Voluntary flexible working arrangements and their effects on managers and employees

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Abstract
This paper explores the effects of flexible working arrangements on employees and their managers in a service sector. Analyzing a case study of a global management consultancy, the study concerns the impact of flexible working arrangements on job satisfaction, commitment and performance as well as well-being. While it is generally accepted that flexible working arrangements have a positive impact on employees, there has been only limited theorizing and research explaining how and why such impact is generated and which contextual organizational factors might be significant in shaping the outcome. The study provides mixed evidence for benefits from flexible working arrangements where potential for increased employee performance, well-being and job satisfaction is offset by work intensification, blurred work/home boundaries, professional isolation and perceived organizational injustice. Practical implications of the study results have been intensified by accelerated organizational transition into flexible working arrangements caused by restrictions imposed as a result of Covid-19 pandemic.

Key words
Flexible working, job satisfaction, well-being, performance, service industry.

How to cite this article
1. Introduction

The 21st century is witnessing increasing pressures on organizations to reduce costs, increase productivity, address environmental concerns and attract and retain talent. Consequently, traditional ways of working are changing for knowledge workers and others who don’t necessarily need to be present in an office at all working times. One topic with the potential to help address these challenges for employers and employees alike is the concept of flexible working. Flexible working is described in a multitude of different ways, but the majority of definitions include remote working (from home or otherwise) and reduced or different hours (either agreed or with some discretion over working hours on a day-to-day basis) (Kelliher and Anderson, 2008). Restrictions resulting from the current pandemic of Covid-19 virus forced most workers to work from home in a flexible manner (i.e. because of lockdown restrictions and/or childcare obligations) and it is expected that many will continue to do so even when the restrictions are lifted.

Flexible working can give organizations a competitive advantage by attracting talent from diverse groups. Participation in the workforce for women and mothers is increasing with 1.3 million women added to the UK workforce between 1981 and 2014 (Felstead and Henseke, 2017). Flexible working arrangements allow women to compete on a more equal level and for employers to better access this talent pool. Millennials or Generation Y (born between 1981-1996) are estimated to be 75% of the global workforce by 2025 (Winograd and Hais, 2014) and expect greater flexibility and autonomy from their employers (Forbes Coaches Council, 2017; Morris, 2018). 50% of millennials would change their job for the opportunity to work remotely full-time (Gallup, 2017). Regardless of generation, 80-90% of the US workforce say they would like to telework at least part-time (Global Workplace Analytics, 2017) and the average US worker would be willing to give up eight percent of their wages for the option to work from home (Mas and Pallais, 2017).

The environmental benefits of flexible working, increasingly important especially to upcoming generations, go hand-in-hand with cost savings for organizations and employees. Research from Deloitte shows between 30-40% of physical office workspaces are vacant during a traditional business day at an average cost of $12,000 each per annum. Buildings make up 39% of US carbon emissions each year and commuting contributes 10-20% of an individual's carbon footprint (Deloitte, 2009). 25% of the computer manufacture Dell's workforce of 145,000 regularly work from home, saving the firm $12 million p.a. in real estate costs and preventing 35,000 metric tons of associated greenhouse gas emissions (or the equivalent of taking 7,400 cars of the road each year) (Sahadi, 2016). Figures for the US, drawing from the 2017 State of Telecommuting in the US Employee Workforce Report, suggest the 3.9 million employees who work from home at least half the time avoided 3 million metric tons of carbon dioxide emissions in that year, equivalent to the annual carbon savings from powering 540,000 homes (Global Workplace Analytics, 2017).

In the UK, the percentage of employees who have used the 'arrangement to work from home' rose from 16% in 2011 to 33% in 2018 (CIPD, 2019). US workers who have telecommuted grew from 9% in 1995 to 37% in 2015 (Gallup, 2017). It is a similar story globally as according to Reuters and Ipsos via a survey of 11,000 respondents across 24 countries, 1 in 5 workers telecommute frequently and nearly 10% work from home every day (Reaney, 2012). The city of Tulsa in the US state of Oklahoma is offering remote workers a bonus of $10,000 to relocate there, after Burlington,
Vermont and Alaska offered similar deals to attract workers priced out of their more expensive locations, but able to work from anywhere (Rothman, 2019).

Flexible working is clearly attractive to employees and provides environmental benefits and cost savings, but does it make employees and their organizations more productive? Homeworkers themselves certainly think so. Being 'more productive' was the top effect of flexible working according to 82% of 18,000 respondents in a 2018 worldwide study (Statista, 2019). A majority of Americans (both in and out of work) believe employees who work remotely are just as productive as those in an office, 58% in 2015 up from 47% in 1995 (Jones, 2015), showing how suspicions of home-workers' productivity and the culture surrounding 'presenteeism' is changing.

Not all organizations agree however, with two high-profile examples Yahoo! and IBM illustrating the counter argument. In an attempt to improve productivity by increasing innovation through face-to-face communication and collaboration, Yahoo! banned working at home in 2013, citing the business benefits of 'physically being together' (Felstead and Henseke, 2017). IBM's innovative corporate culture has long been established, with products such as the personal computer, hard disk drive and bar code scanner coming from its research departments. The firm, a pioneer in allowing remote working for its employees with 40% taking advantage in 2009 also saved over $100 million in real estate costs between 1995-2009 as a result. However, IBM still decided to bring its employees back to the office in 2017, again citing the positive effects of face-to-face teamwork to develop trust and foster innovation (Weller, 2017). Although these examples show there is no consensus on the overall business benefits of flexible working practices, a growing number of firms are still adopting remote working for their employees, including Cisco, Vodafone, Thomson Reuters, Oracle and Deloitte (Thottam, 2018; Wiggins, 2019), this way of working is expected to gain prominence after Covid-19 restriction are lifted (The Economist, 2020) and reflect this growing trend across the globe.

Previous studies are mostly quantitative and focused on intentions of flexible working arrangements (Brummelhuis et al., 2012; Gerards, de Grip and Baudewijns, 2018; Van Steenbergen et al., 2018). Our study complements them as it provides fine grained and in-depth understanding of how employees and managers utilizing flexible working are affected.

A case study has been conducted in a global management consultancy with 50 offices in 36 countries and approximately 2,500 employees. The majority of participants are located in the DACH region (Germany, Austria and Switzerland) and are employed within one of four service departments (Research, HR, Marketing and Graphic Design), which consist of employees and managers working in company offices as well as at home.

This paper continues as follows. A literature review defines the flexible working concept for the purposes of this research then explores current research on the effects of flexible working, how this differs from traditional settings and how this impacts upon employee outcomes. A methodology section follows and outlines the approach to answering the research question. The findings are then presented, followed by a discussion and conclusions.
2. Factors affecting employees having flexible working arrangements identified in the literature

This chapter investigates published literature around flexible working practices and how it affects employees, managers and organizations as a whole. It starts with exploring the meaning of flexible working, continues with exploration of effects of flexible working on employees and concludes by discussing formal and informal work arrangements.

2.1 What is flexible working

A major difficulty in attempting to synthesize the literature on flexible working is the wide range of terms and definitions used. Although flexible working emerged in the late 1960s and early 1970s with mobile offices, videoconferencing and flexible workplaces (van Meel, 2011), today there is still no agreed definition of the concept (CIPD, 2019).

The concept of telecommuting hails from the US, has been used for several decades and is defined by the US Office of Personnel Management as work arrangements in which an employee performs officially assigned duties at home or other worksites geographically convenient to the residence of the employee, which is information technology mediated (Dahlstrom, 2013). The inclusion of ICT is an important and frequently cited element for most definitions, differentiating flexible working from simply taking work home (e.g. teachers marking schoolwork). A similar term, telework, is used by a majority of US research, adopted by many other countries and along with remote working is a broad term used to describe a variety of arrangements involving working away from the employer’s main offices (Morganson et al., 2010). This approach focuses on flexibility in location only. However, flexibility in time of work is also important to support growing collaboration over different time zones, greater temporal flexibility for parents and to provide employees the flexibility to improve their work-life balance (Berkery et al., 2017).

One of the most concerted attempts to consolidate flexible working research under a single term comes from the Netherlands as the concept of New Ways of Working (NWW). NWW emerged from around 2010 and attempts to bundle the multitude of organizational factors surrounding flexible working into a workplace concept to supplement or replace traditional ways of working (Laihonen et al., 2012). One of the first categorizations of NWW follows the flexible working literature by combining flexibility in where and when employees can work with the communication medium (smartphones, email, videoconferencing) (Brummelhuis et al., 2012).

This research will refer to the concept as ‘flexible working’, and will assume the definition from the UK Government’s services and information website which covers the two main issues of temporal and spatial flexibility: ‘Flexible working is a way of working that suits an employee’s needs, e.g. having flexible start and finish times, or working from home’ (UK Government, no date).
2.2 Job-related outcomes

Due to the complexity and challenges of measuring knowledge work productivity and by extension the organizational effects of flexible working, the literature contains a multitude of concepts but with an overarching theme, using job-related outcomes as well as employee well-being as a proxy for productivity. The effects of flexible working are not self-evident (Laihonen et al., 2012) and as such most of the literature attempts to study employee performance through job satisfaction and organizational commitment to help assess the ultimate organizational goal, increased productivity and the search for competitive advantage.

Job-related outcomes are characterized in several different ways across the literature. Work engagement, or a 'positive, fulfilling, work-related state of mind that is characterized by vigor, dedication and absorption' (Schaufeli and Bakker, 2004) is used to study the effects of flexible working on employees by much of the NWW literature and UK-based research (Brummelhuis et al., 2012; Gerards, de Grip and Baudewijns, 2018; Griffith et al., 2018; Van Steenbergen et al., 2018). Organizational commitment in the literature encompasses loyalty, attendance, punctuality, an attachment to organizational goals and a desire to exert effort and maintain membership (Dahlstrom, 2013; de Leede and Heuver, 2016; Nijp et al., 2016; de Menezes and Kelliher, 2017).

This research will use job satisfaction and organizational commitment as the two components to analyze employee job-related outcomes.

Job-related outcomes are positive for organizations and on the face of it, employees also. Job satisfaction and organizational commitment were higher for home-based workers across most of the literature (Morganson et al., 2010; de Menezes and Kelliher, 2011; de Leede and Heuver, 2016; Felstead and Henseke, 2017), but different direct, mediating and negative effects were presented by multiple authors making the establishment of root causes difficult. The very availability of flexible working itself can be seen by employees as a signal of the 'benevolent intentions by the organization' and care for their welfare (Bal and De Lange, 2015, p.147; Masuda, Holtschlag and Nicklin, 2017), therefore potentially raising organizational commitment without any actual changes in working practice.

Work intensification, or the effort put into work during normal hours can have negative outcomes for employees (Kelliher and Anderson, 2010), as can professional and social isolation which affects collaboration, knowledge-sharing and ultimately career prospects and productivity through reduced face-to-face interaction (Allen, Golden and Shockley, 2015; Hoornweg, Peters and van der Heijden, 2016). Research suggests that professional isolation is more severe the longer employees spend teleworking (Morganson et al., 2010) and at least one day a week should be spent in the office to prevent feelings of isolation (Tavares, 2017). Reduced opportunities for promotion and organizational reward (Dahlstrom, 2013) figure strongly in the literature. Remote workers were conscious of the significance of their visibility when working towards a promotion (Kelliher and Anderson, 2008) and slow career progression had a significant negative impact on the decision to participate in flexible practices (Giannikis and Mihail, 2011).
2.3 Employee outcomes

Health and well-being are often used together, but physical health is mentioned only very briefly (Tavares, 2017), cannot be differentiated sufficiently from the effects of office-based work, and no findings are presented. For this research, positive well-being is assumed to cover good mental health, happiness and lack of stress or overwork.

The findings related to effects of flexible working on employees' well-being are inconsistent and do not provide necessary depth of understanding of the phenomenon. In three similar surveys mental demands and workload were found to decrease through NWW (Van Steenbergen et al., 2018), increase stress and work-exhaustion through work intensification (Weinert, Maier and Laumer, 2015) and again lower well-being through increased stress (Nijp et al., 2016). Analysis of large-scale survey data in the UK found an increase in well-being by remote working, but at the cost of work intensification and the inability to switch off (Felstead and Henseke, 2017). Overwork was responsible for negative well-being following semi-structured interview analysis in a single UK organization (Grant, Wallace and Spurgeon 2013).

Work-life balance is cited by much of the literature as the primary reason for employees to request flexible working arrangements (and for employers to retain them). Hype over the positive effects for work-life balance is not supported by the studies on the subject and any positives seem to be counteracted by work intensification and overwork. Although respondents often feel a sense of balance between work and home life is important (Kelliher and Anderson, 2010), it is often reported that the border between work and family life becomes blurred when working from home and that this causes overwork through an inability to switch-off at the end of a working day or at weekends (Grant, Wallace and Spurgeon 2013; Felstead and Henseke, 2017). Working from home could also be detrimental for work-life balance through receiving a greater share of family responsibility and/or household tasks (Allen, Golden and Shockley, 2015). In a US study across four working locations (office, client, home and satellite office), home-based employees reported similar work-life balance support to office-based workers (Morganson et al., 2010).

Current research into individual effects on well-being and work-life balance seem to suggest any positives are outweighed by negatives from increased work pressures and that most benefit is received by the employing organizations through increased productivity. More qualitative research could help to give a clearer picture.

2.4 Formal vs. informal arrangements

The potential unfairness affecting well-being and job-related employee outcomes is further influenced by informal and formal flexible working arrangements. Employees are more likely to have an informal arrangement when working from home (CIPD, 2019), for example 82% described their arrangement as informal in a large organizational study from the UK (Kelliher and Anderson, 2008). This tends to be a loose agreement between manager and employee, and therefore much easier to implement than a change in employment contracts. This widespread and relatively simple arrangement can cause broader organizational problems, especially for the co-workers without
this benefit. Organizational Justice (OJ) is concerned with employees' perceptions of equity and fair treatment and unsurprisingly, office-based co-workers thought teleworking should be regulated by formal procedures from the single study addressing the topic directly (Fogarty, Scott and Williams, 2011). OJ in this context is not addressed significantly by this research even though it is important to recognize the impact of flexible working policies on those who do not or can not work remotely (Allen, Golden and Shockley, 2015).

Formal policies seem far from being the 'key to the success of organizations adopting e-working' (Grant et al., 2019, p.20) and the complexities of making flexible working 'available to everyone' (Anderson and Kelliher, 2009, p.16) have not been yet addressed.

In summary, the introduction of flexible working policies is positive for organizations, with an increase in productivity observed through improved job satisfaction and organizational commitment. This appears to be at the expense of employee well-being due to professional and social isolation, work intensification, reduced work-life balance and the blurring of boundaries between work and home life.

3. Methodology

The effects of flexible working practices upon employees is still the subject of debate in the literature, hence it was deemed appropriate to apply an inductive approach for the study as it uses data collection to explore phenomena to identify themes and patterns (Saunders, Lewis and Thornhill, 2016). A qualitative, exploratory, cross-sectional case study has been employed, collecting data through semi-structured interviews (Yin, 1984). This builds upon existing knowledge on flexible working (based predominantly on quantitative surveys) to explore the perceptions of employees and their managers in greater depth. A qualitative approach will allow patterns and themes to evolve over the course of the case study, informing its continuing direction.

This case study allows better understanding of the dynamics of complex situations in flexible working within clearly set boundaries (Saunders, Lewis and Thornhill, 2016) and focuses on members of four service departments within an international management consultancy (Research, HR, Marketing and Graphic Design). It involves employees utilizing flexible working arrangements as well as line managers directly responsible for such employees, themselves also working flexibly.

Non-probability sampling was used to select participants. Flexible working arrangements are not documented in the case study organization, hence a self-selection sampling method was initially utilized approaching all members of the case study. Snowballing was also used to identify participants, in particular at later stages of the data collection. Data collection stopped after reaching a point of saturation, where adding more participants was providing only repetitions of findings without adding new insights. 12 in-depth semi-structured interviews were conducted between 3rd and 25th May 2019, including 5 managers and 7 employees (see Table 1 for interviewee details).
The participants had a broad range of organizational and flexible working experience, with tenures ranging from six months to 15+ years and utilization of workplace flexibility over a similar period. All used ICT to enable this without significant issues. All employees worked flexibly on a voluntary basis and all managers allowed these working arrangements in their departments with most also working flexibly on a voluntary basis.

Table 1

Interview details

<table>
<thead>
<tr>
<th>Position</th>
<th>Standard working hours</th>
<th>Time spent working from home</th>
<th>Formal or informal arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employee</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A1</td>
<td>Full-time</td>
<td>All hours</td>
<td>Informal</td>
</tr>
<tr>
<td>A2</td>
<td>Full-time</td>
<td>Average 4 days per week</td>
<td>Informal</td>
</tr>
<tr>
<td>A3</td>
<td>Part-time (60%)</td>
<td>3 weeks per month</td>
<td>Formal</td>
</tr>
<tr>
<td>A4</td>
<td>Part-time (80%)</td>
<td>2 days per week</td>
<td>Formal</td>
</tr>
<tr>
<td>A5</td>
<td>Full-time</td>
<td>3 weeks per month</td>
<td>Formal</td>
</tr>
<tr>
<td>A6</td>
<td>Full-time</td>
<td>3 days per week</td>
<td>Informal</td>
</tr>
<tr>
<td>A7</td>
<td>Full-time</td>
<td>2 days per week</td>
<td>Informal</td>
</tr>
<tr>
<td><strong>Manager</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B1</td>
<td>Full-time</td>
<td>Average 2 days per month</td>
<td>Informal</td>
</tr>
<tr>
<td>B2</td>
<td>Full-time</td>
<td>Average 2 days per week</td>
<td>Informal</td>
</tr>
<tr>
<td>B3</td>
<td>Full-time</td>
<td>Average 1 day per week</td>
<td>Informal</td>
</tr>
<tr>
<td>B4</td>
<td>Full-time</td>
<td>None</td>
<td>Informal</td>
</tr>
<tr>
<td>B5</td>
<td>Full-time</td>
<td>Average 2 days per week</td>
<td>Informal</td>
</tr>
</tbody>
</table>

Source: Own elaboration.

Skype for Business video conferencing was familiar to all participants, being used in an organizational context on a daily basis and used for the interviews. All interviews were conducted by the first author whilst located in their home office during working hours within the standard working week. All employees interviewed were also located in their home office along with three of the five managers (the other two managers were located in a private room in their local office). Each interview began with some initial ice breakers and general conversation to relax the interviewees. The interviewer then explained the background and purpose of the interview, ensured the information sheet and consent form were read and signed, underlined the interviewee’s right to not answer any questions and withdraw at any time and confirmed the agreement for the interview to be recorded. Interviews lasted between 41 and 95 minutes, all were audio recorded using Camtasia. The audio files were loaded into Express Scribe Pro and transcribed into MS Word directly following each interview.
Differing interview schedules were prepared for employees and managers (see Appendix 1 and 2 respectively) to ensure the major topics were covered and comparisons were enabled during analysis. The schedules also contained steps for the researcher's reflection process following each interview which played a vital role in ensuring the credibility and objectivity of data. The interviewer, guided by the interview schedules sought to draw out (although not explicitly) general feelings towards flexible working and the employing organization, deeper understandings and perceptions of job satisfaction, organizational commitment and well-being, as well as exploring other issues raised by the participants. Questions began around the origins and details of the interviewee's flexible working arrangements and then led to two main topics, the benefits and drawbacks of flexible working for them personally and their experiences and opinions of how being managed (or managing) remotely differs from proximally, which elements of this they appreciate and which could be improved. Interviewees were enthusiastic about the subject and spoke at length sharing their experiences. Both positive and negative aspects were explored by initial questions and subsequent probing.

Reflecting on the fieldwork, the question, 'what would you need more or less of from your manager' was deemed too personal from the interviewee's reluctance to give a direct answer. The question was changed after the first interviews to, 'what aspects of being managed remotely would you change'. Managers B1 and B4 both stated the upcoming interview had inspired them to reflect on the topic and to ask after their team members working flexibly. This was not deemed to affect the objectivity of the responses.

Thematic analysis was used for data analysis (Saunders, Lewis and Thornhill, 2016). Interviews were transcribed into an MS Word data table separated into rows containing one sentence or short paragraph with a single meaning. Each row also included a column for participant code, theme code (initially empty) and sequence number, for subsequent sorting, counting and analysis (LaPelle, 2004). A mind map was created following each interview to draw out initial themes and emerging issues. Each row of data was then assigned a theme code developed from participants' differing views and opinions as well as being informed by existing theory in the literature and by the research question. Following an inductive approach every unit of data was coded and a codebook built up. After each interview and following completion of the interviews the coding process was continued to remove, merge and rename codes and data units were split or duplicated as necessary to follow emerging themes. Through this data analysis, 31 codes under 5 broader themes were established through strength of opinion from interviewees and relevance to the literature and research question. To aid this process, and informed by Miles and Huberman’s (1994, p. 67) approach, ‘marginal remarks’ were frequently used to highlight, clarify, reflect and question various pieces of data. This led to revisions to the original codes, while also aiding the identification of linked sub-themes. Subsequently, some ‘rudimentary connections’ (Baptiste, 2001) between the categories identified were established, and later refined. The data analysis process involved iterations between the empirical material and existing theory while being open to, and indeed searching for, unexplored and unexpected insights. Given the study’s exploratory nature, its findings are not claimed to be representative of flexible working arrangements in any type of organization. Rather, the analysis of the case study was intended to broaden understanding of an impact that flexible working arrangements have and their contingent conditions.
4. Findings

The findings are structured according to the overarching themes of job-related outcomes (job satisfaction, organizational commitment and performance) and health and well-being – directly addressing the research question. A thematic diagram derived from the interview results highlights the direct and mediated effects of flexible working practices upon the respondents as well as the positive or negative contributing factors, see Figure 1.

Figure 1

Direct and mediated effects of flexible working practices

Source: Own conceptualization of findings

4.1 Job satisfaction and commitment

Overall, the interviews painted a positive picture of job satisfaction for the respondents, but feelings of isolation and guilt negatively impacted upon their experience. The largest positive contributing factors to respondents' job satisfaction were the individual flexibility allowed in time and location and the allowances made for personal and family commitments. This was enhanced
by the mediating effects of management styles employed and the type of working arrangement agreed with the organization or manager, either formal or informal.

The advantages of avoiding the daily commute to the office and the significant savings in time and costs were mentioned, with one employee citing this as a major factor prompting resignation from their previous job. Positive attitudes towards location flexibility were stronger still with all respondents commenting on the benefits. Location flexibility took several forms including being allowed to mix home and office working, working from home for prolonged periods due to an accident or family illness or the option to move your job to follow a spouse or partner with a more location-based role, highlighted by the following quotes:

- I see a big advantage for my team not to be in a certain place from then to then, to be more flexible. (Manager)
- I had an accident last year, I've only been in the office twice since then so I'm mostly at home, but that was fine, no one expected or pressured me to come. (Employee)
- I can live with my husband. That is very important for me, he changes jobs quite often so we move quite often and I can take my job with me which is wonderful. (Employee)

The most frequent positive responses were concerning the flexibility towards family and private commitments. Managers appreciated these opportunities for both themselves and their team members. Being able to run small errands, perform household tasks (e.g. the laundry), schedule medical appointments during the day, take care of children in the morning if needed, going to the gym, arranging home visits for tradespeople and even meeting friends for a coffee were all contributing to a positive view of the respondent’s job and enhancing their work-life balance:

- I'm a single mum so I need to look after the kids and it’s wonderful to be here when they come home from school. (Employee)
- It's given me a lot of freedom I have to say and one other aspect is it really helped with giving me the flexibility to finish my new house and the moving in process, I really appreciate this. (Employee)
- A lot of my happiness comes from this flexibility I am given. Some days I come later to work, I do my sports training before that and it's not an issue. (Manager)

The importance of this flexibility for job satisfaction was underlined neatly by one manager:

- If we insisted (on changing flexible working arrangements) I know I would lose some people, either fully or make them unhappy in their private life. (Manager)

Staff were enabled to work effectively in these flexible situations by the behavior of managers, which was shown to have an overall positive effect on job satisfaction via four overlapping themes; giving autonomy, showing trust, managing by output and displaying empathy. Employees working flexibly agreed that being allowed to work more independently without direct supervision increased their job satisfaction, and that this was supported by a mentality from all managers described by several participants as, 'as long as you do your work, we don't care where or when you do it'. A reciprocal relationship based on trust was identified as vital to enable a positive and productive work experience when working remotely. Empathy shown by managers (and from
senior management to middle managers) was also apparent from the majority of respondents. This covered a sympathetic understanding of situations including working late and long hours, reducing stress and childcare duties, as evidenced in the following quotations:

- In my opinion things are done with more motivation and better sometimes because people can do their own pace and have freedom, I don't care if they do it at 10 at night or 10 in the morning it just needs to be done. (Manager)
- It goes back to trust, I feel like I have more trust than I did when I was sitting in an office. I felt micro-managed when I was physically there and now I have more autonomy, I guess is the right word, to manage my time. (Employee)
- The CEO once said don't worry about a meeting when I had some family time scheduled, which company CEO does that?! It's something I really value. (Manager)

Along with management styles, the type of flexible working arrangement an employee (or manager) has with the organization also showed a positive effect on job satisfaction along with some smaller negative consequences. The arrangement to work flexibly for the majority of interviewees was an informal one, agreed between the employee and their manager and part of a departmental and (to a lesser extent) corporate culture. The situations arose from various origins including beginning as a freelancer, the type of role (e.g. constant travel to other offices or client sites) and negotiations following the threat to resign. Those with informal contracts were mostly happy with this arrangement and did not feel the need to formalize the arrangement, with one manager highlighting the drawbacks of formal agreements:

- The more you regulate and create rules you miss certain situations and makes you inflexible, that's the beauty of this is that it's so super flexible. (Manager)

Employees under formal agreements, with the right to work at home for certain periods written into their employment contracts were also positive and in fact held even stronger views about their situation:

- First of all it's a great relief to have it in writing, this is really great. (Employee)
- My personal life depends on it ... it gives me a little bit more security, I like that. (Employee)

However, some aspects of flexible working practices that negatively affect job satisfaction for the participants emerged. This included anxiety that the lack of a contractual agreement to work flexibly could affect their right to home working if the company culture changed; also the lack of a formal and by extension transparent arrangement caused difficulties as they felt pressure to explain and defend their situation on the rare occasions they visited the office. Feelings of guilt were raised, resulting from not being immediately available when a manager calls, having to explain to new managers or colleagues their flexible working arrangement or diverting from standard business hours, even though this flexibility was afforded to them. Managers were concerned that the lack of a formal arrangement could have adverse consequences for insurance in the event of an employee work-related accident:

- I always have this bad conscience, 'I hope he's not thinking that I just spend an entire hour doing something else, taking a nap on the sofa. (Employee)
• It's a different insurance between work and personal experience. I don't know what will happen if somebody has an accident in the home office. (Manager)

The most significant negative effect on respondents' job satisfaction, and in fact throughout all issues covered by these findings is that of isolation, or disconnection from the organization brought about by flexible working practices. Lack of social contact with colleagues when working remotely was seen as an issue. Being 'out of sight, out of mind' for social occasions such as invitations to lunch or signing birthday cards contributed to negative emotional feelings for three employees, where conversely another employee was happy to avoid joining in with office gossip. The lost opportunities to socialize were highlighted, with how to cope with employees who do not want to socialize anymore and, 'love their individual silo life', also raised by managers.

Employees and managers all agreed that some degree of regular personal contact with your colleagues is necessary for professional and organizational reasons, with employees more likely to raise this issue. Reasons included missing informal discussions and feedback, an inability to react and make quick decisions, being out-of-the-loop, losing a familiar shorthand with people affecting communication and understanding and opportunities for collaboration only regular face-to-face contact can bring, as mentioned in the following quotations:

• Maybe when the kids are a little older I may add another day at the office just for the personal contact. (Employee)
• You get isolated, you can't react to topics or you don't know about things going on that you could be part of or where you might be needed. (Employee)
• It's hard to bring the team together, it's kind of tricky. One time in the month I want everybody here to see each other. (Manager)

To combat the issues brought about by isolation, interviewees and especially the managers identified the importance of regular, and more importantly initial personal contact between manager and employee to establish a relationship face-to-face. Both employees and managers commented on this:

• My previous two managers I felt a disconnect, and if you don't even have personal connection then this is really difficult – it was not a good time for me. (Employee)
• Onboarding for us is personal. It's not just tools and technical, I want to meet you personally, be here for one week. Some common knowledge is important, you can work better with people you know personally. (Manager)
• I made a point of meeting my team in different offices at the beginning when I became their manager. Starting such a relationship should very early be personal. (Manager)

Allowing flexible working hours and home office, flexibility in circumstances such as illness or family issues and a focus on results rather than presence had a strong positive effect on all participants' organizational commitment. It was a source of pride in their employer and created a deep sense of loyalty raising levels of engagement for all. For several of those interviewed without this arrangement their commitment would be much lower and moving to another firm without flexible working had become highly unlikely. Managers' loyalty was also higher through the ability to work
flexibly and they appreciated the ability to increase organizational commitment through this benefit for their employees. The value of this flexible culture could be judged in financial terms when considering an offer from another firm:

- I’m eternally grateful to my employer for making this possible. (Employee)
- It pleases me very much, our company is very good at these things. As long as you do your work they don’t really care and that is very modern and I appreciate it very much. If I wouldn’t have this arrangement I probably wouldn’t work for the company anymore. (Employee)
- It really creates a deeper bond for the company, it’s such a positive you would think twice, it binds me more than a pay rise. (Manager)

Although only a relatively small proportion of respondents mentioned the negative effects of flexible working on their career, the impacts were significant. Employees felt overlooked for promotion and managers felt advancement was unlikely without a significant presence in the office:

- If you’re ambitious it’s not a good idea. (Employee)
- I think when you’re in a leadership role, a manager role, this can even be a risk for your career and your power play in the setup. (Manager)

The lack of a transparent policy brought perceived (by interviewees) feelings of resentment from employees not given the opportunity to work flexibly, and guilt from those that were. Employees were reluctant to raise the issue with management for fear their agreement could be revoked. Managers felt this unfairness more keenly. They felt the flexibility given to their teams caused some employees to take greater advantage, requiring others less forward to work more in the office, causing resentment. A lack of transparency around flexible working arrangements gave both employees and managers interviewed, all of whom were very enthusiastic towards flexible working themselves, contradictory feelings. Feelings of unfairness towards other employees increased calls for greater transparency, but at the same time concern to maintain their own situation had the opposite effect, as illustrated by the following quotations:

- I know it caused a lot of waves when I started working at home for others in similar positions, they all started asking, and it was not granted to everybody, there’s a little bit of resentment. (Employee)
- I see that some people take these opportunities more often and others don’t, and I don’t know if they really do it voluntarily or if they just don’t dare ask. (Manager)
- I don’t want to make too much fuss about who is working from home office and who is not officially. (Manager)

4.2 Performance

Insights gained from the interviewees were that flexible working has positive effect on performance, with their ability to focus and concentrate greater when working from home,
resulting in higher quality outcomes. Employees especially appreciated the lack of interruptions from other colleagues and distractions from general office noise, especially other peoples' phone calls. They also found flexibility of time useful to work on creative or more intense work when they felt better able to concentrate. However, an issue of controlling underperforming employees was raised as their remote working made it difficult to see what they were doing and therefore judge their performance. Respondents said:

- It gives me so much freedom, and productivity … I'm sure it went up a lot with no distractions. (Employee)
- I'd never get these projects I do now done if I was in the office, just because of the activity and constant discussion. (Employee)
- When I look at people who have kids or look after their mum at home they are more efficient than a coffee here and a smoke here and chatty chatty here. (Manager)

Some comments were given to the increased requirement to structure and plan working days and weeks due to the physical distance between staff. Scheduling touchpoints with managers and task assignments were issues, increasing management time and effort and reducing the opportunity for spontaneous collaboration:

- It makes my manager and myself spend more time structuring the day and the task. (Employee)
- You try to be respectful so they can plan it into their individual schedule because I don't know what they are doing. (Manager)

Communication was a distinct issue when working and managing remotely. Extra time was required to write, read and respond to emails and make and receive phone calls rather than dealing with colleagues face-to-face. Lack of visibility also reduced efficiency as managers and employees' availability was not clear resulting in unanswered calls and delays for email responses. This issue however seemed to be mediated by regular scheduled communication. Managers were also aware of the importance of unscheduled communication with employees in this flexible working context and made themselves available accordingly:

- With the ones at home I'm exchanging more emails and more calls than the others and in some ways it's a bit more time consuming to manage those not in the office. (Manager)
- My manager is very quick to respond to all my questions … When I need something, I ask for it and I get it, it's fine. (Employee)
- On Skype, looking at each other we get more accomplished. Face-to-face is still most effective to get things done quickly, even over Skype. (Employee)

### 4.3 Stress and well-being

Evidence concerning the health and well-being of flexible workers was less positive. Stress was reduced by employees avoiding a long commute and office noise, and by the trust and flexibility given to them by managers. However, always being available to remote colleagues and managers
was a source of stress, as were long periods spent alone at home. Feelings of guilt when sick led some to work as usual from home instead of recovering, and others mentioned the negative effects of spending too much time sitting down inside:

- The fact you feel you always have to be available causes anxiety. (Employee)
- When you’re feeling sick you don’t say you’re sick you do home office. I was really sick with flu and I was always working. (Employee)

Most comments concerning well-being were focused around boundaries between work and leisure time, were equally important for employees and managers and detrimental to all. The inability to switch off from work and the subsequent longer working hours were mentioned by the majority of respondents. Without the physical act of going to or leaving the office many respondents missed this structure, took fewer breaks and therefore overworked, with work being more often on their minds outside of office hours. The importance of self-discipline to finish at a reasonable hour and leave laptops and mobile devices alone in the evening and early mornings was an issue. Respondents found this difficult and felt it affected their work-life balance, as illustrated by comments quoted below:

- Overworking is very, very easy to do, working longer hours than are necessary. The office environment keeps you on a clock, at home it’s kind of a void. (Employee)
- You need discipline to decide when you’re done working for the day, since it’s always so easy to check your phone again and answer that email although it’s not urgent. (Employee)
- You’re always thinking of your work, you must take care of yourself and manage your level of stress, put some life in your work-life balance. (Manager)

4.4 Other issues

The inconvenience of home working regarding the lack of professional office set-up such as printers and sufficient internet speed was raised. One manager suggested specific technical information for home workers could be made available. Managers briefly discussed the cost aspect of flexible working, both savings from less office space rent and extra costs through travel and hotel costs when remote workers meet. The realization that home working is not for all was also raised, discussing how some prefer to come to the office including those at an earlier stage of their personal and professional life.

In the context of the case study organization flexible working, especially working from home has become less relevant and was now treated as normal by the respondents. As the staff work for an international firm, managers and employees are situated in local and international offices, at home, at client sites and some are frequently travelling. Virtual meetings are becoming normal using video-conferencing software to communicate and collaborate with colleagues wherever they are located. Due to this the skepticism surrounding home working is limited and its consequences for employees and managers considered a normal part of daily working life and therefore part of the company culture:
• It's so normalized for me. If I was sitting in the office, I'd still be working in exactly the same way, probably the same hours. (Employee)
• I've been doing this for such a long time most of this is quite normal, the whole team is remote, at home and in different offices. (Employee)
• If you don't have your team beside you, I think it doesn't matter. (Manager)

5. Theoretical implications

In researching the effects of flexible working practices on employee well-being and job-related outcomes, these results suggest that the effects are overall very positive. Once experienced, returning to standard hours based permanently in an office could be detrimental for job satisfaction and organizational commitment. Perceptions of the employer offering these working arrangements are positive but tempered by the lack of organizational justice for colleagues without this benefit. Productivity is raised by flexible working through increased focus away from the distractions of the office, but the extra communication, planning and structure required reduced the overall impact. The management of remote workers however helped to mediate the positive effects of flexible working through giving employees greater autonomy and trust and a focus on the importance of regular planned and unscheduled communication. Both managers and employees were subject to the most significant negative effects of flexible working, professional isolation, and the inability to switch off and keep the boundaries between work and private life clear, causing overwork and stress.

5.1 Job-related outcomes

In line with previous research (Dahlstrom, 2013; Nijp et al., 2016; de Menezes and Kelliher, 2017) job satisfaction and organizational commitment in the form of pride and loyalty felt towards the employer are high for all those working flexibly. This is explained by the ability to achieve better work-life balance, the fact all flexible workers volunteered for this arrangement and the positive signals sent by the organization in allowing these practices. The focus on employee work-life balance by the managers and the evidence of empathy has been a less obvious finding from the study. The managers also took advantage of flexible working practices and were able to have more empathy for their employees combining work and home life. The growth in remote working in general through global teams and multiple sites is part of the normalization of flexible working mentioned by many of the respondents and could be contributing to a gradual change to a more accepting culture.

In contrast with some previous studies, a perceived increase in productivity was also shown despite limited face to face time (Allen, Golden and Shockley, 2015; Hoornweg, Peters and van der Heijden, 2016). This was explained by the ability to better concentrate and focus, and choosing to work at more productive times. Potentially impacting on productivity claims however was professional isolation (Morganson et al., 2010), which was felt particularly strongly by employees. Communication and collaboration can improve work efficiency and opportunities for innovation,
but the flexible working practiced by the case study participants was an issue in achieving this. The nature of work at the case study organization could account for this with employees working in a collaborative environment focused on teamwork and projects with few repetitive tasks, where working face-to-face could potentially be more beneficial. Data showed that contrary to the existing literature, professional isolation was exhibited by staff regardless of tenure or intensity of remote work (Tavares, 2017). Communication frequency and channels may help to explain this. The managers studied were keen to stress the importance of an initial face-to-face meeting with employees on joining the firm or taking over their supervision, however less attention was given to consideration whether continued communication levels were high enough or used the appropriate channels for remote workers.

These findings suggest the following propositions as guidance for future research:

- **P1.** An extension of flexible work arrangements to line managers enables greater empathy and tolerance in the management relationship.
- **P2.** Flexible work arrangements are perceived as enabling greater employee productivity by both employees and their managers. This is explained by the ability to better concentrate and focus and being able to choose to work at most productive times.
- **P3.** Professional isolation is an issue in flexible work arrangements, in particular when tasks are non-repetitive and collaborative.

### 5.2 Employee outcomes

The issues of work intensification and blurred home/work boundaries impacts negatively on employees' well-being (Grant, Wallace and Spurgeon, 2013). Employees are working too hard and too long which puts a commonly perceived obligation towards line managers under such informal arrangements. Employees felt guilty when working from home and grateful for the opportunity, but managers gave little signs of assuming obligation and were in fact quite relaxed about employee working times. This is significant as this process may negatively affect employee’s well-being raising their stress levels needlessly. Managers seemed unaware of this. The informality of flexible working arrangements by its nature lacks official guidance or training for employees and managers, and this issue could be detrimentally affecting employee well-being unnecessarily.

A possible implication from this study suggests the hierarchical divide between employees and line managers and therefore managers' influence has been lessened with a change from control- to trust-based supervision caused by the remote management context (Kingma, 2018). The continuing issues of work intensification and blurred work/life boundaries affecting well-being could be due to the reciprocation of trust from employee to manager and that this has merely formed another type of obligation.

Findings from the study showed that physical health was an issue not only through reduced activity, but also working whilst sick. Guilt from having the 'luxury' of working from home drove respondents to work through illness instead of recovering without intervention from managers.
and potentially causing further physical harm. The remote context could account for this as sick employees are less visible to managers. We therefore suggest:

- **P4.** Flexible work arrangements need greater managerial attention to overcome employee overwork due to gratefulness for the more comfortable arrangements and limited direct control from managers.
- **P5.** Blurred boundaries during flexible work arrangements may also have a detrimental effect on employee health and well-being, since employees are prone to work through illness and/or recovery.

### 5.3 Formal vs. informal arrangements

The signal given by the organization by allowing flexible working is positive for the job satisfaction and organizational commitment of the case study participants but detrimental to co-workers, as perceived by those working flexibly. This perceived lack of organizational justice for employees in other departments, offices and regions is down to the informal nature of the arrangements and brings feeling of guilt, impacting the job-related and employee advantages given to the flexible workers themselves. This guilt is not apparent from the literature and exacerbated by employees’ (and managers’) unwillingness to highlight the problem for fear of losing their flexible arrangements. Interestingly, managers felt this lack of organizational justice for others more keenly, further reducing the likelihood of them expecting a reciprocal relationship affecting work intensification and demonstrating their increased empathy for flexible workers. This suggests organizational flexible working policies have wider consequences for those not working under such arrangements, and as proposed by Fogarty, Scott and Williams (2011), co-workers would prefer a formal policy to address these fairness issues.

The findings of the study demonstrate that formal policies can still be operationalized in the same way as informal arrangements and it is possible for them to work on similar flexible principles. The small number of formal arrangements in the study showed no reduction in productivity or autonomy for the employees. These 'semi-formal' arrangements (written into employment contracts but without being too prescriptive) gave security to the employees and removed some managerial influence and therefore the potential for generating an obligation towards them, whether consciously or not. Hence:

- **P6.** Organizational injustice may be perceived by both employees covered by flexible work arrangements (feelings of guilt) and those without such opportunities (feelings of discrimination). Formal policies are more effective than informal arrangements here.

### 6. Conclusions

This research set out to examine the effects of flexible working arrangements on organizational employees by evaluating job-related outcomes, specifically job satisfaction and organizational commitment, and employee well-being. Based on qualitative analysis of interview data from
employees and their managers, it can be concluded that overall job satisfaction and organizational commitment are enhanced by flexible working practices for both, and successfully mediated by the leadership styles employed by the line managers. The results indicate that flexible work arrangements have both positive and negative impacts on employee well-being. This is due to the negative effects of work intensification and blurred work/home boundaries causing overwork. This research contributes to the current literature by providing an additional layer of understanding of ‘why’ and ‘how’ to findings from the previous, mainly quantitative studies. The study design between the hierarchical levels of the case study organization brought the relationship between employees and their managers into consideration for analyzing flexible working arrangements and their effects on employees.

The current context of widespread flexible working arrangements forced by movement restrictions due to the Covid-19 pandemic makes the study particularly relevant to the practice of organizations. It is expected that flexible work arrangements will be considerably more prevalent even when movement restrictions are lifted in the future and as this paper is being written, management teams in a wide range of organizations across the world consider how to prepare their firms for these new ways of working (McKinsey, 2020). The current study provides recommendations on the aspects that need to be considered in the process of the transition.

Awareness among managers and their employees of the issues contributing to work intensification, blurred work/home boundaries, physical health problems and perceived employee obligations towards managers or the organization will help them to better manage the process of flexible working as well as relationships between the levels of organizational hierarchy. Flexible working evolved alongside the ICT used to enable it. To further improve communication whilst working remotely and therefore offset professional and social isolation, organizations could benefit from ongoing research and investment into richer communication channels (e.g. video, virtual/augmented reality). As demonstrated by the current research, more formal arrangements have the potential to give employees security and balance organizational justice across organizations whilst still offering the inherent flexibility enjoyed by staff. Policies need to be developed for the benefits from flexible arrangements to be more equally distributed across all employees. This recommendation is not without its difficulties. Different regions, managers and corporate cultures can have very different attitudes towards working away from the office making a blanket policy across an international organization difficult to achieve.

Further research is needed to determine the long-term effects on flexible workers' physical and mental health. This could go together with future studies into the relationships between remote working intensity and health and well-being, as well as job-related outcomes. Quantitative large sample studies could follow our research to provide more generalizable results.

Despite its merits, this study has some limitations worth noting. Wider-ranging implications and the generalizability of these results are limited by being a single case study with a small sample size. Given the study’s exploratory nature, its findings are not claimed to be representative of organizations embedding flexible work arrangement into their practice. Rather, the analysis of the case study is intended to broaden understanding of the impact flexible work arrangements have on employees at different levels of organizational hierarchy.
7. References


The Economist (2020). Responses to the coronavirus: People, productivity and realities of working from home. Webinar. 11 February.


