

The Impact of a 4-Day Work Week on Employee Productivity and Mental Health

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ABSTRACT

Interest in the four-day work week has transitioned from being an outlier workplace trial to becoming an actively debated topic among researchers and policymakers. In this paper, I will evaluate the results of the major trials performed thus far, including the public sector pilot trials of Iceland (2015-2019), the world's biggest national trial in the United Kingdom (2022), the international trial known as 4 Day Week Global, and corporate trials at Microsoft Japan and Perpetual Guardian, assessing how reducing work hours affects employee productivity and wellbeing [1,2,3,4,5]. Using the framework of the Job Demands-Resources theory to explain these effects, this paper aims to show that the reduction of work hours can potentially have a positive effect on wellbeing and productivity in a scenario of workload redesign rather than just a reduction of hours [7,17,18]. It will also examine in what conditions the four-day work week may prove to be ineffective, specifically in industries with continuous coverage needs. Based on the review of the evidence so far, it can be concluded that even though the evidence gathered in the experiments thus far is consistently positive, methodological restrictions require viewing this phenomenon as a promising yet conditional approach.

Keywords: Four-day Work Week, Employee Productivity, Mental Health, Burnout, Job Demands-Resources Theory, Compressed Work Schedules, Work-Life Balance.

Introduction

The assertion that workers may be able to work fewer days yet retain pay and production levels has quickly transitioned from being a radical notion to a legitimate consideration for policy makers, as seen in legislative action in the US to lower the traditional forty hour work week to thirty-two hours without a pay cut [1]. Much of the impetus behind this transition has been due to actual pilot program data rather than mere theory: large scale pilots conducted in Iceland, the UK, and North America as well as in Ireland have led to a significant amount of data about the effect of reduced work hours on organizational productivity and worker wellbeing [2,3,4]. In this paper we examine such data, placing it in the context of established psychological theory on job-related stress and engagement, and give a balanced evaluation of when this model will and will not succeed.

This review attempts to answer two questions. One, does reduction of the number of days in the work week have any measurable impact on productivity, and if so, in what way? And two, does it result in the mental health advantages claimed by its proponents, and how? It will be necessary to synthesize findings from government-funded experiments, company-based examples, and the body of psychological research regarding job strain and burnout, as none of these alone is adequate in resolving the issue [6,7].

Evidence from Major Trials and Case Studies

- **Iceland (2015-2019)**

Between 2015 and 2019, Reykjavík City Council and the government of Iceland undertook two large scale trials with over 2,500 employees, about one percent of the total workforce in the nation, in offices, hospitals and social welfare organizations, cutting down the normal number of hours from 40 to 35-36 per week without reducing the wages [3,6]. The analysis undertaken jointly by the UK think tank Autonomy and the Icelandic Association for Sustainable Democracy concluded that productivity and service delivery remained constant or increased in most of the trial workplaces, while there was an increase in the indicators such as stress, burnout and work-life balance [6]. These trials led to collective bargaining agreements which incorporated reduced hour system for about 86 percent of the workforce belonging to trade unions in Iceland [3]. It is important to note here that certain academic opinions have raised doubts about the interpretation of the results from these trials; that the trials only introduced the 35-36 hours work week and not a four day week system and did not have a matched control group [8].

- **The UK National Pilot (2022)**

The largest and most well-monitored study was done in the United Kingdom from June to December 2022, wherein 61 organizations with around 2,900 employees shifted to work at twenty percent less hours but without any decrease in their pay through researchers from the Universities of Cambridge, Boston, and Oxford in collaboration with Autonomy and the 4 Day Week Campaign [2]. In terms of results, the study indicated a 65 percent decrease in the number of sick days taken by employees, a 57 percent decline in the rate of employee turnover compared to the corresponding time last year, and average revenues of the companies remaining more or less constant but with marginal increases of 1.4 percent [2]. In regard to employee wellness, 71 percent of the respondents felt that they were less burnt out, whereas 39 percent reported reduced levels of stress and 92 percent of the participating firms opted to maintain the four day week model even after the trial period [2].

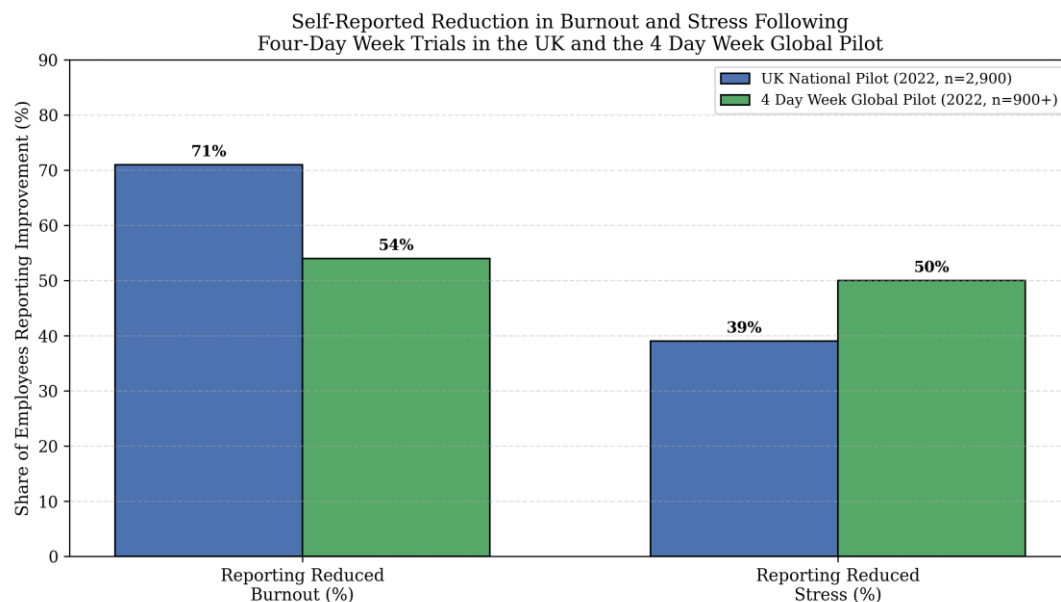


Figure 1: Self-reported reduction in burnout and stress following the UK National Pilot (2022) and the 4 Day Week Global multi-country pilot [2,5].

- **The 4 Day Week Global Pilot (US, Ireland, and Beyond)**

The second pilot study in a parallel multi-country collaboration conducted by the non-profit organisation 4 Day Week Global in partnership with researchers from Boston College and University College Dublin involved following over 900 workers in 33 different organisations in mostly the USA and Ireland, working in areas such as information technology, health care, manufacturing, retail and

hospitality [5,9]. Some of the results of the survey were an average worker experience score of 9.1/10 and 96.6 percent of workers who expressed a wish to continue on this reduced schedule, together with reductions in anxiety levels, fatigue and better sleep [5]. The extended monitoring report in which American and Canadian participants were involved showed that all companies wished to continue this four-day model, with over half of the employees experiencing reduction in their anxiety and burnout, and the lead researcher Juliet Schor stating that these changes occurred mainly because of increased efficiency not compression of work [10].

- **Corporate Case Studies: Microsoft Japan and Perpetual Guardian**

Two well-known business cases demonstrate the issue of productivity in a more compact manner. In August 2019, Microsoft Japan shut down its offices every Friday for about 2,300 employees within the framework of the 'Work-Life Choice Challenge' program and noted a 39.9 percent rise in productivity in terms of sales per employee compared to the previous year at the same period, as well as a decrease by 23 percent in electricity consumption and 59 percent in the amount of printing [11,12]. Additionally, Microsoft reduced the duration of meetings by half from sixty to thirty minutes and switched to asynchronous collaboration using digital technology rather than email [11]. Previously, in 2018, the trust management company Perpetual Guardian of New Zealand conducted an experiment lasting eight weeks with participation of its approximately 240 employees, during which there was a 20 percent rise in productivity and a 45 percent increase in work-life balance [11,13,14].

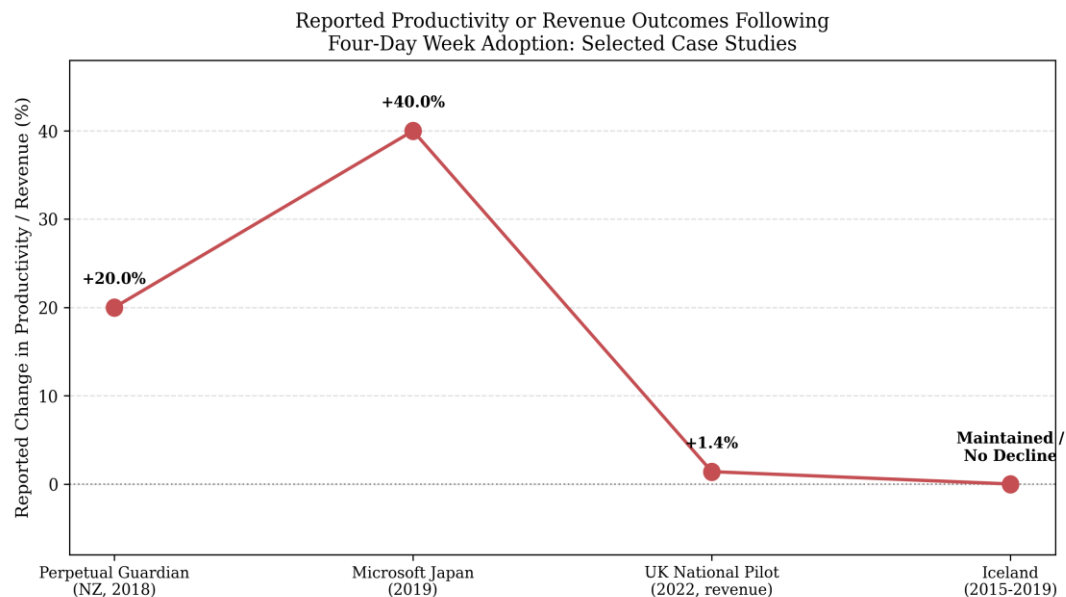


Figure 2: Reported productivity or revenue outcomes following four-day week adoption across selected corporate and national case studies [2,6,11,13].

The graph shown in Figure 2 shows a typical example of a trend seen in all these experiments: the productivity impact is estimated between a relatively minor statistically insignificant increase in the revenue at the national level and major productivity increases seen at the single organisational level, which means that the degree of impact may vary significantly depending on the degree of slack available in an organisation prior to implementation of the experiment schedule [10,11]. In almost all of the considered experiments, the participating organisation made a decision to continue using the reduced-hours regime after the end of the pilot [15,16], which is represented by the diagram in Figure 3 for the pilot done in the UK.

Share of Participating Organisations that Continued the Four-Day Week After the UK National Pilot (2022)

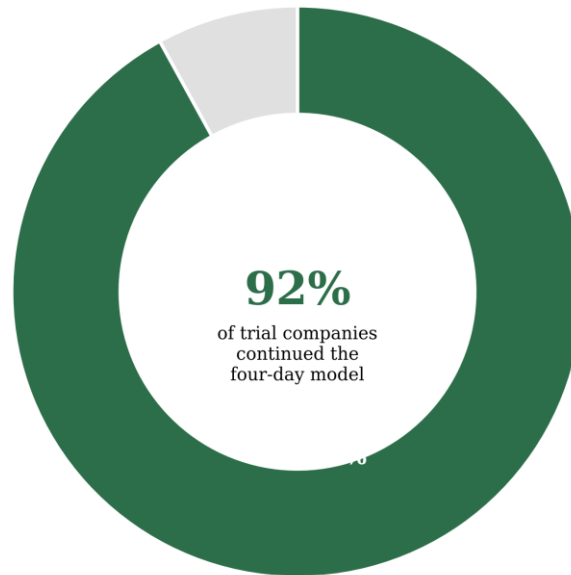


Figure 3: Share of organisations that continued the four-day week following the conclusion of the UK National Pilot (2022) [2].

• **Summary of Reviewed Trials**

Trial / Case	Scale	Productivity Outcome	Mental Health / Wellbeing Outcome
Iceland (2015-2019)	~2,500 public-sector workers	Maintained or improved	Reduced stress and burnout; improved work-life balance [3,6]
UK National Pilot (2022)	61 firms, ~2,900 employees	Revenue +1.4% (stable)	71% less burnout; 39% less stress; 65% fewer sick days [2]
4 Day Week Global (2022)	33 firms, 900+ employees (US/Ireland)	Not separately isolated; firms retained targets	9.1/10 employee experience; reduced anxiety and fatigue [5]
Microsoft Japan (2019)	~2,300 employees	+39.9% sales per employee	92% employee approval; reduced fatigue-related absence [11,12]
Perpetual Guardian (2018)	~240 employees	+20% productivity	45% improvement in work-life balance [11,13]

Theoretical Mechanism: Job Demands, Resources, and Burnout

The consistency of these findings in what would otherwise be very different national and organizational settings demands a theoretical interpretation as opposed to viewing each case study in isolation. One of the theories most widely employed in the field of occupational health psychology is the Job Demands-Resources (JD-R) framework [7,17]. This theory postulates that burnout, which is described by Maslach et al. as a condition of chronic emotional exhaustion, cynicism, and decreased efficiency at work, occurs due to excessive demands on employees like workload, stress, and conflicts at work compared to the availability of resources necessary to cope with the demands like autonomy,

recovery, and social support [18,19]. On the other hand, engagement happens when there are sufficient resources compared to job demands, especially where job demands are high [7,17].

The four-day work week is best considered an intervention that works on both sides of the scale at once. On the demand side, a reduced workweek means less time available for unproductive activities, and if companies respond by actually reducing unneeded meetings and streamlining processes, rather than just squeezing the same amount of work into less time, total demand is reduced rather than concentrated [10]. On the resource side, another day off increases the amount of recovery time, the ability to choose how to structure one's schedule, and the psychological resource of being trusted with one's own time, all of which the JD-R literature highlights as buffers against burnout and facilitators of engagement [7,18]. Figure 4 illustrates this mechanism graphically.

Conceptual Pathway: How a Four-Day Week Rebalances Job Demands and Resources to Influence Burnout, Engagement and Productivity (adapted from Job Demands-Resources theory)

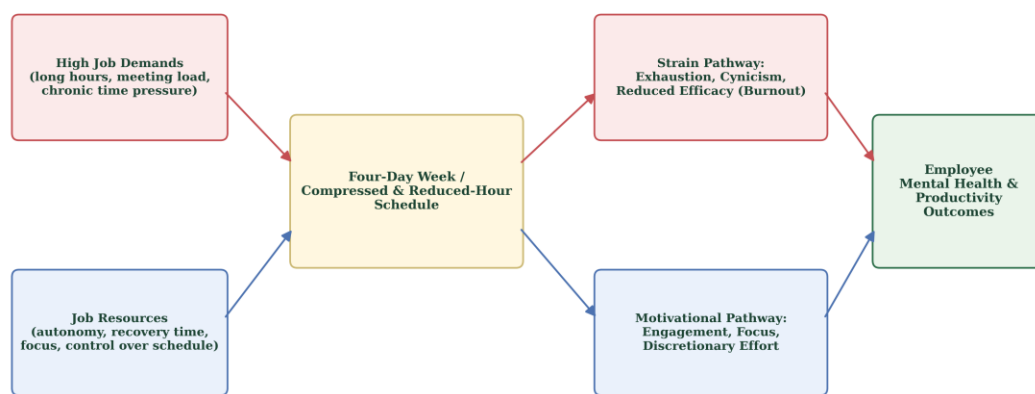


Figure 4: Conceptual pathway showing how a four-day week can rebalance job demands and resources to influence burnout, engagement, and productivity outcomes, adapted from Job Demands-Resources theory [7,17,18].

The theory provides an explanation for the variation in the magnitudes of differences in outcomes found in the reviewed studies. If an organization had been using a scheduling practice where there was high demand that provided little value, such as high amounts of meeting time and emails that required little structure before, eliminating a day could lead to actual improvements in productivity, just like the huge productivity increase at Microsoft Japan after changes in meetings and communication were made [11,12]. However, if an organization had previously been operating on a leaner schedule, reducing the work schedule would just move around available hours and cause wellbeing benefits without any significant change in productivity similar to those seen in the UK study [2].

Limitations and Boundary Conditions

There are several caveats on top of the encouraging trend of results. Firstly, almost all of the currently available large-scale trials are voluntary: the companies that participated in the trials were the ones that wanted to participate, and thus were bound to be more prepared and motivated to succeed in the process, as well as possibly more inclined to report more positive results than what one might expect in case of a universal order [2,8]. Secondly, there are very few cases where there was a matched control group of similar organisations sticking to the traditional five-day workweek during the same period, making causal conclusions less sound in case of simple before-and-after comparisons [8]. Thirdly, measures like the ones of burnout and stress reduction tend to be based on self-reports of employees, which is a valid type of measurement in the field of occupational psychology, but is more prone to social desirability and novelty effects than objective productivity data [18,19].

An additional limitation is that of generalizability to other sectors. This literature review contains a disproportionate number of studies where the organizations tested the effects of a shorter workweek were those characterized by weak links between performance and continuous physical attendance [5,20]. In sectors where continuous attendance is required, such as health care organizations, fire brigades, retailers, and manufacturing plants that run on shifts, having a workweek of four days does not lower the actual service need on the fifth day but entails either increasing staff numbers to maintain continuity of service or accepting reduced service provision, neither of which is comparable to the office-based sector where the studies in the review have been done [2,6].

Discussion: Conditions for Success

Together, the studies and theory considered above imply that the impact of the four-day week on productivity and mental well-being varies and depends on how well the four-day workweek is implemented. In studies in which organizations took advantage of this switch to conduct an internal assessment and simplify processes, such as Microsoft Japan with its meetings' duration adjustment program, larger improvements in productivity were reported [11,12]. In trials where the change of the schedule was seen simply as working fewer hours, rather than simplifying the workflow, wellbeing improvements, but not improvements in productivity, are observed; while this is still a positive result, it differs from what productivity-related studies have found [2]. The difference is important for policy-making: legislation mandating a four-day week without support in implementing the process redesign will yield worse results than voluntary programs supported by organizations [1,10].

Practical Implications for Organisations

The above evidence offers a number of lessons for organisations contemplating a similar switch beyond merely changing the schedule itself. The first lesson concerns sequence. Most successful trials have started with an assessment of current workflow to identify inefficient processes – meetings, reporting, other things that take employees' time but do not yield a commensurate value, before implementing the new schedule rather than relying on the new schedule to replace that assessment [10,11]. The second lesson pertains to the design of communication channels. Microsoft Japan's implementation of thirty-minute meetings and moving routine coordination out of synchronous channels is not just a nice detail but a crucial one, and this shows how important it is to consider schedule change and process change together as a single intervention, not two different ones [11,12]. The third lesson regards measurement. Organisations that measured performance metrics and wellbeing indicators both pre- and during the test period, as did the national trial in the UK, were better positioned to assess which results were genuinely due to increased productivity and which were driven by changes in mood [2].

The last point to consider is sector-specific adaptation rather than blanket implementation. Seeing how the most robust evidence has emerged for knowledge and administrative tasks, it might be more sensible for companies that operate in continuous coverage sectors to focus on implementing the principle behind four-day weeks by protecting their recovery period and cutting off unproductive demands by using flexible working schedule or compressing hours [2,6]. From that point of view, four-day weeks should not be seen as one specific policy but rather as a general principle: Cut down demands, Protect resources and Test the effects, which fits perfectly into the JD-R model described above [7,18].

Conclusion

The findings of Iceland, the United Kingdom, 4 Day Week Global trial, as well as the case studies of companies like Microsoft Japan and Perpetual Guardian all converge to reach a consistent conclusion – a four-day work week, properly designed in terms of workload and process changes, is accompanied by either stable or increased levels of productivity, along with significant gains in the psychological wellbeing of employees, namely lower rates of burnout, stress, and sick leaves [2,3,5,6,11]. The Job Demands-Resources model provides an adequate rationale for the discovered effect and the reasons behind its significant variability depending on the context [7,17,18]. At the same time, there are some weaknesses in the methodology of research, such as selection bias and lack of a control group, which means that the obtained results are rather suggestive than conclusive [8,18]. Not only is this model transferable across all industries but even its application has been studied more extensively within those industries that are based on knowledge and professional services rather than those where continuous coverage is required, such as health care and retail. Thus, four day work week should be regarded as an approach that is applicable conditionally; it is a good organisational innovation that requires careful implementation and can definitely use further research.

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