

EMPIRICAL STUDY REGARDING FLEXIBLE WORK PROLIFERATION IN MULTINATIONAL COMPANIES

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ABSTRACT

The benefits of flexible work have been discovered by millions of employees and it is promoted by thousands of companies at global scale. Nowadays technology allows us to communicate anytime, anywhere across the globe and the fact that remote work is increasing is a sign that innovation does not only happen in a face-to-face environment, that people can be productive outside of an official office and that organizational culture does not suffer because employees use remote locations for job performance. When a company decides to establish flexible labour, a series of factors will play a critical role in the success or failure of that model. Once the respective model has been established, the company must ensure continued performance and must be able to control the activities of its employees, irrespective of their remote location so that the quality of the services is not negatively impacted.

The objective of this study is to determine the main dependencies between the corporate multinational framework and the sustainability of flexible workplaces within the services industry. The study is based upon specialized literature reviews related to flexible work arrangements deployed by multinational companies. A comparative analysis was conducted by the authors on several international companies from the services industry to assess key factors that impact remote work and its effect on the overall organizational performance.

The study presented can be used by companies when deciding to implement flexible labor by offering examples from the corporate industry on the way these models strengthen their business sustainability.

KEYWORDS: *flexible workplace, remote work, business process, organizational performance.*

JEL CLASSIFICATION: *M10, M15, M16*

1. INTRODUCTION

Multinational companies most of the times adopt an open space type of office design and because of this, offices become a space for constant interruptions. Each segment of a work day is occupied with meetings, teleconferences, webcasts and various disruptions. Quality and creative work assumes an effort done in a space where no disturbances occur and therefore remote working is becoming more and more appreciated by employees, especially now that technology allows it. A remote worker is a person that works from home for a minimum of two days per week.

As per United States Department of Labor statistics, the share of workers who choose to work from home grew substantially from 19 percent in 2003 to 24 percent in 2015 and there is more and more interest in this flexible work arrangement due to the overall advantages on organizational performance.

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According to Nickson & Siddons (2004), work from home has many benefits not only for the remote worker, but also for the hiring company and they stem from flexibility and cost-efficiency. Some examples include: being able to maintain a work-life balance, by taking care both of family commitments as well as performing job responsibilities; the time spent commuting is eliminated; savings delivered for the company by reducing office space; the working schedule is flexible and can be adapted by the individual as per own preferences as long as it meets the business requirements in terms of core working hours; geographical coverage is improved.

This paper investigates the dynamics of remote working in multinational organizations by comparing different examples and approaches from large companies from the services industry. The objective of this study is to demonstrate that the number of companies embracing remote work is increasing and it is highly important for multinational organizations to demonstrate increased flexibility in ensuring remote jobs if they want to remain competitive in the business scene and to be an employer of choice on the market.

2. FIELD RESEARCH AND METHODOLOGIES

In order to achieve the objectives, several companies from the services industry were studied by using the main factors that enabled them to employ remote workers, such as: industry sector, the size of the company, the flexible programs used, operating locations, organizational strategy. The authors followed as methodology the qualitative study of five multinational companies that are part of the top organizations offering remote jobs.

3. THEORETICAL UNDERPINNINGS

Due to the rapid progress of communication and information technology, working life is changing in many ways. According to Skorstad & Ramsdal (2009), increased globalization led to a high competition among companies, as they need to be faster in innovation and in service delivery, as customer needs are no longer fixed or predictable. In such a climate, companies need to prove flexibility to market demands, and their success or failure now depends on their adaptability to the global changing environment. This is also reflected in their work set ups, as those companies that learn how to redesign themselves have higher chances of triumph versus organizations that do not manage to carry out such exercises. As Felstead & Jewson (1999) remark, flexibility is currently increasingly considered a factor for success and working life is also impacted by this notion.

Flexible work differs from the "standard" working hours normally referring to being in the office five days per week, from 9.00 am to 5.00 pm, in the sense that it describes the ability to establish a working schedule as per the interest of both the company, as well as of the employee (Grantham, 2000; Pettinger, 2002). Work patterns can be customized as per the needs of the business, and employees can choose to work from home a few days per week or they can opt for an alternative work schedule.

In flexible work environments, there is a constant drive for innovation and they require a higher degree of cooperation with workers, who operate in a relation of trust. With the rise of information and telecommunication technologies, companies are today able to implement a broad transformation in their work activities, by distributing roles and functions widely across different geographical areas and the processing of their services do not require anymore direct physical customer interface (Furaker et al., 2007; Messenger & Ghosheh, 2010).

Companies now take into consideration the demand of flexibility coming from their employees and look to address these needs by establishing remote working programs. A study conducted in 2017 by SurePayroll, a web-based payroll provider which made a nationwide study of over 5,000 workers from various industries and company sizes, concluded that remote work is a boost to overall organizational productivity. When asked what they consider as primary productivity stoppers in the workplace, respondents named a few major distractors, such as colleagues dropping by, small talk,

phone calls, texting and 65 percent of employees from a productivity report answered that flexible and remote work would increase their productivity, and 37 percent considered that a closed office would foster the most productivity. This can be explained by the fact that the many of the distractors happening in an office are eliminated: there are no interruptions from colleagues, no noisy discussions happening in the nearby of their workplace.

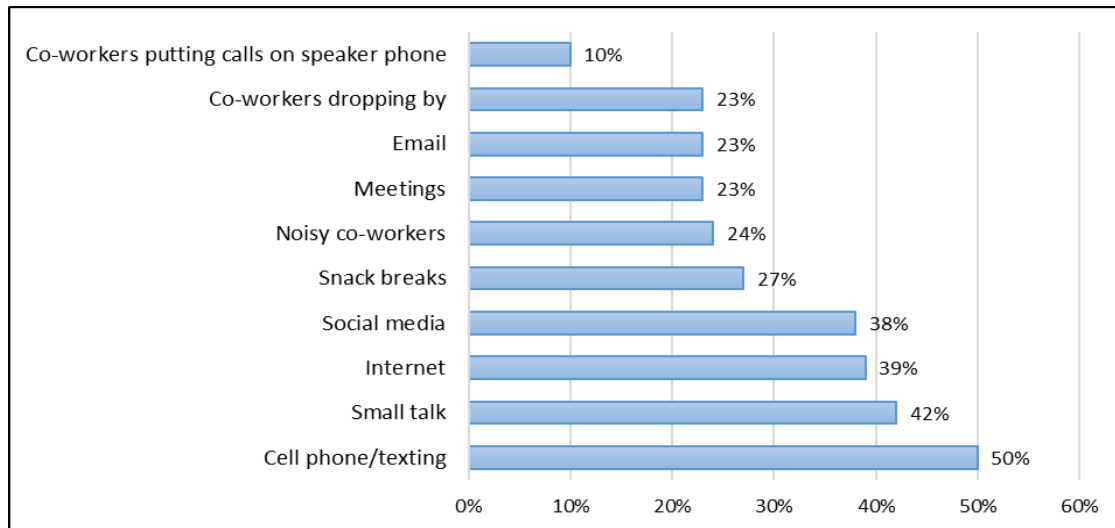


Figure 1. Productivity distractors in the workplace

Source: Authors, based on the data from SurePayroll (<https://www.surepayroll.com/>)

Remote working programs can only function properly and deliver productivity for a company if a series of factors are taken into consideration. There have been situations in which such flexibility offered to the employees of a company failed to reach the expected targets, and quite on the contrary, it brought inefficiency. One famous example is from Yahoo, where Marissa Meyer, the CEO of the company, took the decision in 2013 to ban working from home for the employees. Therefore, remote work does not only require a good connection to the Internet and a computer. Nickson & Siddons (2004) put together a series of clear process steps need to be taken into consideration when implementing work from home programs, as they are detailed in Figure 2.

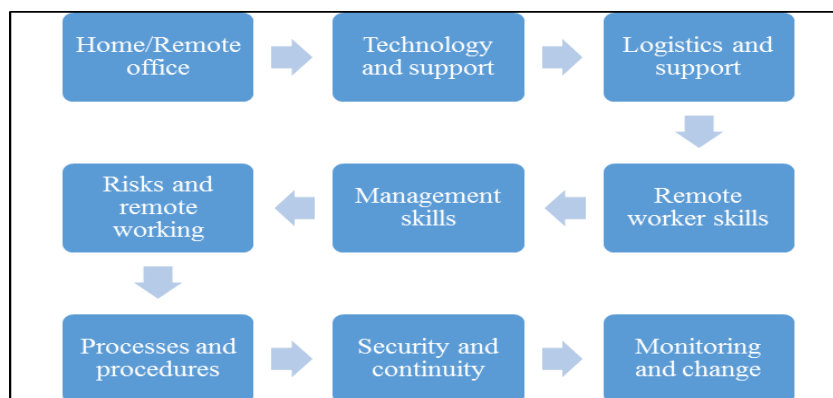


Figure 2. Remote Working Implementation

Source: adapted from Nickson and Siddons (2004, p.7)

Remote working programs should take into consideration both the financial implications, as well as the human resources involved in the process. There are many risks that can be associated with remote working and which can have a negative impact over the organizational performance, therefore developing clear policies and procedures stating the requirements needed for remote work

is very important. Employees must ensure that their home offers them the right environment for work, that they benefit from the right technological equipment to perform their duties. The company should also ensure that it has the right support teams which can assist remote workers in case technical/system incidents occur.

Moreover, management teams need to be able to supervise remote workers and to make an assessment of whether they have the right skills to work from home, i.e. they can operate with discipline and have a good tracks record (Vega, 2003; Amigoni & Gurvis, 2009). The roles themselves need to be evaluated on whether they allow individuals to work from a remote location, as certain functions require employees to be present in the office more frequently. Lastly, the company offering such flexible work benefits should track organizational performance of home-working implementation and if there are any risks identified, should look to mitigate them. The incorrect allowance of remote roles can lead to issues at operational level.

4. RESEARCH RESULTS

This section assesses the extent to which the service sector in multinational companies is gaining popularity among workers due to the advantages brought by the flexible labor. The figures presented in this analysis are based on the information from the reports and strategies listed each company website and from FlexJobs, an online job service platform that advertises telecommuting, part-time and flexible job offers from worldwide companies.

Table 1 presents the companies that are on the top of FlexJobs 2017's 100 best providers of remote jobs: Appen, LiveOps, Amazon, TeleTech and LanguageLine Solutions.

Table 1. Top companies offering remote jobs

Company	Size	Industry	Headquarters	Flexible work programs
Appen	Over 400,000 contractors	Global speech and search technology services	Chatswood, New South Wales Australia	Yes
LiveOps	More than 20,000 call center agents	Customer service solutions and cloud contact center	Scottsdale, Arizona	Yes
Amazon	More than 91,300 employees	Online retailer for a vast selection of products	Seattle, Washington	Yes
TeleTech	More than 48,000 employees	Business process outsourcing	Englewood, Colorado	Yes
LanguageLine Solutions	More than 9,000 employees	Interpreting and translating services	Monterey, California	Yes

Source: Authors, based on the data from Flexjobs (<https://www.flexjobs.com/>)

The companies were selected from different service industries, they have international presence in multiple countries, have more than 5,000 employees and all of them offer flexible labor. Today all of them are successful and managed to grow their business and continuously improve performance by implementing effective remote work models. Offering flexible jobs also comes with certain risks, however it is important for companies to be adaptable to employees' needs and to find solutions which can address any potential performance issues.

Appen is a company founded in Sydney in 1996 and after merging with Butler Hill Group, expanded its business scope, becoming a global speech and search technology company that today has more than 400,000 employees in 90 countries throughout the world. In 2017 reached the top of the list of companies offering flexible work programs, compared to 2016 when it was on the 77th place in the top 100 companies offering work-from-home jobs done by FlexJobs. It is a company that connects and empowers communities by extending technology globally, and that commits to global diversity, having it as a top value. It has a wide network of language and culture specialists in more than 150 languages.

LiveOps was established in 2001, with headquarter in Arizona and has quickly developed to the biggest marketplace for call center operations, having more than 20,000 agents worldwide which handle more than 114 million call interactions annually. Due to the extended work flexibility offered to its employees, it was awarded also with the Alfred P. Sloan Award for "Business Excellence in Workplace Flexibility". It supports industries such as retail, insurance, health care, pharma, telecommunications. The company's work schedule is far from traditional as it offers a very different virtual agent experience: its employees are not limited by business hours or geography, which makes it feasible for the company to accommodate clients across any time-zone and region.

Amazon was founded in 1994, it is the largest online retailer in the world and it is also one of the industry leaders in flexible work services. It has more than 91,300 employees around the world and it highly sustains diversity by establishing organizational programs which connects people across business and geographies. What is more, the company initiated a Virtual Customer Service program through which they plan to hire 5,000 workers who will work from home. This program is part of Amazon's plan to create 30,000 part-time roles in 2017.

TeleTech is an older company, it was established in 1982, and it is an industry leader in process outsourcing services. The industries it accommodates are diverse: automotive, communications, media, technology, financial services, government solutions, healthcare, retail, travel, property and casualty insurance. It has more than 48,000 employees across all continents and it also committed to diversity, having this integrated in its foundational values. It developed a remote associate model called TeleTech@Home, through which it addresses the customer care challenges such as: fluctuating call volumes, high spikes in seasonal demand, high on-shore customer care costs.

LanguageLine Solutions is a company founded in 1982, headquartered in California and it is specialized in face-to-face, over-the-phone and videoconference interpreting and document translation services. The employees hired by the company can also work from various locations. It is the world's biggest employer of interpreters, having expertise in over 240 languages. This company is a new entry in the top 100 companies offering remote jobs made by FlexWork.

All above mentioned companies adapted to the needs of today's job applicants and even developed dedicated programs to enable flexible labor and due to the sustainability of their remote work models, they managed to also increase their services portfolio and profit as well. They have in common the following operating models: to offer a very good experience to their customers, to manage to cover more time zones and geographies, to reduce overall operating costs, to streamline their processes and to constantly grow their business. By ensuring a flexible workforce, they were able to integrate the growing trend of telecommuters and they understood that in order to compete on the market, they need to be flexible. They established dedicated programs specific for work from home employees and they highly commercialized them via their websites, making their jobs more attractive to potential new hires. Virtual Customer Service empowered by Amazon and TeleTech@Home established by TeleTech are two significant examples in this respect. The impact on organizational performance was a positive one, as all companies not only managed to maintain their business on the market, but they managed to increase it, by integrating more products and services.

Another common feature of all these companies is that through an international exposure they were able to attract more and more customers across the globe. Hiring workers from across the globe is

not a simple process. It involves good preparation of working principles and a good ability to cover multiple time zone differences. It also needs to consider linguistic barriers. In most of the remote work activities, written communication is very frequently used. People with poor oral communication skills will have even poorer writing skills and there is no place for poor communication in multinational teams (Fried & Hansson, 2013). People with excellent communication competencies are needed to perform remote jobs and all analyzed companies bring to customers' attention the diversity of languages spoken within their company, particularly to generate the message that they can accommodate many locations and clients across the globe without any problem.

To demonstrate the importance of work flexibility and its influence on overall organizational performance, the authors also made a parallel between the business strategy of each company and the type of labor flexibility offered to obtain profit and growth of business.

Table 2. Analysis of companies that offer flexible workplaces

Company	Business strategy	Flexible work jobs alternatives
Appen	"Bring together the best of human intelligence and technology to accelerate global technology solutions, bridging gaps between people and communities."	Working from home, alternative schedule.
LiveOps	Services "powered by cloud-based workforces."	Full and part-time telecommuting positions
Amazon	"To be Earth's most customer-centric company, where customers can find and discover anything they might want to buy online."	Full-time, part-time, and remote job opportunities.
TeleTech	"To offer best-in-class customer experience and contact center capabilities that simplify interactions and build customer engagement."	Full and part-time telecommuting employment opportunities.
LanguageLine Solutions	"To be the worlds' leading language solutions company providing total and complete client satisfaction every day."	Part-time, full-time, alternative schedule, freelance, and telecommuting jobs.

Source: Authors, based on each company reports

In Table 2 it can be observed that each of the five companies has a business strategy centered around advanced technology which facilitates fast international operations. The strategies adopted by the companies also highlight the diversity of services promoted by the respective organization, they emphasize how their services are scaled at global level and they are very oriented towards client service: strategies are "customer-centric", companies aim to offer "best-in-class customer experience", look for "complete client satisfaction". It was also noticed that non-standard forms of work, such as telecommuting, freelance, alternative schedule jobs, increasingly characterize the business approach adopted by the major multinational companies.

5. CONCLUSIONS

The intent of the article is to highlight the proliferation of flexible labor within multinational companies. It was observed flexible work arrangements are increasing and are present in top multinational companies and that those organizations that demonstrate adaptability to the needs of

the market and of the workers succeed. The growing trend of non-standard work arrangements relates to the fast progress of information and communication technologies and it is transforming the economic and social landscape.

There is no general formula that should be followed by each company when deciding to implement flexible work programs, however, there are key factors that can be taken into account from the experience of other companies that proved to be successful in this respect. Moreover, the nature of work and industry is highly important, and without the availability of resources from various locations which can cover multiple languages and which are able to accommodate various time zones, it would not be possible for a company to carry on its business objectives.

We can observe the prevalence of flexible labor in multinational companies which are leaders in their industry and this includes various types of work: freelancing, working from home, fixed-term contracts, part-time working, consultancy work. Moreover, it has been gradually adopted in a variety of industry types: interpreting and translating services, retail, transport, finance, insurance, healthcare, telecommunications, in companies located in all parts of the world. Consequently, the future of jobs is based on flexibility, dynamism and quick responsiveness (Pettinger, 2002), and all analyzed companies place customer service at the center of their strategy.

The results of this study can be used by organizations that decide to implement flexible work programs and want to have a high-level overview of the main factors that influence the sustainability of flexible labor.

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