

Is a Four-day Work Week on Canada's Horizon?

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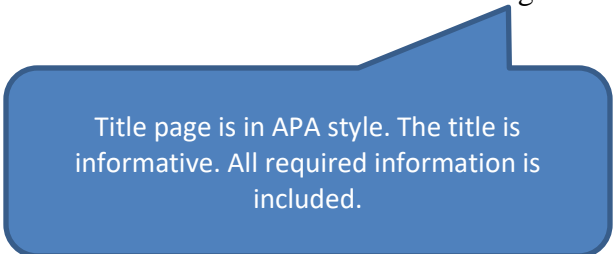
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Is a Four-day Work Week on Canada's Horizon?

Introduction

Discussions on the implementation of a four-day

The introduction creates a context, previews the discussion, mentions sources, and establishes limitations of the report.

work week have seen much traction in the Canadian media over the past few years. Opinions on whether implementing a four-day work week vary across sectors and stakeholders. Proponents see it as a welcomed progressive change while detractors view it as an untenable pipe dream. This brief report examines some successful implementations of the four-day work week, reviews detractors' concerns, discusses whether large-scale implementation of a four-day work week is viable within a Canadian context, and provides recommendations. This short report is limited to the secondary sources supplied in the references section.

Participants in the Four-day Work Week

Several industries and service sectors around the world, and a few domestically, have implemented, have started trials, or are intending to pilot trials on four-day work weeks. To provide a context, a summary of some participants

This section notes the current participation, further establishing context.

below includes information of individual organizations' size and types of businesses.

Countries

Sub-headings are used to differentiate participants.

Iceland, Germany, and France have all implemented some sort of shortened work week. Additionally, the government of Spain will be piloting a four-day work week study.

Iceland

Iceland ran a trial of "2,500 workers across a variety of industries from 2015 to 2019 as part of an experiment run by the U.K.-based think tank Autonomy and Iceland's Association for Sustainable Democracy" (Elliott, 2021, para. 3).

France

The “35-hour work weeks have been the norm in France for more than two decades”. In response to COVID and changes in the auto industry due to technology, automaker Renault SA has been giving its 13,000 auto workers Fridays off. Workers will be paid the same amount because their salaries are being subsidized by the country’s unemployment benefits plan (Nicola et al., 2021).

Germany

In response to COVID, some German companies reinstated its “Kurzarbeit” program whereby employees’ hours are reduced. Employees, however, do not see a reduction in their wages since the government supplements them (Rapid Transition Alliance, 2021).

Spain

The Spanish government is supporting four-day work-week initiatives by earmarking “50 million euros to support companies to test a 32-hour working week based on no loss of pay” (Rapid Transition Alliance, 2021, para. 5). The initiative will begin in Fall 2021 and will include as many as 200 companies and anywhere between 3,000 to 6,000 employees.

Canada

In Canada shortened work week initiatives are of a smaller scale. Below are some organizations that have implemented shortened work weeks or are going to pilot trials.

Zorra Township is a rural area in south-western Ontario, encompassing four smaller Wards. The municipal township employees are in the second phase of a four-day work week study. The 14 employees who already work only a 35-hour week have been spreading the work over four days instead of five. The township is echoing the model used by the municipality of Guysborough, N.S., which saw positive results from their four-day work week trial. Because of

Guysborough's trials success, its municipal employees are now on a permanent four-day work week (Olive, 2021).

Juno College is a private vocational school in located in Toronto, Ontario. The small college which has 45 employees is beginning a four-day work week trial (Devlin, 2021).

Jamie Savage, who runs The Leader Agency, a Toronto-based company that deals with recruitment and employs 9 workers, started a four-day work week in October 2020. Based on the success of the pilot, Jamie Savage has made the four-day work week permanent (Davidson, 2021).

Private Companies

Based in New Zealand, Perpetual Guardian, a firm that advises on wills and estates and employs about 1000 people, piloted a four-day work week three years ago. The company was so impressed with the pilot that the four-day work week is now its norm.

American-based Target Publishing, a magazine company's "trial of a shorter working week was so successful that employees were reinstated back to full pay" (Rapid Transition Alliance, 2021, para. 17).

The tech solutions and marketing firm Awin, which is based in Berlin and employs 1,000 people, piloted a four-day work week and has now incorporated it as standard due to the pilot's success (Nicola et al., 2021).

Unilever New Zealand (a food-based conglomerate) is experimenting with employees working 80% of regular hours at full pay (Olive, 2021). Unilever's New Zealand branch focuses on importing and distribution, not manufacturing.

Multi-national, technology giant, Microsoft Japan, piloted a four-day work week in 2019 and gave its 2,300 employees Fridays off with no cut in pay (Paul, 2019).

Analysis on participants is provided here.

Commentary on Participants in the Four-day Work Week

The large-scale implementation or pilots of the four-day work week occurred outside of Canada. Participating countries have government policies and social safety nets that are different from those in Canada. In the cases of Germany, France, and Spain; significant government funding is or will be used to support four-day work weeks.

The Iceland study itself has not been reviewed and the articles which reference it provide few to no details on how the four-day work week was actually implemented or how employees were able to keep their wages.

The private companies which have implemented or are initiating four-day work week pilots are largely “knowledge-based” firms whose employees are salaried. Although Unilever is involved in manufacturing, its four-day work week initiative focused only on those involved in importing and distribution.

The three Canadian examples referenced are all small-scale organizations that employ fewer than 25 people who perform white-collar jobs. The Zorra example should be examined with caution, for the employees already had a 35-hour work week before the trial began. Nevertheless, some valuable information about employee satisfaction and overall productivity has been gleaned from the participants.

Proponents of the Four-day Work Week

Proponents' views are summarized.

Improved Employee Well-Being

All participants outlined above assert several benefits from implementing a four-day work week. In all scenarios, most employees reported that they had more time for family, for personal leisure pursuits, and for opportunities to re-charge.

Reports from employees in the comprehensive Icelandic study indicate that employees saw lower stress level, improved work-life balance, and a general improvement in their well-being (Elliott, 2021).

Perpetual Guardian's report on its four-day work week pilot indicated "a 45-per-cent increase in employee work-life balance and measurable improvements in job satisfaction and staff retention" (Badelt, 2021, para. 11).

On a smaller scale, Jamie Savage of The Leader Agency stated that her nine employees "are happier, more productive and are not leaving for other companies" (Davidson, 2021, para. 10).

Research supports the findings as well. The Henley Business School's report from University of Reading notes improvements in employee loyalty and well-being among the approximately 250 U.K. companies it surveyed that had experimented with four-day work weeks (Olive, 2021).

Improved Productivity

Proponents of the four-day work week claim that productivity has not been compromised and has in some instances increased when a four-day work week was implemented.

In 2019, productivity rose about 40 per cent during Microsoft Japan's experiment with a four-day work week (Olive, 2021). Employers who participated in the Iceland study noted that in most cases productivity improved or remained the same (Nicola et al., 2021). Jamie Savage of

The Leader Agency reports that her company of nine has seen gains in productivity; however, she does not comment on how those gains were achieved (Davidson, 2021).

The reports on improved productivity are, indeed, promising. However, aside from a few comments on shortening meeting times and increasing productivity, authors in the articles referenced provide few details on how improved productivity was actually achieved.

Incidental Benefits

Aside from improved employee well-being and increased productivity, some contend that implementing a four-day work week will help save the environment.

Badelt (2021) claims that greenhouse gas emission will be reduced to some degree if people work only four days per week. The reduction will only be realized, however, if people do not drive when they are off work.

Olive (2021) argues general traffic congestion will diminish since people will not be completing chores that involve driving on the same days.

Cautiously, yet optimistically the authors of Rapid Transition (2021) envision a world where employees who work less will engage in eco-friendly activities such as growing their own vegetables, preparing meals from scratch, and perhaps bicycling to work. Such a vision is, nonetheless, based on an optimistic view of what individuals are prepared to do to save the environment.

Detractors' views
are summarized.

Detractors of the Four-day Work Week

While the four-day work week receives enthusiastic support from many, several detractors question the purported gains in productivity. Others see it as a model viable for only white-collar workers and comment that the implementation of the plan to only a select few would increase social inequity.

Entire Icelandic Study Questioned

According to Veal (2022), the entire Iceland study is not really a study on implementing a four-day work week. It is, instead, a study on reducing working hours. Veal notes that the four-day work week is mentioned only twice in the 80-page document. Veal argues that most participants in the study saw their work week reduced by only four hours per week at most. If a four-day work week had really been implemented, the reduction in hours would have to have been seven or eight hours.

Improved Well-Being Questioned

In a few short sentences, Effron (2020) dismisses the current research and studies on the four-day work week by claiming that other surveys suggest that employee engagement has been consistent over the decade and that claims of burnout and stress associated with long work hours are unproven. Unfortunately, Effron does not provide data to support his counter claims.

Productivity Gains Questioned

Effron (2020, para. 6) criticized proponents' claims of increased productivity by countering that if corporations could easily find efficiencies, they were operating ineffectively to begin with if "a few common-sense changes led to radical improvements". Using the UK as an example, Abigail Marks (2021) questions productivity gains, arguing that most employers of low-to-medium skilled workers would require workers to be as productive in four days as in five. Citing research, Marks asserts that productivity, in fact, diminishes if employees work 12-hour days.

Authors from Canadian think tank, the Fraser Institute, also question the productivity gains alleged by proponents. They argue that "in competitive markets, the compensation paid to workers will reflect the value of the output they produce. Therefore, if hours of work are

reduced, workers must produce more per hour to maintain the same value to their employers ... However, the limited empirical evidence on this issue does not support this optimistic assessment” (Fraser Institute, 2021, p. i).

Equitable Access Questioned

Effron (2020) contends that the four-day work week is not equitably applied to all employees in a given firm, noting that some employees still work five days a week at Perpetual Guardian and the salespeople at Cockroach Labs, a firm that adopted a four-day work week early on, work five days a week. His concern is echoed by Olive (2021, para. 18) who concedes that “even advocates of four-day work weeks acknowledge that the format isn’t suited to certain jobs;” jobs requiring a high level of focus such as construction and computer programming are not suited to a reduced work week because workers’ focus cannot be sustained for long periods of time, thus productivity drops. Marks (2021, para. 15) posits that “a four-day week is likely to exacerbate existing inequalities and create resentment against those who get to have a three-day weekend”.

Canadian context is discussed and analysis is provided.

Viability of a Four-day Work Week in Canada on a Broad Scale

Implementing a broad-scale implementation of a four-day work week in Canada would require conformity and collaboration among all stakeholders – government bodies, corporations, and workers. Achieving conformity poses a challenge since various approaches could be applied.

First, as Rodriguez (2019) suggests, Canada would have to see a significant change in its work culture, for Canadians who work average overtime of 4 hour per week believe that employers prefer and promote employees who work longer hours. Likewise, corporations would

need to change their views and invest in technologies that would encourage improved efficiency and collaboration (Rodriguez, 2019).

How promoting a shift in Canadian work culture could be achieved and how it would be funded is unclear. Suggestions from the articles referenced in this report seem to gravitate towards two contrasting models: a government intensive model and a free market model.

Government Intensive Model

Various levels of the Canadian government – federal, provincial, and municipal – could allocate funds to support four-day work weeks. Such models were applied in France, Germany, Spain, and Iceland.

Free Market Model

Corporations could focus on increasing productivity. Steven Globerman’s study suggests that if “labour productivity in Canada grows at approximately 2 percent per year from 2018-2030, the average Canadian worker could enjoy a four-day work week while actually earning a higher inflation-adjusted income” (Globerman, 2021, cited in Frasier, 2021, p. i).

To reach the increased productivity goals, the Frasier Institute study recommends making corporations more competitive by reducing inter-provincial trade barriers and adjusting labour regulations that are seen as barriers to innovation.

Conclusions and Recommendations

Conclusion sums up the report. Recommendations are logical and refer to content discussed in the report.

Four-day work weeks have been implemented across several sectors and on various scales around the world. The success of implementations is determined by various factors that include the work culture perceptions, the size and product or service of an organization, and the role of governments.

To determine if implementing a four-day work week is viable in Canada, more thorough research needs to be conducted.

More specifically

- the studies and research mentioned by the authors in the references list need to be carefully read and critically assessed, and
- existing Canadian labour and trade regulations need to be examined.

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and in alphabetical order.

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