The Effect of FlexiTime on Employee Performance in Financial Institutions in Kericho Town

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Abstract- Job design is a process that entails putting together specific duties and responsibilities to create a variety of tasks that define the duties and responsibilities for individuals to carry out in their day to day work. Job design is very crucial for individual satisfaction and employee performance. It also ensures that a job is done efficiently, economically, reliably and safely. Therefore, the main purpose of this study was to find out the effect of flexitime on employee performance in financial institutions in Kericho town, Kenya. With the financial institutions struggling with challenges such as increased operating costs and downsizing, they have adopted some job design strategies whose effect on employee performance has not been established. The study adopted a descriptive survey research design and to achieve the study objective further, inferential statistics was utilized using the Pearson correlation to establish the relationship between the employee performance against flexitime. Mixed-methods approach was used by doing a census on the target population of 29 financial institutions and stratified the financial institutions into categories. Convenience sampling was done one each from Human Resources, Sectional Heads, Cashiers and Operations Manager per institution per strata where a sample size of 116 respondents was obtained. Questionnaires were used and a response rate of 73.3% was realized. Validity was ensured through subject matter experts whereas a reliability coefficient of 0.801 was established through Cronbach's alpha coefficient. The study findings indicated that flexitime had a strong positive association with employee performance of the financial institutions within Kericho County since it had a coefficient of 0.657 (r=0.657, p=0.000). Therefore, the study concludes that flexitime significantly affected employee performance in financial institutions in Kericho town. The study highly recommends the improvement of the use of flexitime work arrangement in the financial institutions. The study forms a useful reference material that will be used by institutions to develop more effective job design strategies that shall enhance employee performance and satisfaction and inculcate the useful attributes of technology use. It will further broaden the scope of performance appraisal and help regulatory institutions and agencies in policy development and formulation.

***Index Terms*-** Flexitime, Financial institutions, Employee performance, Job design

I. Introduction

Job design is a process that entails putting together specific duties and responsibilities of an individual to create a variety of tasks to create a composite that will guide employees in attaining their performance targets (Truss et al., 2014). Organizational theorists strived to enhance on efficiency and effectiveness of organizations by establishing a certain set of principles during the early part of this century. According to Brown and Hervey (2011), the key driving force of an organization is the desire for increased efficiency as the ultimate criteria in which organizations utilize for the management to attain rational administrative practices and procedures. They further noted that several classical theorists developed sets of principles that were thought to maximize the efficiency of organizations including the banking sector which is becoming highly competitive. The principles emphasize the importance of having clear and unequivocal hierarchies of authority, centralized systems of decision making, stressed on the importance of strict observance to rules, procedures, regulations, and division of labor. More emphasis was on the latter principle that was believed to manifest a great impact on the worker and the organization. Alber (2007) re-emphasized, "Maximum work efficiency could be achieved if jobs were simplified and specialized to the greatest possible extent." Of essence was the notion that an employee would function most efficiently if he performed the same task over and over again. Numerous studies, however, indicate that work designed according to these classical and scientific management principles does not either necessarily improve the efficiency of the employee nor the productivity of the organization hence the institutions should redefine their job design to achieve employee motivation (Slocum and Sims, 2000).

Several studies, however, have challenged the principles of classical and scientific management particularly in the banking and financial institutions which have been tremendously undergone technological digitization (Alber, 2007). Undisputedly, job design has been one of the most effective tools applied for maximizing on individual's performance. In this reference, job design can be defined as the deliberate work arrangement and purposeful job planning including all the task aspects and their effect on the employee. According to Knapp and Mujtaba (2010), it also includes changing the content and processes of a task to optimize employees' productivity and motivation. Broadly the job design concept features are characterized through task identity, task variety, task significance and task autonomy (Slocum and

Sims, 2000). Effective job design strategies inculcate employee involvement forecasting not only the outcomes and organizational success but also the outcomes of the individual employee (Bates, 2004). However, organizations and particularly the banking sectors' job designs, perceive an imbalance between job demands and the employee's abilities to cope up with the targets (World of Work Report, 2011). With such a working environment filled with conflicting demands from wok place and family commitments, flexitime arrangement as a job design strategy becomes appropriate (Grantol- Vallore and Donaldson, 2001).

According to Rau and Hyland, 2002, flexitime arrangement is a job design strategy that alters the standard workday of an employee in an organization. The strategy comprehends the organizational goals as well as the employee's flexibility in their job. The increased demand to integrate economic, technological advancements and social responsibilities have encouraged many institutions to adopt the flexitime strategy (Hill et al., 2001). O'Driscoll et al. (2003) pointed out that the use of the strategy for many years although little literature is available on its effectiveness in the banking sector. He further noted that employees' control and flexibility are critical in achieving employee motivation to meet their targets in the organization. According to Galinsky et al. (2008), flexitime strategy helps achieve employee access to mental health, turn over, and absenteeism thus increased profit turn over. Although the strategy is becoming popular for considerations, there is insignificant information on its effects on employee performance particularly in the banking sector.

The financial and banking sector in Kenya is becoming highly competitive with the increased demand for growth in digitization and technology used in its operations (Banking Survey, 2010). The demand in growth is associated with an industry-wide branch network expansion strategy across the region (Think Business, 2012); digitization and automation of a large number of services (Banking Survey, 2010). The emphasis for digitization has led to increased competition culminating in increased innovations among the financial institution players. In today's competitive environment in the industry, the distinguishing feature has been exemplary customer services whereby some institutions have managed to edge higher than the others (Armstrong, 2007). Bloom and Reenen (2007) argued that for financial institutions to competitively edge higher, they have continually searched to attract new customers and retain the existing ones through developing innovative programs and employee motivation strategies.

Consequently, financial institutions have continually restructured their operations and job design strategies to develop more cost-effective and efficient organizational operations. Such one strategy as proposed by Kombo and Tromp (2006), is through constant job design arrangement to maximize the employee performance. An analysis by Macpherson (2017) shows that there is apprehension and anxiety mounting currently within Kenya's banking and financial institutions sector resulting from powerful converging internal and external pressures to its employees in balancing their social life and meeting the job targets. As pointed by O'Driscoll et al. (2003) on the need for employee flexibility in their workplace, evidence on flexitime arrangement in the banking system is not clear thus the consequential effect on actual individual performance.

II. Problem Statement

To keep up with the face pace of the current economic development across the globe, financial institutions have created new job design strategies that have enabled them to embrace digitization and compete to survive the market challenges. Currently, financial institutions in Kenya are struggling with threatening challenges such as increased operational costs, continually reducing profits, redundancy of employees, bottle-neck competition, legislative and policy changes and job-hopping. The important aspects that earn competitive advantage are customer satisfaction and customer service; therefore, an understanding of the existing and expected jobs and the anticipated amount of productivity from the specific workers is essential. Besides, as the financial institutions embark on digitization into their job design strategies, its impact on the applied job strategies cannot be disregarded. Many organizations have embraced flexitime arrangements in their job design as a model for improving organizational performance. Although the financial institutions have adopted the strategy to achieve a competitive advantage, there is little known literature about its effect on the employee performance of such institutions. According to ILO (2010), many organizations and especially financial institutions, involve their employees with longer working hours which demotivates the worker as the employees fail to balance their job and their outside work. The results are increased absenteeism, psychological stress and increased employee turnover which reduces profit turn over in the organization. Although many organization have integrated the flextime arrangement into their job design, Kamau et al. (2015) pointed the lack of enough literature on the strategy's effect on organizational performance particularly in the financial and banking sector. The researcher therefore isolated this as an interest especially due to high digitization in the banking sector.

III. Job Characteristics Theory

The theory is one of the fundamental theories of job design, first proposed by Richard Hackman and Greg Oldman in 1160. This theory argues that for employees to be more encouraged and contented with their jobs certain characteristics must comprise the job. In a nutshell, these characteristics create the conditions viable for allowing the employees to experience psychological satisfaction which is critical as it relates to the outcomes of the job and leads to high work motivation. Gomez et al. (2010) argued that the intensity of an individual employee's need for growth highly determines the strength in the link between the job characteristics, psychological states and the work outcomes. Job design strategies are not only geared at improving employee performance but also the organizational productivity. The Job Characteristic Theory emphasizes on core characteristics and their link to job and employee outcomes. This study improves on this theory by linking flexitime job design to the core characteristics and employee performance as the key outcome.

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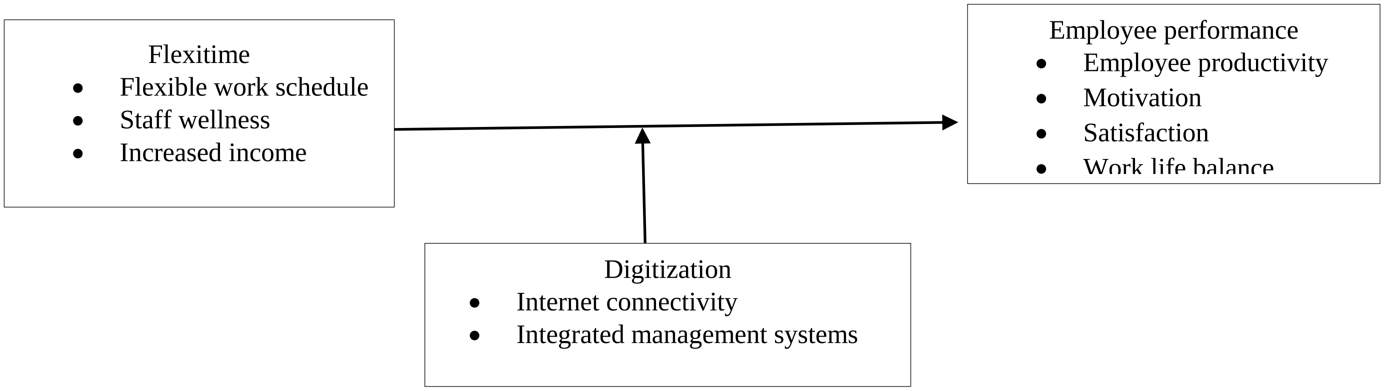
Conceptual Framework

Independent Variable **Dependent Variable**



Intervening Variable

IV. Research Design

The study employed a descriptive survey design that applied mixed methods of qualitative and quantitative analysis. Sekaran (2003) highlighted that a research design could either be exploratory, descriptive, experimental or hypothesis testing. According to Leedy and Ormrod (2001), it involves the identification of the features of a particular phenomenon based on observation or examination of the correlation between two or more phenomena. A descriptive survey is appropriate when explanations of events or opinions are anticipated (Oso and Onen, 2009). In the study, descriptive survey design was applied because it was found to be flexible enough to provide an opportunity for considering different aspects of a problem under study (Creswell, 2003)

Validity and Reliability of instruments

According to Naibei (2015), instrument validity is the extent to which the instrument can measure and provides the desired data. He further described validity as "extend to how well the results of a study measure what they are intended to measure." The researcher sought the expert's judgment in the construction of the questionnaire.

Instrument reliability refers to its ability to provide consistent results. A pilot test was carried out and Cronbach's alpha coefficient of 0.801 was established. Any value above 0.7 is adequate (O. Mugenda and Mugenda, 2003)

V. Results and Discussion

Data analysis employed descriptive and inferential statistics.

Descriptive analysis

Table 4.9: Descriptive analysis of flexitime on employee performance

Variable	Strongly disagree Count	Row %	Disagree N Row %	Neutral N Count	Row %	Agree N Count	Row %	Strongly agree N Count	Row %	Total N Row Sum %
Flexitime assists employees balance work and family	16	18.8%	00.0%	8	9.4%	43	50.6%	18	21.2%	100.0%
Flexible working schedules has enabled employees engage in other activities	8	9.4%	89.4%	26	30.6%	25	29.4%	18	21.2%	100.0%
Flexible working hours aids reduction of work-related tension	8	9.4%	00.0%	8	9.4%	51	60.0%	18	21.2%	100.0%
Employees working in organizations that embrace flexi time have increased morale and productivity	0	0.0%	89.4%	8	9.4%	59	69.4%	10	11.8%	100.0%
It is easier for an organization to implement change	0	0.0%	89.4%	16	18.8%	41	48.2%	26	23.5%	100.0%
Flexitime mitigates against negative effect	0	0.0%	89.4%	16	18.8%	51	60.0%	10	11.8%	100.0%
Flexitime reduces staff absenteeism, sluggishness and turnover	0	0.0%	00.0%	26	30.6%	59	69.4%	0	0.0%	100.0%
Flexible work schedules are an efficient way of optimizing organizations resources	0	0.0%	00.0%	17	20.0%	60	70.6%	8	9.4%	100.0%
Flexible working hours has enabled employees to indulge on other economic activities	0	0.0%	00.0%	26	30.6%	51	60.0%	8	9.4%	100.0%

Source: Research. data (2019)

The data in Table 4.9 showed that the respondents agreed 43(50.6%) that flexitime as a job strategy assists employees to balance work and their family responsibilities followed by those who strongly agreed 18(21.2%) then strongly disagreed 16(18.8%) and those who were neutral 8(9.4%). Less than half of the respondents 26(30.6%) were neutral on the fact that use of flexible working schedules has enabled employees to engage in other economic activities to supplement their employment as the only source of income followed by the respondents who agreed 25(29.4%) then strongly agree 18(21.2%) and a tie of 8(9.4%) among those who said that they strongly disagree and disagree. More than half of the respondents indicated that they agree 51(60%) that use of flexible working hours aids in the reduction of work-related tension in the workplace followed by the respondents who strongly agree 18(21.2%) and a tie of strongly disagree and disagree at 8(9.4%).

The majority of the respondents indicated that they agree 59(69.4%) that employees working in organizations that embrace flexitime job strategy have increased morale and higher productivity, followed by 10(11.8%) who strongly agree and a tie of disagreeing and neutral at 8(9.4%). Less than half of the respondents agreed 41(48.2%) that it is easier for an organization to implement change where the employees embrace flexible work schedules followed by those who strongly agree 26(23.5%) then 16(18.8%) who were neutral and 8(9.4%) who disagreed. More than half of the respondents agreed 51(60%) that flexitime strategy mitigates against the negative effects of employees working for long hours to the advantage of the organization followed by the respondents who were neutral 16(18.8%) the those who strongly agreed 10(11.8%) and 8(9.4%) who disagreed.

Inferential analysis

Table 4.16: Flexitime regression coefficients

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
	(Constant)	2.262	.211		10.712	.000
1	Flexitime	.432	.054	.657	7.934	.000

Source: Research. data (2019)

The flexitime significance level stands at 0.000, which is less than the 0.05 significance level of the study, implying that flexitime affects employee performance in financial institutions.

VI. Summary

The study indicated that there was a high positive association between flexitime and employee performance of the financial institutions. The results indicated a unit increase in flexitime would lead to an increase in employee performance, and the null hypothesis is rejected implying that flexitime has a significant positive effect on employee performance in financial institutions in Kericho town

VII. Conclusion

The findings established that flexitime had a high explanatory power on employee performance in financial institutions. The results also showed that flexitime was positively associated with employee performance and regression findings indicated a strong positive relationship which revealed that there was significant effect of flexitime on employee performance.

VIII. Recommendation

The analysis of the data in the study necessitates the following recommendations: Based on the study findings that flexitime is highly correlated with employee performance then we can recommend that there is need for financial institutions to improve the use of flexitime work arrangement since the enhancement of these flexible working schedules has greatly impacted on employee performance. The study further recommends that other institutions should adopt a flexible work arrangement since it has proven to boost employee performance.

The majority of the financial institutions fall under the private sector; this implies that the public sector can adopt the same so that it can achieve the desired productivity. The implication is organizations that have embraced this strategy have alleviated conflict between family and work issues, negative effects of employees working for long hours, stressful work environments, reduces absenteeism and sluggishness. It was also noted that these financial institutions ought to have developed flexitime with proper working schedules, work duration and methods that involve task assessment which keeps track of the amount of work done. Thus, ensure the professional development of employees and less fatigue which develops through the non-flexible schedules.

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