

Season 3 | Episode 34

## 4-Day Week Pilot Programs Igniting Interest



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**Announcer:**

Welcome to THRIVE, a Paychex Business Podcast. Where you'll hear timely insights to help you navigate marketplace dynamics and propel your business forward. Here's your host Gene Marks.

**Gene Marks:**

Hey everybody and welcome to this episode of THRIVE. I am here with Joe O'Connor, who is the global pilot program manager of 4dayweek.com. It's the number 4dayweek.com, Joe, thanks very much for joining us.

**Joe O'Connor:**

Thanks, Gene. Great to be here.

**Gene Marks:**

Tell us about 4dayweek.com, what exactly is it?

**Joe O'Connor:**

Sure. We're a not-for-profit organization, 4 Day Week Global, we were founded by two New Zealand-based entrepreneurs, Andrew Barnes, and Charlotte Lockhart who introduced the four day working week in their business, Perpetual Guardian, back in 2018. They did this based on this principle of the 100-80-100 rule, which was 100% of the pay, 80% of the time, but in return for commitment to delivering 100% of the productivity. Their trial, which was conducted with academics at Auckland University was a big success. Actually, this is back before the 4-day work week was the global phenomenon that it is today. So they got quite a bit of interest, attention, coverage, and they set up this foundation really with the purpose of number one, advocating for the concept of the shorter working week worldwide, and number two, to support companies who're interested in either trialing or introducing what we call reduced-hour, productivity-focused working.

**Gene Marks:**

Got it. Companies around the world Microsoft, Panasonic — there's a trial program going on in the UK — I've seen success in the 4-day work week. Certain countries, Iceland has also seen success and they've had studies going on for a number of years, but Joe, so listen, my audience are small business owners in the U.S. They are generally skew of an older range, my age, 50s and even older, and there are some congressmen, and I interviewed one from California, who wants to introduce legislation that would require companies to offer a 4-day work week. So, I'm a business owner, you're telling me, "Oh, you want to have a 4-day work week." So people are going to do 80% of the work and I'm still going to pay them 100% of their wages. How is that possibly good for me? How do you respond to that question?

**Joe O'Connor:**

Well, I think the critical aspect there is this concept is not about doing 80% of the work. This concept is about shifting from time as a measure or as a surrogate for productivity, towards a focus on the work that's actually getting done and what's being delivered for your business. Our experience in working with companies all over the world, small, medium and large is that, what the 4-day work week trial does for your company is that it aligns your company's interests with individual employee interests in a way that few things do. The process of a trial — if it's done the right way — and when I say the right way, I mean, if it's very, very clear as to how it's going to be measured, if there are very clear targets, deliverables, success metrics in place.

**Joe O'Connor:**

If the success of the trial is linked to delivery on those outcomes, then you achieve this situation where A, you create this huge focus within your organization on what are you doing? How can you do it better? How can you work more efficiently? B, you create this motivation across your entire workforce where people are so incredibly driven to hit those goals, because they know that this incredible transformative benefit of the four-day working week — whether that becomes a permanent policy or not — is linked to delivery on these goals, and it also creates a really empowered, engaged workforce. So that's our experience and that's why this is not something that's about paying people for doing less work. This is about actually shifting towards a smarter way of working.

**Gene Marks:**

Two takeaways on that. So first of all, you said this is not about time and you're absolutely right. I'm going to get to that in a minute. Just my friendly suggestion to all of your 4-day-weekers out there is that, when you talk about 4-day week, that's a time component. So when you're saying it's not about time, and then you're calling it a 4-day week, it sounds like it is about time. Do you know what I mean? To me, it needs a different branding around it because it should be exactly what you said — it should be about deliverables. When a business owner like me hears 4-day weeks, we just think that, "Oh, okay. They're going to spend less time and still get paid the same."

**Gene Marks:**

And in other words, time has got to be taken out the equation, that's my first takeaway. The second question that I have for you though, is about those deliverables. You are spot-on when you talk about deliverables. Nowadays, my best clients don't care whether their employees work 40 or 80 hours in a week, they just care about getting their stuff done during the week. That's just what it is, but what do I say to a client of mine who's, "Hey I got this guy and he's coming in here and he's working this machine. He's got to be on this machine eight hours a day because the machine has to keep running." There's no deliverables component. What do you say to those in place because there are some jobs that are time reliant. Do you know what I mean?

**Joe O'Connor:**

Sure. Well, let me address both your points together. Because I think-

**Gene Marks:**

Go back and argue back on my first point.

**Joe O'Connor:**

Sure. So on the branding question and how we pitch this as the 4-day work week, we would acknowledge that internally because when we talk to companies, this is not about a 4-day week in every case, this is not about Fridays off in every case. This is not a one-size-fits-all solution, and the 100-80-100 ratio can be applied in a lot of different ways. From our experience, the 4-day week is a conversation starter.

**Joe O'Connor:**

The 4-day week is something that you can see from the momentum that it's gained all across the world is something that gets you into talking about reduced-hour, productivity-focused working, which is really what we're all about. So you could argue that there's maybe a degree of clickbait in that, when we talk about 4-day work week, for some companies that might mean — I would say five to 10% of companies we work with — what it means is, the company moves to a 4-day work week, as well as the employees. In the vast majority of cases, we're talking about clever rostering scheduling in order to ensure at the same service standards can be maintained in order to ensure that the same access is there for customers and clients across the work week.

**Gene Marks:**

So it is, it's funny that you say that and that really is a great point, that, the clickbait points. When you hear 4-day week you're like, "What the heck is that all about? That sounds awful." And it draws you into the conversation. Whereas if it was something more like, "consulting, logistics, performance pay" or something that, it doesn't ... right? It doesn't ...[crosstalk]

**Joe O'Connor:**

Sure. We haven't found a better way yet of introducing people to this conversation. And my view would be, and that's why I come down on the side of, I'm still fine with our name and how we market ourselves. I think I've probably had hundreds more conversations with business owners, with HR managers, and with people who are intrigued by the 4-day work week and their start point might be well, the 4-day work week based on my conception, or my preconception of what that is, "That wouldn't work in my business." But by the time we've reached the end of the conversation and I've talked about ... "Well, actually this can look very, very different depending on the context, depending on the business's needs, depending on the particular challenges that you might have."

**Joe O'Connor:**

Then maybe there are a little bit more open-minded to the idea that actually we can reduce hours and we can do it in a way that enables us to maintain or improve output. You know, this is about, in the same way that the five-day, 9:00 to 5:00, it's the most common work arrangement today, it's the standard, it's maybe the default, but it's not the only one. So we're not saying that there will continue to need to be different flexibility for different sectors, for different companies, but also for different individual workers. But we're talking about moving to the 4-day work week as the new default. And we believe that some version of reduced working time is achievable right across the economy.

**Gene Marks:**

I gotta tell you, I worked at KPMG for nine years and then I was a controller at the company, financial controller. It's a 50-person biotech company and I reported to a CFO, and there were days where we were working 15-hour days if we were doing financings or whatever. And then there were days where there was nothing going on. We had our days done, and yet the guy would make me still stay there until six o'clock at night when he would leave. And I remember I had little kids at home at the time, and here I was twirling my thumbs. This was in the late '90s where you didn't question that, that's just the way it was. I don't think today's generation would stand for something that. I think you would lose employees if you had that type of attitude at work. What are your thoughts on that? What are your thoughts on Gen Z and the millennials driving this type of change?

**Joe O'Connor:**

Well, I think we're seeing this based on the fact I've been working around this area since around 2018, and back then the main reasons companies were drawn to this idea were productivity. They'd seen some of the successful case studies around productivity, or well-being, or they saw this as an initiative to improve employee well-being. The number one reason now, by far, why companies come to us interest in trialing this, is recruitment and retention — way, way, way over and above anything else. Particularly we're seeing it in sectors of the economy whereby maybe previously offering flexible working, remote working, some version of hybrid working, that might have been a competitive advantage for you. Now because of the impact of COVID, it's likely that if you don't offer that, it's competitive disadvantage. It's almost a given in a lot of industries.

**Joe O'Connor:**

So companies now are searching for what is the new thing that can give us an edge in terms of retaining our best people and recruiting better talents for our recruitment tools. The way Banks Benitez, who's a CEO with Uncharted — the company in Denver, Colorado that have done this — the way he describes, and it always struck me as, they're competing with Facebook and with Google and people like this, or engineers for tech talent, and they can't compete in the top 1% of salaries, but right now they can compete in the top 1% of work weeks. So I think that's one of the things that's really, really drawing companies of all kinds of different shapes and sizes to this idea.

**Gene Marks:**

Our audience are small business owners and one of the advantages of working for a small business is that you can have that flexibility. It doesn't have to be some overall corporate program because there's thousands of employees. In a small business, you can work with individual employees, and work out a schedule that works best for them and still delivers the results that you want. So that kind of arrangement works. You talk about the 4-day week, and I know that the initial starting point of the conversation is "Listen, it's all about deliverables, it's not about hours," but in some cases, some companies do like to make it about hours, and in some industries that 4-day work week, it's not a new story.

**Gene Marks:**

One of the big attraction as to working in certain healthcare jobs like nursing was that you could work four, 10-hour days and then have three days off after that, which is also very attractive to people as well. So when you are talking about 4-day weeks, would you take that into consideration? Like, "Hey, it doesn't necessarily have to be about working less and having levels that could be working the same amount of hours, but having more flexibility in that time period?"

**Joe O'Connor:**

Yeah. I'm aware of companies that have moved to four, 10-hour days and it works for them. And many of their employees are very, very happy with that arrangement. We've also seen scenarios where companies have tested that out and actually it's worsened the feeling of more intense working — people have felt more burnt out, more stressed. And there's a certain amount of that where you get that extra recharge and refresh by the extra three days. But that's not our model. It might work for some companies, but our model is really about looking at the business, looking at how can we become more efficient? Because that is a restructuring or a reorganizing of the current work week, part of the magic of the process here is there is a quid pro quo.

**Joe O'Connor:**

There is a carrot here, which is reducing the work week for employees. And one of the things that people would say to me is, "Why can we not do all of these things? Why can we not have a change management process within our business where we get a real intense focus on, what we're doing, how we're doing it, processes, efficiencies?" I'm not so sure that you would get the same level of engagement and buy-in to that process as companies who have used the 4-day work week as an entry point, or as a lever to have that conversation within their business. So the way I would say it is, you will not, you will not know whether this will work in your company until you engage with your people until you empower them to figure out what are the changes that could be made to their work practices in order to facilitate this. You won't know the answer until you've trialed it.

**Joe O'Connor:**

And the worst thing that can happen at the end of a trial period is that you will have learned an awful lot about your company, about your people and about how you operate. So that's why we would say the companies are probably the biggest reason for project failures, from companies who come to us saying, "We're thinking about trialing reduced working time." Some of them might even announce it to their staff team. And the biggest reason for project failure that we've encountered is actually overthinking it at leadership level. It's leaders who feel, "Our role in this process is resolving every single potential issue or problem before we even engage our people or before we even run the trial." Whereas really their role is, "This is what we need to get done. These are the service standards. These are the deliverables. These are the targets we need to hit. Now we're going to get out of the way, because we don't have all the answers and we're going to leave it over to our team leaders and to our people to come up with, "How can we make this work?"

**Gene Marks:**

Got it. Joe, so what's your involvement in all of this? What is 4 Day Week's involvement? Do you consult with companies that do this? Do you ... just bluntly, how do, how do you make a living off of this?

**Joe O'Connor:**

Sure. Well, we're a not-for-profit for our first couple of years of our existence all of our activity was pretty much personally bankrolled by our founders who just believed in this idea. We're obviously now moving to a space where we're trying to grow and expand with the growth of the movement that's happening exponentially all around us. So that's not a sustainable model. Most of our running costs of the programs that we run are now funded through individual level company donations. So we got a system of staggered donations, suggested contributions based on your company size, and that's how most of our activity is currently funded. Our role effectively is we're supporting companies who are interested in trialing this. We're running coordinated, structured programs of this all around the world. So there's one running at the moment in Ireland, which is where I'm originally from, as you can probably tell from the name and the accent.

**Joe O'Connor:**

So we've 17 companies who started their six month trials last week. We then have 35 companies here in the United States and Canada who are starting their trials on the 1st of April. And then on the 1st of June, we're just after announcing a new program in the United Kingdom, and the level of interest there has been off the charts. Our expectation will be that we're definitely going to be north of 50 in terms of companies taking part in that. And we expect that the interest amongst businesses and governments in this idea is only going in one direction and that's up.

**Gene Marks:**

That's great. How do I get started with this? I guess no company is too small, but let's assume I've got a company of a few dozen employees, I'm listening to this conversation, I'm, "All right. I'm an open-minded guy." I'm thinking maybe I would consider this for my workforce. What advice would you have for me as to how I specifically get started to implement a 4-day work week program?

**Joe O'Connor:**

One of the first things I'd say is we'd love for anyone, any of your listeners who are interested in this to get in touch. You can contact us at [program@fourdayweek.com](mailto:program@fourdayweek.com). We have this program running in the US and Canada, which we generally have an arc of 12 months for each of our programs. We spend three months engaging with companies, recruiting them to join the program. We spend three months giving them the pretrial supports to get them trial ready. So that's been up and running for the last few weeks. For a lot of companies, April 1, might be a stretch too soon. So unless you're quite a ways down the process, I think we'd be looking at maybe a program that we might be running later this year, or early next year or something that we could maybe engage with you on, in terms of getting you involved with that program.

**Joe O'Connor:**

If you're looking at a different timeline outside of that, we've got lots of resources that we're happy to share with companies who are exploring this. But definitely the first step that we would say for a lot of companies is engage your people on it. Talk to people, talk to your team leaders about, because it doesn't need to be one size fits all, even within the company. We've worked with companies where they have certain sections — let's say your account section — where they're working a pure four-day week, where they've maybe a fixed flexibility model. People take the Monday or the Friday, but then maybe their product or their engineering or their sales sections of the business, it operates entirely differently. There's much greater flexibility around scheduling in order to ensure that they can deliver the service across the entire week. So engaging people about how it might work in their particular section or department is really important.

**Gene Marks:**

Because it could be considered to be a benefit if you don't apply this across the board to all of your workers, is there any exposure to a business owner to be accused of discriminatory labor practices? So say you offer a 4-day week options to your customer service group, but you're not offering it to the people that are in the production floor, is it, are you exposing yourself? To say, there's people on the production floor saying, "That's unfair that you're giving them that advantage."

**Joe O'Connor:**

So for this reason, and for many others, including unforeseen consequences of making contractual changes, both for the employer and the employee, a lot of organizations that we will work with will introduce this as a policy rather than a contractual change. So effectively, we encourage companies not to frame it as a work-life balance policy, because actually the work life balance benefits of this, they're almost given. They're well established by now within academia, within case studies. You need to frame this as a productivity policy. You need to make this about delivering productivity, and then you have it as an opt-in

policy with your employees, whereby people opt into this policy, you're saying, "We're going to pay you to deliver this output. We're only going to require you to work four days or 32 hours or whatever that might be. Therefore, this is something that's not necessarily a contractual change, which then has all kinds of ramifications for pensions, leave entitlements and other things from an employer perspective.

**Joe O'Connor:**

But the other important point about that is it makes this something that's a practice and it makes this something that people view as, this isn't a one-off decision that's taken and then we run it as a trial, and then maybe after six months, we just go back to the way we used to work under the five-day model. This is something that you need to consistently and continuously earn. This is something that it requires a certain degree of collective responsibility across the workforce, in order to ensure that they can make this work for the company. So by doing it in that way, I think it creates that culture and that mindset that this isn't just something we've done. And now it's done. And it's over with, this is something that you need to consistently earn.

**Gene Marks:**

Do you ever get any issues from employees that ... How can I say this diplomatically? Say, you're an employee you're working five days a week. Your company goes to 4-day week with the intention of saying, "Listen you're serving these 10 customers, maybe, we had to do it a five day but I want you to do it in a 4-day week. So, you'll get paid the same, but we still expect the deliverables to be the same as well." And if the employees meet those deliverables, isn't that kind of saying that they were wasting time on the job, you know, "Oh, wow, what a surprise? We're able to get all of our work done in four days instead of five, which opens up the question well, what the heck were you doing for those five days to begin with?"

**Joe O'Connor:**

And that's why I think-

**Gene Marks:**

That's kind of awkward.

**Joe O'Connor:**

... culturally, there needs to be organizations that do this. There needs to be trust, this is not something that will fix bad culture. This is something where there needs to be that level of trust that this is something that it's a free and open space for people to say, "Actually, we could do this better. We could automate this process. We could cut this thing out that we've been doing for the last five years, but actually now it's not something that delivers high value or high productivity to the business." That is a common enough concern. And if people feel that this is only being done, so that actually we're going to gobble the productivity benefits and then put people back on five days, or we're going to cut our staffing contingent at the end of the process, then it's not going to work. So this needs to have a really clear sense of trust and collective responsibility between management and between the employees, for sure.

**Gene Marks:**

Got it. All right Joe, and final question and the most important question for you of this entire conversation: do you work a 4-day work week?

**Joe O'Connor:**

I will give you the honest answer. I used to work a 4-day work week. Right now it would be a lie to say I'm working a 4-day work week. I'm in the process of transitioning to CEO of our organization. We're just after hiring someone to backfill my post. So my days, hopefully, of trying to do two things at once are coming



to an end. We've every intention of being a 4-day week organization for our own people, as well as for the companies that we work with.

**Gene Marks:**

You got to eat the dog food, right, if you're going to preach it. So that's very, very important to do.

**Joe O'Connor:**

Absolutely.

**Gene Marks:**

Joe O'Connor is a global pilot program manager, soon to be CEO at — and the name of your organization? I know it's 4dayweek.com, but what is the name of your organization again?

**Joe O'Connor:**

It's 4 Day Week Global.

**Gene Marks:**

4 Day Week Global, at 4dayweek.com. Joe, thank you very much for joining us, great information. And it is a fascinating topic that I do agree with you, Joe, is going to evolve over time, and this is not going to go away. So we will see where this goes, and I wish you the best success.

**Joe O'Connor:**

Thanks Gene. It was a pleasure.

**Gene Marks:**

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**Announcer:**

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