



The Four-Day Workweek and the Future of Work in Canada

Carlo Fanelli and
Maria Foggia

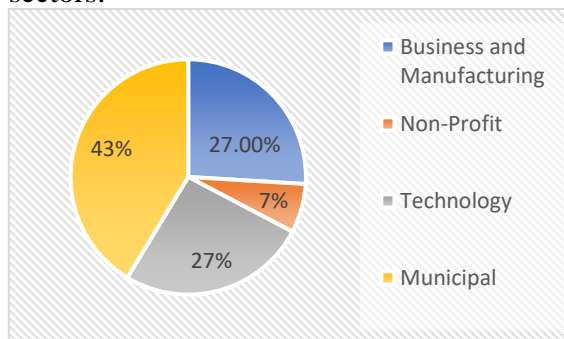
THE FOUR-DAY WORKWEEK AND THE FUTURE OF WORK IN CANADA

Preliminary Research Report

Introduction

The outbreak of the coronavirus pandemic forced a wide-ranging rethinking of traditional workplace arrangements, including the role of remote and hybrid work. One such campaign gaining momentum worldwide is the movement for shortened and compressed work schedules. While there are variations, in its most popular form, the four-day workweek sees no reduction in pay in exchange for getting 100% of the work done in 80% of the time. In other words, a four-day, 32-hour workweek, where a five-day 40-hour workweek typically prevailed, without any reduction in pay. An alternative model compresses the traditional five-day, 40-hour workweek over four, also without any reduction in pay.

This preliminary research report presents findings based on data collected across 30 firms employing nearly 3,500 workers that have implemented shortened and compressed work schedules using the two models identified above. The largest employer consisted of 750 workers, while the smallest employed 30, resulting in an average sized workplace employing 120 persons. Research informants include the municipal, business, manufacturing, non-profit and technology sectors.



A review of the literature and data was collected over a one-year period from July 1, 2022, to June 30, 2023. Approximately one-half of the research participants were drawn from the private sector, with the other half drawn from the not-for-profit and public sectors. The duration of time since implementing shortened and compressed work schedules ranged from a low of six-months to over four years, with most averaging over a year.

Fast Facts:

- 48% cite reduced waste and energy consumption since the adoption of shortened and compressed work schedules
- 73% say the pandemic drove the shift to a shortened or compressed workweek
- 86% note an improvement to retention and recruitment
- 90% said productivity has either gone up or stayed the same
 - 93% said they would continue with shortened and compressed work schedules indefinitely
- 96% report happier and healthier workplaces

Some employers have chosen to operate from Monday to Thursday, while others have implemented alternating teams that work Monday to Thursday, or Tuesday to Friday. The latter is especially prevalent among municipal employers. Among private sector employers, 82% typically operate on a permanently reduced work schedule consisting of four, eight-hour work days, while the remaining utilize a seasonally adjusted four-day workweek.

All municipalities have implemented compressed work schedules consisting of four, 10-hour work days, while all non-profit employers have reduced their weekly work

hours from 40 to between 35-32 hours. Among these employers, approximately 80% have made the switch permanent, while the remaining 20% are still in the trial phase or utilizing seasonally variable compressed work schedules. There have been no reductions in pay across any of the sectors.

Interviews were conducted with chief executive officers (CEOs), chief administrative officers (CAOs), directors of human resources, mayors, municipal councillors, and owner/operators across five provinces: British Columbia (13%), Ontario (60%), Quebec (4%), Nova Scotia (8%), and New Brunswick (17%).



In the proceeding, we provide a brief overview of the international findings, followed by a focus on the following four areas: 1. Productivity and Economic Performance; 2. Health and Well-Being; 3. Gender and Equity; 4. The Future of Work. We conclude with a brief overview of key findings and considerations.

International Findings

As with earlier labour standards reforms, shortened and compressed workdays are often portrayed as a utopian dream that would be too costly to realize. Recent international evidence is, however, bucking the trend. Perhaps the best known example is in [Iceland](#), where a 2015-19 trial of 2,500 persons saw their hours reduced from 40 to 35 hours, without any reduction in pay. Labour productivity either stayed the same or rose,

while work-life balance, stress and overall health improved dramatically for a majority of workers. The success of the trial led a number of trade union centrals to renegotiate working patterns with state and private employers, with 85% of the total population now on track to adopt the standard four-day workweek.

In the summer of 2019, Microsoft [Japan](#) launched a trial of 2,300 workers where staff worked a four-day workweek on full pay. Employee productivity rose 40%, time spent in meetings decreased by 50%, while absenteeism and electricity use dropped 25% and 23%. This led the Japanese government to encourage employers to adopt a reduced workweek in an effort to support worker education, more free time and familial guarantees.

A similar trial at [Unilever](#) New Zealand and Australia from 2020-2022 consisting of 2,000 employees saw absenteeism rates decline by 34%, work-life conflicts reduced by 67%, while revenue rose 10%. And a trial in the [United Kingdom](#) in 2022, across sixty-one companies employing more than 3,000 workers, resulted in revenues increasing, on average, 35% while stress levels and feelings of worker burnout dropped 33% and 71%.

As well, a trial of twelve companies in [Ireland](#) found revenue stayed the same or grew, save for one company that saw a slight decline, while all firms reported reduced feelings of burnout, stress, overwork and environmental waste. All companies involved in the Irish pilot decided to continue with the four-day workweek arrangement and new pilot programs are currently being rolled-out across the country.

A number of trials are currently underway or set to begin shortly. The [Spanish](#) government is currently piloting a trial for small and medium-sized companies where 30% of employees will work 10% less, while retaining their full salary. And in [Lithuania](#), public sector employees with children under the age of three will see the standard workweek reduced from 40 to 32 hours, without any

reduction in pay. In announcing the change, the Lithuanian government noted that a major aim of the legislation which covers around 30% of the country's workforce is intended to address the gender wage gap and work-life conflicts. Finally, a diverse pilot of 38 [US and Canadian](#) companies involving 2,000 workers is currently underway, with [support](#) growing among lawmakers and employers.

Productivity and Economic Performance

From the mid-1940s to the mid-1980s, Canadian labour productivity rose from 70% of US levels to 90%. Since that time, however, business sector productivity has declined, roughly equal to what it was eighty years ago. Consistent with the international evidence discussed above, the **results of this study** suggest that shortened and compressed work schedules improve labour productivity and other indicators of economic performance. Across thirty employers and more than 3,500 workers, just over 90% of all participants noted that labour output and productivity stayed the same or improved.

Respondents attributed part of the improvement to fewer and shorter meetings, streamlined communications and the use of new software to aid coordination and remote/hybrid meetings. Approximately 86% of participants noted that the adoption of shortened and compressed work schedules improved retention and recruitment, leading to reduced absenteeism and cost savings from less paid sick time. One director of human resources at a public relations company notes:

“We've definitely seen a big increase in applications, which has been great. One of the things we really wanted to do with the four-day workweek was be able to promote our company as a great place to work and reduce our dependency on recruiters, which can really add on to our costs.”

In unionized municipal workplaces, employers spoke of the benefits of consultations with union representations in identifying challenges and/or risks for specific

groups of workers, such as seasonal workers or part-time employees.

Among the challenges, respondents noted the importance of a public relations campaign to convince a skeptical public, other firms, council members and some workers. One CEO of a technology company spoke of the difficulty retaining staff being poached by larger companies and the challenges of overwork in the creative industries: “I'm originally from France, I've been in Canada for eight years, but something that struck me is the kind of approach to work and how much in North America people tend to define themselves from work a lot, and how your own sense of worth is measured through that.”

Likewise, an owner/operator in the skilled trades wrote of moving away from time management to task-oriented work. He added:

“We are producing as much, if not more, than we ever have...I don't see anywhere in our organization where there is less productivity or even any decrease in the quality of work of anything. In fact, I feel like our quality has gone up cause here's the magic: when I am at my best, I bring my best to work. And when our team individually are at their best we are as a team.”

Health and Well-Being

Prior to the 1940s, Canadian workers were regularly employed six days per week for upwards of sixty hours. Save for some exceptions, it was over the following quarter-century, due largely to the organizational efforts of [trade unions](#) to improve employment standards legislation, that Canadian governments established the 40-hour workweek for full-time workers.

By the 1970s, [nearly half](#) of all workers in Canada worked 40-45 hours. After declining to 38.5% in the mid-1990s, longer and often [precarious](#) forms of work have since risen, as has the proportion of workers employed more than 35 hours per week. Consistent with [international findings](#), particularly since the outbreak of COVID-19, many employees are

working longer and harder, raising concerns about work-life balance and worker burnout.

Many respondents reported a sharp reduction to employee job stress, feelings of burnout and mental fatigue. This resulted in improved mental health and overall job satisfaction, greater options for family care responsibilities, improved rest and energy, and time for volunteering. As one Director of Human Resources at a software engineering company put it,

“When you are well rested, you are a much better mom, dad, parent, neighbour, boss, colleague, teacher, student, the list goes on...well-rested humans will be able to be more creative and be able to transform and be more compassionate.”

A CEO of a technology company added: “Google is two blocks away from us. Can I ever compete financially with what Google is going to pay? No. But I can offer one of the things that they can’t offer? Actual work-life balance.”

Gender and Equity

Consistent with both long-term and [worldwide trends](#), it is estimated that Canadian women do 50% more unpaid domestic labour than men. Care work is often invisible and undervalued, and includes such activities as caring for children and other household members like the elderly and dependent adults, cooking, cleaning, laundry and shopping. The COVID-19 pandemic led to a dramatic [increase](#) in the proportion of unpaid labour undertaken by women. Despite putting in the majority of unpaid labour in the home, women continue to be [paid less](#) than men outside of it, earning \$0.88 for every dollar men earn.

In addition to the benefits discussed above, this study found that shortened and compressed work schedules significantly reduced feelings of burnout and job stress for women. For instance, a senior manager in the educational sector working a shortened workweek noted:

“For someone who values work with balance, it's wonderful here, myself and one other person on leadership have children, and the thought of working somewhere that doesn't give you an extra day off a week off, for me, is hard to imagine.”

Interview data also suggests the four-day workweek may alleviate the so-called “motherhood penalty” – women stepping back from their careers when they have children to let a spouse devote more time to a higher-paying job. For instance, one CAO of a municipality said: “I am at the lowest level of mom guilt. I feel like the best mom and wife I’ve ever been working at this job, in this design, with flexible hours.”

Others noted time to engage in labour market activities and career learning opportunities. Some also drew attention to persisting inequalities of race and gender in the wider context of low-waged work. A Director of a not-for-profit organization, for instance, added:

“I have a team of women and two men of colour, one Indigenous person and one from East Africa...our sector is not fairly compensated, so this is actually an equity issue.”

In a similar vein, a CCO at a software company observed how older workers and those with disabilities in particular benefitted:

“I have one employee that has severe scoliosis. I've done lots of things to help accommodate them with standing desks, different ways of working and working from home, so they can rest up. But the difference from working five days at a desk and having only four days physically made a big difference to that person. They also had weekly appointments to deal with and that they're able to deal with that on the Fridays [off] now, consistently without feeling guilty or stressed about missing work and trying to make up the time for it.”

Of course, compressing or reducing work hours will not in and of itself reduce the gender wage gap or other aspects of inequality

and may, paradoxically, actually increase the proportion of unpaid labour undertaken by women if their day off is used to take on extra housework. Equally troubling, particularly in the context of persistently high rates of [low-waged work](#) among women exacerbated by stressors like inflation, is if the four-day workweek is not accompanied by living wages, which may result in more paid work elsewhere.

The Future of Work

Similar to the examples in Japan and Ireland discussed above, roughly half (48%) of all participants cited reduced waste and energy consumption since the adoption of shortened and compressed work schedules.

As with previously conducted empirical [research](#), informants also discussed the link between fewer working hours and reduced commuting. As the CAO of one municipality put it:

“With the price of fuel and gas, you're saving one travel day a week, which is beneficial to the employees, and we're also reducing the carbon footprint by having less cars on the road traveling as well.”

This suggests shortened and compressed workweeks may also lead to a reduction in traffic congestion and related carbon emissions, contributing to wider pro-environmental and lifestyle changes, such as walking, cycling or taking public transit.

The coronavirus pandemic has permanently altered not only how and where we work but also shifted the attitudes and expectations of many workers. As one CEO in the business and manufacturing sector added,

“Pre-COVID-19, there were many unemployed persons and employers could treat employees like crap because they didn't have a choice, where else could they go, and I think employees started to realize that they do have a lot of power.”

Even the most [inflexible employers](#) have done an about-face rethinking their long-term return-to-office plans and what this might mean for the 40-hour workweek moving

forward. There is also an important need to distinguish between full-time employees and other types of workers, such as part-time, minimum wage, undocumented and other professions that often work (unpaid) overtime like teachers, healthcare staff and other essential services.

Of course, just as not everyone is able to or should work from home, the four-day workweek will not resolve deeply entrenched problems like occupational gender segregation, pay inequities, widespread precarious work and low rates of unionization. There are also limitations to top-down approaches that do not integrate worker voices.

Despite the uneven distribution, however, there is much wider applicability. The four-day workweek opens up new possibilities for transforming work-life balance, redistributing work, improving health and environmental impacts all the while boosting labour market outcomes. As one owner and operator in the agricultural and hospitality sector put it:

“In the end that what we might have lost in terms of fewer hours, we got it back in terms of smarter work, or people that are in a better disposition at work.”

As more work is redistributed to the un- and under-employed, demands for social services may be reduced opening possibilities for public investment. It may also contribute to other societal benefits, including more time for family and friendships, creative as well as educational pursuits. Because the Canadian labour market is highly stratified and uneven, reducing work time will of necessity be central to reducing growing inequalities across race, class, gender, age and other aspects.

Conclusion

Across the experiences of thirty organizations and more than 3,500 workers, this research shows that shortened and compressed work schedules often boost productivity and economic output, improve health outcomes, strengthen equity initiatives

and reduce carbon emissions. In the absence of blueprints, many respondents noted that being prepared to adapt on the fly was key, as was regular input by workers via company wide surveys, working groups and individual check-ins.

Some senior leadership expressed concerns that their workloads have marginally increased in an effort to ensure a smooth transition. Some respondents found the longer days, particularly in physically demanding types of work like road maintenance and the building trades, to be more tiring, especially in the darkness of the Winter months. Others added compressed schedules made figuring out childcare more difficult. About 40% of respondents rolled-out shortened or compressed work schedules in stages, while the remaining often made the switch across the organization.

No matter how you slice it, a number of recent studies point to growing support for a shorter and/or compressed workweek. The [Angus Reid Institute](#) found that 53% of Canadians polled would support the standardization of the 30-hour workweek, more than twice the number of those opposed.

Likewise, a survey by the recruitment firm [Robert Half](#) found 91% of senior managers polled said they would support a four-day work week for their team, with many anticipating the transition to a shorter workweek within the next five years. Among workers polled, the survey also found that nearly three-quarters would support a compressed 10-hour workday in exchange for an additional day off per week.

Although compressed work arrangements allow employees to work a full 40-hours in fewer than five days, contributing to improved recruitment, retention, productivity and health outcomes for many, it stops short of actually reducing working time. For some workers, this could have the contrarian effect of actually increasing worker fatigue, while also being incompatible with other commitments outside of work, like

childcare or personal errands. In an era characterized by growing dissatisfaction at work, reduced work schedules show it is possible to be just as effective in less time making employees more productive, healthier and happier in the process.

While the coronavirus accelerated many changes that were already underway, new breakthroughs in robotics and artificial intelligence are further transforming our labour markets. If a deepening of labour market inequalities is to be avoided, stronger labour input will be key to ensuring that such transformations are in the interests of many and not just the few. As with the case in Iceland, this may better enable trade unions and other worker representatives to renegotiate working patterns with employers, in addition to wider legislative reforms.

Although the four-day workweek is not a panacea for all workplace ills, it may open up new spaces to strengthen worker bargaining power and create a more equitable and enriching future of work.

Authors: **Carlo Fanelli** is Associate Professor of Work and Labour Studies in the Department of Social Science at York University. He teaches and conducts research in the areas of work and labour market restructuring, labour and employment law, political economy and socioeconomic inequality. **Maria Foggia** is a J.D. candidate at the Lincoln Alexander School of Law at Toronto Metropolitan University.

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