Working Time and Productivity

Sharing the thinking behind a research-oriented demonstration project in SMEs in Indonesia

Jon C. Messenger
Senior Research Officer
Conditions of Work and Equality Department
“Action Research” to show how a change in working time arrangements in SMEs can be structured to effectively balance workers’ needs with business requirements, by:

* Improving productivity and firm performance
* Improving workers’ satisfaction with their working time arrangements and their work-life balance
* Building on foundations of the ILO SCORE Programme, particularly re: worker-management cooperation
How working time is organized—called either “working-time arrangements” or “work schedules”—can have important effects on productivity and firm performance.

Specifically, working time arrangements can (Golden, 2012):

- Enhance individual and/or organizational productivity, and thus directly restrain unit labour costs of production.
- Improve employee health and well-being and satisfaction with the job or life, without raising current labour costs, and thus reduce costs due to job dissatisfaction & human capital investment.
1. Not possible to know *a priori* what type(s) of working time arrangement(s) are most likely to produce desired results
   - So, not possible to design specific “treatment” to be tested
2. Necessary to work with managers and workers to develop *customized* working time arrangements in each participating enterprises based on their particular needs
3. Demo is extension of SCORE Programme: It “Piggybacks” on key features of SCORE model
   - Esp. Enterprise Improvement Teams (EITs)
Design of the Demonstration: Key Implementation Steps

* 1. Informal focus group discussions conducted with factory managers and workers
* 2. Customized training materials prepared based on needs of different enterprises
* 3. Training Workshops on designing and managing working time conducted
  * Separate workshops for enterprises (managers & workers) and SCORE consultants
* 4. “Kick-off Meetings” conducted with EITs in each participating enterprise
* 5. EITs in each enterprise develop new working time arrangement(s), with assistance from SCORE consultants
* 6. Enterprises implement new working time arrangement(s)
Specific Research Questions (1)

* What are the effects of changes in working time arrangements on firms’ performance?
* To answer this question, the Demo will assess the effects on business outcomes, e.g.:
  * labor productivity,
  * product quality (e.g., defect rate),
  * workplace safety (e.g., industrial accidents),
  * absenteeism, and
  * employee turnover
What are the effects of working time adjustments on workers’ well-being, especially their work-life balance?

To answer this question, the Demo will assess the effects on worker outcomes, e.g.:

- workers’ satisfaction with their working hours (including overtime) and work schedules
- workers’ job satisfaction, and
- workers’ satisfaction with their work-life balance
Specific Research Questions (3)

* How can working time arrangements be structured to effectively balance workers’ needs with firms’ business requirements?

* To answer this question, Demo will also collect information on:
  
  • The structures and processes used to develop and implement new working time arrangements (e.g., the composition and functioning of EITs)
  
  • The specific working time arrangements implemented in the participating enterprises
Assessment Approach

* Outcomes analysis
  * Pre-test, Post-test design (Before-and-after comparison)
  * Collect quantitative survey data from enterprise owners/managers and selected workers before and after implementation of the new working time arrangements
  * Also use Key Performance Indicators (KPIs) collected by SCORE

* Process analysis
  * Collect qualitative data on process of developing and implementing new working time arrangements during site visits to enterprises

* A Washington, DC-based evaluation firm, IMPAQ international, will assess both the process and outcomes, and prepare two reports
Assessment Challenges

- This is a pilot project with a very small number of participating enterprises (8 SMEs, all in Greater Jakarta Area)
- Participating enterprises volunteered to be involved in this assessment, so results are not generalizable
- Some enterprises may drop out during implementation period
- Observation period may be too short to observe changes in some outcomes of interest
### Demonstration Schedule

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<tr>
<th>Task Area</th>
<th>2013</th>
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<tr>
<td>Conduct Training Workshops and Kick-Off Meetings</td>
<td>Jan 1</td>
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<td>Feb 2</td>
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<td>Mar 3</td>
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<td>Develop Survey Instruments for Managers and Workers</td>
<td>Apr 4</td>
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<td>Collect Baseline Data in Participating Enterprises</td>
<td>May 5</td>
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<td>Prepare and Submit Interim Report</td>
<td>Jun 6</td>
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<td>Collect Follow-up Data from Participating Enterprises</td>
<td>Jul 7</td>
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<td>Prepare and Submit Final Report</td>
<td>Aug 8</td>
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<td>Convene Demo Seminar and Disseminate Results</td>
<td>Sep 9</td>
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<td>Nov 11</td>
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<td>Dec 12</td>
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- **Jan 1**
- **Feb 2**
- **Mar 3**
- **Apr 4**
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- **△** DRAFT
- **▼** FINAL

**Notes:**
- DRAFT and FINAL markers indicate the version status of the schedule.
Thank you for your attention!

Jon C. Messenger
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