Companies as pioneers? A collective case study on innovative working-time reduction schemes in Austria

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Abstract

In the past, the reduction of working time has been a major means of distributing the fruits of prosperity. Without the continuous reduction in working time since the middle of the 18th century, the massive gains in productivity would have led to high unemployment (Dreze 1986). Yet working-time reduction (WTR) remains one of the most controversially discussed issues in economics. Whereas some regard WTR as a central tool to reduce unemployment, increase employees' health and well-being, or enhance gender equality, others see WTR mainly as a threat to company competitiveness.

However, the debates on WTR largely neglect the respective implementation process and the design features of a WTR, although these aspects play a crucial role regarding the actual effects of WTR (Bosch & Lehndorff 2001; Kallis et al. 2013). For example, the implications of shorter working hours crucially depend on potential wage compensations, the effects on productivity and the way working time is reorganized. These issues are closely linked to the company level, where the actual implementation eventually takes place. Depending on the respective sector, the composition of the workforce, company size or work organization, companies face different conditions when it comes to WTR. However, previous research has mostly focused on the macro level of WTR, whereas empirical research on WTR schemes on the company level are largely missing.

This study contributes to the scientific body of knowledge by investigating seven companies in Austria which have reduced their working time. Instead of specifically investigating the actual effects of the WTR schemes, this research focuses on the conditions and the respective design of WTR schemes on the company level. More specifically, we aim at identifying reasons for implementing a WTR and conditions that further supported such a change. Moreover, this analysis should unravel potential barriers and risks to WTR, largely owing to the different interests of employers and employees. Finally, we will show how these barriers and risks have been overcome, pointing out the factors that finally enabled a successful implementation of WTR. By exploring actual models of reduced working time, we hope to gain novel insights for realizing WTR on a broader scale.

For this purpose, we conducted a collective case study on seven firms that have successfully achieved to reduce their working time by applying different WTR schemes. Following a purposeful sampling strategy, the firms were chosen in order to attain a broad variation in terms of economic sectors, business stages and firm sizes. The data analyzed comprises union documents and company reports, as well as 21 problem-centered interviews with employees, works councils and company representatives

(Witzel & Reiter 2012). In order to identify common reasons, supporting conditions, barriers and risks, as well as key factors that helped to implement the new WTR schemes, we followed the approach of qualitative content analysis to ensure an empirically-grounded categorization (Mayring, 2014).

The results reveal that similar problems, such as employee dissatisfaction, health issues, low productivity, or fear of losing skilled labor, provided the impetus for reorganizing and cutting work hours. Our findings suggest several factors that enhanced the implementation of a new working-time scheme, including the desire of employees for more employee-oriented working-time flexibility and autonomy, a value change towards a better work-life-balance (especially among the young generation), and relatively high incomes. From the firm perspective, especially prospects of higher productivity, cost reductions and an increase of the employer attractiveness are identified as supporting factors. Moreover, powerful works councils, a favorable economic situation, the existence of institutional arrangements (e.g. collective agreements, public subsidies) and external consultancy (e.g. scientific evaluations, experiences from other companies) facilitate the implementation of WTR. Turning to potential barriers and risks for WTR, we find that employees might oppose WTR due to possible income losses, the risk of work intensification, or an unwillingness to change habits. For firms, fears of rising costs due to (partial) wage compensations or reorganizational processes, difficulties to find additional skilled staff, a deterioration of performance figures (i.e. sales per capita), or uncertainties concerning the legal foundation of certain working-time models might prevent them from implementing WTR. The cases also show how firms had responded to these barriers and risks. Finally, our analysis suggests that for developing and successfully implementing individual WTR solutions, democratic implementation processes, including votes, deliberation processes, and pilot projects, is an important. The fact that both employees and employers potentially benefit from new schemes of reduced working times is a prerequisite for maintaining and continuing the new model.

This comparative analysis shows that WTR can be realized based on a variety of different working-time arrangements, and that company-level solutions can be an appropriate strategy to implement WTR successfully. The models analyzed in this study thus provide interesting blueprints for WTRs. However, such individual company solutions to WTR seem to be primarily suitable for high-skilled and high-income sectors. To achieve WTR on a broader scale, additional policy instruments are necessary.

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