

by Julie White and Diane Goulet

CONTEMPLATING THE FOUR-DAY WEEK: LESSONS FROM BELL CANADA

Les auteurs prônent la réduction de la semaine de travail, comme moyen d'abaisser le chômage. Ils analysent à cet égard la récente expérience tentée par Bell Canada. D'après les auteurs, l'échec constaté chez Bell tient à la façon dont la mesure a été implantée; il ne prouve pas qu'une autre formule de réduction du temps de travail, plus étudiée, serait forcément vouée à l'insuccès.

In 1994, 12,000 technicians working for Bell Canada moved to a four-day work week, an experiment that lasted just one year. This article explains what happened at Bell, why the shorter work week was introduced and how it came to be abandoned.

Why is it relevant to consider these events at Bell? It is clear that inequality is increasing in Canada and that access to working time is one major reason. Long hours for some is combined with no work or not enough work for others, especially for young people. In the renewed debate over job creation through shorter hours, there is a lack of case study material to inform the discussion. The four-day week at Bell was widely publicized as a breakthrough arrangement that affected a substantial number of workers at a large company. It is worth examining for what we can learn about moving to shorter hours. It is also important to respond to the work of Robert Lacroix, who has used the Bell case to argue that a shorter work week is unlikely to be successful in the Canadian context.

For this paper, interviews were held with both technicians and managers working for Bell in Ontario and in Quebec, including union and management repre-

sentatives directly involved in the negotiations of the shorter work week. A total of 19 individuals were interviewed and there was substantial agreement over the events that occurred and the reasons for them.

The introduction of the four-day week

In September 1993 Bell announced its intention to reduce the number of workers by 5000, half of these being technicians. As an alternative to lay-offs, the union and the company negotiated moving to shorter hours and a new schedule. The technicians had been working 40 hours a week over five days, eight hours a day. However, each week they banked two hours to take as full days away from work, an average of one day off every four weeks, bringing their actual hours to 38 per week. The new arrangement reduced the hours from 38 to 36 per week, with a loss of two hours pay and a schedule of four nine-hour days per week. A second part of the agreement was an additional five days off during the year without pay. The agreement was for one year only and included a no lay-off guarantee for that period.

Initially the Bell technicians disliked the arrangement, in part because they felt forced to accept. Although the union had proposed moving to a shorter work week in earlier rounds of negotiations, it was to be voluntary and with no pay cut. Negotiations had started in October 1993, but union officials were taken by surprise when the company presented an ultimatum in December — the four-day week with reduced pay, or lay-offs. Moreover, Bell insisted on a quick response, so there was little time for reflection or adjustment.

The pay cut amounted to five percent for the two-hour reduction and another two percent for the five days without pay. The technicians resented this given that Bell was in a profitable position. One explained: "I hated the four-day work week when it first came out. I was losing money and I've got three teenagers and I've got a mortgage and I'm in debt up to here." Others were concerned about working the longer, nine-hour days, given other commitments. However, despite the negative feelings about "the forced four-day week," the technicians voted 70 percent in favour of the agreement, because it guaranteed that there would be no lay-offs.

Why workers liked the shorter work week

In January 1994 the technicians moved to working the four nine-hour days a week and, contrary to expectations, it proved to be extremely popular. Why the change in attitude? The union had negotiated that the day off was to be attached to other days off, which usually meant Mondays or Fridays away from work. Once on this schedule, many workers really enjoyed their three-day weekends. They also found that the loss of the two hours pay amounted to only about \$30 per week after tax. For those who were concerned about their finances, the opportunity to work overtime increased with the new schedule (more on this below), so they could come in to work for a fifth day if they wanted, but at overtime rates that were now paid after 36 hours

instead of after 38 hours.

Meanwhile, the union took a policy grievance against Bell on the basis that the workers' hours had been reduced, while overtime and contracting out continued. In the settlement of this grievance the five days of unpaid leave were withdrawn, removing one major cause of discontent. Meanwhile, the company was very dissatisfied with the four-day week and by April proposed a return to the old schedule. The union accepted this only on a voluntary basis. Twenty percent of the technicians chose to move back to the eight-hour, five-day week schedule, but 80 percent stayed with the four-day week.

In effect, during 1994 the technicians could work whatever hours they preferred. Those who wanted the original schedule of eight hours a day were back on that schedule from April. Those who appreciated the extra time away with the three-day weekends enjoyed the shorter work week. Those who wanted to make money worked overtime. One technician said: "The overtime champions were happy because on Mondays or Fridays they could come in on overtime. They made money like never before. But me, I had a wonderful year on four days a week."

In its revised form, there was every reason for the technicians to love the new arrangement, and they did. Not so Bell management.

Why management disliked the four-day week

Mondays and Fridays are particularly busy days of the week for technicians at Bell. It is not clear why the company agreed that these days would be the usual days away from work but it was a mistake. It meant that on the busiest days of the week, the number of technicians was often insufficient to carry out the work required. This arrangement was described as "atrocious" from a management perspective.

The additional hour of the nine-hour day also proved to be often unproductive. Instead of working from 8:00 a.m. to 5:00 p.m., the days were now extended to 6:00 p.m. But the premises of many customers are not accessible for repair and installation work after 4.30 p.m. or 5:00 p.m., such as federal government offices in Ottawa. For technicians working outside, another hour after dark was not useful in poorly lit areas and some technicians moved to working 7:00 a.m. to 5:00 p.m. as a result. With office staff finishing work by 5:00 p.m., back-up in the form of work assignments and release of supplies was unavailable. One manager described the situation in his region: "The ninth hour was a total wash in terms of productive time. People were working a 32-hour week."

Bell is a large company with approximately 600 different sites, so rapid communication to front line managers poses a challenge. The shorter work week was

introduced with remarkably little lead time so that field managers, who are generally responsible for scheduling because of differences in local demand, did not have enough time to adjust. One manager described the situation in January when the four-day week was introduced: "For a while it was real chaos. It was a nightmare for field managers to develop his schedule and still get his load done."

Another reason given for the failure of the shorter work week at Bell is the resentment among front line managers. Some felt that they had not been consulted about the four-day week and therefore were negative about its implementation. Managers did not move to the four-day week and there was considerable dissatisfaction that while the technicians enjoyed more time off,

the managers not only stayed on the five-day week but had more work because of the new scheduling. Among technicians it is commonly understood that some managers acted to ensure the failure of the four-day week. Workers report examples of managers failing to schedule sufficient work, calling overtime unnecessarily and refusing to act on suggestions to start the work day earlier to avoid the 5:00-6:00 p.m. problem.

The introduction of the reduced work week was based upon the understanding that there was insufficient work for the number of technicians then employed by Bell. However, in 1994 with the reduced hours and the scheduling problems noted above, there were in fact not enough workers to meet the service requirements. To cover the shortfall, the rate of overtime increased dramatically, in some areas to well over 20 percent. This was very costly for Bell and within three months it was clear that the expected savings from the four-day week would not materialize. As a result Bell proposed returning to the old schedule, but only 20 percent of the technicians did so.

It is not surprising that at the end of the year the technicians wanted to extend the arrangement, while Bell management did not. The four-day week was therefore terminated in December 1994, despite strenuous attempts by the union to bargain a continuation in some form.

Evaluating the Bell experience

The Communications, Energy and Paperworkers Union (CEP) has recently released a study that examines the introduction of shorter work time at four different locations. The experience at Bell is clarified when placed in the context of this study. One significant finding was the need for adequate planning and preparation. At a large rubber plant, nine months was provided between the negotiation and the implementation of shorter hours, in order for joint management-union committees to organize the new schedules and make

Canadians have every reason to consider shorter hours of work in the fight against unemployment.

adjustments. At a paper mill, different departments moved to the shorter hours as both workers and management felt ready, with an allowance of up to one year to make the shift.

The CEP study also found that while workers may be anxious about shorter hours and even oppose such a change beforehand, this often turns to positive appreciation when the additional time away is actually experienced. As well as financial concerns, shorter hours can be a major change and it is hard to imagine what it will mean in advance. Again, this means that information, discussion and time for adjustment prior to the change are very important.

At three of the four locations in the CEP study, front line managers also moved to the shorter hours and this was a major component of their co-operation in the change. Managers and workers benefitted and everyone was committed to resolving problems. In fact at the rubber plant, where every third Friday is taken off work, there was an attempt to withdraw this arrangement from the front line supervisors. The supervisors erupted in opposition and their Fridays off were reinstated when they turned to the union to consider unionization.

The point here is that it is not just the move to shorter hours that is relevant, but how the transition is handled. Ideally, workers are positive about the change, front line managers are co-operative and sufficient preparation time ensures that the best schedules are implemented. None of this was in place at Bell. The four-day week at Bell went into effect on January 9, 1994, just weeks after the technicians voted to ratify the agreement on December 20 and 22. With 12,000 workers affected across two provinces, this simply was not enough time to consider and organize the change. The lack of planning was a major reason for the failure of the four-day week. One technician said: "The reason why it didn't work is that it was badly managed. Nobody, nobody came to the employees and asked them, not only what do they want, but can you help us make it work."

Finally, it is necessary to respond to the analysis of Robert Lacroix and his associates because they suggest that the Bell case is typical and demonstrates that the shorter work week is unlikely to succeed in Canada. A considerable part of Lacroix' analysis is based upon the results of a survey conducted by Bell in November 1993. The company sent material to every employee offering a shorter work week on a voluntary basis and asking them to respond individually if interested. Lacroix reflects upon the low response rate and concludes that few workers are actually interested in reducing their hours, even to avert impending lay-offs.

Lacroix fails to understand the reasons for the low response. In general such surveys are notorious for their low return rate, but at Bell the respondents were unionized workers in the midst of negotiations. Any direct communication from the employer to individual workers is suspect in such circumstances. As one technician explained:

"In general, and above all for a survey before negotiations and coming from Bell, people would throw it away. In negotiations, everyone is on their guard. If you fill that in, will that say that you are ready to take a cut in pay? Then, they're going to offer us less."

Another critical issue is that Bell's survey did not provide a no lay-off guarantee. It was only this guarantee, in writing in a formal agreement, that induced the workers to accept the shorter work week. The main point, and the one that Lacroix virtually ignores, is that through union negotiations and despite the company's clumsy handling of the issue, the majority of these workers did indeed vote to reduce hours with a cut in pay in order to prevent lay-offs.

The second part of Lacroix' analysis considers the drop in productivity that occurred with the four-day week and concludes: "productivity cannot be maintained following the introduction of a shorter week schedule" (*Policy Options*, 17:6, p.53). However, Lacroix does not ask why productivity fell; he simply assumes that the shorter work week was responsible. In fact, inadequate preparation and planning and lack of co-operation from front-line managers were crucial elements. The technicians still argue that the four-day week would work if it were organized differently.

Lacroix concludes that the Bell example bodes ill for any proposal to move to shorter working hours in Canada. But other work places have successfully implemented a shorter work week. At the rubber plant already mentioned, managers pointed to improved morale, greater co-operation and lower absenteeism as benefits for the company and specifically clarified that no negative effects on business were experienced. To make the point even more clearly, one of the examples in the CEP study was SaskTel, the counterpart of Bell in Saskatchewan. Since 1993 the technicians at SaskTel work 37.5 hours per week, alternating four days and five days a week and taking every second Friday or Monday away from work (in addition to statutory holidays and vacations).

Canadians have every reason to consider shorter hours of work as one tool in the struggle to deal with unemployment and inequality. Nothing that occurred at Bell suggests otherwise. Workers will consider moving to shorter hours if jobs are saved or created and most companies contemplating a major change in work hours protect their interests through careful preparation. The failure of the four-day week at Bell is an atypical case from which we can learn how to implement shorter working hours more successfully elsewhere.

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