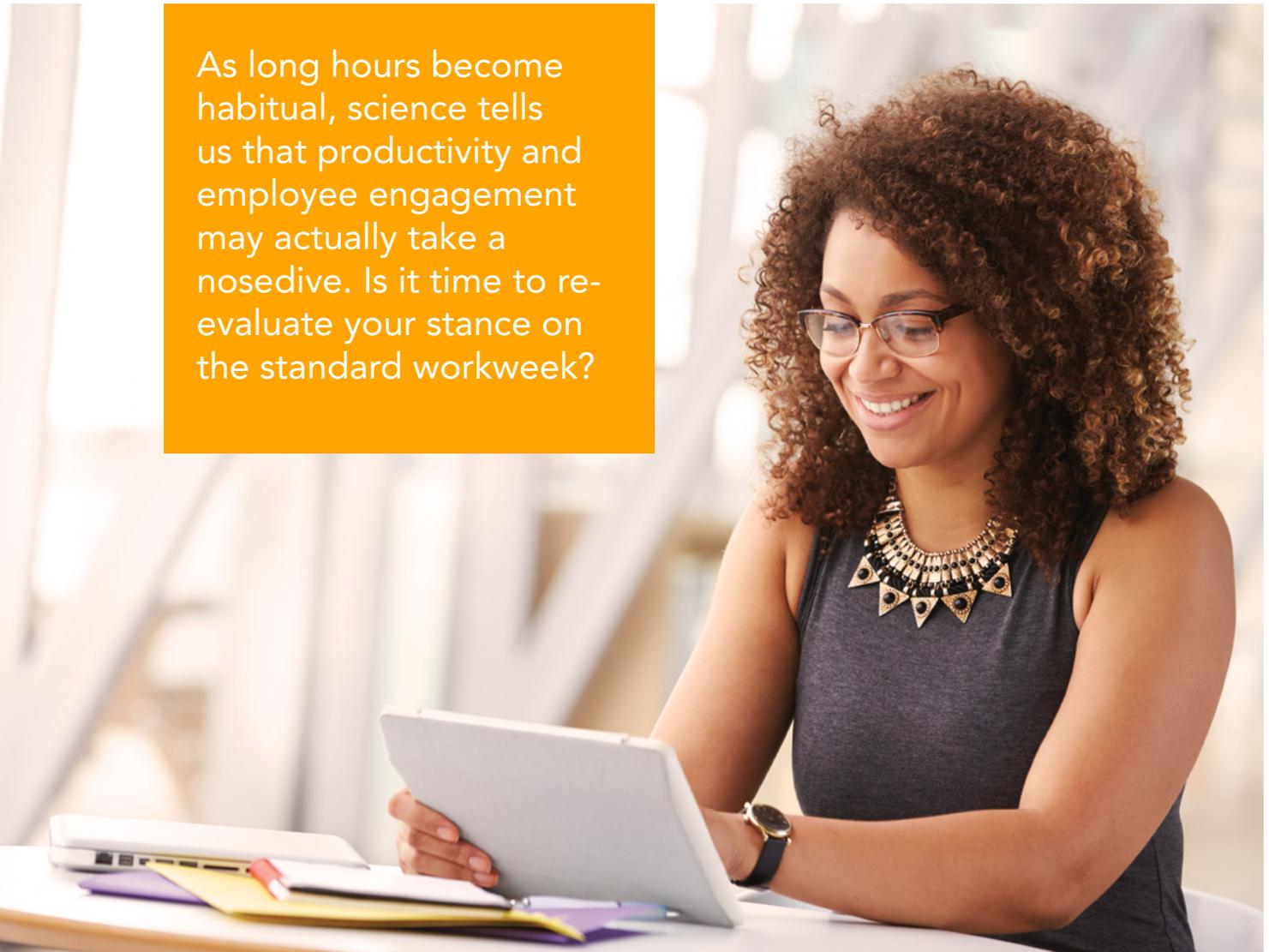# Can a 40-Hour Workweek Actually Improve Productivity?

As long hours become habitual, science tells us that productivity and employee engagement may actually take a nosedive. Is it time to re-evaluate your stance on the standard workweek?

Angela checked the last item off this week's to-do list and looked at her watch: 5 p.m. "Woo-hoo – I finished right on time and I got it all done!" Angela's company has a strict 40-hour workweek policy. No overtime unless it's absolutely necessary.

Angela is more focused and gets more done in 40 hours than she used to when she felt compelled to work longer hours. Plus, she's not stressed about being late picking up the kids from day care, and most nights, she has time to get a healthy dinner on the table instead of the carryout habit she fell into.

No, you're not reading about a fantasy company or a preview of the next episode of Undercover Boss. In today's increasingly competitive environment, companies are taking a fresh look at how to balance employee engagement with the need to improve productivity.

The debate about productivity and hours worked isn't new. In fact, economist John Maynard Keynes famously predicted a 15-hour workweek in the 1930s. The subject is now getting increased attention. Recent data shows that work hours can be shortened while maintaining or even improving output.

How much are we working?

A 2014 Gallup study found that U.S. full-time employees average **46.7 hours a week**. For full-time salaried employees only, the workweek is even longer: **49 hours on average – a full day longer than a 40-hour week**.

How we got here: The history of the 40-hour workweek

When the federal government first started tracking work hours in the 1890s, it wasn't unusual for manufacturing workers to log 100 hours a week.

The move to work a shorter workweek began in the 1860's, but didn't gain much traction until the 1900s, when two large printing firms in Chicago conceded to union demands for a 40-hour week.

Over the next several decades, more pressure from unions and federal laws culminated in the standardization of how many hours employees could work.

September 3, 1916:
Congress passed the Adamson Act, which established an eight-hour workday for interstate railroad workers.

September 25, 1926:
Ford Motor Companies adopted a five day, 40-hour workweek.

June 25, 1938:
Congress passed the Fair Labor Standards Act (FLSA) that limited the workweek to 44 hours.

June 26, 1940:
Congress amended the FLSA, limiting the workweek to 40 hours.

Source: Business Insider, *Here's How the 40-hour Workweek Became the Standard in America*, Shana Lebowitz, October 24, 2015.

Fewer hours, but more productivity

It seems intuitive that the more someone works, the more he or she should accomplish, right? Not so, says John Pencavel of Stanford University.[1] His research found productivity declines when people work more than 50 hours a week and output at 70 hours a week was no different than output at 56 hours. Thus, if employees working 70 hours a week receive overtime pay, the company is paying for an extra 14 hours of little to no additional output!

Research by Erin Reid, a professor at Boston University's Questrom School of Business, discovered that managers were not able to discern between the performance of employees who worked 80 hours a week and those who worked fewer hours. Reid's study also didn't find any evidence that employees working less accomplished less, or that the overworking employees accomplished more.[2]

Sweden is another country that's taking a close look at productivity. A study conducted in 2015 experimented with a six hour workday in an eldercare facility. The findings? Productivity and quality of care increased, along with employee well-being.[3] Similarly, more than a decade ago, a Swedish Toyota plant switched to two shifts, each working six hours a day. The result? Turnover went down, customer satisfaction went up, and profits increased by 25%.[4]

Counting hours for the government

For most employers, the focus on hours worked is not limited to productivity. Certain federal (and state) laws dictate how companies set work hours for their employees.

For example, the Affordable Care Act (ACA) Shared Responsibility Rules require companies with at least 50 full-time employees or full-time equivalents to provide health care benefits that meet certain coverage levels. The ACA defines full-time as someone who works 30 hours a week, on average.

The Fair Labor Standards Act (FLSA) regulates extra pay for extra hours worked. Under the FLSA, the workweek is defined as seven consecutive days, and the threshold for being eligible for overtime pay is 40 hours a week. In many cases, certain salaried employees are "exempt" from overtime pay rules. However, a recent update to the FLSA that will take effect on December 1, 2016, redefines overtime rules for white-collar workers at lower salary levels.

It's not just about complying with the regulations. How companies establish work schedules also depends on many other factors, including their industry, business seasonality, and the kind of workers needed.

Email policy in France

A new French law makes it illegal for companies to send emails to employees outside of regular work hours.

With employment on the rise and the scramble for skilled talent getting more intense, business leaders are exploring new ways to boost output and engagement, including a fresh look at an old concept: the 40-hour workweek.

Food for thought?

Many people choose to work longer hours because they feel it's the best way to get recognized and rewarded. Others do it because it's part of the culture of the business or industry in which they work. Others are driven by earning more money.

Science tells us that exhausted employees aren't better employees. Fatigue leads to errors, accidents, health problems, and a lack of creativity. Certainly not all overtime can be eliminated. But when long hours become habitual, it can be detrimental to productivity and employee engagement.

ADP® can help you maximize the way your business works

Wondering if the cultural shift to a strict 40-hour workweek and changing the work hours at your company will make a difference? ADP can help you think through the impacts, navigate labor and benefits laws, and help you build competitive pay and benefit packages. Not only can this help you motivate your employees, it can also lead to increased productivity and engagement, as well as increased retention of key employees.

[1] The Economist, Proof that you should get a life, C.W., December 9, 2014.
[2] Harvard Business Review, The Research is Clear: Long Hours Backfire for People and for Companies, Sarah Green Carmichael, August 19, 2015.
[3] The Guardian, Efficiency up, turnover down: Swedish experiments with six-hour working day, David Crouch, September 17, 2015.
[4] ibid.