

Analysis of the Pros and Cons of Implementing Flexible Working Arrangements and Optimization of Strategies

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Abstract: *With the progression of global economic integration, the context and trends of China's labor market development suggest that the flexible working arrangements will continue to exist and evolve in the country. The issues currently faced in implementing this system are expected to improve with the advancement of technological innovation. Effective remote collaboration tools help teams maintain close contact at all times and work together to complete tasks. Meanwhile, technological innovation and globalization enable companies to more easily transcend geographical boundaries to find and hire the most suitable talent. The digitalized labor market provides more opportunities for flexible work, allowing individuals to select jobs from a global pool of projects based on their skills and interests.*

Keywords: *flexible work; work performance; institutional construction*

1. Introduction

With the continuous advancement of information technology, many new work modalities different from the traditional "nine-to-five" work pattern have emerged. Among them, the flexible working arrangements are the most adaptable. Under the flexible working arrangements, employees can freely choose their working hours and location, provided that they complete the assigned tasks or meet a certain number of working hours, without being restricted to uniform fixed office times. This work model grants employees greater autonomy and flexibility, allowing them to arrange their work time and location according to their personal needs and preferences.

2. The Background of the Flexible Working Arrangements

The flexible working arrangements originated in Germany in the last century, at a time when the country was facing severe traffic congestion problems, making commuting exceedingly difficult for workers. To alleviate commuting stress and improve traffic conditions, German economists proposed a plan for a relatively flexible work schedule. This plan began to be gradually promoted and applied in European and American countries in the 1970s. By the 1990s, about 40% of large companies in the United States had adopted the flexible working arrangements, including well-known enterprises such as DuPont and Hewlett-Packard^[1]. In Asian countries, Hitachi Manufacturing in Japan began implementing this system in 1988, allowing approximately 40,000 employees to freely choose their working hours. Subsequently, major corporations like Fuji Heavy Industries and Mitsubishi Electric also undertook similar reforms, leading to the gradual promotion and development of the flexible working arrangements in Asian countries as well.

In the late 1990s, some companies in China began to experiment with flexible working arrangements. Especially after the outbreak of the COVID-19 pandemic in 2019, working from home became a common measure to ensure personnel quarantine and isolation and prevent the spread of the virus. This remote work model essentially falls within the category of flexible working arrangements. Although the negative impact of the pandemic has gradually diminished, and various industries have gradually returned to their previous working conditions, flexible working arrangements continue to play an important role in many enterprises to this day.

The flexibility of the flexible working arrangement is manifested in various forms, including a combination of core hours and flexible hours, flexible work locations, flexible work tasks, compressed

work hours, and so on. Regardless of the specific form of flexibility, the purpose of companies implementing flexible working is to improve work efficiency and ensure the quality of work. Therefore, different companies can choose different forms of flexible work based on their own circumstances, even within the same organization, different types of flexible working arrangements can be adopted for employees according to their positions and roles.

3. Studies and Experiments Related to Flexible Work

As the flexible working arrangements gradually gains attention in society, scholars have conducted various experiments to deeply research and apply this work regime, using different aspects of flexibility as variables to observe the utility of these arrangements. Overall, domestic research on the flexible working practices has gone through two stages. The first stage occurred during the outbreak of the 2008 financial crisis, when China was in the context of liberalizing special public notice approvals, and research related to flexible work significantly increased. The second stage was due to the global outbreak of the COVID-19 pandemic in 2019. In response to the personnel quarantine and isolation requirements in the pandemic prevention and control measures, working from home became prevalent. This form of remote work, as a type of flexible work, attracted a lot of attention. The focuses of these two periods were not the same. Flexible work during the financial crisis mainly focused on time flexibility, while remote work adopted during the pandemic placed more emphasis on the flexibility of the workplace and location.

Research by Liu Rungang suggests that flexible working hours can increase employees' engagement in their work by enhancing their autonomy, improving the employer and employee relations, and work-life balance^[2]; while flexible work locations can increase employee engagement by increasing their autonomy, but its impact on improving the employment relationship and reducing work-family conflicts is not very significant. Li Gang and Xia Mengyao also believe that human resource flexibility practices positively affect employee work performance^[3]. Current research concludes that flexible work has both advantages and disadvantages, requiring a comprehensive and objective view of its pros and cons in order to better apply this system and propose improvements. This article analyzes the advantages and disadvantages of the flexible working arrangements and proposes corresponding optimization strategies.

4. The Advantages of the Flexible Working Arrangements

4.1. The flexible working arrangements enhance employee happiness and satisfaction

According to Gallup Consulting's survey data, flexible working arrangements are more likely to result in employee satisfaction and higher levels of happiness. The satisfaction index of employees with flexible work arrangements is approximately 15% higher than those without such arrangements in traditional business models, where employees' working hours are strictly controlled, often leading to a stifling work environment. However, under the flexible work practices, employees have the relative freedom to schedule their work hours, allowing them to autonomously manage their time. This autonomy not only helps balance conflicts between family life, hobbies, and work but also enhances job satisfaction and happiness through a sense of respect. As society develops and changes, with an increasing percentage of women in the workplace, more dual-income families, and increased responsibilities for men within the household, employees need flexibility to manage professional responsibilities and personal commitments. Duan Hua believes that implementing flexible working hours can effectively reduce work-life conflict and commuting issues, enabling employees to have more control over their work and a greater sense of autonomy^[4]. Additionally, personal autonomy in managing one's time is beneficial for alleviating anxiety and feelings of suppression under the micromanagement of others, thereby maintaining sound physical and mental health.

4.2. The flexible working arrangements can increase productivity and efficiency

Flexible working arrangements allow employees to complete tasks within self-planned time and from their preferred location, which greatly reduces external interference with work and thus enhances work enthusiasm and efficiency. An empirical study with flexible working hours and location as variables shows that both have a positive effect on work engagement, not only does it not reduce, but it also helps to increase employee work engagement. Liang Jianzhang, the founder of Ctrip, launched a

"work from home experiment" in the company, and the results showed that remote work increased employee performance growth from 13% in the random experiment to 22%. At the same time, employee job satisfaction also increased, and the turnover rate decreased by 50%.

4.3. The flexible working arrangements can reduce employee turnover rate and recruitment costs

According to the survey data from Owl Labs, a UK research institute, employees with flexible working arrangements are more likely to stay in the same company, and the company can save about US\$2,000 per employee in recruitment costs. This means that the flexible working arrangements can provide employees with greater job satisfaction and quality of life, improving work-life balance, thus reducing the likelihood of them quitting their jobs due to excessive work pressure or inability to meet family commitments. By providing flexible working hours and locations, employees can better attend to family matters, take care of family members, and pursue personal hobbies and interests, which making them more willing to stay in their current job.

Flexible working arrangements are attractive to those professionals crave more flexibility. By offering employees flexible work as an incentive and corporate welfare, companies can attract a diverse workforce, improve its competitiveness, and reduce the time and costs associated with recruitment.

5. Challenges faced by flexible working arrangements

Despite the many advantages brought by flexible working arrangements, businesses still face some challenges and issues when implementing them.

5.1. Inconvenience in business management

The employees' needs are an important driving force behind the implementation of flexible working arrangements. Therefore, considering and planning for employee needs is a crucial task when implementing such arrangements. However, for large-scale enterprises, it can be quite challenging to fully cater to diverse employee needs. Additionally, in China, a comprehensive framework for flexible working arrangements has yet to be established, and many companies lack sophisticated and comprehensive management systems. This poses difficulties for managers in guiding their subordinates' work outside of core working hours, leading to potential issues with work scheduling^[5]. Moreover, implementing flexible working arrangements within a company requires a transition period for both management and employees to adapt to the new way of working, which takes a significant amount of time and effort.

5.2. Communication barriers

In a flexible work environment, employees are typically dispersed across different geographic locations, which can lead to communication difficulties that affect team collaboration and information sharing. Additionally, long-term remote work may leave employees feeling isolated and lacking in social interaction with colleagues. The lack of face-to-face communication can also impact team efficiency and creativity to some extent. In this situation, establishing trust and cohesion between team members may be challenging as they cannot share the daily work environment and atmosphere. Furthermore, due to the lack of real-time interactive communication, employees may miss out on informal discussions and deeper conversations that are often key to sparking new ideas and problem-solving. Finally, extended remote work may cause employees to become disconnected from the organization's mission, vision, and values as their connection to the company is primarily based on digital channels rather than physical contact.

5.3. Blurred work-life boundary

In a flexible work schedule, employees may struggle to effectively distinguish between work and personal life, leading to overwork or difficulty in disconnecting from work. Implementing flexible working arrangements requires companies to establish sensible regulations while also relying on self-discipline from employees. The flexibility in work hours may allow employees to allocate more time and resources towards personal matters as they are no longer under direct supervision by the organization, potentially reducing their commitment to work. For employees who lack focus, flexible work may hinder the development of effective work habits.

Furthermore, when implementing flexible working arrangements, there are other challenges such as limited career development opportunities for employees and disputes between employers and employees regarding overtime pay. In practice, due to inadequate regulations, flexible working arrangements lead to uncompensated overtime work. Employers may exploit this as an excuse to avoid paying overtime, thereby undermining the legitimate rights and interests of employees. Given these issues, businesses should take a comprehensive approach and implement strategically to benefit from the arrangements and address potential problems that may arise.

6. The optimization strategy for flexible working arrangements

The implementation of flexible working arrangements is beneficial in terms of improving efficiency in managing companies while meeting employees' needs. To achieve this goal, companies should establish specific flexible work policies based on the roles and job requirements and at the same time enhance internal management capabilities. Additionally, it is crucial to establish evaluation and feedback mechanisms to ensure the effective implementation of flexible working arrangements. Companies need to continuously optimize the flexible work practices to protect the rights and interests of employees while promoting sustainable development.

6.1. The optimization strategy for flexible working arrangements

The core of flexible work arrangements lies in granting employees greater autonomy, which not only means offering flexible working hours but also involves refining organizational policies and practices. This requires more flexible and highly adaptable human resource management. By optimizing management processes and employee autonomy, personalized flexible working arrangements can be developed based on the needs of different positions and employees, in order to improve employee job satisfaction and productivity. For example, providing female employees with more flexible working arrangements based on their family responsibilities can alleviate work-family conflict and improve their engagement in the workplace. To achieve this goal, companies need to optimize management processes, clarify the characteristics of different positions, and establish corresponding arrangements. For the purpose of establishing personalized flexible working arrangements, the organization could understand employees' needs and preferences by sending out internal questionnaires, placing anonymous mailboxes to collect feedbacks on a no-name basis, and conducting employee representative interviews.

6.2. Enhancing management capabilities and cultural transformation

In order to optimize the flexible working arrangements, companies need to enhance their management capabilities by aligning employee needs with corporate objectives. Through cultural transformation, the internal management approach within the company can better adapt to the requirements of flexible work arrangements, which is an indispensable part of enhancing management capabilities. This may require a shift in leadership mindset, training, and adjustments in communication strategies, among other things. Companies should clearly define the vision and values, ensuring that the company's mission, vision, and core values are consistent with the flexible working arrangements, and establish clear, fair, and executable flexible work systems. At the same time, companies should actively support employees in making autonomous decisions at work, including decision-making power in terms of time and task allocation. Cultural transformation within a company takes time and needs to be gradually promoted, continuously adjusted, improved based on feedback, and the company should actively learn from and draw on successful practices of other companies.

6.3. Establishing evaluation and feedback mechanisms

Implementing flexible working arrangements not only requires systematic development but also the establishment of scientific evaluation and feedback mechanisms to ensure the effectiveness of such arrangements. This can be achieved through regular performance evaluations, employee satisfaction surveys, and assessments of team collaboration, among other methods, providing comprehensive evaluation and feedback from both employee and company perspectives. Throughout this process, companies need to regularly review and update flexible work policies, establish mechanisms to address issues, and make timely adjustments as needed, continuously optimizing the content of flexible working arrangements.

Another important purpose of the evaluation mechanism is to prevent the abuse of flexible working arrangements and to avoid placing unreasonable pressures on employees. Flexible working arrangements should not be misused by companies for overtimes; instead, they should ensure that employees' working hours are reasonably allocated without creating any additional burdens. By monitoring employees' workload and working hours, companies can identify potential issues and address them in a timely manner, ensuring that flexible working arrangements do not exert excessive pressure on employees.

7. Conclusion and Outlook

This article aims to provide a basis for the better implementation of flexible working arrangements by analyzing its advantages and the challenges it may currently face. Flexible working arrangements not only contribute to improved work performance and staff retention but also enhance employees' sense of organizational identification and job satisfaction.

With the acceleration of global economic integration, the labor market in China is facing new contexts and trends. In this situation, flexible working arrangements will continue to exist and develop. The issues currently faced in implementing these arrangements will be improved with the progress of technological innovation. Effective remote collaboration help teams stay connected and accomplish tasks together. Simultaneously, technological innovation and globalization make it easier for companies to search and recruit the most suitable talent across regions, provide more opportunities for flexible work, allow individuals to choose jobs worldwide based on their skills and interests.

With the continuous development of technologies such as artificial intelligence, big data, and cloud computing, we can anticipate a transformation in the future forms of work. Flexible working arrangements will become an important factor driving progress in the labor market. It not only contributes to increasing work productivity but also promotes diversification in employment opportunities, catering to the needs of different groups. Furthermore, as work-life balance becomes an important aspect and has gained popularity in the society, flexible working arrangements provide individuals with more opportunities to autonomously manage their work schedule and space, contributing to the improvement of everyone's wellbeing.

The development of flexible working arrangements will also have a positive impact on social structure and talent mobility. It can break traditional geographical limitations, enabling people to participate more conveniently in global economic activities and promote the exchange and integration of knowledge and skills. Through flexible work arrangements, individuals can have greater autonomy in choosing the content and form of their work, thereby stimulating creativity and potential, injecting more vitality into social development.

Therefore, it is believed that in the near future, flexible working arrangements will unleash their potential value, benefiting a larger number of workers and contributing to the construction of a more harmonious and inclusive society. In the process of continuously promoting policy and institutional innovation, we should focus on the implementation of flexible working arrangements, safeguarding the legitimate rights and interests of workers and ensuring fairness and equality at workplace in order to promote the sustainable development of these practices in China.

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