A new way forward: four-day weeks, Italian style

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Lamborghini and Luxottica have recently introduced a short work-week model, on an experimental and voluntary basis, for a test group of a few thousand employees. If successful, then the programme will be extended to a larger percentage of their workforces.

For years, our team has advocated for new ways of working and, more recently, we have been providing counsel to businesses on the legal aspects of implementing four-day work weeks in Italy – and so we welcome the news that internationally recognised Italian brands such as Lamborghini and Luxottica are actively exploring the next generation of strategic workplace management – and all the benefits that can come with it.

(R)evolution

Italy has already witnessed changes in working habits, mostly brought on from the pandemic, such as remote working and shorter work weeks in the service sector (eg, commerce, financial services). Any initial doubts if service-focused businesses could do this proved ill-founded, and today it is common for staff to work remotely.

The notable difference with Lamborghini's and Luxottica's four-day scheme is that it applies to their manufacturing and production workforces – representing a truly important shift in the traditional Monday-to-Friday, nine-to-five, clock-in, clock-out factory floor organisational model.

Much has been written on learning and gaining inspiration from beehives for business organisation and managing a workplace – but perhaps less so on the bees themselves. A bumblebee's wing structure in relation to its weight appears unsuitable for flight – but it flies anyway.

Here too we are seeing a juxtaposition: a worker can "bee" just as productive outside of a traditional organisational work structure schedule. It debunks common logic.

Lamborghini and Luxottica have first introduced alternate five- and four-day working weeks for their voluntary employee test group, with alternating Fridays off – meaning about 20 long weekends throughout the year. While employees are also seeing a gentle reduction in annual holiday entitlement, this is balanced out by an increase in long weekends.

The fundamental concept here is that reducing working hours for the same salary does not reduce productivity – and could even increase it. It is a sign of the changing times and of a new awareness also by trade unions of the need to actively participate in corporate objectives and results for the benefit of a greater balance in employer-employee interests where more free time for workers will undoubtedly benefit the workforce.

We are also witnessing new values arising – such as a greater focus on work-life balance and a greater interest in salary parity.

A few years ago, it would have been unthinkable that companies in Italy and trade union representatives could meet on a common ground of understanding (instead of clashing) where corporate interests (productivity and performance) so strongly interconnected with new ways of working.

If, in fact, productivity does increase with this new way of working (or, at minimum, does not decrease) then it will be unsurprising if employees seek to reduce the time they spend working while keeping the same pay.

If "work" no longer equals the now outdated and anachronistic equation of "the longer I stay at work the more productive I will be", and, if we have now established that this equation is even reversed (as an increase in time worked does not necessarily increase performance and indeed in some cases decreases it), why not propose a win-win model that combines company interests, guaranteed productive performance, and more free time for employees, with no change in salary?

An unthinkable proposal just a few years ago, the pandemic proved to employers that employees have the capacity to function outside of the traditional workplace norms. This new way forward is now increasingly aimed at the worker's selfresponsibility in achieving the expected results. Theory is now reality as demonstrated by the agreements made by Lamborghini and Luxottica.

Of course, the validity of the short week in manufacturing and production will still need be evaluated (it will certainly take time to verify the results on the corporate side... employees seem to be perfectly content).

Of particular note, the Lamborghini and Luxottica trials tell us two important things:

- 1. Innovation in Italy does not require new labour laws (we have too many!). Instead, it is possible to experiment with new ideas and models at company level while applying existing laws. There are "spaces" left open by regulations that establish what employers cannot do, and by this logic, if there is no specific regulation against something, it should be lawful and permitted. To date, no law exists ruling out the four-day week.
- 2. It IS possible to innovate in Italy! Employers just need to have the courage to experiment with new ways of working also by engaging unions in forging innovative corporate or local collective bargaining agreements. Of course, companies can also do things on their own unilaterally but breaking the traditional employment model will be a lot easier with the empathetic support of employees and their trade union representatives. This extra support would most likely be fundamental for the success of any new initiative such as the fourday week.

The Lamborghini and Luxottica agreements have introduced the short week as an experiment – which was only possible due to the voluntary participation by the workers involved. If the tests are deemed a success, the companies will look to roll them out to their entire manufacturing workforces.

The combination of experimentation and the voluntary participation of workers is key to the success of any new organisational project. It allows businesses to "straighten the course" by remedying any hiccups and adjusting the aim in view of the results (with, of course, the possibly to abandon the project if it does not give the expected results). And, with voluntary worker participation, the effectiveness necessary for the full potential of the project itself can be achieved. As is well known, the more the participants are motivated to do something, the higher the chances of success of an initiative will be.

On this front, we only need to remember the somewhat similar experience of smart working: it was timidly proposed by companies years before the pandemic, and at the time was mainly opposed by unions, fearing that their roles may diminish as workers were increasingly isolated working at home. Post-pandemic, however, unions have enthusiastically requested, with a new-found appreciation, more flexible working arrangements for the employees they represent. Here, too, employees have found a new appreciation of what trade unions can do for them. Today there is no turning back, and the shorter working-week model could well become the new normal: it has all the ingredients to become simply indispensable.

Perhaps one of the most significant lessons we have learned from the pandemic is that there is never enough time to live life outside of work.

As they say, our second life only begins when we really understand that we only have one.

The original article was published in IEL – International Employment Lawyer magazine and can be viewed <u>here</u>

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