

Flexible Working Arrangements and Their Impact on Employee Engagement and Productivity

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ABSTRACT

Changes in the work landscape due to technological developments and modern organizational dynamics have encouraged the adoption of Flexible Working Arrangements as a human resource management strategy. This study aims to analyze the implementation of Flexible Working Arrangements and their impact on employee engagement and productivity. A qualitative approach with a case study design was used to gain an in-depth understanding of the experiences, perceptions, and meanings constructed by employees and management. Data collection was conducted through in-depth interviews, non-participatory observation, and documentation studies in organizations that have implemented flexible work practices on an ongoing basis. Data analysis was conducted thematically to identify patterns and relationships between phenomena. The results indicate that Flexible Working Arrangements encourage a paradigm shift from attendance-based supervision to results-based performance assessment. Work flexibility contributes positively to employee engagement by increasing autonomy, trust, and psychological well-being, although engagement levels are not uniform across all employees. Employee productivity tends to increase, particularly in jobs that require independence, time efficiency, and individual focus, while coordination challenges remain in teamwork. These findings confirm that Flexible Working Arrangements function optimally when integrated with adaptive leadership, a clear evaluation system, and consistent organizational support. This study provides theoretical and practical contributions to the development of sustainable flexible work policies

Keywords: Work Flexibility; Employee Engagement; Employee Productivity

INTRODUCTION

Changes in the work landscape triggered by advances in digital technology have shifted how organizations view the effectiveness of traditional work systems. Work patterns that require full physical presence at specific times and locations are increasingly considered irrelevant to modern demands for flexibility and efficiency. Organizations are faced with the need to design work systems that can accommodate diverse employee needs without sacrificing performance. Advances in communication technology allow work to be completed remotely with a level of coordination relatively equivalent to face-to-face work. This reality has driven the emergence of Flexible Working Arrangements (FARs) as a strategic alternative in human resource management. Flexible work policies are viewed not only as additional facilities but also as managerial instruments with structural impacts (Nurwati et al., 2025). The implementation of FARs



reflects a shift in organizational paradigms towards performance measurement, which is no longer solely based on attendance. This new orientation places work results and individual contributions as the primary indicators of organizational success (Nisa et al., 2023).

Shifts in work systems have direct implications for the psychological relationship between employees and the organization. Employee engagement is a central issue because it reflects an individual's level of emotional, cognitive, and affective involvement in their work. High levels of engagement correlate with long-term commitment and employees' willingness to exert extra effort. Organizations that fail to build employee engagement risk decreased motivation and increased turnover intentions. Flexible working arrangements have the potential to influence engagement by increasing the sense of autonomy and trust they provide to employees. Providing flexibility is often perceived as a form of respect for work-life balance (Dunan & Saputri, 2025). This positive perception can strengthen employees' identification with the organization's values and goals. A stronger psychological bond has the potential to create a more participatory and sustainable work environment.

While flexible work offers numerous potential benefits, its implementation is not without managerial challenges. The lack of clear boundaries for time and workspace can create latent work stress. Employees may struggle to separate professional and personal roles. This can diminish the quality of engagement if not balanced with adequate supporting policies. The role of leadership is increasingly crucial in ensuring that flexible work operates in a structured manner (Rahmawati & Pusparini, 2023; Indiworo & Akbar, 2025). Effective communication is essential to maintain clarity of expectations and work responsibilities. Without appropriate management mechanisms, flexibility can actually undermine team cohesion and team spirit. These challenges demonstrate that Flexible Working Arrangements are not a universal policy without prerequisites.

Employee productivity remains a primary concern in evaluating flexible work policies. Productivity is understood as an employee's ability to produce optimal output with efficient resource utilization. Flexible Working Arrangements have the potential to increase productivity by reducing travel time and improving work comfort (Weideman & Hofmeyr, 2020). A more flexible work environment can encourage better focus and concentration. Increased individual control over work schedules is often associated with increased intrinsic motivation. This motivation plays a crucial role in driving the quality and quantity of work output. However, flexibility also risks lowering productivity if supervision and coordination are ineffective. Differences in individual responses to flexibility indicate variations in outcomes that require further analysis.

The relationship between employee engagement and productivity has become a central issue in modern management discourse. Highly engaged employees tend to demonstrate more consistent levels of productivity. A sense of belonging to their work encourages individuals to maintain high-quality performance even when working flexibly. Flexible Working Arrangements have the potential to act as a catalyst to strengthen this relationship. Improving employee psychological well-being can contribute to more stable work performance. This relationship is not always straightforward and can be influenced by other contextual factors. Organizational culture and job characteristics are important variables in mediating the influence of work flexibility. The complexity of this relationship demands a comprehensive analytical approach.

Differences in organizational characteristics also influence the effectiveness of Flexible Working Arrangements. Organizations with high levels of trust and communication tend to be more successful in implementing flexible work practices. A

results-based work structure allows for objective performance evaluations. Conversely, organizations with a strong culture of control often experience resistance to flexibility. Employees in such environments may perceive unclear roles and assessment standards. This can weaken engagement and indirectly reduce productivity (Ghonim et al., 2025). These variations explain the mixed results of previous research. The diversity of organizational contexts presents both challenges and opportunities for academic research.

The empirical literature on Flexible Working Arrangements shows discrepancies in findings across studies. Some studies confirm the positive impact of work flexibility on engagement and productivity (Nurfauzi, 2024). Other studies found that flexibility does not always result in significant performance improvements (Indriyani, 2025). These inconsistencies in results indicate the presence of intervening variables that have not been fully explained. Differences in research methods and measurement indicators also influence the conclusions drawn. This gap opens up space for more focused and systematic research. Approaches that simultaneously integrate engagement and productivity are still relatively limited. The need for more in-depth studies is increasingly urgent.

Given the complexity of this phenomenon, research on Flexible Working Arrangements (FARs) is crucial for academic development. A structured analysis is needed to understand the mechanisms by which work flexibility influences employee engagement and productivity. A scientific approach is expected to explain the conditions that strengthen or weaken the relationship between variables. The research findings can contribute to the development of human resource management theory. Empirical findings can also form the basis for formulating more adaptive organizational policies. Organizations need scientific evidence to ensure that work flexibility is implemented effectively. The practical relevance of this research lies in efforts to continuously improve employee performance and well-being. These academic and practical significance underscore the urgency of research on Flexible Working Arrangements and their implications.

METHOD

This research uses a qualitative approach with a case study design to understand the implementation of Flexible Working Arrangements and their impact on employee engagement and productivity. This approach was chosen because it allows for an in-depth exploration of the experiences, perceptions, and meanings constructed by employees and management regarding work flexibility. The case study focuses on one organization that has formally and sustainably implemented Flexible Working Arrangements. The research aims to capture the dynamics of policies and work practices contextually.

Research subjects were selected purposively, involving employees and work unit leaders directly involved in the flexible work system. Variations in job titles and tenure were considered to obtain diverse perspectives. Data collection was conducted through in-depth interviews, non-participatory observation, and documentation studies of internal organizational policies and reports. This combination of techniques was used to enrich the data and increase the reliability of the findings.

Data analysis was conducted thematically through data reduction, coding, and the extraction of key themes related to employee engagement and productivity. Triangulation of sources and methods was applied to maintain data credibility. The validity of the research was ensured through the application of the principles of

credibility, dependability, and confirmability. The entire research process was conducted with due regard for research ethics, including informant consent and data confidentiality.

RESULT AND DISCUSSION

Implementation of Flexible Working Arrangements in Organizational Practice

The implementation of Flexible Working Arrangements in the organizations studied demonstrates a fundamental shift in work design and human resource management. Flexible work policies are not only interpreted as technical arrangements regarding work time and location, but also as strategic instruments to boost work effectiveness. Previously uniform work structures have been adjusted to be more adaptive to job characteristics and individual needs (Hashmi et al., 2023). Flexible work hours and remote work options are implemented while maintaining measurable performance targets. Management emphasizes the importance of output-based accountability over attendance monitoring. This orientation requires a shift in mindset from both leaders and employees. One manager stated that

"Work flexibility makes us more focused on results, not just working hours" (Interview M1).

This statement demonstrates a transformation of values within the organization's work system. The process of implementing Flexible Working Arrangements requires complex structural and cultural readiness. Organizations adjust operational procedures to align with flexible work systems. Performance reporting mechanisms are designed to be more transparent and based on individual and team achievements. Digital technology is utilized as the primary means of work coordination and communication. Online platforms are used to ensure effective information flow even when employees are working from different locations (Ahmadi et al., 2024). This adaptation requires increased digital competency at all levels of the organization. One employee stated that

"The initial implementation was quite challenging because the work rhythm changed, but over time it became more efficient" (Interview K2).

This experience reflects the gradual process of organizational learning. Leadership is a key factor in ensuring consistent work flexibility. A leadership style that emphasizes trust and open communication strengthens the effectiveness of policy implementation (Pradipta & Martdianty, 2023). Work unit leaders act as facilitators, maintaining a balance between flexibility and work discipline. Clearly articulated performance expectations provide employees with clear guidance. This approach helps minimize the role ambiguity that often arises in flexible work systems. More egalitarian work relationships are beginning to form as a result of these changing interaction patterns. One leader stated that

"Trust is key, because without it, flexibility will actually create uncertainty" (Interview M3).

This statement emphasizes the importance of relationship-based leadership in flexible work systems.

Although the implementation of Flexible Working Arrangements shows much positive potential, organizations still face a number of challenges. Differences in

employee readiness levels impact the effectiveness of policy implementation. Some employees require a longer adaptation period to adjust to a more independent work rhythm. Coordination challenges between teams also arise, particularly in collaborative work. Limitations on nonverbal communication are a barrier perceived by several informants. This situation calls for strengthening more structured communication mechanisms. One employee stated that.

“Online meetings help, but they cannot always replace face-to-face discussions” (Interview K4).

These findings suggest that work flexibility requires a balance between online and face-to-face systems.

Overall, the implementation of Flexible Working Arrangements in the case study organizations demonstrated a dynamic adaptation process. The flexibility policy was not static but was continually adjusted to meet operational needs. Periodic evaluations were conducted to identify weaknesses and opportunities for improvement. Employee involvement in the evaluation process strengthened a sense of ownership of the policy. Flexible working was perceived as part of a broader organizational transformation, affecting the way people work, communicate, and assess performance (Stefanie et al., 2020). One informant stated that

“flexibility does not mean being free and without direction, but working in a smarter way” (Interview K1).

This perception reflects the meaning of work flexibility as a structured and results-oriented system.

The Influence of Flexible Working Arrangements on Employee Engagement

Flexible Working Arrangements significantly impact employee engagement in the organizations studied. Employees experience increased autonomy in managing their work and working hours. This autonomy contributes to a sense of self-confidence and professional responsibility. Employees' emotional connection to their work becomes more positive as flexibility increases (Nafis, 2025). Employees feel valued as individuals with different needs and preferences. This perception of appreciation strengthens their affective engagement with the organization. One employee stated that

“I feel the organization cares more about my life balance” (K3 Interview).

This statement demonstrates the link between work flexibility and the emotional dimension of engagement. The cognitive dimension of engagement also changes with the implementation of work flexibility. Employees demonstrate better concentration levels when they have control over their work environment. Flexible work schedules allow individuals to work during their most productive hours. This situation increases mental engagement with the tasks at hand. Employees become more focused on achieving work goals rather than simply fulfilling administrative obligations. A sense of work ownership strengthens as individual control increases. One informant revealed that

“Working flexible hours makes me more focused on completing targets” (Interview K5).

These findings indicate that work flexibility influences engagement through cognitive mechanisms.

Employee affective engagement is also influenced by the quality of the established working relationships. Flexible Working Arrangements encourage more open, trust-based communication patterns. Less hierarchical interactions increase employee psychological well-being. A more supportive work environment strengthens emotional bonds with the organization. A sense of psychological safety allows employees to express ideas and opinions more freely (Marumpe et al., 2023). These conditions contribute to increased affective engagement. One leader stated that

“Employees seem more open and brave in expressing ideas” (Interview M2).

This statement confirms the impact of work flexibility on the quality of work relationships. However, engagement levels did not increase evenly across all employees. Several informants expressed feelings of isolation due to reduced face-to-face interactions. This feeling of alienation emerged especially among newly joined employees. Limited social interaction impacted the formation of initial emotional bonds. This situation suggests that work flexibility requires supporting strategies to maintain social cohesion. Regular face-to-face activities are one solution implemented by the organization. One employee stated that.

“Face-to-face meetings are still important so that you don't feel like you're working alone” (Interview K6).

This experience underscores the need for a balance between flexibility and social interaction. Overall, Flexible Working Arrangements contribute to increased employee engagement across multiple psychological dimensions. This positive influence emerges when flexibility is accompanied by role clarity and organizational support (Allen et al., 2021). Engagement is influenced not only by policies but also by how they are implemented. Employees view flexibility as a symbol of trust and respect. This perception strengthens the reciprocal relationship between employees and the organization. The resulting engagement is dynamic and contextual. One informant stated that

“flexibility makes me feel more at home and want to contribute more” (Interview K7).

This statement reflects the close relationship between work flexibility and long-term engagement.

Implications of Flexible Working Arrangements on Employee Productivity

The implementation of Flexible Working Arrangements has had significant implications for employee productivity. Employees reported increased work time efficiency due to reduced non-productive activities. Shorter commute times were diverted to completing core tasks. A customizable work environment increased comfort and focus. Productivity was perceived not only in terms of output quantity but also in terms of quality. Employees felt they had more stable work energy. One informant stated that

“work can be completed faster because I work when I am most focused” (Interview K8).

This experience demonstrates the relationship between flexibility and work efficiency. Employee productivity is also influenced by increased intrinsic motivation. Flexible Working Arrangements provide individuals with the freedom to manage their work rhythm according to their personal preferences (Munanda & Dwianto, 2024; Shofani, 2024). A sense of control over their work strengthens the internal drive to achieve. This motivation is reflected in their commitment to targets and deadlines. Employees demonstrate a greater awareness of their work responsibilities. Loose supervision fosters confidence in completing tasks. One leader stated that

"Employees are actually more responsible when they are given trust" (Interview M4).

These findings indicate that flexibility can be a motivation-based productivity driver. Collaboration is a crucial variable in flexible work productivity, with individual work tending to show more significant productivity gains (Witriaryani et al., 2022; Lusiati et al., 2025). Teamwork requires more intensive coordination mechanisms. Reliance on communication technology is a determining factor in smooth collaboration. Communication barriers have the potential to slow down teamwork processes. Organizations address this challenge by scheduling structured online meetings. One employee stated that

"coordination can still take place as long as the schedule is clear" (K9 Interview).

This statement shows that team productivity requires more systematic management.

The relationship between engagement and productivity appears to be even stronger in flexible work systems. Employees who demonstrate high engagement tend to maintain performance even when working independently. A sense of ownership in their work encourages individuals to maintain quality standards. Productivity is influenced not only by the work system but also by employee attitudes and perceptions. Flexible Working Arrangements act as a catalyst that strengthens this relationship (Nisa et al., 2023; Setyawan & Sadana, 2025). A positive psychological state supports consistent performance. One informant stated that

"When I feel trusted, I am motivated to work harder" (Interview K10).

These findings confirm the link between psychological dimensions and productivity. Overall, Flexible Working Arrangements have conditional productivity implications. Productivity increases when flexibility is balanced with clear targets and organizational support. A results-based evaluation system is a crucial prerequisite for flexible working. Sustainable productivity requires a balance between freedom and structure. Organizations need to understand the characteristics of jobs and employees before implementing flexibility broadly. The research findings suggest that flexibility is not a single solution for improving performance. Flexibility functions optimally as part of an integrated management system. A leader's statement that "flexibility works effectively when managed with discipline" (Interview M5) encapsulates the essence of this research finding.

CONCLUSION

The conclusion of this study indicates that Flexible Working Arrangements (FWAs) are a work strategy that reflects a fundamental transformation in modern human resource management. The implementation of flexible work requires a paradigm shift in organizations from attendance-based supervision to results-based performance assessment. This policy implementation is effective when supported by leadership that emphasizes trust, open communication, and clear work expectations. Flexible Working Arrangements have been shown to influence employee engagement by increasing autonomy, psychological well-being, and perceptions of organizational rewards. The resulting engagement is multidimensional and does not occur uniformly across all employees. Differences in individual characteristics and the intensity of social interactions influence variations in levels of work engagement. Work flexibility also has positive implications for employee productivity, particularly through increased time efficiency and intrinsic motivation. Productivity tends to increase in jobs that require independence and individual focus. Coordination and collaboration challenges remain, especially in team-based work. The relationship between engagement and productivity demonstrates a mutually reinforcing relationship. Flexible Working Arrangements function optimally when integrated with a structured performance evaluation system. The findings of this study confirm that work flexibility is a strategic policy that requires adaptive and sustainable management.

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