

10 Australian companies have embraced the 4-day week—here's what they say about it

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Credit: AI-generated image (disclaimer)

Most of us look forward to a rare long weekend. But some Australians now enjoy a four-day week every week.

They're lucky enough to work for the small number of organizations that are trialing or have permanently adopted what is known as the



100:80:100 model, in which employees keep 100% of what they were paid for five days while working 80% of their former hours—so long as they maintain 100% productivity.

This model has been attracting significant global attention. There have been glowing reports in the past few years about the success of trials in Iceland, the United Kingdom and elsewhere. Some of this reporting, however, has exaggerated the findings or failed to consider the complicating factors that may not make the model scalable.

To get a better sense of the reality, we've surveyed ten Australian organizations that have embraced the model.

We interviewed <u>senior managers</u> in each organization about the benefits and challenges experienced. So our results do reflect a management perspective. But what they told us suggests the four-day work week can successfully deliver positive outcomes for both employers and employees across a range of different industries.

Who we surveyed

Four of the ten organizations in our <u>research</u> have adopted the change permanently after trials. The other six have extended their trials, though are still to formally make the move permanent.

We believe these ten organizations represent the bulk of Australian organizations using the 100:80:100 model. There may be others, but we looked hard to ensure our survey was as complete as possible. Four of the companies were part of the global studies referred to above. The other six weren't, designing their own pilot schemes.

All are private-sector businesses. Two are management consulting firms, with the others being a shipping/logistics company; recruitment agency;



marketing agency; <u>mental health</u> coaching company; software development company; creative design agency; health-care company, and management training company.

Six of the companies are small businesses (with fewer than 20 employees). The other four are medium-sized businesses (20-199 employees).

In each case, the initiatives were management-led, as a strategy to tackle <u>employee</u> burnout, increase productivity, and keep and attract talent in a tight labor market.

For example, <u>EES Shipping</u>, a medium-sized logistics company based in Perth, decided to trial a four-day week in July 2022, at a time of extreme pressure on global and local supply chains.

"We were starting to see cracks within the industry," said managing director Brian Hack. "People were burning out, <u>truck drivers</u> were just walking out the door, and I really didn't want to see that happen here."

No lost productivity

Three of the ten managers reported no loss of productivity despite a 20% reduction in hours—so effectively staff were about 20% more productive.

The other seven reported productivity being even higher than before.

Six said improvements in recruitment and retention had been the biggest success of the initiative so far. Five underlined important reductions in absenteeism.

Three companies needed to maintain their previous hours of availability



for customers and clients, despite their staff now working 20% less time. This illustrates it is possible for "client-facing" organizations to implement four-day work weeks.

Workers' response

Based on internal surveys and anecdotal evidence, managers reported the extra day off each week meant workers felt more relaxed and reenergized, and helped avoid the "Sunday scaries"—the anxiety and dread felt on Sunday night at the prospect of another five-day week.

These are significant findings, given the <u>record levels of stress and burnout</u> in Australian workplaces.

Skepticism remains

But there are also challenges facing any organization wanting to adopt a four-day work week. Participating managers said the biggest barrier was overcoming skepticism both internally and from external stakeholders such as clients and customers. The biggest point of resistance was people simply not believing fewer hours didn't have to mean lower productivity.

Overcoming that skepticism is likely to require more evidence from trials—including from larger companies, to see if the benefits reported by these small companies are scalable to the whole workforce.

One such trial is in the pipeline, though it will be of limited value.

Australia's biggest hardware retailer, Bunnings, last month signed an agreement with the Shop Distributive and Allied Employees Association for a four-day work week trial. The company's 40,000 employees, however, won't be trialing the 100:80:100 model. They'll be working the



same number of hours over fewer days. So it won't be possible to draw substantial conclusions from the outcome.

And while the "client-facing" companies we surveyed managed to maintain their operations, it remains to be seen if that's the case for all workplaces, such as shops, hospitals and nursing homes where any reduction in hours worked by current employees would probably need to be covered by additional staff.

The only way to be sure will be through trials.

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