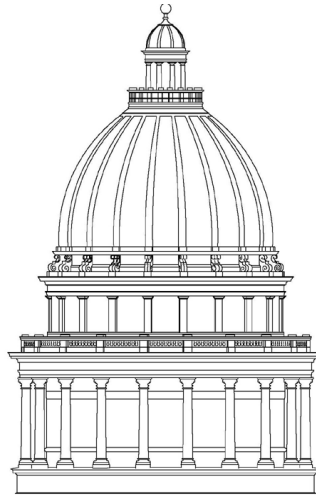


REPORT TO THE
UTAH LEGISLATURE

Number 2010-10



**A Performance Audit
Of the
Working 4 Utah Initiative**

July 2010

Office of the
LEGISLATIVE AUDITOR GENERAL
State of Utah



STATE OF UTAH

Office of the Legislative Auditor General

315 HOUSE BUILDING • PO BOX 145315 • SALT LAKE CITY, UT 84114-5315
(801) 538-1033 • FAX (801) 538-1063

Audit Subcommittee of the Legislative Management Committee

President Michael G. Waddoups, Co-Chair • Speaker David Clark, Co-Chair
Senator Patricia W. Jones • Representative David Litvack

JOHN M. SCHAFF, CIA
AUDITOR GENERAL

July 20, 2010

TO: THE UTAH STATE LEGISLATURE

Transmitted herewith is our report, **A Performance Audit of the Working 4 Utah Initiative** (Report #20101-10). A digest is found on the blue pages located at the front of the report. The objectives and scope of the audit are explained in the Introduction.

We will be happy to meet with appropriate legislative committees, individual legislators, and other state officials to discuss any item contained in the report in order to facilitate the implementation of the recommendations.

Sincerely,

John M. Schaff, CIA
Auditor General

JMS/lm

Digest of A Performance Audit of The Working 4 Utah Initiative

In July 2008, Governor Jon Huntsman Jr. issued an executive order launching the Working 4 Utah Initiative. The one-year pilot project, beginning August 4, 2008, changed the work schedule of most state employees from five 8-hour days a week to four 10-hour days a week. This audit is a review of the effect of the Working 4 Utah Initiative on the productivity of state workers and on the level of service they provide.

The Effects of the Four-Day Workweek on Productivity Should be Better Monitored. Shortly after the state changed to the new work schedule, Legislators were promised that agencies would monitor the effects of the initiative to make sure that worker productivity did not decline. However, we were unable to find enough objective data to draw any firm conclusions regarding the effects of the four-day workweek on worker productivity. We recommend that agencies develop performance measures that can be used to better monitor employee performance.

Anecdotal Evidence Indicates Both Gains and Losses in Employee Productivity. The evidence suggests that a single work schedule may not be appropriate for all units of state government. Although certain functions of state government appear to be more productive as a result of the four-day workweek, other functions seem less productive. We recommend that each agency be given the flexibility to identify the work schedule that allows employees to be as effective as possible.

Savings Attributed to the Working 4 Utah Initiative Have Been Overstated. It has been reported that the initiative cut the cost of state government by many millions of dollars. We have verified that the cost of utilities, fleet services, and overtime have all declined since the state changed to a four-day workweek. However, the savings in these areas are not entirely due to the four-day workweek. Instead, other factors appear to have caused the reduction in costs. We

Chapter I: Introduction

Chapter II: Effect of Four Tens on Productivity is not Adequately Measured

Chapter III: Effect of Four-Day Workweek on Worker Productivity Is Mixed

Chapter IV: Savings Due to Four-Day Workweek Are Minimal

**Chapter V:
Questionable
Personnel Practices
Threaten
Productivity**

estimate that the initiative produced less than a \$1 million savings on building operations, overtime, and fleet services.

Stronger Policies Are Needed to Ensure Employee Productivity is Maintained During the Four-Day Workweek. We are concerned by the growing acceptance of several policy issues associated with the four-day workweek. These include allowing employees to:

- work without taking a break for lunch,
- take exercise release time at the beginning or end of the workday,
- work during the commute, and
- telecommute in order to meet their personal needs.

We recommend that Department of Human Resource Management (DHRM) modify these policies to ensure that strong policies drive worker productivity.

A Small Decrease in Employee Productivity Would Significantly Exceed Savings from Four-Day Workweek. We cannot overstate the importance of guarding against weak policies and their potential for impacting employee productivity. The state executive branch spends about \$1.5 billion on employee compensation each year. As a result, just a 1 percent reduction in productivity in state government would cost about \$15 million each year. That amount significantly exceeds the \$1 Million in the operational savings attributed to the Working 4 Utah Initiative. If the questionable personnel practices described in this report become more widely accepted, the potential productivity losses would exceed any savings achieved by the four-day workweek.

**Chapter VI:
Four-Day Work
Schedule may Be
Inconsistent with
Utah Constitution**

The *Utah Constitution* Might Be Interpreted as Restricting Employees to an Eight-hour Workday. There appears to be an inconsistency between the *Utah Constitution*, the *Utah Code*, and existing personnel practices. Article XVI, Section 6 of the *Utah Constitution* states that “eight hours shall constitute a day’s work on all works and undertakings” by state, county and local government. We recommend that a review be made of the apparent inconsistencies between this statement and the state’s four-day work schedule.

REPORT TO THE UTAH LEGISLATURE

Report No. 2010-10

A Performance Audit Of The Working 4 Utah Initiative

July 2010

Audit Performed By:

Audit Manager	Tim Osterstock
Audit Supervisor	James Behunin
Audit Staff	August Lehman

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Chapter I

Introduction

In July 2008, Governor Jon Huntsman issued an executive order launching the Working 4 Utah Initiative. The one-year pilot project, beginning August 4, 2008, changed the work schedule of most state employees from five 8-hour days a week to four 10-hour days a week. The daily operating hours for most state agencies were extended from 8:00 a.m. to 5:00 p.m. Monday through Friday, to 7:00 a.m. to 6:00 p.m., Monday through Thursday. State agencies were closed on Fridays. Only those employees providing essential services were allowed to work an alternative schedule. We estimate that about 13,000 of the state's 17,000 full-time employees are currently working the new "four-tens" schedule.

At the beginning of the initiative, the benefits of the new schedule were grouped in four areas:

- **Energy.** Savings would be achieved by closing state buildings on Fridays and by reducing state travel.
- **Extended Services.** By being open for 10 hours on Monday through Thursday, there would be 2 additional hours of public access to government services beyond the traditional workday.
- **Employees.** The quality of life for state employees would improve, and the state would be more attractive to job seekers.
- **Environment.** Reduced employee commutes and energy usage correlates to reduced CO2 emissions.

From the outset, state officials made a commitment to track the success of the project in accomplishing the above four goals. The Governor's Office conducted an employee baseline survey and asked agencies to develop implementation plans. These plans required agencies to ensure they maintained productivity during the changeover to the new schedule. However, we found that few agencies have performance measures that actually measure employee productivity. On the other hand, we were able to find some anecdotal evidence of the effect of the new schedule on worker productivity. These findings are explained in Chapters II and III.

About 13,000 of the state's 17,000 full-time employees are currently working the "four tens" schedule.

Implementation plans required agencies to ensure they maintained productivity during the changeover to the new schedule.

At the end of the pilot project, two surveys were conducted of state employees and of the public to measure the project's success. These two surveys, as well as financial savings and other benefits of the new schedule, were summed up by the Governor's Office in a final report on the initiative. The final report shows the benefits attributed to the new schedule:

- Facility energy savings of \$502,000
- Reduction in custodial service contracts of \$203,000
- Approximately \$4.1 million in overtime savings
- A good portion of \$1.4 million in fleet savings
- Lower sick and vacation leave
- Reduction in air pollution
- Savings to employees
- Support from 82 percent of employees who prefer the new schedule

As explained in Chapter IV, we believe many of the cost savings are overstated. We also identified a number of policy issues (explained in Chapter V) that need to be resolved to ensure the success of the new schedule.

Audit Scope and Objectives

The Office of the Legislative Auditor General was asked to review the effect of the Working 4 Utah Initiative on the productivity of the state's workforce. We were also asked to review how the public's needs are being met by the new schedule. After a brief survey of the issues surrounding the initiative, we established the following audit scope and objectives.

- Determine productivity and workload levels of state employees before and after the Working 4 Utah Initiative.
- Identify energy savings and other cost savings attributed to the Working 4 Utah Initiative.
- Evaluate the effectiveness of the new work schedule in meeting the public's demand for government services.

To accomplish these objectives we took the following measures:

- Reviewed and analyzed productivity and other performance measures from state agencies
- Conducted interviews with state employees and agency directors
- Surveyed state employees
- Reviewed financial and cost data
- Observed the public's extended hour usage of several state agencies

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Chapter II

Effect of Four Tens on Productivity Not Adequately Measured

We were unable to find enough objective data to draw any firm conclusions regarding the effects of the four-day workweek on employee productivity. There are two reasons: (1) there are few areas in state government where productivity is measured at the employee level, and (2) in those areas where employee productivity is measured, the effect of the four-day workweek could not be isolated from other factors such as budget cuts, a declining economy, and other changing conditions that can affect the data.

The move to the four-tens schedule was a major operational change that should have been better tracked and evaluated by appropriate performance data. Fortunately, a number of state agencies are now making great strides in developing new performance measurement systems. These management information systems are variously described as dashboarding or business intelligence systems. We see these developments as positive steps toward the goal of becoming a results-oriented and performance-driven state government. The Legislature should encourage all state agencies to improve their performance measurement systems so the impacts of major policy changes, such as the Working 4 Utah Initiative, can be better evaluated.

Some Agencies Lack Employee Productivity Measures

We were asked to identify any change in productivity that might be attributed to the switch to a four-tens schedule. In order to do so, we examined each department's balanced scorecard and other measures used to assess worker productivity. Although state agencies measure many aspects of their operations, we only found a few useful measures of employee productivity.

**Tracking and
evaluation of the
schedule change was
inadequate.**

Agencies Asked to Ensure They Maintain Productivity

In June 2008, Governor Jon Huntsman announced the Working 4 Utah Initiative. Soon after, the Governor's Office of Planning and Budget requested that each agency fill out an Agency Implementation Plan which included, among other items, a plan identifying

those efforts you will be making to ensure that you maintain productivity (i.e., new scorecard metrics, etc.).

Given the short notice to implement the four-tens schedule, it is not surprising that 68 percent of the agencies we examined reported that they would use their existing set of performance metrics, their "balanced scorecard," to monitor the effects of the new schedule. A balanced scorecard is a monthly report issued by each agency containing the agency's unique performance indicators. The indicators measure the organization's success in achieving its goals and guide improvements. A few agencies chose not to use their balanced scorecards to measure the effect of the new schedule on worker productivity. Instead, they monitored employee performance plans.

During the August 20, 2008, meeting of the Legislature's Government Operations Interim Committee, concern was expressed regarding the effect of the new schedule on employee productivity. A member of that committee asked the executive director of the Department of Human Resource Management how state agencies planned to verify that worker productivity had not declined as a result of the new work schedule. The director said,

Each agency has put together balanced scorecards, with including employee metrics for productivity. So we do have some baseline data ... we can measure that.

However, 18 months later, as we began to interview agency directors regarding the effects of the new schedule on employees, few were able to provide us with objective data regarding the impact of the initiative. Most agency directors could provide anecdotal information regarding the effects of the new work schedule. However, without verifiable, objective data in the form of performance measurements, changes in productivity could not be properly evaluated. We also found that the balanced scorecard metrics used by most agencies lack useful employee productivity measures.

Balanced scorecards became the defacto performance measurement tool for 68% of the state's agencies.

Few agencies have objective data regarding the impact of the initiative.

Balanced Scorecards Contain Few Effective Employee Productivity Metrics

Most state agencies do not track performance in a manner that effectively evaluates changes in worker productivity. We looked at over 450 measures on 24 agency balanced scorecards and could only identify five productivity measures from four different agencies that are a ratio of outputs divided by inputs. However, even among these productivity measures, there are only a few where employees have direct impact on the outputs of the measure.

A Productivity Measure is the Ratio of Outputs Divided by Inputs. What is missing from most balanced scorecards is a measure of the agency's output in terms of employee effort. In *A Brief Guide for Performance Measurement in Local Government*,¹ productivity is defined as a measure

which quantifies the outputs and inputs of an organization and expresses the two as a ratio. Generally, the ratio is expressed as output to input (for example, inspections per staff-day).

Outputs can be the number of inspections, audits, examinations, or some type of service or good. Inputs can be man-hours, Full Time Equivalent (FTEs), cost of labor, or some other resource. When the output is divided by a unit of labor used to create that output, then it is a measure of labor productivity. A workload or output measure is not the same as a productivity measure. A workload measure is the amount of work or output conducted in a specific time period, such as the number of examinations. It does not include an input as part of its calculation. We found that most agencies do not track productivity using the formula of outputs divided by inputs.

The following sections show performance measures that agencies said they would use to ensure productivity was maintained. Figure 2.1 shows typical measures found on many state agency balanced scorecards. Though useful, they are not effective employee productivity measures. In Figure 2.2 we describe the measures used

¹National Center for Public Performance. *A Brief Guide for Performance Measurement in Local Government*. Newark: Rutgers School of Public Affairs and Administration, 2004.

Balanced scorecards lack measures of agency output in terms of employee effort.

by the Department of Human Services, which, unlike most agencies, has several effective measures of worker productivity.

Typical Balanced Scorecard Measures Used by Agencies Do Not Effectively Measure Employee Productivity. To evaluate worker productivity, we looked at those measures on balanced scorecards that would be most useful in assessing worker productivity. Figure 2.1 gives examples of measures taken from the balanced scorecards of several agencies. These measures are not true productivity measures of outputs divided by inputs, but they are typical of the measures found on most agency balanced scorecards. The first four measures are workload measures that show an amount of work accomplished in a reporting period. The last is a timeliness measure, which shows the percent of work accomplished in a desired time period.

Figure 2.1 Most Balanced Scorecard Measures Have Limited Usefulness in Gauging Employee Productivity. These types of measures are typical balance scorecard measures used by agencies to track performance.

Measure	Definition	Agency
Total enforcement Intervention	Composite number of administrative actions, criminal filings, diversion referrals, letters of concern and actions	Commerce
Private wells tested	Number of ground water wells tested for pesticide residues that month	Agriculture and Food
Examinations performed	Number of examinations initiated	Financial Institutions
Dam inspections	Number of dams rated as high and moderate hazards inspected	Natural Resources
Percent of investigations resolved in 75 days or less	Number of investigations closed in 75 days or less divided by total number of investigations closed during the 30-day reporting period	Insurance Department

Many measures found on balanced scorecards are not effective productivity measures, because they do not include employee inputs.

These measures are useful for assessing performance, however, they are not effective employee productivity measures, because they do not include employee inputs. In the case of “dam inspections” the number of inspections stayed relatively constant for five years(see Appendix A). If this was the only measure one had it would appear that productivity has stayed constant, but as will be shown later in this

chapter, actual productivity fluctuated most in the first two years because the number of personnel conducting the inspections changed. Dividing many of the above measures by some input like the number of workers, hours or dollars would make them true employee-productivity measures.

Department of Human Services’ Balanced Scorecard Includes Some Useful Productivity Measures. These efforts by Human Services demonstrate that creating productivity measures for some government agencies is difficult but still attainable. Unlike most agencies, the Department of Human Services tracked an additional 61 measures not on their balanced scorecard to monitor the effects of the Working 4 Utah Initiative. The following table shows the five employee productivity measures the department tracked.

Figure 2.2 Examples of Useful Employee Productivity Measures Provided by the Department of Human Services. Each measure includes an input related to the output, like the number of technicians, workers, or cost of labor.

Measure	Definition
Background screening caseload management	Number of background screening cases handled by technician per month
Contract reviews	Number of contract reviews per worker
Quality reviews	Number of quality reviews per worker
Provider contracts	Number of provider contracts monitored for compliance per month per employee
ORS productivity	The total dollars collected for every dollar spent to collect

These are valid measures of employee productivity because they are ratios of outputs divided by inputs and staff have control of the number of reviews they complete. The results from these productivity measures are mixed, with some measures showing a decline in productivity, while others stay the same or increase slightly. However, it is unclear whether the four-tens schedule was a factor in these changes. Figures showing the department’s performance in each of the above five areas is described in Appendix A.

To find more measures of worker productivity we asked agencies to identify other employee productivity measures they have. Only a few could produce some useful measures when asked. Next, we explain our findings from the best employee productivity measures we could identify.

Efforts by Human Services demonstrate that creating productivity measures for some government agencies is difficult but still attainable.

It Is Unclear Whether Productivity Has Been Affected by the Four Tens

Despite the lack of good staff productivity measures from most agencies, we were able to identify a few measures to gauge employee productivity. Though some of these measures improved slightly after implementation of the Working 4 Utah Initiative, we could not discern any measurable impact of the four-tens schedule on any of these measures. In each case, we found other factors besides the change in work schedule had the greatest effect on productivity.

We also examined other measures from balanced scorecards, such as workload and timeliness measures. Many of these measures did show periods of increases and declines after the switch was made to a four-day work-week. However, we could not link any of the changes in these measures to the four-ten schedule. As with the measures of employee productivity, budget cuts, a declining economy, and other changing conditions seem to have had the greatest effect on the agency workload and timeliness measures.

While we found insufficient data to evaluate the effect of the Working 4 Utah Initiative, several agencies have already taken steps to improve their approach to tracking staff performance. Legislators should encourage agencies to continue this effort.

Productivity Measures Show Little or No Change Since the Four-Day Work-week Began

After examining the best worker productivity measures available, we found no objective evidence that the four-tens schedule had either improved or reduced worker productivity. The metrics shown in the following figures suggest a slight improvement in worker productivity, but much of the changes can be attributed to factors other than the four tens. At the very least, one might conclude that the four tens did not cause a measurable reduction in worker productivity.

Productivity of Income Tax Auditors Improved Slightly.

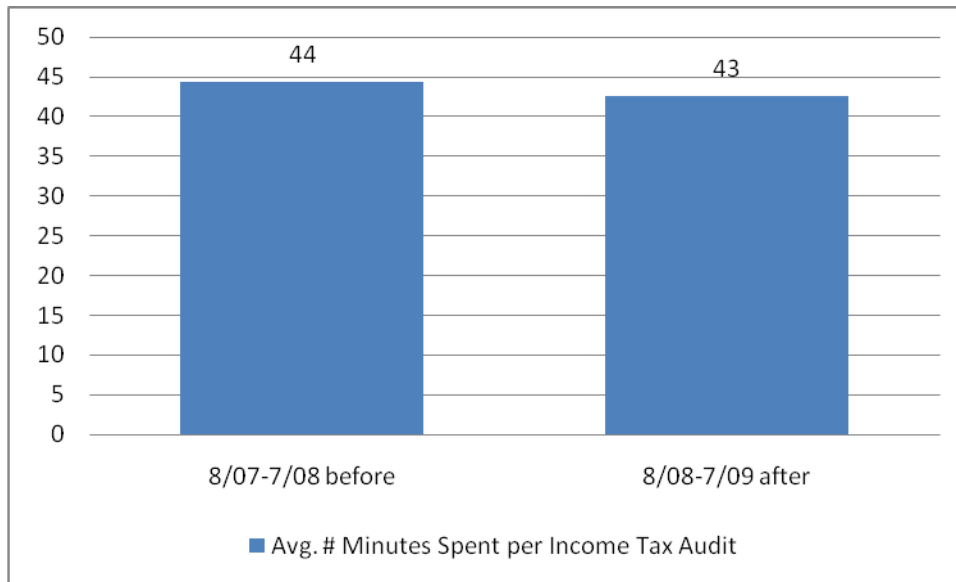
The Utah State Tax Commission tracks the number of income tax audits they conduct and the total hours taken to conduct them. Dividing the number of audits by the total number of staff hours

We found no objective evidence that the four tens schedule had either improved or reduced worker productivity.

needed to conduct the audits gives the average number of minutes to complete an income tax audit.

Figure 2.3 Productivity of Income Tax Auditors Improved Slightly.

The average time to conduct an income tax audit decreased slightly after the change to a four-tens schedule, which suggests an improvement in productivity.



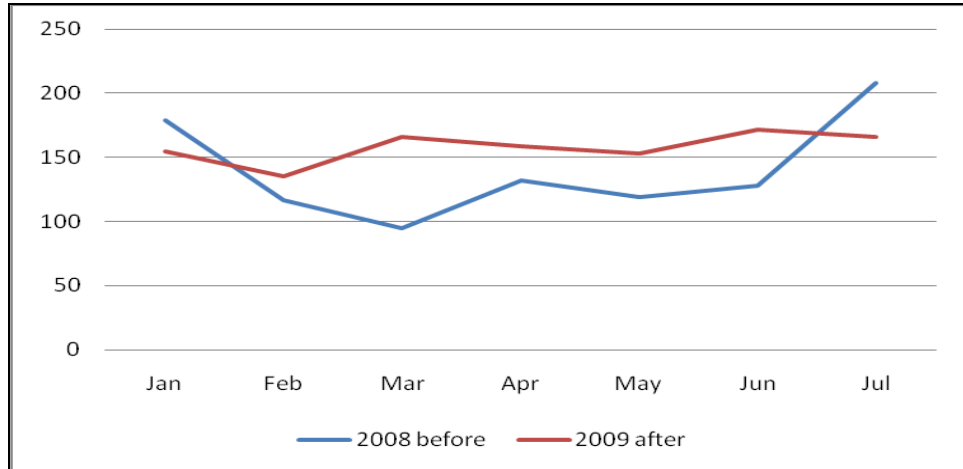
The average time to conduct these audits dropped slightly from the year before, which represents a slight improvement in worker productivity. However, it is difficult to draw a connection between the four-tens schedule and the improved performance. While the improvement in productivity could be attributed to the change in schedule, the most likely reason is that four audit positions were eliminated. Perhaps the best-performing staff remained, resulting in an improvement in the unit’s overall performance.

The Department of Workforce Services (DWS) Productivity Increased Due to Unemployment Claims. DWS has personnel who answer calls from those who want to file unemployment claims over the phone. Figure 2.4 compares the average number of calls and decisions per worker per month from before and after the change to the four-tens schedule.

The income tax performance measure shows a slight improvement in worker productivity.

DWS attributes the improved productivity of its unemployment claims works, in part, to an increase in people applying for unemployment insurance.

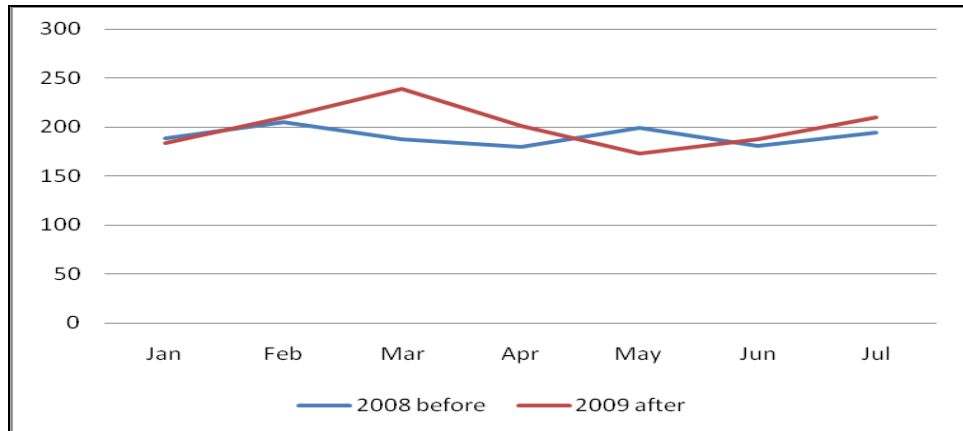
Figure 2.4 Unemployment Call Taker Productivity Increased After the Four Tens. In 2009, which is after the four-tens changeover, call takers answered more calls per FTE for most months examined. This was due in part to the recession.



The productivity of those who process unemployment insurance claims clearly improved after the change to the four-tens schedule. The DWS attributes the improvement, in part, to the increasing numbers of people applying for unemployment insurance claims.

DWS also has personnel who adjudicate or make decisions on unemployment insurance eligibility. Figure 2.5 shows the productivity of unemployment insurance adjudicators before and after the change in schedule.

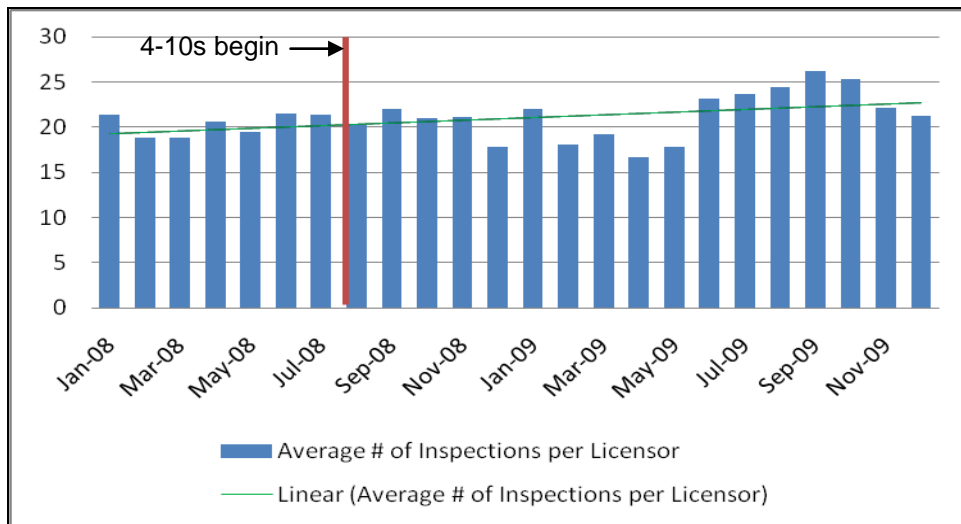
Figure 2.5 Productivity of Unemployment Insurance Adjudicators Improved Slightly. The number of adjudication decisions per FTE improved slightly following the change to four tens in August 2008.



The overall productivity of adjudicators improved slightly after the four-tens schedule change. Just as with the call takers, the increasing unemployment insurance claims, rather than the schedule change, may have had an impact on this measure.

Child Day Care Inspection Productivity Shows Mixed Results. Typically, the Utah Department of Health conducts over 400 inspections of licensed day care facilities per month. Figure 2.6 shows the average number of inspections conducted per licenser.

Figure 2.6 Productivity of Child Care Facility Licensing Goes Down, then Up. The average number of inspections per licenser stayed level for about 4 months after the change to four tens, and then decreased for another 5 months, then increased. The overall trend is slightly upward.



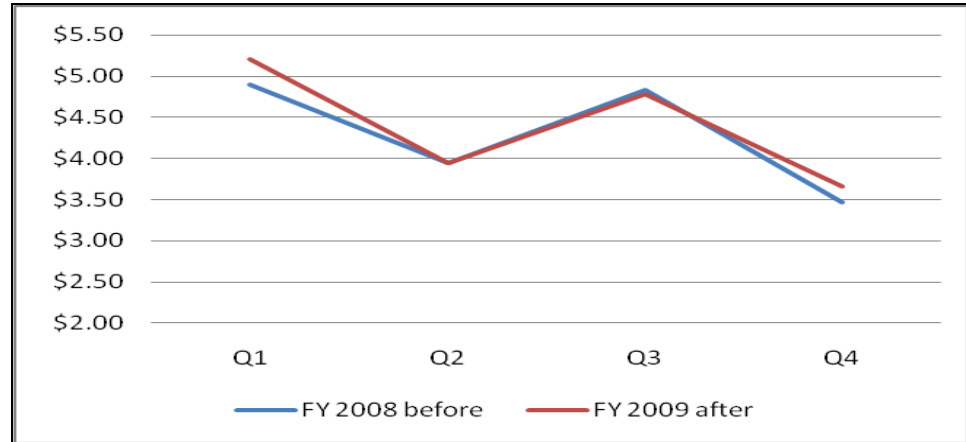
Unfortunately, we were only able to obtain seven prior months of inspections. After the change to the four-tens schedule, productivity stayed level for four months, dipped for five months, and then rose again in June 2009. This rise in productivity was largely due to a reduction in the scope of the inspection protocol in May 2009. The scope of the inspections was reduced somewhat so more inspections could be done each day. Though the general trend is upward, this measure suggests that other factors other than the four-tens schedule have had a greater impact on licenser productivity.

Office of Recovery Services Productivity Improved Slightly. The Department of Human Services scorecard provides us with an Office of Recovery Services (ORS) productivity measure. The total

Child care licenser productivity measure suggests that factors other than the four tens schedule have had a greater impact on licenser productivity.

dollars collected by the office are divided by the total cost of the office, giving a measure of dollars collected for every dollar spent to collect.

Figure 2.7 The Office of Recovery Services Was Slightly More Productive in Two Quarters After the Four Tens Began. The dollars collected went up slightly in fiscal year 2009 in Q1 and Q4 after the four-tens changeover.



The changeover to the four-tens schedule occurred after the first month of quarter one in fiscal year 2009. Figure 2.7 shows that, for two quarters after the changeover to four tens, the dollars collected stayed the same. For two quarters, the dollars collected increased slightly. We found no evidence to suggest the four tens had anything to do with these differences.

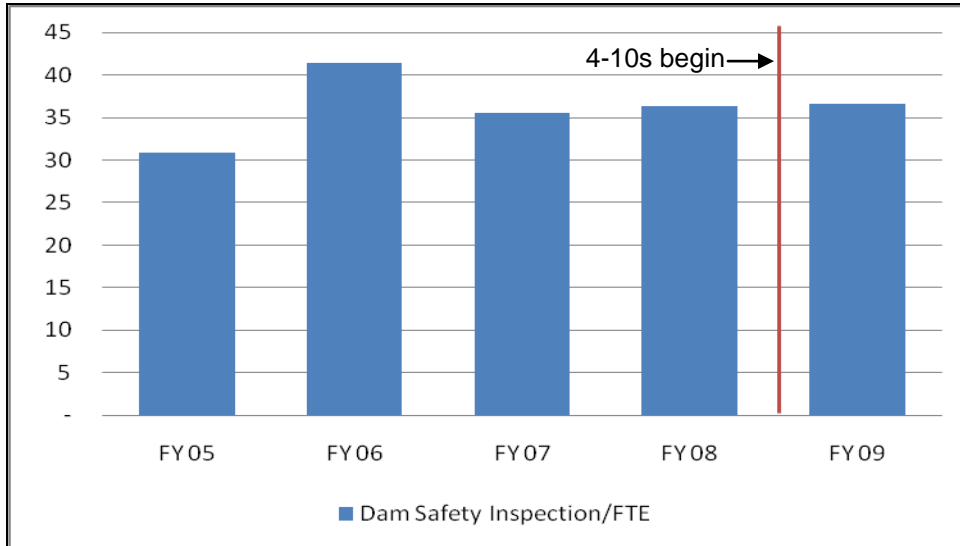
Productivity of Dam Safety Inspectors Remains the Same.

At the Utah Department of Natural Resources (DNR), dams are inspected based on a set schedule. Figure 2.8 shows the number of dams inspected per FTE for the last five fiscal years.

Changes in ORS productivity do not appear to be related to the four tens.

Figure 2.8 Dam Safety Inspection Productivity Remains the Same.

The number of dam safety inspections per FTE stayed the same from the previous year showing no discernible impact of the four tens.



Even though the number of dams inspected per FTE varied in the first two years, the productivity in the years before and after the changeover to the four-tens schedule stayed the same. Dam inspectors spend about half their time conducting inspections, and the number of dams inspected has remained relatively constant since 2005. Much of the variation in productivity is due to fluctuations in the number of FTEs.

Even though it is difficult to isolate the four tens schedule as the factor that changed a particular measure, we were not able to find any measurable evidence that the four-ten schedule reduced worker productivity. In all the above cases, worker productivity stayed relatively the same or increased slightly.

These five measures reflect on the productivity of only a small number of state employees. From these few productivity measures we cannot conclude that the four tens had no impact elsewhere in state government. Chapter III, discusses anecdotal evidence of possible productivity gains and losses due to the four tens.

Limited productivity information implies little change with the introduction of four tens.

Changes in Most Performance Measures Are Due to Other Factors

We also examined agency measures of timeliness, efficiency, effectiveness, and workload to identify other possible evidence of the effect of the four-tens schedule. As with the measures of employee productivity, we found these other measures were also affected by changes in budgets, the number of personnel, and other conditions impacting worker productivity.

We examined the workload and timeliness measures of a number of state agencies on the four-tens schedule and gave special consideration to those measures that staff can directly impact by their efforts. See Appendix A for graphs of some balanced scorecard measures by agency. Some of these measures improved while others declined. Some of the reported reasons for changes in these measures include the following:

- New management and legislative direction
- Reductions in staffing, due to budget cuts
- Demand changes due to the economy
- Sickesses of key personnel

We found little evidence that the four-tens schedule was a primary factor in the changes in any of the performance measures we examined. In each case there were other factors that better explain the changes. However, based on the limited data we have available, we found no quantifiable evidence that the four-tens schedule has had a negative effect on worker productivity.

Some Agencies Lead in Performance Measurement.

Although there were few useful productivity measures used consistently before and after the switch to the four-day workweek, several agencies are in the process of developing better tools for measuring performance. The Departments of Corrections, Transportation, and Workforce Services are currently developing automated dashboards that will continuously track key metrics for management and staff. The Department of Administrative Services is using “business intelligence” to identify key performance indicators that are then integrated with service plans for individual departments. We recommend that all state agencies continue to improve their

Several agencies are in the process of developing better tools for measuring performance.

performance measures so that the impacts of the future program changes can be better assessed.

Recommendations

1. We recommend that each state agency develop performance measures that management can use to monitor employee performance.

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Chapter III

Effect of Four-Day Workweek on Worker Productivity Is Mixed

As reported in Chapter II, we found few objective measures of the effect of the four-day workweek on productivity. However, in this chapter, we describe some anecdotal evidence of the effects of the new work schedule on state government. Through an online survey of all state employees, interviews with agency managers, and on-site observations of agency service centers, we found evidence that certain functions of state government are more productive as a result of the four-day workweek. At the same time other functions appear to have become less productive as a result of the new schedule. The evidence suggests that each agency in state government needs to be given the flexibility to identify the work schedule that allows employees to be as effective as possible.

Employees Believe Productivity Has Remained the Same or Has Improved

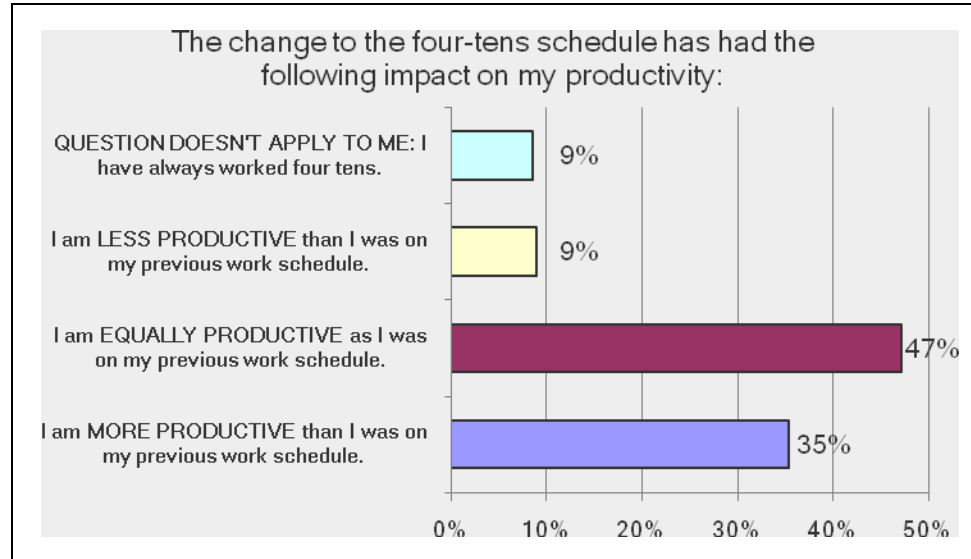
Based on an online survey sent to all state employees, we found that most state employees are in favor of the new schedule. Most also believe their productivity has improved or remained the same. Although their responses are not as objective as the data described in Chapter II, the survey did provide valuable insight on employee opinions regarding the four-day workweek and employee productivity.

Employees Say Their Individual Productivity Has Remained the Same or Has Improved

State employees were asked, through an online survey, how the switch to a four-day work week has affected their productivity. Eight out of 10 employees said their productivity has either stayed the same or improved since they started the state's new four-day workweek. The question was only asked to employees who work the four-day schedule. Figure 3.1 summarizes the responses from the 8,924 employees who responded to this question:

Eight out of ten employees said their productivity has either stayed the same or improved since they started the state's new four-day workweek.

Figure 3.1 A Majority of Employees Believe They Are as Productive or Are More Productive than They Were Before the Schedule Change. Employees were asked to describe how the change to the four-day workweek has affected their productivity.



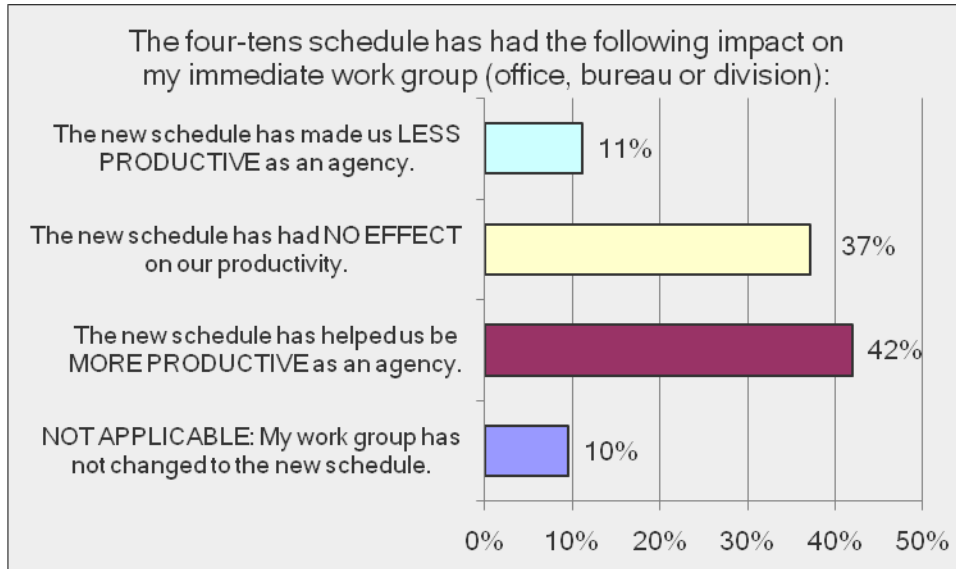
Most state employees view the four-day workweek as a tremendous benefit.

The survey results show that 47 percent of employees believe they are as productive and 35 percent say they are more productive on the four-day workweek than they were before the change of schedule. However, it is important to recognize that the respondents may not have been entirely unbiased. Most state employees view the four-day workweek, which includes a three-day weekend every week, as a tremendous benefit. Due to some of the written comments included in the survey, we suspect that some employees may have provided positive responses to our survey questions in order to ensure the continuation of that benefit.

Most Employees Say Productivity has Not Declined Since the Schedule Change

The survey also invited employees to assess the impact of the new schedule on their office, bureau or division. Figure 3.2 summarizes their responses.

Figure 3.2 A Majority of Employees Say Their Immediate Work Group Is as Productive as It Was Before the Schedule Change. All state employees, not just those working the four-day schedule, were asked to assess the impact of the new schedule on their office, bureau or division.



See Appendix B for a detailed summary of the responses to each survey question.

Forty two percent of employees who responded to our survey believe the new schedule has helped them be more productive as an agency. An additional 37 percent said there was no change in productivity, while 11 percent said that productivity had declined.

Several additional questions from the employee survey allowed us to further assess the impact of the new schedule on worker productivity. For example, employees were asked to comment on whether the “nature of [their] work lends itself well to a productive 10-hour day.” In addition, they were asked if they thought their coworkers were as productive as before the schedule was changed. Finally, employees were asked if they believed their agency’s “clients” were better served under the four-tens schedule. The responses to each question suggest that employees believe the schedule has improved, or at least has not reduced, their output and their ability to effectively serve the public. See Appendix B for a summary of all survey questions.

Forty two percent of employees believe the new schedule has helped them be more productive and 37 percent said there was no change in productivity.

Anecdotal Evidence Suggests Some Gains in Productivity

There is anecdotal evidence suggesting that the four-day work schedule has improved productivity in some areas. For example, it appears that employees who work on projects requiring a great deal of travel and start-up time each day are more productive while working a 10-hour day instead of an 8-hour day. In addition, because employees are using Fridays to take care of personal matters, many agency managers and employees said they are experiencing fewer interruptions to their workday, thereby increasing productivity. Many agency managers and employees also report that the longer workday has allowed them to better serve their key customer groups.

Managers/Employees Offered Many Examples Of Improved Productivity

Agency managers and employees were able to provide specific examples of how their productivity has improved since they changed to a four-day workweek. These examples were gleaned from thousands of comments we received during interviews with agency directors and managers, and through our online survey. The following sections describe some of the common responses:

Less Start-up Time Means More Productive Time. Certain job functions require a fair amount of start-up time before staff can begin to perform their assigned tasks. Many employees suggested that working four 10-hour days allows them to be more productive because they spend less time setting up and preparing for work. The following comment by a UDOT employee is typical:

In UDOT on the 10-hour-day schedule we are able to get more productive work done. The reason is because if we are crack sealing the interstate on an eight-hour day, and set up and remove traffic control we may only work on the task for 5 hours. So a full 8-hour day is charged to that task, but approximately three hours go to traffic control. On the 10-hour day we gain 2 extra hours of good productive work per work day.

It appears that employees who work on projects requiring a great deal of travel and start-up time each day are more productive while working a 10-hour day.

Similar comments were expressed by employees of other state agencies where a portion of each employee’s work day is spent setting up and shutting down a work project. By extending the work day, and eliminating one day of startup and shutdown time, staff spend more of their work day on productive activities.

A Drop in Personal Leave Has Resulted in Fewer Interruptions and More Productive Time. Many state employees and managers report they have fewer interruptions in their workday because they no longer need to take time off to take care of personal business. Instead, they reserve those tasks for Friday. For example, one employee at the Department of Public Safety said,

My team seems to have a better attitude and we are able to take care of most of our personal errands, etc., on Friday rather than take time off during the workweek.

We found that from fiscal year 2008 to fiscal year 2009, when the Working 4 Utah Initiative was introduced, there was a decline in overall personal leave taken. Annual leave and compensatory leave both declined. However, there was a slight increase in sick leave taken. In addition, when compared to fiscal year 2007, there was actually an overall increase in the amount of leave taken. Figure 3.3 shows the amount of leave taken per employee for fiscal years 2007 through 2009. The data was derived from payroll records in the data warehouse managed by the Utah Division of Finance.

During the first year of the four tens schedule, employees took less leave time than in the prior year. But employee leave time was still higher than two years before.

Figure 3.3 Total Personal Leave Declined in FY 2009. Average leave for state employees declined during FY 2009 when compared to FY 2008. Data is limited to those departments working the four tens.

Type of Personal Leave	Average Hours of Leave Taken by a State Employee			% Change '08 - '09
	FY 2007	FY 2008	FY 2009	
Annual Leave	106.2	127.1	121.4	-4%
Sick Leave	51.6	59.7	60.2	1%
Compensatory Time	10.1	12.4	10.4	-16%
Other*	30.2	34.3	31.5	-8%
All Leave	198.1	233.5	223.6	-4%

*Other includes converted sick leave, leave without pay, military leave, etc.

Although there was a decline in the total hours of leave taken during FY 2009, the first year of the Working 4 Utah Initiative, the amount of leave taken by each employee was actually higher than in FY 2007. The volatility in these figures makes it difficult to know just how much the change in work schedule contributed to the decline in leave hours.

A majority of employees, 81 percent, preferred the four-day workweek.

Improved Employee Morale Contributes to Greater Productivity. The new work schedule appears to be quite popular with most employees. Indeed, our survey shows that a majority of employees, 81 percent, preferred the four-day workweek. As a result, many employees report that worker morale has improved since the change was made to the four-day workweek. The following statement by an employee of the Department of Human Services is typical of dozens of similar statements we received:

I believe the morale at work is improved due to the four-tens schedule. I feel that because of this, we work better with the public and our productivity improves. I really enjoy having a longer weekend and it makes the long workdays worth it.

There is support in the research literature for the idea that improved employee morale may lead to improvement in productivity.

There is support in the research literature for the idea that improved employee morale may lead to improvement in productivity. We reviewed some of the business research literature regarding the factors that make up a productive workforce. While the studies largely focus on employees of private sector firms, they suggest that there is a correlation between a satisfied workforce and a productive one. For example, a 2001 study published in *Personnel Psychology* examined the relationship between employee attitudes and business outcomes. The researchers found that employee satisfaction, behavior, and turnover predicted the following year's profitability and that positive employee attitudes also correlated with high levels of customer satisfaction. One might assume that similar results could be achieved from public sector employees as well.

Some Clients Benefit from the Extended Operating Hours

Another benefit of the four-day workweek appears to be the improved access to state government services that some people enjoy during the early morning and late afternoon hours. Many of the agency managers that we interviewed and many state employees identified the improved access to government services as one of the

main benefits of the new schedule. We also visited several agencies during the early morning to verify the demand for public service between 7:00 a.m. and 8:00 a.m. We found that some agencies do have a fairly large volume of customer visits during the first hour of the morning. For example, we visited several offices of the Driver License Division and found that the offices were quite busy during the early morning hours. In fact we saw some members of the public waiting for the doors to open at 7:00 a.m. so they could get their licenses renewed.

The Executive director of the Department of Public Safety said the extended work hours were especially beneficial to those seeking to renew their driver licenses. He said the Driver License Division is

very busy during that 7:00 to 8:00 a.m. hour. The advantage of the four tens is that people can come in before and after work and get their licenses. It works well for parents who need to get their first-time drivers a license. Before, they needed to pull kids out of school to come down and get it done before they closed at 5:00 p.m. Now that they are open until 6:00 the parents don't need to take kids out of school to get the licensing done.

We were also told by managers within the Department of Commerce and the Department of Natural Resources that the public does appreciate and use their services at 7:00 a.m. and after 5:00 p.m. By providing better access to state services, these agencies believe they are better able to meet their customer needs.

Some Productivity Losses Are Due to the Four Tens Schedule

The feedback from managers and employees also revealed conditions in which the four-day workweek may dampen agency productivity. One common concern is that the state's new work schedule is misaligned with the eight-hour schedule used by the business community, the courts, the Legislature, and local and federal government agencies. Some managers and employees have also raised

Some agencies do have increased customer visits during the first hour of the four tens schedule.

concerns that some state workers do not appear to have the stamina to remain productive for a full 10-hour day.

The State's Four-Day Work Schedule Is Poorly Aligned With the Schedules of Some Agency Customers

Many agency managers and employees report that the four-day work schedule is poorly aligned with the work schedules of some of key users of government services. Because state agencies are no longer open for business on Fridays, these key user groups have less access to government services than when the state operated on a five-day workweek. These users include the business community, other federal, state, and local government agencies; and other employees within the same state agency who work a five-day schedule but still require their support.

The Four-day Workweek Is Not Always Best for Agencies That Work With the Business Community. Some state agencies provide services to the business community or perform some sort of regulatory function that involves businesses. Many state employees told us that their effectiveness has decreased since the four-day workweek was adopted because that schedule is poorly aligned with the schedule used by the businesses they need to contact on a daily basis. The following comments are typical:

- My division conducts audits with employing units to ensure compliance with the unemployment insurance law. Many employers would like to conduct audits on Friday and we have to tell them no. With the type of work I do ... I believe our customer service has decreased.
- Many outside vendors try to deliver on Fridays and nobody is here to accept those deliveries.
- We work with a lot of contractors and consultants, and none of them take Fridays off. It is often frustrating for them when our agency sets tight deadlines and schedules but then nobody is available to answer questions or resolve issues on Friday. They often lose valuable time because we are not available on Fridays.
- As a regulatory agency, not working on Fridays makes it difficult to regulate some industries.

Agencies that regulate or provide services to the business community may have decreased effectiveness since the four-day workweek was adopted.

Local and Federal Agencies Have Less Access to State Agencies. Some agencies provide service and support to other governmental entities that do not operate on a four-day work schedule. These include the legislative and judicial branches of state government, local government agencies, institutions of public and higher education, and federal agencies. Because they do not operate on the state’s four-day schedule, these other governmental agencies have reduced access to state services. The following are some typical comments we received through our employee survey:

- We need to be available on Fridays because we have customers, especially schools and higher ed, who need to reach us on Fridays. Most of us do emails and phone calls on Fridays because certain things cannot wait. Also, since schools close around 3 p.m. it does them no good to have us here until 6. Being available when the customers are open would be helpful.
- Judges [are] not willing to move the hearings just because DCFS is working four tens.
- Most of our clients are public school districts, public charter schools, and state institutions of higher education, all of which are open on Fridays. Many have complained about having limited access to us on Fridays.

Conflicts Arise Because Some Units Within the Same Department Are on Different Schedules. For those employees who provide administrative and technical support services, their “clients” are often the frontline staff within the same department or in other state agencies. A number of instances were identified in which staff productivity seems to have declined due to the lack of administrative support for the frontline staff who may need to work Fridays or who have other work schedules. Some typical comments we received through our employee survey include:

- Our division is required to be on the job when the contractor is on the job. The office personnel are now on four tens, which makes it a little frustrating at times for the field personnel that have to be to work on Friday with no office support.
- As a 24 hour facility, having some areas be a four-day workweek and others be a five-day workweek is extremely

Local and Federal agencies have reduced access to state services, because they do not operate on the state’s four-day schedule.

inconvenient. Getting work done on Fridays is impossible considering the business office, the warehouse, and half of the hospital are not around. It also makes for an unproductive day where many people can't fulfill their responsibilities because the other half of their team is off.

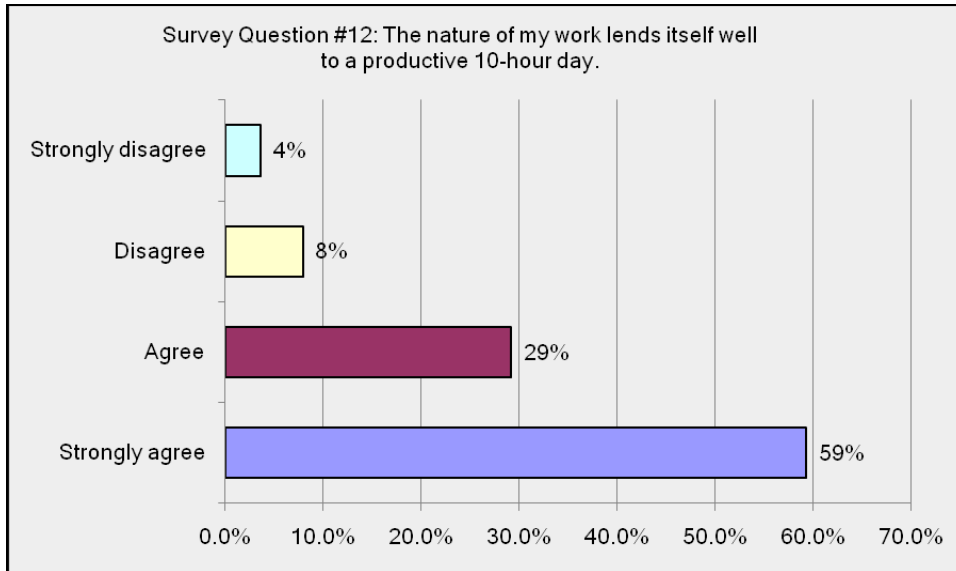
Based on the anecdotal evidence we have gathered, some agencies operating on the four-day work schedule may not be as effective as they could be if they operated on the same work schedule as the businesses, government entities and fellow employees with whom they work. Agencies that regulate the business community, represent the state's interest in court, or provide support to local government could be more effective if they were to operate during the same business hours as those other organizations. Similarly, we found that many agency staff who carry out administrative and technical support roles are working on a four-tens schedule while most of the frontline staff in their agencies work a five-day week. These administrative and support staff may need to adjust their schedules so they can provide better support to their colleagues.

Some Job Functions Are Not Well Suited to a Four-Day Work Week

Our survey also asked employees to indicate whether they thought the nature of their work was well suited to a productive 10-hour day. About twelve percent of respondents indicated that their job function is not well suited to a four-day workweek. We also received similar comments from employees and agency managers suggesting that some functions are not ideally suited to a 10-hour day.

About 12 Percent of Employees Report that Their Jobs Are Poorly Suited to a Productive 10-Hour Day. We asked employees whether they agreed with the statement "The nature of my work lends itself well to a productive 10-hour day." While most employees agreed or strongly agreed with the statement, about 12 percent of employees on the four-day workweek did not agree with the statement, suggesting that some job functions are poorly suited to the new work schedule. Figure 3.3 summarizes the results.

Figure 3.3 Some Employees Say Their Jobs May Be Poorly Suited to a 10-Hour Day. Employees currently working the four, ten-hour days were asked whether the nature of their work lends itself well to a productive ten-hour day.



See Appendix B for a detailed summary of the responses to each survey question.

It is important to recognize that the survey question 12 was directed to employees currently working the 10-hour days. As mentioned in Chapter I, we estimate that at least 4,000 of the state’s more than 17,000 full-time employees are currently working a schedule other than the four tens. This suggests that many agencies have already recognized that some jobs do not benefit from the 10-hour schedule.

Some Agencies Have a Relatively Large Number of Employees Who Say Their Jobs are Not Well-Suited to a 10-hour Day. We also considered the responses to survey question 12 agency by agency. For some agencies, over 20 percent of employees suggest their job function is not well suited to a productive 10-hour day. Figure 3.4 identifies, by agency, the percentage of employees who believe their work is not well suited for the four tens schedule.

For some agencies, over 20 percent of employees suggest their job function is not well suited to a productive 10-hour day.

Figure 3.4 Some Agencies Should Consider an Alternative Schedule for Some of Their Employees. At some agencies, as many as one in five employees currently working the four-day workweek say their job is not well suited to a 10-hour day.

Survey Question #12: The nature of my work lends itself well to a productive 10-hour day.	
Department	Employees who Said they Disagree or Strongly Disagree
Agriculture & Food	22%
Community and Culture	21
Environmental Quality	17
Natural Resources	16
Tax Commission	14
Human Services	13
Administrative Services	13
Workforce Services	12
Health	12
Technology Services	11
Corrections	11
Alcoholic Beverage Control	11
Commerce	10
Attorney General	10
Insurance	9
Transportation	6
Human Resource Management	6
Public Safety	5
Labor Commission	4

Figure 3.4 suggests the Department of Agriculture and Food and the Department of Community and Culture may need to consider whether certain units should be working an alternative schedule, such as five eight-hour days, or a flexible schedule. However, other agencies with just ten percent of employees expressing concerns about their productivity may also need to consider whether certain functions would also benefit from an alternative schedule. The comments from many employees and agency managers, described in the following section, also suggest that some job functions may not be well suited to a four-day work week.

Comments from Agency Managers and Employees Suggest Some Job Functions Are Not Ideally Suited to a 10-Hour Day. The state employees that we interviewed and those who responded to

The Department of Agriculture and Food and the Department of Community and Culture may need to consider whether certain units should be working an alternative schedule.

our survey identified many specific job functions that they said are not ideally suited to the four tens.

- We do lab tests for the public---The equipment in labs can only do so much within a day. So, there is more down time within a 10-hour day for people to talk or surf the Web.
- The switch to the 4 tens has limited our ability to complete necessary field work. Sunrise/sunset doesn't happen any earlier/later on the 4 tens, and we end up losing 8+ hours of field work time a week.
- The four-day workweek is ineffective for Probation and Parole. The first hour before the courts open is useless and the hour after they close is useless. The courts are open on Fridays so we are always having to work on Fridays anyway. Unfortunately we have no support staff to help with filing of reports or processing warrants.
- Being closed on Friday has a huge effect on the turnaround time of our samples. There are many samples dropped off on Thursday and Friday that don't get processed until Monday. That means it is sitting for three to four days without being worked on, not counting shipping time. To avoid this, employees are still having to come in on Friday.
- The wildlife we work with are most active during a short window in the early mornings, so keeping a five-day schedule made the most sense if we wanted to continue research on this animal.

The above statements demonstrate the diversity of job functions performed by state workers. Given that diversity, it should not be surprising that all functions in state government may not be performed equally well on the same four-tens schedule. For example, we previously reported the success some agencies, such as the Driver License Division, have had with the extended work hours. However, other agencies have not been successful attracting the public during their extended-day schedule. We observed several state agencies that were open for business during the 7:00 a.m. to 8:00 a.m. hour and observed state workers waiting to serve the public. Yet, the employees appeared to have little to do because few people were actually coming in during those early hours. Those agencies might be able to better serve the public by being open one additional day during the week rather than in the early morning.

Some agencies have not been successful attracting the public during the extended-day schedule.

Some Employees Lack the Stamina to Remain Productive for a 10-hour Workday

About thirty percent of the agency managers we interviewed said that some of their employees do not have enough stamina to remain focused on their work for a full 10-hour workday. In addition, many employees responding to our survey indicated that either they themselves or their coworkers tend to become tired toward the end of the day, which may decrease their productivity. Finally, we have received a small number of reports from employees suggesting that their coworkers are not working a full 10-hour day and are leaving early.

Some Agency Managers and Employees Report Problems with Reduced Staff Productivity. Eight of 28 agency managers we interviewed mentioned that some office employees tend to become tired toward the end of the day which could decrease their productivity. Several specifically mentioned that some of their older employees were having difficulty working productively for a full 10-hour day.

One division director's comment was typical. He said that, at first, employees had difficulty adjusting to the longer workday, but as time passed, they became adjusted and now are fully productive for the 10-hour day. However, he said that some older folks find the schedule to be a bit exhausting for them. This same observation was offered by many agency managers and by dozens of employees who responded to our survey.

Many employees also reported a drop in productivity due to the long workday. Some typical employee comments include the following:

- Overall, we all seem tired and less productive late in the day and especially later in the week.
- The reason I believe my productivity has lessened is that my focus and attention span to my tasks starts to decrease around 4:00 p.m. to 4:30 p.m.. As a result, it seems more difficult to me to continue working on my tasks without any breaks in the very late afternoon.

About 10 of 40 interviewed agency managers mentioned that they have some employees tend to become tired toward the end of the day and their productivity declines.

- I notice productivity goes down the last couple of hours during the day for both myself and my coworkers because we are tired, bored, etc.

Concerns Raised About Coworkers Leaving Early. Also of concern are the comments from employees who indicated that their coworkers were arriving late and leaving early. The following are typical employee comments:

- There are people in my agency whose schedule should be 7:30 to 6:00, but are rarely there before 8:00 and are allowed to leave anywhere between 3:00 and 5:00 almost every other day.
- I've noticed that people don't really put in 10 hours. They're scheduled to come in at 6:00 or 7:00 a.m... most of which are 30-60 minutes late, DAILY. They're supposed to take a 30-minute lunch break, but most routinely take 60 - 90 minute lunch breaks. And then, they leave 1-2 hours early, providing no coverage at all in some sections.

Because we relied on employees to volunteer the information, we do not know what portion of state employees are less productive as a result of the extended workday. It is our belief that most state employees are quite diligent. In fact, many have told us that they have so much to do that they put in extra time that is uncompensated. However, as agencies have transitioned to a four-day workweek, we question whether all state employees have received sufficient supervision from their managers. In the following section, we suggest that staff may need better oversight and accountability to avoid the tendency to drop their attention level during the longer work day.

Work Schedule Change Stresses Productivity and Accountability

As previously discussed, there are circumstances in which the four-day workweek can improve productivity and circumstances in which productivity will be reduced by the condensed work schedule. For this reason, we believe that agency directors should be given the responsibility to identify the schedule that allows them to maximize their agency's productivity. Directors should also determine which schedule will best meet the needs of the agency's users. The Governor

As agencies have transitioned to a four-day workweek, we question whether staff have been receiving sufficient supervision from their managers.

We believe that agency directors should be given the responsibility to identify the schedule that allows them to maximize their agency's productivity.

Of the roughly 17,000 full time state employees, at least 4,000 work a schedule other than the four tens.

and the Legislature can promote a productive work environment by (1) approving a broad range of scheduling options within which agencies can operate, and (2) holding agency directors and managers accountable for results.

Each Agency Should Adopt a Work Schedule That Allows It to Be as Productive as Possible

Since the inception of the Working 4 Utah Initiative, the official business hours of all state government agencies has been 7:00 a.m. until 6:00 p.m., Monday through Thursday. Unless they provide essential services, agencies were expected to adopt the four-day work schedule. Even so, a majority of the employees at some state agencies work some other schedule besides the four-tens. We believe each state agency may be more productive if allowed to adopt a work schedule that addresses its unique mission as efficiently and effectively as possible.

Agencies Use a Wide Range of Schedules. Of the roughly 17,000 state employees who work full-time and receive benefits, we estimate at least 4,000 work a schedule other than the four tens. For example, a majority of the employees at the Department of Corrections and the Department of Financial Institutions follow other schedules which are best suited to the demands of their work they perform. In addition, many child and family services case workers, probation officers and State Attorneys General often need to attend court on Fridays. For this reason, they tend to work flexible schedules. Also, agencies that perform a business regulatory function often operate on a schedule that matches those of the businesses they regulate.

On the other hand, there are some agencies that continue to work on a four tens schedule even though it is not ideally suited to the needs of the work they perform. We suggest they consider adopting one of the scheduling options currently in use by other agencies.

1. Four 10-hour days per week.
2. Five 8-hour days per week.
3. Eight 9-hour days and one 8-hour day biweekly.
4. Three 12-hour days each week, plus an extra 8-hour day every other week.
5. Flexible schedule.

The schedule used should ultimately be decided by each unit manager after consultation with each department's executive director. The unit manager needs to demonstrate that the schedule chosen is the best fit in terms of maximizing productivity and in meeting the needs of the unit's key stakeholders. The preference of the employees should be a secondary concern, if all other factors are equal.

Performance Accountability Is Necessary

Ultimately, what is most important is that agencies, managers, and staff be held accountable for results. If agencies can demonstrate that they are producing the desired results and improving on past performance, they will be motivated to select the work schedule that helps them achieve the greatest level of performance. The information presented in Chapter II of this report suggests that most agencies are not focusing on employee productivity as much as they could be.

As mentioned in Chapter II, many state agencies' balanced scorecard metrics provide measures of activity level, timeliness of performance, and qualitative information. But few measures reflect the level of output in terms of the amount of staff or financial resources committed to the governmental agency. As agencies develop more sophisticated strategies for measuring staff productivity, like many departments are currently doing, they should be given the flexibility to choose the work schedule that allows their employees to achieve the highest level of productivity.

Recommendation

1. We recommend that once the governor's office determines a state agency has effective employee performance measures, that the agency be granted approval to choose that work schedule which produces the highest level of performance.

Agencies, managers and staff need to be held accountable for results.

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Chapter IV

Savings Due to Four-Day Workweek Are Minimal

Savings attributed to the Working 4 Utah Initiative have been overstated. It has been reported that the initiative cut the cost of state government by many millions of dollars. We have verified that the cost of utilities, fleet services, and overtime have all declined since the state changed to a four-day workweek. However, the savings in these areas are not entirely due to the four-day workweek. Instead, we found that other factors are the primary causes for the reduction in costs. We estimate that the initiative produced less than a \$1 million savings on building operations, overtime, and fleet services.

Savings Lower than Expected

The four-day workweek was expected to reduce heating and electrical costs by \$3 million a year. Instead, utility costs dropped by \$502,000. Furthermore, only a portion of the reduction in utility costs can be attributed to the four-day workweek. Fleet service costs also declined by \$1.4 million during the first year of the new schedule. Although some credit the four-day workweek, the drop in fleet services costs was largely due to a statewide effort to reduce agency use of state vehicles. Similarly, reports of a \$4.1 million reduction in overtime expenses were incorrectly attributed to the four-day workweek. On the other hand, the switch to a four-day workweek did allow the State of Utah to save \$203,000 in the cost of janitorial services.

Utility Cost Savings Less than Expected

The State of Utah was not successful in achieving its goal to reduce the cost of utilities by \$3 million. Actual savings were only about \$500,000 during the first year of the four-day work schedule. The reduction in utility costs was mainly due to a 10.5 percent reduction in the cost of heating and cooling certain large office buildings. However, the change to a four-day work schedule was not the only cause of the cost savings. The cost of operating a building for 40 hours a week is largely the same whether it occurs over four days or

over five days. The main reasons for the energy savings were (1) a reduction in the number of hours outside the work schedule that the heating and cooling systems were operating, and (2) improvements that were made to the heating and cooling control systems in large state-office buildings.

Savings in Utility Costs Were Expected to Be \$3 Million. In August 2008, it was announced that the closure of state government offices on Fridays would allow the state “to close 1,000 buildings and reach a 20% savings in each building.” Presumably by being open only four days instead of five days each week, the state would be able to cut one-fifth (or 20 percent) of its operating costs. The total annual savings was expected to reach \$3 million.

Actual Reduction in Utility Costs Was \$502,000. The actual savings in utility costs was far less than expected and was only partly due to the change in work schedule. A study of 125 of the state’s larger state-owned buildings found a cost reduction of 10.5 percent. For many smaller state office buildings, no savings were observed. The Department of Facilities Construction and Management (DFCM) gave the following reasons for the lower-than-expected drop in utility costs:

1. Many buildings were only partially closed on Fridays because they served employees with a mix of schedules – some worked 4/10s while others worked 5/8s.
2. Some buildings had labs and other areas with sensitive equipment that required a constant controlled temperature environment.
3. State building managers found that for many smaller buildings the savings gained by being closed on Fridays was cancelled out by the increased cost of heating and cooling buildings for two additional hours Monday through Thursday.
4. Energy prices fell greatly during the pilot period. In 2008, when the new schedule was first proposed, gas prices were over \$4 a gallon, and electric and natural gas prices were expected to rise as well. Due to the economic recession that began in 2009, energy prices decreased instead.

One study incorrectly assumed that by being open four days instead of five, the state could cut one-fifth (\$3 M) of its operating costs.

For many smaller buildings the savings gained by being closed on Fridays was cancelled out by the increased cost of heating and cooling buildings for two additional hours Monday through Thursday.

Much of the Savings Were Due to Other Efforts to Improve the Management of Heating and Cooling Systems. The closure of state offices on Fridays is one of several energy conservation measures the state has taken to achieve the goal of a 20 percent decline in energy use. One decision that had a significant impact on the cost of heating and cooling state buildings was the decision to limit climate control systems to a core set of operating hours. In addition, improvements were made to the climate control systems in many larger buildings. While the adoption of a set of core hours coincided with the change to a four-day workweek, the use of core hours and improved control systems could have occurred under a five-day work schedule as well.

According to the manager of the State Building Energy Efficiency Program, one of the benefits of the Working 4 Utah Initiative is that it allowed the state to set limits on the hours during which buildings would operate. Previously, to accommodate a wide range of employee work schedules, state building managers were asked to keep climate control systems operating for long periods each day.

The Working 4 Utah Initiative established the state's official business hours as the period from 7:00 a.m. to 6:00 p.m. It allows the state's building operators to restrict the period during which they need to provide a controlled environment. The result is a reduction in the number of hours when climate control systems are operated. As a result, the Working 4 Utah has an indirect impact on state heating and cooling costs. It led to the decision to limit environmental controls to a core set of operating hours, but that move could have been done with or without the change to a new schedule.

The State Building Energy Efficiency Program has also reduced the state's utility costs by improving the management of the heating and cooling systems in state buildings. Installing better thermostats, other control equipment and improved management of buildings have also helped reduce the amount of energy used by state buildings. Even though the creation of core hours and the improved system controls coincided with the change to a four-day workweek, these improvements could have occurred without the change in work schedule.

Perhaps the most significant impact on the cost of heating and cooling state buildings was the decision to limit climate control systems to a core set of operating hours.

Even though the creation of core hours and the improved system controls coincided with the change to a four-day workweek these improvements could have occurred without the change in work schedule.

Decline in Fleet Service Costs Is Largely Due To State's Broad Cost-Cutting Efforts

All state government agencies, including those that do not operate on a four-day week, have experienced a decline in vehicle fleet miles traveled. While some savings can be attributed to the four-day workweek, the savings from reduced vehicle fleet miles should be credited to a broad statewide effort to reduce the cost of state fleet operations.

Reduction in Fleet Miles Incorrectly Attributed to Four-day Week. The final report on the Working 4 Utah Initiative by the Governor's Office Of Planning and Budget lists fleet savings among the energy impacts of the four-day work week. Specifically, the *Working 4 Utah - Final Initiative Performance Report (December 2009)* states:

During the pilot, the state experienced a reduction in the usage of fleet vehicles. While these savings cannot be fully attributed to the 4/10 schedule, it is interesting to note that the state saw a total reduction for all state vehicles of more than 3.1 million miles from FY 2008 to FY 2009. This translates into an estimated \$1,446,767 in savings.

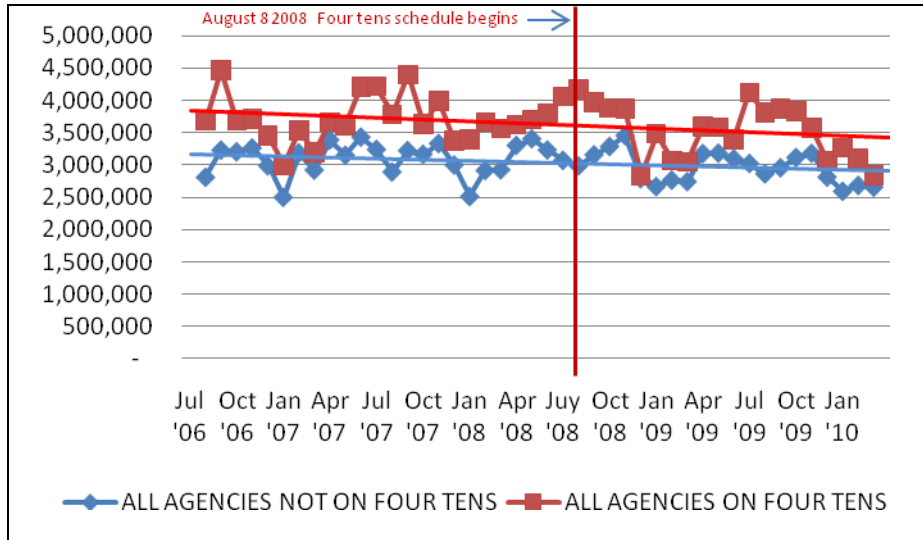
Based on data provided by the Division of Fleet Operations, total fleet miles, inclusive of higher education and other agencies not on the four tens schedule, actually declined by 2.6 million miles. If only those agencies on the four tens schedule are considered, the reduction was about 2 million miles for a savings of about \$900,000. However, we believe most of that savings cannot be attributed to the four-day work week but instead to a statewide effort to reduce vehicle miles traveled.

Agencies on the Four-Day Work Schedule, as Well as Those on Other Schedules, Reduced Vehicle Miles Traveled. There has been a reduction in fleet miles traveled among government agencies statewide and not just among agencies on the four-day work week. The widespread reduction in fleet miles can largely be credited to a statewide campaign to reduce vehicle costs. Figure 4.1 compares the fleet miles logged by agencies working the four tens schedule to other agencies that have not adopted the new work hours.

While some savings can be attributed to the four-day workweek, the savings from reduced vehicle fleet miles should be credited to a broad statewide effort to reduce the cost of state fleet operations.

We found that all state agencies, including those not on the four-day workweek, have reduced their vehicle miles traveled in recent years.

Figure 4.1 Generally Speaking, Vehicle Miles Traveled Have been on a Decline Throughout State Government. The monthly vehicle miles traveled by agencies on the four-day work week (red) are compared to those of agencies on other schedules (blue). Both show a declining trend.



Source: Division of Fleet Operations

The agencies whose employees are not primarily on the four tens schedule (shown in blue) include institutions of higher education, the courts, the Department of Corrections, and the Department of Public Safety. These agencies show a decline in vehicle miles traveled that is similar to that of the agencies working a four-day week (shown in red). Not shown in Figure 4.1 is the mileage for the many local government agencies and special districts which are also served by the Division of Fleet Operations. They experienced a similar decline in fleet miles during the same time period.

All State Agencies Working to Reduce Vehicle Costs. The statewide decline in vehicle miles traveled is largely due to a statewide effort, led by the Division of Fleet Operations, to reduce the cost of the state government vehicles. With the passage of House Bill 110 during the 2007 Legislative General Session, the state was directed to prepare an annual “vehicle fleet cost efficiency plan to ensure continuing progress toward statewide overall cost reduction in government vehicle costs.” The bill required the plan to describe each department’s strategies to reduce vehicle costs.

Agencies not on the four-ten schedule show a similar decline in vehicle miles traveled as those on the four-day week.

Most agency plans include strategies to reduce the number of vehicle miles traveled. As Figure 4.1 shows, most agencies appear to be succeeding in achieving their goals. We credit those agency plans, not the four-day workweek, as the main cause for the decline in vehicle miles traveled.

The Connection Between the Four-day Workweek And the Decline in Overtime Expenses Was Overstated

There is little evidence that the four-tens schedule has played a significant role in reducing overtime costs since the beginning of the four-day workweek. It has been asserted that during Fiscal Year 2009 the State of Utah experienced a \$4.1 million reduction that can largely be attributed to the four tens schedule. We found the contrary; the majority of those savings can be attributed to agencies that are not working the four-tens schedule. Other reasons for the decline in overtime expenses include agency efforts to reduce overtime and the unpredictable nature of some job functions requiring overtime.

Overtime Expenses Said to Have Dropped by \$4.1 Million.

One widely reported benefit of the four-day workweek is the \$4.1 million reduction in overtime expenses. Although several news reports credited the full amount to the four-day workweek, the state's final report on the initiative suggests a portion of the savings can be attributed to the new work schedule:

While the change in overtime hours may also be attributed to other factors, such as budget reductions in agencies and full staffing at certain agencies, a large portion of the savings is believed to be a result of the 4/10 work schedule.

One representative from the Department of Human Resource Management gave the following clarification: "We are confident that at least half of the reduction in overtime is due to the 4/10s." After announcing to the press the \$4.1 million reduction in overtime savings, another state official is quoted as saying that employees "are getting what they need to get done in 10 hours and going home. . . . The state envisioned some energy savings, but that overtime number was not anticipated." Based on this statement, an Associated Press

The majority of overtime savings can be attributed to agencies that are not working the four-tens schedule.

reporter published reports attributed the entire reduction in overtime expenses were due to the state's new work schedule.

Drop in Overtime expenses are Due to Factors Other than Four-Tens Schedule. In order to verify the amount of overtime savings attributed to the four-day workweek, we examined the data used by the Department of Human Resource Management (DHRM) to support its \$4.1 million figure. First, we must report that DHRM incorrectly reported the amount of the overtime savings in fiscal year 2009. There was actually a \$4.7 million reduction in overtime expenses during the first year of the new work schedule.

After reviewing the DHRM data and discussing with agencies the causes for the decline in overtime expenses, we found that very little of the \$4.7 million savings can be attributed to the change in schedule. The following describes some of our key observations:

- The Department of Corrections experienced a \$3.2 million decline in overtime costs. During fiscal year 2008 the department paid out millions in overtime expenses to cover shifts caused by 120 vacant positions. In fiscal year 2009, the first year of the new schedule, overtime expenses returned to normal levels.
- The Department of Transportation experienced a \$750,000 decline in overtime expenses. Emergency activities, such as snow removal and repair of damaged light signals, are that agency's most common cause for overtime. The new work schedule does little to help UDOT reduce overtime for emergency activities.
- The Department of Natural Resources had a \$360,000 reduction in overtime expenses in fiscal year 2009. That agency's overtime expenses rises with the need to fight wildfires. They report that fiscal year 2009 was a light year for wildfires and that the overtime savings produced by the condensed work schedule was not significant.

We also observed that some of the drop in overtime expenses can be attributed to agencies efforts to control spending, not on the four-day workweek. It reflects a statewide effort to reduce overtime expense due to tight budgets. In addition, we found that overtime expense is volatile and that an agency's need for overtime is often

Most of the reduced overtime expense attributed to the four-day workweek was actually achieved by the Department of Corrections which has few employees working the new schedule.

needed to address unforeseen circumstances. Although some departments saw a large drop in overtime expense in fiscal year 2009 when compared to fiscal year 2008, their fiscal year 2009 overtime expense was still higher than that in fiscal year 2007 and fiscal year 2006. Based on our review of the data, we find little evidence to suggest that the four-day workweek contributed much to the state's reduction in overtime expenses.

Janitorial Services Contracts Were Reduced by \$203,000

The *Final Initiative Performance Report* lists among the operational cost savings a "\$203,177 reduction in custodial service contracts." We agree. The initiative gave DFCM the opportunity to renegotiate state contracts for custodial services. With the change to a four-day workweek, the state asked vendors to amend their contracts to reflect the reduced need for janitorial services.

The \$203,000 savings is limited to those buildings managed by DFCM. There are other buildings that house state agencies where maintenance is not provided by DFCM. We assume they may have also experienced a reduction in the cost of janitorial services as well.

Savings due to Four-Day Workweek Estimated at Less than \$1 Million

We were unable to identify with any degree of exactness just how much of the reduced cost of utilities, fleet services, and overtime expenses may be attributed to the Working 4 Utah Initiative. Many different factors influence spending in these areas, and the expenditures are quite volatile from one year to the next. However, we are confident that the savings is far less than the millions in savings predicted when the initiative was first introduced. Instead of the \$3 million estimated savings from reduced energy costs, the \$4.1 million reduction in overtime expenses and the \$1.4 million in reduced fleet costs, we estimate that the total savings is most likely less than \$1 million.

Perhaps a greater concern than the savings in energy, fleet services and overtime expenses is the impact the new schedule has on employee productivity. It is quite possible that a reduction in

With the change to a four-day workweek, the state asked vendors to amend their contracts to reflect the reduced need for janitorial services.

employee productivity has offset any reduction in other cost areas. As reported in Chapter II, we were unable to find many objective measures of employee productivity. However, we estimate that a 1 percent decline in the productivity of state employees would cost the state nearly \$15 million. That amount is more than enough to offset any savings in energy, fleet, or overtime expenses. In the following chapter, we express concerns for several new policies associated with the Working 4 Utah Initiative that may contribute to a reduction in the productivity of state employees.

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Chapter V

Questionable Personnel Practices Threaten Productivity

Stronger policies are needed to ensure employee productivity is maintained during the four-day workweek. We are concerned by the growing acceptance of several policy issues associated with the four-day workweek. For example, employees may be allowed to work without taking a break for lunch, take exercise release time at the beginning or end of the workday, work during their commute, and telecommute without sufficient controls in place. We recommend that Department of Human Resource Management (DHRM) review and consider modifications to ensure that worker productivity is maintained.

We cannot overstate the importance of guarding against weak policies and their potential for impacting employee productivity. Each year the state executive branch spends about \$1.5 billion on employee compensation. We estimate that the four-day workweek reduced the state's operating costs by no more than \$1 million each year. In contrast, just a 1 percent change in productivity of the executive branch agencies would have a \$15 million affect on the cost of state government. If the policies described in this chapter become more widely accepted, the potential productivity losses could significantly exceed any savings achieved by the new schedule.

Personnel Policies and Practices Should Be Reconsidered

With the change to a four-day workweek, an increasing number of employees have been allowed to engage in the following practices:

- work a full 10-hour day without a lunch break.
- take 30 minutes, three days each week, any time during the workday to exercise, some take that exercise time at the beginning or end of the workday and at home.

Stronger policies are needed to ensure employee productivity is maintained during the four-day workweek.

- count work performed during their commute as part of their regular workday.
- Telecommute to accommodate the longer work period without sufficient controls.

An increased acceptance of these practices could reduce the productivity of state workers. We recommend that DHRM either reconsider or clarify each of the policies and practices.

Employees Allowed to Work Without a Lunch Break

With the announcement of the Working 4 Utah Initiative, state employees were told that a lunch break would no longer be legally required. A new DHRM policy was adopted allowing employees, with the supervisor's approval, to opt out of the 30-minute lunch break formerly required by state rules. About 15 percent of employees responding to our survey say they have chosen the no-lunch option. They work a 10-hour day without an official lunch break. We question whether employee health and productivity are not put at risk by the no-lunch policy.

About 15 percent of employees say they have chosen the no-lunch option and work a 10-hour day without an official lunch break.

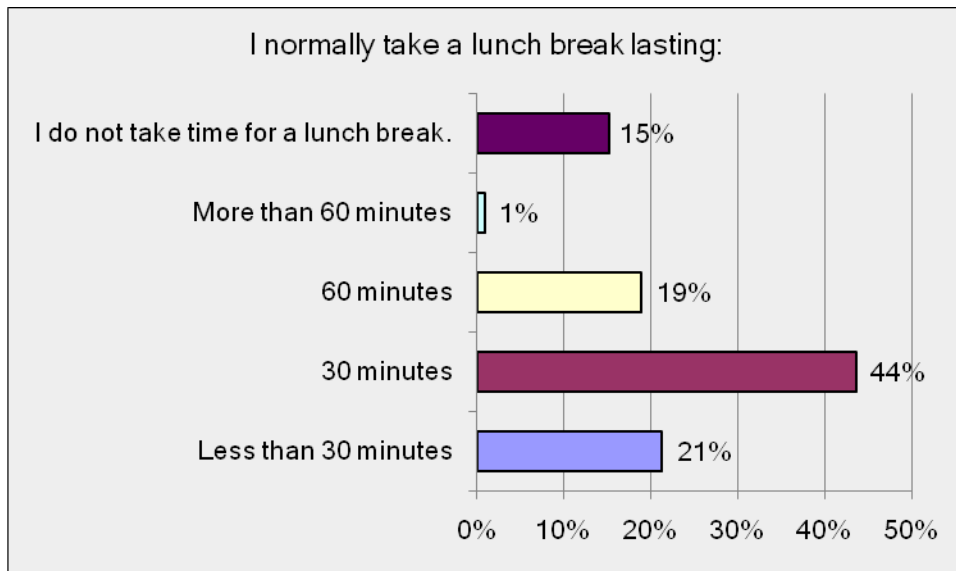
New DHRM Rule Says a Lunch Period Is Not Required. In a document titled Working 4 Utah FAQs, which was distributed shortly after the governor announced the new work schedule, the following policy change was included among the other changes associated with the new initiative:

A lunch period is not legally required. On July 1, 2008, the DHRM rules will no longer require a lunch. However, managers will have authority to require a minimum 30-minute uncompensated lunch period for their employees.

Before the Working 4 Utah Initiative was adopted, DHRM policies required that "each full-time workday shall include a minimum of 30 minutes non-compensated lunch period." With the announcement of the new work schedule, the rules regarding lunch breaks were changed to "management **may** require a minimum of 30 minutes non-compensated lunch period," (emphasis added). The new rule gave supervisors the option of giving employees the choice to minimize the length of their work day by going without a lunch break.

Many Employees Choose to Work Through Lunch. As part of our on-line survey, employees were asked to identify the length of their lunch break. Figure 5.1 shows that 15 percent of respondents who work the four tens have chosen the no-lunch option.

Figure 5.1 Fifteen Percent of Employees Do Not Take a Lunch Break. Employees were asked to identify the length of time they spend for a lunch break each day.



In addition to the 15 percent who do not take time for lunch, another 21 percent minimize the length of their work day by taking less than a 30 minute mid-day break.

Through interviews with employees and from the written comments we received in our employee survey, we learned that most employees who choose not to take a lunch do, in fact, eat lunch at their desks. Some said they may briefly heat something in the office microwave and then return to eat their lunch while working at their desks. Officially, they say they do not take a lunch break but they do eat. Due to the early start of the work day, which for most employees begins at 7:00 a.m., some apparently eat breakfast at their desks as well.

Several division directors told us they do not allow their employees to go without a lunch break. However, we found that all departments have at least some employees reporting they do not have

We learned that most employees who choose not to take a lunch do eat lunch at their desks.

Taking a lunch break allows employees a chance to recharge and refresh.

a lunch break. The Department of Health has the largest percentage, with 42 percent saying they take no lunch. See Appendix C for the percentage of employees in each department who report they do not take lunch.

No-Lunch Allowance May Affect Productivity. The no-lunch policy may not be healthy and may hurt employee productivity. The directors of several agencies told us that they require a lunch break because it is difficult for employees to work productively for 10 hours straight without a break for lunch. These managers said that taking a 30-minute midday break gives their employees a chance to recharge and refresh. For example, one division director told us that they require a half-hour lunch because “ten hours is a long day” and employees “need a short respite from their work.” He also said “the fear is that they will take lunch anyway and the agency would lose productivity.”

The concept that employees need a periodic break is supported in business literature. For example, in October 2007 an article appeared in the *Harvard Business Review*, describing several strategies aimed at helping employees maintain a high level of productivity. In their article titled “Manage Your Energy, Not Your Time,” Tony Schwartz and Catherine McCarthy list going without a lunch among the “energy depleting behaviors” that can reduce the productivity of employees. The authors suggest that employees need to “disengage from work” every few hours during the day, and they express concern for those who “don’t take regular breaks during the day to truly renew and recharge, or...eat lunch at [their] desk, if [they] eat it at all.”²

We also have a number of concerns regarding the wisdom of allowing employees to work for 10 hours without a break for lunch. If the policy requiring a lunch break was necessary during the 8-hour day in order to give employees a chance to recharge and refresh, we question why there is not an even greater need during a 10-hour workday. We question whether the practice of working while eating lunch at your desk has an effect on employee productivity. Finally, we believe that abuse of this policy contradicts one of the basic goals of the Working 4 Utah Initiative -- to provide greater access to government services by providing extended business hours. If

² Tony Schwartz and Catherine McCarthy, “Manage Your Energy, Not Your Time,” *Harvard Business Review* (October 2007).

employees are allowed to skip lunch so they can leave early, then they will not be able to provide service past 5:00 p.m.

A More Flexible Policy Toward Exercise Release Time Is a Growing Concern

With the move to a four-day workweek, it appears that some agencies have taken an increasingly relaxed attitude toward exercise release time. Traditionally, agencies have allowed employees to add 30 minutes of exercise time to their lunch period. More recently, employees have been allowed to exercise anytime during the work day. The state should clarify and strengthen the exercise policy by requiring release time to receive appropriate approval and be taken in conjunction with at least a half-hour lunch.

Healthy Utah Program Spawned an Exercise Release Program for Employees. In the early 1980s, state agencies began to allow their employees to participate in a program called Healthy Utah. This worker fitness program was sponsored jointly by the Department of Health and the Public Employees Health Plan. Employees could earn up to \$150 a year by participating in a weight loss or smoking cessation program. At the same time, most state agencies also began allowing employees to add a 30 minute exercise extension to their lunch break three days a week.

Today, most state agencies continue to allow employees to participate in an exercise release program. About 36 percent of the state employees responding to our survey said they participate in the exercise release program. However, the level of participation varies from agency to agency. Some agencies, such as the Tax Commission and some units within the Department of Workforce Services do not give their employees state time to exercise. Typically, agencies require employees to sign an agreement with their supervisor specifying the terms and conditions in which they are granted the release time. Appendix D contains an example of an agency's exercise release policy.

Agencies Risk a Loss in Accountability and Reduced Productivity Due to More Flexible Exercise Policies. As the State of Utah moved to a four-day work schedule, it appears that some agencies adopted a more flexible approach to the exercise release time. It seems that agencies are trying to soften the impact of the longer

Traditionally, agencies have allowed employees to add 30 minutes of exercise time to their lunch period.

About 36 percent of employees responding to our survey said they participate in the exercise release program.

By not taking a lunch break employees receive less exercise time.

Some agencies have allowed exercise release time to occur anytime during the day, which does not always allow employees to recharge in the middle of the day.

work day by offering greater flexibility in how the exercise release time is used. The following describes some of the trends we have observed:

- 1. Employees Don't Contribute Part of Their Lunch Hour to Exercise Release.** Historically, state agencies required that employees use a portion of their lunch break to exercise in combination with the half hour of exercise release time offered by the state. Increasingly, employees have not been required to combine their own lunch break with the exercise release time. For example, our survey of employees revealed that many of those participating in a exercise release program are not taking a lunch break. As a result, employees receive less exercise time and the state receives less of a benefit than if employees were required to contribute some of their own time.
- 2. Exercise Allowed Anytime During the Work Day.** In the past, agencies justified devoting state time to an employee exercise program because the midday break gave employees a change to refresh and recharge. For support, several agency policies mention that "some studies document that increased energy generated by aerobic exercise increases employee productivity."

In recent years, some agencies have allowed exercise release time to occur anytime during the day. In some cases, exercise release time is taken at the beginning or end of the work day. Our concern is that exercise taken early in the day or at the end of the work day is more likely to interfere with the employee's work requirements and it does not serve as an opportunity to recharge in the middle of the day and provide a boost in productivity during the afternoon hours.

- 3. Some Exercise Before or After Work.** A few employees have been allowed to exercise at home or at the gym before or after work. Not only does this practice not give employees a longer break in the middle of the day to recharge, it also raises concern about accountability. Furthermore, DHRM raises liability concerns about employees who are technically on the state clock but are off-site exercising.

We are concerned that as time passes, the exercise release programs will become increasingly more flexible, provide less accountability, and

reduce the productivity of state workers. If the current trend continues, many more state employees could take or be granted administrative leave time for the exercise they do at home or at gyms before or after work. To provide greater accountability and make sure staff are productive, state agencies need to identify clear goals for their exercise release programs, establish limits, and require supervisors to make sure employees comply with those limits.

Some Employees Allowed to Work During Their Commute

Some state employees are allowed to consider the time spent working on the bus or train as counting toward their 10-hour workday. Upon approval of a supervisor, using a form developed by the DHRM, employees are allowed to work during their commute up to 30 minutes each day. We question whether employees can be as productive working during the commute as they can at their regular work stations.

DHRM Statement Allows Employee Work During Their Commute. The following DHRM statement allows employees, with management approval, to count as much as a half hour of their daily commute as work time:

In accordance with the FLSA portal-to-portal act, the State of Utah does not generally pay for home-to-work or work-to-home travel unless employee is working on behalf of the State during commute time. Should work during commute time become necessary, authorization by management shall be obtained in advance by completing this authorization form. The following criteria must be met in order for work during commute time to be authorized.

- A. An employee cannot do work if he/she is the primary driver (employee must be a passenger during the commute).
- B. Confidentiality of state information must be maintained at all times during commute. Information on hardcopy papers or on a laptop may not be visible to the driver or other passengers.

With approval, employees are allowed to work during their commute up to 30 minutes each day.

Phone conversations may not be overheard when confidential information is being discussed.

- C. Work during commute time should be reported according to DHRM rules. Any overtime must be approved in advance.
- D. For purposes of employer liability and worker's compensation coverage, the employee shall not work more than ½ hour per day, with very few exceptions.

The above statement is included as part of a form titled "Work Authorization During Commute" which was provided to us by DHRM and is included as Appendix D. The form was created shortly after the state switched to a four-day workweek. It calls for any work done during a commute be authorized by the employer's supervisor who would be responsible for holding the employee accountable for the work performed.

Some Employees Work During Their Commute. Of the roughly 11,200 employees who responded to our survey, 426 (4 percent) said they were authorized to "work during their commute (for example on the bus or train)" and reported that they regularly work during their commute each week. That number includes about 120 employees who regularly travel as part of their job function. For example, many highway patrol officers are assigned state patrol cars and their jobs require them to start work and be on patrol as they leave home. However, we estimate that there are more than 300 state employees who count time during their commute on the bus or train as part of their work day. In addition, many report working more than the 30 minutes per day allowed by the Work Authorization During Commute form mentioned above.

We Question the Productivity of Work Done During Commute. It is unlikely that employees who work during their commute every day will be as effective performing their work tasks on the bus or train as they are in their office. Furthermore, it appears that the main motivation for approving work during the commute is often to address an employee's personal need. If so, the work performed may be of little benefit and most likely will reduce the employee's effectiveness.

It is unlikely that employees who work during their commute every day will be as effective on the bus or train as they are in their office.

An example of this is the arrangement made for one state employee to work on his commute. In a response he submitted to our employee survey, he reported that his supervisor allows him to work eight hours each week during his commute. It appears he works one hour each, four days a week, during the morning and evening commute. This far exceeds the DHRM policy allowing up to 30 minutes each day. The employee gave the following reason:

My supervisor allows me to count work time on the bus, even though statute /policy does not allow it. That is because UTA did not do anything to support the 4/10 days.

We do not know exactly how many employees are working during their commute. However, we have received enough reports to suggest that this practice has increased with the move to the four-tens schedule. Although a small percentage of state employees are allowed to work during their commute, we are concerned that it could become a widely accepted practice and could reduce the overall productivity of the state's workforce.

We recommend that the DHRM evaluate the practice of authorizing work performed during the commute. If the practice is to continue, we recommend that agency managers and directors ensure productivity is maintained by monitoring the work performed during the commute and by requiring that the employee abide by the conditions specified by the signed authorization form.

Less Oversight and Control over Telecommuting Is a Concern

In order to address some of the personal challenges that employees face with the four-day workweek, agencies have been authorized to allow staff to telecommute from home. Although some agencies have found that employees can be productive while telecommuting, we are concerned when the decision to allow at-home work is based solely on a desire to accommodate an employee's personal needs. Since not all work is suitable for telecommuting we question whether agencies can maintain a high level of accountability and productivity if off-site work is approved solely for personal needs.

The practice of working during commutes seems to have increased with the move to the four-tens schedule.

We question whether agencies are maintaining a high level of accountability and productivity if off-site work is approved solely to meet an employee's personal needs.

DWS reports that employees working from home are as productive if not more productive than those in the office.

Some Employees Can Be Productive While Telecommuting.

Several agencies have found that employees can be as productive while telecommuting from home as they are when working in the office. The Department of Workforce Services (DWS), for example, monitors the productivity of employees working from home and those working in the office. Often the DWS employees working from home are as productive if not more productive than those in the office. This is not surprising, because the telecommuters are responding to phone calls from the same computerized call-handling system as those working in the office. As a result, supervisors know exactly how many calls telecommuters have received and whether they are, in fact, at their home workstations.

About 1,300 state employees (12 percent) of the survey respondents report that they telecommute 2 hours or more each week. Nearly 500 employees say they are telecommuting more than 20 hours a week. DWS has the largest number of respondents telecommuting at least 20 hours per week, at 230. Human Services also has another 127 employees who report that they are telecommuting at least half time. These numbers only include those who responded to our employee survey. The actual number of those telecommuting is likely much higher.

Nearly 500 employees say they are telecommuting more than 20 hours a week.

Some Telecommuting Authorized for Convenience of Employees. One result of the four-day workweek is that agencies have been encouraged to offer greater opportunities to those interested in telecommuting—even when the sole justification for telecommuting is to accommodate an employee’s personal needs. When the Working 4 Utah Initiative began in August 2008, agency managers were told:

During the pilot period, and specifically during the implementation period, there will be flexibility on telecommuting schedules. Agency telecommuting agreement forms must be completed.

Though it does not appear to be a widespread problem, we have observed instances in which employees have been granted permission to work from home in order to accommodate an employee’s need to be at home with a child or a disabled family member, or to accommodate an employee’s carpool schedule.

One state employee told us he has received permission to leave at 2:30 p.m. each day so he can pick up his wife, who gets off work at that time. He spends the remainder of his workday telecommuting from home. Several other state employees have reportedly been allowed to telecommute from home for a few hours in the afternoon each day in order to care for a child at home.

While many state employees who telecommute are well supervised and are equally productive at home as at work, for some employees, we are concerned that the one or two hours worked at home each day may not be as productive as their regular work, particularly if the telecommute is mainly designed to address an employee's personal conflicts with the four-day workweek. If the reason an employee needs to be at home is to care for a child or disabled family member, we question how effective they can be performing their regular job functions while telecommuting.

Maintaining Worker Productivity Essential To Success of Working 4 Utah Initiative

It is critically important to make sure that the policies associated with the state's work schedule do not affect worker productivity. We found that a small reduction in worker productivity can have a large financial effect. For this reason, it is critical to the success of any new initiative or policy that they be considered in light of their impact on employee productivity.

Potential Productivity Losses Could Significantly Exceed Savings From Four-Day Workweek

In order to give proper perspective to the importance of maintaining worker productivity, we compared the cost of the state's payroll to other expense areas where the four-day workweek was expected to reduce costs. As shown in Figure 5.2, the total savings initially reported was just over \$6 million. The total cost of the state's payroll in 2009, the first year the four day workweek was adopted, was nearly \$1.5 billion. A 1 percent reduction in worker productivity would cost about \$15 million.

A 1 percent change in worker productivity can have a \$15 million effect on the cost of government.

A small reduction in worker productivity could offset all of the savings attributed to the Working 4 Utah Initiative.

Figure 5.2 Worker Productivity Should Outweigh Other Concerns. A 1 percent reduction in worker productivity could cancel out all of the other savings attributed to the Working 4 Utah Initiative.

Savings Initially Reported from Working 4 Utah Initiative	
Reduction in Overtime Expense	\$4,100,000
Fleet Operations Savings	1,446,767
Energy Consumption Reduction	502,000
Operational Savings (Reduced Janitorial)	203,000
Total:	\$6,251,767
Potential Cost of a 1% Reduction in Employee Productivity	
FY 2009 State Compensation Costs	\$1,474,000,000
Estimated Cost of a 1% reduction in productivity	\$14,740,000

Figure 5.2 lists the savings others have attributed to the Working 4 Utah Initiative. Our audit work shows that the value for realized savings is actually much lower. As mentioned in Chapter IV, we estimate that the total actual savings from utility costs, fleet operations, overtime savings, and janitorial services is less than \$1 million.

The data in Figure 5.2 demonstrates the importance of making sure that any decision regarding work schedules take into account the effect on worker productivity. The state must certainly pursue any potential cost savings in areas such as its fleet management, energy consumption, and operational costs. However, if a savings in one of these operational areas cannot be achieved without causing a reduction in worker productivity, then the operational savings may be eclipsed by the loss in worker productivity.

Changes in Policy Can Have Large Financial Impacts

At the same time the Working 4 Utah Initiative was introduced, several changes were made to the state’s personnel policies and practices. These include changing the exercise policy, allowing employees to go without a lunch, or letting employees work during their commute. These policy changes could have significant impacts on productivity and on the cost-effectiveness of the state’s workforce. We were unable to identify the financial impact of the specific policy changes described in this chapter. We were, however, able to estimate the cost of one apparently minor decision associated with the Working

4 Utah Initiative—the decision to allow employees to retain an additional ten hours of holiday leave during the pilot project.

Delay in Developing a New Holiday Work Schedule Cost \$4.9 Million in Employee Time. One of the challenges associated with moving to a four-tens schedule was to adopt a holiday leave policy that did not give employees a large amount of additional paid leave. Before the Working 4 Utah initiative, employees were given 8 hours of leave for each of 11 state holidays, for a total of 88 hours of paid holiday leave each year. If the state would have continued to give employees 11 paid holidays each year, the new work schedule with its ten hour days would have provided employees with 110 hours of paid holiday leave – an increase of 22 hours of paid leave each year.

Governor Huntsman promised that the new work schedule would be fiscally neutral in terms of the amount of paid holiday leave granted to state works. For this reason, a temporary solution was implemented during the pilot phase of the project. The number of state holidays was reduced from 11 to 10 by eliminating Columbus Day. Consequently, during the first year of the initiative, employee holiday leave increased from 88 hours to 100 hours. To further reduce the fiscal impact of the increase in holiday leave, employees were not given the four hours of the administrative leave traditionally granted to employees by the Governor for Christmas Eve. As a result, employees received a total of 8 additional hours of paid leave during the pilot phase of the initiative. We estimate that the value of the extra eight hours of holiday leave was about \$4.9 million.

This example demonstrates how some decisions can have large financial implications. The State of Utah has a \$1.5 billion payroll with over 17,000 full time employees. Whenever state officials make a policy decision that affects employee work schedules, and in turn, the productivity of those employees, there will be a significant financial impact. It is important to recognize that during the past year, the State has adopted the policy of granting only nine hours of paid leave for each holiday and the governor no longer grants administrative leave for Christmas Eve. The result is that employee's now have 2 fewer hours of holiday leave than they did before the Working 4 Utah Initiative.

Employees received a total of 8 additional hours of paid leave during the pilot phase of the initiative, with an estimated value of \$4.9 million.

State Officials Need to Focus on Improving Employee Productivity

In Chapter II, we expressed concern about the lack of performance measures to track the productivity of the state's employees. Though many state agencies lack employee productivity measures a few have begun to develop advanced dashboarding techniques to monitor output at the agency and staff level. We recommend that state agencies continue to develop advanced performance measures at both the agency level and at the employee level that look at both staff outputs and inputs.

In Chapter III we observed that some agencies can benefit from the 10-hour schedule. At the same time, certain other agencies may be able to more effectively serve their clients on an 8-hour schedule. For this reason, we suggest that each agency manager should determine which schedule best suits the demands placed on his or her agency. However, such decisions regarding the work schedule need to be based on the agency's performance. Without better performance measures, managers will not have the data they need to determine which schedule will produce the best results. Once these tools are in place, we recommend that agency managers be given the flexibility to determine on their own, based on performance data, which work schedule allows staff to be as productive as possible.

Recommendations

1. We recommend that DHRM reconsider its policy allowing employees to go without a lunch.
2. We recommend that DHRM establish guidelines for exercise release time, require that this time be taken during lunch, and encourage agencies to enforce the guidelines.
3. We recommend that the DHRM evaluate the practice of authorizing work performed during the commute. If the practice is to continue, we recommend that agency managers and directors ensure that productivity is maintained by monitoring the work performed and by requiring that the employee abide by a set of written, agreed upon conditions.
4. We recommend that Governor's Office require each state division, office, or bureau to provide evidence that the work schedule they use allows staff to be as productive as possible and that it meets the needs of its key user groups.

Chapter VI

Four-day Work Schedule may be Inconsistent with *Utah Constitution*

There appears to be an inconsistency between the *Utah Constitution*, the *Utah Code*, and existing personnel practices. Article XVI, Section 6 of the *Utah Constitution* states that “eight hours shall constitute a day’s work on all works and undertakings” by state, county and local government. We recommend that a review be made of the apparent inconsistency between this statement and the state’s four-day work schedule.

Utah Constitution Defines A Workday as Eight Hours

Since 1895, when it was first drafted, the *Utah Constitution* included language limiting the workday for certain workers in state, county, and municipal governments. The same language is also included in several other state constitutions drafted during the late nineteenth century. At that time, there was a worldwide labor movement to limit workers to a standard 8-hour day instead of the 10- to 12-hour days and, in some cases, 16-hour days that were common at the time. The movement’s slogan, which was repeated by a representative to Utah’s constitutional convention, was “eight hours for work, eight hours for improvement, and eight hours for rest.”

In deference to the labor movement, many states, including Utah, adopted language similar to the following, either in their state constitutions or in statute:

Sec 6. Eight hours shall constitute a day's work on all works or undertakings carried on or aided by the State, County or Municipal governments.

For the past several decades, the State of Utah has not applied the 8-hour rule to its employees generally or to its contract workers. Article XVI section 7 provides that the Legislature is to provide for the

Article XVI, Section 6 of the *Utah Constitution* states that “eight hours shall constitute a day’s work on all works and undertakings”.

For the past several decades, the State of Utah has not applied the 8-hour rule to its employees.

enforcement of the constitutional provisions, such as the previously mentioned eight-hour rule. One statute that arguably enforces this eight-hour rule was *Utah Code 49-11-8* enacted in 1949. It establishes 40 hours as the standard work week for “all works and undertakings carried out by the state, county or municipal government.” However, it is unclear now the phrase “all works and undertakings” should be interpreted. The heading for this section of code suggests one possible limitation--that the law applies only to “labor on public works.”

Case Law Offers Little Assistance In Interpreting the Constitution

According to our legislative counsel, the Utah Supreme Court has not directly addressed whether Article XVI, Section 6 applies to all government employees or just to public works; additionally, if it applies to public works, there is no guidance on how *public works* should be defined. The court has also not directly decided whether flexible work schedules conflict with the provision requiring an 8-hour day or a 40-hour week. For these reasons, it is unclear whether the four-tens are allowed or prohibited under the *Utah Constitution*.

Other States Have Similar Constitutional Provisions

Case law from other states with similar constitutional provisions offers little assistance in interpreting Utah’s constitutional limit of an 8-hour workday. The only court rulings on record generally predate 1950 and offer opposing interpretations of the law. For example, the Oklahoma Supreme Court decided that a similar provision in their state constitution did not prevent employees from working more than eight hours a day. In contrast, a ruling by the Arizona Supreme Court applied the constitutional limit of eight hours per day to rule that state employees must be paid overtime if they work more than eight hours in a day.

DHRM Management Prefers A Narrow Application of Constitution

When we asked the executive director of DHRM how his office reconciled the constitutional provision with the four-tens schedule, he indicated that after consulting with the Attorney General’s Office they

Case law from other states with similar constitutional provisions offers little assistance in interpreting Utah’s constitutional limit of an 8-hour workday.

settled on a narrow interpretation of Article XVI Section 6, concluding that it only applied to public works. For that reason, they determined that there was no constitutional prohibition against the Working 4 Utah Initiative. However, even with this narrow application of the provision, the question remains whether certain public works employees, such as UDOT and DHRM employees and their contractors are limited to an eight-hour day by the state constitution.

Further Consideration Should Be Given To Constitutional Issues

As the state moves to more innovative scheduling practices, we believe the policymakers need to identify those circumstances in which Article XVI, Section 6 applies. Even under a narrow interpretation the provision may limit its application to public works projects performed by UDOT and other agencies involved in construction-related activities. Finally, we question whether some employees who were hired under an eight-hour day may be justified in arguing that the *Utah Constitution* allows them to continue working on the eight-hour schedule. For these reasons, state policy makers should determine whether the constitutional protections apply to particular employees.

We recommend that the DHRM, in consultation with the Attorney General, review Article XVI Section 6 of the *Utah Constitution* and identify those circumstances in which the provision might limit state employees to an eight-hour day. Whether the provision applies generally to all state employees or only to those involved in public works projects, rules should be drafted defining those conditions in which employees are limited to an eight-hour day. If the constitutional provision is viewed as outdated, considering the current trend toward alternative work schedules, then the matter should be taken up by the Utah Constitutional Review Commission.

Recommendations

1. We recommend that the Attorney General review Article XVI Section 6 of the Utah Constitution and determine if

One interpretation the provision may limit those working on UDOT construction projects to an 8-hour day.

inconsistencies existing with current practice and *Utah Code*.

2. We recommend that if inconsistencies are found, that the Attorney General report his findings to the Constitution Revision Commission.

Appendices

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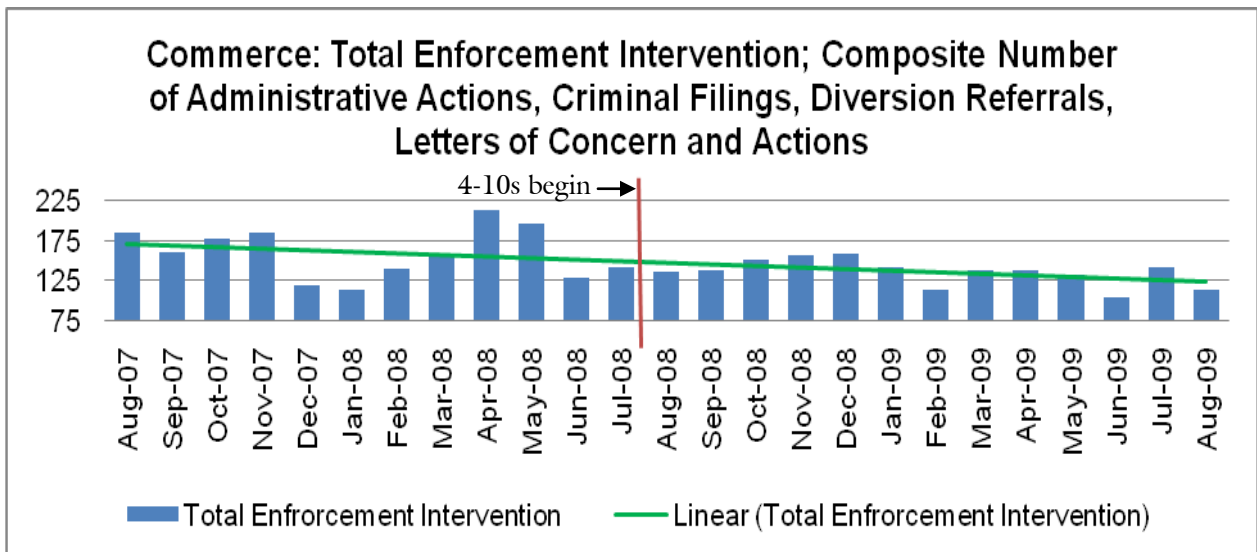
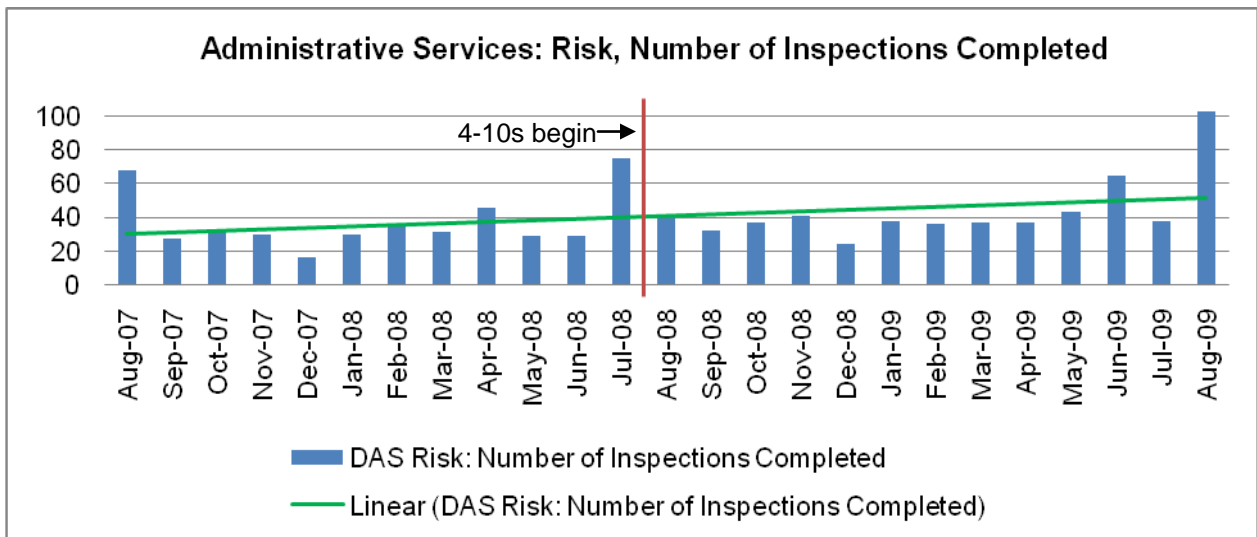
Appendix A

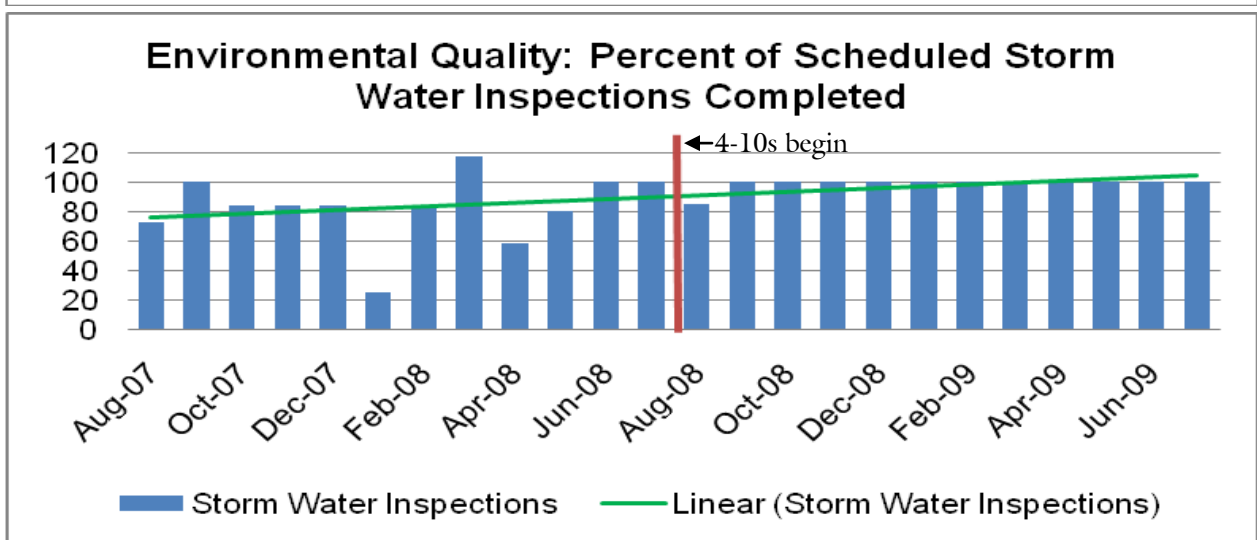
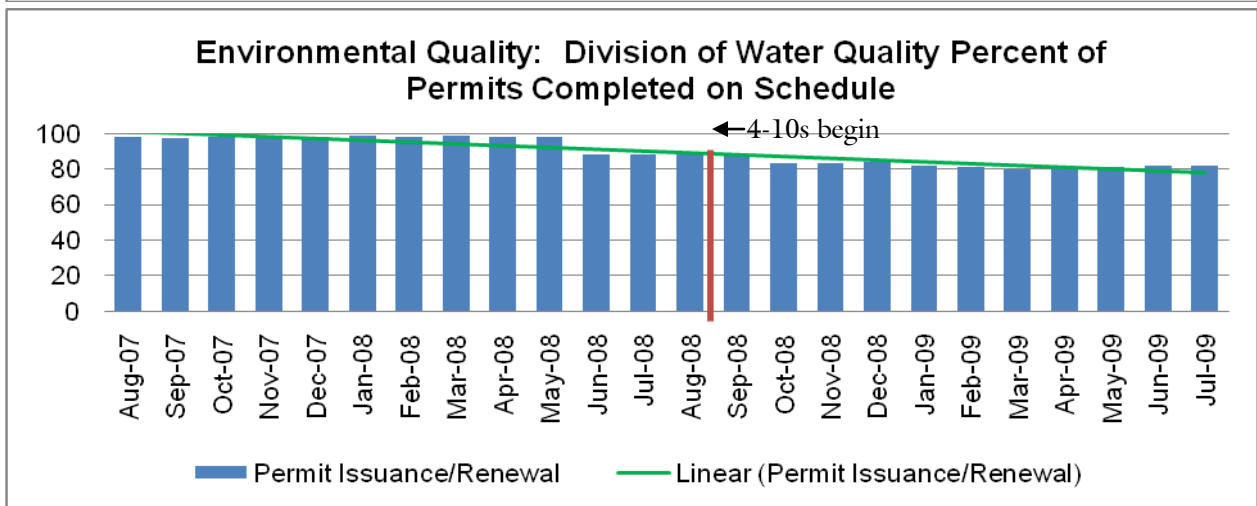
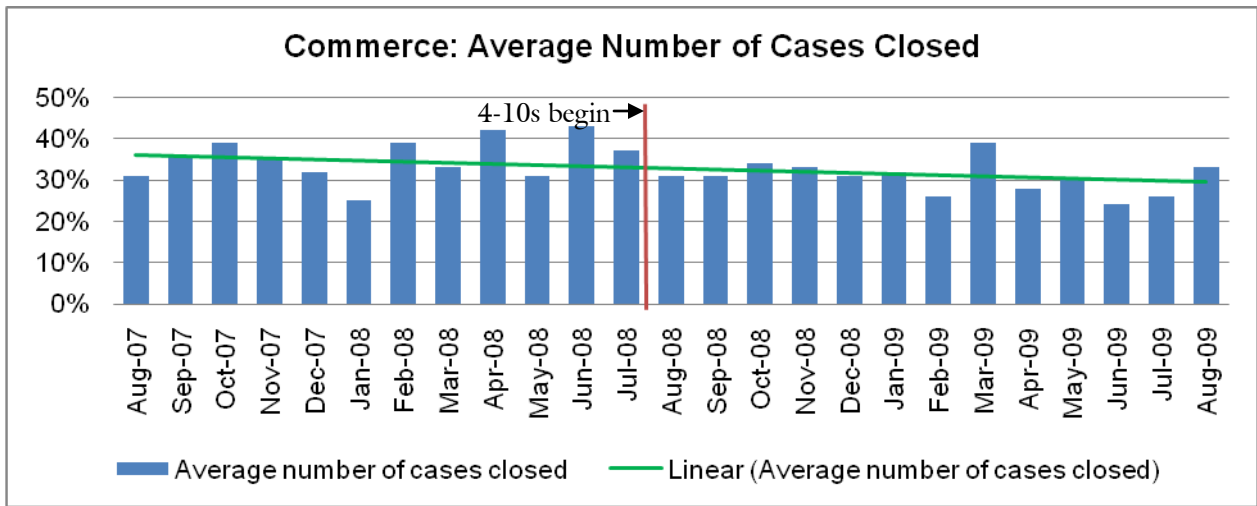
Agency Performance Measures

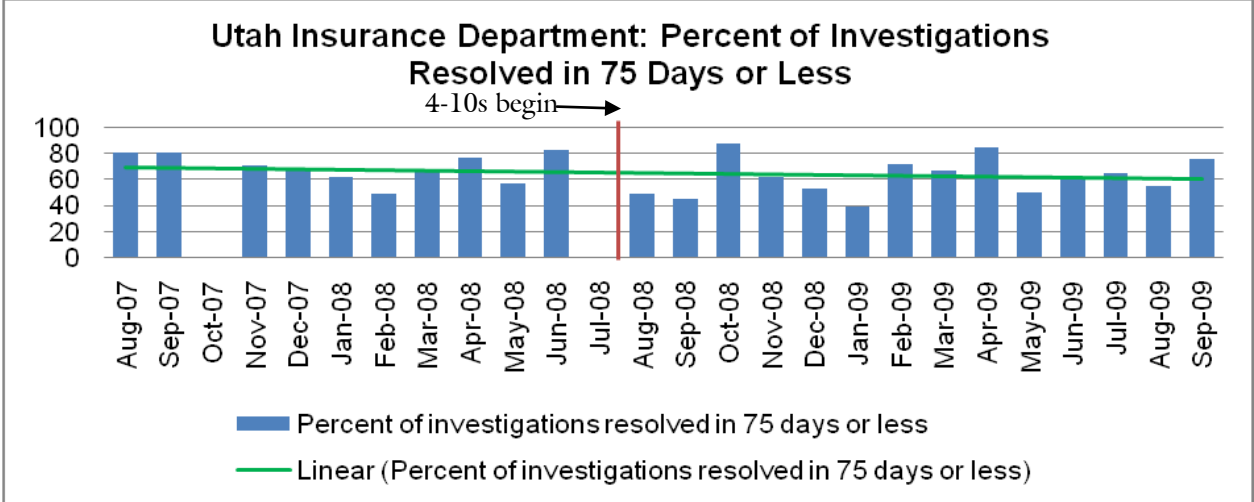
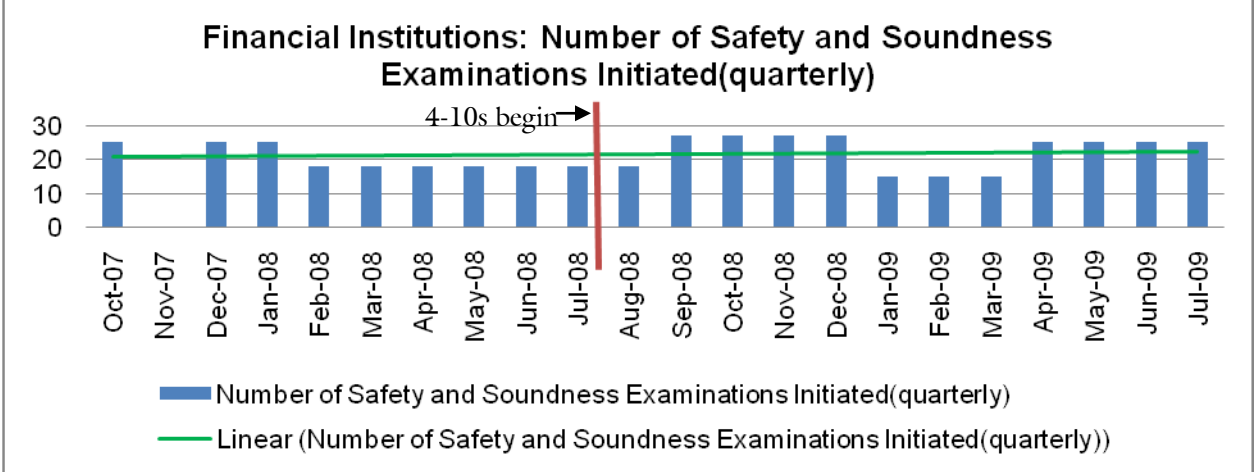
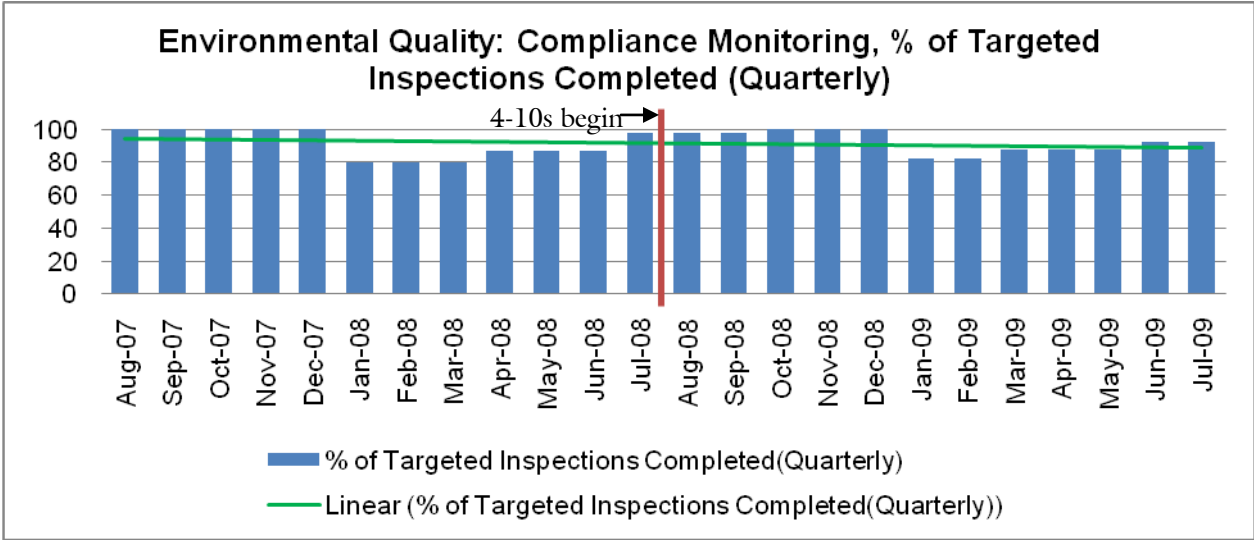
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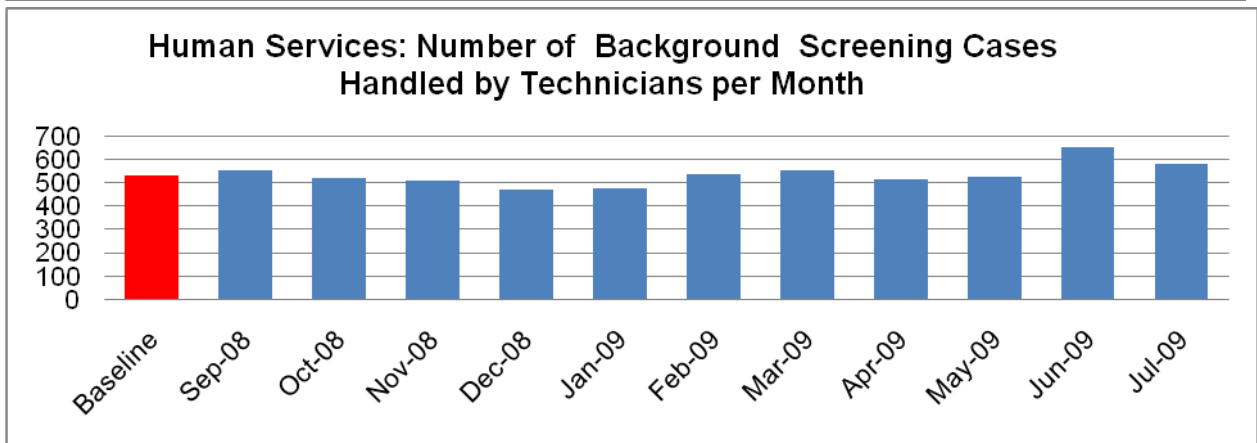
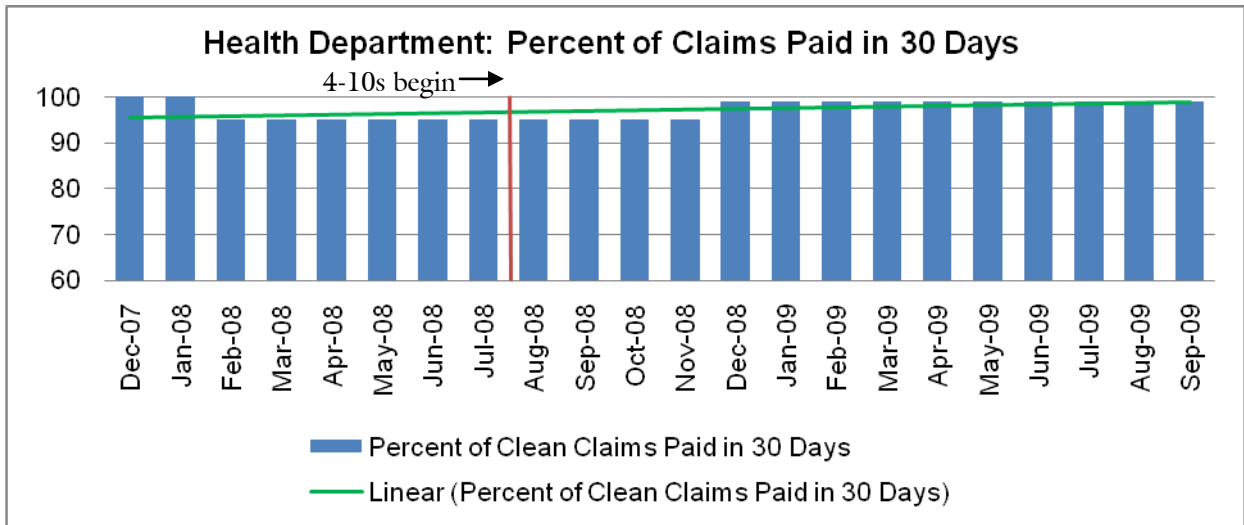
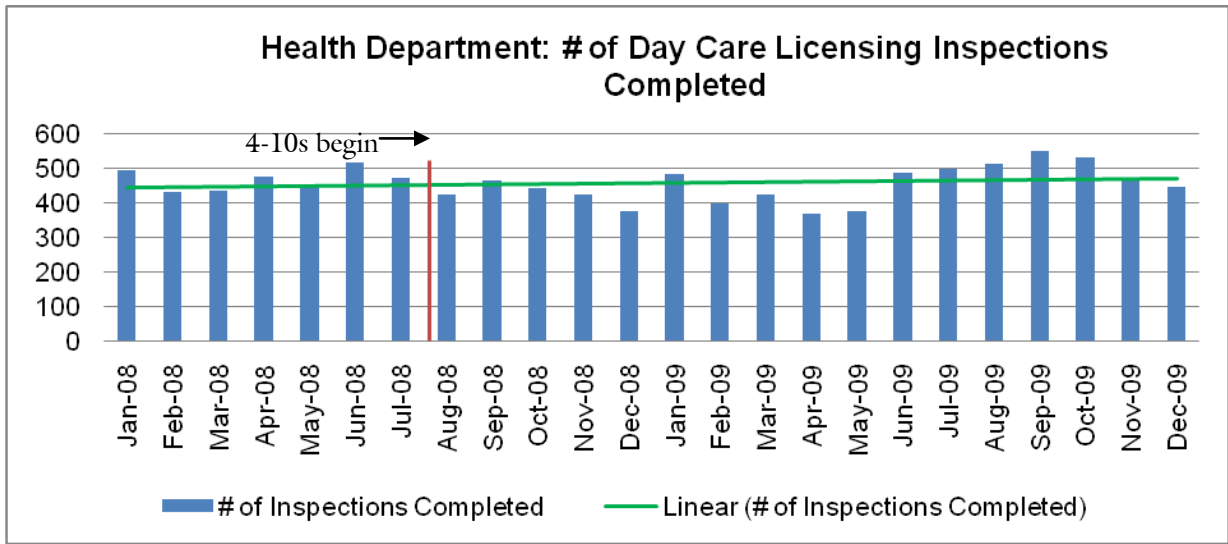
Appendix A Agency Performance Measures

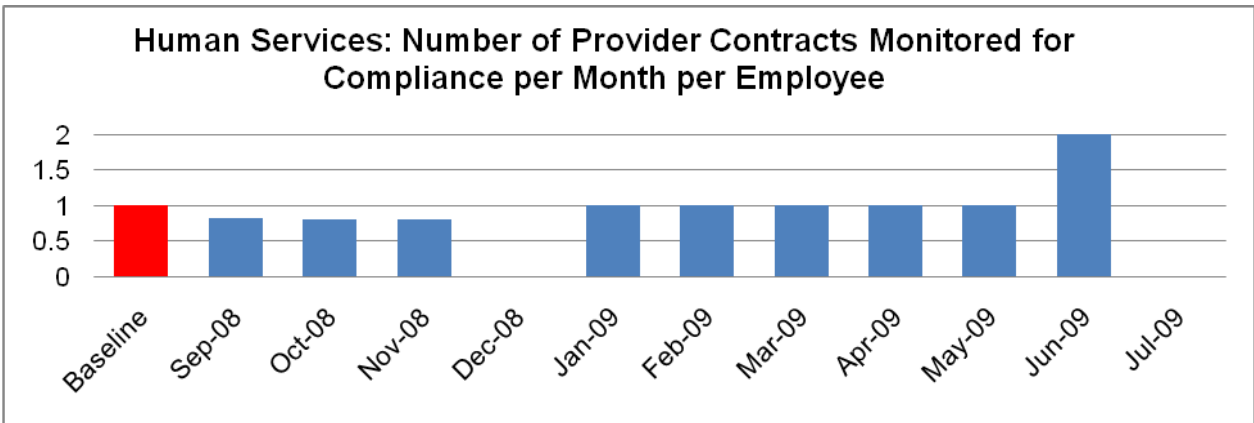
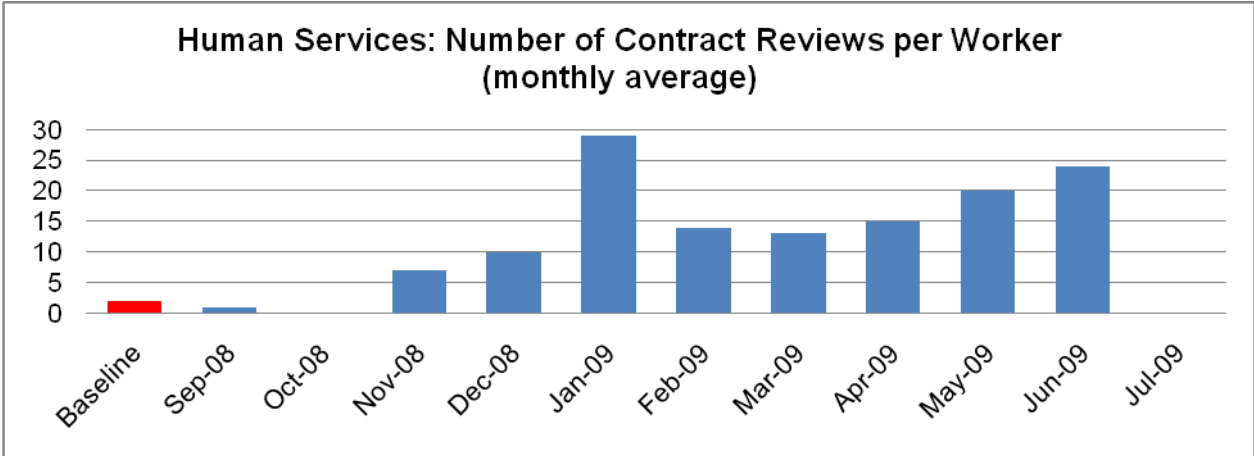
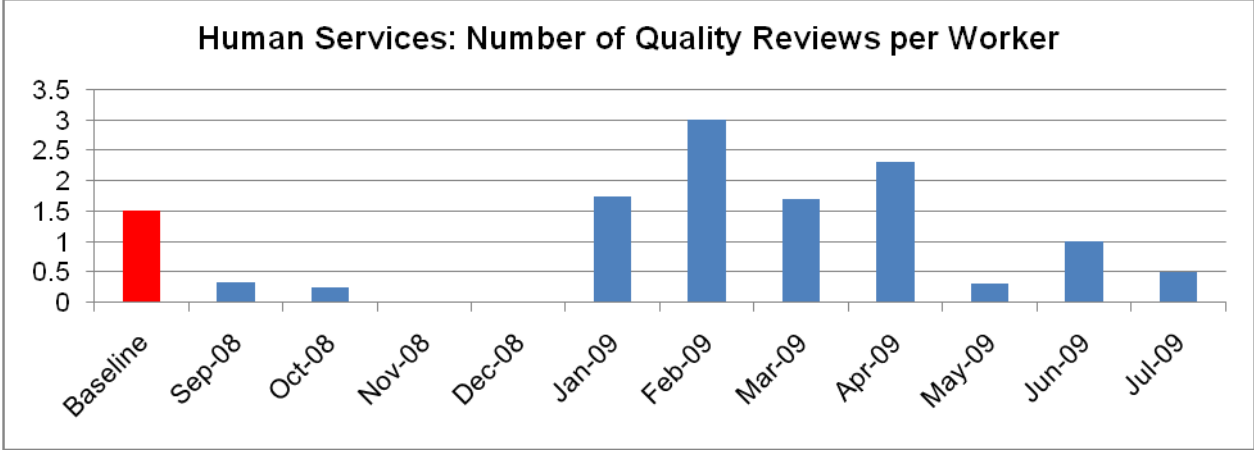
The following graphs are performance measures found on agency balanced scorecards. A green trend line was generated for most graphs using Excel software to show the general direction of the measure. A red vertical line is used to mark when the four-tens schedule began. We found little evidence that the four-tens schedule was a primary factor in the changes in any of the performance measure we examined.



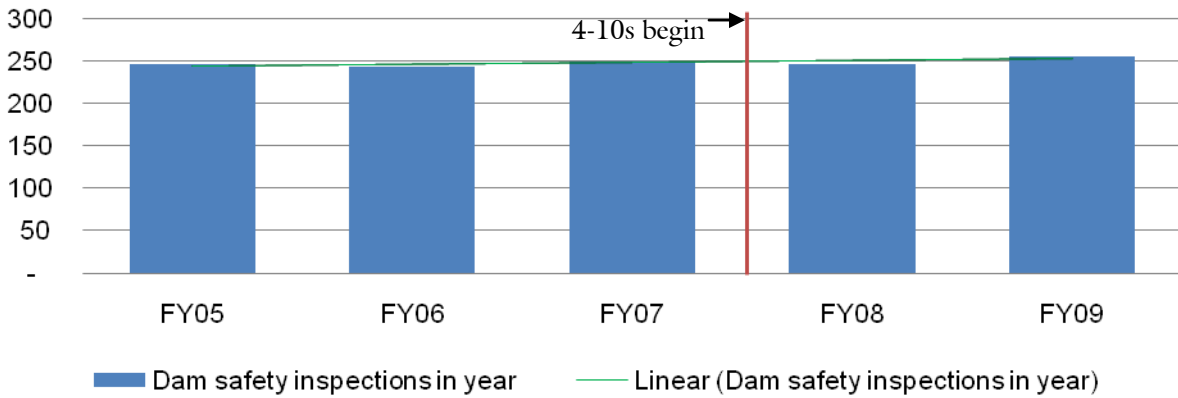




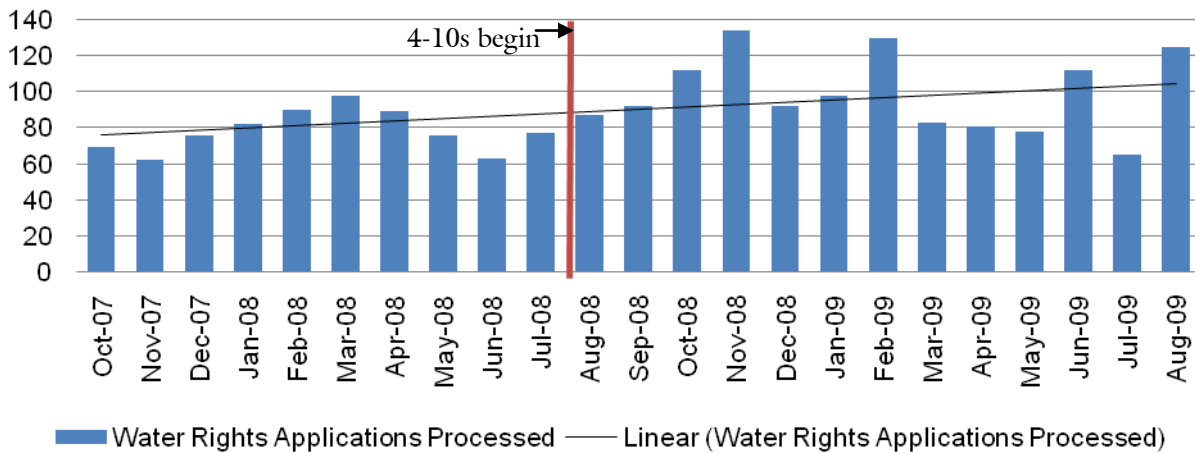




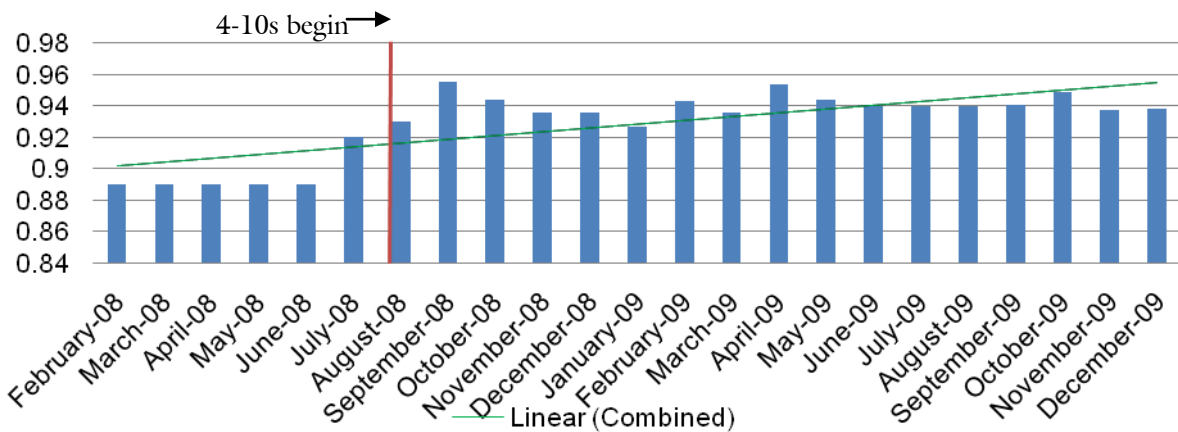
Natural Resources: Dam Safety Inspections per FY



DNR: Water Rights Applications Time to Process (days)



DTS: Percentage of Projects that are on Time and Within Budget



Appendix B Employee Survey

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Appendix B (Employee Survey)

I am:	%
Male	47.5%
Female	52.5%

My age:	%
18-29	9.6%
30-39	23.0%
40-49	25.3%
50-59	30.2%
60+	11.9%

I work for the department of:	%
Administrative Services	2.9%
Agriculture & Food	0.9%
Alcoholic Beverage Control	0.4%
Attorney General	2.6%
Board of Pardon and Parole	0.3%
Commerce	2.0%
Community and Culture	1.6%
Corrections	8.6%
Environmental Quality	3.2%
Financial Institutions	0.3%
Health	6.7%
Human Resource Management	1.4%
Human Services	16.3%
Insurance	0.8%
Labor Commission	0.9%
Natural Resources	6.6%
Other (please specify)	0.1%
Public Safety	7.7%
Public Service Commission	0.1%
State Auditor	0.4%
State Treasurer	0.2%
Tax Commission	5.5%
Technology Services	5.3%
Transportation	8.6%
Utah National Guard	0.0%
Veterans Affairs	0.1%
Workforce Services	16.2%

The nature of my work lends itself well to a productive 10-hour day.	%
Strongly agree	59.3%
Agree	29.2%
Disagree	7.9%
Strongly disagree	3.6%

Family care needs (check all that apply):	%
I have a child in day care.	42.3%

I have a family member with special needs (for example disabled spouse, aging parent, child with disability) who depends on me for care.	27.6%
--	-------

I have been allowed to adjust my work schedule so I can address the child care or other special needs of my family.	46.8%
---	-------

I most often use the following mode of transportation:	%
Drive alone	78.9%
Car pool	8.5%
Public transportation	6.6%
Motorcycle/scooter	0.5%
Bike	0.6%
Walk	1.1%
Other	3.7%

The distance from my home to my work site is approximately:	%
Less than 5 miles	20.6%
6 to 10 miles	20.7%
11 to 15 miles	18.3%
16 to 20 miles	12.4%
21 to 25 miles	8.7%
26 to 30 miles	6.1%
31 to 35 miles	4.5%
36 to 40 miles	3.2%
41 to 45 miles	2.0%
46 to 50 miles	1.8%
greater than 50 miles	1.8%

The following best describes my current work schedule:	%
Four ten-hour days per week	80.9%
Five eight-hour days per week	7.1%
Eight nine-hour days plus one eight every two weeks	0.6%
Flexible schedule	4.3%
Part-Time	3.3%
Other:	3.7%

I normally take a lunch break lasting:	%
Less than 30 minutes	21.3%
30 minutes	43.6%
60 minutes	18.8%
More than 60 minutes	0.9%
I do not take time for a lunch break.	15.3%

I participate in the Healthy Utah program.	%
Yes	36.3%
No	63.7%

The change to the four-tens schedule has had the following impact on my productivity.	%
I am MORE PRODUCTIVE than I was on my previous work schedule.	35.3%
I am EQUALLY PRODUCTIVE as I was on my previous work schedule.	47.2%
I am LESS PRODUCTIVE than I was on my previous work schedule.	8.9%
QUESTION DOESN'T APPLY TO ME: I have always worked four tens.	8.6%

The four-tens schedule has made my commute:	%
Easier	59.7%
More difficult	7.8%
No change	32.5%

The four-tens schedule has had the following effect on my ability to participate in family events and social activities.	%
There has been NO CHANGE in the number of family events and social activities I am able to attend:	36.7%
I am able to attend MORE family events and social activities than before.	41.4%
I am able to attend FEWER family events and social activities as before.	21.9%

The four-tens schedule has had the following impact on my immediate work (office, bureau or division):	%
NOT APPLICABLE: My work group has not changed to the new schedule.	9.7%
The new schedule has helped us be MORE PRODUCTIVE as an agency.	41.9%
The new schedule has had NO EFFECT on our productivity.	37.3%
The new schedule has made us LESS PRODUCTIVE as an agency.	11.2%

The change to the four-tens schedule has had the following impact on the productivity of my coworkers with whom I interact on a daily basis.	%
ALL seem to be as productive as they were on the prior schedule.	67.3%
MOST seem to be as productive as they were on the prior schedule. A few are less productive.	22.9%
A FEW seem to be as productive as they were on the prior schedule. Most are less productive.	6.9%
NONE seem to be as productive as they were on the prior schedule.	3.0%

Due to the four-tens schedule I am:	%
LESS LIKELY to car pool or take public transportation.	15.3%
MORE LIKELY to car pool or take public transportation.	10.8%
NO IMPACT on my ability to car pool or take public transportation.	73.9%

Due to the four-tens schedule, arranging my family's childcare (and dependend care) has:	%
Not Applicable (I have no young children or dependents who require special care.)	56.0%
Become more difficult	10.3%
Not changed	21.8%
Become easier	11.9%

Since I began working the four-tens schedule, the amount of exercise I get has:	%
Increased	26.5%
Decreased	27.5%
Remained the same	46.0%

The overall effect of the four-tens schedule on my personal/family life has been:	%
Positive	60.1%
Neutral	25.5%
Negative	14.4%

Although it's not an official work day, I occasionally need to work on a Friday. This happens:	%
Several times a year	29.3%
Once a month	9.3%
Twice a month or more	9.6%
Never	51.8%

Are you authorized to "telecommute" or work from home as part of your regular work schedule?	%
Yes	15.3%
No	84.7%

Are you authorized to work during your commute (for example, on the bus or train) as part of your regular work day?	%
Yes	6.6%
No	93.4%

Which best describes the effect of the four-tens schedule on your agency's clients (including members of the public, businesses and other governmental agencies who rely on your agency for services)?	%
My agency's clients have BETTER ACCESS to the services we offer because our operating hours extend into the early morning and evening hours.	34.8%
My agency's clients have LESS ACCESS to the services we offer because we are not open on Fridays and they do not benefit from our expanded morning and evening schedule.	17.2%
My agency's clients are served EQUALLY WELL under the four tens as they were under the previous schedule.	48.0%

If given a choice, I would prefer that my office operate on a schedule of:	%
four ten-hour days per week	80.5%
five eight-hour days per week	19.5%

I normally arrive at work at approximately:	%
Before 6:00 a.m.	4.7%
6:00 a.m.	9.3%
6:15 a.m.	2.2%
6:30 a.m.	10.5%
6:45 a.m.	9.1%
7:00 a.m.	30.6%
7:15 a.m.	3.3%
7:30 a.m.	11.0%
7:45 a.m.	1.8%
8:00 a.m.	8.3%
8:15 a.m.	0.7%
8:30 a.m.	2.8%
Other	5.6%

I normally leave work at approximately:	%
4:00 p.m.	4.9%
4:15 p.m.	0.9%
4:30 p.m.	8.5%
4:45 p.m.	1.3%
5:00 p.m.	12.5%
5:15 p.m.	2.8%
5:30 p.m.	17.5%
5:45 p.m.	3.3%
6:00 p.m.	26.2%
6:15 p.m.	5.8%
6:30 p.m.	5.8%
After 6:30 p.m. in the evening	5.0%
Other	5.7%

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Appendix C

Percent Who Take Lunch

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Appendix C Percent Who Take Lunch

I work for the Department of:						
Answer Options	I normally take a lunch break lasting:					Response Count
	Less than 30 minutes	30 minutes	60 minutes	More than 60 minutes	I do not take time for a lunch break.	
Health	26%	24%	8%	0%	42%	748
Alcoholic Beverage Control	24%	34%	10%	0%	32%	41
Other (please specify)	15%	38%	8%	8%	31%	13
Attorney General	26%	26%	17%	1%	30%	284
Community and Culture	22%	29%	19%	2%	29%	182
Utah National Guard	25%	50%	0%	0%	25%	4
Corrections	31%	37%	8%	0%	24%	956
Insurance	26%	42%	8%	1%	22%	85
Labor Commission	19%	45%	17%	0%	19%	100
Environmental Quality	24%	41%	15%	2%	19%	355
Commerce	20%	40%	25%	0%	15%	223
Human Resource Management	13%	56%	17%	0%	13%	150
Workforce Services	17%	51%	18%	0%	13%	1801
Public Safety	16%	23%	48%	0%	13%	854
Technology Services	25%	44%	18%	1%	13%	587
Human Services	21%	44%	22%	1%	12%	1806
Natural Resources	30%	38%	20%	1%	11%	732
Transportation	21%	66%	4%	0%	8%	954
Agriculture & Food	32%	48%	13%	0%	8%	104
Veterans Affairs	15%	77%	0%	0%	8%	13
State Auditor	13%	76%	4%	0%	7%	45
Public Service Commission	25%	25%	44%	0%	6%	16
Administrative Services	18%	46%	29%	1%	6%	325
Board of Pardon and Parole	22%	49%	22%	3%	5%	37
State Treasurer	20%	50%	25%	0%	5%	20
Tax Commission	9%	60%	23%	6%	3%	612
Financial Institutions	8%	63%	29%	0%	0%	38
<i>answered question</i>	11085					
				<i>skipped question</i>		0

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Appendix D
An Agency's Exercise Release Policy
Work Authorization During Commute

Appendix D

An Agency's Exercise Release Policy

Physical Fitness

Effective: December 6, 1991

UDOT 05C-74

Revised: November 19, 2008

Purpose

To define the policy of the Department of Transportation regarding a voluntary physical fitness program for its employees.

Policy

The Department of Transportation encourages its employees to participate in an appropriately prescribed physical fitness program. To assist employees in this pursuit, the Department will grant up to 90 minutes each work week for an employee to participate in an exercise program. The following provisions will apply:

- A. Employees are encouraged to see their personal physician to ensure they are physically capable of participating in a physical fitness program.
- B. Employees will be allowed a maximum of 90 minutes for exercise. Employees working a compressed workweek (4-10's) may be allowed to split exercise time as follows: 30 minutes, three days a week or 45 minutes, twice each week.
- C. Employees may be allowed up to 30 minutes for their commute, three times a week, provided the commute is by foot, bicycle or other physical fitness means which eliminates a single-occupancy-vehicle trip to work.

Utilization of the privileges granted by this policy shall not interfere with normal work functions, which must be maintained; however, leaders are encouraged, where possible, to schedule working hours such that any employee who wishes to join an exercise program may do so. This policy applies only to employees who desire to exercise during regular working hours, typically, around the lunch break.

Background

This policy is in support of employees maintaining a healthy lifestyle consistent with Healthy Utah."

Procedures

Physical Fitness

UDOT 05C-74.1

Responsibility: Employees

Actions:

- 1. Obtains prior approval from their leader in order to participate in an exercise time during working hours.

Responsibility: Leader

- 2. Approves or denies the employee's exercise time.
- 3. Leaders will revoke the exercise time if it is being abused, if it interferes with normal work functioning, or if the employee is not using it for exercise.

Appendix D Work Authorization During Commute

STATE OF UTAH Work Authorization During Commute	
<p>In accordance with the FLSA portal-to-portal act, the State of Utah does not generally pay for home-to-work or work-to-home travel unless employee is working on behalf of the State during commute time. Should work during commute time become necessary, authorization by management shall be obtained in advance by completing this authorization form. The following criteria must be met in order for work during commute time to be authorized:</p> <ul style="list-style-type: none"> A. An employee cannot do work if he/she is the primary driver (employee must be a passenger during the commute) B. Confidentiality of State information must be maintained at all times during commute. Information on hardcopy papers or on a laptop may not be visible to the driver or other passengers. Phone conversations may not be overheard when confidential information is being discussed. C. Work during commute time should be reported according to DHRM rules. Any overtime must be approved in advance. D. For purposes of employer liability and worker's compensation coverage, the employee shall not work more than 1/2 hour per day, with very few exceptions. 	
<p>Employee Name: _____ Employee ID Number: _____</p> <p>Agency: _____ Division: _____</p> <p>Commute timeframe when work will be performed (must be specific):</p> <p>From: _____ To: _____</p> <p>From: _____ To: _____</p> <p>Days of the Week: Sat <input type="checkbox"/> Sun <input type="checkbox"/> Mon <input type="checkbox"/> Tue <input type="checkbox"/> Wed <input type="checkbox"/> Thur <input type="checkbox"/> Fri <input type="checkbox"/></p> <p>Statement of specific work to be done:</p> 	
<p>I understand that this contract may be modified or canceled at any time by management.</p> <p>Employee Signature: _____ Date: _____</p> <p>Supervisor Signature: _____ Date: _____</p>	

Revised 8/18/08

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Agency Responses



State of Utah

GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

Department of Human Resource Management

JEFF C. HERRING, JD, MBA, SPHR
Executive Director

JEAN MILLS-BARBER, MBA, SPHR
Deputy Director

July 15, 2010

Mr. John Schaff
Auditor General
Legislative Auditor General's Office
W315 State Capitol Complex
Salt Lake City, Utah 84114

Dear Mr. Schaff:

We have received and reviewed the Audit Report entitled "A Performance Audit of the Working 4 Utah Initiative." When Governor Huntsman announced this program in 2008, he stated that the Working 4 Utah Initiative:

- would provide better customer service because agencies would now be open early mornings and late evenings;
- would save energy in state buildings that would be closed an additional day every week;
- would reduce pollution and reduce traffic congestion because state employees would be commuting less frequently.

Governor Huntsman implied employee productivity would not be comprised. At the time, he also noted that hundreds of state services were available anytime online, implying more citizens would learn to take advantage of doing their state business online. Governor Huntsman intended that the Initiative be a one year pilot.

By the time the first year had expired, Governor Huntsman had left for China and Governor Herbert needed to decide whether to continue the program or revert back to the old schedule. Governor Herbert, and DHRM, sought information from a variety of sources to see if the program was generating the benefits Governor Huntsman had predicted. The data reviewed indicated that indeed it had. For example, Governor Herbert requested an independent review from Dan Jones & Associates which was

conducted in 2009. He noted in his review of the report that taxpayers had received increased services and were pleased with the longer Monday to Thursday schedule. Governor Herbert also asked his department heads to review and report on employee productivity and customer satisfaction. He was assured both were being maintained or improved. Employee satisfaction surveys revealed that an overwhelming percentage of employees considered the ten hour day to be superior to the prior schedule. In addition, it appeared that indeed the State was experiencing some energy savings, even if the savings had not risen to the level hoped for.

After reviewing the data, Governor Herbert decided to make the Initiative permanent. At the same time, he explicitly directed each division to make sure they were adequately serving the needs of the citizens and other local governments that rely on state support.

The State is always concerned about its employees and how to help them be as productive as possible. The Audit Report addresses productivity of state employees and certain measures to gauge productivity. While we appreciate the concerns raised in the Audit Report, it is important to note that those concerns are not unique to a 4-10 workweek and are just as applicable to a 5-8 hour days or any other work schedule. Performance management guidelines, called Balanced Score Cards were implemented in each division in 2007 with the knowledge that it would take time to refine the scorecard metrics for all employees. While we acknowledge that there is more that can be done in this area, Utah is much further ahead in these efforts now than it was prior to the launch of the Working 4 Utah Initiative. Performance management is an iterative process and one that we are committed to further developing. When it is fully mature, the metrics and analytical tools will effectively help managers across the state monitor, track, and improve productivity. Special attention will be paid to the Balanced Scorecard in measuring employee and department productivity.

We are gratified that the Audit Report finds that there are indications that productivity and employee engagement have increased under the Initiative. Employees report that they are more productive. Perhaps, even more telling, is that managers indicate their employees are more productive with the new work schedule. Further, one of the most effective metrics of government is the measure of customer service. Dan Jones & Associates conducted a significant survey of citizens and found that 66% of Utah citizens said the State should continue with the 4-10 work schedule. 14% more said they did not care either way whether the State maintained the 4-10 schedule or reverted back to a 5-8 schedule, leaving only 20% opposed. We are encouraged that the taxpaying public reports such satisfaction.

As you may know, the State has been recognized as the Best Managed State in the nation (The Pew Center on States Government Performance Project for 2008, *Deseret*

News, March 4, 2008). That does not mean, however, that there is no room for improvement. Where improvement is possible, it should be pursued. The recommended changes and enhancements to existing personnel policies will be reviewed and addressed by DHRM. We agree with the Audit Report that the Governor's Office should continue to serve as a central point of authorization for agency scheduling to avoid confusion to the public and inefficiency of operations.

These are challenging economic times. All states are seeking ways to streamline their operations and obtain greater savings and efficiency, and Utah is no exception. We are pleased that while there may be room to debate the amount of savings the State has experienced, there can be no debate that the State is experiencing savings associated with the new work schedule. There are reasonable recommendations made within the audit that will help improve the Initiative's efficiency and go further in measuring employee productivity.

Finally, the Audit Report identifies a potential "Inconsistency" between statute and the Utah Constitution. This question is not new since it was debated in 1895 when the constitution was ratified. The question was thoroughly reviewed by the Director of DHRM with the state's Attorney General's office prior to the launch of this Initiative. It was his conclusion after the AG's review and report that the current work schedule is within the scope of the Utah Constitution. The AG's office will be asked to review it again and provide a letter in support of this position.

There already are significant benefits realized by the Working 4 Utah Initiative. With the aid of the findings in this Audit Report, possible improvements can be made as state government works together towards increased effectiveness by state employees.

Sincerely,

A handwritten signature in blue ink that reads "Jeff C. Herring". The signature is written in a cursive, flowing style.

Jeff C. Herring, JD, MBA, SPHR S.T.
Executive Director
Department of Human Resource Management