

Campaigning for a Fourday week

A Prospect briefing • April 2024

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Four day working week

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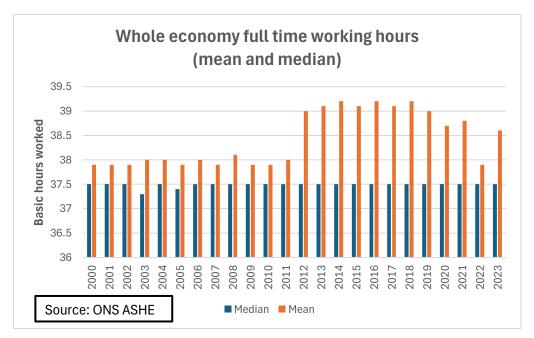
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Background

This briefing provides information on the campaign for a *Four Day Week*.¹ The campaign is supported by a coalition of organisations that promote the benefits of moving to a reduced working week. A pilot program in 2022 involving companies in the UK, United States and Ireland found that the vast majority of participating organisations were satisfied with the move. Companies were able to maintain and, in some cases, improve on business performance. Benefits included a reduction in the incidence of stress and burnout, a 65% reduction in sickness absence and an improvement in employee retention.

The aim of the campaign is to reduce the standard working week to four days. This does not inevitably mean a reduction in the number of hours worked, but this was the objective in the pilot. The median level of full-time hours has remained virtually unchanged since the start of the millennium, and the mean average has actually been rising in the last decade. The campaign for a four-day week is a bold initiative to get the issue of working hours back on the agenda.



Four-day week pilot

The four-day working week pilot involved 61 companies and just under 3,000 employees in a range of organisations.² Pilot participants were allowed some flexibility in designing the structure of the working week that would work for their organisation. The main criteria was that there would be no reduction in pay and there had to be a meaningful reduction in work time.

The results from the trial were positive. Of the 61 companies that participated, 56 are continuing with a four-day week, with 18 confirming that the policy change is permanent. The positive response from employers is informed by some positive benefits for the

¹ <u>https://www.4dayweek.co.uk/</u>

² <u>https://www.4dayweek.co.uk/pilot-programme</u>

companies involved. Revenue stayed broadly the same over the trial period when compared to a similar period from previous years.

Staff retention improved significantly over the trial period. This appears to be because of a tangible improvement in staff well-being, with 39% reporting that they were less stressed, 71% had a reduced level of burnout, 54% found it easier to balance work with household commitments and 60% found it easier to manage caring responsibilities.

Four-day week pilot – How did it work?³

Setting up the pilot

One of the reasons why the pilot was so successful is because employers were expected to shape the new working pattern to fit business needs. The policies adopted were informed by the culture within participating companies. This included consulting staff to find out their preferences, providing a mailbox for staff to submit questions about the policy and producing FAQ briefings to answer common questions.

Employers sought legal advice on how the pilot would affect terms and conditions. This helped frame agreements that established how the pilot would operate. This covered contingencies for dealing with emergencies and the method for mapping staff rotas where there was some variation.

Companies adopted relevant metrics to measure the impact of the pilot, and to ensure that company performance was not affected by the new working pattern. The measurement of performance included polling clients to ensure that they were informed about any changes that might affect their access to company products or services.

Variation in work patterns

Office closed on one day for everyone	Where staff collaboration is more important than five-day coverage companies shut down operations for one day per week.	
Alternating days off	When five-day coverage was important staff were divided into two teams so that there was coverage for all functions. Those taking Monday off and those taking Friday off.	
Decentralised	A mix of different work patterns was most suitable for organisations with contrasting purposes. Some work arrangements may mirror other approaches, such as teams with alternating days off, but this may be accompanied by other patterns, such as	

The four-day week patterns were shaped by business needs, these are summarised in the table below.

³ <u>https://autonomy.work/portfolio/uk4dwpilotresults/</u>

	shorter working days spread over five days.
Annualised	Instead of fixing a regular pattern of work, the reduction in work time is calculated over a year. This option may work best where there are seasonal fluctuations in demand.
Conditional	The agreement to four-day working may be linked to delivery against service needs or other performance metrics.

Protecting the non-working day

As well as different work patterns organisations adopted different approaches to protecting the non-working day. For some organisations the fifth day had a similar status to a weekend, so staff would not be expected to work on a non-working day. This was varied by some organisations where staff would be expected to be available for work for certain reasons. For example, if there was an emergency the four-day week could be suspended in exceptional circumstances. The threshold for suspension could be set by formal agreement or a more ad hoc informal process which would be dependent on business needs. A third type of arrangement might be a much weaker protection, so that staff could be called into work if performance targets are not met. This type of arrangement was the least desirable because it would mean that staff could not make definite alternative plans for their non-working day.

Annual leave

The treatment of annual leave also varied across the pilot. For some companies there was no variation in the annual leave allowance, others adopted a pro rata reduction in bookable leave days. The introduction of the four-day week did mean that employees benefited from less working days overall, but a reduction in annual leave may reduce some flexibility about when to book longer periods of time off.

There were also differences in the way bank holidays were treated. Some companies retained the bank holidays as part of the four-day week pattern. Other companies decided that bank holidays would count as the day off for that week.

Part time staff

There were different approaches taken for part-time staff. Some employers chose to leave part time staff out of the pilot scheme altogether. For companies that included part time workers in the pilot, some adopted a pro rata reduction in working time. As an alternative, other employers retained existing hours and adjusted the hourly pay rate to match the hourly rate for full time staff. A third option was to increase the annual leave entitlement.

These options do not exhaust approaches that could be adopted, some employers allowed part time staff to choose between a reduction in hours or retention of existing hours and one employer extended the calculation of working hours for part time staff to a month rather than a week, which enabled these staff to benefit from a regular non-working day.

Productivity gains

Most companies involved in the pilot aimed to maintain output without any additional recruitment, this implies reduced time was achieved through an intensification of work. The results from the pilot suggest that the addition of a non-working day has been enough to compensate for this greater work intensity. To consolidate these gains organisations were reviewing processes to embed productivity gains.

Making the case for a four-day week

The move to a four-day week is a significant change in the way an organisation works, so this requires a well thought out plan for change. There has been very little movement in the working week for decades despite advances in technology which have resulted in massive savings in labour costs. How these savings are shared across organisations is open to unions to negotiate, but often it is difficult to quantify savings before they have been introduced. As a result labour saving technology changes end up boosting the bottom line without accruing equivalent benefits for the workforce.

A reduction in work time has the potential to deliver improved work life balance without harming a business, but as the pilot shows, these work gains are initially achieved through work intensification. For some types of organisation reducing the working week could increase the levels of employee stress. As one firm participating in the pilot said, "we went from ten normal working days to nine extreme ones", which left staff feeling exhausted when they got to their scheduled day off.⁴ The concentration of work may mean that staff take shorter breaks, which may have other disadvantages such as reducing opportunities for the kind of informal work exchanges that enhance innovation and creativity.⁵ Reducing the working week may not be sustainable in the long run if it is not accompanied by a reduction in workload.

The four-day week pilot shows some clear benefits for business such as reduced staff absence, greater retention and improved employee well-being. Changes to work processes can deliver the productivity improvements by working smarter, a more engaged workforce may be able to deliver the same outcomes but in less work time.⁶ There are also the potential spillover benefits of new technology improving work efficiency. Henley Business School have written a useful business-focused paper on productivity improvements that have been achieved by companies moving to a four-day week.⁷ They find that two-thirds of employers report a reduction in costs while maintaining the quality of work.

As with any significant change at work the union needs to involve the membership when making the case for change. Setting up a smaller group to draw up proposals for a change can help develop a plan that would be relevant to the work context.

⁴ The disadvantages of a 4-day workweek <u>https://workinmind.org/2023/03/22/untold-the-disadvantages-of-a-4-day-workweek/</u>

⁵ https://hbr.org/2022/05/what-leaders-need-to-know-before-trying-a-4-day-work-week

⁶ <u>https://www.investopedia.com/the-impact-of-working-a-4-day-week-5203640</u>

⁷ <u>https://www.henley.ac.uk/news/2022/the-pandemic-has-made-a-four-day-working-week-more-attractive-to-workers-and-businesses-study-finds</u>

Checklist

- How could a four-day week pattern work for the business.
- Can the plan cover the whole workforce or does there need to be some variation.
- What data needs to be requested e.g. shift patterns, staff sickness and retention rates.
- What work processes could be reformed to improve efficiencies.
- How are the productivity gains from the introduction of new technology shared with employees.
- What protections will there be for non-working days.
- What will be the approach to annual leave and bank holidays.
- Are part-time staff in scope for the four-day week.
- How will the discussions on a four-day week be communicated to members.