Flexible Work Arrangements, National Culture and Outcomes: A Study across 22 Countries

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Background (management field)

- Studies to date have focused on reasons for using Different Forms of FWAs, as well as the effects of FWAs on outcomes such as job satisfaction and burnout
- However, a major limitation of previous studies is that they have been conducted primarily in a single country
- To date, there is little research on the use and effects of FWAs in different countries in the global environment
Purpose of study

To investigate the influence of national values on flexible work arrangements (FWA)
To investigate the interactive effect of national values and FWA on performance indicators
Theoretically, the study contributes to the debate in the literature concerning whether human resource (HR) practices are primarily universalistic in nature or contingent on particular contexts.
Theoretical Background

- The universalistic approach (Barney, 1991)
- Contingency approach (Delery & Doty, 1996)
- Socio-Culture Context (Aycan, 2005)
- Hofstede, GLOBE* - national values affect work practices

*Our study is based on an etic approach

The etic approach assumes that societal cultures can be compared across common dimensions, and that the “standings” of societies on these dimensions is systematically related to the norms, preferences, and practices within these societies.
Flexible Work Arrangements (FWAs) =

1. **job sharing** (in which the job is divided up by two or more employees),
2. **flextime** (in which working hours are determined by the employees),
3. **home-based work** (in which employees’ normal workplace is at home),
4. **teleworking** (in which employees link electronically to a workplace)
5. **job compression** (in which employees’ standard number of hours is compressed into a reduced number of days).
Societal Cultural Values and the Use of FWAs

The GLOBE project specified nine cultural dimensions, with each dimension having two aspects: aspirational values and cultural practices.
Societal Cultural Values and the Use of FWAs

*Power distance* refers to the degree to which members of a collective expect power to be distributed equally.

<table>
<thead>
<tr>
<th>Lowest Power Distance Countries in GLOBE</th>
<th>Medium Power Distance Countries in GLOBE</th>
<th>Highest Power Distance Countries in GLOBE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmark</td>
<td>England</td>
<td>Russia</td>
</tr>
<tr>
<td>3.89</td>
<td>5.15</td>
<td>5.52</td>
</tr>
<tr>
<td>Netherlands</td>
<td>France</td>
<td>Spain</td>
</tr>
<tr>
<td>4.11</td>
<td>5.28</td>
<td>5.52</td>
</tr>
<tr>
<td>South Africa (Black sample)</td>
<td>Brazil</td>
<td>Thailand</td>
</tr>
<tr>
<td>4.11</td>
<td>5.33</td>
<td>5.63</td>
</tr>
<tr>
<td>Israel</td>
<td>Italy</td>
<td>Argentina</td>
</tr>
<tr>
<td>4.73</td>
<td>5.43</td>
<td>5.64</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>Portugal</td>
<td>Morocco</td>
</tr>
<tr>
<td>4.74</td>
<td>5.44</td>
<td>5.80</td>
</tr>
</tbody>
</table>
Societal Cultural Values and the Use of FWAs

In high power distance societies individuals are more comfortable with an autocratic leadership style, while in low power distance societies individuals value autonomy and equality in opportunity and control.

H1a: the use of FWAs will be more likely in low power distance than in high power distance cultures.
Hypothesis 1:
In societies low in institutional collectivism, in-group collectivism power distance, and uncertainty avoidance, and high in future orientation, gender egalitarianism, assertiveness, humane orientation, and performance orientation, the use of FWAs will be higher.
So far, We have argued that individuals are likely to use FWAs if such use is consistent with their societal cultures.

However, in some cases employees may use FWAs even if it is not consistent with the societal culture. This may occur because their own organizational culture strongly emphasizes values and norms that differ from those of the general society, or because they are attempting to gain a competitive advantage against their competitors in the increasingly global economy.
Model of Cultural Fit (MCF):

Fit between employees’ values and HRM

High performance

Fit between cultural values and Flextime practices

High performance

We expect that when organizations encourage use of FWAs that are consistent with the cultural values of the society in which they are embedded, outcomes are likely to improve because “both sides” approve of and support FWAs.
Hypothesis 2: The relationship between employee use of FWAs and outcomes will be moderated by national cultural practices, such that when institutional collectivism, in-group collectivism, power distance, and uncertainty avoidance are low, and gender egalitarianism, future orientation, humane orientation, performance orientation and assertiveness are high, the relationships between FWA use and outcomes will be stronger.
The study Model

Flexible Work Arrangements

National cultural practices

Phase 1

Phase 2

Outcomes
Participating Countries
5,991 organizations, 21 countries

- Australia
- Austria
- Canada
- Denmark
- Finland
- Germany
- Greece
- Hungary
- Ireland
- Israel
- Italy
- New Zealand
- Philippines
- Portugal
- Slovenia
- Sweden
- Switzerland
- The Netherlands
- Turkey
- United Kingdom
- USA
Data Sources

- CRANET
  (Cranfield Network on Comparative Human Resource Management) 2008–10
- GLOBE
  (Global Leadership and Organizational Behaviour Effectiveness) 2004
Covariance

Organizational level covariance:

1. Technology level
2. Organizational Size
3. Sector
4. Service
5. Level of globalization
Analytic procedure

Data with 2 levels

Multilevel modeling using Mplus 7.2
Results- teleworking

Hypothesis 1 predicted that national cultural practices would be associated with teleworking use.

Eight national practices (institutional collectivism, power distance, uncertainty avoidance, future orientation, gender egalitarianism, humane orientation, performance orientation, and assertiveness) were associated with the use of teleworking.
Results- teleworking

Hypothesis 2 predicted that the relationship between teleworking use and performance would be moderated by national cultural practices.

When future orientation, performance orientation, gender egalitarianism, **humane orientation** and **assertiveness** were higher, and institutional collectivism, power distance, and uncertainty avoidance practices were lower, the relationship between teleworking and turnover was stronger
Interactive effect of FWA and Power distance on Turnover
Contribution of the study

- Creation of a broad-spectrum model explaining FWA as a multi-level phenomenon
- Support the contingency approach
- Implications for practice
Thank You!!