

# Flexibility Policies, Employee Satisfaction and Organizational Commitment

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## Abstract

In this paper we analyse the effect of flexible human resource practices on employees' job satisfaction and organizational commitment. Several studies have already analysed the individual effect of several flexibility practices on job satisfaction and commitment (McNall et al. 2010a & 2010b, Baral and Bhargava 2010, Rode et al. 2007) but we propose a new perspective for this analysis: the joint effect of the different flexible human resource practices on the employee satisfaction and organizational commitment.

Information was collected through a questionnaire addressed to the employees of a sample of Spanish enterprises which have been awarded in the "Flexible Firm Awards", organized by the firm CValor in the 2002 to 2013 calls. The sample also includes firms certified as "Family responsible firms (EFR)". For testing the hypothesis we use the Structural Equations Methodology

## Introduction

Talking about labour flexibility and its relationship with the performance of the firm is something usual in both the professional and academic fields. Nowadays, we are in the phase of developing integrated models (McNall et al. 2010a y 2010b, Baral and Bhargava 2010, Rode et al. 2007) which are based on assumptions such as that the employee's organizational commitment and job satisfaction, may be determined by the interaction of multiple factors, in the labour domain as much as in the worker's personal-family.

On the one hand, work-family conflict and work-family enrichment may be antecedents of employee's labour satisfaction and organizational commitment. Evidence supports the idea that work-family conflict and enrichment are different phenomena, either from a conceptual or empirical perspective, although they could also be related (Carlson, et al., 2010; McNall et al. 2010a & 2010b). Even more, work-family enrichment and work-family conflict could increase or decrease their effects by considering employees flexibility in the workplace as an antecedent. Academic researchers in this area support the notion that the adoption and use of family-friendly policies help to reduce work-family conflict.

On the other hand, the existence and use of human resources flexible practices may be related to a higher job commitment and satisfaction (Jones et al., 2008; Baral and Bhargava 2010). In this way, several studies about telework, as one of the last measures of flexibility used, show that employees that use some of the flexibility measures available to them, such as telework, usually show higher levels of satisfaction than other employees (Bauregard and Henry, 2009).

In conclusion, the review of the literature indicates that employees may obtain job satisfaction and commitment by using the two or three most common flexibility practices. In this paper, we want to include a wider range of those flexibility practices which are nowadays available to employees. The use of a higher number of practices in this analysis is necessary because each

one of the practices is useful and may potentially benefit employees according to the specific personal situation of each employee.

Therefore, in this paper we analyse the relationship between the availability and adoption of flexible practices, and the job satisfaction and organizational commitment of employees. We measure the effect that human resource flexible practices have on work-family enrichment (both family to work and work to family dimensions) and on work-family conflict, and the influence of work-family conflict on job satisfaction and organizational commitment (Figure 1).

## **Discussion and Hypotheses**

### **Relationship between human resource flexible practices and work-family enrichment and conflict**

Several studies analyze the relationship between the use of some human resource flexible practices which contribute to work-family balance (telework, flexible timetable, partial work, ...) through work-family enrichment (W-F). For example, Breugh and Frye (2008) study the effect of four flexible practices (telework, possibility of finishing work at home, flexible timetable and maternity/paternity leave) which support family-work balance on W-F conflict. The results obtained evidence that flexible timetable, telework and maternity/paternity leave are negatively related to W-F conflict, whereas the possibility to take work home is positively related. Frye and Breugh (2004) evidence that the availability of family-friendly policies and supportive supervisors are negatively related to W-F conflict whereas weekly working hours are positively related to W-F conflict. Carlson et al. (2008) analysed the relationship between timetable flexibility, telework, compressed week and part-time. Their findings show that these measures may reduce experienced conflict (W-F) as well as increase employee's enrichment.

This paper analyses the joint effect of different flexibility practices on employees' W-F and F-W enrichment as well as W-F conflict and we propose the following hypotheses:

- H1. The use of human resource flexible practices is positively related to W-F enrichment.
- H2. The use of human resource flexible practices is positively related to F-W enrichment.
- H3. The use of human resource flexible practices is negatively related to W-F conflict.

### **Relationship between enrichment and job satisfaction and organizational commitment**

Literature review evidences a positive relationship between employees' enrichment, satisfaction and labour commitment. For example, McNall et al. (2010a, 2010b) and Baral and Bhargava (2010) find a positive relationship between W-F enrichment and job satisfaction. McNall et al. (2010b) obtain that W-F enrichment is positively related to organizational commitment; McNall et al. (2010a) find a positive relationship between F-W enrichment and job satisfaction. We propose the following hypothesis:

- H4. W-F enrichment is positively related to the employee's job satisfaction
- H5. W-F enrichment is positively related to the employee's job satisfaction.
- H6. F-W enrichment is positively related to the employee's job satisfaction.
- H7. F-W enrichment is positively related to the employee's job commitment.

### **Relationship between conflict and job satisfaction and organizational commitment**

Lapierre et al. (2008) find that those employees who work in family-friendly environments experience lower W-F conflict, so that a reduced level of W-F conflict leads to a higher job satisfaction. Frye-Breugh (2004) obtain that the use of family responsible policies, the number of

hours worked per week and the support of the supervisor predict W-F conflict. Additionally, they found that W-F conflict is related to labour and family satisfaction. According to this, we propose the following hypothesis:

H8. W-F conflict is negatively related to the employee's job satisfaction .

H9. W-F conflict is negatively related to organizational commitment.

### **Relationship between job satisfaction and organizational commitment**

Some studies analyse how labour satisfaction is related to job stay and commitment. For example, Rode et al. (2007) found that W-F conflict was negatively related to the employee satisfaction, and that, in turn, employees satisfaction was negatively related to the employees' intention to quit. Regarding this, we propose :

H10. Employee's job satisfaction is positively related to the employee's commitment at work.

### **Procedure for collecting data**

In order to carry out the study, the information was collected through a questionnaire addressed to the employees from a sample of Spanish enterprises which have been awarded in the "Flexible Firm Awards", organized by the firm CValor in the 2002-2013 period. The sample also includes firms certified as "Family responsible firms (EFR)". The questionnaire was designed and mailed during the second semester of 2012. The final number of valid questionnaires was 322.

Hypotheses were tested by structural equation models. Exploratory factor analyses were made using the statistical programme SPSS, version 19.0th and for the confirmatory factor analysis we used the program EQS, 6.1. .

## **Results**

### **Scales and variables of the study**

Quantitative validation allowed us to identify the dimensionality of the scales and to show the validity that the use of those scales has in the characterization of the W-F enrichment, job satisfaction and organizational commitment. In order to detect which indicators are susceptible to be deleted, reliability and dimensionality of the scales were analysed.

In order to analyse intern consistency of the scale we use the statistic Cronbach alpha and the correlation item-total (Chandler and Lyon, 2001). With the statistic Cronbach alpha we guarantee the scale reliability if the value of this indicator is higher than 0.8 (Grande and Abascal, 2003); although in the analysis with an exploratory character, a value higher than 0.6 is considered acceptable (Miquel *et al.*, 1996).

We explain now the scales and variables used.

**Scale enrichment:** scale made up of 18 items (for example: My involvement in my job helps me understand different points of view and that helped me be a better member of my family) with Cronbach  $\alpha = 0.961$ . All the indicators reach a value higher than 0,3, required minimum. The factor analysis indicates two dimensions, W-F enrichment W-F (9 items) and F-W enrichment (9 items), with an explained accumulated variance of 78.06%.

**Scale W-F conflict:** scale made up of 4 items (for example: *The quantity of time required by my job makes it difficult to fulfil my family responsibilities*) with Cronbach  $\alpha = 0.926$ . All the indicators reach a value higher than 0.3, required minimum. The factor analysis shows only one dimension, *W-F conflict*, with an explained accumulated variance of 81.75%.

*Scale satisfaction:* scale made up by 5 items (for example: *The job I do in my firm has sense to me*) with Cronbach  $\alpha = 0.869$ . All the indicators reach a value higher than .3, required minimum. Once the exploratory study has been made, we come up with a model with one dimension, *job satisfaction*, with an explained accumulated variance of 68.18%.

*Scale organizational commitment:* scale made up of 8 items (for example: *I would be very happy to stay in this firm the rest of my professional career*) with Cronbach  $\alpha = 0.955$ . All the indicators reach a value higher than 0,3, required minimum. Once the exploratory study has been made, we come up with a model with one dimension, *organizational commitment*, with an explained accumulated variance of 74.13%.

*Human resource flexible practices:* this variable is a construct measured as a mean of the use of different human resources flexibility<sup>1</sup> practices offered by the firm.

*Control variables:* Sex (dummy variable, 1 female and 0 male); Dependency (dummy variable, 1 dependent person in charge and 0 otherwise); Hierarchy (Likert variable of 7 points, where 7 is high management and 1 low-level job position ); Area of residence (dummy variable, 1 if live in urban area and 0 in a rural area); Children (dummy variable, 1 there are children who live at home, 0 otherwise); Age (number of years); Domestic and care work (Likert variable of 7 points, where 7 is total involvement and 1 no involvement).

### Effect of the human resource practices on job satisfaction and organizational commitment through enrichment and conflict

The proposed model is a Structural Equations Model which tries to measure the effect of resource practices on enrichment (W-F and F-W) and W-F conflict on satisfaction and organizational commitment. The representation of this model is shown in Figure 1.

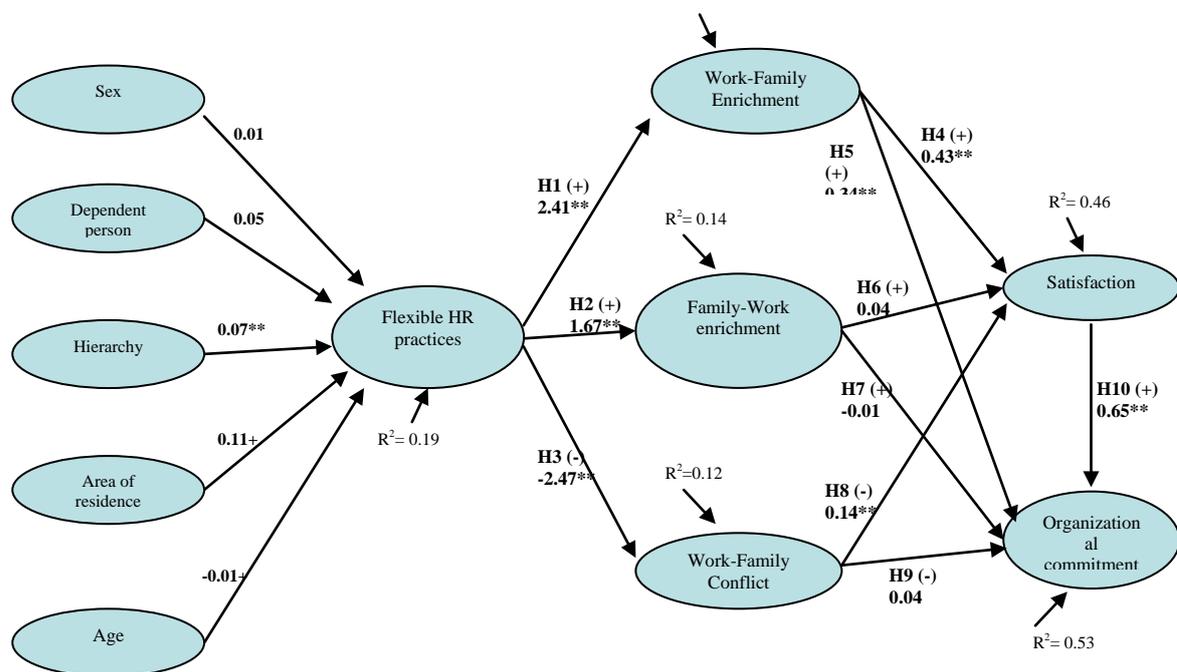


Figure 1. Model of analysis

<sup>1</sup> Telework, permanent part-time job, sharing job with another employee, possibility of workday reduction, flexible labour timetable, intensive workday anytime, intensive workday during summer time, compressed workday in less than 5 days, personal or family leaves, short holidays/leaves and accumulate extra hours.

The statistics and goodness of fit indexes are presented in Table 1, and as it can be seen, they fulfil the levels of acceptance recommended by Schumacker and Lomax (1996), so that they properly define the proposed relations.

Table 1. Statistics and goodness of fit indexes of the structural equations model (PRH-FLEX)

<b>Estimated Model</b>	<b>d.f.</b>	<b><math>\chi^2</math> S-B</b>	<b>RMSEA</b>	<b>GFI</b>	<b>AGFI</b>	<b>NFI</b>	<b>CFI</b>
	1155	3097.94	0.079	0.633	0.595	0.730	0.810
<b>Recommended level of acceptance</b>			Lower than 0.1	Close to 0.9	Close to 0.9	Close to 0.9	Close to 1

Regarding the estimated parameters, the one which relates the use of flexible practices to W-F enrichment is positive and has a value of 2.41, and for F-W enrichment the value is 1.67, and positive. These parameters show that there is a relationship between the use of flexible practices and W-F and F-W enrichment. Statistical significance of those parameters shows the predictive validity of these relations. With respect to the parameter which relates the use of flexible practices to W-F conflict, is statistically significant and its parameter reaches a negative value of 2.47.

The estimated parameter of the variable W-F enrichment and its effect on labour satisfaction reaches a statistically significant positive value of 0.43. In the relation W-F enrichment to organizational commitment has an estimated value of 0.34, positive and statistically significant. The relations between F-W enrichment and job satisfaction and organizational commitment, are not statistically significant, so we cannot confirm these variables are related.

If we observe the values obtained in the parameters that define the relationships between W-F conflict and job satisfaction and commitment, in the case of conflict and job satisfaction the statistical parameter is negatively significant (0.14), whereas in the relationship between W-F conflict and organizational commitment the parameter is non-significant.

Finally, if we analyse the relation between job satisfaction and organizational commitment, we obtain a significant positive value of 0.65.

Therefore, the statistically significant parameters obtained indicate the predictive validity of all our proposed relations, with the exception of those that relate F-W enrichment and W-F conflict with commitment.

In relation with the antecedents of the human resource flexible practices (control variables), the results of our study show that the relation between hierarchy and the use of flexible practices is positively significant, being the value of the estimated parameter 0.07. In the relation area of residence and use of flexible practices, the estimated parameter has a positively significant value of 0.11. Finally, if we analyse the relationship between age and the use of flexible practices, we obtain a negatively significant value of 0.01. The rest of the control variables with the use of flexible practices are non-significant.

Therefore, the obtained results show that it can be said that the higher the use of flexible human resource practices, the greater the W-F enrichment (H1), the greater the F-W enrichment (H2) and the lower the W-F conflict (H3), which allows us to accept hypotheses H1, H2 and H3.

With respect to W-F enrichment with job satisfaction and organizational commitment, it can be observed that the higher the W-F enrichment the greater the employee satisfaction (H4) and also a greater organizational commitment (H5), what allows us to accept hypothesis H4 and H5.

In the relationships between F-W enrichment and job satisfaction (H6) and organizational commitment (H7), the obtained relations are not statistical significant, therefore we cannot confirm that there is a relation between those variables, so we should reject hypothesis H6 and H7.

If we analyse the effect of W-F conflict on the employee satisfaction (H8) and on organizational commitment (H9), the results confirm that the greater the W-F conflict the lower the

W-F employee satisfaction. Nonetheless, we can not confirm that the greater W-F conflict the lower the organizational commitment. These results will lead us to accept hypothesis H8 and reject hypothesis H9.

Finally, related to employee satisfaction and its relation with organizational commitment (H10), it is evidenced that the higher the satisfaction the higher the employee commitment with the firm, which allows us to accept hypothesis H10.

These results show that we can accept hypothesis H1, H2, H3, H4, H5, H8 and H10 (Figure 1), which partially supports the proposed model.

## **Conclusions**

In this paper we have proposed an integral model in which we relate flexible human resource practices with job satisfaction and organizational commitment, measured through enrichment and conflict. The novelty of this study is the joint proposal of a series of labour flexibility measures, differencing it from other studies which individually relate flexibility variables and other variables that partially measure enrichment and/or conflict. At the same time, another contribution of our model is the effect of W-F conflict on job satisfaction and organizational commitment, as well of job satisfaction on commitment.

The results of our study show that those employees which usually adopt flexible human resources practices offered by the firm (such as telework, part-time contract, leaves, workday reduction, among others) are better able to acquire skills, gain knowledge or develop certain feelings that positively affects their relation with other family members. On the other hand, employees who use flexible practices as a way to balance work and family, know how to use their time better, are more willing to contribute to the firm and are also happier; which may positively contribute to their job performance and attitudes. Even more, the use of such practices reduces the interference of work demands on their family and domestic life, reducing the stress that makes it difficult to fulfil their family duties.

In this sense, the employee enrichment result in a higher employee satisfaction for developing his/her work and consequently his/her commitment in the organization is higher. Nonetheless, higher levels of interference or stress in the job make the employee to be less satisfy in his/her job.

## **International and managerial implications**

The model contributes to the literature in three ways:

- 1- Analyse a model which meets the different flexible practices offered by the firm. These practices may have a positive synergy among them by offering the employees the possibility to use any of them depending on their particular needs.
- 2- Jointly analyse enrichment and conflict in the relation W-F and its effect on job satisfaction.
- 3- Analyse the indirect effect of enrichment on organizational commitment through job satisfaction.

The study also supports the need of adopting flexible human resources practices to improve the employee's job satisfaction and commitment. In this case, the positive effect of these practices is justified by the enhancement of personal enrichment that employees may experiment in the work-family interface. This makes a contribution in the dynamics of human resource managers, who have traditionally pay more attention to the reduction of conflict than to the enhancement of positive family-friendly values. Nonetheless, emphasizing the improvement of enrichment as a positive

contribution to job satisfaction, allows us to include a greater number of employees in the human resource management portfolio, and not only those that experience conflict in the work-family interface. On the other hand, human resource managers must focus on a greater number of variables related to job performance if they really want to visualize the potential synergy that exists among flexible human resource practices. Considering only individual analyses of job performance variables, limits the evaluation of the effect of flexible work arrangements on such performance.

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### **Footnotes**

<sup>1</sup> Telework, part-time permanent contract, share a job with another employee, possibility of reduction of working hours, flexible working hours, intensive day at any time, day intensive summer period, compressing the working day in less than 5 days , personal or family leave of absence, short vacation / permits and bag of hours (overtime accumulate).

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