READING PASSAGE 3

*You should spend about 20 minutes on **Questions 27-38** which are based on Reading Passage 3 below.*

A Workaholic Economy

FOR THE first century or so of the industrial revolution, increased productivity led to decreases in working hours. Employees who had been putting in 12-hour days, six days a week, found their time on the job shrinking to 10 hours daily, then, finally, to eight hours, five days a week. Only a generation ago social planners worried about what people would do with all this new-found free time. In the US, at least, it seems they need not have bothered.

Although the output per hour of work has more than doubled since 1945, leisure seems reserved largely for the unemployed and underemployed. Those who work full-time spend as much time on the job as they did at the end of World War II. In fact, working hours have increased noticeably since 1970 — perhaps because real wages have stagnated since that year. Bookstores now abound with manuals describing how to manage time and cope with stress.

There are several reasons for lost leisure. Since 1979, companies have responded to improvements in the business climate by having employees work overtime rather than by hiring extra personnel, says economist Juliet B. Schor of Harvard University. Indeed, the current economic recovery has gained a certain amount of notoriety for its "jobless" nature: increased production has been almost entirel} decoupled from employment. Some firms are even downsizing as their profits climb. "All things being equal, we"d be better off spreading around the work,' observes labour economist Ronald G. Ehrenberg of Cornell University.

Yet a host of factors pushes employers to hire fewer workers for more hours and, at the same time, compels workers to spend more time on the job. Most of those incentives involve what Ehrenberg calls the structure of compensation: quirks in the way salaries and benefits are organised that make it more profitable to ask 40 employees to labour an extra hour each than to hire one more worker to do the same 40-hour job.

Professional and managerial employees supply the most obvious lesson along these lines. Once people are on salary, their cost to a firm is the same whether they spend 35 hours a week in the office or 70. Diminishing returns may eventually set in as overworked employees lose efficiency or leave for more arable pastures. But in the short run, the employer's incentive is clear.

Even hourly employees receive benefits - such as pension contributions and medical insurance - that are not tied to the number of hours they work. Therefore, it *is* more profitable for employers to work their existing employees harder.

For all that employees complain about long hours, they, too, have reasons not to trade money for leisure. “People who work reduced hours pay a huge penalty in career terms,” Schor maintains. “It”s taken as a negative signal’ about their commitment to the firm.’ [Lotte] Bailyn [of Massachusetts Institute of Technology] adds that many corporate managers find it difficult to measure the contribution of their underlings to a firm’s well-being, so they use the number of hours worked as a proxy for output. “Employees know this,” she says, and they adjust their behavior accordingly.

“Although the image of the good worker is the one whose life belongs to the company,” Bailyn says, “it doesn”t fit the facts.’ She cites both quantitative and qualitative studies that show increased productivity for part-time workers: they make better use of the time they have, and they are less likely to succumb to fatigue in stressful jobs. Companies that employ more workers for less time also gain from the resulting redundancy, she asserts. “The extra people can cover the contingencies that you know are going to happen, such as when crises take people away from the workplace.’ Positive experiences with reduced hours have begun to change the more-is-better culture at some companies, Schor reports.

Larger firms, in particular, appear to be more willing to experiment with flexible working arrangements...

It may take even more than changes in the financial and cultural structures of employment for workers successfully to trade increased productivity and money for leisure time, Schor contends. She says the U.S. market for goods has become skewed by the assumption of full-time, two-career households. Automobile makers no longer manufacture cheap models, and developers do not build the tiny bungalows that served the first postwar generation of home buyers. Not even the humblest household object is made without a microprocessor. As Schor notes, the situation is a curious inversion of the “appropriate technology” vision that designers have had for developing countries: U.S. goods are appropriate only for high incomes and long hours.

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