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Host:

- **Bart van Ark**, Managing Director of The Productivity Institute and Professor of Productivity Studies at The University of Manchester (BA)

Guests:

- **Nina Jörden**, Research Associate with the Bennett Institute for Public Policy at the University of Cambridge (NJ)
- **Joe Ryle**, Director of the 4 Day Week Campaign and Media and Communications Lead at Autonomy (JR)
- **Jon Boys**, Senior Labour Market Economist at the Chartered Institute of Personnel and Development (JB)

BA: Is the five day work week becoming something of the past? Does working less make us and organisations we work for better off? Could it even make us more productive? In other words, can we make a four day work week work? We're going to find out. Welcome to Productivity Puzzles.

Hello and welcome to Productivity Puzzles, your podcast series on productivity brought to you by the Productivity Institute. I'm Bart van Ark and I'm a Professor of Productivity Studies at the University of Manchester and the director of the Productivity Institute, a UK-wide research body on all things productivity in the UK and beyond.

Welcome to the April episode of Productivity Puzzles in 2023. In the past few years, the four day work week has become a popular topic in the media, in chats at the watercooler and increasingly also in the boardroom, as there are more firms and organisations considering to introduce a shorter work week without, and that's important, without a noticeable cut in workers' income. Our ears at the Productivity Institute have perked up.

Is a shorter working week possible in times of labour shortages? And how do we maintain productivity for an organisation when cutting hours by, say, 20 per cent, or to put it differently, can productivity per hour be increased by 25 per cent? To be fair, shortening the work week has been done before of course. The move from a six day to a five day work week happened a century ago. Half Saturdays were already experimented with in the late 19th century to allow people more time for leisure and play football on Saturday afternoon.

Ford company in the US was one of the first companies to introduce a five-day work week in 1926 and a two-day weekend was introduced not much later. In the 1930s, interestingly, when we moved from six days to five days as the norm, wages did not fall. They increased in real terms thanks to the rapid rise in productivity in the early 20th century.

Can We Make the Four-Day Week Work?

In recent decades, working hours kept falling. Belgium even legally introduced a four-day work week in 2022. So can we almost a century after the introduction of the five-day work week do the trick again by taking off another day and hope it will give us another boost to living standards and wellbeing while maintaining real wages supported by productivity growth? It's a big question.

On the one hand, technological change with innovation to raise productivity is abundant but on the other hand, we haven't seen real wages increase much in recent decades. We're not living in a world of plenty labour supply anymore, but in fact labour shortages are now everywhere. The trigger for this podcast is the publication of a recent report by autonomy, a think attack. This reports on the six-month trial of the four-day work week during the second half of 2022 involving 61 companies in the UK, showing improved wellbeing and work/life balance. The Autonomy report shows more evidence that no productivity was lost but the metrics are sketchy.

So not surprisingly for Productivity Puzzles, the productivity of the four-day week is the focus today. Can the four-day work week be introduced without losing productivity or could the four-day work week even provide a new dynamic to productivity.

As always, we've got a great panel with us today to discuss those matters for you. Nina Jörden is a research associate with the Bennett Institute for Public Policy at the University of Cambridge, which is one of the partners in the Productivity Institute. Her work focuses on questions around the future of work, for example, what employees can do to be resilient and productive and how can work be more meaningful and meet societal needs? Nina, welcome to the show, you're currently engaged in analysing the results of a four-day work week experiment by the South Cambridgeshire District Council and we're looking forward for you sharing some of your experiences from there and elsewhere.

NJ: Thanks for the invitation.

BA: Our second panellist is Joe Ryle. Joe is the director of the 4 Day Week which is the UK's national campaign for a four-day working week, and he's also the media and comms lead for the thinktank Autonomy, so Joe, I hope you can talk a bit more about the key insights of the report?

JR: I'll try my best, thanks for having me on.

BA: Looking forward to the conversation. And last but not least our third panellist, Jon Boys is a labour market economist at the Chartered Institute of Personnel and Development, the CIPD, where he works on issues related to pay and conditions, education, skills and productivity. Jon, you recently published a survey on how employers are thinking a four-day work

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week on which you also can find a link in the show notes and we hope you will be sharing some of the key findings of that with us today.

JB: Absolutely. Thanks for having me.

BA: All right, so Joe, maybe we should just start with discussing first a little bit what the four-day work week actually is because it's a bit of a catchphrase for various models by which there's meaningful reduction in worktime, so for a fulltime employee that would typically be going from 46 to 40 hours, it would not go from something like 42 to 36 hours. But, as I said before, with retaining the income at about the same level as originally. So the principle is this 100/80/100, so 100 per cent pay, 80 per cent hours, 100 per cent output. But there are quite a few different models, I think, of a shorter work week, so maybe you can take us a little bit through that on how to think about this.

JR: Yes, sure. And I think this is an important place to start because, yes, you're right, the four-day work week can be confused sometimes about what it actually means, and we've tried to be very clear as the national campaign that what we mean by a four-day week is four days, 32 hours or less, obviously depending on where you're coming down from. Some companies will be coming down from 40 hours, some from 35, others from 48 and there are still some really, really long working hours in this country...with no loss of pay for workers. So we're very clear about that, we don't advocate for compressed hours four-day working week. We think in many respects that is not going to solve any of the problems that a four-day week is seeking to solve if you think about burnout, overwork, stress.

So yes, we've tried to be quite clear about that. It does get confused sometimes, but essentially it's about a shorter working week with no loss of pay, essentially. The four-day week is in some respects one version of that and, you're right, there's many different ways of also implementing it.

BA: So the usual model of course, it just says...talks about the Friday off, so you work Monday to Thursday and that's it, but what kind of other models do you envision and are you actually seeing from the work that you did that actually are being applied?

JR: For us, there's a short-term vision and a longer-term vision. I think the longer-term vision is that essentially Friday becomes the weekend, in the same way that Saturday became the weekend when we moved from a six-day week to a five-day week. We think 100 years on, the time has come to basically do the same with Friday, you know, Friday becomes part of the weekend.

However, in the shorter term, that's going to take some time. That shift from a six-day week to five-day week did take about a decade or two, so we're very aware of the uphill task there. So in recognition, I guess, of the fact

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that the economy is still dominated by the nine to five, five-day working week, unfortunately, we would argue, in recognition of that, there's lots of different ways of doing it. So the most standard approach is that option, you know? You shut operations for a day, close the office for a day. It tends to be a Friday, that tends to be the most popular option.

But on the pilot, which I'm sure we'll get into in more detail in a bit, you know, many firms did it in other ways and that was more staggered or a more rota-ed four-day week with the aim of trying to maintain the five-day coverage, you know, staff would be working different shift patterns, rota patterns. Some staff in some departments might have Wednesdays off, some of them might have Mondays off and it would be a sort of rotation.

So there were different ways of doing it with the overriding principle of reducing hours to 80 per cent and maintaining pay.

BA: Yes, because I think sometimes it also meant that companies either decided to close a day so they would basically close on Fridays, but in other cases it actually allowed companies to stay open for longer because they could actually use the labour force much more flexibly.

JR: Yes, and the biggest challenge we face right now is the domination of the nine to five, five-day working week and that presents challenges, and for many firms who work with different clients, have different service arrangements, they will still need to maintain the five-day coverage for now and so that's why... And we've encouraged the four-day week to be as flexible as possible. We do very much see the four-day week as part of the flexible working agenda. I don't think they're in competition with each other.

But yes, the work/life balance, from what we've seen anecdotally, there seems to be something transformational about having that three days off in a row. Having three days off from work in a row really gives workers the chance to have that respite.

BA: Nina, you were working with the South Cambridgeshire District Council, which is quite interesting because that's a local government organisation doing this rather than a company. What are the kind of models that you see applied there?

NJ: So, as you said, because it's a public organisation, there's not the opportunity to close on a Friday because obviously you want to be there for your citizens from Monday to Friday. So what South Cambridgeshire District Council decided is that half of the team takes Monday off, the other half takes Friday off. However, as Joe also said, there is some flexibility, so what I think is quite interesting is that, for example, a lot of the parents decided that maybe having five shorter days is actually more beneficial for them because then they are able to pick up their children from school, so they decided to do that.

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But in general most of the staff have a full day off, either Monday or Friday. But this obviously comes with some managerial challenges because you have to make sure that communication within the team is very effective so everyone always knows what is going on within the team even when half the team is not there on one day.

BA: And with the example of where people keep working five days but fewer hours, that actually gets closer to sort of the concept we already know of part-time work, right? But again I think the important principle is that wages would remain up. Jon, maybe you can speak to this, this issue that you've already got part-time workers as well on a particular wage level and then you have fulltime workers which now go to part-time, well, fewer hours and need to end up at a higher wage level. How's that being dealt with in practice?

JB: It's an interesting thing because we produce stats on flexible working. I just had a look and about 24 per cent of people are already doing a four-day week in the sense of either working for nominal days or four times seven hours. So yes, a quarter of the workforce, you're going to have to do something about, but I think that's probably the most interesting part of a trial, right? So it's not actually the five day a week nine to five people that are interesting, you can just kind of reduce their hours. It's the what do you do with the part-timers?

I wrote a report with an employer's perspective. One of the reasons I was so sceptical is because there's not much to go on, right? There's no evidence. And now that there's a big trial with lots of examples, this is just one of those areas that people are cynical in that we might now have an answer to. So I would be super-curious to know how other organisations have dealt with part-timers and whether you've put their pay up to match the full-timers who are now going down to four days, which is one way of doing it or alternatively left it...which I'm not sure is particularly equitable.

JR: Yes, I can address that what we've seen in terms of best practice, I mean, I think there is a difference between the amount of...it's quite important how much people are working as part-time work, you know? It does make a massive difference whether it's just one day, for example, or three days, that can make quite a big difference in the way it's implemented. The general ways we've seen this approached is, yes, firstly, to increase the pay of staff working part-time if that's possible, secondly to reduce the hours of part-time staff in line with the reductions fulltime staff are getting. Adjusting annual leave entitlement has been one other way of doing it, and similarly to that, allowing part-time staff to accrue extra days or times off, which, for example, could accrue over time so they're actually getting a whole extra day off at some point, not just one hour here or there, or some combination of that.

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BA: Before we move on, there's this question about the pandemic, and the pandemic must have been an interesting gamechanger here, right? Because in a way it got people to rethink the way they wanted to do work and combine it with other things they were doing with their lives. So do you think the pandemic was actually an important impulse to move faster towards this four-day work week concept?

JR: I mean, almost certainly. Let's be honest, I don't think we'd be having this conversation right now if it wasn't for the COVID pandemic. I think the COVID pandemic has been a real catalyst, not just for the four-day week but totally rethinking the world of work and the way that we work. I think it's brought conversations about which were a long time coming and a long time overdue. And, you know, I think the best case for that has been the huge shift to remote working which we've seen come in almost overnight, but again has shown that actually workers can adjust and adapt to new working practices quite quickly when we need to.

In some sense, workers have had a taste of more freedom or autonomy at work, largely through this remote working being rolled out, and there's a sense that workers want more of that and I do think the move to remote work has opened the door to ideas like the four-day working week.

JB: Yes, I think it's worth adding that at one point the state was paying for 11 million people to not work, so it was like a giant experiment in, you know, many millions of hours just stopped, so it's interesting that people got taste for early retirement and not working and I think I counted five or six extensions to furlough, so people had a very long time for this new norm to embed.

But what I think is quite extraordinary about the pandemic is the... Joe mentioned it, remote working, it took off in a big way and it never came back to anywhere close to what it was pre-pandemic, and I think why do you need a pandemic to actually experiment? That drives me crazy, you know?

So that's what I think the four-day work week trials, it's like saying... Experimentation is a very good thing and if you look at all the different ways that different businesses have done it, it's not particularly prescriptive, it's got lots of employee voice in there, you know, there's a lot of codesign between the employees and the employers. It's all the good things that we should be doing anyway, I think, in business. What's the worst that can happen? The trial is unsuccessful and you just don't continue it.

And we've had organisations do that before, there's a famous example of the Wellcome Trust and they tried it and it didn't work. So yes, the pandemic perhaps not only changing the way we worked but slightly our attitudes towards experimentation, not least because the post-pandemic environment of labour shortages mean that we need to try things differently

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to attract the wider pool of people that we want and have a good employer value proposition. So I think the pandemic's been huge for this.

BA: So let's go and talk a little bit about the benefits here. I mean, we talked about the model and the concept now but, you know, what are the benefits? And I think there are three ways to think about the benefits. One is the benefit for the worker, which we've already talked about a little bit, but then there are the benefits for the organisation which we'll talk about a lot more later on in this podcast and then there are the benefits for society, and maybe we should go through all three of this. So Nina, maybe you can take us off on sort of summarising again what the benefits are for the worker but also the benefits for society?

NJ: I think the Autonomy report that we already talked about highlighted very clearly that there are extensive benefits for the individual in terms of their wellbeing and mental health, so we see that employees experience less negative stress, reduce level of burnout symptoms, better sleep, et cetera. So I think these are quite important but obvious results and that there are positive benefits for individuals, and Joe already referred to a better work/life balance and improved possibilities to take on caring responsibilities, et cetera.

I think we will talk about the productivity gains for organisations in a bit. I just wanted to highlight as well from my experience with the South Cambridgeshire District Council that I think the four-day work week currently has huge potential for employers to position themselves as attractive employers, and I think especially for organisations or industries and sectors that struggle to recruit talent, there is huge potential.

For example, in South Cambridgeshire District Council currently struggles to fill vacant posts and this has a huge impact because they have to cover these posts with agency staff and this is costly but also disruptive to their services. So I think there's definitely potential to use the four-day work week as a recruitment tool in a way.

And then you also mentioned the benefits for society and I think that's a very interesting topic because I think it's really important to understand what people do with their extra day off, right? So what are people doing with the extra time? And I think what the current research shows is that a lot of people use it for what we call life admin, grocery shopping or going to the hairdresser. But I think there's potential in the long term that we see more voluntary work or community work, running a society or getting involved in a sports club. So this would not only improve individual wellbeing but wellbeing on a community level and I think this shows that the four-day work week has benefits beyond the individual, beyond the organisation but for society as a whole.

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BA: Joe, do you want to add something on the societal impacts? Because I do think that's a really interesting topic that many people don't think about.

JR: It'd be huge. I mean, it could make a huge difference to society. I guess just to run through a couple of examples, just the fact that people have that free time... Well, first, it allows them to live more environmentally sustainable lives which is going to be good for tackling climate change. If you have more free time, you have the time to engage in more environmentally sustainable behaviour. It could even be part of a kind of almost revitalising community spirit in the country and actually having that free time to be more engaged in your local community could be huge, you know, the impact of that, whether it's people volunteering in their local community or taking part in community events or even having more time to spend in their community, spending money in local shops, you know?

As we saw in the COVID pandemic, when people were locked down at home they tended to spend their money in local communities which is good for local economies.

And for the NHS as well, people have more time to exercise, it's going to be really beneficial to society. It actually could reduce the burden on the NHS because people are living more healthily, reducing mental health pressures as well. So that's obviously if it's implemented at scale. You know, we're only at the very start of this journey, I think, and that's some of the potential that this policy could enact.

NJ: I think another aspect not many people think about is that the four-day work week also has the potential to improve gender equality because it can reduce the double burden that traditionally women stays of household responsibilities and work and it provides the opportunity that housework responsibilities are shared more equally between partners.

And I think it also is a way forward to destigmatise part-time work, which is often associated with less work commitment and then has a negative impact on career opportunities and that is traditionally and usually something that women face in the workplace. So I think there lies potential as well.

BA: Yes, that's a great point, yes. So Jon, Nina already spoke a little bit about the benefit for companies in terms of retention and we'll talk about productivity quite a bit more later, but what are other benefits that companies could get from a four-day work week if they're implemented well?

JB: Well, like I say, so when we surveyed employers, they were quite sceptical and I think part of this is just the timing and the lack of the trials and the write-up that gives them something to go on. But it's very clear that there's a massive recruitment and retention boost to be had from having this thing

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that you can offer that's highly, highly valued by employees. I mean, there's no doubt that employees highly value it. But I think generally within the suite of things that we could call flexible working I think just more flexible working is generally a good thing.

So we've written some reports on various different parts of the workforce, so older workers who particularly value flexible working, so higher rates of homeworking, part-time working and also self employment which I think is often a way that workers use to appropriate some of the gains of flexibility that they can't get in regular employment. And this group, older workers, are also the group that have dropped out of the labour market quite heavily since the pandemic.

So if you're looking to get those groups of people who are more marginal in the labour market, they're just on the edge, on the fence, just in and just out, how can you tip the balance? I think that potentially the four-day week could be one of those things that tips that balance, but again situated within the wider suite of things that you can offer that are considered flexible working. So also things like remote and home working, part-time working, even things like job shares and termtime working, that sort of thing.

BA: So just quoting some numbers from your report at CIPD I found interesting also when we talk about the society-wide effects, I think you quoted a 39 per cent of employers thought the four-day work week was a good thing for the economy and for society, and then when you ask them specifically what they were planning to do, it turned out only ten per cent actually had made a move in the last five years and half of that actually because of the pandemic, and only two per cent of the organisations interviewed intended to do so in the coming year. So there is still a bit of a gap between what they think is good for society and for the economy and what actually they are willing to do themselves.

So how do we close that gap?

JB: So just pre-pandemic, I wrote a report called 'What's driving the increase in home-working?' because I'd noticed it had gone from three to five per cent in 20 years and I thought that's huge and then it sort of rocketed to about 25 per cent and this is exclusively working from home.

I bet if you asked employers in early 2020 do you think homeworking is a good idea, they'd have said, hmm, I don't know about that, yes, maybe, it can certainly help some people and I think it's a good idea. Are you going to do it? Oh, I don't know about that.

So there's this status quo bias, and we use that phrase in the report as well. I think there's definitely a status quo bias with employers in general and experimentation which is why autonomy and shoring up that evidence base is doing such an important role.

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Employers are sceptical but they're in the business of making money and if it works they'll do it, so the more we shore up the evidence base with the sort of projects that Nina and Joe are both doing, the more persuasive we can be to employers. And if it gets a bit of gravity...you're at a point now, for example, in certain roles if you are too dogmatic about people being in the office, you know, that's existential risk, you know? Employees in some roles are saying, no, I don't want to be there five days a week, if you're going to insist on it, I'm probably going to look for another role. You can imagine a point which it snowballs enough where people say no, your contract actually is for 38 hours a week, that's quite steep. These guys over here are offering 34 and that four hours is really going to make the difference to me.

So in the language I'm using now I'm not necessarily talking about that whole day, the whole Friday, but it might just for a start be the Friday afternoon. And I can absolutely foresee that being a place where we get to quite soon.

BA: So Joe, before we move on, obviously the 61 companies that signed up to the Autonomy experiment, I think the interesting question is what made companies sign up for this versus companies that did not sign up for this? Because that's I think what we're talking about, how do we broaden the group of companies that can actually see the benefit?

JR: Look, you're always going to have your first pioneers, these are definitely the early adopting pioneers and I do think we're at the very start of a shift towards the four-day working week, which, as I said I think before, it's going to take at least a decade. So yes, it was self-selecting but those companies had absolutely no expectation as to what was going to happen, and I would say they did do it during a really difficult time for the economy, which I think in some ways makes the results even more incredible, because there was no expectation at the end of that trial that they were going to do anything, and they were all openminded, let's see what happens, we'll do it for six months and we'll see where we're at.

So the fact that almost every company decided to continue with it I think is really important. In a similar way to what happened 100 years ago moving to a five-day week, I imagine there'll be a sort of tipping point moment and we're not close to that yet, it's at least a few years away, if not longer, and I think Jon sort of styled out how that would look. I think we're starting to get there in some industries, beginning to, in the gaming industry, marketing industry, tech industry, I think you're going to get to the point where it's going to be impossible to employ anyone on a nine to five, five-day working week contract.

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Why would you take on that contract if you can go and do it for four days, 32 hours or less? You're just not going to want to work five days. We know it's very popular.

BA: Okay, I think we're now at the point that we need to begin to talk seriously about the productivity part of that but before we do that, let's take a quick break and hear what else is happening at the Productivity Institute.

Interval: The Productivity Institute aims to pinpoint why UK productivity has flatlined and how to create the foundations for a new era of sustained and inclusive growth. Visit our website at productivity.ac.uk to find research covering topics such as business investment and innovation, skills and further education, foreign direct investment and trade and the transition to net zero. The Productivity Institute also investigates how levelling up and devolution can help to raise across the UK's regions and devolved nations. On our website, you can find deep dives into how leaders can improve productivity within their firm or public sector organisation.

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The Productivity Institute is a UK-wide research organisation funded by the Economic and Social Research Council.

The Productivity Institute, productivity together.

BA: Welcome back to Productivity Puzzles, discussing the four-day work week with Nina Jörden, Joe Ryle and Jon Boys. Now before the break, we discussed what a four-day work week could look like and how it can make workers and society and organisations better off, but let's now go to the somewhat more difficult bit which is whether we can keep up productivity. For example, Jon, your survey at CIPD shows that two-thirds of the employers agreed that productivity will have to increase to make shorter working hours possible if we want to retain pay. So reducing 20 per cent of your worktime, going from five to four days, keeping up productivity would require a good productivity would require an increase in hourly productivity of 25 per cent and that's quite a tall order in the light of the productivity slowdown that we're talking about all the time on this podcast, so our audiences are very familiar with that concept.

But there's quite a lot of literature, you know, the productivity effects of worktime reductions, for example, in Europe in the 1980s and 1990s, that actually productivity effects were actually quite reasonable, there was not a huge decline in terms of productivity and actually shorter working hours at least on the margin can increase hourly productivity of individual employees.

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So let's talk a little bit, Jon, what in your mind are the important pluses and minuses of shorter working hours from the perspective of productivity?

JB: Oh, it's definitely the sticking point for employers, this productivity part. I guess it stands to reason, right, that as the week goes on, you're quite fresh on a Monday, maybe not so much Friday afternoon. There's probably some diminishing returns to productivity throughout the week so if you shaved off Friday afternoon it would probably increase the hourly productivity rate. I think it's maybe a bit flippant where I said in the report that you need to raise productivity by 25 per cent if you want the same output if you've lost 20 per cent of your hours, because again the four-day week is that end goal, it's what we're working towards, and I think that if that's something that you reach over over a decade, then you've got some time to do that.

Anyone familiar with algebra of growth rates which we all got quite familiar with when COVID came along will know you only need a reasonably small rate of productivity growth for it to accumulate and then become a 20 per cent increase, probably between '96 and 2006, probably had an aggregate 20 per cent increase in productivity. So the big challenge is really, you know, it's the Productivity Institute challenge, right? It's across the economy how do you just kick off even trivial rates of productivity growth to make this happen? And I think there was a time, possibly pre-pandemic where people got quite excited about AI and automation and they said, well, we can... they were almost spending these gains before they'd arrived because they said, well, we can plug these into reduced working hours.

I think historically we've often chosen to convert those productivity increases into increased pay, so we could foreseeably all move to a four-day week now if we were happy to live the lifestyle of someone in 2003, for example, but I'm not sure that we are.

So that's the big trade-off, I guess, for society is do you want to take the cash or a bit of time off? And then the other big challenge is it's become the new normal which is just complete productivity malaise in the UK economy, but I think we all need to work hard to make sure that it doesn't fall off the agenda because it's still the thing that's going to drive living standards and options, you know? It's nice to have the option of whether to have more time off or more money. At the moment, we don't even have that option.

BA: Yes, because I think it's almost as if you're suggesting that even though it would be good to keep up hourly wages while reducing the working time, some people are saying that actually workers might be willing to give up a little bit of income because of what you call the non-pecuniary benefits, the non-monetary benefits of doing it, right? So all the good stuff that you're getting and they all say, okay, we may not want to cut the full 25 per cent of our salary but we may want to cut ten per cent because we get a lot of

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that back for it. Is that something that you're hearing when you talk to companies?

JB: Oh, it's quite interesting. There's some questions in the labour force survey which is obviously a huge survey and they actually ask people would you like to work fewer hours and then they ask would you like to work fewer hours for less pay, and about 11 per cent of people say yes, they'd like fewer hours and less pay and another 20 per cent say fewer hours but not less pay. So you've got close to a third of the workforce who are saying they're quite keen to...and this is in my report, by the way, they say they're quite keen to work fewer hours. Some of them are a bit reticent to take a pay cut. But yes, that could possibly be part of this, right?

But what you've got to remember is economists say wages are sticky, they tend not to go down. I think they do, I think inflation erodes them over time, but realistically if in time you're taking more time off work and not having a pay rise, well, then that is kind of a decision. If you've increased productivity, then it's not, but there's a de facto decision to take the time over the money if we kept wages still and then increased the amount of leisure time or reduced the amount of working time people have.

BA: So, Nina, one thing that I was quite interested in to see from the Autonomy report and I wonder if you'd also seen that in your work is that one of the positive effects is actually increased employee engagement in terms of employees just getting more motivated to do their work, you know? They feel better, they have better sleep, it's a better work/life balance and so on, and we also know from other research that employee engagement is actually a good thing for productivity. So that could be potentially really a positive dynamic, couldn't it?

NJ: Yes, definitely. We are involved in a three-month trial and we are currently analysing the data so I can't say anything definite about that but just anecdotally when I speak to staff and also managers but also partners outside the organisation, this is definitely what we hear, higher motivation and engagement amongst the employees.

I think what is important or interesting to consider is I think the four-day work week really triggers us to think differently about how work gets done within an organisation. So instead of thinking I'm doing exactly what I've done before in five days in four days, I think there's a lot of rethinking of work practices. And from my research experience, these are very simple things that seem to have a huge impact on team level or organisational level productivity.

One example is that people tend to write less emails but pick up the phone instead because they say it's quicker and I get an immediate response and it takes less time, and I get more work done when I call my colleagues instead of writing emails. And obviously we don't need the four-day work

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week for that but it seems to be that the four-day work week has a huge trigger to rethink work practices.

BA: Joe, there must be quite a significant difference between the type of occupation. It seems to me to make a difference if you're a salaried employee, a white collar worker or whether you're working on the shop floor, you know, the adjustments that you have to make seem to be quite different. I could imagine there are also differences in terms of level of education that people have had in their ability to make changes to work practices, age, gender we also talked about on the positive side... So can you talk a little bit more about the differentiation of these effects on whether it makes people more productive in an organisation if they go to the four-day work week?

JR: Yes. The first thing I want to say on productivity is that we would argue that actually we're a long time overdue a four-day working week. There was a report out from the New Economics Foundation a couple of years ago saying that actually reductions in working time have actually stalled since the 1980s, and so actually I slightly disagree with Jon, I think some of the productivity gains over the last few decades have gone to workers in better pay, but most of it has gone to profits for company bosses. I think the data does show that.

And so the four-day week in many respects is about workers claiming back their time and we think we're actually owed a four-day working week, you know? We should be working a four-day working week already if you look at our history.

On the specifics of productivity, and I think it's quite good or helpful to be clear about what we actually mean, because lots of people mean very different things by productivity and it's measured very differently depending on your company or your sector, and that came out quite clearly on the pilot, you know? And it's quite fascinating to try and identify some of these metrics. I was actually astonished that a few companies that I've met with over the last few years, they actually have no idea what metrics they're using for productivity, which is also worrying, right? It's like you've got all these workers working for your organisation and you've got no idea what you're measuring as effective output.

For most people, it is as simple as profits, turnover, has turnover been maintained since moving to a four-day week, has it been improved? And the great news for this part on the UK pilot was actually turnover was up compared to when they were working a five-day week. It was up by one per cent compared to the pretrial and actually 35 per cent on the comparable period the year before. So turnover was up.

But for others, it's going to look very different and turnover and profits won't be relevant. You know, if you're a more service delivery based organisation

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then you're going to be measuring how many services you're delivering and tracking that, you know, how many services we're delivering in five days and how many we're delivering in four days? And so the four-day week is about working differently, as Nina said. I guess it's a move towards a more output-focused way of working rather than people just being in work for the sake of it.

In some respects, I find that conversation fascinating because if you're actually measuring the ability of people at work based on output, what are we ultimately trying to deliver at the end of our week at work? And actually the number of hours you're at work becomes quite arbitrary. It's actually about getting the work done that needs to be done and I think that's where the conversation is headed towards.

BA: Yes, and I think this point that you're raising on the fact that we don't have a good measure of productivity by firms, this is really important for us at the Productivity Institute. We have a whole project on what we call strategic productivity, and we find that not only companies do this differently but within companies leaders think very differently about what productivity, and some think in terms of turnover, others think in terms of financial results and returns on the investments that you're making. That makes quite a bit of difference if you make these adjustments in work practices.

So I think it's very important for companies to have a conversation around if we go to that four-day work week or to shorter working hours, what does that mean for the way we are working together but also what does it mean for the way that we're actually creating better outcomes as an organisation so that we can grow and create more value? So I think that's going to be a very important part of the conversation.

Which actually leads me a little bit to the last point, and Nina maybe we can start with you there, which is really some sort of practical tips, if you like, you already mentioned one tip which was on emails, but what other kinds of tips are important if organisations make these changes on things they need to think about, opportunities that they have, risks that they possibly have to manage when you're making these differences from a productivity point of view?

NJ: Yes. I think something, or one insight that I gained from the research study we are involved in, and I appreciate that this is not every organisation might be able to implement, but because I said that South Cambridgeshire District Council decided that half of the team takes Monday off and the other half takes Friday off, this resulted in either a quiet Monday or a quiet Friday depending on which day you take off for the rest of the team because meetings are usually Tuesday to Thursday because this is when everyone is working.

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This seems to be great for all employees because this means you can really have focused time and in-depth work on Monday, for example, if you take Friday off, because you're not disrupted by meetings, emails, et cetera. So I think this is one very practical thing that organisations could think about. Even when they're not explicitly thinking about implementing a four-day work week, even though I'm an advocate for that, but having this focused time and quiet time seems to be very beneficial for employees and is increasing their productivity.

BA: Yes, I think that point indeed of thinking time and creating more opportunities for people to really make sure that they focus on the core of their role I think is going to be very important. Joe, one thing that I found particularly interesting from your report at Autonomy was this fact that some organisations actually think about something like an efficiency or productivity charter, so they actually make some kind of...they really think hard about what are we going to do and let's document what we're going to do. There are actually even some organisations that make shorter working time conditional on productivity gains and say, yes, we need to see those productivity gains in order to make it manageable. Can you talk a little bit more about that?

JR: So what we did in the onboarding phase of the big four day week pilot, it was two to three months basically before the company...they decided they're going to move to the four day week but they're going to do it in three months' time, so it's a preparation period. What we did is we had a few sessions where we focused specifically on ways in which productivity could be improved and the organisations that took that most seriously and really thought about that before actually moving to a four-day week found that the transition was a lot smoother, you know?

And there was many different ways of doing that from different companies. I'll just highlight some of the few. The classic one is meetings, people have so many meetings and there's a habit and a culture of a meeting about a meeting about another meeting, so quite quickly you start to streamline some of that meeting time to be a bit more focused with agendas and you start to chop off a couple of hours there. At the most extreme end, and this is building on what Nina was saying, we've actually seen job descriptions change, just to focus on outcome, so actually really thinking about, you know, is there any unnecessary tasks which take up lots of time within people's job descriptions that don't actually contribute towards any kind of organisational outcomes. So actually changing those job descriptions is one way in which it was done.

New forms of communications like Slack, you know, ways of streamlining the way that people work, there's lots of different things that can be done.

And I think even for four-day week organisations or even for companies that we've met who've actually ended up not even going on to do a four-day

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week, they've found the conversations that have come up as a result of thinking about it, some really, really valuable...just assessing the whole way in which we work.

BA: Can we talk a little bit about the role of technology and particularly digital, right? I mentioned this early on that this is the big change in the workplace and certainly when we talk about work from home, of course digitalisation has helped enormously to make that work better. Can you see more largely a role for making better use of technology in order to be able to get more productive with that four-day work week compared to a five-day work week, that we're going to just increase the intensity by which we're using these new technologies?

JB: Yes, I mean, there's always a danger that some companies clue on and say, hey, actually we're going to appropriate all of these clever things you've done to increase productivity but keep it at five days a week and take all those gains for ourselves. I think technology to an extent is only as good as the people who are using it. I think a lot of the things that we implemented it as the pandemic came along were pretty old technologies. We've had broadband and flatscreen TVs, Slack channels for more than a decade now, since probably about 2004 when your screens got flat and your broadband got good enough quality, but we weren't using any of it, you know? We were sort of forced into doing it.

So I think there's the whole big thing around norms and part of that is the norm around trust, you know? Pre-pandemic we talked about...people used phrases like shirking from home, not working from home. But now you wouldn't dare. I mean, we absolutely know that everyone's working.

And so there's a lot of trust I think involved in moving to an output-orientated way of doing things, and that's because input's just so easy to measure. We talked about companies having different measures of productivity and efficiency. Well, you can measure hours worked, it's much more difficult to get a handle on output, particularly in an 80 per cent service based economy. So how do you measure the value of a GCSE, or a policy report or something like that?

Again, I think that's about norms, management, trust and that's a big part of it, and so technology, yes, important, it's a facilitator. We all need to be at the technological frontier...

NJ: I think what also comes along with the four-day work week is an empowerment of employees and staff because micromanagement is not really possible in a four-day work week and I think that's very positive to see that managers feel or want to share responsibilities, want to share power, need to share power within the context of the four-day work week and this is beneficial on a team level and organisational level.

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BA: Yes, and to your point, Jon, I think organisations, because of such kind of shocks, if you like, or changes that you are making, are not just becoming more output-focused, they are also becoming more outcome-focused, you know? Sort of what are we about? What do we ultimately want to achieve? Certainly true of our public sector organisations that think much harder about the outcomes that they want to achieve rather than just the outputs that they are producing. But that might be true for private sector as well.

Now to wrap up, let me ask you one really difficult question to all three of you because I'm sure that a lot of people listening to this podcast and they hear us talk about slow productivity growth all the time, they will say, well, hold on a minute, you're having this discussion and you're doing it at a time where labour shortages are the biggest problem we have, we can't find anyone to actually do the work and now you want us to tell our current employees to work less rather than more? You're talking about a very luxury kind of topic.

Now one argument would be, look, not everything has to be done overnight, which is of course true, but I think even if we look forward, we have an aging population and everything else, it is true that probably the amount of work hours that we will potentially have available is going to fall anyway, and now we would even stimulate the workforce of working age, let's put it like that, it would stimulate them to actually work even less hours.

So I think it's a legitimate question for many people to ask, so what would you answer them briefly in terms of just staying focused on that topic? And Jon, can I start with you?

JB: Sure, I'd say that a time of labour shortages is the exact time to focus on efficiency and productivity, you know? There's a few things you can do. You can boost labour supply or you can just lessen the need to rely on labour by being more efficient. I think there's plenty of ways you can do that. Some of them are firm level, some of them at the more macro level. I think in this conversation right now we're thinking more firm level. Probably the majority of firms in the UK are not really working at the technological frontier and by technology I mean in terms of practices, management practices as well as hardware, and we all need to work a bit harder to get them up to that level. That's the exact time I think it's kind of...

The idea of them relying on more labour is possibly lazy, especially in a kind of society where people have options, you know? I talk a lot about older workers and how we might entice them back in and the word is entice, you know? It's carrot and stick and you really have to use a lot of carrot because they're people with options and often security, and in a time of labour shortages that's actually when workers have got a little bit more power. It's kind of swung more in their direction. So that's not necessarily the time where you're able as an employer to sweat them a bit more.

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So no, now is the exact time to think much harder about productivity.

NJ: Yes, I think very much as Jon said. I think the four-day work week is actually a way to bring more people into work, especially people with caring responsibilities and these are usually women, older workers. We know that the majority of people that go through medical school, for example, are females but only a very small percentage ends up working fulltime in a hospital and I think the four-day work week could be a solution to that, that actually more people work rather than less.

JR: The reason I think there's labour shortages is because we live in an unhealthy work culture, you know? I'm not surprised that workers are retiring early. In the UK, it's a really acute issue. We work some of the longest working hours in Europe, the longest except for Greece while having one of the least productive economies, so all these long working hours we're putting in aren't making us productive. What it is making us is burned, stressed out, overworked with no balance in our lives, and that's no way to live and it's also no way to run an economy, and so, you know, it means we should be looking at exactly policies like the four-day week if we want to be enticing people back into the workforce.

I think it's great that there is... There's talk of the great resignation and workers pulling back, I think that gives workers more power and I hope to see more policies like the four-day week actually creating a better work culture in this country.

BA: Yes, well said, and overall a really good conversation, and actually this conversation comforts me a little bit more as well that actually we need to think much harder about the four-day work week. Maybe I'm one of those sceptics but you're beginning to win me over. Thanks, Nina Jörden, Jon Boys, Joe Ryle, great conversation, definitely more to come on this topic, I'm sure, also from the Productivity Institute and Nina is working on this herself. References to the work discussed here, the Autonomy report as well as the CIPD report you can of course find in the show notes, so please go there. We may also put up a few other references there that you can consult or just go to our website, productivity.ac.uk and look for the Productivity Puzzles podcast page.

Our next episode of Productivity Puzzles for May will be on greening productivity. With all the attention for the transition to net zero, how does the greening of the economy impact on productivity? And how can productivity help to make the economy greener? What can companies do to become greener in a productive way and how can places make sustainability a key part of their development strategies?

As always we'll bring a great panel together so tune in again by the end of May to listen to this new episode on greening productivity.



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End of transcript