Tennessee companies make changes to recruit, retain employees: Embracing the four-day week

Hadley Hitson, Nashville Tennessean

The traditional five-day, 40-hour workweek ended years ago for many Americans.

What's taken its place is a combination of long hours, remote work, some mandatory in-office days — and in some places, a four-day workweek.

"People have questioned their own work-life balance and what they truly value," Middle Tennessee State University human resources professor Kelly Manix said. "Any kind of flexible work arrangement, I think people are starting to become more interested in demanding that, whether it's telecommuting or a compressed workweek."

One of the buzziest workplace innovations rising in popularity is the four-day workweek. 22% of employees in 2024 reported that their company offered a four-day workweek option, according to <u>the American Psychological Association's annual Work in America survey</u>. That number was just 14% in 2022.

Major companies ThredUp, Microsoft, Kickstarter and Shake Shack have piloted four-day workweek programs, and in other parts of the world, the four-day week has already become the norm. It became a legislated right in Belgium in 2022.

In Tennessee, companies like Nashville marketing firm <u>BRND House</u>, <u>Nelson Mazda</u>, Hilton Nashville Green Hills, <u>several preschools</u> and at least one restaurant have experimented with a four-day schedule.

Driving the change

A <u>2023 Gallup poll</u> found that 41% of workers are on the clock for 45 hours or more per week. Meanwhile, 67% of U.S. companies offer some version of a "flexible schedule," incorporating remote work or adjustable hours, according to the <u>work management startup Scoop's Flex Index</u>.

Manix and other workforce experts who spoke to The Tennessean agreed: The way Americans want to work is changing.

Factors like <u>the coronavirus pandemic</u>, <u>labor shortages</u> and lowered barriers to changing jobs created an environment where workforce power dynamics are shifting. When employees make demands, employers must listen, WorkForce Software Chief Customer Experience Officer Sandra Moran said.

"There's more awareness about the cost of turnover and the cost of job dissatisfaction," she said. "Coupled with this feeling that employees have more power in this equation, that's driving these changes."

How a four-day week works

The four-day workweek's most common form is the 100-80-100. Essentially, companies pay their employees 100% compensation for 80% of the hours, and employees are expected to maintain 100% productivity and output.

That can look like simply dropping Friday off the schedule, making a 32-hour week, or allowing employees to adjust their hours on their own volition.

Still, many companies that move to four-day weeks don't lower weekly hours, opting for four 10-hour days instead. For example, New York software company Elephant Ventures offers employees four 10-hour days of fully remote work.

"There's definitely some logistical challenges," Nelson Mazda Murfreesboro general manager Randy Dismang said.

The dealership where he works began offering a four-day week for employees post-pandemic, and in his managerial role, it's his job to ensure the location is fully staffed.

From cutting operating hours to streamlining meetings and organizing employee schedules to minimize the impact on customers, overhauling a company's status quo can require a lot of time and communication.

When Nashville's BRND House moved to a four-day week, founder Lisa Field said the team had to coordinate with every client about the shift and send out weekly reminder emails that they would not be working on Fridays.

"We didn't really have any pushback," she said. "I think there will always be things that pop up on a Friday, but in the nature of our business, there's always going to be things that pop up on the weekend too or at night."

One Nashville restaurant's experience

Some industries are more easily suited for workplace changes and innovation than others. <u>According to the Flex Index</u>, the most flexible industries are technology, insurance and telecommunications.

The least are restaurants, education and hospitality, but that doesn't mean a four-day workweek is impossible.

Sixty Vines, a Dallas-based restaurant and wine bar with a location in Nashville's Assembly Food Hall, offers managers four-day workweeks once a month. CEO Jeff Carcara said that benefit has been a significant differentiator when it comes to hiring and retaining employees in his 11 restaurants nationwide.

"It's allowing them to really plan out and look forward to that three-day weekend," Carcara said. "What we've heard the most is that they're able to do things they normally wouldn't have done in a previous job, working 60 hours a week and five days a week, sometimes six."

The change came amid the pandemic when hiring for restaurant jobs was the most competitive Carcara had seen in years. He said there were instances when other restaurants would approach Sixty Vines employees, offer them a \$10,000 raise and poach them on the spot.

"It was a little bit of a cutthroat time in certain markets," Carcara said. "We also, at that time, said it's time to rethink our industry."

He had a quick realization that long-term change was necessary to maintain success. Without innovations like the four-day workweek benefit, he said regular turnover would be unavoidable.

With retention and hiring rates up, Carcara said Sixty Vines is now considering other scheduling changes to improve work-life balance for its employees. One option his team is considering is closing the restaurants altogether for one day a week.

He said choosing a lighter day like a Monday would result in loss of sales, but that could balance out with the positive impacts of happier employees who are less likely to leave.

"That traditional view of the restaurant industry is what creates potentially poor hospitality. We're in the hospitality business. When you overwork people and you

don't value their time off, how do they come into work and have a smile on their face and give a great guest experience?" Carcara said. "It's an investment."

Pressures on the Nashville market

While Nashville's immense growth and diverse economy offers the city some insulation from economic issues like recessions, the city isn't immune to the workforce pressures driving demands like the four-day workweek.

"We have, for quite some time, had about a 30,000 person gap in having that many more job openings in Middle Tennessee than we have people available to fill them," Nashville Chamber of Commerce Chief Talent Officer Stephanie Coleman said. "We have seen through demographic shifts that it's not something that we expect to turn completely."

She said the chamber has a number of programs in place to ensure that local Nashvillians have access to education and training to be able to fill those gaps.

"But ultimately, employers are needing to be a bit more creative about how they both recruit and retain their workforce," Coleman said. "That has led to employers really thinking about how they can be flexible, how they can stand out among employers and provide benefits to their employees that will be conducive to a fulfilling job and work-life balance."

While she isn't aware of any Middle Tennessee companies making the shift to a 32-hour, four-day workweek, she said more common nontraditional options here include offering half-day Fridays or a Friday off every other week.

"It's a little bit different than just shifting completely to a four-day work week, but it's really recognizing when and how employees are most productive," she said. "And also making sure that they're thinking about an employee's health, wellness and happiness."

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