

Media Coverage

Publication	Date	Edition	Headline	Size
The Hindu	19 July 2022	National	The Five-day work week might be fading away	340

The five-day work week might be fading away

Instead, an old idea, a four-day work week, could become a reality, shaping the future of staff engagement



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A three-day weekend is not beyond anyone's dream, and it may soon be a reality. The idea of a four-day work week against the usual 40-hour, five-day work week has been mooted for decades. The call for fewer work hours itself is older than the Great Depression. After the reduction of working hours in the 1920s and 1930s led by Henry Ford, from more than 60 hours a week to the current 40, the notion of fewer working hours for the same productivity aided by higher technology grew prevalent. The noted English economist, John Maynard Keynes, predicted that his grandchildren would only work about 15 hours a week. Even though the prediction seems a little far-fetched right now, the direction of change seems about right as companies from all over the world toy around with the idea of fewer working hours.

Trial results show benefits

The most recent and widespread adoption of a four-day work week was a trial run by Microsoft in Japan in 2019. The trial was conducted with a typical eight-hour work day for four days and a three-day weekend but a five-day week pay cheque. Microsoft was happy with the result as it saw a 40% increase in worker productivity, presumably due to increased job satisfac-

tion and lower burnouts. Microsoft Japan also reported that a shorter work week led to higher efficiency in the form of lower office costs. It saw a massive 23% dip in electricity costs and a 60% fall in the number of pages printed in the office.

Perpetual Guardian, a New Zealand trust management company, also reported a 20% increase in worker productivity after a similar trial in 2018. Most trials of a four-day work week seem to increase or at least keep constant worker productivity. Gains in productivity also depend on the kind of work. The idea of increased productivity due to a fall in working hours has been carried along since Henry Ford. However, an increase in a worker's productivity in a manufacturing firm with a decrease in work hours would not mean a similar increase in productivity for an employee in the service sectors such as education or health.

In a larger view, fewer working days will lead to lower commuting and hence have a positive impact on the environment, including a fall in electricity consumption in offices. Lower work hours are also being seen as an important tool to revive employment rates after the novel coronavirus pandemic. The New Deal in the United States mandated overtime pay after 40 hours a week to increase employment after the Great Depression. A similar move is argued to be a viable option to reduce unemployment prevalent in the global economies after the pandemic.

Gains for women

A shorter work week is seen as a welcome step toward gender equality and women's career pro-



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gression. A two-day weekend was often not enough for women, especially mothers with young children, as they would not have much time for themselves after all the care work. Women often opt for smaller shifts and shorter work days for lower pay after they become mothers. A four-day work week for everyone instead could ensure pay equality among genders. A three-day weekend may also push men to take up more unpaid domestic work, which would give women more leeway. With enough work-life balance in a four-day work week, women would be able to focus more on work, hence adding to their career prospects.

Not always a virtue

A four-day work week is not one that fits all. The service sector has challenges implementing a four-day work week, especially for small firms. For example, a hairdresser cannot cut more hair by reducing hours; so too a musician in the context of more concerts. This limited applicability is also relevant in schools and hospitals. The sales and marketing departments of firms may also face this issue as there would be less time to chase leads, build customer relations and solve issues. The Centre for Policy Studies, U.K., studied the possible cost of implementing

a four-day work week for public sector employees in the United Kingdom. It would cost at least £17 billion, assuming stable productivity but an expanded workforce. Another major drawback is that employees in firms that would not decrease work hours in a four-day work week would have to work 10 hours on working days, which can lead to increased stress and decreased satisfaction. Implementation of a four-day work week can also affect employees' holiday entitlements.

The Indian scene

A study conducted between February 1 and March 7 across sectors in 2022 by Genius Consultants, in India, found that among 1,113 employers it surveyed, 60% preferred a four-day work week and believed that it would positively affect employee productivity and well-being. Recognising the growing trend, the Central government is set to roll out the new labour codes, which include rules for a flexible four-day work week. On the four-day work week, the new codes stipulate the requirement of a minimum of 48 hours per week; hence the employee will have to work for 12 hours on each working day. The new regulations on the flexible work week with 12 hours of daily work are not likely to increase productivity as the increased per day hours of work would work against employee motivation to increase output. It is well-known that productivity declines after a certain number of hours a day. The draft code should remember that only a reduction in the number of workdays, keeping the number of hours fixed, would contribute to improved labour

productivity because better rested and more invigorated workers will be more productive. The extant code may not find many takers since it will find resistance from the workers and companies who very well know it might result in a decline in productivity – thus the total value of the output they produce.

The conventional negative relationship between work hours and productivity is being proven right again through numerous four-day work week trials all across the world. The shorter work week has numerous advantages for employees and employers and can be crucial in increasing productivity and employee well-being, higher employer efficiency, and also increasing employment in the economy. These advantages have led to large strides in this mode of work, such as in Iceland, where 86% of employees have the right to work on a four-day work week. The concern on the applicability of four-day work is real, but examples such as Iceland show that it runs well with a few exceptions. Implementing a four-day work week without a reduction in aggregate working hours such as in India is most likely to fail in yielding the desired advantages. The draft code should not forget the Parkinson's law that says work expands so as to fill the time available for its completion, and it should be a guiding principle in designing India's new labour codes.

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