

# Working overtime in today's labour market

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On average, 1.5 million Canadians were unemployed between January and September 1997. Yet over the same period, almost 2 million Canadians worked about 17.6 million hours in excess of their standard or scheduled hours each week – an amount equivalent to 5% of all non-overtime hours worked. Not only have unemployment rates remained high, despite the economic recovery from the recession of the early nineties, but many people who already have jobs are underemployed.<sup>1</sup> Paradoxically, in this same labour force, a number of others feel overburdened by long hours at work.

Dual-earner couples and working single parents are particularly vulnerable to stress and fatigue when they find themselves with too few hours at the end of the day to deal with family and other household responsibilities (Frederick, 1995). But some of them need to work long hours to make ends meet. Other employees toil those extra hours – often without pay – because they believe they must, to obtain promotions, get the work done, or simply keep their jobs in an economic climate of cost-containment and downsizing. And then there are those who put in long hours because they enjoy their work.

There have been suggestions that a reduction in regular full-time hours throughout the workforce would address the problems associated with polarized work hours (that is, high concentrations of workers with too many or too few hours). Similarly, it has been proposed that the substitution of new jobs for overtime labour could reduce or even eliminate unemployment and underemployment (Rifkin, 1995).

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A recent study, however, indicates that relatively few workers would choose to work fewer hours for less pay (Drolet and Morissette, 1997a and 1997b). Furthermore, a companion article in this issue of *Perspectives* (Galarneau, 1997) concludes that the conversion of paid overtime hours into new jobs would only marginally improve the unemployment rate, because of the mismatch between the characteristics (such as skills and location) of many of the unemployed and those of paid overtimers. Finally, for many employers, hiring additional workers to handle extra tasks is more expensive than paying current employees a premium for overtime.<sup>2</sup>

This article contributes to the debate by showing how many paid or unpaid overtime hours are worked each week and by whom. It also looks at the types of jobs these people perform. Differences between paid and unpaid overtime are noted where appropriate. The profile, based on Labour Force Survey (LFS) data on paid workers (employees) aged 15 and over, covers the January-to-September 1997 period (see *Data source, notes and definitions*). Although most of the findings have been condensed into nine-month averages, a few focus on monthly variations.

## Overview

The first set of highlights illustrates the number of employees working overtime in any given week and the volume of extra labour performed. It also reveals notable differences between paid and unpaid overtime, which are explored in greater detail in subsequent sections.

- Over 1.9 million out of a total 11.4 million paid workers (17%) worked overtime in a typical week in 1997. More than half (53%)

were not paid or otherwise compensated for any of their overtime,<sup>6</sup> while 45% were paid for all extra hours. Only 47,000 (2%) reported both paid and unpaid hours worked (Table 1).

- On average, 8.8 hours of overtime were reported weekly by those who were reimbursed for all of their extra work; an even greater amount of time was contributed by those who were not compensated for any overtime (9.5 hours). Those few reporting both paid and unpaid hours worked an extra 12.7 hours weekly (Table 2).
- The majority of overtimers worked, at most, 10 extra hours weekly: 36% (692,000 employees) put in 1.1 to 5 hours, and 33% (633,000) worked 5.1 to 10 hours. Nevertheless, 15% (282,000) logged in over 15 extra hours in a typical seven-day period (Table 3).
- Overtimers with all hours paid for reported 7.5 million overtime hours each week, while their unpaid counterparts performed 9.5 million hours of work free of charge. An additional 598,000 extra hours were put in by overtimers reporting combined amounts of paid and unpaid overtime (Table 8).
- The total amount of overtime reported in the course of a week (17.6 million hours, on average) was equivalent to 4.8% of non-overtime hours actually worked by all employees (364.3 million hours), and 25% of non-overtime hours logged by overtimers alone (70.7 million hours).

In the rest of this report, paid overtime means that all extra hours worked were compensated; similarly, unpaid overtime means that none of the overtime hours were paid for by the

## Data source, notes and definitions

Data for this article were derived from a single source, the Labour Force Survey (LFS). The most recent redesign of the LFS, fully implemented in January 1997, allows for the collection of additional information on the respondent's job, including the occurrence and amount of paid and unpaid overtime, unionization, job permanency, establishment size, earnings, and whether or not the employee is paid by the hour.

The LFS questions specifically dealing with overtime read as follows:

"Last week, how many hours of paid overtime did ... work at this job?"

Last week, how many extra hours without pay did ... work at this job?"

This study focuses exclusively on paid workers, that is, employees who earn a wage or salary or are paid in some other fashion, including tips and commissions. The self-employed and unpaid family workers are excluded; among the former, hours and pay are self-determined and often fluctuate, while for the latter, all hours (both regular and overtime) are unpaid, although the worker is deemed to benefit economically from the family business.

A few paid workers were excluded from the analysis if they held more than one job at the same time (that is, were multiple jobholders) but were self-employed or unpaid family workers in their main job (the one with the most hours). In the case of multiple jobholders who were paid workers

in both their main and other job(s), the characteristics and hours of only the main job were taken into account.

Just over 8% of paid workers were absent during the entire reference week. An argument can be made for excluding these absentees from the paid worker totals used to calculate overtime rates on the grounds that some of them might also have worked overtime had they been on the job; such an exclusion would have the effect of marginally raising the overtime rates shown here.<sup>3</sup> In this study, however, absentees have been included in the calculation of rates for several reasons: some people who reported overtime may have done so only because they were replacing others who were absent; in any given week many employees will be absent, who should be taken into account if the objective is to measure the general propensity of the workforce to engage in overtime; and, finally, the removal of full-week absentees would require a complex adjustment for part-week absentees.

Given the presence of seasonal influences in the economy and the fact that this study does not cover a full calendar year, the incidence of overtime may be over- or underestimated in some industries and occupations; for example, retail trade does its best business in the Christmas season, which is outside the study period.

The stage in the business cycle reflected in a labour market study can affect results, since the demand for extra labour rises in a period of expansion and

falls in a recession. The period covered in this article is one of moderate expansion.

Finally, irregular or unexpected occurrences, such as work stoppages or natural catastrophes (floods, for example), can result in a reduction or surge in overtime in specific industries, occupations or locales.

## Definitions

**Usual hours worked:** the number of weekly hours normally paid or contracted for, excluding overtime.<sup>4</sup>

**Actual hours:** the number of hours actually worked by a respondent during the reference week, including paid and unpaid overtime and excluding time off work for any reason.

**Overtime hours:** extra hours worked during the reference week beyond standard or scheduled hours; also referred to as excess hours.

**Paid overtime:** overtime hours for which the employee was paid or otherwise compensated (for example, time off, payment in kind).

**Unpaid overtime:** overtime hours for which the employee was not paid or otherwise compensated.

**Full-time worker:** a person who works 30 or more hours a week. In the case of a multiple jobholder, only the hours of the main job (the one with the most hours) are used to determine full- or part-time status.<sup>5</sup>

employer. Those few findings based on persons reporting both paid and unpaid overtime hours are specifically identified as such.

## Men are more likely than women to work overtime

Although many women put in extra hours, men's involvement in overtime work is significantly greater (men account for almost two in three overtime hours). This disparity stems, in

part, from the types of jobs typically held by women; for example, women are more likely than men to work part time and they are found in higher-than-average concentrations in some industries and occupations. (The link between overtime work and job characteristics is examined later in this article.) In addition, women typically shoulder more family responsibilities than do men, which limits the amount of time available for overtime (Frederick, 1995).

■ In 1997, 20% of male employees reported overtime, versus 14% of their female counterparts. Not only did men predominate among overtimers, but their overtime hours also tended to be longer than those of women: 9.9 hours, on average, compared with 8.1 (Tables 1 and 2).

■ Men were significantly more likely than women to be paid for their extra hours. About half of

Table 1  
**Characteristics of employees working overtime**

	All employees	Overtime workers			
		Total	With all hours paid	With all hours unpaid	With both paid and unpaid hours
			'000		
<b>Total</b>	<b>11,414</b>	<b>1,912</b>	<b>860</b>	<b>1,005</b>	<b>47</b>
<b>Sex</b>					
Men	6,010	1,182	603	550	29
Women	5,404	730	257	455	18
<b>Age</b>					
15 to 24	1,888	181	126	51	4
25 to 54	8,640	1,611	685	884	42
25 to 34	3,114	576	271	289	16
35 to 44	3,236	608	260	332	16
45 to 54	2,289	426	154	262	9
55 and over	887	121	49	70	--
<b>Family status</b>					
All families	9,690	1,552	703	814	35
Husband-wife families	8,509	1,396	627	738	31
With children *	4,537	823	362	442	19
Some preschoolers **	1,682	308	147	154	6
No preschoolers	2,856	516	214	288	13
Without children	3,972	573	265	296	12
Lone-parent families	692	93	44	46	3
Other families †	490	63	32	30	2
Unattached individuals	1,724	360	157	191	12

Source: Labour Force Survey, January-to-September 1997 averages  
Note: The "all employees" column also includes those who worked all or part of the reference week but did not work overtime, as well as those who were absent all week.  
\* Under 25 years and living at home.  
\*\* Under 6 years.  
† For example, two siblings living together.

the 1.2 million men with overtime were remunerated, compared with one in three of the 730,000 women (Chart A).

### Unpaid overtime increases with age

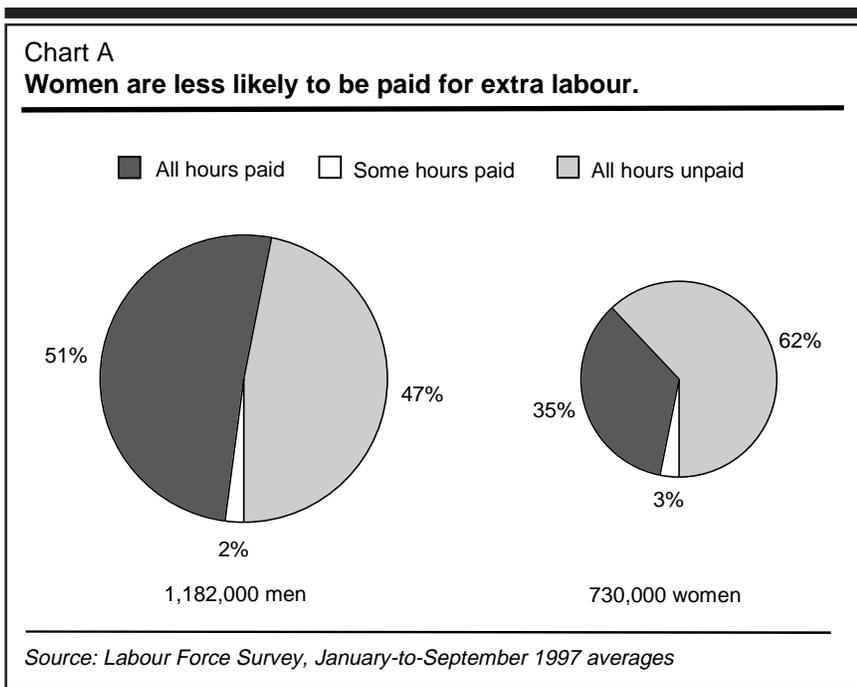
Survey results show variations by age in the prevalence and amount of overtime reported. Many employed youths are still in school and have relatively little opportunity to engage in overtime; furthermore, youths with limited job attachment (that is, in temporary or part-time positions) may be less inclined to volunteer labour. At the other end of the age spectrum, some workers may choose to work shorter

hours as they ease into retirement, while others may not be able to work extra hours because of ill health. Also, by the time workers are ready to withdraw from the labour market, costly family responsibilities have usually declined.

- The bulk of overtimers (62%) were aged 25 to 44. Both young and older workers were under-represented; for example, youths aged 15 to 24 and employees aged 55 and over combined accounted for 24% of all paid workers but only 16% of overtimers.
- Among those reporting overtime hours, 15 to 24 year-olds were,

by far, the most likely to receive pay (70% of them did). The proportion dropped sharply to 47% among 25 to 34 year-olds, and 36% among 45 to 54 year-olds. It then rose slightly among those aged 55 and over (41%).

- The average number of paid overtime hours fluctuated mildly across age groups: from 8.5 among 35 to 44 year-olds to 9.0 among those aged 25 to 34. In contrast, the amount of unpaid overtime rose with age: from 8.1 hours for youths to 10.6 hours for those aged 55 and over (Table 2).



**Table 2**  
**Average weekly overtime hours by selected employee characteristics**

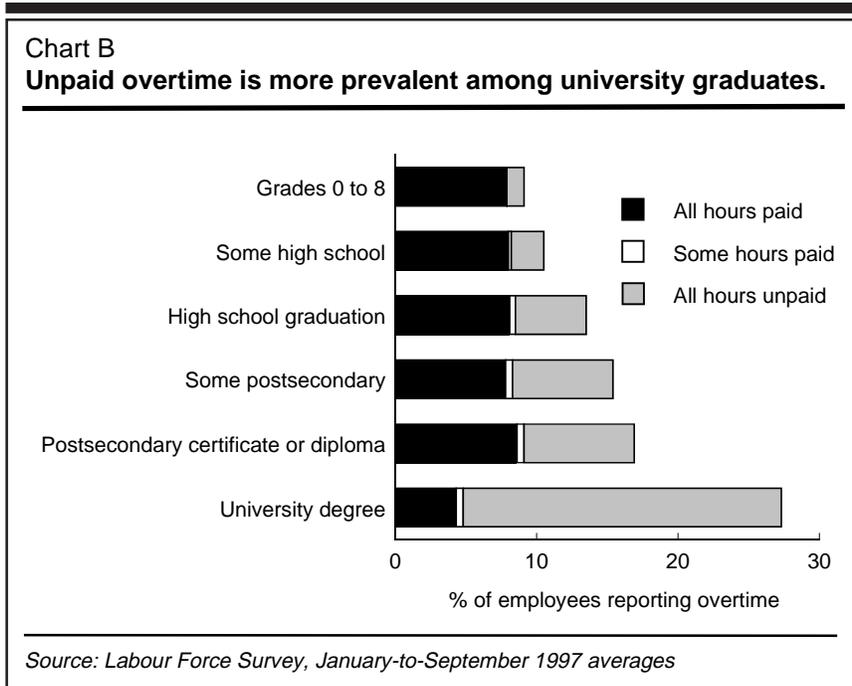
	Overtime workers			
	Total	With all hours paid	With all hours unpaid	With both paid and unpaid hours
<b>Total</b>	<b>9.2</b>	<b>8.8</b>	<b>9.5</b>	<b>12.7</b>
<b>Sex</b>				
Men	9.9	9.3	10.4	14.2
Women	8.1	7.4	8.3	10.3
<b>Age</b>				
15 to 24	8.6	8.8	8.1	11.0
25 to 54	9.2	8.7	9.5	12.8
25 to 34	9.2	9.0	9.2	12.4
35 to 44	9.1	8.5	9.4	13.9
45 to 54	9.4	8.6	9.9	11.4
55 and over	9.9	8.8	10.6	--
<b>Family status</b>				
All families	9.2	8.7	9.5	12.7
Husband-wife families	9.3	8.8	9.6	12.9
With children *	9.4	8.8	9.7	13.3
Some preschoolers **	9.5	9.1	9.7	13.0
No preschoolers	9.3	8.7	9.7	13.4
Without children	9.3	8.8	9.6	12.3
Lone-parent families	8.1	7.9	8.2	10.7
Other families †	9.0	8.5	9.4	12.7
Unattached individuals	9.1	8.8	9.2	12.7

Source: Labour Force Survey, January-to-September 1997 averages  
 \* Under 25 years and living at home.  
 \*\* Under 6 years.  
 † For example, two siblings living together.

**Overtimers<sup>7</sup> are less likely to be from lone-parent families**

There is a supply side (employee-driven) as well as a demand side (employer-driven) to overtime. When overtime is required to meet a deadline or a surge in demand for goods or services, the request for extra hours is generally initiated by the employer, particularly in the case of paid overtime. In contrast, the willingness of an employee to work overtime is, to a large degree, affected by personal and family circumstances, such as time availability (particularly for lone parents) and the worker's economic situation. The following observations show how the prevalence of overtime differs by family composition.

- In 1997, almost three-quarters of those who worked overtime lived in husband-wife families (with or without children), reflecting their proportion in the pool of all paid workers. Overtimers in these families tended to report slightly longer hours than those found in other family groupings, including unattached individuals.
- Nearly one in five employees living in husband-wife families with preschoolers worked extra hours. Paid overtimers in these families toiled an average 9.1 overtime hours weekly, while their unpaid counterparts volunteered 9.7.
- Unattached individuals were more likely to report overtime than workers living in families (21% versus 16%). Although the unattached include never-married singles, who exhibit relatively low overtime rates, this group also includes widowed, separated or divorced individuals who are not living with other family members.
- Only 13% of workers from lone-parent families worked overtime and those who did worked fewer hours (either 7.9 paid or 8.2 unpaid hours, on average) than their counterparts in other family situations.



**University graduates are seldom paid for extra labour**

A strong relationship exists between an employee's educational attainment and his or her opportunity or inclination to work overtime, perhaps because education is, in turn, closely associated with occupation. Furthermore, among overtimers, sharp

distinctions based on the education-job connection exist between paid and unpaid overtime. This section examines the issue of overtime in terms of education only.

- The propensity to work overtime rises with an employee's educational attainment. For example, 9% of workers with a primary school

education reported overtime hours, while 13% of those with a high school diploma did so (Chart B). Over one in four paid workers with a university degree reported extra hours, a significantly greater proportion than those with a postsecondary certificate or diploma (27% versus 17%).

- The positive relationship between educational attainment and overtime was traced to unpaid labour. Indeed, unpaid overtime rates ranged from 1% of paid workers with a primary school education to 22% of those with university credentials.
- The average weekly number of overtime hours worked was greatest among university graduates (10.4), followed by overtimers with a primary school education (9.2).
- Overtime workers with less formal education were almost always paid for their excess hours: for example, 86% of overtimers with primary school received pay for all hours, compared with half of those with a postsecondary certificate or diploma. In contrast, university degree holders were rarely paid for overtime labour (only 16% were paid for all extra hours).

**Table 3**  
**Distribution of overtime workers by extra weekly hours worked**

Extra weekly hours worked	Overtime workers			
	Total	With all hours paid	With all hours unpaid	With both paid and unpaid hours
<b>Total</b>	<b>1,912</b>	<b>860</b>	<b>1,005</b>	<b>47</b>
0.1 to 1	86	46	40	--
1.1 to 5	692	315	369	9
5.1 to 10	633	292	325	16
10.1 to 15	219	89	121	9
15.1 to 20	166	67	93	6
20.1 to 25	44	20	22	3
25.1 to 30	36	16	18	2
Over 30	36	16	17	2

Source: Labour Force Survey, January-to-September 1997 averages

**Teaching leads overtime-prone occupations**

Although overtimers are found in all fields of work, they tend to be concentrated in management and certain professions – jobs often requiring higher educational credentials. In other occupations, overtimers are relatively few in number, but they account for a high proportion of employment. Employees most likely to put in overtime are often among the least likely to receive payment for their efforts, however, unless they happen to be employed in a blue-collar occupation.

- Half of all persons reporting overtime were in professional (25%) or managerial and administrative (24%) occupations. An additional 15% worked in processing, machining or product fabricating, and 11% were in clerical jobs (Table 4).
  - Of all occupations examined, teaching was the most likely to entail extra hours (over 28% of teachers worked overtime between January and September 1997); furthermore, these hours were rarely paid for (95% of teachers were not paid for any overtime).
  - A high proportion of managers and administrators also worked excess hours (28% of paid workers), followed by professionals in the natural sciences, engineering and mathematics (27%). The vast majority (84%) of managers and administrators were not paid for any of their overtime, nor were most professionals (73%).
  - The prevalence of overtime was also well above average in the following occupations: mining (23% of employees worked overtime), machining (23%), religion (21%), and social sciences<sup>8</sup> (20%).
- Overtime was usually financially rewarded in the first two occupational groups (in 86% and 94% of cases, respectively); in contrast, overtimers in religious and social science occupations habitually worked excess hours free of charge (93% and 79%).
- Workers in service occupations,<sup>9</sup> farming, clerical jobs or vocations related to medicine and health (excluding psychologists and social workers, who are classified elsewhere) were the least likely to work overtime.

Table 4  
Average weekly overtime hours by occupation

	All employees	All overtimers		All hours paid		All hours unpaid		Both paid and unpaid	
		Number	Average hours	Number	Average hours	Number	Average hours	Number	Average hours
	'000	'000		'000		'000		'000	
<b>All occupations</b>	<b>11,414</b>	<b>1,912</b>	<b>9.2</b>	<b>860</b>	<b>8.8</b>	<b>1,005</b>	<b>9.5</b>	<b>47</b>	<b>12.7</b>
Managerial and administrative	1,657	459	10.1	65	8.6	384	10.2	9	13.1
Professional	2,268	478	9.8	115	8.8	349	10.1	14	12.3
Natural sciences, engineering and mathematics	510	137	9.2	50	9.3	80	8.7	6	13.9
Social sciences	253	51	8.4	9	7.9	40	8.3	2	12.7
Religion	39	8	14.4	--	--	8	14.5	--	--
Teaching	618	175	11.7	7	12.6	167	11.7	2	12.3
Medicine and health	653	77	7.4	38	7.8	36	6.8	3	9.3
Artistic, literary and recreational	195	29	9.3	11	7.9	17	10.0	--	--
Clerical	1,839	201	6.6	109	7.1	86	5.7	7	9.9
Sales	981	122	8.2	42	7.7	77	8.4	3	10.6
Service	1,503	122	8.4	77	8.0	40	8.1	5	15.5
Primary occupations *	252	31	12.8	24	13.1	7	11.4	--	--
Farming	147	13	10.1	8	10.1	4	9.8	--	--
Forestry and logging	39	5	11.0	4	10.9	--	--	--	--
Mining	55	13	15.8	11	16.1	2	13.3	--	--
Processing, machining and product fabricating	1,565	283	8.9	247	8.9	32	7.9	5	13.6
Processing	339	52	8.6	44	8.6	7	8.3	--	--
Machining	218	50	9.8	47	9.8	3	8.6	--	--
Product fabricating	1,008	180	8.7	155	8.7	22	7.7	3	13.9
Construction	467	77	10.6	66	10.7	9	9.3	2	14.8
Transport equipment operating	417	67	9.8	54	9.3	11	10.8	2	16.7
Material handling and other crafts	465	73	8.4	62	8.5	9	7.4	2	9.3
Material handling	319	46	8.2	42	8.3	3	7.0	--	--
Other crafts **	146	26	8.8	19	9.1	6	7.7	--	--

Source: Labour Force Survey, January-to-September 1997 averages

Note: The "all employees" column also includes those who worked all or part of the reference week but did not work overtime, as well as those who were absent all week.

\* Also includes fishing and trapping.

\*\* Printing and equipment operating (not classified elsewhere).

- Overtimers in machining occupations were the most likely to receive pay for extra hours (47,000 workers, accounting for 94% of this occupation's overtimers), followed by material handling (42,000 or 92%), construction (66,000 or 86%), product fabricating (155,000 or 86%), mining (11,000 or 86%) and processing (44,000 or 85%).
- Paid overtime hours were longest in the mining occupations (16.1 hours weekly, on average), followed by teaching (12.6 hours), forestry and logging (10.9), construction (10.7) and farming (10.1).
- Unpaid hours reached their maximum in religious occupations, where overtimers averaged 14.5 hours each week without pay. Unpaid overtimers in mining occupations volunteered an extra 13.3 hours weekly, closely followed by teaching staff (11.7 hours) and transport equipment operating workers (10.8 hours).
- Within the CBPS industry grouping, educational services accounted for over one in three employees reporting overtime. An additional 40% worked in business services or hospitals and related services<sup>10</sup> (Table 5). Overtime in business services was concentrated in architectural, engineering and other scientific and technical services, computer services, accounting and bookkeeping services, and offices of lawyers and notaries.
- Within manufacturing, one in five overtimers was found in the transportation equipment industries (mainly motor vehicles, motor vehicle parts and accessories, and aircraft and aircraft parts). Over one in five manufacturing overtimers laboured in one of the following industries: communication and other electronic equipment; other machinery and equipment (for example, construction, mining and sawmill machinery); commercial printing; pulp and paper; primary steel; and sawmill, planing mill and shingle mill products.<sup>11</sup>

### Most work in services or manufacturing industries

Given that 55% of all paid workers (6.3 million) were employed in either the community, business and personal service industries (CBPS) or in manufacturing, it is not surprising that 57% of overtimers (1.1 million) were also found in these industries. The CBPS industries cover a wide scope of activities, ranging from the food and beverage service industries – characterized by low-paying, part-time jobs with limited benefits – to educational and business services, which employ many well-paid professionals. When evaluating employment data by industry, it is important to remember that certain occupations are found in all industries, albeit in different proportions. For example, the motor vehicle manufacturing industry engages accountants, lawyers, cleaners and cafeteria staff, as well as auto assemblers, test drivers and engineers.

- Apart from exploring which industries account for most overtimers, it is useful to examine the prevalence of overtime within industries. Educational services were overrepresented among employees working overtime: this industry accounted for 12% of overtimers in all industries but only 8% of paid workers. Indeed, in 1997, one in four employees in educational services reported overtime; for most of them, this work was unpaid (out of 225,000 working overtime, 207,000 were unpaid).<sup>12</sup>
- The incidence of overtime was also high (about one in four employees) in the communication industries<sup>13</sup> (mostly unpaid); consumer durables manufacturing (mostly paid); and mining (mostly paid). Over one in five employees in business services, the fed-

eral government, and wholesale trade also worked extra hours (mostly unpaid).

- Within consumer durables, overtime rates were particularly high in motor vehicle manufacturing (33% of employees); ready-mix concrete (32%); hardware, tool and cutlery manufacturing (32%); aircraft and aircraft parts (31%); office furniture (30%); and motor vehicle parts and accessories (27%).
- In some industries, a scarcity of overtime pay may be associated with a low rate of unionization: only 8% of employees in business services and 11% of paid workers in wholesale trade were unionized or covered by a collective agreement – rates well below the all-industry average of 34%. In other industries, however, the lack of overtime pay may be due, in part, to the fact that many of the jobs are held by professionals and managers who are expected to put in extra hours without compensation. For example, 73% of federal government employees and 47% of paid workers in the communication industries were unionized or covered by an agreement, yet overtime was usually unpaid.
- Paid overtime hours were highest in mining, at 14.5 extra hours weekly, followed by construction (11.0 extra hours), logging and forestry (10.8), agriculture (10.3) and the federal government (10.1).
- Overtimers employed in religious organizations worked the greatest number of unpaid hours (12.9 per week), followed by those in educational services (11.3 hours).

### Being an hourly rated employee makes a difference

In 1997, 61% of all paid workers (6.9 million employees, on average) were hourly rated (that is, paid by the hour).

Table 5  
Average weekly overtime hours by industry

	All employees	All overtimers		All hours paid		All hours unpaid		Both paid and unpaid	
		Number	Average hours	Number	Average hours	Number	Average hours	Number	Average hours
	'000	'000		'000		'000		'000	
<b>All industries</b>	<b>11,414</b>	<b>1,912</b>	<b>9.2</b>	<b>860</b>	<b>8.8</b>	<b>1,005</b>	<b>9.5</b>	<b>47</b>	<b>12.7</b>
Goods-producing	3,003	589	9.6	395	9.5	182	9.5	11	13.4
Agriculture	125	12	10.3	7	10.3	4	10.5	--	--
Other primary industries *	237	49	12.6	31	13.8	17	10.1	--	--
Logging and forestry	61	10	10.5	6	10.8	3	9.3	--	--
Mining	162	38	13.0	25	14.5	13	9.9	--	--
Manufacturing	2,043	427	9.0	290	8.7	130	9.5	7	13.2
Durables **	1,044	249	9.2	183	8.9	61	9.8	5	13.8
Transportation equipment	292	82	9.7	68	9.4	13	10.9	2	13.4
Non-durables ***	999	179	8.7	107	8.3	69	9.2	3	12.1
Construction	464	73	10.7	53	11.0	19	9.7	--	--
Other utilities	135	27	9.4	13	9.6	12	8.8	--	--
Service-producing	8,411	1,323	9.1	465	8.1	823	9.5	36	12.5
Transportation and communication	767	141	9.2	77	8.7	59	9.5	4	12.9
Transportation and storage	476	76	9.8	49	9.7	25	9.6	3	14.1
Communication	183	47	8.8	17	7.8	29	9.4	--	--
Postal and courier services	108	17	7.3	11	5.9	6	10.0	--	--
Trade	1,926	251	8.3	118	7.5	128	8.9	5	12.0
Wholesale	526	108	8.6	47	7.8	59	9.0	2	13.9
Retail	1,400	143	8.1	70	7.3	69	8.8	3	10.7
Finance, insurance and real estate	664	126	8.4	29	6.8	93	8.8	4	11.1
Community, business and personal services	4,253	662	9.5	191	8.3	456	9.9	15	11.8
Educational services	920	225	11.2	15	9.6	207	11.3	2	12.3
Hospitals and related services	1,031	132	7.8	50	8.2	77	7.4	5	10.1
Offices of health practitioners	167	18	6.1	7	6.9	10	5.5	--	--
Religious organizations	76	12	12.3	2	9.4	10	12.9	--	--
Amusement and recreation	181	21	9.5	10	8.6	10	10.1	--	--
Business services	646	135	9.6	46	9.0	85	9.7	4	12.7
Personal services †	942	77	7.9	42	7.1	32	8.6	2	12.9
Miscellaneous services ††	290	43	9.1	19	8.5	23	9.4	--	--
Public administration †††	801	144	8.9	50	9.0	87	8.3	7	14.5
Federal government	273	57	9.5	17	10.1	36	8.6	4	15.1
Provincial government	243	42	8.7	11	8.4	29	8.5	2	13.6
Local government	283	45	8.3	22	8.5	21	7.6	2	14.1

Source: Labour Force Survey, January-to-September 1997 averages

Note: The "all employees" column also includes those who worked all or part of the reference week but did not work overtime, as well as those who were absent all week.

\* Also includes fishing and hunting.

\*\* Wood and furniture industries, primary metal industries, fabricated metal products, machinery, transportation equipment, electrical and electronic products, and non-metallic mineral products.

\*\*\* Food and beverage manufacturing, rubber and plastic products, textiles, paper, printing and publishing, and petroleum and chemical products.

† Accommodation, food and beverage services, and personal and household services.

†† Membership organizations (excluding religious organizations) and other industries, such as leasing services, and photographic and travel services.

††† Also includes diplomatic service and international organizations.

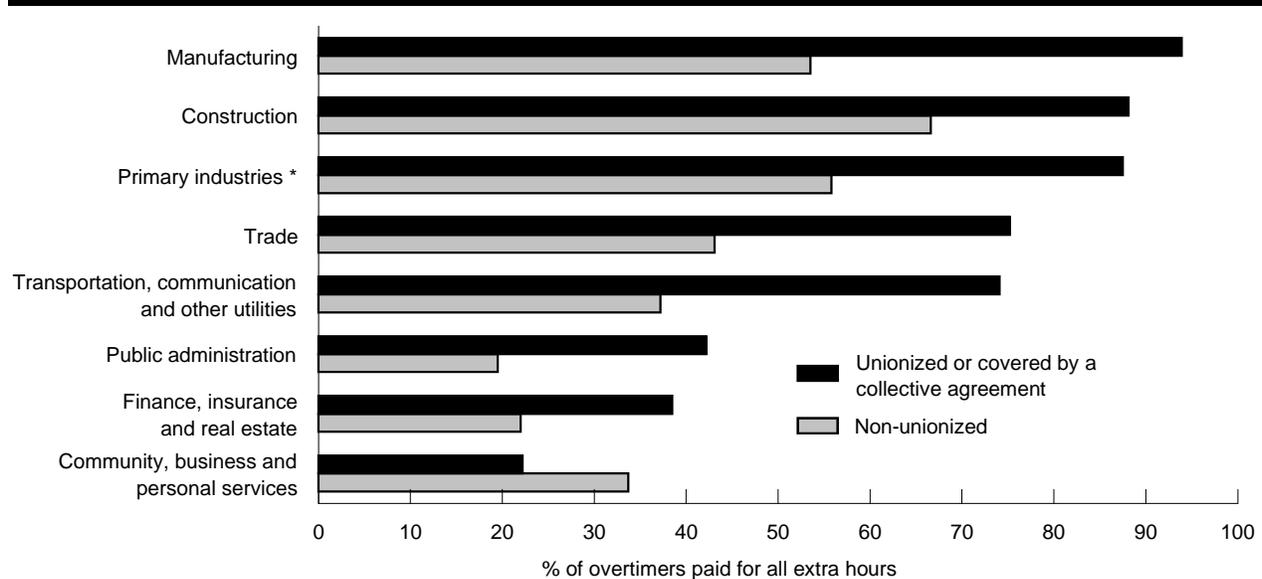
Among overtimers, however, only 47% were hourly rated; but this global observation hides very different patterns, which are observed when

overtime is broken down into its paid and unpaid components.

■ The vast majority (81%) of the 860,000 workers reporting paid

overtime were hourly rated employees. In marked contrast, only 19% of 1.0 million unpaid overtimers were paid by the hour.

Chart C

**Unionized workers are much more apt to be paid for extra hours.**

Source: Labour Force Survey, January-to-September 1997 averages

\* Agriculture, logging, forestry, fishing, hunting and mining.

- Half of hourly rated employees reporting paid overtime were found among the following occupational groups: product fabricating (20%), clerical (12%), service (10%) and construction (9%).
- Non-hourly rated employees with unpaid overtime were concentrated in management or administrative occupations (43%) and teaching (19%).
- Three-quarters of hourly rated employees with paid overtime were working in one of the following industries: manufacturing (such as transportation equipment, food, fabricated metal products, and wood industries), wholesale or retail trade, construction, hospitals, personal services, or transportation and storage.
- Non-hourly rated unpaid overtime workers were more highly concentrated in the service-

producing industries. Almost two in three were in educational services; wholesale or retail trade; finance, insurance or real estate; business services; or public administration.

### Other job characteristics also come into play

In addition to occupation and industry, overtime activity is affected by a number of other interrelated job characteristics, such as full- or part-time status, unionization, job permanency, establishment size, usual hours and earnings. For example, full-time workers exhibit much higher overtime rates than part-timers, who are more likely to have irregular schedules (Siroonian, 1993), and thus more limited opportunities for overtime.

- In 1997, only 8% of part-time staff put in excess hours, compared with 19% of their full-time counterparts; nevertheless, when part-timers did work overtime, they

were more likely to be paid for it (52% received pay versus 44% of full-timers).

- Although the average usual weekly hours of part-time workers were much shorter than those of full-timers (17 hours versus 40), overtime hours were similar. When fully compensated, part-timers logged 8.7 hours of overtime and full-timers, 8.8. The corresponding estimates among those whose work was performed free of charge were 8.5 and 9.5 extra hours.
- Just under 3.9 million paid workers (34%) were unionized or covered by a collective agreement. The presence or absence of such an agreement did not appear to greatly affect the incidence of overtime work: 18% of paid workers who were unionized or covered by a collective agreement reported overtime, compared with 16% of those who were not.

- However, those who were unionized, or at least covered by an agreement, were generally more likely to be paid for overtime than their non-unionized counterparts (53% versus 41%). In some industries, this gap was considerable; for example, 94% of unionized overtimers in manufacturing and 74% of those in transportation, communication and other utilities received pay for all of their hours, compared with only 53% and 37% of non-unionized employees in these industries (Chart C).
- The community, business and personal service industries (CBPS) proved a notable exception to this pattern: only 22% of unionized overtimers were paid, in contrast to 34% of those non-unionized. This reversal was traced to the educational services component of the category, in which only 6% of unionized employees were paid for all of their overtime (this industry accounted for almost two-thirds of all unionized overtimers in CBPS).
- Other component CBPS industries followed the expected pattern: 61% of unionized employees in business services were awarded overtime pay, compared with only 32% of those non-unionized; in hospitals and related services, the corresponding proportions were 53% and 25%, and in personal services, 74% and 53%.
- Unionization did not appear to have much effect on overtime hours worked at the all-industry level. Paid overtimers logged in 8.7 extra hours weekly, on average, when they were unionized, and 8.8 when they were not; unpaid overtimers tended to put in marginally longer hours when they were unionized than when they were not (9.7 versus 9.4).

In an economic climate of downsizing and globalization, job security has become an important issue. To shed light on this topic, the redesigned LFS distinguishes between permanent and non-permanent jobs (for example, seasonal, contract, term or casual jobs). Survey results show almost 9 in 10 employees in permanent positions. They also indicate that the prevalence and extent of overtime are moderately associated with job permanency.

- Only 12% of those employed on a temporary or casual basis reported overtime, compared with 17% of those in permanent jobs. Workers in non-permanent jobs were somewhat more likely to be paid for extra hours, however (55%, versus 44%).
- When paid, employees in non-permanent jobs tended to report longer periods of overtime than staff in permanent situations (10.1 hours weekly, on average, compared with 8.6). On the other hand, when all hours went unpaid, employees in permanent

jobs were likely to put in slightly more time (9.5 hours versus 9.1).

Numerous studies have shown establishment size (that is, the number of employees at the location of employment) to be closely associated with other job characteristics, including pay, benefits, job security and training opportunities (Crompton, 1992; Morissette, 1991). LFS data also show a positive relationship between overtime rates and establishment size.

- For example, in 1997, 13% of employees working at sites with fewer than 20 workers reported overtime. In comparison, 21% of those employed in establishments with over 500 employees made this claim (Chart D).
- Overtime pay was only loosely linked with establishment size, however: 43% of overtimers in establishments housing up to 99 workers were paid for extra hours, compared with 48% of those in establishments with 100 or more staff.

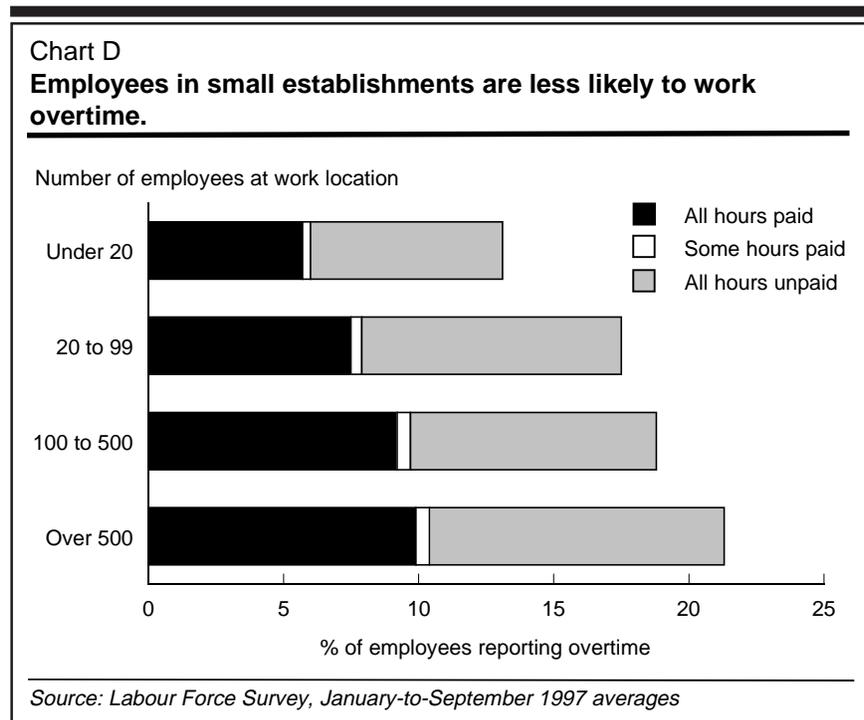




Table 7  
**Distribution of employees by overtime status and census metropolitan area (CMA)**

	All employees	Overtime workers			Non overtime workers **	Absent all week
		Total *	With all hours paid	With all hours unpaid		
	'000			%		
<b>Canada</b>	<b>11,414</b>	<b>17</b>	<b>8</b>	<b>9</b>	<b>75</b>	<b>8</b>
All CMAs	7,643	17	7	10	74	8
St. John's	70	17	6	10	74	9
Halifax	147	19	6	12	74	8
Saint John	49	19	7	11	73	8
Chicoutimi-Jonquière	57	10	6	4	78	12
Québec	270	14	7	7	75	11
Trois-Rivières	54	11	7	4	77	12
Sherbrooke	57	12	8	4	78	10
Montréal	1,360	15	7	8	76	10
Ottawa-Hull	451	22	6	15	70	9
Sudbury	67	13	7	5	77	10
Oshawa	119	19	10	9	72	9
Toronto	1,868	16	6	10	77	7
Hamilton	264	20	8	11	72	9
St. Catharines-Niagara	140	15	10	5	76	9
London	174	17	8	9	74	9
Windsor	120	21	15	6	70	9
Kitchener-Waterloo	177	22	12	10	70	8
Thunder Bay	54	16	8	8	75	9
Winnipeg	305	20	8	11	71	8
Regina	88	16	7	9	76	8
Saskatoon	93	22	9	12	71	8
Calgary	376	22	9	13	70	8
Edmonton	398	21	9	11	71	8
Vancouver	763	17	6	10	74	9
Victoria	123	20	6	14	71	9
Non-CMAs †	3,771	16	8	7	76	9

Source: Labour Force Survey, January-to-September 1997 averages

\* Includes overtime workers reporting both paid and unpaid hours.

\*\* Employees who worked all or part of the reference week but did not report any overtime.

† Includes smaller urban centres and rural areas.

furthermore, they were significantly higher among those whose extra hours went unpaid: \$840 versus \$530 for non-overtime workers (Table 6). This disparity likely reflects the fact that unpaid overtime is more common among full-time workers and employees in managerial, administrative and professional occupations, which are associated with higher pay.

### Multiple jobholders also work overtime<sup>14</sup>

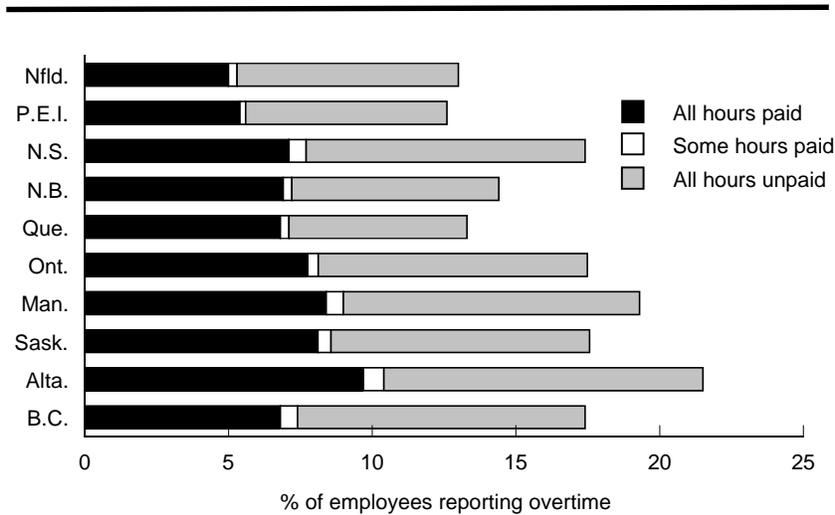
One in 20 paid workers covered in this report was a multiple jobholder in

1997, that is, a person holding more than one job at the same time. About two-thirds of all multiple jobholders were employed full time in their main job. Given the added burdens imposed by multiple jobs, was the typical multiple jobholder able to devote any time to overtime in his or her primary job?

- The concentration of multiple jobholders among overtimers was similar to that among paid workers in general. Out of 1.9 million employees reporting overtime in 1997, 91,000 (4.8%) were multiple jobholders.

- Single jobholders were not significantly more likely to work overtime than multiple jobholders: 17% of the former reported overtime, compared with 16% of the latter.
- Among those who did work extra hours, single jobholders were somewhat more apt to be remunerated than their multiple jobholding counterparts (45% versus 40%).
- Overtimers with only one job tended to work longer usual hours (38.0, on average) than did

**Chart E**  
**Overtime is somewhat more prevalent in the western provinces.**



Source: Labour Force Survey, January-to-September 1997 averages

multiple jobholders in their main job (34.7). Single jobholders also put in more extra time at work, whether it was paid for (8.8 hours versus 8.5) or volunteered (9.5 and 8.0 hours, respectively).

- Overtimers with only one job tended to be better paid than those working at two or more jobs (\$739 weekly, compared with \$635 in a typical multiple jobholder's main job).

**Overtime is somewhat more prevalent in western Canada**

Although overtime rates vary by province, they tend to be highest west of Ontario. Rates in census metropolitan areas<sup>15</sup> (CMAs) deviate to an even greater extent. These disparities may, to some degree, reflect different concentrations of industrial activity. Most of the observations in this section focus on CMAs, since together they accounted for almost 7 in 10 overtime hours in 1997 (12.2 million hours).

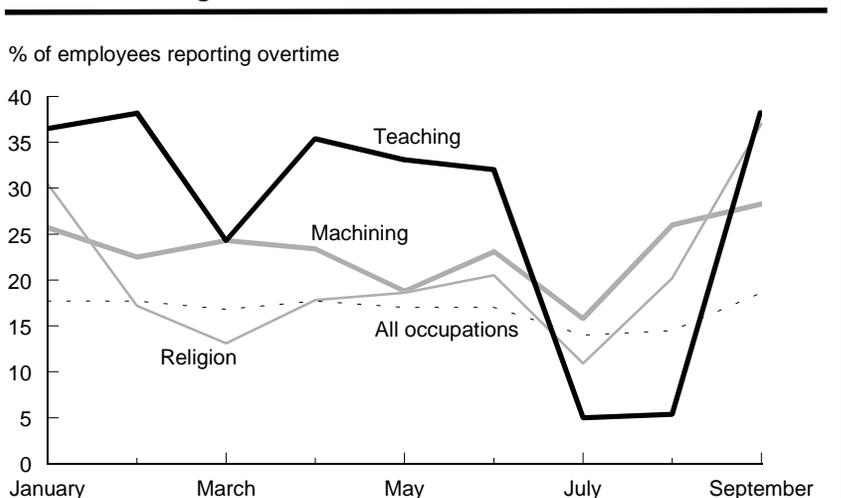
- Overtime rates ranged from a low of 13% in Prince Edward Island

to a high of 21% in Alberta (Chart E). Although the proportion of employees reporting overtime was below the national average in all of the Atlantic provinces except Nova Scotia, many people

in this region are self-employed in primary occupations and work long hours.<sup>16</sup>

- Next to residents of Prince Edward Island, Newfoundlanders and Quebecers were the least likely to put in overtime. A closer look by CMA reveals low overtime rates in Chicoutimi-Jonquière, Trois-Rivières and Sherbrooke (Table 7). Nevertheless, overtimers in Quebec were the most likely to receive pay for their extra hours: 51% did compared with only 39% of overtimers in Newfoundland.
- Relatively high proportions of overtimers were found in Calgary, as well as in Kitchener-Waterloo, Ottawa-Hull,<sup>17</sup> Saskatoon, Edmonton, Windsor, Victoria, Winnipeg and Hamilton (where 20% to 22% of employees worked overtime).
- Paid overtime hours were longest in Windsor (10.1 hours weekly, on average), Edmonton (10.0) and Halifax (9.7), and shortest in Victoria (6.3) and Vancouver (7.1).

**Chart F**  
**The March and summer breaks account for the steep dips in overtime among teachers.**



Source: Labour Force Survey, January-to-September 1997

Table 8  
**Monthly counts of overtime workers and their aggregate weekly overtime hours**

	Overtime workers				Overtime rate *
	Total	With all hours paid	With all hours unpaid	With both paid and unpaid hours	
			'000		%
<b>Overtime workers</b>					
January	1,938	788	1,099	50	17.7
February	1,946	822	1,080	44	17.7
March	1,857	834	975	48	16.8
April	1,965	824	1,098	44	17.7
May	1,952	862	1,045	46	17.0
June	2,003	912	1,046	46	17.0
July	1,661	828	783	50	14.0
August	1,718	909	768	42	14.5
September	2,166	963	1,148	55	18.6
January-to-September average	1,912	860	1,005	47	16.7
<b>Overtime hours</b>					
January	17,343	6,494	10,256	593	...
February	17,677	6,824	10,262	591	...
March	17,286	7,501	9,167	618	...
April	18,254	6,841	10,834	579	...
May	18,144	7,684	9,914	546	...
June	18,797	8,039	10,155	602	...
July	14,954	7,451	6,877	626	...
August	15,821	8,226	7,024	571	...
September	20,478	8,700	11,121	657	...
January-to-September average	17,639	7,529	9,512	598	...

Source: Labour Force Survey, January-to-September 1997

\* The proportion of paid workers reporting paid or unpaid overtime.

- In contrast, as many as 12.4 hours of unpaid overtime were worked weekly, on average, by overtimers in St. John's, 10.8 by those living in Hamilton and Sudbury, and 10.5 by those in London. Overtimers from Chicoutimi-Jonquière and Victoria put in less free time (7.9 and 8.2 hours, respectively).

### Monthly fluctuations are evident in some sectors

Some industries, such as agriculture, construction and educational services, are highly seasonal, while others operate on an even keel year-round.

Also, certain times are favoured for vacations, including the summer months and March break. Given that the demand by employers for paid overtime is likely governed by factors other than the supply by employees of unpaid overtime, to what extent do LFS data on overtime appear to exhibit seasonal or other fluctuations?

- The number of workers reporting overtime in 1997 ranged from a low of 1.7 million in July to a high of 2.2 million in September (the most recent figure available at the time of the study). Similarly, overtime work reached its low point in July, at just under 15 million

hours, and peaked two months later, at over 20 million hours (Table 8).

- At an all-industry level, the monthly overtime rate was stable between January and June, ranging from 16.8% to 17.7%. It dropped several points in July and August, then rebounded to 18.6% in September.
- The number of unpaid overtimers (as well as their combined overtime hours) exhibited more volatility than that of their paid counterparts. Nevertheless, the general tendency over the nine months studied was for the total amount of paid and, to a lesser extent, unpaid overtime to rise slowly.
- Occupational data showed a sharp dip in the March and summer overtime rates of teaching staff, reflecting annual school breaks. In addition, monthly fluctuations were observed in religious and machining occupations (Chart F), forestry and logging, and the social sciences.
- Overtime rates also vacillated noticeably in certain industries. The prevalence of overtime in educational services dipped sharply in March, July and August. Other industries affected by seasonal or other influences were religious organizations, other utilities, and local government.
- The total number of paid overtime hours rose from 6.5 million in January 1997 to 8.7 million in September (Table 8), while unpaid overtime fluctuated between 6.9 million hours (July) and 11.1 million (September).

### Summary

Almost 2 million employees work about 17.6 million hours of overtime each week. Over half of all overtime hours are provided free of charge. Men are more likely than women to

put in added hours, and the bulk of overtimers are 25-to-44 year-olds. Nevertheless, the most important personal characteristic associated with overtime work appears to be educational attainment. Indeed, over one in four employed university graduates logs extra labour each week – most of it unpaid.

Occupation (which, in turn, is closely linked to educational attainment) is also strongly associated with overtime; furthermore, it frequently determines whether overtime is compensated. Although extra hours are found in every occupation (and industry), they are more numerous or prevalent in some sectors than others (in management and teaching occupations, for example). The prevalence of overtime is also sensitive to seasonal factors, specific calendar year events and other occurrences (for example, work stoppages). Other job characteristics affecting the likelihood of putting in extra hours (or being paid for them) include unionization, establishment size, job permanency and earnings.

The analysis in this article offers a simple overview of a complex topic. Multivariate data analysis is recommended for dealing with the intricate interrelationships among the many variables examined, as well as those not covered by this study (such as unemployment rates and fringe benefits). Furthermore, despite being a rich data source, the Labour Force Survey itself cannot provide all the information necessary for a complete analysis on this topic (for example, the reasons for working overtime). Nevertheless, the highlights presented here provide a useful starting point for more sophisticated analyses. □

## ■ Notes

1 There are many ways to define and measure underemployment. For example, the Labour Force Survey considers part-time workers who have recently and unsuccessfully sought full-time employ-

ment to be underemployed. Based on this definition, an average 248,000 part-time employees (accounting for 12% of all part-timers) were underemployed in 1997.

2 For each employee, employers must pay payroll taxes; these include Employment Insurance premiums, Canada or Quebec Pension Plan contributions, Workers' Compensation premiums and, in some provinces, health and postsecondary education taxes (Lin, Picot and Beach, 1996). Many employers also incur added costs related to fringe benefits and overhead (for example, training and office furniture).

3 In an earlier study (Statistics Canada, 1997), employees absent throughout the LFS reference week were excluded from the population of paid workers on which overtime rates were based. Furthermore, paid workers reporting paid as well as unpaid overtime were included in both paid and unpaid overtime rates; as a result, the sum of the rates in the earlier study exceeds the percentage of employees performing any kind of overtime by the proportion reporting both types of overtime.

4 Prior to January 1997, usual hours derived from the LFS referred to the number of hours usually worked in a typical week, including paid and unpaid overtime.

5 Prior to January 1997, the combined hours worked at all jobs were taken into account.

6 Compensation can be awarded in many ways, including time off. In this article, all forms of compensation are included in the notion of paid (or unpaid) overtime.

7 This section is based on the family status of the paid worker reporting overtime. The categories examined are the following: husband-wife families (with and without children), lone-parent families, other families, and unattached individuals. The overtimer may or may not be a family head (for example, the overtimer could be a teenager living in a family headed by an unemployed single parent).

8 This category consists of economists, sociologists, psychologists, social workers, judges, lawyers, librarians, and related occupations.

9 These occupations include protective services, food and beverage preparation, lodging and other accommodation, personal services, apparel and furnishings (for example, laundering), and other services (for example, janitors and labourers).

10 Related services include nursing homes, homes for persons with mental or physical disabilities, sheltered workshops, crisis intervention and other services.

11 All of these – except for commercial printing and pulp and paper – are durable goods industries.

12 Although not all employees in educational services are teachers – and not all teachers are employed in educational services – this industry accounts for most teaching professionals.

13 These industries include radio and television broadcasting, cable television and telecommunication carriers (such as telephone services).

14 This section deals only with multiple jobholders who were paid workers in their main job (see *Data source, notes and definitions*).

15 A census metropolitan area is an urbanized core with a total population of at least 100,000, together with its main labour market area (determined by commuting patterns).

16 The self-employed are excluded from this report (see *Data source, notes and definitions*).

17 In the Ontario portion of this CMA, 24% of paid workers reported overtime; of these, almost three-quarters were not paid for their extra time. Many people who live in this area are professionals employed by the federal government, local universities and colleges, and high-tech industries.

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