

EMPLOYEE ENGAGEMENT THROUGH FLEXIBLE WORK ARRANGEMENT: SURVEY IN SEVERAL CITIES

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Abstract

There are different research results in various empirical studies examining the effect of flexible work arrangements on employee engagement. The differences in these findings create a research gap for further investigation. In several previous studies, no one has tested organizational engagement mediating the effect of flexible work arrangements on turnover intentions. Organizational engagement and work engagement are two different types of employee engagement. Both are constructs with different concepts and measurement scales (Saks, 2006). This study aimed to examine the effect of flexible work arrangements on both forms of employee engagement (work engagement and organizational engagement). This study also analyzes the impact of flexible arrangements on employee turnover intention mediated by work engagement and organizational engagement. The survey was conducted during the COVID-19 pandemic on 130 respondents from business organizations and public organizations in several cities in Java Island. The purposive sampling technique was chosen in this research because the respondents must be those involved with flexible work arrangements of various kinds and levels. Data analysis using Structural Equation Model. The results showed that 1) flexible work arrangement affected both forms of employee engagement: working engagement and organizational engagement. 2) flexible work arrangement affects turnover intention either directly or mediated by work engagement and organizational engagement.

Keywords: flexible work arrangement, work engagement, organizational engagement, turnover intention.

1. INTRODUCTION

Several research findings show a positive relationship between flexible work arrangements and employee engagement (Wisely, 2017; Mc. Nall et al., 2009; Fletcher, 2015; Ivanauskaite, 2015). However, several other research results show contradictory findings flexible work arrangements are unrelated to employee engagement. Brown (2015) stated that there is no significant change in employee engagement based on flexible work arrangements. Research conducted by Bal and de Lange (2015) also shows that using flexibility in human resource management is unrelated to employee engagement. Apart from the results of these contradictory studies, there are also research results from Timms et al., which showed that the use of flexible work arrangements is negatively related to employee engagement. Differences in research results from several previous researchers create a research gap for further research to empirically prove which research results are consistent.

This study also wanted to examine the relationship between flexible work arrangements and turnover intention. Empirical research on the relationship between the two variables is still limited. Among these few studies, two studies examine the relationship between these two variables, namely the research of Timms et al. (2014) and McNall et al. (2009).

Research by Timms et al., 2014; Daryoto, 2012, proves the effect of flexible work arrangement on work engagement and the effect of flexible work arrangement on turnover intentions. While the results of McNall et al. (2009) stated that several other variables mediated the influence of flexible work arrangements on turnover intention.

In the research of Timms (2014) and Fletcher (2015), there is a research gap that has not included whether organizational engagement mediates the effect of flexible work arrangements on turnover intentions. Organizational engagement and work engagement are two different types of employee engagement. Both are constructs with different concepts and measurement scales (Saks, 2006).

This study aimed to examine the effect of flexible work arrangements on both forms of employee engagement (work engagement and organizational engagement) and the effect of flexible arrangements on employee turnover intention mediated by work engagement and organizational engagement. Furthermore, research examining the mediating role of organizational engagement in the effect of flexible work arrangements on turnover intention has not been found in empirical research.

2. LITERATURE REVIEW

2.1 Flexible Work Arrangement

Sharon and Holdsworth (2017) define flexible work arrangements for employees with several extensions, working in different locations or non-traditional working hours. Flexible work arrangements include.

- (1) Flexitime, where employees can vary starting and ending their working hours. The number of hours worked can be determined in weeks or months.
- (2) Part-time or reduced working hours where employees work fewer hours than full-time employees who usually work 35 or more weekly.
- (3) Term-time working, where employees only work during the school semester. This means working around 13 weeks per year.
- (4) Homeworking, where employees work at home or elsewhere instead of the office for one or more days.
- (5) Job sharing, where two employees share the work of a full-time
- (6) Compressed hours, where employees work full hours a week for fewer days (e.g., five working days a week completed in 4 working days).
- (7) Family-leave programs, where employees get or do not get a salary request permission to be absent from work for personal or family matters for a temporary period of time.

Robbins and Judge (2019:260-261) provide the term alternative work arrangement for the same term as flexible work arrangement. According to Robbins and Judge (2019:260-261), alternative work arrangements include flexitime, job sharing, and telecommuting. A flexible

work arrangement is one way to facilitate employee engagement by changing the method of organizing their work (Moorehead and Griffin, 2013: 133). Luthans (2006:88) reveals from various comprehensive research that work and family balance programs such as flexible work arrangements can improve a highly committed work system through engagement and quality work initiatives.

Hypothesis 1:

Flexible work arrangements affect employee work engagement.

Hypothesis 2:

Flexible work arrangements affect employee organizational engagement.

According to Gibson et al. (2012:373), if an organization develops and implements a flexible work arrangement, it can attract, motivate and retain employee retention (the opposite of turnover intention). Research findings from Timms et al. (2014) stated that there is a negative relationship between flexible work arrangements and turnover intention.

Hypothesis 3:

Flexible work arrangement has a negative effect on employee turnover intention

2.2 Employee Engagement

Employee engagement is an individual's involvement, satisfaction, and enthusiasm for work. Employees who have high engagement have passion for their work and feel a deep relationship with their company (Robbins and Judge (2015: 47). Employee engagement is defined as a person's involvement, satisfaction, and enthusiasm at work (Kreitner and Kinicky) (2014, 168).

Engagement is characterized by energy, involvement, and professional confidence/efficacy instead of burnout. Research conducted by Yee (2012) shows that employee engagement in the workplace fundamentally improves and maintains organizational effectiveness and can be achieved, among others, through employee engagement.

Saks (2006) found differences in two types of engagement, namely job engagement and organizational engagement, where the arguments are related but have different constructs. He further argues that the relationship between the two and with antecedents and consequences differ in several ways and the psychological conditions that lead to the two. Kittridge (2010) identified that the findings of Saks' (2006) study provide valuable insight into the differences between job/work engagement and organizational engagement, providing well-established empirical value from testing the two forms of engagement separately.

Research from Shuck and Reio (2010) shows that employee engagement can predict turnover intention. Similar findings from the results of research conducted by Oliveira and Rocha (2016), one the findings is that there is a negative relationship between work engagement and turnover intention.

Although there is already some evidence of the effect of employee engagement on turnover intention, the only research that examines the effect of two types of employee engagement,

namely organizational engagement and work engagement, is from Saks (2006). Based on that, in this study, it is necessary to examine the effect of the two types of employee engagement in the role of mediating the effect of flexible work arrangements on employee turnover intention.

Hypothesis 4:

Employee work engagement mediates the effect of flexible work arrangements on employee turnover intentions.

Hypothesis 5:

Organizational engagement employees mediates the effect of flexible work arrangements on employee turnover.

2.3 Turnover Intention.

Employee turnover (versus employee retention) refers to an employee leaving a position and a new employee being hired to replace him. Employee turnover can be voluntary and involuntary, as well as internal and external. Of particular concern for this study is voluntary and external employee turnover.

The definition of turnover intention refers to the voluntary intention of an employee to leave the organization n. (Berry and Morris, 2008). Interest in leaving the organization can be voluntary or involuntary. Intention to leave the organization voluntarily occurs when employees perceive an opportunity to move to another organization for various reasons, including more flexible work arrangements. In this regard, turnover intention represents the personal estimate of the probability of an individual leaving work in the near future (Cho et al., 2009:374).

3. RESEARCH METHODS

3.1 Sampling

The research was conducted by surveying several cities in Java Island. The survey was conducted during the COVID-19 pandemic in 2021 when flexible work arrangements were applied to many organizations. Questionnaires were distributed to business and public organizations that apply flexible work arrangements with different types and levels of flexibility. So the sampling technique is purposive sampling because of the consideration of choosing an organization that implements FWA. The number of respondents who filled out the questionnaire through was 130 people.

3.2 Measurement variables.

Flexible work arrangement is measured using four items, flexible work design, family-friendly, work schedule, and work-life balance. Organizational engagement is measured using six items (Saks, 2006). Work engagement is measured using five items (Saks, 2006). The turnover intention was measured using three items from Mobley (1977).

3.3 Hypotesis test

Data analysis using Structural Equation Modeling (SEM).

4. RESULTS

Table 1: Summary of Hypothesis 1, Hypothesis 2 and Hypothesis 3

| Variable | | | Estimate | S.E. | C.R. | P | Description |
|---------------------------|---|---------------------------|----------|-------|-------|-------|-------------|
| Flexible Work Arrangement | → | Work Engagement | 0,616 | 0,106 | 5,789 | 0,000 | Significant |
| Flexible Work Arrangement | → | Organizational Engagement | 0,856 | 0,126 | 6,817 | 0,000 | Significant |

Table 2: Summary of Hypothesis 3 and Hypothesis 4

| Variable | | | Estimate | S.E. | C.R. | P | Description |
|---------------------------|---|--------------------|----------|-------|--------|-------|-------------|
| Organizational Engagement | → | Turnover Intention | -0,266 | 0,066 | -4.064 | 0,000 | Significant |
| Work Engagement | → | Turnover Intention | -0,449 | 0,081 | -5.550 | 0,000 | Significant |

Based on the analysis of the hypotheses in Table 1 and Table 2, the research results can be obtained as follows:

- a. Flexible Work Arrangement has a positive effect on work engagement
- b. Flexible Work Arrangement has a positive effect on organizational engagement
- c. Flexible Work Arrangement has a negative effect on turnover intention
- d. Flexible Work Arrangement has a negative effect on turnover intention mediated by work engagement
- e. Flexible work arrangement has a negative effect on turnover intention mediated by organizational engagement

5. Research Implications

The findings of this study support the results of previous studies, which state that there is a relationship between flexible work arrangements and employee engagement. Some of those studies are:

- a. Wisely research (2017) shows that employees who work flexible hours are more engaged with their work.
- b. Research by Fletcher (2015) states that flexible work arrangements are important for employee engagement

- c. Research by Ausra (2015) reveals that flexible work arrangements (flexitime and flexiplace) lead to higher employee engagement
- d. Research Anderson and Kelliher's (2009) where the findings of this study indicate that flexible work has an impact on employee work engagement through a positive relationship with organizational commitment.

Another finding from the flexible work arrangement research that affects turnover intention through job engagement and organizational engagement is proven to support or not contradict the findings of several previous studies, namely:

- a. Research by Daryoto (2012) shows the relationship between flexible work arrangements and employee resignation.
- b. The research results of Timms et al. (2014) which concluded that the negative impact of flexible work arrangements on job engagement and turnover intention.

The findings of this study indicate a significant positive effect between flexible work arrangements and the effect of flexible work arrangements on turnover intention mediated by employee engagement, both work engagement and organizational engagement. Previous research has only proven that job engagement mediates the effect of flexible work arrangements on turnover intention.

Research Limitations.

1. Respondents in the study were dominated by female respondents (70 percent), so it could be that flexible work arrangements have a strong effect on job/work engagement and organizational engagement, and turnover intentions because women prefer flexible work arrangements because they need it more to take care of household life.
2. Employees dominated respondents in the study with an age range from 21 to 30 years, namely as much as 50 percent. According to some previous research, young employees prefer flexible work arrangements to older employees. This may further strengthen the flexible work arrangement on employee engagement and turnover intention.

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