

CONCEPTS AND DEFINITIONS CONCERNING THE MEASUREMENT OF WORKING TIME

BACKGROUND

The economic and social changes in recent decades have called for working time statistics to be reflective of new realities and the development of new socio-economic policies. Hence, the International Labour Office (ILO) specifically its Bureau of Statistics (now the Department of Statistics), realizing the multiple objectives and purposes of measuring statistics of working time in current times conducted a comprehensive review of the international definitions, their limitations and its relevance that led to revisions of existing standards on these set of statistics. These revised standards are embodied in a resolution adopted by the 18th International Conference of Labour Statisticians (ICLS) convened last 24 November-5 December 2008 in Geneva, Switzerland. The

resolution gives guidance to countries wishing to improve or develop a comprehensive system of statistics on working time that can adequately account for all productive activities, in order to complement their statistics on the economically active population and on demand for labor in production, and to provide guidelines for their presentation and international reporting.

This issue however focuses on the concepts and definitions provided in the ICLS resolution in the hope that, for purposes of international comparability, the labor statistics system in the Philippines may be guided towards harmonizing its set of statistics on working time with these international standards.

SCOPE

Working time comprises the time associated with productive activities and the arrangement of this time during a specified reference period. It includes the time spent towards the production of all goods and services whether paid or unpaid. It however does not take account of the legality of the activity, the type of contractual agreement covering it or the age of the person performing it.

Working time is measured for a job defined as "a set of tasks and duties performed, or meant to be performed, by one person, including for an employer or in self-employment" whether formal or informal. The use of job as the basic observation unit for working time is consistent with the international classifications of occupation (ISCO) and status in employment (ICSE) and with the principles of classification by industry

according to the International Standard Industrial Classification of all Economic

Activities (ISIC). A person may have one or several jobs.

CONCEPTS AND DEFINITIONS

The ICLS resolution provides for seven (7) concepts of working time associated with the productive activities of a person and performed in a job, and two (2) concepts of working time

arrangements. Not all working time concepts however are applicable to all types of jobs. Their application is specified in each concept as defined.

The seven concepts of working time are as follows:

- (1) **Hours actually worked** is the time spent in a job for the performance of activities that contribute to the production of goods and/or services during a specified short or long reference period. Hours actually worked applies to all types of jobs (*within and beyond the SNA production boundary*) and is not linked to administrative or legal concepts.
- Hours actually worked measured *within the SNA production boundary* **includes** time spent directly on, and in relation to, productive activities; down time; and resting time.
- (a) "Direct hours" is the time spent carrying out the tasks and duties of a job. This may be performed in any location and during overtime periods or other periods not dedicated to work (such as lunch breaks or while commuting).
- (b) "Related hours" is the time spent maintaining, facilitating or enhancing productive activities.
- (c) "Down time", as distinct from "direct" and "related hours", is time when a person in a job cannot work due to machinery or process breakdown, accident, lack of supplies or power or Internet access, etc., but continues to be available for work. This time is unavoidable or inherent to the job and involves temporary interruptions of a technical, material or economic nature.
- (d) "Resting time" is time spent in short periods of rest, relief or refreshment, including tea, coffee or prayer breaks, generally practised by custom or contract according to established norms and/or national circumstances.

Excluded are time not worked during activities such as:

- (a) Annual leave, public holidays, sick leave, parental leave or maternity/paternity leave, other leave for personal or family reasons or civic duty. This time not worked is part of absence from work hours;
- (b) Commuting time between work and home when no productive

activity for the job is performed; for paid employment, even when paid by the employer;

- (c) Time spent in educational activities apart from training and skills enhancement required by the job or for another job in the same economic unit; for paid employment, even when authorized, paid or provided by the employer;
- (d) Longer breaks distinguished from short resting time when no productive activity is performed (such as meal breaks or natural repose during long trips); for paid

employment, even when paid by the employer.

On the other hand, hours actually worked measured *beyond the SNA production boundary* **includes** time spent directly on, and in relation to, productive activities (services produced and consumed within the same household and activities of volunteer workers in households that produce services for own final use by the household); down time; and short resting time; but **excludes** time not worked during activities such as civic and educational activities other than the training required of the job or of another job within the same economic unit.

- (2) **Hours paid for** applies to a paid-employment job and to a self-employment

job paid on the basis of time units (*within the SNA production boundary*).

For a paid -employment job, hours paid for is:

- (a) The time for which persons have received payment from their employer (at normal or premium rates, in cash or in kind) during a specified short or long reference period, regardless of whether the hours were actually worked or not;
- (b) This **includes** time paid but not worked such as paid annual leave,

paid public holidays and certain absences such as paid sick leave.

- (c) This **excludes** time worked but not paid by the employer, such as unpaid overtime, and absences that are not paid by the employer, such as unpaid educational leave or maternity leave that may be paid through transfers by government from social security systems.

For a self-employment job (formal or informal) paid on the basis of time units, hours paid for is equivalent to hours actually worked.

- (3) **Normal hours of work** are the hours fixed by or in pursuance of laws or regulations, collective agreements or arbitral awards to be performed in specified paid-employment jobs over a specified reference period, such as per day, week, month or year (*within*

the SNA production boundary). In self-employment, the hours are in accordance with the hours fixed for all jobs in a specific industry or occupation (such as for drivers, medical personnel in hospitals).

In States where normal hours of work are widely used, they may serve as the reference to define full-time and part-time hours.

- (4) **Contractual hours of work** is the time expected to be performed according to a contract for a paid-employment job or for the provision of services in a self-employment or volunteer job (*within and beyond the SNA production boundary*). The contract may include leave entitlements and be either explicit (written contract) or implicit (verbal agreement).

The number of contractual hours of work may vary between jobs in the same occupation, industry or establishment.

The number of contractual hours of work may be equivalent to or established in conformity with prevailing normal hours of work and may be above normal hours, some of which may be hours stipulated as contractual overtime hours.

- (5) **Hours usually worked** is the typical value of hours actually worked in a job per short reference period such as one week, over a long observation period of a month, quarter, season or year that comprises the short reference measurement period used. Hours usually worked applies to all types of jobs (*within and beyond the SNA production boundary*).

The typical value may be the modal value of the distribution of hours actually worked per short period over the long observation period, where

meaningful. The short reference period should be the same as the reference period used to measure employment or household service and volunteer work.

- (6) **Overtime hours of work** applies to all types of jobs (*within and beyond the SNA production boundary*) and is defined as:

- (a) the hours stipulated as overtime in a contract during a specified short reference period, plus hours actually worked in excess of contractual hours of work, if these exist; or
- (b) the hours actually worked in excess of hours usually worked in a job where no contractual hours exist.

This **excludes** hours actually worked in excess of contractual hours of work as a result of rotation periods in established work arrangements (such as flexitime or shift work) in a short or long reference period.

Overtime hours of work for paid employment jobs may be paid or unpaid.

- (7) **Absence from work hours** applies to all jobs (*within and beyond the SNA production boundary*) and is defined as:

- (a) The number of contractual hours of work not actually worked during a short reference period such as a week when contractual hours exist; these include periods of leave taken according

to the employment contract where relevant, including part-time contracts;

- (b) The number of hours usually worked but not actually worked during the short reference period when contractual hours do not exist.

This **excludes** time not worked as a result of established work arrangements (such as flexitime off or shift work).

Absence from work hours in a paid-employment job may be paid or unpaid and initiated by workers or by employers.

Working –Time Arrangements

Working – time arrangements describes measurable characteristics of a job that refer to the organization (length and timing) and scheduling (stability or flexibility) of work and non-work periods during a specified reference day, week, month or longer period and applies to all types of jobs (*within and beyond the SNA production boundary*), including in informal employment and in agricultural communities.

- (a) The organization reflects the length and timing of the working time in a job. The length may be shorter or

longer than a norm based on national circumstances, while the timing may be inside or outside core hours or core days (performed at night or at weekends).

- (b) The scheduling reflects the stability or flexibility of the length and timing of working time in a job from one day, week or longer period to the next, shifts that vary every day or week, different entry and exit times, etc.

REFERENCES:

International Labour Office (ILO).2008. *Measurement of working time*, Report II, Meeting of Experts on Labour Statistics (Geneva).

_____.2008). "Report of the Committee on the Measurement of Working Time, in *Report of the Conference*, Eighteenth International Conference of Labour Statisticians (Geneva).

Note: For full text of the ICLS Resolution concerning the measurement of working time, visit http://www.ilo.org/global/What_we_do/Statistics/standards/lang-en/index.htm

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