

# Valuing Output Over Hours

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The COVID pandemic has forced all of us to learn new ways of doing things – including how to work. While some organizations struggled with the change, others transitioned smoothly, especially if they had already embraced flexible working arrangements (FWA) prior to the pandemic. We are all familiar with the typical FWA: remote working (working from home), flex time (alternate start/end times), and compressed work weeks (four ten-hour days). However, a more recent concept is the four-day, 32-hour work week – with no reduction in pay. This may seem like a far-fetched idea, but that was also the feeling 100 years ago when Henry Ford adopted a five-day work week – when six days (and sometimes seven) were the norm for many industries.

In the four-day, 32-hour approach, the theory is that an additional employee rest day (i.e., a three-day weekend each week) allows for more recharging, family time, hobbies and time for personal errands which results in better employee health and a higher commitment to the employer. Ultimately, proponents believe this translates into more effective and efficient employees when it's time to start the work week, and they can accomplish 40 hours of tasks in the shortened timeframe. Additionally, since the same amount of work is performed, there is no reduction in pay. Maintaining the 40-hour pay rate shifts the mindset from 'pay-for-hours' to 'pay-for-results'. While this approach is certainly not common now, it may be gaining traction as a growing number of trials have studied its merits.

One current trial is a six-month study that commenced in June 2022 and involves 70 organizations in the United Kingdom. The study is coordinated by [4 Day Week Global](#) as well as researchers at Cambridge University, Boston College and Oxford University. The research will determine if the participating organizations experience any declines in measurable productivity

(e.g., sales, profitability, customer satisfaction, etc.), and whether the employees adapt to performing their typical duties in the reduced work week. 4 Day Week Global will conduct similar studies in other regions in late 2022 and early 2023, including one in the United States and Canada that's scheduled to begin in October 2022.

Other studies of reduced work weeks have occurred in the past, including one in 2018 by a New Zealand estate planning firm, Perpetual Guardian, whose founder went on to create 4 Day Week Global. Through pre-trial and post-trial surveys of employees and analysis of company performance, Perpetual Guardian noted the following highlights:

- 20% increase in productivity
- 40% increase in employee engagement
- Staff stress levels decreased from 45% to 38%
- Work-life balance scores increased from 54% to 78%
- Decreased company costs through less power consumption

Additional notable studies include one conducted by Microsoft Japan in 2019 and multi-industry Icelandic studies that occurred in 2015-2019. These also noted similar results: equivalent or increased productivity and increases in employee satisfaction.

While most of these studies acknowledge that no one size fits all, and certain industries or organizations with seasonal deadlines or other constraints would require hybrid models of the four-day, 32-hour week, this type of FWA can be a popular recruiting and retention option in today's high-turnover environment. Empowering workers to find more productive ways to accomplish their tasks during the work week and rewarding them with valuable "off time" sends a strong signal that the employer recognizes the value of the output rather than the input.

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