

# FLEXIBLE WORKING ARRANGEMENTS – CURRENT CONDITIONS AND RESEARCH DIRECTIONS

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**Abstract:** The Covid-19 pandemic has led to a global experiment in relation to flexible organisation of work practices, mainly remote work. It can be assumed, that in the near future these practices are going to be developed in a different way than we know today. The article summarizes the state of knowledge of flexible working arrangements development prior to Covid-19. Furthermore, it summarizes the research done thus far, indicating both the factors which have an effect on the development of practices and the benefits of implementation as well as potential barriers. It draws attention to the elements that will determine effective implementation and use of practices and which, it can be assumed, will be subjected to further research.

**Key words:** flexible working arrangements, remote work, working from home, part-time work.

**JEL:** M14, M54.

## Introduction

In a rapidly changing world the ability to quickly adapt is a necessity and flexibility must now be considered as a permanent feature of an organization (Skowron- Mielnik, 2012, p. 49). Work strategy and practices must support a wide range of business activities and must be optimized in order to maximize commitment, effectiveness, innovation, collaboration and

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employee satisfaction. In order to survive companies must continually aim towards good progress in organizational programs such as: attracting and retaining talent, reducing costs, improvement of collaboration, innovation, increasing employee commitment, improving productivity and performance as well as improving the welfare of employees. The series of research mentioned below, confirms that flexible solutions in the area of employment and work time organization have influence on all of these processes. At the same time, flexible solutions in a workplace are currently one of the main motivators of people (Hays, 2020; Deloitte, 2018).

For the purpose of this article, Menezes and Keliher's (2011) definition of flexible working has been adopted, which states that these are such working conditions which allow employees to vary the amount, time or location of their work. Flexibility in terms of employment is treated as an essentially separate category from organization forms of work time and workplace (Bąk-Grabowska, 2016, p.11). Just like in the case of the definition, studies and official statistics often use different lists of flexible job practices. Most often mentioned include part-time work, flexitime, working from home, mobile working, job sharing and a compressed work week (Beatson, 2019).

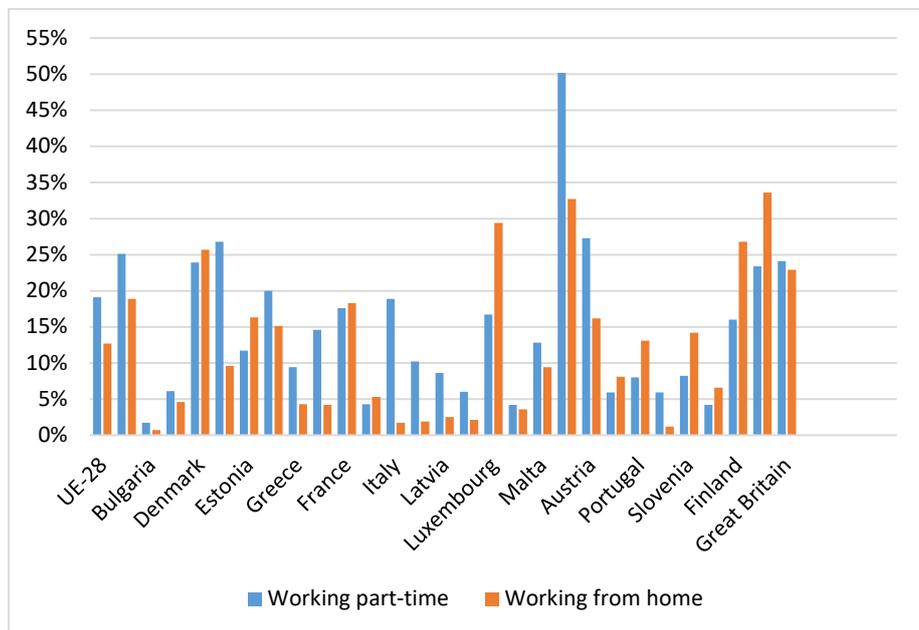
## **1. Current flexible work arrangements development**

In the United States, remote work in particular is on a rising curve. The number of hours spent working outside the office and the number of employees working remotely is on the rise. Data from 2016 shows that 43% of employees worked remotely to some extent and this number rose by 4% relative to 2012. The percentage of time spent working remotely among people who do this occasionally had also risen (Gallup, Inc., 2017).

In most countries of the European Union the change towards flexible work is not as significant. According to Eurostat data from 2019, the percentage of people working part-time hours in the entire EU-28 was less than 20% and people working from home was over 12% (chart 1). World leader in flexible employment were the Netherlands, where over 50% of employees work part-time, and over 30% of employees work from home.

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Countries in which the percentage of people working from home and also those working part-time is higher than the EU's average include Belgium, Denmark, Germany, Luxembourg, Austria, Sweden and Great Britain. These are countries belonging to the forefront of very highly developed member states. The lowest achieved indicators were in Lithuania, Latvia, Hungary, Romania, Bulgaria, Slovakia and Poland (Eurostat, 2019).



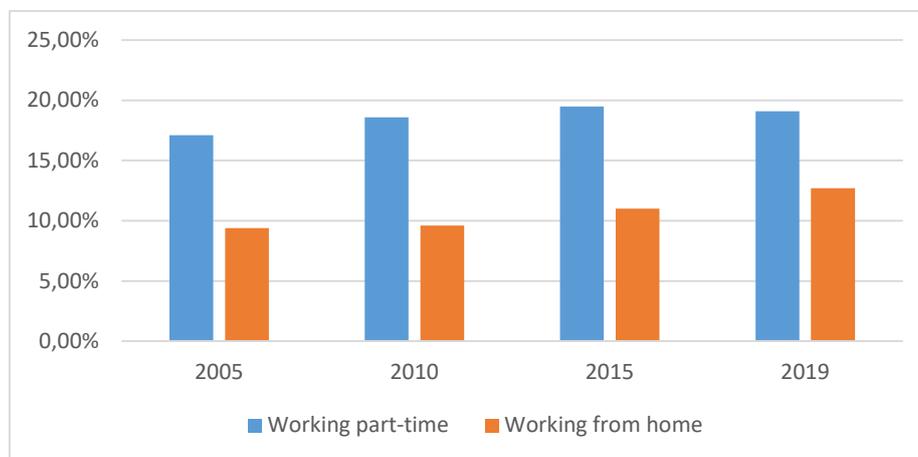
Source: Own study based on Eurostat data (2019).

*Chart 1. Percentage of people working in a given form of work arrangement in the EU.*

Since 2005, part-time employment has risen across the EU from slightly above 17% to just over 19%. However, a significant part of this increase is due to the lack of full-time work in some economies where majority of people employed part-time would like to work full-time. There also

has been a slight increase in work done from home in the entire EU, from 9% to just below 13%.

Generally, over the past 15 years, there has not been a significant shift towards more flexible work in the EU-28 (chart 2). There was an increase of 2 percentage points in part-time employment as well as an increase of 3 percentage points in jobs done from home (Eurostat, 2019).



Source: Own study based on Eurostat data (2019).

*Chart 2. Percentage of people working in a given type of work arrangement in the EU in the last 15 years.*

A study by Kantar Public Brussels, carried out at the request of the European Commission, Directorate-General for Justice and Consumers, shows that in 2018 on average 67% respondents in the EU stated that they had access to flexible work arrangements, such as flexible working hours, part-time work and remote work. In most countries there was a significant difference between accessibility and actual utilization of flexible work arrangements. About 42% said, that they took advantage of flexible work arrangements.

Concurrently, a significant group of respondents in most countries thinks that taking advantage of flexible work arrangements has been easy in

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their workplace - 76% in the entire EU. Whereas in 23 European countries at least 25% of respondents under the age of 65 think that managers and executives have usually discouraged employees from using flexible work arrangements. Additionally, study showed that the use of flexible work arrangements was perceived by employees as having detrimental consequences for their careers (31%) or was badly perceived by other employees (26%). In the EU survey employees were also asked about preferences concerning flexible work arrangements, part-time work and working from home. Across the EU, as many as 58% of respondents expressed willingness to make use of flexible work time. Preferences for part-time work were significantly lower at 25% in the entire EU. Working from home was also less popular, which was preferred by only 20% across the EU (Eurobarometer, 2018).

### **2. Flexible work arrangements – research directions**

The flexibility of work arrangement in studies is analyzed in the context of improving the balance between professional and private life (work-life balance) and also the increase of work efficiency. Work-life balance is indicated as one of the most important benefits of implementing flexible work arrangements for employees, although it should also be noted that macroeconomic context - the country's social welfare system, legal support regulating flexible work arrangement practices (Kurowska, 2018), and microeconomic context - organizational culture of a company, managerial support (Van der Lippe & Lippényi, 2018) have an impact on the results. The balance between work and private life is a strong mediator between flexible work arrangements and job satisfaction, and providing appropriate, flexible solutions in the organization is important in order to increase employee satisfaction, commitment, improvement of their performance, and thus increase of productivity (Aziz-Ur-Rehman & Siddiqui, 2019). Most of the existing analyses focus on improving work-life balance through the use of flexible work practices, describing effectiveness as a derivative of this

improvement. Hence, many employers may not be interested in implementing flexible work practices for fear that productivity growth will not occur at all or at the expected level. However, there are a number of studies that confirm the simultaneous achievement of these goals (Krekel, Ward, & De Neve, 2019; Bellet, De Neve & Ward, 2019; Barnes & Jones, 2020, pp. 152-195). Thus, in addition to a "worker and family friendly" approach, it is argued that flexible work arrangements can contribute directly to improving individual and / or organizational performance and is therefore beneficial to enterprises.

Besides work-life balance and efficiency, there are a number of other benefits of flexible work practices. Employee commitment grows when employees spend part of their time working remotely and part of it working together with their colleagues (Gallup, Inc., 2017; Bloom, Liang, Roberts, & Ying, 2015). The existence of flexible work-time programs or rules is seen as supporting the work culture in the organization and shows that the organization is willing to accommodate the needs of employees. The mere fact of offering employees a flexible work policy is, to a large extent associated with greater commitment by the company, regardless of whether the employee actually uses the program or not. Therefore, both the perceived flexibility and the supportive policy of professional life are considered to be the best predictors of the employee's commitment to the company (Choo, Desa, & Asaari, 2016). In addition, opportunities in employee retention increase (Bloom et al, 2015). Over 50% of workers in the United States would switch their employer for one that would allow them flexible working hours, and 53% of workers believe that greater work-life balance and well-being are very important to them when considering whether to take a new job. Companies that offer flexible work practices find themselves at the top of the job applicants' lists and give the most talented employees a reason to stay with the company (Gallup, Inc., 2017). The offering of flexible work arrangement practices by a company is a key factor that shows the organization is willing to adapt to the needs of employees. Employees who receive support in managing their work and family life are more committed and loyal to the organizations in which they work and are

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more willing to stay with them indefinitely (Choo et al, 2016). Research also shows an overall strong, positive link between work flexibility and employees' perception of the working environment quality (Kelliher & Anderson, 2008). For the purposes of this article, the CIPD definition is used which defines a good working environment as one where work is fairly remunerated and gives people the means to live safely, allows a work-life balance, gives opportunities for development and ideally, a sense of fulfillment, ensures an environment that promotes constructive relationships, gives employees the opportunity to express their opinions and choices about shaping their professional lives, is physically and mentally healthy (CIPD, 2020). In addition, there are a number of other benefits: stimulation of intellectual engagement of employees, increase in creativity, innovation, cooperation and teamwork, increase in skills and a sense of greater impact on the work performed, increase in sense of control and responsibility (Barnes & Jones, 2020 pp. 152-195; Owczarek, 2018).

In the context of the current pandemic, the studies conducted during the lockdown in China are also worth mentioning, which additionally suggest that the fact whether they are voluntary or not plays an important role in achieving the benefits of flexible work practices. In the case when it is not voluntary, they may have a negative impact on the mental health of employees, which was also shown in previous studies (Choudhury, Koo, & Li, 2020; Rönblad, Grönholm, Jonsson, Koranyi, Orellana, Kreshpaj, Chen, Stockfelt, & Bodin, 2019).

### **Conclusions**

Currently, the Covid-19 pandemic has led to a worldwide experiment in remote work because workers around the world are forced to self-isolate and businesses have been forced to accept employees working remotely on a larger scale. The above-mentioned effects of using flexible work arrangements has led to forming an opinion that implementing their use should be increased. However, in most EU countries, progress towards a

more flexible work arrangements seems to be relatively slow, despite the increasing availability of digital communication tools, increasingly expressed workers' needs and sufficient legal regulations. This may be due to the fact that there are other factors that have a huge impact on decisions whether to use flexible practices in organizations. Employers should set new standards, especially for communication and collaboration. Technology can help, but a change in work culture is also required (CIPD, 2020).

In the context described above, there is the question of the impact of the crisis measures triggered by Covid-19 on the use of flexible work practices and the conditions that will have to be met for their more dynamic development. The organizational culture and quality of the work environment as well as the support of key people, including managers and the HR department, may therefore be key factors in achieving success in this area (CIPD, 2019; Van der Lippe & Lippényi, 2018). The influence of line managers on the "conversion" of personnel practices into the effectiveness of the organization has already been proven (Purcell & Hutchinson, 2003, 2007; Purcell, Kinnie, Hutchinson, Rayton, & Swart, 2003).

The analysis of the presented studies shows that they largely focus on assessing the employee's approach to flexible work practices. This assessment includes employee satisfaction, work-life balance, commitment and mental health. There are too few studies assessing whether the positive results of individual employees are reflected at the collective level. Therefore, it seems right that future research should take a multi-tiered approach to examining various mediators and moderators at both individual and organizational level to clarify the relationship between flexible work practices and company performance. Empirical research based on large and diverse samples is required to enable validation of the business rationale for flexible work practices that can be critical to their development.

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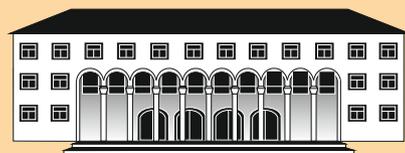
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