

FLEXIBILITY OR FLEXICURITY: CRAFTING THE FUTURE OF WORK

Dr. B.L. Galhena
Senior Lecturer

Department of Human Resource Management
Faculty of Management and Finance
University of Ruhuna, Sri Lanka

As the modern workforce continues to evolve in the face of technological disruption, globalisation, and shifting employee expectations, the concepts of flexibility and flexicurity have become cornerstones in discussions about the future of work (Harrison & Procter, 2024). The onsets of remote working, freelance jobs, and the gig economy have made flexibility a feature of modern work (Teng-Calleja, Macatal, & Caringal-Go, 2024). With this increased flexibility, however, several questions emerged regarding job security, which has, in turn, raised increasing interest in flexicurity as a solution.

This article discusses flexibility and flexicurity's role in today's dynamic labour market, including the relative benefits and disadvantages and how HR professionals can balance the two in building a future-proof workplace.

Flexibility: The Demand for Agility in Workplaces

Flexibility in the workplace refers to an organisation's ability to adapt working arrangements based on employees' needs, preferences, or external market conditions (Bal & Izak, 2021). The concept has rapidly gained attention recently, with more employees wanting a better work-life balance, autonomy, and control over where and when they work. This trend of moving towards flexible working was first accelerated during the COVID-19 pandemic, where



companies quickly adopted remote and hybrid work models to ensure business continuity continued unabated.

Workplace flexibility initiatives come in many forms across the corporate sector, and while they offer significant benefits for both employees and organisations, they can also present certain challenges. Among the priorities highly ranked in the workforce and organisations are flexible work hours, remote work, job sharing, freelance, and gig work (CIPD, 2017). Flexible work hours refer to programme that allow employees choices regarding their workday start and stop times, such as flexible start times or a compressed workweek (Golden, 2001). Remote work allows employees to work from home or any location of their choice thus reducing daily commutes or requirements to be present in the office (Cappelli, 2021). Job Sharing aims to distribute a single full-time job to two or more workers where both can deliver the job's requirements, but each of them may enjoy flexible schedules (Branine, 2004). In contrast, freelance and Gig Work deal directly with independent contractors to perform small tasks or projects; this provides temporary flexibility to both the employer and employee (Barlage, van den Born, & van Witteloostuijn, 2023).

Throughout the last decade, the consequence of implementing flexible work initiatives has been a major concern in the literature of HRM, and an increasing number of empirical studies have focused on various types of flexible work schedules and their influences on employees and organisational performance. These studies represent a wide variation in consequences, indicating both the challeng-

es and benefits associated with adopting flexible work arrangements. Flexible work schedules allow employees to balance their professional and personal lives more effectively, leading to increased job satisfaction and retention (McNall, Masuda, & Nicklin, 2009). Several studies have reported that employees are normally more productive whenever given the choice regarding time and place of work (Lakmali & De Alwis, 2015). Additionally, offering flexible work options can also help organisations attract a broader talent pool, especially from Millennials and Gen Z, who prioritise work-life balance (Pandita, 2022).

At the same time, flexible work initiatives present a number of significant challenges for HR professionals that have been the focus of considerable attention by HR scholars over the last decades. The inconsistent findings in existing research highlight the need for continued investigation into these complexities, suggesting that future studies are essential to understand the nuanced effects of flexible work arrangements fully.

Without clear boundaries between work and home life, employees may struggle to manage their time effectively, leading to burnout (Kossek, Thompson, & Lautsch, 2015). Moreover, flexible work schedules create equity issues. Kossek and Kelliher (2023) contend that remote work options can create disparities between employees, with some benefitting while others do not have the same opportunity. Remote work can also pose challenges for managers, particularly in supervising employees, ensuring productivity, and fostering team cohesion (Franken et al., 2021). These situations highlight the reality that a one-size-fits-all approach is inadequate for meeting the diverse needs of today's workforce. Inevitably, HR managers are

searching for customised solutions to cope with the problem and make modern work environments more inclusive and flexible. Notably, Flexicurity gained more prominence in the context of this challenge.

Flexicurity: Balancing Flexibility with Security

Flexicurity is a labour market strategy that seeks to balance the need for workplace flexibility with employment security (Kornelakis, 2014). The term combines “flexibility” (for employers to adjust workforce size and skills based on business needs) with “security” (for employees to have a stable income and access to social protections, even in flexible arrangements). The concept of flexicurity principally originated in Denmark and the Nordic countries. The increasing development of flexicurity can be characterised as a sustainable response to the challenges presented by a flexible labour market. It ensures that workers have the support they need during periods of transition, such as job loss or a shift to freelance work while allowing businesses to remain agile.

The major components of Flexicurity are Labour Market Flexibility, Employment Security and Active Labor Market Policies (Bekker et al., 2008). Labour Market Flexibility is the idea that employers can hire, reassign, or lay off workers based on economic demand, without bureaucratic restrictions (Davoine, 2023). On the other hand, the employment Security component highlights that employees are provided with unemployment benefits, health care, pensions, and other protections that safeguard their well-being during periods of job transition (Auer & Gazier, 2008). Lastly, the active Labour Market policies component stresses that governments and employers invest in training and up-

skilling initiatives to help employees adapt to new roles, sectors, or industries.

Flexicurity has gained significant attention from both scholars and practitioners. One group has focused on exploring the advantages of this model, highlighting its potential to balance flexibility with job security. In contrast, others have examined the challenges and complexities of its implementation.

By combining flexibility with security, employees can adapt to job changes or economic fluctuations without fear of long-term unemployment or financial hardship (Sultana, 2013). This also stimulates life-long Learning, which leads to remaining employable in an increasingly digital and automated job market (Edwards, 2002). Moreover, this causes them to become more agile in business as companies benefit from a dynamic workforce that can be easily scaled up or down based on changing market conditions.

However, there are some challenges that HR professionals should not ignore while dealing with the flexicurity approach. The topmost challenge is the cost of Implementation of the flexicurity approach, as the company has to invest in providing unemployment benefits, pensions, and training programme (Tros & Wilthagen, 2012). In spite of these challenges, flexicurity offers a balanced and forward-looking approach to workforce management, particularly in those industries where technological change is occurring very fast.

The Role of HR in Balancing Flexibility and Flexicurity

HR professionals play a key role in implementing both flexibility and flexicurity in the workplace. As organisations move toward more dynamic and fluid employment

models, HR must create frameworks that allow employees to enjoy the benefits of flexibility while maintaining job security.

Conclusion: The Future is Flexicurity

As the world of work continues to evolve, it is clear that flexibility alone is not enough. While offering employees greater autonomy and freedom is crucial for attracting and retaining talent, job security remains a fundamental need for workers navigating an unpredictable economy. The flexicurity model provides a viable solution, combining the benefits of flexible work with the safety nets needed to protect employees during periods of transition. As HR leaders shape the future of work, the challenge will be to strike the right balance between flexibility and security, ensuring that both businesses and employees thrive in an increasingly uncertain world. By implementing the principles of flexicurity, organisations can create a workforce that is not only adaptable and resilient but also secure and empowered—a win-win for employers and employees alike.

References

Auer, P., & Gazier, B. (2008). Flexicurity as a policy agenda. *CESifo DICE Report*, (4), 3-8.

Bal, P. M., & Izak, M. (2021). Paradigms of flexibility: A systematic review of research on workplace flexibility. *European Management Review*, 18(1), 37-50.

Barlage, M., van den Born, A., & van Witteloostuijn, A. (2023). The needs of freelancers and the characteristics of “gigs”: Creating beneficial relations between freelancers and their hiring organisations. *Emerald Open Research*, 1(4).

Bekker, S., Wilthagwwen, T., Kongshøj Madsen, P., Zhou, J., Rogowski, R., Keune, M., & Tangian, A. (2008). Flexicurity—a European approach to labour market policy. *Intereconomics*, 43, 68-111.

Branine, M. (2004). Job sharing and equal opportunities under the new public management in local authorities. *International Journal of Public Sector Management*, 17(2), 136-152.

Cappelli, P. (2021). *The future of the office: Work from home, remote work, and the hard choices we all face*. Wharton School Press.

Davoine, T. (2023). Flexicurity, education and optimal labour market policies. *LABOUR*, 37(4), 592-625.

Edwards, R. (2002). *Changing places?: Flexibility, lifelong learning and a learning society*. Routledge.

Franken, E., Bentley, T., Shafaei, A., Farr-Wharton, B., Onnis, L. A., & Omari, M. (2021). Forced flexibility and remote working: Opportunities and challenges in the new normal. *Journal of Management & Organisation*, 27(6), 1131-1149.

Golden, L. (2001). Flexible work schedules: Which workers get them?. *American Behavioural Scientist*, 44(7), 1157-1178.

Harrison, D., & Procter, S. (2024). Facing and shaping the future of work. *A Research Agenda for Work and Employment*, 3-21.

Kornelakis, A. (2014). Balancing flexibility with security in organisations? Exploring the links between flexicurity and human resource development. *Human Resource Development Review*, 13(4), 398-412.

Kossek, E. E., Thompson, R. J., & Lautsch, B. A. (2015). Balanced workplace flexibility: *Avoiding the Traps*. *California Management Review*, 57(4), 5-25.

Kossek, E. E., & Kelliher, C. (2023). Making flexibility more i-deal: Advancing work-life equality collectively. *Group & Organisation Management*, 48(1), 317-349.

Lakmali, T. M. K., & De Alwis, A. C. (2015). Flexible Work Schedules and Employee Performance: Case Study of Executives in Asian Alliance Insurance PLC.

McNall, L. A., Masuda, A. D., & Nicklin, J. M. (2009). Flexible work arrangements, job satisfaction, and turnover intentions: The mediating role of work-to-family enrichment. *The Journal of Psychology*, 144(1), 61-81.

Pandita, D. (2022). Innovation in talent management practises: creating an innovative employer branding strategy to attract generation Z. *International Journal of Innovation Science*, 14(3/4), 556-569.

Sultana, R. G. (2013). Flexibility and security? 'Flexicurity' and its implications for life-long guidance. *British Journal of Guidance & Counselling*, 41(2), 145-163.

CIPD (2023). Flexible and hybrid working practises in 2023: *Employer and employee perspectives*.

Teng-Calleja, M., Mactal, M. T. D. G., & Caringal-Go, J. F. (2024). Examining employee experiences of hybrid work: an ecological approach. *Personnel Review*, 53(6), 1408-1424.

Tros, F., & Wilthagen, T. (2012). *Flexicurity: Concepts, practises, and outcomes*. In *The Routledge Handbook of the Welfare State* (pp. 147-158). Routledge.