

SB 569_AFSCME3_FAV.pdf

Uploaded by: Denise Gilmore

Position: FAV



190 W. Ostend St., #101
Baltimore, MD 21230
Phone: 410-547-1515
Email: info@afscmemd.org

Patrick Moran – President

SB 569 - State Employees - Four-Day Workweek - Implementation

**Finance Committee
February 29, 2024**

FAVORABLE

AFSCME Council 3 supports SB 569. This legislation requires the Department of Budget and Management (DBM) to do an analysis of jobs and agencies where at least 60% of state employees can work a 4-day workweek. SB 569 requires that prior to implementation on or before October 1, 2027, a signed agreement with the exclusive bargaining representative must be achieved first. Further, an employee who transitions to a 4-day workweek may not have their hours reduced to less than 36 hours a week or have their pay or benefits reduced. Finally, SB 569 requires a report to the General Assembly beginning on October 1, 2028, on the status of the implementation and how 4-day workweeks are impacting vacancy rates and budgets.

AFSCME Council 3 supports the expansion of more family friendly work schedules for our members. For certain classifications, a 4-day workweek could be a great recruitment and retention tool at a time when staffing shortages are high. There are several ways to implement a 4-day workweek and some roles are not beneficial for a 4-day workweek – for instance if it leads to staff working overtime shifts that are longer than the 8-hour OT shifts they are currently working to cover shifts where there are not enough staff. We genuinely appreciate that the sponsor working with us over the interim to address our concerns by including language that requires a negotiation with the exclusive bargaining representatives to iron out these details prior to implementation.

Four-day workweeks are not a new phenomenon. Prior to the administration of Gov. Shaefer, most state employees worked a 35.5-hour work week. Across Europe, 4-day workweeks have also been used effectively in the U.K., Germany, and Belgium most recently. Studies show that productivity can increase when workers spend less time in offices. Four-day workweeks can also be very helpful for workers who provide care for children or the elderly parents so they can accommodate more medical appointments for instance without having to use leave.

SB 569 promotes flexible and new approaches to addressing staffing shortages in state government. We urge a favorable report.

SB 569 - Four-Day Workweek.pdf

Uploaded by: Denise Riley

Position: FAV



A Union of Professionals
AFT-Maryland

5800 Metro Drive, Suite 100 • Baltimore, MD 21215-3226
410/764-3030 • fax: 410/764-3008
md.aft.org

Kenya Campbell
PRESIDENT

LaBrina Hopkins
SECRETARY-TREASURER

**Written Testimony Submitted to the Maryland Senate Finance Committee
SB 569 - State Employees - Four-Day Workweek – Implementation
February 28, 2024**

FAVORABLE

Chair Beidle and members of the Committee, AFT-MD asks for a favorable report on HB 569, which proposes the implementation of a 4-day workweek for state employees in designated units or functions of state government. This forward-thinking legislation offers numerous benefits to both state employees and the efficiency of state operations.

The provision outlined in the bill underscores a commitment to exploring innovative approaches to workplace flexibility while maintaining the productivity and effectiveness of state government operations. By identifying units or functions where a 4-day workweek is feasible and beneficial for at least 60% of state employees, this legislation aims to enhance employee satisfaction, work-life balance, and overall morale.

Furthermore, the bill demonstrates a thoughtful approach to implementation. By setting clear deadlines for the identification and implementation of the 4-day workweek, as well as outlining requirements for negotiation with exclusive representatives of bargaining units, the legislation ensures a smooth transition process for affected employees.

Importantly, House Bill 559 safeguards the rights and interests of state employees throughout the transition to a 4-day workweek. Employees who opt to transition are protected from reductions in work hours, pay, or benefits, providing reassurance and stability during this period of change.

The bill also mandates a comprehensive reporting requirement to the General Assembly, ensuring transparency and accountability in the implementation process. This reporting will allow for an assessment of the impact of the 4-day workweek on vacancy rates, budgets, and other relevant factors, enabling informed decision-making moving forward.

HB 569 represents a proactive step towards modernizing state government operations and promoting employee well-being. We urge the Committee to support this legislation, as it holds the potential to improve employee satisfaction, increase productivity, and enhance the overall effectiveness of state government. Thank you.

Written Testimony for HB 559 SB 568 2-27-2024 Dimi

Uploaded by: Dimitrios Cavathas

Position: FAV

Written Testimony for HB 559 / SB 569

State Employees – Four-Day Workweek – Implementation

Submission by:

Dimitrios Cavathas, LCSW-C

CEO

Lower Shore Clinic, Inc.

208 East Main Street

Salisbury, MD 21801

Thank you for allowing me to be present today to provide my support for the State Employees – Four-Day Workweek – Implementation Legislation. This legislation is a great step forward towards supporting all companies, organizations, and governmental entities in Maryland to provide a Four Day Workweek (4DW).

This is the time to move to a 4-day work week. The Ford Motor Company reduced its work schedule from 48 hours to 40 hours in 1926. This set the stage for the Fair Labor Standards Act in 1938 setting the 40-hour work week as the new standard. In 1956, then-Vice President Richard Nixon predicted people would soon enjoy a four-day workweek in the "not too distant future," leading to a "fuller family life for every American," as The New York Times summarized.

(<https://www.nytimes.com/1956/09/23/archives/nixon-foresees-4day-work-week-says-gop-policies-assure-fuller-life.html>)

There have now been many pilots of the 4-day work week in many countries including the United States with significant success. The studies can be found here for reference: <https://workfour.org/> & <https://www.4dayweek.com/> . WorkFour Research has found the following results when workplaces implement the 4DW (<https://workfour.org/workplace-benefits>):

Increased Productivity: Employers who have worked with their employees to adopt a four-day workweek, typically report increased engagement, higher quality work, and increased productivity.

Reduced Overhead Costs: Fewer days in the office means less money spent on utilities and office supplies. This can lead to significant savings over time. Just over half of companies who have adopted a four-day workweek find that it saves costs.

Improved Employee Retention: Offering a four-day workweek can make a company more attractive to potential employees and can increase job satisfaction, reducing turnover. Two thirds (63%) of employers said that providing a four-day workweek has helped them to attract and retain talent.

Improved Employee Recruitment: Organizations that transition to a 4DW report a significant increase in the number of applicants that apply to open positions—which in turn increases the quality of candidates that join your organization.

Enhanced Employee Health: Reduced stress and burnout can lead to fewer sick days and lower healthcare costs.

Reduced Employee Burnout: We are experiencing a burnout epidemic at all levels of organizations. 66% of employees reported burn out and 95% of human resources leaders say burnout is a significant cause of workforce turnover. Employees overwhelmingly feel happier and less stressed working a four-day workweek, reducing burnout, improving work quality, and increasing retention.

Improved Work-Life Harmony: A four-day workweek gives workers more time to spend with family, pursue hobbies, rest, and enjoy life outside of work. In a survey of 250 businesses operating on a four-day workweek, businesses reported their employees are happier (78%), less stressed (70%), and produce better work (63%).

More Time to Care for Loved Ones: With rising childcare and adult care costs, ensuring workers have time to care for their own families is increasingly important. A four-day week empowers workers not to sacrifice their work to care for their loved ones.

Reduced Commute Time: Fewer days commuting to work can save time and reduce transportation costs.

Increased Job Satisfaction: A shorter workweek can lead to increased job satisfaction, which can improve mental health and overall well-being.

Greater Focus and Efficiency: With more time to rest and recharge, workers can bring more energy and focus to their work.

As the CEO of a \$20 million not-for-profit organization with 173 employees, I have led and implemented the 4-day 36-hour work week for the entire organization with some staff working a 3-day 30-hour work week for our weekend services. This was accomplished without reducing pay and most benefits. The lessons learned from others which we implemented include:

- Not keeping 40 hours over 4 days but reducing hours to 36 hours with a goal of getting to 32 hours a week.
- Recognizing that 40 hours of work does not equate to the productivity and outcomes/results of an individual.
- Recognizing that adding some additional staff will allow services to continue and improve/enhance the work provided.
- Designating and organizing the same 4-day work week for all staff reduces stress and creates easy logistics to succeed in your business. This also creates a predictable work schedule which promotes strong work / life balance.

- Keeping compensation at the same level when moving to a 4-day work week equates to a significant increase in compensation including the worth and value of a person's time.
- Using the 4DW as a recruitment strategy to reduce turnover and burnout will yield results over time.

I hope that the Legislature will move in this direction to support all organizations towards the 4DW.

The Four-Day Work Week-Learnings from Companies at

Uploaded by: Joe O'Connor

Position: FAV

The Four-Day Work Week

Learnings from Companies at the Forefront of Work-Time Reduction



Introduction

Imagine if organizations around the world could work one less day per week, without a reduction in pay.

While it may sound improbable, the reduction of work hours has been spanning almost a century. In 1869, President Ulysses Grant first mandated a maximum 8-hour workday for government workers. Later, in 1926, Henry Ford limited the work week to 40 hours when he realized it optimized productivity.¹ Considering this historical background, one may wonder if we are witnessing the start to a similar shift today toward a four-day work week.

In the last few years, the four-day work week has become a buzzy topic for companies around the world. Many organizations boast its benefits such as increased productivity and reduced employee burnout, while others remain apprehensive. We're certainly seeing a growing number of companies pursuing new, more flexible ways of working, which has become imperative in today's Post-Industrial Era. Our research shows that "dynamic organizations," those leading the way with superior business, people, and innovation outcomes today, are experts at adapting their working models. These organizations prioritize practices like upskilling for productivity and fostering flexibility and autonomy around work.²

Amid this context, where does the four-day work week fit in? Is it one of many models that companies can use to increase productivity and flexibility, or does it represent a stand-alone movement? Moreover, which types of organizations are seeing success with this approach, what specific problems are they solving, and how are they managing the transition effectively?

In this report, we unpack the concept of work-time reduction, and specifically the four-day work week. The report also provides a historical overview, practical insights, opportunities, challenges, and what may be coming next. To uncover these findings, we spoke to nine organizations that have successfully implemented work-time reduction programs. Real-world examples from these organizations are included throughout the report to illustrate how this concept is put into action. Further, we connected with experts in the field to paint a fuller picture of how this new way of working is evolving.

1 ["The history & evolution of the 40-hour work week,"](#) Sophia Lee/Culture Amp.

2 *The Definitive Guide to Building a Dynamic Organization*, Josh Bersin and Kathi Enderes, PhD/The Josh Bersin Company, 2023.

The History of Work-Time Reduction

The concept of a reduced-hour work week, including the four-day week, isn't new. As far back as the 1930s, economist John Maynard Keynes first suggested the possibility of employees working as little as 15 hours a week. In 1956, the idea of a reduced-hour work week had made its way to the most powerful office in the country. President Richard Nixon even predicted a future where employees would be working a four-day week.

During the 1960s and 1970s, several organizations attempted to implement four-day work weeks. Unfortunately, most of these initiatives fell short of the anticipated results and were generally abandoned. By attempting to cram a full 40 hours of work into four days, these initiatives failed to consider a few critical factors. First, there is a nonlinear relationship between hours worked and productivity, including a diminishing rate of productivity for each additional hour worked. Additionally, longer working hours are associated with an increase in errors and work-related injuries, as well as a decline in employee wellbeing indicators like satisfaction and engagement.

In recent years, an increasing number of organizations appear to have cracked the code. There is a growing body of evidence suggesting that reduced work hours for the same pay, rather than simply condensing workdays, are not only feasible when it comes to maintaining outcomes but also potentially advantageous.

Starting in 2015, early positive signs of reduced working hours emerged from a pilot in Sweden and a subsequent public rollout in Iceland. Following the outbreak of the pandemic in 2020, Joe O'Connor, CEO and cofounder at the Work Time Reduction Center of Excellence, initiated the world's first coordinated pilot program for a four-day work week in Ireland. Later, at 4 Day Week Global, he expanded this model to large-scale global trials in North America, the UK, and Australasia throughout 2021. Despite the necessary costs, some trade-offs, and varying levels of work required to prepare for each trial, the results consistently demonstrated positive impacts on employee wellbeing, retention, and even business outcomes.

While not perfect, these pilots have shown encouraging results and laid the groundwork for improving the process. The impact of the pandemic, coupled with tight labor markets and the Great Resignation, has compelled companies to seek innovative methods to stay competitive in their talent practices. Considering the growing trend toward work-time reduction, it is important to answer two questions: first, what exactly is work-time reduction from a practical perspective, and second, how can it be achieved successfully?

Defining Work-Time Reduction

Let's begin with an explanation of work-time reduction policies. These policies focus on reducing the number of hours that employees work while maintaining the same levels of pay, service, and productive output. In other words, we're asking people to produce the same outcomes in less time.

Although the four-day work week has gained significant attention, there are a variety of different models. Examples include six-hour workdays, nine-day fortnights, half-day Fridays, flexible or "freedom" Fridays, summer Fridays off, and "half-day" Fridays with workers clocking off between 12 PM and 2 PM.

Healthy Organizations: Why Companies Are Trying It

One of the primary reasons organizations choose to adopt these policies is to foster healthier and more sustainable work environments. As employee burnout and other work-related health issues plague employees, workers are increasingly seeking opportunities for healthier and more balanced relationships with their jobs. And based on our research, organizations that have been most successful in this transition have been taking a holistic approach, incorporating flexible working models as part of their offerings for employees.³ In pursuing these policies, companies can reduce costs associated with burnout, including reduced productivity, sick leaves, and turnover rates.

³ *The Definitive Guide to Wellbeing: The Healthy Organization*, Josh Bersin and Janet Mertens, PhD/The Josh Bersin Company, October 2021.

Our research reveals that healthy organizations are more than three times as likely to engage and retain their workers.⁴ And in today's competitive labor market, where attracting and retaining top talent is a continuous challenge, adopting a reduced-hour work week can be an attractive benefit for job-seekers. As such this can potentially give organizations a significant competitive advantage.

Beyond employee concerns, implementing reduced-work hours initiatives can serve as a tool to assess and improve productivity. This approach also uncovers inefficiencies and cost savings in the process. Companies aiming to reduce work hours by up to 20% must undergo substantial work redesign while maintaining business outcomes. The preparation exercises alone to streamline operations, remove administrative burdens, and prioritize high-impact work can improve company productivity substantially. Moreover, with the reduction in working hours as a driving force, the stakes become even higher.

To successfully transition to a reduced-hour work week, organizations need to undergo not just the tactical steps we cover in the next section but more importantly a cultural shift toward continuous improvement, with a focus on performance, collective responsibility, communication, and accountability. Our research indicates that organizations with supportive and innovative cultures—characterized by strong norms of communication and trust—create what we call an "irresistible" employee experience.⁵ These organizations are best positioned to implement these changes effectively. Furthermore, having leaders who are experimental and forward-thinking—traits that define the change-ready leaders that help companies thrive in the Post-Industrial Age⁶—is also an advantage in this regard.

These elements are common themes in the stories of many companies that have already made the leap to the four-day work week. In the next section, we'll delve into the tactical steps the organizations we interviewed undertook to develop their programs, taking into account their unique workforces, industries, and cultures.

⁴ Ibid.

⁵ *The Definitive Guide: Employee Experience*, Josh Bersin and Kathi Enderes, PhD/The Josh Bersin Company, 2021.

⁶ *The Definitive Guide to Leadership Development: Irresistible Leadership*, Josh Bersin and Janet Mertens/The Josh Bersin Company, 2023.

Implementing Work-Time Reduction: Common Practices and Learnings

The transition to a shorter work week should be approached as an operational excellence project. Like any change initiative, there are various ways to achieve the intended outcome. However, our conversations highlighted several consistent factors critical to each organization's success. These factors fall into a few categories: redesigning work for productivity, tackling policy and operational shifts, and planning a successful pilot. In this section, we have compiled the components of each category, along with some specific examples.

Redesigning Work for Productivity

An early misconception of the four-day work week was the assumption that it meant squeezing five days of work into four, a practice proven to fail historically. Given the initiative to improve wellbeing and engagement, and considering the science of productivity, simply condensing work hours without reprioritization is unlikely to work.

To successfully implement a reduced-hour work week without sacrificing outcomes, it's imperative to undertake work redesign. This process starts with establishing clear business goals, assessing which work is contributing to outcomes, and removing obstacles that hinder employees from making meaningful contributions. Here are some of the practical tips we heard from our interviews to ensure reduced work hours are spent in the most effective and impactful ways.

- **Clearly define the work that matters.** Organizations often use OKR (objectives and key results) frameworks to define both companywide and team-level goals to ensure all efforts are aligned with these goals. While the ideal scenario involves dedicating most of our time on work directly contributing to business outcomes, it's important to approach this with some flexibility. For example, people managers may spend more time in one-on-one meetings, which are important for building rapport and

a trusting relationship within the team, even if these meetings do not directly contribute to outcomes-focused work. Consider incorporating the value of connection, collaboration, teamwork, and activities surrounding professional development alongside tasks that are directly focused on achieving outcomes.

- **Run a meeting audit.** Meetings are often criticized for being unproductive time, and it's true that the time spent in meetings can often exceed the actual productivity achieved during that time. Shopify, a Canadian e-commerce company made a radical move in 2023 to reduce unnecessary meetings by eliminating 12,000 of them at the start of that year.⁷ Our interviews find that auditing and ultimately reducing meetings was another essential practice to create more time for productive work.

CASE IN POINT

Mäd

Mäd, a Cambodian digital transformation consultancy, has always taken a flexible approach to work, and a four-day work week felt like a natural next step during the pandemic. As part of the team's approach to preserve productivity, it took special care to free up designers and engineers from attending too many meetings since these individuals' output required focused, uninterrupted time.

- **Allow employees to operate "top of license."** In addition to attending meetings, many employees often find themselves bogged down with various administrative or menial tasks that take time away from their essential work. We call these obstacles to operating "top of license," or engaging in the work that matches employees' unique skills and for which they are hired.⁸ Once assessing which work matters, it's crucial to decide which activities to stop, outsource, or automate with technology. Next, it is essential to take the time

⁷ "Shopify's CFO explains how its new meeting cost calculator works, and how it will cut 474,000 events in 2023: 'Time is money,'" Sheryl Estrada/Yahoo! Finance, July 14, 2023.

⁸ *The Definitive Guide to Building a Dynamic Organization*, Josh Bersin and Kathi Enderes, PhD/The Josh Bersin Company, 2023.

to understand the individual strengths and passions of each employee and allow them to spend most of their working time on the tasks that align with their expertise and interests. As we discuss in *The Definitive Guide to Building a Dynamic Organization*, when people are doing work they're passionate about, they will find ways to do their job more efficiently.⁹

- **Embrace asynchronous communication.** When teams adopt a four-day working schedule where employees aren't all off on the same day, asynchronous communication becomes essential. Project management tools can be helpful for project-specific communications, and employees can control their notification preferences easily. Defining new norms around how chat tools like Slack and Teams are used will also be important. Along with reducing live meetings, embrace written or recorded status updates, which allow employees to consume the information at a time that works for them. While live conversations are still valuable, with one fewer overlapping day or perhaps more when teams rotate days off, asynchronous communication should become the norm in most cases, rather than the exception.

CASES IN POINT
<p>PRAXIS PR</p> <p><i>The team at PRAXIS PR, a marketing agency based in Toronto, Canada, uses project management software to update client projects before final approval. This ensures that the next team taking over the following day or week has all the necessary information without needing to connect to facilitate the handoff.</i></p>
<p>Mäd</p> <p><i>Mäd works with clients in different time zones around the world and uses collaborative design software and project management tools to work asynchronously with clients and provide additional visibility into the work being done.</i></p>

- **Empower employees to adopt their own productivity practices.** While work-time reduction provides a framework to increase productivity, it doesn't necessarily compel the specific methods. In addition to the organizationwide policies or norms governing the utilization of work time, each employee upholds the responsibility for sticking to those norms, as well as maintaining their own level of focus. Some of the organizations we spoke to came up with a list of best practices around work habits, even offering training to employees. Others may prefer to leave it up to the individual to determine what works for them. Given the prevalence of digital distractions, it can't hurt to reinforce or even encourage employees to share how they're cultivating better focus during workdays.

CASE IN POINT
<p>Inventium</p> <p><i>Amantha Imber, the founder at Inventium, a workplace consultancy in Australia, is a champion for putting productivity practices into the hands of employees. In her team's process of preparing for a four-day work week pilot, she developed productivity training intended to help employees more effectively utilize their time. Some of her team's productivity practices include calendar blocking, turning cell phones off for blocks of time, and scheduling deeply focused work around when each employee is most productive. With the right tools and knowledge, employees are encouraged to take ownership of their time and utilize it in the way that works best for them.</i></p>

- **Redefine what requires an "escalation."** Escalations—or urgent situations that typically need to be addressed quickly—are common at client-facing or professional services organizations, but they can happen on internal facing teams, too. Whether it's an urgent request from a customer, or a team-specific fire drill, escalations are a quick ticket to task-switching and often require

⁹ *The Definitive Guide to Building a Dynamic Organization*, Josh Bersin and Kathi Enderes, PhD/The Josh Bersin Company, 2023.

employees to reprioritize what they were working on to take on the issue at hand. While some escalations are inevitable, others may be avoidable, and defining what truly requires an escalation is important. This can help to preserve employee focus during the workday, as well as employees' days off if action can wait. Consider being very specific about what requires an escalation, including who should be brought in and when. If you are rotating days off, try to ensure coverage for those who are off on specific days. If everyone has the same day off, be very specific about what requires involvement outside of working hours.

CASE IN POINT

The Ross Firm

The Ross Firm, a law firm based in Ontario, Canada, began trialing a four-day work week in 2020 following a clear uptick in employee stress surrounding the pandemic. Despite an increase in business at that time and the high-pressure environment that typically exists in law, CEO Quinn Ross was committed to giving the four-day week a shot while maintaining the same level of attention for clients. His team took a thoughtful approach to handling escalations, which could have inhibited four-day work week success. "If it can wait a day or two on a weekend, then it can wait a day on a weekday," said Ross. This kind of perspective takes a concerted effort to define what constitutes an escalation, and thoughtful judgment on the employees' part to decide if something needs to be addressed immediately, or if it can wait.

If squeezing five days of work into four is a concern for employees or leadership, one consideration is Parkinson's Law, which states, "Work expands to fill the time allotted for its completion." In other words, employees will fill the time they have to complete tasks. If we reduce the amount of time available, we just may surprise ourselves with how much we're able to complete. Furthermore, removing excess time spent on administrative or unproductive tasks will free up tangible hours to put back into productive work.

Redefining Policies and Norms Upfront

Shifting to a four-day or reduced-hour week requires a significant number of operational components to address. While answers will depend on the specific organizations, here are some of the areas that the companies we spoke to had to think through as they adopted work-time reduction practices.

- **Determine which days employees will take off in an equitable manner.** Some of the organizations we spoke to take Fridays off; others have a 50-50 split between Monday and Friday, while others rotate different days throughout the week. For shift work models, this may become more complex, as weekends and additional hours must be taken into account. These organizations considered the amount of coverage needed for clients, as well as equity for employees.
- **Revisit vacation and sick leave policies to align to a four-day week.** With 52 fewer working days, less vacation will naturally accrue. Think through whether your existing vacation policy will need to shift. The same may be true with sick days. This is something that may be helpful to address in advance.
- **Address policies around companywide holidays.** Similar to vacation days, holidays are additional days off on top of the 20% fewer working days. Some organizations remove the scheduled day off if a vacation day falls in the same week, while others keep both if that's what the schedule mandates.
- **Establish clear internal and external communication norms for days off.** Determine the expected response time for clients. Clarify what constitutes as an "emergency" or "escalation" as described in the previous section. Further, establish communication standards and specifically, asynchronous communication best practices for specific tools or channels like email and chat.
- **Determine the program's level of flexibility.** Clarify how strictly you expect employees and/or leaders to adhere to the four-day work week program. For example, determine whether the days off should be treated like weekend days or if some work is expected under specific circumstances. Additionally, establish the conditions under which the company can revert to a standard five-day work week during exceptionally busy

periods. To elaborate on the point around flexibility, here is what we heard from our conversations:

- A leading practice among the organizations we consulted involved maintaining flexibility around the four-day week, knowing there may be times where it needs to be adjusted to accommodate heavy workloads, tight deadlines, or client escalations.
- According to John Trougakos, professor at the University of Toronto and an expert on organizational behavior and employee wellbeing, if it is truly a day off, employers should not dictate how employees spend their time. He stated that engaging in intrinsically motivated behaviors during this time can lead to greater personal benefits.
- In Quinn Ross's experience, the only hard rule during the pilot was the visible participation of leaders in the four-day week. It was critical that the executive leadership and practice leads adopt the program and demonstrate its potential, ensuring it was perceived across the organization as an authentic and credible approach to work within the company. This was especially important in the initial part of the pilot.

Implementing a Well-Defined Pilot

Without exception, all the organizations we interviewed that successfully implemented a four-day work week began with a well-defined, minimum three-month trial period to assess whether a reduction of work hours could be done successfully based on specific KPIs (key performance indicators). The pilots were thoughtfully developed with preparatory measures such as work redesign and operational shifts as described previously. These measures were accompanied by documentation and employee training well in advance, with a clear start and end point. Subsequently, the measured outcomes would determine whether the organization would return to the previous working model, continue the trial with some course corrections, or continue with the four-day week on a long-term basis. Here are some tips from the organizations we interviewed.

- **Get buy-in from leadership and employees.** A radical redesign of work cannot be done without buy-in from both leaders and employees at all levels within the organization. Every participant plays an essential role in driving the

necessary cultural and work shifts required. If they are not brought into the underlying principles, objectives, and responsibilities they carry, the initiative is unlikely to succeed. Whether an organization decides to gauge interest from employees through team meetings, surveys, or explicit opt-in procedures, cultivating internal commitment is vital to the success of a four-day work week initiative.

CASE IN POINT

PRAXIS PR

PRAXIS PR was interested in trying out a four-day work week to help with recruitment and retention during the Great Resignation in 2022. Leadership decided to bring the idea of participating in the North America 4 Day Week Global trial to its employees directly. "We have found that it doesn't work unless employees are engaged and buying into it," says Matt Juniper, Associate Managing Partner at PRAXIS. Leadership began by going to managers, who were initially excited and then surfaced some hesitancy about whether their teams would be able to get work done with 20% fewer hours. Once they went through some training, 100% of managers agreed that they wanted to move forward with the pilot. When it came to employee buy-in, once PRAXIS agreed to participate in the pilot, employees received opt-in letters to clarify what their expectations were and give them an explicit choice around their participation. "There's an expectation that I'm opting in because I'm part of the equation here; I have to work more efficiently, effectively, use the training I've been given, etc. So, it's all opt in," said Juniper.

- **Position the pilot as an experiment with clear expectations.** Communication and positioning are important elements in successfully establishing a four-day work week. This starts with defining the pilot clearly, treating it as a trial rather than a given, and clarifying expectations for participating employees. Specifically, calling the pilot an experiment emphasizes its provisional nature, enabling employees to grasp the anticipated work or productivity outcomes required in exchange for the extra day off. Experiments

require clear definitions: What's the hypothesis? What specifically are we testing, and what's each employee's responsibility so that it's a clear and effective test? How will success be measured? Defining these elements upfront will provide the pilot program with a solid structure and ensure more valid results.

CASES IN POINT

Inventium

Amantha Imber at Inventium describes the importance of positioning the pilot as an experiment. "Experiments can fail," says Imber. "Set clear hypotheses, take measurements seriously, and see what happens." Inventium ran a six-month pilot before rolling out a four-day work week on a long-term basis. The company refers to the program as the "Gift of the Fifth," indicating that the day off is a gift and not a given, and it's maintained by collectively getting work done efficiently and maintaining outcomes. It also means there may be busier months when employees need to work that fifth day, and that's a preset understanding for the team. Inventium has also made participation in its four-day work week program optional.

Healthwise

Healthwise, a health education and software company headquartered in Boise, Idaho, decided to pilot a four-day week to support the wellbeing of its employees during the stress of the pandemic. The team put together clear messaging around expectations for employees, which was that they would receive 100% pay for 80% of their time in the work week, assuming they had 100% output toward organizational goals. "It was always clear that having the four-day week was contingent on us being able to meet our commitments," said LaDonna Speiser, Senior Director of Internal Operations at Healthwise. In that spirit, Healthwise employees did temporarily return to a five-day work week to ensure the timely release of a new product, which was a way to rally around meeting organizational goals.

- **Crowdsource potential obstacles and ideas from employees.** Obstacles may arise when rolling out a four-day work week, and while organizations cannot predict everything in advance, asking employees for their input may uncover potential concerns to address. Furthermore, based on our research on both employee experience¹⁰ and inclusion,¹¹ employee listening is a leading practice tied to positive business outcomes. Incorporating employee input into how the pilot is executed can foster trust, surface innovative ideas for success, and boost collective engagement. Employees often possess insights into obstacles that leadership or HR might not anticipate. Involving employees in the conversation early on, and in some cases, allowing them autonomy in bringing the four-day work week to life, can yield significant benefits.

CASE IN POINT

Common Future

Common Future, a nonprofit focused on racial and economic equity, decided to pilot a four-day work week as part of an initiative to improve wellbeing and flexibility during the pandemic. As part of its preparation process, Common Future held focus groups with different cohorts of employees to understand their concerns and address them in advance of rollout. "One of our goals is to model a new way of working, and that includes creating an innovative, employee-first workplace of the future," said Joann Lee Wagner, VP of People at Common Future. This also means that employees get to help pave the way for what that workplace looks like.

¹⁰ *The Definitive Guide: Employee Experience*, Josh Bersin and Kathi Enderes, PhD/The Josh Bersin Company, 2021.

¹¹ *Elevating Equity: The Real Story of Diversity and Inclusion*, Josh Bersin and Kathi Enderes, PhD/The Josh Bersin Company, 2021.

CASE IN POINT

Outcomes First Group

Outcomes First Group, a leading specialist provider of education and therapeutic care, has had unique challenges to consider when rolling out their reduced-work week. They are responsible for providing education and care that spans beyond the traditional Monday-to-Friday, 9-to-5 work week. The organization empowered leaders to plan how the reduced-work week could be possible in their own teams, trusting that those leaders and their teams know best about what will work for them. Helen Williams, Head of Communications and Engagement at Outcomes First Group, reflects, "Another learning point in terms of preparing for the pilot was to encourage our head teachers, registered managers, and team managers to source ideas from their team and not try to figure this out by themselves. Their team would most likely have some ideas they may not have thought about."

- **Be transparent with clients and external stakeholders.**

When organizations consider adopting a four-day work week, one common hesitation revolves around upholding standards, especially with external stakeholders operating on a five-day or in some cases, a seven-day schedule. Many of the organizations we spoke to, particularly in the professional services industry, prioritize direct client interactions, making communication a critical part of managing client expectations. This often includes some combination of giving customers advanced notice about the pilots, creating resources or FAQs to address client concerns, incorporating information about the designated day off in email signatures, and developing coverage plans for team members who are out of the office.

CASES IN POINT

Tyler Grange

Tyler Grange is a UK-based environmental consultancy. When the company was considering a four-day work week pilot to mitigate burnout and support better employee wellbeing, communicating this with its 3000+ clients was an essential part of the preparation process. Prior to the trial, the company sent a newsletter and FAQs to every client, and it took an even more personalized approach with top clients. "We did one-to-one phone calls or meetings with our top clients to talk them through it and sort of tell them not to be scared of it," said Jon Berry, Cofounder and Owner of Tyler Grange. The outreach in advance also set expectations that the team was committed to maintaining the same client standards as before and opened up a dialogue for honest feedback. While some clients had reservations, most reacted positively, and some have even asked the organization to teach them how they might be able to roll out the four-day week.

Awin

For Awin, an affiliate marketing organization based in Europe, the four-day work week (known internally as "Flexi-Week") became another flexibility offering for employees. Teams are still expected to serve customers on an ongoing basis, so team leaders are ultimately responsible for determining what the four-day work week looks like such that it doesn't interrupt client expectations. Employees work directly with their managers to determine which day they have off.

While each organization addresses customer communication and positioning slightly differently, their priorities remain the same: maintaining the best possible experience for their clients. And to ensure they're continuing to do so, they keep a pulse check on metrics like project completions, customer NPS, client satisfaction scores, and one-on-one client feedback.

- **Set up key metrics for success.** A well-designed experiment requires both a hypothesis and defined measurements to determine success. In our discussions with many organizations, it was evident they kept a close eye on key metrics throughout and after their pilots to decide whether to continue. Although most of the organizations were primarily focused on improving people-related outcomes, such as burnout, retention, and recruitment, the pivotal metrics for continuing the pilot were linked to maintaining business and customer outcomes. Improvements to wellbeing could not compromise financial and productivity outcomes, nor client satisfaction. See Figure 1 below for a list of common metrics that companies measure during their pilots.

Establishing goals in advance and consistently measuring them during and after the pilot can serve as a valuable gauge of success. Furthermore, effectively communicating these objectives and corresponding measurement methods to employees will further emphasize the purpose behind the program and highlight every employee's role in its success. In the next section, we'll share some of the specific outcomes that organizations have observed as a result.

CASE IN POINT

PRAXIS PR

PRAXIS PR spent extensive time determining how they would measure productivity during their pilot. With a roughly 20% reduction in hours, they focused primarily on cutting back on meetings and administrative processes. Leveraging time-tracking software to monitor billable and nonbillable hours, they were easily able to see the number of hours spent on administrative tasks, allowing them to significantly reduce this aspect. Additionally, they tracked client satisfaction closely to ensure the same standards were being met and that project completions were met as before. When it came to people metrics, PRAXIS closely tracked recruitment, retention, employee satisfaction, and wellbeing.

Figure 1: Common Metrics for Four-Day Work Week Pilots

Category	Metrics
Program Adoption	Employee participation rates, hours worked on 5th day
Employee Outcomes	Recruitment, retention, employee engagement, employee burnout, eNPS, sick leave, absenteeism
Customer Outcomes	NPS, customer satisfaction scores, client retention
Business Outcomes	Total revenue, revenue per employee, project completions, business goal attainment, productivity*

*One question that often arises for organizations concerns how to measure productivity. According to the BLS, the classic way involves dividing output by the total number of hours worked.¹² It is crucial to define "productive output" since the total amount of output or work being done might decrease, but the goal is to maintain productive output. In this context, we would clarify "output" to mean business outcomes, indicating that if companies can maintain business outcomes despite working fewer hours, they are increasing their total productivity. See "business outcomes" above for examples of business outcomes that can be measured.

Source: *The Josh Bersin Company, 2023*

12 ["How Is Productivity Measured? > Calculating Productivity,"](#) U.S. Bureau of Labor Statistics.

Benefits and Challenges

Reducing work hours effectively may require a lot of preparation, but according to the companies we talked to, the potential benefits from well-organized pilots are significant. However despite substantial preparation, certain challenges did arise as well. To present the full picture, we will delve into some of the more specific outcomes organizations have seen from the four-day work week, as well as some of the challenges they had to address along the way.

Benefits Beyond Wellbeing

Work-time reduction has been demonstrated to yield huge benefits for organizations that get it right. Recent findings from pilots in the U.S. and Canada, as well as the UK showcase positive outcomes for both employers and employees. See Figure 2 for specific examples from the recent trials. Additionally, Figure 3 on the following page shows specific outcomes from the companies we talked to.

While some of the outcomes were anecdotal, across the board these organizations say their employees love the program and are incredibly grateful to spend their days off doing things that are uniquely important to them.

Avoiding the Panacea Pitfall

Given the opportunity for positive outcomes with a four-day week, what challenges could arise? As Banks Benitez, former CEO at Uncharted, which merged with Common Future in 2022, and now Head of Venture Development at Ezra Climate, said, “I tell teams a lot that if you think the four-day work week is a panacea to all the problems in your business, you misunderstand it, and that actually it’s more powerful as a diagnostic tool.” The four-day week can surface problems in communication and trust, work inefficiencies, and barriers to productivity; and while it can therefore provide an opportunity to address these challenges, Joe O’Connor adds, “This is not a cheap fix; this is very hard work.”

Although the preparation and work redesign outlined in this report are intended to mitigate some of the challenges that could arise when moving to a four-day week, it’s impossible to tackle everything upfront. Here are some of obstacles that can arise, and how you can go about addressing them.

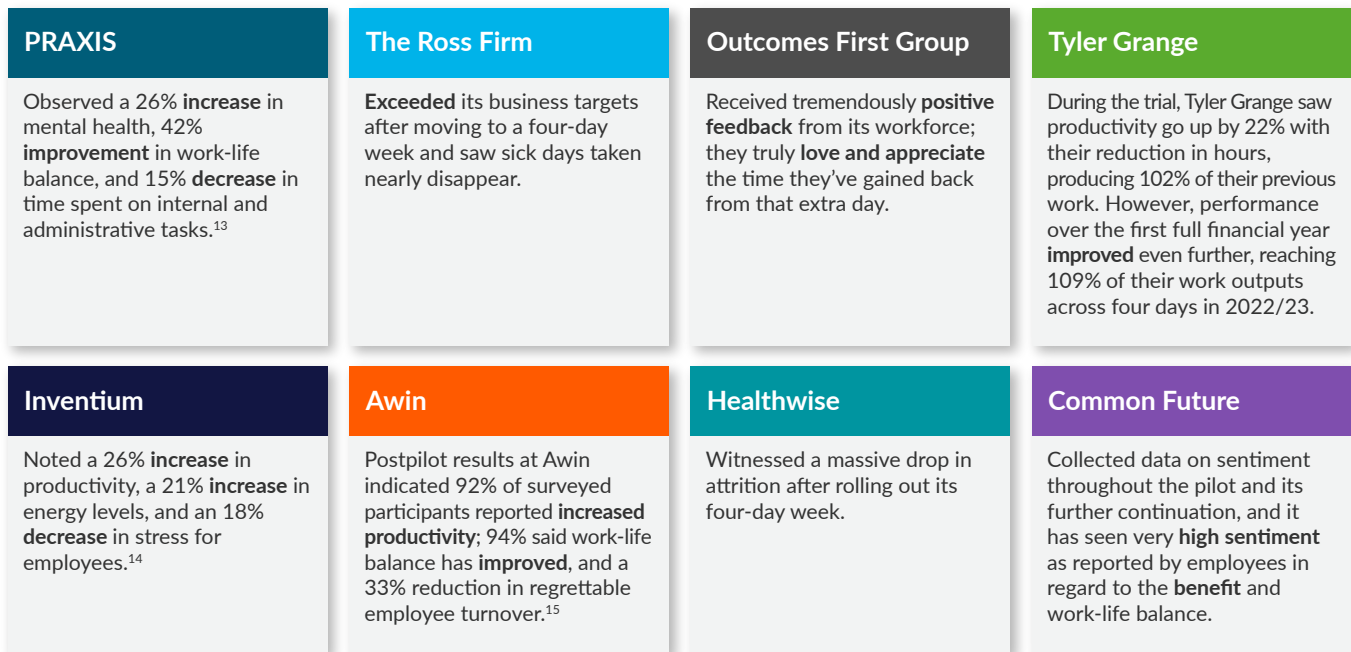
- **Lack of infrastructure in place to make work-time reduction possible.** Without the proper preparation and concerted efforts to remove administrative burdens, address communication challenges, and properly

Figure 2: Four-Day Work Week Trial Results



Source: [4 Day Week Global 2023 Long-Term Pilot Program Report](#), 2023, and [The UK’s Four-Day Week Pilot](#), 2023

Figure 3: Company Outcomes



Source: The Josh Bersin Company, 2023

distribute work, it will be very challenging to expect employees to deliver the same level of productivity while working 20% fewer hours. If your organization is currently dealing with unsustainable workloads, where employees regularly work way over and above their contracted hours, your first step should not be introducing an entirely new work-week structure. Instead, the principles and practices successfully applied by four-day week companies can help drive efficiency and improve prioritization within the existing work model so that employees have greater control over their workday and balance in their working lives.

- **Lack of adoption.** Successfully implementing a four-day work week requires a cultural and work style shift. If several employees or leaders don't embrace this change, whether due to personal preference or perceived limitations, it can set expectations among other employees that they should be working beyond the intended schedule. And this can be a slippery slope. It is crucial to monitor adoption closely, and if you notice a shift or a few employees that are

consistently working a fifth day, try to get to the root cause. Encourage leadership to set a positive example as well. You can also introduce policies that allow for flexibility to work on the fifth day without disrupting others, reinforcing a sense of autonomy and empowerment among employees.

- **Entitlement from employees.** The organizations we spoke to set clear expectations with their employees that maintaining productivity and meeting goals was essential to maintaining the four-day work week. However, during busy periods, some organizations temporarily reverted to a five-day work week or required employees to work on those days off. This usually led to pushback from employees who considered the four-day week as a perk that was being taken away from them. In such cases, proper realignment around expectations can be helpful, and this is also why it's important to very clearly set expectations around the program's contingency upfront.
- **Reduction in social connection time.** When condensing work time, one of the nonessential areas that can be

13 "Our 4-Day Week Trial: The Results Are In!" PRAXIS.

14 "Three ways this business found success with a four-day work week," Amantha Imber/SmartCompany, April 12, 2022.

15 Case study: Awin's four-day work week wonders, Peter Crush/TLNT, July 25, 2023.

impacted is the time for social connection—whether virtual or in person. That said, social connections at work are important to foster engagement, collaboration, and a positive culture. One organization expressed that the lack of social time was a challenge. As a result, they deliberately focused on creating connection through all-hands sessions and weekly standups, because relationship-building is important to prioritize and make time for.

- **Industry-specific complexities.** Challenges can arise for organizations with onsite or frontline workers, talent shortages, or those operating on nontraditional hours that require specific coverage. In the nonprofit space, funding can be based on the number of hours that employees are working, making it difficult to navigate a 20% reduction in hours. While our research largely covers organizations in knowledge work or professional services, Outcomes First Group is a great example of an organization tackling some of these challenges in education and caretaking. They've empowered each frontline team to get creative around how they can make work-time reduction happen, considering the unique requirements of their roles.

It is also worth noting that while our research included companies with roughly 10 to 4,500 employees, it did not include any very large enterprises. The truth is, rolling out a four-day week may be easier to tackle at a smaller organization with fewer silos where it can move more quickly. However, that's not to say it cannot be done at larger organizations. Unilever in Australia and New Zealand and Microsoft in Japan are two examples of larger companies that implemented four-day-week pilots for a portion of their workforce. In larger, more complex organizations with significant differentiation across countries and time zones as well as functional groups, this can often look more like a 12- to 24- month transformation project rather than a 3- to 6-month pilot.

What's Next?

With growing evidence supporting the viability and effectiveness of four-day work weeks and other reduced work-time models, we expect a gradual, steady increase in their adoption over the coming years. This shift will be

driven by organizations' competitive drive to distinguish their employee value propositions and give themselves an edge when it comes to talent attraction and retention. Other organizations will become fast followers in response to the competitive pressure from early adopters in their industry. While the critical mass of adoption to date has by and large been among small and medium-size enterprises, we expect to see a sizable number of strategically significant, mid-market firms make this switch across various industries within one to two years.

A shorter work week now stands as one of a suite of different options for workplace flexibility available to HR and people leaders. It is not only a more ambitious and attractive model from a benefits perspective for employees than many other options but also it offers other unique virtues. It serves as a structured form of flexibility, ensuring fair and universal access and distribution of rewards while incentivizing collective responsibility, accountability, engagement, and action, which more discretionary, individualized models do not achieve. Moreover, there are signs that after decades of individual employee preferences that were geared toward increased consumption and luxury over leisure, Gen Z and future generations are now prioritizing sustainability, experiences, and time. Organizations will need to respond to this trend in the incentives and benefits they offer.

Finally, artificial intelligence and other advances in technology and automation cannot be overlooked as another driver of exponential growth for reduced-hour work models. This has already greatly expanded the scope and potential for workplace efficiencies by helping organizations fill talent gaps and enabling employees to focus their time on more meaningful work.

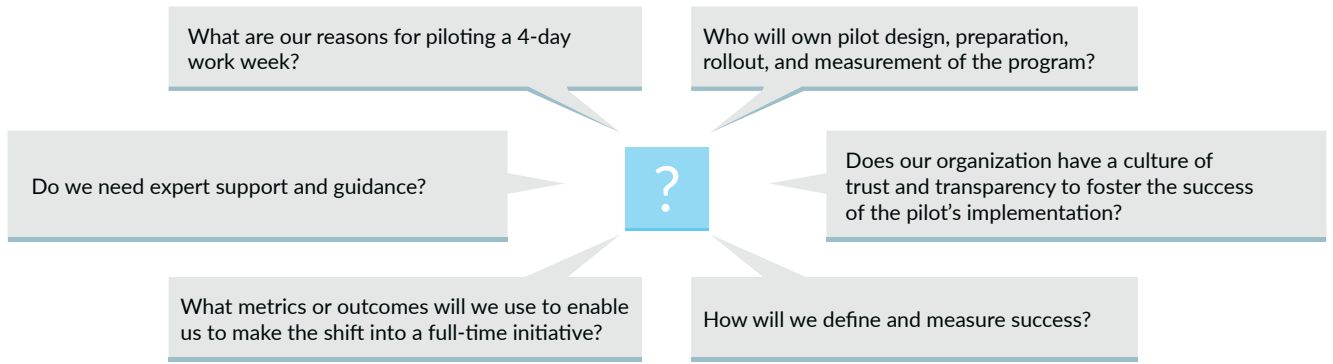
As we continue moving forward in the Post-Industrial Age, organizations must be more dynamic to stay ahead. This requires the ability to adopt new ways of working and pivot quickly to adapt to the market and the needs of their employees.¹⁶ We predict that the leaders of tomorrow will be those who embrace technology, optimize productivity, leverage flexibility, and attract and retain the best talent through an employee proposition that centers around a greater quality of life.

¹⁶ *The Definitive Guide to Building a Dynamic Organization*, Josh Bersin and Kathi Enderes, PhD/The Josh Bersin Company, 2023.

The Four-Day Work Week Action Guide

PURPOSE: This guide summarizes key considerations and tactical steps for implementing a four-day work week.

Key Questions to Consider Before Starting



Pilot Preparation

<p>Get buy-in from leadership and employees</p> <ul style="list-style-type: none"> How will we gauge interest in running a pilot? Will we create a formal policy around this initiative for employees? What kind of opt-in will we allow for? 	<p>Position the pilot as an experiment with clear expectations</p> <ul style="list-style-type: none"> What is expected of employees to carry the pilot forward? How will we communicate our expectations to employees? 	<p>Crowdsource potential obstacles from employees</p> <ul style="list-style-type: none"> How can we solicit input from employees prior to rollout on what obstacles they anticipate? What does employee listening look like? 	
<p>Redesign work for productivity</p> <ul style="list-style-type: none"> What defines productive work? How can we use technology to scale or automate processes? What are best practices in preserving productive work time? 	<p>Think through operational changes</p> <ul style="list-style-type: none"> Which day will employees have off? How will we handle vacation days, sick days, and holidays? What are our communication norms on days off? 	<p>Be transparent with clients and external stakeholders</p> <ul style="list-style-type: none"> How will we communicate our pilot with external stakeholders? What are our client communication expectations on days off? How will we measure client satisfaction? 	<p>Set up key metrics for success</p> <ul style="list-style-type: none"> How will we define success? What metrics will we measure around productivity, financial, people, and client outcomes?

Measuring Outcomes

Category	Metrics
Program Adoption	Employee participation rates, hours worked on 5th day
Employee Outcomes	Recruitment, retention, employee engagement, employee burnout, eNPS, sick leave, absenteeism
Customer Outcomes	NPS, customer satisfaction scores, client retention
Business Outcomes	Total revenue, revenue per employee, project completions, business goal attainment, team productivity
Other	Energy use

Source: The Josh Bersin Company, 2023

About the Authors



Josh Bersin

Josh founded Bersin & Associates in 2001 to provide research and advisory services focused on corporate learning. He expanded the company's coverage to encompass HR, talent management, talent acquisition, and leadership and became a recognized expert in the talent market. Josh sold the company to Deloitte in 2012 and was a partner in Bersin by Deloitte up until 2018.

In 2019, Josh founded the Josh Bersin Academy, a professional development academy that has become the "home for HR." In 2020, he put together a team of analysts and advisors who are now working with him to support and guide HR organizations from around the world under the umbrella of The Josh Bersin Company. He is frequently featured in publications such as *Forbes*, *Harvard Business Review*, *HR Executive*, *The Wall Street Journal*, and *CLO Magazine*. He is a popular blogger and has more than 800,000 followers on LinkedIn.



Julia Bersin

Julia is a senior research analyst for The Josh Bersin Company where she studies how businesses are transforming work for the future. Her current research areas include the extended workforce, employee listening and communication, and employee engagement. With an educational background in psychology and math, Julia has spent nearly 10 years working at technology companies—including HR tech enterprises—across various growth stages. She has extensive professional experience managing multifunctional projects and driving marketing and growth strategies. Julia is also passionate about health and wellbeing and brings these areas into both her research and personal life.



Joe O'Connor

Joe is CEO and cofounder of the Work Time Reduction Center of Excellence, a global consulting and research organization specializing in shorter work-week models and reduced-hour, outcome-focused working. Internationally acclaimed as one of the leading experts on the shorter work week, Joe developed the world's first pilot program for the four-day work week in Ireland at the onset of the pandemic in 2020. In collaboration with Boston College and University College Dublin, he codesigned a pioneering research project to measure the impact of the pilot. As CEO of 4 Day Week Global throughout 2020 and 2021, he expanded this model to lead the large-scale, heavily publicized trials of the four-day week in the UK, North America, and Australia. In this role, he supported hundreds of organizations and thousands of employees to shorten their work hours and optimize their productivity. Joe also led a research project on work-time reduction as a visiting research scholar at Cornell University.



John P. Trougakos, PhD

John is a professor of management at the University of Toronto and president of JPT Associates Inc. His work focuses on the dynamics of employees' daily organizational life, seeking to provide insights into current business challenges and the rapidly evolving workplace of the future. He specializes in issues related to leadership, group dynamics, employee wellbeing, and productivity as well as implementation of novel work methods (e.g., hybrid models, shortened work weeks, etc.). John's award-winning research is published in numerous leading academic outlets and featured widely by a variety of media outlets, including the BBC, Bloomberg, CBC, *New York Times*, NPR, *The Globe and Mail*, *Time* magazine, to name a few. Some of his industry collaborations include Bell Canada, Canadian Partnership Against Cancer, Canadian Securities Trader Association, Staples Canada, U.S. Department of Defense, U.S. Department of Labor, and the Work Time Reduction Center of Excellence, among others.

The Josh Bersin Company Membership

The Josh Bersin Company provides a wide range of research and advisory services to help HR leaders and professionals tackle the ever-evolving challenges and needs of today's workforce. We cover all topics in HR, talent, and L&D. The Josh Bersin Academy—built on our research and powered by Nomadic Learning—helps HR practitioners grow key foundational skills. Our corporate membership program provides HR teams and senior leaders with the skills, strategies, and insights to build cutting-edge HR and people strategies through a combination of research, assessments, professional development, exclusive events, and community. In 2022, The Josh Bersin Company introduced the Global Workforce Intelligence (GWI) Project to guide market-leading businesses and their leaders through the challenges of industry convergence while remaining future-focused.

For more details, contact us at info@bersinpartners.com.

The Work Time Reduction Center of Excellence

The Work Time Reduction Center of Excellence is on a mission to change the way the world works. It is the world's leading consulting and research organization supporting future-forward businesses to implement shorter work weeks. Its world-renowned experts help organizations work smarter, not longer, to deliver sustained results. The company designs shorter work-week solutions, helps streamline processes, and provides operational diagnostic assessments.

For more details, go to <https://worktimereduction.com>

MD 4DW Written Testimony_SB 569_JonSteinman.pdf

Uploaded by: Jon Steinman

Position: FAV

Feb 23, 2024

Thank you for convening this hearing on a topic that every American cares deeply about: their time. I'm Jon Steinman, the co-founder of the 4 Day Week Campaign US, also known as WorkFour, and I'm excited to be testifying on behalf of SB 569. The time has come for this legislation.

No matter who you are or what you do, we can all agree that we could use more of our own time. Time is not a partisan issue. Time is a human issue.

Time is also a stubborn thing. Managing one's time on a fixed schedule against the demands of work, school, family, and community is stressful. There's often no flexibility; too much of the time too little slack. But it doesn't have to be. We can change how we live. We can give ourselves more time.

That's why I'm so grateful for the leadership of Sen. Shelly Hettleman and the political will of this committee – as well as Del. Vaughn Stewart, who has been a real champion for people to have more agency over their own time – to deliver more time to Marylanders. The bill under consideration today would not move everyone into a 4 Day Week; by starting with state employees Maryland will be proving that the transition can be done by the public sector, matching the vanguard in the private sector that is already embracing the 4 Day Week.

By moving this bill forward, Maryland will be showing the world how to step confidently into the future, how to share the fruits of our economic prosperity with everyone in the form of precious time, and how to genuinely support each and every person's individual pursuit of happiness.

As the co-founder of the 4 Day Week Campaign in the US – or WorkFour – I know both how important our time is and how stubborn we are to change. A century ago the modern weekend was born, giving Americans an extra day to invest in themselves, their families, and their communities.

Critics thundered that the weekend would hobble the economy, set our nation back, and encourage profligacy of all kinds – and history proved them utterly wrong.

Soon after creating the weekend, our economy grew into the envy of the world, a thriving middle class was born, unparalleled innovation and productivity marked American industry, and recreation and leisure stopped being exclusively for the wealthiest. Rather than set us back, giving more time to Americans launched us ahead of the global pack. Some 100 years later, it's time for another update.

Endorsements for expanding the weekend have come in the last year from such disparate public figures as former President Barack Obama to JPMorgan Chase CEO Jamie Dimon. They point to

rapidly advancing technology as the reason to rethink the 5 day work week. But tech is only one impetus.

The 4 Day Week benefits employers by:

- **Increasing Productivity:** Studies have shown that shorter workweeks can lead to higher levels of productivity. By having more time for rest, family, and personal pursuits, employees return to work rejuvenated and more focused, resulting in greater efficiency during working hours.
- **Enhancing Employee Engagement:** Offering a shorter workweek demonstrates a commitment to employee well-being, fostering a positive work culture and improving morale. Engaged employees are more likely to be loyal, innovative, and dedicated to their work.
- **Improving Recruitment and Retention:** In a competitive job market, companies that prioritize work-life balance and offer shorter workweeks stand out as desirable employers. Studies show that companies with a four-day workweek attract more applicants and reduce turnover rates, saving on recruitment and training costs.

Workers benefit from the 4 Day week through:

- **Improved Work-Life Balance:** A shorter workweek allows employees to better balance their professional responsibilities with personal and family commitments. This leads to reduced stress, better mental health, and stronger relationships outside of work.
- **Health and Well-being:** Employees at companies with four-day workweeks report significantly lower levels of burnout. Meanwhile, long working hours have been linked to various health issues, including burnout, heart disease, and mental health issues. Shortening the workweek can mitigate these risks and promote overall well-being.
- **Opportunities for Personal Development:** With more time outside of work, employees can pursue hobbies, further their education, or engage in community activities. This not only enriches their lives but also fosters personal growth and fulfillment.

And society benefits:

- **Economic Stimulus:** A shorter workweek can stimulate economic activity by spreading employment opportunities across more workers. This can help address unemployment and underemployment issues while boosting consumer spending.
- **Environmental Benefits:** Reducing working hours can lead to a decrease in commuting and energy consumption, contributing to environmental sustainability and mitigating climate change.
- **Social Equity:** Shorter workweeks promote equity by allowing more time for caregiving responsibilities, volunteering, and civic engagement. This helps create a more inclusive and cohesive society.

Maryland is now poised to be a leader in delivering these benefits to residents of the state, and showing all others how to get to a better future. Thank you for holding this hearing, for moving on a policy that benefits everyone, and for not waiting for others to lead. I look forward to working with you and the state of Maryland to make sure the 4 Day Week is implemented equitably so that all may benefit – just as we all benefited from the original weekend, created by an earlier era’s leaders who saw a better future.

Thank you for this opportunity to testify. I look forward to working with you and the state of Maryland to make sure the 4 Day Week is equitably implemented – and that what happens here is a model for the rest of the nation to follow.

Scan_20240228.pdf

Uploaded by: Rose Wertz

Position: FAV



AFT Healthcare-Maryland
7127 Rutherford Road
Baltimore, MD 21244

Written Testimony Submitted for the Record

Local 5197

Committee: Finance
Bill: Senate Bill 569

Date: February 29, 2024
Position - Support

Good afternoon Chairman and members of the Finance Committee

I am Rosemary Wertz, Field Coordinator for AFT Healthcare-Maryland, the exclusive bargaining representative for Healthcare Professionals in Maryland State government. Thank you for the opportunity to submit testimony in support of SB 569. Our bargaining unit includes Registered Nurses, Physicians, Therapists and Counselors. The vacancy and turnover rate for classifications in our bargaining unit have increased over the last few years. To attract and retain Registered Nurses, we negotiated a 36-hour workweek program for our Registered Nurses in 24/7 facilities in 2019. The Western Maryland Hospital Center and the Thomas B. Finan Center initially posted vacancy announcements for Registered Nurses for both 12- and 8-hour shifts. Twelve-hour shift announcements received more than twice the response. New language included in our MOU effective January 1, 2024 includes a commitment from management to expand the 36 hour workweek for nurses, in part, due to the positive impact on recruitment.

Prior to executive order 01.01.1991.19, full-time state employees had a choice of shifts. Some worked 40 hours per week, while others worked 35 or 37 and ½ hours. Alternative shifts were offered in lieu of pay raises when the budget was tight. We currently have members working the 36-hour workweek and we have requests for expansion of the program from our nurses. We also have members working four 10-hour shifts, and some working a combination 8- and 12-hour shifts.

While other state employees were on administrative leave for months, our members were required to rapidly adjust to additional duties during COVID. We had a group of Community Health Nurses in Charles County Schools performing COVID testing in VEIP stations. Our members in the 24/7 hospitals were working crazy amounts of overtime during COVID surges. The additional stress has increased burnout and negatively impacted retention. Registered Nurses in private hospitals started working 12-hour shifts in the 1970's to combat the nursing shortage. We are still trying to expand the program to the rest of the hospitals in MDH today.

Recruitment and retention of employees is becoming more and more about work/life balance. The Department of Budget and Management's website includes information about "good work life balance" on the page advertising positions. We support all efforts to offer shift options to employees that fit their lives. State government must be able to compete in the marketplace for employees. Establishment of the 36-hour workweek for nurses came almost 50 years after private industry. AFT Healthcare-Maryland supports SB 569 and urges a favorable vote from this committee.

Respectfully submitted,
Rosemary L. Wertz, Field Coordinator, AFT Healthcare-Maryland, 443-370-0706, rwertz@afthcmd.org

Amendment (1).pdf

Uploaded by: Shelly Hettleman

Position: FAV



SB0569/753323/1

AMENDMENTS
PREPARED
BY THE
DEPT. OF LEGISLATIVE
SERVICES

12 FEB 24
08:36:06

BY: Senator Hettleman
(To be offered in the Finance Committee)

AMENDMENT TO SENATE BILL 569

(First Reading File Bill)

On page 1, in line 22, strike “**60%**” and substitute “**20%**”.

JCR 2023 4DWW.pdf

Uploaded by: Shelly Hettleman

Position: FAV

The Honorable Guy Guzzone
Chairman, Senate Budget and Taxation Committee
3 W. Miller Senate Office Building
Annapolis, MD 21401

The Honorable Ben Barnes
Chairman, House Appropriations Committee
House Office Building, Room 121
Annapolis, MD 21401

RE: Final Report on the Implementing a Four-Day Workweek Program - 2023 JCR


Dear Chairmen Guzzone and Barnes,

The Maryland Department of Labor (MDL) is pleased to transmit the enclosed final report on the implementation of a four-day workweek in Maryland. Pursuant to committee narrative included in the 2023 Joint Chairmen's Report, MDL studied the structure of four-day workweek programs and the potential impact on employers and employees.

This final report provides a summary of existing studies on four-day workweek programs, an analysis of potential incentives that could be provided to employers, the potential impact of a four-day workweek program on employers, the feasibility of moving State workers to a 36-hour per week work schedule, and the resources MDL would require to provide assistance to employers under a four-day workweek program. We hope that this report can be a catalyst for continued analysis and innovative thinking as we consider how to best support Maryland's workforce system.

Any questions about this report can be directed to Andrew Fulginiti at andrew.fulginiti@maryland.gov.

Sincerely,



Portia Wu
Secretary

Enclosure
cc: Members, Senate Budget and Taxation Committee
Members, House Appropriations Committee

Introduction

During the 2022 session of the Maryland General Assembly, the Chairmen of the Senate Budget and Taxation Committee and House Appropriations Committee authored the [Report on the Fiscal 2024 State Operating Budget \(HB 200\) And the State Capital Budget \(HB 201\) And Related Recommendations](#). The committee narrative on “Four-day Workweek” outlined the Committees’ interest in the feasibility of creating a four-day workweek program in the Maryland Department of Labor (MDL, or the Department). The narrative directed MDL to study the structure of four-day workweek programs and the potential impact on employers, to include:

- A study of existing four-day workweek programs, including those established internationally;
- An analysis of potential incentives that could be provided to employers;
- The potential impact of a four-day workweek program on employers;
- The feasibility of moving State workers to a 36-hour per week work schedule; and
- Any resources MDL would require to enable the agency to provide assistance to employers under a four-day workweek program.

By request of the Chairmen, the Department has authored this report to provide analysis on the four-day workweek concept.

Existing Studies

While implementation of the four-day workweek can take many forms, for the purposes of this report the Department only examined implementation of a four-day workweek that resulted in a reduction of working hours without a reduction in pay, including for hourly workers. For instance, schedule changes that shifted employees from working five eight-hour days to four ten-hour days were not considered. The Department narrowed the study to these parameters to match the understood legislative intent.

Overall, existing studies on the four-day workweek are limited, and of those, many are not generalizable to Maryland’s workforce system as they focus on single-employer studies. That said, certain research stands out as providing strong value for making informed legislative decisions on the four-day week. This report will focus on three such studies, providing an overview of each, followed by a synthesis of the findings from all three.

Icelandic Study¹

In 2021, the Icelandic national government, in coordination with the Reykjavik City Council, conducted a study on four-day workweeks titled, “*Going Public: Iceland’s Journey to a Shorter Working Week.*” The study was published by the Association of Democracy and Sustainability, along with the independent research group Autonomy, and involved over 2,500 Icelandic workers (1% of the country’s working population) reducing their working hours from 40 hours to 35-36 hours per week.

¹ https://autonomy.work/wp-content/uploads/2021/06/ICELAND_4DW.pdf

The study consists of two trials, one conducted by the Reykjavik City Council from 2014 to 2019, followed by a trial conducted by the Icelandic Government, which ran from 2017 through 2021. In both trials, the participants were civil servants employed through either Reykjavik's city government or the Icelandic national government, including agencies and offices such as the Reykjavik Child Protection Service, the Reykjavik City Mayor's office, The Icelandic Directorate of Immigration, and a local police station. These participants were chosen because their workplaces exhibited high rates of reported employee stress and burnout. Therefore, these trials aimed to explore how a reduction in working hours without a reduction in compensation could improve work-life balance and increase worker productivity. The trials then evolved to include a wide range of workplaces and job sectors along with an expanded sample population, which included a mixture of both individuals that work regular shifts (nine-to-five), as well as those on non-standard shift patterns.

The outcomes of the study demonstrated positive effects of a shorter working week for employees and employers alike. Study results indicated that a shorter work week generally yielded higher rates of worker productivity and an improved sense of worker well-being across a range of indicators, including perceived stress and burnout, health status, and work-life balance capabilities.

That said, managerial staff experienced more stressors than other staff. Certain managers cited increased pressure to meet deadlines and more difficult scheduling, with some even questioning the positive survey results of their staff. However, while managerial staff were more likely to cite difficulties with the four-day workweek than other staff, the majority still indicated positive changes to their personal and professional lives after switching to the model. These results were largely qualitative in nature, and the data was primarily gathered through interviewing workers and employers. Therefore, incorporating more quantitative data in future studies would offer further justification for the efficacy of implementing a four-day work week.

Following the trial and related study, unions in Iceland advocated for, and secured, a reduction in working hours for tens of thousands of their members. In fact, following the Reykjavik City council study, which concluded in 2017, 86 percent of Iceland's working population either transitioned to a shorter week or gained the right to do so.

United Kingdom Study²

"The Results Are In: The UK's Four-Day Week Pilot," published in February 2023 by Autonomy, the same independent research agency that conducted the Icelandic study, documents a four-day workweek trial conducted within the United Kingdom. The study included 61 companies and roughly 2,900 workers, lasting from June to December 2022. The design of the trial involved employers that already implemented a four-day workweek providing workshops, coaching, mentoring, and peer support to new businesses interested in adopting the model over a two-month period. From there, the companies - which included a wide range of sectors and employee sizes - could implement whichever type of working time reduction or four-day workweek fit best for their logistical and resource needs, as long as they maintained 100 percent pay for staff and gave employees a 'meaningful' reduction in work time.

² <https://autonomy.work/wp-content/uploads/2023/02/The-results-are-in-The-UKs-four-day-week-pilot.pdf>

These variations of shortened work hours included:

- Fridays off;
- Staggered days off in which a set number of employees were off each day of the week;
- Decentralized time off, in which different departments operated on different work patterns;
- Annualized time off, in which staff worked a 32 hour average working week over the course of the trial; and
- Conditional time off based on performance monitoring.

The report drew on administrative data from companies, survey data from employees, and interviews with both employees and company leaders, establishing multiple sources of information in making sound conclusions on the implications of the trial.

The results of the trial indicated that 92 percent of companies participating in the trial continued with the four-day work week after the trial's completion. The report noted extensive benefits of shorter working hours for employees' well-being, with 39 percent of staff expressing lower levels of stress, 71 percent expressing less burnout, and further reports of improvements in anxiety, fatigue and sleepiness, along with overall mental and physical health. Work-life balance of employees improved in relation to social commitments and familial duties, household obligations, household finances, relationships, and time management. Additionally, 60 percent of respondents noted an increased ability to combine paid work with care responsibilities, and 62 percent believed it was now easier to combine work with social life.

It is important to note that while 71 percent of employees reported a decline in working hours, 15 percent said they were working more and 13 percent experienced no change in working hours. Similarly, while 64 percent of employees stated that their average "work intensity" either decreased or remained the same, 36 percent of those surveyed noted that their work intensity increased. These results show that while the majority of staff noted positive gains from the transition, there could be a disparity in which staff are able to access the benefits of the four-day workweek model.

On the business side, metrics showed signs of positive benefits, with an average revenue increase of 35 percent from before and after the trial period, indicating a healthy level of growth during the period of working time reduction. Additionally, staff departures decreased by 57 percent, and 15 percent of employees reported that no amount of money would entice them to accept a five-day schedule compared to the four-day one they enjoyed over the course of the trial.

Boston College Study³

"Assessing Global Trials of Reduced Work Time With No Reduction in Pay," spearheaded by Boston College and assisted by researchers at University College Dublin and Cambridge

³<https://static1.squarespace.com/static/60b956cbe7bf62efd86b04e/t/6387a0e53881be1284cb046e/1669832945858/The+Four+Day+Week-+Assessing+Global+Trials+of+Reduced+Work+Time+with+No+Reduction+in+Pay+%E2%80%93+A+%E2%80%93+30112022.pdf>

University, was conducted in 2022. To enhance the scope and quantity of companies analyzed, the study looked at a combination of 27 different employers, including American companies, companies originating out of Ireland, as well as some fully remote companies. The majority of companies studied were from the administrative, technological, or professional service job sectors.

Overall, companies that participated in the study gave an average satisfaction rating of 9/10, with 10/10 being the highest satisfaction rating and 1/10 being the lowest satisfaction rating. At the trial's conclusion, 18 companies reported plans to definitely continue to utilize a four-day work week, seven planned to continue to do so, one leaned towards continuing, and one was not sure yet if they would continue. Notably, no company responded that they leaned against or planned on not continuing the four-day work week for their business operations.

Participants reported overall company performance at an average score of 7.6/10, 7.7/10 as it related to productivity, and revenue increased on average by 8.14 percent from beginning to end of the trial. Furthermore, revenue was up 37.55 percent on average per company when compared to the six-month period the previous year, with staffing increased by 12.16 percent.

For employees, the results of the trial showed that "employee experience" averaged at a 9.1/10. Virtually all employees (96.6 percent) wanted to continue the trial's four-day work week offering, and when employees were asked to rate their current work performance at the conclusion of the trial compared with their perceived lifetime best performance, the average score rose from 7.17/10 before the trial to 7.83/10. This statistic means that at the end of the trial, employees reported working at 78.3 percent of their most optimal work performance level. A wide range of well-being metrics showed significant improvement from beginning to end of the trial as well, including a decline of stress (84 percent of employees experienced the same or less stress) and burnout (66 percent of employees reported feeling less burnt out). Marginal improvements were seen in areas of fatigue (decrease of 9 percent), and inability to feel energized to complete household tasks (13.75 percent decrease in perceived lethargy). Small improvements were also seen in mental health conditions (average improvement of 6 percent), positive affect (average increase of 9.8 percent), and physical health (a 3.6 percent improvement over the six-month trial).

Consistent with the other studies, while the majority of respondents noted positive changes, a substantive percentage of employees did not experience the benefits of their co-workers, such as 16 percent of staff reporting more stress with the new schedule.

Synthesis

The findings of each of these three reports suggests that employers and employees may benefit from the four-day workweek structure. From a business standpoint, the studies noted increased productivity, improved workforce retention, economic growth and satisfaction, as well as the movement to a permanent four-day work week following the conclusion of the trials for most companies. From an employee standpoint, the studies noted improvements in well-being; stress, and fatigue; stronger work-life balances; and enjoyment of increased leisure time that allowed employees to feel less burnt-out.

The studies also highlight the potential disparity in which staff are actually able to reduce their working time to four days per week. While the majority of those surveyed decreased their working hours, in all studies some subset of employees' work hours remained the same or increased. While the research shows that overall the majority of staff benefit from the model, there is the potential that a smaller subset would be negatively impacted by the four-day workweek, such as the managerial staff highlighted in the Icelandic study. More research is needed to better understand what types of roles are or are not successful in accessing the benefits of the four-day workweek.

Analysis of Potential Employer Incentives

The Department could not identify any research that had been conducted on employer incentives related to the four-day workweek. However, Maryland could potentially explore utilization of other systems or incentives that already exist to encourage participation. For example, the State could consider providing funding through a grant program or tax credit to provide a financial incentive for employers to participate, which may reduce perceived risk in switching to a four-day workweek. Additionally, there could be a statewide marketing campaign highlighting the potential employer benefits of switching to a four-day work week, which could mitigate employer and public skepticism regarding moving workers to a shorter workweek.⁴

For four-day work weeks to succeed, the Department's research suggests that the top levels of leadership must be committed to making the concept work for their employees and business. Without support throughout management-level staff, workers may feel pressure to work beyond the shorter working hours, minimizing the potential benefits for employees which in turn could negatively skew the overall impact on the business. By providing employers an incentive to participate, it could potentially increase buy-in throughout the business and mitigate concerns that any managers may have about decreased productivity/profits.

Considerations may also be given based on business size and business type when developing incentive programs. What works for a large employer may not translate to a small business setting, for example. Additionally, what works for one industry may not translate to an industry that relies on a regular presence of workers as a part of their business model. For example, occupations that do not largely revolve around clientele-based services and production – such as those in the technical field and many government agencies – tend to have workplaces that are more conducive to moving towards a four-day workweek.

Highlighting this fact, the Wall Street Journal⁵ published an article noting the particular difficulty that consumer-oriented employers – mainly those in the service industry – could face in adopting a four-day work week schedule. Another article published by the Society for Human Resource Management (SHRM)⁶ noted the difficulty that manufacturing-based employers could face, both

⁴ <https://www.businessinsider.com/unhealthy-american-work-habits-2017-11>

⁵ <https://www.wsj.com/articles/the-truth-about-the-four-day-workweek-from-people-who-have-tried-it-de8f1561>

⁶ <https://www.shrm.org/hr-today/news/hr-news/pages/is-the-32-hour-workweek-feasible-in-the-us-experts-weigh-.aspx>

relating to the need to maintain the same rate of clientele services and requests under less working hours, placing high levels of stress on employees. In manufacturing, production targets are established based on customer demand and must be met over a certain time period. Others have addressed best practices to account for successful integration of a four-day work week for employers. The article notes that, “Implementing a four-day workweek can require tinkering with how shifts and annual leave are handled” along with “removing or improving work processes to get the same output in four days.” This implementation period can give companies pause when considering the adoption of a four-day workweek, according to an article published by Bloomberg,⁷ which goes on to say, “[the employers] start trying to fix every possible problem or issue before they actually run their trial, which is impossible, because a lot of the productivity gains and process improvements are ground up and led by teams.”

It should be noted that the Maryland Wage and Hour Law and the U.S. Department of Labor Wage and Hour Fair Labor Standards Act requires overtime to be paid for certain employees that work over 40 hours in a workweek. This report does not analyze how a shift to a four-day workweek could impact when overtime pay would be required or how overtime rules could impact employers within certain industries transitioning to a four-day workweek.

Given these considerations, more research is needed to understand how different incentive structures impact different industries/occupations.

Employer Impact & Feasibility of Moving State Workers to a 36-Hour per Week Schedule

Given the findings of the aforementioned research, this report showcases the possible benefits and downsides of Maryland shifting its workforce to a 36-hour per week schedule.

For historical context, the majority of State employees worked a 35.5 hour work week until then-Governor William Donald Schaefer’s executive order proclamation mandating a 40 hour work week for all State employees in 1991. The executive order was intended to mitigate potential layoffs in the face of a fiscal shortfall, while simultaneously boosting worker productivity and minimizing overtime costs.

While the executive order may have made financial sense in 1991, it is worth recognizing that the landscape of Maryland’s State workforce has shifted over the past 30+ years, with workforce vacancies now reaching historic levels. As of January 2022, staffing levels are down 13.8 percent in public safety, down 12.6 percent in the executive branch, and down 10 percent in transportation from traditional levels, to name only a few. The resulting vacancies are costing the State an estimated \$250 million in overtime costs.⁸ Moving to a four-day work week could potentially improve retention through incentivizing current State employees to remain in their roles and increasing the competitiveness of State employment for prospective employees. Based on learnings from the studies, for certain sectors the shift could potentially help the State to establish a stronger workforce capable of optimizing public services and meeting the needs of

⁷<https://www.bloomberg.com/news/articles/2022-09-20/four-day-week-pilot-findings-successful-for-most-firms-but-not-all?leadSource=uverify%20wall#xj4y7vzkg>

⁸ <https://www.wbaltv.com/article/maryland-state-government-worker-shortage/38849120#>

Maryland citizens, as demonstrated through the researchers' conclusions that workers are generally able to complete their work within the shorter workweek with the increases in productivity that such a schedule provides. The potential for increased productivity, coupled with incentives that may lead towards a more fully staffed workforce, could decrease the likelihood that government agencies experience excessive overtime costs. However, the Department does caution extrapolating similar positive outcomes, as identified in the cited research, to an application to Maryland. Further research would be useful in understanding how the variances in economic, social, workforce, and even cultural factors could impact outcomes in Maryland.

Were the State to make the transition, there are specific workforce alterations that would need to be considered, such as adoption of new technology to manage changing workflows. Additionally, the Wall Street Journal⁹ notes that employers that successfully transition to a four-day workweek have created an organizational shift in the structure of the workday, including fewer and more efficient meetings, fewer long email exchanges, and dedicating time to focus work. One cited business spent over three months setting up new systems and schedules, as well as communicating with customers and partners about the upcoming changes. If the State were to embark upon a path in this direction, ample planning time and potentially significant investment in technology enhancements would be required in order to transition successfully.

Resources Needed at the Maryland Department of Labor to Support this Effort

The research presented in this report is based upon four-day workweek trials implemented without government-funded financial incentives. When determining resources that MDL would require to support the efforts of a four-day workweek, it is felt the Department could support efforts through outreach, fielding complaints based upon changes in work schedules, and being ready to process complaints for any incentives or actions that ultimately results in reduced wages. Additionally, employees who are in job classifications that do not fit into a 4 day workweek may inquire with MDL or attempt to file a complaint that they are not able to participate in a four day workweek. It is estimated 1-2 contractual Wage and Hour Investigator II positions (Grade 13, Step 7) initially to perform outreach, offer guidance, and handle inquiries/complaints (for example an employer must provide employees with 2 weeks notice to modify their work hours). Any legislation or incentive programs that need a level of evaluation or processing will need fiscal impact based on relative operational impacts. Any legislation that creates an incentive program that needs monitoring or evaluation will have similar resource requirements as HB0181 from 2023

Conclusion

Overall, the limited research that is available to the Department concludes that changing to a four-day workweek could potentially bring some benefits to both employees and employers. Studies found that employees reported experiencing less stress and burnout, more leisure time, and improved work-life balances; and employers indicated that they experienced higher levels of productivity among employees and higher rates of employee retention.

⁹<https://www.wsj.com/lifestyle/careers/how-a-4-day-workweek-actually-works-from-the-companies-pulling-it-off-1a5c0e2a>

However, research also showed that not all employees received the benefits of the four-day week. Certain staff worked the same or more hours, with increased work intensity and stress due to maintaining productivity over fewer hours. Additionally, employers from industries outside of the traditional nine-to-five workday may experience increased difficulties in shifting their workforce over to a four-day workweek, creating a disparity in the types of workers able to utilize the model.

Given the limited research, potential benefits, and potential pitfalls, the Department recognizes that a resource investment to support businesses and agencies with making this transition would be a key incentive to attract employers to make this transition in Maryland. The Department provided an estimated fiscal impact, via the Fiscal Note for HB 0181 2023, to operate a hypothetical tax credit program; however, other incentive structures may prove more effective depending on industry and should be explored further.

SB 569_FAV_Hettleman.pdf

Uploaded by: Shelly Hettleman

Position: FAV

SHELLY HETTLEMAN
Legislative District 11
Baltimore County

Chair
Rules Committee

Budget and Taxation Committee

Subcommittees

Health and Human Services

Pensions



James Senate Office Building
11 Bladen Street, Room 203
Annapolis, Maryland 21401
410-841-3131 · 301-858-3131
800-492-7122 Ext. 3131
Shelly.Hettleman@senate.state.md.us

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

TESTIMONY OF SENATOR SHELLY HETTLEMAN
SB 569 STATE EMPLOYEES - FOUR-DAY WORKWEEK – IMPLEMENTATION

SB569 is an innovative proposal to address the myriad workplace issues facing our state. It would establish a shortened workweek for a small percentage of state workers. As a pilot project, we have added a sponsor amendment to target 20% of state workers. The Department of Budget and Management (DBM) will choose the employee sectors to apply this classification, based on the feasibility and ease of implementation. These workers would shift to a 36-hour workweek, with no reduction in pay or benefits. Implementation would begin October 1st of 2025 and a transition would occur over a 3-year time period. DBM would be required to report the impact of the four-day work week transition, including vacancy rates and departmental budget effects, in the fourth year of implementation. Delegate Stewart and I understand that DBM would prefer a study, based on their concerns around their capacity to implement the transition. We are open to discussing these details.

We all regularly hear from employers who are challenged finding employees and our state agencies are no exception. The Great Resignation has had a dramatic impact on the workplace, and the nature of work is undergoing a fundamental shift. We also hear from employees who are struggling to balance the demands of work and home life. We hear about the mental health challenges facing our constituents - that certainly existed before COVID, but have been exacerbated by and since the pandemic. The challenges in filling state agency vacancies continue to plague our systems.

This is a pilot program to address these issues, but it should be noted that prior to 1991, at least two-thirds of state workers in Maryland worked 35.5 hours a week.ⁱ For 50 years, 35.5 was the norm until it was changed to 40 hours by Governor Schaefer through an executive order.

The nonprofit 4 Day Week Global Foundation conducted a major study of 33 companies around the world, including some in the U.S. They studied a 6-month long pilot program for the 4-day work week with employees working no more than 32 hours during the week. The pilot study reported on the outcomes for the participating companies. Reduced hours were followed by reduced burnout, increased productivity, increased job satisfaction, improved physical and mental health, better sleep at night, and even reduced conflict in personal relationships.² All of these benefits on reduced work hours were incurred without reducing pay.ⁱⁱ

Work time reduction has benefits all around, it's good for employees, employers, and for society as a whole. Workers report being happier and less stressed at work and studies also report positive effects on family life, mental health, job satisfaction, and physical well-being. Society benefits from lower energy consumption and lower carbon emissions as well as improvements in gender equity outcomes and mental health benefits.ⁱⁱⁱ

Maryland's vacancy crisis impacts us all. According to an analysis by the Department of Legislative Services, the state's vacancy rate in public safety and human services jumped from 12.7% in 2018 to 13.8% in 2022. We have over 39,000 employees across 64 executive branch agencies and excluding higher education, the number of unfilled openings in January was between 6,000 and 7,000. Further data shows that the state is losing employees just as quickly as it is hiring them. Vacancies mean the state is not able to provide many essential services and resources to Maryland taxpayers across the state.^{iv}

We need tools to address recruitment and retention as Maryland competes with the private sector and virtual work opportunities, as well as state positions in nearby Virginia, Delaware, and Pennsylvania. The federal government recruits heavily from our area, with residents easily commuting to the District of Columbia. Offering a four day/36-hour work week as a package of benefits would help the state keep pace with an increasingly competitive job market. It would strengthen our ability to attract and retain talent, improving efficiency and productivity within the workforce and reducing taxpayer cost.

A four-day work week for Maryland is a win-win-win for all of us. Thank you for your consideration and I ask for your support of SB569.

ⁱ [Maryland workweek is decades old schedule is among shortest in the US, Baltimore Sun](#)

ⁱⁱ [Four Better or Four Worse?](#) Henley Business School, University of Reading

ⁱⁱⁱ WorkFour: Four Day Workweek Primer (Maryland), 4 Day Week Global Are Shorter Work Hours Good for the Environment? Rosnick, David and Mark Reisman, 2006. <https://pubmed.ncbi.nlm.nih.gov/17844926/>

^{iv} [Effort to reduce vacant state government positions falling short of Moore's promise, Maryland Matters](#)

SB 569 Written Statement 2.29.24 revised 2.26.24.p

Uploaded by: Laura Vykol-Gray

Position: UNF



Maryland

DEPARTMENT OF BUDGET
AND MANAGEMENT

WES MOORE
Governor

ARUNA MILLER
Lieutenant Governor

HELENE GRADY
Secretary

MARC L. NICOLE
Deputy Secretary

SENATE BILL 569 State Employees - Four-Day Workweek - Implementation

STATEMENT OF OPPOSITION

DATE: February 29, 2024

COMMITTEE: Finance

SUMMARY OF BILL: Senate Bill 569 requires the Department of Budget and Management (DBM) to identify units or functions of State government for which a transition to a 4-day workweek is feasible for 60% of State employees. The bill further requires DBM to negotiate these changes with State employee unions and to implement a 4-day workweek for identified State employees by October 1, 2027. House Bill 559 stipulates that work hours cannot be reduced to less than 36 hours per week, nor can State employees receive a reduction in pay due to the reduction in hours.

EXPLANATION: Senate Bill 569 requires DBM to study, negotiate and implement a significant transition in employees' work hours, salaries, and benefits by October 1, 2027. The bill would require DBM to identify units or functions of State government for which a 4-day workweek is beneficial for at least 60% of State employees, or approximately 30,000 employees across the State Personnel Management System and Maryland Department of Transportation. A review of this magnitude would place considerable burdens on DBM's Office of Personnel Services and Benefits, which would likely need to conduct the review in-house. The bill further requires DBM to implement a 4-day workweek by October 1, 2027 after engaging in negotiations with State employees' exclusive bargaining representatives.

DBM agrees that management should negotiate changes to work schedules with State employees' exclusive bargaining representatives, and our view is that the impetus for these changes should come from proposals from agency leadership and/or from the exclusive bargaining representatives (for roles that are covered by collective bargaining) for use cases where there is a clear business case for the compressed workweek. We have examples in State government today where alternative schedules have been negotiated in cases where the schedule both aligns with the agency's operational needs and supports employee recruitment and retention. However, even in these cases, implementation can be very complicated. DBM feels setting a deadline to implement a significant shift in State employees' work schedules puts undue pressure on the process. DBM prefers to work collaboratively with State agency leadership and State employees' unions to identify positions and/or organizational units where a 4-day workweek makes strong business sense.

45 Calvert Street · Annapolis, MD 21401-1907

Tel: 410-260-7041 · Fax: 410-974-2585 · Toll Free: 1-800-705-3493 · TTY Users: Call via Maryland Relay

<http://dbm.maryland.gov>

DBM also has concerns about the impact a shift to a 4-day workweek for a significant portion of the State workforce would have on overtime costs, staffing coverage/customer service, leave accrual and pension benefits. We understand that in 1991 the State shifted employees from a 35.5 hour work week to a 40 hour work week due to budget constraints. DBM does not support a policy decision to move forward with a shift to 4-day workweek until more is known about the cost implications and other implications and how we will manage them.

POSITION: OPPOSE. DBM opposes this legislation and prefers instead to work collaboratively with agency leadership and exclusive bargaining representatives to identify areas where there is a strong case to consider a compressed workweek then negotiate the desired changes to employees' work hours, salaries, and benefits. Management and State employees' exclusive bargaining representatives should negotiate any changes desired to employees' work hours, salaries, and benefits. DBM would be open to an amendment that would strike the current requirements in the bill and instead ask DBM to conduct a study evaluating the feasibility of a 4-day work week. DBM would need to evaluate the impact of a reduced workweek on overtime costs, staffing and coverage, pension and other benefits.

**For additional information, contact Laura Vykol-Gray at
(410) 260-6371 or laura.vykol@maryland.gov**