



Modelling linkages between flexible work arrangements' use and organizational outcomes

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ABSTRACT

Balancing work and life responsibilities is now accepted, even encouraged, in organizations across countries and cultures. Flexible work arrangements (FWAs) are provided by organizations as one solution to this work-life conflict. Thus, it is imperative to inform business leaders of the effectiveness of FWAs. Previous literature has explored the impact of FWAs on turnover intentions. We focus on the role of moderators and mediators to explain the inconsistent results that have been found in the literature. In a sample of 289 employed working adults, the results of structural equation modelling revealed that job satisfaction and work-life conflict mediated the relationship between FWAs' use and turnover intentions, after controlling for gender, age, marital status, number of children, number of dependents (elder care) and work experience. Additionally, we found that planning behaviour (the core element of time management behaviour) strengthened the impact of FWAs' use on reducing work-life conflict. We discuss the implications of our findings for theory and practice.

1. Introduction

The nature of work in organizations has changed due to multiple factors since the inception and dissemination of information communication technologies, both from an employee perspective and from an organizational perspective (Heerwagen, Kelly, & Kampschroer, 2010). One such change is organizations offering flexible work arrangements (FWAs) to their employees. Flexible work arrangements make available to employees the choice regarding where and when to work and how much work to perform (Jeffrey Hill et al., 2008). This paper applied the lens of social exchange theory to view FWAs as one instance of the organizations' attempts at increasing the well-being of their employees.

In Asia, relatively fewer studies on the practice of FWAs have been conducted than in the US and Europe (Chow & Keng-Howe, 2006). However, there is evidence that indicates the need for increased use of flexible work arrangements in the region. National governments and global companies are increasingly examining methodologies to introduce work-life policies that will accommodate the new reality of dual-earning couples in this region. The Centre for Work & Family identified FWAs in Asia Pacific as an important area of focus for the Global Workforce. Anell and Hartmann (2007) reported that retaining talent was a momentous challenge for the multinational companies in Asia. As reported by the Economist (August 2007), a survey of 600 chief

executives of multinational companies in Asia listed shortages of qualified staff as one of their biggest concerns in China and South East Asia. According to the same article, turnover rates can exceed 30% in certain parts of Asia. To reduce turnover and retain talented employees, FWAs have increasingly become part of the strategy of organizations (Jeffrey Hill et al., 2008; Kaufman, 2010). Thus, many leading multinational companies have either introduced innovative flexible work arrangements in many countries of Asia or plan to do so in the near future.

The popularity of FWAs in organizations notwithstanding, a debate remains addressing the business case for and against the adoption of FWAs (De Menezes & Kelliher, 2011). Therefore, it is not surprising that a recent literature review suggests that workplace flexibility is a “poorly understood” phenomenon at work (Allen, Johnson, Kiburz, & Shockley, 2013).

This paper examines the links between the use of flexible work arrangements, work-life conflict, job satisfaction, and the role of planning behaviour, and turnover intentions. This study's objective is to contribute to the understanding of FWAs by at least four means. First, this study contributes to an understanding of how flexible work arrangements (FWAs): a) provide a solution to work-life conflict and b) enhance job satisfaction. This work we do by recourse to value percept theory (Locke, 1976) and withdrawal theory (Hill & Trist, 1953). Thus, this work elucidates the “inconsistent” and “ambiguous” results

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documented by extant research that examine the relationships of FWAs with employee attitudes, such as job satisfaction, work-life conflict and employee turnover intentions (Allen et al., 2013; Galea, Houkes, & De Rijk, 2014).

Second, to the best of our knowledge, ours is the first to study the planning behaviours of employees with respect to their FWAs' use. Planning behaviour is a very strong indicator, if not the core element, of time management that enables people to structure their activities and schedule them in accordance with available resources. It is highly probable that employees who plan well may take better advantage of FWAs.

Third, extant research on FWAs has not always differentiated between the availability and use of FWAs. Recent reviews show that a few studies have separately measured access to FWAs of workers and use of FWAs by employees. However, those studies often conflated the two measures by using them interchangeably (Kelly et al., 2008). For example, Allen et al. (2013) in a meta-analysis argued that the “variation in the relationship between WFC and flexibility” could be due to four unique factors, one of which was “the lack of clear and consistent differentiation between flexibility use and flexibility availability.”

Lastly, this study was conducted among Pakistani employees. Research thus far has employed Western samples only (Masuda et al., 2012); developing countries have been ignored with the exception of a few recent studies (Chen, Zhang, Sanders, & Xu, 2016; Dancaster & Baird, 2016; Vyas, Lee, & Chou, 2017). Evidence on the availability and use of FWAs in Pakistani organizations is rare, and there are no Pakistani studies examining FWAs' use by employees in organizations. In addressing this research gap, this study provides a test in the South Asian setting. In fact, FWAs may be needed more in societies such as Pakistan's as is discussed at the end of this study.

2. Theoretical background

Organizations offer various types of FWAs, such as compressed work weeks, job sharing, part-time work, flexitime, and flexplace, with the most prevalent and applied workplace flexibility practices being flexplace and flexitime (Baltes, Briggs, Huff, Wright, & Neuman, 1999; Coenen & Kok, 2014; Gajendran & Harrison, 2007; Galinsky, Bond, & Sakai, 2008). Flexplace, also known as teleworking or telecommuting, includes working away from a traditional office or at home, as well as virtual work using information and communication technologies (Coenen & Kok, 2014; Daniels, Lamond, & Standen, 2001). Flexitime, also known as flexible work schedules, allows employees to select work hours given certain restrictions by the organization (McNall, Nicklin, & Masuda, 2010).

Many organizations have begun to offer these FWAs to help employees balance work and family demands (Galinsky et al., 2008; McNall, Masuda, & Nicklin, 2010). Multinationals such as Nestle and Vodafone have implemented flexible working to help their organizations compete with others for the best employees (Bruhn, 1997). Dell UK, with the implementation of its “connected workplace” scheme in 2010, has also embraced flexible working by allowing 65% of the firm's workforce to adopt remote working options. Similarly, at IBM, 45% of the workforce works remotely. In addition, 70% of the workforce at TELUS (a leading Canadian telecommunications firm) is estimated to be working remotely. Tata Consultancy Services in India, with 85% of employees working remotely, notes that clarity of purpose is the first step in achieving suitable outcomes for any project.¹ The Ministry of Manpower's (MOM) Singapore biennial employment survey (2011) showed nearly one in two firms provided at least one formal flexible work arrangement, an increase from 38% in 2011 (Jianyue, 2014).

It may be noted that most studies on FWAs have been conducted

using Western samples (Masuda et al., 2012). To fill the gap, Masuda et al. (2012) investigated differences in FWAs' availability and its relationship with job satisfaction, turnover intentions, and work–family conflict across Anglo (English-speaking), Latin American, and East Asian countries. Lyness, Gornick, Stone, and Grotto (2012) studied FWAs across 21 countries including Bulgaria, Canada, the Czech Republic, Denmark, France, Germany, Hungary, Italy, Japan, the Netherlands, Norway, New Zealand, Poland, Portugal, Russia, Spain, Sweden, Switzerland, Slovenia, the United Kingdom, and the United States. Studies investigating responses from other countries include Australia (Mariappanadar, 2012), Canada (Duncan & Pettigrew, 2012), Germany (Felfe, 2012), India (Ghalawat & Sukhija, 2012), and Spain (Lasierra, 2012). However, the Pakistani context has not been explored, although Pakistan is home to numerous multinational organizations and provides a base for overseas operations for many companies.

Given the importance of FWAs for organizations, researchers have revealed the effects of FWAs on organizational outcomes, including job satisfaction (e.g., Allen, 2001; Cech & Blair-Loy, 2014; De Janasz, Forret, Haack, & Jonsen, 2013; Lyness et al., 2012; Masuda et al., 2012; McNall, Masuda, & Nicklin, 2010), work-life conflict (e.g., Cech & Blair-Loy, 2014; Lyness et al., 2012; Maruyama & Tietze, 2012; Masuda et al., 2012), and turnover intentions (e.g., Allen, 2001; De Janasz et al., 2013; de Sivatte & Guadamillas, 2013; Masuda et al., 2012; McNall, Nicklin, & Masuda, 2010). However, the studies failed to find persistent effects of FWAs on job satisfaction, work-life conflict and turnover intentions (Allen et al., 2013; Edwards & Rothbard, 2000; Galea et al., 2014).

Probable reasons for the mixed findings could lie in the differences of the unit of analysis employed by the studies. De Menezes and Kelliher (2011) conducted a systematic review of literature on FWAs and performance-related outcomes. The researchers concluded that FWAs were investigated using single occupation or one organization samples. In addition, empirical studies have used samples of teaching faculty from a single university (Cech & Blair-Loy, 2014; Shockley & Allen, 2012). Other studies used secondary data from large surveys that are not specifically designed to address the relationship of FWAs with performance. For example, the Workplace Employment Relations Surveys (Bryan, 2012) recorded whether any employee in the workplace had access to FWAs; however, such surveys lacked data on use of FWAs by employees. The European Working Conditions Survey (Sanséau & Smith, 2012) had measures on FWAs and work-life balance but lacked data on turnover intentions.

Given the above, this paper proposes that research on FWAs should focus on their usage and turnover intentions through appropriate mediators. Two such mediators are discussed in the following sections.

2.1. Job satisfaction and work-life conflict

Over the last ten years, there has been a substantial increase in the research on determinants of job satisfaction, as it has been recognized as a summary measure for workers' valuation of job characteristics (Hamermesh, 2001; Jahn, 2015).

Job satisfaction has been defined as an employee's affective or emotional reaction to a job, based on comparing actual outcomes with desired outcomes (Lyness et al., 2012). Job satisfaction is among the most commonly studied outcomes of FWAs (Lyness et al., 2012; Tims, Bakker, & Derks, 2014). Overall, FWAs were positively related to the job satisfaction of employees (Allen, 2001; Baltes et al., 1999; Lyness et al., 2012; McCampbell, 1996; McNall, Masuda, & Nicklin, 2010; Rodgers, 1992; Shinn, Wong, Simko, & Ortiz-Torres, 1989; Thomas & Ganster, 1995). Masuda et al. (2012) attributed these findings as congruent with the value percept theory underlying explanations of job satisfaction (Judge, Parker, Colbert, Heller, & Ilies, 2001). Value percept theory states that employees are more satisfied in their job when their expectations are fulfilled (Locke, 1976).

Another commonly studied phenomenon in the FWAs literature is

¹ Direction, Strategic. “The end of flexible working?: Has Yahoo!'s Marissa Mayer sounded the death knell for remote working?.” *Strategic Direction* 29.6.

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