CHAPTER 5

DISCUSSION AND CONCLUSION

This chapter will further discuss in depth the important results and findings based on the data analyzed from the previous chapter on the flexible working practices and employee retention. Limitations of this study will also be shared along with some recommendations and practical implications before concluding the entire research study.

5.1 Discussion

This study was undertaken to primarily examine the relationship between flexible working practices, specifically on flex time, job sharing, flex leave, flex career and flex place in the Malaysia banking industry with employee retention in terms of the availability of flexible working practices, individual needs requirements of flexible working practices and encouragement by employer on flexible working practices in the work place. It further sought to determine which of these flexible practices is most effective in retaining employee. After which, the study further examine whether employee designation, age group and retention practices have an effect on the employee retention as the secondary objective. Through the survey, information and data have been gathered that led to a conclusion.

Primary Outcome

5.1.1 Flexible Working Practices and Employee Retention via Simple Bivariate Correlation

Based on the simple bivariate correlation test, the study revealed that all the independent variables i.e. flex time, job sharing, flex leave, flex career and flex place are positively correlated to the dependant variable i.e. employee retention. This findings are in line with Nordstrom; Heath; Gholipour (2010); Chartered Management Institute and CIPD (2010).
However, the result showed that only flex time is significantly positively correlated to employee retention with \( p < 0.05 \). Hence, by increasing flex time in the workplace, it will increase the retention of employees. This result came with no surprise since flex time has been studied in many literatures (Ronen 1981; Nollen 1982; Grensing-Pophal 1993; Olmstead and Smith 1994; Peak 1996 cited in Avery and Zabel 2001) and has over time appeared to be most famous and effective type of flexible working practices adopted by employer which increases the retention of employees in an organization.

Flex time was first suggested by Christel Kaemmerev in 1956 (Cao, 2005) and first implemented in West German businesses in 1967 (Avery & Zabel, 2001). Flex time soon spread quickly through Western Europe due to high demand from workers and less governmental restrictions on work schedules (Ronen, 1981). Today, flex time is widely practiced by organizations worldwide.

5.1.2 Flexible Working Practices and Employee Retention via Multiple Regression

Further analysis using multiple regressions was carried out to determine which of these five practices is most significant to employee retention. Again, the analysis resulted in flex time having a significant positive effect on employee retention. This finding is supported by Heath; Management Institute and CIPD (2010).

Surprisingly and interesting to note that the study also found that job sharing and flex place to have an inverse relationship towards employee retention under multiple regression as opposed to a positive relationship when simple bivariate correlation was earlier conducted. Although both job sharing and flex place are not significant to employee retention, but it is worth exploring since the results are very close to significant (.079 and .066) respectively.
To further understand and explain this finding, an informal interview was conducted. Based on the interview, few reasons were derived on the inverse relationship of job sharing and flex place.

**Job Sharing and Employee Retention**

The negative relationship between job sharing and employee retention was mainly perceived being contributed by the skills/expertise of the employee. As explained in the literature review, job sharing is when two persons voluntarily share a job. In order to ensure this arrangement works successfully, both the partners must possess the same set of skills, knowledge, experience, work attitude and most importantly, excellent communications. This is because the partners work at different time in a day, or in a week etc depending on their agreement. Communication plays a vital role between them to ensure the work is delivered on time with the highest quality. Thus, only certain types of job are appropriate and effective in this practice. So, it is quite expected that these group of employee is highly sought after due to their skills and expertise. Hence, the higher flexibility given, the more authority and bargaining power they possess. Since organization worldwide value and regard highly for these employees, increase in flexibility will make them more marketable.

**Flex Place and Employee Retention**

As for flex place inverse relationship with employee retention, it is perceived that their accountability increases as greater flexibility is given i.e. mobile phone, lap top etc. Hence, all these office benefits have invaded their personal time with family. Employer expects them to be on call 24-7 a week. Apart from that, since this group of employee works in cyber space i.e. not in the office building, this has also contributed in the decrease of their sense of belongings to the organization. Addition to that, communication between the employer and
employee is conducted via internet and electronic devices as opposed to the regular morning meetings. Thus, face-to-face communication, pat on the back and the occasional morning breakfast meet is non existence for this group of employees. As such, by increasing flexibility, it will push them even further away from the organization.

**Secondary Outcome**

5.1.3 Age Group and Employee Retention

Research also showed that there is a significant difference in age group with relation to employee retention. This is supported by the respondent age group profile, whereby majority of the respondents or 40.8% came from the age bracket of 31-40. This age group represents the late baby boomers and early Generation X who look for flexible working practices as one of the benefits in joining a company and staying with the company. Not putting aside the rising of the younger generation- Generation Y (age group 21-30) at 32.5%, the participation of this Generation Y into the workforce as projected in Robert Walters (2010) is approximately 3.9 million or 36% from year 2000 onwards. This will further pose a challenge to the organization since they are very tech-savvy and have high expectation of the employer. This group of generation is also known to job hop and move on to other organizations, without having second thoughts, should they find the organization not meeting to their expectations.

5.1.4 Retention Practices and Employee Retention

Finally, to strengthen the findings and better understand on the retention practices tested i.e. availability of flexible working practices, individual needs requirements of flexible working practices and encouragement by employer on flexible working practices the multiple regression is conducted. Result showed that amongst the three retention practices, only the
individual needs requirements is significant to employee retention. This again came with no surprise since no matter how excellent the flexibility program is designed, if it did not meet the needs and requirements of the employees, it is just an effort that goes down the drain.

More interesting to note from this finding is that availability of flexible practices and encouragement to exercise flexibility practices is not significant to employee retention. As such, when designing any flexible practices programs, organizations should pay utmost attention in first meeting the employees’ needs and requirements. This is simply because by just having flexibility practice available and providing encouragement to exercise these practices will not lead to employee retention. In short, organization must conduct an extensive in-house survey to find out the types of programs desired by the employee and the ease of implementing the program. Thus, flexibility in designing these practices is important since individual employees are looking for many different things and one size does not necessarily fit all.

5.2 Conclusion

Globalization, the change in workforce composition, increased dual-earners, plus the intense competition between the banks in providing work life balance; attracting and retaining employees have further pushed the banking sector to adapt new Human Resources practices.

The banking sector has continuously strives to have the best practices for recruitment and retention by designing the best performance management system and providing the competitive compensation and benefits packages. Addition to that, they are very committed to find ways to develop better practices which attract and retain employees. Banking sector in Malaysia is clearly open to different work practices including flex time, job sharing, flex
leave, flex career and flex place or telecommuting, be it informally or formally. Amongst this, flex time is proven to be the tool that increase the attractiveness of banking jobs which in turns, increase employee retention.

Flexible working practices are perceived to be made available in the banking sector and employers are perceived to encourage their employees to practice these flexible practices. However from the research we could not ascertain whether all five practices are made available formally or informally in the banking sector. Nonetheless, the banking sector should consider in opening its flexible practices, flex time in particular to all its employees, formally.

This research study has presented information and results on the five flexible working practices and employee retention, focusing on the banking sector. Many organizations are experiencing the opportunities and challenges, given the changes of labor market where more women are joining the workforce, thus increase the number of dual-earning couples.

Employees’ attitudes toward work have also started to change and more are looking for arrangements that will allow them to pursue their own interests such as to further their studies. On top of that, organizations which provide Family-Friendly policy and empowered its employees are favored by employees. It is pertinent to acknowledge the increasing number of aging workers in the workforce as well. This has called for organizations to find ways to attract qualified individuals and to retain their valuable employees. Hence, recruitment and retention has now played a more important role in adapting to the changes in the labor market.
In conclusion, flexibility initiatives if implemented well, will offer enormous potential in attracting qualified applicants and retaining valued employees. This is proven true in the case of Accenture, IBM, Ernst & Young (Canada), AstraZeneca and Deloitte (Corporate Voices for Working Families, 2005).

As stated from the summary of findings of Corporate Voice for Working Families (2005) below, flexible working practices are beneficial to both the employee and also employer, as supported by this research.

- Many organizations are implementing flexibility.
- Evidence and data on impact of flexibility is abundant
- Proven positive people effect whereby flexibility have shown to have consistently powerful and positive impact on retention, employee satisfaction, employee engagement and employee stress reduction
- Multiple positive results possible ranging from positive effects on business operations to supporting client service to advancing employee health and well-being
- Widespread impact is confirmed since positive effects of flexibility extend to both exempt and non-exempt employees
- Diverse industries obtain similar positive effects i.e. positive impacts of flexibility extend across industries
- Occasional, informal flexibility is powerful when business culture allows and supports so that it could be extended more broadly
- Robust research methods exist to make the case whereby proven tools and techniques to make connection between flexibility and business outcomes and to assess, monitor and leverage flexibility with the same rigor applied to other business strategies.
Nevertheless, do bear in mind that flexible is not about opening the floodgates and saying, “Yes” to all requests. Rather, the implementation of flexible work arrangements requires clear guidelines and parameters to ensure the both the employee’s and employer’s right are protected.

5.3. Limitations of the Study

The study used the convenience method of gathering information. Thus, the number of respondents obtained, due to time and financial limitations were only 120. Future research should include a bigger sample of the bank’s population to determine the relationship between the variables tested in this research.

Furthermore, the results are based on banks located in Kuala Lumpur, with 94.2% are respondents from local banks and most of the respondents are from the head office. Thus the results might not be the actual representation of bank employees in Malaysia as well as other business sectors. Future research should gather more sample responses from foreign banks as well as employees from other business sectors. This would give an indication whether foreign employees and also employees from different business sectors have the same views and opinions as the employees in the local banks.

5.4. Recommendations for Future Research

For future studies, a comparison of local and foreign banks could be conducted to see the effect of flexible working practices in relation to employee retention. The survey could be extended to all employees working in Kuala Lumpur with proportionate sampling from each bank to ensure equal participation and more accurate and reliable findings.
5.5. Implications of Study

The topic of flexible working arrangements, particularly with dedicated practices i.e. flex time, job sharing, flex leave, flex career and flex place on employee retention is relatively new and not much have been discussed particularly in the Malaysia banking context. This finding if truly being represented would give the banking sector the first hand information and insight on its employees’ perception of flexible working practices and employee retention.

This study would definitely provide a basis for banks in Malaysia to further pursue its intention of implementing flexible working practices. It will also add to the existing studies and materials on flexible working practices. The research will also be useful as it addresses the issue of employee retention, which has gained much interest from organization worldwide, especially with the arising war of talent. This research will also serve useful for managers and policy makers especially those in the private sectors.

Theory vs Practical Implication

Theoretically, from the findings and literature reviews, we affirm and concur that flex time will definitely leave a significant positive impact on employee retention in the banking sector and thus, banks should adopt this practice as it will increase employee retention. As such, flex time should be offered to all employees across departments.

Changes in labor market, where more women and dual earners are now part of the workforce, support by the different generation compositions also push the implementation of flexible working practices.
**Practical Implication in Implementing Flex Time**

Having said all that, practically, on the other hand, it is almost impossible to make flex time available to all employees in the bank. This is mainly because of the **nature of certain banking jobs** itself that prevent the banking sector to implement such initiative. In short, the traditional banking environment does not support such flexible arrangements.

Flex time, however, is possible for support and back room employees such as Operations, Administration, Human Resource, Audit, Finance and Contact Centre employees because their job nature do not require them to face customers at a specific time unlike Tellers and Front Line Officers.

Tellers are employees who seat at the counters in the banking hall and provide banking services to customers. Front line officers are employees who provide further support to tellers and are there to further enhance the customer service. In short, they are customer facing employees and provide customer service to bank customers. Hence, flex time is not an option to them because their jobs require them to be at their workstations at a specific time i.e. during banking hour 9.00am to 4:30pm. Therefore, we could not afford to have them in late or early since the banking hours are fixed.

At large, only Contact Centre and Sales employees are given formal flex time since the nature of their job allow and require such arrangement. Contact Centre of all banks provides a 24-hour telephone services to customers. As such, Contact Centre employees have the flexibility in choosing the time they come to work. Similarly, Sales employee does not have fixed working hour since they work on commission and the more sales they bring in, the more incentive the receive. Hence, flex time works well with them.
Employees at branches as opposed to staff at headquarters may also not benefit from flex time because staff at branches is considered to be customer facing and thus, must be at their respective workstations on time. Hence, flex time is more appropriate with people at headquarters, especially the non-customer facing.

**Challenges in Implementing Flex Time**

Apart from that, implementing flex time requires **extensive study** to ensure all banking operations run smoothly and no operation is in jeopardy. Since banking environment is unique whereby it consists of customer facing and non-customer facing employees, it is important to measure the level of severity if flex time is implemented across board.

Having said that, implementing **flex time formally** would also be a challenge since flex time is currently an informal practice in most banks. It is a silent practice that have been there and widely used by officers of higher rankings. To have this flexibility open formally to all levels, will indirectly mean touching the existing privilege of these group of employees. Again, considerable effort must first be examined before implementing flex time.

**Opportunities in Implementing Flex Time**

Despite all that, many positive and supportive factors have developed and grow over the years that give rise to flexibility such as changes in demographic, workforce composition and participation, and importance of striking the work-life balance. This has indirectly pushed the needs to having flexibility as a necessity.

More women are entering the workforce and it is important to note that women are now part of management, no longer holding typical women positions such as secretary, clericals and
tellers. As such, the expectation of flexibility is greater to retain this group of employees. Same goes to the middle management that comprises of mostly Generation X, who looks for and value flexibility in striking work-life balance.

Flex time will not only benefit the employees but also employers. Apart from having the option to schedule their time to come in for work and avoiding the morning traffic congestion, flex time is a way of empowering the employees. This will indirectly increase the employee trust towards the organization, making them feel more valued and subsequently increase their work quality. Hence, it will lead to a high performance culture, which is result-driven and align with the total quality management approach.

To the employers, flex time will reduce the absenteeism and tardiness among employees. There will be fewer late coming cases and less monitoring for the employer because in a high performance culture, employees are measured based on their performance; not emphasizing on their attendance. We have heard of many cases that employees are at work on time but never at their work stations when called. So, having flex time is an option to discourage such culture. Since a high performance culture produces high quality work, this will in turn, increases the profit for the organization since employees are giving their best at work.

Having said all, implementing flex time and other flexible practices are closely associated with the nature of job. For example, telecommuting or flex place is most suitable for the Information Technology (IT) Industry because majority of the employees share a similar job nature i.e. where most operations are conducted in cyber world. Flex career on the other hand, especially on sabbatical leave are most effective in the Education Industry since
employees are encouraged to further their studies and increase their knowledge based on their respective fields of study or area of expertise.

Nonetheless, as mentioned in the conclusion, proper and detailed guideline, and close monitoring of the flexibility must first be in place to avoid any misuse by employees. The organization must not only have the policy clearly written with proper guideline, it must also have the right infrastructure in place i.e. changing the attendance system to support the new flexibility since the current system is only programmed to capture attendance for traditional working hour i.e. 8:45am to 5:45pm.

Although implementing flex time will incur cost and time to the organization in ensuring smooth transition but it is a practice worth implemented by banks in Malaysia as proven by previous studies and also this research. As such, banks should really consider implementing flex time since it will increase the retention of employee.