



## Influence of Flexible Work Models on Employee Retention in The New Normal

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### ORIGINAL ARTICLE



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### ABSTRACT

*The pandemic has agitated economies around the world. It has mainly affected individual's life and it raised many challenges for commuters and their health. During the lockdown, many companies and Government offices allowed work from home to their employees. It gave rise to the adoption of flexible work models like hybrid and remote for office employees. After a few months of lockdown and restrictions, the companies recognized that the corona has had a long impact on the work life of people. Long months of corona lockdown have brought many merits of new work models with companies and now some companies are ready to give their employees more flexible working opportunities. Retaining employees in the new normal is a difficult task, so this study aims to analyze the influence of flexible work models on employee retention in the new normal.*

### KEY WORDS

**Pandemic, Employee Retention, Hybrid Work.**

### INTRODUCTION

Human life is dependent on various aspects like technology, business, society, economy, etc and any change in these powerful forces will reshape our work life and social life. The pandemic has agitated the economies and it has affected human life. During the pandemic, people were forced to take necessary measures to adapt to the new situation to survive and to remain productive and competitive. To reduce the spread of COVID-19 and to protect the lives of

employees, organizations have implemented various flexible work models. Almost all the companies were compelled to implement some form of flexible work models like remote work or hybrid work for days or weeks and even some companies allowed remote work for two-thirds of their employees. These work models reduced the need and presence of employees at the office and ensured social distancing among employees, flexible working time, and helped to carry out the company's operations. A flexible work model helps employees to spend some work time at the company's office in a week and spend the rest of the time at their convenient places. There is no uniform policy for these work models, it may vary between companies. Some companies allow their employees to decide their hybrid work pattern and some companies issue policies regarding flexible work schedules. During the pandemic, flexible working models were common but it was different across companies and countries. The adoption and application were different, for example, the remote and hybrid work model suited well for office workers but those workers who were involved in physical activities, they have had to maintain their physical presence at work and were exposed to corona risks. So, it was not possible to apply flexible work models across all the sectors in an economy. Companies offering the freedom to decide on a flexible work schedule to their employees increase employee engagement and employee's work-life balance. Employees believe that flexible working practices improve their workplace morale, which might positively influence work-life balance, in addition, employees believe that employer is able to help them balance their work and life roles<sup>1</sup>. Since the corona pandemic, flexible work opportunities have increased and many professional employees were no longer required to be present full-time at the company's office. The pandemic caused a lot of experimentation regarding work arrangements in companies and resulted in the new normal. The new changes in working models have challenged the traditional superior-subordinate relationships. Even before the pandemic, some companies allowed remote work to their employees, especially in the IT sector. These work models have both negative and positive sides. Its benefits attract more employees towards remote and hybrid models but the employers fear that flexible work models would result in poor performance of the company and inefficient employees.

Finding excellent and highly talented employees remain an ongoing problem in light of the highly competitive job market and changing employee preferences. Organizations that are reluctant to let go of outdated ideas about office work will definitely face the danger of attrition and attraction. Management must pay more attention to employee needs. Providing flexible working hours is a better strategy to retain employees in a company. Filling jobs with talented employees and retaining them is significant to maintain a competitive advantage.

## Objective of the Study

To study the influence of flexible work models on employee retention in the new normal ??.

## Methodology

This study is descriptive in nature. The study is purely based on secondary data and for that journals, articles, reports, and websites have been used.

## Flexible Work Models

A flexible work model means a range of work structures that regularly changes the time and location of a job. It includes flexibility in the scheduling of hours worked, such as alternative work schedules and arrangements regarding shift and break schedules, flexibility in the number of hours worked, such as part-time work and job sharing, and flexibility in the workplace, such as work from home or at a satellite location<sup>2</sup>. Some of the flexible work models are given below:

### Compressed Work-week

It means the typical 40-hour work week is divided into fewer days. As a result, workers have to work for long hours on some days for an extra day off. The most popular model is the 4-day workweek model in which the workers work for 4, ten-hour days rather than the usual 5 days. Some firms adopt the 5-4-9 model

for a 2-week period. In this, for the first week, the worker will work for 9 hours per day, and for the next week, the workers will take one day off. This model is usually adopted in businesses with huge workloads like retail, healthcare, manufacturing, etc.

### **Remote Work**

In the remote working model, the employees are not working in the shared physical space of the company but they are choosing their own space. It is also called telecommuting and the work is done via online mode. This model is mostly used for professionals and knowledge workers. Some companies allow full remote work and others choose a hybrid model which involves working at the office and remote working.

### **Flexitime**

In the flexitime model, the employees can decide their work schedule. This model gives the workers the freedom to decide when their workday begins and ends and when they take leave. This is based on the limits that have been reviewed with their immediate superior. Effective communication is inevitable for this model and this will also result in better employee performance.

### **Job Sharing**

It functions by assigning the duties and responsibilities of a single full-time position to a team of 2 part-time workers for example the first employee might work from Monday to Wednesday afternoon and the next employee works from Wednesday afternoon until Friday. Here the second employee takes over the duties that the first employee handled in the previous week.

### **Results-Only Work Environment (ROWE)**

This approach prioritizes performance above presence. Employee performance and quality of work are more important than the number of hours worked. This model takes pleasure in fostering an environment of opportunity and gives focus on employee autonomy.

### **Work Flexibility and Employee Retention**

Employees are working not only for financial benefits but for work-life balance is also an important factor for them. Many employees have stated that they would be ready to take a salary cut in exchange for job flexibility. It clearly shows how much they value flexible work and the management should consider this fact to retain their employees. The following shows how the flexible work models influence employees' decisions to stay within the organization.

### **Job Flexibility and Satisfaction**

Flexible working saves employees' transportation costs and other expenses on food, water, business attire, etc. Flexible working saves their energy and increases their efficiency, and creativity, and makes them more satisfied. Employees have more freedom and control over their job schedules and they feel that they are greatly supported by their management. This increases their satisfaction level and the satisfied employees remain in the organization for a longer period.

### **Work-Life Balance**

One of the most common misconceptions about the labor field is that every employee is seeking full-time work rather than part-time work. But now it is not true. According to the United States of America, Bureau of Labour Statistics study, more than 20 million Americans prefer to work part-time jobs over full-time employment<sup>3</sup>. They prefer part-time jobs because work-life balance is an unavoidable factor for them. Some people struggle to balance their work and family, especially in families where both partners are working. Some people want to pursue their passions and some others prefer not to spend their full time on a single job. The millennial employees not only prefer better compensation they are also looking for job flexibility. When employees have the freedom in deciding their time and place of work then they can have a balance between their professional and personal lives.

## **Career Growth**

Employees especially millennials prefer jobs with better career development opportunities and they prefer to work with companies that provide them with timely training and learning opportunities. Sometimes the companies do not provide them with development opportunities offered during recruitment. Even when it's not provided by their management the employees wish to continue their learning while they are on job. Flexible work helps them to attend courses and training classes when they are not working. Flexible work helps workers to pursue their career goals and simultaneously allow them to maintain their job. This is certainly a good option for the management as they can retain their employees who are ready to learn and grow while on their job in the organization.

## **Being Valued**

Employees feeling that they are being valued is very important for employee retention. A lack of appreciation for employees may influence their reason to leave the organization. Feeling valued at work influences workers' satisfaction levels. Employees who are agreed upon the flexible work policies feel more valued by their company. In turn, these employees reciprocate by being more productive and loyal to their company.

## **Better Health**

The well-being of employees depends greatly on their physical and mental health. Increased work stress negatively affects their health. Spending rigid hours at the workplace increase the level of stress. Rigid working hours are not good for the growth of a business because it affects employees' productivity. So flexible work hours help employees to stay happier because of less stress.

## **Increased Productivity**

Satisfied employees work harder for their organization. Offering flexible working hours increases employee satisfaction and increase their productivity. When workers are not worried about not meeting their personal needs and obligations their efficiency increases.

## **Increased Employee Morale and Engagement**

When the workers are able to balance their work and personal life, they become happy. It increases their satisfaction level. Satisfied employees show more employee engagement and employee morale. So flexible work model helps to retain them with the company for a long time.

## **Reduced Absenteeism**

When employees have the freedom to decide their working hours then they show up to schedules on time. Giving the workers a flexible working hours will definitely reduce the employee's number of leaves and unplanned absences.

## **Challenges faced by Companies in adopting Flexible Work Models in the New Normal**

Flexible working requires high technology investment by the companies. Both on-site and remote office work needs advanced technology for the smooth functioning of daily activities. Faster networks, additional monitors, office chairs, office tables, headphones, etc are required by the employees to work from home. And companies have to upgrade the employee's home hardware, and for all these, the companies need more investment. Even though they get benefits like decreased electricity bills, fewer transportation costs, etc their investment in flexible working is also high.

## **CONCLUSION**

Compensation was considered the major requirement of job seekers, but nowadays candidates are mainly focusing on other important aspects like flexible working hours, career development opportunities, training, employer-employee relationship, work-life balance, etc. Instead of having to adhere to rigid work schedules, employees are looking for jobs that they can trust and can complete their tasks. The employee's desire is to be valued for their work output rather than the duration they spend at the company's workspace.

If the employees are satisfied, then only they can be retained within the organization. Flexible work models are revolutionizing the way talent is kept. Employees prefer more flexibility over higher compensation.

Management does not need to be reminded of the value of retaining their talented employees or the cost associated with employee attrition. Employees who have some degree of work flexibility tend to be far more satisfied than those who do not have work flexibility. Even though the pandemic has been around for more than 2 years, most companies claim that they still haven't discovered a reliable flexible working model. Although some businesses have a good concept, the majority of the companies are concerned about it. Now the employees are going forward and they are adapting to the new normal. But companies faced some problems in implementing flexible working models in the new normal due to a lack of resources and preparedness. To adapt to a new normal after the pandemic, companies are required to develop and implement employee-centric policies and solutions to eradicate the problems associated with the pandemic. Management will be required to continuously upgrade their employee's skills and train them to adapt to a new normal and new work environment. This may help in building greater resilience among employees. Proper implementation of plans for telecommuting and digital transformation policies will ensure the sustainability of business and employment in the new normal. Although these trends in flexible working differ across different businesses and within various countries, there is an overall increase in the number of companies and workers adopting new methods. Flexible working models in the new normal face many crucial issues in terms of the well-being of employees working on remotely, country regulations, network issues, cyber-security risks, etc. Therefore, the Government, company management, and other policymakers should work together to develop a more acceptable and sustainable model for new normal work practices.

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