Episode #93 Demystifying The 4-Day Workweek : Banks Benitez

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The opinions expressed by guests on workplace perspective are their own and should not be considered legal advice. And now, here's your host, Teresa McQueen.

Host: Thank you, James, and welcome everyone to workplace perspective where we are striving to raise the bar at workplaces everywhere. Today we're talking with Banks Benitez, cofounder and CEO of Uncharted an accelerator incubator group for entrepreneurs who are striving to challenge their status quo. They have accomplished this internally by adopting a four-day workweek. On today's episode, Banks will be sharing his thoughts and discussing details of Uncharted's journey into these uncharted waters. Bad puns aside, it's going to be a great show. Stay with us. We'll be right back.

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Host: Welcome back to our listeners and welcome to workplace perspective Banks Benitez.

Guest: Good to be here. Thanks for having me.

Host: Banks, before we get started, why don't you tell our listeners a little bit about you and what you do?

Guest: Sure. So my name is Banks Benitez, I'm the CEO and cofounder of Uncharted. We are an accelerator that supports entrepreneurs, addressing major issues here in the United States and supporting entrepreneurs working in the economic mobility space. We're based in Denver, Colorado. I have a team of about 12 people presently. And a few years ago, we switched to a 4-day work week after some research and have been practicing a four day workweek ever since.

Host: I'm super excited to talk about this. So, this is really top of mind for many. Especially in California, it is on the ballot actually in California. But you can imagine is causing both a lot of controversy and a lot of conversation, which is a good thing. But I want to hear about Uncharted's journey. And I want to start with why?

Guest: Yeah, I think Uncharted has always been an organization that has tried to challenge the status quo and rethink some of the expectations and norms around how we structure our work out in the world, but also how we lead our team internally. We're a high trust organization, a high trust culture. We really have prized flexibility as a team for a number of years.

We've been doing sort of hybrid work for maybe 6 to 7 years at this point. A couple of days in the office a couple of days working from home. And they've always just really explored what does it look like to put the needs and the lives of our staff first and believing that if they are working at their best, that's going to contribute to the success of the organization. And so, we began to do some research into the four-day work week because there was data out there back in 2019 when we started that said that it increased productivity, increased workplace mental health, and we were really curious about that and it was very compatible with some

of our goals in terms of how we led our team at the time. And so we said, maybe it's worth looking into. So we did some research into it. And I can go more into the process, but really the why behind it was, we're a high trust organization that is always looking to find new ways to create human centered policies for our team.

Host: So that was before the pandemic then, right?

Guest: It was November of 2019 when we initially started our research into a four-day work week. I had come across some data and articles and at the time, the four-day workweek was a very little press about it. A few examples. And so we saw a few, I did some desktop research into a couple of organizations, and at the end of the year, as we were doing our planning for 2020, I brought up to our executive team. And I said, should we consider piloting a four- day work week in 2020? And our team said, yeah, let's think about it, and we can revisit it in the new year, and then of course COVID happened. And our whole world was turned upside down. And then the question became, is this the best time or the worst time to try out a four-day work week? I mean, we had all of a sudden we had gone from a hybrid working environment where we were in the office and working from home to being fully remote.

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We have a number of working parents on our team and their kids were home from school and we were losing some business because this was in March of 2020 when we didn't know what was going to happen. And so really became this question of, is this a bad time to pilot and try out a four-day work week? Or is this the best time to do it? There is significant strain and stress on our team.

We had quickly migrated where everybody was on Zoom all the time. And so it really led us to say, you know what? We think this is the best

time to try it. And so we made a decision in April to pilot the four day work week. We announced it to our whole team. I mean, early May. Right around this time, in May of 2020. We gave our team a month working 5 days to really identify all the ways we could optimize our workweek. And to work smart, not just work hard. And then from there, we launched a pilot in June and the pilot went from June, July and August of 2020, the three months over the summer of 2020.

We had hired a third party evaluator before the pilot started. An organization that was going to help us measure the results. I, as a CEO, was really curious about, how do we have empirical quantitative data that can help us make an informed decision? And were we data driven in our decision versus just our feeling about how the four day work week felt and how it went. And then by September of 2020, the data came back and it was I'm happy to go into the data. But the data came back and was very, very impressive and positive.

And so, then we decided to make it company policy in September of 2020. But I will say in the early days of 2020 with COVID, it was this question of is this a good time or a bad time?

Host: Yeah, and I'm going to ask you a little bit more about that as we go through the show because I think it's an interesting time to ask that question as well. But something you mentioned; two different things. I do want to talk about the data. But before that, you mentioned that you had the, if I understood you correctly, you had the employees do an evaluation. So did they do a self evaluation on how they work that month? So tell me about that. What was that like?

Guest: Yeah, absolutely. So, what we decided was there was sort of a couple of phases to our work. The first was a design phase. So as an executive team, we designed the contours and the basics of the four day workweek. Are we going to all work on the same days and have the same

day off? Would it be rotating or was our going to do compensation? All those different questions. How many hours would people work? What we decided as an executive team would either be a four day work week at 32 hours, so before 8 hour days, not four, ten hour days. Everybody would have the same day off, which would be Friday.

There were different examples at the time. One was to have rotating days off. So you could pick, you wanted to have Monday off and I could have Tuesday off and people could have a different day off. We realized in our experience over the last 5 or 6 years with a number of working parents who had come back from having a child, and then we're working maybe not full work week. So they were maybe working three or four days while the rest of the team was working 5. And on the days that they were coming back to work after a day that they had not worked at the team had worked, they spent half of their day digging out from all the day.

So I thought, wow, if everybody has rotating days off, that's gonna be the experience. People are gonna be like, well, I always took off a Thursday and now I'm back on Friday and I have to dig out from all the work that was done on Thursday. And so he said, let's optimize the way that we can maximize the time that we're all working together. Monday through Thursday. And then we'll all take Friday off and we will message that externally to our entrepreneurs, to our partners, to our investors, to our corporate sponsors. So that we really are saying, look, we are working Monday through Thursday, but we're not going to work on Friday. And I'm happy to go into more of how I was very nervous to be honest with you. So how are we going to communicate this to external constituents and partners?

Anyway, we'll get to that in a second. So we all decided Monday through Thursday, 32 hour work week at 100% compensation. So 80% hours at a

100% compensation. Our staff would not see a reduction in compensation for working one day later. That was the design phase. Really, as an executive team deciding some of these fundamentals for it.

To your question about then what happened, we had a planning phase which is a month a month when our whole team was aware of we were about to switch within a month to a four day workweek. And so at that time we held team wide meetings and what are ways that we can optimize our work week. How can we better prioritize and deprioritize our work? At our department levels, our department heads would have conversations with our specific departments and say, when do we need to meet up on a weekly basis? How do we coordinate our internal department level work so that we can optimize our work week? And then each individual complete a self reflection as well.

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And the questions where when do you do your best work? What puts you in a state of real focus? How do you get distracted at work? And so at both an organizational level, a department level and at an individual level, we spend a month as an entire team, understanding and identifying the ways that we could optimize our work week. So the way that I, right now, I coach a number of organizations in the four day workweek now. We're about to make the switch. And when I say to leaders, is it's up to you to make some of the key decisions about the day off, about compensation, but trust your team to figure out the how. They are the ones that are closest to the work across the whole organization, they're going to have tons of ideas. Why are we all in this meeting? Why do we have so many meetings? Wow, I mean totally distracted by this or the way that we do our project planning in our work means for late stage changes that are really distracting and slow things down at the last minute. So they're all these ways that your team is going to know how to

optimize the work week and really to trust them with the how has been what we did and what I advise companies to do now.

Host: And the questions that you came up with to sort of direct the teams and the leaders in answering those questions is that was that something you came up on your own or did you have help from the outside. So, if people are looking at doing this, is there a resource that you looked at to help you come up with asking the right questions?

Guest: No, we just came up with it on our own. I'm happy to share it with you and make it public for people to check out as well. It's a simple reflection that people can go through themselves. My sense is that there's certainly value in an individual reflection of you looking at your work week and you say, when do you do your best work? When are you least distracted? When are things really frustrating when it comes to waiting for people to cut coordinating hyper collaborate with? So it's really a self inventory and a self audit of both how you're working and how you're collaborating. And then we really encourage those people to complete that self reflection, and then take it to their manager. And have a conversation with their manager and say, here's what I'm learning. I'm best in the mornings. Between 9 a.m. and 11 a.m. and so can we schedule our one on one from the afternoon. And so there's ways to optimize it so that I can get my best work done.

So I think that it's a conversation and a dialog with yourself, but also with your manager with your department. I'm happy to share with your listeners just how we thought about it. It's certainly not rocket science. But I think it's a helpful framework of thinking about what is your relationship to your work week. And ultimately, whether it's a four day work week or something else, I think in many, many workplaces are reactive to how they respond to a work week as opposed to proactively designing their work week.

Host: Right, right. Yeah, absolutely. I'd love for you to share that. Because it's not rocket science, but I know how people are and I know how organizations think and when you sit down and think about it your mind just goes blank. What do we need to know? It just seems overwhelming, I think, to a lot of people, to think about changing, well, to think about changing. I think that's one of the biggest things, and it makes it so difficult that I think you can get stymied by that. And then you can also get caught in that loop of, is this right? Is it complete? What if it's not complete? What are we going to do?

What I'd like to do is take a quick break and when we come back, I want to hear about the data that you've found. So stay with us, we'll be right back.

If you enjoyed today's show, do this. Share us like us. Give us a review on your favorite podcast app. It means a lot to us in an ensures more people tune in and raise the bar at workplaces everywhere.

Host: We are back. Thank you for coming back and joining us again. We are talking with Banks Benetiz about the four day workweek. And the implementation that his company went through when they started the four day work week. So before we went on break, we were talking about sort of the questions, the self evaluation that takes place and you mentioned some data that you also use to help make that decision. Can you tell us a little bit more about that?

Guest: Yes. So we hired a third party evaluator that helped us understand the data. They really designed data evaluation and capture strategy in terms of how we select data and how we capture it. And then how we measure it and evaluate it over time. So they collected baseline data for how many hours people work on the uncharted team.

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Senses of workplace stress, burnout, productivity, and essentially how we achieve our key bottom line business metrics. So because we have a three month pilot, we were able to compare the results from three month pilot to path three month quarters that we had as an organization.

And of course, it's hard because we were in the middle of COVID 2020 was a unique year and so many ways. But our curiosity was can we measure the baseline data of how uncharted operates, quote unquote, normally, obviously it certainly was not a normal year by any stretch. But historically, I suppose, with how we performed during a four day work week. Across all these different things.

From a leadership perspective, I was really curious about a couple of metrics. Could we maintain the same level of quantity and quality of work output? While reducing working hours. So it could be essentially keep doing and seeing no change in how we operate with working less. That was kind of this big question that we had. And then can we do that with a reduction in work stress? And in the increase in worker mental health. And then from a longitudinal perspective, how would that translate into how we retained and how we recruited talent?

And so one of the questions I think about when I'm advising teams is you might not be in the top 1% of compensation, but you can be in the top 1% of work weeks. And that's a competitive advantage when it comes to

recruiting talent. That was certainly true for us. So what are the data tell us? We captured baseline data, our third party evaluator, captured data over the course of the pilot.

Every month, they married the quantitative data with qualitative interviews as well, that they anonymized based on our team. The data came back that there was no drop in both the quantity and the quality of work. When we were working a four day work week, there was an increase in team mental health, a reduction in work stress, we saw modest changes in productivity. There's a number of other four day workweek companies that have seen dramatic increases in productivity, but I think that in some ways productivity in my view is not the complete picture.

We're not trying to get our employees just to be robotic and more productive and how they do their work. If you tell an employee, hey, become 20% more productive every hour of the day, they're going to say, I'm already working really hard. Like, where am I going to find 20%? I think for us, our success really came to, yes, being thoughtful about how you design your time, how you structure your work week, some of the self reflection questions we talked about before. But also, how does the organization prioritize and deprioritize really well? I think we all agree that there is work that we do that truly is not in a priority or doesn't translate to the bottom line. And so we really invited our team to be thinking about and pointing out areas where we could deprioritize.

And I think we live in a work culture where everything is a priority. Everything's critical. Everything's a priority. Everything is critical. Everything is must happen right away. Everything must be perfect. Nothing can be imperfect. And you must be available 24/7. They try to challenge those norms. And I think the four day workweek does challenge those norms and a lot of ways. But for me, I've been a brute

force entrepreneur, my whole entire life, and it's all been about just everything's a priority. I'll just get everything done. And so the four day workweek really challenged me and our entire team to say, really? Are there things that we can deprioritize that we can take off our plate and what story are we telling ourselves about our work when we think everything is a priority?

And so yes, productivity matters. It's important to be productive. But I also think we got better as an organization with the relationship between inputs in and outcomes out and really try to understand wow. Okay, the things that we're doing are not translated into the bottom line. Maybe they're not as important as we thought they were. I think that's amazing.

Host: Were you were you surprised?

Guest: With our results, yes, I was to a degree, but I also knew that, you know, in some ways, over the course of the pilot, we were continually optimizing. We were hosting every month or so, we were identifying what's working, what's not working. How can we make changes? And so in that respect, you know, it's not like a randomized control trial. We knew we were in an experiment. We knew we had agency and have the opportunity to make changes. And so I think that's one of the things that I think a lot about is the four day work week is not a one time decision. It is a daily and weekly fitness that your team practices.

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And we practice the four day work week during the pilot and we practice it today as we've grown in the last great way to look at it.

Host: I want to know two questions before we have to run off, you mentioned communicating that to those that you work with outside the organization. How did that go?

Guest: I was nervous. Because what would they think? Would they think that we're not serious? Would we lose business. These were big funders, investors, clients. And so one of the things that we did was we proactively communicated with them before the pilot started. And we said, hey, we're launching a pilot to determine if we can run with a four day work week. Here's how we're designing it. We've hired a third party evaluator. We're being very thoughtful about it. We as a team are totally we're optimizing the way we do our work. We know that we have an existing relationship existing contract with you. We're not going to be working on Fridays. How can we redesign the ways that we collaborate between our two organizations, such that you do not miss a beat and Monday through Thursday, we get all of your work done. And we also said, look, if there needs to be a meeting on a Friday, we'll show up for it. It's okay. But that's not going to be the norm.

And I will say over the years, we probably have had last two and a half years. Only three meetings or four meetings on a Friday with clients and partners and external constituents. And I think it was really well received because they said, sure, we can restructure how we coordinate and do our work. And so we redesigned our working relationship with many of our clients. And they were very receptive to it. And then many of them said, show me the data so I can take it too hard for me. How can I do that?

Host: I love that. Well, I have one last thing I want to ask you. You mentioned, is this a good time or a bad time when you did it back in 2019? And I'd like to sort of get your thoughts now. As you're talking to other people about implementing a four day workweek and going out and advocating for that, do you think it's a good time or a bad time with everything that's going on?

Guest: Well, it's a good question. I think that there's so many sort of macro factors about our work culture right now, which might suggest it's a good time. And those are things like the great resignation. People are leaving. We can quantify, turnover costs, and oftentimes it's estimated that the turnover cost is between 1.5 to two X and annual salary. So going back to, if you are an employer and you're trying to retain your best talent. And you recognize that there's a 1.5 X to two X multiple in terms of if that moves on to some other place, you have invested interest in trying to retain your people.

And if, as I mentioned before, you might not be in the top 1% of compensation uncharted is not, but you can be in the top 1% of work weeks. And that's a really powerful recruitment and retention mechanism now. So at a macro level, I think there are interesting trends that suggest it's worth companies looking into it, which is why we're seeing a lot of it. But in my advising and coaching of companies that are considering the for their work week, I also invite them to think about, what are you working on right now? What are the priorities? How do you hold your team accountable to goals? Is there strategic clarity about what you're trying to accomplish?

And so there are ways where a team, this is part of this design phase as an executive team, where if you're an executive team, get a line on what is success. What do you really want to accomplish? Do you know at the end of the pilot, what is successful for you? Does your team know what is the most important work and what is unimportant work? And so there are things to interrogate and explore at a micro level within an organization as well. And oftentimes what I coach and say is that it's totally okay not to have all those answers figured out. Essentially spend the time to get your feet set to get aligned as an executive team before you take it to your whole team. And then give that the whole team four to 6 weeks to really begin to explore the how. All the ways to optimize

their week. So you could have two, two and a half months before you actually flip the switch to a four day work week. And that's plenty of time for you to do it. So I certainly caution teams not to just say, okay, next week we're going to a four day work week and change nothing. There really is thoughtful planning and design. Ahead of time. And that I think is one of the most important things that teams can do.

So yeah, there's macro trends that say yes, it makes sense, but there's also micro conditions that lend themselves to it being successful.

Host: All right. Well, thank you so much for joining us. You have given so much great information. I love your perspective on this. And thank you so much for sharing it with myself and our listeners.

Guest: My pleasure. Thanks for having me.

Host: You can learn more about Banks by visiting uncharted dot org.

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You can also connect with banks via our website at workplace perspective dot com. I want to also thank our listeners, my radio angels, James and the name at night and workplace perspectives team extraordinaire, our engineer and producer Paul Roberts are associate producer Melissa Delacy with music provided by the very talented Steven Verceloni. Thank you for joining us on workplace perspective and until next time, keep raising the bar!

End of episode.