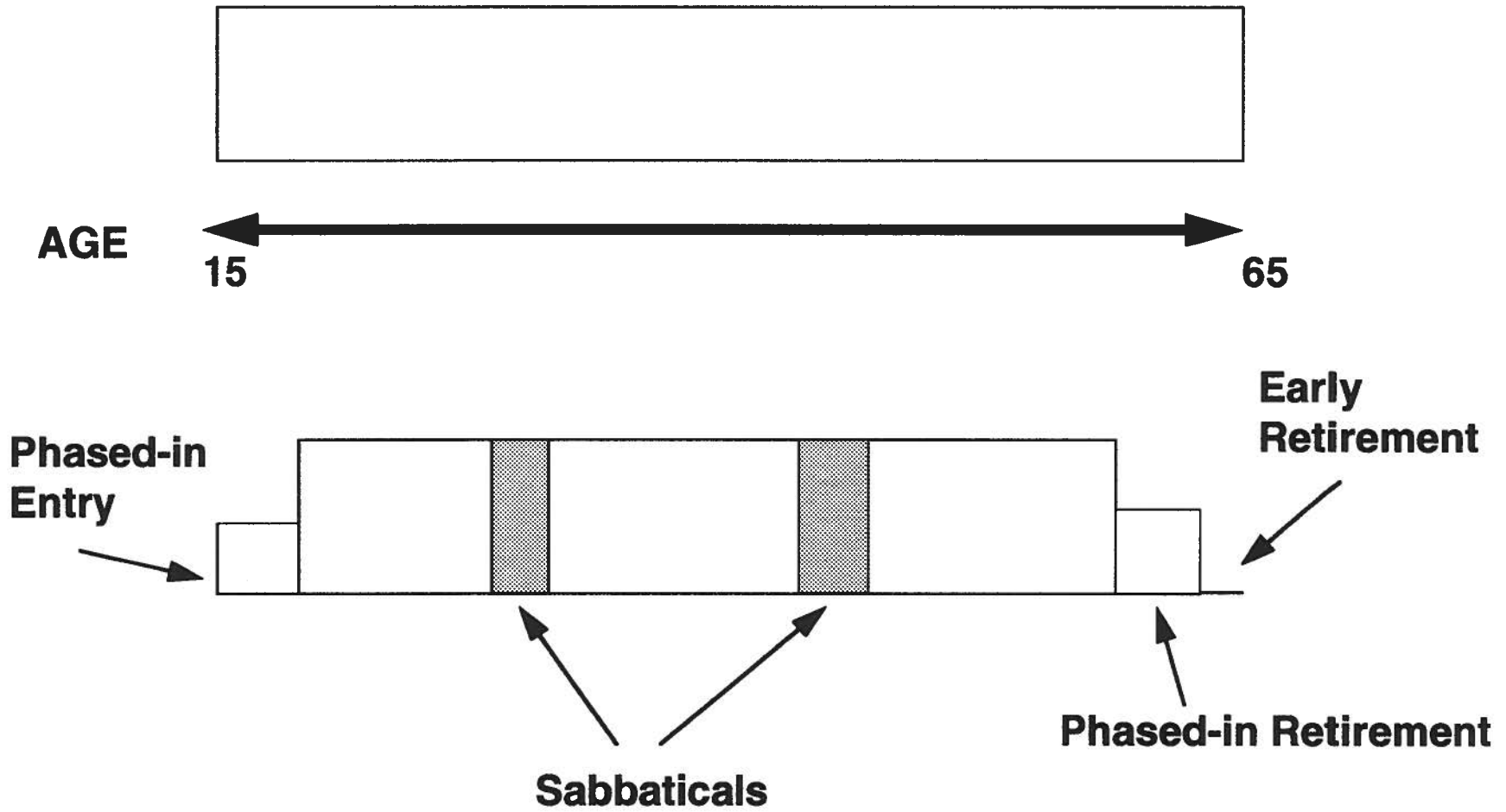


Preferred Form of Worktime Reduction

	People ('000)	%
Shorter Workweek	1,030	34.8
Shorter Workyear	783	26.5
Retire Early	516	17.5
Shorter Workday	237	8.0
Long Breaks	202	6.8
Not Stated	187	6.3
Total reduced time	2,955	100.0

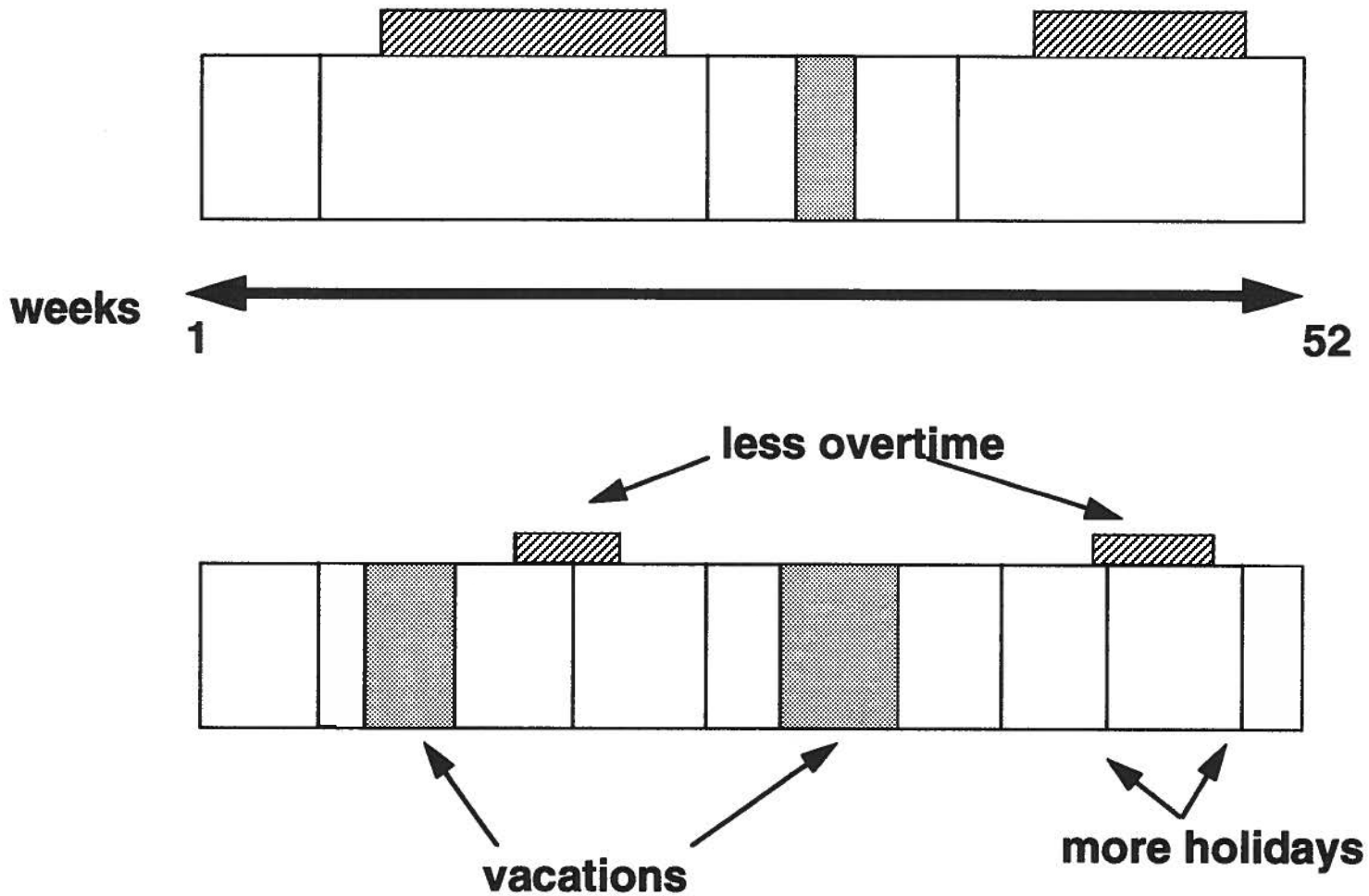
Source: Statistics Canada

Lifecycle Changes

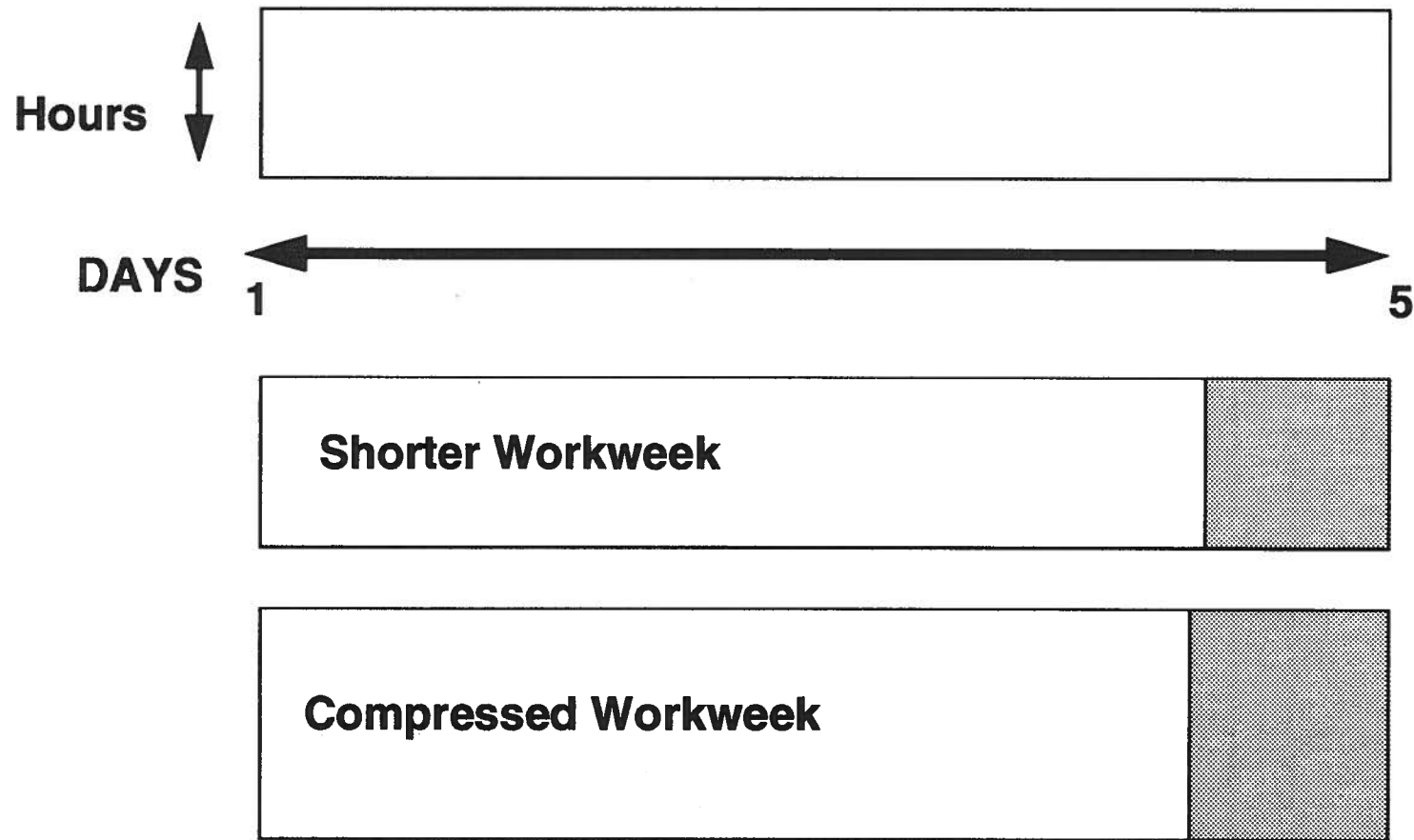




Workyear Changes



Changing Workweek



Non-standard Work Forms

- **Part-time**
- **Self-employed**
- **“Independent” Contractors**
- **Temporary and Contract Jobs**

Innovative Approaches

- **Job-sharing**
- **Flextime/Compressed Workweek**
- **The Four-day Workweek**
- **Reduced Worktime and Job Creation**
- **UI-Assisted Worksharing**
- **Leading-edge companies**

Retirement Issues

- **Early or phased-in retirement voluntary**
- **Pension benefits may be reduced, unless changes are made**
- **Can create openings for younger workers**
- **Loss of experience of older workers**

Target for Recommendations

- **To federal and provincial governments**
- **To employers and employees**
- **To Collective bargaining participants**
- **Action group**
- **Process Group**

Areas for Discussion

- **General - priority, federal and provincial actions**
- **Worktime Innovations**
- **Standard workweek**
- **Overtime (rights, TOLOT, salaried)**
- **Contingent workforce**
- **Part-time benefits**
- **Phased-in retirement**
- **Family, education and training leaves**
- **UI Worksharing**
- **Post-Report processes and information needs**



General



- 1. New Public Policy Priority**
- 2. More emphasis on working time issues in the workplace.**
- 3. Federal and Provincial Consultations**



Worktime Innovations

- 4. Governments to apply innovative practices in own workplace.**

- 5. Governments to support new arrangements throughout economy.**



The Standard Workweek

- 6. Legislated standard workweek of no longer than 40 hours throughout Canada.**

- 7. Periodic review of standard against normal full-time workweek.**

Overtime

- 8. Employees have the right to refuse overtime after the standard workweek.**

- 9. Encouragement to use time off in lieu of overtime.**

Annual Hours and Time Off in Lieu

- 10. Maximum Paid Overtime set at 100 hours per year. Amounts in excess compensated by time off in lieu.**
- 11. Broaden coverage of overtime standards to include salaried employees now excluded.**



Contingent Work Force

12. Enforce standards for part-time and other non-standard workers.

13. Registry for homeworkers.



AGWTDW



Part-time Workers

**14. Pro-rated benefits to regularly employed,
part-time employees.**

Retirement

15. Wider adoption of phased-in retirement.

16. Review public and private pension systems to avoid reduced pensions for those choosing phased-in retirement.



Family Leave

17. Unpaid maternity leave in line with UI benefits.

18. Five days of unpaid family leave per year.

Education and Training Leaves

19. Increased adoption of paid education and training leave plans through joint agreement.

20. Right to unpaid education and training leaves, linked to length of service.

21. Changes to tax system to promote education leaves.

UI Worksharing

22. Continuation of the UI worksharing program, with simplification.

Post-Report Processes

23. CLMPC to focus on consultations with business and labour on worktime issues. BLI to provide information on worktime practices.



Information Needs

24. Statistics Canada to monitor trends in the workplace, conduct surveys of employee and employer preferences, and provide data on non-standard employment.

Questions?

- **Are you ready for the change?**
- **How to involve all employees?**
- **How best can federal and provincial governments assist employers and employees?**
- **How can employers and employees both obtain their desired flexibility?**