

Working-time autonomy as a management practice

Giving workers control over their working hours increases their commitment and benefits firm performance

Keywords: working from home, self-managed working time, flextime, firm performance, work intensification, family-friendly workplace practices

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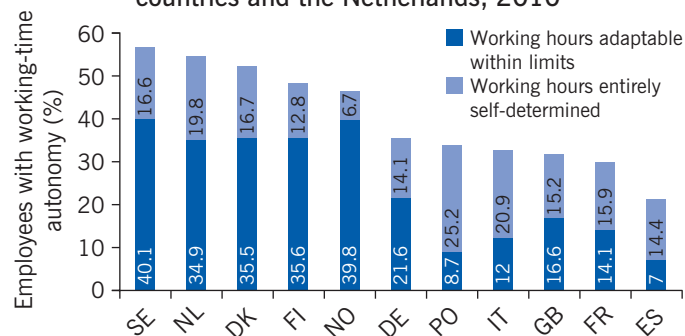
Allowing workers to control their work hours (working-time autonomy) is a controversial policy for worker empowerment, with concerns that range from increased shirking to excessive intensification of work. Empirical evidence, however, supports neither view. Recent studies find that working-time autonomy improves individual and firm performance without promoting overload or exhaustion from work. However, if working-time autonomy is incorporated into a system of family-friendly workplace practices, firms may benefit from the trade-off between (more) fringe benefits and (lower) wages but not from increased productivity.

KEY FINDINGS

Pros

- + Working-time autonomy promotes worker and firm performance.
- + Performance is particularly improved if autonomy is reserved for intrinsically motivated workers or if workers self-select into working time arrangements.
- + By lowering employee turnover, working-time autonomy enables firms to improve their attractiveness as an employer.
- + If working-time autonomy is incorporated into a system of family-friendly workplace practices, firms might benefit from reduced turnover and wage costs.
- + Despite its effort-increasing effect, working-time autonomy is unlikely to promote overload or exhaustion from work.

Working-time autonomy is most prevalent in Scandinavian countries and the Netherlands, 2010



Source: Eurofound. *European Working Conditions Survey 2010*. Online at: <http://www.eurofound.europa.eu/surveys/data-visualisation/european-working-conditions-survey-2010>

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Cons

- Some workers might abuse working-time autonomy by reducing their work effort, since an absence of direct monitoring reduces employees' shirking costs.
- If it is part of a corporate strategy to reduce costs, working-time autonomy is detrimental to firm performance.
- Working-time autonomy might not be suited to employees who execute routine tasks.
- Working-time autonomy is inappropriate for certain occupational groups and hard to implement in teamwork environments.
- Firm productivity might not increase if working-time autonomy is incorporated into a system of family-friendly workplace practices.

AUTHOR'S MAIN MESSAGE

While managers often raise concerns that working-time autonomy might encourage workers to reduce effort, some worker representatives claim that it leads to harmful work strain. However, empirical evidence suggests that such policies do not induce harmful overwork but boost firm productivity, on average, unless incorporated into a system of family-friendly workplace practices. And even in that case, firms benefit from lower turnover and wage costs. In combining working-time autonomy with performance targets, managers should set realistic goals and avoid target ratcheting or stretch goals.