

# How Workplace Flexibility can enhance Employee Engagement

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## Abstract

Workplace flexibility has become a pivotal aspect of modern human resource management, reflecting a shift from traditional personnel practices to more adaptive and strategic approaches. This paper investigates how implementing workplace flexibility can enhance employee engagement and organizational performance. It begins by discussing the transition from conventional management styles to strategic human resource management, driven by the need for adaptability in dynamic work environments. The study utilizes WFD Consulting's Flexibility Spectrum (2010), which categorizes workplace flexibility into four areas: Individual Accommodations, Policies and Programs in Place, Flexibility Has Many Faces, and New Ways of Working. Individual Accommodations focus on personalized work arrangements such as flexible hours and remote work to meet specific employee needs. Policies and Programs formalize these arrangements, ensuring consistency and fairness. Flexibility Has Many Faces encompasses a range of options, including compressed workweeks and phased retirement. New Ways of Working involve advanced flexibility, leveraging technology for seamless remote work and fostering a results-oriented culture. The paper also explores contextual factors influencing the adoption of workplace flexibility, such as industry type, firm size, company age, and ownership structure. Research indicates that workplace flexibility significantly boosts employee satisfaction, productivity, and engagement, leading to improved organizational performance. By enabling a better work-life balance and reducing absenteeism, flexible work arrangements contribute to higher job satisfaction and organizational well-being. The findings underscore the importance of flexibility in enhancing employee engagement and maintaining a competitive edge in today's evolving global market.

**Keywords:** Workplace Flexibility; Employee Engagement; Human Resource Management; Flexibility Spectrum; Organizational Performance

## Introduction

Organisations within the last decade have been transitioning to strategic human resource management, leaving the traditional ways of personnel management. Dynamic working environs with surrounding uncertainties incite organizations to approach workplace flexibility. Workplace flexibility is applied by organizations as a method or tactic to meet employer-employee needs (Kiran & Khurram, 2018). Workplace flexibility is among the major focus of human resource management research, hence unavoidable in the many agendas of organizations in the present-day economy (Way et al., 2015). Workplace flexibility in the modern-day workplace has dominated the thought flow of HR research that only a few scholars question its necessity. Consequently, studies on flexibility workplace arrangement is largely concentrated on how workplace flexibility can be created for workers and organizations alike, and on how flexibility enables employee engagement and organizational performance (see Spreitzer, et al., 2017; Way, et al., 2015). For instance, employees are reported to increasingly demand flexibility in their work and negotiate flexible working hours (Bal, et al., 2012; Rousseau, 2005; Hill, et al., 2008). Concurrently, firms strive to achieve more flexibility in workplace in a competitive environment (Berk & Kaše, 2010; Sanchez, 1995). Finally, governments across the world likewise desire more flexible economies and labour markets where individuals can more easily change jobs (Cuñat & Melitz, 2012; Johnson, 2011).

Workplace flexibility cannot be overemphasized in such a time as this where the COVID-19 pandemic shutdown economic activities, causing many companies to lay-off their staff and the HR to plan urgent transition to flexible working conditions (particularly shifts and remote working). This research work will border on workplace flexibility and how its influence on employee engagement.

### **Contextual Literature on Workplace Flexibility**

The motive for the broad application of Flexible Workplace Arrangements is that employees and employers mutually benefit from using them (Klindzic & Maric, 2019). Kottey & Sharma (2016) opines that employers need such arrangements to manage production fluctuations, along with growing job satisfaction and positionally attracting future employees. Employees are hired for work when organizations need them, which results in increased efficiency of organizations (Klindzic & Maric, 2019; Giovanis, 2018; Berkery, et al., 2017). From the employees' perspective, flexible workplace arrangements allow employees adjust to work and non-work responsibilities via making decisions of, how much to work, when to work, and where to work (Allen et al., 2013) which results to increased satisfactory work outcomes (*see* Hazak, et al., 2017) or easily accomplished work-life balance (*see* De Menezes and Kelliher, 2011). The adoption of flexible workplace arrangements depends on several contextual factors such as institutional, ownership structure, cultural, industry sector, organizational size, country, etc. (Stavrou et al., 2010). Studies has so far gravely investigated stated contextual factors as control variables, although, conclusions from these studies are mixed. Highlights of these studies will be discussed in this section restricted to only selected variables – industry, company age, size of company, and type of ownership.

The industry as a contextual variable has generally generated consistent results concerning workplace flexibility incidence while only insufficient evidence exists concerning the industry as a non-significant moderator variable between workplace flexibility incidence and performance relationship (*see* Stavrou, 2005). Recent literature reveal that flexible workplace arrangements are more predominant in the service industry than manufacturing industry (Svalund et al., 2018; Kottey & Sharma, 2016). To be precise on specific industry types, Zeytinoglu et al. (2009) showed that employees in the education, construction, health, and other service sector industries have more access to workplace flexibility schedules than employees in the manufacturing sector. Additionally, Kottey & Sharma (2016) research work has evidence of a greater incidence of flexible workplace arrangements in information technology, scientific, and business services industry. Their findings are in tangent with earlier available studies that endorses the service sector as the more favourable to flexibility (*see* Stavrou, 2005; Ichniowski et al., 1997). These findings are explainable as some certain jobs in the service sector can normally be efficiently done remotely, while flexible work arrangement (remote working) is likely to be less adopted in job positions and industries where the physical presence of the employee is needed (Kottey & Sharma, 2016), such as the assembly line in a manufacturing industry. Additionally, the cost of switching to Flexible Workplace Arrangements is lower if job requirements are compared, therefore tight schedules of the rental and transport industry, for example, likewise restricts chances for the flexible use of leave privileges (Kottey & Sharma, 2016). Conventional alternative work plans such as weekend work or shift work are typical in manufacturing sectors which allows nonstop production as workers are designated to work in different time intervals daily (Kerin & Aguirre, 2005).

Firm size is often measured by the number of employees and is a key feature of an organization that is correlated with many dimensions of its internal structure, including its degree of bureaucracy, use of firm internal labour markets, formalization, and other aspects of control systems (Kalleberg et al., 2003).

Several studies conducted in different countries propose that as a result of firm size upsurge, the capacity to provide employee FWA (Flexible Workplace Arrangements) needs to improve drastically since there is also an increase in access to resources (*see* Kottey and Sharma, 2016; Berkery et al., 2017; Kalleberg et al., 2003). In addition, as the organization advances, it becomes essential to use Flexible Workplace Arrangements to entice and keep trained employees to thrive in the labour market by giving opportunities for a healthier work-life balance (Kottey and Slade, 2005; Kottey and Sharma, 2016). Large organizations have more capacity to offer flexible Workplace arrangements since other employees can replace those workers who use Flexible Workplace Arrangements (Dex and Scheibl, 2001). Previous research also proposes that more often than not, larger organizations practice Flexible Workplace Arrangements than smaller organizations. Furthermore, according to Perry-Smith and Blum's (2000) argument on institutional pressures, they posit that larger organizations enjoy a strong positive association between Flexible Workplace Arrangement and employee performance, and hence, this

flexibility is considered particularly advantageous for larger firms that experience forces of inertia and firmness that limit transformation. Conversely, studies carried out in various organizations in Scotland infer that small industries mostly make use of shift swapping and part-time work, which explains that smaller organizations may not be disadvantageous in this aspect (Maxwell et al., 2007). The Flexible Workplace Arrangements most likely to be provided in SMEs, are flexibility of leave privileges and flexibility of working hours. However, SMEs hardly permit paid parental leave or job-sharing opportunities (Kottery and Sharma, 2016). The author also explains that the benefits accrued to SMEs are minute compared to the cost of providing paid parental leave due to their limited resources. Furthermore, it is worth noting that EU research conducted by Stavrou (2005) showed that the size of a firm is a non-significant mediator of the Flexible Workplace Arrangement incidence and competitiveness association. Remarkably, various companies have not been explored very frequently as a contextual variable in the researches related to Flexible Workplace Arrangement. Kottery and Sharma (2016) propose that the occurrence of alternative flexible working arrangements increases with company age. On the other hand, Perry-Smith and Bloom (2000), discovered partial support for the proposition that the association between work-family packages and organizational performance is firmer for older organizations. On the whole, it has been well recognized that, over time, organizations become unable to compete, and as such, this suggests that age is negatively associated with a firm's performance (e.g. Jones et al., 2010). Therefore, it is likely that older businesses, in an effort to regain competitiveness, thrive, and soothe their inflexibility, would reconsider their HR practices and strive to establish a certain level of flexibility, particularly as related to alternative work arrangements. Finally, the ownership type which is the last contextual variable of interest produced the smallest amount of insights. The issue of ownership typically denotes either foreign-owned or domestic companies, and in the foreign-owned companies, the multinational companies (MNCs) are usually considered as the implementors of change. As explained by Morris et al. (2009), MNCs are progressively looking for more universally integrated HRM practices, although guidelines of HRM practices across various businesses may be tough due to the impact of external factors in local administrations. Previous findings offer only partial consistency about Flexible Workplace Arrangements across different contexts (e.g. company size, industry, sector) with several contextual variables being absent from the available empirical analysis (e.g. ownership type, firm age). Also, it is not possible to draw firm conclusions based on a relatively small number of past studies. Thus, further research is necessary in order to shed a light on the effects of contextual factors on the presence of different flexible arrangements.

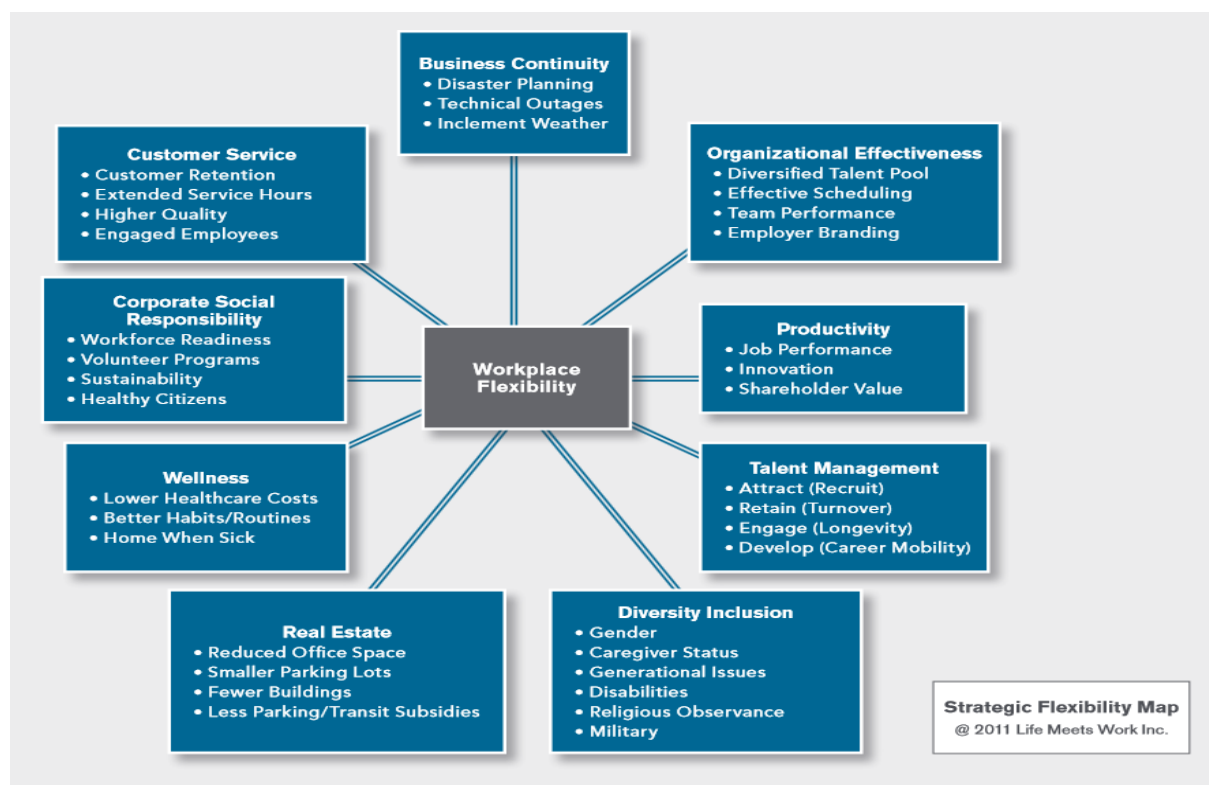


Fig. 1: Diagram Showing the Benefits of Workflow Flexibility

### **The Influence of Work Flexibility in enhancing Employee Engagement**

A flexible workplace method has been accepted as a prime and effective instrument for enhancing employee engagement which has left a vital impression on enhancing organizational performance. Hence, including flexible working arrangement is advantageous for efficient management of business operations. The rapidly growing interest among employees towards the adoption of flexible working arrangement by firms has helped to increase employee overall (Shah & Gregar, 2019).

Thus, it can be stated that flexibility in a working pattern has a positive influence on employee engagement rate (Pitt-Catsouphes & Matz-Costa, 2008; Rosen, et al., 2013; Thompson, et al., 2015) by improving productivity and sales volume simultaneously. Different factors play a significant role in developing organizational performance. In this context, intense support from employees and promoting employee satisfaction can enhance the development of organizational productivity (SunHee & Lee, 2017).

Also, among a wide range of significant organizational behaviour, working flexibility is considered as a prime factor (SunHee & Lee, 2017). Besides, a combination of flexible working patterns and time has helped to enhance job performance as well as job satisfaction levels among the employees (Davidescu, Apostu, Paul, & Casuneanu, 2020). The presence of job satisfaction is responsible for the improvement in employee engagement towards organizational productivity. Due to the presence of working flexible patterns, active participation of employees and fostering their engagement positively influence the organizational performance.

Flexible working arrangements have been considered as an effective and beneficial agreement between employers and employees. In this agreement, flexible working hours, locations, patterns, and many other working contexts have been included. Enabling flexible working arrangements has created prominent and positive consequences within a firm (Klindzic & Marić, 2019). This non-financial arrangement has helped to develop job satisfaction among the employees. In addition, changing as well as flexible working patterns have made the employees maintain a balance between working life and family life as per (Klindzic & Marić, 2019). This aspect is essential for enhancing employee satisfaction that has led to an improvement in workers' performance. Accordingly, it can be declared that the presence and proper application of workplace flexibility are helpful for employee satisfaction and introduce a positive reputation regarding that company in the market. Thus, the positive reputation of a company associated with employee retention has helped to attract other candidates due to the workplace flexibility context. On the other hand, as an effective consequence of workplace flexibility, freedom, and improvement of work-life balance have positively influenced the performance of an employee (Shah & Gregar, 2019). In addition, changing location due to the flexible working approach, such as work from home (WFH) has exerted a positive impact on the workers. As a result, absenteeism at the workplace has decreased. It offers employees to increase their potential engagement towards organizational production (Shah & Gregar, 2019).

Therefore, an increase in job satisfaction, prominent work-life balance, positive concept towards organizational employee retention, and many other related factors have been considered as the impacts of workplace flexibility on workers' performance. In different organizations, the introduction of workplace flexibility has been considered as the prime focus for retaining employees (Shah & Gregar, 2019). It is also helpful for developing a positive and fair relationship between employers and employees (Klindzic & Marić, 2019). Moreover, this flexible approach is considered as an organizational beneficiary for reducing work-life conflicts considerably (Klindzic & Marić, 2019).

## The Flexibility Spectrum



Source: Adapted from (WFD Consulting, 2010)

Workplace flexibility is a multifaceted concept that varies significantly from one organization to another. Each firm has its unique approach, influenced by its culture, industry, and workforce needs. Before enhancing or implementing new policies, it's crucial for human resource professionals to evaluate the current flexibility framework within their organization (Kossek et al., 2021). This assessment helps identify what is working well and what needs improvement.

The flexibility spectrum developed by WFD Consulting in 2010 provides a valuable tool for organizations to gauge their current state (Kossek et al., 2021). This spectrum ranges from rigid, traditional work environments to highly flexible, adaptive workplaces. By positioning themselves on this spectrum, firms can better understand their flexibility level and identify areas for enhancement.

Research indicates that workplace flexibility can significantly boost employee satisfaction and productivity. For instance, a study by Gartner highlights that both white-collar and non-white-collar employees desire more flexibility than their organizations currently offer (Turner, 2023). This demand for flexibility is not just a trend but a necessity for modern workplaces aiming to attract and retain top talent.

Moreover, flexibility is not a one-size-fits-all solution. Different organizations require different approaches. For example, some firms may benefit from remote work options, while others might find flexible hours more effective (Anell & Wilson, 2000). The key is to tailor flexibility policies to meet the specific needs of the workforce.

Workplace flexibility is essential for modern organizations. WFD Consulting's flexibility spectrum outlines four key areas to consider: Individual Accommodations, Policies and Programs in Place, Flexibility Has Many Faces, and New Ways of Working.

**Individual Accommodations** focus on personalized work arrangements. These adjustments cater to specific employee needs, such as modified work hours or telecommuting options. This approach ensures that employees can balance their personal and professional lives effectively. It's about recognizing that each employee's situation is unique and providing the necessary support to help them thrive.

**Policies and Programs in Place** involve formalizing flexible work arrangements. Organizations establish structured frameworks like flexible working hours, job sharing, and remote work options. These policies ensure consistency and fairness across the board. Employees know what to expect and can rely on these programs to support their work-life balance.

**Flexibility Has Many Faces** acknowledges the diverse forms flexibility can take. Beyond remote work and flexible hours, it includes compressed workweeks, phased retirement, and sabbaticals. Offering a variety of options caters to different employee needs and preferences. This diversity in flexibility options helps in retaining a diverse workforce.

**New Ways of Working** represent the most advanced level of flexibility. Organizations at this stage leverage technology to enable seamless remote work and foster a results-oriented culture. They continuously evolve their work practices to stay ahead of trends. This approach requires a high level of trust and collaboration, ensuring that employees are productive regardless of their location.

By understanding and implementing these four areas, organizations can create a more flexible and supportive work environment. This not only meets the needs of employees but also enhances overall productivity and satisfaction.

### Conclusion

Workplace flexibility is significantly related with employee engagement and happiness at the workplace, this means that employee outcomes like affective organizational commitment, employee engagement, job satisfaction and happiness is significantly influenced when an organization implement workplace flexibility.

Over the years, the global market has experienced reformations in the style of work between employer and employee, such as advanced knowledge-demanding content, swift change in technological, continuous innovation, and more flexible work arrangements. The employee role become more important. Employees who work desired hours tend to be more engaged, hence, spend a longer working periods in the job. The recent shift in workplace norms has fostered greater employee autonomy, including flexible breaks to meet personal needs, participation in decision-making, and workspace adjustments. These changes have not only sparked creativity and boosted productivity but also reshaped the employee experience. Understanding how job performance and satisfaction drive these outcomes is key to redefining human resource management to meet modern demands. By offering flexibility, companies help employees find a balance between work and personal life, enhancing both job satisfaction and performance. This, in turn, benefits the organization's overall well-being. Flexibility is becoming increasingly vital as digital transformations and technology enable many tasks to be performed remotely, relying on internet connectivity.

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