Employee and Organizational Impacts of Flexitime Work Arrangements

Impacts sociaux et organisationnels de l'horaire flexible
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Article abstract
There is evidence of heavy job demands and low control resulting in multiple negative consequences for employees and their families. Understandably, there is then a desire to move away from such practices and adopt more flexible organizational systems. In such environments, employees may be more in control of their workloads, and manage a better balance between life and work. Flexitime provides increased opportunity to fit other commitments and activities in with work, and make better use of their free time. As employees can choose their own start and finish times for the working day, they can take a little extra time off in a week. It is argued that creating such opportunities improve motivation and raises morale. This also allows for lower stress in the work place and greater enjoyment in the home. Consequently, employees experience increased performance in the work place and greater enjoyment in the home. WERS (The British Workplace Employee Relations Survey), the present study examines the nature of such relationships, and specifically explores the usage of flexitime and employee and organizational outcomes. WERS provides a useful set of information about work environment, job characteristics, and occupation, permitting researchers to conduct a more detailed analysis of individual employee behaviour. We develop our hypotheses based on the organizational behaviour literature that is concerned with exploring the nature of individual and organizational responses in challenging and stressful environments. Our results show a negative relationship between flexitime and job security. There is also no evidence of establishments with flexitime work arrangements having less stressed employees. Flexitime may however lead to increased employee participation in decision making as measured by employee discretion and team work. Our findings thus stress the need to be cautious about how we build the case for the adoption of flexitime.
Employee and Organizational Impacts of Flexitime Work Arrangements

Derek Eldridge and Tahir M. Nisar

The paper investigates the impact of flexitime programs in Britain using a linked dataset of employers and employees. Organizations adopt this practice for a variety of reasons, ranging from the concern for widening the scope for employee choice to the need to comply with public regulations. Recent public regulations are based on the premise that a rigid working hours culture exists in society that results in low levels of job satisfaction and ill and stressed employees. The results from the British Workplace Employment Relations Survey data show a weak relationship between flexitime and measures of job control used and, more importantly, the relationship is negative between flexitime and job security. There is also no evidence of the establishments with flexitime arrangements having less stressed employees.

KEYWORDS: flexitime, work-life balance, job control, stress, security, discretion, team work

A massive ongoing area of policy development work for many employers in Britain currently involves putting in place a formal procedure for considering employee requests for flexible working. This is because of the new statutory rights given to parents of young or disabled children to apply for a wide variety of flexible work arrangements – including home-working, compressed weeks, flexitime and term-time working – and for their requests to be given serious consideration by employers. The British Government has actively encouraged family-friendly employment practices over the last few years. The Government’s motive was to encourage employers to adopt greater flexibility in employment conditions as provided in the Employment Relations Act (1999) that offered employees enhanced maternity rights, new rights for unpaid parental leave and for unpaid time off for dependents.

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Government policy is primarily motivated by the assumption that there is a tension between the demands of work (which in recent years has come to be associated with long working hours) and home, and so it is in the interest of employers to provide opportunities for their workforce to achieve a better work-life balance with the pay-back of increased morale, improved productivity, and the ability to embrace change (Bevan et al., 1999; Allensprach, 1975). Research on the effect of family-friendly employment practices provides key empirical support to this position (Berg, Kalleberg and Appelbaum, 2003). However, because the current policy debates in Britain frequently invoke the ill-effects of a long and rigid hours culture as the main raison d’être for working time flexibility, it will be instructive to investigate the scope and limitations of the flexitime solution. For instance, empirical investigations will shed light on the extent to which flexitime practices are related to lower levels of employee stress and job insecurity.

Empirical tests on questions such as these are made possible by the recent availability of the 2004 Workplace Employment Relations Survey (WERS) as it provides a comprehensive linked dataset on the managers’ and employees’ own assessment of the use and effectiveness of flexitime. The present study aims to investigate the impact of flexitime on employee stress and job security, and on various organizational practices. Extant literature on flexitime is mainly concerned with the incidence of working-time schedules (Golden, 2001; Fenwick and Tausig, 2001; Bolton, 1971) and does not fully deal with their impact on employees, especially within the context of organizational structures and processes. The article first provides a brief summary of the issues currently discussed in the literature on flexitime, and then discusses regression results from WERS. The final section highlights the limitations of the study and indicates a potential future research area.

**Flexitime and Work-Life Conflicts**

The working-time schedule is being revisited by many companies in response to a multitude of factors, including regulatory changes and sectoral competitive pressures. Underlying these changes is the realization that the number of hours that a job demands and employee control over any variation in the hours worked significantly affects the scope of personal and domestic activities. Companies have also in the recent past begun introducing flexibility measures to increase the responsiveness of their products and services to market needs. However, government regulations go a step further by explicitly treating the social and personal effects of working-time schedules as a reason for reorganizing and regulating various dimensions of work hours.

The main goal of “flexitime” is to give people choice about their actual working hours, usually outside certain agreed core times. This means employees can vary their starting and finishing times each day at work and sometimes also
their break times during the day. This managerial innovation was initially seen as an attempt to reduce absenteeism, especially among women employees. However, flexitime is now seen as an important component of a work-life balance package designed for mitigating the ill-effects of a rigid working hour culture, with important ramifications for both employers and employees (Galinsky and Johnson, 1998). In this context, the thesis on flexitime examines the question of why employees report high levels of work-life conflict (WLC), dissatisfaction and job stress when trying to maintain a balance between work and family responsibilities (Lero, Richardson and Korabik, 2009). The key factors contributing to the gap between what employees want and what they experience include: “long work hours; increased workloads; workplace cultures that inhibit work-life balance; workplaces that do not provide the flexibility needed to meet work, personal and family responsibilities; and lack of appropriate child and elder care resources” (Lero, Richardson and Korabik, 2009: 1). For example, the aggregate pattern in the United States suggests that the average hours worked by individuals has not declined since 1970; indeed, for some groups average hours have increased (Golden and Figart, 2000). Similar patterns have been observed for British corporate employees. The usual working week for full-time employees in Britain is the highest in the European Union: 43.3 hours, compared with an average of 39.3 hours in the euro area and just 37.7 hours in France. Amongst full-time employees, a quarter of British men and a tenth of women usually work more than 48 hours a week.

A persistent pattern of WLC may run the risk of stifling worker productivity and economic competitiveness (Dex and Scheibl, 1999). When people are juggling work with home responsibilities or working long hours that result in exhaustion, stress and reduced effectiveness, a toll is taken not only on their approach to work but also on their health and well-being. According to the Labour Force Survey (LFS), nearly 1.9 million working days a week were lost to sickness and injury in summer 2000 (ONS, 2000). This figure represented 1.8% of scheduled working days in Britain. Moreover, the number of claimants incapacitated by sickness and invalidity has increased substantially since the late 1970s, especially linked to the mental disorders of “stress and depression.”

**Job Control**

Prior research on control has been driven by the specific context in which it is analyzed. For example, the definition of control may stress its social or political orientation. Organizational behaviour researchers focus solely on personal or psychological control, and are mainly concerned with the effects of perceived employee control over important individual and organizational outcomes (e.g. Rotter, 1966). The seminal work of Karasek’s job demands-control model of organizational stress provides initial ideas on the link between employee stress and
job control, which is defined as a “composite of two empirically related, but theoretically distinct constructs – the worker’s authority to make decisions on the job (decision authority) and the breadth of skills used by the worker on the job (skill discretion)” (Karasek, 1989: 137). Karasek suggests that collectively decision authority and skill discretion can be understood as job decision latitude. In a subsequent contribution, Karasek and Theorell (1990) describe these two dimensions having a complementary relationship. This is based on the belief that the acquisition and implementation of job skills provide workers with control over their work activities and operations.

Stress may result from uncertainty, change and an imbalance between the demands made on individuals and their ability to respond to them (Matteson and Ivancevich, 1987). Traditionally, stress is defined as the nonspecific response of the body to any demand (Selye, 1956). However, it was later recognized that stress could be either more response-based or more stimulus-based (Matteson and Ivancevich, 1987). In the first category, emphasis is placed on psychological or physiological responses made by an individual to an environmental stressor, while, in the second category, it is a demand or force acting upon an individual that results in psychological or physiological strain. Stress may be an environmental factor that influences psychological strain and physiological arousal. For example, excessive levels of job demand may endanger employees’ health, heart rate, and elevated cholesterol levels (Sales, 1969).

Fenwick and Tausig (2001) analyze the effects of shift work and job schedule control on the family life and health of American workers. Using data from the 1992 National Study on the Changing Workforce, they test whether negative family and health outcomes associated with nonstandard job schedules result from (a) problems of adjusting to the times of nonstandard shifts and/or (b) the lack of scheduling control and (c) whether schedule control mediates the effects of nonstandard shifts. They find that although nonstandard shifts have few effects, lack of scheduling control has strong negative effects on family and health outcomes. Significantly, control matters for all workers in the labour force, including workers on the standard shift as much as those on nonstandard shifts.

The effects of schedule control also do not vary systematically by gender or family status. Fenwick and Tausig (2001) suggest,

controlling one’s time at work is as important for a traditional, single-earner parent as for a dual career parent. Although previous research has examined schedule control in the limited role of mediating the effects of shift work, we are suggesting that its effects are far more general. Just as workers in general benefit from control over how they do their work, regardless of what work they do, so they also benefit from control over when they work, regardless of the actual clock times they work.
Giving employees control over when to start and finish their working day reaps enormous rewards in terms of greater staff morale and job satisfaction, and this arrangement also eliminates the concept of being late as employees can schedule their work hours (Fenwick and Tausig, 2001).

**Job Insecurity**

Extant research on job insecurity particularly explores its negative effects on individuals as on organizations. Job insecurity may result in reduced psychological well-being as evident in employees feeling anxiety, irritation, depression, or strain-related psychosomatic complaints (Dekker and Schaufeli, 1995). From a human resource management perspective, the concern may be that the employees show attitudinal reactions-intentions to quit and may experience reduced organizational commitment and reduced satisfaction (Rosenblatt and Ruvio, 1996).

Job insecurity may be understood in terms of the degree to which workers perceive their job to be threatened and feel powerless to do anything about it (Ashford, Lee and Bobko, 1989). However, the emphasis is both on the threat of job loss but also on the loss of any dimensions of the job (Ashford, Lee and Bobko, 1989). Jacobson and Hartley (1991) argue that job insecurity may even be experienced in seemingly “safe” employment environments when viewed as a difference between the level of security a person experiences and the level she might prefer. Rather than analyzing job insecurity in the context of organizational crisis or change, where job insecurity is conceived as an overall concern about the future of one’s job (Jacobson and Hartley, 1991), organizational behaviour literature (Rosenblatt and Ruvio, 1996) examines the particular experience of job insecurity and works on the assumption that it is relevant whether or not an objective threat exists. This is because feelings of job insecurity depend on the perception of the individual, although this perception varies as a function of both personal attributes and objective circumstances. Kinnuneni et al. (2000) study perceived job insecurity among Finnish employees employed in three organizations reflecting the different economic conditions in three major economic areas: export industry, the domestic market and the public sector. They specifically examine the extent to which perceived job insecurity would predict employees’ well-being at the organizational level. They found that perceived job insecurity varied with gender and organization. For example, female employees in the bank reported a higher level of job insecurity than men.

The introduction of flexitime work arrangements, or a better work-life balance, is seen as alleviating many of the inflexibilities resulting from uncertain and stressful work environments (Arnott and Emmerson, 2000). For instance, Stone, Kemp and Weldon (1994) found that the sickness records of part time workers were better than those of full-time staff. One study on the benefits of childcare suggested that employers who provided childcare referral services for employees
saved an estimated £2 for every £1 they spent due to reduced sickness absence (Dex and Scheibl, 1999). Based on the 1999-2003 WES (Canadian Workplace and Employee Survey), Ferrer and Gagné (2006) provide information about the availability and use of worklife balance practices in Canada. It shows that flexible work hours (the capacity to vary start and stop times around a certain number of core hours) were available to 54% of female employees and 58% of male employees. Importantly, roughly two thirds of employees used this option when it was available. When employee use of several workplace practices and supports was compared for each year between 1999 and 2003, there were only modest changes in the proportion of employees using specific work-life balance practices over this five year period (Fang and Lee, 2007). Research work conducted in the late 1970s and early 1980s using American company data found that permitting employees to exercise flexibility in their arrival and leaving times reduced absenteeism, tardiness, overtime, etc (Golembiewski, Yeager and Hilles, 1975; Kim and Campagna, 1981; Hicks and Klimoski, 1981). This discussion leads us to formulate our first hypothesis.

HYPOTHESIS 1: Employees are less likely to experience job insecurity and stress and higher job demands in flextime workplaces than in non-flextime workplaces.

Flexitime and Decision Making Autonomy

While the benefits to employees of flexitime are now commonly recognized, there has been less discussion of its impact on a firm’s resources. The material reward can be seen in how flexitime reduces sickness absence, turnover, overtime, stress and improvements in recruitment and productivity (Fenwick and Tausig, 2001). These improvements have the potential of making a monetary contribution. Any such contribution can be quite considerable when calculated across the whole institution. For example, it is argued that controls employees have over their tasks impact their roles and effectiveness at work. A 2003 DTI (Department of Trade and Industry) study revealed that 49% of companies saw a positive increase in productivity (DTI, 2003). The study shows that flexible working is cost effective, with a particularly positive impact on labour turnover, motivation and commitment and employee relations. Fang and Lee (2007) examine the association between the usage of family friendly benefits and employee labour market outcomes in Canada. Their findings from 1999 to 2003 waves of the Workplace and Employee Survey show that flexible friendly benefits led to increased employee productivity as measured by wages and number of promotions, and improved employer performance including employee retention.

It appears that flexible work organizations not only recognize the significant role of individual employee skill in the production process but also encourage
its members to extend their cooperation and thereby perform work tasks in team environments (Marchington, 1990). Special attention is accorded to developing those norms that enhance cooperative efforts, because an effective implementation of many new productive processes critically depends on team members’ initiative and feedback for improvement. Such an integrative process is, to an extent, facilitated by the introduction of streamlined organizational systems such as flexitime, as the practice allows individuals to schedule their own working hours. Companies may also find compressed hours as a useful way of managing excessive hours. If employees have more options available in terms of workplace flexibility, it will provide more opportunities to balance work and life. For some people, evening or weekend work means the chance to gain an extra income while a partner is at home to care for children or elderly relatives. For others, a late morning start, a longer lunch break or a shift at night, allows sport and fitness to be factored into their day. In these situations giving employees opportunities to adjust their working hours will have positive staffing consequences for the organization. For example, an increase in staff working at peak demand times on shorter shifts, such as on a 4 pm – 10 pm, or 5 pm – 11 pm shift in a control room, can cut down on the need for other staff to work overtime.4

Flexibility is thus stressed as an important part of a work-life balance package, but is also a by product of efforts by organizations to dismantle many of the performance barriers created by a lethargic mass production system (DfEE, 2000). As flexitime encourages employee control over scheduling, as well as the work process itself, it enhances the autonomy of employees to make work-related decisions independently and with a greater degree of confidence and trust (Bailyn, 1993; Atkinson and Meager, 1986). Delegation of authority in this way increases employee involvement as well as securing a better match between complementary organizational practices (Wood, de Menezes and Lasoasa, 2003; Berg, Kalleberg and Appelbaum, 2003). Furthermore, the degree of freedom afforded to an individual to schedule her work potentially enhances not just process outcome but also her ability to make opportune decisions about her needs. Bearing in mind the literature we have just reviewed, we can formulate the following hypothesis.

**Hypothesis 2:** Establishments with flexitime work arrangements are more likely to have adopted activities associated with participatory organizational practices than are their counterparts without flexitime work arrangements.

**Empirical Analysis**

The aim of the present study is to evaluate the personal and organizational impact of flexitime using data from the 2004 Workplace Employment Relations Survey (WERS). WERS is a nationally representative survey of workplaces with 5
or more employees and contains a vast amount of information on diverse aspects of employee relations and organizational parameters. Face-to-face interviews for WERS were conducted with a manager (with day-to-day responsibility for employee relations) at 2,295 workplaces, constituting a response rate of 64 per cent. The WERS survey of employees comprises 22,451 observations, constituting a response rate of 60 per cent. The use of this dataset overcomes many of the difficulties experienced by earlier research on similar topics.

For instance, existing literature on the determinants of work flexibility has been largely concerned with analyzing the impact of establishment level factors, such as task flexibility, on organizational productivity. It seldom employs workplace and employee information together to examine the relative contribution of employee and establishment level factors to the incidence and impact of flexible working practices. The present research fills this gap by using the WERS dataset, which is a linked survey of workplaces and employees.

**Research Design**

The present investigation focuses on the three areas of the research outlined above, namely the extent to which flexitime has been adopted, and the impact it has had on employee stress and job control. In this respect, we do not examine whether establishments offer flexitime, as this may give a distorted picture of the use of flexitime. For instance, company management may not allow the use of flexitime when it is needed. Instead, as our description of the variable below shows, we investigate if the flexitime is available to the employees when requested. Given the nature of the research questions, survey probit or ordered probit modelling techniques are used throughout. It is thus possible to hold constant a range of workplace and individual level characteristics, while the relationships between the dependent and independent variables are analyzed. These techniques also enable the probability of respondents’ selection into the sample and the design of the survey of employees to be taken into account. Probability weights are used in all regressions.

The particular tests of the impact of flexitime are the following.

**Employee Account of Stress and Employment Security**

Existing literature on work-life balance emphasizes the need for practices such as flexitime because of continuing concerns over the lack of employee job satisfaction and welfare (Perry-Jenkins, Repetti and Crouter, 2000; DfEE, 2000). It is believed that flexitime work arrangements would alleviate the instances of stress and job insecurity within the workplace. The first aim is to use the WERS survey of employees to compare employees’ experience of job insecurity and stress in flextime workplaces and in non-flextime workplaces.
Employee stress is measured by the average level of stress experienced by employees in the workplace. Our aggregation of values of such measures to the workplace is based on the notion that sufficient agreement in the individual-level scores within the majority of workplaces is present. James, Demaree and Wolf (1984) provide an index to ascertain that it is statistically meaningful to aggregate the individual-level behavioural scores to produce the workplace average. The index of agreement between our three items of stress was at least 0.8 in 76% of workplaces; the index of agreement between our three items of security was at least 0.7 in 78% of workplaces; and the index of agreement between our three items of job control was at least 0.7 in 76% of workplaces. In order to evaluate our first hypothesis, a dichotomous independent variable (where 1 = “employees can avail flexitime”, and 0 = “employees cannot avail flexitime”) is regressed onto three dependent variables (stress, mean score 1.83; security; mean score 2.21; job control; mean score 1.76). We create these variables in the following way: for “stress” we combine the following three variables from the WERS employee survey as per procedure defined in James, Demaree and Wolf (1984); do you agree or disagree with the following statements about your job, “I never seem to have enough time to get my work done” (on a scale of 1 to 5 where 1 = “strongly agree” and 5 = “strongly disagree”); “I worry a lot about my work outside working hours” (on a scale of 1 to 5 where 1 = “strongly agree” and 5 = “strongly disagree”); thinking of the past few weeks, how much of the time has your job made you feel of the following? “Tense” (on a scale of 1 to 5 where 1 = “all of the time” and 5 = “never”). “Security” is based on the following two variables from the WERS employee survey; how satisfied are you with the following aspects of your job? “Your job security” (on a scale of 1 to 5 where 1 = “very satisfied” and 5 = “very dissatisfied”); and do you agree or disagree with the following statement about your job, “I feel my job is secure in this workplace” (on a scale of 1 to 5 where 1 = “strongly agree” and 5 = “strongly disagree”). “Job demand” is based on the following two variables from the WERS employee survey; in general, how much influence do you have over the following? “What tasks you do in your job” (on a scale of 1 to 4 where 1 = “a lot” and 4 = “none”); how well do the work skills you personally have match the skills you need to do your present job? (on a scale of 1 to 5 where 1 = “My own skills are much higher” and 5 = “my own skills are much lower”).

**Flexitime and Organizational Measures of Discretion and Control**

Organizations embracing flexitime work arrangements as part of a work-life balance package are likely to have dismantled many of the features of control-based organizational systems and introduced measures which provide better variety and control over the work itself (Berg, Kalleberg and Appelbaum, 2003; Wood, de Menezes and Lasaosa, 2003). This is based on the assumption that flexitime
encourages employee control over scheduling, and provides the freedom to make work-related decisions more independently. As Eaton (2003) notes, “The design of work-family programs and work structures and the amount of control employees have over the pace and place of their work are all-important” (p. 163). The second aim of this article is to test whether workplaces with flexitime work arrangements are indeed more likely to have adopted activities associated with participatory organizational practices than are their counterparts without flexitime work arrangements.

To evaluate this issue, a dichotomous independent variable (where 1 = “flexitime practice”, and 0 = “no-flexitime practice”) is regressed onto three dependent variables. These are, firstly, the extent to which employees have discretion over how they do their work? (on a scale of 1 to 4 where 1 = “a lot” and 4 = “none”; mean score 2.84); secondly, the extent to which employees have control over the pace at which they work (on a scale of 1 to 4 where 1 = “a lot” and 4 = “none”; mean score 2.56); and thirdly, the proportion of employees who work in formally designated teams (on a scale of 1 to 7 where 1 = “all” and 7 = “none”; mean score 3.87). The Pearson correlations among our main variables are presented in Table 1. The results show that employees availing the flexitime opportunity experience stress and there is no job security. They also have higher levels of job demand. On the other hand, establishments that offer flexitime also offer its employees more discretion, control and team work.

### TABLE 1

<table>
<thead>
<tr>
<th>Correlation Matrix</th>
<th>Flextime</th>
<th>Stress</th>
<th>Security</th>
<th>Job demand</th>
<th>Discretion</th>
<th>Control</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stress</td>
<td>0.37</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Security</td>
<td>-0.09</td>
<td>-0.11</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job demand</td>
<td>0.36</td>
<td>0.39</td>
<td>0.15</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discretion</td>
<td>0.52</td>
<td>0.14</td>
<td>0.51</td>
<td>0.19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Control</td>
<td>0.21</td>
<td>0.22</td>
<td>0.28</td>
<td>0.37</td>
<td>0.43</td>
<td></td>
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<tr>
<td>Team</td>
<td>0.44</td>
<td>0.12</td>
<td>0.23</td>
<td>0.45</td>
<td>0.49</td>
<td>0.38</td>
</tr>
</tbody>
</table>

Note: Pearson correlations reported. All correlations are significant at the 1% level.

The hypothesis 1 equations include controls for the employee characteristics, as listed in Table 1; and for hypothesis 2 controls for a range of workplace-level characteristics are listed in Table 2. Studies show that not all workers may have the opportunity to control his or her work, even when a workplace offers some degree of control. Golden (2001) finds that access to flexible schedules is distributed unevenly by workers’ demographic and job characteristics such as gender, race, education, occupation, employment, and usual work hours. She
shows that worker and job features are associated with having greater or lesser access to work schedule flexibility. In particular, female, non-White, and less educated workers have reduced probability of access to such flexibility. In order to gain greater flexible timing of work, workers must be also willing to work long work weeks, part-time or evening shifts; additionally, flexitime opportunities are available to workers who are in selected high-skill occupations or work as self employed. Guérin et al. (1997) conducted a study of 301 organizations with more than 250 employees in Québec, and investigated the determinants of the type and number of work-life balance practices offered. The study emphasizes four important factors that significantly impact the implementation of such practices. These factors include (1) a group of interrelated variables pertaining to an organization’s unionization rate, industry membership and size, (2) organizational culture, (3) proportion of women in the organization, and (4) the type of workforce (low wage workers, professionals, etc).

**Results**

**Employee Account of Stress and Employment Security**

As demonstrated by Table 2, contrary to the flexitime case backed by public agencies, employee reports and attitudes toward stress and job insecurity are significantly more prevalent in flexitime workplaces than in non-flexitime workplaces. The results show, firstly, that employees within flexitime workplaces report a high degree of stress. Secondly, they are less likely to have felt secure in their establishments. Thirdly, they experience a high degree of job demand in their workplaces. We therefore do not find support for our first hypothesis. There is a possibility that high stressed establishments are the ones that actually introduce flexitime practices, but our results should be interpreted with caution as the present analysis demonstrates at best a correlation between different practices. No inference about causality can be drawn from these results.5

The major thrust of the British government policy on flexitime is based on the assumption that job “insecurity” is endemic in the country’s “hire and fire” culture and that insecure jobs are the “unacceptable face” of inflexible and unprotected labour markets (DfEE, 2000). It is argued that when employees fail to reconcile their priorities at work and at home, they may eventually suffer stress and bad health. The organization thus loses their commitment and quality effort and incurs unnecessary productivity loss, as well as a period of reduced hours of work. Many recent public initiatives on employment and labour market practices bear the mark of these largely theoretical arguments. However, the prediction about the supposed link between flexitime and the work-life balance does not bear out in our results. The establishments with flexitime arrangements are likely to have employees who are stressed and feel insecure, resulting in a state of
discontentment and job dissatisfaction. This implies that the causes of job stress and other worked-related ailments are possibly deeper than the breakdown of some individual workplace norm that can be easily put to right by introducing practices such as flexitime.

We also examine the probability of different types of employees experiencing stress, job security and job demand. An analysis of these results would shed further light on the types of employees that participated in research. With regard to the reference category Single, it appears that, as against widowed, divorced/separated employees and employees who are married or living with partners are less likely to feel stressed, more likely to feel secure and experience less
job demands in their work. These results are stronger for “living with partner” employees. When the reference category is No Qualifications, employees with GCSE qualifications are more likely to get stressed, while graduates and post-graduates may face higher job demands. When the reference category is Permanent Employees, temporary employees, as one would expect, are likely to be less satisfied with their job security. An interesting result is how fixed-term employees also feel stressed in the performance of their jobs. In the past, organizations did not often actively include part-time employees under formal flexitime. However, this situation has changed with new government regulations on part-time workers that require parity with full-time employees. Part-time employees can fill in start and finish times on a timesheet like other staff, once a standard day and half day are calculated for their hours. Despite this progress, there are indications that some temporary or part-time employees are unclear on their position. As we argue later, these issues need to be understood in the light of the types of employees and establishments that are more likely to benefit from a flexitime scheme.

When the reference category is Low Pay, high pay employees are more likely to feel insecure in their jobs than the other category. Ethnic Minorities are likely to face job insecurity, while Male employees may face higher job demands and experience higher levels of stress. The demographics of the workforce have changed over the recent past, with more women entering the workforce (CIPD, 2002). Consequently, there is recognition of family responsibilities by both company management and policy makers, and how flexitime can be used to meet the demands of these responsibilities. Employees with flexitime working are then better able to deal with such issues as caring for children. Companies can also benefit as with flexitime they may be able to attract more skilled workers.

These results suggest that there is a great variation among employees with regard to their experience of job stress, job security and job demand. Any flexitime policy should take into account these variations to make the policy more effective and responsive to the individual needs of the employees (see also Walton, 2002). Organizations are increasingly finding ways of allowing some control of working hours so that all employees can have some say in their own work-life balance, which suggests that a better understanding of individual needs of employees can go a long way in creating an effective flexitime platform. It is likely that there are some work roles that are not well suited to daily variation in hours by employee choice. On the other hand, there are some employees who need a greater range of flexible working arrangements. In these situations, it would be useful for the organization to consider a range of flexible working options, rather than insisting on a specific set of flexitime choices. These concerns bear out in
our results that suggest that different employee categories have different levels of personal experiences with regard to job stress, job security, and job demand. For example, flexitime tends not to be suitable for those roles which have fixed time functions. It is usually a shift system or self-rostering of shifts by a team that offers choice in hours. Moreover, there are some employees whose job roles are not suited to these schemes (e.g., receptionists). It is therefore important that a company that introduces flexitime also take into account such limitations of the scheme. Nonetheless, flexitime has now been extended successfully to junior managers, engineers, scientists, technicians and other laboratory workers (CIPD, 2002).

**Flexitime and Organizational Measures of Discretion and Control**

The analysis of the WERS survey of managers, as reported in Table 3, focuses upon the relationship between flexitime work arrangements and three organizational measures of employee control, i.e. discretion, control and work teams. There is some evidence that job discretion and work teams are slightly more practiced in workplaces with flexitime work arrangements than in workplaces with no flexitime. This result is consistent with other research (Batt and Vallcour, 2003) on commitment and high-performance workplace environments. However, the relationships found here are not very strong. It would seem that innovations in organizational practices such as flexitime are part of a larger program of organizational change and development. For instance, flexitime is used as a measure to help support the move from traditional hierarchical structures to new systems of flexible coordinative arrangements in modern organizations. Flexitime may give the organization an opportunity to signal to its employees that they are trusted to do their work and have been given responsibility. As our results show, it is likely that employees respond to these signals and put forth more effort, even in the absence of a monitor. One benefit of showing such confidence in employees is that they may work more willingly and productively. Flexitime entails more choice for employees over work times, whilst not compromising overall productivity. This is achieved as employees can plan their own work loads, and do not necessarily have to stop a task at a rigid finishing time. As a result, not only is better work-life balance achieved, but organizations also benefit from improved productivity.

Now we consider the types of establishments in which the above mentioned relationships between flexitime and job discretion, job control and team work are present. With regard to the reference category 250-499 Employee Size, establishments in the size category of 50-249 are less likely to experience job discretion and job control. These are the small and medium size establishments, and therefore employee participation practices such as job control are unlikely to be a major managerial concern, given the difficult market environment they
face. Such environments could usually be in the form of enterprises facing high level of competition, operating with low levels of skills or technologies or experiencing stiff credit constraints. It however does not imply that these establishments cannot functionally adopt employee involvement practices at any level of their operations, but merely to suggest that in our data they do not seem to have adopted such practices. When the reference category is Local Market, establishments catering for the national and international markets are more likely to adopt job discretion, job control and team work. This is understandable

<table>
<thead>
<tr>
<th>Flexible work arrangements</th>
<th>Discretion</th>
<th>Control</th>
<th>Team</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flexitime</td>
<td>0.278* (0.032)</td>
<td>0.014 (0.032)</td>
<td>0.159 (0.037)</td>
</tr>
<tr>
<td>Reference category: 250-499 employees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-49</td>
<td>-0.221 (0.179)</td>
<td>0.356 (0.212)</td>
<td>0.141 (0.173)</td>
</tr>
<tr>
<td>50-249</td>
<td>-1.174** (0.196)</td>
<td>-0.242** (0.124)</td>
<td>-0.016 (0.087)</td>
</tr>
<tr>
<td>500-999</td>
<td>0.255 (0.186)</td>
<td>-0.129 (0.104)</td>
<td>0.530** (0.181)</td>
</tr>
<tr>
<td>1,000+ employees</td>
<td>0.092 (0.188)</td>
<td>0.286 (0.193)</td>
<td>1.114** (0.187)</td>
</tr>
<tr>
<td>Reference category: Local market</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regional market</td>
<td>0.187 (0.049)</td>
<td>0.113 (0.048)</td>
<td>0.121 (0.054)</td>
</tr>
<tr>
<td>National market</td>
<td>0.326** (0.041)</td>
<td>0.108** (0.041)</td>
<td>0.355** (0.047)</td>
</tr>
<tr>
<td>International market</td>
<td>0.372** (0.051)</td>
<td>0.499** (0.051)</td>
<td>0.476** (0.057)</td>
</tr>
<tr>
<td>Reference category: UK owned</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PredomUK (predominately UK owned)</td>
<td>0.302** (0.055)</td>
<td>0.100 (0.053)</td>
<td>0.372** (0.064)</td>
</tr>
<tr>
<td>UKFor (UK &amp; foreign owned)</td>
<td>0.247* (0.119)</td>
<td>0.048 (0.120)</td>
<td>-0.331** (0.124)</td>
</tr>
<tr>
<td>PredFor (predominately foreign owned)</td>
<td>-0.229** (0.075)</td>
<td>-0.751** (0.076)</td>
<td>-0.504** (0.075)</td>
</tr>
<tr>
<td>Foreign (foreign owned and controlled)</td>
<td>0.172** (0.047)</td>
<td>0.208** (0.045)</td>
<td>0.095 (0.053)</td>
</tr>
<tr>
<td>Reference category: No competitors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Few competitors</td>
<td>-0.253** (0.076)</td>
<td>-0.291** (0.075)</td>
<td>0.178* (0.086)</td>
</tr>
<tr>
<td>Many competitors</td>
<td>0.181** (0.078)</td>
<td>0.519** (0.076)</td>
<td>0.286* (0.087)</td>
</tr>
<tr>
<td>Reference category: Non-union</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Union</td>
<td>-0.182** (0.038)</td>
<td>-0.016 (0.037)</td>
<td>-0.124** (0.041)</td>
</tr>
<tr>
<td>Reference category: Operating for more than five years</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating for less than five years</td>
<td>0.056 (0.057)</td>
<td>-0.007 (0.001)</td>
<td>-0.567** (0.073)</td>
</tr>
<tr>
<td>F</td>
<td>4.11</td>
<td>2.56</td>
<td>3.89</td>
</tr>
<tr>
<td>Prob&gt;F</td>
<td>0.243</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td>N</td>
<td>18525</td>
<td>19536</td>
<td>17557</td>
</tr>
</tbody>
</table>

** Significant at 1 per cent, * significant at 5 per cent.
given the exposure of these companies to a relatively sophisticated consumer market, and the opportunities they have in learning and developing their internal organizational systems. For instance, as these companies target national and international markets, they may be able to benefit from their scale or even learn from their national or international competitors about new ways of doing things. With regard to the reference category UK owned, predominately foreign owned companies are less likely to introduce job discretion, job control and work team. On the other hand, predominately UK owned and foreign owned and controlled establishments are more likely to have implemented these practices.

An interesting result is with regard to the reference category No Competitors. Establishments with many competitors are more likely to have implemented job discretion, job control and team work than establishments with fewer competitors. This suggests that market competition is a great instigator of firms adopting employee participation practices. When the reference category is Non-union, union establishments are less likely to have adopted job discretion, job control and team work. This result supports the findings of the extant literature on unions’ role in the adoption of employee participation practices. Broadly this literature argues that unions are often reluctant to support the implementation of employee participation practices (Wood, Menezes and Lasaosa, 2003). When we consider the reference category Operating for More Than Five Years, establishments with less than five years in existence are less likely to have implemented employee involvement practices.

Overall, these results suggest that there is a great deal of variation in the types of establishments that introduce employee participation practices, including job discretion, job control and team work. Similar to our discussion relating to variations in the employees’ experience of different work-related variables, it follows that a policy that takes into account these differences in establishment types has a better chance of success than the one that does not. As we discussed above, these differences relate to establishment size, the nature of their market operations, the extent of competition, the type of ownership and the years they have been operating.

Conclusion

The policy agenda on “work-life balance” is largely based on the assumption that changes in the profile of the workforce and in shifting expectations, both of the business and the employee, are demanding reorganization of working practices to ensure that the business keeps up with the competition and that employees achieve a balance between work and life. The present study has investigated the impact of flexitime work arrangements on employees and organizations using a linked employee-employer dataset.
It has been argued that organizations that do not recognize and address problems of work-life balance will be at a competitive disadvantage (Bevan et al., 1999). At the organizational level, when work and family goals and priorities collide, realization of business goals is frequently compromised as employees experience stress and job dissatisfaction. However, there is no evidence of the establishments with flexitime arrangements having less stressed employees than non-flexitime establishments. Furthermore, there is a positive relationship between flexitime arrangements and demanding work conditions. These findings raise the possibility that establishments operating flexitime schemes pursue goals that are not fully explained by a “rigid working hour’s culture” thesis.

Literature on flexibility suggests that strategies such as flat hierarchies, restructuring, horizontal networking and team-building are commonly designed to respond to the need for change in control- and authority-based systems of organization. Such changes enhance the ability of employees to perform their tasks more efficiently in an environment in which technology and skill are ever more important. In addition, the development and effective utilization of multi-level skills require complementary organizational and human resource management strategies such as employee participation in return, team operation and employee involvement in shop-floor decision-making. It is argued that flexitime is one such strategy, which ensures the effective implementation of decentralized organizational structures through its impact on the ability of employees to schedule their own working hours in line with perceived priorities. This study has found a limited support for this supposed relationship.

Taken together, the results reported here on the impact of flexitime on employee stress and job control in themselves do not provide an explanation of the precise motives of workplaces in going about their flexitime programs, although there is an indication of some positive relationship between flexitime and employee-coordinated organizational structures. While the concept of flexitime has gained considerable government and management support in recent years, for companies themselves this study raises concerns about the accuracy of the underlying rationale for its promotion in respect of employee needs and indeed possibly on the ethical perspective of employers that promote it. Certainly it points to the need for a government rethink of its aims for flexitime when addressing key employee welfare concerns. A better understood managerial practice would improve the opportunities for the cost effective design and implementation of organizational development strategies which include flexitime as a key component. In terms of further research attention should be given to the explanatory factors and their significance within the two major relationships exposed by this research. In this a case study approach would yield the necessary results.
Notes
1 Under the terms of the Employment Act 2002, a “qualifying employee” may apply to their employer for a change in terms and conditions of employment if the change relates to any of the following: (i) the hours the employee is required to work; (ii) the times when they are required to work; and (iii) where, as between home and a place of business of the employer, the employee is required to work.

2 For instance, Piotet (1988) argues that female absenteeism is due primarily to inflexibilities in both the workplace and society at large, which result in problems associated with children together with problems of access to social and commercial services during normal hours of work (pp. 128-129).

3 Invalidity Benefit was replaced by Incapacity Benefit in 1995.

4 These staff are also known as “key timers.” In some cases this strategy may be unpopular if staff rely on overtime hours to boost their wages.

5 We do conduct a 2SLS (two stage least squares) regression in dealing with the endogeneity concerns such as how factors like unions may strongly influence the adoption of flexitime. However, our regression results do not fundamentally change. In fact, they are stronger than the probit regressions reported in Table 3.

References


**SUMMARY**

**Employee and Organizational Impacts of Flexitime Work Arrangements**

There is evidence of heavy job demands and low control resulting in multiple negative consequences for employees and their families. Understandably, there is then a desire to move away from such practices and adopt more flexible organizational systems. In such environments, employees may be more in control of their workloads, and manage a better balance between life and work. Flexitime provides increased opportunity to fit other commitments and activities in with work, and make better use of their free time. As employees can choose their own start and finish times for the working day, they can take a little extra time off in a week. It is argued that creating such opportunities improve motivation and raises morale. This also allows for lower stress in the work place and greater enjoyment in the home. Consequently, employees experience increased performance in the work place and greater repertoire for marketing to new employers. Using WERS (The British Workplace Employee Relations Survey), the present study examines the nature of such relationships, and specifically explores the usage of flexitime and employee and organizational outcomes. WERS provides a useful set of information about work environment, job characteristics, and occupation, permitting researchers to conduct a more detailed analysis of individual employee behaviour.
We develop our hypotheses based on the organizational behaviour literature that is concerned with exploring the nature of individual and organizational responses in challenging and stressful environments. Our results show a negative relationship between flexitime and job security. There is also no evidence of establishments with flexitime work arrangements having less stressed employees. Flexitime may however lead to increased employee participation in decision making as measured by employee discretion and team work. Our findings thus stress the need to be cautious about how we build the case for the adoption of flexitime.

KEYWORDS: flexitime, work-life balance, job control, stress, security, discretion, team work

RÉSUMÉ
Impacts sociaux et organisationnels de l’horaire flexible


MOTS-CLÉS: flexitime; conciliation travail-vie personnelle; job control, stress, sécurité, discrétion, travail d’équipe
**RESUMEN**

Impactos de los empleados y la organización de Acuerdos de trabajo de horario flexible

Hay evidencia de las exigencias del trabajo pesado y bajo control dando lugar a múltiples consecuencias negativas para los empleados y sus familias. Es comprensible, no es entonces un deseo de alejarse de esas prácticas y adoptar sistemas de organización más flexible. En estos entornos, los empleados pueden ser más en el control de sus cargas de trabajo, y gestionar un mejor equilibrio entre la vida y el trabajo. Horario flexible ofrece una mayor oportunidad para adaptarse a otros compromisos y actividades con el trabajo, y hacer un mejor uso de su tiempo libre. Como los empleados pueden elegir su propio inicio y fin de la jornada de trabajo, pueden tomar un poco de tiempo fuera en una semana. Se argumenta que la creación de oportunidades como mejorar la motivación y eleva la moral. Esto también permite reducir el estrés en el lugar de trabajo y un mayor disfrute en el hogar. En consecuencia, los empleados experimentan un mayor rendimiento en el trabajo y un mayor repertorio de marketing para nuevos empleadores. Usando WERS (los británicos lugar de trabajo de Relaciones Laborales Survey), el presente estudio examina la naturaleza de tales relaciones, y específicamente explora el uso de horarios flexibles y el empleado y los resultados de la organización. WERS proporciona un conjunto de información útil sobre el medio ambiente de trabajo, las características del empleo y la ocupación, permitiendo a los investigadores a realizar un análisis más detallado del comportamiento de los empleados individuales. Desarrollamos nuestras hipótesis sobre la base de la literatura comportamiento organizacional que se refiere a la exploración de la naturaleza de las respuestas individuales y organizacionales en situaciones difíciles y estresantes. Nuestros resultados muestran una relación negativa entre el horario flexible y la seguridad laboral. tampoco hay pruebas de los establecimientos con régimen de horario flexible de trabajo con menos empleados estresados. Horario flexible sin embargo, puede conducir a la participación de los trabajadores aumentó en la toma de decisiones, medido por el criterio de los empleados y el trabajo en equipo. Nuestros resultados por lo tanto hincapié en la necesidad de ser cautelosos acerca de cómo construimos el caso de la adopción de horarios flexibles.

**PALABRAS CLAVES:** horario flexible, trabajo y la vida de balance, control de trabajos, estrés, seguridad, discreción, trabajo en equipo