

itch

THE 4-DAY WORK WEEK:
ITCH RECRUITMENT

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EXECUTIVE SUMMARY

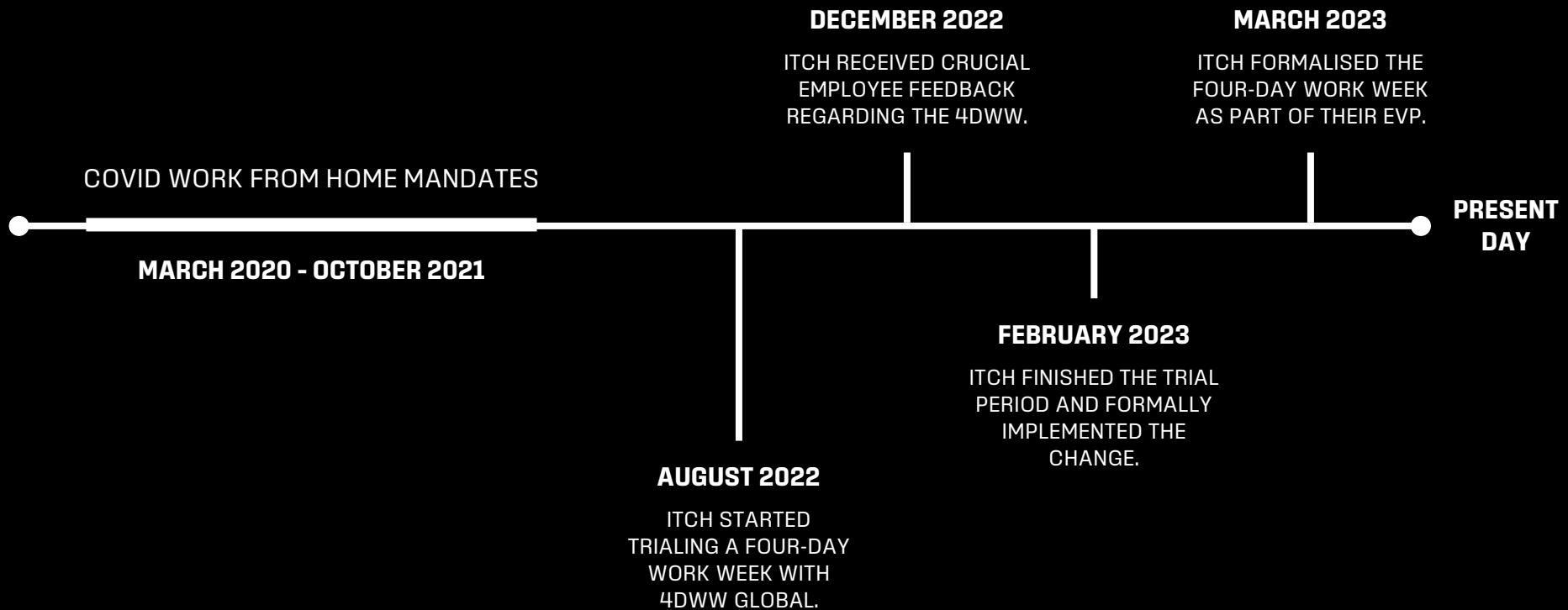


In mid-2022, Itch Recruitment participated in the Four-Day Work Week Global trial and transitioned its workforce from a five-day to a four-day work week. The success of this transition was uncertain due to several contextual factors. Itch's flexible approach to working hours and granting employees a level of autonomy made it difficult to predict the impact of reduced working hours. Additionally, the nature of the recruitment industry, characterised by high touch relationships and client availability, added further complexity.

Itch Recruitment is comprised of four divisions: professional services, drilling, trades, and communications. The company has 14 full-time employees and three executive leaders. The workforce at Itch is known for being extraverted and hard-working, supported by a high base salary and complimented by a team-based commission structure. The effects of a four-day work week on employee performance and client relationships were largely ambiguous.

Itch successfully leveraged many change management principles, including capitalising off of their organisational culture, being responsive and re-aligning change initiatives based on employee feedback. However, potentially due to size and resourcing, there are several areas of the change process that could have been enhanced, and can be recommended to other small organisations deciding to transition to a four-day work week.

SNAPSHOT OF THE 4-DAY WEEK

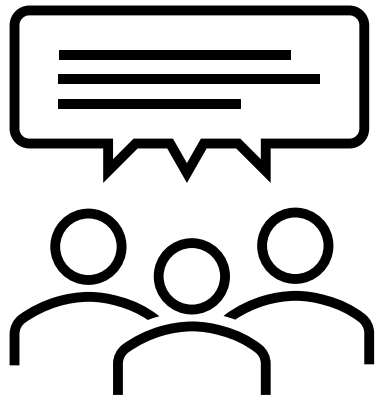


THE HOW + THE OBJECTIVES



Itch engaged two Masters of Organisational Psychology students to conduct structured interviews with key stakeholders at Itch Recruitment to understand their transition to a four-day work week to evaluate the effectiveness of the change management process from a people-centered perspective.

This report summarises their assessment of Itch Recruitment's change management in reference to best practice and will highlight key learnings for future small organisations wishing to transition their workforce to a four-day work week. The report is structured in three parts:

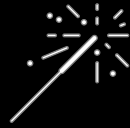


- 1. Identify the desire and/or catalyst for a four-day work week at Itch to understand the need for change**
- 2. Apply a change management model, post hoc, to evaluate the effectiveness of Itch's change approach**
- 3. Discuss future opportunities to enhance change to a four-day work week in similar contexts**

THE NEED FOR CHANGE



The change to a four-day work week was driven by two catalysts, although it had other realised benefits:



ITCH'S REASONS FOR IMPLEMENTING 4DWW

- Improve work-life balance and wellbeing which has always been a core focus of the leadership team as a values-based business
- Talent attraction in a challenging market



ADDITIONAL REALISED BENEFITS FOR ITCH

- Thought leaders of the four-day work week
- Innovation and creativity which improved the identification of new business opportunities and recruitment solutions for clients

THE NEED FOR CHANGE



A SWOT analysis was conducted to evaluate the initial opportunities and risks for implementing a four-day work week:

Strengths	<ul style="list-style-type: none">• Better work-life balance• Change was supported by leaders and employees• Change process was partially supported by the trial• Trial had a fixed end date, which could be used if the 4DWW was not working for Itch• Tailored the change to suit the needs of business and people	Weaknesses	<ul style="list-style-type: none">• Initially changed culture from a flexible to rigid culture to ensure work was being done• Employees are typically extraverted 'People-People' and may resist the change due to formal processes and procedures• Created a divide between those who worked hard, and viewed it as a privilege and those who did not. This was difficult to address.
Opportunities	<ul style="list-style-type: none">• Positive stakeholder perception• Cross team collaboration• Positive to Itch's culture• Talent attraction and retention• Greater innovation and productivity with structure	Threats	<ul style="list-style-type: none">• Negative stakeholder perception• May not be "always available" for clients• May reduce productivity• May reduce innovation• Regulatory and compliance factors for unionised clients

CHANGE EFFECTIVENESS - AT A GLANCE



An adapted version of the Drivers of Change Model by Burke Litwin was applied to Itch's implementation of a four-day work week. The following constructs were then evaluated:



Adapted: Drivers of Change by Burke-Litwin (1992)

- What Itch has done well
- What Itch needs to enhance

CHANGE EFFECTIVENESS

☑ WHAT ITCH HAS DONE WELL



The following table provides evidence supporting Itch used effective change management practices, in line with the model:

MACRO ENVIRONMENT	› Market Potential	Itch increased their reputation of being 'an employer of choice' and support new and diverse industries with their recruitment needs.
	› Organisational Performance	Itch implemented a new structure to their operations to suit business and employee needs, and realized better operational efficacy, innovation, creativity, wellness, and team collaboration.
	› Legislation	Itch helped to set the standards of 'wellness at work' relevant to Western Australia's psychosocial hazards legislation.
LEADERSHIP	› Leadership Potential	Itch leaders demonstrated effective leadership, as they considered both the strengths of the leader, and needs of the employees when communicating with the team regarding performance.
	› Organisational Culture	Prior to the change, Itch had an agile culture that they were very proud of, which continues to be deeply integrated in the organisation today.
GOVERNANCE	› Leadership Practices	Itch leaders supported, drove and took accountability for the successes and challenges encountered during the implementation of the 4DWW.
PEOPLE	› Skills and Roles	Itch employees already had appropriate roles, and skills to engage in this change. They did not require capability uplift.
	› Individual Motivation	Itch employees were excited to be apart of the trial for the 4DWW as they could identify the positive impact it would have on work-life balance.
	› Employee Value Proposition	The 4DWW positively impacted Itch's EVP. While it did not attract new talent, it helped to identify employee contributions that were not aligned to itch's purpose and vision.

CHANGE EFFECTIVENESS

 WHAT ITCH NEEDS TO ENHANCE



The following table provides evidence supporting Itch used effective change management practices, in line with the model:

LEADERSHIP	› Mission & Strategy	Itch did not develop a formal mission and/or strategy for the 4DWW. This was likely to have impacted the direction, purpose, resource allocation, measurement of change performance, stakeholder engagement and Itch's culture.
GOVERNANCE	› Organisational Structure › Policies & Procedures	As Itch did not comprehensively plan for the 4DWW, it is likely that employees felt some uncertainty regarding expectations, resources, responsibilities, and tasks. Itch did not develop a change management plan. A more proactive, measured and deliberate approach to change would reduce Itch's risk, and lack of strategic foresight.
PEOPLE	› Team Climate	While Itch utilised an engagement survey, no other psychometric or objective measurement tools were used to assess Itch's climate before, during and after the implementation of the 4DWW. Therefore, Itch may find it difficult to effectively benchmark their success.

ENHANCING CHANGE EFFECTIVENESS



Employee feedback was provided halfway through the 6-month trial. This helped Itch re-evaluate how they were approaching the four-day work week.

START

- › Consult with Itch employees before engaging in change
- › Develop a mission, strategy and KPI's aligned with change, in collaboration with Itch employees
- › Identify all relevant Itch stakeholders, and conduct a needs assessment before initiating any change
- › Develop a communication plan for all relevant Itch stakeholders, with a focus on how the change may or may not impact them
- › Consider utilising other psychometric tools such as change readiness to assess people and organisational factors related to change

KEEP

- › Leaders champion change initiatives
- › Clear expectations about roles and responsibilities during change
- › Transparent and clear communication regarding the change, and the organisation's priorities
- › Continuously monitor change initiatives and utilising touchpoint evaluations in collaboration with Itch employees
- › Always consider organisational vulnerabilities during change, for example capability, safety and security
- › Creating agile culture that prioritizes continuous improvement, and responds to what is not working
- › Flexibility and customisation for employees and clients

STOP

- › Given the size of Itch, it may not be conducive to engage in more than one significant organisational change at one time
- › Evaluating change based on single point measures such as engagement measures or anecdotal feedback
- › Applying general rules and instead think about how a four-day work week may work best considering Itch's specific context

LEARNINGS + RECOMMENDATIONS



The following learnings, including what was done well and opportunities for enhancement, are a result of comparing Itch Recruitment's change approach to best-practice models:

PLANNING

Itch seemed to 'jump the gun' in terms of implementing a four-day work week. The implementation was decided without forethought to change readiness in the organisation, or proper planning/consideration of stakeholders. This slowed down the transition to a successful four-day work week greatly.

PERSON-CENTRED APPROACH

Itch seemed to consider employee wellbeing at the centre of all change. This included being receptive to feedback and taking ideas on how to improve the transition (e.g. everyone having the same day off rather than staggering days to maintain connection that employees enjoy). This received engagement with the change.

SET GOALS

Setting clear goals, objectives and aligned KPIs would have provided an extra layer of direction and a benchmark to highlight success of the change. More so, it would have helped Itch to communicate the goals and outcomes of the four-day work week with employees and clients.

There are also contextual factors which help to explain why change management wasn't on par with best practice, or the transition wasn't completely smooth, at Itch Recruitment. Primarily, due to its size Itch lacks a defined HR, people or change function. This means that opportunities and initiatives for change are delegated to leaders who are already stretched with BAU, executive leadership, managing specialty teams and business development. As a result, Itch may lack the time and resources to plan and execute change in line with best-practice. Still, smaller companies wishing to transition to a four-day work week can take learnings from Itch's approach and apply an adapted best practice method that considers limited resources. These recommendations are detailed on the next page.

There are several retrospective learnings that Itch could have used to enhance and smooth the transition to a four-day work week, and should be considered in organisations of a similar context wishing to implement a four-day work week:

1. Implement a change management plan

- Using a detailed change management program would ensure a smooth transition to a four-day work week and reduce resistance by clarifying expectations and objectives.
- The Managing Director spoke to how Itch did not carefully consider the change, explaining 'one day, I just shouted out the idea and people thought I was crazy'. A more considered approach and planning could have allowed for the identification of challenges and strategies to improve the transition.

2. Conduct a change readiness assessment

- A change readiness assessment would help identify organisational readiness, identify challenges and develop strategies to ensure the successful transition to a four-day work week.
- Itch did not use any assessment to evaluate employee attitudes or the cultural readiness for change prior to signing up for the four-day work week. They only used anecdotal reactions to the announcement to assess readiness, which could have excluded more introverted members of the team or those who didn't want to share negative feedback in front of team members.

3. Stakeholder analysis and communication plan

- Using stakeholder analysis and creating a communications plan (considering employees, candidates, clients etc.) ensures an organisation is considering all stakeholders and maintaining effective engagement and support during the change, including clarifying expectations.
- This was something Itch did well. Itch decided to promote their move to the four-day work week via LinkedIn. Through positive client relationships employee feedback, they were able to quickly identify that their clients were confused on how this would impact Itch's ability to fill roles. They therefore moved to a targeted approach of calling clients to improve awareness on impact and benefit the work.

CONCLUSION



The implementation of a four-day work week at Itch Recruitment was driven by the goal of attracting talent and improving employee wellbeing following the pandemic. The evaluation of Itch's change process according to best practice showed that Itch, perhaps unknowingly, has a culture that provided the right environment for change such as people-first culture, strong leadership and an inherent practice of seeking feedback. Areas that Itch needed to enhance were potentially due to a lack of maturity in governance, such as not having the policies and procedures to go alongside their four-day work week initiative. This highlighted the need to consider the contextual factors of smaller organisations and their ability to resource change. Recommendations were provided to enhance the change management process at Itch and to inform other organisations, of similar size and industry, on what must be considered when implementing a four-day work week successfully.

THE FACTS

In early 2022, 4 Day Week Global recruited organisations in Australasia, including Itch, to participate on their six-month pilot programme of a 4-day week, these were a few of their findings...

THE FACTS

EXPERIMENTING WITH A 4 DAY WEEK IN AUSTRALASIA



95%

of the 20 companies involved have continued with the 4-day work week

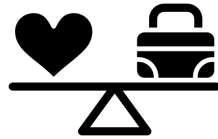
44.3%

decline in the number of sick and personal days

8.6%

decline in resignation rates

EMPLOYEES VS WORK



64%

experienced reductions in burnout

54%

increase in their current work ability

49%

reported a decline in negative emotions

96%

of employees wanted to continue the 4-day week

WORK LIFE BALANCE + ENVIRONMENTAL



65%

of employees were more satisfied with their time whilst on a 4-day week

20 min

increase in exercise per week on average

36 min

commuting decrease per week during the trial

42%

of employees did more environmentally friendly activities during the trial



There was no 'travel rebound' i.e. no increase in carbon footprint due to the extra free time



"Working a 4-day week means I'm much more focused on my family, my health, and my life in general. I take that gratitude and calm into my office and it helps me make better decisions."

- Pilot participant