Why not to Work in Flexible Workplaces? A Systematic Literature Review and Development of a Conceptual Framework for SMEs

Henning Tirrel
University of Nicosia, Nicosia, Cyprus

Hans Rüdiger Kaufmann
University of Nicosia, Nicosia, Cyprus & University of Applied Management Studies Mannheim, Mannheim, Germany

Lothar Winnen
TH Mittelhessen University of Applied Sciences, Gießen, Germany

Abstract. The demand for more flexible workplaces is on the increase for employees and employers. The aim of this paper is, firstly, to identify and alleviate downsides of alternative workplaces in relation to the performance and motivation of employees that work outside the company’s facilities in order to provide a deeper understanding of its consequences, and secondly, to develop a new conceptual framework focusing on workplace flexibility practices in SMEs. A systematic literature review was conducted, 50 relevant articles were identified and analyzed, offering a new conceptual framework which enables researchers and practitioners to combine several occupational, private, social and financial downsides in order to measure to what extent these aspects influence SME performance. Moreover, a research agenda was set up for further examination. Prior to this, no systematic literature review with this focus was conducted and no all-encompassing conceptual framework for SMEs (including all downsides) was identified, underlining the originality and value of this research.

JEL Codes: J10, J61, M12, M50, M54.

Keywords: flexible workplaces, workplace flexibility practices, systematic literature review, conceptual framework, mobile worker.

1. Introduction

Taskin and Edwards discuss that workplace flexibility practices have an impact on employee performance and motivation (Taskin and Edwards, 2007). Working flexibly can be understood as an opportunity-enhancing HR practice that
empowers employees “to use their skills and motivation to achieve organizational objectives” and is correlated with employee motivation and operational outcomes (Jiang et al., 2012, p. 1267). In recent years, the development of workplace flexibility has gained momentum. Working flexibly is not only advantageous for employees, but also for organizations as it helps companies to recruit and retain the best candidates in the war for talents (Beham et al., 2015; Iscan and Naktiyok, 2005; Illegems and Verbeke, 2004; Illegems et al., 2001; Kossek et al., 2006). Besides already researched and discussed advantages of flexible workplaces, there is still a lack of understanding regarding the disadvantages of flexible workplaces and their effects on employee performance or motivation as well as organizational performance (Whyman et al., 2015). We want to raise awareness of those downsides of flexible workplaces and also of the mechanisms to remedy them, in order to help companies to remain successful without suffering from the drawbacks (Biron and Van Veldhoven, 2016; Kingma, 2016). Before the COVID-19 pandemic, Weitzel et al. (2019) stated that 43.3% of employers allowed their employees to work flexibly in response to an increasing demand from employees (Rubery et al., 2016; Smith et al., 2018). The COVID-19 pandemic amplifies this development because working from alternate locations has increased during this time (Hans-Böckler-Stiftung, 2021). The often-used statement “work is no longer a place to go to” (Petrulaitiene et al., 2017, p. 153) continues to gain in importance and no longer describes only an ideal-typical state, but the reality in practice. One of the reasons for the increase is not only the growing understanding of its positive effects, but also the further development of information and communication technologies (ICT) as it enables employees to work when they want to and from most locations all over the world (Bean and Hamilton, 2006; Coenen and Kok, 2014; Kingma, 2016), although it is not a mandatory requirement to use ICT for flexible work (Martínez-Sánchez et al., 2008). In our investigation, we will therefore focus on employees who work at home or at any other so-called third workspaces, following the trend to more differentiated and flexible workplaces (Kingma, 2016). These places refer to Oldenburg’s (1999; 2001) as well as Oldenburg and Brissett’s (1982) first (home), second (workplace) and third places (other locations).

Existing studies in this research stream have already discussed some (dis)advantages of working flexibly. Although the study by Martinez-Sánchez et al. (2008) focused on telework in large Spanish companies, they did not consider any leadership aspects and is not based on relationships that are very well known, as they acknowledge themselves. Furthermore, there is the model by Whyman and Petrescu (2015) that focuses on some workplace flexibility practices, but they did not take all workplace flexibility practices into account and therefore presented an incomplete picture. Moreover, both studies do not synthesize all disadvantages of flexible workplaces and its effects on performance that were identified in the literature. These two examples demonstrate that existing models have not taken into account all relevant factors. Moreover, the aforementioned
studies focus on a single level of analysis, although multilevel analysis (i.e., individual, team and organizational level) lead to a deeper understanding, particularly of how variables and performance indicators are related within and across the different levels. Furthermore, existing studies often focus on large companies (e.g. Coenen and Kok, 2014; Martínez-Sánchez et al., 2008; Nordbäck et al., 2017; Raghuram et al., 2003), although employees are working flexibly in SMEs (small and medium enterprises) as well. This study, therefore, focuses on SMEs since these are “historically underdeveloped” with regard to research in this area (Whyman and Petrescu 2015, p. 1099). In particular, we will conduct a systematic literature review and develop a conceptual framework on flexible workplace practices. Through our study, entrepreneurs may gain deeper knowledge on how working flexibly affects individual employees as well as company performance.

Our study is relevant from a theoretical as well as managerial perspective in four different ways: (1) the nexus between downsides of working flexibly and performance in SMEs will be discussed including ways to remedy the downsides so researchers as well as practitioners can use this study’s findings, (2) different levels (i.e., organizational, team and individual level) will be researched in order to create an in-depth understanding of the topic on all relevant levels, (3) SMEs are the focus of this study because they are under-researched in this field and (4) an all-encompassing conceptual framework will be developed that will enable to deeply understand the nexus between downsides of working flexibly and performance indicators (again on different levels).

The aim of this systematic literature review is threefold, (1) all disadvantages will be identified and clustered into four categories, namely occupational, private, social and financial downsides, (2) a conceptual framework of the disadvantages of flexible workplaces for SMEs on three levels (i.e., organizational, team, and individual level) will be developed with regard to motivation and performance of employees and companies, and (3) a future research agenda with avenues for further research on downsides of flexible workplaces will be set up because due to our model, an all-encompassing picture of underlying relationships is established. Accordingly, the research question of this study is: Which disadvantages can influence the motivation and/or performance of employees/companies when employees work outside the company’s facilities?

In order to achieve the aims and to answer the research question, we conduct a systematic literature review, enhanced by a narrative one, as the foundation for the new conceptual framework. Therefore, the contributions of this study are (1) the analysis and summary of the body of academic literature with an emphasis on business management, (2) the development of four categories (occupational, private, social and financial downsides) which synthesize and organize the results of the systematic literature review for advancing the understanding of downsides concerning the performance and/or motivation of employees/companies when employees are working in flexible workplaces, (3) an innovative multilevel
conceptual framework will be developed for SMEs and presented (including all workplace flexibility practices and downsides) as a contribution to new knowledge and an increased degree of clarity in this research field and (4) a research agenda for further analysis is provided since this area is becoming more important, especially as a result of the COVID-19 pandemic. In this way, problem cases will be identified in this field and encourage researchers to (partially) solve the problems through further empirical research.

The organization of this article is as follows. Section 2 presents the systematic literature review approach and the choices made in the present study to implement this approach for our topic of study. Section 3 provides the findings of the systematic literature review, including a categorization of the downsides of flexible work. Building on this categorization, this section also develops and presents a new conceptual framework on flexible work practices. Section 4 presents a research agenda that emerges from our analysis. Finally, section 5 provides the conclusions of the paper, while also outlining implications and limitations of our study.

2. Research Methodology: Systematic Literature Review

This study uses the secondary research technique of a systematic literature review in order to identify, select, analyze and synthesize relevant information (Brereton et al., 2007), following the suggestion by Nguyen et al. (2018) that successful reviews are founded on a clearly defined research question. Although our main focus is on SMEs, our systematic literature review explicitly not only focuses on SMEs because larger companies tend to have a professional human resource management department more often than SMEs (Lepak and Snell, 2002). Therefore, Lepak and Snell (2002) recommend to also include larger companies when studying SMEs in order to get professional insights. Bacon and Hoque (2005) also support the adoption of HRM practices from larger companies in SMEs as they can increase productivity. So, a picture that is as holistic as possible should be established, regardless of the company’s size. To not miss any relevant information, a narrative literature review was also conducted to eliminate disadvantages of each technique (Bettany-Saltikov and McSherry, 2016; Easterby-Smith et al., 2015; Thorpe et al., 2005). The narrative literature review has been started right after finishing the systematic literature review (while analyzing the results and developing the conceptual framework) in order not to miss any relevant up to date literature which has been published after 2018. As this study has a focus on SMEs, the narrative literature review concentrates on the relevant SME literature. The results of the narrative literature review, as this uncovered the organizational level SME model from Whyman and Petrescu (2015) as a guiding model, are incorporated in the conceptual framework
including the specificity of SMEs (cf. Matejun, 2017), as well as in the conclusion of this study.

The methodology used to design this systematic review is based on Inkinen (2015), Webster and Watson (2002), Brereton et al. (2007) as well as Kitchenham (2004) because these authors explicitly highlight the need to use a review protocol in order to keep up replicability. Furthermore, the systematic literature review is transparent and rigorous because the literature gets evaluated carefully, leading to reliable findings on what is (not) known in the research area under review (Atewologun et al., 2017; Christofi et al., 2017; Denyer and Tranfield, 2009; Tranfield et al., 2003). That makes it “a specific methodology to locate research, to select and evaluate the contributions made by each study and analyze and synthesize the data” (Lozano-Reina and Sánchez-Marín, 2020, p. 2). Within this systematic literature review the quality assessment is focused on the implicit quality of peer-reviews as well as ranked journals as recommended by Tranfield et al. (2003). The review protocol will now be described.

2.1. Inclusion Criteria

According to Dada (2018) as well as Wang and Chugh (2014), researchers have to make a decision about which studies should be included in the systematic literature review, mainly focused on three inclusion criteria. First, search boundaries have to be determined. Second, search terms and strings have to be identified. Third, the timeframe has to be specified. With regards to search boundaries, this systematic literature review focused on electronic databases which are multidisciplinary or subject specific (here: business management) databases which leads to a combination of high-quality papers (Booth et al., 2016). In this study the following databases have been included: EBSCOhost, Scopus, Emerald Management 200 as well as Sage. Keywords have been developed as search terms for this research to cover a broad area for receiving many potentially relevant articles (Kauppi et al., 2018; Müller-Seitz, 2012). This reduced the problem of missing relevant information from the literature. The timeframe for this study was limited to publications between 1980 and 2018 (breakpoint of this systematic literature review because the analyses of the literature (full texts) and the design of the conceptual framework began in 2019; in order not to miss relevant information, an additional narrative literature review was conducted after the analysis stage for incorporating literature that was published in the meantime). The starting point was set in 1980 because Toffler noted at that time that work can move into people’s homes, meaning the principles of life have to be rewritten in an era marked by changes brought about by technology and information (Toffler 1980a, 1980b).
2.2. Exclusion Criteria

In order to gain high-quality results, all possible outcomes that were not published in peer-reviewed journals have been eliminated (Vrontis and Christofi, 2021), so that included articles fulfill the criteria of implicit quality due to peer-reviews as recommended by Tranfield et al. (2003). So, only primary research articles that have been published in journals ranked by the Association of Business Schools Academic Journal Quality Guide (ABS, 2018)\(^2\), the VHB-JOURQUAL3\(^3\) and/or by the Australian Business Deans Council Journal Ranking List (ABDC, 2016)\(^4\) were considered in order to not rely on a single ranking system. As a consequence, only academic articles have been considered and book chapters or conference papers have been excluded. Only articles that have been published in English have been included, while all other languages were excluded. Since English is the common language for scientific knowledge-based papers in academic journals (Kauppi et al., 2018), this seems to be a reasonable decision. Finally, duplicates have been eliminated.

2.3. Search Strategy & Selection of Relevant Articles

As presented in Figure 1, the titles and abstracts have been read out of the aforementioned databases in a comparable way to Inkinen (2015), because these areas usually include the relevant search terms. Within the keyword search, truncations have been used to include a variety of search terms (e.g. flex* could include flexible, flexibility and so on). Furthermore, Boolean operators were used to create search strings and to combine keywords. The keywords used are third workspace* OR flex* workplace* OR mobile work* AND performance AND motivation. The initial search uncovered 3,373 hits (articles) in the search (EBSCOhost 612; Scopus 101; Emerald Management 1,989; SAGE journals 671).

2.4. Selecting Relevant Articles

In line with Figure 1, first all titles were read. Relevant titles have been included by applying inclusion/exclusion criteria. This was an inclusive process aiming at identifying as many relevant articles as possible. Out of this, 201 articles remained to be read. Again, inclusion and exclusion criteria were checked for

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2. Taken from the Journal Quality List, 63rd edition, the ranking is: 4*, 4, 3, 2, 1 (Harzing, 2018).
3. German Academic Association for Business Research (VHB = Verband der Hochschullehrer für Betriebswirtschaft e.V.), the VHB JOURQUAL3 ranking is: A+, A, B, C, D (Hennig-Thurau et al., 2018).
4. Taken from the Journal Quality List, 63rd edition, the ranking is: A*, A, B, C (Harzing, 2018).
each abstract, noted in a table and a decision was made whether or not an article was to be excluded or if the full text should be read (Bettany-Saltikov and McSherry 2016). In the second round, 145 studies were eliminated based on inclusion/exclusion criteria, so 56 remained. These articles were read in full length, and 16 were identified as relevant.

The reference lists of the relevant 16 articles were also read. From these, 929 additional titles were identified as the first step of the snowballing technique. They went through the same rigorous procedure as the ones before (selection by title, abstract, full text). Out of these 929 articles, 116 abstracts (55 duplicates were eliminated before) and then 63 articles were read. In the end, 34 additional articles remained. So, a total of 50 relevant articles were identified within the systematic literature review. The flow diagram (Figure 1) summarizes this procedure. The results of the systematic literature review will be discussed in the next section as a comparatively comprehensive literature census (Webster and Watson, 2002).

2.5. Descriptive Review of the Literature

When the relevant articles are analyzed, it becomes obvious that — although Toffler already discussed the shift of work in the eighties — most of the identified articles (47) are not older than 20 years and were therefore published after 1999 (cf. Figure 2). This may be the case because information and communication
technology developed massively in the last two decades which makes working from alternative workplaces easier.

Figure 2. Number of relevant articles per year (Own depiction)

The quality of the identified material is understood as high since 60% of the final articles have an ABS ranking of 3 or above which underlines the rigor of this research (cf. Figure 3). More detailed descriptive information is included in the all-encompassing table in the Online Appendix. In that table, the descriptive information is associated to the specific article.

Figure 3. Distribution of sample across ABS ranking (Own depiction)
3. Findings

The systematic literature review in general reveals that older articles tend to discuss working flexibly from a rather pessimistic viewpoint, focusing on either the supposed disadvantages or the effects on productivity. Tomaskovic-Devey and Risman (1993) for instance claim that telework is only more likely to be implemented when productivity can be raised, regardless of the advantages for employees. Baruch (2000) discusses the aspects of stress and unhealthy employees, supported by Mann et al. (2000), by highlighting that working hours are increasing and that employees are working although they are sick. In addition, face-to-face contact and teamwork is reduced which limits the team spirit (Illegems et al., 2001). So, the issue of being productive is often in the focus (e.g. Pratt, 1984; Tomaskovic-Devey and Risman, 1993). Another pessimistic approach is to discuss that employees make use of flexible work to prioritize time with their families over being more productive at work (Beasley et al, 2001).

More recent studies examine alternative workspaces by focusing on advantages of working flexibly from a more positive viewpoint since elements of increasing trust (Nordbäck et al., 2017), commitment, supervisor support (Masuda et al., 2017; Mesu et al., 2013) and employee satisfaction (Franssila, 2013) are discussed. Moreover, the use of ICT moves into the spotlight increasingly (cf. Coenen and Kok, 2014; Franssila, 2013; Kingma, 2016) which probably comes in line with the further development of ICT in general and its implementation in organizations. Earlier studies focused on aspects such as absenteeism and productivity and found negative effects, while more recent studies found relevant positive effects related to the improvement of working conditions. So, the overall discussion shifts from a negative and skeptical view to a more open-minded perspective that (often) presents the benefits and overall societal developments. However, critical factors are still discussed in recent studies like role conflicts (Maruyama and Tietze, 2012) or increased levels of stress (Franssila, 2013).

In the remainder of this section the identified downsides will be discussed by focusing on the following aspects: 3.1. Social interaction, 3.2. Career development, 3.3. Working hours, and 3.4. Costs and practicalities issues for employers. Subsection 3.5 summarizes and categorizes the findings so far. Based on this summary, subsection 3.6 then discusses conditions for successful flexible work. Following Magarey (2001), Tranfield et al. (2003) as well as White and Schmidt (2005), a concise table was created (see the Online Appendix), which contains all relevant aspects of a descriptive and a thematic analysis of the relevant 50 articles identified. Additionally, it summarizes the main results. Finally, section 3.7 provides an overview of the data synthesis and concludes with the presentation of a new conceptual framework.
3.1. Social Interaction

The majority of the disadvantages of flexible workplaces mentioned here have to do with a lack of social interaction. Isolation of employees was mentioned 11 times in the systematic literature review (Baruch, 2000; Collins, 2005; Cooper and Kurland, 2002; Harris, 2003; Illegems and Verbeke, 2004; Kurland and Cooper, 2002; Lal and Dwivedi, 2009; Mann et al., 2000; Maruyama and Tietze, 2012; Teo et al., 1998; Tietze, 2002), less face-to-face contact with colleagues and supervisors was discussed five times (Coenen and Kok, 2014; Harris, 2003; Illegems and Verbeke, 2004; Illegems et al., 2001; Watad and Will, 2003), fewer involvement in teamwork was discussed once (Illegems et al., 2001), less informal training was mentioned twice (Cooper and Kurland, 2002; Kurland and Cooper, 2002), and worse employee visibility was mentioned three times (Kurland and Cooper, 2002; Maruyama and Tietze, 2012; Taskin and Edwards, 2007). McClelland’s (1987) need theory captures three major needs existing in people, namely achievement, affiliation and power. Since the aforementioned downsides focus on social interaction, it can be assumed that they mainly appear when employees have a strong need for affiliation, so they cannot use social skills and feel alone (McClelland, 1985). With reference to the 16 basic desires (Reiss, 2004), it can be explained that especially employees with strong motives for social contact and status (desire for social standing, including desire for attention) may have problems with flexible workplaces. This is one negative consequence of employees no longer working at a facility where they meet colleagues.

3.2. Career Development

In this section, downsides regarding the opportunity for promotion are discussed. Furthermore, declined career development, discussed six times (Illegems et al., 2001; Mann et al., 2000; Maruyama and Tietze, 2012; Pratt, 1984; Tietze, 2002; Teo et al., 1998), and lower levels of employee satisfaction (which can decrease as a consequence of not being promoted), mentioned twice (Golden, 2006b; Tomaskovic-Devey and Risman, 1993), are disadvantages as well as fewer permanent employment contracts, discussed once (Illegems et al., 2001), and less access to needed, relevant materials, discussed once (Teo et al., 1998). In six cases it was discussed that supervisors do not consider employees that are not locally present for promotion because they literally do not see them, leading to lower satisfaction (Illegems et al., 2001; Mann et al., 2000; Maruyama and Tietze, 2012; Pratt, 1984; Tietze, 2002; Teo et al., 1998). Fewer possibilities for promotion/career development may especially affect employees with a high need for achievement because these people want to increase their status (McClelland, 1978).
3.3. Working Hours and Wellbeing

This section deals with negative aspects of working flexibly with regards to the amount of work/working hours. Six studies pinpointed that employees work longer hours per day (Baruch, 2000; Beasley et al., 2001; Golden, 2006a; Mann et al., 2000; Maruyama et al., 2009; Taskin and Edwards, 2007), one study discussed that they also often work despite being ill (Mann et al., 2000) and two studies suggested that stress increases (Baruch, 2000; Harris, 2003). Three more studies highlighted how employees feel a need of always being available, supported by information and communication technology which allows employees to login from anywhere at any time (Kingma, 2016; Lal and Dwivedi, 2009; Tietze, 2002). Again, this is a matter which has to do with the guidelines set by leaders and within employment contracts (cf. principal-agent theory; Eisenhardt, 1989). Additionally, declining loyalty (Illegems et al., 2001) may end up in a less affective organizational commitment as employees are involved but are no longer emotionally identifying with the company (Allen and Meyer, 1990). In addition, some disadvantages are related to the balance between family and work which leads to the necessity of boundary strategies (Hartig et al., 2007; Kingma, 2016; Kossek et al., 2006; Lautsch et al., 2009; Sullivan and Lewis, 2001) as well as increased family-to-work (Golden et al., 2006) and role conflicts (Maruyama et al., 2009; Tietze, 2002). The employees’ extra effort is a way of reciprocating the opportunity to work remotely. Employment contracts underly formal/explicit rules while psychological contracts are based on the understanding of a contract (Robinson, 1996). Principal-agent theory states that on the one hand employers must ensure that employees do not lack efforts that end in moral hazard (Eisenhardt, 1989). On the other hand, it states that hidden actions are possible in cases employees (agents) do behave in a manner that is not desired by the employer (principal) (Holmstrom and Milgrom, 1987).

3.4. Costs and Practicalities Issues for Employers

Now downsides related to costs as well as practical aspects for employers will be discussed. For the employer, rising costs must be incurred, for example, with the initial investments in information and communication technology, discussed by six studies (Harris, 2003; Illegems and Verbeke, 2004; Illegems et al., 2001; Mann et al., 2000; Sardeshmukh et al., 2012; Teo et al., 1998), as well as costs for IT and data security, referred to by three studies (Illegems and Verbeke, 2004; Illegems et al., 2001; Teo et al., 1998). Barney (1991) states that high internal resources have the power to gain competitive advantage, so this initial investment can also be understood as an investment in being (more) competitive.
3.5. Interim Conclusion

As the research question (RQ) has raised which downsides exist and how they can be structured, four different categories have been set up, namely: occupational, private, social and financial downsides of flexible workplaces. Literature on motivational research states that most of the downsides are causes (i.e. caused due to working flexibly) but some are effects (labeled in Figure 4) because employees work flexibly (for instance, increasing stress) (Baruch, 2000; Harris, 2003; Mor Barak et al., 2006). These downsides apply to the organizational (OL), team (TL) or individual level (IL) (see Figure 4). These are summarized and structured in Figure 4.

Figure 4. Categorized downsides of flexible workplaces (Own depiction)
IL = individual level, OL = organizational level

### Occupational downsides

1. Reduced career development (effect, IL)
2. More working hours per week (IL)
3. Fewer unlimited contracts (OL)
4. Being less visible (IL)
5. Working while others are ill (IL)
6. Declining satisfaction and loyalty (effect, IL)
7. Increasing stress (effect, IL)
8. Less access to needed, relevant materials (IL)

### Private downsides

9. Boundary management is difficult (IL)
10. Family-to-work conflict (IL)
11. Role conflicts (IL)

### Social downsides

12. Isolation (IL)
13. Fewer face-to-face contact with colleagues and supervisors (IL)
14. Fewer involvement in teamwork (IL)
15. Less informal training (IL)
16. Need of always being reachable (IL)
17. Flexible work is built on trust (IL)

### Financial downsides

18. Increased costs for IT infrastructure as well as IT and data security (OL)

3.6. Conditions for Successful Flexible Work

In this section we discuss the criteria that set the foundation for successful flexible work. The literature agrees on criteria that need to be fulfilled for successful remote work. In this respect, tasks must be suitable for remote work, that applies
predominantly to office/knowledge-based work (working at a conveyor belt is, for instance, not transferable to other locations) as this can be done in a car, at home, at the client’s office, in a hotel lobby etc. (Hartig et al., 2007; Hislop and Axtell, 2009; Pérez Pérez et al., 2003; Pratt, 1984). So, a combination of workplaces is possible (Pérez Pérez et al., 2003). Moreover, employees need to be able to organize their work on their own because supervisors are typically located elsewhere (Baruch, 2000; Beham et al., 2015; Martínez-Sánchez et al., 2008; Pérez Pérez et al., 2003). Therefore, employees must be able to decide themselves when and how they work on which task (i.e. designing of tasks and time management), how they communicate with others (e.g. using technology) and how they report their results to supervisors and colleagues (Baruch, 2000; Beham et al., 2015; Martínez-Sánchez et al., 2008; Pérez Pérez et al., 2003). So, if an employee is not able to work on his/her own and needs strong supervision day by day, working flexibly may not suit that person (Baruch, 2000; Beham et al., 2015; MartínezSánchez et al., 2008; Pérez Pérez et al., 2003). Referring to Baruch (2000), Beham et al. (2015), Dikkers et al. (2007), Lautsch et al. (2009), Masuda et al. (2017) as well as Watabd and Will (2003), a supportive (leadership) culture is also a relevant prerequisite because this leads to employees making use of the opportunity to work flexibly if it is offered to them. Supervisors signal this, for example, by stating that they (and also the co-workers) do not necessarily need face-to-face communication but asynchronous communication. Additionally, supervisors assume that employees will work productively at home even if they have children, so a supportive and trustful culture is fostered. In a hindering culture (shaped by supervisors), employees may work flexibly, but it is suggested to them that this is not desired by supervisors. Furthermore, performance needs to be measurable by a performance management system, e.g. management by objectives so that employees are given a concrete objective which they must achieve (Illegems et al., 2001; Kurland and Cooper, 2002; Lautsch et al., 2009; Martínez-Sánchez et al., 2007; Masuda et al., 2017; Mesu et al., 2013; Pratt, 1984; Sardeshmukh et al., 2012; Teo et al., 1998; Watabd and Will, 2003). The degree of objective achievement represents the individual employee performance which can for instance be controlled by (online) meetings or feedback (Illegems et al., 2001; Kurland and Cooper, 2002; Lautsch et al., 2009; Martínez-Sánchez et al., 2007; Masuda et al., 2017; Mesu et al., 2013; Pratt, 1984; Sardeshmukh et al., 2012; Teo et al., 1998; Watabd and Will, 2003). So, the overall monitoring system focuses on the employee’s output because attaining higher objectives is related to higher engagement (Illegems et al., 2001; Masuda et al., 2017). This can be fostered by performance-related pay (Kurland and Cooper, 2002; Mesu et al., 2013).
3.7. Data Synthesis: Presentation of a New Conceptual Framework

Within this section, all the identified downsides of working remotely will be synthesized in a new conceptual framework in Figure 6 as an answer to the research question. Workplace flexibility practices are highly relevant for strategic human resource management because they enable a competitive advantage and because they promote the introduction of high-performance work practices (Whyman and Petrescu, 2015). They can be divided in internal numerical flexibility (adjustment of internal work organization of the company in connection with changes (Kok and Ligthart, 2014)), external numerical flexibility (shifts within the external employment market (Martínez-Sánchez et al., 2007)), functional flexibility (a process by which companies adapt to variations in demand for their production by reorganizing jobs internally (Martínez-Sánchez et al., 2008)), procedural flexibility (mechanism for negotiation or consultation inside the company on alternative issues of the internal employment market flexibility (Rimmer and Zappala, 1988)) and cost flexibility (various remuneration systems used within a company (Whyman and Petrescu, 2015)).

With reference to internal numerical flexibility, employees have the opportunity to autonomously decide where and when to work (Martínez-Sánchez et al., 2011) which in this case includes the three workspaces (addressed by Kingma, 2016). Therefore, the three workspaces are included in the center of the conceptual framework. In general, all workplace flexibility practices, HR commitment practices, ICT and SME performance indicators are categorized as constructs at the organizational level as they affect the entire company or workforce. The occupational, private and social downsides as well as strains (stress or reduced career development) are related to individuals, i.e., how an employee perceives the downsides or how much s/he is affected by stress. Thus, individual performance is affected by these aspects, which in the end influence the company performance. Transformational leadership, intra-team communication as well as trust are categorized as constructs on team level since they affect a team, but not necessarily the total workforce, i.e., one leader is a transformational leader, and other leaders may use different leadership styles with other teams. This influences the communication and the trust within the team. These team level constructs influence both, individual and organizational performance indicators.

The following example illustrates the incorporation of the downsides on an organizational, team and individual level, as depicted in Figure 4. HR commitment practices (i.e., a company’s/organization’s commitment to employees; construct based on Martínez-Sánchez et al. (2008)) includes making employees aware of career opportunities so that the employee’s fear of not being promoted can be limited. Another example is the fear of employees of being less visible, which is addressed by suggestions for improvement and by active
participation in decision-making processes (as part of the construct of functional flexibility, based on Whyman and Petrescu (2015)).

On the team level, the transformational leadership construct may circumvent the issues of increasing stress and declining satisfaction since a leader has to build a team—underlining the team level—that is committed to his/her dream and s/he has to care about the feelings of every team member (i.e. his/her employees) (Ramsey et al. 2017; Podsakoff et al. 1990). The social downside of flexible work being built on trust is avoided by including Jarvenpaa and Leidner’s (1999) construct of trust. Moreover, a supportive intra-team communication may prevent isolation of employees (Kingma, 2016; Lal and Dwivedi, 2009; Nordbäck et al., 2017; Pratt, 1984; Taskin and Edwards, 2007). Communication between employees (i.e., within the team) and between leaders and employees can also be supported by ICT, because it is important to “choose the right tools for the right message” (Coenen and Kok, 2014, p. 569). So, every downside that was identified (cf. Figure 4) has been incorporated in the conceptual framework following the aforementioned procedure. Figure 5 visualizes how each downside is included in the new conceptual framework via constructs and their associated remediying aspects.

Figure 5. Linking downsides with constructs (of the new conceptual framework) and its remediying aspects (Own depiction)
IL = individual level, OL = organizational level

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<thead>
<tr>
<th>Downside(s)</th>
<th>Construct(s)</th>
<th>Definition of construct and explanation of remediying aspects</th>
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<tr>
<td>(1) Reduced career development (IL)</td>
<td>HR commitment practices</td>
<td>According to Martínez-Sánchez et al. (2008), HR commitment practices are the company’s commitment to an employee and include aspects like multiple career paths and making employees aware of opportunities for internal career development (remediying downside 1). Moreover, employees may regulate their behavior on their own or work autonomously (remediying downside 9).</td>
</tr>
<tr>
<td>(2) More working hours per week (IL)</td>
<td>Internal numerical flexibility</td>
<td>Referring to Kok and Ligthart (2014), internal numerical flexibility accounts for the adjustment of internal work organization of the company in connection with changes, i.e. working flexitime or part-time (remediying downsides 2 and 16) as well as offering family friendly practices (remediying downsides 10 and 11).</td>
</tr>
<tr>
<td>(3) Fewer unlimited contracts (OL)</td>
<td>External numerical flexibility</td>
<td>With regard to Martínez-Sánchez et al. (2007), external numerical flexibility refers to shifts within the external employment market, including the percentage of fixed-term employees (remediying downside 3).</td>
</tr>
<tr>
<td>(4) Being less visible (IL)</td>
<td>Functional flexibility</td>
<td>According to Martínez-Sánchez et al. (2009), functional flexibility is a process by which companies adapt to variations in demand for their production by resourcing (also internally), i.e. enabling employees to share a job and having a safe one (remediying downside 16) as well as enabling employees to participate in decision-making processes (remediying downsides 14, 15 and 4).</td>
</tr>
<tr>
<td>(14) Fewer involvement in teamwork (IL)</td>
<td>Intra-team communication</td>
<td>Referring to Nordbäck et al. (2017), an intra-team communication that is supportive (instead of being hindering) is beneficial for employees working flexibly (remediying downside 12).</td>
</tr>
<tr>
<td>(15) Less informal training (IL)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(16) Need of always being reachable (IL)</td>
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As the individual level is also integrated into the conceptual framework, the downsides are more obvious on this individual/employee perspective, i.e., referring to a single person. The Job Demands-Resources (JD-R) model from Bakker and Demerouti (2007) as well as Xanthopoulou et al. (2007) was used for integrating the downsides that are caused due to employees working flexibly (also cf. Figure 4) as demands, while downsides which are effects are either categorized as strains or belong to the individual performance indicators. The relationships of the downsides (demands) and strains as well as the strains and individual performance indicators and the relationships between the individual performance indicators are already established due to prior research (cf. Bakker and Demerouti, 2007; Busse et al., 2020; Mor Barak et al., 2006; Xanthopoulou et al., 2007). Since resources in the narrower sense refer to (inter)personal aspects (psychological, physical or social) (Bakker and Demerouti, 2007; Xanthopoulou et al., 2007), transformational leadership, trust, intra-team communication as well as ICT (as an enabler for personal communication) are categorized as resources according to the JD-R. These may then remedy the downsides, moderate the relationship between downsides and strains and also influence the employee’s motivation (Bakker and Demerouti, 2007; Xanthopoulou et al., 2007). The individual performance of an employee affects in the end the organizational performance as well (Jiang et al., 2012; Ployhart et al., 2011).
SME control variables have been included in the conceptual framework. Prior research has uncovered that it is not only the size of a company that defines whether it is an SME due to its specificities, because being a small company does not equate to being a small business (Torrès and Julien, 2005; Welsh and White, 1981). Aspects that characterize SMEs from the areas of management (e.g. how centralized the management is), structure (e.g. ownership and management relationship), specialization (e.g. returns with reference to scale), autonomy (e.g. financing source) as well as the scope of operations (e.g. coverage of the market) are included as SME control variables, as required by Matejun (2017). So, the characteristics of a company are more important to determine whether or not it is (behaving as) an SME instead of the size (Matejun, 2017; Torrès and Julien, 2005; Welsh and White, 1981). The new conceptual framework is the result of an initial explorative study and is in this very moment subject to validation in SMEs. It is depicted in Figure 6.

Figure 6. New conceptual framework of workplace flexibility practices on SME performance indicators (Own depiction)

HOC = Higher order construct
4. Future Research Agenda

Besides disadvantages of flexible working conditions, the systematic literature review points out that further research is needed for identifying communication and flexibility structures in different industries, countries and professions as well as organizational flexibility (Martínez-Sánchez et al., 2007; Nordbäck et al., 2017), because flexible workplaces could influence performance indicators in different ways. In addition, it is important to gain information on how knowledge can be dealt with and about how career development and visibility of teleworkers can be improved in flexible structures (Maruyama and Tietze, 2012). This view is supported by Petrulaitiene et al. (2017, p. 153) as they state that “work is no longer a place to go to” and that further studies regarding the mobile worker are needed in the future (Petrulaitiene et al., 2017). Working from different places (flexplaces; Allen et al., 2013) has been studied less than flexitime although it is a relevant flexibility practice (Ge et al., 2018). All things considered, more studies are needed regarding the impact of workplace flexibility practices on performance (Masuda et al., 2017; Whyman et al., 2015). However, more knowledge is required regarding workplace flexibility practices in SMEs (Kotey, 2017; Mesu et al., 2013) as studies on SMEs are “historically underdeveloped” (Whyman and Petrescu, 2015, p. 1099).

As the current knowledge has been summarized and synthesized into the new conceptual framework as a new contribution to extant knowledge, a specific research agenda is to be presented now in accordance with the aim of this study. The reviewed studies especially indicate that further research is needed:

At the organizational level:

1. to identify how flexible workplaces influence performance indicators (Kingma, 2016; Masuda et al., 2017; Whyman et al., 2015) which could be realized by a quantitative study, e.g. using structural equation modeling

2. to uncover how flexibility as well as communication structures affect various industries, countries and professions (Martínez Sánchez et al., 2007; Nordbäck et al., 2017) for which cross-cultural, -industry and -profession analysis might be helpful, e.g. using quantitative multi group analysis or qualitative case studies, comparing different cultures, industries or professions

3. to understand how workplace flexibility practices work in under-researched small and medium-sized enterprises (Kotey, 2017; Mesu et al., 2013) by quantitatively and/or qualitatively researching SMEs (eventually combined with different industries, cultures or
professions, cf. 1.) and to compare results to those from large companies.

At individual or team level:

4. to gain more information on how careers can be developed under the conditions that employees seem to be invisible (as they are located outside a company) (Maruyama and Tietze, 2012) which could be achieved by applying an experiment in which the supportiveness of a supervisor influences career development (treatment group has a supportive supervisor focusing on promoting employees while a control group has a non-supportive supervisor)

5. to identify how knowledge can be dealt with (Maruyama and Tietze, 2012) via a case study comparing needs of employees and leaders for identifying overlapping and requirements following Yin’s (2014) replication logic.

At multi-level (individual, team and organizational level):

6. to understand how performance indicators on individual, team and organizational level are affected by using workplace flexibility practices which either could be done by quantitatively analyzing the different levels separately and comparing the results, or by a multi-level analysis

7. to uncover how this highly relevant topic is discussed in other literature, like in architecture (e.g. reuse of office buildings) or in non-academic literature like newspapers, blogs or websites for which an archival research can be applied

8. to explore how the situation will have changed after the pandemic within companies as well as among employees since they currently often have the possibility to work outside the company’s facilities.

Overall, flexible workplaces should be more in the focus of further research as this is a relevant flexibility practice (Ge et al., 2018), which should also analyze the complex nature of the variety of parties involved (e.g. the organization, employees, family in case of homeworking). The identified research agenda underlines the need for further research in this field with an emphasis on SMEs.
5. Conclusion

The summary and categorization of downsides (especially through Figure 4) show the potential for possible challenges to emerge in relation to flexible workplace practices in SMEs. Our findings highlight the importance of developing a conceptual framework which is all-encompassing in order to facilitate studying workplace flexibility — including the three workspaces under the construct of internal numerical flexibility — in SMEs in a deep and comprehensive way. This new conceptual framework is presented in Figure 6 which will finally enable researchers to derive solutions for the downsides, so that companies will better understand them, and to link their effects on corporate performance. Therefore, our new conceptual framework is on the one hand a contribution to theoretical knowledge and on the other hand an opportunity to answer real-life managerial human resource management questions.

5.1. Theoretical and Managerial Implications

The major contributions of this study are the summary and structure/categorization of downsides, the development and presentation of a new conceptual framework and the presentation of a research agenda. The results show that flexible workplaces are highly relevant in the area of (strategic) human resource management for big companies, but also for SMEs, although the latter are under-researched in that area, both in theory and practice. But literature also showed that there is a massive lack of information regarding this issue, possibly leading to false conclusions when quantitative research designs are pursued. Moreover, research on multiple levels which highlights relationships within and between the levels are missing, so it is not clear what affects individual, team and company performance and how these variables affect each other. This highlights the need for developing a new conceptual framework and justifies the development of this research agenda as a major theoretical implication. A systematic literature review on the advantages of flexible workplaces is needed in order to develop a conceptual framework that focuses on the benefits enhancing performance and motivation, and their relationships to other variables (probably again as a multilevel framework). This will likely lead to novel theoretical and managerial implications. Therefore, the under-researched segment of SMEs can be used for highlighting positive elements of offering flexible workplaces to employees, e.g. for recruitment and retention purposes.

From the managerial point of view, it is important to understand that there is an increasing demand for working flexibly as 67.4 percent of employees want to have the opportunity to choose where they work (Weitzel et al., 2019). In this regard, working conditions become more flexible (Rubery et al., 2016) and companies offer flexibility to employees (Smith et al., 2018). The COVID-19 pandemic demonstrates that companies have to introduce flexible work as a
response to an external event in which companies have to switch the (IT) systems rapidly from working inside the company to working in the home office (Hans-Böckler-Stiftung, 2021).

The implementation and usage of these workplace flexibility practices could therefore be (or lead to) a competitive advantage in the “war for talents”, as companies can continue to operate successfully in the market because they can (further) recruit high-performing employees as they do not have to move necessarily since they can work flexibly. So, the availability of these workplace flexibility practices increases satisfaction and commitment which preempts problems in recruiting new employees in the war for talents, as fluctuation decreases (Beham et al., 2015; Illegems and Verbeke, 2004; Illegems et al., 2001; Iscan and Naktiyok, 2005; Kossek et al., 2006). Therefore, it is the responsibility of the HR department to manage this issue, since employee performance and motivation are affected by the availability of workplace flexibility practices (Taskin and Edwards, 2007). As a consequence, the HRM with its flexibility practices influences the company’s success (Klug, 2011) through enhancing as well as binding skills and motivation of employees (Jiang et al., 2012). Therefore, we recommend companies to bind employees (longer) to the company in order to circumvent difficult recruiting in the war for talents.

Furthermore, it is important that companies and (HR) managers keep their workforce bound to the organization and the team. For instance, isolation (downside mentioned by Baruch, 2000; Collins, 2005; Cooper and Kurland, 2002; Harris, 2003; Illegems and Verbeke, 2004; Kurland and Cooper, 2002; Lal and Dwivedi, 2009; Mann et al., 2000; Maruyama and Tietze, 2012; Teo et al., 1998; Tietze, 2002) could be solved through the utilization of standardized regular virtual team meetings and the sharing of information. Moreover, not being visible (downside mentioned by Kurland and Cooper, 2002; Maruyama and Tietze, 2012; Taskin and Edwards, 2007) need not automatically lead to fewer chances to develop a career because employers need to set up career paths for employees that work flexibly (Illegems et al., 2001; Mann et al., 2000; Maruyama and Tietze, 2012; Pratt, 1984; Tietze, 2002; Teo et al., 1998). Alternative performance measures must be used (e.g. transformational leadership, management by objectives) to specify who should be promoted. This may come in line with a culture which is founded on trust, as requested by Nordbäck et al. (2017) as well as by Taskin and Edwards (2007).

Companies have to focus on McClelland’s (1978) need theory as employees decide on their own if they want to work in the first, second and/or third workspace based on their (major) needs. By doing so, employers can limit the risk of implementing something that has negative repercussions. So, it seems to be necessary to identify which employees have a high need for achievement because they might be suitable for mobile work. In contrast, employee motivation and satisfaction decline in cases of not fulfilling the need for affiliation, if this is a major need. A consequence may be that Kehr’s (2004) flow experience does not arise and the intrinsic motivation of employees declines. Therefore, companies
must care about the employees’ need for affiliation, e.g. by implementing team meetings in person in order to use the advantages of onsite meetings and to maintain a high identification within the team.

Another aspect that deserves attention is that employees tend to work although they are ill (Mann et al., 2000) because they want to return the favor of being able to work from a distance. But this information asymmetry is hard to handle when employees are not locally present for employers to notice if they are sick. So, monitoring costs must be used by employers to make sure that only healthy employees work (Eisenhardt, 1989). Otherwise, it could end up in a health-related productivity loss (Neftzger and Walker, 2010). In modern leadership styles like transformational leadership (e.g. Podsakoff et al., 1990), the issue of caring about employees is included and the relevance of this aspect has been highlighted here, regardless of the workplace.

To sum this up, the implementation of flexible workplaces needs to be done carefully under consideration of the aforementioned downsides. These have to be remedied in order to profit from the benefits.

5.2. Limitations

In spite of its considerable contributions to the literature, this study has its limitations. A systematic literature review itself never is a holistic analysis, as inclusion and exclusion criteria are used in order to structure and focus the analysis. Regarding the inclusion/exclusion criteria, only peer-reviewed articles in English language published between 1980 and 2018 have been included in the review. Therefore, published papers that have not undergone a peer-review (what we understand as a kind of rigor) are excluded from this study, leading to the potential to blank out relevant information. The same applies to papers in other languages (although the language in science is mainly English). The systematic literature review ended in 2018, but the topic has been discussed more extensively due to the COVID-19 pandemic. To remedy the aspect of leaving out relevant up-to-date literature a narrative literature review has been conducted. However, it would be interesting to see how the literature looks like after the pandemic and which new types of flexible work probably arise. Therefore, we recommend to enrich the data with more recently published papers after the pandemic. Also, in this holistic analysis other relevant studies might exist that use other keywords.

To rule out the lack of relevant studies, a narrative literature review was also conducted, but this type of literature review has the downside that it is unsystematic and not replicable as no review protocol is used and keywords may vary. So, it may be possible that — although two different reviews have been conducted — some relevant articles have not been taken into consideration. However, since the results of the studies analyzed are often comparable, it can be assumed that nearly all relevant studies up to the saturation level of knowledge
were taken into consideration and that the results are objective and reliable due to the rigorous procedure of the systematic literature review. Moreover, it is neither realistic nor necessary to include any published work (Bakker, 2010; Provan et al., 2007).

Another limitation is the literature itself as it predominantly contains academic journal papers from the business management area. Other research streams like architecture could also be used as it deals with the aspect of rooms/spaces/workplaces as well, but from a different viewpoint, like the study from Barber et al. (2005) published in the *Journal of Corporate Real Estate*, or the paper from Habscheid-Führer and Grothaus (2016) discussing the office building for the Generation Y. Another approach could deal with non-academic literature, like newspaper articles, blogs or websites focusing on this aspect, highlighting another interesting avenue for further research, i.e., an archival research (cf. Saunders et al., 2016). However, the present study is located in the research stream of HRM which belongs to business management. Therefore, the authors are aware of the limitation that the literature review is focused on HRM/business literature but for this purpose the focus on academic business management literature is sufficient.

Furthermore, we are aware that this undertaking, with the ambitious goal to aggregate all disadvantages of flexible work and all workplace flexibility practices in one conceptual framework, is very challenging. However, the research gap has been identified and we have taken up all aspects known to us (and therefore to the literature) and synthesized them in a conceptual framework. Nevertheless, the lack of common definitions in the field of flexible work poses a significant challenge because we cannot guarantee that another study in this area exists with other names for the constructs. Therefore, we propose — as done in the research agenda — to deal with delimited and specific sub-areas of this topic in the future, even if research is further narrowed down (as in our case to SMEs). Any construct used in the future should be clearly defined so that, especially with such a diverse definition landscape, readers can understand what exactly is meant. In the best case, standard definitions for the constructs will develop in the future.
References:

(Studies with an * have been included in the systematic literature review)


Why not to Work in Flexible Workplaces?


Why not to Work in Flexible Workplaces?


