

## The 4-day work week: Everything you need to know

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The world of work is rapidly transforming. We are now seeing four generations ? Baby Boomers, Generation X, Millennials and Generation Z ? working side-by-side. Businesses need to explore the relationships between these workers, what drives them, what their needs are and how businesses need to adapt to meet them.

The way businesses respond will be crucial and as Generation Z joins Millennials, Generation X and Baby Boomers, businesses are eager to find a way for this diverse workforce to co-exist. One of the biggest factors that cut across all generations is the 4 day week. A four-day week is an arrangement where a workplace has its employees work over four days per week rather than the more customary five. This arrangement can be a part of flexible working hours and is sometimes used to cut costs, as seen in the example of the so-called "4/10 workweek," where employees work a normal 40 hours across four days, i.e. a "four-ten" week.

Whilst all employees can see the benefit of a four-day working week, it is Gen Z and Millennials who lead the demand on businesses to make the change. Younger employees cite shorter week options as a driver in their decision about which jobs they apply for. Highly profitable organisations have explored how switching to a four-day working week would impact them, while prominent political parties and industry bodies are commissioning studies into its potential. Almost half (46%) of employers in larger businesses and the public sector believe that offering a four-day working week will be important for future business success.

Henley Business School surveyed 2,063 UK adults which were nationally representative by age, gender and region on their thoughts on the 4 day week. They found that half of UK businesses (50%) surveyed said they have enabled a four-day working week for either some or all of their staff and report they are reaping rewards. 64% offering a four-day week say there has been an improvement.

A four-day working week is currently a flexible option or way of working found mainly in larger businesses and in those organisations offering it, it is mainly to those in management positions. This follows the patterns we see in other types of flexible working, such as working from home, where senior managers lead the demand for this kind of benefit. That's not to say that employers don't see the benefit of extending this flexibility beyond management. Businesses are now considering flexible working as a means of adapting to the 'QuadGen' workforce. 75% believe that offering flexible hours is an important adaptation to make, and 44% believe that the four-day working week is the right option. 62% of businesses who offer the four-day working week say that sickness absence has been reduced. There is also a positive impact on wellbeing, with 70% of employers saying their employees feel less stressed at work and 78% say their people are happier as a result

### **Benefits of a 4 day week**

Businesses that offer a four-day working week as part of their employee package found it has a broad set of benefits, including:

- Improving their ability to attract and retain talent
- Increasing overall employee satisfaction
- Reporting lower employee sickness levels
- Increasing productivity
- Businesses state that these factors are helping them run more cost-effectively.
- Research by Henley Business School found that the combined savings to UK business currently on a four day week are already as high as £92 billion a year, 2% of total annual turnover. This is great for business whilst the employee also wins by having positive impacts on family life, mental health, and physical fitness.
- Increased Productivity-Stanford University found that overworked employees are less productive than employees working an average or normal working week. New Zealand based company, [Perpetual Guardian](#), conducted a trial study of a 4 day work week. Not only did employees maintain the same productivity level, but they also showed improvements in job satisfaction, teamwork, work/life balance and company loyalty. Employees also experienced less stress with a decrease of [45% to 38%](#). The results from this study are relatively unsurprising given that some of the [world's most productive countries](#), like Norway, Denmark, Germany and the Netherlands, on average work around 27 hours a week -- the same hours proposed for a UK 4 day work week. On the other hand, Japan, a nation notoriously known for overworked employees, ranks as the 20th out of 35 countries for productivity.
- [Research](#) on the Gender Pay Gap from the Government Equalities Office shows that roughly two million British people are not currently in employment due to childcare responsibilities and 89% of these people are women. A 4 day work week would promote an equal workplace as employees would be able to spend more time with their families and better juggle care and work commitments.
- A 4 day week can lead to happier and more committed employees. Employees are less likely to be stressed or take sick leave as they have plenty of time to rest and recover. As a result, they return to work feeling ready to take on new challenges. From 2015 to 2017, [Sweden](#) conducted a trial study into a shorter workweek. Nurses at a care home worked only 6 hours for five days a week. Results were largely positive with nurses logging less sick hours, reporting better health and mental wellbeing and greater engagement as they arranged 85% more activities for patients in their care.
- Countries with shorter working hours typically have a smaller carbon footprint so reducing our workweek from 5 to 4 days could have an environmental benefit too. A trial conducted by the US state of Utah for government employees showed a significant ecological impact from reducing the average workweek from five to four days using a compressed work schedule. During the first ten months, the project saved over [US\\$1.8m \(£1.36m\) in energy costs](#) and a reduction of at least 6,000 metric tons of carbon dioxide emissions from closing the large office building on Fridays. If employees' commutes are also included, Utah estimated that it could save [12,000 metric tons](#) of CO<sub>2</sub>, the equivalent of removing 2,300 cars off the road for one year, simply by working one day less a week.

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## Challenges and concerns

- With all change, there is bound to be resistance. For example, for those organisations that need to provide customer service beyond standard office hours, a reduction in employee availability would be hugely impactful.
- The biggest concern for employers when it comes to implementing a four-day working week is customer availability.
- 82% of employers not currently offering a four-day working week believe ensuring employees are available to the customer outweighs the need for flexible working practices. This view is not shared by their employees.
- Only a fifth (21%) of employees feel that availability to the customer during core hours would be affected. Similarly, a quarter (25%) of workers feel they are required to be in the office when they could be working at other locations.
- 91% of small business employers say it would be very difficult to offer the four-day working week because it directly affects availability for customers.
- Implementation and management are major issues for businesses that want to offer a four-day working week.
- Almost three-quarters (73%) believe it would be too complicated to manage once in place. Part of the challenge comes from defining what a four-day working week means.
- There is a lack of clarity in who chooses which day off an employee gets ? the employer or the employee. Some businesses think of it as a reduction in hours whereas others think of it as compressing the same number of hours into a shorter timeframe
- Also, almost half of employees (45%) felt that they would be put off moving to a four-day week if they were perceived as lazy by colleagues and a third (35%) would be concerned about handing over their work to colleagues.
- Additionally, some employers who have yet to implement a four-day week have cited resentment between staff (40%) as a cause for concern. If an employer is considering introducing a four-day working week, any programme must have clear guidelines and management processes to maintain workplace harmony.

The push towards implementing the 'four-day week' has remained loosely relevant within the contemporary workplace due to the various possible benefits it may yield. Although mostly untested, these benefits mainly lie within increased cost-cutting, productivity and work-life balance. The theory behind this is that by having employees work one less day a week, then they will have additional time to pursue hobbies, spend time with family, get more sleep and increase overall morale. There are several ways the four-day week can take shape. Taking Fridays off, half days, and different days off for different employees are all options that are considered when starting the four-day week. Consequently, these employees will be more productive and refreshed for work, which will make up for the lost day where they would otherwise be overworked and/or overtired. Also, by having the workplace open one less day a week, the operating costs and environmental costs will decrease for businesses and society alike.

New Zealand Prime Minister Jacinda Ardern suggested that a four-day workweek could boost the country's economy. She believes that if individuals use long weekends to visit local spots, the activity could compensate for the lack of foreign travellers in a country that's heavily dependent on tourism.

Meanwhile, a group of economists used editorials in papers such as *The New York Times* to promote the idea of using the four-day workweek to reopen the economy. They proposed that after working for four days, people should quarantine for 10 days, thereby providing people with at least part-time employment and giving any coronavirus symptoms time to become apparent before they return to work. This way, individuals could earn a living while lowering the chance of transmitting the virus.

Some employers are using the four-day workweek as a cost-saving device. In May, journalists at the *Los Angeles Times* agreed to such a plan, with a commensurate 20% reduction in pay for three months to save money for the struggling paper. A 4 day work week may seem like a radical idea, but we've gradually reduced the number of hours worked within a typical work week since the late 19th century. In 1890, the United States government estimated that a full-time employee within a manufacturing plant worked an average of 100 hours a week. By the mid-20th century, manufacturing employees only worked 40 hours a week. Reducing our current workweek to 28 hours isn't nearly as radical.

A 4 day work week is a relatively new concept, brought about largely due to recent advancements in technology. However, some companies are already trialling the idea with promising results for both employees and employers.

### **Companies with 4 day weeks**

#### **Perpetual Guardian**

Following a trial from February-March 2018, Perpetual Guardian made the move to transition its 240 staff to a four-day week the following November, maintaining salaries but cutting employees' weekly hours from 37.5 to just 30. The trial itself was monitored by academics at the University of Auckland and the Auckland University of Technology, who found the reduced hours saw the following benefits:

- Productivity was unharmed by the reduced working hours
- Staff stress levels were reduced from 45% to 38%
- Employee work-life balance scores increased from 54% to 78%
- Workers' sense of empowerment and stimulation increased by 20%
- Staff leadership and commitment levels rose by 22% and 20% respectively

Perpetual Guardian knew the outcomes they wanted from the outset and helped facilitate employees to bring about these changes within the 30-hour working week.

#### **PPC Protect**

UK tech company PPC Protect moved to a Monday-Thursday week in 2018, with the move seeing beneficial results in several areas of its organization:

- Average employee productivity increased, with project management software tracking a 16% speed increase in completing tasks
- Reduced stress and improved happiness among staff

- A boost in job applications to the company, meaning open positions got filled quicker than when on the five-day week

### **Microsoft Japan**

In August 2019, the Japanese branch of Microsoft conducted the Work-Life Choice Challenge with its 2,300 employees, to provide a reference for work-style reforms with targeted goals and verified results. Staff were given all Fridays in the month off as paid leave, with Microsoft offering expenses for staff to pursue self-development, meeting with family and social contributions, as part of their For Work, For Life, For Society approach.

As well as reducing the working hours each week, Microsoft had to think creatively to keep productivity high. With a 46% increase in meetings capped to 30 minutes, a 21% increase in remote conferencing, and the amount of human resource exchange up by 10%, workers could more effectively manage time to achieve a near 40% increase in sales over the month.

As well as this staggering improvement, Microsoft also saw the following results:

- Number of prints down 58.7% and power consumption down 23.1%
- 92.1% of staff preferring the changes of the four-day week
- 96.5% of staff agreeing that work-life was improved
- 97.1% of staff agreeing that their personal lives had improved
- 83.5% agreeing that they felt more engaged with the wider society

Microsoft's efforts to not only reduce the hours in the working week but to enable staff to use their Fridays off in productive ways maximized staff's fulfilment, demonstrating the importance of putting a premium on employee health.

### **Aloha Hospitality**

Alabama based organization Aloha Hospitality offers flexible work hours and a four-day week to its management staff, in recognition of the needs and expectations of a millennial workforce. With a working week that takes the growing trend of employees valuing experiences over belongings into account, Aloha Hospitality aims to increase staff retention, increase morale and promote the sense of team ownership.

And with their reduced working week, more management staff can be on the restaurant floor at peak hours, meaning even better customer service.

According to Bob Baumhower, "it's a win-win for not just our team, but our guests. We want our team to be fresh, energized and focused on a legendary guest experience."

According to the July 2019 study by Henley Business School, a four-day working week could save UK businesses an estimated £104 billion per year by reducing bottom lines through boosted productivity and

improved employee health. Surveying organizations who have already adopted a four-day week work scheme, the study found:

- 64% of businesses saw productivity upturns
- 78% of companies reported happier workers, 70% found workers were less stressed, and 62% saw staff taking fewer days off sick.
- 40% of employees said they would use their time off to improve their professional skills

The study also showed an increasing trend of reducing working hours for the same pay, with 34% of business leaders (46% of them in larger businesses) agreeing that making the switch will be instrumental in future success.

Workers are also keen for the change, with 72% backing the four-day week, and with 67% of Gen Z workers saying it would be an important factor in determining who they would work for.

Meanwhile, one estimate suggests that the average US business could save \$15,200 a year on facilities if they only used the office for four days of the week.

By looking at the above examples, there's a common theme of knowing what results in an organization wants to achieve before going into a trial or reduced hours work week. By knowing that the end goal was to improve efficiency and employee health, Perpetual Guardian, PPC Protect and Microsoft Japan were able to tailor their implementation of the four-day week and reduce hours for their working staff with measurable results.

## Conclusion

Businesses are having to respond to the increased concerns over employee health or else risk the costs associated with stress and burnout. To compete with organizations that have leveraged staff health to improve retention, recruitment and productivity, companies will have to find their ways of giving workers the flexibility they need. Whether or not a four-day week is a solution your organization needs to remain competitive is something only a deep understanding of your business can provide, but it is important to consider.

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