TECHNICAL NOTE

Statistics on Hours Worked

WHAT IS HOURS WORKED?

Statistics on working time, or hours worked, are central to describing and analysing issues relating to employment, productivity and conditions of work. Working time statistics are often used as a tool for economic analysis and to calculate economic indicators such as average hourly earnings, average labour cost per unit of time and labour productivity.

Hours worked is the time associated with work activities engaged by persons during a reference period. It is independent of where the work is carried out. Hours worked **includes** the time put in by those on tele-work arrangement or those who work offsite, but **excludes** time put in by persons involved in activities without pay e.g. family care-giving. Meal breaks, weekly rest periods (e.g. Sundays), time spent commuting between home and work, and time spent on standby away from office are also excluded.

In Singapore, there are three measures of working time.

(1) Paid Hours Worked (PHW)

This refers to all periods of time for which employees receive payment from their employer, regardless of whether the hours are actually worked.

It **includes** one's standard hours of work, commonly stipulated in the employment contract, as well as any overtime hours that are paid for. Time that is paid for but not worked, such as annual leave, public holidays and sick leave, are also covered.

It **excludes** unpaid overtime put in by employees, such as those by executives. Hours worked by self-employed persons are also not captured, as they do not receive salary as remuneration.

(2) Usual Hours Worked (UHW)

This refers to the hours that an employed person typically works in any given week, regardless of whether he or she is paid for it.

It **includes** the overtime hours that are regularly put in, even if they are unpaid. For instance, if an individual regularly checks his or her work emails after dinner at home for an hour, this time spent would be included. For persons who hold multiple jobs, this measure captures the sum of hours worked in all jobs.

As the measure covers one's typical weekly work schedule, irregular arrangements are **not** taken into account since they are not recurrent over a long observation period. Examples include annual leave, public holidays, sick leave and ad-hoc overtime required during peak periods or for work exigencies, e.g. to meet a project deadline.

(3) Actual Hours Worked (AHW)

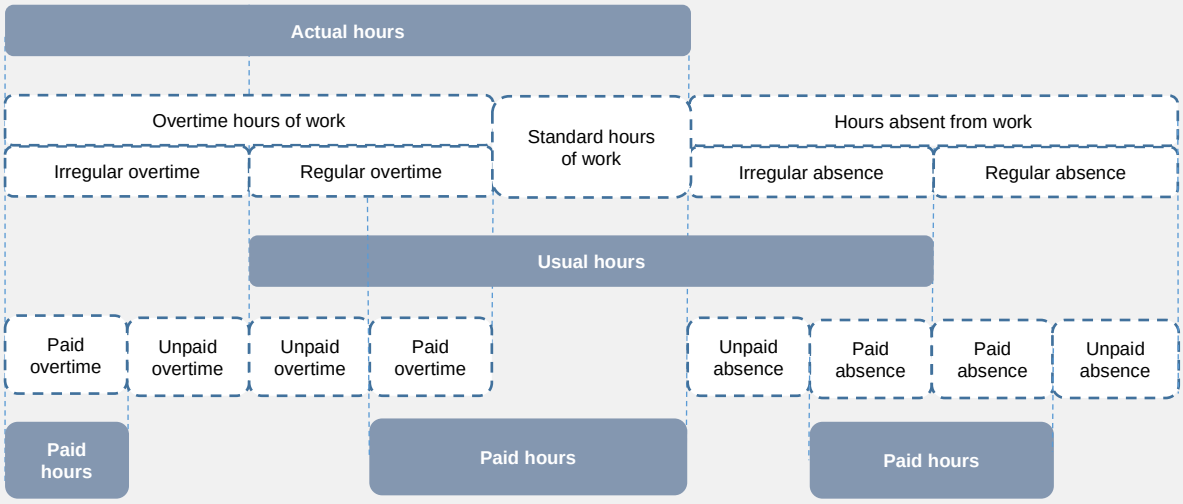
This refers to the actual time spent by employed persons on work activities, regardless of whether the hours are regular in nature or whether they are paid for.

It **includes** all forms of overtime hours of work. Similar to usual hours worked, it covers the time put in for all jobs that an individual held during the reference period.

It **excludes** all the time that is spent away from work, even if that time is paid for.

The above measures are consistent with the concepts and definitions recommended by the International Labour Organisation (ILO). The relationship between the different measures of hours worked introduced are summarised below.

Relationship Between Paid, Usual And Actual Hours



WHY ARE DIFFERENT MEASURES REQUIRED?

PHW signals the level of economic activities and working conditions of the various industries. It can act as a leading indicator for potential changes in business conditions, as firms typically find it easier to adjust work hours than their headcount to suit initial transitions in business conditions. Data on PHW, with breakdown by industry, are released quarterly in the *Labour Market Report*.

UHW are used frequently to assess the quality of work, due to its implication on workers' health and safety. To identify groups with higher hours worked, the mean UHW and distribution of hours worked are available for various demographic profiles. It can also be used to provide a sense if people are engaged in work for extreme hours over a prolonged period. This measure of employed persons working excessive hours contributes to several international frameworks on measuring job quality[1]. Data on UHW, including the proportion of employed residents who work excessive hours, are published in the annual *Labour Force in Singapore* report.

The ILO regards AHW as a reflective measure of the amount of labour input in the economy. Labour productivity, as the measure of how efficiently labour inputs are used to produce a given level of output, commonly uses AHW in the computation of the real value-added (VA) per hour worked. For this purpose, AHW data are currently computed for use in the compilation of real VA per AHW series.

HOW ARE HOURS WORKED DATA COMPILED?

Data on PHW are captured from the Labour Market Surveys (LMS), conducted on a representative sample of private establishments with at least 25 employees and the public sector.

UHW statistics are compiled from the Comprehensive Labour Force Surveys (CLFS), conducted on a representative sample of households in Singapore.

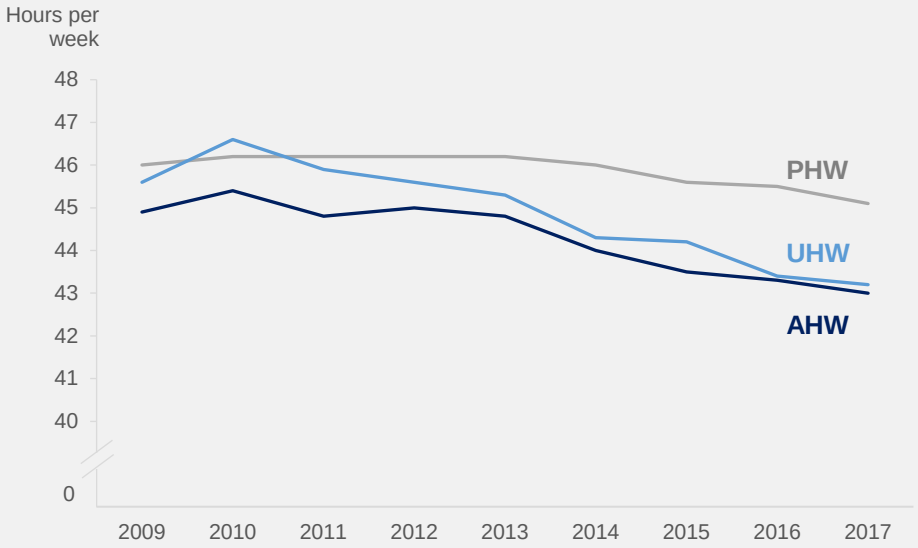
Annual AHW are currently estimated using existing information on usual and paid hours worked from the CLFS and LMS respectively. The data are adjusted to take into account paid leave and holidays.

[1] Examples include ILO's Decent Work Indicators, the Handbook on Measuring Quality of Employment by the United Nations Economic Commission for Europe (UNECE) and the Job Quality Framework by the Organisation for Economic Co-operation and Development (OECD).

TRENDS IN WORKING HOURS

Indicators on working time could reflect economic cycles, and changes in the employment landscape. In Singapore, all three indicators pointed to a downtrend in working time. This reflected the growing prevalence of part-time work, shifts in occupation/industry composition (e.g. increasing prevalence of professionals, managers, executives & technicians) and productivity gains made via technological advancements over time.

Working Hours In Singapore, 2009 - 2017



Sources: Comprehensive Labour Force Survey and Labour Market Survey, Manpower Research & Statistics Department, MOM, and MTI estimates

Note: Data on UHW pertain to employed residents for June periods, while data on AHW and PHW pertain to all employed persons.

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Director
Manpower Research and Statistics Department
Ministry of Manpower
18 Havelock Road #05-01
Singapore 059764
Republic of Singapore

Email: mom_rsd@mom.gov.sg

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