

# A Study on the Benefits of Flexible Work Arrangements on Employee Productivity

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## ABSTRACT

This study investigates the effect of flexible work arrangements on employee productivity at BGD Engineering, a company in the service sector. It focuses on four key forms of flexibility: hybrid work, flexible hours, flexible practices, and work-from-home. A descriptive research design was used, collecting data from 103 employees through structured questionnaires. Statistical analyses, including correlation and regression, revealed a strong positive relationship ( $r = 0.840$ ) between FWAs and productivity. The regression model showed that FWAs account for 70.6% of the variation in employee productivity. The study also considers demographic factors such as age, gender, marital status, and experience. Findings suggest that customized flexible arrangements enhance job satisfaction, engagement, and performance. Organizations are encouraged to invest in digital tools and inclusive policies to support flexible work. The research contributes to understanding how modern work models affect employee outcomes. Further studies are recommended to explore additional factors like mental well-being and leadership style.

**KEYWORDS:** Hybrid Work, Flexible Working Hours, Flexible Work Practices, Work From Home, Employee Productivity.

## INTRODUCTION

The modern workplace is undergoing a transformative shift driven by technological advancements, evolving employee expectations, and the growing demand for work-life balance. As a result, flexible work arrangements have emerged as a strategic response to enhance both productivity and employee well-being. Traditional, rigid work models are being replaced by more adaptive approaches that prioritize autonomy and results over fixed hours and locations. This study examines the theoretical and practical implications of flexible work arrangements, focusing on four core dimensions: hybrid work, flexible working hours, flexible work practices, and work from home. Each of these models offers unique benefits and challenges, reshaping how organizations operate, and employees engage with their work. Grounded in organizational behaviour and psychological theories such as the Job-Demand Control Model and Self-Determination Theory, the research explores how flexibility fosters employee engagement, reduces stress, and improves performance. In doing so, it also aligns with modern sustainability and diversity goals. Understanding the impact of flexible work arrangements is crucial for organizations aiming to remain competitive and responsive in a changing global workforce landscape. This paper aims to contribute to the evolving discourse on the future of work and the strategic role of flexibility in achieving sustainable business success.

## STATEMENT OF THE PROBLEM

In the service sector, employee productivity and job satisfaction are critical for maintaining business efficiency and customer satisfaction. BGD Engineering, a company operating in this sector, has implemented flexible work arrangements (Flexible work arrangement) to enhance employee well-being and efficiency. However, the effectiveness of these arrangements in improving performance, maintaining accountability, and ensuring seamless collaboration remains uncertain. While Flexible work arrangement offers greater autonomy, challenges such as communication gaps, monitoring productivity, and balancing flexibility with operational demands persist. This study aims to assess the impact of flexible work arrangements on employee engagement and efficiency at BGD Engineering, identifying both benefits and potential drawbacks. The findings will provide insights into optimizing flexibility while maintaining service quality and operational effectiveness.

## OBJECTIVES OF THE STUDY

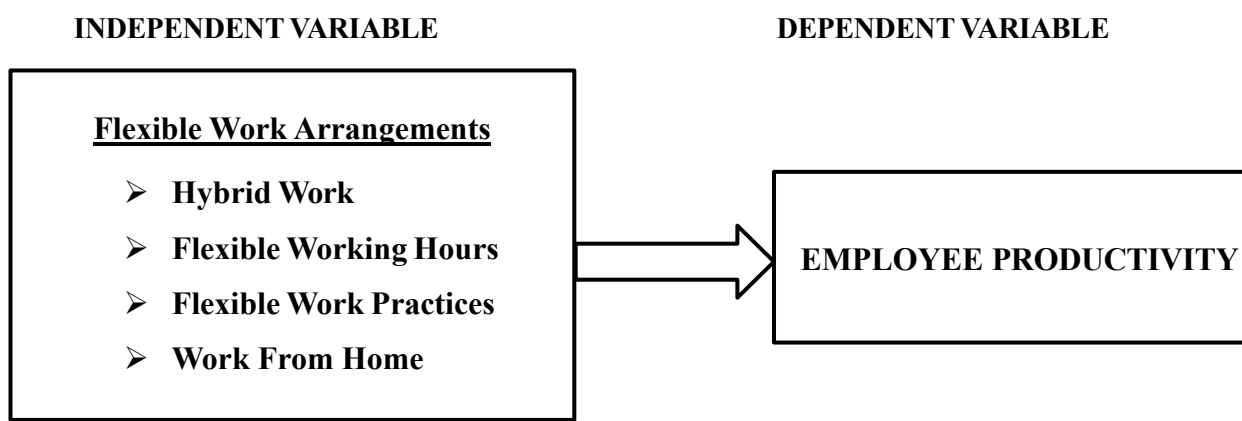
### Primary Objective:

A study on the impact of the benefits of flexible work arrangements on employee productivity.

### Secondary Objectives:

- To investigate the effect of hybrid work on employee productivity.
- To identify the flexible working hours, contribute to employee productivity.
- To examine the influence of flexible work practices on employee productivity.
- To assess the relationship between work from home and employee productivity.
- To identify the significance difference between qualification and employee productivity.

## CONCEPTUAL FRAMEWORK



## REVIEW OF LITERATURE

The structure and nature of modern work have significantly evolved due to technological advancements, shifting employee expectations, and a growing emphasis on work-life balance. In this context, Flexible Work Arrangements have emerged as a strategic approach to improving employee productivity and organizational performance.

**Irawan et.al (2021, April).** The study aims to examine the impact of flexible work arrangements, indoor air quality, location, and amenities on employee productivity. This associative quantitative research collected data through questionnaires from 200 head office employees of PT in Jakarta, Indonesia. Using the Slovin formula and a simple random sampling technique, a sample size of 67 employees was determined. The data were analyzed using multiple linear regression with SPSS software. The findings reveal that indoor air quality, location, and amenities significantly influence employee productivity, while flexible work arrangements do not have a significant effect. Overall, the study highlights key workplace factors that contribute to enhancing employee productivity.

**Bick et. al (2020).** This systematic review assesses the impact of working from home on employee productivity and performance during the COVID-19 pandemic. Analyzing 26 studies, the research identifies several factors that influence the effects of work from home, including work nature, industry characteristics, and home settings. The majority of studies report a positive impact on productivity, though some suggest no difference or negative effects. The review emphasizes the importance of improving technology and IT training for employees to maximize the benefits of remote work. It concludes that, with proper support, work from home can be a sustainable model for enhancing employee performance beyond the pandemic.

## RESEARCH METHODOLOGY

The study follows a **descriptive research design**, utilizing both primary and secondary data sources. Primary data was collected through a structured questionnaire based on a **five-point Likert scale**. A **convenient sampling technique** was used to select participants for the study. The total sample size consisted of **103 respondents**. The respondents were primarily employees of the company. Secondary data was gathered from relevant literature and company records. The

questionnaire aimed to assess employee perceptions of flexible work arrangements. This approach helped gain practical insights into the relationship between work flexibility and productivity.

## HYPOTHESIS OF THE STUDY

H0: There is no significant relationship between the impact of flexible work arrangements on employee productivity.

H1: There is no significant relationship between the impact of flexible work arrangements on employee productivity.

## RELIABILITY TEST

**TABLE SHOWING THE RELIABILITY TEST FOR THE INDEPENDENT VARIABLE – Flexible Work Arrangements**

Reliability Statistics	
Cronbach's Alpha	N of Items
.949	16

## INTERPRETATION

An alpha value greater than 0.7 indicates that the items in Cronbach's Alpha are strongly interrelated, reflecting a high level of reliability in the measurement. As shown in the above table, the alpha value for the reliability test is 0.949, based on 16 items. This suggests that the questionnaire and dataset demonstrate strong reliability and are deemed acceptable

**TABLE SHOWING THE RELIABILITY TEST FOR THE DEPENDENT VARIABLE – Employee Productivity**

Reliability Statistics	
Cronbach's Alpha	N of Items
.891	4

## INTERPRETATION

An alpha value greater than 0.7 indicates that the items in Cronbach's Alpha are highly interrelated, reflecting a strong level of reliability in the measurement. As shown in Table 4.2.2, the alpha value for the reliability test is 0.891, based on 5 items. This suggests that the questionnaire and dataset are reliable and acceptable.

## CORRELATION ANALYSIS

### CORRELATION ANALYSIS BETWEEN FLEXIBLE WORK ARRANGEMENTS AND EMPLOYEE PRODUCTIVITY

Correlations			
		Flexible working arrangements	Employee Productivity
Flexible Work Arrangements	Pearson Correlation	1	.840**
	Sig. (2-tailed)		.000
	N	103	103
Employee Productivity	Pearson Correlation	.840**	1
	Sig. (2-tailed)	.000	
	N	103	103
**. Correlation is significant at the 0.01 level (2-tailed).			

## INTERPRETATION

The table shows the linear relationship between Employee Productivity and Flexible Work Arrangements. The probability value of the correlation is 0.000, which is less than the 0.05 level of significance. Therefore, the null hypothesis ( $H_0$ ) is rejected, and the alternative hypothesis ( $H_1$ ) is accepted. The Pearson correlation value is **0.840**, which indicates a strong positive correlation between Employee Productivity and flexible working arrangements. This suggests a significant relationship between the two variables.

## REGRESSION ANALYSIS

**Table Exhibiting the Regression Between HR Practices and Employee Productivity**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.840 <sup>a</sup>	.706	.703	2.03271
a. Predictors: (Constant), FWA				

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.632	1.100		3.300	.001
	FWA	.268	.017	.840	15.559	.000
a. Dependent Variable: EMPLOYEE_PRODUCTIVITY						

## INTERPRETATION

From the above table, the significant value for the FWA coefficient is 0.000, which is less than the significance level of 0.05. Therefore, the null hypothesis ( $H_0$ ), which posits that there is no relationship between flexible work arrangements and employee productivity, is rejected, and the alternative hypothesis ( $H_1$ ), which suggests that a relationship exists, is accepted. This indicates that flexible work arrangements have a statistically significant effect on employee productivity. The R value is 0.840, which indicates a strong positive correlation between flexible work arrangements and employee productivity. This means that as FWA increases, employee productivity tends to increase as well. The R square value is 0.706, meaning that 70.6% of the variability in employee productivity can be explained by flexible work arrangements. This suggests that FWA has a considerable impact on employee productivity, although there is still some unexplained variance. The unstandardized coefficient for FWA is 0.268, and the standardized coefficient (Beta) is 0.840. This indicates that for each unit increase in flexible work arrangements, employee productivity increases by 0.268 units, which is a relatively strong effect.

## ANOVA

### ANOVA ANALYSIS BETWEEN QUALIFICATIONS AND EMPLOYEE PRODUCTIVITY

EMPLOYEE_PRODUCTIVITY					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	47.561	3	15.854	1.146	.335
Within Groups	1370.070	99	13.839		
Total	1417.631	102			

### INTERPRETATION

From the above table, the significant value (p-value) is 0.335, which is greater than 0.05. Therefore, the null hypothesis (H0) is accepted, and the alternative hypothesis (H5) is rejected. This means there is no statistically significant difference between the groups, and qualifications do not have a significant impact on employee productivity. The F-value is 1.146, indicating the ratio of variance between groups to within groups, but since the p-value is greater than 0.05, the result is not statistically significant.

### FINDINGS

- The Cronbach's Alpha Value of Correlation for Flexible Work Arrangements (independent variable) is 0.949.
- The Cronbach's Alpha Value of Correlation for Employee Productivity (dependent variable) is 0.891.
- The Pearson value is 0.840. There is a significant positive relationship between Employee Productivity and Flexible Work Arrangements.
- The 'R' Square value in Regression is 0.706. Hence, Flexible work arrangements have 70.6% influence on employee productivity.
- H0 is accepted, meaning there is no significant difference between educational qualifications and employee productivity.

### CONCLUSION & SUGGESTION

This study underscores the significant impact of flexible work arrangements on enhancing employee productivity, emphasizing the need for organizations to tailor these arrangements to the diverse needs of their workforce. Factors such as age, gender, marital status, and experience play a crucial role in shaping employees' preferences and work-life balance requirements. Offering targeted initiatives like mentorship programs for younger employees, gender-specific support measures, and flexibility options for married employees can drive higher engagement, satisfaction, and productivity. Moreover, continuous education and skill development opportunities ensure that all employees, regardless of qualifications, can grow and succeed in their roles, fostering a motivated and capable workforce aligned with organizational goals. The strong positive correlation found between flexible work arrangements and productivity highlights the importance of embracing remote work, hybrid models, and flexible hours to improve overall performance. Organizations should shift focus from solely formal qualifications to evaluating employee skills, motivation, and adaptability to optimize productivity outcomes. Tailoring flexible work options to different experience levels, where younger staff may prefer more structure and experienced employees greater autonomy, can further enhance satisfaction across the organization. Investing in robust technology infrastructure, including cloud-based collaboration tools and project management software, is critical to supporting seamless communication and workflow management in flexible work environments. However, this study faces limitations including the use of convenience sampling and a relatively small sample size, which may affect the generalizability of the findings. Additionally, the research focuses primarily on flexible work arrangements and employee productivity without deeply exploring other influential factors such as

organizational culture, leadership styles, and external economic conditions, which could also significantly impact employee outcomes. Future research should investigate these variables alongside employee health, psychological well-being, and job satisfaction to provide a more holistic understanding of productivity drivers. By continuously refining flexible work practices based on employee feedback and evolving needs, organizations can cultivate a dynamic, adaptable work culture that supports long-term retention, resilience, and competitive advantage in today's rapidly changing business landscape. Ultimately, adopting comprehensive, inclusive, and technology-enabled flexible work strategies will not only enhance productivity but also promote a more engaged, satisfied, and diverse workforce, contributing to sustainable organizational success.

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