

Emerging Four Day Work Week Trends in Australia

New insights based on interviews with Australian firms who have already adopted 4DWW arrangements.

Preview Report

June 2023



EXECUTIVE SUMMARY

The recent Covid-19 pandemic has dramatically changed the way many of us think about work, and resulted in a huge increase in demand for flexible work arrangements (FWA), as employees seek a better work-life balance.

This research investigates the recent rise in popularity of four-day work week (4DWW) – a concept which was first proposed in the 1970s that is now starting to gain serious attention 50 years later – via a series of semi-structured interviews we conducted with Australian organisations who have already adopted this way of working.

From an employer perspective, the key benefits companies have realised since switching to a 4DWW have been improved staff recruitment and retention, increased productivity levels, and reduced absenteeism.

For employees, the 4DWW gives them more time to complete their ‘life admin’ tasks, enables them to participate in more health and wellness activities, and not only gives them more time to engage in their favourite hobbies, but also enables them to discover brand new pastimes they didn’t have time to enjoy previously.

We found that the key challenges to establishing a 4DWW arrangement were, scepticism – from both internal and external stakeholders – the reduced availability of staff, and finding an equitable solution that also benefits part-time staff members.

When designing 4DWW arrangements, we identified a difference between organisations who are client-facing, who need to maintain a 5-day service model for customers and clients, and those who are not client-facing.

Finally, when investigating any new strategies that had been introduced to enable work tasks to be completed in less time, all participating firms said they had reduced the frequency and length of meetings, whilst some had made a commitment to deprioritising non-essential work, and designing their work flow around the individual strengths and chronotypes of their staff members.



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INTRODUCTION

The first notion of a 4-day workweek (4DWW) can be traced back as far as 1908, when the Ford Motor Company began offering its employees a five-day 40-hour workweek, which was considered revolutionary at the time (Wilson, 2015). Prior to that, the standard workweek was six days.

In the decades that followed, various companies and labour unions around the world began advocating for shorter workweeks, with the goal of improving work-life balance and reducing the risk of burnout. The idea of a 4DWW started to gain mainstream attention in the 1970s, when the oil crisis forced some companies to implement reduced work schedules, as an attempt to conserve energy (Coote et al., 2021).

50 years later, the idea is gaining significant global attention again, with a growing number of organizations experimenting with the 4DWW as a means of boosting productivity, reducing stress, and improving work-life balance. The catalyst for this resurgence of interest in the 4DWW, is a sudden increase in demand for more flexible work arrangements (FWA), in the wake of the COVID-19 pandemic.

In June 2022, sixty-one UK companies started a 6-month 4DWW pilot with [4 Day Week Global](#), with employees reducing their weekly work hours with no drop in salary. The results were published in February 2023, and indicated that 92% of the participating firms had maintained the 4DWW arrangement beyond the end of the trial. On average, the participants reported a 65% reduction in sick days and 57% reduction in staff turnover, with 71% of employees reporting lower levels of burnout and 39% saying they were now less stressed than before the trial (Burgess & Nachiappan, 2023).

Similar experiments have been conducted in other countries, including Japan and Spain, and reducing working hours like this has long been linked with potential policies for achieving a range of economic, social and environmental goals (King and Van Den Bergh 2017).

This report investigates 4DWW trends in Australia, via a series of interviews with firms who have already adopted these arrangements, and documents their first-hand experiences.

RESULTS OVERVIEW

In order to learn more about 4DWW trends in Australia, we interviewed ten senior managers from ten different organisations that had already adopted the 4DWW. Their organisations had commenced working a 4DWW between August 2019 and November 2022, six of the companies interviewed were small businesses (1-19 employees), whilst four were medium-sized businesses (20-199 employees).

Five of the participating firms were based in Victoria, three in New South Wales, one in Queensland and one in Western Australia. Four of the participating companies had commenced their 4DWW journey as part of the 4-Day Week Global program, and six hadn't, and all of the participating organisations have adopted the '100:80:100' model - where employees get 100% pay for working 80% of their previous hours, in exchange for a commitment to maintain 100% productivity (World Economic Forum, 2023).

It was clear from our interviews that the 4DWW is widely regarded as a privilege (or a 'gift'), and not an entitlement, and something that could potentially be taken away again if agreed performance levels slip. Gifting somebody an extra day off each week provides strong motivation for getting the work done, maintaining quality and performance, and cutting out wasteful tasks and behaviours.

The 4DWW was found to be just one of a range of flexible work arrangements (FWA) offered by the participating organisations, either currently or in the past. Other FWAs included – hybrid work, remote work, unlimited leave, gender neutral parental leave, and flexible public holidays.

When we enquired about the original motivation for implementing a 4DWW, *preventing burnout* and *offering employees a better work-life balance* were the most common responses, closely followed by attempts to *increase productivity*, and *improve recruitment*.

We also found the 4DWW is often not formalised in work contracts, with many 4DWW employees still covered by their existing contracts, even though they are now expected to work less hours over only 4 days.

The way in which 4DWW arrangements are designed depends heavily on customer service needs and the nature of the business. For example, businesses who need to remain available to their customers 5 days per week need to roster their staff to work different shift patterns in order to maintain that coverage. Whereas, firms that aren't client-facing can support arrangements where everybody works the same four days and collectively take the same gift day, most commonly Friday.

When it comes to measuring the success of the 4DWW, participating firms used a variety of different measures, ranging from productivity, revenue and customer satisfaction, to staff retention and absenteeism rates.

70% said their productivity was higher since they introduced the 4DWW, with the other 30% saying it was *about the same* as before, and nobody reporting it had dropped.

When asked to rate how successful the 4DWW had been for them so far, on a scale of 1 to 10, employers gave it an average score of 9.25 out of 10.





"For me, it was a bit of an experiment that I really wanted to undertake - could we get better outcomes for everybody, including the business, if we worked less?"

Stephen Hunt
(Founder/COO, Music Health)

4DWW DESIGNS & EXCLUSIONS

When it came to the design of 4DWW arrangements, we observed a clear division between companies who were client-facing - with job activities that require regular direct interaction with a client or customer - and those that weren't.

Client-facing companies need to maintain the traditional 5-day operational model for their customers and clients, meaning different teams and individuals had different gift days based on the requirements of their role, their individual preferences, and the preferences of their colleagues.

Non client-facing organisations, on the other hand, tended to schedule the same gift day for all their employees. Most commonly this was Friday, meaning the organisation only operates Monday-Thursday.

When it came to exceptions to 4DWW rules, we encountered a range of different exclusions, that impact employees' normal access to gift days. The most common one was public holidays – whenever there was a public holiday, say on a Monday, it was normal that everyone would take that holiday and work the four other remaining days that week, regardless whichever day their gift day normally fell on. Similarly, if an employee takes a week of holiday, it is commonly classified as 5 days leave and not 4 days leave.

Two of the organisations we interviewed said that they encouraged employees to arrange personal appointments, such as a visit to the dentist, on their gift days rather than on their 4 work days.

Some employees were also expected to be 'on call' on their gift days, and contactable via phone or email, if an urgent matter arose. Similarly, if a client scheduled an important meeting on an employee's gift day, the employee might be expected to switch their gift day that week.

Another common exclusion was a requirement for new starters to complete their probationary period with the organisation before they could access the 4DWW. This means, they could be expected to work 5 days per week for the first 6-12 months of their employment, in order to gain valuable company experience before moving to a 4DWW.

One organisation indicated, that if the improvements they gained via the 4DWW were lost again, everyone agreed they would return to a 5-day work week.



TOP 3 BENEFITS: *Employers*

When it came to the benefits that employers experienced after moving to a 4DWW offers employers, there were some key improvement areas, and when asked how beneficial the 4DWW had been so far employers rated its success as 9.2 out of 10.

1. Employee Recruitment and Retention

From an employer perspective, the biggest benefit we found from operating a 4DWW was an increased ability to not only retain existing staff, but to also become more attractive to future talent.

Offering a 4DWW enables the participating organisations to compete for talent on work conditions and flexibility, rather than just on salary, and recent research has show that salary and pay rises are no longer the number one motivation for many workers (James, Gallagher, & Hopkins, 2022).

Being able to offer a 4DWW is clearly appealing to many candidates, with one of the participating organisations reporting a 600% increase in applications, compared to similar roles they had advertised prior to moving to a 4DWW.

2. Increased Productivity

20% of those interviewed admitted their primary motivation for moving to a 4DWW was an attempt to increase productivity, and this seems to have worked – with 70% of our participants saying productivity was higher at their organisation since introducing the 4DWW, 30% saying it was about the same, and nobody saying productivity had dropped.

3. Reduced Sick Days

The third key benefit reported by employers, was a significant reduction in sick days.

There are obviously many benefits associated with having healthier, more engaged staff, and [recent research](#) found that current absenteeism rates could be costing the Australian economy as much as AU\$24 billion in lost productivity each year.



"When we first started sharing on social media, that we'd launched the 4DWW, we were inundated with applications."

Nikki Beaumont
(CEO, Beaumont People)



TOP 3 BENEFITS: *Employees*

Unsurprisingly, we found no shortage of benefits for those employees who have switched to a 4DWW. Ranging from having more time to visit family members and catch up on sleep, to taking up new hobbies or learning a new language - these were the top 3 benefits we found:

1. Life Admin

The number one benefit of working a 4DWW is having more time to complete life admin tasks – such as a trip to the bank or dry cleaners, grocery shopping, household chores, laundry, paying bills or cleaning the car etc. - and being able to do this on their gift day now means employees are able to enjoy their weekend more.

Weekends away and visits to family members, particularly those who had parents living far away, had also increased significantly for those who now have a 3-day weekend every week. This could have the potential to boost tourism if more people had access to these arrangements.

2. Health, Exercise, Wellness and Self Care

A very encouraging finding was just how many 4DWW workers were investing their extra time off in healthy pursuits and self care. Massages, facials, trips to the gym, golf, walking and surfing were all mentioned, but one finding that really resonated with the researchers, was the fact that 2 participants mentioned they now had more time to visit the doctor and take regular health checks, something they didn't do when they were working 5 days each week.

We found this finding particularly important, given the record levels of stress and burnout present in today's Australian workplaces (Ruppanner et al., 2023).



3. Hobbies and New Pastimes

Working a 4DWW was also found to give employees more time to participate in their favourite hobbies, like golf and tennis, as well as taking up brand new pastimes.

Some of the new hobbies we heard about included, learning a new language, learning a musical instrument, take up painting, training for a 10km charity run, and drone photography.





“We were starting to see cracks within the industry, people were burning out, truck drivers were just walking out the door, and I really didn't want to see that happen here.”

Brian Hack
(Managing Director, EES Shipping)

4DWW CHALLENGES

Moving to a 4DWW certainly isn't one-way traffic and, whilst there are clear benefits on offer for both employers and employees, moving to this new way of working is not without its challenges. Most of our participants said that the process wasn't easy, careful planning, piloting and training was needed, and they didn't always get things right the first time. Here are three of the biggest challenges they faced:

1. Scepticism

One of the key challenges in adopting a 4DWW was overcoming scepticism, from both internal and external stakeholders, who could not see past more time/hours directly equating to more productivity. Many sceptics simply could not believe that increased productivity, and well as many other significant benefits, could be possible via working one day less.

2. Reduced Availability of Staff

Moving to a 4DWW means staff are not going to be as available as they were before, either internally to colleagues, or externally to customers and clients.

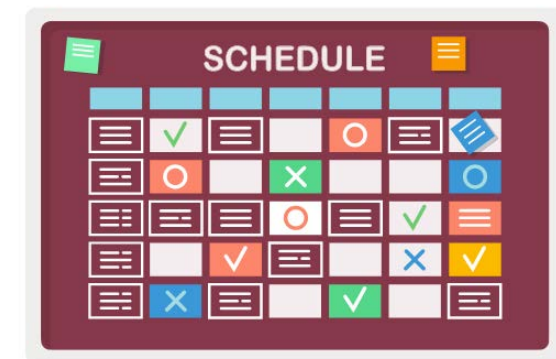
This requires careful planning, particularly for client-facing organisations, who need to make sure that staff are rostered appropriately each week to maintain 5 day service cover. An online 4DWW calendar, available and visible to all staff, is a popular way to communicate these arrangements and expectations.

For companies that weren't client-facing, some had an offshore virtual assistant to manage calls on everyone's gift day, and indicated that some tech support workers might need to take a different gift day to the rest of the team.

3. Part Time Workers

In a number of instances, it was revealed that there was difficulty when deciding what to do with part time workers, when moving to a 4DWW.

Solutions to this challenge vary, from scaling the benefits for part time workers on a pro rata basis, to excluding non-fulltime workers from accessing work time reductions.



"During the six month trial period, our capacity as an organization increased by 11%, our sick leave reduced by a third, stress levels went down, work-life balance measures increased, our electricity usage decreased, and our employee Net Promoter Score went from 20-30 and now sits at 78."

Debbie Bailey
(CEO, Momentum Mental Health)



WORKTIME REDUCTION STRATEGIES

One of the biggest challenges, facing any company moving to a 4DWW, is how to increase productivity by at least 25% when reducing work time by 20%. We asked our participants to share the strategies they have used, which have helped to reduce their overall workload, when moving to a 4DWW.



1. Reduction of Meetings

Without doubt, the number one recommended worktime reduction strategy recommended by all our participants, involved some sort of reduction in the frequency and/or duration of meetings. These were regarded as a huge ‘time suck,’ and ‘productivity killers,’ and a great place to start when looking for efficiency improvements.

This is supported by a recent survey of 76 companies across 50 countries, which found ‘too many meetings hinder effective collaboration, knock you out of rhythm during the most productive hours, and disrupt your thinking’ (Laker, Malik, Budhwar, & Pereira, 2022).

2. Deprioritisation of Non-essential Work

Another worktime reduction strategy was the identification, and sometimes elimination, of non-essential or low-value work activities. This enables workers to concentrate on the tasks that are most urgent and important.

One organisation told us, as part of the adoption a 4DWW, their employees all had to undergo [Inbox Zero](#) training to learn how to manage their email more effectively, Inbox Zero is a productivity strategy that helps to declutter email inboxes by methodically deleting, sorting, or otherwise clearing incoming emails.

3. Designing Work Around People

The third most popular worktime reduction strategy we encountered, involved redesigning workflow and processes, to maximise the characteristics and strengths of individual team members.

Three of the organisations we spoke with encouraged employees to design their work hours around their personal chronotypes, a person’s natural body clock or circadian rhythm, which determines whether they are a morning person or someone who does their best work in the evening (Roenneberg, Wirz-Justice, & Mellow, 2003).

Time blocking was another technique we discovered, which is a personal productivity technique used for improving time management, that requires employees to identify the most important tasks that need to be completed and formally set aside an appropriate ‘block’ of time to focus on them. It encourages workers to concentrate on one task at a time, reduces distractions, and helps reduce the negative psychological impact of long to-do lists (Rampton, 2019).

One organisation had invested in ‘cross training’ their staff, so that everyone had at least some level of expertise in their colleagues’ roles, whilst others had invested in new technologies to automate time-intensive tasks and inefficient processes.

FINAL THOUGHTS & PREDICTIONS

Reflecting on the findings of this investigation into 4DWW trends in Australia, we would like to finish by highlighting the key takeaways and making a few predictions:

- ✎ The 4DWW offers many potential benefits for both employers and employees.
- ✎ It is possible for both client-facing, and non-client facing organisations, to implement 4DWW arrangements.
- ✎ Planning, training, piloting, and iterating are critical stages in designing an appropriate 4DWW arrangement.
- ✎ There are links between the 4DWW and positive health, exercise, wellness, and self-care outcomes.
- ✎ Whilst the concept of the 4DWW has been discussed for over 50 years, the sudden increase in demand for more flexible work arrangements and the growth of human-centred leadership, could mean the timing is now right for it to gain broader traction.
- ✎ Small to medium-size organisations are driving the current 4DWW trend in Australia, further research is required to determine how scalable these arrangements are, and if similar outcomes can be achieved by larger organisations.



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The authors conducted a series of semi-structured interviews with ten 4DWW decision makers, via video conferencing platform Microsoft Teams, between February and May 2023. We define 'decision makers' as those who were involved in originally exploring the idea of a 4DWW, and responsible for making key decisions throughout the design, pilot and launch phases of the process.

Semi-structured interviews were selected as the most appropriate method for this research, as it is a flexible and versatile technique for collecting both qualitative and quantitative data, which allows researchers to improvise their line of questioning based upon the responses of each participant.

The participants were identified via articles in the media and jobs sites specialising in 4DWW positions. All the participants in this research were based in Australia. 60% of the interview participants were female, and 40% were male, representing a range of different industry sectors, including recruitment, higher education, IT, logistics, and healthcare.

The interviews lasted between 41 and 58 minutes long, were automatically transcribed using the built-in Microsoft Teams live transcription tool, and analysed independently by the three researchers to identify the key themes discussed in this report.

The team conducting this research were impartial investigators, who do not work a 4DWW themselves and were not funded by any external entity for this research, and this investigation was approved by Swinburne University's Human Ethics Committee.

For further information about this, and other similar projects, please visit:

<https://workflex.solutions/research>



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