

Is a four day working week the future?



In a fundamental change to the UK's approach to work, 100 companies including notable names such as Atom Bank and Awin have incorporated a 4 day work week with no reduction in pay. Affecting around 2600 staff as reported by the Guardian, companies are hoping this will unlock the productivity puzzle that Britain has struggled with for the past 12 years. Not only is there hope for greater economic output, but with reported major decline in worker's mental health causing many to leave the workforce, a better work-life balance may yet be the key.

The ONS reported that if the pre-2007 trend in productivity continued, it would be 16% higher than levels currently are. As this is not the case, many economists are puzzled by this so-called flatlining in productivity. However, Shainaz Firfiray at Warwick Business school has noted several studies suggesting the concept of an "optimal working time", a maximum number of hours per week in which productivity stays constant throughout. The maximum number of hours has been suggested to be no more than 35, around 5 hours less than the current average amount of hours worked in the UK.

How would this impact productivity levels? Firfiray goes on to note the decrease in satisfaction, happiness and motivation when hours worked exceed the optimal working time. Workers tend to become less engaged with their work under the current '24 hour work culture' where workers are continuously engaged in their work including during out of office hours. The decrease in engagement and satisfaction impacts productivity levels drastically, leading to phenomenon such as 'quiet quitting', where employees struggle to stay engaged with work, and so almost quit whilst employed. The World Economic Forum notes that around half of US employees say they are not engaged in their work, with 18% actively disengaged. In Europe, it stands at only an estimated 14% of workers stating they are engaged at work. This is no wonder then that productivity levels have spiralled, as people feel over exacerbated by constant work with not time to focus on the other aspects of their lives, such as family and relationships. But productivity is not the only cost of unengaged workers. People Management reported that disengagement can cost a company up to 34% of an employee's

salary. Such economic costs to individual businesses and the economy as a whole put the issue of satisfaction and engagement at the forefront of the question of productivity.

Yet there is hope. The 4 Day Week Campaign Group ran 4 day work week trial with 70 companies and reported that around 95% of the companies surveyed said productivity had either stayed the same or increased since introducing a 4-day work week. Allowing people to spend more time on other aspects of their lives may lead to improvements in mental health, thus leading to a positive increase in productivity levels for the UK.

The 4-day work week may not only improve engagement and satisfaction of workers but help set them on a path to improvements in mental health. The mental health crisis has slowly been growing in the UK, affecting the younger generation especially, as the World Economic Forum estimates 80% of young people worldwide are more vulnerable to depression, anxiety and disappointment since the Covid-19 pandemic. The growing crises has led to more people to leave the workforce. The UK has now 600,000 more economic inactive individuals since 2020, and a survey of 36,000 employees by Microsoft showed 54% of Gen Z workers are considering quitting their jobs. More unemployment means a fall in economic output and lower tax revenues for the UK government, placing stretched public services at critical condition.

Urgent action then is needed to address this crisis, and a 4-day work week may be a possible addition to the solution. Having a real work life balance could result in a happier, more engaged workforce, reversing the current trend in productivity, and producing substantially better payoffs for the UK economy.

By Josh Diebel