

PROGRESS MADE TOWARDS THE REDUCTION OF WORKING HOURS TO A 40-HOUR WEEK (DoL ROWH)

FINAL REPORT

NOVEMBER 2014

“The general march of industrial democracy is not towards inadequate hours of work, but towards sufficient hours of leisure. That is the movement among the working people They are not content that their lives should remain mere alternations between bed and factory. They demand time to look about them, time to see their homes by daylight, to see their children, time to think and read and cultivate their gardens – time, in short, to live. That is very strange, perhaps, but that is the request they have made and are making with increasing force and reason as years pass by.”

- **Winston Churchill July 6, 1908**

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WORKING DEFINITIONS OF TERMS

Compressed work week: involve working hours being scheduled over fewer than normal working days and result in longer working days, but fewer days being worked each week. A compressed workweek system, then, usually extends the working day to beyond eight hours, but reduces the number of consecutive days worked to less than five for example, in a schedule of four days of ten hours or three days of 12 hours.

Employee wellness in the workplace: broadly relates to promoting and providing employees more positive motivation and morale and interest in health issues.

Employment creation: process of providing new jobs, especially for people who are unemployed as a result of initiatives designed to assist unemployed members of the population in securing employment.

Employment loss: disappearance of jobs resulting from fundamental structural changes; in this case, reduction of working hours of employees.

Employment retention: keeping the same number of jobs in place.

Flexitime: an arrangement by which employees may set their own work schedules, especially their starting and finishing hours.

Health and safety: efforts, regulations and procedures intended to prevent work place hazards, accidents, injuries and exposure to harmful situations and substances.

Operational efficiency: is an input to output ratio. An increase in operational efficiency is accompanied by improvement in output to input ratio, signalling minimisation of waste and maximisation of resource capabilities.

Social benefits: viewed as an increase in the welfare of individuals or society, as a result of a particular action.

Stability in life: broadly refers to having a sense of satisfaction with one's life coupled with calmness.

Union density: measures the degree of penetration of either an individual trade union or trade union movement in the workforce.

Work-sharing: an employment arrangement where, typically, two people are retained on a part-time or reduced-time basis to perform a job normally fulfilled by one person, working full time.

ABBREVIATIONS AND ACRONYMS

BCEA	Basic Conditions of Employment Act
COSATU	Congress of South African Trade Unions
DoL	Department of Labour
EEA	Employment Equity Act
ESD	Employment Standards Directorate
ILO	International Labour Organisation
ILO, Geneva	International Labour Office, Geneva
LRA	Labour Relations Act
MEIBC	Metals and Engineering Industries Bargaining Council
QLFS	Quarterly Labour Force Survey
SMMEs	Small, Medium and Micro Enterprises
SPSS	Statistical Package for Social Sciences
StatsSA	Statistics South Africa
the dti	The Department of Trade and Industry

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EXECUTIVE SUMMARY

Purpose of study

The purpose of this study was to investigate the progress made in the reduction of weekly working hours to a level of 40 hours per week. The study served as a follow-up to “*An investigation into changes in the number of hours worked in South Africa: 2000 – 2005*” by Oosthuizen and Goga (2007).

Background to the study

Just like in the previous study, it is within the provisions of the Basic Conditions of Employment Act (BCEA), No.75 of 1997 as amended by BCEA, No. 11 of 2002 that this investigation of the progress made in the reduction of weekly working hours was conducted. The BCEA regulates the basic conditions of employment that workers are entitled to in South Africa and covers issues such as working hours, annual leave, termination of employment and the age at which individuals may be employed. The BCEA stipulates the upper limits of ordinary as well as overtime work. Section 9 (1) of the BCEA lowers the maximum hours of ordinary work from 46 to 45 hours a week, while Section 10 (1) (b) limits overtime work to a maximum of ten hours per week.

However, the 45-hour limit on ordinary work is not set in stone and the BCEA allows it to be revised downward through bargaining councils and collective bargaining agreements. Schedule One of the BCEA records the procedures to be adopted to reduce the working hours of employees to the goal of a 40-hour week through:

- (a) collective bargaining and the public of sectoral publications;
- (b) having due regard to the reduction of working hours on existing employment and opportunities for employment creation, economic efficiency and the health, safety and welfare of employees.

It is against this background that this study was commissioned. The investigation reviews the progress made on a sectorial basis as well as per enterprise size through consultation with stakeholder groups. The manner through which the reduction of working hours can be achieved is examined and further analysis is further explored with regard to: employment loss/retention/creation; economic efficiency; operational efficiency; social benefits; and health and safety. Recommendations and strategies that can be used as mechanisms to reduce weekly hours of work to a level of 40 hours per week are also offered.

Methodology

Key stakeholders to participate in the primary research were identified. These included bargaining councils; business associations and chambers; business enterprises; employees; employers’ organisations and federations; trade union affiliates and federations and Department of Labour (DoL) key informants. Questionnaires were designed for each stakeholder group and a focus group discussion guide was developed to enable focus group discussions with DoL key informants. Interviews were conducted telephonically, face to face and online tool was also used to administer questionnaires to stakeholders. Focus group sessions were conducted with DoL key stakeholders. The data was collated and analysed utilising Statistical Package for Social Sciences (SPSS) and Excel. Descriptive statistics analysis was used to describe, show and summarise the data into meaningful ways which allowed simpler interpretation of the data. Descriptive statistics was useful to summarise the data using a combination of tabulated description (i.e. tables), graphical description (graphs and figures) and commentary (i.e. a discussion of the results).

Main Findings

Bargaining councils:

A total of 34 bargaining councils were interviewed and 38% of these were representative of the manufacturing sector. The majority of the bargaining councils believe that the decision on the reduction of working hours is up for the employer and employee to negotiate and that the unions are in favour of the reduction, while the employers are not. Concerns were expressed on the impact on productivity. With respect to their views on increase of working hours, most bargaining councils believed that an increase in working hours could also have a negative impact on the social wellbeing of the employee and would not necessarily be good for production targets as the health of the worker could suffer. For 55% of the bargaining councils, the subject of reduction of working hours was brought up for discussion and of these 28% stated that this was only once in more than 3 years, with 14% stating it was once a year. This brings to fore the concern that the reduction of working hours topic is not really high on the agenda of bargaining councils as evidenced by low frequency during discussions.

There were 40% of the bargaining councils who believed that progress had been made towards the reduction of working hours, evidence of these efforts can be found in the textile, glass and construction sectors. These results are consistent with the findings obtained from Quarterly Labour Force Survey analysis in which it was observed that comparing 2009 and 2012, the number of working hours in the manufacturing sector decreased by 0.5% and decreased by 2.5% in the construction sector.

Of those who thought no progress had been made, the main reason given was that consensus cannot be reached because employers want a 45 hour working week, whilst unions want a 40 hour working week. Those who had indicated progress has been made were further asked to describe the type of progress made and approximately 28% described the progress as excellent, 36% as good progress and 36% as average. Of the bargaining councils who said progress has been made, 86% of them believe progress made is a result of collective bargaining.

Furthermore 78% of bargaining councils were satisfied with the pace of the discussions on working hours and 84% were satisfied with its implementation. Of the bargaining councils, 66% agreed that compulsorily legislation on working hours would be a good idea. According to the bargaining councils, the main challenges to the reduction mentioned include resistance from employers to reduce the working hours as this may not be economically viable, especially for small businesses. Employees may have to take a reduction in salary as a result of the reduction in hours and employers will have to pay more overtime and additional salaries.

Only 18% of the bargaining councils said that they think company level bargaining can be an effective mechanism to achieve reduction of working hours to a 40-hour week, most (82%) did not think likewise. Those against such a mechanism indicated company level bargaining can lead to victimisation of employees by employers.. Shop-stewards, whilst deemed important in the matter are seen not be favoured by employer. The provision of a reward to firms that voluntarily reduce their working hours by government was supported by 33% of respondents as it was thought that this initiative would make the proposition attractive to employers to participate and encourage 'buy in'. Some suggestions offered by bargaining councils on the issue of reduction of working hours and recommendations include the need to further educate stakeholders on this topic of working hours. The economic viability of this needs to be carefully considered, perhaps by introducing it in the thriving sectors (e.g. the hospitality sector which is poised for further growth in the next five years) first in order to devise a good practice model. The needs of each sector in relation to hours worked needs to be determined through the bargaining councils and there should be no 'one size fits all' approach.

Business associations and chambers:

A total of 20 business associations and chambers were successfully interviewed. Both national and regional chambers were represented along with business associations. The main concern expressed about the reduction in working hours was its impact on productivity and the cost implications to employers, particularly to small, medium and micro enterprises (SMMEs). Business associations and chambers felt that an increase in working hours would undermine job creation and adversely affect the employee's quality of life but employees should have the choice to decide if they were willing or not to work longer hours and this should then be a contractual agreement. Of the respondents 57% (11 out of 20) stated that progress had been made towards the reduction of working hours and 22% (4) believed that this progress was excellent. Of those who felt no progress has been made they mentioned that work opportunities are scarce, the economy is tight and business cannot afford to have shorter work hours at a set monthly salary, and even if it is shift workers business cannot afford to increase their number of shifts.

Three quarters, (15 out of 20) of business associations and chambers believed that the reduction in working hours to date is as a result of collective bargaining and collective agreements but they felt this was true for blue collar workers and in this area inevitably there will be strikes. Almost 82% (16) of respondents were satisfied with the pace of these negotiations and 58% (12 out of 20) were satisfied with the implementation of the reduction however respondents explained that agreements still need to be reached in terms of productivity targets and how to maintain and increase them if hours are reduced. Just over 21% (4 out of 20) of the chambers indicated that they thought collective bargaining solely could achieve the reduction of working hours.

A further 40% (8 out of 20) believed that the attainment of a reduction in working hours could be possible through compulsory legislation; some stated that such legislation would not be economically viable at present. The challenges to the reduction of working hours included major concerns expressed in relation to increased wage bills and increased production cost which could go hand and hand with lower productivity and lower quality of production. Ways to overcome these challenges include a plea for the DoL to assist employers in developing strategies to protect production targets such as training workers to complete tasks in allotted timeframes.

With respect to company level bargaining, 35% (7 out of 20) of respondents agreed that this could be an effective mechanism to achieve the reduction in working hours as it is good to have one responsible person to form a link between the employer and the employees. They can help assist and develop practical ways to reduce working hours and increase productivity. The mechanism or proposal that was tested during the survey that companies who voluntarily reduce the number of working hours should get rewarded by government in the form of incentives was supported by 45% (9 out of 20) of the business chambers and associations. Such incentives would assist the employers with the implementation of the reduction of working hours and create a healthier workforce. Those who disagreed with the proposal believed that this would just add to the administrative burden already on private companies and employees, and that the government should focus on the underlying challenges.

Some suggestions offered by the business chambers include that any policy needs to take into account how employees are going to be affected by decisions on reduction of working hours. Continuous discussions and or engagements between government and the industry are essential and that there should be more public debates on advantages versus disadvantages of the reduction of working hours. Practical guidelines should be provided to employers and employees on how to implement a reduced working week and agreements should be devised that are suited for the specific sectors.

Business enterprises:

A total of 246 business enterprises were interviewed. The majority were small sized (42%), 32% were medium and 26% were large enterprises. The respondents were from all the major sectors of the economy. Construction (13%), transport (10%) and manufacturing (9.5%) were well represented. The firms in the

sample were from all provinces with 19% from Gauteng and 17% from the Western Cape. The respondents from the other provinces were represented from between 6% and 11%. Union representation by employees was low at 53% and only 32% of firms were affiliated with an employer organisation.

Considering the number of hours worked in the business enterprises that were interviewed, the percentage of employees working more than 40 hours per week was 53% in 2006 and 45% in 2012. The percentage of employees working more than 46 hours per week was 13% in 2006 and 11% in 2012.

The majority of business owners stated that they did not think a reduction in working hours was a good idea. The reasons given ranged from the negative impact this would have on productivity and profit margins, to long term consequences, whereby overtime would have to be paid to employees and salaries may have to be reduced and this could lead to less employment opportunities and even retrenchment. The enterprises who were in favour of the reduction in working hours reiterated that in order for this to work salaries would have to stay the same. They stated that the benefits from such a move would include more productive employees and better employee health and wellness.

An overwhelming majority of the business enterprises did not believe that an increase in working hours would be a good idea. The main concerns expressed were associated with the negative impact this would have on productivity as employees performance could suffer due to overwork and a lack of rest. For 47% of respondents measures were in place at their firm that would facilitate a reduction of working hours, these measures include employee contracts and letters of employment and corporation and union discussions on the issue. Respondents (23%) stated that the topic of the reduction in working hours has been brought up for discussion and 52% stated that this was annually. A further 21% stated that in their firms this topic was discussed biannually. In the period between 2006 and 2012 in 20% of firms, there had been a reduction in working hours. The results show that only 22% stated that progress had been made towards reducing working hours and 47% described the progress made so far as good.

Examples of this progress given include companies allowing workers to work fewer hours, especially in winter, and productivity not being affected as employees are more task-driven and incentivised in this way. Most (70%) of business enterprises think that the reduction of working hours is as a result of collective bargaining and emphasised the importance of collective bargaining as 'it listens to both sides'. Of the respondents, 68% are satisfied with the pace of agreements towards a reduction of working hours and 73% are happy with the way this is being implemented.

The effect of a reduction in working hours on employment was examined next. Permanent employee figures increased for 27% of respondents and mostly in medium sized firms. Temporary employment increased for 20% of firms, mostly in smaller firms. The amount of overtime increased for 16% of firms and the number females employed increased for 25% of firms. For 30% of firms there was an increase in youth employment and this was most evident in small and medium sized firms. An analysis of the effects of a reduction in working hours on operational expenditure was conducted and the results show that operational expenditure increased for 36% of firms, more so in smaller firms as did capital expenditure for 33% of the firms that had reduced number of working hours.

Revenue increased for 31% of firms and customer numbers increased for 35% of firms. With respect to quality, this increased for 37% of firms and more so for smaller firms. Production targets increased for 26% of respondent firms and most of these were small firms, production targets also increased for 26% of firms. Health and safety issues at work were also examined. Reduction in working hours did not appear to have such a significant impact. Reported health problems increased for 4% of firms, mostly larger firms. General wellness increased for 21% of firms. Attendance rates increased for 18% of firms. Work related accidents increased for 2% of firms and work related injuries also increased in 2% of the firms. The employer's contribution to employee benefits stayed the same for 73% of respondents.

An acceptance of a reduction of working hours without a reduction in employees' remuneration as a means to create more job opportunities was agreed to by only 37% of respondents. Most (63%) of the business enterprises interviewed said they would not readily accept a reduction in working hours without a reduction in remuneration. Although in general it was agreed that there is a need to address unemployment, the

majority of business enterprises said that this approach would not be economically viable and would most certainly affect profits, which would ultimately cost the employer.

Half the respondents (50%) believed that a reduction in working hours could be achieved solely through collective bargaining. Upon being asked whether or not they think the goal of achieving the 40-hour week can be achieved by legislating compulsory reduction of working hours, 54% believed that this could be a better intervention as this would be legally binding. However, the main concerns of the business enterprises with regard to such a policy are likelihood of loss of production which would impact meeting client targets and eventually leading to loss of employment

Company level bargaining was seen as an effective mechanism for the reduction in working hours by 47% of respondents. The respondents stated that mandated employees opened up the opportunity for negotiation and provided a vital link between employees and management. Most (43%) agreed with the mechanism where companies that voluntarily reduce the number of working hours in order to retain employees or recruit more employees get rewarded by government in the form of incentives. The business enterprises believed that the incentives should directly compensate the company for any shortfall in production due to a decrease in working hours. Some suggestions offered included, more education and training should be emphasised so that employees are more productive and therefore avoiding a need to work longer hours. Consultation and negotiation between all stakeholders should continue in order to find the correct solution for the different sectors and the different enterprises.

Employees:

A total of 209 employees were interviewed for this study. The majority, 48% were in the 25-34 year age group. They were 58% female and 42% male and 49% were married or living with a partner. The largest race group in the sample was Black African 56% and 33% of respondents held a university degree and a further 24% had a matric certificate. The companies that they worked for were located in all of the provinces and 32% were in the Western Cape, while 26% were in Gauteng. All economic sectors were represented with finance (15%), wholesale and retail (13%) and transport (12%) being well represented. Over half of the respondents, 51% work for large companies and 42% have been at their current employment for 1 - 4 years. More than half of the respondents, 57% earn less than R8 500 per month and only 9% earn over R19 000.

Almost all are employed full time (86%) and only 20% have trade union membership. Of the sample 55%, regularly work overtime and 50% of respondents work more than a 40 hour week, excluding overtime. Of these over half (26%), work a 44-46 hour week. In 2006, 49% of employees were working more than 40 hours per week and in 2012, 51% of employees were working more than a 40 hour week, a slight but significant increase. Just slightly over a third (36%) of the employees interviewed were aware of the BCEA legislation on working hours. The majority of respondents agreed that a reduction in working hours would be a positive move particularly to benefit social cohesion and having more family time. Other benefits mentioned included less stress and more life fulfillment. However, employees raised concerns if this reduction translated into a reduction in salary. The impact on production was also an issue and in order for this to work, a focus would have to be placed on productivity in shorter time frames and companies would need to learn how to work 'smarter'.

Employees were then asked to indicate their views on increasing working hours. The majority of respondents felt that this would be a very bad initiative as this adversely affect family life and individual health status. Side effects of such a move could include increased absenteeism and safety risks at work and moves towards industrial action. Productivity could also suffer as employees feel the effects of fatigue. For 38% of respondents measures had been put in place at their workplace to facilitate a reduction in working hours. In most cases the maximum working hours allowed by an employee was stipulated in their contract of employment. Other measures taken include shift work, flexi time options, paid over time that is logged and time off in lieu of overtime worked. Only 13% of respondents could recall the subject of the

reduction of working hours ever being brought up at their company, over half of these said that it had only been mentioned annually.

There were just 12% of respondents who could confirm that there had been a reduction in working hours at their firm between the period 2006 and 2012. Only 26% of respondents noted that progress had been made toward a reduction in working hours at their place of work and 11% of these rated this progress as average. Examples given that illustrated the progress included that overtime had been reduced significantly at their companies and was now being paid for. Overtime was now generally being discouraged. It was also noted in the mining sector that the hours had reduced and salaries had increased in the past six years and all overtime was now paid extra. Although for the majority of respondents no discussions took place on the issue, the value of collective bargaining and collective agreements was supported by 65%. Satisfaction with the pace of the reduction of working hours was agreed by 50% of respondents and 53% were satisfied with the way the reduction was being implemented.

Employee's social benefits are examined next. Leisure time was thought to have increased for 35% of employees as did family time for those workers who indicated reduction of working hours at their work places. Social and community participation and stability in life were seen to have increased for 30% of respondents. The most notable increases were found to be for respondents who worked at larger firms. Respondents were asked if their employers would accept a reduction in working hours with a corresponding reduction in salaries as a way to create job opportunities and 37% stated that they think their employers would reject such a proposal. When asked if they would accept this, 69% rejected such the proposal and the reasons were all based on the current cost of living. Many felt that such a change would not be financially viable as they barely make 'ends meet' as it is. Their quality of life would suffer as would their families.

The possibility of achieving a reduction in the working hours solely through collective bargaining was agreed by 63% of respondents and 57% believed that this goal could be achieved through compulsory legislation, through discussions and agreements with input from the unions prior to such legislation being implemented. Strategic plans would also have to be created for each company in order to cope with the changeover and certain sectors would need to be exempted due to the nature of their business. The respondents perceived major challenges in achieving the goal of a 40 hour week including increased workload, back logs of production and reduced service delivery. Resistance from employees and employers due to affordability and loss of salaries, along with non-compliance by some employers also featured.

Just 40% agreed that company level bargaining was an effective mechanism for the reduction and they also agreed that representation by mandated employees was beneficial so that their voice could be heard on an issue, however this depended greatly on the shop stewards' effectiveness and their individual strength. Employees also stated that, in such cases, management always make the final decisions anyway, as different companies require require different solutions. The provision of incentives to employers who voluntarily reduce working hours as a way of creating jobs was seen as a motivating factor to encourage them to comply with the law. It was perceived as a commitment on behalf of the government to take this issue and its implementation seriously, but did concern employees regarding the impact it may have on their own salaries.

Some suggestions offered by employees included that there should be company-wide discussions on the topic of working hours to ensure that all the information on the issue is available to everyone. The protection of employee's salaries should be paramount to these discussions and management should educate their employees on better time management skills in anticipation of the reduction of hours.

Employers' organisations and federations

There were 38 employers' organisations and three federations interviewed for this study. Generally the concept of a reduced working week was welcomed by respondents as it creates a more balanced employee however many felt it was economically unviable as it would affect production output and it would

be unpopular among employers as it created a high risk for them. The possibility of increasing working hours was not popular among respondents. It was considered bad for production as working hours are irrelevant if production targets are not reached. The social impact was also considered to be unfair to both employees and employers.

The results showed that 65% of the employers' organisations and federations believed that progress had been made in reducing working hours towards a 40-hour work week. They stated that it has been in place since 2002 in most sectors but as before, there is no proof or evidence of its successful implementation. Some respondents referred to the evidence in the bargaining council agreements as hard proof of this progress. Just 4% agreed that this progress was excellent, 19% said the progress can be described as good and most (77%) described the progress made as average. Most the employers' organisations and federations stated that employees are now more aware of their rights in this regard and that they are further protected by the existence of sectorial determinations as well.

All employers' organisations and federations who had indicated progress has been made in reduction of working hours agreed this reduction was as a result of collective bargaining/collective agreements. Such respondents said they were satisfied with the pace at which the agreements towards a reduced working week were being negotiated and 96% of respondents were satisfied with the way it was being implemented, stating also that it will take time to implement. When asked to indicate whether their members would readily accept a reduction of working hours as a means of creating employment without a reduction in earnings, only 19% said that they would, some stated that their members may be amenable to such a reduction in working hours but the sacrifice of also reducing salaries of employees as a result was not acceptable.

When asked if the goal could be achieved solely through collective bargaining, 80% of respondents did not think that this would be possible. When asked whether this could be achieved by legislating a compulsory reduction of working hours across all sectors, 75% of respondents agreed with such a proposal. However, there was a great sense of feeling among employers' organisations and federations that legislating on the issue undermines the collective bargaining process and engagement in discussion with stakeholders and that a productivity clause would have to be incorporated in the legislation. The main challenge to the reduction of working hours given was how to create a balance between employee and employer sacrifices, loss of time and possibly productivity for the employer and a loss of earnings for the employee. The cost implications for both sides are massive and this, respondents believe, is what would lead to non-compliance. Employees and employers are under pressure to reach their targets. Only 16% of employers' organisations and federations believed that company level bargaining was an effective mechanism for the reduction of working hours. The success of such a mechanism of company level bargaining depends on the industrial relationship between employers and employees at plant level, and their degree or maturity and preparedness to share the burden and make compromises.

Employers' organisations and federations felt that sectorial based industry level negotiations must take precedence over company level discussions, this does not mean to the exclusion of mandated employees. Findings revealed that 60% agreed that the companies that voluntarily reduce their working hours to create jobs should receive incentives from government. Stating also that sometime incentives are needed in order to progress and motivate employers, these incentives would however, have to be customised for each sector. Concerns were also expressed that the incentives might be a good option but for how long such incentives can be sustained by the economy will be a big issue.

Some suggestions offered include a focused strategic management planning sessions should take place to ensure that stakeholders understand that the times/ hours that individuals are mostly productive is key to the implementation and in addition to the legislation, sectors should be allowed to determine the best fit for their industry. The reduction in working hours must permit the introduction of alternative working time arrangements.

Suggestions offered also included, encouraging parties to engage on this matter at sector level focusing on mutually beneficial trade-offs and concessions in the spirit of partnership. The metal industry between 1999-2002 reduced working hours from a 44-hour week to 40 hours on a shared 'sacrifice' and in return for

the parties agreeing to the introduction of alternative working time arrangements at plant level aimed at addressing productivity, this model may be worth considering for future policy formulation.

Trade union affiliates and federations (trade unions)

A total of 49 trade union affiliates and five trade union affiliates were interviewed. These trade unions represented all economic sectors. The majority of the trade unions agreed a reduction in working hours was necessary and beneficial. They felt this would bring South Africa in line with international practice and several reported that such measures were already in place among their members. Trade unions were of the opinion that reduction of working hours would help grow the economy and create employment opportunities, and for several, it was one of their core demands. When asked about what they thought about increasing number of working hours for workers, the trade unions were strongly opposed to any increase in working hours for their members. They described such a move as unrealistic and exploitative.

Results showed that 57% of respondents felt that progress has been made towards the reduction of working hours, however this is being hindered by a vested interest by employers not to implement the change due to their production demands and a lack of compliance monitoring on behalf of the DoL. Progress to date was described as excellent by 17% of respondents, 33% said the progress was good, 30% said progress was average. Respondents gave the cases of the hospitality, automotive, engineering and metals sectors as examples where reduction of working hours have been experienced.

Most (87%) indicated that they thought the reduction of working hours towards a 40-hour week was a result of collective bargaining/collective agreements. Just over half the respondents 52%, stated that they were satisfied with the pace of the negotiations on the reduction of working hours and a similar 50% were satisfied with the implementation. Resistance from employers is still considered an obstacle to implementation, while collective bargaining and union lobbying is greatly assisting employee's to approach the issue. A majority of respondents (86%) stated that their union members would not accept a reduction of hours with a corresponding reduction in earnings as a means to create more job opportunities (86%). It was considered unreasonable to expect low income earners to take a further reduction in their salaries.

Although about 60% of the trade unions indicated that they thought the 40-hour week cannot be achieved solely through collective agreements, there is clear propensity for collective bargaining rather than company level bargaining. Nonetheless it is not deemed as a panacea judging from their responses to whether collective bargaining can be used as a sole mechanism for reduction of working hours. Moreover, the findings revealed that the majority of unions (80%) are open to legislation to ensure compliance and extend 40 hours to those not covered by collective agreements. Obviously, the union's perspectives are influenced by their strong support for reduction, in contrast to employers who view productivity and profitability through the lens of more hours.

In the eyes of trade unions, the main challenge to reduction of working hours is the possibility of a reduction in employees' salaries. According to trade unions, reduction of salaries is inconceivable considering that many employees are already on the 'bread line' and depend on overtime pay to supplement their already low incomes. Buy in from employers is also an issue as a reduction in working hours may affect productivity and this coupled with the challenging economic environment could lead to loss of profit and retrenchments.

The issue of salaries is a major one in the eyes of trade unions as evidenced by what they thought of a mechanism where "*Companies that voluntarily reduce number of working hours in order to retain employees or recruit more employees should get rewarded by government in the form of incentives*". Most (57%) of the trade unions said they would be in favour of such a mechanism should it come to fruition and there is tangible evidence of employment creation and that the reductions of working hours will not be accompanied with a reduction of salaries. It is clear that the trade unions view a reduction of working hours accompanied with a reduction of salaries as a matter of grave concern, one that is quite capable of creating tensions in the workplace leading to unintended consequences of low production through low employee demoralisation.

Upon being asked to provide some suggestions on the way forward regarding the issue of reduction of working hours, trade unions indicated that government should take a leading role, steered by the DoL and commencing with a national education campaign on the issue of working hours. On going monitoring by the DoL should be assisted with union personnel and non-compliance should be penalised.

Conclusions

This study on progress made on reduction of working hours towards the 40-hour week was able to discern a myriad of responses in terms of answers, facts, opinions, insights, preferences, suppositions and suggestions from a number of stakeholders. The responses ranged from the most emotive ones to the well-thought through ones and evidence-based ones. All this demonstrated that the issue of working hours is one of the most significant workforce issues and seems it will remain so. From one generation of workers to another and from one industrial development phase to another, the issue of working hours will not cease to occupy the minds of key players such as employees, employers, trade unions, policy makers, economists, researchers, families and households, etc.

No wonder why. The issue of working time has been a central workforce issue since the beginning of the Industrial Revolution and a central issue of labour policy since at least, the adoption of the Factories Act of 1844 in the United Kingdom, limiting the working hours of women and children. According to the International Labour Organisation (2007), working time was also the subject of the very first international labour standard, the Hours of Work (Industry) Convention, 1919 (No. 1).

In this study, stakeholders were agreeable that progress has been made toward reduction of working hours between the periods 2006 to 2012. The proportion of respondents who said so differed across the different stakeholders. For example most of the trade unions, employer organisations and federations, business associations and chambers asserted that progress has been made in the reduction of working hours. Indeed their assertions were vindicated by the findings obtained from analysis of Quarterly Labour Force Survey (QLFS) from 2009 to 2012. QLFS analysis revealed that the average weekly hours worked by employees in South Africa decreased by 1.1% between 2009 and 2012. Upon comparing these findings to the 2005 findings (Goga and Oosthuizen, 2007), it was observed that generally the number of hours worked per week reduced by approximately 5.9 hours from 2005 (49.1 hours) to 2012 (43.2 hours).

Most of the stakeholders who had said progress have been made in reduction of working hours were quick to accede that such progress made was a result of collective bargaining and or collective agreements. This study therefore was able to reveal and bring to fore the contribution of collective bargaining/agreements as an integral and fundamental cog to the process designed to attain the goal of the 40-hour week for employees in South Africa.

Though most stakeholders were satisfied with the pace at which agreements meant to assist with reduction of working hours have been negotiated, the story was different when it came to implementation and compliance with the agreements. Bargaining councils, business associations and foundations and employees were of the opinion of that the 40-hour week can be achieved solely by collective bargaining.

Though the idea of legislating compulsory reduction was favoured with different degrees among the stakeholders as mechanism of reducing working hours, all stakeholders expressed concern that such a mechanism may not be ideal under the current economic conditions, rather the focus should be on measures that strengthen the economy such as supporting industries to improve and maintain competitiveness through higher output and reduced costs. Stakeholders conceded that such legislation would be difficult to enforce as not all companies will comply. In the event that such legislation sees the light of the day, a productivity clause will need to be incorporated in it.

Though with varying degrees stakeholders indicated that industries are different and will need different approaches to reduce the number of hours for workers, a mechanism of company level bargaining was not

favoured by many stakeholders. The concern was that because of fear of victimisation, shop stewards will end up conceding more often to concessional bargaining.

This process of reducing working hours towards the 40-hour week is fraught with a number of challenges such as:

- reduction of working hours being accompanied with reduction of remuneration;
- non-compliance to agreements;
- inadequate capacity to monitor compliance;
- the issue of reduction of working hours viewed or perceived as loss of production through employers' lenses;
- difficulties in reaching a balance between employers' and employees' sacrifices; and
- different sectors and different firm sizes with different needs and circumstances

Recommendations

1. Strengthen the pillars of collective bargaining institutions:

- creating awareness of the benefits of collective bargaining; and
- training and skills development of personnel involved in central collective bargaining

2. Pro-active innovative interventions

- business enterprises to be encouraged to develop policies where employees and employers collaboratively design working time arrangements. Practical mechanism of such a strategy to include the following:
 - obtain the needs and preferences of employees through feedback forums or employee surveys
 - craft business objectives, strategies and plans.
 - align the employees' working time needs and preferences with business objectives, strategies and plans.
 - examine a business's operating procedures to identify how working time arrangements can be structured to both improve business outcomes and better reflect employees' needs and preferences
 - develop key performance indicators
 - monitor and evaluate.

3. Empowerment and recognition of work forums

- allow work forums to be formed in companies with less than 50 employees as well; and
- offer protection through legislation of such work forums.

4. Education and awareness programmes

- DoL could spearhead widespread efforts to educate workers of their rights and create awareness of legislation such as the BCEA.

5. Role of ProductivitySA

- ProductivitySA could assume a key role in terms of enhancing its assistance to businesses to attain production targets.

6. It is also suggested that parties (re) visit the General Survey of the reports concerning the Hours of Work (Industry) Convention, 1919 (No. 1), and the Hours of Work (Commerce and Offices) Convention, 1930 (No. 30).

7. Areas of further research

It also recommended that more focussed research be undertaken at firm level in order to obtain insights regarding the extent to which firms are complying with collective agreements. It is important to undertake further research on inequality implications of flexible working arrangements in view of the family responsibility roles undertaken by women and the growth of women participation in paid work.

1. THE PROJECT

1.1 Background to the study

The Basic Conditions of Employment Act (BCEA) regulates the basic conditions of employment that workers are entitled to in South Africa, and covers such issues as working hours, annual leave, termination of employment and the age at which individuals may be employed. More importantly, the Act stipulates the upper limits of ordinary as well as overtime work. Section 9(1) lowers the maximum hours of ordinary work from 46 to 45 hours a week, while Section 10(1) (b) limits overtime work to a maximum of ten hours per week.

However, the 45-hour limit on ordinary work is not set in stone and the BCEA allows for it to be revised downward, through bargaining councils and collective bargaining agreements within individual sectors.

It is against this background that this project has been commissioned. It is within the provisions and tenets of the BCEA that the investigation of the progress made in the reduction of weekly hours was conducted. The purpose is to assess the progress made in the reduction of weekly working hours to a level of 40 hours per week as part of a follow up study to one conducted in 2007. This study will assist in providing information needed to compile the report for submission to the Minister, in terms of the BCEA.

1.2 Context of the study

In 1930, John Maynard Keynes imagined a world in which, a hundred years later, work would be to a large extent replaced by leisure. He speculated about a three-hour shift and a 15-hour working week by 2030. In so doing, he was reflecting the general expectation of economists during that period that rising incomes would be converted into both higher levels of consumption and shorter hours of work. Working time has proven to be much less sensitive to income than is commonly believed, particularly in more developed countries. Despite a long-term trend towards a reduction of average working hours over the last 80 years in most countries of the world, and even though we still have another 16 years to go till 2030, Keynes' vision is clearly out of reach. What's more, recent ILO research shows that 22 per cent of the world's workers were working more than 48 hours per week at the turn of the 21st century, more than 80 years after the adoption of the ILO's first labour standard – the Hours of Work (Industry) Convention, 1919 (No. 1) – which sets this as a maximum working week for industrial workers (ILO, 2010)

1.3 Scope of project

The project was carried out in two phases. Overall, the first phase of the project entailed review and analysis of Quarterly Labour Force Survey (QLFS) and Bargaining Council Agreements. The second phase involved conducting a survey with key stakeholders.

Overall, the scope of work of the entire project entailed the following:

- the development of a report, amongst other things, using the latest report released by the Department of Labour (DoL) outlining progress made towards the reduction of working hours to a 40-hour week;
- analysis of the QLFS from 2006-2012 to determine what the trends are regarding hours of work over the last six years;

- analysis of the bargaining council agreements to see what the trends are with regard to hours of work over the last six years;
- review of progress made in reducing weekly working hours on a sectorial basis at enterprise level, as well as per enterprise size, where applicable;
- identify the manner through which the reduction of working hours can be achieved at sectorial or enterprise level;
- impact analysis of reducing the working hours on the labour market, especially with regard to:
 - employment loss/retention/creation;
 - economic efficiency;
 - operational efficiency;
 - social benefits; and
 - health and safety
- report on progress made in reducing weekly working hours in South Africa , since the release of the latest report on the 40-hour week by the DoL; and
- Preparation of a final report with recommendations, including strategies that can be used to reduce weekly hours of work to a level of 40 hours per week.

The project was carried out in three main phases. Phase 1 involved project initiation and planning. The deliverable submitted to the DoL was a Proposal and Project Plan. Phase 2 involved literature reviews, analysis of QLFS and Bargaining Council Agreements. A review and Analysis Report was submitted to the DoL. Phase 3 of the project involved conducting surveys with relevant stakeholders. The object of this report is to furnish the survey results.

2. METHODOLOGY

2.1. Introduction

As already mentioned in the foregoing section, the object of this report is to provide an analysis and interpretation of results obtained in the survey conducted in Phase 3 of the project.

Surveys were conducted with bargaining councils, business associations and chambers; business enterprises; employees; employer federations; employers' organisations; trade union affiliates; and trade union federations and DoL key informants.

These stakeholders were considered the target population in this survey and it was judged that these stakeholders would provide the relevant information that would meet the purpose and objectives of the survey component of the project. It was judged that the target population would provide accurate and informative responses that will answer and provide a basis for making conclusions on the main research question at hand, i.e. *'has progress been made in the reduction of weekly working hours to a level of 40 hours per week?'*.

2.1 Stakeholder plan and sample size

Sampling

The entire populations for the trade union affiliates, federations of trade unions, employers' organisations, employer federations, business associations and chambers and bargaining councils were small. It was therefore important to include the entire populations of these stakeholders. Attempts were made to get responses from all the stakeholders belonging to these populations.

For the business enterprises and employees where the population sizes are large, it was important to establish the strata. The two main strata established were the provinces and the industry sector. The provinces defined were Eastern Cape, Free State, Gauteng, KwaZulu-Natal, Mpumalanga, Limpopo, North West, Northern Cape and Western Cape. The industry sectors defined were Agriculture, forestry and fishing; Manufacturing; Mining; Transport, storage and communications, Community services, Wholesale and retail, Finance and business services, Electricity, gas and water and Public service.

The business enterprises and employees under the defined strata were randomly selected to ensure sufficient number of subjects from each stratum. The intent was also to interview employees in the enterprises that were approached. Purposive sampling was used as the intent was to access a particular subset of people in the business enterprises. Outside the business enterprise environment, the intent was to interview people who were working; therefore the first question asked was whether or not an individual was working. The people who did not meet the 'employee profile' were not asked any further questions.

Table 1: Sample sizes

ID	Target group	Sub target group	Population	Minimum interviews to be completed	Achieved	% Achieved
1	Trade Union Affiliates and	Trade union affiliates	191	39	49	125.6
		Federations of Trade Unions	22	5	5	100.0

ID	Target group	Sub target group	Population	Minimum interviews to be completed	Achieved	% Achieved
2	Employers	Employers' organisations	163	33	38	115.16
		Employer Federations	9	3	3	100.0
3	Business associations and chambers	Business foundations and national business associations	44	10	20	200.0
4	Bargaining councils secretariat		51	51	34	66.6
5	Business enterprises			170	246	144.7
6	Employees			85	209	380
7	Key informants	DoL		10	10	100
Total				376	614	163%

It was expected, just as in most surveys that not everyone who was sent an on line survey, contacted through the telephone or visited personally would complete the questionnaire. A minimum number of questionnaires to be successfully completed were therefore set up for each stakeholder group. The minimum was based on obtaining at least 20% of the total sub target group except for the business enterprises, DoL key informants and employees. The minimum target of completed questionnaires was achieved and even surpassed for most stakeholders as the entire populations were targeted and efforts were made to obtain responses from the entire populations.

The numbers for business enterprises, DoL key informants and employees were arrived at based on what could be achieved within the confines of the project budget and time of the study. The population sizes of business enterprises and employees in SA are large. For example, according to Statistics South Africa (StatsSA) (2014), the Quarterly Employment Survey (QES) results show that number of employees working in businesses increased by 38 000 from 8 457 000 in the third quarter of 2013 to 8 495 000 in the fourth quarter. It was therefore not feasible, time and budget-wise to interview 20% of the number of employees and business enterprises.

Data collection tools design

A focus group discussion guide was developed for DoL key informants. Questionnaires were developed for the following stakeholder groups:

- trade union affiliates;
- trade union federations;
- employers' organisations;
- employer federations;
- business associations and chambers;

- bargaining councils;
- business enterprises; and
- employees

Piloting of questionnaires was done between March 3, 2014 and March 7, 2014. The questionnaires were amended and revised based on the global findings of the pilot which included the following:

- Although the stakeholders were eager to partake in the pilot survey, they indicated that questionnaires were too long.
- Some stakeholders especially employees, were not aware of reduction of working hours therefore could not provide answers to most questions.
- The questions relating to the thematic area 'impact of reduction of working hours' were problematic across all target groups.

The questionnaires were submitted to the DoL for review and sign-off. A letter of adoption of the instruments was obtained from the DoL on April 22, 2014.

Questionnaires were used because of the inherent advantages of questionnaires in surveys. The questionnaires also enabled the collection of data from a myriad of key stakeholders scattered across the country in a relatively short period of time. Questionnaire use also enabled the results obtained to be quickly and easily quantified through the use of Statistical Package for Social Sciences (SPSS). Quantification of the data was important in this survey so as to facilitate comparison and contrasting (where possible) the findings across the different stakeholders and findings of previous studies or other related studies.

Data collection

A mixed method data collection design was used in this study as techniques from the qualitative and quantitative methods were used. The mixed method design was adopted as all methods of data collection have limitations; the use of the multiple methods was therefore intended to cancel out some of the disadvantages of certain methods. As well, the strengths of each approach can complement each other.

Two focus group sessions were held with key informants from the DoL. The focus group sessions were held on March 6, 2014 and the data collection process commenced on April 28 2014. Focus groups were conducted in order to tap on some of the advantages that are typically derived from such a method. In a focus group, group dynamics can generate new thinking about a topic which will result in an in-depth discussion. In addition, focus groups rely on words spoken by participants, therefore the findings based on focus groups feature patterns formed by words. These patterns are called themes or perspectives. These themes or perspectives were deemed imperative in this study considering that a host of stakeholders were interviewed.

A combination of quantitative data collection techniques was deployed. These were face-to-face questionnaire administration, telephone questionnaire administration and on line questionnaire administration. These techniques were chosen because of the advantages associated with each technique. For example, face-to-face questionnaire administration was deployed as it allowed clarification of complex issues of the questionnaires. Face-to-face administration also allowed for probing and verification of responses. Conducting face-to-face questionnaire administration guaranteed that the questionnaires were delivered to the intended recipients.

Telephone administration of questionnaires allowed for many potential respondents to be reached within a short period of time. Quality control was also enhanced because of telephonic administration of questionnaire as the answers were completed more accurately. On line administration of questionnaires allowed for data to be collected quickly from a number of respondents in a relatively short period of time.

Data processing and analysis

Transcriptions of the recorded interviews were undertaken for the focus group discussion sessions. The qualitative data was grouped into thematic areas and to allow for meaningful information to be discerned.

The data collected from the field were initially captured onto a template to ease processing and analysis. The processing included data cleaning and coding. Data was analysed using Microsoft Excel and SPSS.

Descriptive statistics analysis was used to describe, show and summarise the data into meaningful ways which allowed simpler interpretation of the data. Descriptive statistics was useful to summarise the data using a combination of tabulated description (i.e. tables), graphical description (graphs and figures) and statistical commentary (i.e. a discussion of the results).

During the analysis, the responses of the trade union affiliates and federations were combined to represent the views of the trade unions. The same was done for employers' organisations and federations so as to represent the views of the employers. Responses for the business associations and chambers (e.g. Business Unity South Africa, South African Chamber of Commerce and Industry, National Small Business Chamber, etc.) were not combined with employers' organisations because even though the business associations represent the broad interests of employers, they do not negotiate employment terms on behalf of employers.

Limitations of the study

The limitations of this study relate to the small populations of the trade union affiliates, federations of trade unions, employers' organisations, employer federations, business associations and chambers and bargaining councils. Although the whole populations were targeted, not everyone participated in the survey. As a result of not every subject responding, non-response error, or bias was induced into the survey. Theoretically, non-response error can occur within anything less than 100% response rate.

Non-response is the main limitation of the study. A case in particular is the bargaining councils. All the bargaining councils were approached so that they participate in the survey. However, not all participated. Some of the reasons for non-participation include:

- Some bargaining councils were 'new' therefore could not respond as the issue of the 40-hour week has not yet being tabled
- One bargaining council indicated that it had not yet embarked on centralised bargaining and has therefore not yet addressed the issue of working hours on a collective basis.
- Another one could not render opinions on the issue being investigated as parties in the bargaining council do not consider the 40-hour week a substantive matter.

Most of the large enterprises that were approached declined to participate in the survey resulting in more responses being secured from small and medium enterprises.

The other limitation of the study is the challenges of trying to prove causality in order to determine the impact of reduction of working hours on labour market issues such as employment loss/retention/creation; economic efficiency; operational efficiency; social benefits; and health and safety. Generally, impact analysis seeks to isolate the outcomes that are attributable or caused by an intervention. Where possible impact analysis tries to differentiate between changes that can be attributed to the intervention (in this case reduction of working hours to a 40-hour week) from other external factors that may have contributed as well as examining unintended changes alongside those intended. There are challenges when one attempts to prove causality. The greatest challenge faced in this case was how to isolate the effects of reduction of working hours to a 40-hour week from other external factors. As a result of this challenge, useful information was provided by describing the effects of reduction of working hours on the labour market issues.

The questions that business enterprises and employees were asked in a bid to determine the effects of reduction of hours on labour issues drew a number of responses where respondents said they were indifferent (neutral). The indifference could possibly be a sign of respondents who could have lacked the desire to check and confirm the sought information; lacked relevant information, had no opinion or had no interest in the study.

Strength of the study

Overall, the strength of this study lies on the data collection design employed. A mixed method approach was used. The second phase of this study entailed the review of literature review, analysis of QLFS and Bargaining Council Agreements. The third and final phase of the study entailed deployment of a combination of focus group sessions and surveys. The mixed method approach deployed in this study took advantage of the multiple ways to explore a research problem under investigation. Mixed method research complemented the strength of a single design and overcame the weakness of a single design and in a way allowing the research question to be addresses at different levels. The other strength of the study is that a host of stakeholders were surveyed.

3. BARGAINING COUNCILS

3.1 Introduction

Bargaining councils were asked to provide responses regarding progress made towards the reduction of working hours to a 40-hour week for the period covering 2006 to 2012. There were a total of 34 bargaining councils who participated in the survey.

Table 2: The nature of the bargaining council

Descriptions	Count	Percentage
Private sector bargaining council	22	64.7%
Local government and government bargaining council	2	5.8%
Statutory bargaining council	8	23.5%
Other	2	5.8%
Total	34	100.00%

As illustrated in table 2, almost two thirds of the sample (64.7%), are private sector bargaining councils.

Bargaining councils were asked to report on the economic sector best describing the sector for which their bargaining council is registered. Results are shown in table 3 below:

Table 3: The sector of the bargaining council

Economic sector	Count	Percentage
Agriculture, Forestry and Fishing	1	2.95%
Manufacturing	13	38.24%
Mining	0	0%
Transport, Storage and Communications	4	11.77%
Community Services	1	2.95%
Wholesale and Retail Trade	2	5.89%
Finance and Business Services	0	0%
Construction	4	11.77%
Electricity, Gas and Water	0	0%
Public service	5	14.7%
Other	4	11.77%
Total	34	100.00%

The manufacturing sector is well represented as 38% of the sample is registered with them. Public service and transport, storage and communications make up a further 23% of the sample. The sample provides a good cross section of the main sectors of the economy.

3.2 Insights into the issue of working hours

3.2.1 Views on reduction of working hours

Respondents from the bargaining councils were asked to provide their views on the reduction of working hours. The majority believe that the decision is up for the employer and employee to negotiate. Although acknowledging that this initiative could be good for job creation and the importance of aligning working

hours to the BCEA, such a move could create a negative impact on income for both parties through increasing costs for employers i.e. having to pay more salaries and perhaps more overtime and on employees having to take a reduction in pay. The impact on productivity is also a grave concern.

Comments include:

- *“It is for the employer and employee to negotiate”;*
- *“Take home for employees will be less”;*
- *“Completion of projects will be delayed”;*
- *“Benefits e.g. provident funds, death and disability will be reduced”;*
- *“The process depends on annual negotiations and it takes time”;*
- *“It is a good idea but employees might not finish work in required time which might result in overtime cost”.*

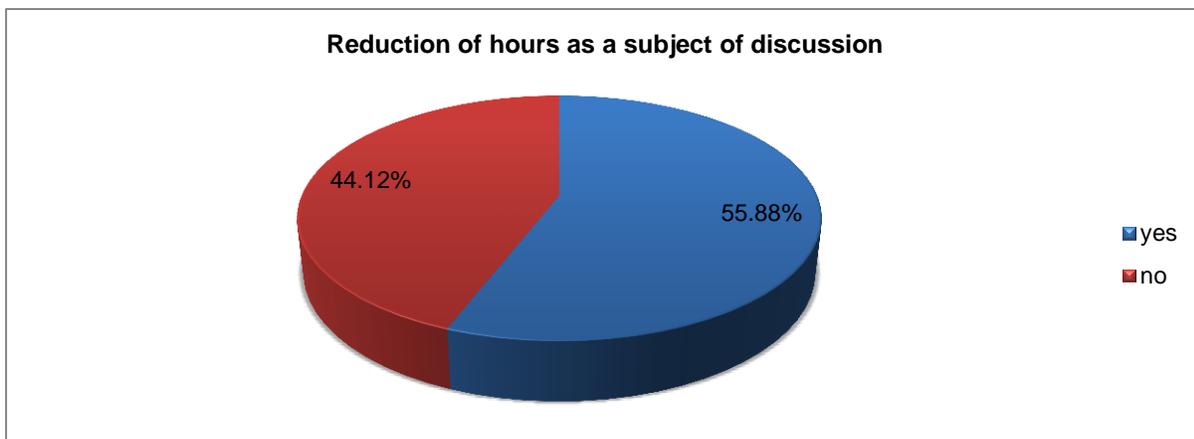
3.2.2 Views on increase of working hours

Bargaining councils’ views on increasing working hours include that they did not see how such a move could create employment. They acknowledged that statutory compliance to reduce working hours was well underway in several sectors and any increase of hours would have to be by way of negotiation between employee and employer. Such an increase could also have a negative impact on the social wellbeing of the employee and would not necessarily be good for production targets as the health of the worker could suffer. Other comments include:

- *“Does not benefit employees unless it is increased through overtime or standby hours which paid at overtime wage rate”;*
- *“Employees would like it”;*
- *“They should not be increased, except for instances when it is really required”.*

Bargaining councils were asked to indicate whether or not the subject of working hours has been brought up as a subject of discussion during the period 2006 - 2012. The findings are shown in Figure 1 below.

Figure 1: Reduction of working hours as an agenda within bargaining councils



Almost 56% of respondents stated that the issue had been brought up as a subject of discussion while 44% of bargaining councils said that it had not. Bargaining councils were further asked to describe the frequency with which the topic has been brought up for discussion. The findings are shown in Table 4 below.

Table 4: Frequency reduction of working hours brought up for discussion

Frequency	Count	Percentage
Annually (once a year)	5	14.7%
Bi-annually (twice a year)	2	5.98%
Biennial (one in two years)	2	5.98%
Once in more than three years	7	20.59%
Cannot recall	2	5.98%
Don't know	16	47%
Total	34	100.00%

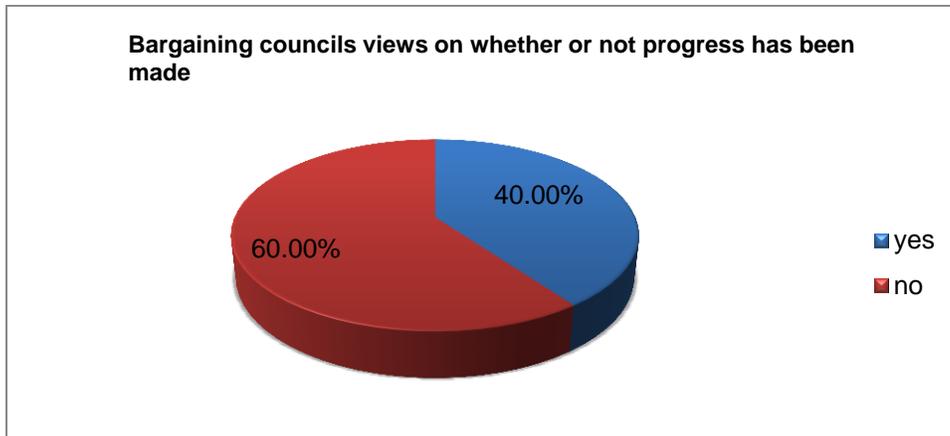
The findings in table 4 above shows that 21% indicated that the topic had been brought up once in more than three years and 14% said that the topic had been brought up annually for discussion. Over half of the respondents did not know or recall the topic having ever been brought up. It is interesting to note that the topic did not seem to be receiving adequate attention within bargaining councils

3.3 Progress made into reduction of working hours

3.3.1 Progress made

Bargaining councils were asked whether they think progress has or has not been made towards reduction of working hours to a 40-hour week for the period covering 2006 and 2012. The results are shown in Figure 2 below.

Figure 2: Bargaining councils' views on whether or not progress has been made



Findings show that 40% of respondents who stated that progress was made provided the following examples and or cases;

- Textile industry, good progress has been made;
- Glass sector, agreement for 2013 - 2014 working hours are 42 and most of them are already on 40 except where they are working continuous shifts;
- Construction industry, hours in construction are regulated now;
- Sugar manufacturing and refinery industry, workers used to work 46 hours, now they work 43 hours a week);
- Metal and engineering industry, a 40-hour week has been in place since July 1, 2002;
- Public service, 99% of all employees perform a 40-hour work week; as stated on the public service regulations.

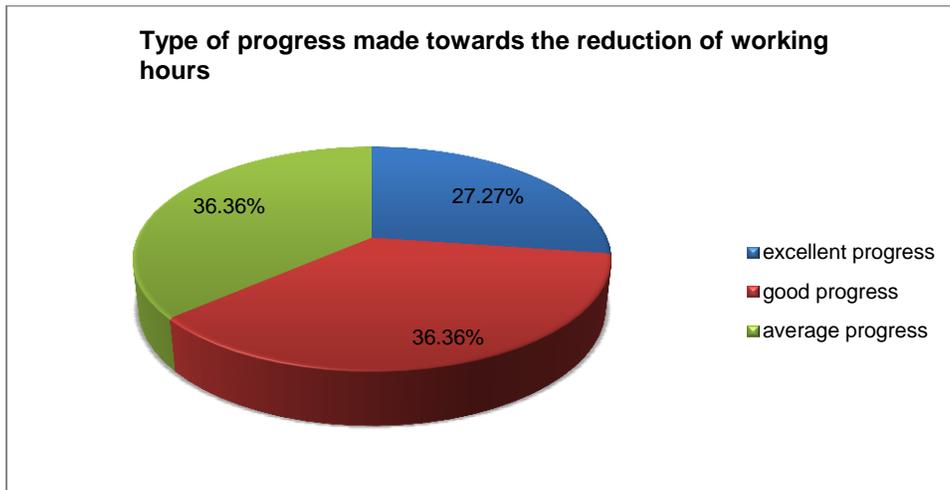
- Pulp and paper industry is at 42 hours per week.

Most (60%) of the bargaining councils interviewed think that no progress has been made towards reducing working hours to a 40-hour week in the given period. They were asked to explain further and some of the reasons provided include that consensus cannot be reached because employers want a 45 hour working week, whilst unions want a 40 hour working week. Although normal hours of work have always been 42 hours per week most industries work a 45 hour week. Employers have for a long while proposing to increase the hours to 45 and the unions do not support the proposal. Parties to the council did not regard this specific matter as very high on their respective agendas. Most employees are of the view that the working hours are reasonable, given the state of the economy but they do not like this proposition as they think there will be a reduction in wages and benefits. Other companies still demand overtime over and above the reduced hours therefore in many cases the proposition then becomes ineffective.

3.3.2 Type of progress made

The bargaining councils who said they think progress has been made were asked to indicate the type of progress. The results are shown in Figure 3.

Figure 3: Type of progress made towards the reduction of working hours



Excellent progress was noted by 27% of respondents while an even 36% indicated good and average progress has been made.

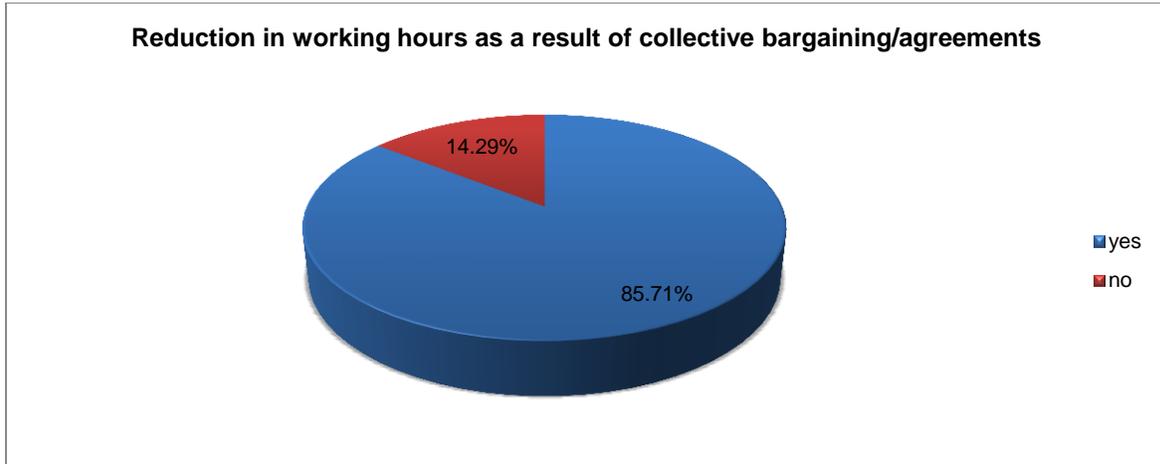
3.4 Role of collective bargaining/collective agreements

Respondents were asked to rank a list of bargaining items on conditions of employment in relation to which gets high priority during negotiations. Remuneration was ranked first priority by 88% of respondents followed by hours of work (9%) and then annual leave.

3.4.1 Collective bargaining/collective agreements' role

Bargaining councils were asked whether they thought a reduction of working hours towards a 40-hour week was a result of collective bargaining/ collective agreements. Figure 4 illustrates the findings.

Figure 4: Bargaining councils' views on role of collective bargaining/collective agreements

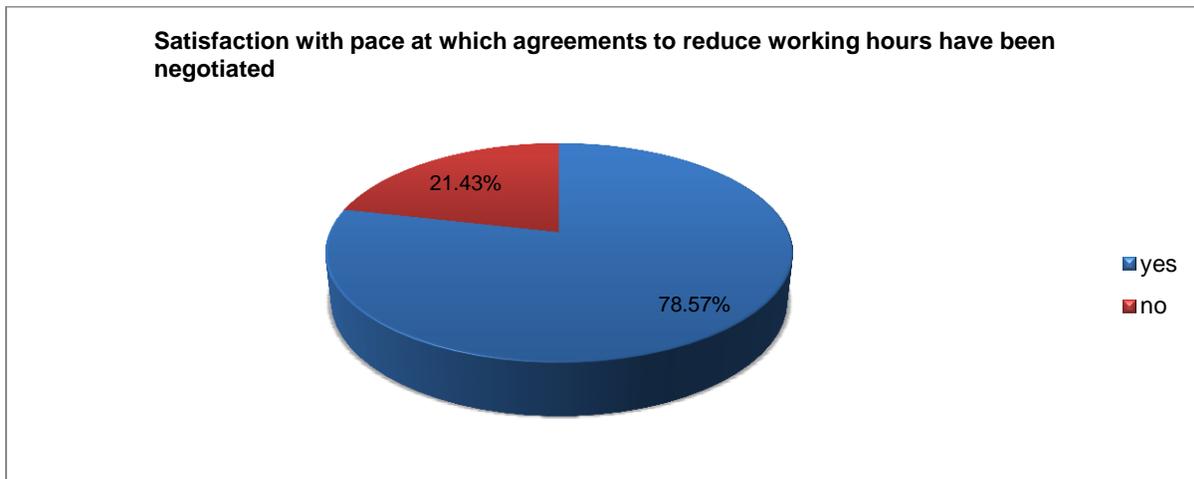


A majority (86%) of the bargaining councils felt that a reduction of working hours is as a result of collective bargaining/collective agreements. Supporting their answers stating that most of the progress made to date can be attributed to the power of collective bargaining and consensual decision making on the issue. The demands of the unions on working hours have been addressed as part of the annual wage negotiations and this is discussed on a national level.

3.4.2 Satisfaction with pace

Bargaining councils were asked whether they were satisfied with the pace at which agreements to reduce working hours towards a 40-hour week have been negotiated for the period 2006 to 2012. Their responses are illustrated in Figure 5.

Figure 5: Bargaining councils' satisfaction with pace of negotiations of agreements

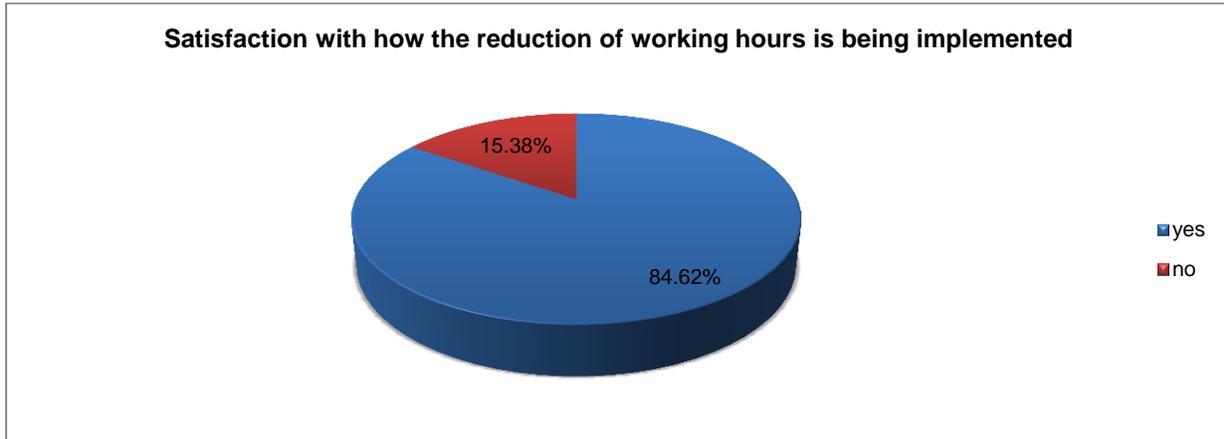


Most (79%) of the respondents indicated they are satisfied with the pace at which agreements to reduce working hours towards a 40-hour week have been negotiated for the period 2006 to 2012 with 21% unhappy with the pace.

3.4.3 Satisfaction with implementation

Bargaining councils were asked whether they were satisfied with how a reduction of working hours is being implemented. Their responses are illustrated in Figure 6 below.

Figure 6: Bargaining councils' satisfaction with reduction of working hours' implementation



Most (85%) of the bargaining councils indicated they are satisfied with how reduction of working hours towards a 40-hour week is being implemented. They felt that employers are complying and implementing in the past 6 years. Those who indicated they are not satisfied felt that not enough is being done in terms of implementation and some companies still demand overtime over and above the reduced hours. The issue itself is not being raised at council meetings and does not appear on the agendas. Employees themselves do not appear driven to accomplish this. Some employees are happy to work more hours and employers realise the financial risks involved in reducing the hours.

3.5 Role of compulsory legislation

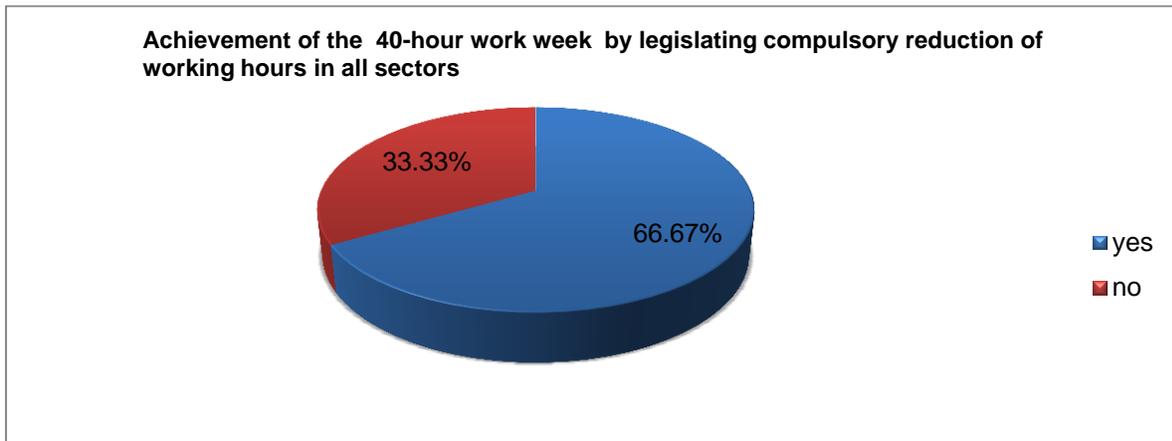
3.5.1 Attainment by legislating compulsory reduction

Bargaining councils were asked whether or not they think the goal of achieving the 40-hour week can be achieved solely through collective bargaining/agreements. The results revealed that most bargaining councils (61%) thought that reduction can be achieved solely through collective bargaining. Those who thought collective bargaining alone cannot achieve reduction of working were asked whether or not this could be achieved by legislating compulsory reduction in all sectors. The findings are illustrated in Figure 7 below.

Most (67%) think that goal of achieving the 40-hour week can be achieved by legislating compulsory reduction of working hours in all sectors. The reasons they gave include a belief that if there is some regulation in place, then this will force the parties to reach agreements. The benefit of legislation can also mean more inclusion as not all sectors are being regulated by a bargaining council. Finally parties to collective agreements should be encouraged to achieve a 40-hour week.

Those who are not in favour of a compulsory reduction through legislation said the government should be wary of introducing legislation in sectors which are under stress, these were identified as construction, wholesale and retail trade and/or are extremely vulnerable to global competitive forces. Such legislation could hurt the economy leading to job losses.

Figure 7: Bargaining councils' views on whether or not legislation can lead to a 40-hour work week



3.6 Challenges to reducing working hours

Bargaining councils were asked to indicate what they view as major challenges to processes aimed at reducing the number of working hours to a level of a 40-hour week. The challenges mentioned include resistance from employers to reduce the working hours as economically this is just not viable. Employees may have to take a reduction in salary as a result of the reduction in hours and employers will have to pay more overtime and additional salaries. The cost of labour remains one of the main challenges. Small, medium, micro enterprises (SMMEs) need a 45-hour week to remain competitive; such a reduction in hours could cause them to cease trading. Productivity will have to increase otherwise there will be no gains by reducing the number of working hours although most employers still believe that more working hours translate into higher productivity.

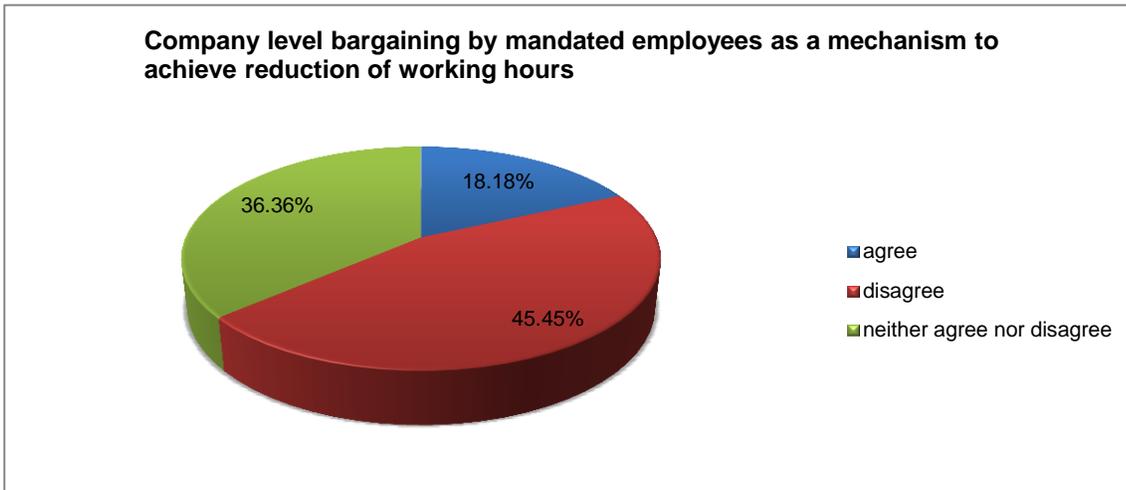
They were then asked to suggest ways and means to overcome these challenges. It was suggested that a phased in implementation would work best whereby the hours worked per week were reduced gradually and vulnerable sectors were initially excluded until suitable strategies were put in place. Addressing concerns regarding production targets, employees need to be motivated or incentivised while their production is carefully monitored in line with a 'work smarter, not longer' plan. This is a phrase coined by Allan F. Mogensen, the creator of Work Simplification in the 1930s. The thrust of the theory is to create organised simplification in the workplace (Cook, 2013). Alternative working time arrangements should be introduced including a compressed work week as this would allow employees have sufficient rest periods. Finally proper training and modern equipment should be utilised in order to maximise production.

3.7 Other insights

3.7.1 Bargaining at company level

Bargaining councils were asked extent to which they agree or disagree with the statement that "Company level bargaining by mandated employees can be an effective mechanism to achieve reduction of working hours to a 40-hour week". The findings are illustrated in Figure 8 below.

Figure 8: Bargaining councils' views on company level bargaining



The findings in Figure 8 above show that 18% of the bargaining councils agreed with the statement while 46% disagreed. Meanwhile, 36% neither agreed nor disagreed with the statement posed to them.

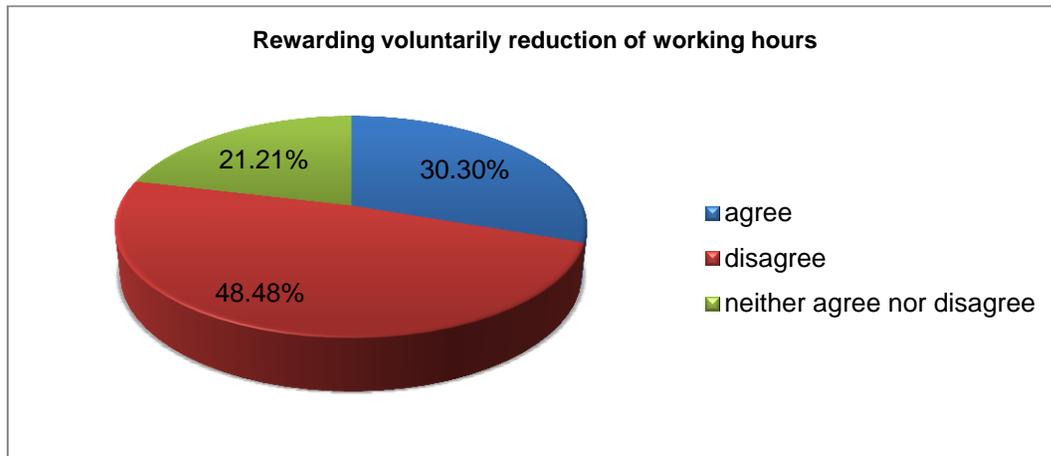
The reasons given by those agreeing include that although not applicable in the public service, but in general, discussions on working time is best addressed at the shop floor level. Every unit differs and has different circumstances; therefore to get to a 40 hour week will differ. The person doing the negotiation needs to have a sound grasp of sound business principles as well as the workers needs and demands must be realistic. If effective they can greatly assist in the collective bargaining process. At centralised levels different companies have different needs so it is not always possible to address the real issues except for minimum conditions and as companies are not all at the same level of hours, company level bargaining will expedite the process

The reasons given by those disagreeing with the statement (45.5%) include that shop stewards often bargain for longer hours and shop floor bargaining can sometimes undermine the collective bargaining agreement. Centralised bargaining is one of the main objectives of the Labour Relations Act (LRA), but this type of bargaining can create multi-tier bargaining in the industry that is not always beneficial.

3.7.2 Rewards for voluntary reduction of working hours

Bargaining councils were asked the extent to which they agree or disagree with the statement that *“Companies that voluntarily reduce the number of working hours in order to retain employees or recruit more employees get rewarded by government in the form of incentives”*. Their responses can be seen in Figure 9 below.

Figure 9: Bargaining councils' opinions on incentives as a mechanism to reduce working hours



About 49% disagree with the statement while just over 30% agree. The reasons given by those agreeing with the statement were that it depends on the impact of the incentives; if they result in overtime being worked by new employees at the expense of old employees then such incentives would not be beneficial. The kind of incentives that will be extended to companies already on 40 hours needs to be decided.

This initiative would make the proposition attractive to employers to participate and encourage 'buy in'. It will help to recover expenses borne by the employer though the implementation i.e. recruitment cost and extra overtime, and can ultimately create employment. Concerns were expressed in relation to the kind enforcement mechanism that would be put in place and the impact of such a scheme on company tax.

3.8 Suggestions

Bargaining councils were asked to provide suggestions in terms of practical mechanisms that could be adopted to achieve a 40-hour week. The main suggestions provided include the following:

- The economic viability of reduction of working hours needs to be carefully considered, perhaps by introducing it in the thriving sectors such as the hospitality sector first in order to devise a good practice model
- The needs of each sector in relation to hours to be worked should be determined through the bargaining councils 'no one size fits all' approach.
- Bargaining councils and trade unions to assist on the intention to reduce working hours by working closely with their members to inform and educate them on the policy and it's benefits;
- A multi-pronged strategy, that is loosely tailored to address individual sectorial requirements should be devised as a uniform policy that cut across different sectors and enterprises may fail;
- DoL should issue guidelines and code of good practice to identify the advantages and disadvantages, giving employers options to consider;
- The reduction of overtime needs to be addressed first;
- Alternative working time arrangements at plant level are worth considering;
- Careful assessment would need to take place on the issue in order to avoid industrial action; and
- Strategies should be developed to allow for people to work smarter and more efficiently in the allocated amount of hours per week.

3.9 Conclusions

Bargaining councils interviewed were divided in terms of whether or not there is progress in reduction of working hours with most (60%) of the bargaining councils saying progress has not been made. Those who believed that progress has been made noted progress in textile, construction, sugar manufacturing and refinery. The findings of QLFS analysis support those bargaining councils who indicated that progress has been made. Those who indicated that no progress has been cited the difficulties that are constantly being experienced between employers and employees as the employers want a 45-hour week in most industries and trade unions want a 40-hour week. The bargaining councils who indicated that progress has been made attributed the progress to collective bargaining/agreements. These bargaining councils were satisfied with the pace of reduction and the implementation process as well.

Most bargaining councils (61%) indicated that they think the goal of achieving the 40-hour week can be achieved solely through collective bargaining/ agreements. Those who said they did not agree that collective bargaining alone can bring reductions were asked whether or not reductions can be achieved through legislating compulsory reduction in all sectors. Most (67%) think that the goal of achieving the 40-hour week can be achieved by legislating compulsory reduction of working hours in all sectors. They alluded to the benefit of legislation in terms of covering sectors presently not covered by bargaining councils.

The implications of these findings are that, although most of the bargaining councils said there are advantages to legislating compulsory reduction of hours, such a move will demand that more thoughts are given to the sustainability and productivity of companies. Overall the thinking is that such a move can hurt the economy and result in undesired consequences such as job losses.

Most bargaining councils did not support the idea of company level bargaining indicating that this will undermine the process of collective bargaining as provided for in the LRA. The importance of this finding is that it signifies and reinforces the belief that central collective bargaining still plays a major role if the goal of achieving a 40-hour week are to be achieved.

4 BUSINESS ASSOCIATIONS AND CHAMBERS

4.1 Introduction

Business associations and chambers were asked to provide responses regarding progress made towards reduction of working hours to a 40-hour week for the period covering 2006 to 2012.

4.2 Categories of respondents

Both the national and regional chambers represented 75% (15) of the responses combined, while business associations represented 25% (5). In total 20 associations and chambers were interviewed.

4.3 Insights into reduction of working hours

4.3.1 Views on reduction of working hours

Business associations and chambers were asked to express their views on the reduction of working hours. Most felt that the problem lay more with productivity than working hours. There was a concern that if the hours are reduced, productivity would decline and as the national productivity index is low as it is this could have a detrimental effect on the economy in the current competitive climate. The cost implications to employers particularly SMME's was also considered, as a forced reduction in working hours could put jobs at risk.

"It may not be feasible currently given the competitive and economic constraints we currently operate under"

On a positive note, less working hours would provide employees with a better work life balance but it was not going to be easy to implement in every sector i.e. retail. A moderate approach to the reduction was considered more acceptable.

"A 40 hour week is appropriate";

"Forty to forty-five hour week is acceptable";

"It is not a good idea to reduce working hours in the retail industry"

4.3.2 Views on increase of working hours

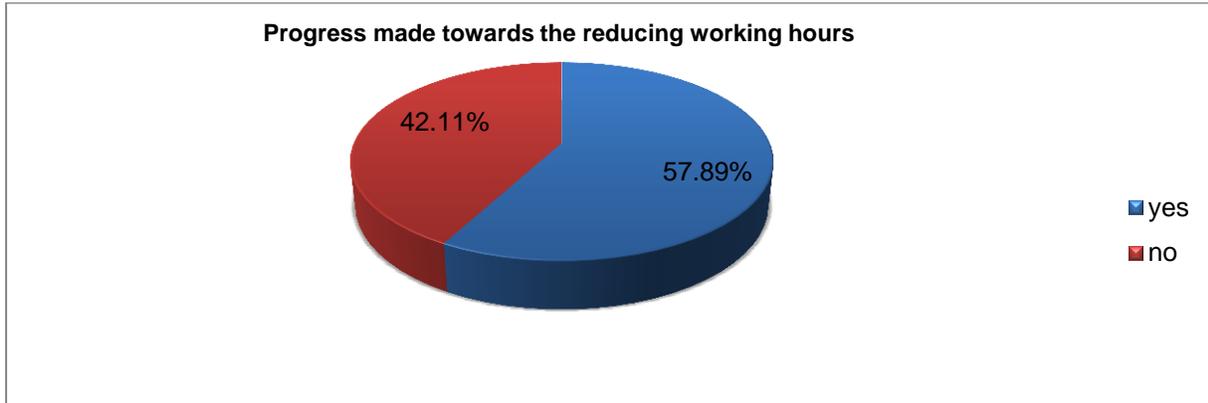
Most business associations and chambers did not agree with an increase in working hours. They felt that this move would undermine job creation and adversely affect the employee's quality of life. Other risks created include health and safety risks at work as employees could make more mistakes due to fatigue. Increasing working hours does not mean that productivity would increase accordingly. This move could also decrease the morale of the workforce.

Of those who thought increasing working hours was a good idea some felt this should be a choice for the individual employee 'People should decide if they are willing to work according to an available position with the hours clearly stipulated on the contract or not'. Others felt that there should be strict rules in place to control excessive overtime. A minority of respondents felt it would be good for business and would add value. *"Highly welcome since it will add value to our business"*.

4.3.3 Progress made into reduction of working hours

The findings in Figure 10 below show that about 58% (12 out of 20) of respondents indicated that progress had been made during the specified period while about 42% (8 out of 20) said that no progress had been made.

Figure 10: Business associations and chambers' views on whether or progress has been made

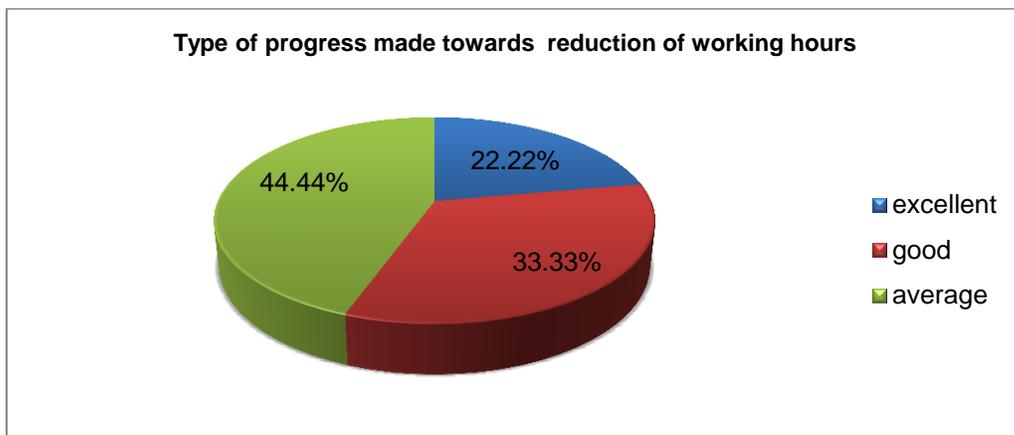


Those who indicated that no progress was made were asked to explain further. They stated that work opportunities are scarce, the economy is tight and business cannot afford to have shorter work hours at a set monthly salary, and even if it is shift workers business cannot afford to increase their number of shifts. People still working long hours every day and have no other time to do anything. Some of the respondents said continuous communication between the DoL and businesses seems to be lacking on the issue of working hours.

4.3.4 Type of progress made

Business associations and chambers who had said they think progress has been made were asked to indicate the type of progress made towards the reduction of working hours to a 40-hour-week. The results are shown in Figure 11.

Figure 11: Type of progress made towards the reduction of working hours



Of those who stated that progress had been made, 22% (3 out of 12) described the progress to date as excellent, 33% (4 out of 12) as good and the remaining 44% (5 out of 12) as average. Those who said progress was made were asked to provide examples or cases. Companies are changing shifts in order to accommodate a shorter working week. There are many companies offering more flexible work time arrangements particularly in the manufacturing and automotive sectors. Most close early on a Friday and more casual staff are employed to do shift work.

“You often hear of companies changing the way their shifts are set out to accommodate shorter working weeks”;

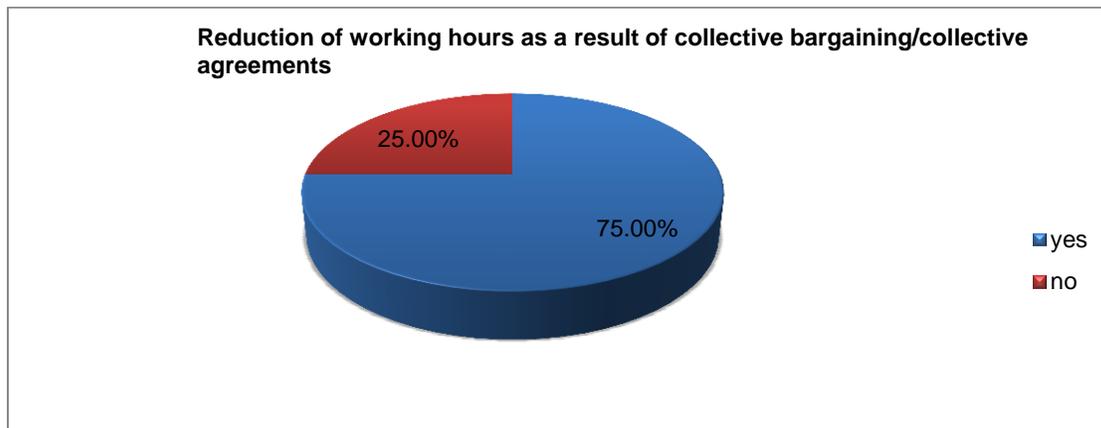
“Most manufacturing businesses now close early on a Friday”.

4.4 Role of collective bargaining/collective agreements

4.4.1 Collective bargaining/collective agreements’ role

Business associations and chambers were asked whether they thought reduction of working hours towards a 40-hour week was a result of collective bargaining/ collective agreements.

Figure 12: Business associations and chambers’ views on role of collective bargaining/collective agreements



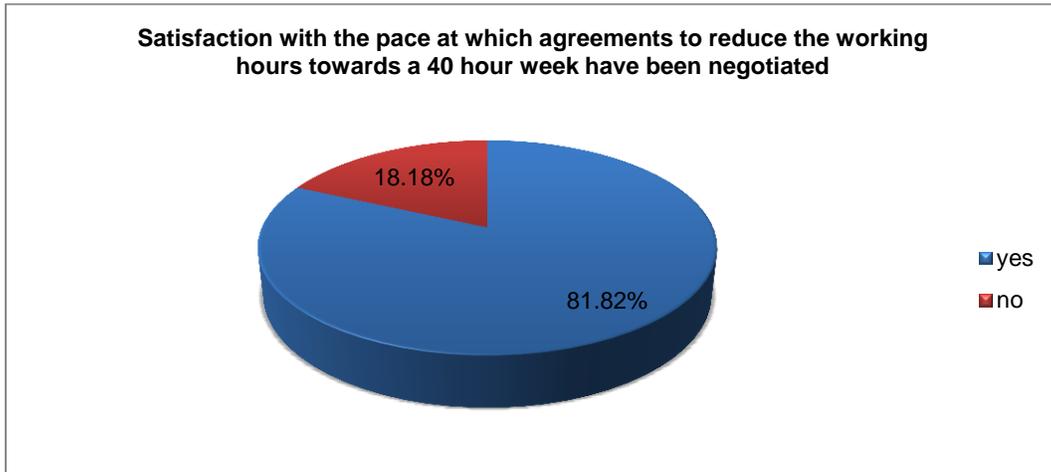
Findings in Figure 12 above show that, 75% (9 out of 12) of business association and chambers believed that the reduction in working hours to date is as a result of collective bargaining and collective agreements.

Respondents were asked to provide further explanations on the answers they stated that collective bargaining has been successful for the reduction of working hours but only for blue collar workers. Finally another felt that the active effort and transparent process of collective bargaining are useful but unfortunately with regards to this area, strikes are inevitable.

4.4.2 Satisfaction with pace

Business associations and chambers were asked whether they were satisfied with the pace at which agreements to reduce working hours towards a 40-hour week have been negotiated for the period 2006 to 2012.

Figure 13: Business associations and chambers' satisfaction with the pace of negotiations

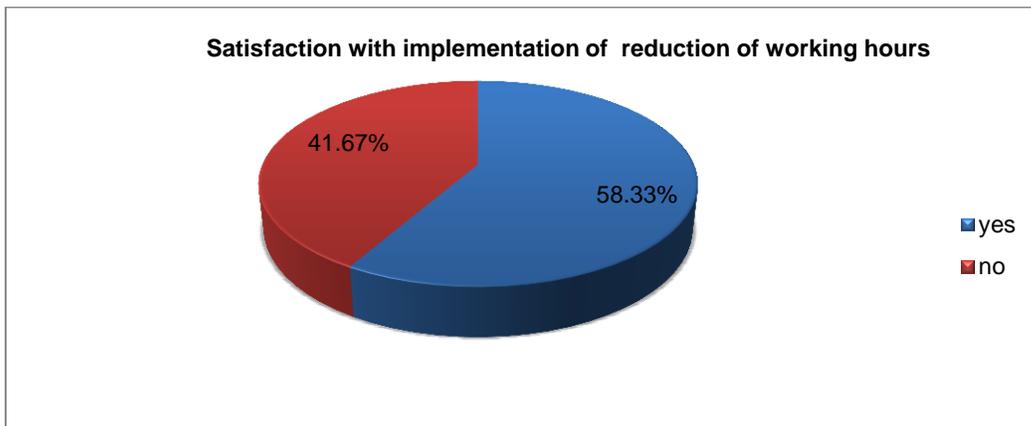


As illustrated in figure 13 above, 82% (approximately 10 out of 12) of the respondents expressed satisfaction with the pace to date.

4.4.3 Satisfaction with implementation

Business associations and chambers were asked whether they were satisfied with how reduction of working hours is being implemented.

Figure 14: Satisfaction with how the reduction of working hours is being implemented



The findings in Figure 14 above show that 58.3% (12) are satisfied with how the reduction of working hours is being implemented while 41.6% (8) are not. Respondents explained that agreements still need to be reached in terms of productivity targets and how to maintain and increase them if hours are reduced. Concerns were expressed for certain sectors e.g. retail, hospitality, which due to operational requirements already work longer hours.

4.5 Experience with collective bargaining negotiations

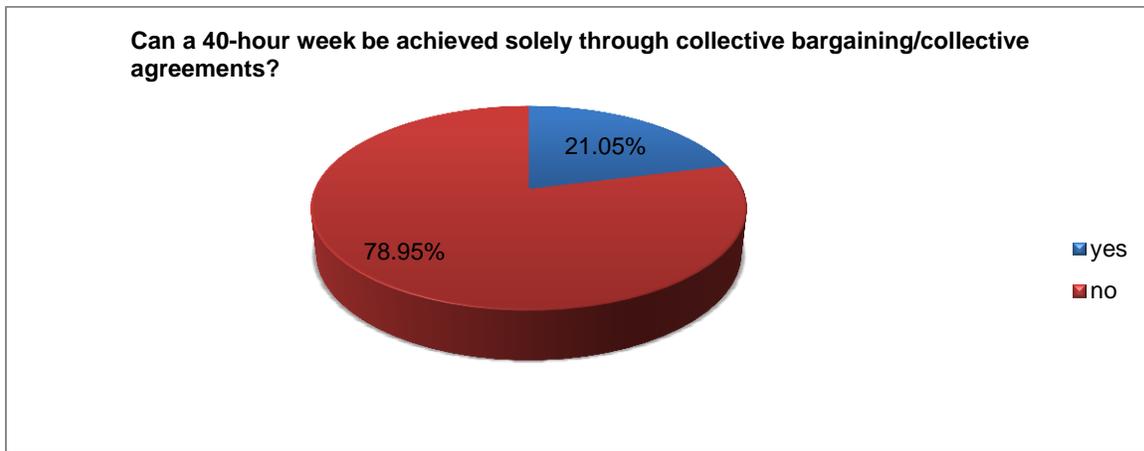
4.5.1 Attainment of goal of reducing working hours

Business associations and chambers were asked to provide their views on attainment of the goal of achieving a 40-hour week.

4.5.2 Attainment through collective bargaining/collective agreements

The findings in Figure 15 show that 21% (4 out of 20) of the business associations and chambers indicated that they thought collective bargaining solely could achieve the reduction of working hours. However 79% (16 out of 20) of the respondents felt this would not be possible with just collective bargaining/collective agreements.

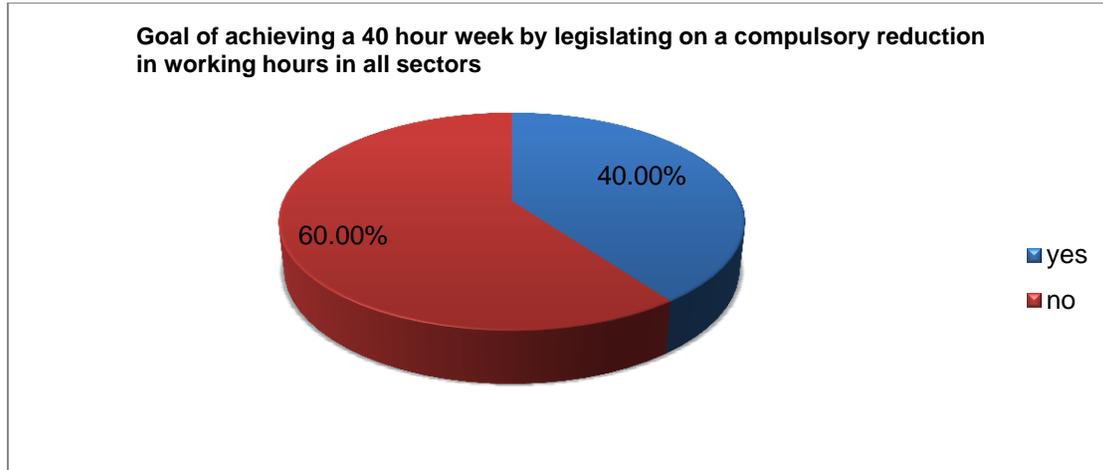
Figure 15: Views on achieving reduction solely through collective bargaining/collective agreements



4.5.3 Attainment by legislating compulsory reduction

Business associations and chambers were asked whether this could be achieved by legislating compulsory reduction of working hours across all sectors. The findings are illustrated in Figure 16 below.

Figure 16: Views on whether or not legislation can lead to a 40-hour week



As illustrated in Figure 16 above, 40% (8 out of 20) believed that this would be possible through compulsory legislation while 60% (12 out of 20) of respondents did not agree that this was possible.

Respondents were asked to explain their responses further. Some of the views expressed included that such legislation is not economically viable at present ‘Rather focus on the measures needed to strengthen the South African economy, such as assisting South African companies to maintain their competitive edge through higher output, lowering overhead cost, higher productivity, a flexible labour legislative framework, etc.’.

Others reiterated the importance of addressing the production gap because if this not considered, there will be likelihood of adverse organisational consequences. Although the legislation would be difficult to enforce, the law must guide and regulate but also allow for flexibility within sectors. Business associations and chambers asked for research and proper analysis on the topic to be done first and for a change in the collective bargaining system which is perceived as very tense. Such legislation would also protect businesses that are not covered by such agreements.

4.6 Challenges to reducing working hours

Business associations and chambers were asked to indicate what they view as major challenges to processes aimed at reducing the number of working hours to a level of 40-hour week. Major concerns were expressed in relation to increased wage bills and increased production cost which could go hand and hand with lower productivity and lower quality of production. If production standards drop as market competition increases this is a major problem. Who will pay the cost is also a challenge. If it is at the employee’s expense and their salaries are reduced this will lead to union action and strikes and if this is at the expense of the employer, employee benefits may dry up and ultimately mechanisation could take over.

‘If there is a shortfall in wages from a 45 to a 40 hour weeks, who will foot the bill, the employer or the employee?’ this is the question that many respondents asked. If it is the employee, the unions will put a stop to it, if it is the employer, it will certainly cause the employer to be tougher on employees who do not meet increased productivity expectations. The employer will employ older and more experienced people as opposed to younger people, which is currently the objective. The employer will be reluctant to grant benefits, such as housing and bonuses.

In the current unstable economic climate employers are reluctant to implement such a change if it is forced upon them they may in turn utilise cheap labour and a cycle of exploitation emerges.

4.7 Ways or means to overcome these challenges

Suggestions offered by respondents include that the DoL must target employers and assist them in developing strategies to protect production targets such as training workers to complete tasks in allotted timeframes. They must be protected along with the employees. The DoL must view each company and each sector in a unique light and not employ the ‘one size fits all mentality’. Employers must allow for more flexible hours which provide for job sharing. Also suggested was that employers reduce allowances and benefits which will allow for basic wage increases and this will mitigate loss of take home pay. Regular checks must be carried out by DoL to assess implementation and clearly articulate incentives that are offered for compliance.

‘Existing employees can choose to have time reduced to 40 hours or not. If they choose the 40 hours, they will be paid less, only for 40 hours. All new employees will be employed on a 40 hour basis. Increase the allowed probation period on contracts to help an employer to have better certainty that the person he employs will do 40 hours productive work.’

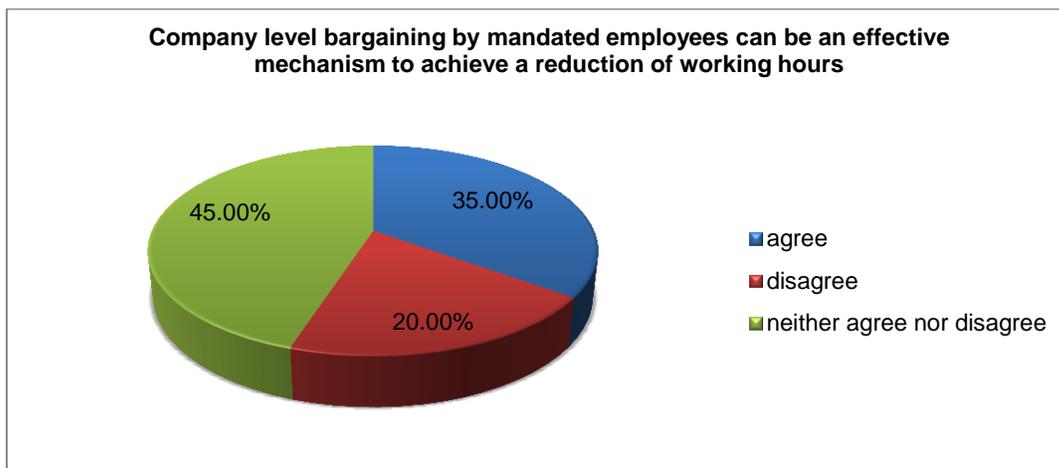
Collective bargaining should also be utilised.

4.8 Other insights

4.8.1 Bargaining at company level

Business associations and chambers were asked extent to which they agree or disagree with the statement that “Company level bargaining by mandated employees can be an effective mechanism to achieve reduction of working hours to a 40-hour week”.

Figure 17: Business associations and chambers’ thoughts on company level bargaining



As illustrated in Figure 17 above, 35% (7 out of 20) of respondents agree that this could be an effective mechanism to achieve the reduction in working hours while 20% (4 out of 20) disagreed. The findings show that 45% (9 out of 20) neither agreed nor disagreed.

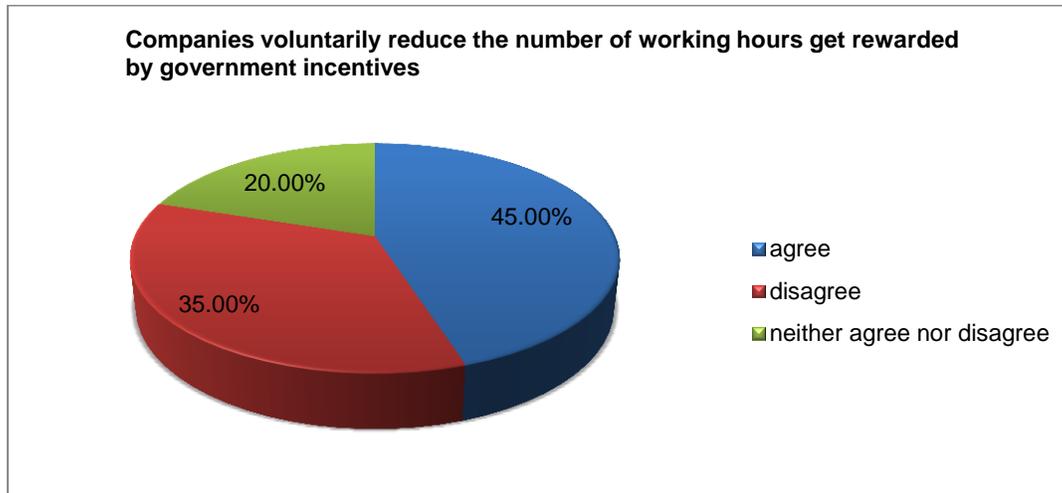
Respondents stated that it is good to have one responsible person to form a link between the employer and the employees. They can help assist and develop practical ways to reduce working hours and increase productivity. Historically, shop stewards are an important element of the collective bargaining process and

as such they have a voice that can assist in the matter of reducing the working week to 40 hours but sometimes and in some situations respondents reported that they are of no benefit to the situation.

4.9 Rewards for voluntary reduction of working hours

Business associations and chambers were asked extent to which they agree or disagree with the statement that “Companies that voluntarily reduce the number of working hours in order to retain employees or recruit more employees get rewarded by government in the form of incentives”.

Figure 18: Opinions on rewarding companies that voluntarily reduce working hours



The findings in Figure 18 above show that 45% (9 out of 20) of the business chambers and associations agreed with the statement while 20% (4 out of 20) neither agreed nor disagreed. However 35% (7 out of 20) of the chambers and associations disagreed with the statement.

Respondents were also asked to further explain their responses and one chamber felt that “if there is an incentive, then more jobs can be created”. Overall it was felt that the incentives would assist the employers and with the implementation of the reduction of working hours create a healthier workforce but employers do not necessarily want more employees, business chambers believed this will just add to the administrative burden already on private companies and that government should focus on the underlying challenges.

4.10 Suggestions

Business associations and chambers were asked to offer suggestions in terms of practical mechanisms that could be adopted to achieve a 40-hour work week for employees. Some of the suggestions provided include the following:

- Avoid reaching agreements through big bargaining forums as they may not fully understand the dynamics in individual companies;
- Allow companies that can demonstrate that they have implemented effective strategies and plans to apply to National Treasury for a reduction in their overall company taxes. This must be reported as part of their Annual Sustainability report;
- If the workforce increases from 10 to 12 as a result, then an incentive must be given for 2 people.
- Educate both employers and employees on the health benefits of a 40-hour week;

- Regulation and constant monitoring by government. Co-operation of government with self-regulating bodies such as business chambers in educating the members on the importance of 40-hour working weeks;
- Training and a mind shift of achievement. If the idea of achieving more in less time can take hold it should boost productivity and compensate for reduced working hours;
- Allow for industry specific drivers to determine if 35 or 40 or 45 hours are best suited.

4.11 Implications for policy formulation

Respondents offered further suggestions to assist with policy formulation.

- Ensure there is a safe guard in the process so that employers cannot use it to their advantage and the disadvantage of employees;
- The timing is poor. Such policy issues are better addressed in stronger economic times;
- Do a proper impact assessment before policies are implemented and continuous research about the impact of policies once it is implemented;
- Do studies on the best of the workers, do not reinvent the wheel and learn from best practice;
- Focus on highly pressurised work industries to find a solution for the reduction of work hours.

4.12 Conclusions

The concerns of business associations and chambers are that if working hours are reduced, productivity would decline and this could have detrimental effects on the economy on the current competitive climate. They believed discussions on reduction of working hours should be accompanied by discussions on production targets. Most business associations and chambers (58%) were of the opinion that progress has been made in reduction of working hours and that progress can be attributed to collective bargaining/agreements. Most were satisfied with the pace at which agreements to reduce working hours towards a 40-hour week have been negotiated. Most were satisfied with how reduction of working hours is being implemented.

Most business associations and chambers (79%) were of the opinion that collective bargaining alone cannot achieve the goal of a 40-hour work week for employees. Upon being asked whether there should be legislation of compulsory reduction in all sectors, most (60%) indicated that instead policies should be channeled towards strengthening the South African economy and increasing the competitiveness of business enterprises. The business associations have reservations towards legislation and indicated that such legislation will be difficult to enforce. The implication of these findings is that whilst it is important to debate and find suitable mechanisms to reduce working hours for employees, much efforts should still be given to implications on the economy of the country. The issue of sacrifices from both employers and employees becomes very key. Any legislation which be difficult to enforce should be approached with caution and much consideration.

Apart from those who were indifferent in terms of their thoughts on company level bargaining, there were more business associations who agreed with the mechanism of company level bargaining than those who disagreed with such a mechanism. A mechanism of company level bargaining should however be approached with much caution considering the process of bargaining requires some certain level of skill sets. Not all organisations have employees who possess bargaining skills. There is also the issue of possible victimisation of shop stewards if company level bargaining is awarded much prominence over the central collective bargaining process.

5 BUSINESS ENTERPRISES

5.1 Introduction

There were 246 business enterprises interviewed in this survey. Business enterprises were asked to provide responses regarding progress made towards the reduction of working hours to a 40-hour week for the period covering 2006 to 2012. This section starts with a short description of the selected sample and follows with an analysis of the responses.

5.2 Characteristics of respondents

Figure 19: Size of business enterprise

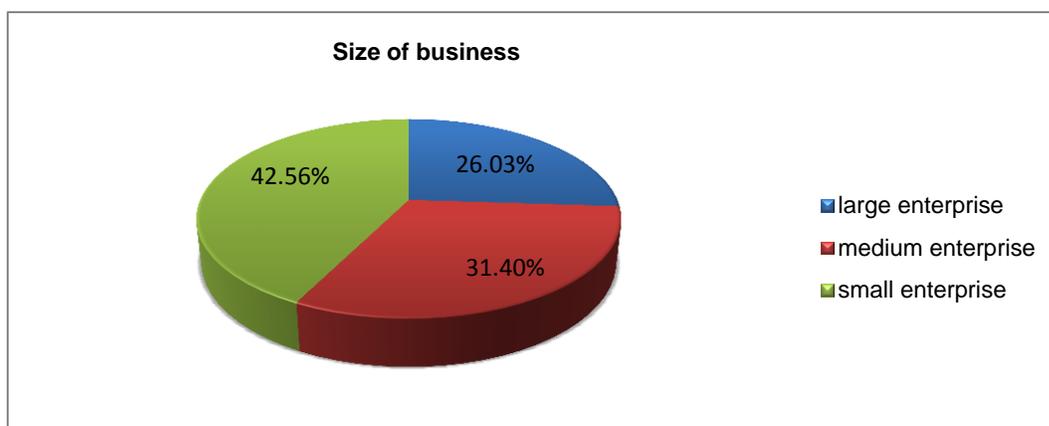


Figure 19 above shows that of the 246 respondents 42.6% (105) were small enterprises, 31.4% (77) medium sizes enterprises and 26% (64), just over a quarter of the sample were large enterprises. Table 5 below shows the main economic sectors the business enterprises belonged to.

Table 5: Economic sector of respondents

Economic sector	Count	Percentage
Agriculture, Forestry and Fishing	22	9.09%
Manufacturing	23	9.5%
Mining	23	9.5%
Transport, Storage and Communications	25	10.33%
Community Services	20	8.26%
Wholesale and Retail Trade	26	10.7%
Finance and Business Services	24	9.9%
Construction	32	13.22%
Electricity, Gas and Water	22	9.09%
Public service	18	7.43%
Other	7	2.89%
Total	242	100.00%

Table 5 illustrates that the sample provides a good and even representation of the main sectors in the economy. Table 6 below illustrates the geographical distribution of the business enterprises that were interviewed.

Table 6: Provincial location of the enterprises

Province	Head Office
Eastern Cape	10.16%
Gauteng	19.51%
Free State	7.72%
KwaZulu-Natal	11.38%
Limpopo	6.09%
Mpumalanga	11.38%
Northern Cape	7.72%
North West	7.31%
Western Cape	17.88%
Grand Total	100.00%

Respondents were asked to best describe the percentage of their employees who to their knowledge, were unionised. Over half of the sample 53% (indicated that their employees were not unionised. Of those who had unionised employees, 24% stated that this figure encompassed between 91% -100% of their employees. Overall this sample has a low representation of unionised employees.

Respondents were also asked if their business enterprise was affiliated to an employer organisation or association. Almost one third (32%) of the interviewed companies are affiliated with an employer organisation or association, with 67% of enterprises having no affiliation of this nature.

5.3 Average number of working hours

Respondents were asked to indicate the category which describes the approximate average number of weekly working hours of employees.

Looking at Figure 20 below, in 2006, 52.6% of employees were working more than 40 hours per week with almost 13% working more than 46 hours per week. When one compares these figures with the results for 2012, about 45% of employees were working more than a 40 hour week, a significant decrease of 7%.

On examination of employees in 2012 working more than 46 hours per week this figure has decreased by almost 2% to 11%. 2007 was when working hours over 46 hours peaked in this sample to about 14%, since then the figure has steadily decreased for the past four years by about 3%. What this figure implies is that although good progress can be noted on a year on year basis, there is still a lot of progress that can be made in this regard. Table 7 provides a summary of the data.

Figure 20: Weekly working hours worked in the business enterprises

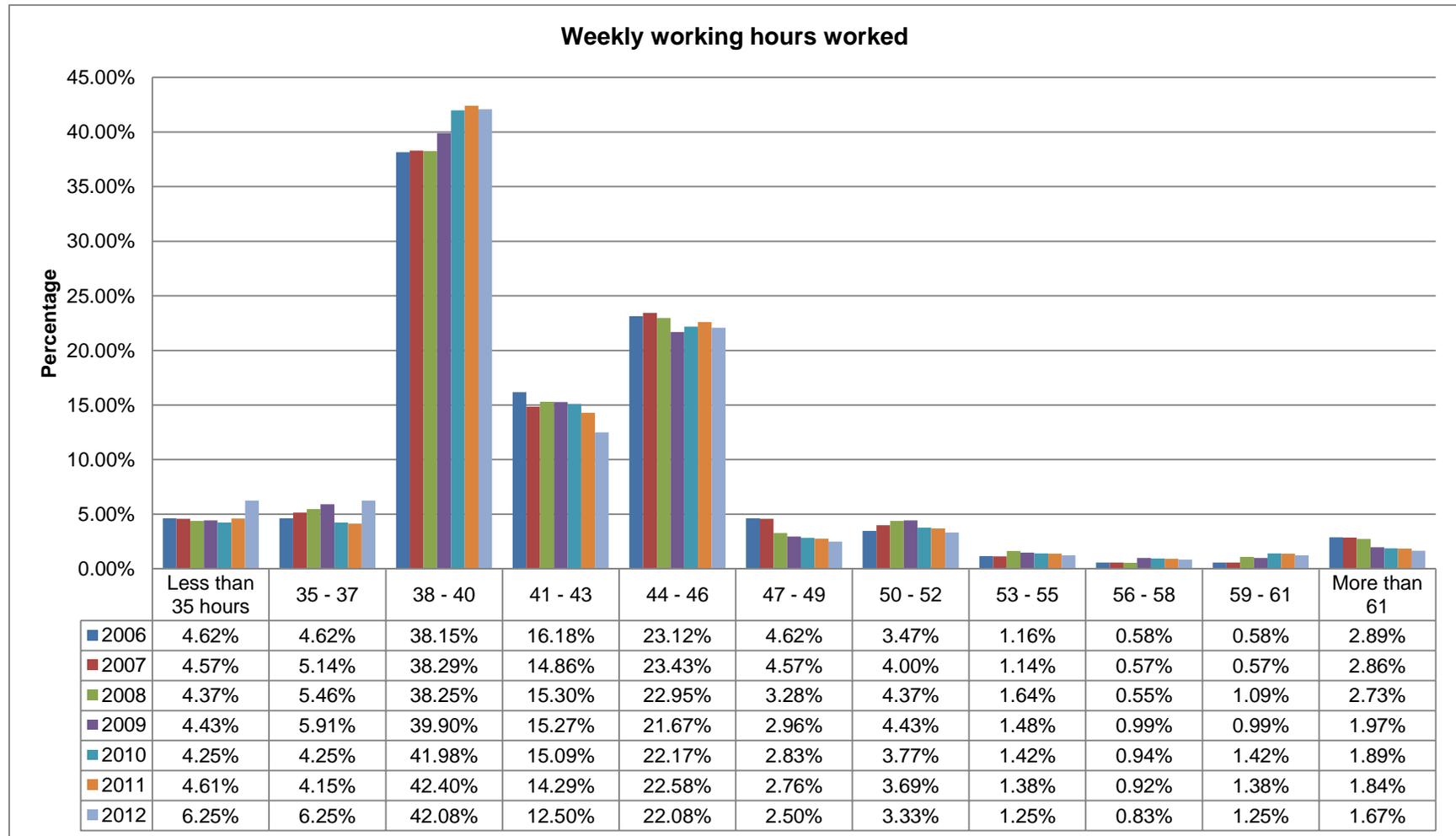


Table 7: Summary of average number of working hours

Year	% of employees working more than 40 hours per week	% of employees working more than 46 hours per week
2006	52.6%	13.3%
2007	52%	13.71%
2008	51.9%	13.66 %
2009	49.76%	12.82%
2010	49.53%	12.27%
2012	45.41%	10.86%

5.4 Insights into reduction of working hours

5.4.1 Views on reduction of working hours

A total of 246 business enterprises were asked to express their views on the reduction of working hours to a 40-hour week for employees. Although their responses varied greatly, the majority of business enterprises (60%) stated that they did not think this was a good idea. The reasons given ranged from the negative impact this would have on productivity and profit margins, to long term consequences, whereby overtime would have to be paid to employees and salaries may have to be reduced and this could lead to less employment opportunities and even retrenchment. A concern was expressed if salaries should remain the same for the reduced hours worked as only the employee would benefit.

The enterprises who were in favour of the reduction in working hours reiterated that in order for this to work salaries would have to stay the same. They stated that the benefits from such a move would include more productive employees and better employee health and wellness. This could also address a better work-life balance and provide employment opportunities for others.

5.4.2 Views on increasing number of working hours

A total of 246 business enterprises were asked to express their views on increasing the number of working hours for employees. Most (67%) of the sample did not believe that this would be a good idea if the increase will lead to excessive long hours. The main concerns expressed were associated with the negative impact this would have on productivity as employees performance could suffer due to overwork and a lack of rest. Acknowledging the illegality of such an action, some employers compared increasing working hours to slavery. Such a move could put additional pressure on employees and their family time, their health may suffer due to fatigue and this may also lead to industrial action. Overall the opinion was that this would be a demotivating move with an uncertain impact on the quality of production.

Of the enterprises who agreed that an increase in the number of working hours would be of benefit, their reasons included the need for targets and deadlines to be met faster. They acknowledged that this would benefit certain industries more than others i.e. construction where project deadlines were often very tight.

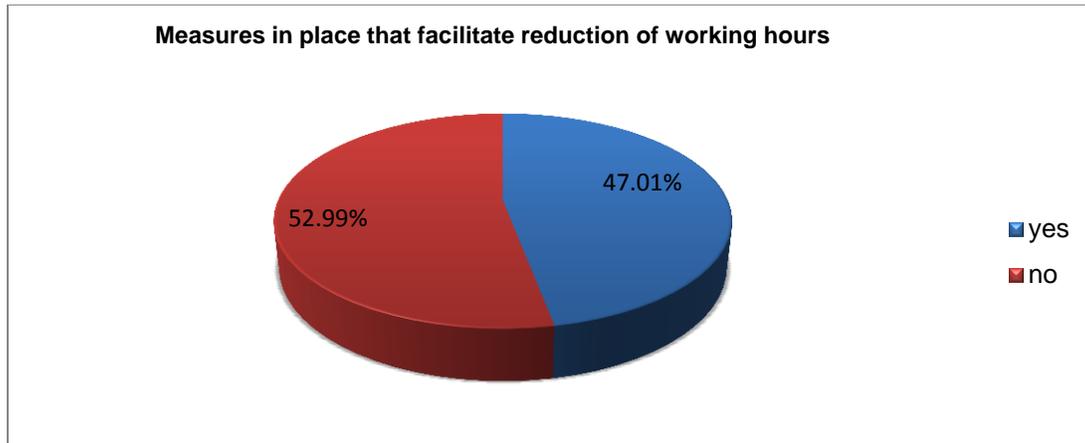
The fairest way to implement such an arrangement was thought to be through an agreement between the employer and employee, at the discretion of the employer and project/needs based. This could also provide the employee with an opportunity to secure a higher salary. Another benefit to the employer would be the reduction in overtime payments.

As with a reduction in the number of working hours several enterprises claimed to remain unaffected should working hours be increased due to the nature and specific demands of their business.

5.5 Mechanisms for reduction of working hours

Business enterprises were asked whether they have any measures in place that facilitate the reduction of working hours. Figure 21 below shows the findings.

Figure 21: Measures in place that facilitate the reduction of working hours



Findings in figure 21 above shows that 47% of respondents indicated they do have measure in place that would facilitate a reduction of working hours, these measure include the following:

- Employee contracts and letters of employment;
- Corporation and union discussions on the issue;
- Bargaining council referrals if necessary;
- Employee rotation systems in place;
- Workshops with HR teach employees their rights;
- Employees taught how to manage their time correctly;
- Reduction of hours for employees, already in place;
- Shift work created; and
- BCEA information displayed on walls for employees to read and gain knowledge.

5.6 Reduction of hours as subject for negotiation

Respondents were asked had the reduction of working hours had been brought up as a subject for negotiation during the period covering 2006 -2012.

Figure 22: Reduction of working hours brought up as a subject for negotiation

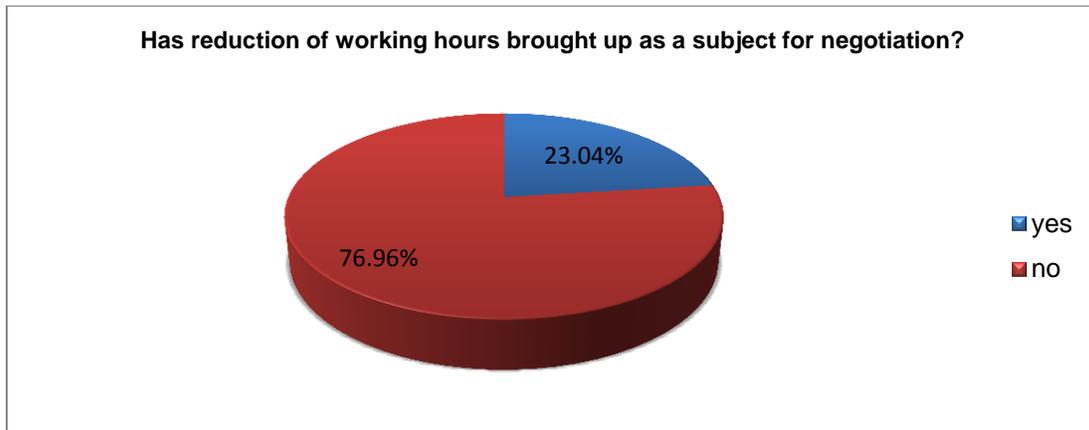
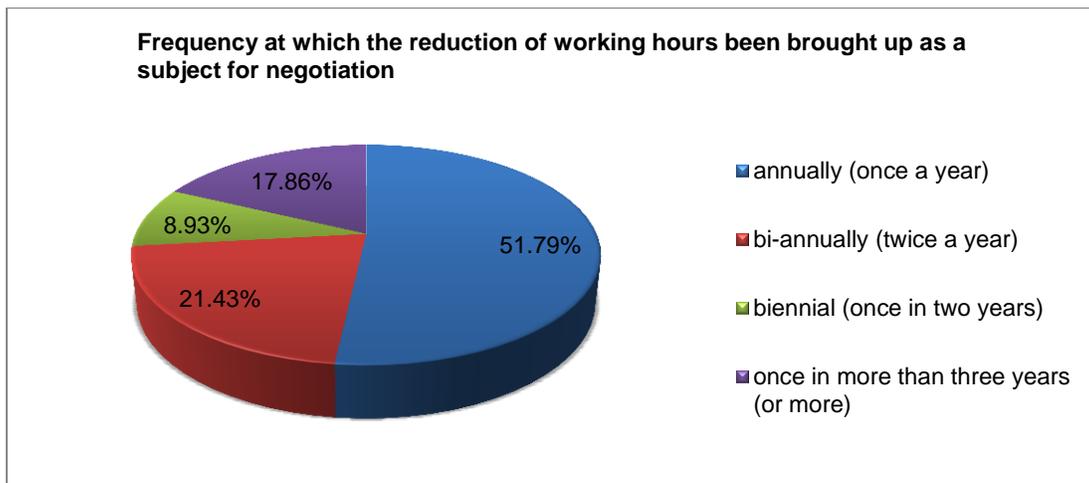


Figure 22 above shows that 23% of the respondents stated that the topic has been brought up during the specified period while more than three quarters of the sample reported that the topic has not been mentioned. Respondents were also asked to indicate the frequency at which the reduction of working hours has been brought up as a subject of negotiation. Figure 23 shows the findings.

Figure 23: Frequency at which the reduction of working hours been brought up for negotiation



Of the 23% of the respondents who could recall the subject ever being brought up over half said that it had only been mentioned annually. About 21% said it had been mentioned twice a year and about 18% once in three years or more. The issue is clearly not high on negotiation agendas.

5.7 Actual reduction of working hours

Business enterprises were asked whether there has been reduction of working hours for their employees for the period covering 2006 to 2012.

Figure 24: Reduction of working hours for employees for the period 2006-2012

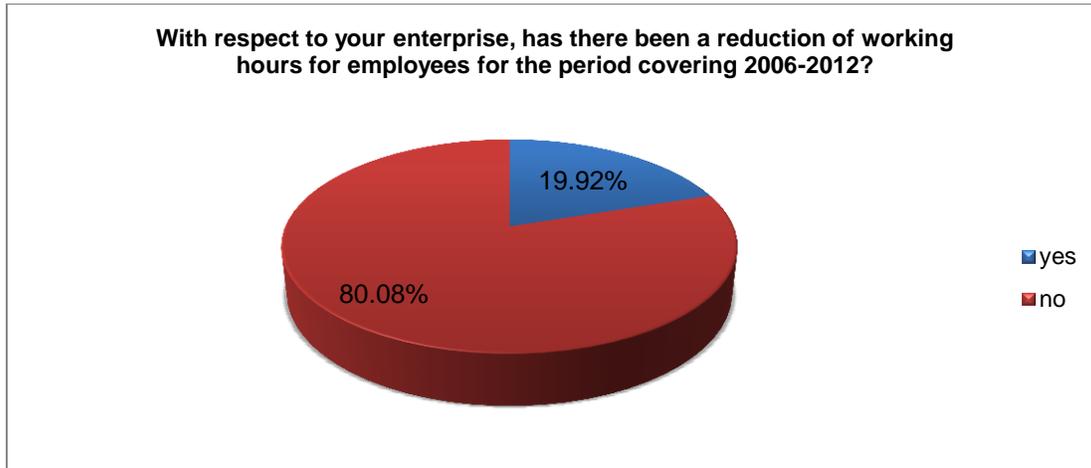
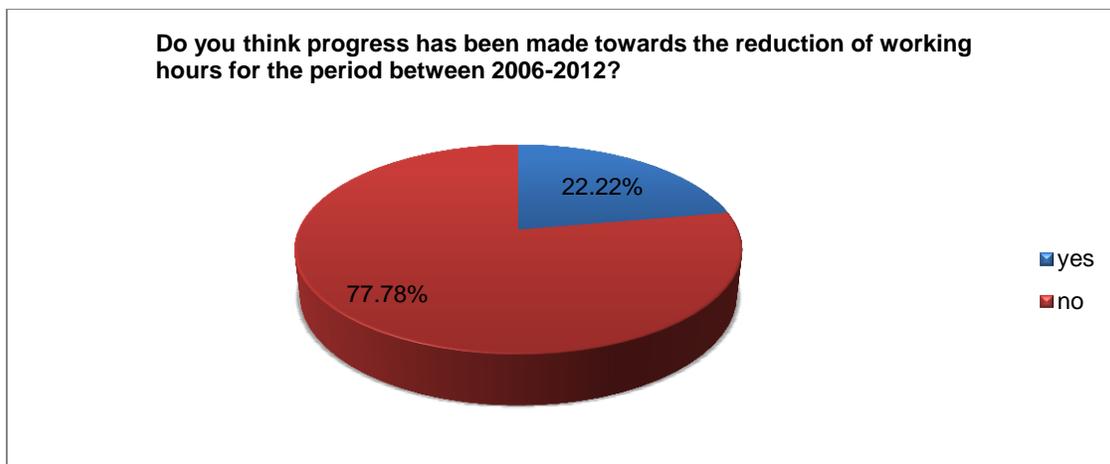


Figure 24 above shows that, the majority of respondents (80%) indicated that in their specific enterprises, there has been no reduction in working hours for employees during the specified period while just less than 20% (49 out of 246) indicated that there had been a reduction. Out of the 49 business enterprises that indicated reduction of working hours, 18 were large, a further 18 were sized and 13 were small enterprises.

5.8 Progress made into reduction of working hours

The findings obtained when business enterprises were asked if progress has been made towards the reduction of working hours to a 40-hour week for the period 2006 – 2012 are shown in Figure 25 below. The findings in this question relate to what the business enterprises feel and are aware of or knowledgeable of as regards the general trends in the whole economy as opposed to trends in the respondent’s specific enterprise.

Figure 25: Progress made towards the reduction of working hours

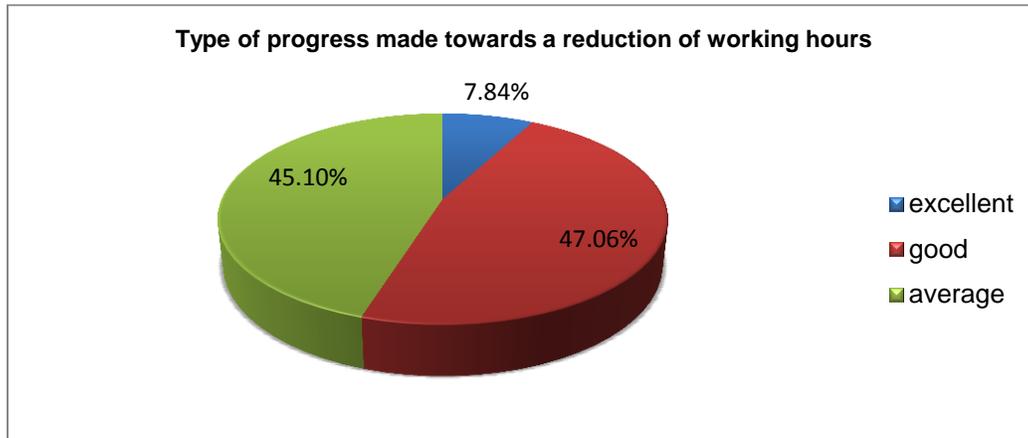


Most (78%) indicated that no progress had been made for that period 2006 to 2012. With less than one quarter of the sample (22%) indicating that progress has been made.

5.9 Type of progress made

The following responses were provided by the firms that had indicated that there has been a reduction of working hours for employees for the period covering 2006 to 2012. Respondents were asked to rate the type of progress that they had observed. The results are shown in figure 26 below.

Figure 26: Type of progress made towards a reduction of working hours



The results show that 47% described the progress made so far as good and a further 7.84% said the progress to date was excellent. The remaining 45.1% of the respondents described the progress made as average.

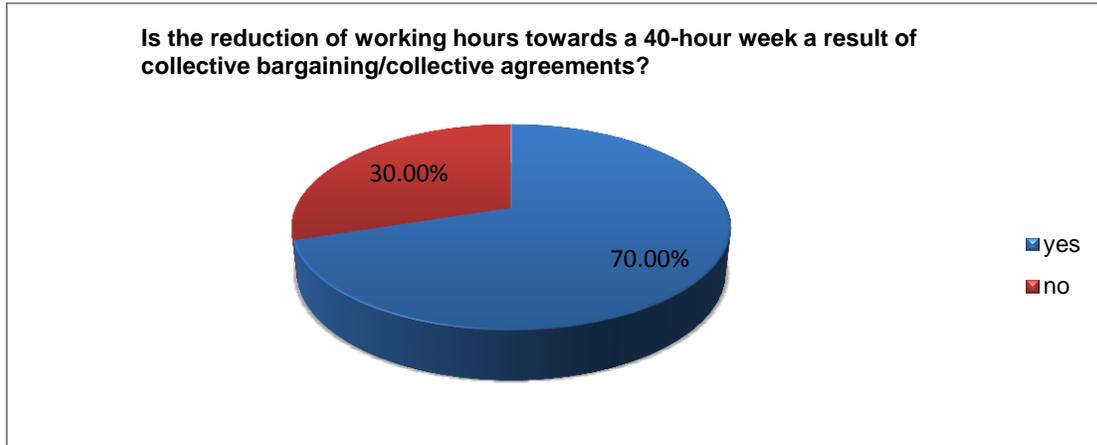
Those who stated that progress had been made were asked to provide examples or cases. Some of these cases included the following examples. Companies are allowing workers to work fewer hours, especially in winter. Productivity had not been affected as employees are more task-driven and incentivised in this way.

Although most companies now work 40 hour weeks and employees are protected by the labour laws, good strategies have been put in place such as rotation teams and shift programmes to ensure efficiency. Overall employees have benefited from the reduction in working hours, they generally report to be happier, have more family time and a better home life balance. Employees have also been reported to be more punctual and there has been a noticeable reduction in absenteeism.

5.10 Role of collective bargaining/collective agreements

Business enterprises were asked whether they thought the reduction of working hours towards a 40-hour week was a result of collective bargaining/ collective agreements. Figure 27 below shows their responses.

Figure 27: Reduction of working hours as a result of collective bargaining/ agreements

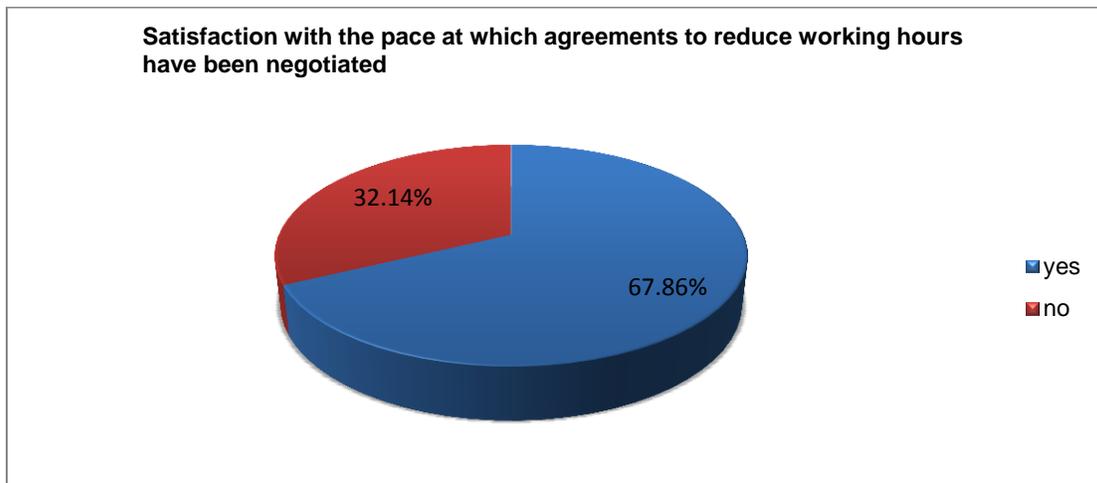


Majority (70%) business enterprises think that the reduction of working hours is as a result of collective bargaining. When asked to explain their answer, most business enterprises emphasised the importance of collective bargaining as 'it listens to both sides'. They also credited the unions with the progress made and explained the significant impact this has had on employee 'well-being'. A small number of respondents stated that their business was too small to be affected by the reduction in working hours or that these changes were irrelevant in their industry. Others stated that collective bargaining on this issue has had a positive and a negative effect.

5.11 Satisfaction with pace

Business enterprises were asked whether they were satisfied with the pace at which agreements to reduce working hours towards a 40-hour week have been negotiated.

Figure 28: Satisfaction with the pace at which agreements have been negotiated

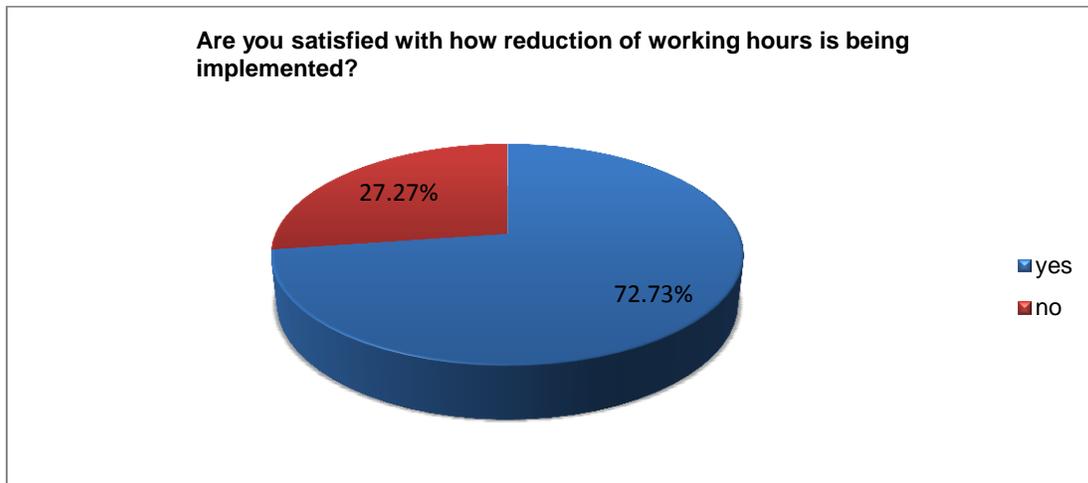


The findings in Figure 28 show that most (68%) of the respondents indicated that they are satisfied with the pace at which agreements have been negotiated for between 2006 and 2012, with less than one third expressing dissatisfaction with the pace.

5.12 Satisfaction with implementation

Business enterprises who stated that there had been a reduction in working hours were asked whether they were satisfied with how reduction of working hours is being implemented.

Figure 29: Business enterprises' satisfaction with implementation



The findings if Figure 29 above shows that most (73%) business enterprises indicated that they are satisfied with the implementation. Respondents indicated that overall the implementation of the reduction was good for the employees and that progress was being made. There were concerns in some sectors with the length of time it is taking to implement the changes, Reasons given for this include the legislation not being taken seriously or communicated properly to both parties, this in itself was though to contribute to some enterprises still 'abusing their workers'. Other companies involved all parties in the implementation and monitored its practice on a daily basis.

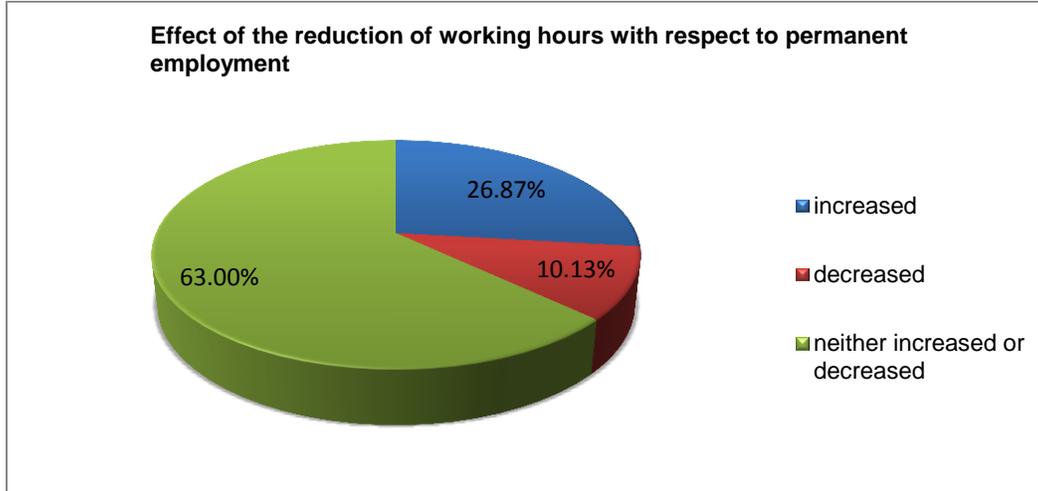
Asked to explain further on why they think no progress has been made respondents said that in many cases that they had already been implementing the 40 hour week. Several enterprises claimed that they did not know about the legislation and that the DoL were not doing enough to inform them and provide them with the required information. There were also concerns that the laws were 'not strong enough' and that the exploitation of workers was still rife in South Africa. Others stated that the reduction was not good for their business as their workloads were often variable and that such a reduction could lead to workers leaving work unfinished. Management in some companies stated that they are still negotiating the proposed reduction and other companies they had simply decided not to address the issue at all.

5.13 Effects of reduction of working hours

A series of questions were asked to obtain responses regarding the effect of reducing the number of working hours towards a 40-hour week in the last 6 years from respondents who had reported a reduction in working hours. It is important to note that only respondents who had said there has been a reduction of working hours in their specific enterprises were asked to provide responses to questions regarding the effects of reduction of working hours. A total of 49 out of 246 business enterprises indicated reduction of working hours and 18 were large, a further 18 were medium sized and 13 were small enterprises.

Respondents who reported that a reduction in working hours had taken place, indicated the effect that the reduction of working hours has had on their permanent employee numbers. This is illustrated in figure 30 below.

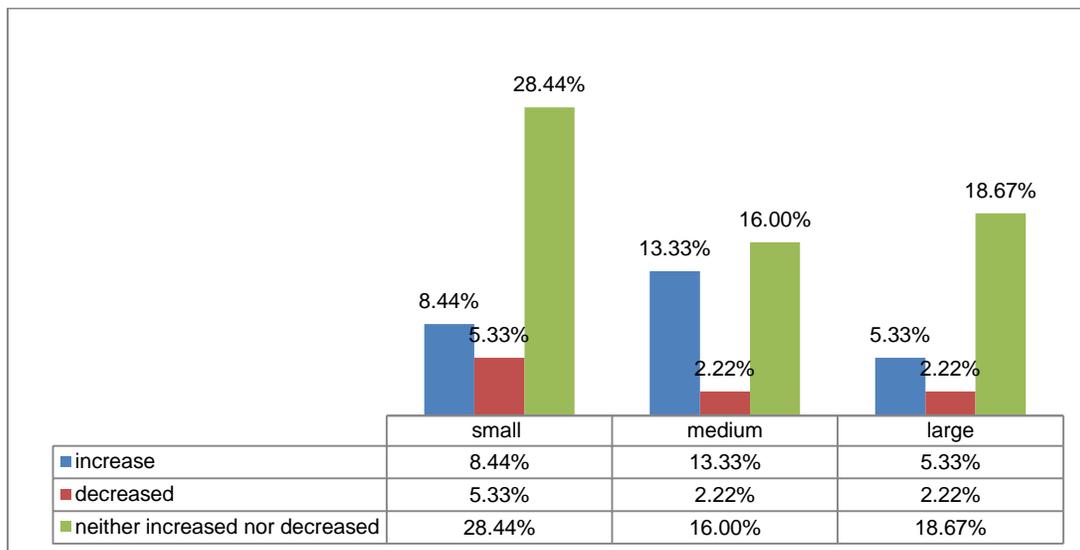
Figure 30: Effect of reduction of working hours with respect to permanent employment



Almost (27%) indicated an increase in permanent employees, followed by 63% of respondents who said there was neither an increase nor decrease. 10% of respondents has experienced a decrease in permanent employment.

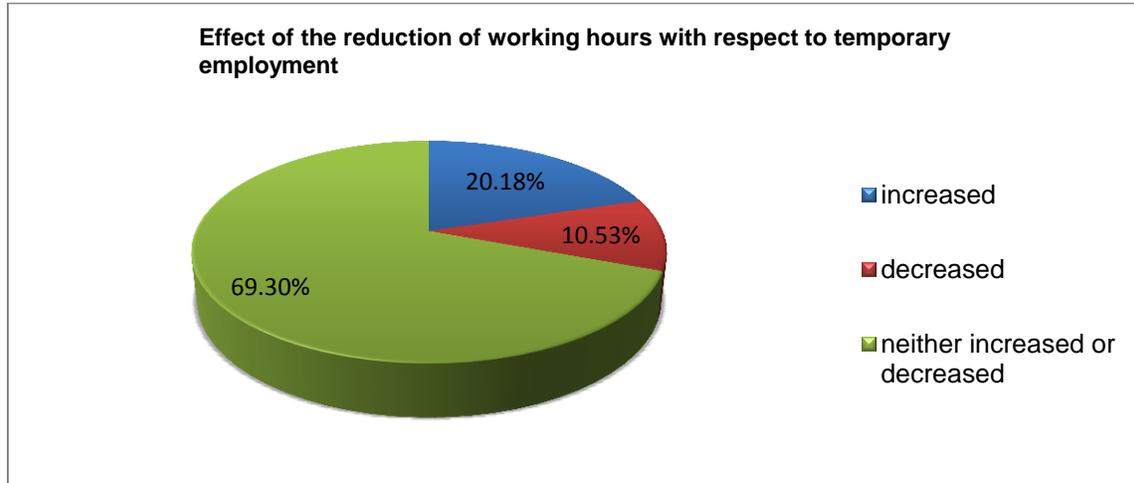
The findings obtained regarding effect of reducing working hours on number of permanent employees are exhibited in Figure 31 below.

Figure 31: Effect of a reduction of working hours on number of permanent employees by size of business



An increase in permanent employees was reported by 13% of medium sizes enterprises and only 5% of larger enterprises. A decrease in permanent employees was noted by 8% of small enterprises. Business enterprises were asked to indicate the effect reduction of working hours has had on their temporary employees. Findings are shown in Figure 32 below.

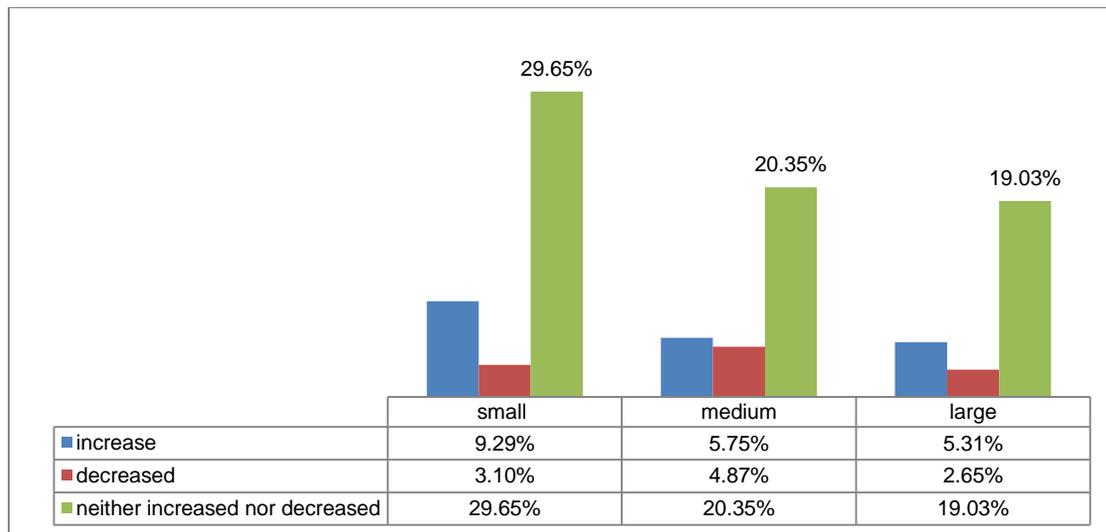
Figure 32: Effect of reduction of working hours on temporary employment



Just over 20% of respondents, who reported a reduction in working hours noted an increase in temporary employment at their company, while a decrease was noted in 11% of business enterprises. These observations are similar to the decrease found for permanent employees.

Businesses were asked to indicate what the effect of reducing working hours have been on temporary workers. The findings are illustrated in Figure 33 below.

Figure 33: Effect of reducing hours on number of temporary employees by size of business

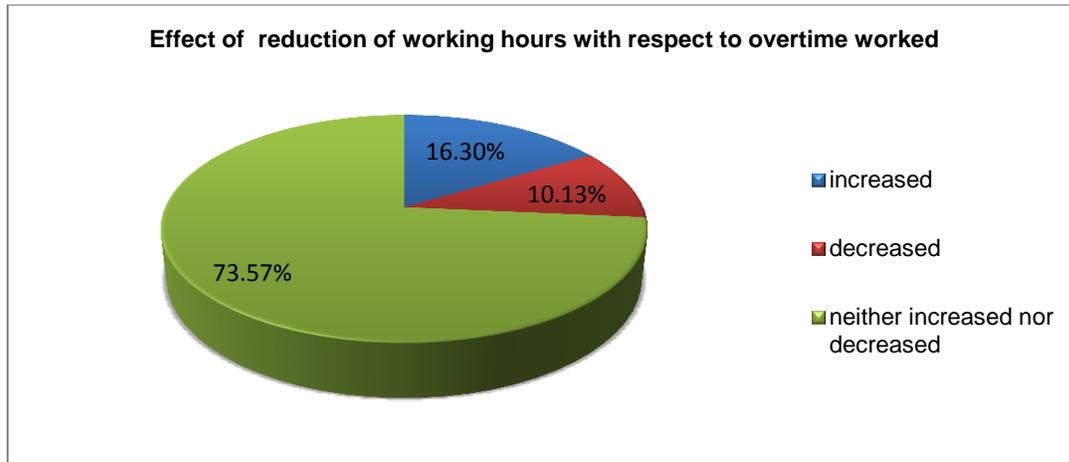


In figure 33 above, the reduction of working hours on temporary employment impacted most on small enterprises whereby 9.% reported an increase. While approximately 6% of medium and large enterprises

indicated an increase. A highest decrease in temporary employees was noted by 5% of medium enterprises.

The effect of the reduction in weekly working hours is examined next in relation to the amount of overtime carried out. Findings are shown in figure 34 below.

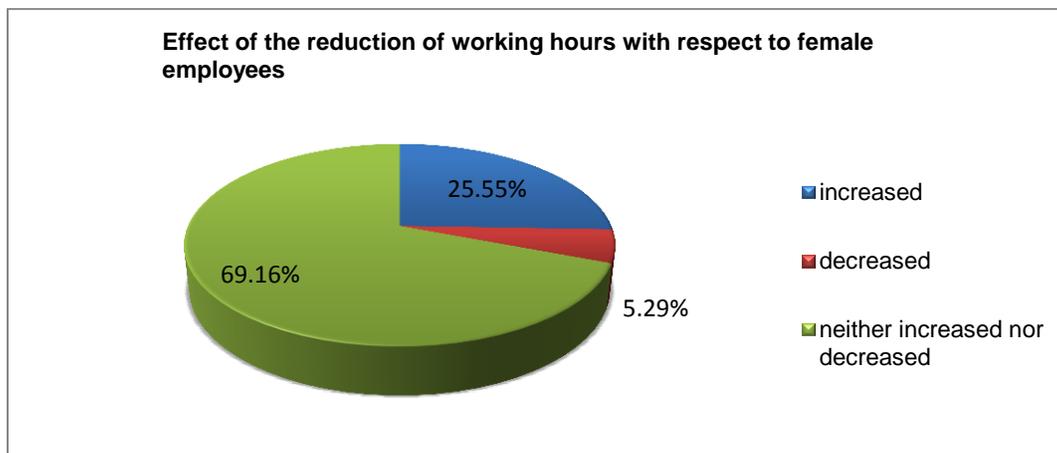
Figure 34: Effect of the reduction of working hours with respect to overtime worked



Business enterprises reported that in the given period overtime worked has increased by 16%, Almost three quarters of the sample stated that neither an increase no a decrease could be noted. Just 10% of respondents noted a decrease in overtime.

The effect of the reduction of working hours is examined next in relation to the number of females employed. The findings are illustrated in Figure 35 below.

Figure 35: Effect of the reduction of working hours with respect to female employees



Findings in Figure 35 above show that, over one quarter of the respondents (25.5%) indicated an increase in the number of female employees in their company with only 5.3% noting a decrease. Almost 70% did not notice any change.

The findings illustrating the effect that the reduction in working hours has had on the number of youth are shown in Figure 36 below.

Figure 36: Effect of the reduction of working hours with respect to youth employment

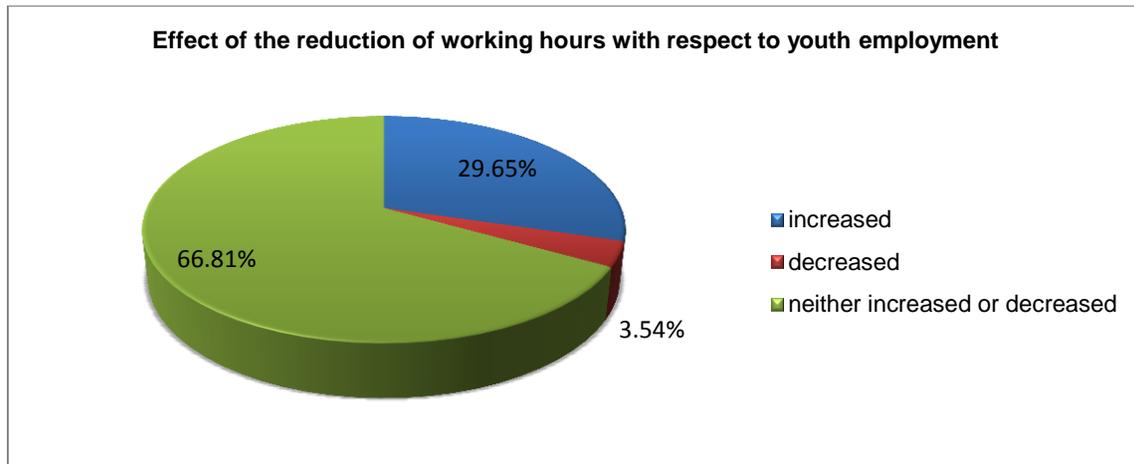
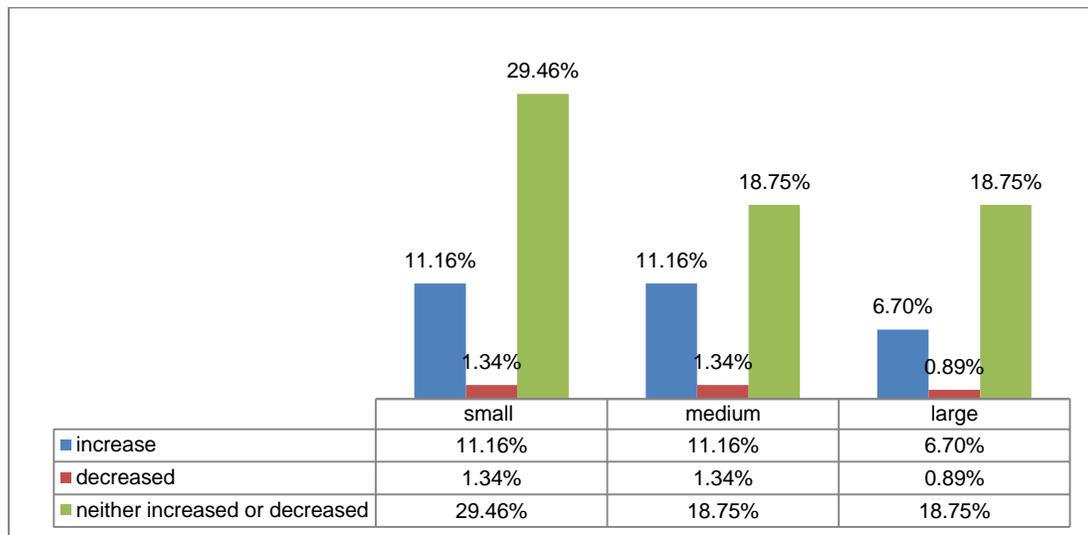


Figure 36 above shows that almost 30% of business enterprises interviewed said youth employment has increased in their firms in the given period. This is promising given the current levels of youth unemployment. Most (66.81%) of business enterprises said youth employment in their firms neither increased nor decreased.

The findings on how the reduction of working hours has affected the number of youth employed are shown in Figure 37 below.

Figure 37: Effect of reduced working hours on youth employment by size of business



Youth employment has increased in all enterprises and by 11% in medium and small enterprises. Just 6.7% of large enterprises reported an increase.

Findings on the effect of reduction of working hours on employees' income are shown in Figure 38 below.

Figure 38: Effects of the reduction of working hours on employee's income



For 24% of respondents their employee's income has increased since the implementation of the reduction of working hours, with only 14% noted a decrease in income. While 62% did not note any change.

5.14 Effect on economic efficiency

Economic efficiency which is broadly measured by price levels, employment rates and interest rates, implies an economic state where resources are optimally allocated resulting in less wastage and inefficiency. The findings in this section looks at the effects of the reduction of working hours with respect to this considering firms who have reduced their working hours.

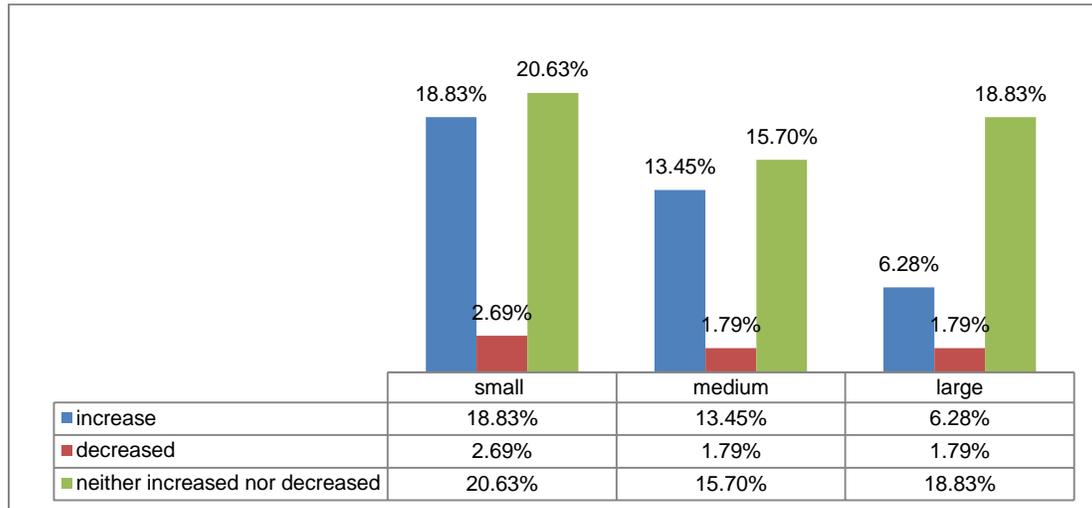
5.14.1 Effect on level of prices

Figure 39 below, illustrates the effect of the reduction of working hours with respect to economic efficiency in terms of level of prices.

5.14.2 Effect on levels of prices

Findings revealed that 38% of the business enterprises reported an increase in levels of prices attributed to a reduction in working hours. This is further examined in relation to the size of the business.

Figure 39: Effect of reduction of hours on economic efficiency (price levels)



Findings in Figure 39 show about 19% of small enterprises noted an increase in the level of prices with 13% of medium enterprises indicating an increase while 6% of large enterprises said price levels increased as a result of reduction of working hours in their firms. The limitation of these findings is that it is difficult to solely attribute increase of price levels in firms to reduction of working hours as there are other factors that could have contributed to the increase in price levels as well.

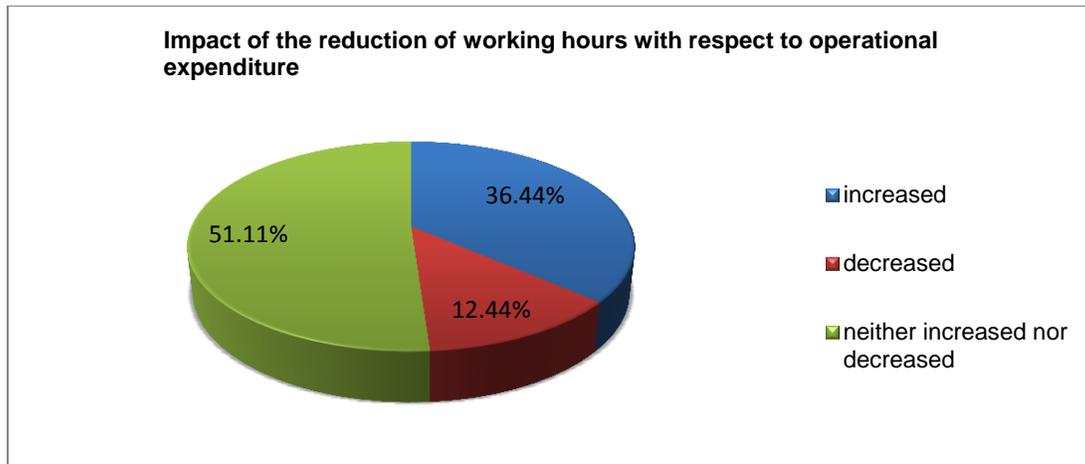
5.15 Effects on operation efficiency

Operational efficiency is an input to output ration. An increase in operational efficiency is accompanied by improvement in output to input ratio, signaling a minimisation of waste and a maximisation of resources capabilities. The effects of the changes in working hours are examined in this section.

5.15.1 Operational expenditure

Operational expenditure is expenditure that a business incurs as a result of performing its normal business operations. Figure 40 below shows the findings obtained when business enterprises were asked to indicate the impact of the reduction of working hours with respect to operational expenditure.

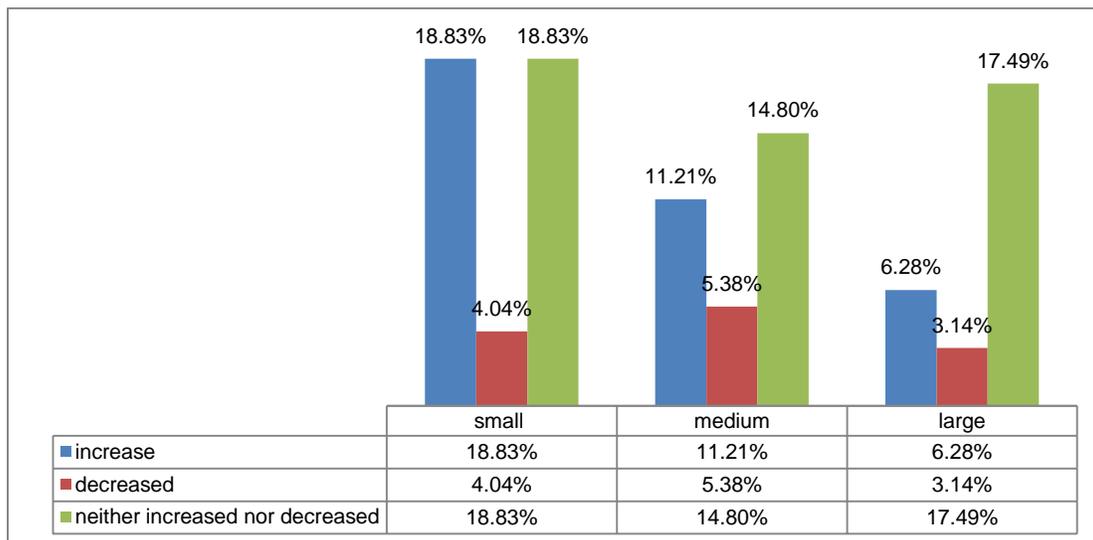
Figure 40: Impact of reduction of working hours on operational expenditure



Operational expenditure has remained the same for just over half of the sample (51%); however it has increased for 36% of respondents and decreased for just over 12% of respondents.

5.15.2 Impact operational expenditure

Figure 41: Impact of reduction of working hours on operational expenditure by company size



An increase in operational expenditure is evident for about 19% of small enterprises and 11% of medium sized enterprises. Larger companies do not seem to be impacted as much, with only 6% reporting an increase of operational expenditure as a result of reduction of working hours in their firms.

5.15.3 Capital expenditure

Capital expenditure is money invested by a company to acquire or upgrade fixed, physical, non-consumable assets, such as buildings and equipment. Figure 42 shows the findings that describe the impact of the reduction of working hours with respect to capital expenditure.

Figure 42: Effect of reduction of working hours on capital expenditure

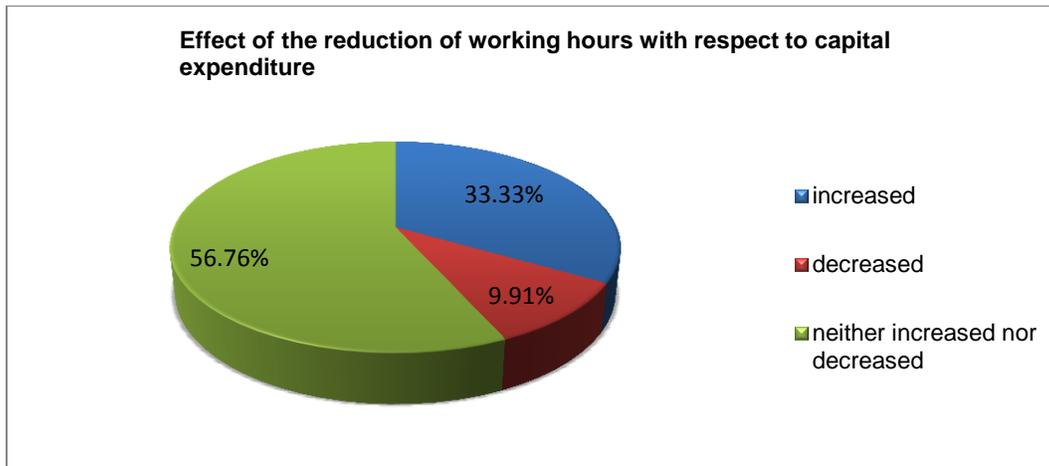
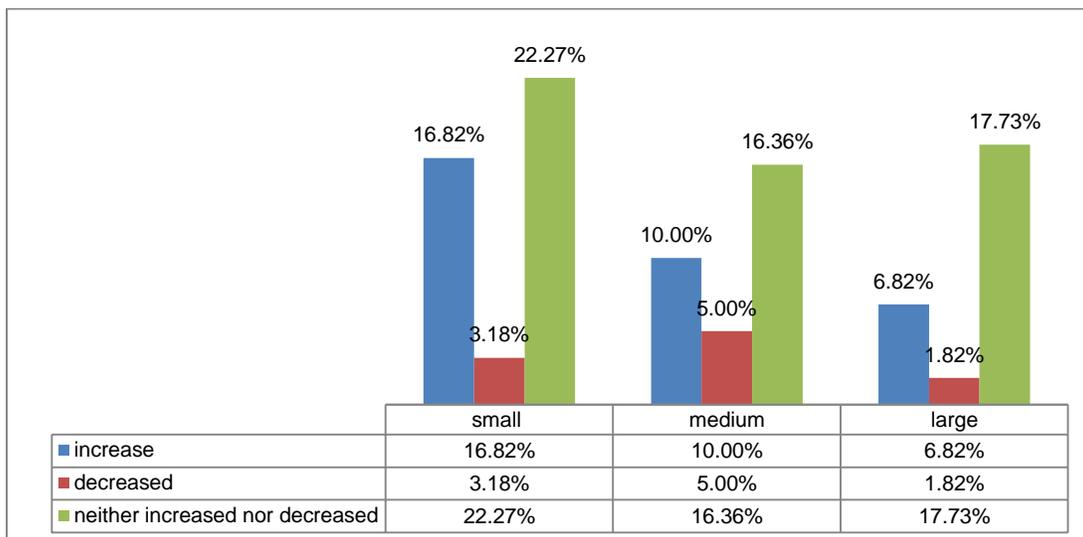


Figure 42 shows that 57% of business enterprises indicated that operational efficiency with respect to capital expenditure had neither increased nor decreased; and about 10% said operational efficiency had decreased and for a third of respondents (33%) capital expenditure had increased.

5.15.4 Effect on capital expenditure by enterprise size

Figure 43: Effect of reduction of working hours on capital expenditure by company size

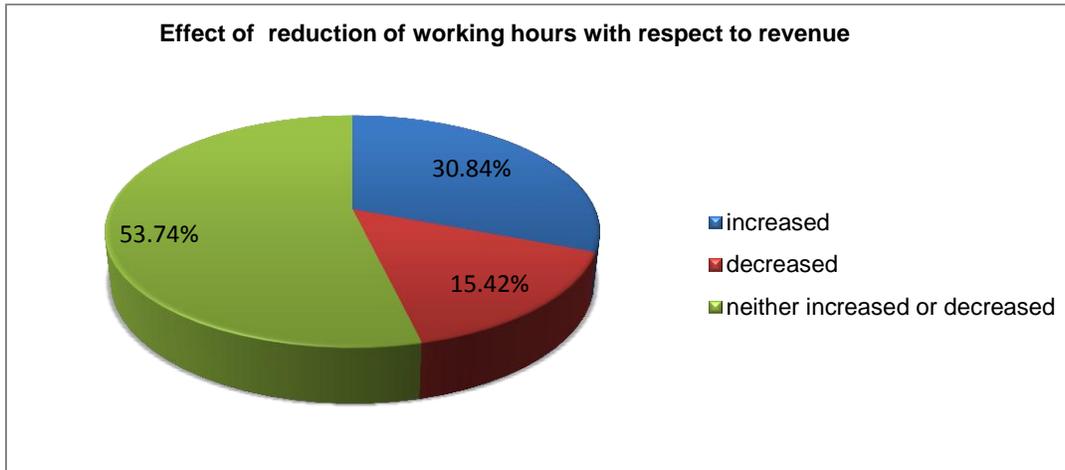


Findings in Figure 43 above shows that more of the smaller enterprises (17%) said they experienced an increase in capital expenditure, in comparison to large enterprises where only about 7% experienced an increase in capital expenditure since the reduction of working hours has been introduced. With respect to medium enterprises, 10% reported an increase in operation expenditure.

5.15.5 Revenue

Findings shown in Figure 44 below show how respondents described the effect of the reduction of working hours with respect to revenue.

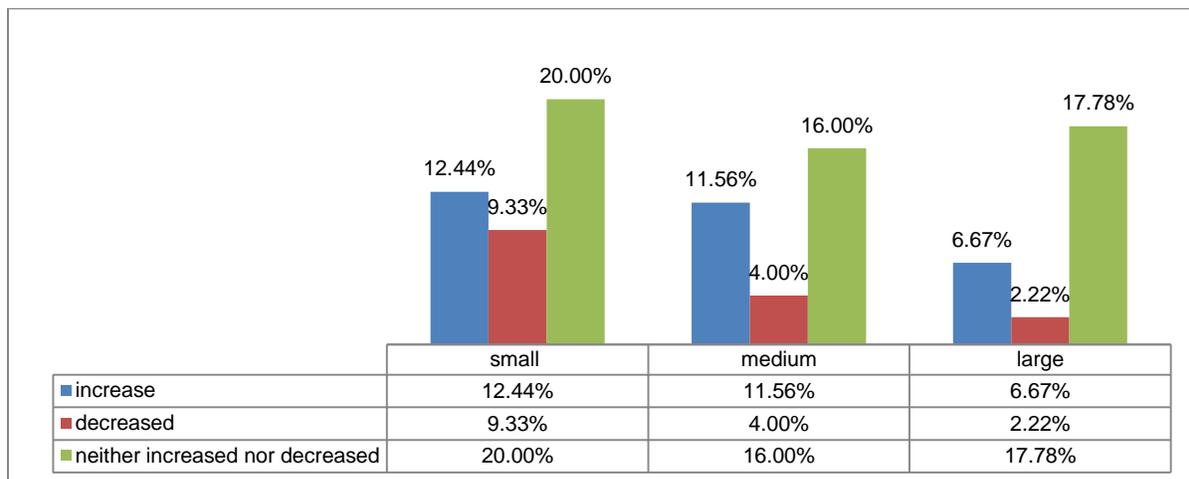
Figure 44: Effect of reduction of working hours on revenue



Revenue for enterprises increased in almost 31% of respondents as a result of the reduction of working hours and remained the same for 54% of business enterprises and decreased in 15% of the business enterprises.

5.15.6 Effect on revenue by enterprise size

Figure 45: Impact of reduction of working hours on revenue by company size

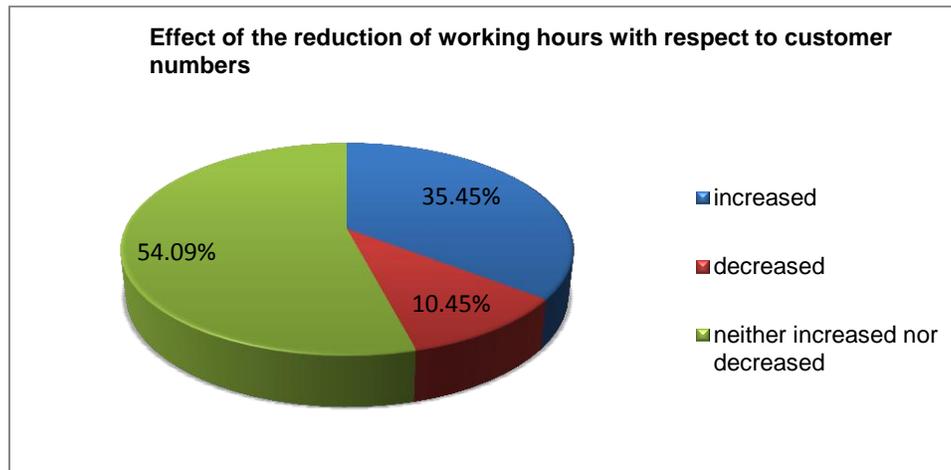


A similar percentage of medium and small enterprises 12% reported an increase in revenue since the introduction of reduced working hours as shown in Figure 45. Just 7% of larger enterprises reported an increase. A loss of revenue was noted by 9% of small enterprises.

5.15.7 Customer numbers

Figure 46 illustrates the effect of the reduction of working hours with respect to customer numbers for enterprises interviewed.

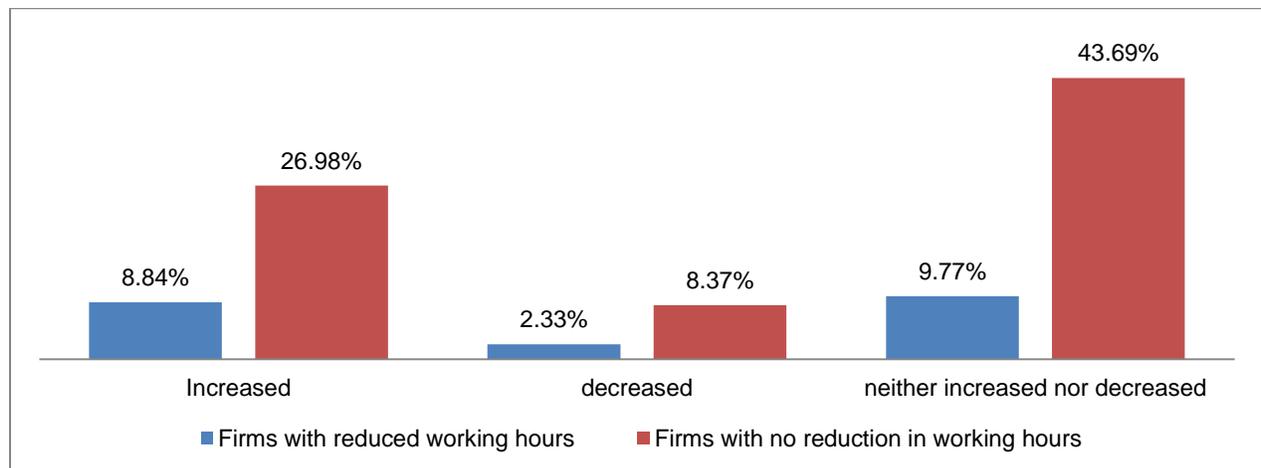
Figure 46: Effect of reduction of working hours on customer numbers



In 35% of cases respondents reported that their customer numbers had increased. In 54% of the sample they had stayed the same and in 10% of the sample they had decreased.

The findings in Figure 47 shows a comparison of changes in customer numbers between those firms that had said there was a reduction of working hours in their particular firms against those who had said there has been no reduction in working hours.

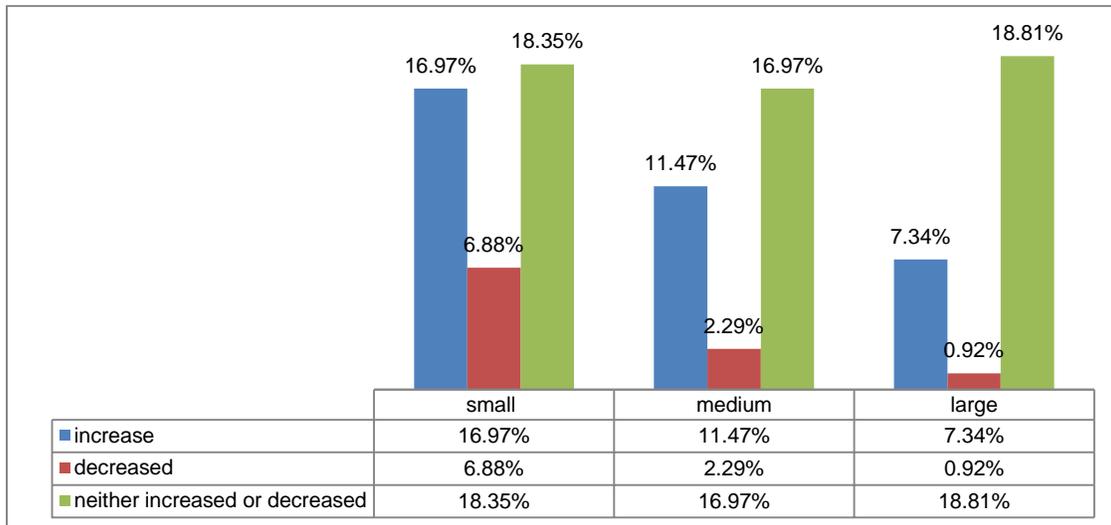
Figure 47: Changes in customer numbers



The findings in Figure 47 below shows that it is inconclusive to say reduction of hours directly caused a change in customer numbers.

5.15.8 Effect on customer numbers by company size

Figure 48: Effect of reduction of working hours on customer numbers by company size

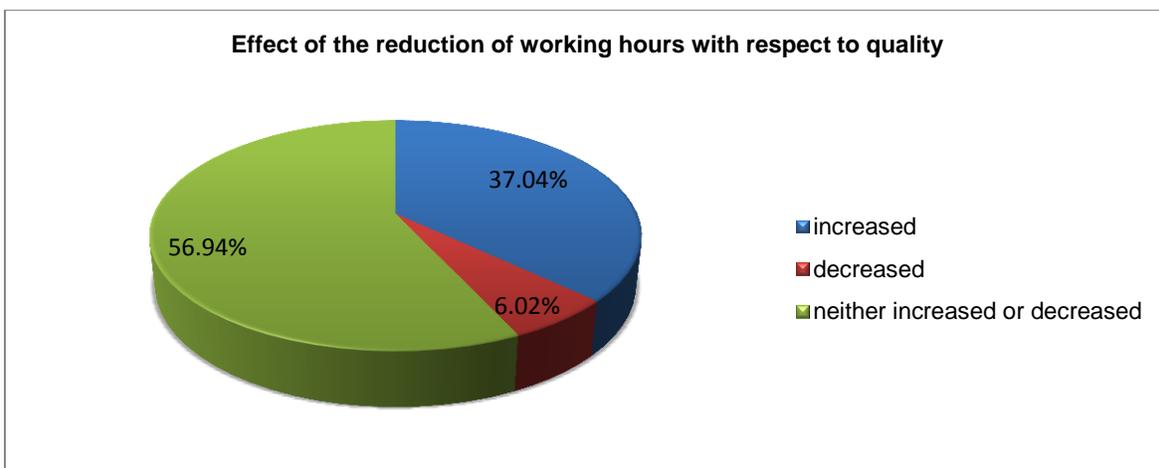


For companies that indicated there has been a reduction of working hours, customer numbers have remained the same for 54% of the respondents. The numbers increased for just under 17% of small enterprises and 11% of medium sized enterprises while 7% of large enterprises reported an increase in customer numbers.

5.15.9 Quality levels

Figure 48 shows how business enterprises described the effect of the reduction of working hours with respect to quality of production.

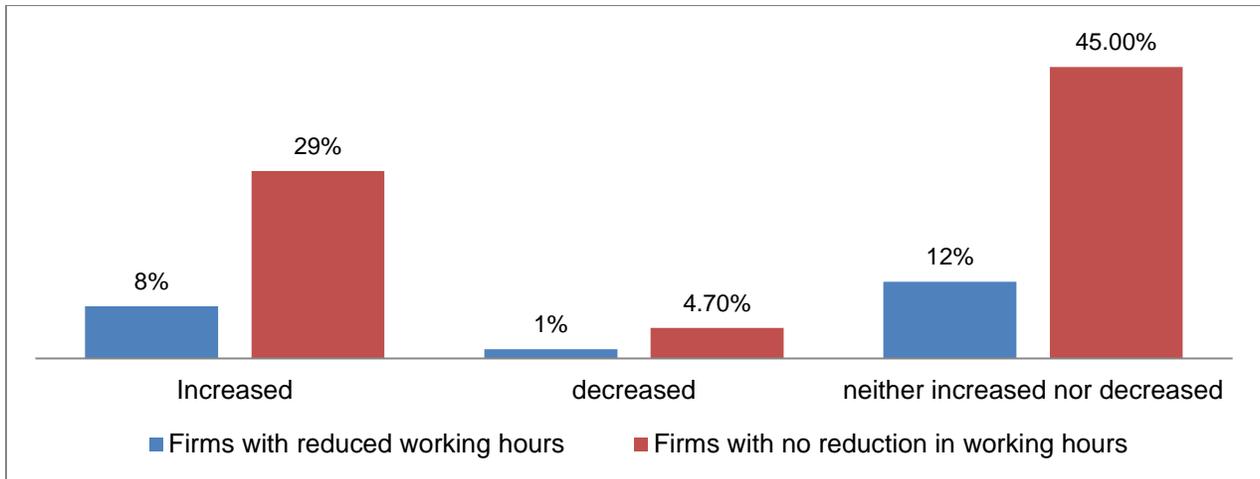
Figure 49: Effect of the reduction of working hours on quality



The quality of production was reported to have increased by 37% of respondents and remained the same for 57% of respondents.

The findings in Figure 50 shows the comparison in terms of quality changes between companies that reported reduction of working hours and those that did not..

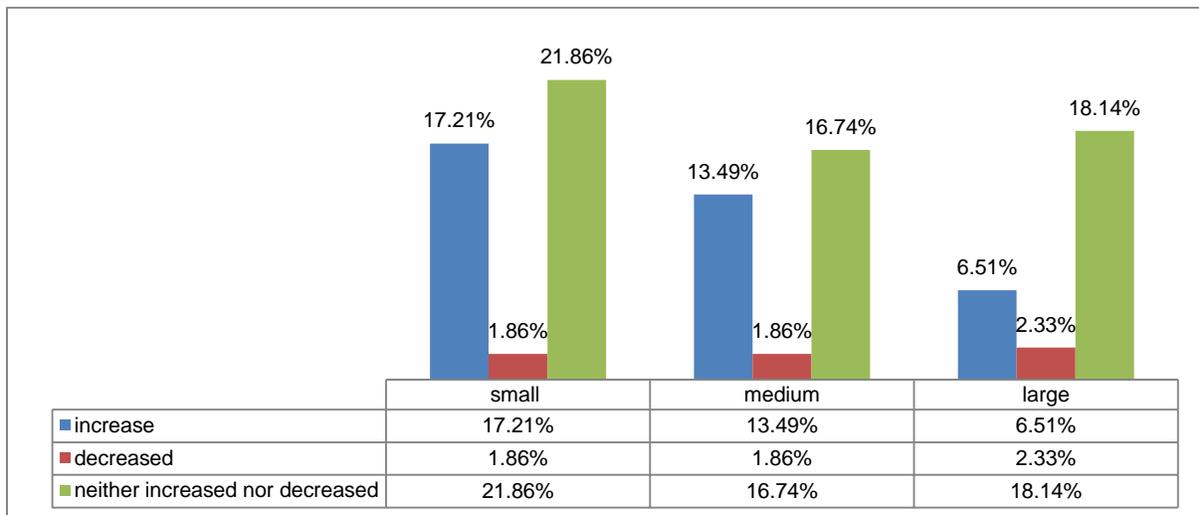
Figure 50: Changes in quality levels



The results in Figure 50 shows that it is inconclusive to say reduction of hours directly caused a change in quality levels of the goods and or services produced by the enterprises.

5.15.10 Effect on quality by company size

Figure 51: Effect of reduction of working hours on quality by company size

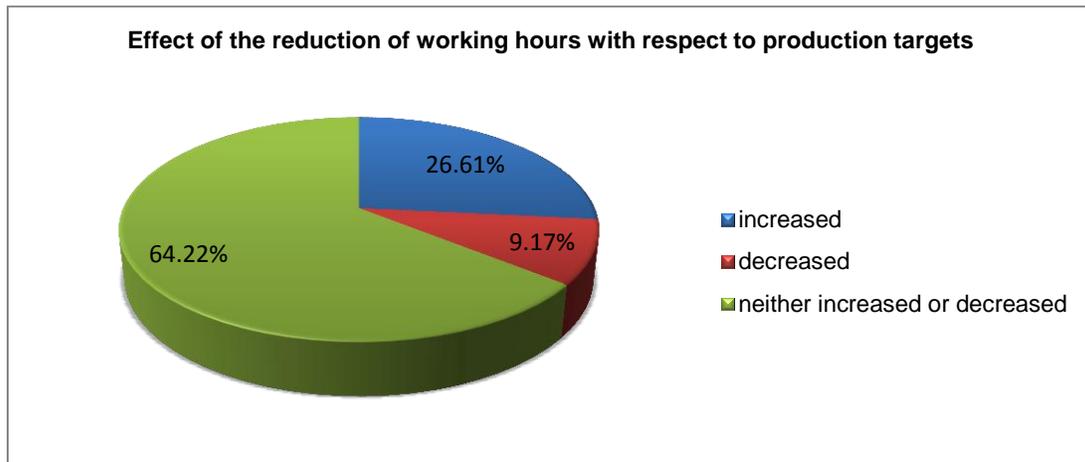


More small enterprises reported that they had experienced an increase in quality since the reduction of working hours (17%). Few companies had experienced a decrease in quality, this varied between 2.3% and 1.86% of the sample.

5.15.11 Achievement of production targets

Figure 52 shows how business enterprises described the effect of the reduction of working hours with respect to production targets.

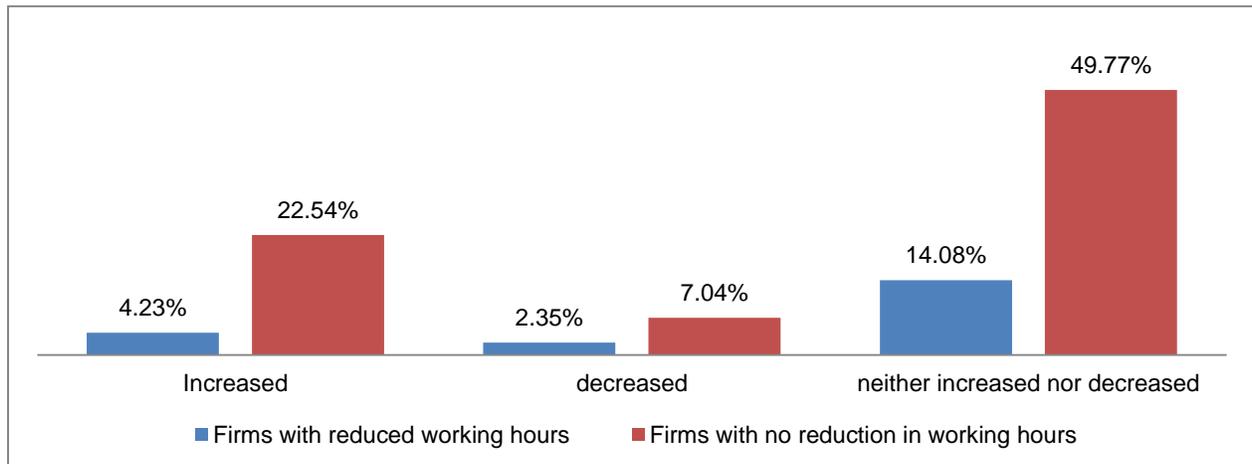
Figure 52: Effect of reduction of working hours on production targets



Achievement of production targets increased for about 27% of respondents and remained the same for 64% of respondents. Just over 9% of respondents reported a decrease in production targets.

This result is further analysed by firms who have experienced a reduction in working hours and those who have not, the findings are in Figure 53 below.

Figure 53: Changes in achievement of production targets

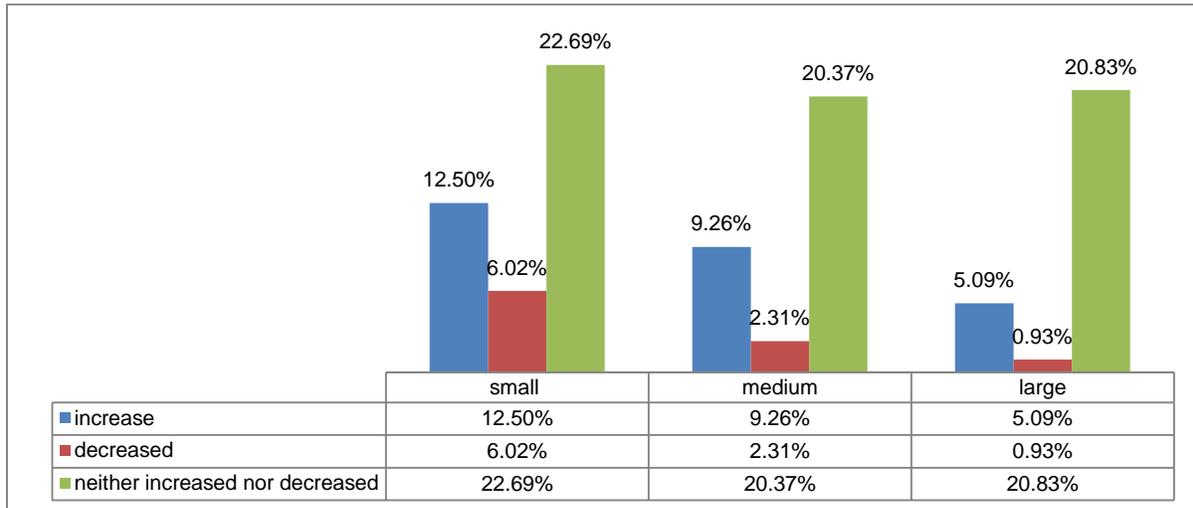


It is inconclusive to deduce that production targets appear to be affected by the reduction in working hours.

5.15.12 Effect on the achievement of production targets

The effects of reduction of working hours on achievement of production targets by company size were determined. The results are presented in Figure 54 below.

Figure 54: Effect of working hours on production targets by company size

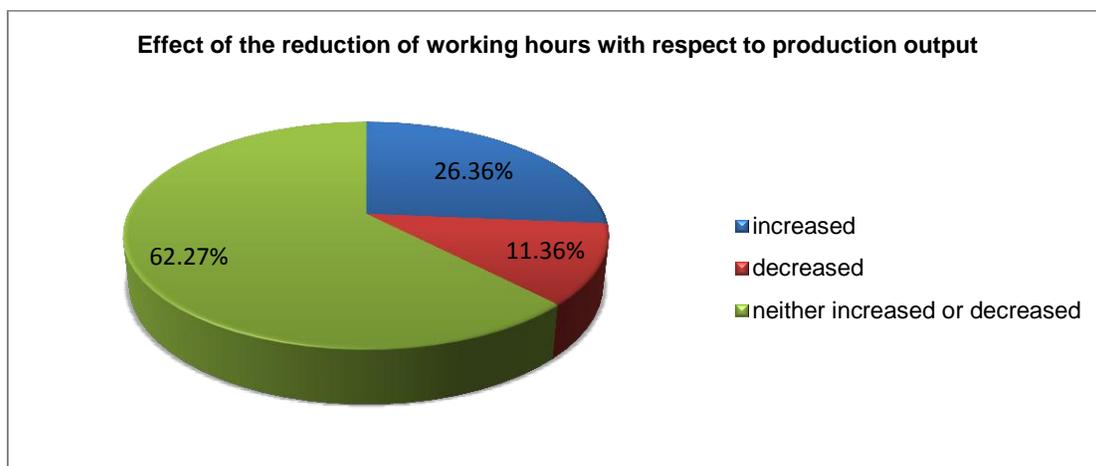


The findings in Figure 54 above shows that achievement of production targets increased for 12.5% of respondents who were small enterprises and increased for about 9% of the sample who were medium enterprises. About 5% of the large enterprises reported an increase in terms of meeting their production targets.

5.15.13 Production output

Figure 55 shows the findings on how business enterprises described the effect of the reduction of working hours with respect to production output.

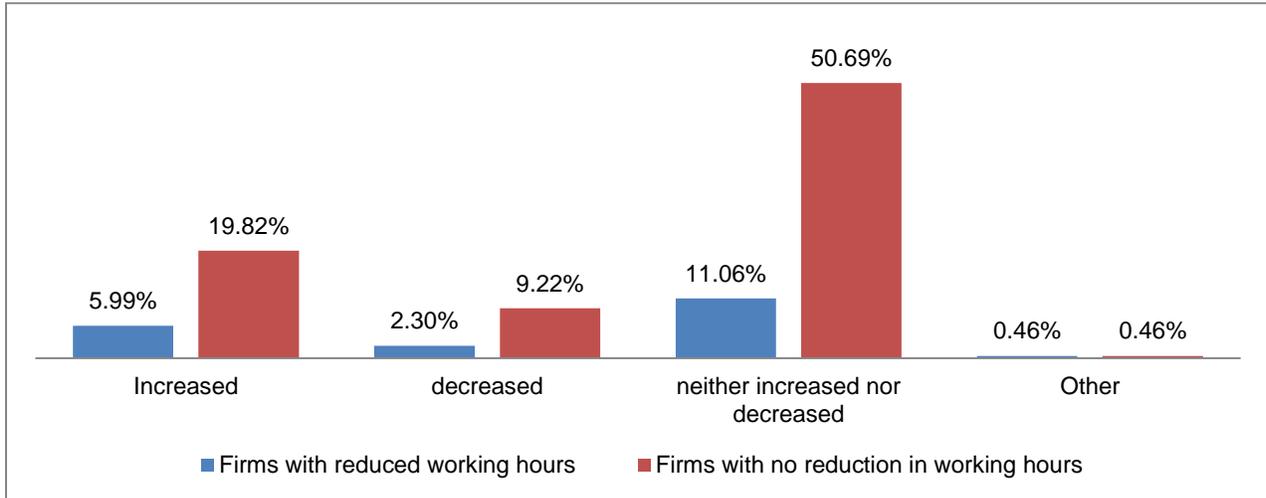
Figure 55: Effect of reduction of working hours on production output



Production output increased for 26% of respondents and 63% of respondents reported that it stayed the same. 11% noted a decrease in production output.

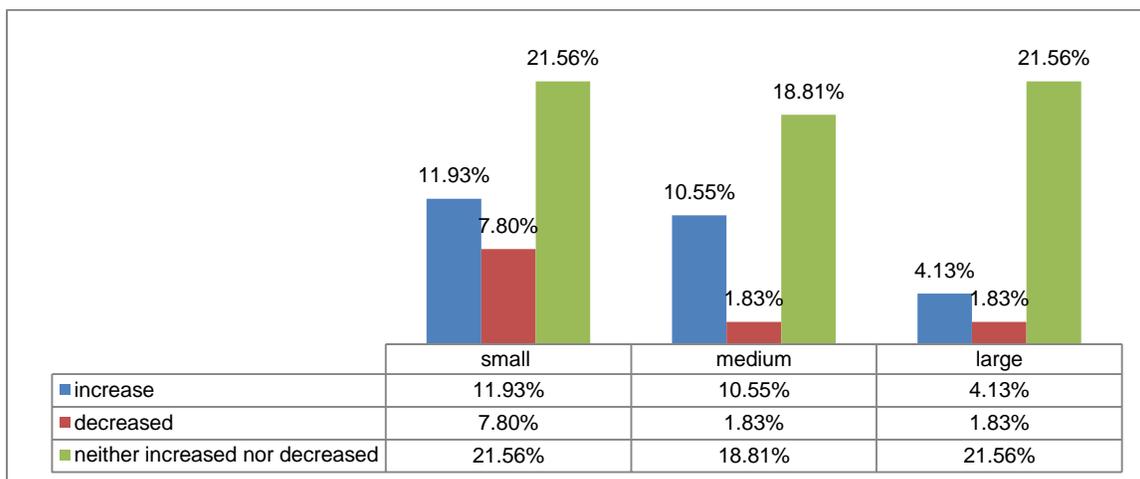
This result is further analysed by comparing firms who have experienced a reduction in working hours and those which did not. It is therefore inconclusive to deduce that production output was affected directly by the reduction in working hours.

Figure 56: Changes in production output levels



5.15.14 Effects on production outputs by company size

Figure 57: Effect of reduction of working hours on production outputs by company size



Findings in Figure 57 above show that about 12% of respondents who were small enterprises and 10.55% of medium sized enterprises reported an increase in production outputs. Interestingly more small enterprises also noted a decrease in production output. It seems the smaller enterprises seem to be struggling to adjust with the reduction in working hours and operational efficiency.

5.16 Effect on health and safety

The effect if any, that the reduction of working hours has had with respect to health and safety in the enterprises was also examined.

5.16.1 Reported health problems

The findings on the effect of reduction of working hours with respect to health and safety and reported health problems are illustrated in Figure 58 below.

Figure 58: Impact of reduction of working hours on reported health problems

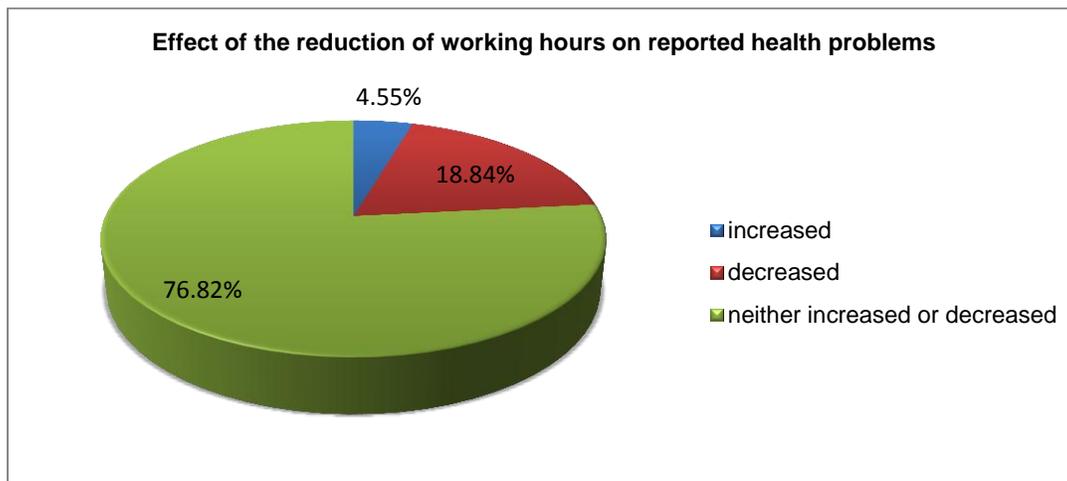
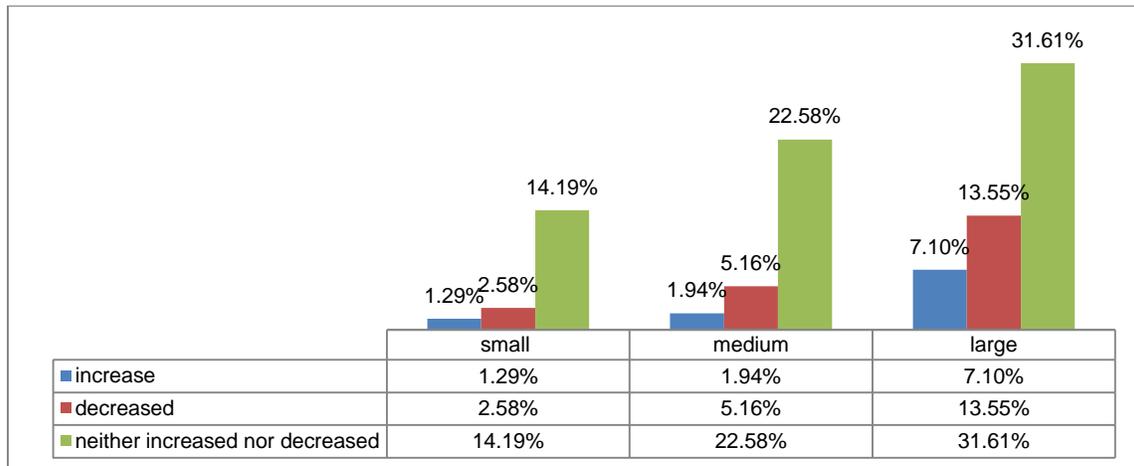


Figure 58 above shows that 77% of respondents indicated they had experienced neither an increase nor a decrease in reported health problems at their business while 18% indicated a decrease. Only about 5% noted an increase in reported health problems at their place of work.

5.16.2 Reported health problems by company size

The findings in Figure 59 show the effects of the reduction of working hours with respect to reported health problems in relation to company size of respondents.

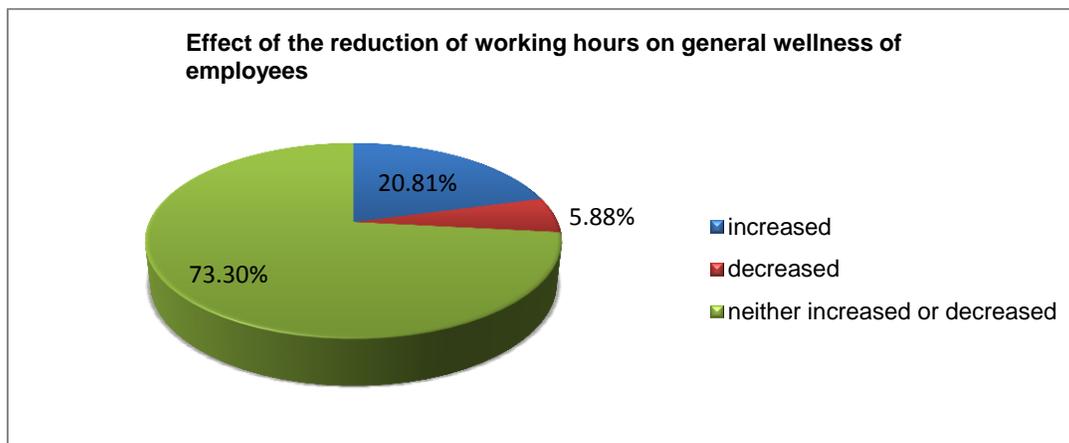
Figure 59: Effect of reduction of working hours on reported health problems by company size



Employers have noted less reported health problems overall with a larger decrease in health problems, particularly in larger enterprises.

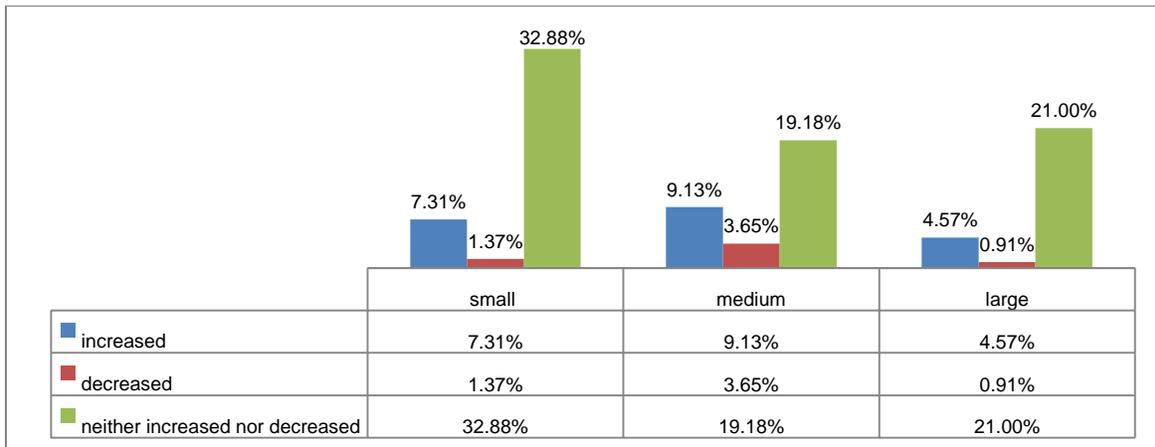
Figure 60 shows the findings obtained when business enterprises were asked to indicate the effect of reduction of working hours on the general wellness of employees. General wellness broadly refers to employee morale.

Figure 60: Effect of reduction of working hours on general wellness of employees



Over 20% of employers reported that the general wellness of their employees had improved. For almost three quarters of the sample (73%), general wellness was reported to have stayed the same and a small percentage (6%) reported a decrease in general wellness of employees. General wellness is reported to have increased in about 21% of the business enterprises interviewed.

Figure 61: Effect of reduction of hours on general wellness of employees by company size

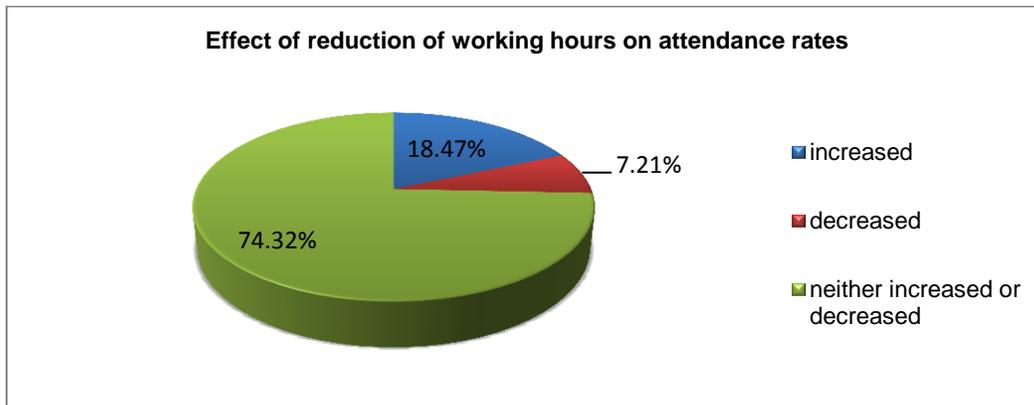


The findings in Figure 61 above shows that about an increase in general wellness was experienced by medium-sized enterprises (9%), followed by small sized enterprises (7%) while a small proportion (5%) of large enterprises reported an increase in general wellness of their employees.

5.16.3 Effect on employees attendance rates

Figure 62 shows the effect of the reduction of working hours on work attendance rates of employees.

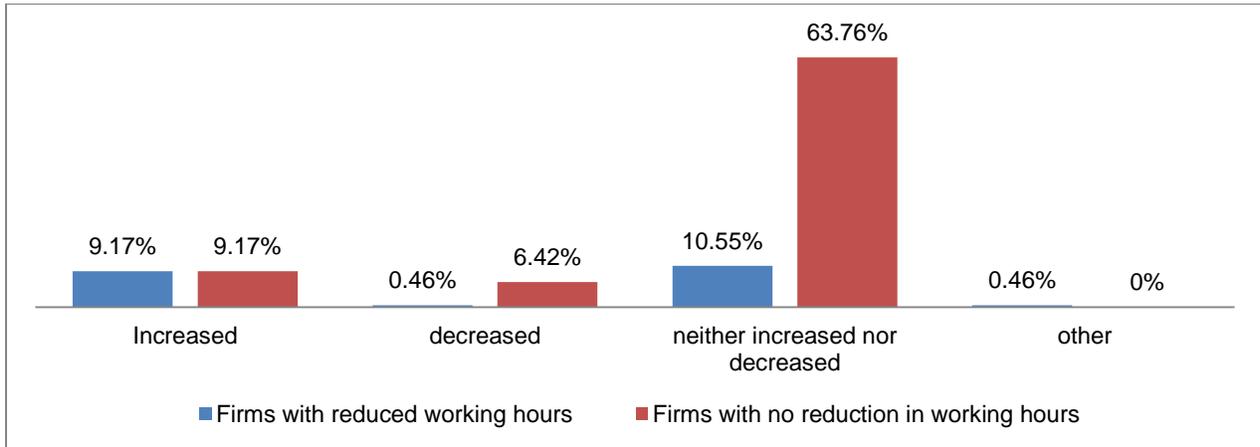
Figure 62: Effect of reduction of working hours on attendance rates



Within this sample, 74% of respondents did not note any change in attendance rates among their employees. A notable increase in attendance rates reported by 19% of respondent's and a small decrease was noted by 7% of companies.

This result is further analysed by firms who have implemented a reduction in working hours and those who have not, the findings are in Figure 63 below.

Figure 63: Changes in attendance rates

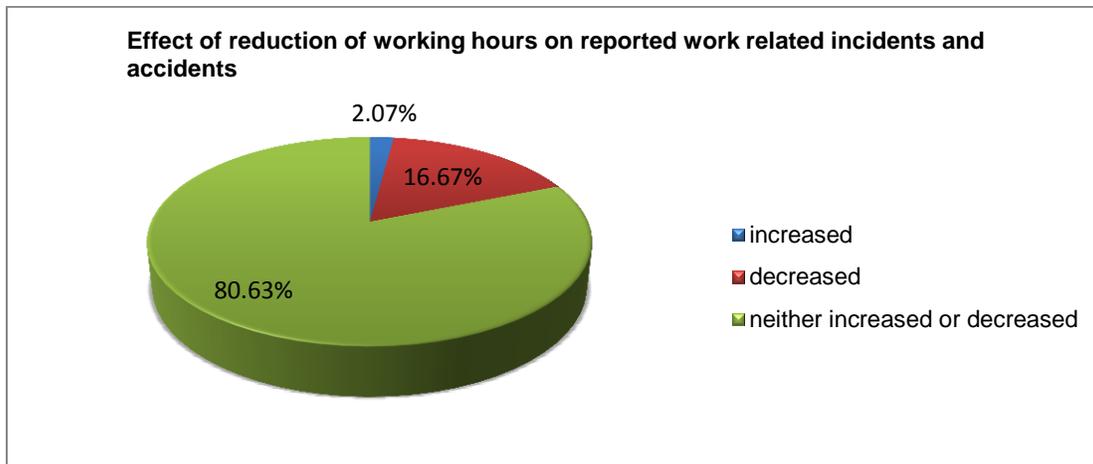


The findings shown in Figure 63 are inconclusive to suggest a deduction directly linking reduction of working hours and attendance rates.

5.16.4 Reported work related accidents and incidents

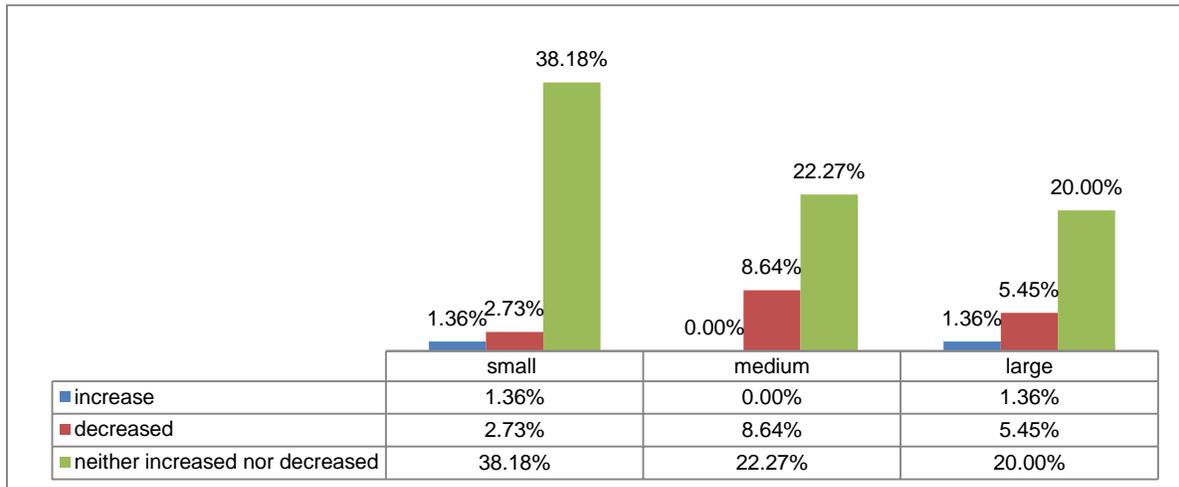
Figure 49 shows findings on the effect of reduction of working hours with respect to safety and reported work related incidents and accidents.

Figure 64: Effect of reduction of working hours on reported work related incidents and accidents



Over 80% of respondents reported no significant increase or decrease in work related accidents or incidents. In 17% of cases a decrease was noted while 3% of the respondents said there was an increase in work related accidents and or incidents.

Figure 65: Effect of reduction of hours on reported work related accidents and incidents by company size

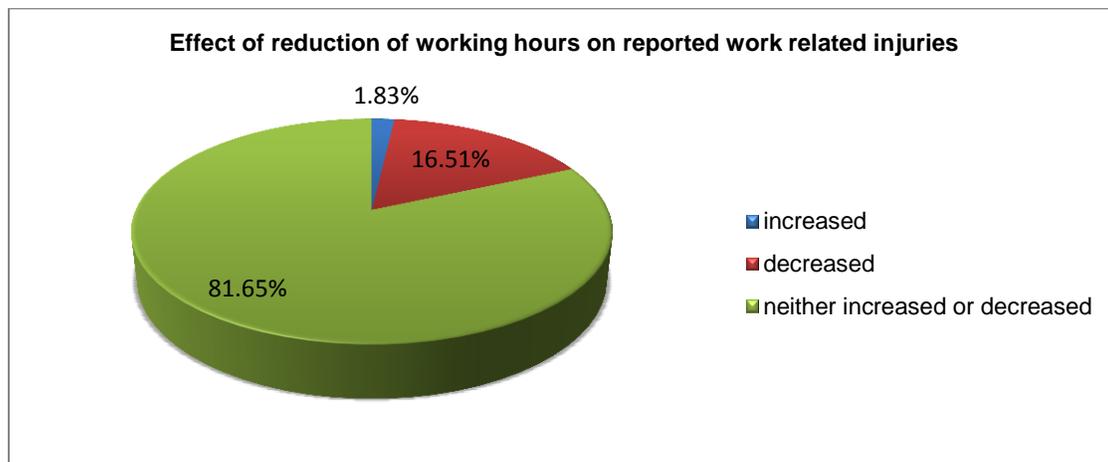


With regard to work related accidents and incidents since the reduction of working hours, employers indicated that for the most part the number had stayed the same. The increases in such incidents were minimal and in all cases incidents had decreased. More medium enterprises (9%) reported a decrease in accidents in comparison to small-sized and large-sized enterprises

5.16.5 Reported work related injuries

Figure 66 illustrates the findings obtained on the effect of reduction of working hour on reported work related injuries.

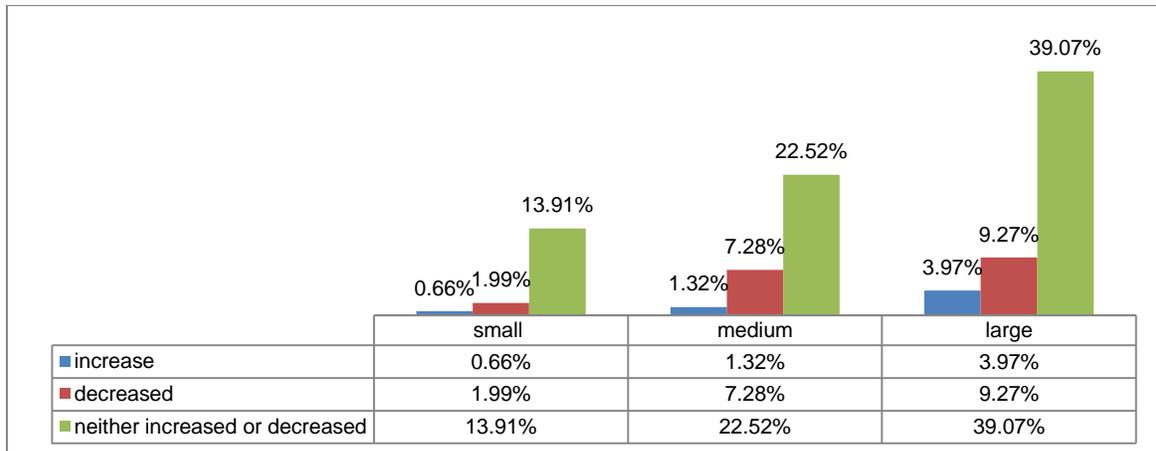
Figure 66: Effect of reduction of working hours on reported work related injuries



Favorably, most of the business enterprises (82%) reported that work related injuries had neither increased nor increased. In 16% of cases, a decrease was noted and about 2% of enterprises reported an increase.

Figure 67 below present the findings obtained when employer responses are compared in relation to company size and with respect to reported work related injuries.

Figure 67: Effect of reduction of working hours on work related injuries by company size



Findings reveal that a higher percentage of enterprises who reported a decrease in work related injuries were large enterprises (9%), followed by medium-sized enterprises (7%) and small enterprises (2%).

Fatigue and overworking were noted by the DoL key informants during focus group discussions as being important factors to motivate for a reduction in working hours. If employees are exhausted this leads to a lack of concentration and body fatigue which can lead to an accident at the work place. There will be a decrease in safety standards if people work excessively. Should these concerns not be addressed this will bring about an array of occupational health issues due to employees rushing though tasks and not being as cautious.

5.17 Effect on employee benefits

The questions in this section were concerned with the possible effect that the reduction in working hours may have had on employee benefits.

5.17.1 Employer contribution to employee benefits

Table 8: Employers contribution to pensions as a result of reducing hours

Effect	Count	Percentage
Increased	21	8.5%
Decreased	16	6.5%
Neither increased nor decreased	179	72.8%
Any other effect (specify)	7	2.8%
Did not indicate	23	9.3%

Most business enterprises (73%) said that their contribution to pension neither increased nor decreased and stayed much the same while 9% noted an increase and 6% noted a decrease. The findings shows that about 9% of did not indicate the effects and about 3% reported other effects (e.g. haphazard patterns where increased are followed by sudden decreases or decreases are followed by sudden increases over the years).

5.17.2 Employer contribution to medical contribution

Table 9: Employers contribution to medical aid as a result of reducing hours

Effect	Count	Percentage
Decreased	1	.43%
Neither increased nor decreased	178	76.4%
Any other effect	7	3%
Did not indicate	25	10.7%

Most respondents (76%) said their contribution to employees' medical neither decreased nor increased and stayed much the same while for 9% of the business enterprises, the contribution increased.

5.18 Experience with collective bargaining negotiations

5.18.1 Attainment of goal of reducing working hours

The questions in this section were designed to obtain views on the collective bargaining process aimed at reducing the number of working hours to a 40 hour week. Business enterprises were asked to their views on attainment of the goal of achieving a 40-hour week.

5.18.2 Ranking of bargaining items

Business enterprises respondents were asked to rank five bargaining items from the basic conditions of employment act, indicating which items get high priority during their negotiations. There rankings are shown in Table 10.

Table 10: Ranking of bargaining items

Bargaining item	Rank score
Remuneration	1
Hours of work	2
Annual leave	3
Termination of employment	4
Any other	5

Remuneration was ranked as number 1 by 57% of the sample followed by hours of work by 36% of respondents, emphasising the importance of this issue to the employee.

5.18.3 Acceptance of reduction of hours

Business enterprises were asked if they would readily accept a reduction of hours without a reduction in remuneration as a means designed to create more job opportunities. The findings are shown in Figure 69 below.

Figure 68: Acceptance of a reduction of hours without a reduction in remuneration

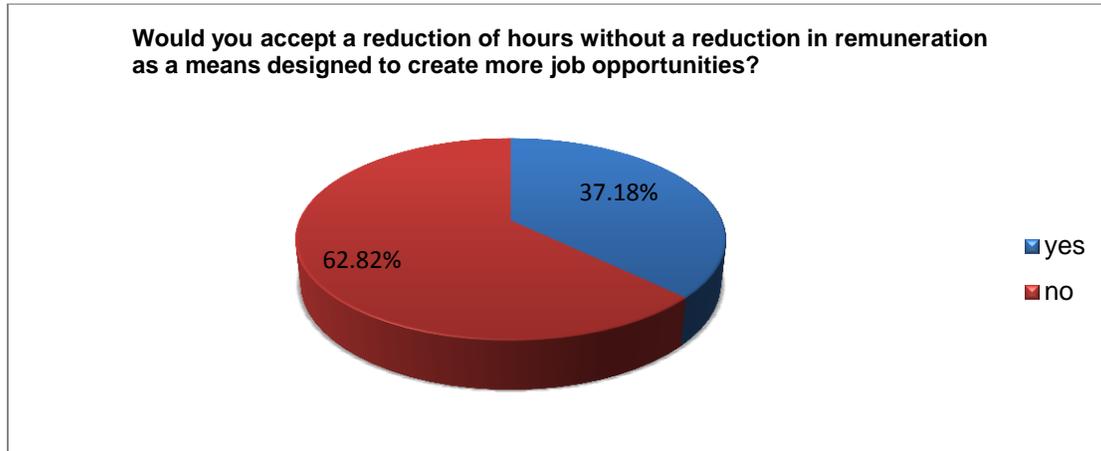


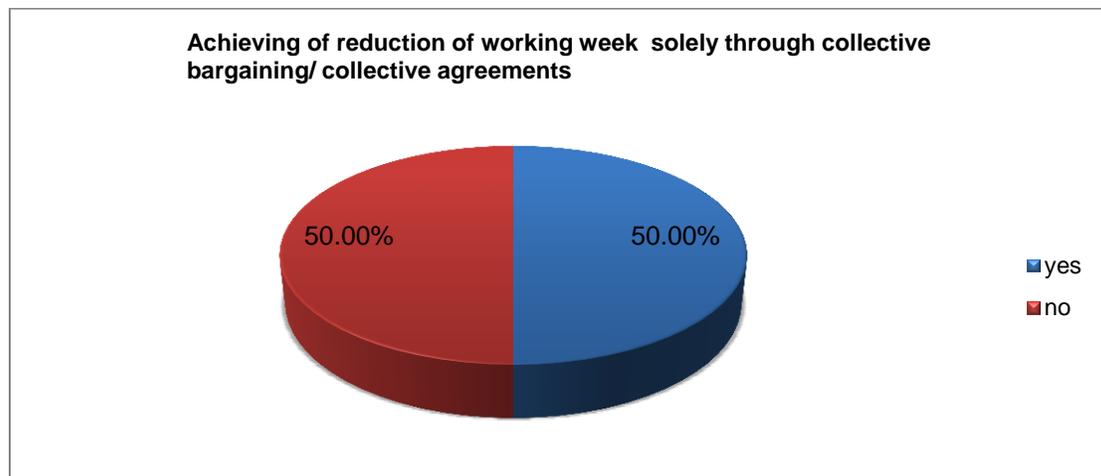
Figure 68 shows that 37% of the respondents indicated they will readily accept a reduction of working hours without a reduction in employees' remuneration however 63% said they would not.

Although in general it was agreed that there is a need to address unemployment in South Africa, the majority of respondents said that this approach would not be economically viable and would most certainly affect profits and this would ultimately cost the employer. It was suggested that a lot of other variables needed to be taken into consideration such as the possible impact on the employee's performance and the increase in the mean price of the items/service offered due to such changes. Generally a reduction of hours with no reduction in remuneration was considered an unfair approach for employers to be forced to take.

5.18.4 Attainment through collective bargaining/collective agreements

Business enterprises were asked if they believed that the goal of achieving a 40 hour working week could be achieved solely through collective bargaining/ collective agreements. The findings are illustrated in Figure 69 below.

Figure 69: Business enterprises' opinions on role of bargaining/collective agreements

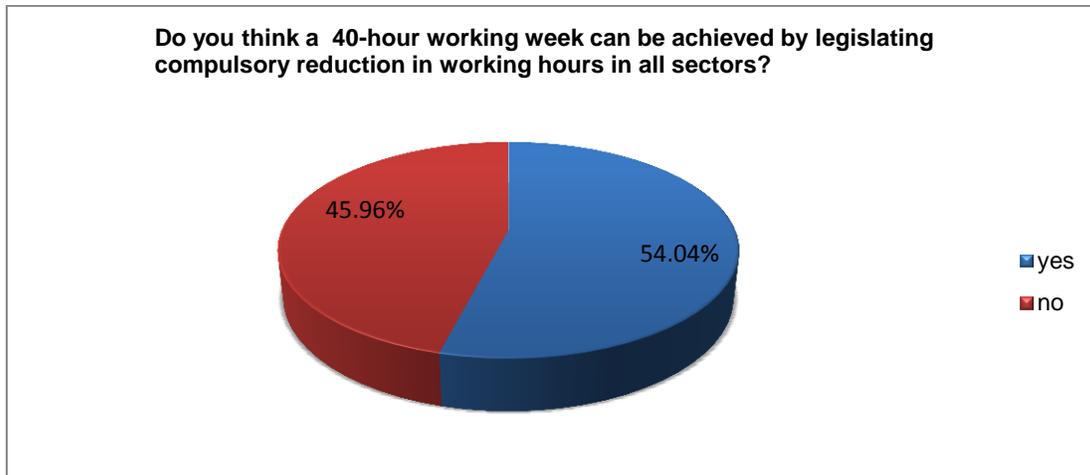


Business enterprises were evenly divided on the idea that the goal of achieving the 40 hour week can be attained solely through collective bargaining.

5.18.5 Attainment by legislating compulsory reduction

Business enterprises were asked whether this could be achieved by legislating a compulsory reduction of working hours across all sectors. The findings are shown in Figure 70 below.

Figure 70: Business enterprises' views on legislating compulsory reduction of working hours



The findings in Figure 70 above shows that 54% said the goal of achieving the 40-hour week can be achieved by legislating compulsory reduction of working hours in all sectors. The majority of respondents explained that companies must comply with the legislation as it would then be legally binding. This would mean that they would be forced to implement it and abide by the laws. Alongside this legislation, employees must be informed about the implications for them and the DoL must monitor the employer's compliance under such a scenario. The importance of negotiations was also re-emphasised. The successful legislation must consider that it is not applicable to all sectors in the same way. Correct legislation is considered an important step in this process, respondents acknowledged that it does not mean that all enterprises will automatically abide.

5.19 Challenges to reducing working hours

Business enterprises were asked to indicate what they view as major challenges to processes aimed at reducing number of working hours to a level of 40-hour week. The two main concerns of the respondents are the loss of production which would impact meeting client targets and the reluctance of employees to accept a reduction in remuneration for the reduced hours worked or the abolishment of overtime as employers tend to offer this solution, ' the issue is one of balancing productivity and the revenue of the company'. A further concern is the reluctance of employees to comply.

Some business enterprises retorted that the mind-set of the unions could be a stumbling block and that companies may not be well informed on the importance of the issue itself. Certain sectors, especially the small and medium also indicated that they would not support the reduction of working hours as it would not work for their type of business. Some of the selected comments from the business enterprises include:

- "Production will be lowered if hours are reduced";
- "Mind set of unions";

- *“We don't see a 40 hour week as a target - we pay for performance”*
- *“Employers tend to reduce employees’ remuneration when hours are reduced”.*
- *“Employers’ reluctance to comply”.*

Business enterprises were also asked to provide ways or means to overcome these challenges faced. Suggestions included that employers should allow for open and fair dialogue with staff on the issue and debate and communication with unions and the bargaining council. Employees should be encouraged to work smarter in order to keep production high. Better planning and time management should be put in place and productivity agreements drawn up. Overall the feeling from employers is that employee salaries should not be cut.

Government should provide a large scale educational campaign to promote the benefits of such and plan and this should involve awareness and on site workshops for employees to ensure that all stakeholders are well informed. The DoL needs to be firm and take the lead with the implementation and monitoring of compliance. Inspection visits should be carried out and penalties issued for non-compliance. Government could also assist with providing enterprises with incentives for correct implementation of the legislation and this could be in the form of taxation breaks.

Legislation should not be applicable to all sectors and certain exemptions should be considered and special attention should be given to assisting SMMEs. Overall respondents felt that there are other ways to create employment and that the government should focus on stabilising the economy first. A large number of the business enterprises were not in favour of the reduction of working hours.

5.20 Other insights

5.20.1 Insights on reduction of working hours

Bargaining at the company level

Business enterprises were asked the extent to which they agree or disagree with the statement that *“Company level bargaining by mandated employees can be an effective mechanism to achieve reduction of working hours to a 40-hour week”.*

Figure 71: Business enterprises’ thoughts on company level bargaining

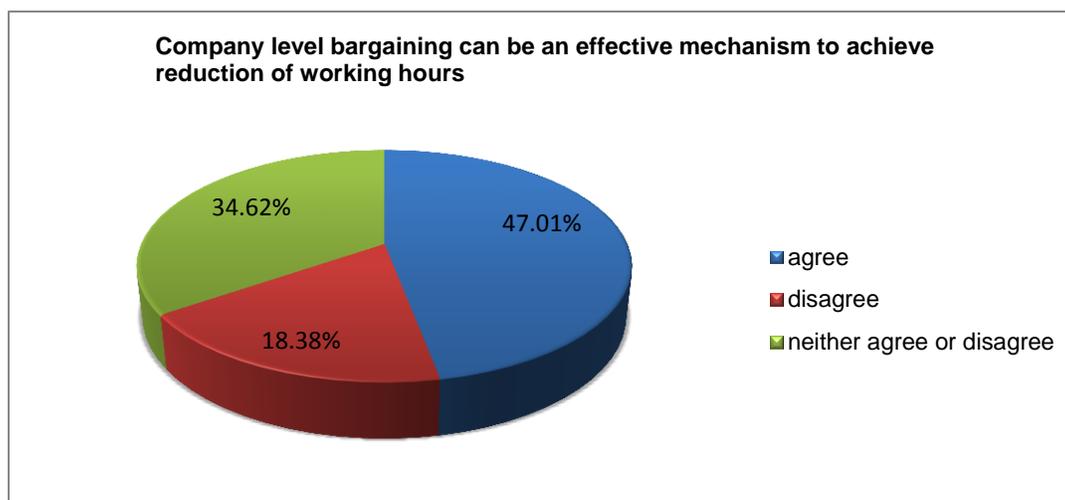


Figure 71 above shows that 47% agreed with the statement, 35% were indifferent and 18% disagreed. Those who agreed with the statement stated that mandated employees opened up the opportunity for negotiation and provided a vital link between employees and management. Shop stewards were considered to be better positioned in relation to communicating with employees and could hold a vital role in explaining to employees the 40-hour week.

Company level bargaining was supported due to the company itself having a better understanding based on their own needs, ‘freedom to make choices based on our own needs’. Once again respondents stated that the reduction in working hours is not suitable for all sectors and a decision on the individual company level is required.

In some cases business enterprises had experienced shop stewards as being untrustworthy and misrepresenting the company to unions. This is why they also preferred company level bargaining.

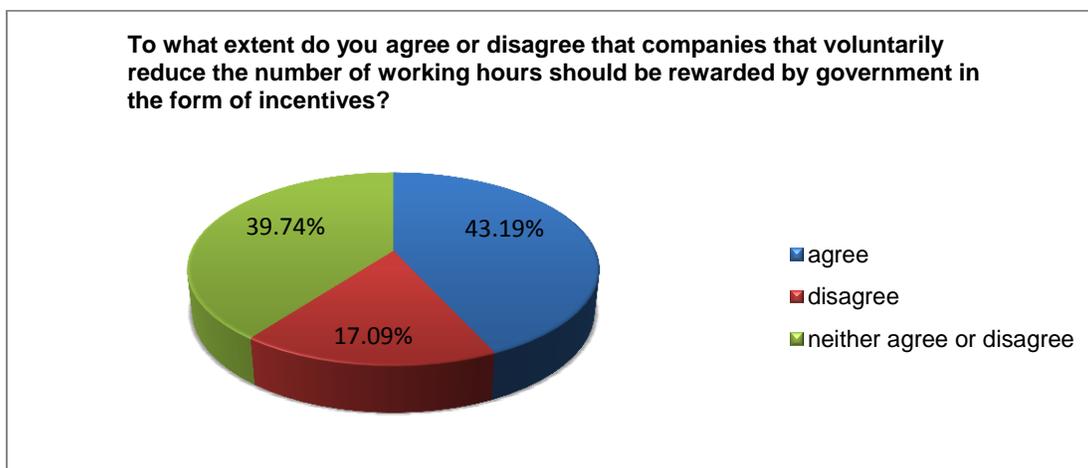
Some of the reasons given by those who agree include:

- *At company level there will better understanding.*
- *Companies have different outcomes that need different time management and different working arrangements’.*

5.20.2 Reward for voluntary reduction of hours

Business enterprises were asked the extent to which they agree or disagree with the statement that “Companies that voluntarily reduce the number of working hours in order to retain employees or recruit more employees should get rewarded by government in the form of incentives”.

Figure 72: Business enterprises’ opinions on rewarding companies



As illustrated in Figure 72, most (43%) agree with the mechanism where companies that voluntarily reduce the number of working hours in order to retain employees or recruit more employees get rewarded by government in the form of incentives while 40% were indifferent. The findings showed that 17% disagreed with the statement.

Of those who agreed, they believe that the incentives should directly compensate the company for any shortfall in production due to a decrease in working hours. The company itself should be able to decide how to use it. Many expressed support for the idea of an incentive as business is tough and any incentive would be welcome. Such a response would show that the government is committed to the legislation and would it create more ‘buy in’ by the companies themselves.

Concerns were expressed by those who disagreed with the statement (17%). Respondents believed that the incentives may be paid over however this was no guarantee that production would stay the same or increase. The type of incentive that would be offered was also a consideration and where would the government get the money for these. Would the implementation of such a programme mean an increase in taxes for businesses? Others stated that this would not solve the problem of unemployment and would be a waste of state resources. They believed that correct legislation for a 40 hour working would be a better option and should force compliance.

5.21 Suggestions

Business enterprises were asked to offer suggestions in terms of practical mechanisms that could be adopted to achieve a 40-hour work week for employees.

Education and training should be put in place so that employees learn to work 'smarter' and not longer. Consultation and negotiation between all stakeholders should continue in order to find the correct solution for the specific enterprise.

Workshops provided for both employers and employees. Incentive and reward strategies offered that are measured closely in association with productivity and when the 40 hour working week is achieved. Awards should be given for 'working smarter' and fines issued for non-compliance. The DoL must closely monitor and inspect the companies on a regular basis.

- Education and training so that staff work 'smarter' and not long hours;
- Constant consultation with business owners;
- Punish those not complying;
- Conduct workshops with both employers and employees

5.22 Implications for policy formulation

In addition respondents suggested that the following should also be considered when formulating policy with regards to the reduction of working hours to a 40-hour week.

- A single cross-over date needs to be published followed amendment to the Act and a proportionate incentive for business to implement the change enacted;
- There should always be a consideration of the impact reduction of working hours can have on the economy and comparison should be made with other developing countries;
- There should be a focus in certain sectors that are known to force employees to work long hours and a consideration that all sectors are unique. Consider the small companies and compare them with big companies to see how viable the reduction of working hours would be. There should not be a 'one size fits all' approach;
- Consistent monitoring and evaluation of the legislation must be in place.
- Feedback on any draft policy from by different sectors should be taken into consideration;
- Utilise success from best practice models from the international literature and evidence from this survey and implement recommendations based on sound research;
- Booklets and pamphlets should be provided to all stakeholders on any proposed policy.

5.23 Conclusions

Although they noted the benefits of reducing working hours for employees, most business enterprises indicated that it becomes a problem when working hours are reduced without a commensurate reduction in earnings. Most of the business enterprises (80%) interviewed indicated that in their specific enterprises, there has been no reduction of working hours. In terms of reduction of working hours in the whole economy, most business enterprises (78%) were of the opinion that there is no progress regarding

reduction of working hours towards the 40-hour week. The importance of collective bargaining/agreements was highlighted by 70% of those business enterprises who had said that there has been progress in reduction of working hours. Most business enterprises also indicated that they were satisfied with the pace at which agreements are being negotiated as well as the implementation process.

Half of the business enterprises interviewed believed that the goal of achieving a 40-hour week can be attained solely through collective bargaining. Those who did believe so were asked whether they thought legislating compulsory reduction in all sectors will lead to that goal and the results showed that 54% supported the idea of legislation as long as there is a clear understanding of the implications of such a mechanism. Most business enterprises indicated that they agreed with the idea of bargaining at company level. The implication of this finding is the challenge to pinpoint whether or not the support for company level bargaining is borne out of the advantage that business enterprises can derive from such a mechanism regarding possible victimisation of shop stewards.

A large number of the business enterprises were not in favour of the reduction of working hours. This was expected and it shows how much should be done in order to obtain a common ground for employees and employers.

6 EMPLOYEES

6.1 Introduction

A total of 209 employees participated in this survey. Employees were invited to provide responses regarding progress made towards a reduction of working hours to a 40-hour week for the period covering 2006 to 2012.

This section starts with a short description of the selected sample and follows with an analysis of their responses.

6.2 Characteristics of respondents (employees)

The majority of the sample (57%) were under the age of 35, with 9% of the sample under the age of 25 years while 29% of respondents were between the ages of 35 and 44 years and 5% of the sample between 55 and 64 years. This sample is a good representation of the age profile of the South African workforce. About 58% of the respondents were female while 42% were male.

Almost half the sample are single individuals (50%), 40% are married or living with a partner and the remainder (10%) are either divorced or separated or widowed/widowers. In terms of population groups of respondents, 56% are Black African and 26% were Coloured. White respondents made up 15% of the sample and 3% were Indian/Asian. These findings are consistent with the population group distributions in South Africa. The findings revealed that 4% had achieved primary education, 13% had achieved high school, 24% had achieved matric, 19% had achieved a certificate, 33% had achieved a university degree or diploma and 7% had a postgraduate degree or diploma.

6.3 Employment information

Respondents were then asked a series of questions about their employment.

6.3.1 Location of company

Table 11: Location of company

Province	Percentage
Eastern Cape	7.5%
Gauteng	26.3%
Free State	5.7%
KwaZulu-Natal	.5%
Limpopo	2.9%
Mpumalanga	7.7%
Northern Cape	5.3%
North West	3.8%
Western Cape	32.1%
Missing	8.5
Total	100%

The respondents in the sample worked for companies located in all of the provinces.

6.3.2 Economic sector of employment

Employees were asked to indicate the sector which their firms of employment belong to.

Table 12: Economic sector of employment

Sector	Count	Percentage
Agriculture, Forestry and Fishing	9	4.3%
Manufacturing	20	9.6%
Mining	14	6.7%
Transport, Storage and Communications	26	12.4%
Community Services	17	8.1%
Wholesale and Retail Trade	28	13.4%
Finance and Business Services	31	14.8%
Construction	13	6.2%
Electricity, Gas and Water	14	6.7%
Public service	20	9.6%
Other	16	7.7%

The employees in the sample represent many sectors, with the wholesale and retail trade, finance and business services and transport, storage and communications sectors well represented. For most countries, the average hours of work in manufacturing fall somewhere in the middle of the range; generally lower than the average in certain service sectors such as transport, storage and communications but also generally higher than the average hours in other service sub-sectors, notably education (Sangheon, *et al.*, 2007). It was therefore important to test this assertion during the survey.

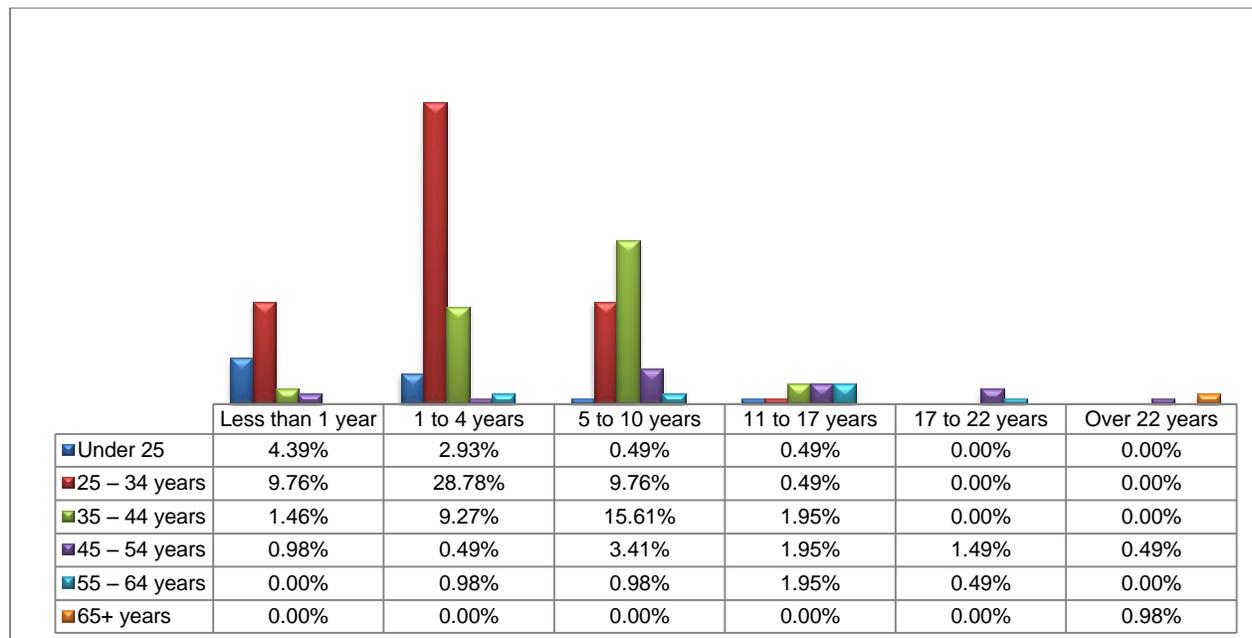
Over half the employees (51%) who responded were employed by large companies, 30% were employed by a medium sized company and 19% by small enterprises. The Department of Trade and Industry's (**the dti**) definitions of small, medium and large enterprises were adopted in this survey. For statistical purposes, **the dti** usually uses the following definitions:

- Micro firm : 0 -9 employees;
- Small firm: 0 – 49 employees (includes micro);
- Medium firm: 50 – 249 employees; and
- Large firm: over 250 employees

The findings revealed that 59% of the sample stated that they have been employed by their current company for less than four years with almost 17% at their current employment for less than one year. Just over 30% have been there for 5 – 10 years and almost 11% for more than 11 years. These figures are not surprising given the relatively young sample age.

Figure 73 below shows the length of time with the organization by the age of the employee.

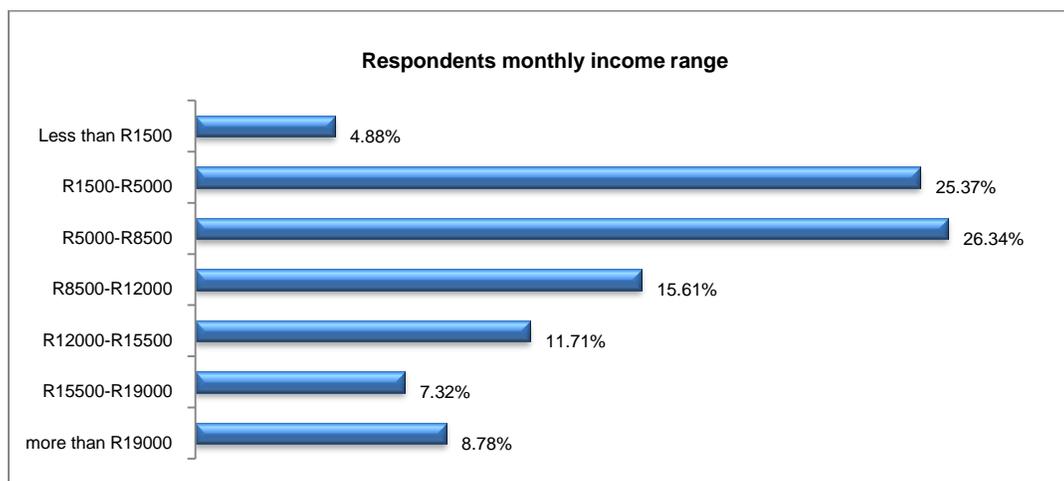
Figure 73: Length of time employed with organisation by age of employee



6.3.3 Monthly income

Figure 74 shows the respondent's monthly income range. Over half the sample 56.6%, earn less than R8500 per month with 4.88% earning less than R1500. On the top end of the scale 8.8% of the sample earn over R19 000 per month.

Figure 74: Employees' monthly income



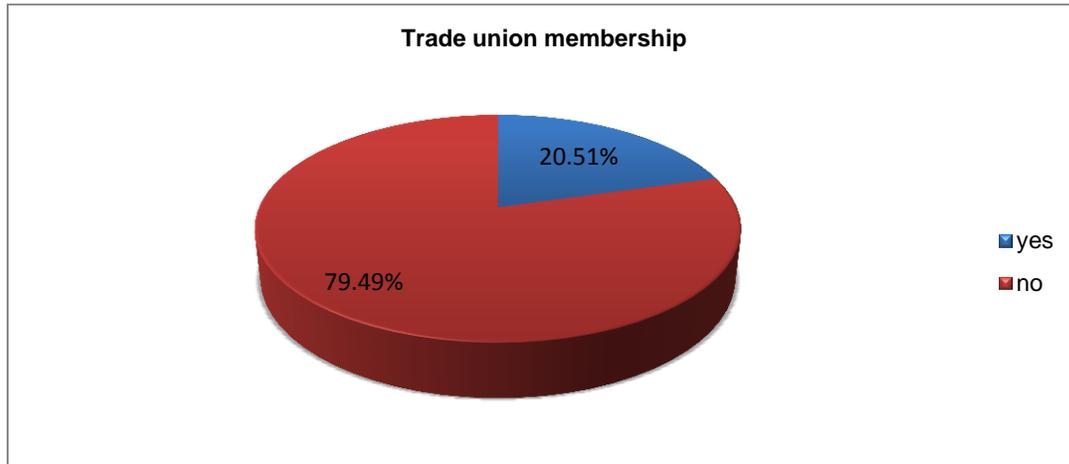
6.3.4 Type of work

The findings show that 85.8% of respondents worked full time with 9.8% working part time. The remaining 4.4% were interns or contract workers.

6.3.5 Trade union membership

Findings in Figure 75 shows that almost 80% of respondents were not affiliated with a trade union.

Figure 75: Trade union membership



The results in figure 75 above show that only a few employees were affiliated with trade unions. This results are consistent with the findings of Borhat et.al.,(2014) who assert that the private-sector union declined from 36% in 1997 to 24% in 2013. On the hand, the proportion of the public sector’s formal workforce who are union members rose from 55% in 1997 to almost 70% in 2013. The growth of the private-sector workforce has outstripped the rate of unionisation and the downward trend of union density since 2010 has been driven at sectoral level, primarily by declining membership numbers in the manufacturing, construction, finance and agricultural sectors (Bhorat, et al., 2014).

6.3.6 Overtime

Figure 76 shows findings on employees’ involvement in overtime work.

Figure 76: Overtime worked beyond normal hours

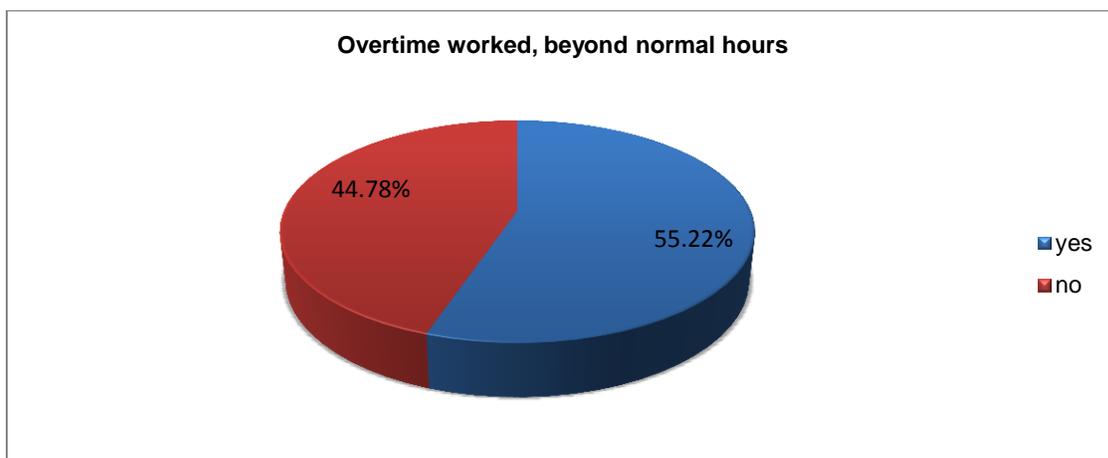
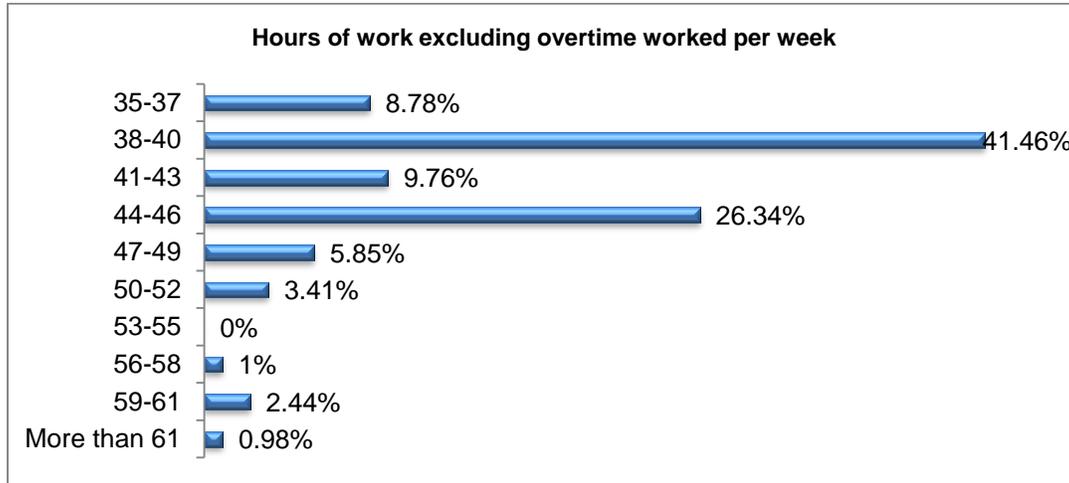


Figure 76 above shows that 55% of respondents worked overtime beyond their normal hours. Of those who did, just over half 54% got paid extra for doing so while 46% did not.

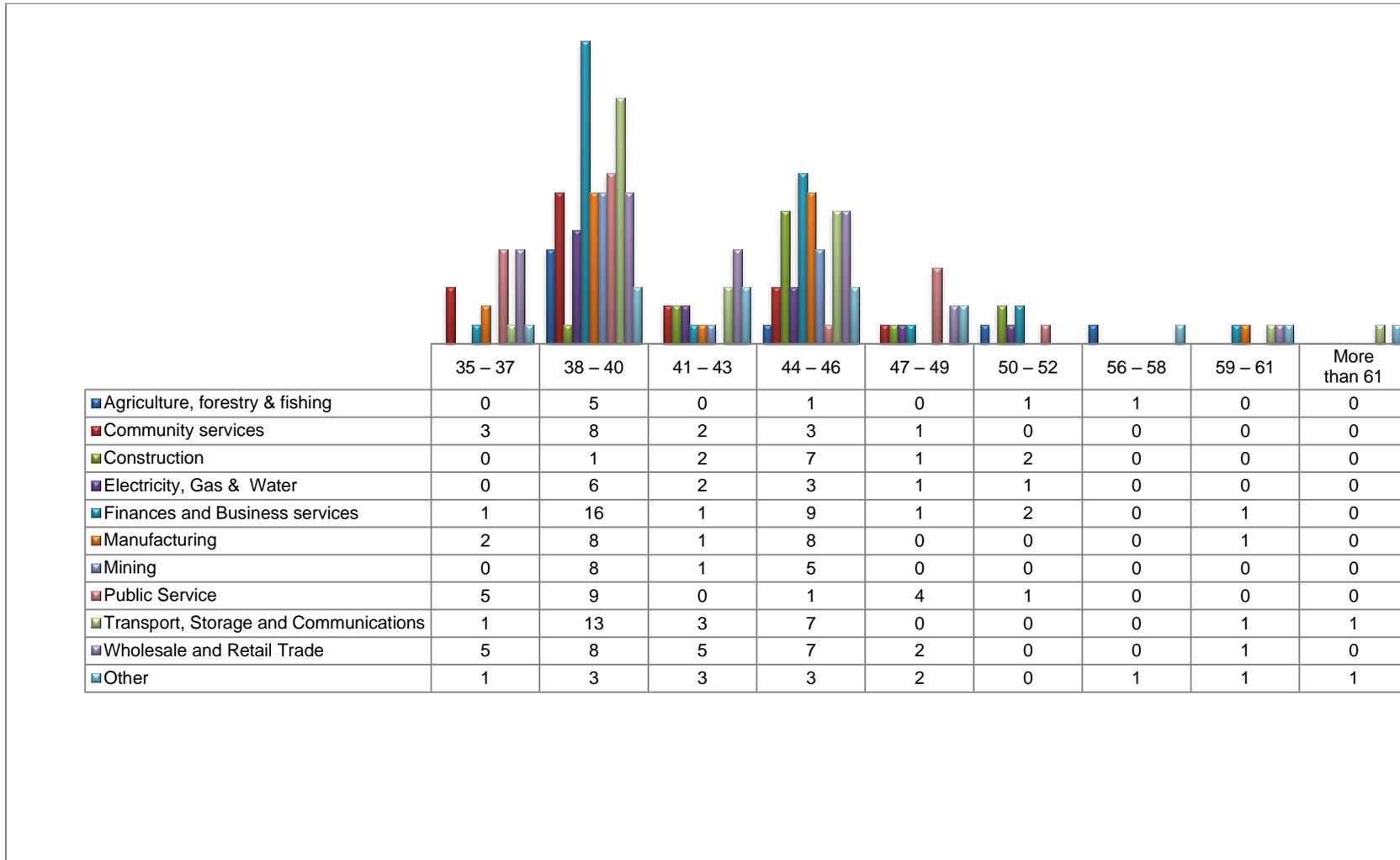
Figure 77: Hours of work excluding overtime worked per week



The findings in Figure 77 above show that most employees (41%) worked 38-40 hours, followed by 26% who work 44 – 46 hours. Generally approximately half (49%) of the employees interviewed work more than 40 hours per week.

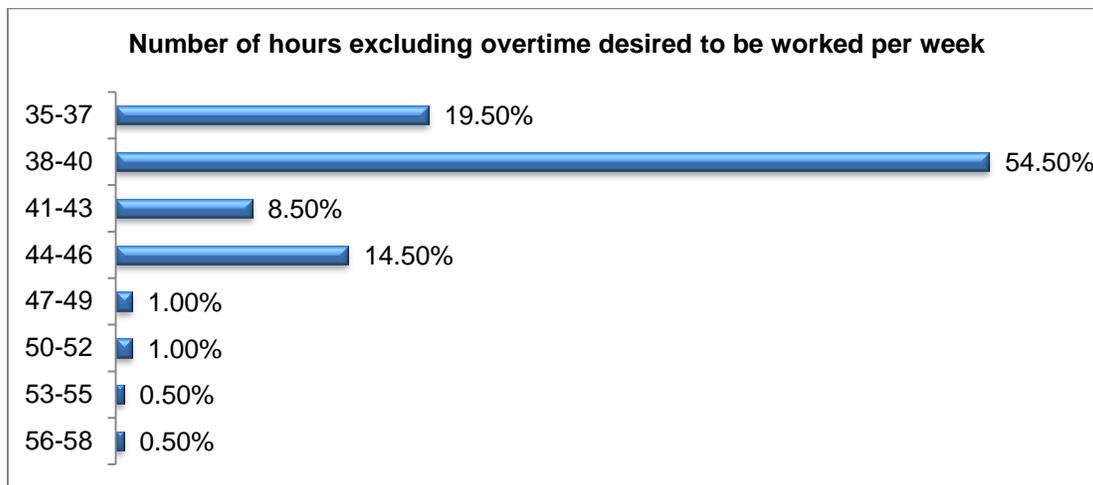
Employees were asked to indicate the number of hours excluding overtime they were currently working. Findings presented in Figure 78 below show the average hours of worked by employees excluding overtimes per sector. The employees in this sample that worked more than 40 hours the longer hours tend to be in the Wholesale and retail trade (15), financial and business services (14), transport, storage and communications (12) and the construction industry (12).

Figure 78: Hours of currently being worked by employees by sector



Employees were asked how many hours of work they desired to work per week. The findings are shown in Figure 79 below.

Figure 79: Number of hours excluding overtime desired to be worked per week



In light of the actual hours that respondents work excluding overtime, Figure 79 illustrates their desired working hours. This is a stark contrast to the reality in figure 65. 74% of respondents desire to work less than 40 hours a week, with only 26% expressing a desire to work more than this. This indicates 23.7% of respondents were very unhappy working the hours that they are currently required to do. Upon conducting an analysis of these figures by gender, it was found out that 42% of females and 32% of males desired to work less than 40 hours a week. Furthermore 15% of females and about 10% of males in the sample desired to work between 40 and 49 hours per week, while 2% of males only desired to work more than 50 hours per week.

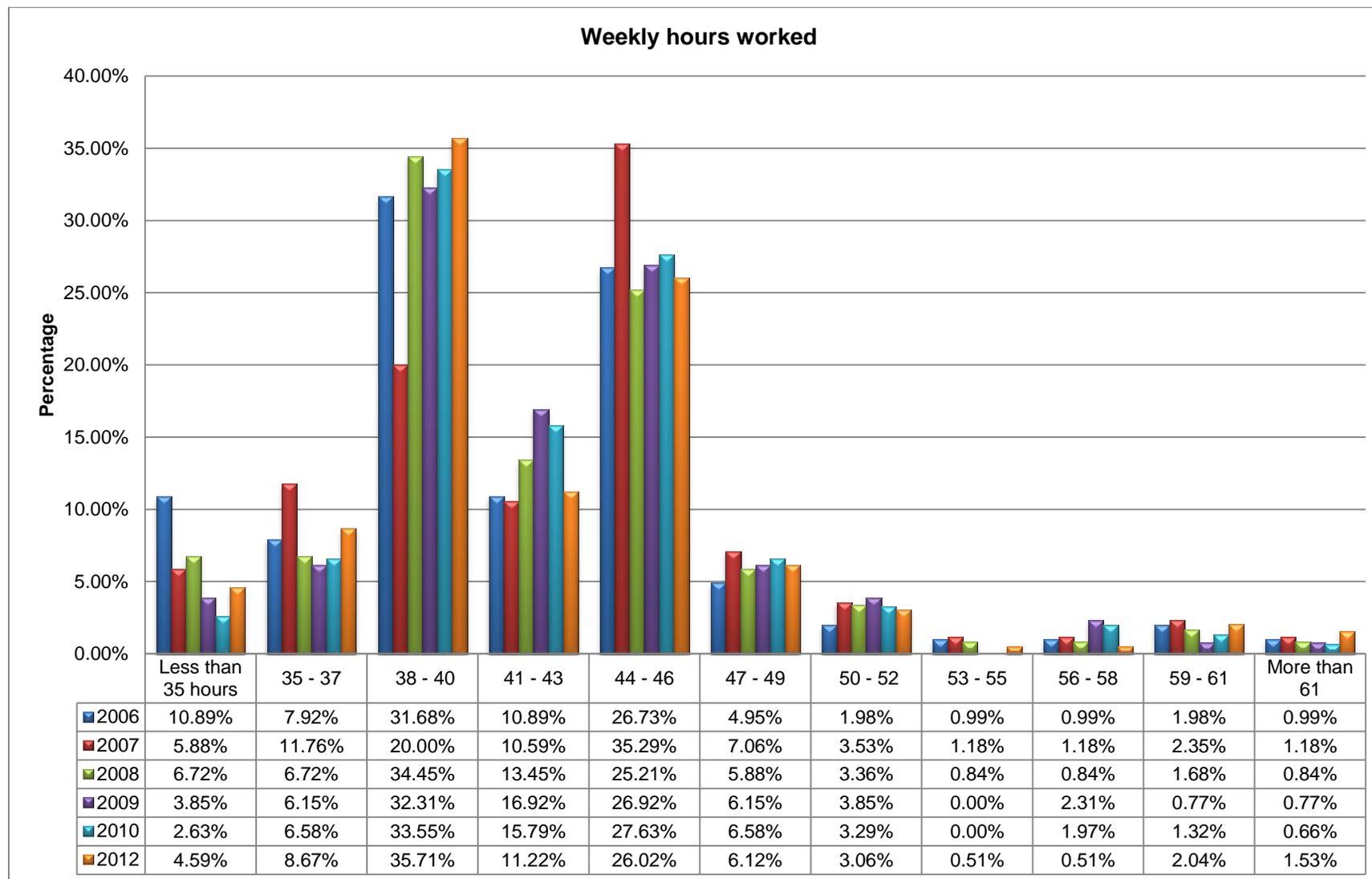
6.3.7 Average number of working hours

Employees were asked to indicate the applicable approximate number of weekly working hours which they had worked between the period 2006 and 2012.

Findings in Figure 80 below show that, in 2006, 49.1% of employees were working more than 40 hours per week with almost 12% working more than 46 hours per week. When one compares these figures with the results for 2012, 51% of employees were working more than a 40 hour week, a slight but significant increase.

On examination of employees in 2012 working more than 46 hours per week this figure has increased by almost 2% to 13.8%. 2007 was when working hours over 46 hours peaked in this sample to 16.48%, since then the figure has remained steady and in the region of 14% for the past four years. What this findings seem to imply is that, although progress can be noted, there is still room for improvement to be made in this regard.

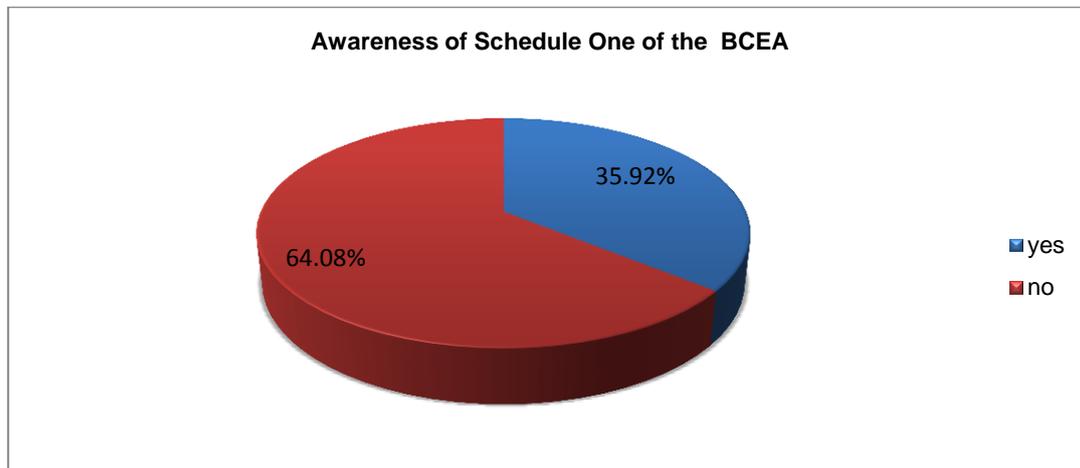
Figure 80: Weekly working hours worked by employees



6.4 Insights into reduction of working hours

6.4.1 Awareness of Schedule One of BCEA

Figure 81: Employees' awareness of Schedule One of the BCEA



Findings in Figure 81 show that 64% of employees interviewed said that they were not aware of schedule one of the BCEA pertaining to working hours of employees. Just over one third of employees, 36% were aware of the legislation.

6.4.2 Views on the reduction of working hours

Employees were then asked what their views on the reduction of working hours were. The majority of respondents agreed that this would be a positive move particularly to benefit social cohesion and having more family time. Other benefits mentioned included less stress and more life fulfillment. An increase in recreation time as a result of less working hours was also thought to reduce fatigue and could provide motivation for workers to perform better.

Employees were concerned that if working hours were reduced would this equate to a reduction in salary. They felt that it would be highly unlikely that employer's would pay the same salaries for less hours worked and if they had to take a reduction in salary that would be a major setback.

The suitability of a reduction in working hours for all sectors was also highlighted. Certain job specifications and types of industries would not benefit from such a move. Also the size of a company would have to be a consideration.

Some employees feared that such a move would be detrimental to the already struggling South African economy. In order for this to work a focus would have to be placed on productivity in shorter time frames and companies would need to learn how to work 'smarter', if this is not done targets will not be met.

6.4.3 Views on increasing working hours

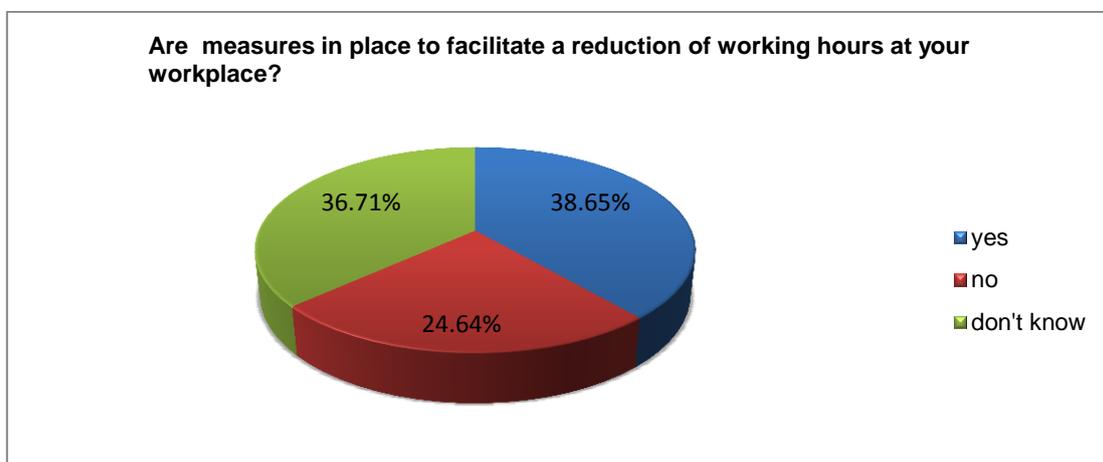
Employees were then asked to indicate their views on increasing working hours. The majority of respondents felt that this would be a very bad initiative. Apart from the obvious impact this may have on family life and individual health other issues that were mentioned included the fact that this was

totally illegal and would ‘kill the working spirit’ and affect work enthusiasm. Side effects of such a move could include increased absenteeism and safety risks at work and moves towards industrial action. Productivity could also suffer as employees feel the effects of fatigue. An increase in working hours does not necessarily translate into an increase in productivity. A minority of employees said they would consider the move if it meant an increase in salaries and it was mutually agreed between the employee and employer.

6.4.4 Mechanisms for a reduction of working hours

Respondents were asked if the company that they work for have measure in place that facilitate the reduction of working hours. The findings show that 39% of employees said that there were measures in place and a similar figure 36% said they don’t know whether their employer has such measures in place. One quarter of the sample, 25% said their organisation did not have such measures in place.

Figure 82: Measure(s) in place to facilitate a reduction of working hours

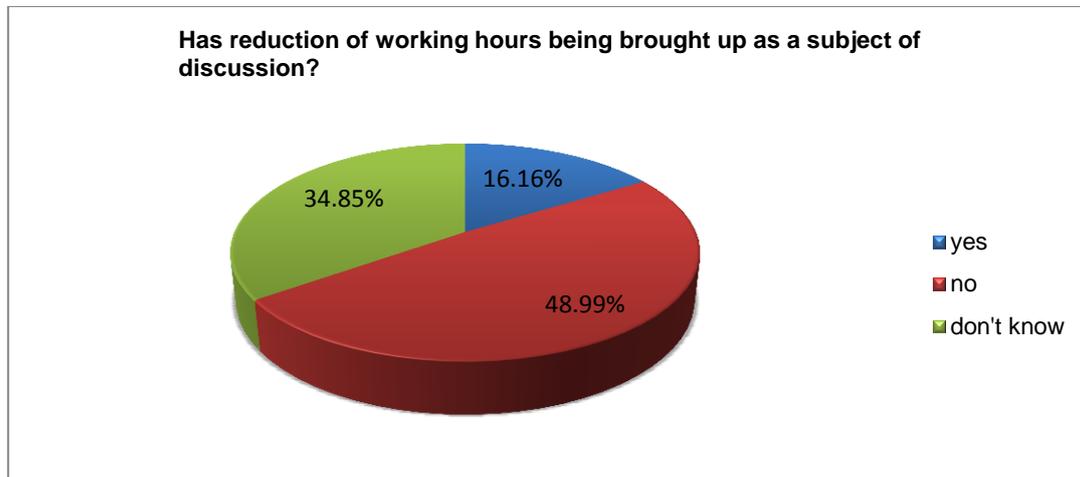


Of those who indicated that such measures were in place, they were asked to describe them. In most cases the maximum working hours allowed by an employee was stipulated in their contract of employment. Many companies aligned themselves closely with the BCEA and labour law and consultation with management, unions and the bargaining council on the issue was not uncommon. Other measure taken include shift work, flexi time options, paid over time that is logged and time off in lieu of overtime worked. Social events such as ‘social Friday beers’ were not uncommon with employees, and the practice of a shorter working day on a Friday also featured for some.

6.4.5 Discussions on reduction of working hours

Findings if Figure 83 below show that only 16% of respondents confirmed that the reduction in working hours has been brought up as a subject of discussion during the period covering 2006-2012. Almost half the sample (49%) said that it had not been brought up at all and 35% did not know.

Figure 83: Reduction of working hours as a subject of discussion



The frequency of the topic of the reduction of working hours being brought up is examined next in table 13 below.

Table 13: Frequency with which topic of the reduction of working hours has been brought up

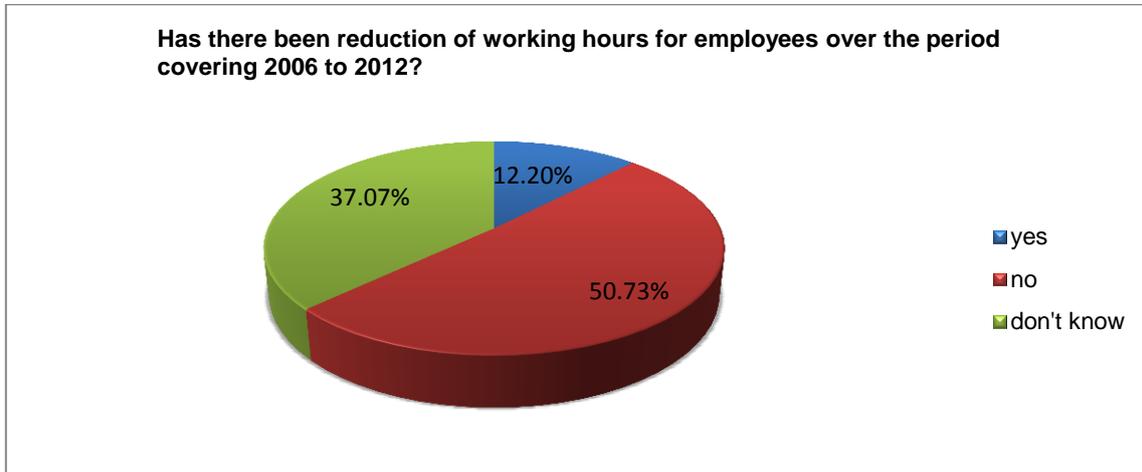
Annually (once a year)	16	7.6%
Bi-annually (twice a year)	7	3.3%
Biennial (ones in two years)	0	0%
Once in three or more years	5	2.4%
Cannot recall	15	7.2%
Never	38	18%
Don't know	76	36.4%
Missing	52	25%
Total	100%	100%

Of the 13% of respondents who could recall the subject of the reduction of working hours ever being brought up, over half 8% said that it had only been mentioned annually. 18% of respondents stated that the subject has never been brought up at their company and 44% cannot recall or did not know if it had.

6.5 Hours of work reduction

Employees were asked whether there has been reduction of working hours for employees for the period covering 2006 to 2012 in the organisation that they were working for. The findings are presented in Figure 84 below.

Figure 84: Reduction of working hours for employees over the period covering 2006 to 2012



Slightly above half (51% i.e. 104 out of 205) of the respondents indicated that there has been no reduction in working hours for employees over the given period with 37% (76 out of 205) indicating that they did not know if there had been while 12% (25 out of 205) said there has been reduction in the organisations they are employed with.

Upon further interrogation, it was observed that employees across all main sectors except in agriculture reported a decrease in working hours in their workplaces.

Table 14: Sectors in which reduction of working hours was reported

Main sector	Count
Agriculture, forestry and fishing	0
Community services	3
Construction	2
Electricity, gas and water	2
Finance and business services	4
Manufacturing	3
Mining and quarrying	2
Public service	4
Transport, Storage and Communications	2
Wholesale and Retail Trade	2
Did not indicate sector	1
Total	25

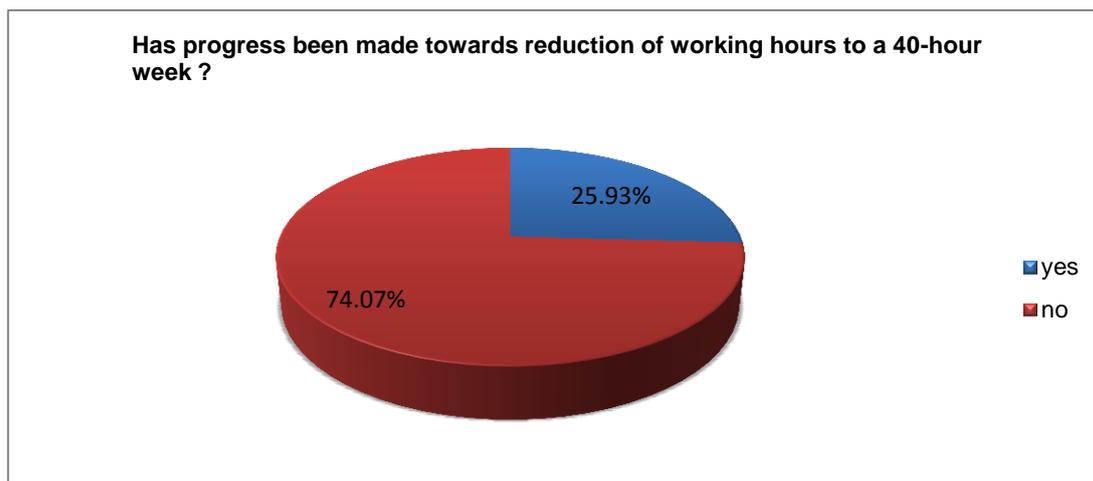
The results in Table 14 are consistent with QLFS findings which indicated that between 2009 and 2012, there were reductions in working hours in all the sectors. The observation that there were no employees in the agriculture who reported a decrease in number of working hours does not signify that there was no reduction in this sector; this could be a case that the employees who were interviewed could simply have been not aware of such reductions.

6.6 Progress made into reduction of working hours

Employees were asked whether they think progress has or has not been made towards reduction of working hours to a 40-hour week for the period covering 2006 and 2012. The results are shown in figure 85 below. The responses represent what the employees think in terms of the progress in the whole economy as opposed to the progress experienced in their specific workplaces.

6.6.1 Progress made

Figure 85: Progress made towards reduction of working hours to a 40-hour week



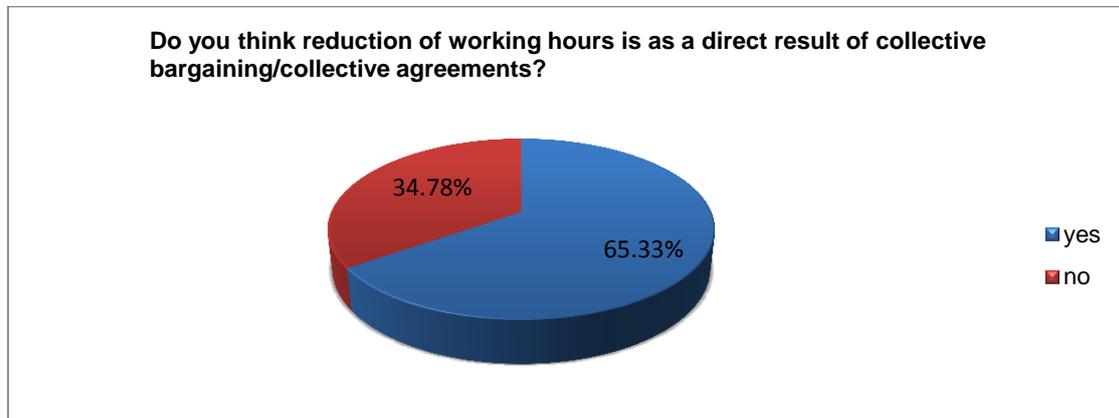
Most employees (74%) indicated that they think no progress has been made towards reduction of working hours to a 40-hour week for the period 2006 to 2012, with only 26% noting that progress had been made.

Respondents were then asked to rate the nature of this progress. 24 respondents described it as average, 12 respondents described it as good progress and only 2 respondents noted excellent progress in this regard.

When asked for examples or cases that illustrate this progress, respondents stated that since the legislation overtime had been reduced significantly at their company, it was now always paid and generally discouraged and where it was necessary there was an increased approval process before it was allowed. It was noted in the mining sector that the hours had reduced and salaries had increased in the past six years and all overtime was now paid extra.

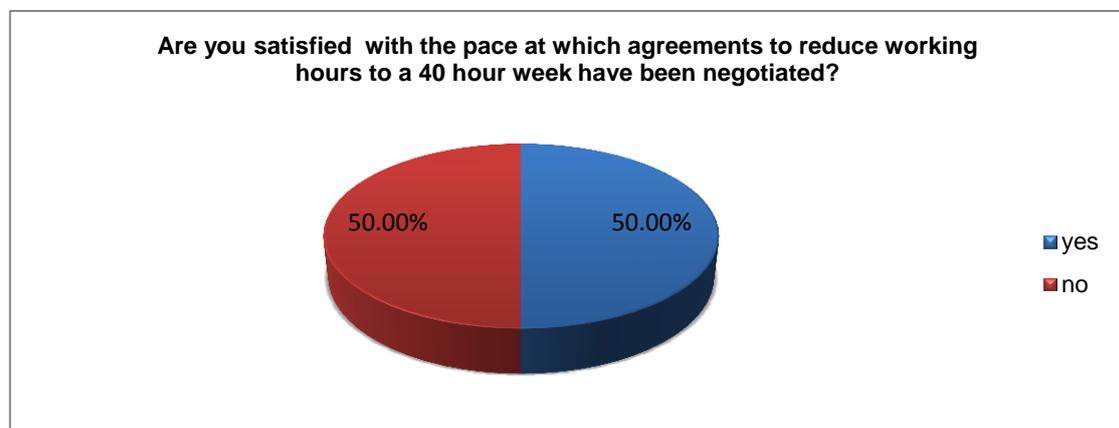
A notable decrease in working hours had been experienced by some in the past four years, more skilled people had been employed in certain sectors to complete tasks more efficiently and in less time and in some cases the shift system had been introduced. Employees welcomed the practice of a shorter day on a Friday and meetings between managers and shop stewards on the issue, was now encouraged.

Figure 86: Reduction of working hours as a result of collective bargaining/collective agreements



Findings in Figure 86 above show that 35% of employees believed that this reduction was as a direct result of collective bargaining, the remainder 65% do believe that this is the case. Although for the majority of respondents no discussions took place on the issue, the value of collective bargaining and collective agreements was supported. It was agreed that collective bargaining has power and is the correct way for employees to be represented. It was thought that unions and shop stewards are effective but ultimately the decision to reduce the number of working hours would be led by the employer as they pay the salaries.

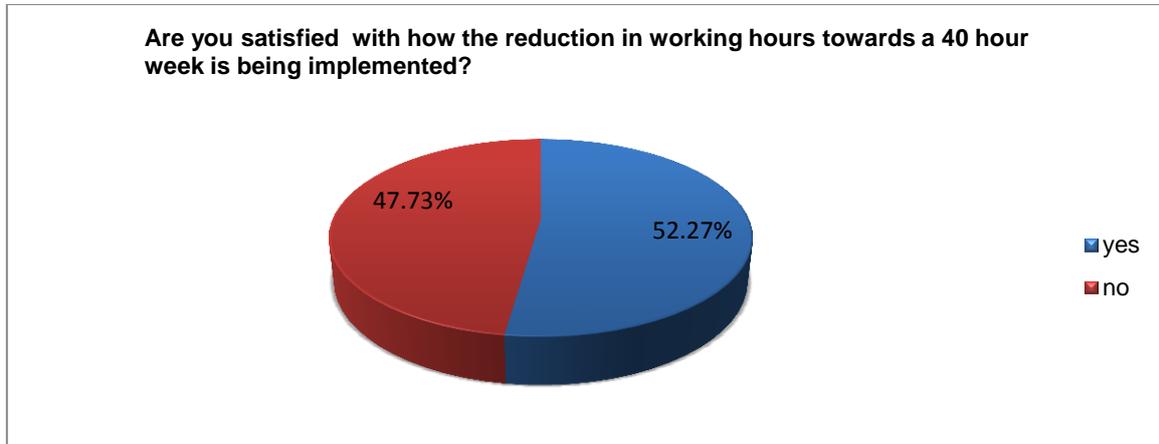
Figure 87: Employees' satisfaction with pace of negotiations



Findings illustrated in Figure 87 above show that, of the 21% of respondents who answered this question they were equally satisfied and unsatisfied with the pace of the agreements have been negotiated.

Slightly more respondents (52%) are satisfied with how the reduction in working hours is being implemented (see Figure 88). When asked to elaborate on their answer, respondents stated that having a clock in system has assisted with the successful implementation as then no abuse could take place. Others said that their companies had started hiring more people as a result. For those who were unhappy with the implementation some reasons given were that no discussion had taken place on the issue and consequently no changes had taken place for them with regards to a reduction in working hours. Others complained that the implementation is taking too long.

Figure 88: Employees' satisfaction with implementation of reduction in working hours



Further examples of why respondents think that no progress has been made on the issue include a general lack of awareness. It is suggested that the DoL needs to provide education for employees on the issue by visiting the workplace and holding informative workshops. There should also be a wide reaching media campaign on the issue. The idea has not been popular with employers due to the fact that we are operating in a difficult economy. Finally the reduction of working hours was deemed to be not feasible in all sectors due to the specific demands of individual sectors and their activities.

6.7 Effects of reduction of working hours

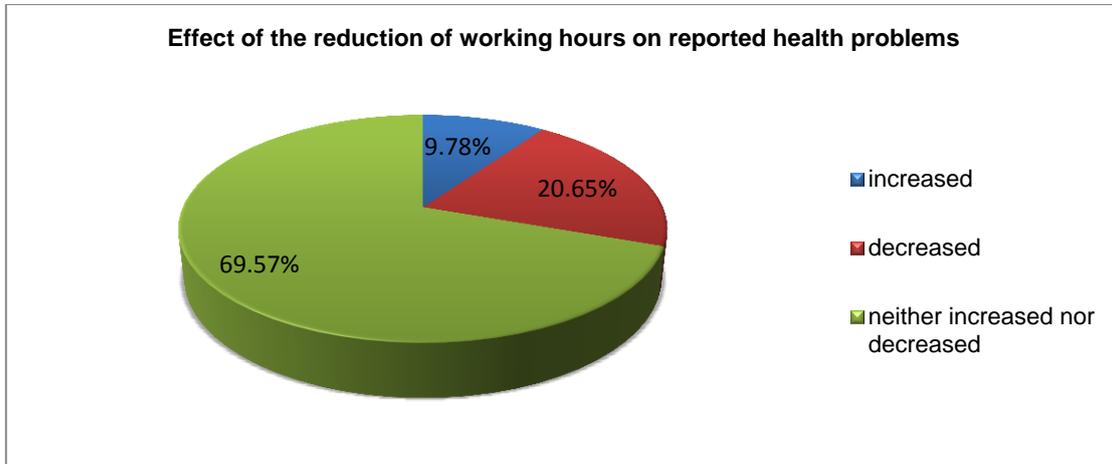
The following responses were provided by the employees who had indicated that there has been a reduction of working hours for employees for the period covering 2006 to 2012. Out of 209 employees interviewed, 12% indicated that there was a reduction of working hours in the organisations they worked for.

6.7.1 Effects on health and safety variables

Working irregular or extended hours can have negative consequences for health and well-being owing to the stress of interference with psychophysiological functions and social life. With respect to safety, a number of authors have pointed to the fact that the headline-hitting disasters of Three Mile Island, Chernobyl, Bhopal and Exxon Valdez all occurred at night and were all at least partially caused by human error (Tucker and Folkard, 2012).

The findings Figure 89 below show the responses obtained when employees were asked to indicate the effects reduction of working hours has had on reported health problems.

Figure 89: Employees' views on effect of reduced working hours on reported health problems

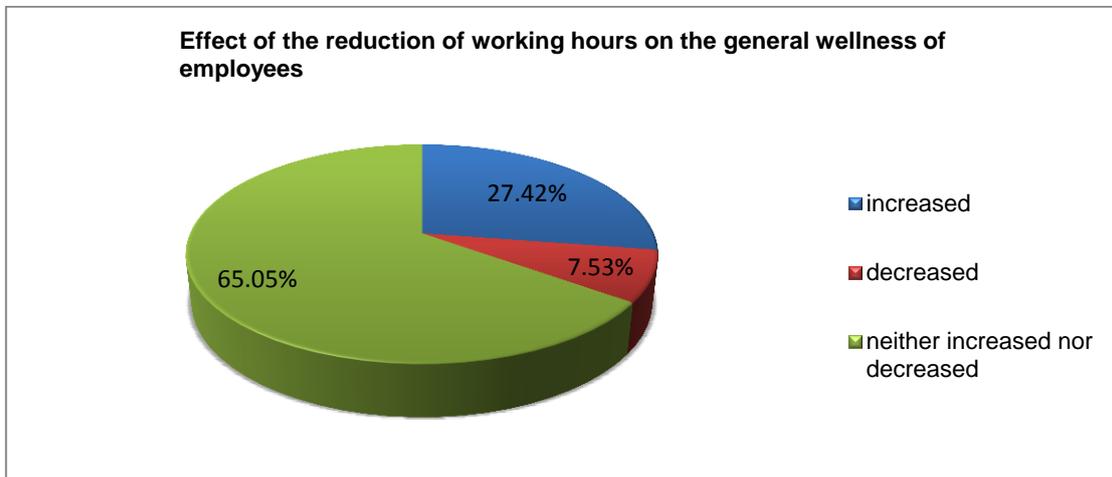


The findings in Figure 89 show that about 21% (5 out of 25) of employees indicated a decrease in reported health problems after reduction of working hours.

6.7.2 General wellness of employees

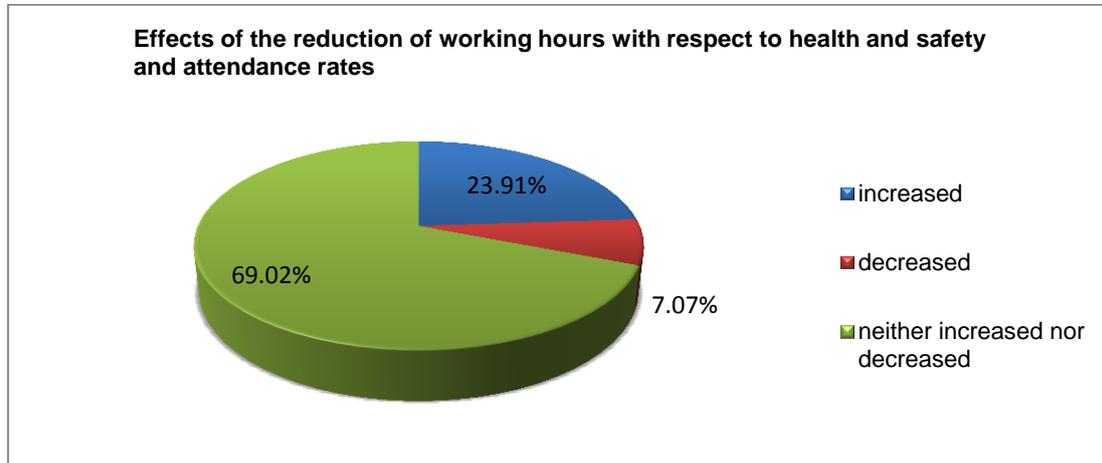
As illustrated in Figure 90, the general wellness in terms of morale and motivation of employees improved for about 27% (7 out of 25) of employees.

Figure 90: Effect of reduction of working hours on the general wellness of employees



6.7.3 Attendance rates

Figure 91: Employees' views on effects of reduction of working hours on attendance rates

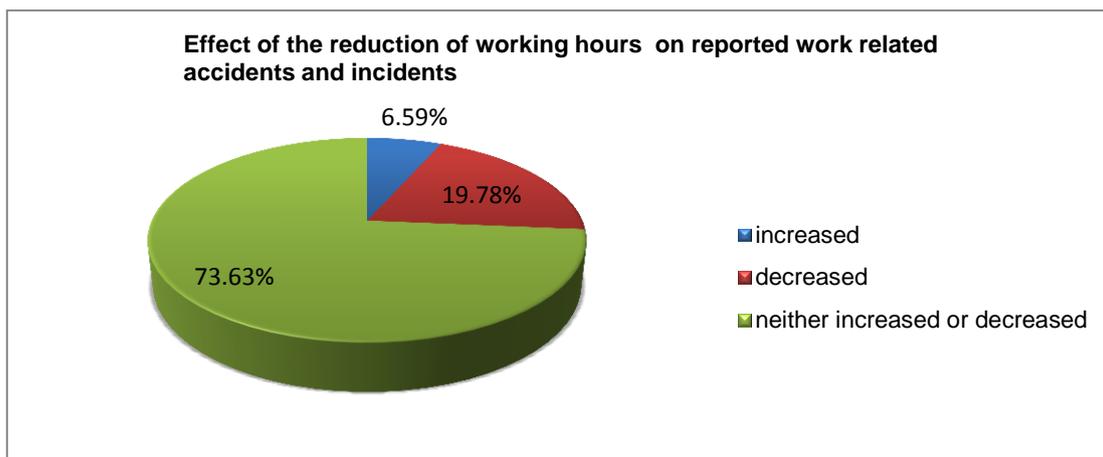


Findings in Figure 91 above shows that 24% (6 out of 25) of employees said attendance rates increased as result of reduction of working hours while the majority (69% i.e. 17 out of 25) said there was neither an increase nor decrease while 7% (2 out of 25) said attendance decreased.

6.7.4 Reported work related accidents and incidents

As evident in Figure 92, about 20% (5 out of 25) said reported work related accidents and incidents decreased after a reduction of working hours, and 74% (19 out of 25) reported neither a decrease nor increase.

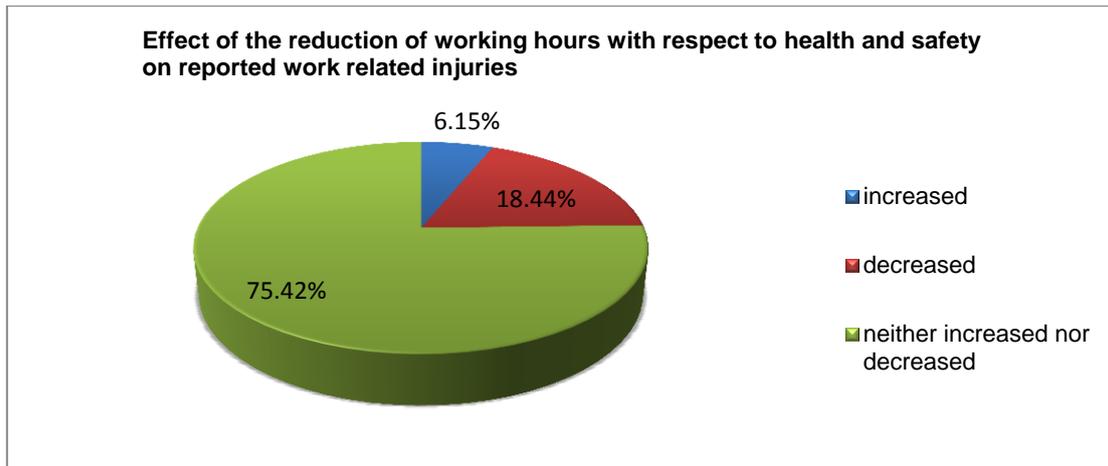
Figure 92: Effect of reduction of working hours on reported accidents and incidents



6.7.5 Reported work related injuries

Findings in Figure 93 below shows that most (75% i.e. 19 out of 25) employees indicated that there neither an increase nor a decrease in related injuries while about 18% (5 out of 25) said there was a decrease.

Figure 93: Effect of the reduction of working hours on reported work related injuries



6.8 Effect on social benefits

6.8.1 Leisure time

Findings in Figure 94 below show that a most (61% i.e. 15 out 25) said leisure time neither increased nor decreased while 35% said leisure time increased. Those who reported a decrease in leisure time constituted about 4% of employees interviewed.

Figure 94: Effect of reduction of working hours on leisure time

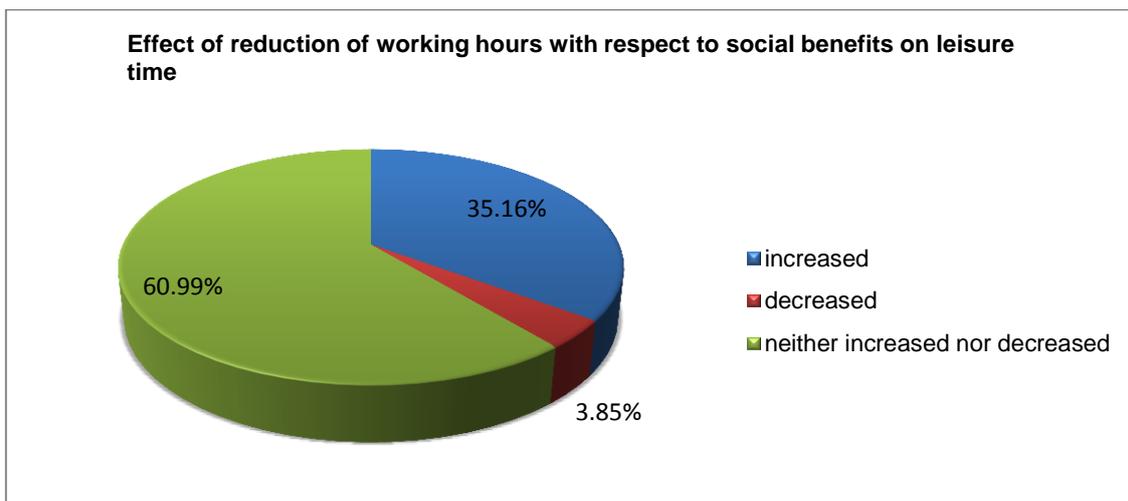
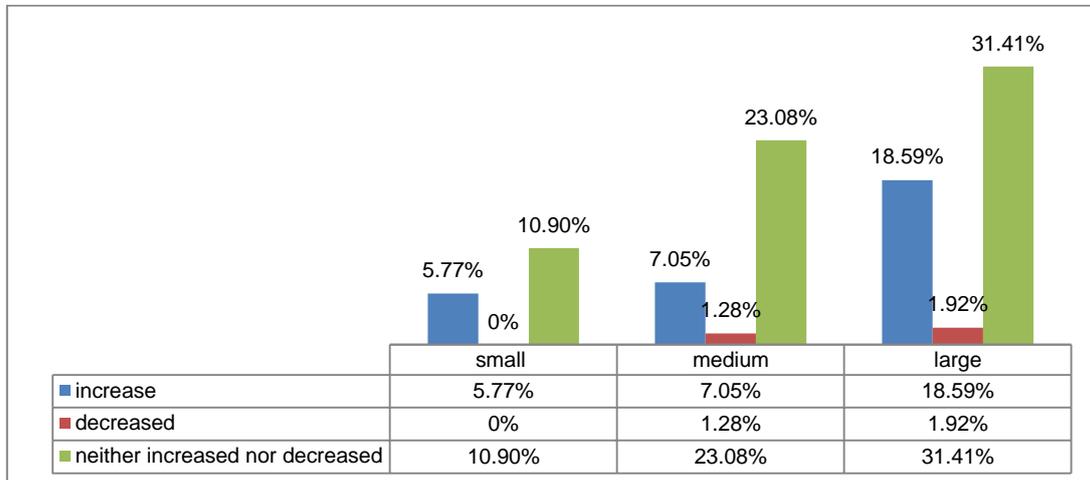


Figure 95 below shows that the impact of the reduction of working hours has benefited employees of larger enterprises (19%) in the sample more than employees of smaller or medium sized enterprises.

Figure 95: Effect of reduction of working hours on leisure time by company size



6.8.2 Time spent with families

Findings in Figure 96 below show that a most (62% i.e. 16 out of 25) said time spent with families neither increased nor decreased while 34% said it increased. Those who reported a decrease in time spent with families constituted 4% of employees interviewed.

Figure 96: Effect of reduction of working hours on time spent with families

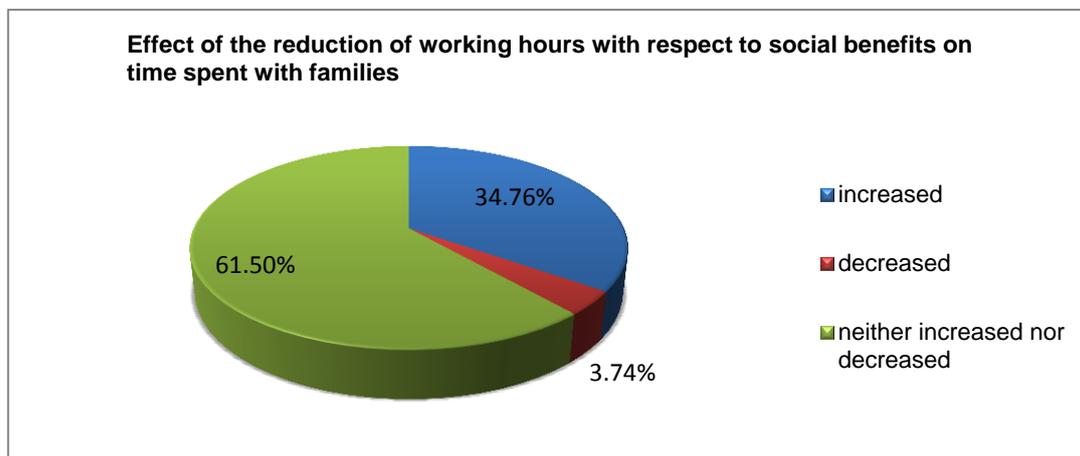
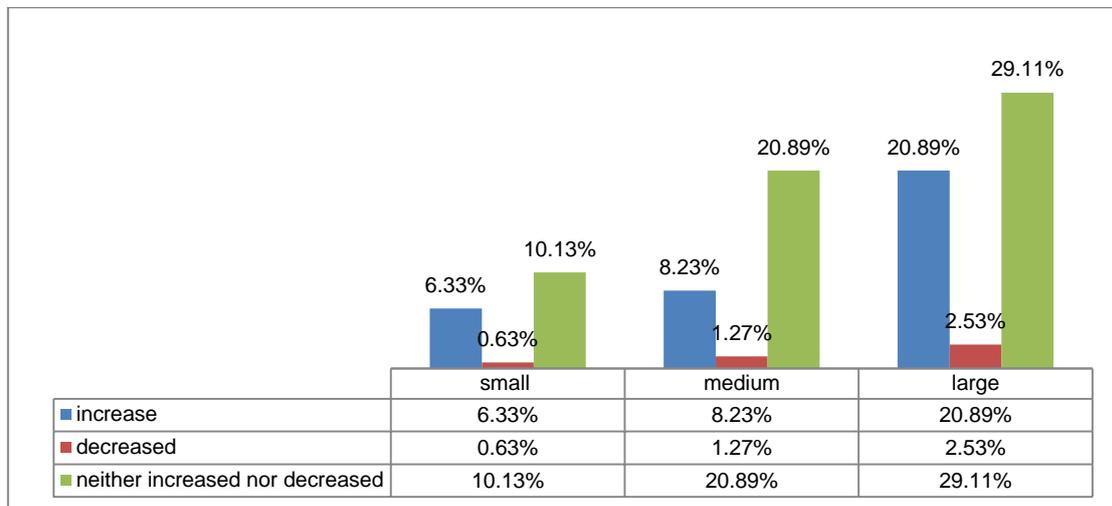


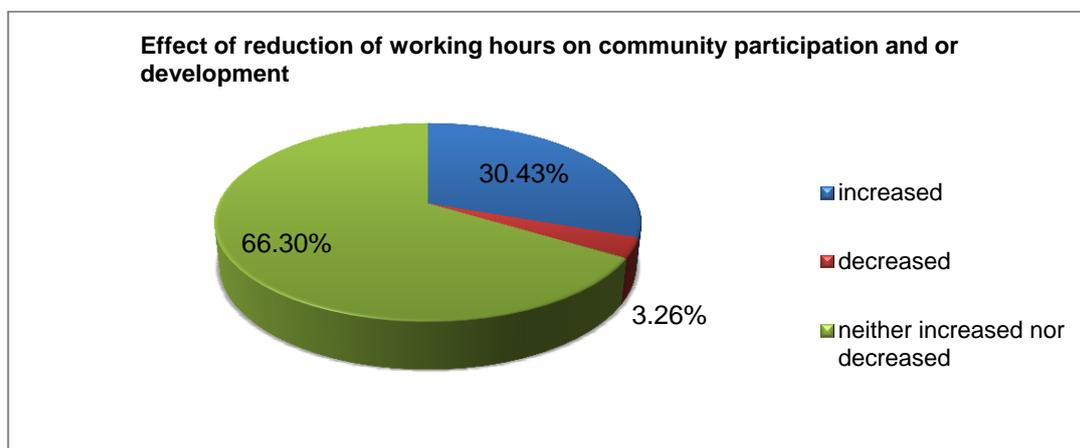
Figure 97: Effect of reduction of working hours on time spent with families by company size



The increase in time that employees spent with families since the reduction in working hours is more notable in large enterprises (21%).

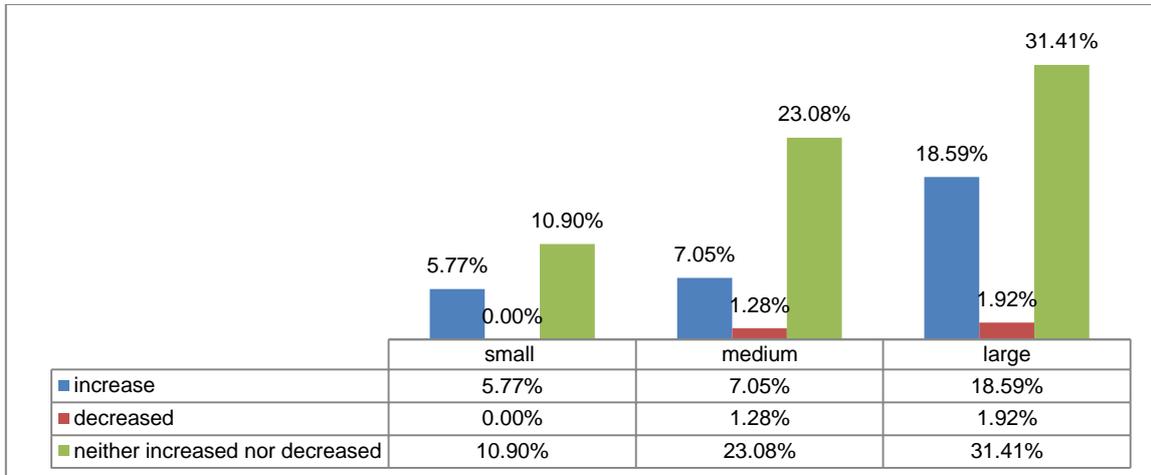
6.8.3 Community participation

Figure 98: Effect of reduction of working hours on community participation



As shown in figure 98 above, 30% of the sample said their social or community participation had increased as a result of reduction of working hours. For 66% of employees interviewed it stayed the same.

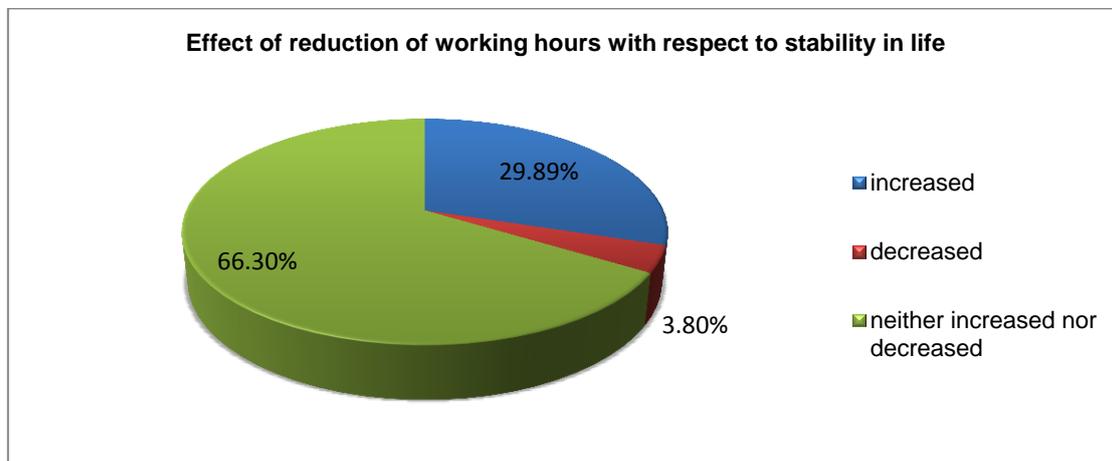
Figure 99: Effect of reduction of working on community participation



In line with the previous two figures presented, employees who work for larger enterprises are benefiting more from the impact of reduced working hours (18.5%) for community participation than those working for medium and smaller enterprises

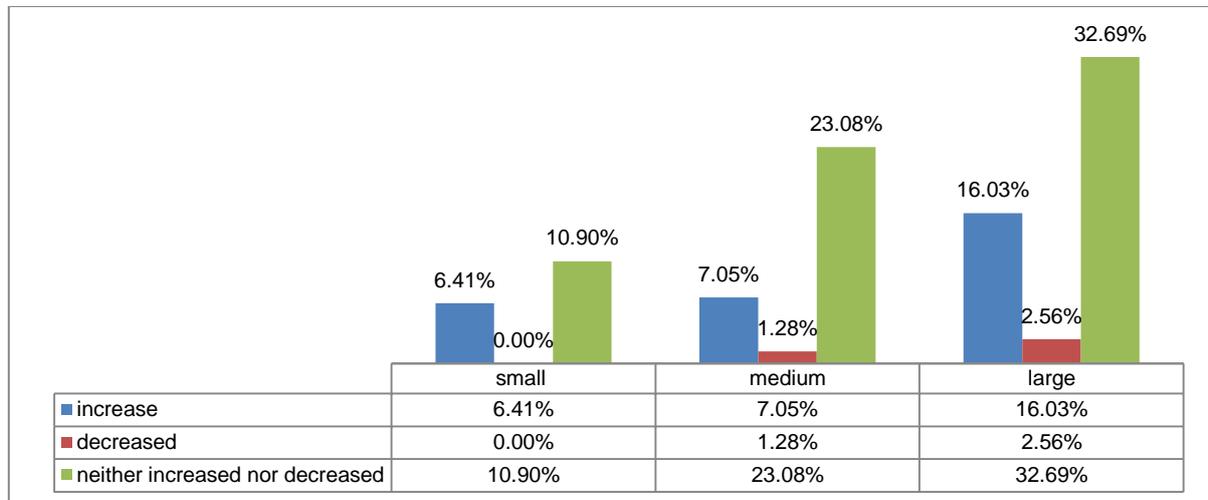
6.8.4 Stability of life

Figure 100: Effect of reduction of working hours with respect to stability in life



Almost 30% (8 out of 25) of respondents reported to having increased stability in life. For two thirds of employees surveyed it stayed the same.

Figure 101: Effect of reduction of working hours with respect to stability in life



Despite the benefits employees of larger enterprises were experiencing in relation to increased leisure time, time spent with families and more social or community participation this positive impact this not translate as strongly when it came to stability in life where only 16% indicated that they had experienced an increase in stability as illustrated in Figure 101 above.

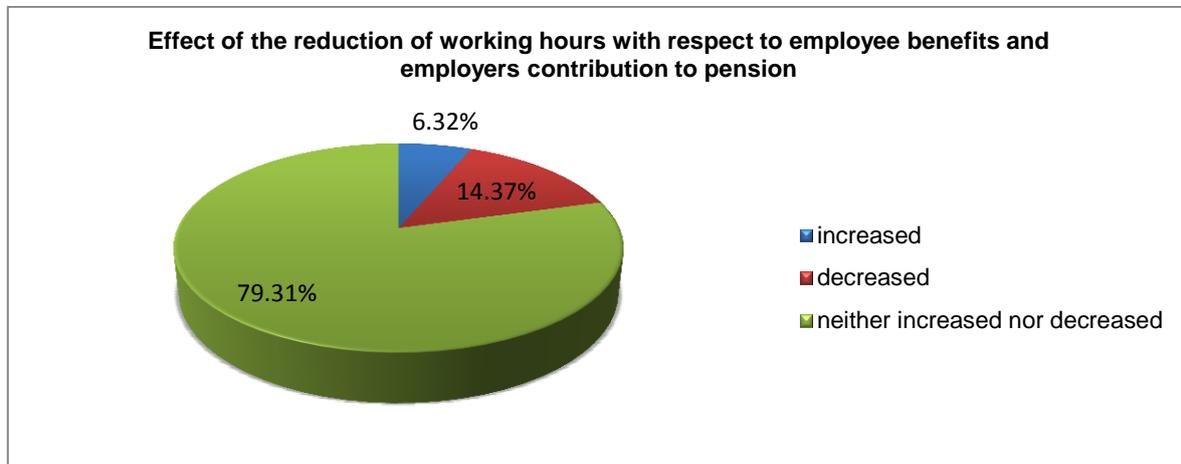
The DoL informants felt that the reduction in working hours would have a positive impact socially as employees would have more time to spend with their families and other leisure commitments. They believed as families too would benefit from reduced working hours as in South Africa there is a problem of moral degradation because parents are often not at home.

6.9 Effects on employee benefits

6.9.1 Employers contribution to pension

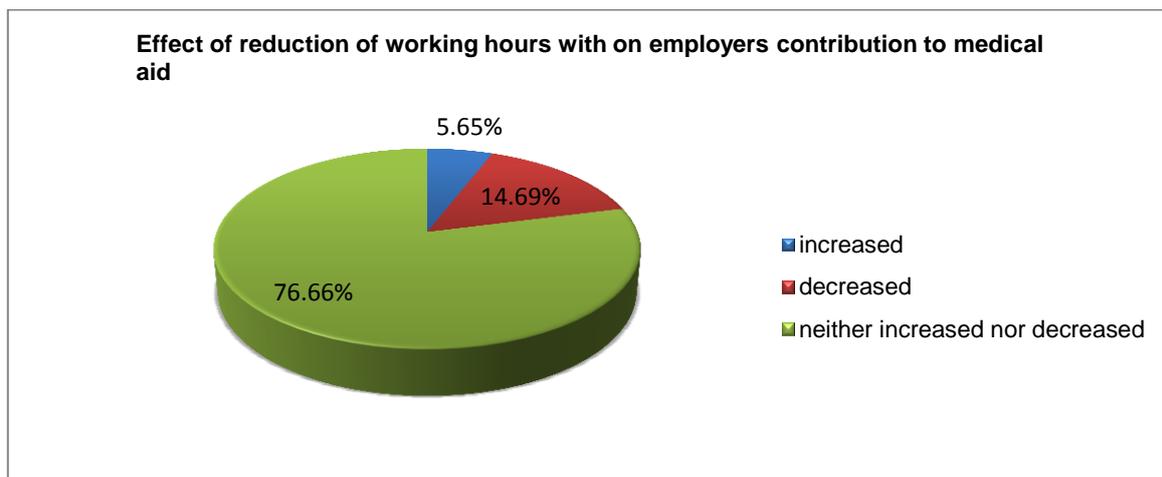
As illustrated in Figure 102, in most cases (79% i.e. 19 out of 25) of the sample, the employer's contribution to their pension remained unchanged, in 14.3% of cases it decreased and in a small 6% of cases it increased. It is noteworthy mentioning that this question was only answered by the employees who had said 'Yes' to the following question, "With respect to the organisation you work for, has there been a reduction of working hours for employees for the period covering 2006 to 2012?"

Figure 102: Effects of reduction of working hours on employers' contribution to pension



6.9.2 Employer contribution to medical aid

Figure 103: Effect of reduction of working hours on employers' contribution to medical aid



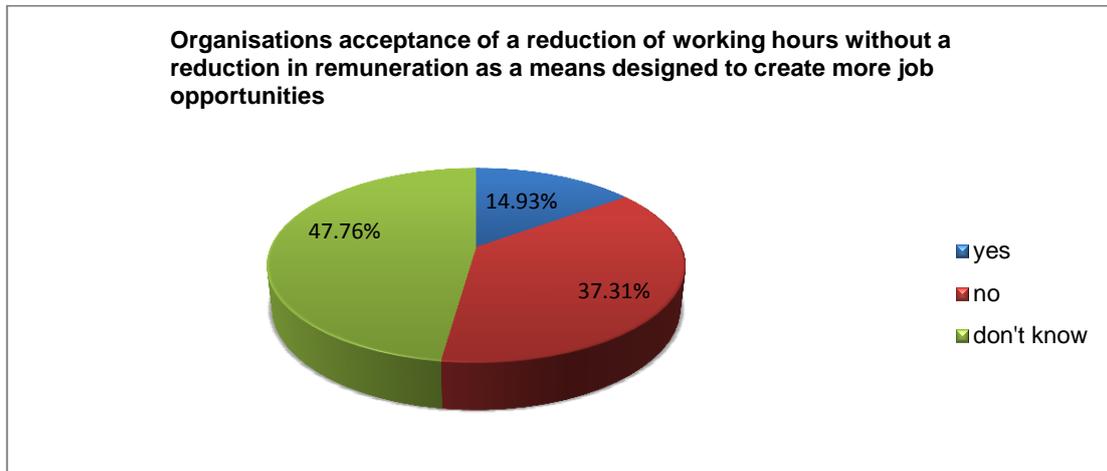
Findings in Figure 86 show that almost 80% (20 out of 25) of respondents said this contribution remained the same and 5.6% of employees said it increased. In 15% of cases the employer's contribution decreased.

6.10 Experience with collective bargaining negotiations

6.10.1 Reduction in working hours

Employees were asked whether the organisation they work for would accept a reduction in working hours without a reduction in remuneration. The findings are shown in Figure 104 below.

Figure 104: Organisation's acceptance of a reduction of working hours

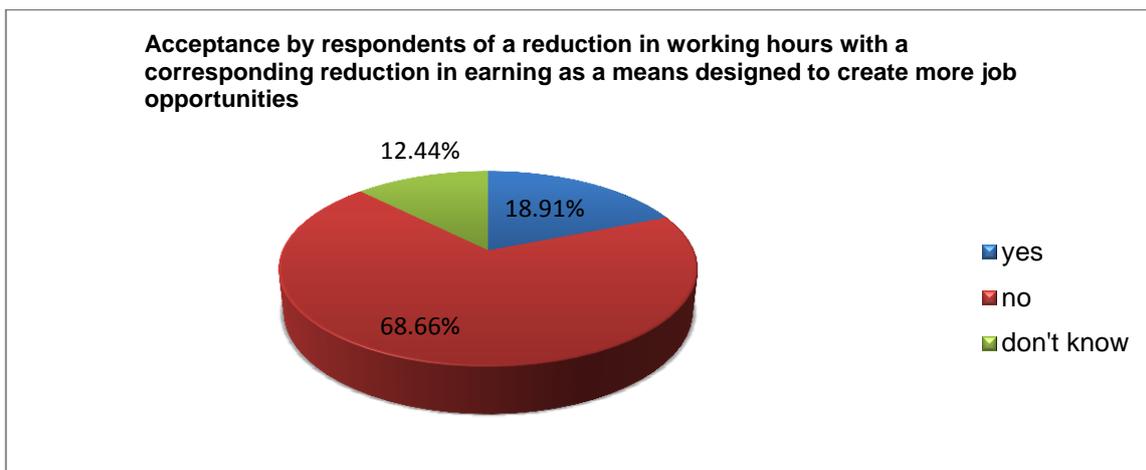


When asked if the organisation that they work for would readily accept a reduction of working hours with a reduction in remuneration as a means designed to create more job opportunities, 37.3% of employees said no, they did not think this would happen, 14.9% believed that this would happen and almost half the sample 48% stated that they did not know.

Most respondents felt they were not in a position to comment on a management decision. Many said that their employer would not agree to the reduction in working hours without a reduction in remuneration as the company cannot afford to do so and as overheads would increase, they would lose money. The only possible way for this to happen is if their employer was forced to accept it through legislation.

When asked if the respondents (employees) themselves would accept a reduction of working hours along with a reduction in earnings as a means designed to create more job opportunities (Figure 105) the results were quite different.

Figure 105: Acceptance of a reduction in working hours with a corresponding reduction in earnings



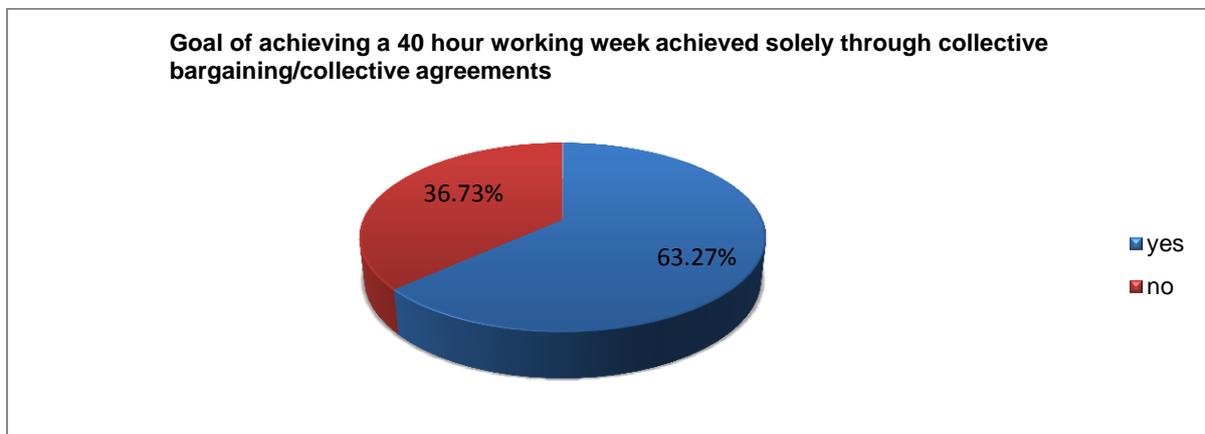
Findings illustrated in Figure 105 above show that 69% of respondents immediately rejected the idea, 12% were unsure as to what their answer would be and only 19% supported such a proposal. The

reasons given for rejecting the proposal were all based on the current cost of living. Many felt that such a change would not be financially viable as they barely make ‘ends meet’ as it is. Their quality of life would suffer as would their families. Several questioned how such a proposal could create job opportunities. Of the few in agreement with the proposal the main benefit that was noted was an increase in family time. Others cited that this would only work if there was an agreement between all parties and some respondents requested a guaranteed paid amount of overtime in lieu of the reduction of official hours.

6.10.2 Role of collective bargaining/agreements

Findings show that 63% of respondents believed that it would be possible to achieve a reduced working week solely through collective bargaining.

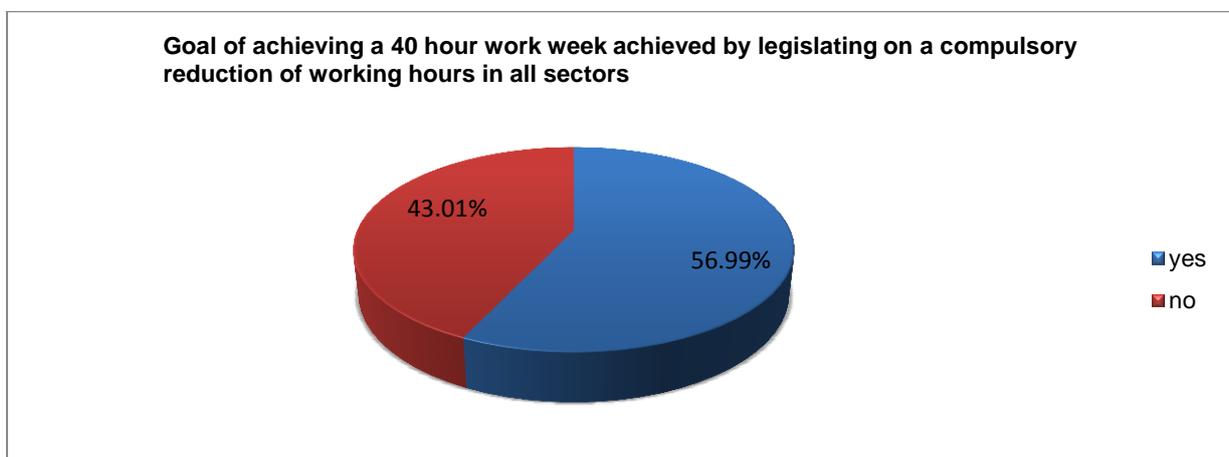
Figure 106: Employees’ thoughts on achieving a 40-hour week solely by collective bargaining/collective agreements



6.10.3 Legislation of reduction of hours

Employees were asked whether legislating compulsory reduction of working hours in all sectors could be the answer to achieving a 40-hour week. Findings are illustrated in Figure 107 below.

Figure 107: Employees’ views on legislating compulsory reduction of hours

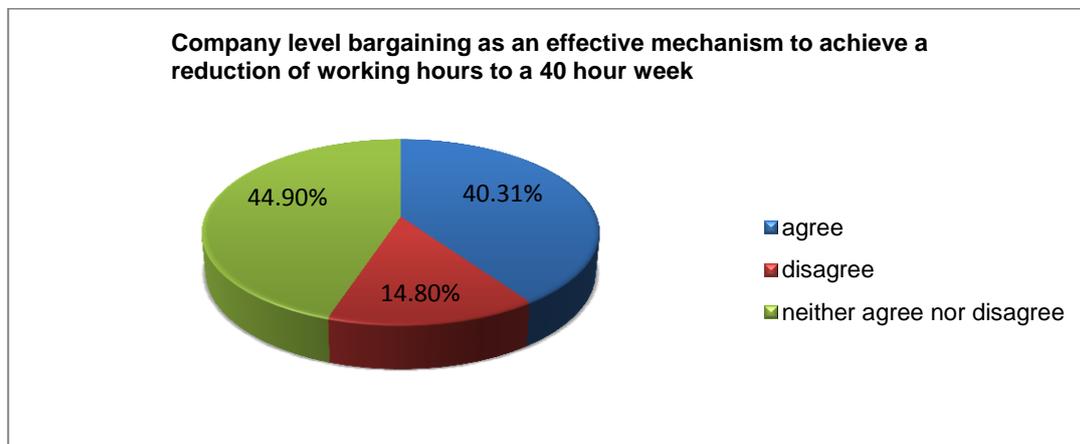


Findings in Figure 90 above show that, 57% of employees indicated that yes this would be a possible way of achieving this goal. This could be achieved through discussions and agreements with input from the unions prior to the legislation coming into effect. Strategic plans would also have to be created for each company in order to cope with the changeover. Certain sectors would need to be exempted due to the nature of their business. Once this is made law employers will be obliged to obey. Concerns were raised about how to deal with employers who would not implement the law.

The respondents perceived major challenges in achieving the goal of a 40-hour week. These included increased workload, back logs of production and reduced service delivery. Resistance from employees and employers due to affordability and loss of salaries, along with non-compliance by some employers also featured. Precisely how the initiative would go about actually creating additional jobs was also brought into question and once again employees expressed concern due to a lack of available information on the issue. Finally 'one law fits all', would not work as different sectors have different operational requirements.

Ways to overcome these challenges are discussed next. All negotiations and discussion that take place must keep the protection of worker's salaries in mind. The DoL could educate companies and provide workshops and information on the benefits of the reduced working week and how to implement it. It should be made law and the DoL must monitor its implementation. Penalties should be issued for non-compliance and incentives in the form of tax breaks for compliance. Also suggested was the introduction of more shift work to deal with the issue and the employment of additional skilled and committed staff to facilitate the transition. Several employees did not feel this was a good time to implement the changes as first the economy needed to stabilise.

Figure 108: Company level bargaining

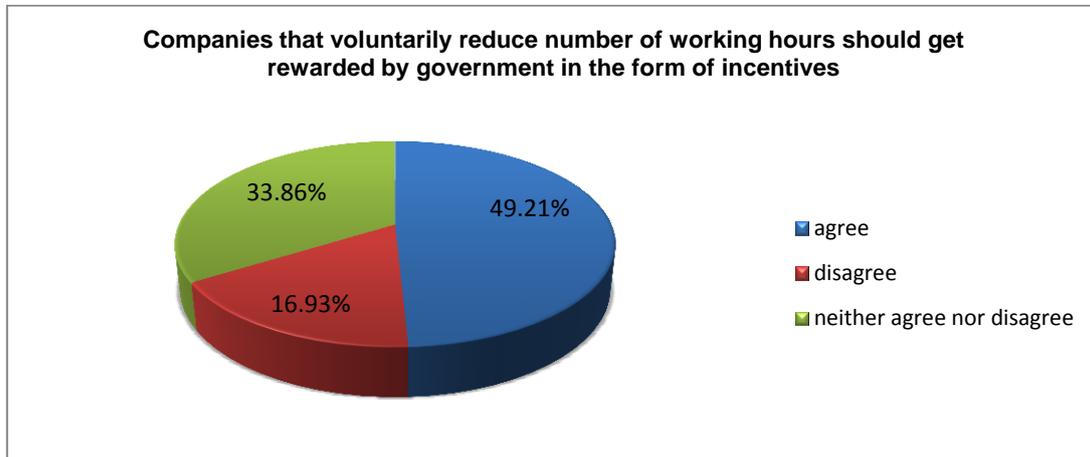


Employees were asked if they believed that company level bargaining by mandated employees was an effective mechanism to achieve a reduction of working hours (see Figure 91). Over 40% agreed that this was a good mechanism. Findings revealed that about 15% disagreed and almost 45% of the respondents neither agreed nor disagreed.

To elaborate on the responses, employees agreed that representation by mandated employees was beneficial so that their voice could be heard on an issue however this depended greatly on the shop stewards effectiveness and their individual strength. Employees also stated that in cases as such, management always made the final decision anyway as individual company's required unique solutions and management felt they were better positioned to decide for themselves.

Employees were then asked if they agreed with the following statement, that companies who voluntarily reduce the number of working hours in order to retain employees or recruit more employees should be rewarded by government in the form of incentives (see Figure 92 below).

Figure 109: Employees' views on voluntary reduction of hours and incentives



Almost half of all respondents, 49% agreed with this initiative while only 17% disagreed. The provision of incentives to employers was seen as a motivating factor to encourage them to comply with the law. It was perceived as a commitment on behalf of the government to take this issue and its implementation seriously. Where concerns were raised this was relating to the income from the incentive not benefiting the employees by protecting their salaries should the hours of work be reduced. The type and amount of incentive was also queried. Although such an initiative could support the recruitment of new employees more information on the incentive would be required before an informed decision could be made.

6.11 Suggestions

Employees were asked to provide suggestions in terms of practical mechanism that could be adopted to achieve a 40 hour week for employees. The following suggestions were provided by employees.

- There should be company-wide discussions on the topic to ensure that all the information on the issue is available to everyone.
- The protection of employee's salaries should be paramount to these discussions.
- Management should educate their employees on better time management skills in anticipation of the reduction of hours.
- Solutions should be implemented in the workplace to reduce the hours, suggestions include but are not limited to flexi time, minimising overtime, half days solutions for a reduction of salary and shift work
- Laws should be passed on the issue
- Inspections should be carried out by DoL who will issue penalties for those who are not complying and incentives for those who do.
- Mass national media awareness campaign rolled out to inform on the issue
- Consideration should be given to the impact of policy on the current economic climate
- DoL need monitor implementation and compliance to ensure that employee's salaries are protected
- Accreditation for companies who implement correctly.

6.12 Conclusions

Most of the employees (64%) interviewed said that they were not aware of Schedule One of the BCEA pertaining to working hours of employees. Most employees said they support the move of reduction of working hours because of the benefits associated with shorter working hours.

Slightly above half (51% i.e. 104 out of 205) of the respondents indicated that there has been no reduction in working hours for employees over the given period with 37% (76 out of 205) indicating that they did not know if there had been while 12% (25 out of 205) said there had been reduction of working hours in their particular work places. Upon being asked on what they think about progress made in reduction of working hours in the whole economy, most employees (74%) indicated that they think no progress has been made towards reduction of working hours to a 40-hour week for the period 2006 to 2012. The employees who said there is progress indicated that they were happy with pace of reduction and implementation of agreements to reduce working hours. Most of the employees (65%) did not think that the reduction of working hours can be attributed to collective bargaining.

Most employees (57%) think that the goal of achieving a 40-hour week can be achieved by legislating compulsory reduction of working hours in all sectors. About 40% of the employees interviewed agreed with the statement that “Company level bargaining can be an effective mechanism to achieve reduction of working hours”, 15% disagreed and 45% were indifferent.

The implication of these findings is that there is a need for campaigns that educate employees of legislations that affect them at the workplace. Such a drive will assist employees to be better able to identify their needs and preferences when it comes to working time arrangements in the context of business strategies and objectives. Such an understanding leading to a better alignment of employees’ needs and preferences regarding working time and business strategies and objectives will benefit both employees and employers and ultimately the whole economy.

7 EMPLOYERS' ORGANISATIONS AND FEDERATIONS

7.1 Introduction

There were 38 employers' organisations and three employer federations who participated in the survey. Employers' organisations and federations were asked to provide responses regarding progress made towards reduction of working hours to a 40-hour week for the period covering 2006 to 2012. The Labour Relations Act (LRA) provides a framework within which employers and employers' organisations, employees and their trade unions can collectively bargain to determine wages, terms and conditions of employment and other matters of mutual interest.

7.2 Bargaining rights

Employers' organisations were asked to report on the economic sector best describing the sector the employer organisation has collective bargaining rights. Results are shown in the table below:

Table 15: Economic sector best describing the bargaining rights of the employer organisation

Economic sector	Count	Percentage
Agriculture, Forestry and Fishing	1	3
Manufacturing	15	39
Mining	0	0
Transport, Storage and Communications	1	3
Community Services	1	3
Wholesale and Retail Trade	2	5
Finance and Business Services	0	0
Construction	3	8
Electricity, Gas and Water	0	0
Public service	2	5
Did not indicate	13	34
Total	38	100

7.3 Insights into reduction of working hours

7.3.1 Views on reduction of working hours

Employers' organisations and federations were asked express their views on the reduction of working hours. Some of their views include the following. In many sectors the 40 hour week has already been implemented however this information does not give any indication of compliance or success. Both employers' organisations and federations indicated that it would not be possible to implement such a reduction in all sectors due to differences in the nature of the business in the different sectors. Generally the concept was welcomed as it creates a more balanced employee however many felt it was economically unviable as it would affect production output and it would be unpopular among employers as it created a high risk for them.

Some of the comments obtained from employers' organisations include the following:

- *“Reduction of working hours is difficult to achieve in SMMEs, reduction would mean projects not achieved in private sector”;*
- *“As long as the company’s objectives can be reached it is good. Additionally, employees can have more time with family members and be happier people”;*

Some comments received from the employer federations include the following:

- *“Economically unviable for employers and employees in the services sector”*
- *“We are currently on 45 hours per week and should the hours be reduced further this would increase the need for overtime”.*

7.3.2 Views on increase of working hours

Employers’ organisations and federations were also required to express their views on the increase of working hours. Generally, the idea was not supported. It was considered bad for production as working hours are irrelevant if production targets are not reached. The social impact was also considered to be unfair to both employees and employers but the idea would support the reduction in overtime payments for employers and this would be popular.

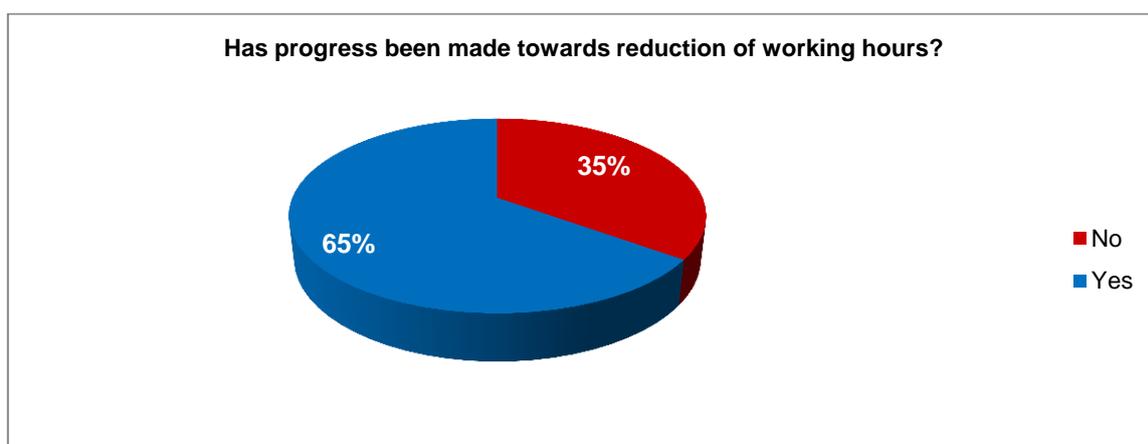
The employers’ organisations and federations indicated that employees are more productive with encouragement to complete tasks in a shorter time. The respondents also said that they are happy to retain 45 hour working week which is negotiated and stipulated. They also stated that any increase in working hours can be costly as more overtime needs to be paid. This will also affect the standards of living for employees and to increase the hours would be breaking agreements that have been set up.

7.3.3 Progress made into reduction of working hours

Employers’ organisations and federations were asked whether they think progress has or has not been made towards reduction of working hours to a 40-hour week for the period covering 2006 and 2012. The results are shown in Figure 110 below.

7.3.4 Progress made

Figure 110: Progress made towards the reduction of working hours to a 40- hour week



As illustrated in Figure 110 above, 65% (26 out of 40) of employers’ organisations and federations indicated they felt progress had been made towards the reduction of working hours. The remaining 35% felt that there was no progress made thus far.

Those who said progress was made were asked to provide examples or cases. Some of the cases or examples are listed below:

- People are aware of their rights and make demands in sectors
- A 40 hour work week has been in place since 2002 in most sectors, but there is no proof or evidence of its successful implementation.
- Some respondents referred to the evidence in the bargaining council agreements as hard proof of progress made.

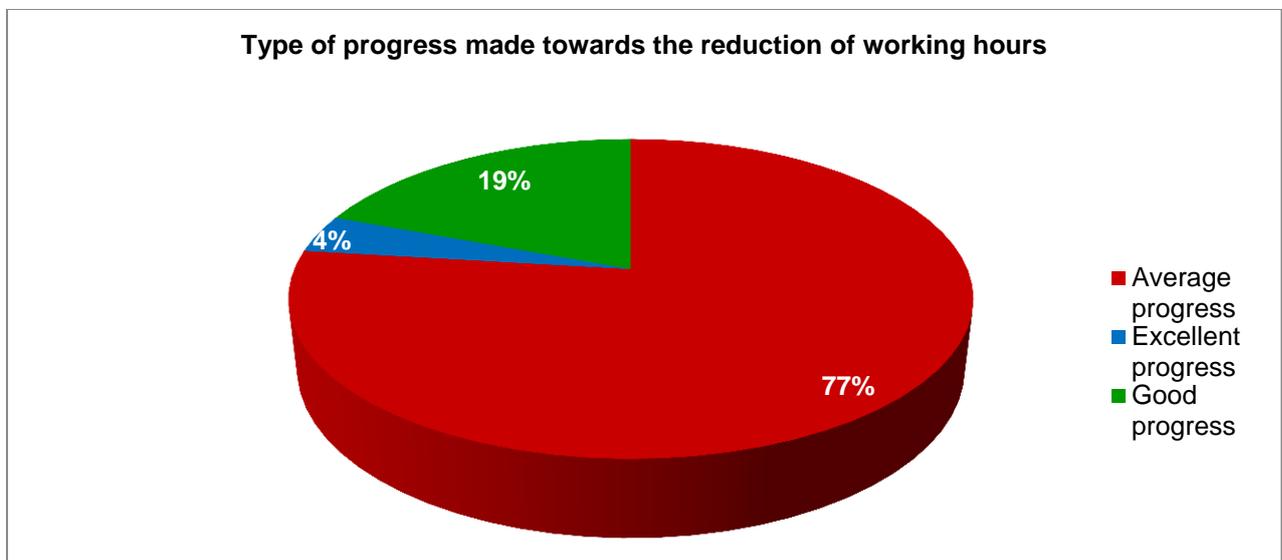
Those who indicated that no progress was made were also asked to explain further. Some of their reasons include the following:

- It has become a norm as part of standard working hours (9am - 5pm);
- A collective agreement is in place in industries where attempts have been made at individual establishments, it has resulted in adverse and negative impact;
- the matter of a 40-hour week has not been actively bargained for, parties in many sectors seem happy with 45 hours

7.3.5 Type of progress made

Employers' organisations and federations who had said they think progress has been made were asked to indicate the type of progress made towards the reduction of working hours to a 40-hour-week.

Figure 111: Employers' organisations and federations' views on type of progress made



Findings in Figure 111 above show that; 77% (20 out of 26) of the employers' organisations and federations indicated that there was evidence of average progress. The remaining 19% (5 out of 26) indicated that the progress was 'good', with only 4% (1 out of 26) rating the progress to date as excellent.

When asked to give example or reasons for their response, most organisations stated that employees are now more aware of their rights in this regard and that they are further protected by the existence of sectorial determination. Most respondents stated that their members were compliant since 2002.

7.4 Role of collective bargaining/collective agreements

7.4.1 Collective bargaining/collective agreements' role

Employers' organisations and federations were asked whether they thought reduction of working hours towards a 40-hour week was a result of collective bargaining/ collective agreements. Out of all the employers' organisations and federations, all of them (26 out of 26) expressed the view that they think the reduction of working hours noted was as a result of collective bargaining / collective agreements. The respondents also felt there were a number of effective bargaining forums with reasonable representation in place.

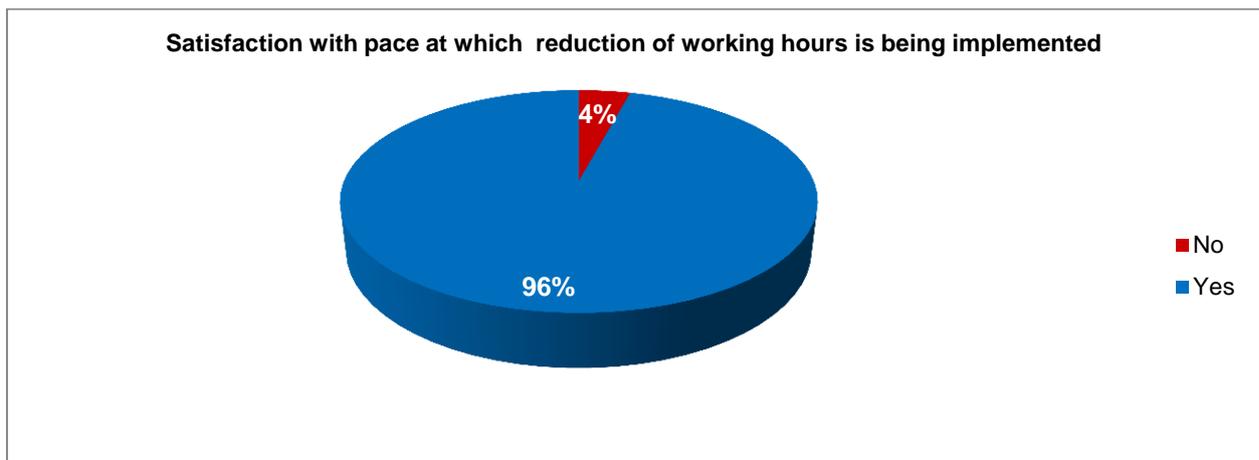
7.4.2 Satisfaction with pace

Employers' organisations and federations were asked whether they were satisfied with the pace at which agreements to reduce working hours towards a 40-hour week have been negotiated for the period 2006 to 2012. All the employers' organisations and federations (25 out of 25) also indicated that they were satisfied with the pace the reduction of working hours was moving at.

7.4.3 Satisfaction with implementation

Employers' organisations and federations were asked whether or not they were satisfied with how reduction of working hours is being implemented, as shown in Figure 112.

Figure 112: Employers' organisations and federations' satisfaction with pace of implementation



Findings in Figure 112 show that, 96% (23 out of 24) of the employers' organisations and federations were satisfied with the pace at which the reduction of working hours is being implemented. Only 4% (1 out of 24) of the respondents expressed their dissatisfaction. Respondents were then asked to elaborate on their answers.

Those employers' organisations and federations who said were satisfied, felt that it will take time to implement and also emphasised that collective agreements are concluded by the parties and extended to non-parties.

When asked to elaborate as to why progress was considered slow, an organisation felt so because not many people work the legislated hours and that people were still vulnerable. Also employer resistance is an issue and possibly union appreciation for the need to protect our domestic sector against cheap imports and foreign labour. In the metal industry the working week was decreased in the hope of creating more jobs and this was not what happened, in effect, the industry shrunk.

7.5 Experience with collective bargaining negotiations

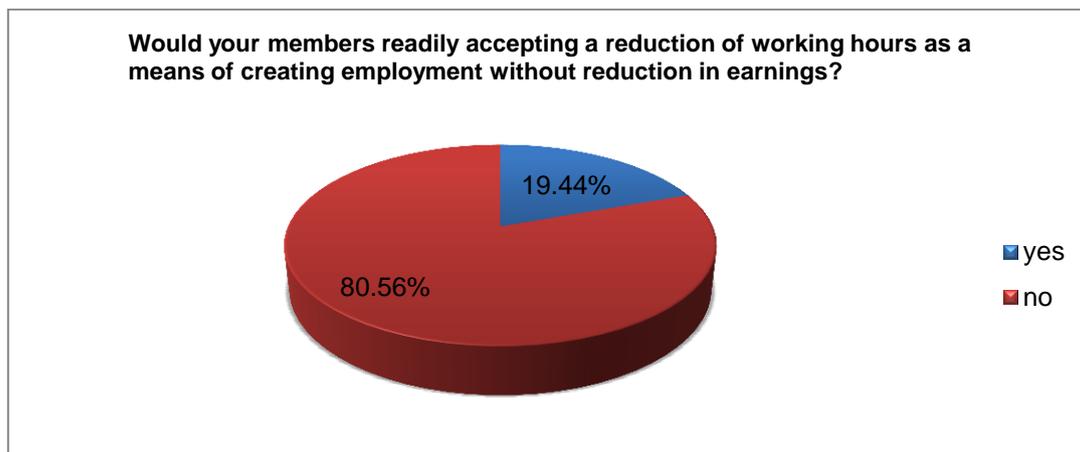
7.5.1 Ranking of bargaining items

Employers' federations were asked to rank a list of bargaining items on conditions of employment in relation to which gets high priority during negotiations. This question was not in the employer federations questionnaires Remuneration was ranked first priority by about 90%% of respondents followed by termination of employment and then hours of work.

7.5.2 Acceptance of reduction of working hours

Employers' organisations were asked to indicate whether their members would readily accept a reduction of working hours as a means of creating employment without a reduction in earnings (see Figure 113 below). This question was not in the employer federations questionnaires.

Figure 113: Acceptance of a reduction of working hours without reduction in earnings

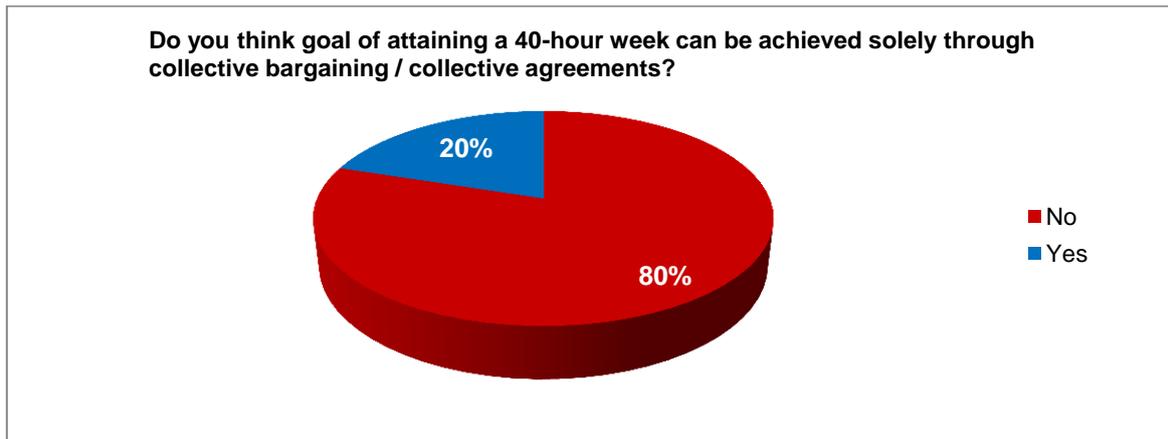


Findings show that most (81%) of employers' organisations indicated that their members would not readily accept a reduction of working hours without reduction in earnings for employees. The results also show that 19% said that their members may be amenable to such a reduction in working hours in working hours without a reduction in employee remuneration.

7.5.3 Attainment of goal of reducing working hours

Employers' organisations and federations were asked to their views on attainment of the goal of achieving a 40-hour week. Firstly they were asked whether or not the goal of achieving a 40-hour week can be achieved solely through collective bargaining/ agreements. Findings are shown in Figure 114 below.

Figure 114: Views on role of collective bargaining/agreements

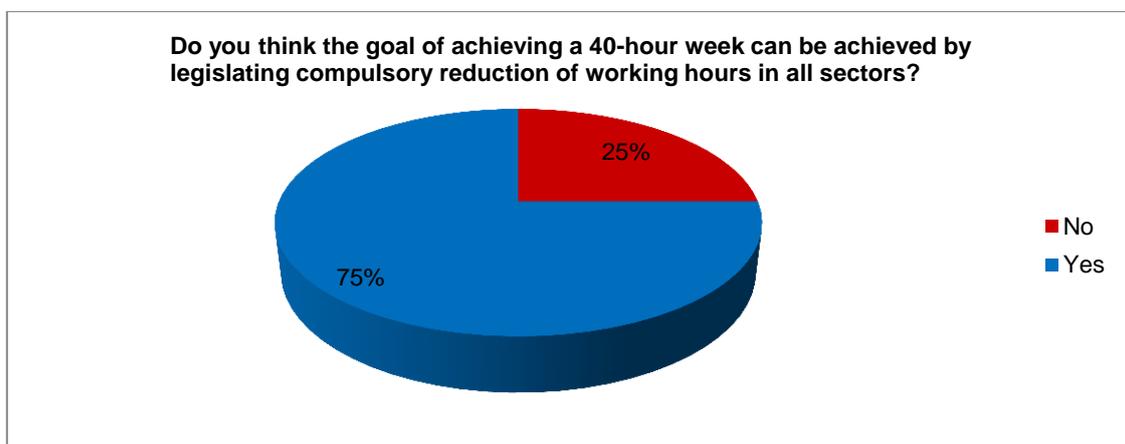


As shown in Figure 114 above, 80% of respondents did not think that this goal could be achieved solely through collective bargaining/ collective.

7.5.4 Attainment by legislating compulsory reduction

Employers' organisations and federations who had indicated they do not think that 40-hour week can be achieved solely through collective bargaining/agreements were asked whether this could be achieved by legislating compulsory reduction of working hours across all sectors.

Figure 115: Views on legislating compulsory reduction of working hours



Findings show in Figure 115 above show that 75% of the employers' organisations and federations felt that legislation on a compulsory reduction of working hours would help achieve the goal of a 40-hour work week. 25% felt this would not work. Respondents were asked to explain their answers

further. Although they felt that it is important to have the legislation as this would mean that it would have to be adhered to, such legislation would not be positively accepted by employers and there is no guarantee of compliance. There was a sense that legislating on the issue will undermine the collective bargaining process and engagement in discussion with stakeholders and that a productivity clause would have to be incorporated in the legislation. Some of the assertions were as follows:

- *Parties to collective bargaining/agreements should be encouraged to agree on the modalities to achieving a 40 hour week. Government has the right to introduce legislation to achieve a 40 hours week;*
- *If it is legislature, it had to be achieved.*

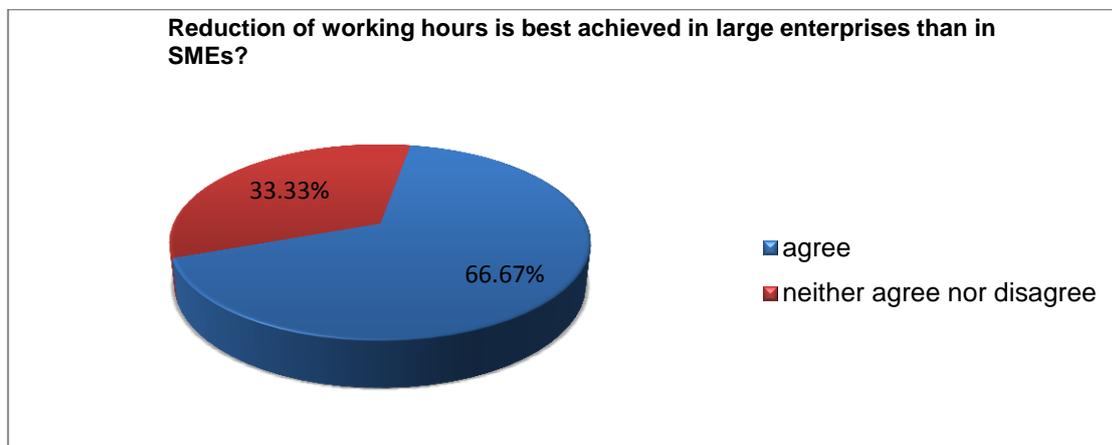
Some of the views expressed by those who said no include the following:

- *The challenge with legislation is that it is good on paper ;*
- *Will need some engagements with stakeholders. take time to be implemented successfully;*
- *Although generally, this could be left to collective bargaining, a reduction in working hours in itself has a negative impact thus, the actual goal is questionable.*

7.5.5 Views on reduction of hours in different firms

Employer federations were asked the extent to which they agree or disagree with the following statement, “Reduction of working hours can be better achieved in large enterprises than in small to medium enterprise”. This question was not in the employers’ organisations questionnaire.

Figure 116: Reduction of working hours in different firms



The results revealed that 2 out of 3 employer federations agreed that the reduction of working hours can be better achieved in large enterprises while the last neither agreed nor disagreed with this statement.

Employer federations were then asked to elaborate on their responses. They said that smaller enterprises are focused on production and often work harder to finish work while larger enterprises were often aligned to institutions where the issue can be discussed, debated and negotiated.

7.6 Challenges to reducing working hours

Employers' organisations and federations were asked to indicate what they view as major challenges to processes aimed at reducing the number of working hours to a level of 40-hour week. Some of the challenges highlighted by the various organisations include the following:

Both employers' organisations and federations agreed that the main challenge given is how to create a balance between employee and employer sacrifices, a loss of time and possibly productivity for the employer and a loss of earnings for the employee. The outcome is that the initiative is not generally supported. The respondents felt that the cost implications for both sides are massive and this is what would lead to non-compliance. Employees and employers are under pressure to reach their targets. If hours are strict, it may affect attainment of production targets. Finding a balance between employer and employee sacrifices is challenging.

Employers' organisations and federations were asked to provide suggestions of way or means to overcome these challenges. These included: Overall the employer would embrace the changes if productivity is met and the employee's salaries remain the same. How to go about doing this includes, the legislation must protect salaries and include a productivity clause. There needs to be focused strategic leadership and planning at a company level in order to ensure this. Employers could incentivise productivity.

- *'Negotiating, productivity and trust are factors that need to be addressed between employers and employees to overcome challenges'*
- *'The principle is to drive productivity. We as a country already have many public and religious holidays but in the end productivity is a main concern that needs to be addressed. In the end it relates to how productive the employee is, i.e. his input and not the time he takes to do it. The government should encourage productivity. Wanting more for (doing) less seems to be the motto with most employees. The mind-set has to change.'*

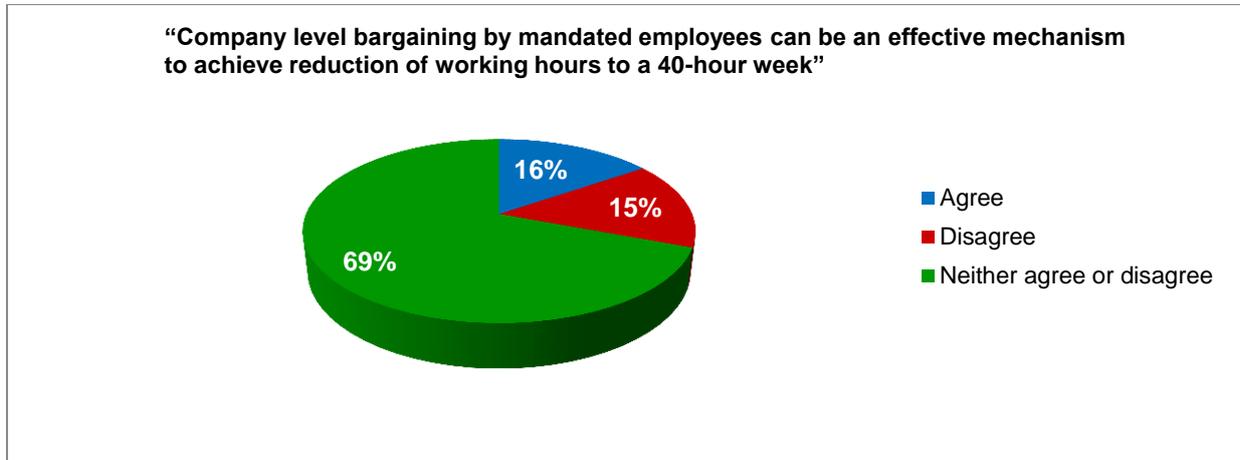
The role of collective bargaining, discussion and negotiation should not be underestimated and should remain an important tool to address any challenges faced by stakeholders. The reduction in working hours must permit the introduction of alternative working time arrangements. If ever there is going to be compulsory reduction, the new legislation must not be too rigid or this will prevent the creation of employment opportunities, especially in SMMEs. Time will need to be allocated to allow such changes.

7.7 Other insights

7.7.1 Bargaining at company level

Employers' organisations and federations were asked the extent to which they agree or disagree with the statement that *"Company level bargaining by mandated employees can be an effective mechanism to achieve reduction of working hours to a 40-hour week"*.

Figure 117: Employers’ organisations and federations’ views on company level bargaining



Findings in Figure 117 above shows that most of the employers’ organisations and federations (69%) indicated that they ‘neither agreed nor disagreed’ that company level bargaining would be an effective mechanism to achieve a 40-hour working week. Only 16% felt it would be an effective mechanism.

Various explanations were also offered to explain their answers. Some of the responses include the following:

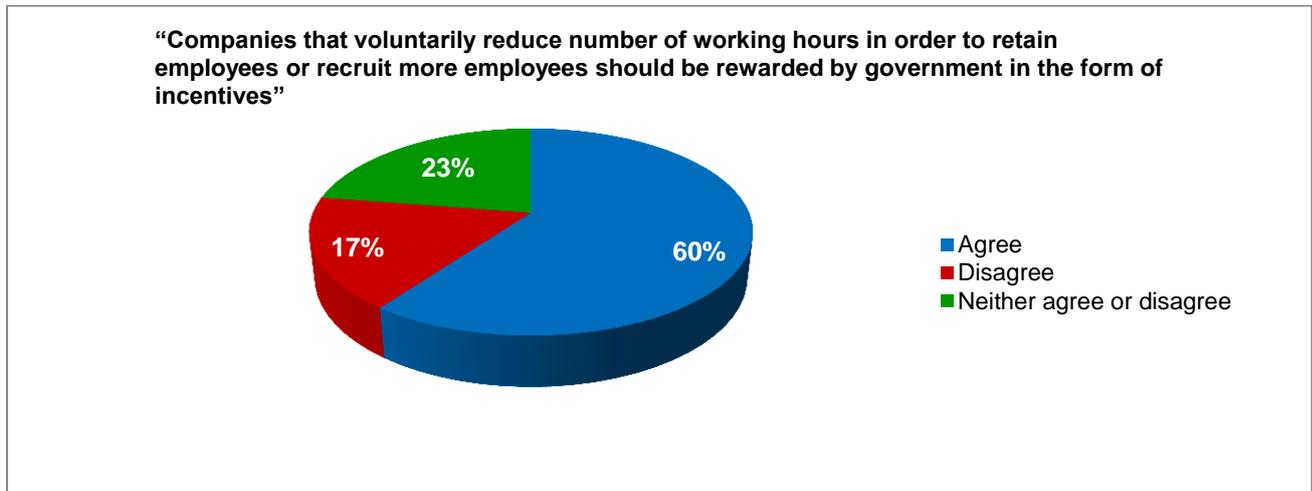
- *“A discussion on working hours is not something that should be done at a plant level. Industry needs to agree to it as a whole. It should again be linked to productivity levels and structures production goals.”*
- *“It is believed that company level bargaining is not the solution and that sectorial based industry level negotiations must take precedence over company level discussions, this does not mean to the exclusion of mandated employees. The value of their role is based on their understanding and ability to communicate with employees and management that the reduction of working hours is closely linked to production levels”.*

Employers’ organisations and federations felt that the success of such a mechanism depends on the industrial relationship between employers and employees at plant level, and their degree or maturity and preparedness to share the burden and make compromises. In some cases shop stewards are not well versed on the bargaining processes so it is better to leave it to union officials. The other challenge of company level bargaining is that some employers do not see shop stewards as able to add value to business operations.

7.7.2 Rewards for voluntary reduction of working hours

Employers’ organisations and federations were asked extent to which they agree or disagree with the statement that *“Companies that voluntarily reduce the number of working hours in order to retain employees or recruit more employees get rewarded by government in the form of incentives”*.

Figure 118: Employers' organisations and federations' views on rewarding voluntary reduction of hours



Findings in Figure 118 above show that, 60% of employers' organisations and federations agreed that the companies that reduce their working hours voluntarily should receive incentives; 17% disagreed with the statement while the remaining 23% neither agreed nor disagreed. The idea of an incentive for employers was generally welcomed by the employers' organisations and federations.

'Any incentive by government aimed at rewarding employers retain and create jobs in return for reducing working hours must be supported'

Employers' organisations and federations believed that sometime incentives are needed in order to progress and motivate employers. These incentives would however, have to be customised for each sector.

Of those who disagreed, they felt that such an incentive would not go far in addressing the challenges encountered in the processes designed to reduce working hours.

'The tax payer will have to subsidise such incentives. This will indirectly place further burden on company tax and also PAYE. Extra costs will result in less expendable income which will slow the economy down further and place further pressures on struggling businesses'

Respondents expressed concern that the tax payer would ultimately have to fund such an initiative which would burden them further. This initiative would only work if the cost was borne by the government.

- That would be a great way to increase productivity; however it would have to be customised per sector.
- Although, this may be a good incentive for business, it would not resolve all the challenges set out previously ;

Concerns were also expressed that the incentives might be a good option, but how long can it be sustained in the economy is another issue that will need further interrogation.

7.8 Suggestions

Employers' organisations and federations were asked to indicate their suggestions in terms of practical mechanisms that could be adopted to achieve a 40-hour week. Some of their suggestions include the following:

- Discussions are required so that there is an understanding behind it and workshops should be hosted to inform relevant stakeholders
- Focused strategic management planning sessions should take place to ensure that stakeholders understand that the times/ hours that individuals are mostly productive is key to the implementation;
- All of the above assisted and facilitated by the DoL
- In addition to the legislation, sectors should be allowed to determine the best fit for their sector;
- The DoL will have to facilitate discussions among stakeholders on the issue of reduction of working hours.
- Legislation if any, should allow for flexibility/tailoring within sectors;
- Small players should not be ignored;
- The inclusion of productivity clauses is crucial for success of reduction of working hour;
- The collective bargaining process must remain part of the implementations procedures;
- Encourage parties to engage on this matter at sector level focusing on mutually beneficial trade-offs and concessions in the spirit of partnership. For example, the metal industry between 1999-2002 gradually reduced working hours from a 44-hour week to 40 hours on a shared 'sacrifice' and in return for the parties agreeing to the introduction of alternative working time arrangements at plant level aimed at addressing productivity, this model may be worth considering for future policy formulation.

7.9 Conclusions

Most of the employers' organisations and federations (65%) indicated they felt progress had been made towards the reduction of working hours. All the employers' organisations and federations expressed the view that they think the reduction of working hours noted was as a result of collective bargaining / collective agreements. Almost all are satisfied with the pace of negotiations of agreements for reduction of working hours and the also how the reduction of working hours is being implemented.

Most (81%) of employers' organisations indicated that their members would not readily accept a reduction of working hours without reduction in earnings for employees. Most employers' organisations and federations (80%) did not think that the 40-hour week goal could be achieved solely through collective bargaining/ collective. Although most (75%) of the employers' organisations and federations felt that legislation on a compulsory reduction of working hours would help achieve the goal of a 40-hour work week, they expressed concerns that such legislation may not be readily be accepted by employers. They also raised issues of compliance as well. The implication of these findings is that it demonstrates the reservations that most stakeholders have on the practicability of legislating compulsory reduction of working hours.

Upon being asked their views on company level bargaining by mandated employees, that most of the employers' organisations and federations (69%) indicated that they 'neither agreed nor disagreed' that company level bargaining would be an effective mechanism to achieve a 40-hour working week. Only 16% felt it would be an effective mechanism while 15% disagreed.

8 TRADE UNION AFFILIATES AND FEDERATIONS

8.1 Introduction

A total of 49 trade union affiliates and five trade union federations responded to a number of questions regarding progress made towards reduction of working hours to a 40-hour week for the period covering 2006 to 2012.

8.2 Characteristics of trade unions affiliates

Trade union affiliates were asked to indicate the main economic sector(s) that best describes the sector over which they have bargaining rights. Results are shown in Table 16 below:

Table 16: Economic sector of trade union affiliates

Economic sector	Count	Percentage
Agriculture, Forestry and Fishing	0	0%
Manufacturing	8	16%
Mining	6	12%
Transport, Storage and Communications	7	14%
Community Services	5	10%
Wholesale and Retail Trade	11	22%
Finance and Business Services	2	4%
Construction	9	18%
Electricity, Gas and Water	6	12%
Public service	11	22%
Any other	14	17.7%

8.3 Insights into reduction of working hours

Trade union affiliates and federations (trade unions) were asked a series of questions to find out whether or not progress has been made towards the reduction of working hours to a 40 hour week.

8.4 Views on reduction of working hours

The majority of the trade unions agreed that a reduction in working hours was necessary and beneficial. They felt this would bring South Africa in line with international practice and several reported that such measures were already in place among their members. This move would help grow the economy and create employment opportunities.

The benefits for the employees include more family time and better health and overall a better balance as long as salaries remained the same. For the employer this translates into a 'happier workforce', who are not overworked/over loaded and are capable of higher standards of production as a result and less incidents of work related accidents. Several trade unions stated that a reduction in

working hours is one of their core demands. Agreements on this issue were a matter for employees, unions and employers to discuss and not for government to legislate on. Concerns were also expressed in relation to the DoL being under resourced particularly in their legal department, making it difficult for them to play a positive role in relation to the enforcement of such legislation.

- *“The reduction is important and we must strive to get in line with international practices of less work hours and higher productivity”*
- *“It is good as long as there is no reduction in salary”*
- *“It helps to create employment opportunities”*
- *“Must be done through collective bargaining between unions and employers*

The trade unions support the reduction of working hours and believe it is in the interest of society as a whole and workers especially to reduce the hours of work and it is long overdue. The reduction of working hours is in line with existing labour law and international conventions signed through the International Labour Organisation (ILO) processes. Respondents support the enforcement of labour laws including the BCEA. They are further aware that there are a number of decent work deficits in the labour market with 30.8% of employees working more than a 45 hour working week. This is further compounded by under employment in the labour market with 15% working less than 30 hours (StatsSA, 2010). This is therefore a challenge that the trade unions must think about and must be balanced to achieve adequate employment levels in line with the decent work agenda. It is important that any reduction in working hours does not mean a loss of pay. Both trade union affiliates and trade union federations agreed that any initiative to reduce number of working hours is very progressive and will assist with employment creation.

8.5 Views on increase of working hours

The trade unions were strongly opposed to any increase in working hours for their members. They described such a move as unrealistic and exploitative. This could be detrimental to standards of production/service delivery and employee’s health and wellbeing while also increasing the risk of accidents in the work place due to a tired workforce. Increased working time may expose workers to injuries at work, mistakes, fatalities and dismissals. This could further deteriorate the quality of working life and the social fabric of families as people will be spending more time at work than with their families. Increasing working hours will affect workers and retard the current gains at law.

Some of the selected comments from the trade unions included the following:

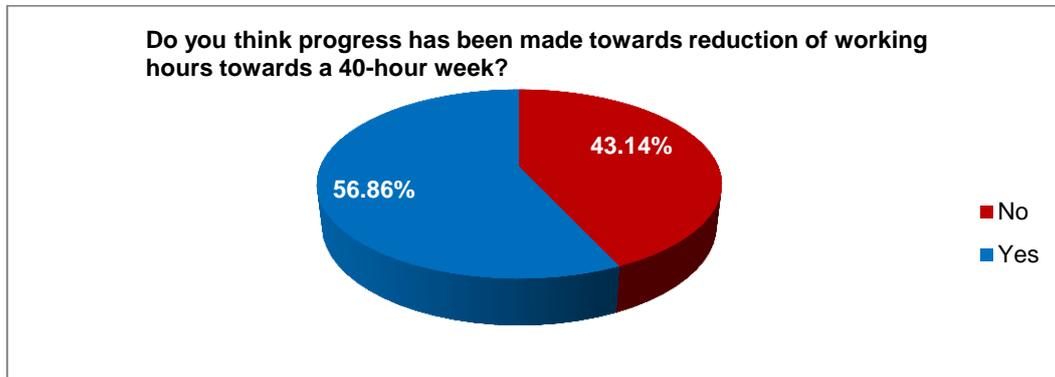
- *“Not acceptable, the socio-economic impact will be negative”*
- *“Will put more pressure on employees”*
- *“Pay what is due to employees if they agree to work long hours”*
- *“There must be a balance between work, rest and family time”*
- *Increasing of hours will have a negative impact on the workers as most use public transport and travel a long distance to and from work.*
- *“Put workers under stress resulting in decreased productivity”*

8.6 Progress made into reduction of working hours

8.6.1 Progress made

Trade unions were asked whether they think progress has or has not been made towards reduction of working hours to a 40-hour week for the period covering 2006 and 2012. The results are shown in Figure 119 below.

Figure 119: Trade unions' views on progress made towards a reduction of working hours



Findings show that 57% of respondents believed that progress had been made towards the reduction in working hours during the period.

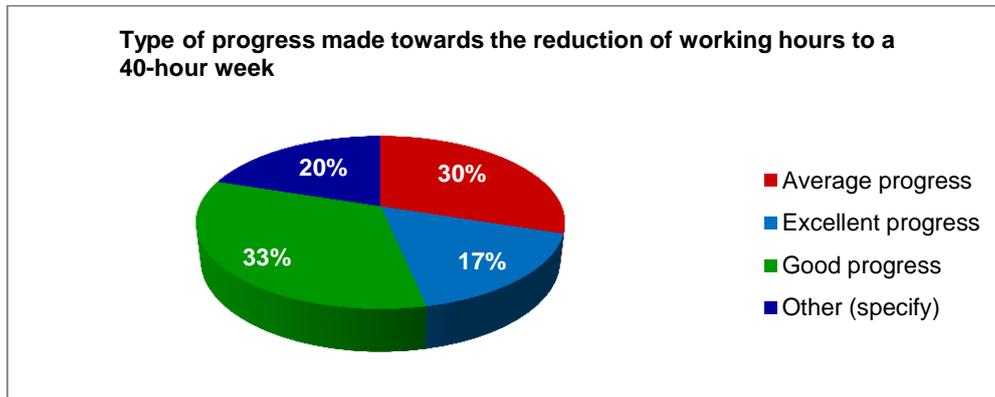
Those (43%) who indicated that no progress was made were asked to explain further. The respondents described a vested interest by employers not to implement the change due to their production demands. This resistance from employers is coupled with a lack of compliance monitoring by the DoL as employers 'get away' with flouting the law. From the employee's perspective, as many are paid by the hour, any reduction in hours would translate to a reduction in salaries and they would not support this. Concerns were also expressed in relation to a lack of public awareness on this issue.

- *Higher unemployment rates has made unions not to vigorously pursue the issue of reduction of working hours;*
- *Most employers in different sectors have not complied;*
- *"There is too much private sector vested interests";*
- *"Since 2006 the Minister promised to reduce hours to 40hrs per week in all sectors, but until 2014 it has not really materialised"*
- *Employees are paid per hour and any reduction of hours will affect the total salaries workers earn. Further many employees are still earning below poverty line and any reduction of hours will further impact negatively on their income.*
- *"There is very little public awareness made by all the stake holders the labour sector, the government and the business sector"*
- *"There appears to exhibit a lack of control by the DoL to monitor the enforcement of a 40 hour week"*
- *It seems that many companies think that if they reduce the hours of work then the enterprise will suffer.*

8.6.2 Type of progress made

Trade unions (57%) who had said they think progress has been made were asked to indicate the type of progress made towards the reduction of working hours to a 40-hour-week. The results are shown in Figure 120 below.

Figure 120: Trade unions' views on type of progress made



Findings illustrated in Figure 120 above: 17% (5 out of 30) described the type of progress as excellent and 33% (10 out of 30) as good while 30% (9 out of 30) stated that progress to date was average. About 20% rated the progress as “other” i.e. ranging from between good progress and excellent progress to between good progress and average progress. These were then asked to provide examples or cases to illustrate their response. Most of the excellent progress was attributed to collective bargaining movements and most companies who keep to the 40-hour week pay additional overtime when required. Most member contracts, including freelance contracts, reflect strongly the adherence to statutory provisions of the BCEA.

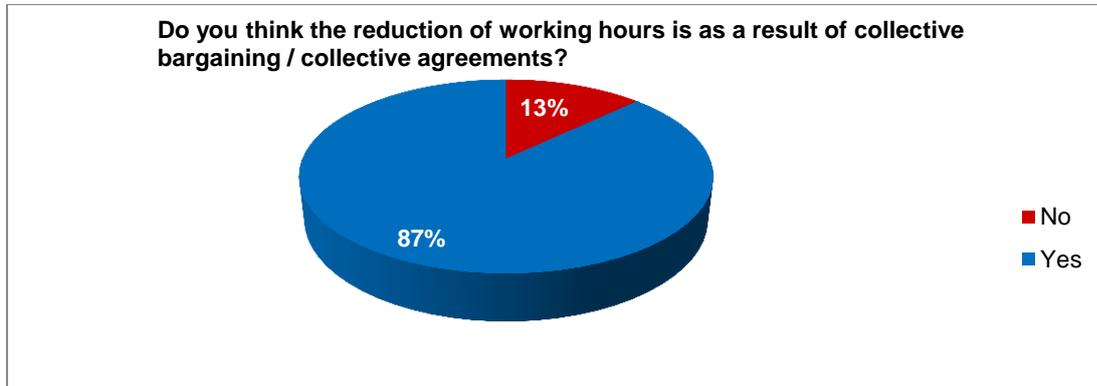
Examples given where there has been good progress in the reduction of hours included the hospitality, automotive, engineering and metals sectors, AVBOB, some mining companies in Rustenburg (no specific names of companies were provided), Metals and Engineering Industries Bargaining Council (MEIBC), communications sector, Shoprite and Pick n Pay.

8.7 Collective bargaining/collective agreements' role

8.7.1 Collective bargaining/collective agreements' role

Trade unions were asked whether or not reduction of working hours towards a 40-hour week was a result of collective bargaining/ collective agreements.

Figure 121: Role of collective bargaining/ collective agreements



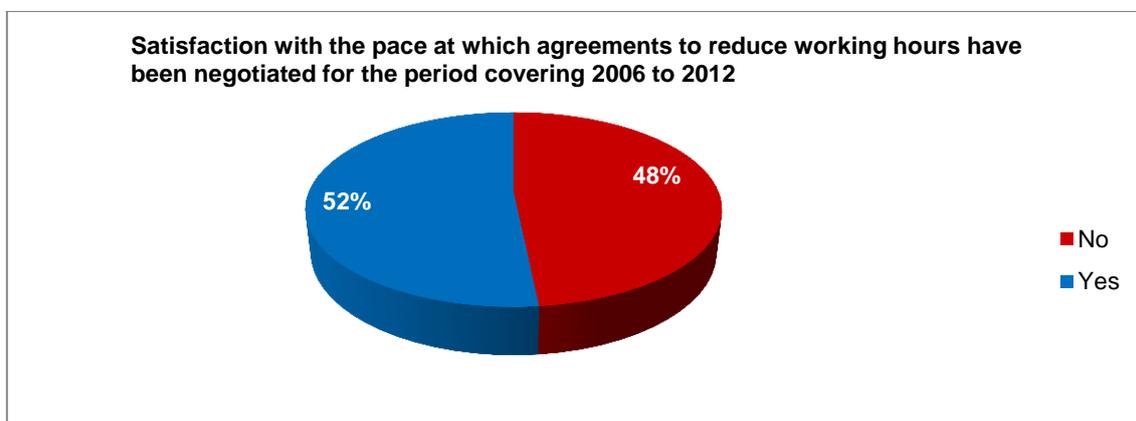
In Figure 121 above, most (87%) i.e. 27 out of 31 indicated that they thought the reduction of working hours towards a 40-hour week was a result of collective bargaining/ collective agreements. Collective bargaining and agreements are considered the best opportunity to achieve the object. It has been fast tracked in some cases with individual union campaigns on the issue such as from Congress of South African Trade Unions (COSATU) and legal support from BCEA but the transition still lacks support and buy in from employers and compliance monitoring from DoL.

Trade unions who agreed that the reduction of working hours towards a 40 hour week is a result of collective bargaining/collective agreements were asked to explain their answer further. They stated that collective agreements that had been concluded in bargaining council agreements tended to be better than the lateral agreements. Furthermore, social dialogue at a tripartite level has facilitated discussions leading to current international conventions. This has contributed to the improvement in laws, including bipartite negotiations at bargaining council which have contributed to sectorial regulations. Collective agreements strengthen this area and ensure the enforcement of laws that in turn ensure that workers receive decent work standards.

8.7.2 Satisfaction with pace

Trade unions were asked whether they were satisfied with the pace at which agreements to reduce working hours towards a 40-hour week have been negotiated for the period 2006 to 2012.

Figure 122: Trade unions’ satisfaction with pace of negotiations

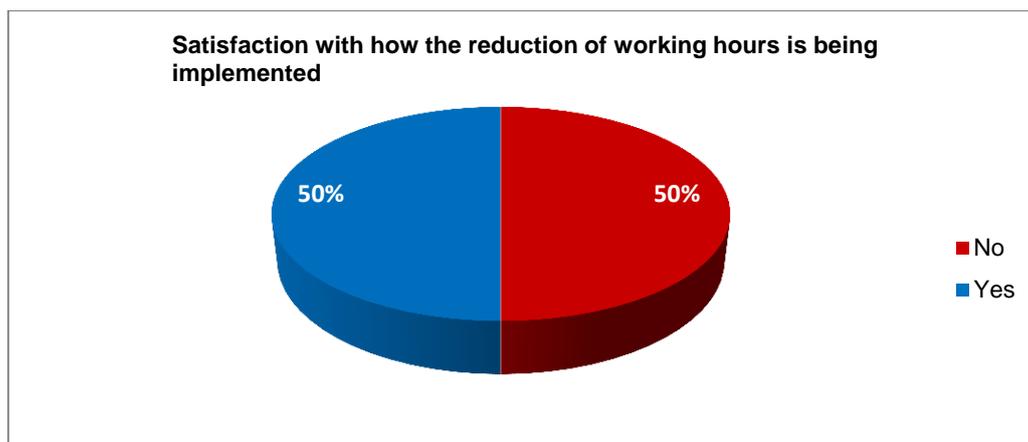


As shown in Figure 122, just over half of the respondents almost 52% stated they were satisfied with the pace at which the agreements are being negotiated.

8.7.3 Satisfaction with implementation

Trade unions were asked whether or not they were satisfied with how reduction of working hours is being implemented.

Figure 123: Satisfaction with how a reduction of working hours is being implemented



The respondent's satisfaction with how the reduction of working hours towards a 40 hour week is being implemented this was split 50%/50% (15 out of 30).

When asked to elaborate on their answer, respondents stated that although there is evidence of progress towards implementation in some cases, the reduction of working hours was being partly implemented and often at a loss to the employee. Resistance from employers is still considered an obstacle to implementation while collective bargaining and union lobbying is greatly assisting employees to approach the issue. Some of the comments obtained from the trade unions regarding implementation are:

- *"Reality on ground level is that there is less movement towards a 40-hour week and workers seem to accept it. Resistance occurs in respect of overtime".*
- *"If hours are reduced by agreement, there should be no loss in income"*
- *"The problem lies with the implementation".*

8.8 Experience with collective bargaining negotiations

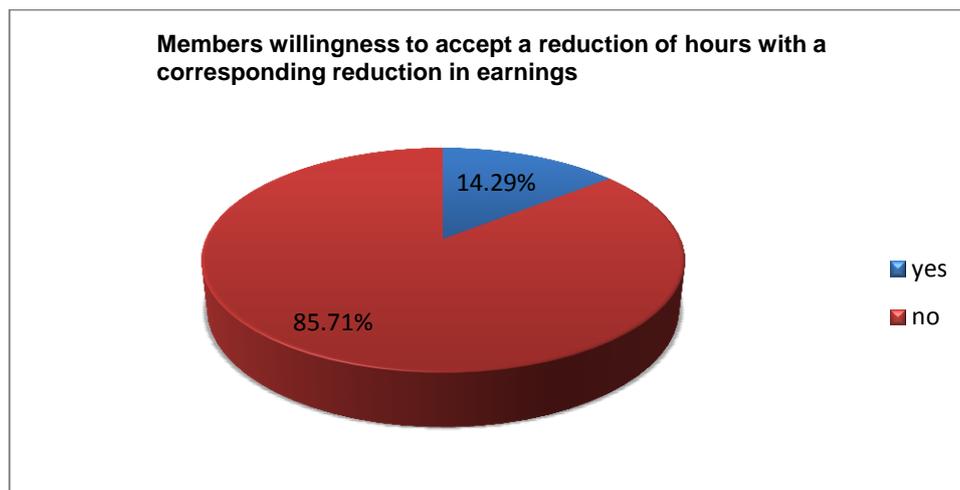
8.8.1 Ranking of bargaining items

Trade unions were asked to rank in terms of priority the bargaining items on conditions of employment. Remuneration was ranked first by 82% of the sample followed by hours of work, termination of employment and annual leave.

8.8.2 Acceptance of reduction of hours vs. remuneration

Trade union affiliates were asked if union members would accept a reduction of hours with a corresponding reduction in earnings as a means to create more job opportunities. It is important to note that the question on acceptance of working hours was not in the trade union federations' questionnaire.

Figure 124: Members' willingness to accept reduction in hours with corresponding reduction in remuneration



Almost 86% of respondents stated that their members would not accept such a reduction. The reasons given pertained mainly to the economic profile of their members. It was considered unreasonable to expect low income earners to take a further reduction in their salaries. They are unhappy that their members are being threatened with such a proposition particularly in light of the labour brokering that occurs in South Africa.

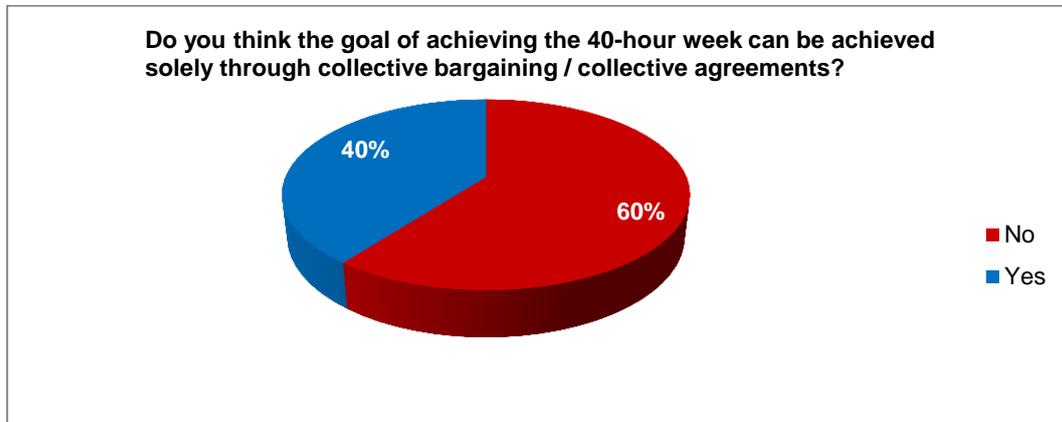
Some of the comments obtained from trade union federations were:

- *“Our members have contracts of employment that give them the expectations of earning a certain amount. To reduce this against their will is not fair. Also it’s far from clear that reducing working hours would increase employment at all”.*
- *“The objective here is to give workers more time to rest and recharge and be productive not reduce their salaries”.*

8.8.3 Bargaining/collective agreements role

Trade unions were asked to provide their insights on whether or not the goal of achieving the 40-hour week can be achieved solely through collective bargaining/collective agreements.

Figure 125: Trade unions' views on role of collective bargaining/collective agreements

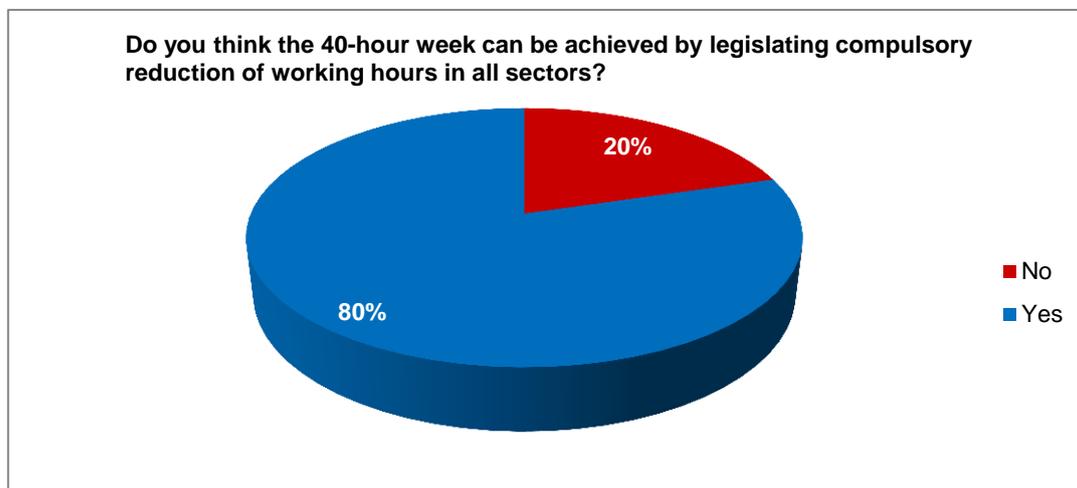


As illustrated in Figure 125 above, most trade unions (60%) said the goal of achieving the 40-hour week cannot be achieved solely through collective bargaining /collective agreements.

8.8.4 Attainment by legislating compulsory reduction

Trade unions who had indicated they do not think that 40-hour week can be achieved solely through collective bargaining were asked whether this could be achieved by legislating compulsory reduction of working hours across all sectors. Their responses are illustrated in Figure 126 below.

Figure 126: Trade unions' views on compulsory legislation



The majority (80%) of the trade unions think achieving a 40-hour week can be achieved by legislating on a compulsory reduction of working in all sectors.

In agreement respondents stated that this will be achieved as employers will be bound to do so, though a mandatory and decisive legal process. The problem occurs with monitoring the compliance. Negotiations on the legislation need to be all inclusive and consider individual sectorial needs. This compulsory legal approach will also protect and incorporate non-unionised employees. The legislation will need to protect workers and ensure that there is no reduction in pay for employees. The

enforcement of this legislation would create more stability for workers and its implementation must be monitored by an inspectorate division of the DoL.

- *“We believe that every stakeholder would be bound by the legislation meaning there will be compliance”*
- *Not all sectors have good bargaining processes and not all workers belong to trade unions that are capable to negotiate on their behalf;*
- *“Majority of employees are not unionised and remain vulnerable”;*
- *“It is very unlikely that capital will agree to reduction and still keep salary unchanged. Legislation is the only method that can be used to regulate and keep consistency in all companies.”*

Those who said no to legislation provided the following reasons:

- *“Industries differ in their needs”*
- *“It would be difficult for some employers to comply with and they may have to close shop leading to unemployment”*
- *‘The legislation may not consider the rightful compensation to replace the employees loss of earnings should this occur’.*

8.9 Challenges to reducing working hours

Trade unions were asked to indicate what they view as major challenges to processes aimed at reducing the number of working hours to a level of 40-hour week. The main challenge is the possibility of a reduction in employee’s salaries. Many employees are already on the bread line and depend on overtime pay to supplement their already low income. Buy in from employers is also an issue as a reduction in working hours may affect productivity and this coupled with the challenging economic environment could lead to loss of profit and even retrenchments. The DoL’s seemingly lack of capacity to monitor compliance is also a consideration.

Some of the comments discerned from the trade unions include:

- *“Reduction of working hours should be seen to be going hand in hand with increase in productivity. This is not always the case”*
- *“Employers are reluctant to reduce number of hours”;*
- *“The challenges are that when there are reductions of hours employers reduce salaries of employees”.*
- *“One must take in consideration the challenges of our present state of the economy which might require certain measures instead of a reduction of working hours”.*
- *“Lack of proper replacement or substitutes for loss of earnings when hours are reduced”.*
- *‘The salaries employees are earning are still low and workers work more hours in terms of overtime to supplement their income.*

Ways or means to overcome these challenges were examined next. Educate on the issue with a public media campaign firstly followed by proper negotiation and broad consultation with all stakeholders aimed at developing legislation that is beneficial to both the employee and employer. The development of strategies that focus on maintaining production levels need to be a priority and these should consider the hiring of more skilled people or more training for those on the ground. The reduction of working hours should be implemented over a given period.

Trade unions also felt that some of the challenges can only be overcome through collective bargaining and dialogue. Job security must be guaranteed. There may have to be an amendment for

employees who are paid an hourly rate so that they do not receive a salary cut due to reduced hours. Monitoring and enforcement of the legislation is vital for its success.

8.10 Other insights

8.10.1 Bargaining at company level

Trade unions were asked the extent to which they agree or disagree with the statement that “Company level bargaining by mandated employees can be an effective mechanism to achieve reduction of working hours to a 40-hour week”.

Figure 127: Trade union affiliates’ views on company level bargaining



The findings in Figure 127 above show that 43% of respondents agreed with the statement while 34% disagreed. Explaining their responses the trade unions said that the value of company level collective bargaining should not be underestimated however employers will not reduce the working hours without effective mechanisms in place. Shop stewards are often perceived by employers as ‘trouble makers’ rather than ‘leaders’ and this can contribute to a high level of tension in the work place. Most companies have their own interests at heart and decisions such as this cannot be achieved at the company bargaining level. This will only be effective with instructions and with enforceable legal direction in place.

Reasons mentioned for agreement with the statement:

- “Capacitated shop stewards who understand the arguments around productivity are well placed to reach agreements on reduction of working hours’
- Mandated employees typically have a keen and crucial interest in the outcome and will settle on a mutually acceptable standard’
- “Mandated will also be able to ensure check and balances”
- “Probably because the mandated employees will play a more persuasive role
- “Companies are not the same, so bargaining at company level will compensate for those differences;
- “The employees are the one need to engage their employees and educate their fellow employees in order to understand the purpose of reduction”
- Bona fide relations are based on discernable levels of trust and organisation necessary for the parties to engage in mandated constructive dialogue to address varying interests among workers and employers.

Those who disagreed gave the following reasons:

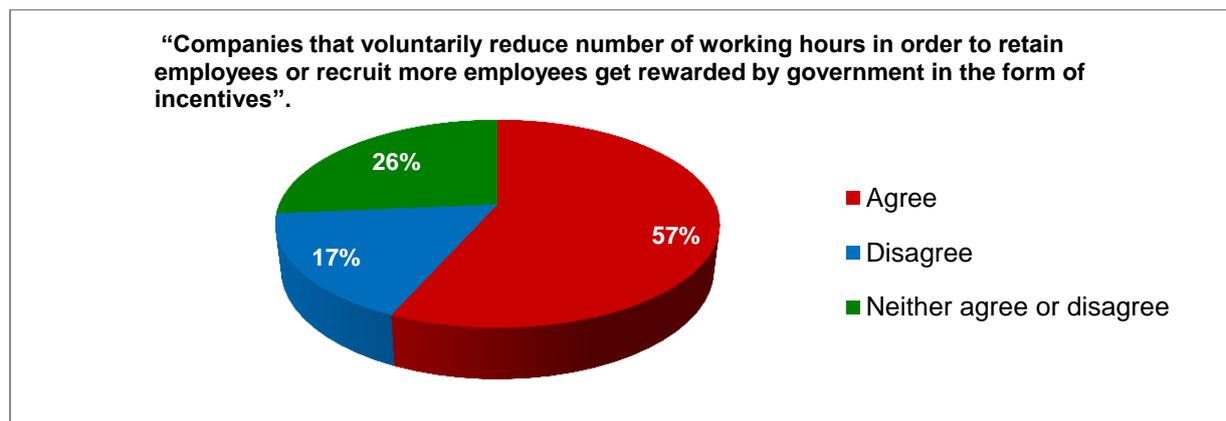
- *“Experience shows that nothing will be achieved at plant level, as the mandated employees will also fear victimisation”*
- *“Collective bargaining is a Section 134 of the Labour Relations Act (LRA) and cannot be mixed or complicated with the BCEA issues which are more of the basic human right issues.*
- *“Employees are intimidated that level, no equal bargaining power.*
- *“Designated union officials must be involved”*
- *“The company has its own interests at heart, workers not competent to negotiate, workers cannot foresee potential hindrances”*
- *“Mandated employees will only serve to complicate the relationship between employers and trade unions”.*

8.10.2 Rewards for compulsory reduction of hours

Trade unions were asked the extent to which they agree or disagree with the statement that *“Companies that voluntarily reduce the number of working hours in order to retain employees or recruit more employees get rewarded by government in the form of incentives”.*

Their responses can be seen in figure 128 below.

Figure 128: Trade unions’ views on voluntarily reduction of working hours



Most (57%) of the trade unions agreed with the statement and gave the following reasons: While unemployment should be expected to decrease through such an initiative, the risk involved is that this could create tensions in the original workforce should their salaries be affected. The initiative would have to involve a streamlined approach.

- *“Unemployment will decrease”*
- *“If there is a tax incentive or subsidy it will reduce resistance but employers will then want more tax incentives or subsidies for everything else”*

8.11 Suggestions

Trade unions were asked to suggest suggestions in terms of practical mechanisms that could be adopted to achieve a 40-hour work week for employees.

- *“Government should take a leading role, steered by the DoL commencing with a national education campaign on the issue of reduction of working hours.*

-
- *“Collective bargaining must still play a key role”*
 - *“Those who refuse to comply should be penalised by the DoL and incentives given to those who do comply. On-going monitoring by the DoL is assisted with union personnel.*
 - *“Implementation should take place in a predefined period of time”.*
 - *“Employ services of trade unions in inspections and compliance issues”*
 - *“Certify compliance on a point system and repudiate in the event of compliance slip-ups”.*
 - *“Issue results and outcomes of cases expediently”;*
 - *“Monitor and evaluate and review areas of shortfall”.*
 - *“Measures should be put in place so that there is no drop in production as a result of short hours”.*
 - *“Economic growth should be a main consideration in the reduction of working hours”.*

Furthermore the policy must be achievable and have realistic requirements. There is need for a nationwide audit on the current hours worked per company. Finally companies need to adopt a ‘work smarter not longer’ attitude.

8.12 Conclusions

The majority of the trade unions agreed that a reduction in working hours was necessary and beneficial. They felt this would bring South Africa in line with international practice and several reported that such measures were already in place among their members. Most of the trade unions (57%) of respondents believed that progress had been made towards the reduction in working hours during the period. Most trade unions (87%) indicated that they thought the reduction of working hours towards a 40-hour week was a result of collective bargaining/ collective agreements.

Just over half of the trade unions were satisfied with the pace at which agreements to reduce working hours have been negotiated and half of the trade unions were satisfied with the how reduction of working hours towards a 40-hour week is being implemented. Most trade unions (60%) said the goal of achieving the 40-hour week cannot be achieved solely through collective bargaining /collective agreements. The majority (80%) of the trade unions think achieving a 40-hour week can be achieved by legislating on a compulsory reduction of working in all sectors. Upon being asked on what they thought on statement that *“Company level bargaining by mandated employees can be an effective mechanism to achieve reduction of working hours to a 40-hour week”*, findings revealed that that 43% of trade unions agreed with the statement while 34% disagreed and 23% were indifferent.

These results demonstrate that the views of trade unions on the issue of working are in most cases the opposite of the views of employers. This shows the need for continual engagement between trade unions and employers for the resolution of the matter and that sacrifices should be made by both sides.

9 COMPARATIVE FINDINGS

9.1 Introduction

This section presents a comparative analysis of the key findings across the key stakeholders.

9.2 Views on reduction of working hours

Respondents were asked to provide their views on the issue of reduction of working hours. This was an open-ended question and variety of answers was obtained. Three main themes, namely reduction is good or favoured, neutral and reduction is bad or not favoured were discerned and the variety of answers were categorised into these three main themes. Results of such categorisation are illustrated in table below:

Table 17: Views on reduction of hours across all stakeholders

ID	Stakeholder group	Reduction is good	Neutral	Reduction is bad
1	Bargaining councils	12 (35.29%)	16 (47.06%)	6 (17.65%)
2	Business associations and chambers	10 (50.00)	4 (20.00%)	6 (30.00%)
3	Business enterprises	68 (27.65%)	30 (12.19%)	148 (60.16%)
4	Employees	114 (54.45%)	43 (20.57%)	52 (24.98%)
5	Employers' organisation and federations	23 (60.53%)	4 (10.53%)	11 (28.95%)
6	Trade union affiliates and federations	43 (87.75%)	4 (8.16%)	2 (4.08%)

The results in table 17 above shows that the most of the bargaining councils were of a neutral position regarding reduction of working hours as they concurred that the decision on reduction hours should be left to employers and employees to deliberate on and decide. For all the other stakeholders, except for business enterprises, the general view by most was that reduction of working hours for employees is good.

9.3 Views on increase of working hours

The findings obtained regarding the views of the stakeholders on increase of working hours for employees are illustrated in table 18 below.

Table 18: Views on increase on working hours

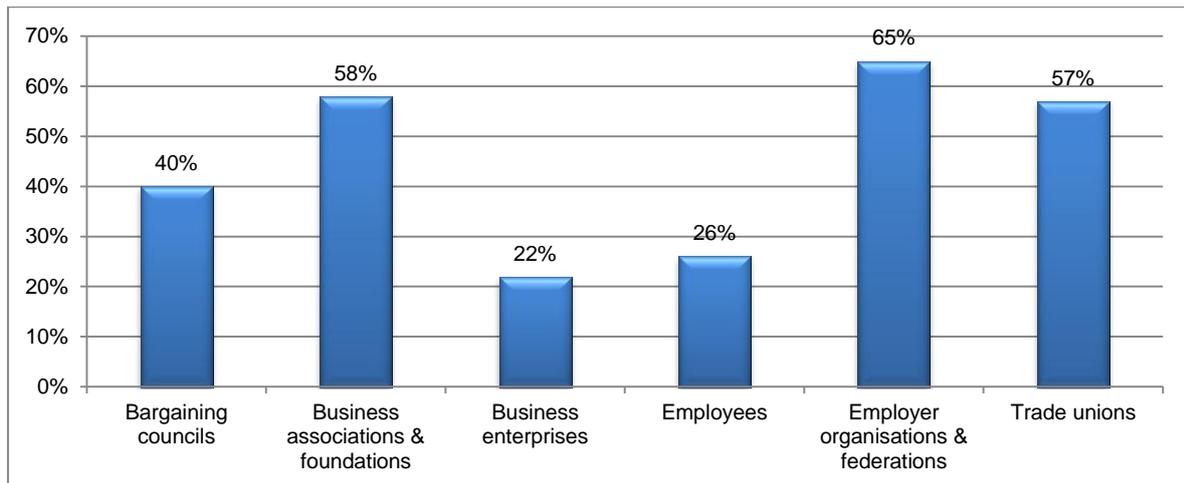
ID	Stakeholder group	Increase is good	Neutral	Increase is bad
1	Bargaining councils	13 (38.22%)	4 (11.78%)	17 (50.00%)
2	Business associations and chambers	2 (10.00%)	4 (20.00)	14 (70.00)
3	Business enterprises	67 (27.23%)	50(20.34%)	129 (52.43%)
4	Employees	36 (17.22%)	33 (15.80%)	140 (66.98%)
5	Employers' organisation and federations	9 (23.68%)	7 (18.42%)	22 (57.89%)
6	Trade union affiliates and federations	4 (10.22%)	8 (16.32%)	36 (73.46%)

Most of the respondents across all stakeholder groups indicated that increasing working hours is not good for employees. Even most of the business enterprises who had earlier on said they did not favour reduction of working hours said increasing working hours for workers would generally have negative impact on the performance of workers and hence productivity would be affected adversely.

9.4 Progress made in reduction of working hours

The findings in the Figure 129 below shows the percentage of respondents who indicated that progress has been made towards the reduction of working hours to a 40-hour week.

Figure 129: Respondents who said progress has been made in reduction of working hours



The findings show that most (65%) employers' organisations and federations, followed by 58% of business associations and chambers, 57% of trade union affiliates and federations indicated that progress has been made towards reduction of working hours. Few business enterprises (22%), employees (26%) and bargaining councils (40%) believe that progress has been made.

Figure 130: Respondents who believe progress made is as a result of collective bargaining

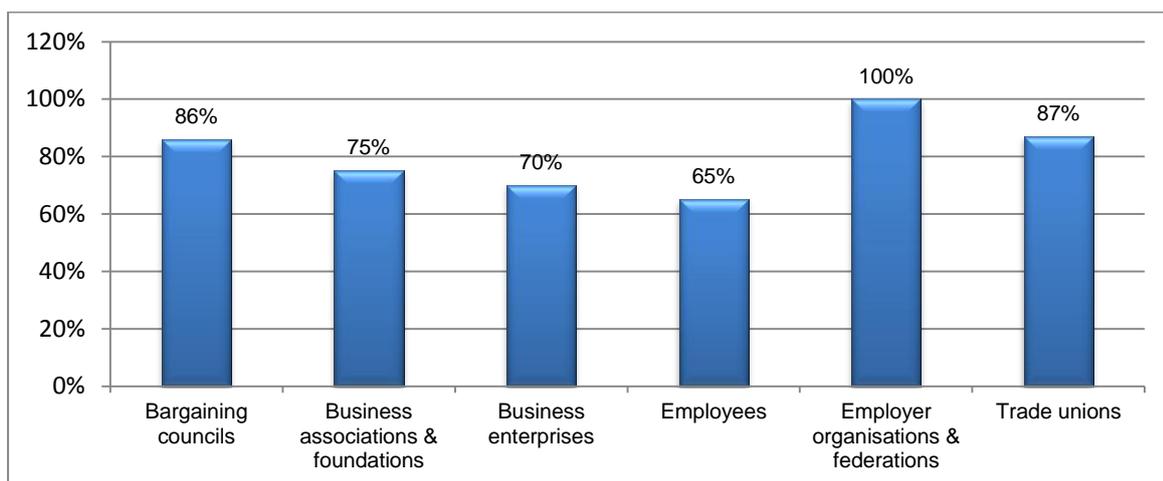
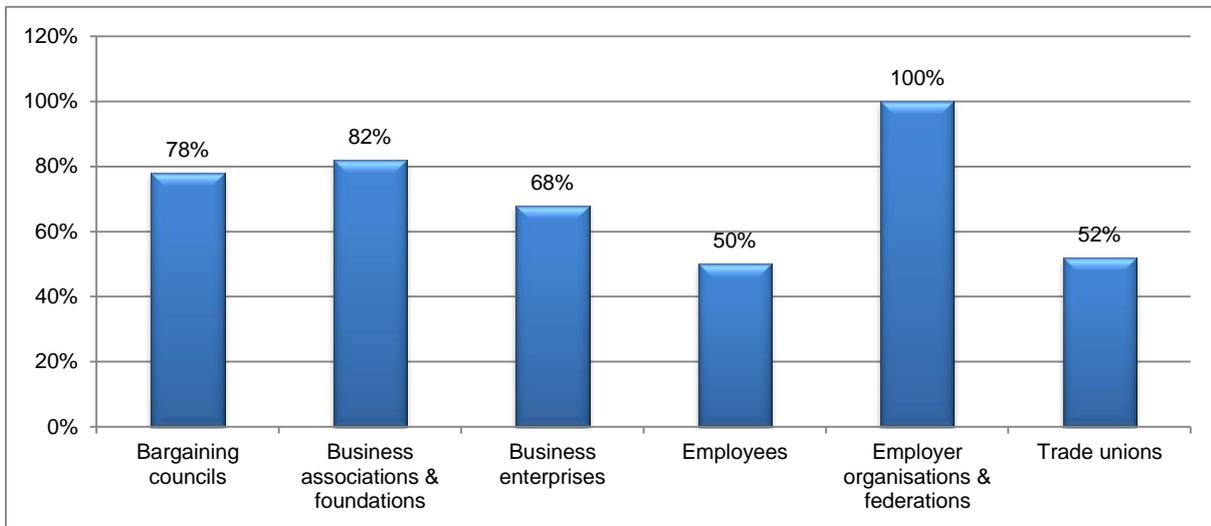


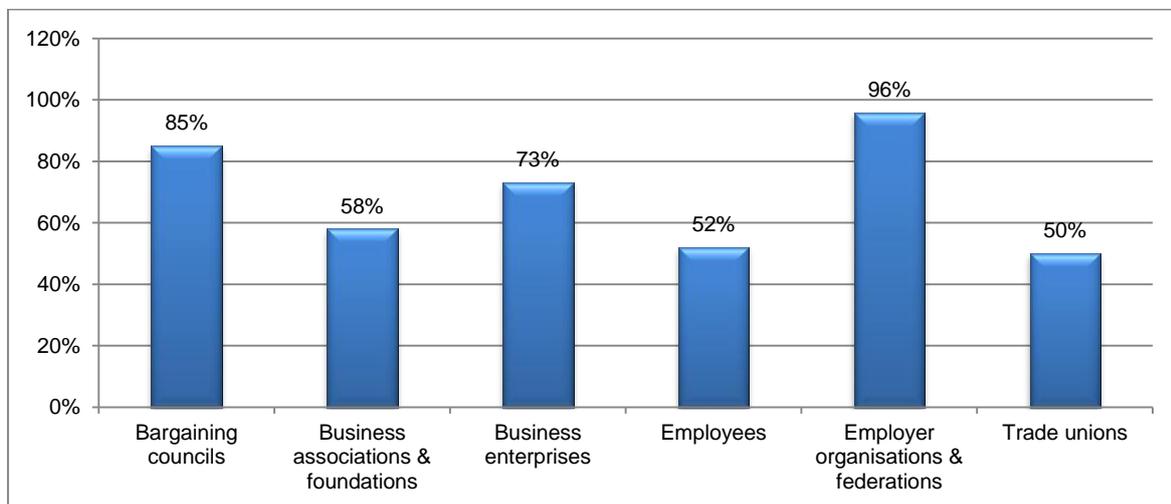
Figure 130 above show respondents who believed that the progress made towards the reduction of working hours is a direct result of collective bargaining. The findings show that all employers' organisations and federations, 86% of bargaining councils, 87% of trade unions believe that progress made is as a result of collective bargaining.

Figure 131: Satisfaction with pace of agreements meant to reduce working hours



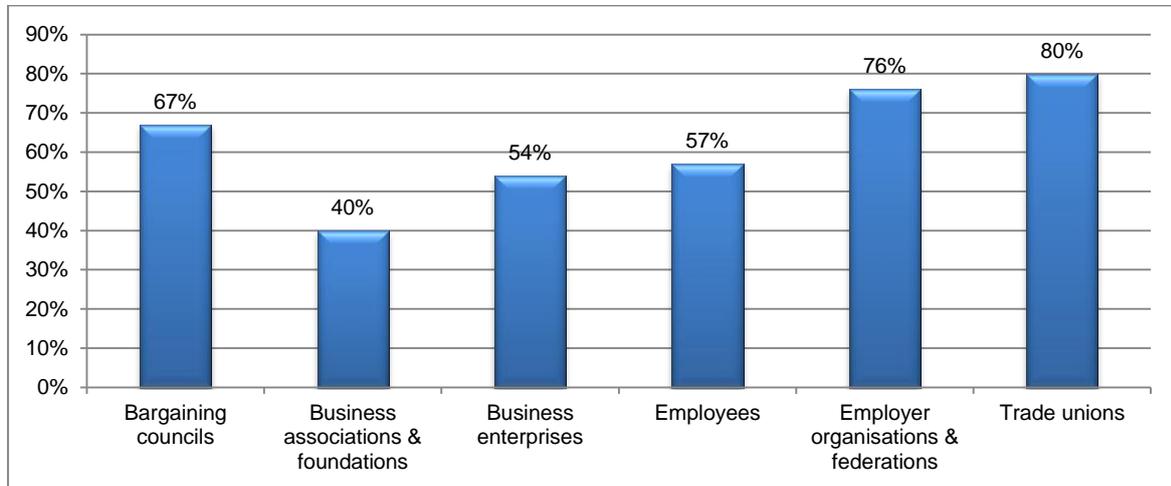
Findings in Figure 131 above show that all employers' organisations and federations (100%) interviewed, followed by business associations and chambers (82%), bargaining councils (78%) and business enterprises (68%) said they were satisfied with the pace at which agreements to reduce working hours have been negotiated. Slightly above half (52%) of the trade unions and half (50%) of the employees said they were satisfied with the pace at which agreements to reduce working hours have been negotiated.

Figure 132: Satisfaction with how reduction of working hours is being implemented



Findings in Figure 132 above shows most of the stakeholders who were satisfied with the implementation of the reduction of working hours are the employers' organisations and federations (96%), bargaining councils (85%) and business enterprises (73%). On the other had slightly above half of the employees (52%) and half (50%) of the trade unions were satisfied with how the satisfied with how reduction of working hours is being implemented.

Figure 133: Respondents who think that the 40-hour week can be achieved by legislation

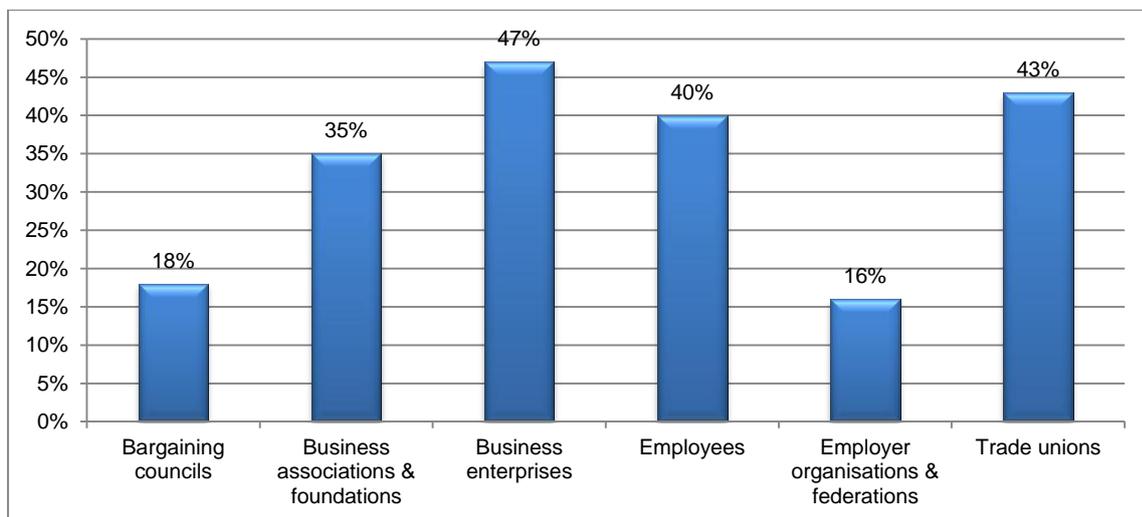


The results in Figure 133 above shows that most of the stakeholders who think that the 40-hour week can be achieved by legislating compulsory reduction of working hours are the trade unions (80%), employers' organisations and federations (76%), Bargaining Councils (67%) and employees (57%).

The findings show that only 40% of business associations and foundations and 54% of business enterprises think that the 40-hour week can be achieved by legislation.

Stakeholders were also asked the extent to which they agreed or disagreed with the following statement, *"Company level bargaining by mandated employees can be an effective mechanism to achieve reduction of working hours"*.

Figure 134: Respondents who agreed with a mechanism of company level bargaining

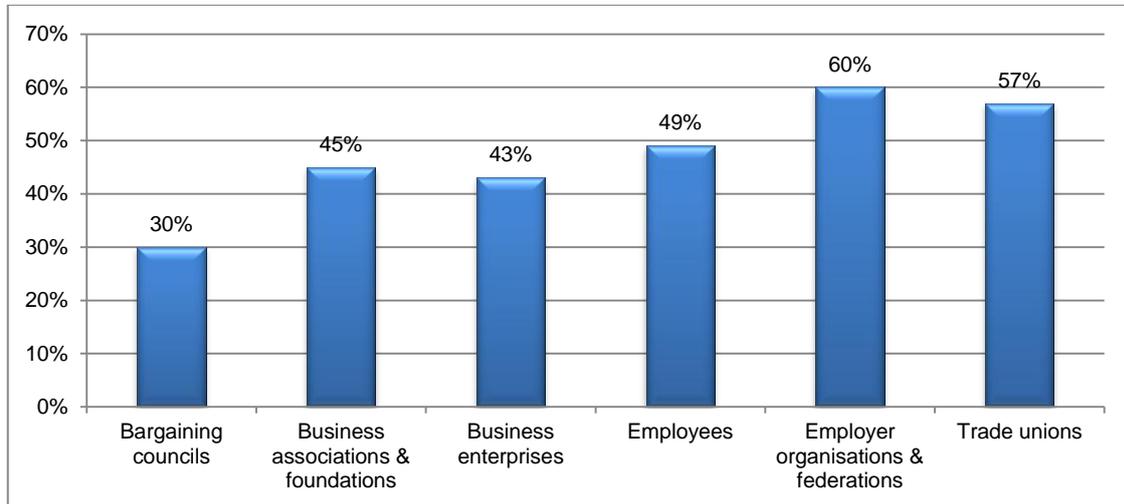


Across all the stakeholders, less than 50% of the respondents said they agree with the statement that *"Company level bargaining by mandated employees can be an effective mechanism to achieve reduction of working hours"*. This indicates that company level bargaining is not a favoured mechanism by the stakeholders.

The different stakeholders were asked to indicate the extent to which they agreed or disagreed with a mechanism where, “Companies which voluntarily reduce the number of working hours in order to retain employees or recruit more employees get rewarded by government in the form of incentives”.

The findings are shown in Figure 135 below.

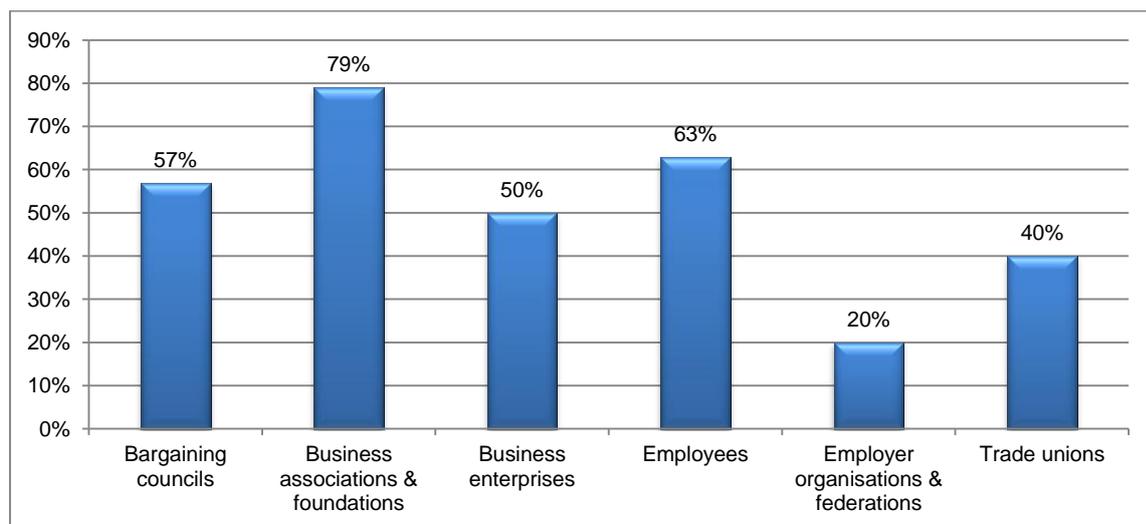
Figure 135: Respondents who agreed with a mechanism of rewarding companies



The findings show that most (60%) of employers’ organisations and federations followed by 57% of trade unions agreed with the statement. Few (30%) of the bargaining councils agreed with the statement. Stakeholders were asked whether or not they think the goal of achieving a 40-hour week can be achieved solely through collective bargaining/collective agreements.

The findings on the stakeholders who said they think the 40-hour week can be achieved solely through collective bargaining/bargaining agreements are given in Figure 136 below.

Figure 136: Respondents who said 40-hour week can be achieved solely by collective bargaining



9.5 DOL KEY INFORMANT FINDINGS

ID	THEME/PERSPECTIVE	ASSERTION/PERCEPTION/VIEW	VERBATIM QUOTES
1	Social implication	Respondents felt that reduction of working hours will have a positive impact as employees have more time to spend on family and other commitments.	<p>“would be welcomed by most workers because South Africa is faced with the issue of moral degradation because parents are often not at home”.</p> <p>“the intention to reduce working hours will allow people to have more family time”.</p>
2	Effect on wages / salaries	Respondents were mainly worried about the impacts the reduction of working hours would have on workers’ salaries as they felt less work time would mean less pay.	<p>“...workers are concerned with the impact on reduced working time on wages and salaries’.</p> <p>“its problematic for certain employees who are paid on hourly basis and for the employees that are not welcomes on an hourly basis, reduction of working hours would be welcomed. The thing is people live according to their income and that how reduction of working hours will impact negatively.</p> <p>“Once you decide to reduce working hours, it means hourly income would be reduced and that is disadvantage to workers’</p> <p>“workers that are working and paid on hourly basis believe that reducing working hours is a threat to their monthly take home”</p> <p>“when you increase the minimum wages, what employers do is that rather than giving the employers the premium in terms of keeping the cost to business constant, they will reduce the hours of work so that the take home salary remains the same”</p> <p>“if you look at where there is minimum was and where people are getting better salaries like our salaries, we would wish for the hours of work to be reduced because it wouldn’t have an impact on our salaries, but for other workers whose hourly wage is critical, reduction of working hours will be a challenge”.</p>
3	Impact on employment	Respondents were sceptical about opening of employment as a result of reduction of working hours.	<p>“there is a thought that if we reduce working hours we will create more employment because if we reduce working hours then employers will have to comply and instead of using same people, they will bring other people to the work place and create employment. This is dicey given the context of South Africa’s high levels of unemployment.</p>

ID	THEME/PERSPECTIVE	ASSERTION/PERCEPTION/VIEW	VERBATIM QUOTES
			<p>“for job creation, I think its worth our while”.</p> <p>“the dynamics of South Africa and the unemployment issue has made it this way. Some of these people are educated but just enter the labour market and take up low paying jobs because they want to survive”.</p> <p>“if you look on the collective bargaining arena, we have seen reductions of working hours, but that was not part of creating employment or making a dent in unemployment”</p>
4	Affects productivity	The effects on productivity were also noted by the respondents as they felt that more work had to be done in less time if there is reduction of working hours.	<p>“what worries me is the issue of production in this county and I don’t know how reduced working hours will impact this”</p> <p>“if employers don’t employ more people, therefore in terms of productivity, employees would be expected to complete the work in lesser hours”</p> <p>“we should look at our efficiency and the amount of skilled workers we possess and how all this will lead to production”</p> <p>“with reduced working hours workers will rush through their tasks in order to produce more in the shorter time and may end up making mistakes’</p>
5	Power dynamics – impact on employer – employee relations	Respondents felt that reduction of working hours would have a negative effect on the relationships between employers and employees.	<p>“in a collective bargaining environment its easy for an employee to set the premium that they desire”</p> <p>“in the environment that we work in, we must protect vulnerable people entering the market, but considering the high unemployment rate in South Africa, people will enter the labour market at any rate in order to survive.</p> <p>“Employers will exploit the vulnerable workers regarding overtime because the power relation is not equal”.</p> <p>“where there is lack of power from the employees’ side , reducing working hours will have a negative effect’.</p>
6	Implications on poverty	Respondents felt reduction of hours	“in fighting poverty wages are very critical as what South Africa is facing today is not exactly

ID	THEME/PERSPECTIVE	ASSERTION/PERCEPTION/VIEW	VERBATIM QUOTES
	and poverty reduction	would have effects on poverty issues in one way or another.	poverty but the working poor, therefore if we are going to reduce the working hours we need to address how that might impact workers' salaries and poverty".
7	Other dynamics	Feasibility of less working hours	"where there are set salaries, reduction of salaries will be welcomed"
		Land and tenant agreements	"the other dynamic is that land and tenant agreements in terms of big shopping centres, for example, where there is demand for longer shopping hours, it has almost become almost compulsory to remain open for longer hours whether you make a profit or not, one has to open in terms of the lease agreement'. This has an effect on the number of hours workers will be asked to work"
		Moonlighting	"Moonlighting isn't something that is easy to stop, how can one stop moonlighting"
8	Collective bargaining	Respondents highlighted the importance of bargaining and or the lack thereof	<p>"government does not get involved in collective bargaining, that is between the employers and employees"</p> <p>"my view is that in terms of collective bargaining, there are different levels of collective bargaining. When we talk about institutionalised collective bargaining, there are not so many, but there is the Chamber of Mines, where collective bargaining agreements take place"</p> <p>" it will be interesting to see how it works with the new agreements because the threshold of representation of organisations have been lowered"</p>
9	Labour exploitation	Respondents felt that the interference with regular working hours as well as employees' wages increase labour force vulnerability leaving room for exploitation.	<p>"employees would have rather work for as little as R5/hour than have no money at all, leaving them vulnerable to exploitation by employers".</p> <p>"from the DoL's end we are not worried about employers, but rather about employee vulnerability.</p> <p>"it seems as if the more laws you put on employers, the more they look for alternatives. If we</p>

ID	THEME/PERSPECTIVE	ASSERTION/PERCEPTION/VIEW	VERBATIM QUOTES
			look at the private sector, you see a large number of foreign workers that are vulnerable and threatened not to ask more in terms of wages and salaries. For e.g. you will see that the majority of waiters are foreigners because they are willing to work for anything”
10	Overtime	Respondents were worried about the relationship between reducing working hours and overtime as these two factors work hand in hand. This will mean a gain and a loss for either parties (employees and employers)	<p>“from an employer’s perspective the impact will be that if the work week is reduced to 40 hours, overtime will start from the 41st hour and that becomes more expensive to employers”</p> <p>“the problem on the employer will be overtime starting at earlier time, i.e. the 41st hour”</p> <p>“Employees benefit because overtime kick off in the 41st hour in terms of the weekly hours as opposed to the 46th hour”</p>
11	Occupation hazards	Fatigue and overworking was also noted as an important factor to be considered.	<p>“If people are exhausted this leads to lack of concentration and body fatigue which will eventually lead to accidents at the workplace”.</p> <p>“ if we ignore these issues, they may lead to occupational health issues because workers would constantly be rushing through tasks and not being cautious”.</p>

10 RECOMMENDATIONS AND PRACTICAL STRATEGIES

10.1 Role of the DoL

The DoL should take further key roles

10.1.1 Education and awareness campaign

Many respondents were not aware of the provision in the BCEA pertaining to the reduction of working hours. All stakeholders must be informed of the benefits including the health benefits. This can be conducted through a mass media and advertising awareness campaign initiated by the DoL and through citizens information pages provided on government websites.. Books and pamphlets on the issue should be developed and distributed and workshops conducted with stakeholders. The issue should also be open for scrutiny by public debate.

10.1.2 Guidelines and code of practice

The DoL must widely provide practical guidelines for implementation in the form of a code of practice. This should be developed based on best practice models in SA while considering international best practice.

10.2 The policy

10.2.1 General

The policy itself needs to be achievable and realistic. It must not penalise the business or the employee for complying. It must not adopt a 'one size fits all' approach. It must be multipronged and consider the various sectors unique requirements. It was suggested that the initial focus should be on the strong sectors, i.e. sectors that are highly pressurised with large output. It was also considered useful to focus on sectors that are traditionally known to implement very long working hours. The respondents suggested that sector specific drivers are considered to allow for a unique individual sector approach and that company size is also taken into account. The stakeholders requested a feedback opportunity on the draft policy

10.3 Operational efficiency

10.3.1 Alternative work time arrangements and overtime

Alternative work time arrangements will need to be implemented. These include flexitime /shift work/half days/clock in system and overtime. Overtime will need to be strictly monitored or it will render the purpose of the policy redundant.

10.3.2 Productivity

Companies will need to adopt a 'work smarter, not longer' mentality. This will require training in 'the mind shift of achievement'. Management and employees will need to learn appropriate strategies to ensure that when working hours are reduced, production targets and standards continue to be met. Management and employees will need to collaborate in terms of coming out with working strategies that facilitate efficient working and more productivity in less time. For smart strategies to work, it will be imperative for management and employees to conduct strategic time management session on site. Extra skilled personnel will be required for this training and in order to address the productivity concerns more highly skilled personnel may need to be employed on a full time basis.

10.3.3 Salary protection

Of utmost importance for the policy to be effective is that employee's salaries are protected. The policy must consider how employees who are paid by the hour will benefit and ensure their salaries are not reduced in any case. Input and discussions on the issue with the bargaining councils and trade unions will be paramount. A pilot model of reduced working hours and salary maintenance is currently running in Gothenburg, Sweden.

10.4 Monitoring and compliance

10.4.1 Incentives

Companies could be offered incentives to adopt and spread more flexible working time arrangements, which are known to improve employee morale and attitudes. This could, in turn, not only enhance individual work performance, but also improve company productivity, quality and, ultimately, the sustainability of firm performance.

It is important that the proposed incentives that the DoL will pay for compliance are safeguarded and that employees are not taken advantage of. These payments should be paid when further jobs are created and the amount should be aligned closely with production targets being met. Employers would accept a tax break in lieu of incentives.

10.4.2 Fines

Fines for non-compliance was welcomed however it was felt that the DoL would not have the capacity to monitor implementation correctly. Assistance should be sought from trade union personnel to assist with this task. A clear compliance and enforcement strategy to be written into the policy.

10.4.3 Accreditation

Accreditation should be given to companies who comply and implement the policy correctly and to the highest standards. Companies who are already complying need to be acknowledged for doing so.

10.5 Other considerations

Greater discretion or control over the timing of their work helps workers to alleviate some of the negative effects of long hours on the incidence of work-related injuries, illnesses and time stress

In order to ensure 'buy in' from all stake holders, respondents requested that the 'people factor' is kept foremost in the policy development. It was also suggested that this policy could be linked to youth, women, disability and the Employment Equity Act (EEA). Although a phased implementation was thought to be favourable others felt that single cross over date/deadline would support higher compliance.

10.6 Practical strategies

1. Strengthen the pillars of collective bargaining institutions:

- Creating awareness of the benefits of collective bargaining
- Training and skills development of personnel involved in central collective bargaining

2. Pro-active innovative interventions

- Business enterprises to be encouraged to develop policies where employees and employers collaboratively design working time arrangements. Practical mechanism of such a strategy to include the following:
 - Obtain the needs and preferences of employees through feedback forums or employee surveys
 - Craft business objectives, strategies and plans.
 - Align the employees' working time needs and preferences with business objectives, strategies and plans.
 - Examine a business's operating procedures to identify how working time arrangements can be structured to both improve business outcomes and better reflect employees' needs and preferences
 - Develop key performance indicators
 - Monitoring and evaluation.

3. Empowerment and recognition of work forums

- Allowing work forums to be formed in companies with less than 50 employees as well
- Offering protection through legislation of such work forums.

4. Education and awareness programmes

- DoL could spearhead widespread efforts to educate workers of their rights and create awareness of legislation such as the BCEA.

5. Role of ProductivitySA

- ProductivitySA could assume a key role in terms of enhancing its assistance to businesses to attain production targets.

6. It is also suggested that parties (re) visit the General Survey of the reports concerning the Hours of Work (Industry) Convention, 1919 (No. 1), and the Hours of Work (Commerce and Offices) Convention, 1930 (No. 30).

7. Areas of further research

It also recommended that more focussed research be undertaken at firm level in order to obtain insights regarding the extent to which firms are complying with collective agreements. It is important to undertake further research on inequality implications of flexible working arrangements in view of the family responsibility roles undertaken by women and the growth of women participation in paid work.

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