



Key Considerations for Adopting a Four-Day Workweek in Trade Industries

By Marley Masser

Employers are constantly looking for new ways to attract and retain talent, and one of the latest solutions to emerge is the four-day workweek. Indeed, recent research conducted by the non-profit organization 4 Day Week Global (4DWG) has confirmed that a reduced workweek of approximately 32 hours—without any reduction in pay—has remarkably positive outcomes for employers and employees alike.

However, while the four-day workweek is gaining traction amongst corporate employers, the question remains whether such an arrangement is feasible for tradespeople. Accordingly, here is a discussion on the key considerations for implementing a four-day workweek for those working in trade industries.

The Benefits & Drawbacks of a Four-Day Workweek

A four-day workweek could provide many benefits for both employers and employees working in trade professions, including:

- **Attracting & Retaining Workers:** A four-day workweek can be an attractive benefit for employees and can help employers attract and retain top talent. For example, when 4DWG asked participating employees if they wanted to continue with a four-day workweek upon completion of the trial study, 96.9% of employees said yes (notably, out of the 33 companies participating in the study, not a single company reported that they planned on returning to the traditional five-day workweek upon completion of the trial). Further, 32% of employees reported that they would need a pay increase between 0-25% to justify returning to a five-day workweek, 42% of employees said they would need a 25-50% salary increase, 13% said they would need more than a 50% increase, and another 13% reported that no salary increase would be enough.
- **Improved Physical & Mental Wellbeing:** Another advantage of the four-day workweek for tradespeople is that it could allow for more rest and recovery time between tasks. Working in a physical job can be taxing on the body and having an extra day off can help workers to stay healthy, avoid burnout, and prevent on-site injuries. It can also increase employee satisfaction and motivation by providing workers with more time to spend with their family, friends, and pursuing their personal interests. For example, 4DWG's research shows that 45% of participants reported an increase in overall job satisfaction and 60% reported an improvement in work-life balance.
- **Increased Productivity & Engagement:** In addition to improved physical and mental well-being, extra time for rest and recharge can increase at-work productivity, including a decrease in absenteeism and an improvement in overall job performance. For example, among the participating employers in the 4DWG study, revenues rose an average of 8.14% and increased by 37.55% in comparison with the same period the previous year.



A T T O R N E Y S

Employment | Labor | Benefits | Higher Education
www.barran.com | 503.228.0500

- Cost Savings: Employers can also save on costs associated with running a business, such as electricity, heat, and other expenses, by eliminating a day on which workers would need to be onsite for a particular project. Meanwhile, employees can save on costs associated with commuting and other expenses associated with working onsite.

However, while there are many benefits to a four-day schedule, there are also some potential drawbacks. These could include:

- Difficulty Adjusting to Increased Work Volume: While 4DWG's report shows that productivity increased for participating businesses over the trial period, it's important to ensure that mechanisms are in place to prevent employees from experiencing increased stress under a shortened schedule. For example, 16.7% of employees reported that having to fit work into a tighter schedule increased their stress levels (although 32.4% reported that their stress levels had gone down). Thus, depending on the nature of the work and the needs of the employee, a four-day workweek may require some adjustments to workloads or the introduction of new strategies to assist with workplace efficiency (for example, removing unnecessary meetings from the schedule or implementing new tools).
- Impacts to Availability of Work: Employers should consider how a four-day workweek would affect the availability of their services to customers. If scheduling adjustments have a negative impact on customer satisfaction and the ability to take on new or emergency-need projects, this could lead to a reduction in revenue for the company.
- Compliance with Strict Deadlines: Trade professions are often project-based with strict performance deadlines. Cutting the workweek down to four days could mean that workers would have to put in longer hours during the four days in order to complete their projects on time. This could lead to increased stress and fatigue if not handled appropriately, potentially having the opposite intended impact of decreased productivity and an increased risk of onsite injury.

Legal Considerations for Implementing a Four-Day Workweek

Oregon employers are free to set their own policies and procedures, including the number of hours employees must work each week. However, in doing so, employers must comply with all applicable federal, state, and local laws, including:

- Employee Classification: Employers should consider whether, by virtue of adopting a four-day workweek, the employer wants to modify an employee's status as an exempt versus non-exempt employee (for example, by deciding to compensate employees on an hourly basis as opposed to salary basis). Under most circumstances, a properly classified exempt employee's pay does not fluctuate based on hours worked, and exempt employees must be paid their full salary for a workweek in which they perform any work. In some instances, an employer may have an easier time with transitioning to a four-day workweek for exempt employees. Alternatively, an employer may want to transition employees from exempt to non-exempt status because of the reduction in employee worktime. While



A T T O R N E Y S

Employment | Labor | Benefits | Higher Education
www.barran.com | 503.228.0500

employers are permitted to change an employee's exemption status, this must be done carefully, and should not be done frequently. Given that non-exempt employees are paid based on hours worked, reducing a non-exempt employee's workload from five days to four days per week could result in lower pay, which may be negatively received by employees. Addressing this concern is part of the reason why 4DWG required that there be no reduction in pay for participants in its study. Accordingly, one option for employers could be to increase non-exempt employees' hourly rate to make up for the lost day. Either way, employers should exercise caution around how often and at what junctures they choose to reclassify any employee's status.

- Overtime Pay: Employers should ensure continuing compliance with overtime pay requirements, particularly for employees in certain industries who will be working longer hours under a shortened weekly schedule. Under the Fair Labor Standards Act (FLSA), Oregon employers must pay their non-exempt employees overtime for every hour of work done beyond the standard 40 hours per week. However, manufacturing employees may not work more than 13 hours in a 24-hour period and must be paid overtime for any work beyond 10 hours in a day. Special overtime rules also apply to government agencies, public works projects, hospitals, canneries, and some agricultural employers.
- Meal & Rest Periods: Employers should also be aware of their obligations under Oregon's meal and rest period laws, particularly if their employees' daily shifts will be modified under a shortened weekly schedule. For example, for each 8-hour work period, Oregon law requires employers to provide employees with a 30-minute meal period and two paid 10-minute rest breaks. However, employees working longer than eight hours under a modified four-day workweek may be entitled to additional meal and rest breaks. Employers should ensure that their four-day workweek schedule complies with these requirements.
- Employee Benefits & Protected Leave: Finally, employers should consider the impact of a four-day workweek on employee benefits and the availability of protected family and medical leave. For example, if an employee's benefits are based on the number of hours worked, a four-day workweek may affect their eligibility for certain benefits, such as health insurance, retirement plans, and the availability of family and medical leave under the Family and Medical Leave Act, among others.

Ultimately, the decision to adopt a four-day workweek should consider the specific needs and circumstances of the business and workers in question, and employers should consult with legal counsel to ensure compliance with all applicable federal, state, and local laws and regulations before implementing a modified schedule.

Marley Masser is an attorney at Barran Liebman LLP, where she represents employers in a variety of workplace matters. For questions regarding implementing a four-day workweek or for any other questions related to employment law, contact her at 503-276-2130 or mmasser@barran.com.