Shortened Work Week Is Risky—And Not Realistic

by Amanda McGowan, Associate Editor, IMPO

"Personally, if my pay was cut 40 percent, I'd need another part time job to make ends meet. If I lost my benefits, too—I'd definitely be looking for a whole new job altogether."

These days, many employers face no other option but to cut labor costs to keep the business afloat. After reading [1] about companies shortening the work week to 24-32 hours, I initially thought it seemed like a great, flexible alternative for companies to work around full-blown layoffs. Better to cut hours and wages for a while than to cut jobs altogether, right?

After thinking about it a little more, though, I realized the consequences of shortening employees' hours makes the alternative far too risky for most companies to actually implement.

Going to a 24-hour work week means walking a fine line between flexibility and insecurity for your associates, and realistically, it's not a strategy that will keep talent around your plant.

The article reports that at companies cutting employees' hours to a 24-hour work week, it also meant a 40 percent reduction in pay and, potentially, a loss of

benefits. Sure, this might not be a problem for some—for example, those who are covered under their spouse's insurance anyway. But others truly depend on that full-time pay and security of benefits, losing either or both of those is a big problem.

Personally, if my pay was cut 40 percent, I'd need another part time job to make ends meet. If I lost my benefits, too—I'd definitely be looking for a whole new job altogether.

What's more, a shortened work week will inevitably hinder productivity and efficiency of any operation. A woman interviewed in the article discussed how difficult it was for her to adjust to her shortened work week. She said since she just hadn't "hit a stride" since her hours were reduced, and she had a hard time adjusting to waiting days between shifts to get work done. In the end, disrupting the routines of your workers is going to take its toll on the quality of work they do as individuals, and as a team.

In these economic times, layoffs may be inevitable. It's a tough situation for all involved. When deciding how to handle it, companies need to look at what will be best for the majority of their associates, and ultimately, what is best for the business. When things do start to turn around, and business starts to boom again, you want to be ready with the best talent you have. If you cut their hours and wages in half, there's no telling where they will be when that time comes.

Arguably, a company opting for the shortened work week will need to cut a larger number of employees' work weeks, and subsequently, their wages, than they would to just layoff a few associates altogether. Cutting wages, benefits and hours is going to send your associates looking elsewhere, and when things do turn around, your talent will be gone. Most companies are better off letting go of a few individuals and waiting it out with the rest—while providing them with their full pay, benefits, and work weeks. It might not be the most flexible answer, but it is the most realistic.

What's your take? Email amanda.mcgowan@advantagemedia.com [2]

Click here to read *IMPO* Editor Anna Wells's take on the shortened work week [3]

Dear Anna and Amanda,

Thanks for both of your opinions on this issue, but I agree with Anna Wells about flexibility. Although, Amanda, you made an example out of the more worst case situation of a 40% reduction in hours; 60% of pay does sounds better than an extended job search which is likely in this exceptionally poor economy. And as y possible cost savings such as less commuting, or more "DIY" type activities that many people currently hire out. And if you are thinking flexibly maybe not everyone would have to take a 40% reduction in work hours. The company could employ a small reduction in staff along with targeting a 25 or 30% reduction in hours

My real hope is that we re-think the whole 5 day 40 hour work week. Although there are some benefits to having "standard business hours" this schedule puts unnecessary capacity pressures on our highways, restaurants and services (just try to schedule a morning or evening dentist appt.) Depending on the type of wo by 10 hours. This would reduce traffic problems significantly and improve efficiencies by reducing set-up and break down times.

So Amanda, I don't know if you drew straws to take the counterpoint, but I hope you could see the benefits of letting go of what typically defines a work day, work week and work month, so that it best fits the company's needs and the worker's lifestyles and allows each worker and employer the flexibility to pick schedules you had the choice, would you pick a different work schedule than you currently have?

Amanda,

I work for a printing company. I am not sure about what size of company or organization you had in mind when you wrote your article, but in my case the size of the organization is only 30 employees. We had to lay 2 people off this year and cut back hours for just about everyone excluding about 9 people who make up sa people whose hours we cut so we can still be open all week, and have every department covered for most of each day.

In my response to your statement "What's more, a shortened work week will inevitably hinder productivity and efficiency of any operation," we wouldn't be laying people off and cutting back hours if sales weren't down. Since sales are down, there isn't as much to produce. Productivity isn't down because we have less peo learned to become more efficient utilizing less people and getting the work that we have out the door and still meeting our deadlines.

I think most of the employees appreciate less hours versus being laid off. Even if they are going to go job hunting, there are not that many openings in our industry, and in larger markets. I am reading about large print shops closing or laying off everywhere. If they happen to be job hunting, at least they are able to keep w confident we could fill the position as a part time position, very quickly considering the unemployment rate.

Source URL (retrieved on *09/23/2014 - 8:48am*):
http://www.impomag.com/blogs/2009/03/shortened-work-week-risky%E2%80%94and-not-realistic?qt-recent_content=0

Links:
[1] http://www.nytimes.com/2009/03/01/jobs/01workweek.html?_r=2&scp=9&sq=%2b%22chief+operating+officer%22&st=nyt
[2] mailto:amanda.mcgowan@advantagemedia.com
[3] http://www.impomag.com/scripts/ShowPR~RID~10677.asp