



What Happens When We Work Less: Is a Four-Day Week the Answer?

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Executive Summary

This report examines the concept of a 4-day work week and its potential to enhance productivity and employee wellbeing. A 4-day work week involves employees working four days instead of the traditional five, often with the same total weekly hours condensed into fewer days. This model aims to improve work-life balance and job satisfaction without sacrificing productivity.

Key findings from global case studies, including Perpetual Guardian in New Zealand and the government of Sharjah in the UAE, highlight the positive outcomes of this approach. Benefits for employees include improved mental and physical health, increased job satisfaction, and better work-life balance. For employers, the 4-day work week can lead to higher productivity levels, cost savings, and better talent attraction and retention.

However, the report also addresses potential challenges, such as intensified performance monitoring, scheduling difficulties, and the possibility that initial benefits may diminish over time. Implementing a 4-day work week successfully requires careful planning, pilot programs, and ongoing evaluation to ensure that it meets the needs of both employees and employers.



01

Introduction

Introduction

The concept of a 4-day work week has gained considerable attention as an innovative approach to work-life balance and productivity. Defined as a work arrangement where employees work four days instead of the traditional five, typically with the same total weekly hours condensed into fewer days, this model aims to enhance employee wellbeing without compromising productivity. As companies across the globe experiment with cutting down the workweek, the results are sparking conversations about what truly drives success. Can fewer hours lead to more creativity, innovation, and happiness? Could fewer hours actually mean more impact?

Historical Background

The idea of reducing work hours dates back to the early 20th century, with the standard work week evolving significantly over time. The push for shorter work hours began in the late 19th century with labor movements advocating for the eight-hour workday. This eventually led to the establishment of the 40-hour work week in many countries. The modern concept of the 4-day work week was first seriously considered in the 1970s during times of economic crisis and energy conservation efforts. However, it gained renewed interest in the 21st century as organizations and governments began to prioritize mental health, productivity, and work-life balance.

Types of 4-Day Work Week Models

There are several models of the 4-day work week, each with different approaches to work hours and pay:

Compressed Work Week

Employees work the same number of hours over **four days instead of five**. For example, a typical **40-hour work week** could be compressed into **four 10-hour days**.

Reduced Hours with Reduced Pay

The total number of hours worked per week is reduced, and employees receive a corresponding reduction in pay. For example, employees might work **32 hours over four days** instead of 40 hours over five, with a **20% pay cut**.

Reduced Hours with Same Pay

Employees **work fewer hours without a reduction in pay**. This model aims to improve efficiency and productivity within a shorter time frame. For instance, employees might work **32 hours over four days** but still **receive their full 40-hour salary**. This is the most common type that is being advocated for today and being studied, this follows **the 100-80-100 model**: 100% pay for 80% of the time, in exchange for a commitment to maintain at least 100% productivity.

Flexibility in Scheduling

Employees choose **their own four days to work**, allowing for greater flexibility and customization of their work schedule.



Global Statistics and Numbers

The adoption of the 4-day work week is gaining traction globally, with various countries and companies implementing and experimenting with this model.



Iceland

One of the most notable large-scale trials took place in Iceland from 2015 to 2019, involving about 2,500 workers. The results showed that productivity remained the same or improved in most workplaces, and workers reported greater wellbeing, less stress, and a better work-life balance.



Japan

In 2019, Microsoft Japan implemented a 4-day work week and reported a 40% increase in productivity. This initiative also led to a reduction in electricity costs and a decrease in paper usage.



Spain

The Spanish government announced a three-year nationwide pilot program for a 4-day work week in 2021, aimed at exploring the potential benefits of shorter working hours without salary reductions.

These examples highlight a growing recognition of the benefits associated with the 4-day work week. As more data becomes available, it is likely that additional countries and organizations will consider adopting this model to enhance productivity and employee wellbeing. The introduction of the 4-day work week reflects a significant shift in how we perceive and structure work, driven by evolving needs for flexibility, efficiency, and a balanced lifestyle. This report will further explore the various aspects, benefits, and challenges of implementing a 4-day work week, offering a comprehensive analysis of its potential impact on the modern workplace.

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The Case for a 4-Day Work Week

The Case for a 4-Day Work Week

The concept of a 4-day work week is increasingly being recognized for its potential to transform the modern workplace by offering numerous benefits to employees, employers, and society at large. However, it also comes with challenges that need to be carefully managed.

Potential Benefits for Employees



Improved Work-Life Balance

A shorter work week allows employees more time to spend with family and friends, pursue hobbies, and engage in leisure activities. This balance can lead to greater overall life satisfaction and reduced stress levels.



Enhanced Mental and Physical Health

With an extra day off, employees can allocate more time to rest and recuperate, which can result in better mental and physical health. Studies have shown that reduced work hours can lead to decreased levels of burnout and anxiety.



Increased Job Satisfaction and Productivity

Employees who feel more balanced and less stressed are generally more satisfied with their jobs. This satisfaction can translate into increased motivation and productivity during the days they are working. Research from one company indicated a 20% increase in productivity after switching to a 4-day work week.



Potential Benefits for Employers



Higher Productivity Levels

Contrary to the traditional belief that longer hours equal more productivity, several studies have shown that shorter work weeks can boost efficiency and output. Employees tend to focus better and work more intensely during their reduced hours.



Cost Savings

Reduced work hours can lead to lower operational costs. For example, less office space may be needed, and utility expenses can decrease. Additionally, well-rested employees tend to have fewer health issues, which can reduce healthcare costs for employers.



Attraction and Retention of Talent

Offering a 4-day work week can make companies more attractive to top talent. This perk can serve as a competitive advantage in recruiting and retaining skilled employees who value work-life balance.



Benefits for Society at Large



Better family life

More free time allows employees to engage more fully in family life, strengthening relationships and supporting better family dynamics. This can lead to healthier, happier households.



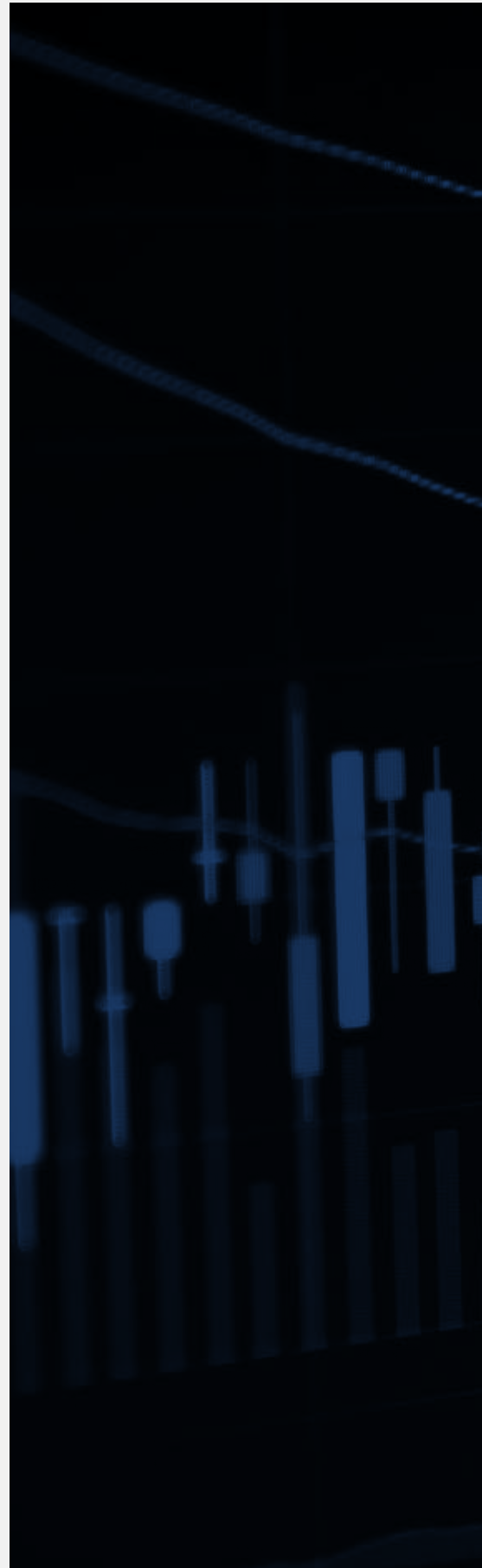
Reduced Environmental Impact

Fewer workdays can mean fewer commutes, leading to a reduction in carbon emissions and traffic congestion. This can contribute positively to environmental sustainability efforts. One study from the University of Massachusetts said that a four-day work week would cut carbon footprint of humanity by almost 30%



Economic Benefits

Healthier, more productive employees can boost the overall economy. Moreover, with an extra day off, people might spend more time and money on leisure and recreational activities, supporting local businesses and industries.



Cons and Negatives

01 Potential for Increased Workload on Workdays

Compressing the same amount of work into fewer days can lead to longer hours and more intense workdays. This might negate some of the benefits of the additional day off by increasing stress and fatigue during the workdays.

02 Industry-Specific Challenges

Not all industries can easily adapt to a 4-day work week. For example, manufacturing, healthcare, and emergency services may face significant hurdles in maintaining productivity and service levels with fewer working days.

03 Intensified Performance Measures and Monitoring

Implementing a 4-day work week often leads to increased scrutiny of employee performance and productivity to ensure that work outputs remain consistent with the reduced hours. This heightened monitoring can create additional stress for employees, potentially leading to anxiety and decreased job satisfaction over time.

04 Fading Benefits Over Time

The initial benefits of a 4-day work week, such as increased productivity and improved employee wellbeing, may diminish as the novelty wears off. Over time, employees might adjust to the new schedule, and the anticipated improvements in work-life balance and job satisfaction may plateau or even reverse, necessitating ongoing adjustments and innovations to maintain the positive outcomes.

05 Asynchronous Work Challenges

In organizations where collaboration across teams is essential, a four-day workweek might disrupt communication, especially if different teams or individuals choose different days off. This can lead to delays in decision-making and project progression.

06 Possible Biased Data

Data on increased productivity and engagement of employees from companies which implemented the four day work week could be due to the employees working exaggerating their efforts during the implementation of the trail itself, and not due to the four day work week system itself.

03

Case Study: Perpetual Guardian's 4-Day Work Week



Case Study: Perpetual Guardian's 4-Day Work Week

Perpetual Guardian, a New Zealand-based financial services company, garnered significant attention in 2018 when it implemented a pioneering trial of a 4-day work week. Founded in 1882, Perpetual Guardian provides estate planning, wills, trusts, and estate management services. The company employs around 240 people across multiple offices in New Zealand. Faced with the challenge of maintaining high productivity while improving employee satisfaction, Andrew Barnes, the company's founder, initiated the 4-day work week trial to test its feasibility and impact on both the employees and business outcomes.

In March 2018, Perpetual Guardian launched an **eight-week** trial where employees worked four days a week but received their full five-day pay. The core aim was to determine if reducing work hours without reducing pay would enhance productivity, employee engagement, and overall work-life balance. During the trial, **employees worked 32 hours over four days instead of the traditional 40 hours over five days**, while their salaries remained unchanged. The effectiveness of the trial was monitored through surveys, interviews, and productivity metrics, with independent researchers from the University of Auckland and Auckland University of Technology ensuring impartial assessment.

The results were **overwhelmingly positive**, showcasing several key benefits and providing valuable insights into the feasibility of a 4-day work week. Productivity levels were either maintained or improved in various departments, with employees reporting increased efficiency, better prioritization of tasks, and reduced time wastage. Overall, the company observed a **20% increase in productivity**. Employees also reported significant improvements in their work-life balance, stress levels, and overall wellbeing, with surveys indicating a **7% decrease in stress and a 5% increase in life satisfaction**. Furthermore, employee engagement and job satisfaction levels rose markedly, with staff feeling more committed to their work and appreciating the company's focus on their wellbeing. This translated into more motivated and loyal employees.

The trial also showed potential **long-term benefits such as reduced absenteeism and lower turnover rates**. Employees took fewer sick days, and the company anticipated improved retention rates due to higher job satisfaction. While the trial was largely successful, it **required some operational adjustments**, particularly in client-facing roles that needed staggered schedules to ensure continuous service availability. These adjustments were manageable and did not detract from the overall success of the initiative.

Following the trial, Perpetual Guardian implemented the 4-day work week on a permanent basis, inspiring other organizations in New Zealand and worldwide to consider similar trials.

04

Case Study: 4-Day Work Week in Sharjah, UAE



Case Study: 4-Day Work Week in Sharjah, UAE

The emirate of Sharjah in the UAE provides a compelling case study on the implementation of a 4-day work week. This initiative began on **January 1, 2022**, and was aimed at improving work-life balance, enhancing productivity, and promoting employee wellbeing. The results from this initiative have been overwhelmingly positive, demonstrating significant improvements in various metrics of employee satisfaction and performance.



According to a study by the Sharjah Executive Council, job satisfaction among employees increased by **90%**, and job performance improved by **89.9%**. This was accompanied by a **91%** rise in happiness levels among employees, an **87%** improvement in mental health, and an **84%** enhancement in work-life balance. The new workweek policy also led to significant social and personal benefits. Employees reported a **69.7%** increase in social wellbeing, **61.8%** more time for leisure and creative activities, and **43%** more time to work on personal projects or side businesses. The initiative resulted in a **46%** decrease in sick leave rates, indicating better physical health among employees. Furthermore, innovation and creativity saw a **76%** increase, and there was an **81%** improvement in positive communication between employees.



Sharjah's experience offers valuable lessons for any organization considering a shift to a 4-day work week. Key takeaways include the importance of thorough planning, ongoing evaluation, and the need to address potential operational challenges proactively.

05

Four Day Work Week in Saudi Arabia

Four Day Work Week in Saudi Arabia

The idea of transitioning to a four-day workweek is rapidly gaining momentum in Saudi Arabia. Fueled by increasing discussions among business leaders, policymakers, and employees alike. The growing interest in this work model reflects a broader recognition of the benefits it could bring, both in terms of employee wellbeing and organizational productivity. As companies worldwide experiment with and often succeed in implementing this approach, the conversation in Saudi Arabia is moving from theoretical to practical considerations.

LUCIDYA

Lucidya, a prominent company in the region specializing in AI-driven customer experience analytics, has taken the lead by implementing a **four-day work week** just two months ago. This move has sparked significant interest across the Saudi business community. Lucidya's decision to adopt this model makes them a pioneer in the region, and many are closely monitoring their progress to see if the benefits touted by proponents of the four-day workweek—such as increased efficiency and employee satisfaction—will materialize. The results from Lucidya's experiment could have a profound impact on whether other companies in Saudi Arabia choose to follow suit, potentially leading to a **broader shift in the country's work culture.**

06

Implementation Strategies and Recommendations

Implementation Strategies and Recommendations

The successful implementation of a 4-day work week requires careful planning, comprehensive evaluation, and adaptive strategies to address potential challenges. This chapter outlines practical steps and recommendations for organizations considering this innovative work model.

Strategic Planning and Pilot Programs

Initial Assessment and Stakeholder Consultation

Before implementing a 4-day work week, it is crucial to conduct an initial assessment to understand the specific needs and concerns of the organization and its employees. This includes consulting with stakeholders at all levels, from senior management to frontline employees, to gather insights and build consensus.

Designing the Pilot Program

A well-designed pilot program is essential for testing the feasibility of the 4-day work week. This should include clear objectives, defined metrics for success, and a timeline for evaluation. For example, the pilot could run for 3 to 6 months, with periodic reviews to assess its impact on productivity, employee satisfaction, and operational efficiency.

Flexible Models

Organizations should consider different models of the 4-day work week to find the best fit. This could include compressed workweeks (e.g., four 10-hour days) or reducing overall hours while maintaining pay. Flexibility in scheduling can help accommodate the diverse needs of different departments and roles.



Monitoring and Evaluation



Data Collection and Analysis

During the pilot, collect data on key performance indicators such as productivity levels, employee engagement, absenteeism, and customer satisfaction. Surveys and feedback mechanisms can provide valuable qualitative insights into employee experiences and areas for improvement.



Adjustments and Iterations

Use the data collected to make informed adjustments to the program. This could involve tweaking work hours, providing additional support resources, or addressing any operational challenges that arise. Continuous iteration and improvement are vital to the program's long-term success.

Communication and Training



Transparent Communication

Effective communication is critical for the success of a 4-day work week. Ensure that all employees are well-informed about the objectives, expectations, and benefits of the new work model. Transparency helps build trust and encourages buy-in from the employees.



Training and Support

Provide training for managers and employees to help them adapt to the new schedule. This includes time management workshops, stress management techniques, and guidance on maintaining productivity within a compressed timeframe.

Overall, the four day work week has gathered a lot of attention recently and it has its advantages and possible challenges, and more studies on this system would benefit the global working community at large and help them take the decision on implementing it.

07

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