

## DOCUMENT RESUME

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Flexible and Compressed Work Schedules in Federal Agencies.  
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Testimony before the Senate Committee on Human Resources: Labor Subcommittee; by Clifford I. Gould, Deputy Director, Federal Personnel and Compensation Div.

Contact: Federal Personnel and Compensation Div.

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S. 517 would authorize employees and agencies to experiment with flexible and compressed work schedules. The most common compressed work schedule found among 33 non-Federal organizations contacted by GAO was the 4-day, 40-hour workweek. Advantages noted for compressed schedules were increased productivity, better employee morale, and reduced short-term leave use. Disadvantages reported were fatigue experienced after 8 hours, supervisory problems caused by differing schedules, and difficulties in responding to a public accustomed to a 5-day workweek. Flexible schedules usually consist of core time, during which all employees must be present, and flexible time, within which employees may choose their arrival and departure times. Advantages reported for these schedules were: reduced tardiness, reduced short-term leave use, improved morale, more quiet time in the early and late hours, better communication between field offices in different time zones, and increased use of carpools. Disadvantages reported involved problems in supervisory coverage and office coverage resulting from different schedules. Since 1973, an increasing number of Federal establishments have instituted flexible schedules. However, they have been using only simple 8-hour floating day schedules because of legal impediments such as the rigid workhour and overtime pay requirements of the United States Code. The Fair Labor Standards Act, as amended, allows daily flexibility but requires overtime pay for work exceeding 40 hours a week. The bill would eliminate the legal limitations on experiments with flexible and compressed work schedules in the Federal Government which could benefit both employers and employees. (HTW)

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Statement of

Clifford I. Gould, Deputy Director  
Federal Personnel and Compensation Division

before the  
Subcommittee on Labor of the Senate  
Human Resources Committee

on

Flexible and Compressed Work  
Schedules in Federal Agencies

Mr. Chairman and Members of the Committee:

I appreciate your invitation to discuss S. 517 which would authorize employees and agencies to experiment with flexible and compressed work schedules.

As you know, many changes in the work environment have occurred during recent years. New industries have come into being; new ways of producing items have been developed; and employee and employer attitudes toward work have changed. In October 1974 we reported on the "Legal Limitations on Flexible and Compressed Work Schedules for Federal Employees." Because of the increased interest in altered work schedules we made a follow-up review and in September 1977 reported on the "Benefits from Flexible Schedules--Legal Limitations

Remain." We reviewed the Legislation affecting work hours and gathered information on the advantages and disadvantages of variations in work schedules. We wanted to determine (1) the impact of these changes on organizational operations, (2) their potential application in the Federal work force, and (3) whether legislative changes were needed so that our laws keep pace with the changing needs and desires of society.

#### ADVANTAGES AND DISADVANTAGES

In many work situations, in both public and private sectors, altered work schedules are advantageous to employees and to management. For our 1974 report we contacted 33 non-Federal organizations that were identified in various research materials as having experience with either flexible or compressed schedules. They represented a broad range of types of organizations and geographic locations. In updating that work, we contacted 14 of these organizations--8 using compressed schedules and 6 using flexible schedules.

#### Compressed work schedules

The most common compressed work schedule was the 4-day, 40-hour workweek. Organizations using compressed schedules noted the following advantages.

- Increased productivity.
- Increases in employee morale.
- Reduced short-term leave use.

These organizations also reported some disadvantages.

- Fatigue experienced after 8 hours.
- Problems with supervisory coverage when supervisors and employees are on different schedules.
- Difficulties in responding to a public accustomed to a 5-day workweek.

#### Flexible work schedules

There are numerous variations of flexible schedules in use. These schedules basically replace fixed times of arrival and departure with two different types of time--core time and flexible time. Core time is the time during which all employees must be present. Flexible time is the time within which employees may choose their times of arrival and departure. Organizations using these schedules reported the following advantages.

- Reduced tardiness.
- Reduced short-term leave use.
- Improved morale.
- More quiet time in the early and late hours.
- Better communication between field offices in different time zones.
- Increased use of carpools.

But these organizations also reported some disadvantages.

- Supervisory coverage is a potential problem when arrival times of supervisors and employees differ. This may be handled by informally coordinating supervisors' arrival times.
- Office coverage may be a problem when employees choose hours different from official office hours.

I want to point out that in most instances we did not attempt to validate reported advantages and disadvantages. Given the private sector's profit incentive, we believe that flexitime use would not be expanding so rapidly if it had detrimental economic effects. And we believe flexitime shows enough potential to warrant experimentation.

#### LEGAL LIMITATIONS ON FEDERAL FLEXIBILITY

Since early 1973, an ever-increasing number of Federal establishments have instituted experimental or permanent flexible schedules as a result of studies which indicate flexible work hours may increase productivity, reduce sick leave and leave-without-pay use, relieve traffic congestion, and increase availability of Government services to the public. However, Federal organizations have been using only simplistic 8-hour floating day schedules because of various legal impediments.

Title 5 of the United States Code sets rigid workhour and overtime pay requirements for Federal employees which impede experimentation with flexible and compressed work schedules. More specifically, overtime payment is required for any hours an employee works in excess of 8 hours a day or 40 hours a week. Compensatory time is allowable only at the employee's request as a substitute for pay for occasional or irregular overtime unless the rate of basic pay is more than the maximum rate for GS-10. Thus, title 5 impedes

- 4-day, 40-hour schedules because employees may not work over 8 hours a day without receiving overtime pay,
- schedules which allow employees to work varying numbers of hours each day, and
- 4-day, 40-hour schedules which use compensatory time for overtime worked on a regular and recurring basis.

On the other hand, the Fair Labor Standards Act, as amended, allows daily flexibility within the same workweek but it, too, restricts the degree of experimentation possible because of the requirement to pay overtime for work exceeding 40 hours a week. These requirements do not allow employees to bank and borrow time. For example, an employee could not work more than 40 hours the first week and fewer than 40 hours the next week.

We have concluded that in many Federal Government work situations, flexible and compressed work schedules can benefit both employers and employees. Federal and non-Federal organizations which have experimented with the schedules have reported increased productivity and morale. There is no apparent reason why work schedules in the Government could not be established on the basis of the needs and objectives of the work to be performed rather than on a predetermined and inflexible workday. The simplistic "floating day" work schedules currently permissible in the Federal sector do not provide a basis for assessing work schedules that will contribute most to efficient agency operations.

Senate bill 517 will eliminate the legal limitations on experiments with flexible and compressed work schedules in the Federal

Government. We endorse and support its intent.

That concludes my statement. We will be pleased to respond to any questions you may have.