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## Firms squeeze it all into 4 days

By Shira Boss-Bicak

The advent of flextime put an end to the 5 o'clock exodus. If the four-day workweek takes hold, Friday happy hours could get a lot harder to plan.

Condensed workweeks typically allow employees to work four 10-hour days in exchange for a third day off each week, with Friday being the most popular.

Elsewhere in the U.S., firms and governments have adopted the policy to help with commuting costs. That's not as big an issue in New York, since mass transit is the norm.

Here, a growing number of small businesses are allowing four-day schedules to attract and retain workers seeking more flexibility, or to save money on operations. As the recession deepens, firms may consider a companywide shutdown one day a week in an effort to avoid layoffs.

"It is appropriate for an organization to think about adjusting hours rather than losing someone with institutional knowledge and experience," says Diane Pfadenhauer, an employment lawyer who is president of Employment Practices Advisors Inc. in Northport, L.I.

For now, though, most businesses that offer a four-day option have put it in place as an employee benefit.

"It's been a big morale-booster," says Marianne Petillo, chief executive of ROM Reinsurance Management Co. in Manhattan, who implemented the policy a year and a half ago.

### Anticipating problems

Previously, Ms. Petillo had noticed that her 15 employees took days off at the worst times, such as quarterly closings. Now, the 12 staffers who have signed up for the four-day week have their plans approved by

managers a month in advance. As for absenteeism, she says: "We've nipped that in the bud. People schedule [personal] appointments on their day off."

Other small businesses have adopted four-day workweeks to save on energy costs.

Metropolitan Pavilion, a special-events venue in Chelsea with 70 employees, identified several Fridays in July and August this year when no events were planned, and made them official company holidays. Executives ensured that all lights and computers were turned off, to maximize the savings from vacating its 23,000 square feet of space.

"It's cost-effective and increases awareness because it makes you think about energy conservation," says David Carey, director of operations. This also allows the firm to market itself as a green business.

Mr. Carey estimates that the savings generated by the days off, combined with reductions from routine measures like reducing the use of air conditioning, have lowered utility costs by an estimated 20% overall.

Some experts say that the four-day policy can be tricky to implement. Various firms that have tried four-day scheduling have rescinded it because of the effect on clients.

"It's very hard to tell your clients you're closed for a long weekend," says Ms. Pfadenhauer.

Sometimes, certain positions within the company lend themselves to a four-day cycle with extended hours, while other positions need to be filled during business hours, five days a week.

### Well-plotted programs

"If a policy isn't well-structured, it can create confusion and even employee-relations issues if they have conflicts with scheduling," says Rick Gibbs, a senior human resources specialist at Administaff, which provides HR support for small businesses.

Ms. Petillo, who initially allowed ROM employees to make changes in the days off they chose, found that it was "too chaotic." Also, managers had to break the news that to enable the system to work and to promote fairness, employees would have to punch in, 21st century-style: Workers are prompted to "start the clock" when they log on to their computers.

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#### WHETHER FOUR-DAY WORKWEEKS

increase productivity isn't yet known. Managers at many companies say that productivity rose when they introduced the policy, but little research has been done.

It is clear that small firms lead in offering compressed work-weeks, giving them a potential **recruitment edge**. Nationwide, 10% of firms with 50 to 99 employees offer the benefit to most or all workers, vs. 5% of those with 1,000 workers or more, a 2008 Families and Work Institute study shows.