



Australian Social Trends June 2011

Overemployment

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Overemployment

Achieving an optimal work/life balance is widely regarded as highly desirable as it allows people to balance their need for income and job experience with their need to care for family members, look after their own health, and participate in social, spiritual, recreational, educational and political activities.

Most Australians do work their preferred number of hours each week. However, there are many who are either underemployed, unemployed or discouraged job seekers. At the other end of the spectrum, some Australian workers prefer to work fewer hours per week and may be considered as overemployed. A key concern is that spending too much time working may cause work/life imbalance, the effects of which include fatigue,^{1,2} stress and burnout,³ and relationship breakdown.⁴

How common is overemployment?

Between April and July 2007, the ABS surveyed Australian workers aged 15 years and older about their employment arrangements. At that time, around two-thirds (65%) felt they were working close to their preferred number of hours. While 1.4 million workers (14%) wanted to work more hours, about 2.2 million (21%) preferred to be working fewer hours.

In 2007, most overemployed workers (89%) usually worked full time (i.e. at least 35 hours a week), though a significant proportion (11%) usually worked part time (i.e. less than 35 hours a week). Generally though, the more hours usually worked, the more likely people were to be overemployed. Only 4% of employed people

Data sources and definitions

Most of the data presented in this article have been sourced from the ABS 2007 Survey of Employment Arrangements, Retirement and Superannuation (SEARS).

In this article, *employed people (workers)* are defined as people aged 15 years or older who usually perform at least one hour of paid work per week (excluding those who are a contributing family worker in their main job, and those whose preference for working fewer, more or about the same number of hours per week is not known).

Overemployed workers have been defined as employed people who prefer to work fewer hours each week (taking into account how that would affect their income). This definition is similar to the International Labour Organization (ILO) definition of *inadequate employment related to excessive hours* which the ILO defines as a situation where persons in employment wanted or sought to work fewer hours than they did during the reference period, either in the same job or in another job, with a corresponding reduction of income.⁵

The *overemployment rate* is the percentage of employed people in a specified population group who were overemployed.

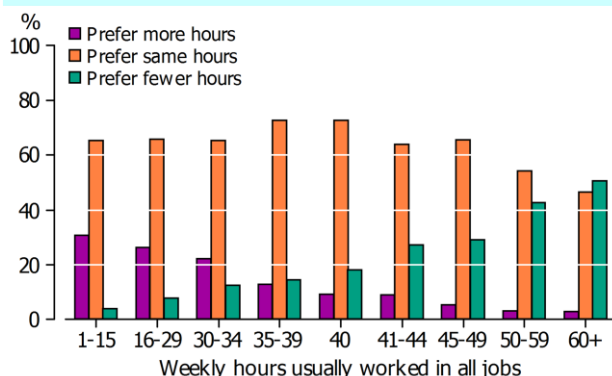
In this article, employed people are regarded as *full-time* if they usually work 35 hours or more per week. Employed people are regarded as *part-time* if they usually work less than 35 hours per week.

Casual employees are not entitled to paid sick or holiday leave, whereas *other employees* are entitled to paid sick leave and/or paid holiday leave. In this article, *owner managers of incorporated enterprises* (OMIEs) are not considered to be employees.

Equivalentised household income. Equivalentising adjusts actual household income to take into account the different needs of households of different size and composition. There are economic advantages associated with living with others, because many household resources can be shared.

Income deciles are derived by ranking all the population from lowest to highest income and then dividing that population into 10 equal groups. The lowest decile is made up of the 10% of the population with the lowest income. For more information about household income measures see ABS [Household Income and Income Distribution](#) (cat. no. 6523.0).

Employed people(a), usual hours by preferred hours – 2007



(a) Excludes contributing family workers and those whose preferred hours are not known.

Source: ABS 2007 Survey of Employment Arrangements, Retirement and Superannuation

usually working 1–15 hours a week were overemployed. The overemployment rate gradually increased through hours worked cohorts to 51% of those usually working at least 60 hours a week being overemployed. In summary, full-time workers were considerably more likely than part-time workers to be overemployed (27% compared with 7%).

Legislative changes since mid-2007

The *Fair Work Act 2009* sets out National Employment Standards comprising 10 minimum, safety-net standards of employment for all employees in the national workplace relations system. These minimum terms and conditions of employment took effect on 1 January 2010 and included:

Maximum weekly hours of work – 38 hours per week, plus reasonable additional hours.

Requests for flexible working arrangements – allowing parents or carers of a child under school age, or of a child under 18 with a disability, to request a change in working arrangements to assist with the child's care.

These two minimum standards have some potential to lower the rate of overemployment observed in mid-2007.

Source: Australian Government Fair Work Ombudsman, 2011, *National Employment Standards (NES)*, <www.fairwork.gov.au>.

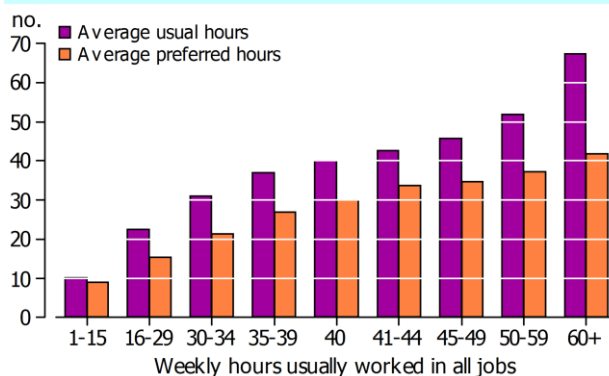
Since mid-2007, there has been a slowdown in economic activity, and legislative changes introduced in 2009 were designed to make it easier for some workers to reduce their weekly working hours if they want to do so. Given these two developments, the proportion of Australian workers who are overemployed may have eased since mid-2007.

How many hours do overemployed workers prefer to work?

In 2007, the number of hours that overemployed workers usually worked was considerably different from the number of hours they preferred to work. While most (89%) overemployed workers were usually working full time (35 hours or more), nearly two in five (39%) full-time overemployed workers preferred to be working part time (less than 35 hours). Among overemployed full-time workers, females were more likely to prefer part-time hours (55%), than males (30%).

The difference between usual and preferred hours was greatest among overemployed workers who usually worked at least 60 hours a week. The average number of hours usually worked weekly by these overemployed workers was 67 whereas the average number of hours they preferred to be working was 42. There were also differences between average usual and average preferred working hours among overemployed workers in all other usual hours worked cohorts, with the exception of those usually working 1–15 hours a week where there was no statistically significant difference.

Overemployed workers(a), average usual and average preferred hours(b) – 2007



(a) Excludes contributing family workers and those whose preferred hours are not known.

(b) Those whose preferred number of hours was not known were excluded prior to the calculation of averages.

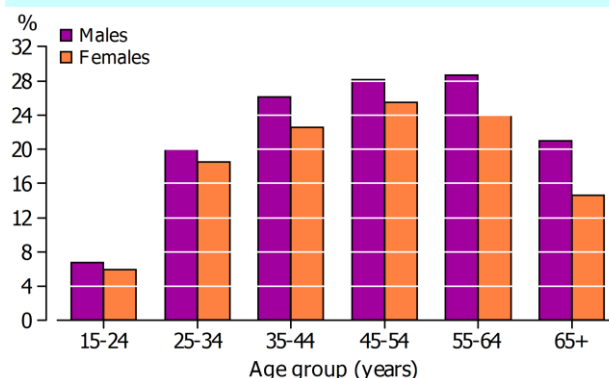
Source: ABS 2007 Survey of Employment Arrangements, Retirement and Superannuation

Who is overemployed?

In 2007, Australia's 5.7 million male workers were more likely than its 4.6 million female workers to be overemployed (22% compared with 19%). This is in line with full-time workers being more likely to be overemployed, as employed males were more likely than employed females to be working full time (84% compared with 52%).

When comparing male and female full-time workers, 30% of the 2.4 million female full-time workers were overemployed compared with 25% of the 4.8 million male full-time workers. Similarly, female part-time workers (2.2 million) were also more likely than male part-time workers (912,900) to be overemployed (8% compared with 6%).

Proportion of employed people(a) who were overemployed, age groups by sex – 2007



(a) Excludes contributing family workers and those whose preferred hours are not known.

Source: ABS 2007 Survey of Employment Arrangements, Retirement and Superannuation

Proportion of employed people(a) who were overemployed by family status – 2007

	%
Partnered workers	25.1
Parent whose youngest child is aged 0-4 years	23.5
Fathers	25.9
Mothers	19.0
Parent whose youngest child is aged 5-14 years	25.0
Fathers	28.1
Mothers	21.1
Other partnered workers	25.7
Males	26.1
Females	25.1
Unpartnered workers	13.5
Parent whose youngest child is aged 0-4 years	18.5
Fathers	**38.2
Mothers	16.7
Parent whose youngest child is aged 5-14 years	13.9
Fathers	*19.5
Mothers	13.0
Other unpartnered workers	13.4
Males	13.6
Females	13.2
All employed people(a)	20.9

(a) Excludes contributing family workers and those whose preferred hours are not known.

* This proportion has a relative standard error between 25% and 50% and should only be used with caution.

** This proportion has a relative standard error exceeding 50% and is unsuitable for most purposes.

Source: ABS 2007 Survey of Employment Arrangements, Retirement and Superannuation

...young workers or older workers?

In 2007, the likelihood of being overemployed tended to increase with age before declining among employed people of Age Pension qualifying age. Only 7% of employed youth (aged 15–24 years) were overemployed. Rates were progressively higher among 25–34 year olds (19%), 35–44 year olds (25%) and 45–64 year olds (27%), before declining to 19% of employed people aged 65 years or older. This pattern by age group was similar for both males and females, with females generally having lower overemployment rates in each age group.

Overemployed workers were overrepresented in the 35–64 year age group. While people in this age group represented 59% of all employed people, 35–64 year old overemployed workers accounted for 72% of all overemployed workers.

...workers with young children?

In 2007 (prior to the passing of the *Fair Work Act 2009*) there were around 1.4 million employed parents living with one or more 0–4 year old children. Of these parents, 26% of partnered fathers were overemployed, along with 19% of partnered mothers and 19% of lone parents (most of whom were women/mothers).

...partnered workers?

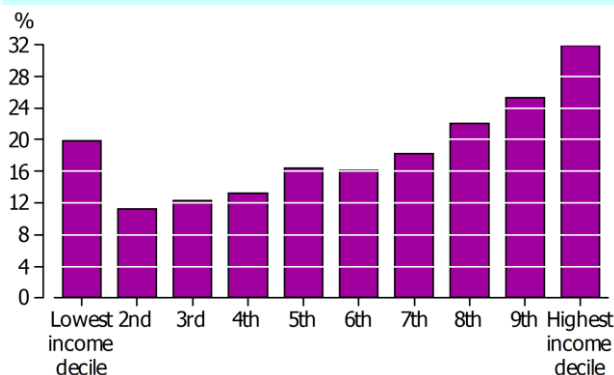
Workers who were partnered were considerably more likely to be overemployed than workers without a partner (25% compared with 14%). Higher overemployment rates among partnered workers are associated with their tendency to work longer hours (39 hours per week on average) than unpartnered workers (34 hours per week).

...workers living in high income households?

After equivalising household incomes to standardise different household sizes and compositions, workers tended to be more likely to be overemployed the higher their household income. In 2007, only 12% of workers living in low income households (i.e. the 2nd or 3rd equivalised gross household income deciles)⁶ were overemployed. By comparison, 32% of workers living in households in the highest equivalised gross household income decile were overemployed.

Both hours worked and overemployment rates were associated with household income. For example, the average number of hours worked weekly by employed people living in low income households was 28, and 12% were overemployed.

Proportion of employed people(a) who were overemployed by equivalised gross household income decile(b) – 2007



(a) Excludes contributing family workers and those whose preferred hours are not known.

(b) Due to a number of reasons (including the possession of assets or underreporting) people in the lowest income decile may not necessarily be experiencing economic hardship.⁶

Source: ABS 2007 Survey of Employment Arrangements, Retirement and Superannuation

Employed people with household income in the highest decile averaged 43 hours of work per week, and 32% were overemployed.

...multiple job holders?

In 2007, only 6% of employed people had more than one job. Overemployed workers were no more likely to be multiple job holders (7%) than other workers (6%).

...employees or owner managers?

In 2007, only 7% of casual employees were overemployed, largely reflecting the high rate of part-time employment amongst casual workers (69%). Other employees and owner managers of unincorporated enterprises (OMUEs) were more likely to be overemployed (23% and 24% respectively), while owner managers of incorporated enterprises (OMIEs) were even more likely to want to work fewer hours (37%).

The relatively high overemployment rate among OMIEs partly reflects their comparatively long working week (44 hours on average). Employees with paid leave entitlements and OMUEs both averaged 40 hours of work per week, while casual employees worked a 24 hour week on average.

...doctors, farmers and politicians?

Some occupations are anecdotally highlighted by the media as entailing long working hours that can induce fatigue, burnout or accidents. In 2007, the major occupation groups most likely to experience overemployment were Managers (38%) and Professionals (26%).

Not all organisations offer supervisory or managerial jobs to part-time workers,⁷ and senior management positions are less commonly available on a part-time basis in many organisations. Furthermore, keen competition for stimulating, well-remunerated jobs with prestige and autonomy may underpin long working hours to some extent in deregulated labour markets such as Australia. All other factors being equal, candidates for such jobs who work longer hours are more likely to achieve more and be selected for these jobs. In such cases, long working hours may represent an investment that enhances prospects for career progression.^{8, 9, 10}

Among managers, those who were Education, Health or Welfare Services Managers were particularly likely to have been overemployed (52%). The overemployment rate was 39% among Chief Executives, General Managers and Legislators, and 34% among Farmers and Farm Managers.

Of professionals, those who were Medical Practitioners (45%), School Teachers (38%) or Legal Professionals (32%) were among the most likely to have been overemployed in 2007. The high overemployment rate among medical practitioners may be partly due to demand for health care services exceeding the supply of doctors.¹¹ Labour shortages could be a key factor behind relatively high rates of overemployment in some occupations, although cultural factors such as a well-established tradition of long working hours may also contribute to overemployment in others.^{8, 9, 10}

Selected characteristics of employed people(a) by occupation in main job – 2007

	Number employed '000	Proportion working full time %	Proportion usually working 50 or more hours per week in all jobs %	Average hours usually worked per week in all jobs no.	Average equivalised gross household income per week(b) \$	Proportion who are overemployed %
Managers	1,461.3	86.6	45.7	46.9	1,280	37.6
Professionals	2,173.2	75.6	21.6	38.8	1,324	26.1
Technicians and trades workers	1,451.3	86.2	20.2	41.1	895	17.9
Community and personal service workers	848.2	46.0	6.4	29.9	879	10.5
Clerical and administrative workers	1,593.5	63.9	8.9	33.6	1,057	20.9
Sales workers	950.4	41.3	10.1	28.0	863	12.7
Machinery operators and drivers	707.3	84.7	27.8	42.8	854	16.6
Labourers	1,120.6	55.2	11.1	31.7	738	11.0
All employed people(a)	10,305.8	69.6	19.8	37.2	1,006	20.9

(a) Excludes contributing family workers and those whose preferred hours are not known.

(b) Excludes those whose equivalised gross household income per week was not known.

Source: ABS 2007 Survey of Employment Arrangements, Retirement and Superannuation

...people working in the mining and agriculture industries?

At the broadest level of classification, people employed in the Mining industry and people employed in the Agriculture, Forestry and Fishing industry worked the longest hours (averaging 50 and 46 per week respectively).

Long hours, however, do not necessarily translate into high overemployment rates. People employed in the Mining industry were not more likely than other workers to be overemployed (22% compared with 21%), while Agriculture, Forestry and Fishing industry workers were only a little more likely than other workers to be overemployed (26% compared with 21%).

With an overemployment rate of 28%, people working in the Education and Training industry were more likely than Mining industry workers and just as likely as Agriculture, Forestry and Fishing industry workers to be overemployed, despite working a considerably shorter week (35 hours on average).

At a more detailed level of classification, industries with relatively high overemployment rates (at least 30%) included Exploration and Other Mining Support Services (39%), Electricity Supply (32%), Telecommunications Services (32%), and Preschool and School Education (31%).

Why do overemployed workers want to work fewer hours?

The most commonly cited main reason for preferring to work fewer hours was social reasons, recreational activities and/or free time (chosen by 36% of all overemployed workers). A lower proportion of overemployed workers nominated family reasons (24%) such as caring for children (11%) as their main reason for

Main reason overemployed workers(a) would prefer to work fewer hours – 2007

	%
Employment reasons	
Current job regularly involves long hours	16.6
Work less unpaid overtime	5.9
Other employment reasons	3.0
Personal reasons	
Own ill health / injury / disability	3.0
Only wants / needs limited income	1.7
Study purposes	2.1
Social reasons / recreational activities / free time	35.7
Other personal reasons	6.6
Family reasons	
Caring for children	11.2
Unable to find suitable child care	**0.1
Caring for ill / disabled / elderly person	*0.6
Pregnancy	**0.1
Home duties	2.3
Other family reasons	9.2
Other reasons	1.9
All main reasons for preferring to work fewer hours	100.0
All overemployed workers(a) ('000)	2,158.4

(a) Excludes contributing family workers and those whose preferred hours are not known.

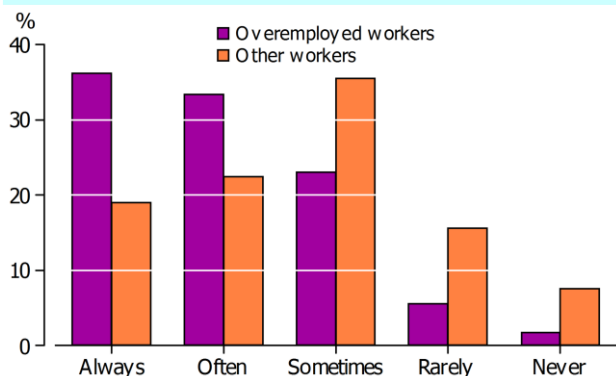
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Source: ABS 2007 Survey of Employment Arrangements, Retirement and Superannuation

wanting to cut back their working hours. It was uncommon for overemployed workers to want to reduce their working hours mainly because of ill health, injury or disability (3%) or mainly for study purposes (2%). However, these

How frequently employed people(a) feel rushed or pressed for time – 2007



(a) Excludes contributing family workers and those whose preferred hours are not known.

Source: ABS 2007 Survey of Employment Arrangements, Retirement and Superannuation

How frequently employed people(a) feel their work and family responsibilities are in balance – 2007



(a) Excludes contributing family workers and those whose preferred hours are not known.

Source: ABS 2007 Survey of Employment Arrangements, Retirement and Superannuation

reasons (along with all other reasons) may also be a factor in preferring to work fewer hours.

Some insight into why around one in five workers prefers to work fewer hours can be gained from how frequently these workers feel rushed or pressed for time. In 2007, over two-thirds (70%) of overemployed workers often or always felt rushed or pressed for time. In comparison, less than half of other workers (41%) felt this way.

Among overemployed workers who always or often felt rushed or pressed for time, the most commonly cited main reason for feeling this way was trying to balance work and family responsibilities (38%). Other main reasons included the pressure of work/study (23%), having too much to do or being subject to too many demands (22%), and taking on too much (9%).

Another indication of why some workers prefer to reduce their working hours can be gained from examining the extent to which overemployed workers feel that their work and family responsibilities are balanced. Among all overemployed workers, around one in four (24%) felt that their work and family responsibilities were rarely or never in balance. Other Australian workers tended to experience a better balance, with a lower proportion (13%) feeling that their work and family responsibilities were rarely or never in balance.

Summary

In 2007, there were around 2.2 million overemployed workers in Australia. Most overemployed workers usually worked full time (89%), most were partnered (77%), and most were either managers or professionals (52%).

Overemployed workers were more likely than other Australian workers to always or often feel rushed or pressed for time, and to feel that their work and family responsibilities were rarely or never in balance. However, the single most commonly cited main reason for wanting to work fewer hours was social reasons, recreational activities and/or free time.

Endnotes

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- 6 Income and expenditure data reported in ABS Household Expenditure Surveys have shown that households in the lowest decile who have negative gross income tend to have expenditure levels slightly above the average expenditure of households in the fifth decile. Other households in the lowest decile have, in past surveys, had average expenditures above the average of households in the second decile. For more information, see Explanatory Notes 29–32 in ABS *Household Income and Income Distribution, Australia, 2007–08* (cat. no. 6523.0). For analysis of the expenditure and net worth of households in the lowest income decile, see Appendix 4 in ABS *Household Wealth and Wealth Distribution, Australia, 2003–04* (cat. no. 6554.0).
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- 10 Eastman, W., January 1998, *Working for Position: Women, Men, and Managerial Work Hours*, in *Industrial Relations* vol. 37, no. 1, <www.ingentaconnect.com>.
- 11 Gorman, DF., and Brooks, PM., February 2009, *On solutions to the shortage of doctors in Australia and New Zealand*, in *The Medical Journal of Australia*, vol. 190, no. 3, <www.mja.com.au>.

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