

## Productivity improvement strategy: A compressed work week?

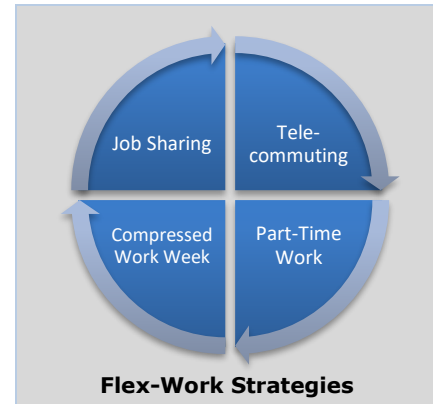
Will a condensed work week result in higher employee satisfaction and productivity?

Arcus's human capital survey indicates that this trend will accelerate over the next year as gridlock and transportation costs increase and the labour market becomes more competitive. The aggravation of commuting is the top concern for a majority of employees.



An Arcus Human Capital Survey conducted earlier this year indicates that 75 percent of employees in Canada want a better work-life balance. A third would be willing to trade up to 10 percent of their salary to spend more time with their family. The four-day work week is gaining momentum in North America. Several organizations have experimented with variations of flex hours- with mixed results. The trend seems to be towards flexible hours with a 5-day work week of 40 hours.

- Mr. Carlos Slim, the world's second-wealthiest person has deployed a "radical overhaul" to balance work and home lives at his companies: A three-day work week.
- Google's CEO Larry Page has backed a shorter work week in the past: "Most people like working, but they'd also like to have more time with their family or to pursue their own interests."
- In August last year, Chrysler plans to talk to the United Auto Workers, which represents Chrysler assembly workers, about switching some plants to a four-day, 10-hours-per-day schedule. It appears that a majority of employees are likely to prefer this option.



There are other examples- Cambridge, Ont., engineering firm Babcock & Wilcox Canada Ltd. has negotiated a four-day work week in its latest employee contract. The trend seems to be a higher concentration of work hours each week with four, 10-hour stints.

A shorter work week is likely to result in significant productivity gains as employees spend less time on the road and more time at home. This is especially true for younger families. Another finding was that more than half of the 240 organizations surveyed said they were looking at some form of flexible working format to address employee concerns about commuting.

Thirty four percent of organizations already offer a condensed work week. Another benefit is the financial impact of fewer commutes to work- a saving of \$400 per year per person for each extra day at home. For example, the City of Birmingham, Ala., has estimated about \$1 million in cost savings as a result of a condensed work week for employees.

### Highlights of the 3-day work week:

Allow people to work past the age of 70, 9 years longer than the typical retirement age of a worker. People would have to work 11-hour days, a trade-off that will generate huge benefits for both workers and employers.

- Having four days off would help to generate new entertainment activities
- Offset by longer hours and a later retirement, as a way to improve people's quality of life and create a more productive labour force.
- The workforce could be spread over a full week, with employees working up to 10 or 11 hours a day.

Mr. Slim's company - Telmex has a policy where employees who joined in their teens can access early retirement, and anyone who wants to work beyond retirement can do so at full pay but a reduced load of four days a week.

A recent Arcus survey indicates that 45 percent of working adults are in poor shape to be able to completely cover their expenses during their later years. The strategy would mean that the workforce could potentially be spread over a full week, with employees working up to 10 or 11 hours a day. The positive outcome of a three work days a week would be that employees would have more days off which could improve their work-life balance and as a result their quality of life. The economic benefits of spending more time at home may generate new entertainment activity and consumer spending in some sectors such as home improvement.

There are other, more practical reasons why many workers might find a shorter work week more appealing. For one thing, it might make it easier for them to find a job. Unemployment, though on the decline, still remains stubbornly high at over 7 percent in Canada while the joblessness rate among young people remains in the double digits. Some small companies in Europe and the US have launched a four-day week flexible workplace policy. The advocates cite improvements in employee health and environmental impact as possible benefits. Some early adopters such as a company called 37Signals in Chicago moved to a 4-day work week in 2005 and they continue with the initiative today.

### Pros of a Compressed Work Week

- Most people appreciate having a full day off during each workweek, while still preserving full-time income.
- The commute to work may be outside the usual rush hour traffic times because of the extended work day, and thus less stressful.
- You'll cut your gasoline use and wear-and-tear on your car.

### Challenges and Cons of the Compressed Work Week

- An ongoing schedule of ten-hour or nine-hour days, while it may be the norm for some professionals already, can be physically and mentally draining.
- Not only is the workweek squeezed into a shorter time frame, but all the after-work activities must also be wedged into the remaining hours of each work day.
- Chronic fatigue caused by current work-family conflict time pressures might not be off-set by the regular day off.
- Child or elder care coverage to match your compressed work schedule can also be a challenge.