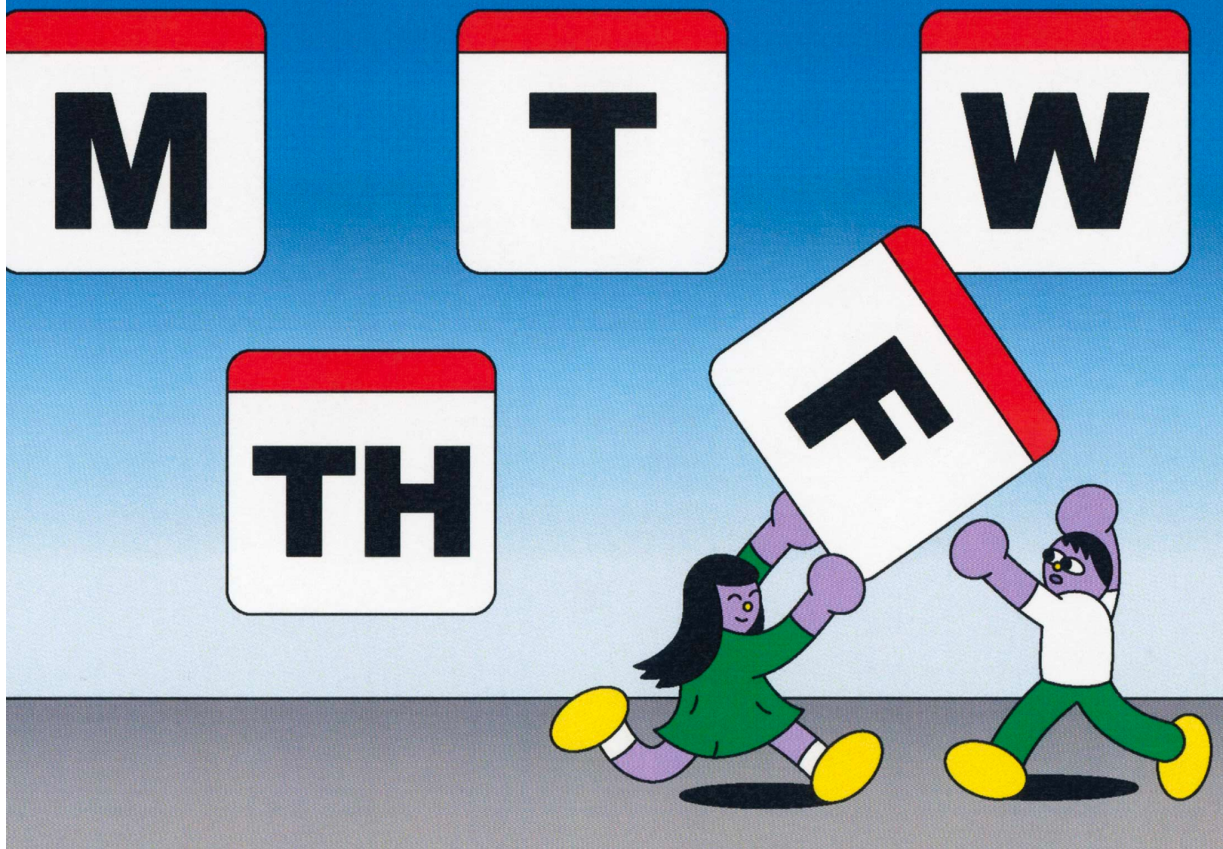


# THE POWER OF FOUR: TOPPLING THE CONVENTIONAL 5-DAY WORKWEEK

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**T**he implementation of a four-day work week has positive impacts on employee performance, leading to improved execution of company strategy. This can be achieved through better mental health, increased productivity and the ability to attract and retain top talent.

In the wake of the COVID-19 pandemic, the world experienced a seismic shift in how to approach work as professionals. As the traditional office settings transformed into remote work environments, flexibility has become a priority in the workforce. With the adoption of remote work, the concept of a four-day workweek gained renewed significance, offering a fresh perspective on work-life balance. As we navigate the post-pandemic landscape, it is crucial to

harness the lessons learned during these challenging times and consider innovative solutions that prioritize both employee well-being and company strategy execution. The four-day workweek emerges as a compelling approach to address the evolving demands of the workforce in the modern era.

### **Wellbeing and Mental Health**

Employee's mental states from their personal lives such as stress can impact their performance at work. Employers need to maximize their employees well-being in order to maximize productivity and intrinsic motivation. The four day work week has been shown to contribute to the increased well-being and mental health of employees. According to new research from McGregor in 2022, which studied 33 companies, an employee's well being is plausibly related to a four day work week.<sup>1</sup> This is because the employee has extra time for self care and personal time. The extra day off per week provides employees with an extra 8 hours, plus the saved commute time every week, which can be spent relaxing with family and friends. This reduces the chances of work demands interfering with personal needs since the total required work hours per week is only 32, leaving ample time for other responsibilities such as childcare or healthcare.

Over the last 20 years, seven studies were analyzed and indicated that a four day work week had better health outcomes for employees, including general and physical symptoms, working life quality, sleep, stress, and self-perceived health and well-being.<sup>2</sup> The four day work week can also help individuals, families, and communities thrive by providing more time for self-care,

connecting with loved ones, and contributing to the community.<sup>3</sup>

Companies are starting to experiment with the four day work week. For example, Microsoft Japan offered their employees shorter work weeks and increased flexibility. This change resulted in happier workers and a 40% increase in productivity.<sup>4</sup>

Since employers may require more dedication during the four work-days, some may argue the loss of one day results in faster employee burnout.

Because employers expect the same amount of production of employees as regular work weeks, the expectation may be that employees are more dedicated/committed to their work during these reduced work-days - thus creating more stress and other negative repercussions on employees. The six-month study conducted by Autonomy shows that the opposite is actually true, where 39% of employees reported to be less stressed, 48% reporting no change in stress, and just 18% reporting an increase in stress levels. Additionally, there was a 71% reduction in burnout among the thousands of employees who participated in the study.<sup>5</sup> The four day work week forces employees to be more productive, cancel unnecessary meetings, redesign work practices, and cut out wasted time, all which contribute to lower burnout.<sup>1</sup> Therefore, based on the research and studies conducted, employees would generally experience an improvement in mental health and reduced stress - allowing them to be better equipped in the execution of company strategies.

### **Enhanced Productivity: Effort Intensity and Longevity Tradeoff**

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<sup>1</sup> McGregor. (2022). New Research Offers The Best Argument Yet For A Four-Day Work Week. Forbes.

<sup>2</sup> Voglino G, Savatteri A, Gualano MR, et al How the reduction of working hours could influence health outcomes: a systematic review of published studiesBMJ Open 2022;12:e051131. doi: 10.1136/bmjopen-2021-051131

<sup>3</sup> Freebairn-Smith, L. (2023). Benefits of the four-day workweek. Dean and Provost, 24(9), 1-7. <https://doi.org/10.1002/dap.31187>

<sup>4</sup> Are Shorter Workweeks Good for Business?: Two experts debate the issue. (2022). HRNews.

<sup>5</sup> Lewis, K., Stronge, W., Kellam, J., & Kikuchi, L. (2023, February). The results are in: The UK's four-day week pilot - autonomy.

Lack of employee motivation is one of the primary reasons why employees may shirk at the workplace. Financial incentives such as monetary and non-monetary compensation have been a tool to motivate employees to execute strategy since the history of commerce. After the 2020 pandemic, where employees had to work from home, some companies saw this as another form of non-monetary benefit. Companies that offer shorter work weeks for the same pay are viewed as a benefit for lots of employees, and employers who do not offer this type of benefit may not remain competitive to motivate employees.

There are several potential benefits of a four-day workweek that contribute to employee motivation: it can lead to greater productivity, lower unit costs and improved morale among workers, resulting in reduced absenteeism, tardiness and turnover.<sup>6</sup> Additionally, the reduction in startup and shutdown time and the keying of work scheduled to processing time for a specific operation can lead to a higher weekly output. It can also help to address issues of work-life balance, which can be particularly important for workers with caregiving responsibilities or other commitments outside of work, such as parenting. By providing workers with more time off, a four-day workweek can help reduce stress and improve overall well-being, hence increasing productivity and performance.

A pilot study was conducted in the Township of Zorra, Ontario, where it compressed their workweek to add flexibility for its employees in the wake of the COVID-19 pandemic.<sup>7</sup> This was intended to improve the work-life balance of staff and aid in recruitment and retention. The compressed workweek pilot project was received positively by the employees, and the results of the second survey, a summative report to council point to an

improved reported work-life balance and increased job satisfaction among staff. The positive result was that there had hardly been any minimal disruptions to the public.

A study conducted by researchers at Boston College, University College Dublin, and Cambridge University tracked employers in a small pilot research company. The study found that companies in the pilot project reported revenues that rose 8% over the study period, burnout scores that fell for two-thirds of employees, and an amount of sick or personal leave time that declined by roughly a couple of hours a month. Additionally, workers reported greater control over their schedules, higher levels of productivity, and a greater sense of how well they were doing their jobs.<sup>8</sup>

On the other hand, it can be argued that employees working four days cannot maintain or even exceed the same quality of work as those working a traditional five-day week.

Since there is less time for work, some expect a lower quality in output - with employees scrambling to complete five days of work in just four days. However, an experiment conducted in the UK found that “all but two of the 41 companies said productivity was either the same or had improved. Remarkably, six companies said productivity had significantly improved”.<sup>9</sup> In addition, a study conducted by the Harvard Business Review concluded that employee productivity is not inspired by longer work hours, but is rather a byproduct of employee motivation and effort.<sup>10</sup> Based on the studies conducted, the expected quality of work does not decrease from working one less day since work quality largely depends on motivation and effort. Since most companies concluded that

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<sup>6</sup> Hedges (1971). A look at the 4-day workweek.

<sup>7</sup> Spicer, Lyons (2023). Small Town, Short Work Week: Evaluating the Effects of a Compressed Work Week Pilot in Zorra, Ontario, Canada

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<sup>8</sup> McGregor. (2022). New Research Offers The Best Argument Yet For A Four-Day Work Week. Forbes

<sup>9</sup> Gross, J. (2022, September 22). 4-day workweek brings no loss of productivity, companies in experiment say.

<sup>10</sup> Carmichael, S. G. (2015, December 28). The research is clear: Long hours backfire for people and for companies. Harvard Business Review.

productivity improved or remained the same, it suggests that employees become more motivated or provide more effort at four-day workweeks, which also allows them to properly execute their strategy.

### Talent Attraction & Retention

With millennials and Generation Z entering and making up a significant portion of the workforce, firms will increasingly be dealing with unique characteristics in the labor market. Compared to earlier generations, millennials are more likely to hop between jobs. According to a Gallup report, the annual estimated cost due to millennial turnover in the United States is about \$30.5 billion<sup>11</sup>. Firms often throw money into attracting talented employees because it has always been a priority to gain a competitive advantage. Retaining employees has become a growing issue due to the influx of a new generation of employees who have different values and expectations of work environments. Compensation in addition to a variety of other factors are now considered in employees' decisions when applying to and remaining in jobs, such as flexibility.

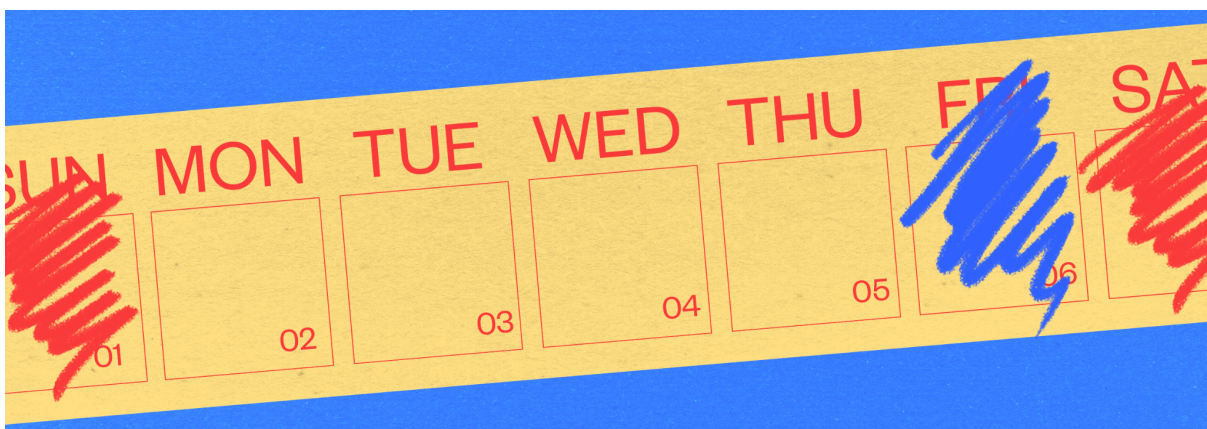
A study conducted by the Henley Business School in the United Kingdom explored the implications of the four day work week model. It has found that attracting and retaining the right talent has

become easier for 63% of businesses that have implemented a four day model<sup>12</sup>. In addition, flexibility has helped attract and retain employees with children and other family-care responsibilities, who are often higher performers. With work-life balance being an increasingly important priority, the four day work week model gives employers an advantage to appeal to the growing demand.

Due to the COVID-19 pandemic, there has been a significant shift in which job applicants seek more flexibility with remote and hybrid working environments. Higher performers have greater leverage and control over their employment options, with flexibility being a priority, companies can leverage the four-day work week model to make their firm more appealing.

It is possible however, that employers might still expect forty-hour work weeks, resulting in four ten-hour workdays.

As a result of ten-hour workdays, employees' ability to take care of daily life needs, such as "taking the kids to school, grocery shopping, going to the doctor, working out or running errands" are limited.<sup>13</sup> Moreover, employee productivity is negatively impacted from these increased hours as shown by an article created by the Harvard Business Review.<sup>10</sup> However, the article further suggests, employee



<sup>11</sup> Adkins, Amy. Millennials: The Job-Hopping Generation

<sup>12</sup> Henley Business School. (2022, March 9). The four-day week.

<sup>13</sup> Reeder, R. P. (2022, November 9). Council post: Why a four-day workweek isn't the answer to work-life balance - and what is. Forbes.



productivity is not inspired by longer work hours, but is rather a byproduct of a combination of motivation and efforts. The conclusion that can be drawn from these articles is that making employees work longer hours would not influence productivity, and may actually demotivate employees. Based on the studies and articles conducted, working four ten-hour workdays would decrease employee production through increased stress, and negatively impact the company's ability for strategy execution. A more viable solution would be for employers to keep regular work-days and reduce the number of work hours per week to 32.

### **Conclusion**

Employers should not be quick to dismiss the idea of a four-day work week. Embracing a four-day workweek holds immense potential to revolutionize the modern workplace. By prioritizing work-life balance and employee well-being, organizations can unlock a range of benefits. From improved productivity and employee engagement to enhanced mental and physical health, the advantages of a shorter workweek are undeniable. As the pandemic accelerated the exploration of alternative approaches to work, it is crucial for employers to consider the transformative power of a four-day workweek and the positive impact it can have on both individuals and organizations. Embracing this change is not only a strategic move, but a step towards creating a happier, healthier, and more productive workforce in the modern era.