

LABOUR AND SOCIAL JUSTICE

IS THURSDAY THE NEW FRIDAY?

The Future of Working Time and Hopes for a Four-day Week

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There has been a considerable increase in interest in working time reduction in the UK, with the trade union movement and Labour Party recently joining calls for a four-day week.



After a decade of flatlining productivity, UK employers are looking around for innovative solutions. Some have started to experiment with a four-day week to try and boost engagement and reduce presenteeism, while improving employee wellbeing.



Case studies suggest the benefits of a four-day week are real and achievable for some, but serious barriers remain to rolling out such a policy more widely across the economy, especially in larger organisations and the public sector.

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raising performance
through workforce
engagement

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INTRODUCTION

In his seminal 1930 essay *Economic Possibilities for our Grandchildren*, John Maynard Keynes imagined a world filled with such a surplus of leisure time that we wouldn't know what to do with it, imagining »three-hour shifts or a fifteen-hour week« would be quite enough, shared among the whole workforce with the technologies of the future, to get done all the productive labour necessary to support us in lives of comfort and plenty.

Such an idea might seem fanciful to us in 2019 at a time when average working hours are rising rather than falling, but Keynes had much reason for his optimism in 1930. At the time of his writing, working hours were falling steadily year-on-year. Had the trend continued, we would currently be working a 33–34 hour week, reasonably on track to meet Keynes' projection within the next few decades. Sadly for those of Keynes' grandchildren's generation, working hours stopped falling in the UK by about 1980. Yet today there are signs of a resurgent interest in the idea of working time reductions, and a four-day week in particular. Why should this be?

For a start there is undeniable evidence that it's what people want. TUC surveys found 81 % of workers want to reduce working time in the future with a plurality of 45 % saying four days would be their preferred working week; by far the most popular option.¹ Increasingly workers are starting to see reducing working hours to be just as important as increasing wages, with the issue rising up the priority lists of trade unions.

While we might take it for granted, there is nothing natural or inevitable about being forced to work for eight hours a day, five days a week. In fact, it may be quite contrary to instinctive human nature to put in so much work each week. Anthropological studies of hunter gatherer societies have found that most work far fewer hours than modern industrial or agrarian societies; even those which often suffer from hunger and achieve »high returns from each hour of work« still generally choose to spend less than two hours per day foraging and only around four to five hours in total on any kind of work activities. (Clark, 2008)

Campaigners are beginning to realise there may be other major advantages to a shorter working week as well. At a time when we face a crisis of mental health in the workplace, a four-day week may offer solutions to stress and overwork. In view of climate change crisis, a four-day week offers a potential to significantly reduce industrial and commuter emissions. Same of concern about finding time for the growing volume of caring responsibilities for our ageing population, a four-day week gives us back a huge amount of time to spend with our loved ones.

Serious obstacles to such a policy still very much remain. Nevertheless, campaigning is gaining momentum with the UK at the forefront of the global movement on this issue. With the Labour Party seriously considering adopting a four-day week as its official policy, a combination of employers, politicians and campaigners could make this a reality in the coming years, if not for all workers then at least for many.

¹ A future that works for working people, TUC 2018.

1

WHY NOW? THE 4TH INDUSTRIAL REVOLUTION AND THE PRODUCTIVITY CRISIS

Interest in shorter working time in the UK dates back a very long time; beyond even Keynes' predictions of a 15-hour work week. The campaign for an eight hour workday began in 1817 with Robert Owen's slogan »*Eight hours' labour, Eight hours' recreation, Eight hours' rest*« and the eight hour day was the very first topic to be debated at the inaugural meeting of the International Labour Organisation a century ago in 1919.

Working hours have certainly fallen a great deal over this time, from an average of a 56 hour week in the UK in 1900 to a 40 hour week by 1980. Yet in the 40 years since then, weekly working hours in the UK have remained almost entirely flat. Demands for further working hour reductions seem to have taken second place to pay demands for most of this period, while business interest in the early 2000s was far more focused around flexible or remote working than about shorter working weeks. Working hours are in fact longer today in the UK than they were 10 years go – according to ONS figures the average working week was 30 minutes longer in 2018 than it was in 2010. The UK is currently the only EU country that allows workers to opt out of the working time directive that limits work at 48 hours per week. Many standard employment contracts in the UK include an opt-out clause along these lines, something that trade unions have often argued is subject to widespread abuse.

In the past couple of years, however, there has been a considerable resurgence in interest in working time and the possibilities of a four-day week in particular. *The Guardian* alone has published over 40 articles on the subject of shorter working time since 2010. Data from Google Trends shows that search interest for the term »4 day week« in the UK has more than doubled since late 2014², peaking in September 2018 when the TUC Congress in Manchester took up the demand for a four day week and the Labour Party discussed adopting a four day week as official party policy at their annual Conference. Meanwhile, almost all the case studies of firms that are trialling or introducing a four day working week mentioned in this report, or cited elsewhere in the media, began their trials sometime since 2016.

Why this sudden upsurge in interest in the idea? There is a strong case to be made that it is tied to two related trends – the dawning of the fourth industrial revolution and the UK's ongoing productivity crisis.

Previous periods of rapid working hour reductions such as in the 1920s and the 1960s–1970s have been periods of exponential productivity growth, brought about to a significant extent by new technology and automation. In 2019 we find ourselves in the early stages of the 4th industrial revolution; a wave of technologies that look poised to transform many aspects of the workplace. Algorithms, AI and big data are finding applications in more and more sectors of the UK economy, from retail to healthcare. Driverless cars threaten to upend the entire transport and logistics sectors, while robotic process automation (RPA) is reducing the number of humans in back-office services just as physical robots have already done for manufacturing.

NOT SO HIGH TECH

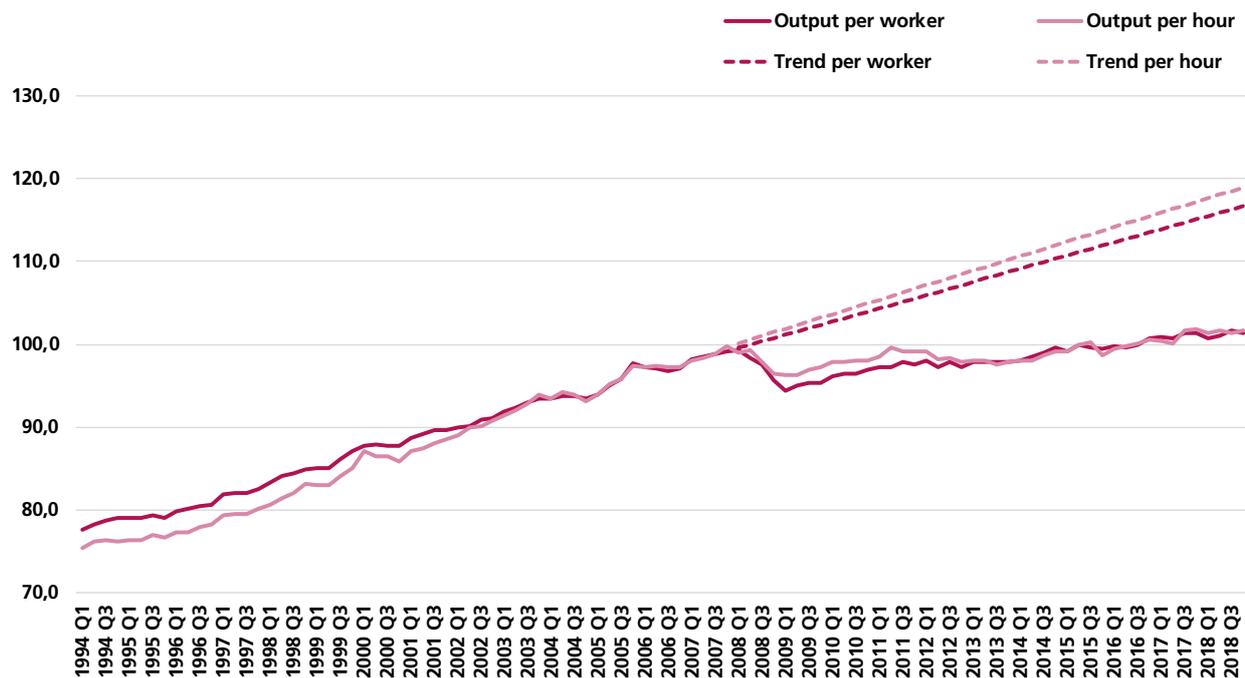
Research by the Social Market Foundation suggests that a 30% increase in productivity as a result of AI and robotics together could allow the working week to fall to just four standard working days or 32 hours (Social Market Foundation, 2018). The key word, however, is *could*. In reality the UK has just experienced a lost decade of productivity growth, as seen from the chart below, and at least part of the reason is likely that the adoption rates of time-saving technology are not nearly as impressive as it first appears.

To be sure, the technology sector itself is expanding extremely rapidly in the UK. According to the *Tech Nation* 2018 report, the digital tech sector in the UK grew 4.5% in 2016–2017, reaching £184 billion in 2018; a growth rate 2.6 times faster than the rest of the UK economy. The UK hosts many of the fastest growing tech firms in the world, including *Deliveroo*, *Skyscanner*, *TransferWise*, *Monzo*, *Improbable* and Google's *DeepMind* division. London now ranks as the second most connected place for tech in the world after Silicon Valley.

However, when looked at more closely, technology adoption by other sectors of the economy are far less impressive. In fact Bank of England Chief Economist Andy Haldane has

² <https://trends.google.com/trends/explore?date=all&geo=G-B&q=4%20day%20week>

Figure 1
UK Productivity (2016=100)



Source: Labour Productivity Time Series (PRDY), Office for National Statistics 2019

described the state of automation in British industry as »pretty rubbish.«³ The UK has fallen considerably below European and OECD averages of industrial robot density per worker (see chart), despite doubling in absolute number of robots over the past five years. There is other evidence that UK firms have been slow to adopt many key digital technologies. A survey of senior managers at 400 UK businesses found that 31 % admitted being slow to adopt technological innovations and 32 % still used paper to store business-sensitive information⁴. While the UK leads the world in some areas, such as RPA, in absolute numbers adoption remains pretty low.

Why have UK firms been so slow on the uptake when it comes to investment in automation? Some economists, including Haldane, point to the chronically low cost of labour in the UK since 2008. A reduction of labour supply, perhaps by shortening working hours, might actually be exactly the spur which firms need to invest in new productivity-boosting technology. Certainly, technology which could enable these productivity gains does exist, as evidenced from the experience of other countries and industry leaders in the UK.

Robotic Process Automation, for example, led by firms like *Blue Prism*, has the potential to free up hundreds of millions of hours of office work that currently involve transferring data between different systems, such as inputting employ-

ee or customer information into a database, or taking information from the database to send emails. For other technology, such as driverless vehicles, it is only a matter of time before they arrive *en masse* and displace over a million UK transport and logistics workers from driving-based roles.

There may not be much sign yet of technological unemployment in the labour market data. Indeed, the UK is close to full employment, at record high levels. There is, however, plenty of anxiety about job prospects in the longer term, with mass high street closures and long running industrial plants closing down from Scunthorpe to Bridgend. Those rosy headline employment figures also disguise, according to some economists, considerable *underemployment* – workers struggling to find good jobs that offer enough paid hours (Blanchflower, 2019). Meanwhile many workers who do have full time jobs are working longer hours than ever. Perhaps reducing working hours for everyone might help level the playing field and provide enough good quality jobs for the future, spur investment in new technology and ensure that the productivity gains are shared equitably between employers and workers?

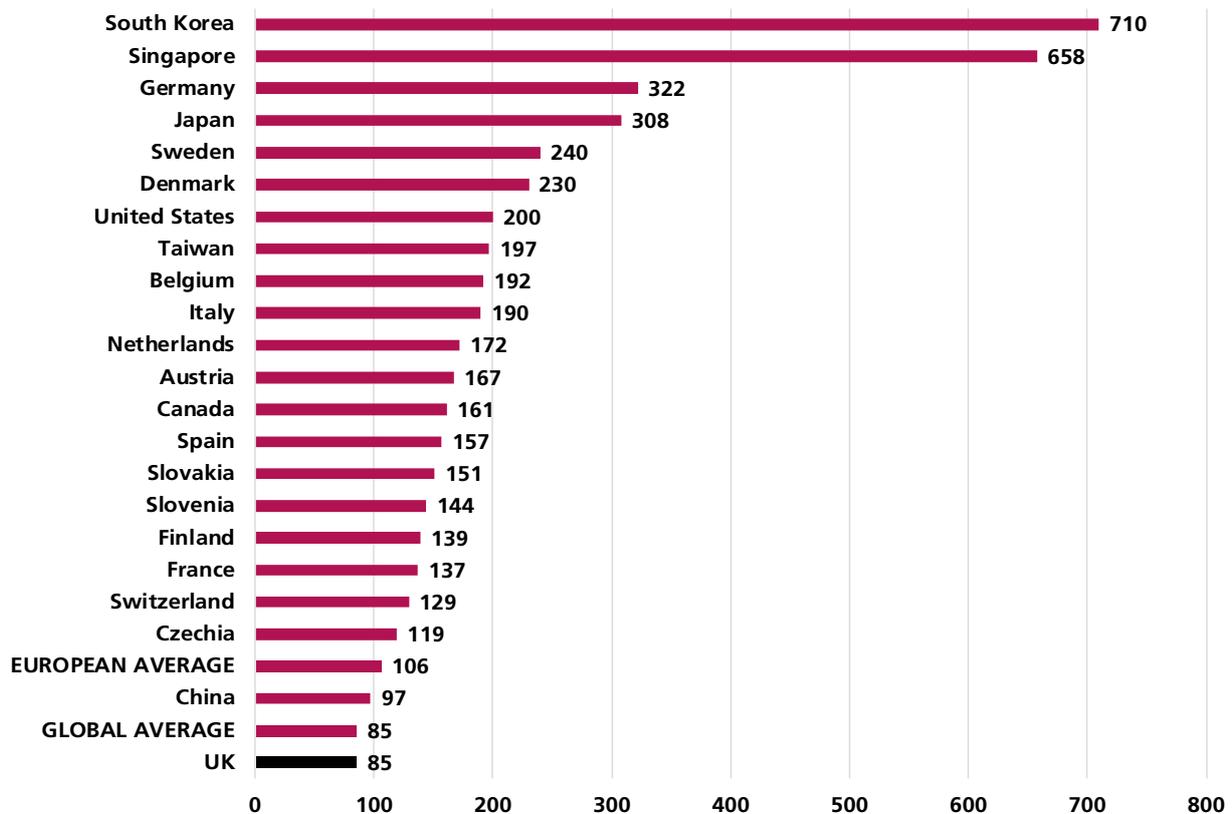
INCREASED INTEREST FROM TRADE UNIONS, FROM LABOUR PARTY, FROM ACADEMICS, FROM BUSINESSES

It is in this context that discussion of a shorter working week has risen to prominence in the UK in the past two years. The UK finds itself a world leader in this debate, with trade unions, think-tanks, journalists and academics publishing a

³ Andrew Haldane, speech to ACAS Conference, 10th October 2018.

⁴ Survey of 400 UK businesses, TomTom Telematics (2017).

Figure 2
Number of installed industrial robots per 10,000 employees in the manufacturing industry, 2017



Source: IFR World Robotics 2018

huge volume of material in very little time. The TUC adopted a campaign for shorter working time as one of the key planks of their platform at their 2018 Conference, with General Secretary Frances O'Grady saying:

»Bosses and shareholders must not be allowed to hoover up all the gains from new tech for themselves. Working people deserve their fair share – and that means using the gains from new tech to raise pay and allow more time with their families. When the TUC's first Congress took place 150 years ago, people worked ten hours a day with only Sunday off. But in the last century we won a two-day weekend and limits on long hours. This century, we must raise our sights to reduce working time again.«

Aiden Harper of NEF, one of the think-tanks at the forefront of the issue, described this debate as »part of a whole wave of new ideas that are coming about ownership, control and distribution.« After a decade of lost wage growth, workers in the UK are starting to make their demands heard and, for the first time, these demands are beginning to include reduced working time as well as higher pay.

When talking with trade union leaders, they often say that the first thing at the top of every collective bargaining negotiation agenda, and also the first demand that is invariably dropped, is reductions in working time. There are signs,

however, that this is starting to change; working time demands are increasingly being prioritised alongside pay. The CWU⁵ recently won a major victory over Royal Mail, securing reductions in working time from 37 to 35 hours per week for 130,000 UK postal workers. The CWU directly linked their negotiation to new technology and the increasing automation of the parcel packaging process, which was saving considerable labour time. A TUC report found that 51% of workers expect any benefits of technology to be hoarded by managers and shareholders, rather than shared fairly. UK trade unions seem determined to ensure that is not the case. (Trades Union Congress, 2018)

The Labour Party, meanwhile, have taken steps towards making a four-day week official party policy. The Shadow Chancellor, John McDonnell, is particularly interested in the idea and has publicly discussed the idea of a regulatory approach to reducing weekly working time. The Labour Party have commissioned eminent economist Lord Professor Robert Skidelsky to chair an inquiry into a four-day working week, which is expected to report by late summer 2019. With the degree of political turbulence currently rocking the UK, it is possible that a government could be in place next year which is looking to run extensive trials at the very least.

⁵ Communication Workers Union

WHAT'S THE EVIDENCE ON PRODUCTIVITY AND WORKING HOURS?

The key factor connecting automation and technology with the debate around reduced working time is the effect on productivity. The evidence is very clear that there is a strong inverse correlation between working hours and productivity, both between countries and within individual countries over time (see chart).

Mexico, for example, works much longer hours than the UK – it is one of the few countries in the world where the standard workweek involves six, rather than five days, yet productivity there is significantly below the UK. German workers, in contrast, are a quarter more productive per hour than UK workers, despite working nearly 300 fewer annual hours⁶. In other words, if the UK's productivity was the same as Germany's, we could produce the same output we do now in only four days a week, rather than five.

Of course, correlation does not imply causation and there is considerable debate as to the extent to which reducing work hours encourages higher productivity, compared with the extent to which it is rising productivity (from new technology) that in turn pays for reductions in working hours.

The latter effect is clearly an important one, as seen by the fact that many historic and more recent reductions in working hours (such as the Royal Mail case this year) have arisen directly from the introduction of labour saving technology.

Nevertheless it has long been argued that excessive work hours are a drain on productivity; something that has been known at least as far back as the First World War, when the government calculated after an in-depth study that they could significantly reduce the hours of munitions workers with no loss of output. (Pencavel, 2014)

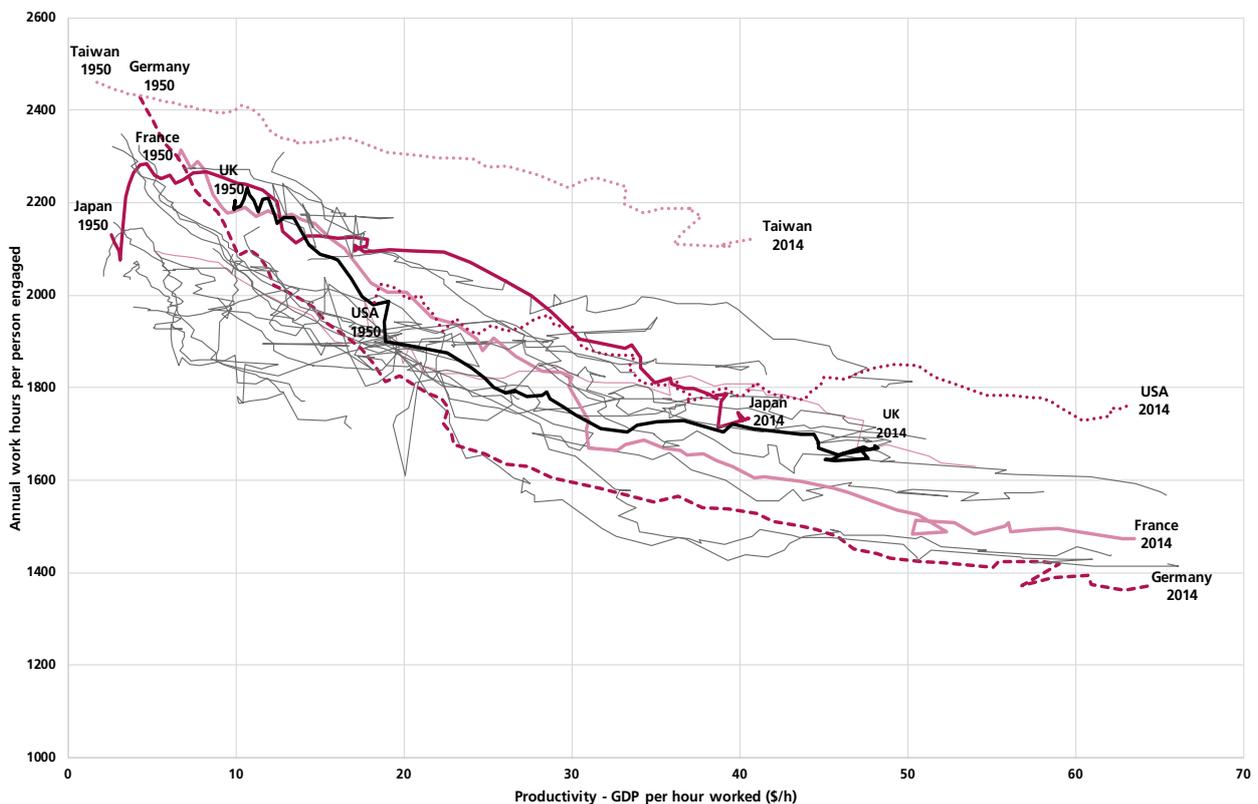
More recently, a study for the Institute for Labour Economics found that productivity begins to drop significantly after the 35th hour of weekly work. Looking at call centres, they found that the longer people worked the fewer and fewer calls they were able to properly handle per hour. On the other hand, when people worked shorter hours they were both more relaxed and more productive. (Collewet & Sauermann, 2017)

Meanwhile, in those few cases where working hours have been positively correlated with productivity, this has generally been attributable to workers feeling more engaged – something which might both encourage longer working hours and boost productivity (Okazaki, et al., 2019)

Generally, the conclusion is that the longer people spend at work, the less and less motivated they become, the more

6 Our World in Data

Figure 3
Productivity vs Annual Hours Worked Selected countries, 1950–2014



Source: Fenestra, Inklaar and Timmer (2015), University of Groningen. GDP/h calculated by Our World in Data

tired they become and the lower their productivity, engagement and creativity drops. Excessive working hours can also contribute to ill health at work, which further hurts productivity.

Presenteeism is fast becoming a bigger problem in the UK than absenteeism. Research by the Centre for Mental Health found that presenteeism – workers being at their desks putting in facetime at work even when not achieving anything productive, and often despite feeling unwell – now costs the UK economy over £15bn a year. This is close to double the cost of absenteeism – being habitually absent from work – which costs only £8.4bn a year. (Centre for Mental Health, 2018) As further evidence of the scale of this presenteeism problem, a study of what UK residents searched for online over recent years found that ›presenteeism‹ was one of the top mental wellbeing terms searched for, with searches increasing an average of 113.5 percent annually between January 2015 and January 2019. (Perkbox & SEMrush, 2019)

If workers are spending so much time at their desks being unproductive, it certainly seems plausible that they could get the same amount of work done in four days that they currently achieve in five. Dr Daniel King, Professor of Organisation Studies at Nottingham Business School agrees, saying that »some of the experiments that have taken place so far indicate that by only working four days, employees can

have the same level of productivity as they are more focused and make better choices about what they work on«.

In particular, a recent highly publicised case study at the firm *Perpetual Guardian* in New Zealand is strong evidence for this line of reasoning (see box). Reducing their working week from five days to four saw productivity increase by 25 %, exactly offsetting the lost hours so that overall output remained unchanged. (Perpetual Guardian, 2019)

Could other firms across the UK really copy their example? Is a four-day week really a cost-free exercise that would involve no loss of output? Most workers certainly seem to think so; a *YouGov* survey of 2,000 UK workers in June 2019 found that

74 % of workers think they could get their current week's work done in just four days with no loss of quality. Among millennials, the figure was as high as 79 %. (Indeed, 2019)

Clearly the public appetite is there for reductions in working time and pressure is mounting. There is a sense that the issue has captured the current zeitgeist and that we might be on the verge of a major reduction in working time. Yet it would be a mistake to think this is an unprecedented occurrence – in fact it is the recent *lack* of working time reductions that is the historical anomaly. To better understand where we are today we need to take a quick step back through time to look at how we got here and how the weekend was won.

Perpetual Guardian Case Study

In March 2018, Perpetual Guardian, an estate planning and investment advice firm in New Zealand, began an eight week trial of a four-day, 30-hour week for all of its 240 employees, with pay and all other conditions remaining unchanged. What makes this case study particularly interesting is that the trial was followed in-depth from beginning to end by researchers from the University of Auckland and Auckland University of Technology, providing a wealth of valuable data. Overall output, work quality and job performance remained unchanged, while measures of wellbeing and engagement increased significantly. The firm since decided to adopt the policy permanently and has been featured around the world.

2

A SHORT HISTORY OF THE WEEKEND: HOW DID A FIVE-DAY WEEK BECOME THE NORM?

In the late 19th Century, the prevalent working pattern for most workers in the UK was a six-day working week of about 56 hours, with Sunday as the only common rest day. This itself was already a reduction for some on the working week in the earlier part of the 19th Century, when workers in some industries had to work 12, 14 or even 16-hour days. The concept of a weekend was unknown throughout most of the industrial revolution – the first recorded use of the term was in 1879 when British magazine *Notes and Queries* observed that:

»If a person leaves home at the end of his week's work on the Saturday afternoon to spend the evening of Saturday and the following Sunday with friends at a distance, he is said to be spending his week-end at so-and-so.«⁷

It was in the industrial north of England that the concept first emerged of a slightly longer weekend, being originally one-and-a-half rather than two full days off. Factory owners noticed that workers, spending their Sundays drinking and merrymaking, were often hungover and tired when they returned to work on Mondays. As part of a voluntary agreement, they started to offer workers Saturday afternoons off from 2pm onwards, in exchange for them having more time to recover and be fresh for work come Monday morning. (Rybinski, 1991)

As more factory owners noticed that giving workers more time off actually increased their productivity, the concept spread. In America in 1908 a New England Cotton Mill adopted a full two-day weekend, in order to give Jewish workers the option to rest on the Sabbath (sundown on Friday till sundown on Saturday).

It was not until the 1920s, however, that the working week began to shorten significantly for many workers (see chart). In 1926 Henry Ford reduced the workweek at all his plants from six days to five, with no loss of pay for workers – the same kind of unilateral and unconditional move that campaigners for a four-day week are arguing for today. Along with offering higher pay and better working conditions to

his employees, Ford realised that a reduction in hours might make financial as well as moral sense – the high productivity which he was legendary for achieving at his plants is testament to this insight.

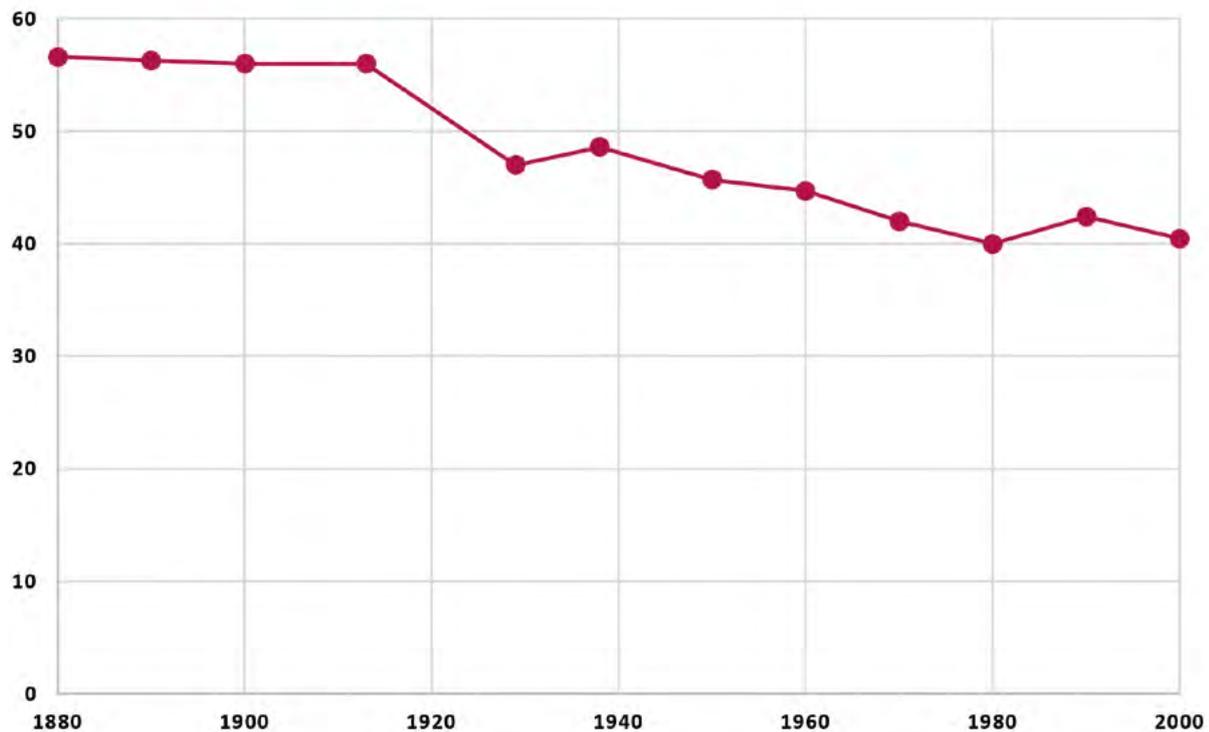
The 1910s and 1920s were an era of growing automation and productivity as the production line technologies and electrification of the second industrial revolution were finally being realised in full. While these productivity increases may have been a spur to reducing working hours, however, reducing working hours was also, as described above, a spur to further gains in productivity.

Still, throughout the 1920s and the depression-era 1930s many workers continued to work six-day weeks. The final major step towards standardising a two-day weekend occurred in the 1940s shortly after the end of Second World War, as large numbers of demobilised troops returned to the workplace which, combined with the wartime entry of women into many workplaces, led to a sudden glut of labour. In 1946 several industries where female employment was highest moved to adopt a five-day week of between 43.5 and 45 hours. The Engineering Employers Federation also struck an agreement in 1946 with the CSEU, establishing officially a 44 hour, five-day week. Media openly predicted at the time that this agreement, between one of the largest unions and largest employers' organisations in the country, would lead to a ripple effect and the spread of the five-day week throughout major industries. This prediction was quickly borne out; levels of absenteeism on Saturdays were already high, as cultural expectations of having Saturday off had started to become more widespread. It therefore made obvious sense for the few remaining holdouts to swiftly move to follow their example and standardise at a five-day week.

Other countries were swift to follow and throughout the 1940s to 1960s the five-day week became the standard across most of the developed world. While majority Muslim countries traditionally had Friday as their religious day of prayer, the main rest day of the week, a series of reforms across the Arab world in the 2000s and early 2010s led to a synchronization with other countries around the world in terms of week length and the days of the weekend, to a five-day week with either a Friday-Saturday or Saturday-Sunday weekend.

⁷ Stanton, Kate (August 9, 2015). »The origin of the weekend«. The Sydney Morning Herald.

Figure 4
Weekly Work Hours
 Work hours of full-time production workers (male and female) in non-agricultural activities



Source: Huberman & Minns (2007)

The result of this century or more of reforms is that almost the entire world now sees a five-day week as standard practice. The International Labour Organization today defines any workweek exceeding 48 hours to be »excessive« and in 2007 estimated that there were still 614 million people worldwide working excessive hours each week. (International Labour Organisation, 2007)

What this history shows us is, firstly, that the working patterns common across the world today are neither inevitable nor natural. They were achieved after a combination of hard-fought campaigning, agreements struck with workers, regulations imposed by governments, and decisions made by individual business owners based on the incentives and circumstances of the time. As Aiden Harper of NEF put it:

»If you look at the history of working hours, it's always been something that's been heavily contested.«

Just as the six-day week disappeared over the last century, there is no inherent reason why the five-day week couldn't do the same today.

Secondly the history shows us the importance of norms, trend setting and market leaders. Once key individuals and organisations like Henry Ford and EEF moved their workforces onto a five-day week, public expectations and demands were quick to shift, first in other competing organisations in the same industries, then across the rest of the national economies and finally across the world. Government regula-

tion has at times, like with the Factory Acts in the 19th Century, led the way in pushing employers towards reducing hours, but at other times it has been more of a follower than a leader. What real power the government does have, in the modern economy, is as the UK's largest employer – norms and expectations set among their own workforce are likely to quickly percolate through the rest of the economy. John McDonnell and Labour policymakers interested in bringing about a shorter working week in the UK should take note.

A final lesson relates to the non-binary nature of working days – a day doesn't have to be an entire work day or an entire rest day. Throughout much of the late 19th and early 20th Centuries, Saturday was a »half-day« for many workers. Could the same be happening to Fridays in the early 21st Century? Many workplaces already have either official or unofficial policies that allow workers to leave early on Fridays, while in most other workplaces Friday afternoons have long been regarded as a cliché of unproductivity. Why not simply let workers go home at 2 pm if they are going to be unproductive anyway after this time? Several provinces in China have already adopted a four-and-a-half-day week with Friday afternoons off. Similarly, many Muslim-majority countries that have a Saturday-Sunday weekend currently offer lots of time off on Fridays for prayers. Given that a Friday-Saturday-Sunday weekend covers all the holiest days of three of the world's major religions, there is a strong globalised pull towards standardising working time in this way. Perhaps the world is already moving, slowly but inexorably, towards a two-and-a-half day weekend as a stepping stone to a full three-day weekend?

3

FORMS OF SHORTER WORK WEEKS

In the last couple of years, a surprising number of employers across the UK have started publicising the fact that they are running shorter working weeks. A closer examination of many of these cases, however, indicates that the reality is much more complicated. All the UK companies currently claiming to offer shorter working weeks for their employees are actually operating a wildly varied set of different practices. Some do genuinely offer a three-day weekend while keeping all other terms and conditions the same. Others are in fact running condensed weeks with the same hours squashed into fewer days, or reduced hours in exchange for reduced pay or other changed conditions, such as fewer holidays, or shorter lunch breaks. Some firms that claim to offer four-day weeks in fact, on closer inspection, are simply allowing employees to work from home on the fifth day – allowing more flexible working is certainly a positive thing, but it hardly constitutes a genuinely shorter week.

CONDENSED WEEKS

The first kind of four-day week involves no actual reduction in working hours at all; rather it involves compressing the existing weekly working hours into four longer days, enabling workers to take Fridays (or another day) off completely. Often called a condensed week, or compressed week, this is most popular in the USA where it is typically referred to as the 4/10 week (10 hours per day, for four days a week). *Intrepid Camera*, one of the UK firms spoken to for this report, was operating a condensed week of this type – their case study is discussed in more depth below.

In the USA, the entire Utah state government operated a 4/10 week from 2008 to 2011, but the policy was ultimately discontinued after the legislature reversed it, citing complaints from the public over lack of Friday service. The effects of this experiment on productivity and cost savings remains contentious, though the government's official figures suggested a net cost saving of \$1–3 million and subjective reports from the workforce of maintained or increased productivity.⁸

⁸ <https://www.governing.com/columns/utahs-demise-of-the-four-day-work-week.html>

A condensed week is seen as an 'easier' option by management in many organisations in that there are no lost hours and therefore less risk of reduced output, while still offering workers a full extra day for their own projects and making the cost and environmental savings of being able to close offices an extra day per week. It also, however, undermines many of the benefits of having a shorter working week for the same reason – tiredness and presenteeism are just as likely to be problems and stress levels may actually increase due to the long working days. It also poses potential challenges for parents or others with caring responsibilities, as they may face burdens arranging childcare.

SHORTER DAYS

Another interpretation of offering a shorter working week is completely the opposite of the above. Rather than lengthening days to take a whole day off, a number of UK firms are experimenting with shorter working days across the full five-day week. Dorset-based accountancy firm *Bright Horizon Cloud* and *Senshi Digital*, a marketing agency in Glasgow, are both examples of firms that have adopted this approach, offering a six-hour workday and finding their productivity has increased.

Communications agency *Conversation Creation* also ran a number of experiments in 2015–2016 involving a choice of working either five six-hour days or four eight-hour days per week. Ultimately, however, by late 2016 the firm was finding it difficult to maintain the reduced working hours of either approach as workloads increased.

WITH PAY OR TERMS REDUCTIONS

One of the key pillars of the four-day week campaign is that the time reduction should not involve a loss of pay – if workers are seeing their pay cut by 20% in return for having a day off each week that is not an offer of a shorter working week; it is the kind of enforced reduction of paid hours that is most often seen as an alternative to redundancy and resisted by unions and workers accordingly.

However, the distinction between a genuine offer of a shorter working week and the more painful trade-off be-

tween pay, hours and conditions, is not always so clear cut. Some of the firms that are discussing shorter working weeks are doing so with at least partial pay reductions – *Amazon* for instance has been offering some employees an optional four-day week on reduced salaries since at least 2016.

Alternatively, other terms and conditions are changed to partially offset the working hours reductions. At UK PR firm *Radioactive* for example, one of the firms discussed below that has moved to a four-day week following a trial, lunch breaks have been cut to 45 minutes and annual leave allowances reduced by 20 %, clawing back a total of around 15 days a year of the 52 that were given to workers by allowing them every Friday off.

FLEXIBLE DAYS OFF

For those firms that are genuinely offering a four-day week, there is a divide between those which close down the workplace on a fixed day each week and those which allow workers to choose, with at least some degree of flexibility, which day they want to have off. Clearly the latter approach is more favourable for most workers, allowing them to pick and choose which days work best for their own personal circumstances and allowing, for example, workers to choose a day off which coincides with a particular class, activity or volunteering opportunity they want to participate in. The *Simply Business* call-centre in Northampton is one firm offering this degree of flexibility to its workforce. Other more radical firms are experimenting with the concept of no fixed or mandatory working hours at all, allowing workers to come and go from the office whenever they please, as long as the job gets done.

The downside to the flexible approach is the extra logistical burden on the employer of ensuring that the schedules match up and leave enough staff in the office each working day to run normal business operations without placing undue burdens on them, as well as making sure that nobody is unfairly penalised by e.g. choosing to take Mondays as their day off and not being compensated for those that coincide with Bank Holidays.

According to Professor Jarrod Haar, however, who studied what workers at *Perpetual Guardian* were doing with their extra day off, this extra degree of flexibility in allowing mid-week days off, rather than just Fridays, could be particularly beneficial:

»Other activities were especially relevant because the day off occurred between Monday and Friday. Parents talked about attending school activities – for the day. Some spoke of going to their child's class and being a »helper« for the day. Others worked with a community group or a charity to give back on their day off. Interestingly, many spoke about how the day off during the week empowered them – recharging batteries – and enabling them to perform their next days at work with additional energy and focus.«

Perpetual Guardian, 2019

FIXED DAYS OFF

The final and perhaps most commonly imagined type of shorter working week is one where everyone is given the same day (or half-day) off each week. For historical and convenience reasons this is most typically Fridays, though not always – the *Sat Baines Restaurant* in Nottingham for example operates on a four-day week of Wednesday-Saturday and other hospitality firms may similarly prefer to close during quieter weekdays.

This is the approach taken by *Pursuit Marketing*, who had previously been running a condensed week to allow for early departures on Friday afternoons, before eventually moving to abolish Friday working altogether. Their approach is reminiscent of the historic emergence of the weekend, which started with workers leaving early on Saturdays before Saturday working was gradually abolished across the UK and then most of the world.

Multiple firms offering their workers the same, fixed day off – most likely Fridays – has a number of potential additional benefits beyond other approaches to cutting working hours. While less flexible from an individual worker's perspective than getting to choose how to take their time off, it is much simpler and potentially cheaper for the employer to administer. By closing the workplace completely on the day off, considerable costs in energy usage can be saved and workers don't miss out on potential collaboration time with their colleagues by having non-overlapping work schedules.

The section above on the history of the weekend also points to the importance of trend setting and emerging norms and expectations when it comes to reducing working hours. This could be the most powerful argument for a fixed day off approach; if many large employers start to shut down on Fridays, their clients and suppliers will find increasing pressure to follow suit as there will be little benefit in being the only firm open when no work can get done. Similarly once social expectations emerge of Friday being a »rest day« workers and unions in other sectors are far more likely to press to have the time off.

4

THE CASE FOR A FOUR-DAY WEEK

While it is still early days for the four-day week movement, public expectations for what it might bring are already high (see chart). Physical and mental wellbeing of workers is clearly the number one factor emphasised by most advocates of shorter working weeks, along with improved productivity, creativity and motivation from a workplace perspective. But there are also reasons to think that a four-day week could have considerable knock-on benefits for wider society, families, communities and the environment.

WELLBEING

One of the most powerful arguments for a shorter working week is its impact on employee wellbeing. Most obviously, this can be achieved by helping to prevent burnout among over-stressed employees, improving their mental health. 22% of UK employees reported in 2017 that they had come into work despite feeling unwell because of a mental health problem – up from 18% the year before⁹. One in

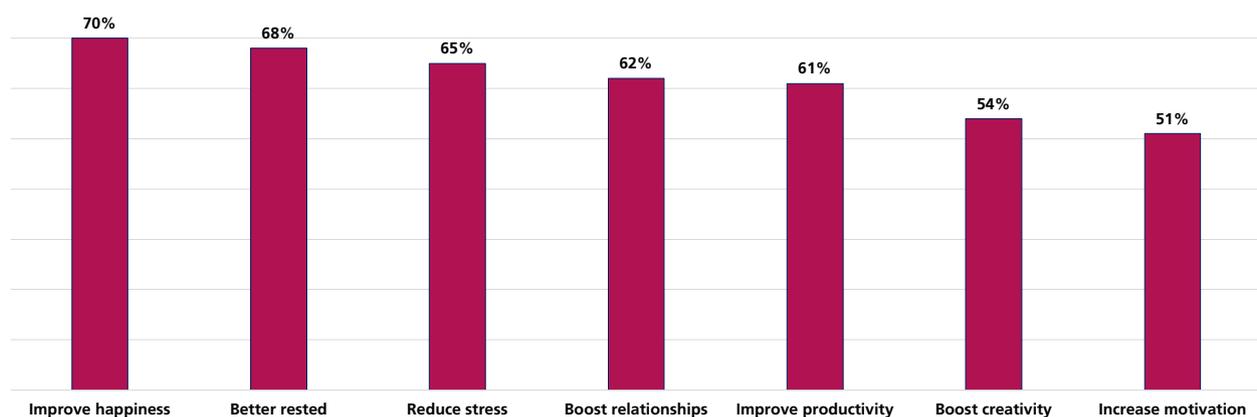
four of all sick days last year was a result of mental health from overwork. Often this is exacerbated by a culture of presenteeism and facetime, coupled with a pressure to be »always on«.

It has long been argued by academics that »long working hours are associated with increased risk of [depressive symptoms]« (Nakata, 2017). In the UK there is little doubt that working hours are directly associated with stress – as the chart of data from the Workplace Employment Relations Survey 2011 clearly indicates.

At the extreme end of the spectrum, long working hours can lead to such mental and physical health problems that it can increase chances of death. In Japan overwork related deaths have become so commonplace that they have their own word for the concept – Karōshi (過勞死) – being mostly a combination of heart attacks or strokes as well as suicides brought on from the mental and physical exhaustion of overwork. While the situation in the UK is unlikely to be as bad, it is possible that some cases of overwork-related death go unreported – work-related suicides in the UK are not recorded by official statistics, but those countries which do record them such as the USA, France, China or Australia all report a steep increase over recent years, at least part of which is attributed to overwork (Waters, 2017). Looked at

⁹ Survey by Canada Life cited in »Mental health presenteeism rising as over a fifth go into work when mentally unwell«, (October 2018), HR Review <https://www.hrreview.co.uk/hr-news/wellbeing-news/mental-health-presenteeism-rising-as-over-a-fifth-go-into-work-when-mentally-unwell/112581>

Figure 5
Top expected benefits of reduced working hours
 according to survey of full-time UK employees



Source: Viking/Consultancy (2018)

from another angle, mistakes made by stressed and over-worked doctors are seen by the NHS as a major risk factor in avoidable patient deaths.

An extra day off each week could make a huge difference in allowing time for people to recover from stressful jobs. In addition, wellbeing could be further boosted by improving people's personal lives – having an extra day at home could make a big difference to workers' abilities to achieve a healthy work/life balance and manage their family commitments and personal relationships. The case study at *Perpetual Guardian* found stress levels fell from 45 % to 38 % after the introduction of a four-day week, while measures of work/life balance rose significantly from 54 % to 78 %.

PRODUCTIVITY

Parkinson's Law, an adage first coined in 1955 and since repeated by many figures including Mikhail Gorbachev, states that »work expands so as to fill the time available for its completion.« Perhaps the most major recent development of this fundamental idea is the »Bullshit Jobs« thesis put forward by anthropologist David Graeber in his 2018 book of the same name. Graeber suggests that over 50 % of all societal work is currently pointless, arguing that this is precisely the reason that Keynes' vision of a 15-hour work-

week has not been realised; in particular he identifies five key types of roles that exemplify this unproductivity (see box, p. 14).

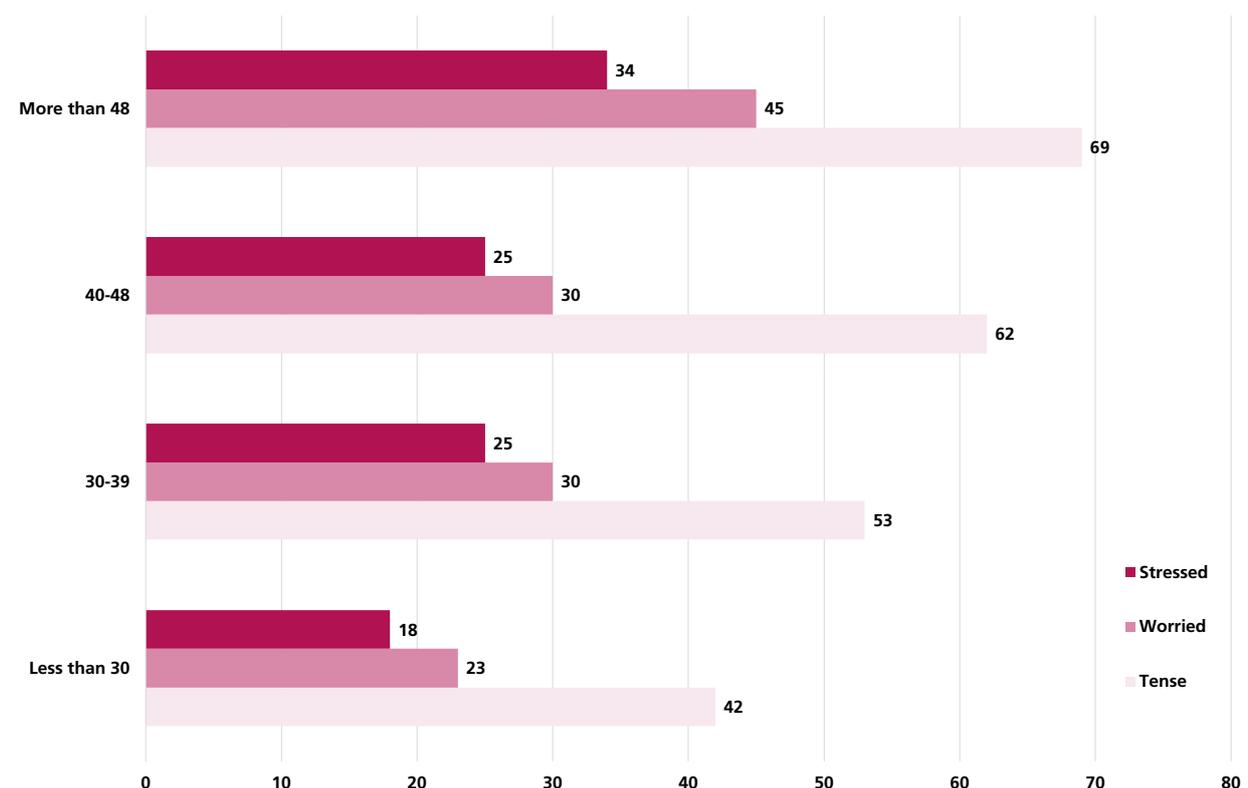
Although Graeber outlines these as entire jobs that are socially pointless, in practice many or even most workers in the modern economy probably spend at least some part of their daily work carrying out activities which could fit into one of those five categories.

Reducing working time might not, in fact, reduce productive work hours at all but could simply help to eliminate some of the time workers across the economy spend on these pointless tasks, in accordance with the following corollary to Parkinson's Law: »Work contracts to fit in the time we give it.«

The second key argument towards boosting productivity is that a shorter working week will boost employee engagement. There is considerable evidence for this effect; in the *Perpetual Guardian* study all measures of engagement went up considerably, team commitment for example rose from 68 % to 88 %.

As has already been argued, a shorter working week would improve worker health and can thereby reduce presenteeism figures. It is estimated that presenteeism means employees across the UK are only operating at 84 % capacity across the year, meaning a loss to the average employer of

Figure 6
Employee stress by weekly working hours (%)



% replying »all«, »most« or »some« of the time.
Source: WERS 2011

The five types of ›Bullshit Jobs‹

Flunkies, who exist primarily to make other people feel important; historically retainers or footmen standing around in uniforms, today more likely to be receptionists, doormen (who still sometimes stand around in uniforms) or people who organise meeting rooms or greet visitors on arrival.

Goons, who exist to threaten and act aggressively on their employers' behalf towards potential rivals, often countering the goons of the other side in a zero-sum game; most obviously soldiers, but also lobbyists, PR, telemarketers and corporate lawyers.

Duct tapers, who work to ameliorate or patch up problems which should never have existed in the first place; proof-readers checking the error-ridden output of writers who write so carelessly only because they know their work will be proof-read, or those cleaning up after people who only leave such mess because they know the cleaners will clean it.

Box tickers, who create unnecessary work for themselves in order to create the illusion of activity; the producers of in-house magazines or bureaucrats who produce and then fill in their own forms to make it look like problems are being addressed.

Taskmasters, who exist to manage or create extra work for other people; typically middle managers who make their workers spend time working on personal vanity projects, or supervising people who don't really need supervision.

over £4,000 per employee in lost productivity. Employees are in work despite being unwell for an average 2.5 weeks a year; several times the average annual sickness absence of 6.6 days a year (Whysall, Bowden, & Hewitt, 2017). Presenteeism therefore accounts for considerably more lost income in the economy than absenteeism.

For older workers in particular, shorter working hours may boost productivity. A University of Melbourne study found that for employees over the age of 40, productivity was maximised at just 25 to 30 hours per week, after which it began to decline. According to the report,

»Work can be a double edged sword. It can stimulate brain activity. But, at the same time, long working hours and certain types of tasks can cause fatigue and stress, which potentially damage cognitive functions.«

Kajitani, McKenzie, & Sakata (2016)

Torsten Bell of the Resolution Foundation has expressed scepticism about the likelihood that a four-day week could be achieved with no loss of output, saying:

»It is very hard to assert that overall output will rise if you cut 20% of your hours across the economy as a whole.«

Nick Ferrari, talk-radio host on LBC has meanwhile described it as an »an insane notion« on a debate on the subject in early 2019. Nevertheless the *Perpetual Guardian* case study found that productivity did indeed increase almost precisely to offset the lost output. (Perpetual Guardian, 2019)

What may be the case, however, is that productivity is easier to increase in some sectors than others. Jobs that are customer-facing or involve the provision of some kind of continuous public service, for example, may be particularly resistant to productivity increases of this kind; this potentially barrier is discussed in more detail in the next chapter.

EQUALITY

A different argument in favour of a four-day week relates not to boosting productivity but to sharing the fruits of productivity gains brought about by automation and new technology. This is the argument most strongly put forward by the TUC in its demands around working time reductions. At present UK full-time workers generate an average of £32 billion in unpaid overtime for their employers, at the same time as many other workers are underemployed and unable to get as many hours of paid work as they want. Some see demands for a four-day week as part of an effort to redress this imbalance, as the underemployed could gain extra hours to replace those being taken away from full-time workers.

New technologies have the potential to bring enormous time savings over the coming years. One forecast suggests that by 2030 AI assistants will be commonplace in almost all workplaces, freeing up an average of 3.5 hours each week in unneeded administrative tasks; the equivalent of 12 days a year from this one technology alone (Henley Business School, 2018). Meanwhile, research by the Social Market Foundation suggests that a 30% increase in productivity could result from AI and robotics together, enough to enable the working week to fall to four standard working days for all UK employees. Scott Corfe, the SMF's chief economist who authored the report, commented:

»Robots, AI and big data could dramatically change society for the better, addressing the UK's productivity crisis and creating more enjoyable work as mundane tasks are automated. If we manage this revolution properly, workers will get new choices, including whether to reduce their working week and having more leisure time.«

There is also a major argument around gender equality. At present women still shoulder the lion's share of reproductive labour in the UK, primarily caring responsibilities and housework, while still in many cases also working a full five-day week. A shorter working week could form part of a set of demands around valuing unpaid care work; at *IG Metal* in Germany for example care issues were key in recent workforce demands for shorter working hours. More generally a four-day week could help promote gender equality by lowering the barrier to new mothers returning to work and en-

sureing that men are more available during the week to shoulder their fair share of the domestic labour.

THE ENVIRONMENT

Yet another set of arguments for a four-day week revolve around environmental and sustainability concerns. One of the most extensive studies to date found that countries with shorter working hours were associated with reduced carbon emissions and ecological footprints. (Knight, Rosa, & Schor, 2012)

If offices are closing down for an entire extra day each week, the lower levels of commuter traffic on our roads will lead to significantly less congestion and air pollution. The recent Extinction Rebellion protests in London, which led to a significant increase in home-working during the week they were blocking traffic, resulted in reductions in harmful nitrogen dioxide and other pollutants of almost 50% in some parts of the city. A four-day week has the potential to eliminate 20% of all weekly commuter traffic at a stroke. Energy usage too could be significantly lowered if workplaces could shut down one day a week.

Alternatively, having reduced working hours each day across a five-day week would reduce time pressures on workers getting to and from work; many might use this time to enjoy more healthy and environmentally friendly commutes, for instance by bicycle or walking.

TIME FOR WHAT?

What would you do with an extra day of personal time each week? This is the question that immediately confronts workers moving to a four-day week. The range of answers from all the firms looked at in this report is extremely broad – perhaps itself a good sign of the breadth of valuable benefits that a four-day week could bring. »Resting«, »Watching TV« and »reading« or other commonplace leisure activities were certainly common responses. But many respondents also mentioned more creative or constructive pursuits, such as taking up new hobbies, learning languages or even »building a robot.«

Professor Jarrod Haar, who studied the *Perpetual Guardian* trial, asked employees what they typically did with their time off work before and after the four-day week trial began and noticed some interesting differences in what people would do with three days off rather than just two:

»a lot of activities mentioned above remained the same. But new uses for the day off emerged. Examples included ›baking a cake and spending time with parents‹, ›spending much needed time studying‹, and ›cleaning the house on a Wednesday and then having the weekend free‹. Someone spoke of their partner working nights and enjoying the opportunity to be home with them on their day off.«

Interestingly many of these activities involve more social time, particularly to spend with family members. Given the growing care crisis in the UK and our ageing population, giving people additional time for caring responsibilities could help make a huge difference in this area. Other socially valuable activities workers mentioned at many of the firms running four-day weeks included volunteering and charitable work; the overall contribution of a four-day week to boosting local community organisations could be significant. More shopping time could also help boost consumer demand in the economy and support our flagging retail and hospitality sectors.

Alternatively, many workers could make use of the time to acquire new skills and knowledge; something that may be increasingly important as we look towards the future of work and the changing nature of the workforce. Projections suggest that, as technological advancement accelerates, workers may need to change profession several times in their working lives to avoid obsolescence; allowing a four-day week would provide a window for this retraining and, at the same time, help to gradually transition the workforce towards the idea of an automated world with much more limited human work and a universal basic income that many would like to see us achieve later in the century.

5

BARRIERS TO A FOUR DAY WEEK

Listen to its enthusiasts and a four-day week can often sound like a panacea to all of society's problems – bringing everything from better sleep and improved family and marital relationships at home to better creativity and productivity in the workplace, while saving the environment into the bargain. It is worth, however, reflecting on some of the potential costs and implications of such a policy that its critics point to, if only to consider the barriers that such a radical change to our working lives would first have to overcome.

INTENSIFICATION

One of the main concerns about a four day week is the risk of increased intensification of work to try and pay for it. As already discussed, some companies offering a ›four-day week‹ are in fact working ten hour days, four days a week – a redistribution rather than reduction in weekly hours and one that is likely to have negative as well as positive consequences for work-life balance and wellbeing. Even among companies that do genuinely reduce weekly work hours, there is a danger that pressure might increase to work much harder and faster during the remaining hours to make up the difference. The 2018 Skills and Employment Survey already found the proportion of workers feeling their job required them to work ›at very high speed‹ for three-quarters or more of the time rose to 31 % last year – the highest level since 1986. (Green, 2018)

Increasing productivity is not always without drawbacks. Condensing a week's work down to fewer days would add pressure to eliminate unproductive time such as non-scheduled breaks, time spent browsing social media and other ›time-wasting‹ activities. In some cases this is clearly a good thing, as many workers would undoubtedly prefer to spend an extra eight hours at home every week, doing whatever they like, rather than spending those eight hours putting in unproductive facetime at the office.

However, for some workers, unproductive downtime throughout the working day is actually a very valuable resource. Professionals with inherently stressful work such as police officers or doctors often have to process a lot of traumatic experiences each day; periodic ›unproductive‹ work such as filling in forms or taking other time away from their frontline duties can actually provide important breathing

space during their daily schedules for them to mentally process their experiences before moving on to the next job. Similarly some work that is very mentally taxing is hard to perform for seven or eight hours a day with only the statutory minimum rest breaks; unproductive slack during the working day is actually quite a valuable resource that protects the mental wellbeing of workers in these roles – something that could be threatened by the pressure of trying to increase productivity to make a four-day week financially viable. According to Rachel Kay, a researcher on the Robert Skidelsky commission¹⁰:

»A common complaint after France's move to the 35-hour week was that companies intensified work to an unpleasant degree, making work more stressful,« she said. »So whether a shorter working week without new hires would result in improved wellbeing for employees depends on the existing workloads in any given workplace.«

COLLABORATION

A second issue that confronts particularly the more flexible models of working is the benefits of having workers all in the office on the same days and at the same times, in terms of their ability to collaborate and work together on shared projects. Likewise if work pressures increase due to there being fewer hours to get things done, conversation among colleagues may be one of the first things to disappear; potentially to the detriment of creativity and sense of social cohesion and engagement.

Treehouse, a US online education firm in Portland, Oregon, cited the need for workers to collaborate across different time zones, alongside customer expectations of service during normal business hours, as major reasons for their abandoning a four-day week experiment¹¹.

¹⁰ Lord Professor Robert Skidelsky, economic historian and biographer of John Maynard Keynes has been commissioned by the Shadow Chancellor John McDonnell MP to undertake an inquiry into Shorter Working Time on behalf of the Labour Party. They are expected to report later in the summer of 2019.

¹¹ <http://www.bbc.com/capital/story/20180828-just-how-short-could-we-make-the-workweek>

Arranging a full team meeting could be particularly hard if everyone is taking different days off work each week. This would be less of a problem in the case of global harmonisation, for instance if a three-day Friday-Sunday weekend were to become an established norm across the economy.

SERVICE PROVISION

Something that should perhaps be more concerning to advocates of a four-day week is a suspicious similarity between all the examples of firms running shorter working weeks that have been mentioned in the media in recent years and collected in this research. A very high proportion are start-up firms working in either PR, communications, creative design or digital sectors. A smaller number are hospitality firms and very few are from the retail, manufacturing or other sectors. No UK examples could be found in any parts of the public sector and the only other European public sector example located – that of the Svartedalen care home in Sweden – had been discontinued.

The explanation for this discrepancy is likely fairly simple. Office-based jobs where people work on a project-by-project basis are often ones where the weekly workload can be easily moved around; it's just as easy to send some emails, make phone-calls and write a report / piece of software / design a logo on a Thursday afternoon as it is on a Friday morning. Firms practicing four-day weeks are almost exclusively those where continuous availability and service provision are not required.

This is not the case for other kinds of jobs. Productivity gains in some kinds of customer-facing roles are simply not achievable in the way they are for office roles. A barista or museum guide cannot possibly make up the number of coffees made or visitors escorted on the other four days of the week in order to take Fridays off. Frontline retail and hospitality workers in bricks and mortar stores are, for the most part, required to be constantly present so long as the stores are open and the same is true of any public sector professionals providing a vital public service. Police officers, firefighters and NHS workers are at the extreme end of this spectrum – these services need to remain available 24/7. To allow 20% working week reductions for these kind of workers would necessitate 20% more workers to cover the additional shifts – at an enormous cost to taxpayers at a time when we have already been through a decade of austerity.

This was exactly the situation faced by the Svartedalen care home in Gothenburg, Sweden, which in 2017 concluded a two-year trial of a 32-hour workweek with no pay reductions. In keeping with other such studies, the trial found reduced sick leave, better healthcare and improved quality of care. The cost to the city of hiring extra nurses, however, was equivalent to around £1.1m and ultimately the trial was not continued, with workers returning to previous working patterns. The councillor responsible, while positive about some of the findings, concluded bluntly on the results of the trial; »Could we do this for the entire municipality? The answer is no, it will be too expensive.«

COMPLEXITY

The four-day week campaign received a major boost to its momentum in January 2019 when the *Wellcome Trust* announced it was considering the possibility of moving all 800 of its head office staff onto a four-day week. The organisation had seen the results of the case study at *Perpetual Guardian* and were excited by the possibilities to boost its productivity and improve the work-life balance for its employees. It was to be the largest employer ever to offer a genuine four-day, 32-hour week without loss of pay.

Ultimately, however, the plans were shelved in April after an internal study had concluded they would not be feasible. Ed Whiting, Director of Policy at Wellcome, said:

»After extensive internal consultation on whether we should trial the four-day week, we have concluded that it is too operationally complex to implement.«

It seems that a large part of the problem was the wide variety of different kinds of employees within the organisation – some of them, like those working for the PR and creative start-ups described above, would have been relatively easy to transition to a four-day week with no loss of output. Other types of workers who were needed to be constantly available may have needed extra staff recruited to make up the lost hours. Schedules and rotas would have had to be drawn up to work out exactly who was needed in the office at what times.

Overall, the conclusion appears to have been reached that the end result would not have been equitable – offering a flexible choice of a day off to some workers while others would in practice have ended up working a condensed week at best, putting in the overtime necessary to get their jobs done in order to »earn« their day off. The charity concluded, perhaps wisely, that if the offer of a four-day week would not be fair to all workers, it was best not to do it at all.

The lesson to be drawn would seem to be that implementing a four-day week for a large organisation, with over 500 workers in many different kinds of professions, is an order of magnitude more difficult than implementing one at a small, start-up firm with a handful of employees who all know one-another and all do fairly similar jobs. If true, this might explain why so far no employers larger than *Perpetual Guardian's* 240 employees have successfully made the move, compared to many dozens of microbusinesses in the UK alone.

CASE STUDIES: WORKING WEEK REDUCTION IN PRACTICE

Around 30 employers in the UK have so far been reported to have been experimenting with shorter working weeks, of various forms. To understand more about their motives and experiences, we outline here a selection of six firms in

more detail. First, the *Perpetual Guardian* Study which has garnered such a large share of the global attention on this issue, followed by two other firms which continue to operate some variant of a four-day week, one of which trialled and then discontinued a four-day week and two of which are preparing for the switchover in the coming weeks and months.

PERPETUAL GUARDIAN – THE EXAMPLE BEING FOLLOWED AROUND THE WORLD

Perpetual Guardian are a financial firm based in New Zealand, specialising in estate planning, philanthropy and investment advice. Employing 240 staff, in March 2018 they embarked on what was initially an eight-week trial for all staff, moving from a 37.5-hour, five-day week to a 30-hour, four-day week, with pay and all other terms and conditions remaining unchanged. Part of the reason this case study has garnered so much global attention is that the firm partnered with academics from the University of Auckland and Auckland University of Technology (AUT) to assess the outcomes of the trial in a rigorous way and publish the results for others to analyse.

It was hoped from the outset that the trial might generate improvements in productivity. Founder Andrew Barnes had noted that New Zealand lagged near the bottom of the OECD productivity rankings and was looking for innovative approaches the firm could take to working practices. Ultimately this objective was achieved very successfully – total output was successfully maintained at pre-trial levels, implying that per-hour productivity had increased by 20 % to exactly offset the extra time off. Christine Brotherton, Head of People and Capability at Perpetual Guardian, put this largely down to extra motivation and commitment from a more engaged workforce, saying that:

»If employees are engaged with their job and employer, they are more productive. The trial was a valuable and timely way to test our theory that efficiencies will come with more staff focus and motivation.«

Additional benefits from the shorter working week were very clear. Work life balance metrics improved from 54 % pre-trial to 78 % post-trial. Staff stress levels fell from 45 % to 38 %. There were reports that people tended to finish their work week more tired than before, owing to the increased work intensity of having to get everything done in less time, but for most this was more than made up for by the other benefits. Professor Jarrod Haar, one of the academics from the Auckland University of Technology who analysed the trial, said:

»Employees talked about the benefit of having an extra day off, and not only did they recover and rejuvenate with that extra time, they also engaged in new activities that enriched a wide range of people and community groups, and left employees with greater energy levels when they returned to work.«

Dr Helen Delaney, another of the academics studying the trial, felt that the degree of employee involvement and participation in deciding how to implement the four-day week was particularly crucial to its success, saying that one of the key lessons was that

»[...] employees need to have a say in how they [are] going to work differently and when they're going to work differently. If Management adopts a top-down approach to redesigning work rosters and work tasks, there's a real risk of creating some disgruntlement.«

Ultimately the trial was so successful that the company opted to shift on a permanent opt-in basis to a four-day week across the business from 1 November 2018. Dr Delaney summed up the situation by saying:

»Overall, most people enjoyed the quid pro quo of giving more of themselves at work because they knew they were getting the chance at a fuller life as well. But there was a minority who preferred to return to a five-day week and be able to experience a slower pace at work.«

PURSUIT MARKETING – FOUR DAYS' WORK FOR FIVE DAYS' PAY

Pursuit Marketing operate a digital marketing operating and call centre in Glasgow, employing 120 people. Their clients include major digital behemoths such as *Microsoft*, *Google* and *Oracle*. They began, back in 2011, to work a slightly condensed week, adding 15 minutes to the morning workday Monday to Thursday, in order to enjoy a slightly shorter day on Fridays, shaving 90 minutes off their Friday workday by leaving at 3.30 pm. They also offered some workers with children or other dependent relatives to look after the option to work part-time in order to better balance their caring responsibilities.

They noticed that those part-time sales workers were averaging around 17 % more output than full-time workers and from this decided, in September 2016, to reduce the working week for all staff to Monday-Thursday, with no loss of pay, a situation that has continued to the present. Their motivation was, explicitly, to boost productivity and they found this had very much been achieved. In the first month after the switchover sales rose by 37 % thanks to the extra engagement and motivation put in by employees. As company Director, Lorraine Gray, commented,

»People thought: if we can make this work, we can keep it ... the time off was valued, so they wanted to make sure they could keep it and they would attack their day. They were clear in their focus and there was less small talk by the water cooler.«

One of the potential problems they identified, however, was that this more intensive work environment and less time for »small talk by the water cooler« meant that socialisation and

collaboration among workers was threatened and there would be less time to develop workplace relationships; to counteract this the firm introduced free pre-shift breakfasts for workers so that they could come into the office a little earlier and do some socialising before their shifts started.

Overall, while not quite able to maintain their immediate bump in productivity, levels are still up considerably on what they were before the shift and turnover last year was up around 30% on what it was in 2016, the majority of which Gray put down to the four-day week switch. As an additional benefit, the firm had experienced significantly reduced staff turnover (down to under 2% in 2018) which in turn helped ameliorate client concerns about nobody being available on Fridays, by keeping the staff with whom they had developed long-standing relationships around longer.

INTREPID CAMERA – CONDENSED HOURS TO PAY FOR FRIDAYS OFF

Intrepid Camera are a small firm based in Brighton, employing 9 staff in the manufacture and design of large format cameras which are shipped worldwide. In operation for five years, they decided in early January 2019 to trial a four-day condensed week, increasing their hours to 8am–6pm Monday-Thursday in order to give themselves Fridays off completely.

Part of their motivation was being inspired by the *Perpetual Guardian* case study which had been widely reported in the press. Naomi Davison, their Head of Marketing and Digital Communications, described how »We were thinking of a way to combat that Friday fatigue. Friday afternoons, productivity just dropped.«

With the agreement of all their staff that the new system was working well for everyone, the trial has since been extended indefinitely, though they accepted that »if anybody thought it wasn't working we would go back«. The firm had certainly noticed an uptick in engagement and productivity, with Naomi commenting that »people come back on Monday feeling really refreshed.« Output had increased as it was easier to stagger and vary tasks throughout a longer workday and there were no more unproductive Friday afternoons, though it was admitted that individual days »can be slightly more tiring as you're at work for 10 hours.« The company also had the advantage that none of the employees were parents with school age children – otherwise the longer working days may have posed an issue for people's commutes.

The workers also seemed to enjoy »a better work-life balance. People have been able to pick up more hobbies or focus on things they do outside of work,« including building a robot and learning French. By having Fridays off, it was also easier for people to take short holiday breaks away from work – by spending just two days off their holiday allowance they could enjoy a five day getaway.

Naomi definitely recommended the advantages of having a single unified day off for all workers, as well as harmonizing lunch and other breaks, saying »we wanted to have the sense of camaraderie, everyone there at the same time ... having it so that it's quite unified is something I'd recommend; everyone having the same break times and same lunch times. People socialise more,« something which helped them cope with the longer work days. Having a single unified day off also helped to simplify the company's payroll compared with the alternative of different days for different people.

Being completely closed on Fridays was not an issue for them as they didn't interact with customers face-to-face and there was a sense that most of their clients didn't expect instant replies from them anyway, though it was admitted that »if we had a shop or people coming in regularly it might not work so well.«

SLEIGHDOGS – AN EIGHT WEEK EXPERIMENT NOT CONTINUED

Sleighdogs are a small company that build digital products for start-ups or corporate innovator accelerator programmes, such as creating a hyper-local social network for a German energy provider. Centred in Germany and Czechia they have eight full-time employees plus a network of freelancers spread across the Europe and the world including the UK.

The company has a heavy emphasis on remote working for most of its workers, with no fixed office hours and a very high degree of flexibility in working times. Co-founder Karl Karafiat described their ethos as being to work when you are doing great work to »preserve that flow« and not work at other times. To operate in this way relied on a high level of trust and transparency, as well as very good project and task management.

Their trial of a four-day week was what they describe as an »expedition« – a personal project suggested by an employee with potential to generate value for the company. The objectives were to improve personal wellbeing and learn how to increase productivity and efficiency. For the eight weeks of the experiment, it was agreed that nobody would work on Fridays.

Ultimately, the experiment did yield improvements in productivity, but it was decided to try and revert back to a five-day, 40-hour week in a way that preserved some of the efficiency-improving lessons that had been learned, rather than to continue with a four-day week. The top reason given for not continuing the trial was the difficulty in keeping up with clients' needs and expectations to be available five days a week; as Karl commented, »you're getting out of sync with the outside world if your operating system is a different one.«

The second reason given was the sheer strain that trying to reduce hours put on the company's structure; »if you are a

small company and don't have redundancy in your functions, when you're a communication heavy business, it puts additional strain on people who are already overloaded like project managers.«

While he thought the company might revisit the idea again once their team was bigger, or try experiments with staggered days instead, he concluded that the idea »sounds great, but it's tough«, particularly for small firms, and should not be approached by giving employees a sense of entitlement that such a trial has to lead to it being done forever.

MEMIAH – A SCIENTIFIC STUDY OF THE IMPACT OF A FOUR-DAY WEEK

Memiah are an information and digital resource company, who run a network of dictionary websites and publish the mental health magazine *Happiful*. Like *Pursuit Marketing* above, they also have historically had shorter Fridays, working only a six hour Friday (plus 1 hour lunchbreak), compared with seven hours Monday-Thursday. They have decided, motivated largely by their interest in employee wellbeing, to trial a four-day week involving a part-compression, part-reduction in weekly hours. Their company mission is »To promote a healthier, happier society by nurturing ideas, growing businesses and bringing people together«, so they felt that this trial would be a good fit for their workplace culture.

In March 2019 they began a six month trial involving a four-day week experiment with in-depth data gathering. From March through May 2019 they continued with their typical 34-hour, five-day week. From June through August 2019 involved staff will be working a reduced 32-hour, four-day week (increasing work on Monday-Thursday by one hour each day, but shaving two hours off the total weekly hours). Throughout both periods they are filling out weekly and monthly surveys on job and life satisfaction, stress and wellbeing, as well as keeping close records of company productivity levels.

At the end of each of the three months, participating employees are also being invited to submit hair samples to be tested for cortisol levels, as an objective measure of their stress levels. They are also including a control group of employees who will see their wages rise by 6% instead of the working hour reduction. It is expected that the full results of their experiment will be published in a white paper in autumn of 2019.

SIMPLY BUSINESS – PREPARING FOR THE UK'S LARGEST FOUR-DAY WEEK TRIAL SO FAR

Simply Business are a business insurance firm employing around 500 people in total. At one of their call-centres in Northampton they are preparing to begin a four-day week trial in September 2019, which would be the UK's largest to date. Describing their motivations for the move Debs Holland, the general manager of the call-centre in question,

said »Working in our contact centre is really hard. You have very little autonomy. In the rest of the business, people have significant flexibility. I believe we should create a world where they have the advantage we have.«

Aside from this motivation to increase the equality of wellbeing among their workforce, however, the move was also prompted in large part as a direct result of technology and digitisation. As a result of the increase in the proportion of their communications handled by email and other digital means, fewer calls were needed to be handled by their contact centre. At the same time, greater use of data analytics was helping to increase their productivity. While the employer could simply bank these gains for shareholders, however, Holland argued that:

»This is about sharing the upside with our people and creating a workplace which is as great as it can be.«

The company plans to offer a flexible choice of ways to reduce working hours, including picking a day to take off each week, reducing hours across five shorter days or other flexible options. This flexibility could be particularly beneficial for carers.

»We've got lots of people who enjoy horse riding or go fishing but we also have lots of people with caring responsibilities ... for them it is potentially life-changing.«

6

FINAL THOUGHTS – THE PATH TO FOUR DAYS

This report has highlighted that a four-day week, alongside other forms of working time reduction, offers huge potential opportunities and gains for workers, for wider society and even for employers. Yet there are also major problems with trying to implement a four-day week – particularly those facing larger organisations and those employees with customer-facing roles.

There is another barrier, of course, which is that while sharing the productivity gains with workers more equitably may be a great argument for a four-day week from a trade union perspective, not all employers are as progressive as *Simply Business* in seeing this moral argument. As with all negotiations over the division of the fruits of work between labour and capital, it will ultimately come down to the relative bargaining power of either side. In recent years in the UK, with the continuing decline in trade union density and collective bargaining agreements, there are few reasons to think that workforces will be in a position to press their demands for working time reductions any time soon.

Regulation, of course, in the form of a potential Labour government may yet force their hand. The think-tank *Autonomy*, in its recent report *The Shorter Working Week: A Radical and Pragmatic Proposal*, proposes a set of policies that are indeed radical, including a »UK Working Time Directive... that would reduce annually« to achieve a 32-hour week by 2025, overseen by a new Ministry of Labour. The Skidelsky inquiry set up by the Labour Party to look at this issue, however, appears unlikely from their public statements so far to end up recommending such a rapid or strict regulatory path to reducing working time.

There are other things the government could do, however, than simply to mandate a four-day week for all employers. As has been discussed throughout this paper, the setting of norms and expectations across society has proved hugely important in the history of working time reductions. The government has enormous power to set such norms through its role as the UK's largest employer, though as has been mentioned adopting a four-day week for public services would come with a truly enormous price-tag attached. It is yet to be seen whether this is a price a Labour government would be willing to pay in order to honour its warm words about a shorter working week.

But the demand for fewer working hours, in whatever form, is unlikely to go away any time soon and instead appears to be gaining momentum. The rate of digitisation may not yet have forced mass technological unemployment, but the fear of robots and mass automation is certainly present and growing year-on-year in a way that is partly driving this agenda. As RPA and then AI and autonomous vehicles begin to take hold across large sectors of the UK economy in the coming years, this pressure will only grow. Perhaps Keynes was right after all, if not about the economic possibilities for his own grandchildren, then perhaps for his grandchildren's grandchildren.

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Patrick joined the IPA in 2016, having previously worked as Director of Research at Survation, a market research and polling organisation, where he was responsible for the overseeing of major projects of quantitative and qualitative research for major businesses, charities and political campaigns. He has also worked at the think tank CentreForum, where he co-authored two research papers on employee empowerment and employee ownership.

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IS THURSDAY THE NEW FRIDAY?

The Future of Working Time and Hopes for a Four-day week



Debate around a four-day week in the UK has been gathering momentum over the last two years. A century of working time reductions in Britain has stalled since the 1980s but public appetite for a shorter working week has not gone away. With the UK facing a decade-long productivity crisis, concerns about presenteeism and a fear that a lot of time spent at work is unproductive, questions are now being seriously asked about whether it is time to push for more working time reductions.



Proponents of a four-day week argue it could provide a major boost to the UK's productivity, help to reduce carbon emissions, provide more time for family and community care and volunteering as well as promoting wellbeing and quality of life for employees. The Trades Union Congress has taken up the campaign and the Labour Party appears keen to adopt the four-day week as a key policy item for its next manifesto.



Case studies of a number of firms, particularly the widely-cited Perpetual Guardian case in New Zealand, have raised awareness of the issue and demonstrated that a four-day week is possible and can come with real benefits, including the much sought-after productivity boost. However, significant barriers remain for many firms around the complexity of implementing such a policy; particularly for those in customer-facing or public service roles where a four-day week would require the hiring of many more workers if continuity of service was to be maintained. Overcoming such challenges will be key if the dream of a four-day week is to become a reality for many in the coming years.

Further information on the topic can be found here:
<http://www.fes.de/international/wil>