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## **High cost of unpaid overtime**

**MANY Australian workers would like to see a shortening of their working week or a reduction in the amount of unpaid overtime they do, or both, according to recent research.**

The Australia Institute's 2010 study, *Long Time, No See: The Impact of Time Poverty on Australian Workers*, reveals that of the 1786 respondents surveyed, four out of five employees doing overtime want to work fewer hours and half of all workers surveyed would prefer a shorter working week. In 2009, the institute found Australians work more than two billion hours of unpaid overtime, worth the equivalent of \$72 billion a year.

The report says feeling "time poor" can come at a cost to individuals. For example, research by the Queensland Office of Fair and Safe Work has found a link between longer working hours and lifestyle illnesses such as obesity, alcoholism and cardiovascular disease.

Organisations that have a culture of long working hours also pay a price, because long work hours don't equate to increased productivity, according to RMIT University professor Sandra Jones, an expert in human resource management.

"Measuring hours is like the description I once heard an Aboriginal elder make of a clock as 'a machine designed to measure its own ticks'," says Jones. "In a knowledge economy, where creativity is major driver of value, businesses depend on the competitive advantage that is in the heads of their employees."

Jones says it is in the interests of organisations to ensure employees are not doing a lot of unpaid overtime because this prevents them from developing the skills they need to be innovative and reflective.

"For employers to benefit from employee knowledge, the emphasis has to change from measuring inputs, such as the time individual employees spend at work, to creating environments that encourage employees to share their knowledge. It is the latter that leads to improved productivity, creativity, innovation and quality," she says.

"Recognition of this has led many organisations to encourage employees to establish voluntary interest-based groups, or communities of practice, within which employees willingly share rather than hoard their knowledge. Organisations that have adopted such a work culture will remain competitive because new knowledge is continually being created and shared."

Jones says organisations such as those featured in the report will find employees are discouraged from sharing their knowledge because of the resentment that is created by being judged by poor measurements, such as hours spent at work and their willingness to do overtime.

"In many cases it comes down to a question of trust," she says. "Organisations that encourage their employees to take time to think, reflect, and share new knowledge that comes from such reflection, trust their employees to use this freedom constructively.

"Those that do not trust their employees will continue to use negative measurements such as time spent at work. Those that recognise that trust begets trust, and mistrust attracts mistrust, will find that they do encourage a more creative, knowledge-sharing culture."

Lincoln Crawley, managing director of recruitment firm Manpower Australia and New Zealand, agrees consistent long hours are not the answer to increased productivity. As we have emerged from the global financial crisis, Crawley says some organisations have become lean; rather than putting on new staff, they are trying to do more with the resources they have in place.

"We see that as a dangerous trend. You might get some short-term productivity gains, but in reality they are not going to be sustainable if people are asked to work longer hours than they are really happy to work," he says.

Crawley says it is important leaders create an environment where innovation and continuous improvements are valued, and where people feel comfortable putting their hand up to suggest better methods.

Manpower offers staff a "double hat" responsibility whereby, in addition to their day job, they must find ways -- without working long hours -- to either be part of, or facilitate, a community of practice or team of subject-matter experts.

Crawley is a fan of community practice but notes some organisations can go overboard, resulting in the approach taking over the culture. Organisations can then end up with a culture that is all about "what if" rather than execution.

Problems can also emerge when an organisation creates a community of practice only to be so risk averse that it ignores the ideas produced, which according to Crawley is the worst outcome.

He adds: "That happens a lot. You'll see that on many engagement surveys where people say: 'I'm not listened to. Management asks for my opinion but does not act on it.' There is a need for balance between innovation, what-if and execution."

Crawley says the solution revolves around fairness, equity and sustainability. If an organisation claims fairness is one of its values and it aims to provide people with a meaningful work environment, that stops an employee working regularly from 6am to 9pm, he says.

Many organisations are either part of multinationals or service multinational organisations, and Crawley says the need for staff to conduct late-night conference calls is sometimes unavoidable.

However, he adds: "There are times when things get really hectic, but when those things happen as a matter of course rather than the exception, it absolutely gets unhealthy."