



Shifting the Workweek:

Why Ontario Businesses Should Consider a Four-Day Model

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DISCLAIMER

Please note that while this report explores some of the potential legal consequences and/or challenges in implementing a four-day workweek, it is for informational purposes only and does not constitute legal advice. Companies exploring the legal ramifications of switching to a four-day workweek should consult experienced labour/employment counsel, as legal advice should be tailored to each unique workplace.

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EXECUTIVE SUMMARY

The traditional 35- to 40-hour work week has been a cornerstone of Ontario's labour landscape for over 50 years. However, the COVID-19 pandemic has fundamentally shifted workplace dynamics, prompting a reconsideration of traditional work models. This report examines the potential implementation of a four-day work week in Ontario, analyzing its impacts on businesses, the economy, the environment, and worker well-being. Evidence from pilot programs and research suggests that this model can enhance productivity while supporting broader societal goals of equity, sustainability, and health and well-being.

The report then presents recommendations on how organizations can implement the four-day workweek, recognizing that this shift will take some time. Recommendations include:

✔ **Understand the problem:**

Organizations should understand what the major problem they are facing and carefully consider whether a four-day workweek is a feasible solution.

✔ **Redefine how productivity is measured:**

Move from measuring hours worked to deliverables and milestones.

✔ **Have realistic transition expectations:**

It may take more than a year to move to a full four-day workweek.

✔ **Foster an inclusive and accountable work culture:**

As the transition happens, openly gather and incorporate feedback.

✔ **Use the four-day workweek to create good jobs:**

Use the principles of the Good Jobs Strategy to ensure proper coverage over the work week.

✔ **Support employee commuting:**

Incentivize those employees who come into the office.

✔ **Achieve efficiency gains through AI and automation:**

Use IA and automation to help reduce routine work and increase productivity.

✔ **Understand employment law considerations and implications**

✔ **Consider the full range of alternative working arrangements**

INTRODUCTION

The traditional 35- to 40-hour workweek has long been a central feature of Ontario's workforce, with daily commuting a cornerstone of a working week. For over 50 years, 60% of Ontarians worked 35 to 40 hours a week at their primary jobs, a trend that rose to 65% by end of January 2025.¹ However, the COVID-19 pandemic dramatically altered work dynamics. By May 2020, the number of fully remote workplaces tripled. While only 7.5% of all businesses are projected to remain fully remote in Ontario, the rise of remote and hybrid work models has spurred renewed conversations about the traditional workweek structure.

The shift has prompted both employers and employees to reconsider the 35-to-40-hour "standard" workweek in terms of time, space, and productivity.²

Ontario's labour policies and the *Employment Standards Act (2000)* reflect this ongoing shift, acknowledging the changing nature of work and aiming to improve the quality of life for Canadians.

One emerging model in this transformation is the four-day workweek, which has gained global traction as a potential alternative. Typically structured as a "100/80/100" model—where employees receive 100% of their pay, work 80% of the time, and maintain 100% productivity—this approach reduces the workweek by 20%, working four instead of five days.

This report explores the potential implications of the four-day workweek for Ontario's businesses, economy, and workforce, including its role in supporting environmental goals, such as Canada's net-zero emissions target by 2050, and Toronto's goal to reach net-zero by 2040. It then presents a number of recommendations for businesses to consider when implementing a four-day workweek.



THE CASE FOR A FOUR-DAY WORKWEEK

Several Ontario municipalities, including Aylmer, Zorra, and Springwater, have already trialed four-day workweeks, as have other regions across Canada, such as in Merritt, British Columbia, Saint John, New Brunswick, and the District of Guysborough in Nova Scotia. These pilots highlight a range of benefits, from enhanced productivity and increased business revenue to reduced environmental impact.

The four-day workweek model also spurs discussions about productivity and serves as a valuable tool for talent attraction, retention, and employee well-being strategies, fostering a healthier workforce for businesses across Ontario. We explore these reasons for a four-day workweek in turn.

THE BUSINESS CASE

Organizations that have implemented four-day workweek pilots highlight several business advantages:



Cost Efficiency

Offering a shorter work week can be more cost effective than raising wages.



Productivity Increases or Stability

Reducing work hours while maintaining or increasing output is a key business driver.



Employee Retention & Satisfaction

Reducing turnover by offering a better work-life balance to keep employees engaged.








Talent Attraction

Offering flexible work options attracts top talent.

Additionally, adopting a four-day workweek can prompt companies to invest in technology, upskilling, or process improvements that enhance productivity and drive revenue.

Results published by the 4 Day Week Global, a non-profit organization supporting these pilots, found that one-year into US and Canadian pilots with 41 companies, there was an increase in positive outcomes, including:

<p>Employee productivity and performance were rated 7.7 out of 10</p> <p>This contributed to a 15% increase in organizational revenue.</p> 	<p>69% of employees experienced reductions in burnout</p> <p>At the beginning of the pilots, burnout (on a scale from 1 – never to 5 – always) was at 2.77 and reduced to 2.25 at the 6-month mark and remained at 2.30 at the one-year mark.</p> 
<p>Work-to-family and work-to-life conflict reduced by 61% and 60%, respectively</p> <p>74% of employees stating more satisfaction with their time use while working four days a week.</p> 	<p>32% of those who were looking to leave their jobs said they would stay</p>  <p>This was as a result of the pilot.</p>
<p>42% of employees engaged in more environmentally-friendly activities</p>  <p>Employees cycled more and did not drive more on non-working days (known as the 'travel rebound effect').</p>	

Source: 4 Day Week Global. The 4 day week: 12 months on with new US and Canadian research. July 2023.

These findings underscore the potential for the four-day workweek to boost employee well-being and business outcomes, with 95% of employees in pilot programs preferring the shorter workweek.

THE ENVIRONMENTAL AND ECONOMIC CASE

Another reason for the four-day workweek is environmental, which has economic implications. As workplaces continue to transition to more in-person work, congestion increases. By May 2023, Statistics Canada reported that congestion had exceeded May 2016 levels. This is partly driven by the rise in the share of car commuters from 77.9% in 2016 to 82.5% in 2023, while the share of public transit users decreased from 14.7% to 11.7% over the same time.³

With more cars on the road, commutes are longer (60+ mins of daily commuting) at a cost to productivity, and GHG emissions are higher, with transportation emitting the most GHG emissions in Ontario at 32%, ahead of buildings (25%), and industries and manufacturing (23%).⁴

Reducing commuting by one day per week can reduce carbon emissions, ease traffic congestion, and help companies achieve their environmental goals. By extension, the four-day workweek model can help Canada reach the emissions reduction target of 40 to 45 percent below 2005 levels by 2030, and put Canada on a path to achieve net-zero emissions by 2050.⁵ This can also help the City of Toronto achieve net zero by 2040.

If a four-day workweek is introduced to 65% of Ontarians who work 35 to 40 hours a week in 2024, 3 million Ontarians who commute to work by car could potentially leave their cars at home for an extra day per week. The savings from an employee not sitting in traffic for the average 24.7 minute one-way commute in Ontario would mean recouping \$1.6 billion of lost productivity per year, and reducing GHG emissions by 1.5 megatonnes per year.⁶

This is affirmed by a study of a panel of OECD countries from between 1970 and 2007 that finds that declines in hours of work directly reduce ecological footprints and carbon emissions.⁷

“ If labour productivity in Canada grows at approximately 2% per year from 2018-30, the average Canadian worker could enjoy a four-day workweek while actually earning a higher inflation-adjusted income compared to the start of the period.”⁸

— Steven Gloverman,
Business Professor

EMPLOYMENT EQUITY AS AN ECONOMIC DRIVER

In Canada, the four-day workweek can be used as a tool to promote employment equity, a “uniquely Canadian term” introduced by the Abella Commission in 1984 and defined as “employment practices designed to eliminate discriminatory barriers and to provide in a meaningful way equitable opportunities in employment.”⁹

The Commission’s report identified four groups have faced historic and systemic barriers to employment¹⁰:

- women
- Indigenous peoples
- persons with disabilities
- members of visible minorities

Since then, Canada has dedicated legislation, public service programs, and commissions to the pursuit of more equitable workplace conditions for all Canadians.

A four-day workweek has the potential to support equity-deserving groups, particularly women who must balance work and caregiving obligations. By providing more flexible working options that support caregiving duties, a shortened workweek may have a beneficial impact on women’s engagement in the labour market.

The Ontario labour market has always been challenged by having a lower participation rate by those who identify as women compared to men, particularly because women still bear the brunt of childcare work within most heteronormative households.



There is a 14.1 percentage point workforce participation rate gap between women and men with children under the age of 18, which is more than four times the gender gap of households without children under 18. A particular challenge is for women who have children under the age of five, with the gender participation gap at 17.5 percentage points.

According to Statistics Canada and the Financial Accountability Office of Ontario, if a woman can return to full-time work after maternity leave, it takes an average of four years to reach pre-maternal leave wages.¹¹ Most women end up working part time due to caregiving responsibilities and the lack of affordable childcare, which has significant implications on the incomes for these women, their families, and the provincial economy.

A four-day workweek can provide relief for mothers re-entering the workforce after maternity leave and can offer more time in lieu of added personal and vacation time. This framework can improve this economic situation for women and recoup wages earlier, closing the participation gap.

In fact, the 4 Day Week Global pilots discovered that men raised their child-care duties by 27%, while women increased their child-care responsibilities by an estimated 13% as a result of the pilot.

Therefore, it can be inferred that the 4 Day Week Global pilots led to more equality in the workplace and also at home.¹²



The Deloitte's Women @ Work's Global Outlook report delves into the experiences of 5,000 working women from 10 different countries.

Women need more autonomy in their work hours to balance parenting and caregiving work as 50% of women who live with a spouse and have children say they undertake most of the childcare duties (up from 46% in 2023), while 26% say it is an equal split, and 12% say their partner does the majority.

Therefore, a four-day workweek model can address the lack of flexibility faced by many women, which will reduce the likelihood of quitting their jobs, and also potentially stem the financial disparity within the home between partners, as only 20% of women in the Deloitte report identified as the primary financial income for their families.¹³

Employment equity enables the removal of barriers faced by diverse groups so that they can more fully participate in the labour market, which benefits everyone from increased tax revenues and spending that contribute to economic growth and more government programs and services.

More women quit their jobs in 2022 than in 2020 and 2021 combined.

Lack of flexibility in working hours is a top reason why women left their jobs in 2022, and is the primary reason given by women who are planning to quit their jobs in 2023.

— The Deloitte's Women @ Work's Global Outlook Report



THE HEALTH & WELL-BEING CASE

A more flexible and balanced work schedule can improve employees' overall quality of life, including physical and mental health. Many proponents of a four-day workweek argue that working four days a week improves work-life balance.

When considering how time is spent, activities can be divided into four broad categories:

○ **Productive:**

- 1 **Contracted Time** - Relates to labour that generates income
- 2 **Committed Time** - Covers unpaid but necessary domestic tasks like childcare and housework.

○ **Maintenance:**

- Essential bodily processes like sleeping, eating, and grooming

○ **Expressive:**

- Typically, leisure activities, and taking part in cultural or civic events, working out, and learning.

○ **Travel**¹⁴

Business professor Robert Grosse examines how a shorter workweek can result in higher levels of job satisfaction as well as quality of life and contentment. He finds that motivation (which also implies job satisfaction) and labour hours are inversely related: Fewer hours worked results in happier and more motivated employees.¹⁵

Therefore, employees who work a four-day workweek have an extra day for recreation, personal interests, family-care and self-care, which make up the non-productive categories of time use, but are equally important to day-to-day living.¹⁶

When more time is spent on non-productive activities, this can contribute to increased levels of creativity and productivity, which the four-day workweek pilots outlined in the previous sections have shown.



According to 4 Day Week Global, their UK pilots showed improvements in employee well-being, work-life balance, and mental and physical health.

A shift to a four-day workweek can address these health and well-being difficulties by restoring workers' rights to time and by altering perceptions of and values placed on "work."

For instance, Portugal passed legislation in 1996 changing the ordinary workweek from 44 to 40 hours, and France introduced a change from 39 to 35 hours in 2000. These policy adjustments have shown improvements to improve employees' well-being and life satisfaction while lowering work-family conflict.¹⁸

A finding of note was that those with caregiving responsibilities or mental health concerns who find it challenging to manage work and other obligations, may benefit most from a four-day workweek.¹⁹ Women, who are primarily responsible for domestic duties, frequently feel under pressure to put their partners' jobs ahead of their own, and therefore they would benefit from a four-day workweek.

39%

Workers reported less stress

71%

Reported less burnout.

60%

Employees reported an improved capacity to juggle paid employment with care obligations.

57%

Fewer employees left their organizations.

15%

Employees claimed that no amount of money could persuade them to prefer a five-day workweek to the four-day week after the pilot.¹⁷

The analysis by Deloitte emphasizes the need for companies implementing policies to support women when they encounter difficulties and symptoms connected to menstruation health and menopause, as well as the necessity of recognizing its effects and doing away with any associated stigma.

Shifting to a four-day workweek can foster a more inclusive work environment that supports employee health and well-being needs, which ultimately benefit workplaces over the long run.

Even though more than a third of women rate their mental health as poor or very poor, the proportion of women who feel safe telling their employer about mental health issues has fallen.²⁰

According to the study:



40%
of women think their employers provide them with enough mental health care.

56%
of women are worried about their mental health.



IMPLEMENTING A FOUR-DAY WORKWEEK

The four-day workweek accompanies the conversation started by the pandemic, seen with the rise of the Great Resignation: the way that work is performed, the value of work, and productivity.

These concepts in practice should be re-examined in the context of significant disruptions like advances in artificial intelligence (AI) and shifts in the labour market. In order to reap the benefits of the four-day workweek as outlined in this report, businesses need to carefully plan how to implement this working arrangement. Below are a number of recommendations and considerations for businesses seeking to implement a four-day workweek.

UNDERSTAND THE PROBLEM

It is integral to understand exactly what the four-day workweek is designed to solve. While this report has highlighted the business, economic, health and well-being, and environmental cases in favour of a four-day workweek, there are still the practical realities of operating a business that must be considered.

The four-day workweek is not a panacea for all the ills brought on by the conversation around work-life balance, nor should it be implemented simply because it is in vogue.

Instead, we recommend that employers consider their strategic goals, or at least the opportunities for improvement that they are facing within recruitment and their existing workforce and then carefully consider whether a four-day workweek could solve some of these challenges and which types of jobs could benefit most from a four-day workweek.

Preventative measures and evaluation metrics can be implemented to monitor progress and manage risks.



THE PROS AND CONS OF A FOUR-DAY WORKWEEK FOR BUSINESSES:

The four-day workweek could solve some of the following workplace problems:

- ✔ Employee burnout and/or a rise in employee turnover, which is a cost to the employer.
- ✔ Fiscal pressures that may limit the ability to substantially raise wages, in which decreasing work hours can be a way to address this.
- ✔ Front-line or in-person workers feel like second class workers compared to those who can complete work at home.
- ✔ HR recruitment strategy that is focused on attracting and retaining diverse employees, especially for parents with children under the age of five.

On the other hand, it is important to also consider the possible drawbacks:

- ✘ The need to hire more staff because there is more work required than available staff hours.
- ✘ Possible grievances from those who still work five days a week if four-day workweek is not available to all staff.
- ✘ The time it will take to “get back into work” after having three days away from work.
- ✘ Stress from staff who are used to working 35 to 40 hours and now have less time for their deliverables.
- ✘ Staff who are not able to leverage technologies or have the skills to markedly increase their productivity to meet the demands of the workplace may fall behind or be left behind.

REDEFINE HOW PRODUCTIVITY IS MEASURED

Ultimately, the implementation of a four-day workweek is predicated on understanding - and then measuring - what productivity means to a workplace. Most employers typically measure productivity based on the hours worked, however, increasingly, productivity is tied to outputs and deliverables. After all, the productivity from knowledge work, which requires creativity, cannot be maintained consistently over the entire workday. Instead, it ebbs and flows throughout the workday depending on different factors.

The UK companies that underwent the 4 Day Global Week pilot share some easily implementable solutions to increase productivity, including:

- Changing the conventions surrounding meetings to make them more concise, less frequent, and have more defined agendas and goals.
- Requesting employees examine and analyze each stage of the production process to find time-saving opportunities and create new production goals.
- Establishing a “heads down” or “focus” period, a time slot for staff members to work independently and without interruption, during the workday.
- Implementing new project management tools or combining internal communications and documentation into a single software program.
- Calendars should be rearranged to encourage “monotasking”, which cuts down on time wasted switching between projects.²¹
- Make a task list before leaving work for the next workday or to assign to other colleagues.²²

CASE STUDY: PRODUCTIVITY AS BILLABLE HOURS

While the concept of productivity remains largely dependent on how each workplace defines and measures it, there are some indicators of productivity that are consistent in certain industries, such as the legal sector and other similar professional services, which bill by the hour.

Ross Firm (Ontario) and YLAW Family Law Firm (Vancouver) offer two successful cases for implementing a four-day workweek model, both of whom have a 20% reduction in hours and a boost in productivity. The firms have 18 and 14 lawyers, respectively.

Joe O'Connor, co-founder of the Work Time Reduction Center of Excellence, notes that avoiding a productivity dip can be achieved “by reducing a sufficient level of non-billable overhead to sustain client work at the same levels”. O'Connor also advocates for changing the billing structure of the service, “moving to value-based or project-based billing, allowing [employers] to decouple the direct relationship between hours and revenue.”²³

Both firms have reported:

- ↑ An increase in revenue in client loyalty
- ↓ A decrease in sick days and overall stress levels in the firms' environments.

Conversely, challenges reported included a substantial amount of email volumes at the beginning of each week, which prompted them to move from individual to team emails.

Another challenge was the increased workload for HR employees during the transition, but this was noted as only a temporary matter with an “overall net benefit massively on the side of doing it.”²⁴

“ Any law firm making a similar shift needs to focus on efficiency, not on reducing their team’s workload, and organizational redesign is vital for a successful transition.”

HAVE REALISTIC TRANSITION EXPECTATIONS

The transition to a four-day workweek will take time. At the beginning, organizations may just want to define which day is a weekend day and then ensure that work is covered off during that time.

Restaurants, hotels, healthcare facilities, electric power facilities, and other businesses that already keep longer hours will continue to operate as usual. However, since the current workforce will only work 32 instead of 40 hours per week, they will need to hire more people and plan their workdays to cover the extra day off.

The findings from the four-day workweek US and Canadian pilot programs by the 4 Day Week Global show that businesses gradually scaled back from 38 hours per week to 33.85 after six months and at 32.97 hours a year in.²⁵ This indicates that companies took time to reduce their working hours and even after a year, companies are still aiming for a “true” four-day workweek. The transition to a four-day workweek is not a quick fix but a gradual transition that involves mitigating risks and focuses on changing processes and systems over time.

A successful transition that may take a year or longer to transition to a 32-hour workweek would require a rethinking of how a company defines productivity and how work is conducted. This report identifies some ideas for re-tooling meetings and leveraging technology to reduce monotonous tasks, however, these all require that processes be re-engineered with constant feedback to understand what is working as opposed to not working. For large companies, this may seem like a difficult task as processes are extensive and complicated.

The majority of the US and Canadian companies that underwent 4 Day Week Global pilots were primarily small firms with 11-25 employees primarily in professional services and marketing industries, and only 7% of pilot firms employing over 100 workers. Interestingly, 56% of the firms were not fully remote. It makes sense that smaller companies are able to adopt such a significant change, but for large firms, transition may start with a unit of 11-25 employees and scale up over time. After all, in large firms, when there are a myriad of types of jobs, a four-day workweek may only be one of many forms of alternative working arrangements.

FOSTER AN INCLUSIVE AND ACCOUNTABLE WORK CULTURE

To ensure that feedback captures how well the four-day workweek is working, workplaces need to cultivate an inclusive work culture that does not penalize employees for identifying bottlenecks and issues, that is open to change, and where feedback and results are met with accountability. A change of this magnitude requires more communication and information, not less and must be adopted and espoused by senior management.

Deloitte Women @ Work offers recommendations to help tackle issues surrounding women's health. Despite the fact that fewer women reported feeling burned out in 2023, the survey's results on mental health are worrying: More than one-third of respondents reported poor or very poor mental health and around half stated their stress levels were worse than a year ago.

It's critical that businesses offer help and address workplace stigma associated with mental health. Leaders need to prioritize these issues, share personal experiences, and foster a culture where it is acceptable to experience discomfort while also having stigma-free access to resources. Employers must actively combat the "always on" attitude that prevails for many women in addition to simply offering support to embed wellbeing into working practices.

Organizations cannot overlook women's health given that a quarter of respondents reported difficulties with menstrual health or menopause. They must acknowledge its effects and dispel the stigma that still surrounds it. This entails helping managers comprehend the symptoms and be able to have a conversation, when necessary, as well as encouraging employees to be honest about their experiences without worrying about consequences or rejection.

While these issues are not the only concerns that affect workers, the four-day workweek is a way to open up the conversation to reflect the reality that a holistic approach is required to foster an inclusive work culture that takes into consideration a person's full lived experience, at work as well as at home.



USE THE FOUR-DAY WORKWEEK TO CREATE GOOD JOBS

For workplaces that are customer or public facing and cannot shift to a permanent four-day operating week (e.g., all employees are off on Fridays), it may be prudent to cross-train employees to be able to cover work from other coworkers if the need arises. This is integral to create slack on the team and to ensure that work is being done on time.

MIT Professor Zeynep Ton's Good Jobs Strategy is applicable for not just a four-day workweek model, but the implementation of the strategy can lead to overall increased revenues and talent retention while being able to offer higher wages. The four elements of the strategy, which can be customized for operating within a four-day workweek are:



- 1 **Operate with slack** – One of the potential drawbacks of the four-day workweek is that more staff will be needed to cover the fewer hours worked. While this will increase the overall remuneration costs for a company, it can also create more slack, which Professor Ton defines as hiring more people to offer more support to address peak customer demands.
- 2 **Focus and simplify** – The four-day workweek can be a good opportunity to focus on what customers need and simplify operations to meet their needs. Professor Ton also suggested simplifying the types of products and services to reduce decision fatigue.
- 3 **Standardize and empower** – Employees can contribute to standardizing processes and then are empowered to meet the standards. Standardizing processes also helps identify what can be improved to increase productivity.
- 4 **Cross-train employees** – Train employees on the jobs that their colleagues do so that they have more skills that can be used to help increase slack and address customer peak demand.²⁶

SUPPORT EMPLOYEE COMMUTING

Some employers may use a four-day workweek to incentivize workers to return to full time, in-office work. If this is the case, employers could provide commuting supports so that employees have the knowledge and resources for a more sustainable and affordable commute. Many employees moved during the pandemic and organizations have also hired newcomers and therefore both groups need support to get to and from the office.

The Smart Commute program, which operates in the Greater Toronto and Hamilton Area, Sudbury, London and Bruce County is a comprehensive sustainable commuting program that provided employees with sustainable commuting options, knowledge and resources for decades. To find out more about the program visit SmartCommute.ca.

The program is also great for those who are already working from home or in a hybrid situation. The Smart Commute program is highly customizable and therefore you can have the Smart Commute programs help you develop marketing and communications materials designed to help during this transition period and focus not only on commuting but also on employee health and well-being.



Smart Commute



SMART COMMUTE MONTH
Take the survey to win \$100

BIKE MONTH 2024
June 1 - 30

Cycling in All Weather Conditions
Wednesday, February 12, 2025
12 to 1 p.m.
Register to attend at Smartcommute.ca

Winter Commute Month

Sample Smart Commute Campaigns

ACHIEVE EFFICIENCY GAINS THROUGH ARTIFICIAL INTELLIGENCE (AI) AND AUTOMATION

Artificial Intelligence (AI) can play an essential role in addressing these challenges and driving productivity improvements for a four-day workweek. AI is a field of computer science that connects large amounts of data with prediction to reduce the need for manual, repetitive work. AI improves by “learning” and taking in new data from what is generated (also known as machine learning). Combined with automation, this can eliminate most of the routine work that people perform in their jobs and leave the creative and nuanced aspects of work.



Nobel laureate labour economist Christopher Pissarides believes that the use of AI-backed chatbots, like OpenAI’s ChatGPT and Google’s Gemini, could significantly increase productivity for many jobs by opening the door to a four-day workweek. While some people are worried about how AI will affect society, Pissarides is hopeful that this technology will lead to more job satisfaction and allow for more leisure and activities within the non-productive time category.

According to Pissarides, the labour market can readily transition to a four-day workweek and adapt quickly to the technology. Even though technology is “moving fast,” Pissarides noted that the shift for labour will be less difficult due to slower adoption by businesses.²⁷

Currently, most cloud-based applications already use some form of automation, allowing users to set up automated tasks and sequences to complete tasks. Increasingly, AI augments these functions, increasing the effectiveness of these tools, and most tools are user-friendly enough to not require coding experience or technical knowledge.

Perhaps most importantly, unlike other forms of technology, AI is cost-effective and can be leveraged and used by most workplaces no matter the size. Therefore, AI has the potential to revolutionize how work is done in Ontario and globally. According to a Goldman Sachs analysis, generative AI might affect 300 million employees globally, but the bank's economists also asserted that it could revolutionize productivity and gross domestic product (GDP) growth, perhaps raising yearly global GDP by 7%.²⁸

When examining how a workplace can incorporate AI and automation into their workplace, it is important for each employee to identify the routine aspects of their work and then determine how to use AI, automation and the tools they have at their disposal to increase productivity by reducing the time spent doing the routine task such as using ChatGPT to help write emails or brainstorm ideas to jumpstart the planning process for projects.



UNDERSTAND EMPLOYMENT LAW CONSIDERATIONS AND IMPLICATIONS

A variety of employment law concerns may arise for employers interested in implementing the four-day workweek model. An article by Human Resources and Employment Law firm, Spraggs Law, puts forward key legal considerations of a four-day workweek.²⁹

1 Employee benefits and employment insurance

Depending on the provider and insurance coverage agreements, fewer work hours per month may affect employee insurance policies, as well as the calculation of vacation/holiday pay, sick days and access to Canada's Employment Insurance Program.



2 Team structure

Employers should consider whether or not the applicable provincial or federal employment legislation covers all of their employees. Legislation may not apply to “independent contractors, specific industries or professions that are governed by their own industry-specific acts instead, including accountants, health practitioners, and lawyers,” to name a few.³⁰ Employers should also keep in mind that unionized workplaces will have additional collective agreements necessary to refer to and/or renegotiate with the applicable union(s).

Employers should conduct a comprehensive review of employment agreements to understand employer and employee contractual rights and obligations with respect to hours of work, schedule changes and/or changes to compensation.

Disclaimer: This section contains general information and a discussion of some of the legal considerations involved in four-day workweek program implementation. It does not constitute legal advice or a comprehensive review of all possible legal issues. Employers considering implementing a four-day workweek should seek context-specific advice from employment counsel to ensure legal compliance in the relevant province or territory.

3 Human rights and duty to accommodate

If employees object to a shift to the four-day workweek, particularly if it consists of longer hours, and their reasons include concerns such as conflicts in childcare obligations (or other protected grounds), depending on the circumstances and the applicable human rights legislation in the province/territory, it may be the employer's duty to make reasonable efforts to accommodate. This duty may also extend to employees who feel anxiety or worry about completing five days of work in four days.

According to Spraggs Law, "failing to identify when a duty to accommodate arises and neglecting to work with your employee to ensure reasonable accommodations have been met can result in human rights infractions."³¹



4 Constructive dismissal

If an employee refuses to comply with a unilateral change to their work condition or contract, they may attempt to claim a constructive dismissal under certain circumstances.³² Depending on the circumstances, an employer's unilateral change to hours of work or scheduling may constitute constructive dismissal. Further, it is possible that an increased risk of constructive dismissal claims exist where a shorter workweek would also result in a corresponding pay cut.

A four-day workweek program implementation that involves providing reasonable advance notice of the schedule change, a reduction in hours without reducing pay, and/or obtaining employees' written consent may assist in mitigating the risk of constructive dismissal claims. Employers may alternatively consider implementing a non-mandatory "opt-in only" program.

Employers should also consider their recruitment and onboarding processes and review their employment agreements with legal counsel to ensure that all prospective future employees explicitly understand and agree to the terms of the four-day workweek before accepting employment. For current employees, employers should review each employee's employment agreement and unique circumstances when determining how best to implement a four-day workweek, as the best course of action in each situation is context-specific.

5 Overtime and limits on hours of work

Employment standards differ from province to province in terms of requirements on overtime pay and daily and weekly limits on hours of work. Companies working across provinces and territories will need to consider the varying standards for compliance across these legislative frameworks.

For example, under Ontario's Employment Standards Act, 2000 ("the ESA"), after 44 hours of work in a week, an employer must pay overtime pay at the rate of one and a half times an employee's regular wages. However, there is no daily limit after which overtime pay applies. By contrast, there are daily overtime requirements for non-exempt employees working in British Columbia, Alberta, Manitoba, Saskatchewan, Yukon, Northwest Territories and Nunavut.

Separate from overtime requirements, in Ontario, for example, the maximum number of hours most employees can be required to work in a day is eight hours, or the number of hours in an established regular workday, if it is longer than eight hours. The only way the daily maximum can be exceeded is by an electronic or written agreement between the employee and employer.

In summary, if an employer plans to elongate the workday to compress its workweek as a form of a four-day work week or while transitioning to one, known as a compressed workweek, employers will need to consult the applicable provincial/territorial legislation to ensure no accidental overtime pay or daily/weekly work limit breaches occur. Employers should also take into consideration statutorily required meal breaks and time free from work.



CONSIDER THE FULL RANGE OF ALTERNATIVE WORKING ARRANGEMENTS

There are many ways to implement a four-day workweek no matter the size of an organization. For example, it may be helpful to offer it during periods where there is less work such as during the summer or in December, close to the typical holiday season. It can also be offered to certain senior staff within an organization or be offered to those staff who must work in-person while the rest of the workplace can work remotely as a way to offset the privileges that remote work can bring.

Alternatively, workplaces can implement a number of alternative working arrangements in addition to four-day workweek so that there are options and possible temporary solutions in place. For example, workplaces can start off with a compressed workweek, in which 40 hours of work are done over four days instead of five days (10-hour days), or work 80 hours over nine working days and take one day off.

All of the above can be accompanied by remote work and hybrid work options that all give employees added benefits and take advantage of different environments to increase productivity and creativity.

For a full list of alternative working arrangements and implementation information for both employers and employees, please visit pointa.ca.



CONCLUSION

The pandemic may not have given businesses time to think deeply about the concepts outlined above, much less the implementation time required to shift to remote work. Despite the drawbacks and the fact that many workplaces have returned to full-time in-office work, the pandemic has changed Ontario's cultural milieu, which businesses will need to address.

Now, post-pandemic, businesses can think about and plan how to reframe and reshape work to meet the needs of employees without sacrificing productivity and the outcomes that are required for the proper functioning of a business.



A four-day workweek, like other alternative working arrangements, is a viable transportation demand management mode that can help reduce congestion and take cars off the road if employees work out of a location other than their homes. Perhaps more importantly, it is a recognition that the concepts of productivity and the standard workweek are up for reconsideration.

As much as the pandemic generated significant negative impacts and societal consequences, it also opened conversations about who benefits from the standard workweek and how alternative working arrangements can better include diverse groups into the workforce, which is vital to the prosperity of Ontario.

ENDNOTES

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