# FLEXIBLE WORK ARRANGEMENTS: AN EXAMINATION OF ITS IMPLEMENTATION IN JAMAICAN ORGANISATIONS

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#### **EXECUTIVE SUMMARY**

During 2009 flexible work arrangements became a topical issue in Jamaica due to the high incidences of redundancies and a reduction in revenue associated with the impact of the global recession. In response employers adopted various types of flexible employment relationships. Jamaica considered the formal implementation of flexible work arrangements over the past ten years. It was felt that the implementation of these arrangements could alleviate the unemployment challenges faced by the country.<sup>1</sup> The Ministry of Labour and Social Security spearheaded discussions on the issue with various stakeholders in order to establish a proper framework for its introduction.

This study investigates the experiences of six organizations which implemented flexible work arrangements and two trade unions whose members were affected. It is qualitative in nature and the information was collected through interviews. The objectives are to determine:

- 1. Whether flexible work arrangements are considered to be feasible by the organizations which implemented them;
- 2. Whether the implementation of flexible work arrangements has resulted in reduced expenditure;
- 3. Whether the implementation of flexible work arrangements has lessened the number of positions made redundant.

### The Feasibility of Flexible Work Arrangements

Two types of flexible arrangements were practiced in the participating organizations. Entities were equally divided between staggered work week and reduced work hours. Flexible work arrangements were considered to be particularly successful in two instances where staggered work hours were implemented and also in one instance where reduced work week was used. The arrangements were successful because they benefitted both employers and employees. For the employers it fostered improved productivity and efficiency while employees benefited from additional time to conduct personal business such as picking up and dropping off their children.

There were two reported cases in which flexible work arrangements proved unsuccessful. In both instances reduced work week was employed. The arrangements were unsuccessful because they were designed to primarily benefit the employers. Consequently there were reports of dissatisfaction and grievances among the employees. The remaining case of staggered work hours was difficult to assess as 95% of the employers did not participate.

<sup>&</sup>lt;sup>1</sup> Jamaica Houses of Parliament (2010)

#### The Impact of Flexible work Arrangements on Expenditure

The impact of the arrangements on costs was varied and most organizations experienced a smooth transition from traditional to flexible work arrangements. None of the representatives interviewed attributed any additional administrative, capital or security cost to the implementation of the arrangements. In the three instances of reduced work week there were reports that there was a reduction in labour costs. It should be noted however that some representatives indicated that nothing had been put in place to measure the impact of the arrangements on expenditure.

#### The Role of Flexible Work Arrangements in Reducing Redundancies

In the two instances, reduced work week was introduced in an attempt to lessen the likelihood of redundancies. Both companies implemented flexible work arrangements after the beginning of the impact of the global economic recession on the local economy. One company implemented the arrangement in 2008 and the other in 2009. It was not successful in either case.

The responses indicate that in both cases there was communication between management, and the workers and their representatives. The outcomes suggest however that the communication was not effective as the workers did not embrace the arrangement and may have been demotivated by the pay cuts. Furthermore, the organizations continued to experience a decline in the demand for their goods.

#### 1.0 BACKGROUND

In Jamaica, the issue of flexible work arrangements has been a subject of discussion since 1997.<sup>2</sup> The need for flexibility in the local labour market gained credence in 1998 when a company in the garment sector presented a proposal to the then Ministry of Labour, Social Security and Sports for the introduction of a 4/10 shift system. The company listed a range of benefits to the Government, employers, employees and the country. There was an intense discussion of the proposal by the social partners at the Labour Advisory Committee (LAC) however they were unable to agree on how it should be implemented.

In 1999 the Jamaica Employers' Federation (JEF) submitted its proposal for the introduction of flexible work arrangements along with a list of social and economic benefits to the country. In the following year, the Minister of Labour and Social Security appointed a tripartite Flexi-work Committee to work towards the implementation of the arrangements during the 2000-2001 fiscal year.

In 2001, a group of church leaders had discussions with the Minister of Labour and Social Security regarding the introduction of flexible work arrangements over seven days. They indicated their opposition to Saturday and Sunday being considered normal work days. They preferred a flexible work week of five days that is, Monday to Friday.

The Flexi-work Committee drafted a proposal for the introduction of the arrangements which outlined various strategies including:

- 1. The incorporation of all seven days as normal work days.
- 2. A work day consisting of a maximum of 12 hours.
- 3. A 40-hour work week.
- 4. Overtime to be earned after 40 hours of work has been completed during a week.
- 5. Existing collective labour agreements should continue until they expire.
- 6. Amendments to the following labour laws and regulations:
  - Town and Communities Act
  - Shops and Offices Act and Regulations
  - Apprenticeship Act
  - National Minimum Wage Order
  - Minimum Wage Order
  - Women (Employment of) Act
  - Holidays with Pay Order

<sup>&</sup>lt;sup>2</sup> Jamaica Information Service (2009, February 19)

A tripartite national meeting on flexibility in working time in Jamaica was held on November 2003. It was convened by Ministry of Labour and Social Security in collaboration with the International Labour Organization (ILO). Its objectives were to:

- Continue dialogue on flexibility in working time in Jamaica;
- Share national and international experiences;
- Consider guiding principles consistent with the goal of decent work;
- Identify and discuss key issues relevant to flexibility in working time;
- Reach consensus on a National Plan of Action to guide future action.

The meeting took place in the context of concerns about the economic situation in the country at the time as well as the need to create employment and enhance enterprise competitiveness. It drew on several principles of decent working time based on research by the ILO which included:

- Healthy working time the promotion of the safety and health of workers;
- Family-friendly working time;
- Choice and influence regarding working time.

After this meeting, no progress was made in relation to the formal establishment of flexible work arrangements. In 2009 a plea for the re-opening of talks was made by Minister of Labour and Social Security, the Honourable Pearnel Charles. Flexi-work was seen as a possible way of saving jobs during the global crisis which resulted in the loss of more than 16,000 Jamaican jobs. It was also believed that the implementation of flexi work week would reduce operational costs.

### 1.1 Purpose of Study

This study seeks to determine whether the implementation of flexible work arrangements reduced redundancies in Jamaica. Although there is an abundance of literature on flexible work arrangements, no study was identified which explores its potential to reduce expenditure as well as improve job stability and retention during an economic downturn.

### 1.2 Problem Statement

Jamaica has a high unemployment rate which has been exacerbated by the current global economic crisis. Employers' response to the crisis has been to reduce their expenditure and in many cases the largest component is wages and employee benefits. This has led to the rationalization of staff and redundancies.

#### 1.3 Research Questions

The following research questions will be addressed by the study:

- 1. Has the experience with flexible work arrangements proven to be feasible?
- 2. Can flexible work arrangements decrease expenditure?
- 3. Can flexible work arrangements reduce redundancies?

#### 2.0 LITERATURE REVIEW

Flexible work arrangements are varied in nature and widely used in the developed world. They are considered a staple of the European labour market and are becoming more widespread in the United States and Asia.<sup>3</sup>

"In 1967, flexi-time was introduced in West Germany to alleviate commuting problems. In 1972 Hewlett-Packard became the first company to introduce flexi-time in the United States for its employees. In 1982, the United States Congress passed the Federal Employees Flexible and Compressed Work Schedules Act."<sup>4</sup>

The Act allowed federal workers to choose between flexi-time and a compressed work week.<sup>5</sup> This approach has been utilized by employers in most industries in the United States to retain or entice valuable employees.<sup>6</sup>

There were similar developments in parts of Europe where flexible working week was adopted for example, "In France Flexible Work Arrangements has grown since 1993."<sup>7</sup> The French Labour Employment and Professional Training Act allows enterprises in the trade and service sectors to open on Sundays with stipulations."<sup>8</sup> Another example is the Netherlands where the Working Time Act was introduced in 1994 which allows companies to tailor working time to their own individual needs and to increase their operating time, including work on weekends, with stipulations.<sup>9</sup>

Studies on flexible work arrangements have been used to gain a general understanding of the concept and its application in various industries such as the Health, Transport, Mining and Manufacturing.<sup>10</sup> Although most of the literature fails to directly address the use of flexible work arrangements as a way to reduce redundancies, reference is made to its ability to facilitate the retention of valuable staff.<sup>11</sup>

<sup>3</sup> Ibid

- <sup>5</sup> Ibid
- <sup>6</sup> Ibid <sup>7</sup> Ibid

- <sup>9</sup> Ibid
- <sup>10</sup> Ibid
- <sup>11</sup> Ibid

<sup>&</sup>lt;sup>4</sup> Buchanan, D. (2001) Green Paper "Proposal for the Introduction of Flexible Work Arrangements"

<sup>&</sup>lt;sup>8</sup> Ibid

### 2.1 Definition of Flexible Work Arrangements

The impact and viability of flexible work arrangements can best be determined if it is defined. The literature reviewed provided several definitions. The ILO defines flexible work as "arrangements offering various possibilities in relation to the number of hours worked and the arrangement of rosters, shifts or work schedules on a daily, weekly, monthly or yearly basis."<sup>12</sup> According to the Association of Professional Engineers and Geoscientists, flexible work is a "system by which employees are provided some degree of freedom to choose their work hours."<sup>13</sup> An article entitled Workplace Flexibility (2010) states that flexi work "is any one of a spectrum of work structures that alters the time and/or place that work gets done on a regular basis."<sup>14</sup> Another perspective is offered by JEF which describes flexible work arrangements in its simplest form as an arrangement between employers and employees which allows for the negotiation of work hours around a core time.<sup>15</sup> This study will use the ILO definition.

## 2.2 Types of Arrangements

Taylor (2006) and McGuire (2006) state that flexible work arrangements usually involves at least one of the following elements:

- 1. Flexible scheduling of hours worked where the start or end of a work day, as well as the days on which work is done are adjustable.
- 2. Flexibility in the amount of hours worked through a variation from a traditional 40-hour work week and/or an eight hour work day. This means that the work hours can be reduced from their usual time or increased.
- Flexibility in the physical place of work where employees are not required to enter the company building in order to perform their duties. Work can be conducted from home or another remote location where internet and phone access are available.

The most popular types of flexible work arrangements are flexi-time, compressed work week, job sharing and telecommuting. <sup>16</sup>Other variations include reduced hours or part time employment and banking of or annualized hours. <sup>17</sup>

## • Flexi-time

Both Akeampong (2006) and the Jamaican Flexible Work Arrangements Green Paper (2001) indicate that flexi-time involves a traditional 40 hour work week where full time employees can alter the times at which they start and end the work day. However, there is a core time during which all employees are expected to be at work during the day.<sup>18</sup>

<sup>&</sup>lt;sup>12</sup> ILO Bureau of Library and Information Services (2005)

<sup>&</sup>lt;sup>13</sup> Flexible Work Arrangement

<sup>&</sup>lt;sup>14</sup> Workplace flexibility 2010

<sup>&</sup>lt;sup>15</sup> Jamaica Employers' Federation Press Release (March 7, 2001)

<sup>&</sup>lt;sup>16</sup> Buchanan, D. (2001) Green Paper "Proposal for the Introduction of Flexible Work Arrangements"

<sup>&</sup>lt;sup>17</sup> Ibid

<sup>&</sup>lt;sup>18</sup> Ibid

#### • Compressed Work Week

The compressed work week involves the completion of a 40-hour work week in fewer days.<sup>19</sup> Typically, employees have a 10-hour work day for four days and a three day weekend.<sup>20</sup> Alternatively, employees can work nine hours for eight days and eight hours for one day in a biweekly pay period with one day off in addition to weekends.<sup>21</sup>

#### Job Sharing •

Job sharing requires that two or more individuals share one position or set of duties in which case the salary and benefits are usually allocated according to hours worked.<sup>22</sup> "Benefits and seniority are also often pro-rated according to the hours worked, although in some job-share situations both persons receive full benefits and/or seniority."23

#### Tele-commuting •

Telecommuting allows employees to conduct some of their work from a location outside of the company, usually from home.<sup>24</sup> This option allows firms to reduce overhead costs such as utilities.<sup>25</sup> A study by McGuire (2006) showed that the United States based company Bell Atlantic saved between US\$1500 and \$5000 per telecommuter during 1996.

#### Reduced Hours/Part-time Work with Benefits

Reduced hours or part time work allows employees to work fewer than the typical 40-hour work week.<sup>26</sup> It provides employees with the opportunity to pursue further education or training and attend to family matters while earning a salary.<sup>27</sup> However the reduced hours come with a reduction in pay and benefits.<sup>28</sup> Examples of the part-time arrangements include:

3 to 4 days per week, 8 hour days 5 days per week, 4 to 7 hour days 2 days per week, 10 hour days<sup>29</sup>

<sup>&</sup>lt;sup>19</sup> Greenpaper on Proposals for the introduction of Flexible work arrangements (2001). Ministry of Labour and Social Security 20 Ibid

<sup>&</sup>lt;sup>21</sup> Ibid

<sup>&</sup>lt;sup>22</sup> Canadian Centre for Occupational Health and Safety (2002)

<sup>&</sup>lt;sup>23</sup> Greenpaper on Proposals for the introduction of Flexible work arrangements (2001). Ministry of Labour and Social Security <sup>24</sup> Cowell, N. M., & Dunn, H. S. (2006)

<sup>25</sup> Ibid

<sup>26</sup> Ibid 27 Ibid

<sup>&</sup>lt;sup>28</sup> Ibid

<sup>&</sup>lt;sup>29</sup> A Guide to flexibility at MIT 2004

#### • Banking of Hours

In this type of arrangement employees must work a fixed number of hours in a given period usually a year (referred to as annualized hours). However, they have the freedom to determine exactly how the hours will be scheduled throughout the period.<sup>30</sup> This arrangement is particularly beneficial in industries that have seasonal variations such as peak hours or seasonal peak.<sup>31</sup>

### • Staggered or Dispersed Hours

This involves a dispersal of employee arrival and departure times ranging anywhere from 15 minutes to two hours. <sup>32</sup> An example of the scheduled choices under this arrangement is as follows:

Group A - 7:30 to 4:30 with 1 hour lunch

Group B - 8:00 to 5:00 with 1 hour lunch

Group C - 8:30 to 5:30 with 1 hour lunch<sup>33</sup>

Once employees have selected or have been assigned to a group, their schedule does not vary daily.<sup>34</sup>

## 2.3 Flexi Work Arrangements in the Service Sector

Flexible work arrangements are practiced in both the service and government sectors. The Private Sector Report of St. Kitts and Nevis in 2008 indicated that the rapid growth of the service sector around the world is the engine behind the drive for flexi-time arrangements. The ILO Fact sheet (2006) supports this statement and argues that over the past decade the service sector had the largest number of workers engaged in flexible work arrangements. Similarly in the Jamaican context Taylor (2003) indicated that from 1992 to 2002, the service sector had the largest growth in employment. During this period there was a proportionate growth in the level of flexi work arrangements in the industry.<sup>35</sup>

### 2.4 Flexible Work Arrangements in the Government Sector

Flexible work arrangements have also been introduced in cases where government wants to increase public sector efficiency. One report highlighted the use and success of the arrangements in New South Wales (NSW), Australia.<sup>36</sup> The arrangements resulted in "an improvement in the attraction and retention of employees, a better balance of work and family responsibilities and also more effective delivery of services to the people of NSW."<sup>37</sup>

<sup>&</sup>lt;sup>30</sup> Canadian Centre for Occupational Health and Safety (2002)

<sup>&</sup>lt;sup>31</sup> Ibid

<sup>&</sup>lt;sup>32</sup> Variable work hours (An implementation guide for employers)

<sup>&</sup>lt;sup>33</sup> Ibid

<sup>&</sup>lt;sup>34</sup> Ibid

<sup>&</sup>lt;sup>35</sup> Working time and Work Organization in Jamaica 2003

<sup>&</sup>lt;sup>36</sup> http://www.eeo.nsw.gov.au/women/flexible\_work\_practices\_policy\_and\_guidelines

<sup>37</sup> Ibid

The indicators that were utilized in developing an operational frame for the development and implementation of flexible work arrangements in NSW included:

- 1. Part-time work
- 2. Job sharing
- 3. Part-time leave without pay. Employees remain on continuous full-time service throughout the year but are granted leave without pay on a regular basis so that they work part-time hours.
- 4. Career-break schemes. This was developed in order to allow flexibility in the education service which allows teachers to take a break during their teaching career. It gives teachers the chance to gain more experience and widen their skills and then return to teaching.
- 5. Variable-year/part-year employment. Employees work for a certain number of months each year and are granted unpaid leave for the remainder of the year.
- 6. Working from home.
- 7. Varying flexible hours arrangements. They allow employees to work at times that fit their personal or family commitments and are convenient to their employers. They may include taking time off during work days or varying the start and finish time at work.
- Short term absences for family and community service responsibilities. These are usually less than two weeks. They may be due to short-term illnesses, bereavement, voting, jury duty or religious holidays.<sup>38</sup>

### 2.5 Advantages of Flexible Work Arrangements

The literature indicates that there are other advantages of flexible work arrangements. According to Akyeampong (1993) both employers and employees can benefit from flexible work arrangements. The Canadian Centre for Occupational Health and Safety (CCOHS) stated that employees can experience an increase in job satisfaction, energy, creativity and the ability to handle stress. Similar opinions were expressed in a study of the Royal Financial Group in Canada where it was reported that 30% of the staff participated in flexible work arrangements. The benefits were improved morale, commitment and customer service, and reduced absenteeism.<sup>39</sup> The study also stated that the arrangements allowed persons to modify their work day to deal with family commitments and schedules such as carrying children to school.<sup>40</sup>

Houseman (2001) conducted research on a group of private sector organizations in the United States which had implemented flexible work arrangements. The study revealed that the arrangements allowed employers to meet the needs of workload fluctuations, screen for permanent positions, reduce the cost of employee benefits and lessen absenteeism. Other

<sup>&</sup>lt;sup>38</sup> Worklife Report (1998)

<sup>&</sup>lt;sup>40</sup> Flexible Work Arrangement

benefits included increased cost effectiveness as well as an improvement in the investment climate.<sup>41</sup> JEF shares this view as it stated that flexible work arrangements "is an important catalyst that will serve to improve competitiveness to businesses in Jamaica."42

Several employers and labour organizations outline other advantages of flexible work arrangements. This includes the belief that flexi-work in the form of part-time work allows employers to attract and enlist persons from a broader manpower pool.<sup>43</sup> In addition, part-time work can be useful in situations where a job requires less than full-time position such as project work.<sup>44</sup> Another advantage is that it allows employers to reduce costs without having to cut staff.<sup>45</sup> The compressed work week can allow companies to maximize hours to meet the needs of their clients.<sup>46</sup> Additionally, organizations are better able to attract and keep employees because a compressed work week offers the opportunity for full-time work in less than five work davs per week.47

#### 2.6 **Disadvantages of Flexible Work Arrangements**

There are several disadvantages associated with the implementation of flexible work arrangements. Telecommuting may allow workers to feel isolated and alienated from their fellow co-workers, thus team work and social networking could be affected.<sup>48</sup> In addition, employees may be overlooked for a promotion due to the lack of visibility in the office.<sup>49</sup> There is also the possibility of significant reduction in employee income and benefits.<sup>50</sup>

Other disadvantages include the creation of a situation in which the staff can become more difficult to supervise.<sup>51</sup> It can also present difficulty for employers to coordinate group activities in the workplace such as training sessions and team meetings and this puts more pressure on managers.<sup>52</sup> In terms of job sharing, one of the greatest challenges is having partners who are not compatible.<sup>53</sup> Without compatibility this arrangement can result in complete failure.<sup>54</sup> Flexiwork can also result in occupational safety and health issues. The extension of work hours in a compressed work week can lead to over-work, exhaustion and safety problems.<sup>55</sup>

- 48 Ibid
- <sup>49</sup> Ibid 50 Ibid
- <sup>51</sup> Ibid
- 52 Ibid
- 53 Ibid

55 ibid

<sup>&</sup>lt;sup>41</sup> Jamaica Employers' Federation (2001)

<sup>&</sup>lt;sup>42</sup> Ibid

<sup>&</sup>lt;sup>43</sup> Flexible Work Arrangement publication – http://www.mom.gov.sg 44 Ibid

<sup>&</sup>lt;sup>45</sup> A Guide to flexibility at MIT 2004

<sup>&</sup>lt;sup>46</sup> Ibid <sup>47</sup> Ibid

<sup>&</sup>lt;sup>54</sup> Flexible Work Arrangement publication – http://www.mom.gov.sg

#### 2.7 Successful Cases of Flexible Work Arrangements

There have been several reported cases in which the arrangements benefitted both employers and employees. In 1998 Abacus International Pte Limited introduced flexible work arrangements when the company relocated to Tampines, Singapore. The company implemented the arrangements so as to take into account the needs of employees with children and elderly relatives. In addition, the arrangements were introduced to meet the needs of the staff that were from the western and northern parts of the country as commuting time had increased. The new arrangements fostered a new work time in which employees could start work anytime from 7:30 a.m. and 9:30 a.m. and end between 4:30 p.m. and 6:30 p.m. The company reported an increase in employees' job satisfaction level and the achievement of deadlines.<sup>56</sup>

Matsushita Kotobe Electronics Industries of America implemented compressed work weeks for all their employees in 1994. The work schedule was:

- Monday to Thursday 6:45 am to 5:15 pm; •
- Friday to Sunday 6:00 am to 7:00 pm. •

The company reported a 10% increase in productivity and a 10% decrease in absenteeism. The arrangements also resulted in improved employee morale.<sup>57</sup>

In 1999-2000 The Centre for Families, Work and Well Being conducted a study entitled "Flexible Work Arrangements in Small Business: The Canadian Experience" which focused on friendly practices and flexibility in small companies in Canada. The survey covered 2,200 companies and over 300 responded. The results from the survey indicated that:

- Over 80% of the organizations had at least one type of flexible work arrangement; and •
- The most widely used arrangement was flexi-time.<sup>58</sup> ٠

Focus group discussions with the owners and managers of the companies were conducted in order to get information on the motivation and challenges of providing flexible work arrangements.<sup>59</sup> The information gathered indicated that:

- "when employers support the work-life needs of employees, the employees usually • reciprocate with better work performance and commitment;
- the challenge is to balance the need to meet customer demands while providing flexibility • to employees;
- employers believed that communication is the key to making flexibility work."60 •

<sup>&</sup>lt;sup>56</sup> Ministry of Manpower http://www.mom.gov.sg/Pages/default.aspx

<sup>57</sup> Ibid

<sup>58</sup> Ibid <sup>59</sup> Ibid

<sup>60</sup> Ibid

#### 3.0 METHODOLOGY

The methodology outlines the design of the research and the rationale for the method chosen. It also identifies the sampling techniques and describes how the data were interpreted and analyzed.

#### 3.1 Research Design and Methods

Qualitative research techniques were used since the population was unknown. The sample was selected through a combination of two non-probability methods - purposive and snowballing techniques. Purposive sampling was the primary method. It focused on companies which were known to have implemented flexible work arrangements. Snowballing was the secondary technique. It was used to increase the sample size as participants helped to identify other organizations which had implemented flexible work arrangements. The use of these techniques lowered cost and shortened the sampling process.

Due to budgetary and time constraints all of the companies in the sample were from Kingston and St. Andrew. The data were collected through interviews during a two-week period in August 2009. The interviews were conducted face-to-face or via the telephone and the information gathered was recorded manually and electronically.

### 3.2 Data interpretation and analysis

The data collected are presented using narrative descriptions. The information is grouped to highlight similarities, differences and other trends which were identified. The analysis is designed to address the different views presented by the participants and compare them to information in the literature review.

#### 4.0 FINDINGS

This section is designed to provide the views expressed by representatives from the participating six companies and two trade unions. It gives an indication of the types of organizations that participated in the study, their definitions of flexible work arrangements, the types implemented and their impact.

### 4.1 Organization Profile

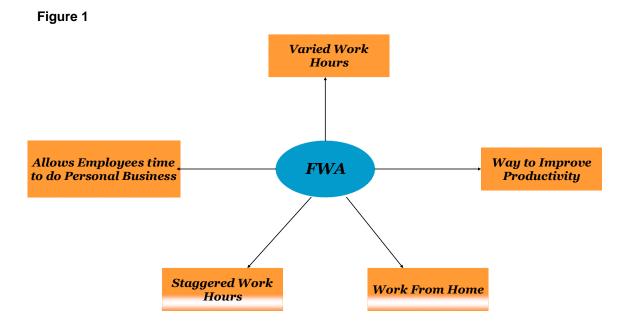
The participating organizations are equally divided between the public and private sectors. Two of the public sector entities were executive agencies and one was a statutory body. Two of the private sector companies were involved in manufacturing while the other was engaged in mining.

### 4.2 Definitions of Flexible Work Arrangement (FWA)

Each organization was asked to give its definition of flexible work arrangements. All of the companies viewed the arrangements as an employment relationship which allows employees to vary the time they arrive at and leave work (See Figure 1). Some of the other elements which the arrangements were perceived to embody included:

- Allowing employees to schedule their work hours to suit their personal needs;
- Facilitating the improvement of productivity; and
- Working from home.

# Employers' Perceptions of Flexible Work Arrangements (FWA)



The trade unions had a different perspective of flexible work arrangements. One trade union respondent stated that flexible work arrangements "is associated with the flexibility in the demands of the business and is market driven." The other trade unionist indicated that it is "the ability to work any five of the seven week days for a maximum of ten hours per day.

### 4.3 Introduction of Flexible Work Arrangements

The year in which the participating organizations introduced flexible work arrangements ranged from 1998 to 2009. One organization stated that the arrangements commenced in 1998 and one indicated 2006. Two of the remaining four stated that the arrangements were introduced in 2008 and two in 2009. The entity which indicated the earliest implementation date was a government body while the two which cited 2009 were from the private sector (See Table 1).

# The Year Flexible Work Arrangements was Introduced by Type of Organization Table 1

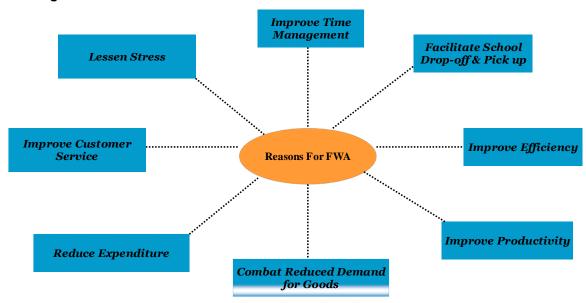
Organization	Year
Statutory Body	1998
Executive Agency	2006
Manufacturing	2008
Executive Agency	2008
Manufacturing	2009
Mining	2009

# 4.4 Reasons for the Implementation of Flexible Work Arrangements

The reasons for implementing flexible work arrangements varied (See Figure 2). Three organizations indicated that they had introduced flexible work arrangements as a means of improving efficiency while two indicated that the decision was due to reduced demand for their goods as a result of the global economic crisis. Other reasons which were cited included:

- 1. Facilitating parents dropping off children at school and picking them up;
- 2. Improving productivity; and
- 3. Reducing expenditure.

## Reasons for the Implementation of Flexible Work Arrangements



#### Figure 2

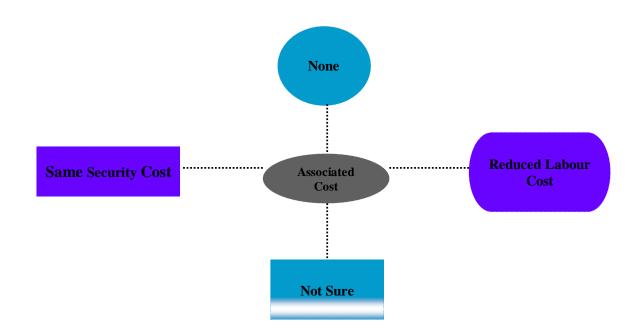
# 4.5 Worker Participation in and the Associated Cost of the Implementation of Flexible Work Arrangements

An indication was sought of the measures which were used to ensure worker participation prior to the introduction of the arrangements as well as the implementation cost. Two of the respondents stated that they had discussions with trade unions prior to introducing the arrangements while four indicated that there were discussions between management and staff (See Figure 3). In relation to the implementation costs:

- Two organizations asserted that there was no additional expense. One of these participants pointed out that "perhaps if more employees made use of the flexi-work option, then there might be more significant costs associated with its implementation."
- Two were not sure of the impact. One of these respondents indicated that the company had not put measures in place to determine how the implementation of the arrangement impacted expenditure.
- Two said that security costs remained the same; and

Figure 3

• One participant indicated that there was a reduction in labour costs.



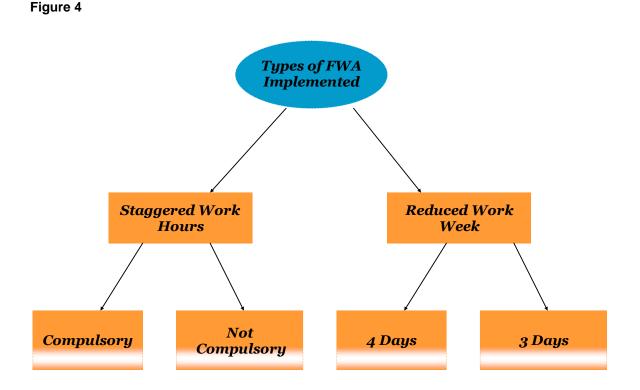
### **Cost of Implementing Flexible Work Arrangements**

### 4.6 Types of Flexible Work Arrangements Implemented

Staggered work hours and reduced work week were the types of flexible work arrangements which the organizations introduced. Three organizations introduced staggered working hours. Under this arrangement the companies varied the work hours. At one organization all employees were required to be in office during the core hours of 11 a.m. to 3 p.m. Participation was not

compulsory and employees had the choice of flexible hours or the traditional work day. Those who wished to change to staggered hours were required to complete a form indicating the reason for the change and the preferred hours. The forms were assessed by the supervisors and sent to management for approval. At another organization participation was compulsory except in certain stipulated circumstances and the work hours were 7:30 a.m. to 4:00 p.m., 8:30 a.m. to 5 p.m. and 10 a.m. to 6:30 p.m. The employees had the option of negotiating the times they wished to work and management ensured an even distribution of employees among the shifts.

The other three organizations introduced reduced work week. In two cases management implemented a four day work week while in the third it was three. In all of the cases remuneration was affected. One of the companies with the four day work week indicated that pay was cut by 20% while the other stated that workers received 60% of the daily rate for the fifth day. In the case of the company with the three day work week salaries were cut by up to 65%. Two of the companies, the one with the three-day and one of those with four-day work week, disclosed that their organizations were open Monday to Friday (See Figure 4).





### 4.7 Impact of Flexible Work Arrangements on Employees and the Organizations

The impact of flexible work arrangements on the organizations varied (See Figure 5). In two cases the arrangements seemed to be beneficial to employers and employees. One interviewee

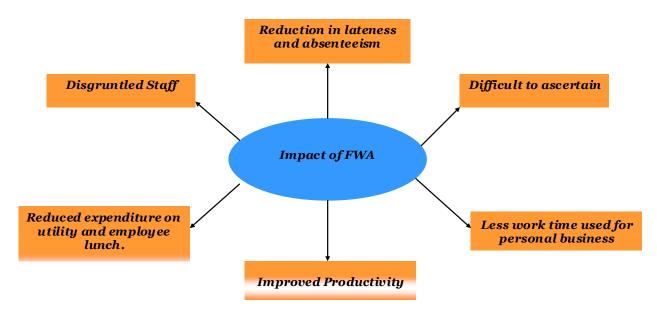
indicated that benefits to employees included allowing them to schedule their work time to facilitate taking their children to school and collecting them, pursuing studies and avoiding traffic congestion. The other respondent stated:

"We believe that this has been a win-win situation since many employees were able to come to work earlier and leave to go to classes or pick up their children. This establishment also gained as there was increased productivity."

There were instances in which the arrangement seemed to be more beneficial to employers. Three interviewees suggested that the arrangement proved beneficial to their companies. One pointed out that it resulted in a reduction in lateness and absenteeism, and improved staff retention. The second interviewee stated that the arrangement facilitated improved productivity. The representative stated that with the implementation of the four day work week persons were willing to "go the extra mile at work." The arrangement encouraged team work and employees were said to "cram work into the four days, double up on their responsibilities and help each other complete tasks." This experience was shared by one trade unionist who reported that based on the feedback from the employers there was a change in attitude among workers as there was greater emphasis on productivity and loyalty to the organization. Another benefit indicated by the third respondent was that the arrangement facilitated a reduction in expenditure on utilities and employees' lunch.

There were two situations in which the arrangement did not have the desired impact and some positions were made redundant. In both cases the companies introduced reduced work week. One interviewee stated that most of the workers recognized that there was no alternative. Despite the reduction in pay employees were allowed to retain some benefits such as health insurance (without an increase in premium), education allowance and a reduction in loan repayment. The company arranged seminars to help the workers to manage their reduced income. In addition, some categories of workers such as millwrights were being trained to work in Canada. A small group of workers did not accept the arrangement and their positions were made redundant. In the other case however 22 posts were made redundant subsequent to the introduction of the arrangement as there was a further fall in the demand for its products. The redundancy exercise affected workers at all levels. In the sixth case it was difficult to ascertain the effectiveness of the arrangement as 95% of the staff refused to participate.

The Impact of the Flexible Work Arrangements on Employees and Organizations Figure 5

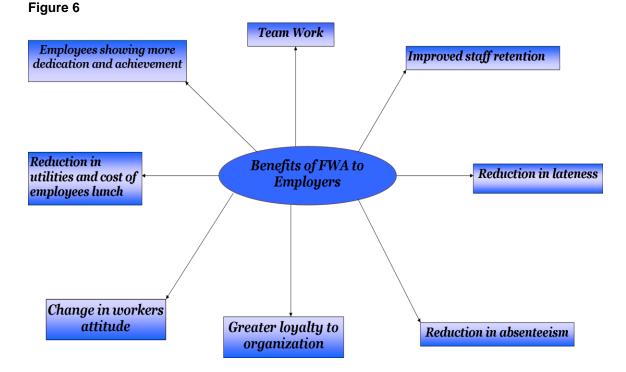


#### 5.0 ANALYSIS AND DISCUSSION

The information gathered suggests that in some of the cases the implementation of the arrangements was successful. In the cases which were deemed to be successful the employers understood flexible work arrangements to involve benefits for both employers and employees. Therefore, their approach to implementing the arrangements may have been influenced by their understanding. This is similar to the situation in Australia, Canada and the Netherlands where flexible arrangements were successful because they addressed the needs of the staff and the organization.

Some of the successful organizations seemed to have effective communication between the management, the workers and their representatives. Effective communication with staff allows employers to understand the needs of each other and helps to ensure they are met. This is supported by the experiences of small businesses in Canada which cited communication as an important factor in the success of flexible work arrangements. The benefits which accrued to employers as a result of the introduction of the arrangements included reduction in lateness and absenteeism, more team work and greater emphasis on productivity (See Figure 6). The workers benefitted from more time to pursue studies, scheduling work time around dropping off their children at school and collecting them.

#### Benefits of Flexible Work Arrangements to Jamaican Employers



In the cases which were less successful the arrangements were introduced after the companies began to feel the effects of the global economic crisis. The companies introduced reduced work week and their representatives stated that prior to the introduction of the arrangement attempts were made to sensitize the staff. One factor which could have militated against the success of the arrangement is the reduced income. In fact the literature indicates that one of the disadvantages of flexible work arrangements is reduction of employee income and benefits.

According to the literature one of the advantages of flexible work arrangements is that it can result in a reduction in costs for employers. It was difficult to ascertain the overall effect on expenditure as no measure was put in place to assess its impact. Security costs did not seem to be affected and there was no indication of the impact on administrative costs. Some employers experienced a reduction in utility bills and cost of lunch decreased in some organizations, and there was also a reduction in the wage bill in the instances where reduced work week was introduced.

In theory flexible work arrangements can be used to retain employees and regulate the numbers of persons needed when the workload fluctuates. This suggests that it could be used to respond to crises in order to prevent redundancies. The introduction of flexible work arrangements did not seem to have this effect when they were introduced in response to the global economic crisis. This could have been due to several factors which were not explored such as the prolonged global conditions and the attitude of the workers.

#### 6.0 CONCLUSION AND RECOMMENDATIONS

Although flexible work arrangements is not a new phenomenon in Jamaica, many employers seemed to have limited understanding of what it entails. In most of the instances employers indicated that there was consultation with the workers prior to the introduction of the arrangement however, in some cases the workers did not embrace the concept. In situations where workers were asked to forfeit income and benefits they needed to be assured that it was a short term sacrifice for long term gain. Additionally, in some instances the design of the arrangement did not seem to adequately address external factors which were impacting the organizations and employees.

One way to address this is through public education. The Government can play an important role in facilitating a public education campaign that will inform people about the different types of flexible work arrangements and the benefits. Employers also need to educate themselves about flexible work arrangements in terms of what it entails as well as what would be most suitable for their organizations. If employers did more research, they could benefit from best practices in their industries and learn from the mistakes of others.

Before the introduction of an arrangement, employers and employees need to have the right agreement as to what type should be implemented. There needs to be trust and effective communication between the parties. Proper communication will allow both parties to understand the needs of each other and negotiate terms that are acceptable to both.

During the implementation of flexible work arrangements there are important things that need to be considered. These include identifying the goals of the company, determining how flexi work will facilitate these goals and identifying the potential impact on workers. Employers can achieve this by developing a policy document to guide the introduction and implementation, and reduce ambiguity. They also need to develop a system to track the benefits and problems. Measures should also be implemented to ensure that workers are protected if they work in volatile areas or at nights. Additionally in cases where there are staggered work hours a proper system should be established to record the times when workers arrive at and leave work.

Flexible work arrangements can be successful in Jamaica if it is established on the premise of providing clearly identified benefits to employers and employees. Both parties should be actively involved in the planning and design phase in order to ensure that there is no misunderstanding and that everybody's needs are addressed. Assessment of the arrangement is also important in order to determine its success. The practicality of using flexible work arrangements to prevent redundancies is unclear although theoretically there is the potential.

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#### APPENDIX I

#### Flexi work Interview Questions

- 1. What is your understanding of the concept "Flexible work arrangements"?
- 2. Has your organization been using flexi work arrangements?
- 1. When was flexi work introduced to your organization?
- 3. Why was flexi work introduced to your organization?
  - How effective have flexible work arrangements been?
  - Was it used to increase productivity?
  - Has it resulted in reduced expenditure?
  - Was it used as an alternative to redundancies
  - Has it allowed you to avoid redundancies?
  - Has it allowed your company to operate with a smaller staff complement?
- 4. What type of flexible work arrangement does your company have in place?
  - Which categories of staff are involved?
  - Are employees able to negotiate any aspect of the flexi work arrangement?
- 5. Why was this type of arrangement chosen?
  - Were discussions initiated by management or employees?
  - Was it chosen because of proven success in a similar organization?
  - Does it meet a specific need that your organization has?
- 6. How have employees responded to the idea of flexi work arrangements?
  - Are employees in agreement with the changes or do they prefer a traditional work week?
  - What steps were put in place to explain and promote the idea to staff?
- 7. What are some of the costs associated with the implementation of flexi work arrangements?
  - Did you have to rearrange your budget to facilitate its implementation?
  - How has it impacted your operational costs?
  - How has it impacted your administrative costs?
  - How have security costs been affected?
- 8. What are the changes that have resulted from the implementation of flexible work arrangements?
  - How have the changes impacted your organizations' rules and regulations?
  - Have some members of staff been assigned additional duties to ensure the success of this arrangement?
  - How has it impacted your ability to retain staff?
- 9. What would make the implementation of flexi work easier?