

Compressed Working Week

Introduction

The Scottish Government <u>argues</u> that improving job security, wages and work-life balance are essential to delivering a more socially just Scotland. They contrast this approach with the UK labour market model, which has generated high income inequality while failing to drive productivity growth. The SNP has a manifesto commitment to pilot the benefits of a four-day working week, although slow progress has been <u>criticised</u> by campaigners. Most <u>surveyed</u> Scottish employers (56%) agree that reducing working hours without reducing pay is a great idea but could never happen in their organisation. In contrast, 19% disagree that this could not happen in their organisation, with 25% unsure.

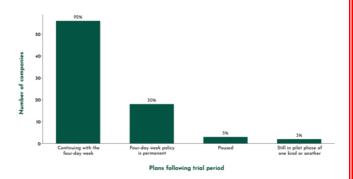
Employees who have worked for the same employer for 26 weeks have a <u>statutory right</u> to request flexible working. However, other than requiring employers to deal with requests reasonably, there is no legal entitlement. The UK Government is supporting limited strengthening of the <u>provisions</u> while retaining a voluntary approach.

Compressed hours is a working pattern where employees complete their contracted hours within fewer working days. For example, they may work 37.5 hours over 4 days instead of 5 days. The 4 Day Week campaign and others have been campaigning for a four-day week with no loss of pay, arguing that this would benefit workers and employers and result in a long overdue updating of working hours in the UK.

At a time of labour shortages, a TUC <u>analysis</u> found more than 1.46 million women across the UK are kept out of the labour market because of their caring responsibilities. Yet half of working mums don't get the flexibility they request at work.

Some 60 companies recently agreed to participate in a large-scale UK four-day week <u>pilot</u>. 92% of employers said they would continue with a shorter workweek following the programme – with 30% making the change permanent. Among nearly 3,000 employees, 71% reported feeling reduced levels of burnout; there were also improvements in physical health and wellbeing. The number of staff

leaving participating companies decreased significantly, dropping by 57% over the trial period.



What's happening in Scotland?

As the Scottish Government is promoting the benefits, we attempted to find out the extent to which public bodies in Scotland had adopted a compressed working week. A Freedom of Information request asked if they had adopted a compressed working week, had an explicit policy and how many staff were working a compressed working week.

Health boards all followed the NHS Scotland PIN guidelines, which include a compressed working week as part of a flexible working policy. Having a policy is a good start, but the test is how flexibly the board uses the policy. For example, the NHS has many shift workers, which has traditionally been a barrier to flexible working in all its forms. Sadly, only one health board could provide data on the compressed working week option. The one exception claimed to have 3,332 staff on non-standard hours, although this will cover all forms of flexible working. All the others don't record the data centrally, which is surprising with the centralised NHS payroll system. It also means that they are not monitoring the impact of the policy.

Local government struggled to answer the Fol request, with one-third of councils yet to respond. Sadly, this is not that unusual, as it would appear that even statutory duties are beyond some authorities. However, most councils allow a compressed working week as part of broader flexible working policies, albeit under various titles. Only two councils have no provision; one said they would require staff to reduce their working hours. Others explicitly indicated that they would

generally not use a compressed working week in specific work areas like schools. Councils did somewhat better on data, with 40% able to give a figure. West Lothian and Aberdeenshire appear to have the most active policies regarding take-up. However, even there, the numbers do not exceed 4% of the total workforce.

All universities, bar one, allow a compressed working week as part of their flexible/agile working policy. Just over half of universities could provide data. The numbers were generally low at less than 2% of the workforce.

The rest of the public sector, NDPBs and public corporations allowed compressed working through similar flexible working policies. The take-up appears reasonably high in more administrative functions (8% in one), but more operational services were less likely to be able to provide data.

Overall, the survey indicates that almost all of the Scottish public sector has adopted the concept of a compressed working week in principle. However, it is difficult to say if the take-up is significant. The available data would indicate a low take-up. Most employers can't provide the data, so they cannot monitor the policy. Decentralising the decision-making function may be acceptable in principle, but it shouldn't stop data collection. We know from other studies that middle managers often resist adopting flexible working.

European experience

The pandemic, with its increase in home working, brought increased interest across Europe in a compressed working week. Belgian employees now have the right to perform a full workweek in four days instead of the usual five without loss of salary. The Prime Minister said, "The goal is to give people and companies more freedom to arrange their work time. If you compare our country with others, you'll often see we're far less dynamic".

The Spanish Government has launched a pilot project, using €10 million of EU funds for mid-size companies to offer a four-day working week to staff. Between 2015 to 2019, Iceland conducted the world's largest pilot of a reduced working week. The study led to a significant change in Iceland, with nearly 90% of the working population now having reduced hours or other accommodations.

In Sweden, a four-day working week with full pay was tested in 2015 with mixed results. Finland, often seen as a leader in this field, has not introduced a scheme. Neither has Germany, despite public support and trade union claims.

Way Forward

A <u>study</u> by IPPR Scotland showed that 88% of working-age people in Scotland would be willing to take part in a trial scheme. 80% believed it would have a positive effect on their wellbeing, and 60% believed it would improve productivity.

IPPR called on the Scottish Government to expand its four-day week pilot to include more sectors, including people working non-office-based jobs, shift workers, flexible work, those working condensed hours, and those working part-time. This could be linked to other policy measures to ensure these workers do not lose out. "The full time, nine-to-five office job is not how many people across Scotland work – and shorter working time trials need to reflect that reality."

Women, in particular, face multiple discriminations because of the unequal share of care, the lack of recognition and value placed on both the paid and unpaid work that women often undertake. As well as the lack of access to flexible working practices and affordable childcare. Surveys point to problems with 'fake' flexibility'; companies were happy to offer reduced working hours but expected the same outputs. The CIPD has highlighted the business case for flexible working, and the TUC recommends a right to flexible working from day one of employment. This would require action from the UK Government.

The compressed working week alone will not solve Scotland's labour market problems. There is no "one-size-fits-all" solution to flexible working. The productivity and wellbeing gains will only be achieved by a genuine reduction in the working week. The current cost of living crisis could drive workers to reduce their working week in their main job to make additional income elsewhere on the fifth day. While <u>surveys</u> show the four-day week is the most popular form of flexible working, all other options should remain available.

As employment law is reserved, the Scottish Government can move this process on by delivering on its promised scheme and improving data collection so we can properly assess the policy impact.

Jimmy Reid Foundation

The Jimmy Reid Foundation is a think tank which brings together different voices from across Scotland to make the case for economic, environmental, political and social equity and justice in Scotland and further afield.

https://reidfoundation.scot

For further Information contact:

Dave Watson – contact@reidfoundation.scot