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DIMENSIONS OF FLEXIBLE WORKING

Patricia Garland-Moloney

David Keane

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Patricia Garland-Moloney, National College of Ireland,
PMoloney@2003worldgames.com
David Keane, National College of Ireland, dkeane@ncirl.ie

1.   INTRODUCTION

Research in Ireland into Irish SME's attitudes to flexible working is underdeveloped. To date only a few reports focussing on the subject matter have been identified. The first Report was written by Hugh Fisher and published by The Equality Authority entitled: 'Investing In People, Family-Friendly Work Arrangements In Small And Medium Sized Enterprises – Work Life Balance In The New Millennium' (2000). The second Report was published by ADAPT Ireland in 2002. A third Report by Shirley Dex and Fiona Scheible entitled 'Smaller Organisations and Flexible Working Arrangements', published in 2002 studies UK SMEs attitudes to flexible working.

For the purposes of this research a small firm is one employing between 1 and 50 people and a medium-sized firm is one employing between 51 and 250 people.

At the time of publishing The Equality Authority's Report, Hugh Fisher (author of the Report), suggested it was difficult to calculate the number of SME's in Ireland. He estimated there were 191,000 SME's employing 800,000 workers. In the Report the Director of the Small Firms Association is quoted as saying:

"We need to take a more flexible approach to the way we work, one which requires more family-friendly policies".
This statement was spurred by the belief on the Director's part, that because of the tightness of the labour market at the time Irish SME's had no real choice but to consider the option of flexible work arrangements if they were going to attract and retain staff to meet expected growth demands.

In this paper we will explore some of the options available to employers. We will identify the arguments for and against flexible working and explore management attitudes to same.   We will then commence a brief literature review on organisational influences, decision-making in organisations and what influences both the individual and the organisations decision-making.

2   FLEXIBLE WORKING ARRANGEMENTS - OUTLINE

There is a large amount of material readily available defining the different forms of flexible working arrangement in operation. During the initial literature search,

texts were identified covering the area of flexible working. Stredwick & Ellis (1998, p. 3) state there are many forms of flexible working, some have been in existence since the Industrial Revolution, for example, home working.

Other forms of flexible working are more contemporary, for example, teleworking and annual hours. Some of the more common forms of flexible working identified by Home Office Partnership, a UK based consultancy firm, are defined as follows:

Flexi-time: employees' choose the hours they work by varying the start and finish times.

Reduced hours: part-time working either short week or half days across a five-day week.

Time off in lieu: additional hours worked over and above the contractual minimum can be taken as a day off at a later date either during that week/month/quarter.

Staggered hours: employees' have different start, finish and rest times thereby providing extended cover throughout the day.

Compressed working week: the employee works contracted hours over a shorter period of days, for example working 8.00 am until 6.00 pm over a 4 day week instead of 9.00 am – 5.00 pm over a 5 day week.

Job sharing: two people share the duties of one full-time position (FTE or Full time equivalent) by working alternate weeks or three days one week and two days the next.

Home working: working from home either full or part time while maintaining contact with the office by telephone or via the internet or remote access to the company's server.

Arguments In Favour:

Many reasons have been offered in favour of the introduction of flexible working. Some of these reasons are listed below:

It can help organisations that have extended their opening hours by improving customer service.

Travelling can be cheaper and easier if you travel outside peak times.

Other commitments can be arranged and fitted around your working day.

If you stay late to complete some work, you can take time off later.

It makes it easier to accommodate personal needs, which can, in turn, lead to a reduction in short-term absenteeism.

It can reduce overtime costs by reducing the amount of overtime worked.

It can improve work efficiency by working during the quiet parts of the day either early morning or late evening when the telephone is quiet or there are fewer unscheduled interruptions.

Arguments Against:

Again, Home Office Partnership have offered a number of reasons against the introduction of flexible working as follows:

Working regular long hours can lead to fatigue that can affect performance.
It may lead to a reduced service to customers on particular days.
Some schemes can be rather rigid with strict core times.
Flexitime is difficult to apply to manual work, but flexi shifts, shift swapping and rostering could be an option.

The identified Irish experience has shown that the most common forms of flexible working arrangement in place in SME's are part-time working, flexible hours and flexitime.

It has been argued that there is a clear pattern to decision making of company's leaders to the introduction of flexible working in an incremental way, when there was a need to downsize the workforce. When companies recognise that flexible work arrangements can be applied effectively at all stages of the business it also becomes acceptable (Stredwick & Ellis, 1998, pp. 3-4). This pattern is not dissimilar to Mallow's hierarchy of needs, that is to say, the first two incremental steps could be compared to the 'lower order needs' of physiological needs basic to human survival, the need for safety and security and the need for socialisation and association with others. The final step in the decision-making process can be compared to Mallow's 'higher order needs', of the need to be esteemed, the need to achieve and for self-actualisation. The third 'higher order need' is the need for personal development and realisation of potential (Gunnels & Flood, 1990, p. 97).

3   <u>MANAGEMENT ATTITUDES</u>

Regarding employer attitudes, Handy (1993, p. 192), contends that the age of the company, its ownership and history will have a direct affect on the organisation's culture. This in turn may have a knock-on affect on the attitudes of the management within the organisation. Handy further argues that the size of the organisation will also influence the organisation's culture and how it's employees perceive it. For example, larger organisations are often considered better by employees because there is a belief that more opportunities exist in the larger organisation. In order to understand the culture and values of organisations and employers' attitudes to flexible working it is important to consider Hosted (1982, pp. 221-222). Hosted identified four key dimensions that influence all peoples. He maintains that managers represent the ruling elite, professionals represent the revolutionary elite, technicians the non-alienated and clerks/unskilled workers represent the oppressed. Understanding the different values of the various participants in the organisation is crucial to understanding the impact employer attitudes have on decision making.

A recent UK Report on managers' attitudes to flexible working identified some of the obstacles to the introduction of flexible working. The three most frequently cited being:-

Flexible working is not considered a priority issue by company decision makers; Other staff in the company regard those on flexible working hours as 'not working';

Managing staff with flexible work arrangements is more time consuming and takes more effort (Holton & Wilson).

Another recent UK report appears to echo the Holton & Wilson findings. Dex & Scheible found on interviewing smaller companies that they did not have formal flexible working arrangements in place primarily because they were concerned about the increased administrative burden such arrangements may impose on them. However, the employee interviews showed those same companies did have some form of flexible working arrangement in place though not within a formal structure (Dex & School, 2002, p. 1).

The Dex and Scheible findings are somewhat echoed by Fisher who found that Irish management perceived problems associated with flexible working were they were open to abuse by the employee and they would place additional administrative burdens on supervisory staff (p. 43). Essentially, employers are suspicious of flexible working arrangements because the benefits are not immediately evident.

4 DECISION MAKING

Regarding decision-making in organisations, the initial literature review has identified a number of contributors. Simon (1960, p. 133) cited three stages in the overall decision-making process, namely, the intelligence activity (situations requiring a decision), the design activity (inventing, developing and analysing potential courses of action), the choice activity (selecting the course of action). Simon also considered the carrying out of the decisions as being a decision-making process. He considered all organisation decision making followed these three stages to varying degrees of complexity.

Crozier (1964, p. 151), on the other hand, thinks that the relationship between management and employees is a power game. The 'game' manages the power relationships in the organisation that in turn lead to co-operation. Different strategies evolve in the workplace and these strategies depend on the needs and/or desires of the 'players'. Again, Maslow's hierarchy of needs comes to mind in the decision-making process, when considering Crozier's theory (Gunnigle & Flood, 1990, p. 97).

Charles Handy maintains in his book 'The Elephant and the Flea: Looking Backwards to the Future' that the more traditional forms of working will not survive into the 21st century as more individual's value their private time and appreciate the independence flexible working provides (Part II, pp 53-118). If individuals are moving in this general direction how then can organisations adapt in the future to ensure their very existence? According to Henk Volberda in his book 'Building the Flexible Firm: How to Remain Competitive', he states that an organisation must become strategic in its thinking if it is to survive flexibility. Volberda states that if an organisation does consider it necessary to increase its flexibility then it must also consider which approach is most appropriate and effective to meet their needs (Ch. 4, p. 88). The flexibility decision involves a number of steps as follows:
- Identifying external changes
- Evaluating these change
- Considering the flexibility option.

It is in the last step that the final decision is made whether there is a need for flexibility within an organisation based on the potential environmental changes and an evaluation of the possible alternatives such as insurance, control, avoidance, prediction and contingency planning (Volbarda, Ch. 4, p. 88). Thus, Volbarda contends that 'organisation flexibility can be construed as a new way to achieving some form of control in extremely turbulent environments' (p. 90).

Volbarda disagrees with Handy's 'personality approach' to flexibility because it 'underestimates the impact of managerial and organisational traits, as it holds individual variables to be more important than structural and cultural variables and tends to see organisations in general as negative forces, with actions occurring despite the organisation', (Volbarda, Ch. 1. p. 4). Volbarda strengthens his argument by referencing Rossabeth Moss Kanter (1988), (*When A Thousand Flowers Bloom: Structural, Collective and Social Conditions for Innovation in Organisations, p. 197*), who stated flexibility is an organisational rather than a purely individual variable.

Chris Argyris argues in 'Integrating The Individual And The Organisation' that understanding the human personality in relation to the organisation is extremely complex. He chose three personality factors to describe best the relationship between the human personality and the organisation and how each relate to each other. He states personality factors:
- help to "cause" or to create and maintain the organisation,
- that could operate to ignore the organisation's coerciveness, and
- that could destroy the organisation. (Argyris, Ch. 1. p. 13)

Argyris goes on to state the only way to understand the relationship is to understand individual needs, abilities, levels of aspiration and self-concepts as they arise in and influence the system. (p. 13). So, according to Argyris, the

organisation and the individual are separate units but depend on their connectedness with each other for their existence.

"one cannot fully understand the individual without understanding the organisation in which he is embedded and vice versa". (p. 13)

Organisations cannot function without the individuals working effectively within it. It is the individual that makes the decisions that are occasionally compatible with their personal goals but sometimes are not. McGrew and Wilson argue that it is this incompatibility between the personal and organisational goals that introduces further conflict in the decision making process within an organisation. (McGrew and Wilson, Section 2, 2.1, p. 55)

5   CONCLUSION

For many years there has been a widely held belief that Irish SME's were reluctant to introduce flexible working because they were afraid of the implications and stressors this type of people management would involve. This belief has, to a small extent, been substantiated in Fisher's Report who found that when the potential business benefits are not easily identifiable then there is evidence of varying degrees of resistance to providing flexible working arrangements. Fisher also found that while some employers are willing to introduce and provide flexible working arrangements they are unclear how this can be done in their organisation (p. 13). The most common reason for not introducing flexible working is cited as no request from employees to their employer for this type of work arrangement. Again, Fisher identified one of the main problems expressed by employers was such arrangements were open to abuse by employees and they place additional time demands on supervisors. (p. 15)

There is also some evidence that the developmental stage of an organisation has a direct influence on the likelihood of an organisation introducing flexible working arrangements. Another identified influencing factor is the attitude of managers to flexible working. Again, this may be influenced by the organisations culture and relationship with its employees.

The limited literature review carried out to date is encouraging when considering the research objectives, namely, to identify the attitudes of Irish SME's to flexible working and what influences those attitudes. There is a clear relationship between the organisation and the individuals needs and how these inter-relate. This relationship will require further exploration.

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