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## **Reduction in working time with no loss of pay: an update**

*by Professor Phil Taylor*

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## Introduction and context

This briefing is the summary outcome of a two-stage study by Professor Phil Taylor (University of Strathclyde), for the Alex Ferry Foundation (AFF) and the Confederation of Shipbuilding and Engineering Unions (CSEU). Its central objective is to (re-)establish the case, long-overdue, for shorter working time in the broadly defined sector, comprising shipbuilding, engineering, aviation and automotive industries. Ian Waddell, CSEU's General Secretary, makes the telling point that it is more than 30 years since the *Drive for 35* captured workers' imagination and led immediately to, or phased in, a new norm for many of 37 hours.

Evidence has accumulated of the benefits of shorter working time, for health (mental and physical), better work-life balance (WLB), and raised productivity due to more committed, less-fatigued workforces. Much discussion<sup>1</sup> and many policy initiatives have centred on the four-Day Week, with schemes and pilots in several countries, including Belgium, Germany, Iceland and Spain. The world's largest trial, of 61 UK companies<sup>2</sup>, has delivered positive outcomes – lower stress, burnout and turnover, improved WLB and increased revenues.

Despite its compelling case, this study does not focus exclusively on a shorter working week for several reasons. Companies' shift patterns may include four-day working, so the seemingly clear-cut objective might not apply. Further, it might mean condensed hours and no cut in working time, thus exacerbating intensity and fatigue. One study found that 80 per cent did not favour a four-day week if it meant earning less<sup>3</sup>. While advocates of a four-day week may argue that 'one size does not fit all' and develop, alongside the classic 'Friday off', 'staggered', 'decentralised' or 'annualised' models, this study centres on **reduction in working time** with no loss of pay, that delivers health, well-being and WLB benefits, while improving productivity. Realising shorter working time and its distribution in the sector is inevitably the outcome of collective bargaining between employers and unions at company/site levels in all its detail, as this study explores.

This timely, even urgent, study was conducted in two stages. **Stage 1** developed a finely grained understanding of workers' experiences, perceptions and aspirations, not just on working time *per se*, but also its distribution and the implications for health, safety, well-being, WLB and productivity. The worker-centred report<sup>4</sup> is an essential evidence base for informing a renewed CSEU campaign and for unions in specific companies and plants. An on-line survey was path-breaking in scope of questions and breadth of engagement - 2,390 responses<sup>5</sup>. Conducted in 2021-22, the Covid-19 context mattered. The pandemic was a transformative episode in peoples' lives that prompted many to re-evaluate their WLB, concluding that less time should be spent at work. The report's rich survey data and extensive worker testimony deserve close attention.

Findings endorsed the case for shorter working time: 93 per cent favoured reduced working time with no loss of pay, 73 per cent extended weekends and 56 per cent fewer shifts, indicating a desire to spend more time with their family or for caring responsibilities. The three most important reasons given were better WLB (97 per cent), improved mental health (93 per cent) and physical health (90 per cent). Significantly for the economic case, almost 80 per cent believed that being 'more efficient at work' was important. Encouragement for the CSEU is evidenced by 73.4 per cent declaring strong support, and 20.4 per cent support for a campaign.

**Stage 2** involved 13 semi-structured interviews with plant/site convenors, senior stewards or reps (May-August 2024), nine face-to-face and four by Zoom/Teams, each recorded and transcribed for accuracy and data analytical purposes. Some had one respondent, while others involved several union officers, giving a total of 28 respondents. Questions centred on current arrangements for working time and hours, their distribution and how they had changed over the longer term and recently. Related questions sought to ascertain what working-time arrangements union respondents would ideally like and what they thought would be achievable. An important line of inquiry probed perceptions of employers' willingness to negotiate working-time reduction, what leverage unions might bring, what persuasive arguments might be put and what points of resistance they might encounter. Finally, suggestions were elicited regarding an effective campaign.

## Contracted hours

The following sites were involved: BAE Systems (Glasgow, Barrow), Babcock (Rosyth, Devonport), Harland and Wolff (Belfast), Leonardo (Edinburgh), Thales (Belfast), Jaguar Land Rover (Solihull), Bentley (Crewe), Rolls Royce (RR) (Barnoldswick), Airbus (Broughton), GE Aviation (Cardiff) and McVitie-Pladis (Manchester).

**Table 1: Working hours – shipbuilding, aviation, defence, automotive, manufacturing - 2024**

Shipbuilding and Marine				
BAE Systems (Glasgow)	BAE Systems (Barrow)	Babcock (Rosyth)	Babcock (Devonport)	Harland and Wolff (Belfast)
36 (37 contracted) 37 (37) staff 45 globally sourced	36	36	34 non-registered ≤ 40 registered	37
Defence		Automotive		
Leonardo (Edinburgh)	Thales (Belfast)	Jaguar Land Rover (JLR) (Solihull)	Bentley (Crewe)	
37	37	37	35 production 37 non-production	
Aviation				Manufacturing
Rolls Royce (Barnoldswick)	Airbus (Broughton)	GE Aviation (Cardiff)	McVitie-Pladis (Manchester)	
36 37 some other sites	35	37.5	42, some 40	

Considered against the objective of the ‘*Drive for 35*’ of 1989-91, only three sites have reached this goal in over three decades; Babcock (Devonport non-registered), Airbus and Bentley (production). Three are contracted to 36 hours, while 37 hours or more is most common. In some cases, staff work longer hours than manual workers. The table shows two outliers, McVities and Devonport (registered workers). A more general observation is that the average actual hours of full-time workers in the UK, at 36.7, are among the longest in Europe, comparing unfavourably with the Netherlands (32.2), Austria (33.6) and Germany (34)<sup>6</sup>. All workers in the surveyed companies have durations of work that markedly exceed European best practice.

## Reduced working time over the decades

Many respondents indicated the early to mid-1990s watershed. Some report recent reductions: BAE (Barrow) 35.5 *de facto* 2021; BAE (Glasgow) 36 *de facto* (2024); Babcock (Rosyth) 36 (2024), and Babcock (Devonport) 34 (2024). Others report *increases*: Thales from 36 to 37 (2012) due to company-wide harmonisation, and McVitie-Pladis to 42 (1998). Where reductions have been achieved, invariably they have been intertwined with pay negotiations and may involve some *quid pro quo*, such as at Babcock (Rosyth) when 3% of a 13% claim was conceded for the hour, or at Babcock (Devonport), where a reduction (36 to 34) involved overtime ‘trade-off’. In two cases, crisis conditions were critical. At Airbus post 9/11, unions negotiated 37 to 35, foregoing pay increases to save jobs and, at Bentley, Volkswagen’s troubles enabled reduction to 35. Also, shift distribution and timings, whether ‘tinkering’ or substantial change, may have occurred. However, the striking conclusion is **how limited the reduction in hours has been over three decades**. The huge Increases in productivity since the 1990s have not been shared with workers in the form of reduced working time, nor compensated for with increased wages. In the sectors that form the subject of this study, the deficit is greater, given faster productivity growth than in the rest of the economy, partly due to new technologies.

## Reduced working time – ideal and/or achievable

In practice, almost all respondents focused on achievable reduced working time in the short or medium term, rather than reflecting on the ideal. Yet some did consider what it could constitute. At Leonardo, four shifts of 7.5 hours, ‘a clearly radical break’, were suggested, although the achievable was to go from 37 to 36 hours, and then to 35 over two to three years, with a compressed 4 x 9-hours shift pattern. That the legacy of the *Drive for 35* and the desire to realise it remain powerful is evidenced by respondents’ testimony. At GE Aviation the union’s long-term commitment to 35-hours was restated, but considered ‘36 hours achievable based purely on our current shift pattern’. JLR officers believed they ‘could get it down to 35 but payback would be flexibility where it would be like annualised’ and there might be times the company might ‘call in 40 or 41 hours’. At BAE Glasgow, ‘Obviously a push for us would be to get down to 35, but more importantly, get it consolidated’ for all the workforce. At Rolls Royce the convenor ‘certainly’ thought they ‘can achieve another hour’s reduction...the membership greatly welcoming another six days’ holiday a year’. At Babcock (Rosyth), ‘The drive is for 35, but

it's going to take a bit longer', and 'more flexibility' for individuals who could opt for '36 over three days'. At BAE Barrow, the pressing aim was contractual agreement for three-days-on, four-days-off shifts, with the 35-hour objective realisable through gains from new technologies.

The Harland and Wolff rep thought 35 hours achievable, but the main challenge was to resist the firm pushing in the opposite direction for a 40-hour week. At Devonport 'the ideal' would be a four-day week of condensed hours, accompanied by voluntary agreement for two Friday afternoons and one Saturday a month to satisfy MoD demands for seven-day working. For Bentley's convenor 34 hours is not in the realm of 'impossibility', but the firm's insistence on 1,000 hours' work annually by each worker would mean trade-offs on overtime or voluntary shifts. At Thales the priority was to revert to 36 hours. At McVitie's, it was to 'eradicate rotating shifts' and through reconfiguration would come a possible reduction, perhaps to 38.

In sum, union representatives at those plants where hours exceeded 35, affirmed their commitment to the 35-hour goal. All thought shorter working time achievable, whether 36 to 35, 37 to 36 or otherwise, through detailed negotiations over pay, T&Cs or shifts which may involve trade-offs. At two of the three sites where 35 or fewer hour prevailed, further improvements to shift patterns or working time were thought feasible.

### **Persuasive arguments for shorter working time and employer resistance**

All respondents agreed with the need to present to employers the strongest possible, evidence-based case for shorter working time and reconfiguration of shifts. While the interview transcripts reveal company- or plant-specific elements to convince management, certain common arguments are identified, especially those successfully used in negotiations or are anticipated to be. The Leonardo convenor's emphasis on the need to prove that 'everyone is on board with what you need to do with productivity, because productivity will drive everything', is widely shared. Similarly, GE's convenor argued that showing 'productivity gains for a healthier, agile workforce [is] our avenue'. Several criticised non-productive downtime, 'a killer' as one stated, while Devonport's convenor observed 'that nobody comes into work to stand with their hands in their pockets'.

While some cited post-Brexit and -Covid supply-chain issues (JLR, GE), many more gave examples of management-generated problems: poor planning, material organisation and resource utilisation, 'soul destroying' schedule or priority changes, avoidable interruptions or document duplication. The BAE Glasgow convenor commented: '...we all know millions of ways of getting production up... we could go into a room with them and quite easily come out with a decent working-hours pattern without any impact on overall production'. Some observed that problems lay not with 'the guys' but further up the chain of command and 'you need to find out where it's broken there'. A reluctance or even failure to consult was widely reported.

Concrete suggestions for improving productivity, that could contribute to shorter working time, included managers giving workers 'commitment sheets at the start of a shift [and putting] the right people in the right place to do the right job' (Harland and Wolff). Several advocated the '15-minute argument'. When employers balk at the enormity of an hour's reduction, 'this gigantic thing' (BAE Glasgow), and its apparent costs, breaking it down into a 15 minute a day or shift reduction can be persuasive. 'Only 15 minutes a day...so we said, "You can manage that" We were accentuating the productive time and minimising the social time' (Rosyth). Some reported that Friday half-day working was unproductive, bolstering the case for reduced time, albeit with compressed hours over fewer shifts. For several, 'a journey to a 35-hour week', meant 'more extensive shifts', but balance had to be struck between the ability to have entire days off that took account of members' wishes. Nevertheless, to re-iterate survey findings, 73% favoured longer weekends and 56% fewer shifts. For example, union officers and members emphasised how reconfigured shifts could deliver timings that avoided heavy traffic and improved travel to work journeys.

A slew of respondents emphasised the mental and physical health benefits of reduced hours, relieving tiredness and offsetting lost productivity. Bentley's convenor stated: 'morale is a lot higher, productivity is better, doing a better job because less fatigued, happier going home at three, you're off sick less, less chance of getting injured'. For the Rolls Royce convenor: 'The most persuasive argument is obviously well-being...I said [to managers] "You spend millions on well-being and mental health, but one hour reduction will do far more for your business than you realise" in tangible gains. Reduced sickness absence 'by 1-2% is big money saved' (JLR). Leonardo's convenor raised sex-equality issues: given compressed hours, the firm's family-friendly policies were failing women and only 'reducing working time' could mean effective application.

Extensively reported opposition identifies a narrow, 'short-termist' preoccupation with immediate demands, such as at JLR, deflected from innovative, productivity-enhancing solutions that integrated shorter working time and recalibrated shifts. Accordingly, companies recoiled at the prospect of increased labour costs, eschewing the case for enhanced efficiency. Some reported how management would default to traditional, metric-driven mindsets,

rather than embracing innovative ways of working. Others cited company-specific obstacles. At Leonardo, conceding individualised flexible time to individuals ‘makes it harder for us as a union to develop collective issues and fight for a shorter working week’. Thales blocks the unions from local bargaining (Belfast and Glasgow) for 36 hours, insisting on a UK agreement that covers non-union sites.

## Effects of demand on unions’ bargaining position

The general sectoral context is of high demand, strong order books and/or backlogs, notably in defence and aviation. BAE Glasgow reported orders to 2040; BAE Barrow to 2055; Leonardo ‘a full order book’; Thales ‘a doubling on production lines’ after Ukraine; GE, Rolls Royce and Airbus a post-Covid recovery in demand; Bentley a goal of 20,000 vehicles a year, and JLR pressure to complete off-track and work-in-progress. These economic conditions are allied to tight labour-market conditions. The transcripts are replete with reports of acute skilled-labour shortages, the legacies of decades-long failure to hire apprentices, ageing workforces, retirements, the loss of tacit knowledge, with companies now ‘fighting in the same labour pool’ (BAE Glasgow), awaiting the expanded numbers of recently recruited apprentices to become time-served. One telling example suffices. At Rosyth ‘they actually contacted everyone who had retired from 2018 and asked if they wanted to come back two days a week’. Several respondents grasped the potential impacting for negotiations. A rep at Leonardo’s stressed, ‘we’re in a hugely powerful position [to] push for a shorter working week’, and a shop steward at BAE Glasgow considered that ‘Things have definitely changed in the last couple of years...it’s more on the workers’ side than the company’s...the tide has turned and we need to make hay while we can’. So, the persuasive, evidence-based, increased productivity case for shorter working time is bolstered by a shift in bargaining position of unions vis-à-vis their employers in many companies across the sector.

## The campaign

Unions at all the plants fully endorsed the importance of a CSEU-led campaign, while recognising that, just as with the *Drive to 35*, a reduction in hours will ‘eventually come down to good old site negotiations to get over the line’ (Convenor, BAE Glasgow). Although company or site-specific, evidence-based proposals and arguments will form the basis of negotiations, all agreed that a *national* co-ordinated campaign was vital. Several Unite reps saw union structures – Regional Industrial Sector Committees and the National Industrial Sector Committee – as the focus for debate and motions. All favoured a one-day conference, to share experiences and successes, evaluate evidence and formulate convincing arguments to move employers and mobilise members. Concrete ideas were proposed. The Thales convenor believed, ‘To make it less nebulous and more concrete the CSEU could send out a *pro forma* to convenors, to ask members questions and engage with management and then report back’. Leonardo and BAE Glasgow reps thought the key to success would be broad participation, by age, experience and gender, that foregrounds members’ diverse interests, experiences and aspirations. The Harland and Wolff rep believed the campaign should be similar in scale to the ‘save UK shipbuilding’ initiative ‘that reached very large numbers of people, bombarding employers, employees and the general public why this 35-hour week is a better lifestyle for people.’ The conference ‘needs to be turned into a plan of action [so that] everyone goes away with confidence’. A campaign and site negotiation should also include implications of automation, robotisation, AI and other new technologies. The Rolls Royce convenor argued it is imperative that ‘workers can share in the spoils through a shorter working week’.

In conclusion, a wind of change is blowing in favour of shorter working time. The economic, social, trade-union and moral case has been unequivocally established. A forceful campaign, empowering unions and members to fight for and negotiate a long-overdue reduction in hours and changes in the distribution of working time, can bring significant improvements to workers’ mental and physical health, well-being and working lives.

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<sup>1</sup> e.g. Coote, A., Harper, A. and Stirling, A. (2021) *The Case for a Four Day Week*. Cambridge: Polity Press

<sup>2</sup> <https://autonomy.work/wp-content/uploads/2023/02/The-results-are-in-The-UKs-four-day-week-pilot.pdf>

<sup>3</sup> Shepherd, J and Bhattacharaya, A. (2001) *A question of time: current working hours, preferences and the case for a four-day week*. London: Social Market Foundation

<sup>4</sup> Taylor, P. (2022) *Redistribution of Working Time: A Better Work-Life Balance. A Report for the Alex Ferry Foundation*. Liverpool: Institute of Employment Rights

<sup>5</sup> Rolls Royce, BAE Systems, Jaguar Land Rover, Bentley, McVitie-Pladis, Airbus

<sup>6</sup> <https://ec.europa.eu/eurostat/web/products-eurostat-news/w/anddn-20240530-1>