

Is Corporate India Ready for the 4-day Work Week?

THOUGHT PAPER

By **Anil Thankachan** and **Premraj Pillai**



[istock.com/sinseeo](https://www.istock.com/sinseeo)

Overview

Ever since the pandemic, businesses, old and new, began contemplating alternate ways of working. Worldwide, remote working was on the rise and once the global lockdowns eased out, companies started implementing hybrid working models wherever possible. The triggers behind this shift can be partly credited to changing employee priorities and a renewed focus on employee well-being. While the 2020-21 period saw some of the best employee stickiness scores in a long time, in the aftermath of the pandemic, we have seen a resurgent market with both, employees and employers, re-examining the concept of flexibility at work in a big way. In recent news, Panasonic, the global electronics and home appliances giant, [introduced the four-day work week as an option for its employees](#). The President and Group CEO stated that this initiative could help the company to *"flexibly accommodate diverse situations of our employees"*.

Against the backdrop of the growing demand for flexibility and a more empathetic work environment, the 4-day work week comes in the form of a measure designed to benefit everyone. But is it everything that it is hyped up to be? How do businesses in India feel about implementing this new way of working and what kind of impact do they expect?

Speaking to business leaders and senior professionals across industries, we dig into the concerns, the opportunities, and the possible effects of the 4-day work week with this thought paper.

What is the four-day work week all about?

The four-day work week is no longer a new concept. Its implementation, however, is a different story. Over the last few years, work-life balance has come right back into the spotlight, driving companies to pay attention to their employees' well-being. How deeply a company cares about its employees' overall health has also proven to be a key factor for the next generation of talent looking to switch employers.

This shorter work week supports the idea of employees working 4 days a week, with the same employee benefits and salary and the same workload. It aims to provide employees with enhanced flexibility and hyper-focus while also significantly reducing operating expenses and resource wastage, boosting productivity, and improving the quality of employee health for businesses. In theory, this seems like a win-win. Market leaders like Panasonic, Toyota, and Unilever

are already experimenting with this concept in different parts of the world.

What does the world think?

Earlier this year, 3,000+ employees from 70 companies embarked on the [largest four-day week trial to date](#). The concept is being piloted by many countries in the world with the intention to accommodate this change into their labor legislations, if successful. Running until December 2022, the pilot will examine how shorter weeks might work within different industries and the benefits and challenges of doing so. Before this, between 2015 to 2019, [Iceland conducted the world's largest pilot of a 35 to 36-hour work week](#) (a reduction from the traditional 40 hours) without any calls for a commensurate cut in pay. Almost 2,500 people took part in the test phase. The results were analyzed by the British think tank, Autonomy and the Icelandic non-profit Association for Sustainability and Democracy (ALDA). The study also led to a significant change in Iceland, with nearly 90% of the working population now having reduced working hours or other accommodations. Interestingly, researchers found that employee stress and burnout had lessened and there was an improvement in the overall work-life balance.

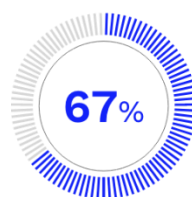
However, Sweden's reaction to this new work week was mixed with one of the biggest concerns being the expense to implement this new way of work on a large scale. In the months that will follow, countries like Spain, the USA, and Canada are also showing interest in the concept.

But what about India?

Under the new provision of labor laws released this year, companies can permit their staff to work four days per week instead of the standard five-day work week. However, it is important to note that employees who choose a 4-day work week will have to clock 12 hours per day instead of the usual 8-9 hours.

No doubt, this has sparked a debate within the country's corporate world.

FIGURE 1



of respondents believe that the current working model doesn't need to change

To better understand the pulse of corporate India and gain a deeper insight into the overall response to the concept of a 4-day work week, we spoke to founders, country heads, and HR leaders from various organizations across multiple sectors around the country.

When asked about the perceived impact of this new style of working on employee happiness and productivity, we were met with diverse responses and insights that were broadly aligned with our own hypotheses.

FIGURE 2



Our survey pointed us to examine whether there really is a need for a new work week model. An overwhelming 67% of our respondents said that they do not see the need to change the existing work week i.e. 5 days a week X 8 hours a day. Most agreed that employee mindsets as well as their work-life structure were already planned around a 5-day work week and companies may be biting off more than they can chew by trying to introduce this change. However, around 33% admitted that the existing workweek was not equipped to achieve the objective of higher productivity and work-life balance.

“

5 days a week helps us plan the work week better in terms of setting and achieving goals, giving us time to reflect if things don't go as per plan.

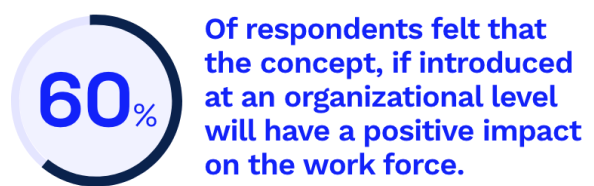
- A survey respondent

Many believed that a 4-day week at work may not be too different from what is followed currently. Many corporates do have a relaxed pace of work on Fridays and declaring a shorter work week might actually not

be as radical a change as one expects. Gradually implementing a shorter work week or alternating between a 6-day and 4-day work week might also reduce the suddenness of the change and soften its impact.

60% of those surveyed agreed that this new concept might lead to a positive impact in the workplace, boosting productivity and happiness among employees. Interestingly, this also involved respondents who believed that the existing 5-day model was equally effective.

FIGURE 3



One of the core reasons behind this is the expectation that a 4-day work week will drive better focus at work and also provide employees with ample 'free' time to focus on their personal growth.

“

It's part of the employee retention policy, we should welcome it.

- A survey respondent

Our survey highlighted some common concerns and viewpoints as precursors to implementing this change:

Management by objectives

Performance management should be more objective and result-focused, providing flexibility to employees to adjust their work in a way that helps them achieve the results in the desired time.

Gradual easing in

Instead of a complete overhaul of the existing system, companies might benefit from having a pilot run to check the viability of this new style of working.

Explore alternate models

A 4-day work week instead of the current 5-day schedule can be used as the starting point to explore newer, more effective working styles. Alternatives like a 4.5-day work week or alternating between a 4 and 6-day work week, designating one day in the week as a no-meeting day, can also get the same, if not better, results.

The challenge

“

A 4-day work week will not work here in India as the concept of work culture is different than western countries, where there is lesser competency and difficult to get people who can by-pass their personal life for their professional life.

- A survey respondent

The work culture in India is shifting but there is still a long way to go when it comes to achieving work-life balance. One of the key concerns that emerged from our survey was the increased possibility of burnout and stress owing to the compressed schedule. Many respondents suggested experimenting with a hybrid model that allows employees the autonomy to decide which model suits their efficiency and output the best. Additionally, it is also important to examine if a company's workforce is prioritizing productivity in the current structure. If not, a new working style may not be the solution leaders are looking for.

A 4-day work week is not for everyone. As one of our survey respondents mentioned, *“not all functions and roles will fit the 4-day work schedule”*. So leaders must be cautious before they implement a new working style. Evaluating how it will impact employees and the business is non-negotiable.

The takeaway

“

There might be too much pressure on weekdays. Critical people are already working beyond 8hrs anyway. Probably close to 12 in reality. It would be better if we actually account for the additional time spent.

- A survey respondent

Broadly speaking, the 4-day work week seems to get a positive response, at least in theory. However, there are many nuances to be considered. Apart from cultural factors, the perceived hesitation in implementing this concept is also influenced by the industry and the nature of business. At the same time, every company will have to go back and evaluate whether or not this new work schedule meets its business priorities. We believe that the evident magnitude of the change and its impact on aspects beyond employee flexibility is one of the main reasons holding companies back from embracing this change.

However, with the large-scale implementation across market-leading organizations and economies, there will be enough case studies to give corporate India the confidence it needs to make a sound data-driven decision on the need for a new working model.

About the Author



Anil is a seasoned Human Resource professional with the experience of working a significant amount of his career in scaling start-ups ground up. He brings more than 19 years of deep hands-on and consultative experience across

Human Resources. Throughout his career playing multiple roles, he has been deeply involved with VC investors, founders and executive leaders in the area of people practices which have helped organizations grow seamlessly. His key contributions have been in:

- Talent acquisition across the hierarchy and functions.
- Creation of frameworks for performance management and talent engagement.
- Develop frameworks which enable in building diverse, high potential and performing teams.

In addition to his successful stints with large organizations like GE Capital (now GENPACT) and Avaya, Anil has had impactful stints with start-ups as well where he has scripted success stories for each one and helped them scale quickly and seamlessly. His stints have been with Tavant Technologies (Software Solutions), Mu Sigma Inc (Data Analytics – Sequoia & GAP funded) and SuperProfs (EdTech – Kalaari funded). In his last role, he played the role of CHRO at Innoviti Payments (Fintech - a Catamaran, SBI & Bessemer funded company).

Anil's deep experience spans functions, industries and geographies. His first principles-based approach to problem solving and thought leadership is deeply valued by clients and leaders alike.



Premraj brings over 22 years of experience spanning business and HR roles across geographies. This has given him a unique understanding of the link between business strategy, operational excellence and capability building.

Experience in leadership roles spanning diverse verticals and functions with some of the biggest brands in business like Citigroup, CSC, PwC, EY and Right Management.

- Over 1300 successful coaching interventions
- Design and Facilitation of over 300 workshops in the space of leadership development

Key workshops conducted include High Performance Team Building; Building Effective Partnerships; Execution Discipline; Effective Business Communication; Enhancing Executive Presence; Change Management; Sellmore; “I - The Brand” ; BEI Training; Developing Growth Mindset; Performance Coaching; 5 Ps to Success; Performance Management; Customer Focus; Reversing Organizational Pyramid

About PeopleAsset

PeopleAsset is a boutique Executive Search & Talent Advisory Firm geared to deliver high quality results. We help our clients dramatically improve performance through focus on leadership & talent.

Visit us at www.peopleasset.in for more information or write to us at info@peopleasset.in.

Anil Thankachan is the Co-founder, Director at PeopleAsset. **Premraj Pillai** is the Principal, Talent Advisory, at PeopleAsset.

Copyright © 2022 PeopleAsset, ExecHunt (India) Private Limited.