

Prisoners of an Inflexible Labour Model

By Greta Gordon, NSW WEN member and Honourable Mention in the Credible Economist writing competition.

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The Labour Model Paradox

Many companies globally have recognised that the ‘five-day, nine-to-five’ work week is “[outdated](#)” and a “[key source of stress and burnout](#)”. A [2021 Adobe study](#) found that most Australian enterprise workers and small-to-medium business owners say they are working longer hours than they would like to be. In the [2019 Household, Income, and Labour Dynamics in Australia Survey](#), Dr Inga Lass extended on this saying, “Once we account for working hours, it is *mothers* who have the highest levels of work-family conflict”.

Author, Annabel Crabb partly attributes this to the fact that most individuals today aren’t afforded the economic privilege of a ‘wife’ – someone who cuts back on paid work to pick up the slack on domestic labour. According to the [Australian Institute of Family Studies](#), Australians marry later (if at all), get divorced more, are less likely to live with their parents or extended family, and are more likely to have two parents working full-time than in Australia’s entire colonial history. This means that more than ever before, individuals are forced to juggle both unpaid and paid labour on their own. And the brunt of this juggling act falls disproportionately on women. [79.8% of Australian single parents](#) are women, and even in partnerships [women do more of both unpaid childcare and housework](#).

And herein lies the paradox. If – as the old economic adage goes – individuals seek to maximise utility, why are those who preference flexibility in their work life accepting, and in some cases choosing, an inflexible labour model?

Stuck in the Prisoner’s Dilemma

An integral part of understanding this scenario is acknowledging that the individual is not the only stakeholder. Of course, there is the employer, but as aforementioned, employers such as [Deloitte](#),

[McKinsey](#), and the [Australian Government](#) are offering flexible work options. A more conceptual stakeholder often overlooked is the majority of the Australian workforce. One way to imagine this scenario is by using a concept in game theory called the [Prisoner's Dilemma](#). This describes a situation where two players (prisoners) commit a crime and are taken to separate rooms. They have two choices; to either remain silent or confess to the crime. Both prisoners choose to confess, punishing themselves with more time in prison than if they had cooperated.

To apply this to Australia's society, these players are the individual versus the majority, and their options consist of inflexible hours, (the dominant labour model Australia adopts), and flexible work hours (a model being slowly introduced). The consequences of their choices can be seen through the satisfaction rates with their work-life balance.

		Majority of Australian Workers	
		Inflexible hours	Flexible hours
Individual	Inflexible hours	 	 
	Flexible hours	 	 

Currently, Australia is stuck in the red box. Most Australians continue the 'five days, nine-to five' work week, while individuals follow suit. Why don't individuals make the move? If a person decides to opt for more flexible working options whilst most others work inflexible hours, they are awarded more work-life flexibility, and thus, satisfaction. These individuals, and [particularly women](#), however, are often faced with lower pay and more penalties than their five-day counterparts. In other words, individuals are prisoners of the inflexible labour model. They choose a suboptimal inflexible model because they assume their opponent is sticking to their 'five-day, nine-to-five' grind too.

This brings us to our yellow box scenario: the optimal Nash equilibrium, a scenario where neither opponent is incentivised to move. If the majority change their decision and pursue flexible hours, it is likely individuals will be happier with their choice of flexible hours also. This can be explained through looking at the behavioural economic concept: prospect theory. [Prospect theory](#) dictates that an individual's utility (satisfaction) is a function of their expectations. The individual's perceived loss would be lower in the yellow box scenario because everyone is working the same amount, meaning people are paid, promoted, or penalised based on factors *other than* opting for flexible hours.

Where to now?

There needs to be foremost a push for the majority to transition to flexibility. Companies such as McKinsey argue COVID-19 has been just this. [278 executives](#) interviewed by McKinsey, said that COVID-19 has catalysed plans to use more flexible working-from-home models, and reduce office space by an average of 30%.

The gendered aspect of this issue, however, is more prevalent than ever. In Deloitte's [Women @ Work survey](#), the majority of women indicated that they "are more stressed and discouraged since the pandemic began as they take on an increasing amount of responsibility at home and in their careers".

This suggests that to fully tackle this issue there needs to be a range of cultural, economic, and political drives toward flexible working hours, as well as safety net policies to mitigate the perceived losses of opting out of the 'five day, nine-to-five' rat-race.