

A NEW LOOK AT SHORTER HOURS OF WORK IN THE COMMUNICATIONS, ENERGY AND PAPERWORKERS UNION

Julie White,

Communications, Energy, and Paperworkers Union, Ottawa, Ontario, Canada

Facing job loss combined with increased overtime in many locations, the Communications, Energy and Paperworkers Union (CEP) decided to look more closely at hours of work. The result has been the publication of two studies, widespread education in the union, an important resolution passed at Convention and a campaign to reduce hours of work. Representing 150,000 workers in the private sector, the union has decided that this issue is central in obtaining a better standard of living for members and also in fighting back against a business agenda of continuous downsizing. The union has learned a lot over the last five years.

This paper looks first at hours worked in Canada, questioning the idea that we have gained a 40 hour work week in this country. It then goes on to look at the impact of long hours on individuals, families and society. The final section outlines what the CEP has learned through its studies, education and discussions. The focus here is on weekly hours of work, because this is what affects ongoing health and family life, as well as producing a culture about work and lifestyle.

HOURS OF WORK IN CANADA

40-Hour Work Week? Not So Far.

Far from moving to less than 40 hours a week like many European countries, Canada would have difficulty even claiming 40 hours as the norm. Although it's common place to state that workers obtained the 40-hour week after World War II, for many it actually has not happened yet.

The legal situation is that over half of all Canadian workers live in jurisdictions that have not legislated a 40-hour standard work week. Ontario and Alberta are at 44 hours, while Nova Scotia and PEI are at 48 hours. By way of comparison, workers in Taiwan, after intense union campaigns, have recently moved from a 48 to a 42 hour legislated workweek. Taiwanese workers are now covered by more progressive legal standards on hours of work than half of Canadian workers.

These legalities reflect our way of thinking, but they are minimum standards after all. Does reality look any better? In 2000, according to Statistics Canada, one out of every five full-time workers (20%) worked

longer than 40 hours a week as their usual hours, that is before overtime. Nor was this necessarily just one or two extra hours. In fact, more than one out of ten full-time workers (12%) put in 50 hours a week or more as their regular hours on the job (Statistics Canada, 2000). And this does not give us the total amount of time worked, because then there is overtime.

Overtime

Looking at both paid and unpaid overtime, one out of every five workers is working additional hours every week. These 2.3 million workers average more than one additional day on the job, an extra 9 hours each week. The total overtime worked is over 20 million hours a week (table 1). Simply dividing by 40, these hours are the equivalent of 500,000 full-time jobs.

Looking at paid overtime alone, over one million workers put in extra hours with pay each week, averaging an additional 8.5 hours. This makes for a total of 9 million hours of paid overtime a week, which is the equivalent of 225,000 full-time jobs.

Overtime has been increasing over the last 15 years. Statistics Canada has been tracking the overtime worked by hourly paid workers since 1983 and it has risen by more than a third since then. For hourly paid workers in manufacturing, their overtime has increased by more than half over the same period. In some industries overtime has increased while the number of jobs has stagnated or declined (Statistics Canada, unpublished data).

The impact of unionization on overtime is negative. More unionized than non-union workers

Table 1: Weekly Overtime in Canada, 2000

	No. workers working overtime	% of workforce working overtime	Hours of overtime per worker per week	Total hours overtime per week
Paid overtime	1,065,500	9.2	8.5	9,056,800
Unpaid Overtime	1,166,500	10.1	9.2	10,731,800
*All Overtime	2,301,100	19.8	9.0	20,709,900

*Figures do not add as additional workers who work both paid and unpaid overtime are included.

Source: Statistics Canada, *Labour Force Historical Review 2000*, CD ROM, Cat:71F0004XCB, Ottawa, 2001.

regularly work overtime. Among those covered by a collective agreement in 2000, 23 percent worked overtime each week, compared to 19 percent among those without union coverage. Union and non-union workers are equally likely to work unpaid overtime (10%), but more union workers are likely to work overtime for pay (12% compared to 8%). Information from a different survey for 1991 and 1995 also shows that more unionized than non-union workers worked overtime (table 2). For both groups, the percentage working overtime has increased substantially over the last ten years.

In every other indicator of well being, like wages, benefits and pensions, unionized workers do better than those without unions - but not in overtime.

On the legal front, Canada does not have any legislated restrictions on the amount of overtime, unlike in France for example, where it is illegal to work more than 130 hours of overtime a year. In fact, overtime is legally mandatory in most Canadian jurisdictions. There are

only two exceptions. In Manitoba, workers have the right to refuse all overtime while, in Saskatchewan, workers can refuse overtime, but only after working 44 hours, that is 4 hours of overtime above the standard 40-hour week. Elsewhere workers must work overtime when asked, unless their collective agreement specifies that they have the right to refuse. This means that the vast majority of workers do not have the right to say no to overtime. This includes the two-thirds of workers that are not unionized and therefore not covered by any collective agreement, along with most unionized workers.

Among unionized workers, in 1998 only one-third (32%) of major collective agreements gave workers the right to refuse overtime, and even these provisions are most often hedged with qualifications, so that it is not an unconditional right. Only 10% of major collective agreements provided an unconditional right to refuse overtime. Major collective agreements are those covering more than 500 workers under provincial jurisdiction and more than 200 workers under the federal jurisdiction. These agreements that cover relatively large numbers of workers tend to have the most advanced provisions. There has been no rush to improve the situation. There was no increase in the proportion of agreements providing the right to refuse overtime in the ten years from 1988 to 1998 (HRDC, 2000).

Table 2: Percentage of Workers Working Overtime, by Union Status

	Union	Non-union
1991	9.6	6.6
1995	17.7	11.7
2000	22.7	18.6

Source: Statistics Canada, *Survey of Work Arrangements*, unpublished data, 1991 and 1995; Statistics Canada, *Labour Force Survey*, unpublished data, 2000.

GET A LIFE

Apart from the issue of job creation, it is clear that working long hours is bad for health, safety, family life and happiness. The research is extensive, but here is a small selection:

- Those who work long hours (41 or more a week), smoke more, drink more, gain more weight and are more depressed than those who work 40 hours or less a week. These are all factors that lead to serious health problems (Shields, 1999).
- Long hours of work lead to fatigue, loss of alertness and increased chance of accidents. Recent research in the US discovered that lack of sleep was much like getting drunk in terms of loss of alertness and slow reaction time (Powell et al, 1999).
- If you want to increase your chances of separation or divorce start working evenings, nights and weekends. A University of Montreal study, found that couples with at least one partner working these non-standard hours, were twice as likely to separate as those working the standard nine to five (see Marcil-Gratton, 2000; Presser, 2000).
- Over half of Canadians aged 25 to 44, almost 5 million people, say that they do not have enough time for their families and friends (Statistics Canada, 1999).

- Between 1991 and 2001 the situation has deteriorated. As workers spend more time on work, they have more conflict at home, are more stressed, more sick and more dissatisfied with their lives (Duxbury and Higgins, 2001).

SHORTER HOURS IN THE CEP

The CEP carried out a major study of hours of work in the B.C. pulp and paper industry. It produced three controversial results that questioned traditional wisdom on overtime.

Is overtime caused by emergency situations?

Most overtime is not used for emergencies, but to cover for vacations, statutory holidays, sickness and other leave.

Downsizing has reduced the number of workers to the point where there are not enough workers to cover for negotiated time off. As one worker explained:

“It’s a skeleton crew. That’s why it’s always busy... They would sooner pay the overtime than get another person.”

Over half of the workers in the mills estimated that from half to all of the overtime could be replaced with full-time workers.

Is overtime cheaper than hiring more workers?

The CEP study found that employers would save money by reducing overtime and hiring more workers. An economist analysed the relative costs, including everything from benefits and payroll taxes down to training and tools. To put it simply, in B.C. pulp and paper mills, overtime costs double the straight time rate (this includes time and a half pay, the cost of a banked overtime arrangement, call in and meal tickets). By comparison, what does it cost to hire a new worker? It costs the straight time rate and less than another 50 percent to cover all the benefits, taxes and other expenses – in other words less than time and a half. Where overtime is costing double time, replacing overtime with more workers is a substantial saving. In a situation where overtime costs time and a half, replacing overtime with new workers would be a no-cost proposition.

Employers seem prepared to countenance high rates of overtime despite the additional cost, partly because of the trend to downsize. Being profitable and competitive is regarded as virtually synonymous with having the fewest possible number of workers. One manager interviewed for the study explained, 'At the end of the day the fewer people on payroll, the better off you are, from the business perspective.'

Are workers willing to reduce overtime?

This is a hot issue and the CEP has heard all about how you can't touch overtime, because members want the money and how difficult it would be to propose taking it away. There is a stereotype that every worker is taking all the overtime available, but it is a stereotype. The real story is more mixed. We found a pattern of a minority of workers (5-15%) who work all the overtime they can, but there is a similar proportion who never work overtime, while the majority are spread through the middle working some and refusing some. Also, there is no point refusing overtime individually, because it simply goes to the next in line. However, if it's a question of saving or creating jobs, a large majority of CEP members were prepared to reduce overtime.

In B.C. mills 73% of CEP members said they were willing to reduce overtime in order to create jobs. At one mill where the workers had drastically reduced overtime to bring members back from lay-off, a worker explained, 'Your neighbour's laid off. How do you feel coming home at night knowing that the double shift you just worked was his job?'

It is difficult for unions to take a stand against overtime for other reasons. It is illegal for unions to encourage workers not to work overtime. Under labour relations legislation across the country, any concerted move to contain or reduce

overtime is regarded as an illegal strike. Despite this, some CEP locals have been successful in reducing unnecessary overtime, either because they have contract language that limits overtime or because employers have decided against taking legal action.

SHORTER REGULAR HOURS OF WORK

Workers on shorter hours love it

In a study of four CEP locals that had negotiated a reduction in their regular hours of work, there was great enthusiasm for the reduced work time. Many times CEP members said that if employers ever threatened the additional time off that they had gained, there would be an automatic strike.

For example, at Sarnia in southern Ontario, there are a number of petro-chemical plants on 37 1/3 hours per week. The day workers at these plants work 40 hours most weeks, but take a Friday off work every three weeks to bring their average down to 37 1/3. This gives them a long weekend every three weeks and sometimes a four day weekend when combined with a statutory holiday. These Fridays are called Happy Fridays and are marked on the calendars with happy faces. Because there are so many workers in the community with Fridays off, community events like picnics and tournaments are organized on those days and

everyone in Sarnia (a community of 20,000) knows about Happy Fridays.

The front line supervisors at the rubber plant also get Happy Fridays, but one year management was contemplating cutting them out as a cost saving measure. The supervisors went straight to the union, asking to unionize and get help to fight this and, as the union president explained, "They gave them their Fridays back in a hell of a hurry."

At SaskTel in Saskatchewan, clerical workers and technicians have every second Friday off work, 26 days a year. Moving into management means a reduction to 13 days only, with the result that almost no-one wants to move up. In the last round of negotiations in 2001 there was a rumour that management was planning to cut back on these days off and as a result the issue of time off shot to the number one position on the bargaining agenda. As one worker explained:

"Once you get the day off, you really like it. I mean people really, really look forward to it. It's probably the only thing that would galvanise the whole union. I mean they'd walk en masse and we'd probably be out there until hell freezes over if they tried to take that away. "

Schedules are critical

Scheduling, how work time is organized, is very important in

workers' lives and looking at shorter hours opens up opportunities for better schedules. However, general talk of reduced hours of work is an abstraction. What can make it attractive are the details about the time off and the impact on schedules. Often workers are interested in blocks of time away from work, but sometimes, and especially for shiftworkers, shorter hours offer other improvements.

For example, proposing a move from 40 or 42 hours to 37 1/3 hours a week could mean a long weekend every third week for day workers, as in the Sarnia example given above. For shiftworkers on 12-hour shifts, moving to 37 1/3 hours could mean working only 3 shifts instead of 4 in a row, or taking every 9th week off work entirely, or more weekends at home. These changes are significant. One mill in Quebec has recently moved to 36 hours a week, the first to do so. The day workers are taking every Friday afternoon off work and the shift workers never work more than 3 shifts in a row and get more weekends at home. In discussing reduced hours, it's important to get specific about what the schedule would actually look like.

Shorter Hours, No Loss in Pay?

CEP resolution G-12 on Hours of Work, passed at the National Convention in September 2000, does not say that shorter hours will be negotiated with no loss in pay. Shorter hours of work are a benefit

to workers to be negotiated like any other. In negotiations, it may be appropriate to trade for it in the same way as increased wage rates, better pensions or any other improvement. There are situations in which workers are prepared to take less pay in order to get more time off, especially where pay rates are relatively high.

The CEP has negotiated different arrangements. When the energy workers moved from 40 to 37 1/3 hours, it was with no loss in pay. On the day that the change was implemented, the hourly rate was increased, so that there was no pay reduction.

The pulp and paper workers in Quebec are a different example. They moved to 37 1/3 hours in 1974, after a four-month strike in the whole eastern Canada pulp and paper industry. The workers in Quebec refused to return to work without a reduction in hours. Wages were not increased to compensate, but one additional worker had to be hired for every 8 production workers in the mills. As these new workers came into the entry-level jobs, many workers had to be promoted up the ladder, getting an increased pay rate. However, pay rates are negotiated for eastern Canada on an hourly basis, so workers in Quebec on 37 1/3 hours are paid less than their counterparts in Ontario and Atlantic Canada, who are still working 40 or 42 hours. It is important to note that mill workers in Quebec have no interest

in changing their arrangement. A worker at one of these mills explained:

“We look at it that we have more time off than they do. By the end of the year they have earned more money than we have...they are going to have more TV sets or telephones or whatever. More money does not necessarily increase your quality of life. You consume more, but it doesn't necessarily mean you have a better quality of life. “

Bell Canada is an interesting example. In 1994 12,000 technicians moved from 38 hours to 36 hours a week, taking the cut in pay. They also moved to a 9-hour day and a 4-day week. Initially this was done reluctantly in order to avoid lay-offs and for just one year. The workers liked it so much, they didn't want to lose it. They discovered that the loss in pay was small given marginal tax rates, and felt that they were more than compensated with the 3-day weekends. The employer felt very differently and cancelled the arrangement at the end of the year, despite strong efforts by the union to maintain it.

FINAL COMMENT

Several European countries have recognized the advantages of shorter hours and implemented changes. France and Italy have both legislated a 35-hour standard work week and France limits overtime to 130 hours per worker per year. In Germany the

average work week is 37.5 hours with many workers in the industrial sector having gained a 35-hour week through collective bargaining. The Netherlands, with the lowest annual work hours of any European country, has more than half its work force at 36 hours and many at 32 hours. These countries also provide a minimum of 5 weeks vacation a year, compared to only 2 weeks in most Canadian jurisdictions.

Shorter hours of work are about being against the downsized, long hours, let's compete, lean and mean philosophy of business corporations. More time off is about better health and safety and improving family and social life. More broadly, it's about less unemployment, jobs for young people and a better community life. While most European countries move to shorter hours, to the south of us the United States is moving in the opposite direction, towards longer hours of work. In Canada, we have some choices to make.

Note:

The CEP studies and reports cited in this paper are available at: www.cep.ca.

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