

WHITE PAPER –
THE FOUR-DAY WEEK

GUIDELINES FOR AN OUTCOME-BASED TRIAL – RAISING PRODUCTIVITY AND ENGAGEMENT

In association with **Coulthard Barnes**,
Perpetual Guardian, **The University of Auckland**,
Auckland University of Technology (AUT)
and **MinterEllisonRuddWatts**.

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1. INTRODUCTION

FROM ANDREW BARNES, PERPETUAL GUARDIAN FOUNDER

At Perpetual Guardian we set out to test our assumptions about productivity through a company-wide trial, the results of which have made headlines around the world. The rise of the gig economy represents a new industrial era, and we have not had a conversation about its implications for our economy and society. With the work we are doing in our company and now this white paper, we seek to generate useful data and insights to share with organisations that wish to develop their own productivity and flexibility policies. Thank you for reading.



Andrew Barnes is an entrepreneur and philanthropist who founded New Zealand's largest corporate trustee company, Perpetual Guardian. He's also the mastermind behind the Four-Day Week – an initiative that has made headlines around the world. He crystallises the global conversation in this [TEDX TALK](#).

“It's not just having a day off a week – it's about delivering productivity, meeting customer service standards, meeting personal and team business goals and objectives.”

TOP RECOMMENDATIONS:

- Give employees plenty of time to think about how they can work differently and encourage them to come up with their own measure of productivity.
- Encourage staff to consider how they can organise time off within teams while still meeting customer and business imperatives.
- Begin with a trial and engage outside consultants/academics to evaluate qualitative and quantitative measures of success.
- Consider introducing an opt-in policy for employees/departments on an annualised basis. An opt-in form can keep track of an employee's productivity measures and roster information, as well as linking it to company values. See Appendix B for Perpetual Guardian's opt-in form under its Productivity Week Policy.
- Establish clear personal and team business goals and objectives.
- Consider seasonal workflow differences and ensure the policy can flex appropriately.
- Be clear that the aim of the initiative is to improve things not just in the context of the company but also as regards the wider social obligations.

“When we started everybody’s initial reaction was ‘how am I ever going to do my work in four days rather than five’. So the fact that the trial indicates that not only could they do their work in four days, but they could do it better in four days, is something I find extraordinarily surprising.”

See Appendix A for 15 Useful Pointers on starting your Four-Day Week trial.

To watch the full interview with Andrew Barnes, [CLICK HERE](#).

2. THE PERPETUAL GUARDIAN FOUR-DAY WEEK TRIAL

On 5 March 2018, Perpetual Guardian embarked on what it believes is a world-first among privately held companies anywhere in the world: it started an eight-week trial that involved all 240 staff around New Zealand and sought to test productivity, motivation and output by changing the work model to give every staff member a paid day off each week. All other employment conditions, including remuneration, remained unchanged – so staff worked 30 hours but were paid for 37.5, and were asked only to deliver the same amount of output as in a standard week.

Perpetual Guardian's founder Andrew Barnes decided on the trial after reading several global reports on productivity, for which New Zealand is one of the lowest-ranked OECD countries. Andrew said the decision to test the new way of working was "the right thing to do. We want people to be the best they can be while they're in the office, but also at home. It's the natural solution."

Head of People and Capability Christine Brotherton said of the productivity trial, "If employees are engaged with their job and employer, they are more productive. The trial was a valuable and timely way to test our theory that efficiencies will come with more staff focus and motivation."

The company embarked on the trial with the expectation that it might not provide all the answers but could be a big step towards making business work better for people and the bottom line. In order to make the trial useful on a local and global economic and productivity scale, Perpetual Guardian engaged academic partners The University of Auckland and Auckland University of Technology (AUT) to measure the outcomes of the company's employee engagement and publish the **results**. Based on the outcomes, Perpetual Guardian initiated the Four-Day Week on a long-term, opt-in basis across its business from 1 November 2018.

For interviews about the Perpetual Guardian four-day week trial, [CLICK HERE](#).

3. PRODUCTIVITY

a. Global comparison

A 2017 OECD survey recommended a range of reforms to improve productivity in New Zealand, which remains well below leading OECD countries. These include reducing barriers to foreign direct investment, lowering the corporate tax rate, expanding infrastructure funding options to increase housing supply, reviewing the insolvency regime and provisions for misuse of market power, and increasing support for business innovation.

b. Industry statistics

This productivity precis notes that according to the Bureau of Labor Statistics, the average American works 8.8 hours every day. Yet a **UK study** of nearly 2,000 full-time office workers found that the average time spent working is two hours and 53 minutes each day, with workers also spending time using social media and reading news websites, making personal calls and texts, talking to co-workers about non-work-related matters, searching for new jobs, and taking smoke breaks and preparing food and drinks.

To the question, 'Do you consider yourself to be productive throughout the entire working day?', 79% of respondents said no, and 54% said the distractions made the working day 'more bearable'.

Evidence of productivity benefits from reducing working hours is mounting. According to the UK-based New Economics Foundation, a "normal" working week of 21 hours could help address a "range of urgent, interlinked problems", including "overwork, unemployment, over-consumption, high carbon emissions, low wellbeing, entrenched inequalities, and the lack of time to live sustainably, to care for each other, and simply to enjoy life".

In 2014, the Swedish city of Gothenburg began trialling a six-hour work day for government employees, with some private businesses joining suit.

According to CNN, a number of forward-thinking companies in the US have implemented four-day work weeks, noting an improvement in staff morale, retention and quality of output.

One former World Bank policy expert told CNN two theories were key to his 20-hour work week: "Parkinson's law", that work expands to fill the time available, and the "80/20 Principle", that says 80 per cent of productivity is achieved in 20 per cent of our time.



FOUR-DAY WEEK TRIAL RESULTS

JOB PERFORMANCE MAINTAINED IN FOUR DAYS



STAFF STRESS LEVELS LOWERED*

PRE TRIAL	POST TRIAL
45%	38%

WORK LIFE BALANCE IMPROVED SIGNIFICANTLY*

2017 SURVEY		POST TRIAL
54%		78%

TEAM ENGAGEMENT LEVELS INCREASED

	2017 SURVEY	POST TRIAL
LEADERSHIP	64%	82%
COMMITMENT	68%	88%
STIMULATION	66%	84%
EMPOWERMENT	68%	86%

*Percentages indicative of scale method used in Auckland University of Technology research
*Findings consistent with qualitative research by University of Auckland Business School



THE FOUR-DAY WEEK

- **JOB PERFORMANCE MAINTAINED IN 4 DAYS**

- **STAFF STRESS LEVELS LOWERED**

- **WORK LIFE BALANCE IMPROVED SIGNIFICANTLY**


NOVEMBER 2018 - FOUR-DAY WEEK IMPLEMENTED ON OPT IN BASIS



CRITERIA FOR SUCCESS:

- BUSINESS PRODUCTIVITY GUIDELINES
- FLEXIBLE COMPANY CULTURE
- MANAGEMENT & STAFF BUY-IN
- REGULAR REVIEW OF OUTPUT



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c. Effects of congestion

In 2017 the New Zealand Institute for Economic Research **published a report** on the benefits from Auckland road decongestion. The report was commissioned by the Employers and Manufacturers Association, Infrastructure New Zealand, Auckland International Airport Ltd, Ports of Auckland Ltd, and the National Road Carriers Association to identify the social and economic costs of traffic congestion to Auckland's lifestyle and economy.

NZIER took a sophisticated model that can break down the impact per business sector and applied Auckland Transport's latest 2016 traffic flow information to the problem that is increasingly rapidly strangling Auckland and its economy. The report received extensive news coverage and input from a number of commentators on its key findings:

- Productivity in Auckland could be boosted by at least \$1.3 billion per annum (1.4% of Auckland's GDP) if use of the roading network could be optimised.
- If the average speed across the Auckland network was close to or equal to the speed limit, which is also known as free-flow, NZIER estimates the benefits of decongestion during weekdays at around \$3.5 million per day, or between \$1.4 and \$1.9 billion (between 1.5% and 2% of Auckland's GDP).

Congestion in Auckland is well above comparable cities. The latest annual Traffic Index from GPS navigation company TomTom shows Auckland is now the 47th worst city in the world in terms of traffic congestion. Auckland's congestion is above most cities with a similar population size (Perth, Brisbane, Adelaide) and is now comparable to much larger cities such as Melbourne and Sydney.

Auckland's recent rapid population growth has stretched the capacity of the network. For example, it now takes 67 minutes to drive from Papakura to the CBD in the morning, up from 46 minutes in 2013 (AA, 2016). Congestion in Auckland has increased both at different times of the day and across more of the network, particularly during the interpeak (the middle of the day between the morning and late afternoon peak) when most freight trips are made. This is spreading congestion across the day.

Congestion is projected to get worse as the population keeps growing. Auckland Transport projected that more than a quarter of the arterial network would be congested by the end of 2017 – an increase from 18% at the end of 2014.

The funding organisations of the NZIER report were united in the view that there is a pressing case for decongestion measures to be introduced in Auckland now, not in the 6-10 year time frame currently being contemplated by both central and local government. All agreed the size of the productivity prize and liveability gains for Auckland and the scale of the problem demanded action.

The Employers and Manufacturers Association (EMA) CEO Kim Campbell said, "What business is telling us and what we're seeing in the numbers is that congestion has worsened exponentially in the past three to five years. Our EMA members who took part in focus groups put the productivity loss in the 20-30% bracket, so what the above figures show is the average productivity loss across the entire population of Auckland."

Infrastructure NZ CEO Stephen Selwood said the actual productivity gains may be even higher. "We know this estimate is conservative. The model only measures congestion on five of seven days and of course business is a seven-day a week operation. It also only values your leisure trips at less than half the value of work time, a value I'm sure many Aucklanders would agree undershoots the cost."

4. FLEXIBLE WORKING ARRANGEMENTS (FWAs) – THE DATA AND THE BENEFITS

In the literature about flexible working arrangements in the developed world, FWAs can include everything from weekend work to shift work, overtime, annual-hours contracts, part-time work, job sharing, flexitime, temporary/casual work, fixed-term contracts, home-based work, teleworking and compressed working weeks. Aside from Perpetual Guardian's Four-Day Week trial, there is no example available of another company that has reduced work hours while maintaining full-time pay.

The supporting theory of FWAs, based on international reports and studies of worker motivation and productivity, is that giving people more time to spend managing their personal responsibilities will energise them for their professional ones. There is mounting evidence that these mutually beneficial agreements between employers and employees (providing alternate options as to when, where and how much a person works) have measurable psychological, social and economic impacts, for example:

- a. FWAs can reduce costs. For instance, allowing people to work offsite some of the time cuts down on office space requirements and potential overhead costs; and an employee who has a sick child can simply work at home while caring for the child, rather than taking a sick day and costing the business.
- b. Employees with FWAs widely report higher levels of satisfaction; **JP Morgan Chase's annual employee survey** found that employees with an option of flexibility were much more likely to report overall satisfaction than those who felt they did not have access to flexibility.
- c. Medical doctor and wellness expert **Dr Frances Pitsilis** reports that within the FWA literature, social exchange theory has been used to explain behaviours such as increased effort, which may be returned to an employer as a benefit in exchange for FWAs.
- d. From an HR perspective, non-standard work patterns have been found to be related

- to decreased turnover in the private sector, while working away from the office was related to improved performance and reduced absenteeism. In general, absenteeism is less common in environments where managers are supportive of employees' need for flexibility, because employees have the capacity to work longer hours (on a flexible basis) before work-life conflict becomes problematic. In the United States, **Deloitte quantified** its turnover-related cost savings due to the availability of FWAs at \$41.5 million in one year alone. As it pertains to recruitment, **a survey of 1,500 US workers** found that nearly a third considered flexibility to be the most important aspect of an employment offer. Additionally, 80% of a cross-section of managers surveyed **indicated** that the flexibility offerings impacted the recruitment of top talent.
- e. A study of the impact of Fortune 500 company profits in the Wall Street Journal found that firms' stock prices **rose an average 0.36%** following announcements of flexibility initiatives. When looking at workplaces with established FWAs, researchers also found a positive association between the availability of FWAs (both remote working and schedule flexibility) and long-term financial performance.
 - f. FWAs are linked to a reduction in errors customer complaints; **Deloitte reports** that 84% of clients are satisfied or very satisfied with the service provided by employees with FWAs, and only 1% of clients are dissatisfied.
 - g. The data shows that when people are travelling to work every day during standard hours there are two main areas of stress: having to commute in peak traffic, and times when the job demands they stay late and miss out on the evening meal with family. Commuting in bad weather has also been cited as a cause of stress. If these factors are ameliorated or removed, the benefit to employees is massive, and includes higher job satisfaction and lower rates of burnout, depression and anxiety.
 - h. There is reduced psychological distress resulting from decreased work-family conflict. People with FWAs have more energy and psychological investment available for relationships, which tend to improve as a result, making for happier workers.
 - i. Safety can be improved by FWAs, for example in times of inclement weather (and higher risk of accidents) when a work-from-home arrangement can allow employees to telecommute safely from home. Hours that would otherwise be spent in traffic can be spent on productive work. For example, widespread FWA models across industry in Auckland would reduce the traffic congestion that is currently costing the city \$1.3 billion a year, according to **analysis by the NZIER**.
 - j. Many firms are now focussed on improving the gender balance, closing the pay gap and offering more flexibility to allow for family/childcare obligations. FWAs allow a lot more people to become employable and employers to draw from a deeper pool of talent, with work-from-home arrangements allowing skilled women who might otherwise be at home with young children to take on paid work. Tech advancements allow for remote conference calls and webinars, and organisational cohesion is

maintained by periodic face-to-face meetings with the team.

- k. A predicted boom in flexible working could contribute US\$10.04 trillion to the global economy by 2030, according to the first comprehensive socio-economic study of changing workplace practices. New Zealand's share will be significant relative to the size and performance of our economy; between NZ\$16.2 billion and NZ\$18.1 billion is expected to be added, especially in several key industries, and between 74,000 and 83,000 additional jobs created. The largest New Zealand contributors to the expected increase are six sectors: property services, professional services, financial services, information and communications activities, public administration and business support services. **The analysis, commissioned by Regus** (part of the IWG group of companies) and conducted by independent economists, studied 16 key countries to delve into the state of flexible working both now and through to 2030.
- l. New Zealand data on FWAs show that they aid employee outcomes like organisational commitment and job satisfaction – with the latter being the dominant predictor of job performance. Thus, FWAs provide an opportunity for firms to enhance the work experience of employees through flexibility. That said, the biggest impediments to FWAs are managers within firms. Managers need to understand that trust is central to FWAs, and indeed, the four-day week. Professor Haar, who conducted the **quantitative analysis** of the Four-Day Week at Perpetual Guardian notes that employees trust in management went up significantly through the trial. This likely reflects the way that management's decision to trial the Four-Day Week shows a fundamental trust in employees. Beyond this, employees also reported a significant increase in trust with their team members, because by having one member absent every day (say in a team of five), employees have to trust each other to get their work done. And this was supported through the trial. Overall, this increase in trust has benefits towards engagement, performance and retention, so trust provides a win-win outcome for both employer and employee through FWAs.

¹Judge, T.A.; Thoresen, C.J.; Bono, J.E.; Patton, G.K. (2001). The job satisfaction–job performance relationship: A qualitative and quantitative review. *Psychological Bulletin*, 127, 376–407.

5. IMPLEMENTATION

a. Purpose and programme design

Be clear about what you want to achieve at company, leadership and individual employee levels. Do you want to increase engagement and productivity, reduce absenteeism and presenteeism, increase retention, attract quality employees and staff motivation, achieve better overall organisation 'health' and culture, increase revenue? If objectives are laid out at the start, success and milestones can be measured accurately.

Keep asking your employees for their views. Ask them to think about, discuss and record how they will increase their own individual productivity and their team's productivity. This can lead onto wider discussions about what productivity actually looks like – be prepared to spend time on this for employees and managers. For leaders and managers, this is the opportunity to take an inclusive leadership role, of committing to the initiative, guiding, supporting and coaching their teams. This engagement will build trust and have multiple benefits beyond performance – at the simplest level, this will enhance the enjoyment of workers' jobs.

Consider how your company values work as the foundation for behaviours. Consider the impact upon the diverse workforce – for example, part-time employees, different generations of employees etc.

b. Toolbox

When energised and excited and empowered, employees can come up with some truly great ideas relating to business process improvement. Be clear about what you can achieve (i.e. What is your budget for projects and business improvement and what is your timeline?) and don't be afraid to park some ideas for implementation at a later stage if the project requires further input, thought and resources.

Prepare useful guides and frequently asked questions for managers and employees that outline as many scenarios and areas that require clarity as possible. Avoid being too prescriptive; instead aim to build practical guides according to a governing philosophy and intent.

Recognise that at times, there might be factors (e.g. seasons) that influence work patterns (e.g. end-of-year financial reporting is an especially hectic time). Planning for this – perhaps 'parking' some aspects when all employees are needed ('all hands-on deck') – can facilitate understanding and engagement, with managers and workers understanding there are

pressure time periods that simply need to be managed differently.

Is everyone okay? Change can be stressful for some and even an initiative that has the opportunity to have such upside can also provide stress points. Ensure that your people have a variety of people to talk to if they have any concerns, wish to discuss the initiative or are feeling under pressure.

c. Employment and people factors

Look for ways to minimise legal risk, for example by setting up a trial. This allows potential kinks in a flexibility policy to be ironed out while not committing the company to expensive or lengthy legal work upfront. HR practitioners should look at a flexible-work opportunity initially with a company-focussed, strategic lens rather than from an HR/process/legislative viewpoint (consider the big picture first).

HR practitioners should also know the employment framework and company policies. At the end of the day, you can't do anything illegal or if your employment policies state something you need to do it.

Ensure that key stakeholders are satisfied with the robustness of the initiative – have all the checks and balances (customer, legal, compliance, regulatory etc.) been considered?

d. Team structures

The results of the Perpetual Guardian trial showed employees were ready to embrace change – empowering teams to be actively involved in the set-up and review of the trial and trusting employees to consider the possible impacts upon customer service and others around them. A key to success is empowering staff to come up with solutions under the guidance and coaching of leaders.

The team structure also suits the Four-Day Week especially well, providing innate cover for when employees are having their day off. Understand that teams can also be a powerful force for understanding work processes and improving them.

6. GLOBAL MEDIA HEADLINES AND MARKET COMMENTARY



Global media headlines

8 February 2018 – New Zealand company trialling a four day working week – **1 News Now**

8 February 2018 – 'It's about being paid for five days, but working four' – **Radio New Zealand**

8 February 2018 – Kiwi firm Perpetual Guardian to test four-day week with workers on full pay - **New Zealand Herald**

8 February 2018 – NZ company Perpetual Guardian to trial three-day weekends every week – **Newshub**

2 June 2018 – Big read: The dismantling of the nine-to-five work week in NZ - **New Zealand Herald**

22 July 2018 – Four-day working week trial at Perpetual Guardian a success, boss wants to make it permanent - **New Zealand Herald**

2 October 2018 – It’s official: Four-day week becomes permanent at Kiwi company Perpetual Guardian – [New Zealand Herald](#)

2 October 2018 – New Zealand should be first to introduce 4-day working week – employer – [Newshub](#)

19 July 2018 – A 4-Day Workweek? A Test Run Shows a Surprising Result – [New York Times](#)

19 July 2018 – Work less, get more: New Zealand firm’s four-day week an ‘unmitigated success’ – [The Guardian](#)

23 July 2018 – A New Zealand Company That Tested a Four-Day Work Week May Make It Permanent – [Fortune](#)

16 August 2018 – Why this company switched to a four-day work week – [CNBC](#)

THE FOUR-DAY WEEK

perpetual guardian coulthard barnes.

ENGAGED MORE THAN 4 BILLION PEOPLE

- 32 COUNTRIES
- 2,700+ NEWS PIECES
- 9,500+ SOCIAL MEDIA POSTS

AUSTRALIA AND EUROPE GOVERNMENT CONVERSATIONS

MORE THAN 50
ENQUIRIES FROM BUSINESSES AROUND THE GLOBE

SPARKING CONVERSATIONS AROUND...

- MENTAL HEALTH
- WORKING PARENTS
- WORK LIFE BALANCE
- THE GENDER PAY GAP
- MILLENNIAL ATTITUDES
- TRANSPORT & INFRASTRUCTURE
- PRODUCTIVITY

NOVEMBER 2018 - FOUR-DAY WEEK IMPLEMENTED ON OPT-IN BASIS

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MARKET COMMENTARY

“I think it’s very interesting, and I’m really keen to work with any businesses that are looking at how they can be more flexible for their staff and how they can look to improve productivity whilst working alongside their staff and protecting terms and conditions.” – Hon Iain Lees-Galloway, Minister of Workplace Relations and Safety

“A business that switches from a 40-hour work week to a 32-hour week is essentially giving its staff a pay rise. But instead of giving them more cash, it is giving them more leisure – something most people tend to value. But there’s no such thing as a free lunch, these businesses want something in return – higher productivity. And the idea certainly could raise worker productivity – provided that the four-day work week does not become the norm.” – Dr Ryan Greenaway-McGrevy, Senior Lecturer in Economics and the Director of the Centre for Applied Research in Economics at the University of Auckland

“If you’ve been dreaming about a shorter workweek, good news: there are now statistics to back the fantasy up as a viable idea. Though this experiment took place in New Zealand, the results suggest it could have just as profound an effect in countries with similar economies, including the U.S.” – Alejandra Salazar, refinery 29

“A study conducted by a New Zealand business confirmed what many of us have felt on Friday afternoons: a 5-day work week really isn’t that effective. The study went one further and gave credence to slackers everywhere: a 4-day work week is actually more productive than a 5-day work week.” – Ned Dymoke, Big Think

7. CASE STUDIES AND HOW-TO RECOMMENDATIONS

Case Study One

Christine Brotherton is Perpetual Guardian's Head of People and Capability. This is a summary of her experience of the Four-Day Week trial; some of the key results and findings; and recommendations and advice for other companies thinking of introducing a similar policy.

TOP FIVE RECOMMENDATIONS:

- Be clear about your objectives and what you are trying to achieve.
- Be bold and don't let technical issues stop you seeing the policy through.
- Don't lead from the top. Empower staff to make their own decisions and trust them to make the right call regarding customers and team members.
- Create a policy that can flex depending on workloads, projects or customer requirements. Make sure staff understand there will be times they won't get their 'rest' day.
- Ensure productivity measures are individualised for different people and parts of the business.

“When it came to leadership, we were very successful in empowering our staff to find their own solutions as to how they were going to continue to support our clients, while at the same time coming up with their own productivity measures.”

To watch the full interview with Christine Brotherton, [CLICK HERE.](#)



The starting point for our Four-Day Week trial was the desire to have a conversation about productivity and to get people thinking about how they were working and ways in which they could work smarter.

The aim was to establish if there was a connection between employee engagement and productivity so there was a big focus on looking at the sorts of things we do every day at work and the types of roles we have.

Key results

One of the most pleasing parts of the trial was that it did indeed kick off a conversation about productivity and almost immediately had teams thinking consciously about what they were doing and how they were doing it.

Another key success for us was raising employee engagement by 40% when comparing pre- and post-trial results. This was a stunning result which even surprised the independent researchers who followed the trial. Professor Haar stated this was an unprecedented indicator of success and shows the power of trusting and empowering employees – but also of rewarding them to focus on work in work time and recover outside of work time (through the extra day off).

We also found that when it came to leadership, we were very successful in empowering our staff to find their own solutions as to how they were going to continue to support and service our clients while at the same time coming up with their own productivity measures as well.

The aim of the trial was to determine whether the 'carrot' of having one day off per week at full pay was sufficient to encourage our staff to think quite differently about how they were working.

While it didn't come as a surprise that people felt good about having an extra day off per week, we certainly weren't expecting the extremely positive results we received from both

our quantitative surveying and also the qualitative surveying of the focus groups.

Productivity measures

These measures were a key factor in deciding to roll out the policy full-time across the company. The trial engendered a lot of goodwill and energy, and staff have enjoyed the policy being rolled out over the summer months.

There's also a strong sense of responsibility among staff to work with their clients and customers and to make sure everything continues to work as well as it did during the trial.

The feedback from our external clients, both corporate and individual, has been very positive, with a number of them beginning similar discussions with their own staff.

Advice and recommendations

Based on our experience, the biggest piece of advice we have for anyone considering introducing a similar policy is to be very clear about your objectives and what you are trying to achieve.

It's also important to be bold and to have an idea and to see it through. Often companies can get stuck in the technical aspects of how to implement a new policy.

Another important tip is to be collaborative in designing a flexibility trial or policy. Leadership is crucial to success, and the guidance of Andrew Barnes and senior managers was important in demonstrating how the Four-Day Week could work in practice; but a flexibility policy is unlikely to work as a top-down or authoritarian construct. The success of our trial came from empowering staff to come to their own decisions and to trust them to make the right call with regards to their customers and team members.

Flexibility and empowerment

We created a policy that could flex so that depending on workloads, projects or customer requirements, there were times when staff didn't take the 'rest' day. But we empowered staff to make that decision themselves as to whether it was the right thing to do or not. It's important that leaders and managers take a coaching and supporting role as opposed to being directive.

Another critical aspect of the policy is coming up with productivity measures that are

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“The trial immediately kicked off a conversation about productivity and had teams thinking consciously about what they were doing and how they were doing it.”

individualised for different people and parts of the business. For many staff this wasn't something they'd ever thought about, so even beginning the conversation and encouraging them to think consciously about productivity measures was valuable.

As soon as they started thinking about how they serviced their clients and customers we were able to wrap around an agreement on response times, accuracy and the provision of best service.

The trial enabled us to have a deep conversation with each staff member so that they could understand what their value was in terms of output. It helped everyone to become conscious and deliberate about what they were doing and why they were doing it.

Workplace changes

One of the many initiatives that came from staff was to cut meeting times from an hour to 30 minutes and then at the end of the trial measure whether there'd been any differences in output or value of the shortened meetings – which there wasn't.

Staff also became much more deliberate about their behaviour and started ensuring they had an agenda for meetings and thinking about how they were going to work together and respect each other's time.

From the beginning of the trial it was important to ensure staff didn't extend the work hours of their four days of work and that they stuck with their normal contracted hours. The policy was about focussing on work efficiencies in order to get an extra day off and not working different hours.

This meant that staff still accrued annual leave at the same rate they were contracted under their employment agreements.

Looking forward

What the trial showed us is that traditional ways of working and regulated hours of work are becoming less relevant in today's society and will become even less relevant in the future.

Initiatives like the Four-Day Week give workers the gift of time and the gift of being able to look after themselves and reconnect with families, and we know policies like this are starting to make a difference in people's lives.

We want to encourage business in New Zealand and around the world to continue with

this type of innovative thinking and look at new ways of working and move away from the traditional nine-to-five (or longer) way of working.

After all, if we continue to do everything as we've done in the past, how are we going to remain relevant and do things better in the future?

Case Study Two

Gillian Service is a partner and internationally-recognized employment law specialist at MinterEllisonRuddWatts. She discusses how flexible working arrangements like the Four-Day Week fit into New Zealand's legislative framework and what companies need to know in order to introduce similar policies.

TOP RECOMMENDATIONS:

- Employers need to ensure any new employment structure doesn't cut across the rights and entitlements set by statute and by the employment agreement.
- Ensure 'good faith' communication and consultation with employees.
- Establish an employee-driven ideas process and encourage employee feedback.
- Understand that the Four-Day Week won't fit every business or every part of a business.
- Ensure the system can flex and doesn't tie the business into something that could be detrimental in the longer term.

“We live in a time of significant change and disruption, and so being nimble and flexible is critical in ensuring the new system doesn't tie the business into something that could be detrimental in the longer term.”



To watch the full interview with Gillian Service, [CLICK HERE.](#)

The biggest issue for any company considering adopting the Four-Day Week sits at the conceptual level because our legislative framework for employees is based around being paid for hours worked or having set hours.

This policy challenges those norms because it focusses on productivity rather than time spent working. As a starting point, employers need to ensure any new employment structure doesn't cut across the rights and entitlements that are embedded both within the legal framework that's set by statute and by the employment agreement.

Holidays Act

When considering annual leave, public holidays and sick leave consideration needs to be given to how to balance ensuring that these entitlements are met and the agreed productivity deliverables are achieved within four days rather than five.

The key part of the scheme is understanding that the employee's pay stays the same.

The challenge from a legislative perspective comes from the fact that many employment laws are based on a set number of weeks of paid leave per annum. The New Zealand Holidays Act, for example, says workers are entitled to four weeks of paid leave per annum. So what is a 'week' when you're not working one of the days that you're being paid for?

Fortunately, the answer to this question is relatively simple from the Holidays Act perspective, in that the week doesn't change because the employee is still paid for five days.

In other words, for the purposes of annual leave the working 'week' did not change from a pay perspective.

Legal requirements

As with any employment change in a workplace, you need to look at both your employment agreements and the legislation to determine what an employer is obliged to provide for any employee.

Once this is determined it is then incumbent on the employer to ensure good communication and consultation with your staff around the system being introduced or changed.

The New Zealand employment landscape is heavily focussed on employee consultation and the legislation has 'good faith' at its centre which means consultation is required. The reason the Perpetual Guardian Four-Day Week trial worked so well is that it was very much an employee-driven ideas process and employee feedback was actively sought and encouraged.

“*From a Holidays Act perspective what constitutes a 'week' doesn't change [under the Four-Day Week] because the employee is still being paid for their usual five days.*”

This allowed the company to get the best out of the staff's ideas and ensure everyone's expectations were clearly understood. It also ensured the system was designed in a way that was compliant with the company's obligations both under statute and employment agreements.

There was a great deal of conversation to ensure employees understood the policy was based around productivity but was also focussed on the company's values.

"The Four-Day Week challenges the legislative norms because it focusses on productivity rather than time spent working."

“The Four-Day Week challenges the legislative norms because it focuses on productivity rather than time spent working.”

The future of work

The Four-Day Week trial also emphasised how important it is to look at different ways of working especially with regard to the future of work and trends like the gig economy. There are already a number of different systems that are challenging the norms of our legislative landscape, so it was a significant achievement to see a business creating a different system which has the benefits of creating a day for staff out of the office on pay without sacrificing productivity.

What also became clear is that this model won't fit every business or every part of a business. But there will be many businesses which can embrace this model to get better productivity from their staff, while at the same time allowing them to improve their work-life balance by getting back a day where they can take care of what they want to take care of without compromising what they're earning.

When it comes to potential challenges, it's important that employers introduce a system that can flex. We live in a time of significant change and disruption, and being nimble and flexible is critical in ensuring the new system does not tie the business to something that could be detrimental in the longer term.

Government review

The New Zealand Government recently announced a working group that will look at how the Holidays Act is working in practice. The review was prompted by a growing body of evidence that shows that the legislation is difficult to implement in practice. As businesses move away from standard working weeks, the implementation of the legislation becomes harder due to complexities created by non-standard working arrangements.

The working group will look at feedback from the Perpetual Guardian Four-Day Week trial, especially with regard to the challenges of making the policy work within the current

legislative environment.

The company is keen to ensure the learnings from this project feed into the working group's recommendations to ensure changes to the current legislation make it easier for employers to implement alternative work methods which provide work-time reduction policies and increased productivity.

Case Study Three

Mark Jephson is General Manager for Corporate Trusts at Guardian Trust, part of the Perpetual Guardian group of companies that also participated in the Four-Day Week trial. He sums up his experience and learnings that arose from the initiative.

TOP RECOMMENDATIONS:

- Give clients a heads-up that you are introducing a flexible working week and an assurance that there will be no drop-in client service.
- Plan for staff to take different 'rest days' to ensure clients and customers always have access to key personnel during standard business hours.
- Be clear that the policy has to benefit shareholders as well as employees.
- Understand that there are better ways to work than the traditional nine-to-five work week.
- Don't introduce a flexible working week just to look good.
- Be consistent in your messages to staff and clear that staff must meet, or exceed, performance expectations.

“We did a lot of pre-planning to make sure there was always coverage during our standard business hours in terms of relationship managers and analysts.”



To watch the full interview with Mark Jephson, [CLICK HERE](#).

My initial reaction when I first heard the company was trialling the Four-Day Week was that it was an interesting concept but one that did raise a few questions, especially from a shareholders' perspective. If everyone's working full-time, five days a week, then why would you reduce the number of hours worked?

So the first thing you need to think about and accept is that in every workplace there is some excess capacity and that for every worker, there is a part of your workday where you're not as productive as you could be.

Pre-planning

The first thing we did before implementing the trial was give our clients a heads-up as to what was happening and give an assurance that they would continue to receive the high client service they've come to expect from us. We also did a lot of pre-planning to make sure there was always coverage during our standard business hours in terms of relationship managers and analysts.

This meant making sure staff took different 'rest days', never put their out-of-offices on and always ensured urgent emails were forwarded on to someone who could deal with it. The belief was that clients should never be affected, or have to wait for something, because of the Four-Day Week.

Benefit to shareholders

The important thing to remember is that the introduction of a policy like this has to benefit the shareholders and it's got to work for the employees. The best way of ensuring the trial works and determining how good your people are is to not be too prescriptive in terms of how it works; let your team come up with a way of making it work. Of course, they have to stick within the parameters of your company's values and vision, but really there is no rule other than you've got to be accountable and it's up to you to try and make it work.

“In every workplace there is some excess capacity and that for every worker, there is a part of your workday where you're not as productive as you could be.”

Better ways to work

The biggest thing we've learned is that there are potentially better ways to work and the traditional nine-to-five work week is not necessarily the most productive way to work. If you don't accept that concept from the outset it's probably fair to say it's not worth trying to roll out a similar policy because really you've got to be open-minded to start with.

The risk for some businesses is that they try and introduce the policy because it might look good, but if you're fundamentally not prepared to change the way you think about the culture of your organisation then it's probably best to carry on as you are.

One of the best things about the trial for me as a manager is that it really made me think about the expectations I have of my team, what it is that we want to achieve and how we can know that we're actually achieving it.

Carrot and stick

You do need to be consistent in your message that this is a 'carrot and stick' policy in that it does come with an expectation from management that employees will be meeting, if not exceeding, performance expectations. It needs to be clear that if performance expectations aren't met, there might be other people out there that would be better suited to this type of flexible work policy.

The benefit of a flexible work policy is that you'll know people will want to work for your organisation because you've created a high-performing at-work culture which also offers a really good work-life balance.

From a business perspective this means you'll retain good talent and you'll give existing people an opportunity to improve and get better – so long as they're willing to turn up and really do a great job.

Case Study Four

Dr Helen Delaney is a senior lecturer in the Department of Management and International Business at The University of Auckland. This is a summary of her findings based on Perpetual Guardian's Four-Day Week trial.

TOP RECOMMENDATIONS:

- Involve employees in all aspect of the design and implementation of the flexible working-hours initiative.
- Ensure new policy is supported and resourced by harnessing new forms of technology, work organisation and communication.
- Give employees the space, support and the invitation to think about ways in which they can work more smartly.
- Recognise that flexible working initiatives aren't magic bullets but rather just one step towards creating better workplaces, communities and societies.

“There are many different ways organisations can implement reduced work-hour initiatives, but what was important for Perpetual Guardian was to wholeheartedly involve the people who would be impacted.”



To watch the full interview with Dr Helen Delaney, [CLICK HERE.](#)

I first heard about Perpetual Guardian's Four-Day Week trial when the company approached the University of Auckland Business School enquiring about researchers to follow their Four-Day Week trial.

In my **research** and in my teaching, one of the broader social questions I'm interested in is the role of work in addressing some of the intractable issues we're confronting as a society. One of the most important is the quality of our working life and how it ripples out into how we experience family life, community life and social life.

So the idea of an organisation-led experiment into reducing work hours, not only for an economic benefit but also for a social benefit, was really interesting to me and something that I wanted to follow from a qualitative perspective.

Employee involvement

One of the things that really struck me when I came in to speak to the senior managers was the degree to which they were guided by the idea of involving all employees in the design and implementation of the trial. There are many different ways organisations can implement reduced work-hour initiatives, but what was important for Perpetual Guardian was to wholeheartedly involve the people who would be impacted.

From the get-go there was a principle of workers having a say in terms of how they were going to implement the policy, how they were going to work differently and how they were going to organise their time differently.

To analyse the impact of the trial I ran a series of focus groups with employees from across all areas and all levels of the company and spoke to them about their experiences.

Biggest impacts

One of the biggest impacts of the trial was how it created more collaborative social relations between employees, with many saying they felt like they had to help each other out and share their work. They spoke of the need to 'have each other's backs' in order to make the new policy work, and how this was a shift from how they usually worked which was much more of an individual role.

This interdependency even extended to managers, who talked about learning to rely upon their teams and to delegate more of their tasks. One outcome of this was an increase in the level of respect and appreciation managers had for their teams.

Many employees also spoke of increased levels of intellectual stimulation and creativity during the trial. They used phrases like having to 'switch our minds on' and talked about

having to think much more deeply about how they worked and how they could do things differently.

A number of employees said the trial had helped increase their confidence and help they have more say over how they worked. Some felt more confident about making decisions and being proactive - a sentiment echoed by management.

Goodwill and confidence

The other way in which the experiment changed the work experience was through an improvement in goodwill and a feeling that employees were more than just a 'cog in the machine'. Employees said they felt more valued by the company, and this was reciprocated by employees wanting to go the extra mile and to give more of themselves at work.

It also encouraged a sense of give-and-take, meaning that even on their days off they were happy to take calls or do some emails in order to make the trial work. Some employees did report a sense of increased urgency and pressure by trying to get through five days of work in four. These workers felt they were under heightened pressure and so by the time it came to their 'rest day' they were more exhausted than normal and needed an extra day for recuperation.

Some also reported a degree of increased friction at work arising from work intensification measures such as shortened meetings and coffee and meal breaks. They were working harder and smarter, but often there wasn't additional resourcing to help with the new work pace.

Quality of life

They did, however, look forward to their extra day off and the extra quality of life it

“People reported living a fuller existence, with many enjoying their extra day off in a different way to their regular weekend.”

brought outside of work. Employees said they had become more involved with family, friends and community and with extracurricular learning. They also spoke of reconnecting with old hobbies and taking better care of themselves.

People reported living a fuller existence, with many enjoying their extra day off in a different way to their regular weekend. Many spoke of the pure indulgence of having time 'to myself' without children, husbands or wives at home.

Overall, most people enjoyed the quid pro quo of giving more of themselves at work because they knew they were getting the chance at a fuller life as well. But there was a minority who

“Many employees said the trial had helped increase their confidence and made them feel they were more than just a 'cog in the machine.'”

preferred to return to a five-day week and be able to experience a slower pace at work.

Lessons learned

What we learned from the Perpetual Guardian trial as well as work-time reduction policies overseas is that how you design and implement these types of policies is crucial to their success. In particular, employees need to have a say in how they going to work differently and when they're going to work differently.

If management adopts a top-down approach to redesigning work rosters and work tasks, there's a real risk of creating some disgruntlement. The process also needs to be supported and resourced by the organisation by harnessing what new forms of technology, work organisation and communication have to offer.

If there is the will from management, workers, unions and government, these types of work-time reduction policies could work across most industries and within most work groups. At the same time, it's important to recognise that they aren't a magic bullet that will help you arrive at some sort of productivity and personal satisfaction nirvana but rather are one step towards creating better workplaces, communities and societies.

What we have learned through this trial is that if you give employees the space, support and the invitation to think about ways in which they can work more smartly for fewer hours that will simultaneously benefit the worker, the organisation and the wider society.

“One of society's most intractable issues is how the quality of our working life ripples out into how we experience family life, community life and social life.”

Case Study Five

Tammy Barker is a Branch Manager at Perpetual Guardian. She gives her take on the Four-Day Week as an employee of the organisation.

TOP RECOMMENDATIONS:

- Ensure individual plans for every member of your team to maintain and even improve productivity.
- Work out how people will be accountable and how their productivity will be measured so real outcomes rather than straight data are taken into account.
- Bring people in from the beginning to get better buy-in and to guard against an 'us and them' mentality.
- Treat staff like adults and they and they'll act like adults when it comes to problem-solving and conflict resolution.

“Most employees are struggling to achieve a successful work-life balance, and to have one ‘rest day’ per week really helps people perform to the best of their ability at work while having a fulfilling life outside of work.”



To watch the full interview with Tammy Barker, [CLICK HERE.](#)

“Once I realised that there wasn’t a catch, I thought all my Christmases had come at once.”

When I first heard about the Four-Day Week I was a bit suspicious. I was interested but I wondered what the catch was. But as we were taken through the proposal, I realised that there wasn’t a catch and I thought all my Christmases had come at once.

My experience of the trial was two-fold: there was how things changed at work and how they changed at home. From the work perspective, the introduction of the Four-Day Week trial did represent a new approach to work in that I was constantly challenging myself to do things differently. I found I was really

focussing on one task from beginning to end rather than just jumping from one thing to the next. The result was that I was actually finishing projects before moving on to the next one, and by the end of the day found I was accomplishing more than trying to multi-task everything.

I did find that my productivity increased purely by being more aware of my work processes and thinking about how I was doing things and why I was doing them. At the same time, I didn’t feel any more stressed at work probably because I was really focussing on the tasks at hand and because I had the extra day off to compensate for the increased work rate.

I took Wednesdays off, which meant I had two days of really concentrating on work, then a day off, then another two days of really focussing on what needed to be done. This proved to work well for me.

Work-life balance

On the home front and from a personal perspective it was great. I’ve got two small kids so to have an extra day to do home stuff was incredibly useful. I used my ‘rest day’ for catching up on home admin rather than doing anything new.

I did things like grocery shopping by myself without the kids in tow and attended personal appointments that I might otherwise have done at the weekend. The advantage of this was that I had a two-day weekend to spend with my family, which was really valuable.

In my experience there wasn’t really any downside to the Four-Day Week trial and completing five days of work in four. I believe this was because before the trial started, we put a lot of planning in place to ensure we only had one key person out of the office at any one time.

As far as the support office was concerned, we never had any issues in terms of not being able to get things done, as there was always somebody to take the place of a person you might have been dealing with.

“We’ve been treated like adults and I think as a result everyone is behaving like adults and is prepared to overcome any challenges that might occur.”

Beneficial impact

Based on my experience, the Four-Day Week is an initiative that I would recommend be taken up by other businesses in New Zealand and around the world. Many companies talk about how their people are their biggest assets but talking about it doesn't really help the situation. This initiative is something that really shows you are committed to doing something different that has a beneficial impact for everyone concerned.

Most employees are struggling to achieve a successful work-life balance and to have one 'rest day' per week really helps people perform to the best of their ability at work while having a fulfilling life outside of work.

Following the success of the trial, I'm excited about the policy being rolled out across the company on a full-time basis. As a team manager it will present certain challenges, but the net benefit for myself and my team is clear.

“What we've seen is that if you bring people in from the beginning, you're going to get better buy-in and a lot less 'us and them' with everyone working together as a team.”

Team-building

It's a privilege to be part of this initiative and the idea that it will be permanently introduced has certainly raised morale across my team and the whole workforce.

The biggest concern from an employer point of view is ensuring that the full-time introduction of the policy doesn't lead to complacency, with the risk that people's productivity will slip back. To guard against this happening we've spent a lot of time making sure every person in every team has their own plan as to how they're going to maintain and even improve their productivity.

We've also spent a lot of time working out how people will be held accountable to those plans and how we measure productivity so real outcomes are taken into account rather than straight data that might have been focussed on during the trial.

What we've seen is that if you bring people in from the beginning, you're going to get better buy-in and a lot less 'us and them' with everyone working together as a team. We've been treated like adults and I think as a result everyone is behaving like adults and is prepared to overcome any challenges that might occur.

I think work time structures in many businesses need to change and whether it's a Four-Day Week or reduced working hours or some other way of doing things, the success of this trial shows businesses need to start trying to do things differently.

Case Study Six

Professor Jarrod Haar is a Professor of Human Resource Management in the Department of Management at the Auckland University of Technology (AUT). This is a summary of his quantitative and qualitative findings based on Perpetual Guardian's Four-Day Week trial.

TOP RECOMMENDATIONS:

- Managers need to trust their employees. If you want a genuine psychological buy-in, then management need to give something powerful in return – like a day-off a week.
- Teams are likely to be a key factor as they inherently know the work and can cover for being one person down (when they are taking the extra day off a week).
- Managers that provide trust and support and a 'lite touch' are likely to get much more out of their teams than those seeking to watch and police workers constantly.
- Start data collection early before any adoption of FWA or a 4-day work week! That way you can understand what works and what might not work so well. Not collecting and analysing data won't stop these approaches being successful, but data analytics can provide useful metrics and information to aid decision making and to 'sell' a business case – such as to Board of Directors or Owners.

“I specialise in work–life balance – and the four–day week has got to be the strongest contender for improving work–life balance amongst employees.”



To watch the full interview with Professor Jarrod Haar, [CLICK HERE.](#)

I first heard about Perpetual Guardian's Four-Day Week trial when it announced the trial in the New Zealand Herald, and I approached Christine Brotherton, Perpetual Guardian's Head of People and Capability. Essentially, I invited myself to the party, bringing in my knowledge of employee attitudes and behaviours (like engagement and work-life balance) and my keen quantitative skills.

As a Professor of Human Resource Management, I am all about people (employees). Not only how to motivate and retain them but enhance their engagement and performance and understand their wellbeing. Indeed, I have a growing number of articles on work-life balance and internationally there is a growing interest in work-life balance, but fundamentally, we are not sure how to achieve it. This is partly because the workplaces of today are constantly demanding (including off-site through email) but also frequently distracting. The Four-Day Week trial provided a unique opportunity: could working more focused in four days (and having the fifth day off) lead to not only greater work-life balance, but maintained job performance? What effect would it have on other forms of job performance that aids organisations? In the trial, I got to explore these factors. As a social scientist, this was an amazing opportunity and I can genuinely see and understand the potential of a four-day week.

In the beginning

One aspect I was particularly interested in was what would employees do with an extra day off a week? We have all experienced long weekends and for some Perpetual Guardian workers, this would occur in the trial. But what happens if your day off is in the middle of the week, like a Wednesday? Does a mid-week break help much or annoy people more? Would a regular day off a week (albeit on different days) lead to positive use of the extra day off? What would people use it for? Would they sleep and recover or explore and make the most of the extra day? These were research questions we simply had never had the opportunity to answer. Until now...

The extra day

To answer the question above, I asked people what they spent their leisure time on before and after the Four-Day Week trial. This was simply an open box to allow people to provide as much (or as little) information as they liked. Before the trial there was a host of activity, although the majority was exercise like the gym, golf, or walking; time with family; or pure leisure activities like watching Netflix. Immediately after the trial, I sought to understand what they had been spending the extra day on. Had anything changed? Indeed, a lot of activities mentioned above remained the same. But new uses for the day off emerged. Examples included 'baking a cake and spending time with parents', 'spending much needed time studying', and 'cleaning the house on a Wednesday and then having the weekend free'. Someone spoke of their partner working nights and enjoying the opportunity to be home with them on their day off.

Other activities were especially relevant because the day off occurred between Monday and Friday. Parents talked about attending school activities – for the day. Some spoke of going to their child’s class and being a ‘helper’ for the day. Others worked with a community group or a charity to give back on their day off. Interestingly, many spoke about how the day off during the week empowered them – recharging batteries – and enabling them to perform their next days at work with additional energy and focus. As a researcher, I’d suggest this shows that beyond a ‘three-day weekend’ having a day off in the middle of the week might be especially valuable – again, for employees and their employer, but also families and extended family. This shows the potential benefits beyond an organisation and its employees and their families – schools, wider community benefits – the potential appears wide ranging.

Performance

An important focus – perhaps the most important – was the interest in performance. Could employees do their weekly work in four days? If they could, does it reflect them not working that hard before the trial? Or does it reflect the earlier notion of “Parkinson’s Law” around work expanding to fill the time. Given this was a key metric for Perpetual Guardian, it was important to capture this well. But I also ensured I was capturing more than just whether the workers were doing their five-day job in four days. I was interested in testing whether other forms of job performance – things we might do that aren’t on our job description but are typically valuable – and how these were affected by the Four-Day Week trial.

I had managers assess the performance of their business units before and immediately after the trial. I asked them not only established questions about the work of the team, but other performance indicators, such as how creative their team was, how well they engaged with customers and with each other. When I analysed the data, it showed that work teams did the same job working a five-day week versus a four-day week, that is, it didn’t change, and importantly it didn’t go down. So, workers were able to complete their five days a week job in four days. But there were more benefits than that. Managers reported



their teams were more creative after the trial – it involved them finding solutions to doing their work in four days, so this reflected well. Importantly, they rated their teams as giving better customer service – they were more engaging and focussed when clients and customers called. In addition, they engaged in behaviours that were more positive to each other, with heightened helping behaviours providing another performance boost. This is important because all these other behaviours ultimately boost an organisation's performance.

“The trial brought team members together in a way most employees have not experienced. This highlights another of the unintended but positive benefits of the Four-Day Week trial.”

Employee benefits

We live in hectic times, with job stress and job burnout real issues of concern regarding our workforces. My quantitative analysis (before the trial and immediately afterwards) showed there were significant employee benefits beyond performance noted above. Significantly lower job stress and burnout was reported, with work-life balance levels achieving record highs. Beyond wellbeing, employees reported their teams were stronger and functioned better together, more satisfied with their jobs, more engaged and they felt their work had greater meaning. They also reported being more committed to the organisation and less likely to look elsewhere for a job.

Lessons learned

What we learned from the Four-Day Week trial is that we all have sufficient energy to work a five-day week, but this may not be the most optimal way to get work done. There is clearly potential for the four-day week. It can lead to maintaining existing performance outputs – which is needed and necessary – but it may produce such benefits beyond that, which really reinforce the advantage of a four-day week. Employees talked about the benefit of having an extra day off, and not only did they recover and rejuvenate with that extra time, they also engaged in new activities that enriched a wide range of people and community groups, and left employees with greater energy levels when they returned to work.

Of course, such change is radical and does require management to be visionary and trust its workforce. Ironically, this is similar to what employers want from their workforce. Employers ask employees to do a good job, be engaged, and trust management to guide the organisation successfully. Well, perhaps a four-day week is a place where both parties can genuinely join together – and the benefits might be astronomical. My recommendation is to follow Andrew Barnes' advice and just trial it. You really have nothing to lose.

8. CONTACT

For more information about the contents of this Four-Day Week White Paper, email info@4dayweek.co.nz.

9. APPENDICES

APPENDIX A: 15 USEFUL POINTERS: THE BLUEPRINT FOR STARTING YOUR FOUR-DAY WEEK TRIAL

Here's our step-by-step guide for how to do this yourself:

1. Do your own desktop and local research.
2. Speak to your staff and be clear about your objectives and what you are trying to achieve.
3. Involve employees in all aspect of the design and implementation of the trial.
4. Give employees plenty of time and space to think about how they can work differently.
5. Ensure policy is well supported and resourced.
6. Be bold and don't let technical issues stop you seeing the policy through.
7. Create a policy that can flex depending on workloads, projects or customer requirements.
8. Encourage staff to come up with their own individualised productivity measures.
9. Encourage staff to consider how they can re-structure 'time off' within teams.
10. Empower staff to come to their own decisions and trust them to make the right call.
11. Engage outside consultants/academics to measure and evaluate the trial.
12. Let your customers know what's going on and assure them there will be no drop-in service.
13. Ensure new employment structure doesn't cut across legal requirements.
14. Be clear that the aim of the initiative is to benefit the company as well as employees.
15. Recognise that flexible working initiatives aren't magic bullets.

APPENDIX B: PRODUCTIVITY WEEK POLICY – OPT-IN REQUEST FORM

Name		Role
Business Division	Location	Manager
Productivity Measures		
1. [add]		
2. [add]		
3. [add]		
4. [add]		
Roster or Rest Day information ensuring a focus on customer service		
Details of volunteering / charitable work required for one day per quarter		
Confirmation and Agreement		
<p>I understand that the Productivity Week Policy may be varied or removed at any time at the sole discretion of the Company, with reasonable notice. The Company’s decision may or may not be related to the success or otherwise of meeting my individual productivity measurements. By opting into the policy and signing this request form, I understand and agree that the terms and conditions of my employment remains unchanged and that the Productivity Week Policy does not form a contractual term of my employment to the Company.</p>		<input type="checkbox"/>

<p>I understand that my participation in the Productivity Week Policy may be removed by management due to (but not limited to) the following:</p> <ul style="list-style-type: none"> <input type="checkbox"/> I have not met the agreed productivity measurements within the agreed review timeframe; <input type="checkbox"/> I have not met the review meeting requirements, which is to compile, analyse and review the set productivity measures and providing these to my manager ahead of the set review meetings; <input type="checkbox"/> My team has not met required productivity measurements or expected levels of performance and/or customer service standards (regardless of whether I have met my own individual productivity measurements); <input type="checkbox"/> A project, workload, client issue/complaint or team leave situation requires me to work my contracted hours of work; <p>I do not meet the Eligibility Criteria as specified in the Policy.</p>	
<p>I agree to participate in internal focus groups or employee engagement surveys (where comments will not be attributed to any one individual) in relation to employee wellbeing and engagement and as part of the Productivity Week Policy.</p>	<input type="checkbox"/>
<p>I confirm that I have considered and discussed any health and safety requirements of my volunteering / charitable work with my manager, with key contacts at the volunteering / charitable and with a member of the People & Capability team. If the volunteering organisation meets the definition of a PCBU (Person Conducting a Business or Undertaking) this involves reviewing and understanding the health and safety plan, hazard identification and risk mitigation by collaborating, communicating and consulting with the organisation. Please refer to the People & Capability team for any assistance.</p>	<input type="checkbox"/>
<p>I confirm that I have received approval from my manager and/or senior leader to undertake the volunteering / charitable work and that this approval has taken into consideration any potential conflicts. In addition, management approval has taken into consideration and is satisfied that the appropriate background checks (such as but not limited to, Ministry of Justice checks) have been carried out and are satisfied with the outcome of these checks.</p>	<input type="checkbox"/>
<p>I agree to provide a written statement of my experience with the volunteering /charitable organisation and that this may be published internally.</p>	<input type="checkbox"/>

<p>I confirm I will take annual leave at times which do not unreasonably impinge on the business or the performance of my duties and responsibilities under my Individual Employment Agreement and that annual holidays equivalent to one year's entitlement only are able to remain unused as at my anniversary date.</p>	<input type="checkbox"/>
<p>I understand that by participating in the Productivity Week Policy that I remain available to attend work or pick up calls/emails at short notice if need be.</p>	<input type="checkbox"/>

SIGNED _____ DATE _____
Employee

SIGNED _____ DATE _____
Manager

SIGNED _____ DATE _____
Executive Leadership Team / General Manager

People & Capability Use Only – checklist

- Meeting of Eligibility Criteria
- Authorised approval gained
- Tracking of volunteering / charitable organisation days and background checks conducted as required
- Details uploaded to tracking for reporting

APPENDIX C: SO YOU'VE GOT EXTRA TIME, NOW WHAT?

By Dr Tina Huesing, Professional Teaching Fellow, and Professor Elizabeth George, Director of MBA and PGDipBus at the University of Auckland Business School

When companies experiment with work arrangements, they do so for a variety of reasons. The goals might be to attract more talent, to improve employee engagement (morale) or retention, to increase productivity, to reduce fixed cost associated with underutilized office space, to reduce the environmental footprint of the company, or to allow for better work-life balance. These experiments are always a variation on the standard work week.

After establishing the main components of experiments with work arrangements, we extend the current discussion by looking at possible (unintended) side effects on a company's ability to innovate.

What are the origins of our 5-day, 40-hour work week?

When the carpenter Samuel Parnell arrived in New Zealand in 1840, he offered his services for 8 hours a day.¹ Parnell argued for a work-life balance with 8 hours spent working, 8 hours for recreation and 8 hours sleeping. Other workers joined him, and the 8-hour day gained traction. In 1936 the NZ Government reduced ordinary working hours per week from 48 to 40 hours and established the 5-day work week.²

Flexible work arrangements

Any deviation from the standard work week is considered a flexible work arrangement (FWA), of which there are many kinds. The two main categories are flexibility on where the work is performed (e.g. at work or at home), and when the work is performed (e.g. during which hours and on which days). The potential for FWAs to alleviate conflict between work and family may be limited.³ Another deviation from the standard work week is part-time work, i.e. regularly working less than 40 hours per week. Employees might want to work fewer hours

¹ <https://nzhistory.govt.nz/people/samuel-parnell>

² <https://nzhistory.govt.nz/people/samuel-parnell>

³ <https://teara.govt.nz/en/workforce-composition/page-9>

to have time for other activities, be it time with the family or time spent studying. Employers might want a more flexible workforce to increase the hours their company is available to its customers, or to increase the number of employees at work when demand peaks. Increasing labour productivity can benefit both employees and employers.

Improving productivity

Low labour productivity has been a source of concern in New Zealand for some time. A recent study conducted in the US, UK, Germany and France found that employees increasingly see their home as the most productive workplace.⁴ At their normal place of work, there are too many disruptions.

In New Zealand, many employees work long hours to get their work done. In the early 2000s a significant proportion of the employed population worked 50 hours or more per week.⁵ Efforts in improving workplace productivity can reduce overtime and long work hours. Redesigning the work can be so effective that fewer employees are needed to get the work done. This can lead to layoffs.

A more productive work force and its impact on creativity and innovation

Companies not only need a highly productive workforce but also creative employees (individuals and teams) who innovate and drive future sales for the organisation. Models of creativity and innovation show that employees need to be intrinsically motivated to be creative, and that the work environment needs to foster this creativity in a number of different ways (leadership, structures, policies).⁶ Communal and collaborative work environments foster creativity and innovation through the casual interactions, and these interactions suffer as time spent at the workplace decreases. Most importantly, employees need sufficient time to explore creative solutions and implement those solutions effectively.⁷ When work arrangements squeeze out time at work then the opportunities to innovate decrease.

⁴ Allen, T. D., Johnson, R. C., Kiburz, K. M., & Shockley, K. M. (2013). Work–family conflict and flexible work arrangements: Deconstructing flexibility. *Personnel psychology*, 66(2), 345-376.

⁵ https://www.jabra.com/blog/?page_id=1300&preview=true&ga=2.140610161.2103104954.1542241858-413787292.1542241858

⁶ <https://teara.govt.nz/en/workforce-composition/page-9>

⁷ T.M. Amabile, M.G. Pratt, The dynamic componential model of creativity and innovation in organizations: Making progress, making meaning, *Research in Organizational Behavior* (2016), <http://dx.doi.org/10.1016/j.riob.2016.10.001>

Some big corporations are now implementing policies that require their employees to spend more time in the office again.⁸ Marissa Mayer, CEO of Yahoo started the trend back in early 2013 when she abolished the work-at-home policy. She explained her decision with the need for more face-to-face interaction among employees to foster a more collaborative culture.⁹ Similarly, Google has long encouraged its workforce to devote 20 percent of their time – a day a week – on side projects. And even though there is some debate as to whether or not employees really take that much time for side projects, Google HR boss Laszlo Bock is sure that what's really important is that the idea of the "20 percent time" exists.¹⁰

Improve productivity, improve work-life balance, experiment with work models, but don't do it at the expense of creativity and innovation.

⁸ Lawson, M. B. (2001). In praise of slack: Time is of the essence. *The Academy of Management Executive*, 125–135, Wang, H., Choi, J., Wan, G., & Dong, J. Q. (2013). Slack resources and the rent-generating potential of firm-specific knowledge. *Journal of Management*, 42, 500–523.

⁹ <https://www.nbcnews.com/business/business-news/why-are-big-companies-calling-their-remote-workers-back-office-n787101>

¹⁰ <https://www.nytimes.com/2013/02/26/technology/yahoo-orders-home-workers-back-to-the-office.html>

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