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FLEXIBLE WORKING HOURS AND ORGANIZATIONAL PRODUCTIVITY: EXPLORING THE POTENTIAL LINKAGE

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Abstract: Flexible Working Hours has recently seen the attention of both academicians as well practitioners as a tool to enhance organizational and employee performance. However, there is a lack of research as how FWH as a strategy can help in enhancing the productivity of organizations. This paper is based on extensive review of some important studies related to FHW. Various factors have been considered which are directly or indirectly related to the ultimate productivity of the organization. The findings indicate that organizations can become more productive and efficient if the FWH practices are implemented at a strategic level and more importantly if due consideration is given to the preferences and needs of the employees. The prominent contributing factors seem to be the employee well being, creation and retention of a diverse talent pool, WLB etc. The implications for practitioners are also presented.

Keywords: Flexible Working Hours, Flexibility, Work Life Balance, Productivity.

Introduction

Recently the concept of “Flexible working hours” has gained a lot of attention from academicians and practitioners as a remedy to various issues. With the onset of drastic improvement in many forms of technology (e.g., IT) the work/non-work boundaries seem have diminished with the passage of time (Lewis et al., 2009) resulting in greater opportunities for Flexibility related to work. From the societal point of view, a flexible arrangement of social activities for a happier life may be achieved through flexibility in work timings. It may have great implications for the individual well being and consequently for organizational performance. Flexi-time being the flexible working practice to have continued for a long period of time flexible working practices. Early research into flexi-time indicated that it improved attendance and performance (Kim & Campagna, 1981), however no clear evidence of its association with the dimension like job satisfaction and employee attitudes were found at that time. Origins of Flexible Working Hours or Flexitime, as it was initially called as dates back to 1967 when it was introduced by a German aerospace company Messerschmitt-Bolkow-Blom. They introduced this practice for 3000 employees who were primarily associated with R & D in order to reduce the lines for clocking on and off and subsequently trim down the jamming of traffic which used to emerge when every employee was required to start and finish at the same time. This practice ultimately showed the way for a great improvement in productivity and reduced absenteeism.

With the advent of time, for organizations across the world motivations to incorporate such practice in an organization could be numerous. Primarily the organizations might want to induce an element of trust by empowering their employees with flexible working hours and build a healthy relationship for a longer period of time. Moreover, organizations would also wish to increase the number of working hours where productivity is at its level best. This

paper reviews some of the relevant studies in the context of how flexible work hours may have an impact on the productivity of an organization. The studies highlight the various dimensions of organizational productivity that could potentially be associated with the practice of flexible working hours.

Defining Flexible Working Hours

The definition of Flexibility/ Flexible Working Hours is not uniform and is itself a matter of debate. The terms Flexible Working Hours (FWH), Flexibility, and Flexible Working Arrangements (FWA) have been quite often used interchangeably. The concept may be viewed as a multidimensional in nature. For example, the various things which have to be taken into account, while defining this concept maybe the kind of work, social organisation, individual parameters etc. The concept of flexibility may encompass a different combination of quantitative and qualitative variables. Goudswaard and De Nanteuil (2000) have broadly presented these variables as a) numerical flexibility (e.g. work on demand), b) geographical flexibility (e.g. outsourcing), c) functional flexibility (e.g. job enrichment), and d) temporal flexibility (e.g. night and shift work, part-time, overtime,). But from technical point of view the FHW practice includes a variety of options which include part-time, shift swapping, sabbaticals, self-rostering, homeworking, job share, term-time working, compressed week, time off in lieu, flexitime, annualized hours, overtime, sub-contracting, zero hours contracts, mobile working, and hot-desking (ACAS, 2015; Kodz et al., 2002; Torrington et al., 2005).

Moreover, the term flexibility itself may be somewhat opaque unless some clarity is being provided as whom ultimately is to benefit from it. Gash (2008) has divided the flexibility into two broad categories i.e., “chosen” and “constrained” in context of part-time working. Similarly, Roberts (2008) distinguishes the two practices as “customisation” (benefiting the employee) and “flexibility” (to benefit the employer).

Legge, (1974) defines FWH as “ an arrangement whereby the employee is granted a (limited) *choice* of the hours when he works as long as he contracts over an agreed period—be it a day, or a week, or a month—to work his normal *number* of hours”

According to Workplace Flexibility (2010), Georgetown University Law Center, “flexible work arrangement (FWA) any one of a spectrum of work structures that alters the time and/or place that work gets done on a regular basis”.

The above-mentioned definitions provide a broader view of the nature and what constitutes the flexible working hours. It is quite evident that FWH does not only refer to variation in the timings or place of job, instead it covers a broader spectrum of factors like job sharing, career breaks etc.

Flexible Working Hours and Organizational Productivity: The context and Conceptual background

As this study aims to explore the pertinent linkage that exists between FWH and Organizational productivity, this review attempts to synthesize the literature which critically examines the dimensions impacted by FWH and that have a direct or indirect bearing on the productivity. Opening the discussion in support of the argument posited in this research it will be worth to have a look at the findings of survey conducted by Chartered Institute of Personnel & Development (CIPD), London. In their report, “Flexible working provision and uptake” which was appeared in public domain in 2012, they found that 72 % of the companies believed that Flexible working had a positive impact on staff engagement. Also, 73% of the companies reported positive effects of Flexible working on employee motivation.

One of the important outcomes that organizations can expect after bringing FWH in the scheme of things is that it can sort out the Work Life Balance (WLB) issues related to employees. Some of the researchers have presented linkage between FWH and WLB in recent past (Kelliher & Anderson, 2010; Kossek, Kalliath & Kalliath, 2012). Among various dimensions of WLB employee well being seems to be the most important factor affected by the change in working conditions and environment. Using a method of expert commentary Kossek, Kalliath & Kalliath (2012) have elucidated the utmost importance of work environment in relevance to employee well being. Consequently, the subtle changes in work environment would also include inducing some element of flexibility in the timings or place of work as such.

Using 200 usable responses in telecommunication industry Abid and Barech (2017) found a positive linkage between FWH and quality of life for employees. They also found that proper use of FWH practice can be a source of job satisfaction also. They argue that in long run FWH is beneficial for both organizations as well for employees. Moreover, among varied benefits of FWH, some of the prominent benefits that could emerge out as a result of FWH include increase in labour capacity, increase in productivity, decrease in recruitment costs etc.

While examining the work flexibility it is important to consider whether the flexibility is rigorously pursued by the employer or employee because it can have varied outcomes sometimes. As mentioned earlier, when the flexibility leads to increase in number of working hours when production can be enhanced to maximum, it is referred to as “Company Oriented Flexibility”. On the other hand, the decrease in number of working hours and subsequent increase in autonomy of employee may be referred to as “Individual-Oriented Flexibility” Costa & Sartori (2005). As suggested by the authors low (individual) flexibility is linked to poor health and well-being of employee. However, an increase in autonomy has obvious positive on employee.

Thomson (2008) has also conceptualized improved WLB as a positive outcome of FWH. With the help of some case studies the author has highlighted the importance of FWH in transforming a failing department into a productive one within shorter period of time. This study also puts forward a strategic framework for implementation of FWH. The framework suggests that in order to make any FWH program a success, the organization must be very clear as what they actually want to achieve. To ensure this they need set very clear objectives related to FWH and those objectives must be aligned with corporate strategic goals, the implementation must be done in accordance with the available resources and more importantly the said changes need to be communicated effectively. In other words it can be said that the decisions related to FWA need to taken at strategic level.

With the help of qualitative case study Elisabeth, Cecilie & Linda (2013), found that flexible working arrangements (FWA) are a vital tool to manage and promote the organizational diversity and implement it in a smooth manner in UK service industry. Ely and Meyerson, (2000) have further added that absence of FWA may inhibit the development of a diverse workforce. However, the former authors have also indicated that the acceptability of the FWA may depend on the character of job. Moreover, this study also emphasizes the fact that apart from achieving the diversity related goals, some organizations have also created some other tangible and productive tools through FWA. The diversity in turn leads to better employee retention and financial stability (Allen et al., 2007) and thus contributing to enhanced organizational productivity. In line with this study Golembiewski, Yeager, Hilles (1975) are also of the opinion that effects of the flexitime on the employee performance as such may be itself dependent on the nature and type of job under consideration (Glynn et al., 2002) e.g., low wage workers might not be able to make appropriate use of flexi timing because they obtain wages on daily basis at hour regulation.

Linking flexible working practice with happiness Atkinson & Hall (2011) have demonstrated that there is perception among the employees that flexible working makes them happy. The authors also recommend that this happiness ultimately leads to better performance outcomes and employee retention. This study was carried out through case method which included participation of 43 employees of NHS Acute trust.

In times where a concept like “Talent Management” is becoming a buzzword because it encompasses broader notions of creating, developing and retaining the best human resource available, Flexible Working Arrangements can be a vital tool for retaining the best talent. The reason being that, a large chunk of employees have associated a greater value to the flexibility in time and place of work (Sullivan & Lewis, 2001). The evidences of flexibility being highly valued by the employees is also presented by the research work of Ya, Tang and Wadsworth (2008). The authors are of the opinion that employees perceive the flexibility to be an important element in order to manage the work and family life.

Moreover, some authors are of the opinion that FWH as an organisational activity are believed to promote equity and social inclusion (Ryan & Kossek, 2008). Consequently, several organizations in modern times have presented a positive image of inclusive development of society and CSR by providing employment opportunity to the disabled people, however non existence of flexibility might harm such initiatives at some times. Clarke et al. (2009) found that employability of disabled workers could be negatively affected by the inflexible nature of job.

Citing workplace flexibility, as a win situation for both employer and employee Pruchno, Litchfield and Fried (1997) carried out a research which indicated that flexibility leads to better employee productivity. Flexibility at workplace can reduce stress and also improve the performance (Parris et al., 2008). These practices also help them to strike a balance with their official and personal life. Apparently this could also help the employees to cope up with the stress related problems.

Kossek et al., (2011) have posited an argument which indicates the decision makers in organization view FWA as means to achieve some benefits because they think that it helps to attract the personnel from different backgrounds which in turn adds value to the organization in terms of performance and gives them some kind of competitive advantage.

With the help of a descriptive survey Olorunsola & Ibegbulam (2003) found that a large number of academic librarians in Nigeria agreed upon the view that Flexible Working Hours have a lot of potential benefits. One of the significant benefits may be to manage and utilize some of the time for research related activities. Apparently, not getting enough time for research output has been perceived as an obstacle and thus inflexibility automatically contributes to this factor Ochai and Nedosa (1998). Though some employees have also indicated that publications could also be managed without flexibility and it is not a standalone factor in failing doing so.

Discussion and Implications

The critical observation of the above mentioned studies clearly indicates that Flexible Working Hours/ Flexibility in one or other way have impact on the organizational productivity and thus has great implications for all managers in general and HR managers in specific. The review of the relevant studies shows that FWH can increase the organizational productivity through various intervening factors if it is suitably implemented. The factors that seem to be mostly affected by FWH and have been researched to some extent are; Work Life Balance (WLB), organizational diversity, employee happiness, reduced stress, social inclusion, employee well-being and quality of life, employee productivity, cutting down

recruitment costs, employee retention, motivated workforce and many more. All these factors have significant potential to boost the organizational productivity. However, it is important to consider that these decisions need to be taken at strategic level with appropriate backing of resources and planned communication of such changes. The reason being that sometimes the organizational culture may be an inhibiting factor, because the higher management perceives that it might create issues in service delivery. Work High Performance Systems (HPWS) theory, which is at the heart of increasing performance in HRM context, has some pertinent links with FWH. Though flexible working practices have been earlier ignored in context of High Performance Systems (HPWS) approach but off late researchers have emphasized that FWH needs to be included as an important feature of HPWS. Another important implication for practitioners is that there has not been enough investigation with respect to the type of flexibility and before taking any kind of decision organizations must take into consideration that which kind of flexibility would suit their organization. Inevitably, the flexibility that suits the preferences and needs of their employees has a higher propensity to help both organizations as well its employees in achieve the performance related objectives. Considering all these propositions it may be said that FWH is a vital tool of HR strategy and if due consideration is given to its suitability before implementation, it can be used to create efficient and productive organizations in times to come.

Limitations and future research direction

The findings from this study must be observed in light of some limitations. This study is based on the extensive literature review of the past relevant studies and this itself poses a limitation on the generalization or applicability of the findings. The future researchers need to conduct empirical studies in order to examine the potential relationship between FWH and the factors related to organizational productivity. Moreover, this study has included some select research papers that were obtained and analysed using different sources. Future researchers may include more number of relevant studies that might be crucial in this context and for the time being due to some reasons might have been excluded. It was observed from the analysis of these papers that most of the studies have been carried out using case method, thus studies examining the causal relationships between the antecedent and consequent variables might reveal some deeper insights. Also, it has been observed that the role of managers in implementation of FWH remains to be unexplored to a great extent warrants for investigation in future studies.

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