

Is it time to adopt a four-day working week?

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Summary

- The prospect of working four days a week rather than five – with no loss of pay – is obviously appealing. There are many ways in which both employees and employers could benefit, including improvements in staff wellbeing, higher productivity, and lower business costs.
- At first sight, the evidence from pilot schemes has also been encouraging, notably the results of ‘the world’s largest’ four-day working week trial which took place in the UK last year.
- However, a dose of scepticism is needed. Many of the potential benefits of a four-day week could be achieved by other forms of flexible working, including working from home, or would be dependent on a much wider take-up than is likely anytime soon.
- The results of the trials are not as impressive as they might appear either. It is hardly a surprise that many people are happier working fewer hours. The real challenge is for them to do as much work in four days as five, and therefore justify receiving the same pay.
- This may well be possible in some businesses, but it will be very difficult in others – notably consumer-facing services such as hospitality and healthcare. This will be a particular challenge for the public sector.
- These trials are still useful. Past advances have typically been led by example, rather than legislation. But there is no clear justification for state intervention to encourage the adoption of a four-day week. Indeed, many of the proposals here could backfire.
- There is already a clear trend towards more flexible working of all forms. A shorter working week should therefore be seen as only one option among many.

Introduction

A five-day working week is now the norm in advanced economies. But this was not always the case. Until about a hundred years ago, it was common for people to work at least six days each week, for 70 hours or more.

Conditions have since improved. Some attribute this to the rise of trade unions and concerns about worker exploitation, which prompted legislation to cap working hours. Others point to market-led improvements in productivity, which meant that people no longer needed to work such long hours anyway, and to the examples set by business leaders such as Henry Ford, who adopted a five-day workweek in his factories in 1926. This proved to be such a success that other companies followed.

More recently, there has been a surge in interest in moving to a *four*-day working week, partly prompted by a rethink of work practices in the wake of the Covid pandemic. A four-day week has also been proposed as a response to the challenges and opportunities created by Artificial intelligence (AI), as a means to reduce carbon emissions, and as a way to encourage older workers back into the labour force.

There have been many trials, including in Iceland, Ireland, Japan, New Zealand, Spain, the UK, and the US. The results seem to be overwhelmingly positive: workers are happier and more productive, and many (though not all) businesses have continued with the trials.

However, there is also plenty of hype about the potential benefits and little acknowledgement of the potential costs – especially if the adoption of a four-day week is imposed by government rather than led by the markets. This essay seeks to redress the balance.

What is a four-day week?

It may help to start by clarifying some basic concepts.

The first is what is actually meant by a ‘four-day week’. This is not about working fewer hours for less pay (in other words, conventional part-time employment), or condensing the same number of hours into four days rather than five (another form of flexible working). Some of the positive examples cited by advocates of a four-day week actually fall into one of these categories instead.

Instead, it describes a scenario where people work one day less per week, but still receive 100% of their usual pay in return for (typically) 80% of their usual hours. The ‘4 Day Week Campaign’¹ itself proposes a ‘four-day, 32 hour working week with no loss of pay’.

The two most common models are a ‘fifth day stoppage’ (where all employees only work, say, Monday to Thursday), and a ‘staggered’ model (where businesses continue to operate five days per week, but individual employees work just four of these days).

The ‘no loss of pay’ is obviously the crucial part. Analysis by the Social Market Foundation (Shepherd, 2021) suggests that a large majority of the public would oppose a four-day week if it meant earning less, while the lowest-paid workers are most likely to want to work more hours.

The importance of productivity

Paying people the same for working fewer hours is only likely to be a viable business option if there is a large increase in their productivity. (Cost savings could also be a factor, though it is less clear why these should be reflected in higher wages.)

Again, this term is often used wrongly. ‘Productivity’ is a ratio – some measure of output divided by some measure of inputs (in this case, hours worked). This is different from ‘output’, or revenues, but advocates of a four-day week often use these terms interchangeably.

It is plausible that hourly productivity will be higher if people work fewer hours. But it will have to be *substantially* higher if people are going to produce as much in four days as they did in five.

The necessary increase in productivity will depend on many variables. As a starting point, if output is normally spread evenly over five days (a very big ‘if’), hourly productivity would have to increase by as much as 25% to maintain output when people only work four days.

To illustrate this, suppose people perform an average of 20 tasks per day, or 100 over five days. To do the same work in four days they would have to increase their daily output from 20 to 25 tasks ($4 \times 25 = 100$) – an increase of 25%.

But this is probably an upper estimate, for three reasons.

First, output is unlikely to be evenly spread. For example, people may start to wind down on Fridays. Using the earlier example, let us assume they only perform 12 tasks that day. Offsetting that loss would only require their output on other days to rise from 20 to 23 – an increase of 15% (assuming of course that Thursday does not become the new Friday!).

¹ [4 Day Week | Home](#)

Second, a shorter working week might be associated with a reduction in absenteeism. For example, if people took one day less off every four weeks due to ill health, that could increase their average daily output by one task.

Third, the discipline of moving to a four-day week could be the catalyst for a fundamental rethink of working practices, such as cutting down on unproductive meetings, or deploying staff more efficiently. But these changes could happen anyway without a reduction in the working week. Rather than raising hourly pay, businesses which make these savings could simply operate with fewer staff.

The case for a four-day week

Advocates of a four-day week can point to many potential benefits for both the employee and the employer (see Soojung-Kim Pang [2019], Coote et al [2021], and Gomes [2021]).

Most obviously, many people would be happier working four days rather than five. A three-day weekend gives more time for a better work-life balance.

This could have tangible economic benefits, too. Happier workers putting in fewer hours are likely to be more productive in the hours they are working. There may be greater urgency to get tasks done to justify working only 80% of the usual time for 100% of the usual pay.

There could also be cost savings for both parties. People working only four days may have to spend less time and money commuting and eating out. Businesses that only have premises open four days a week rather than five can save on costs, such as energy bills (though this may not apply to staggered models). This could be positive for the environment too.

Lower employee turnover may be a factor as well. A happier workforce should ease problems of recruitment and retention, potentially leading to additional cost savings and productivity gains.

The arguments against

There is, of course, no objection in principle to people working fewer hours. After all, of the 33 million people currently in employment in the UK, roughly 8½ million classify themselves as working 'part time' (ONS, 2023).

Nonetheless, a four-day week will not work for every business, or everybody.

Realistically, many businesses cannot operate on a four-day week (or at least with the 'fifth day stoppage' model), especially in consumer-facing roles such as hospitality and in public services such as healthcare.

The 'staggered' model might still be an option in these sectors. However, people working as heart surgeons or firefighters will find it almost impossible to do all their work in less time. More people will have to be employed in these roles, at substantial cost to the taxpayer.

Some workers might also be adversely affected. Greater pressure to get 100% of the job done in 80% of the time might actually be bad for wellbeing. Other staff might also feel under greater pressure to cover for absent colleagues (most likely with the 'staggered' model).

Supporters of a four-day week also often argue that it could help to level the playing field between those who can work longer hours and those with other responsibilities, including childcare, who are more often women. However, this is really an argument for more flexible working in general, rather than a 'one-size-fits-all' policy.

Indeed, lower paid workers in customer service roles are perhaps the least likely to benefit from a four-day week. Could someone in social care easily look after 25% more clients every day? Could a barman really pull 25% more pints in an hour, or waiting staff serve 25% more tables? Do they really waste a lot of time in pointless management meetings?

Some of the claims are contradictory. For example, it has been argued that a four-day week would have no effect on the output of individual workers and, simultaneously, that it would create 500,000 jobs in the UK² by spreading the same amount of work more widely. Both cannot be true.

Other claims are simply ‘magical thinking’. It has been asserted (Mompelat, 2021) that switching to a four-day week could reduce the UK’s carbon emissions by more than a fifth. This makes many heroic assumptions, especially about the productivity gains and the scope to roll out a four-day week across the whole economy.

The evidence

The balances between these pros and cons are essentially empirical questions.

Advocates of a four-day week often cite historical studies, such as Pencavel (2014), which suggest that reductions in hours can have only a small or no damaging effects on output. However, these studies are typically based on examples where people were working exceptionally long hours (Pencavel focused on munitions workers in World War I), rather than a conventional five-day week.

There is also a tendency to lean on a handful of more modern examples. One of the most common is an experiment by Microsoft in Japan, which gave its workforce five Fridays off without decreasing pay in August 2019³. The company reported that ‘productivity’ (actually, ‘sales’) increased by 40%. However, this is too short a period to judge whether this was just a temporary boost, flattered by the novelty of the scheme. It has not been implemented permanently.

Another oft-quoted example is Perpetual Guardian, a firm of estate planners in New Zealand, which adopted a four-day week after a successful trial in 2018⁴. But a closer look reveals that this was an optional scheme where employees who had already met their weekly targets could take a paid day off, rather than something applying to all staff.

At first sight, the evidence from pilot schemes is more compelling, notably the results of ‘the world’s largest’ four-day working week trial which took place in the UK last year. (See Box 1 for a summary.)

These trials are clearly a ‘good thing’. Employers should always be open to different ways of working, and these trials may help to identify the types of business where the four-day week is more realistic (and the precise model that might work best). Put another way, these trials may help to correct a market failure by spreading new information about alternative working practices.

Nonetheless, there are some important caveats.

² <https://www.theguardian.com/society/2020/aug/30/four-day-working-week-could-create-500k-new-jobs-in-uk-study-says>

³ <https://www.theguardian.com/technology/2019/nov/04/microsoft-japan-four-day-work-week-productivity>

⁴ <https://www.smh.com.au/business/workplace/company-makes-four-day-working-week-permanent-after-trial-20181003-p507fo.html>

Box 1: Summary of the evidence from UK trials

Autonomy (2023) details the full findings of the world's largest four-day working week trial to date, comprising 61 companies and around 2,900 workers, which took place in the UK from June to December 2022

Companies, which included a range of organisations from diverse sectors and sizes, were not required to rigidly deploy one particular type of working time reduction or four-day week, so long as pay was maintained at 100% and employees had a 'meaningful' reduction in work time.

Resisting the idea that the four-day week must be 'one-size-fits-all', each company designed a policy tailored to its particular industry, organisational challenges, departmental structures and work culture. A range of four-day weeks were therefore developed, from classic 'Friday off' models, to 'staggered', 'decentralised', 'annualised', and 'conditional' structures.

Of the 61 companies that participated, 56 are continuing with the four-day week (92%), although only 18 confirmed the policy is a permanent change.

'Before and after' data shows that 39% of employees were less stressed, and 71% had reduced levels of burnout at the end of the trial. Likewise, levels of anxiety, fatigue and sleep issues decreased, while mental and physical health both improved.

Measures of work-life balance also improved across the trial period. Employees also found it easier to balance their work with both family and social commitments, and employees were also more satisfied with their household finances, relationships and how their time was being managed.

60% of employees found an increased ability to combine paid work with care responsibilities, and 62% reported it easier to combine work with social life.

Other key business metrics also showed signs of positive effects from shorter working hours. Companies' revenue, for instance, stayed broadly the same over the trial period, rising by 1.4% on average, weighted by company size, across respondent organisations. When compared to a similar period from previous years, organisations reported revenue increases of 35% on average – which indicates healthy growth during this period of working time reduction.

The number of staff leaving participating companies decreased significantly, dropping by 57% over the trial period.

For a start, the businesses taking part in these trials are self-selecting, and therefore those where a four-day week might be expected to work best.

A cynic would also point out that the UK study was run by two campaign groups set up to lobby for a four-day week, with support from a consultancy that promotes a four-day week, and an academic panel dominated by sociologists rather than economists (I think I'm allowed to write that!).

The results themselves are also less impressive than they might first. It is no surprise that people are happier working fewer hours for the same pay. But this plainly cannot be the main test (or else why not lobby for a *three-day* week?).

Even then, we should at least consider the possibility that any boost to wellbeing will only be temporary. The 'hedonic treadmill' theory⁵ suggests that people will revert to their normal levels of

⁵ https://en.wikipedia.org/wiki/Hedonic_treadmill

happiness once the novelty of a shorter working week has worn off. This suggests that much longer trials may be needed.

However, the real test has to be the business case. Here the evidence is less clear than the headlines suggest. Indeed, the UK trial did not actually assess the impact on productivity (given the measurement difficulties) and instead relied on comparing revenues to a similar period from previous years.

Here, the reported increases in revenues of 35% on average – despite shorter hours – sounds too good to be true, or at least meaningful. A proper counterfactual would consider what happened in competing businesses that had not changed their hours, and the extent to which cash revenues would have grown strongly anyway during the trial period (as the UK economy rebounded from Covid and inflation took off).

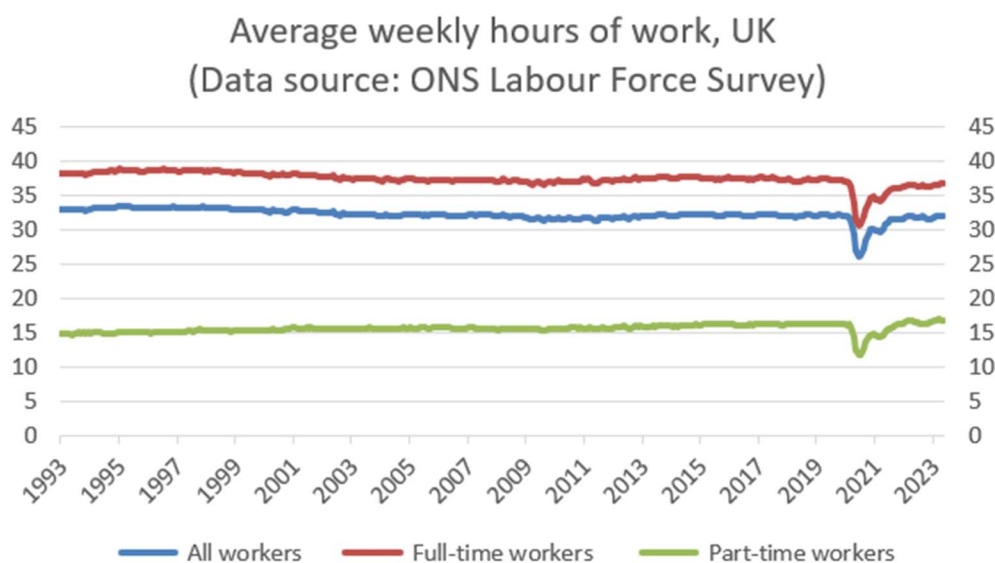
Is there a role for the state?

There is no clear justification for state intervention to encourage the adoption of a four-day week. Indeed, many of the proposals in this area could backfire.

The problems here were laid bare in a report commissioned by the Labour Party from the economic historian, Lord Skidelsky (Skidelsky, 2019). Initially, Skidelsky was asked ‘to inquire into the feasibility of legislation to limit hours of work’. Interestingly, his report came down against this option, partly based on the experience of France, where the imposition of a ‘one-size-fits-all’ 35-hour week clearly did more harm than good.

The Skidelsky report also emphasised that past reductions in working hours have been made possible by productivity growth which may be hard to repeat in future, especially in an increasingly services-led economy.

However, Skidelsky still advocated some form of intervention. The report suggested that average hours worked ‘have stagnated since 1980’. This appears to be an exaggeration. In reality, average hours worked have continued to fall, albeit at a slower pace than before.



Full-time workers are currently putting in an average of around 36.5 hours per week, about two hours a week less than in the 1990s. Indeed, this is only 4.5 hours more than the 32-hour target suggested by the 4 Day Week Campaign. If the growing proportion of the labour force who work part time are included in this figure, the average work week is already down to 32 hours (ONS, 2023).

Skidelsky correctly identified the drag from sluggish growth in productivity over this period. But he ends up putting most emphasis on the decline in collective bargaining. In his words, 'Union activism has given a strong push to historical reductions in hours worked. In the UK of the 1950s and 1960s, trade unions were able to negotiate shorter working hours together with higher wages'.

Skidelsky's solutions were therefore based around more trade union power and more government intervention, including the imposition of sectoral collective bargaining and the use of public sector procurement contracts to dictate pay, conditions and hours. As he also wrote, 'the weakening of trade unions has played a key part in increasing labour flexibility', which (in his view) is a bad thing.

To be fair, Skidelsky conceded that his proposals could be criticised on the grounds that 'they set up bureaucratic and collective mechanisms for achieving outcomes which should be left to the market.

Well, quite so. One of the great strengths of a flexible labour market is that most people can choose jobs, hours and patterns of work that suit their personal circumstances. As Shackleton (2019) notes, the UK labour market already offers a relatively wide range of employment contracts, and most UK workers already choose jobs which meet their working hours requirements.

Skidelsky dismissed this alternative as 'an idealised world where there are no market imperfections or public goods'. That is a straw man. Of course, markets do not always work perfectly, but they can do a much better job than socialist planners or trade union barons. What's more, market imperfections are often the result of too much state intervention, rather than too little.

The danger here is that some of the proposed forms of intervention – such as favouring firms operating a four-day week when allocating public sector procurement contracts, or with tax breaks – could distort the market and discourage alternative forms of flexible working which could actually be better for both employees and employers.

There may still be a case for the government itself to trial a four-day week in some parts of the public sector, as South Cambridgeshire District Council has done⁶. But there could be little additional value in these trials – and the taxpayer would bear the costs.

Finally, Gomes (2021) argues that the government may help to solve the 'coordination' problem. At the moment, if some businesses adopt the 'fifth day stoppage' model, what happens when customers want to be served on the fifth day? The government might have a role to play in deciding that (say) Friday is the day that businesses will add to the usual weekend. However, there is already a broad consensus that Friday should be the extra day off (reflected in the title of Gomes' own book, "Friday is the new Saturday".)

⁶ <https://www.bbc.co.uk/news/uk-england-cambridgeshire-66116456>

Conclusions

In short, there is a lot of utopian thinking here – and significant risks too. It is perfectly reasonable to believe that cutting working hours would have a positive effect on their wellbeing, and that their hourly productivity (if not their total output) might be higher. But it is dangerous to pretend that a four-day week could be rolled out across the whole economy without any costs in terms of output, service levels, or pay.

Even where it is possible to make big productivity gains, it is not obvious why the government needs to get involved. Businesses and their staff can, and should, be left to work this out for themselves.

Put another way, what is the market failure that justifies state intervention? Many may like to believe that capitalist bosses are evil. But are these bosses also so stupid that they are missing out on an obvious opportunity to boost productivity and save costs? If this is just about a lack of good information, the solution is well-run trials, or more Henry Fords.

Above all, there is already a clear trend towards more flexible working of all forms. A shorter standard working week should therefore be seen as only one option among many.

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