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# SUSTAINABLE MANAGEMENT AND ORGANISATION OF THE WORK ENVIRONMENT IN THE CONTEXT OF FLEXIBILITY PARADIGM

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**Purpose:** The purpose of this article is to analyse the quality of the human – work system in the context of modern organisation management paradigms focused on theoretical aspects of sustainable growth in which flexibility gets the crucial condition to meet each company's objectives specified by this growth.

**Design/methodology/approach:** It is an opinion article, the attempt to interpret the correlation between the high quality of work environment indicated by the goals of Agenda 2030 and the organisation flexibility dimensions presented in literature which imply the growth in efficiency and effectiveness of work potential management. The study was developed on the basis of the regular and critical literature analysis.

**Findings:** The considerations presented in the article indicate that the achievement of high efficiency and effectiveness level in organisation in the era of postglobalisation and Coronavirus is only possible when the high organisation flexibility is guaranteed, and the flexible initiation of innovative changes depends on optimising the management of work potential. The need of flexibile creativity in the company, being a reaction to the radical redefining the human functioning in an organisation, is required on all levels of each company functioning arising from the view that the general organisation flexibility is conditioned by partial flexibilities.

**Originality/value:** The value of this paper is theoretical. The possibilities of obtaining various kinds of flexibility by a company were determined in the context of developing the human – work system and its influence on the total growth of organisation abilities. It was presented that the flexible organisation competences guaranteeing the proper organisation processes, condition the increase in flexibile skills in a positive way, which contributes to the more flexible activities adapted to the permenent and turbulent changes in the company external surroundings. This article is addressed to the people interested in the multiaspect problematics of the academic issue, the obtained results may be the inspiration to further research.

**Keywords:** efficiency, work potential, work environment.

Category of the paper: Viewpoint, General review.

### 1. Introduction

The flexibility paradigm is used both to describe the categories of the labour market (e.g. flexicurity concept) (Pyrek, 2012), companies (flexible human resource management, flexible work processes, flexible employment forms) and employees (work – life balance, individual career). The basic reasons to make work flexible are based on the application of cost mechanism (rationalisation of work costs), social mechanism (influence of the work place, individual needs of employees) and efficiency mechanism (streamlining of organisational processes to achieve better economic effects).

The turbulence of the surrounding is a significant factor which conditions the limits of organisation flexibility (Buganza et al., 2009). It is the element which affects the variability of internal relationships in the organisation the most and the power of this influence is usually higher than the flexibility level which the given organisation achieves. The turbulence of the surroundings may be described by the assessment of the variability of the given surrounding in relation to two theoretically extreme states commencing from the constant, permanently unchanged, and finishing on permanently unpredictable surroundings even in very short time periods (Grajewski, 2014). In practice, the organisations are usually between these extreme points. The solutions increasing the organisation flexibility as an open system, communicating with the surrounding, are based on the increase in its reactivity in the context of customer's needs. It means that as a result of the measurement of respondents' internal expectations, the organisation response may be responsive, i.e. adjustment reaction to the changes in the surroundings and in the organisation or pro-active, i.e. ahead initiation of changes in management processes in relation with the simulation of the future.

The organisation ready for the challenges of future thanks to considering employees' demands and professional aspirations is able to perform potential benefits. Numerous results of scientific studies and analyses confirm this thesis. The most important attributes of the enterprise of the future refer to its ability to form the enterprise strategic goals on the basis of the paradigm of new globalisation in the era of turbulences and deep changes (Kotler and Caslione, 2009), transforming the simple product manufacturing into a complex system of services focused on streamlining all business processes as well as developing the management of competences, employees' creativity in the friendly work environment (Karwowski, 2010), the environment integrated with Industry 4.0 model (Machado et al., 2019) and creation of super-intelligent society 5.0 (Fukuda, 2020; Cyfert, 2020). It gives new light to the role of holistic, anthropocentric approach in the process of shaping human – work systems. The approach focused on a human being contributes to streamlining business processes, designing tasks, products, environments, work systems by harmonizing them with the needs, possibilities and limits (cognitive, physical, sensual and organisational ones) of all organisation participants. Thus, the work issue as well as the forecasts of its changes concerning the

implementation of the sustainable development rules get really significant. The literature shows that the basis of sustainable development is the simultaneous and synchronic performance of objectives in the areas: social, ecological and economic ones. The UN General Meeting (consisting of 193 countries) created a final document entitled "Transforming our world: the 2030 Agenda for Sustainable Development". It occurred on the Sustainable Development Summit in New York in 2015. The indicated goals are based on three coherent fundaments: economic growth, social inclusion and environmental protection. The performance of the above goals means the performance of the 2030 Agenda Goals which clearly claims to ensure healthy lives and promote well-being for all at all ages (goal 3) and to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (goal 8) (Zakrzewska, 2019).

In this context the sustainable management and work environment organisation with the consideration of flexibility prospects becomes a significant and important issue thanks to which it is possible to raise the effectiveness of each enterprise with the simultaneous respecting of business sustainable development challenges, social responsibility, environmental aspects (both of the external and internal environment) and actions for the benefit of people, interested parties of a given organisation.

## 2. Flexibility imperative in shaping work potential

The acceptance of the flexibility paradigm is an imperative to develop the work potential<sup>1</sup>. Flexibility as the source of organisation success is identified with creating higher value by mobile – nomadic human potential stressing both the ability to take new challenges and the ability to make employee changes as well as the ability to anticipate, initiate and implement the innovative solutions actively (Kasiewicz et al., 2009). Flexibility means the ability to deal with the complexity and variety of the surroundings. Flexibility initiation of innovative changes, in the context of organisation development and achieving competitive advantage, requires the modern approach to the management in the human zone, appropriate for the human resources management concept (Banfield and Kay, 2008), contrary to the status quo and stability characteristic for the staff management idea by changes in organisation structures and practiced techniques. It should be noticed that there are three basic flexibility context in human potential

<sup>&</sup>lt;sup>1</sup> Work potential consists of human potential (potential of employees, their knowledge, practical skills, mental predispositions, health condition and motivation to work) and of work time (form of the work time organization, use of the disposed work time). Time is a quantitative dimension of work potential and human potential is its qualitative dimension (Gableta, 2006, p. 17).

management<sup>2</sup> and namely: quantitative, functional and financial one (Juchnowicz, 2016). Quantitative flexibility means the ability to harmonise competitive potential with the work type and its time, significant to build flexible organisational structures and to diversify forms of work provision (i.e. correction of the condition and structure of competitive potential which is consistent with the labour law). It is also worth stressing that the flexibility of organisational structure can be compared with the shamrock organisation (Handy, 1989, after: Rahnavard, Bakshandeh, 2013) in which the subsequent leaves specify the subsequent employees' categories. Ch. Handy formed and popularised the shamrock model at the end of 20<sup>th</sup> century defining the scope of flexibility of offered work positions and tasks and activities performed at them in relation to the labour force flexibility. The first group covers managers and qualified technicians and specialists, i.e. key employees thanks to whom the company may operate in the market efficiently. The second group are subcontractors and the third – seasonal employees who may be employed in a flexible way to support the core activity. This form of flexibility depends on the type of work, required special qualifications and time work organisation. It may take the form of work provided in a form of agency contracts, employee leasing, tolling agreement (little level of flexibility), job on call, contract of post-graduate internship (medium level of flexibility) as well as civil law contracts (commission contract, contract work), management contracts, telework and remote work, outsourcing (high level of flexibility) and also a lot of benefits connected with the implementation of home office, which was confirmed in the economic practice of Covid-19 pandemic (Messenger, 2019; Dolot, 2020). In turn, functional flexibility refers mainly to knowledge organisation and small companies with flat structures and low formality level. It means transferring employees to various tasks and project groups requiring so called multifunctionality at the same time, the effect of which is enrichment of employee's competence potential rising its attractiveness at the labour markets by lifelong learning (Opiela, 2019), extension of specialisation and multifunctionality. Investing in the development process of employees' competence is anticipative and refers to current career path which is a dynamic connection of numerous stages of professional experience, vertical and horizontal promotions in short- or long-run contributing to the personalised career modelling, respecting personal life (parental leave, health breaks, care for the elderly, gradual retirement, etc.). Whereas, financial flexibility relates to shaping employee remuneration systems with the consideration of the financial situation of the organisation and all stakeholders' needs and aspirations both the key employees as well as co-workers supporting the core activity.

<sup>&</sup>lt;sup>2</sup> Human resources which the modern organisation possesses cover not only workers employed on the basis of the labour relationships (employment, designation, appointment or service relationship contract) but also self-employed, subcontractors performing tasks for the organisation within outsourcing, contractors, freelances.

## 3. Sustainable management and work environment organisation

The imperative of organisation flexibility which is beneficial to develop employees' competences, contributes to the diversification of work contents according to the evolving demand in the labour market (Rönnmar, 2004).

Thus, the term of flexibility refers, however vaguely, to the description of the work organisation characterising it as the way to model work contents, time and place and forms of work provision which guarantee immediate, effective (time criterion), adequate to circumstances (diversity criterion) and economically beneficial (criterion of resources and effects) functioning, trying to maintain a dynamic balance in work performance in the context of achieving measurable financial results as well as immeasurable social effects.

The increasing diversification of tasks and activities in work positions, increase in new tele-information technologies enabling the transfer of information and knowledge or offering products and services to consumers in real time are arguments of leaving the strongly hierarchic organisational structures in favour of their flattening and of greater flexibility of work organisation, the practical examples of which constituted the solutions of digital technology, among others ITC technology, enabling the use of virtual offices, virtual work places in the time of Corona crisis.

Hence, flexibility<sup>3</sup> which is expressed in production methods, work organisation and employment forms is the attribute of modern global economy. Company need for Flexible Time Management (Malara, 2006) is caused by the need of the productive time use of machines and devices, optimal use of organisational potential depending on the fluctuations of the business cycle, idea of creating new customers' needs and customs (e.g. opening the service units in atypical hours, on free days, etc.). The permanent changes on the product and service markets connected with quality requirements contribute to the creation of more and more efficient operating resources and more flexible and reliable production methods.

In consequence, the adapted forms of work organisation have to be more adjusted to the dynamic changes in the work demand trying to use the work time resource<sup>4</sup> in the most possible way to achieve the assumed aims of the organisation. The flexibility areas should be indicated in the work organisation area and namely (Mielnik, 2012):

- Work content (range of tasks and activities).
- Work time (time schedule).
- Work space (place of work process performance).
- Work status which is connected with the determination of the employment relationship covering various forms of work performance included in Labour Code.

<sup>&</sup>lt;sup>3</sup> Flexicurity concept is connected with market flexibility with social security.

<sup>&</sup>lt;sup>4</sup> The document Green Paper "Partnership for a new organisation of work" (The European Commission, 1998) states that flexible time management may be beneficial for employers and employees as long as the changes are initiated in a negotiated way, whereas European trade unions distinguish positive and negative flexibility (Machol-Zajda, 2008).

The following features may be listed among the most often applied flexible solutions in regard to work forms and its organisation: part-time job; divided work; flexitime; cumulated working hours; system of annual work time; work from home (tolling contract); tele-work; contract work (e.g. management contract); on-call contract; temporary work; self-employment.

The results of the comparative research referring to the flexibility of work organisation carried out in Poland and Lithuania present an interesting example (Fryczyńska, 2016, pp. 39-40). The surveyed Lithuanian respondents employed on the basis of the employment agreement indicated four times more often the answer that the organisations overuse the employment forms on the basis of civil law contracts in comparison to Polish full-time employees. Additionally, among the ones employed on mandate contract, contract work, management contracts, over a half of Polish surveyed stressed that there is excessive use of untypical employment, Lithuanian respondents had a similar opinion despite the fact that only 9% of Lithuanian tested population constituted the ones who were employed on the basis of civil law contracts. The present research results lead to the conclusion that the workers employed on the basis of the contract belonging to untypical forms of work performance confirm dissatisfaction with such work. What is interesting, respondents who are employed on the basis of contracts belonging to inflexible forms of work performance (employment agreement, on managerial positions) express their approval to non-standard forms of work performance. The mentioned empirical research emphasises the necessity of correlation between the employees' needs and employers; needs concerning the implementation of nonstandard forms of employment<sup>5</sup>, which should bring mutual benefits.

The high flexibility and adaptation rate of the system human being – work providing the speed of activity and the basis of innovativeness and creativity requires the decrease in formalisation, decentralisation of decisive rights, reduction of the number of hierarchy ranks, limitation of standardisation and procedures to the possibly smallest, necessary and required number. Assuming that the employees' freedom in the way of work performance (work content) is the dimension of work flexibility, the Empowerment (EMP) approach, based on the empowerment (validation) of the executive group, should be adapted. This concept consists in

It should be also stressed here that in relation to the research presented in the literature (Cymbranowicz, 2016) unjustified, excessive, disproportionate use of flexible solutions concerning human potential management may bring undesired effects for the organisation in a form of various dysfunctions, i.e. employees' discouragement to participate in professional development, lower involvement, no feeling of stabilisation and job security, unwillingness to share knowledge, disruptions in the persistence of organisational knowledge and thus, lower quality of human capital. In the micro perspective, it causes the unfavourable organisational climate, antagonistic relationships in work process because there is a division of employees into two groups in the company and namely privileged employees having labour agreement for an indefinite time period, definite time period or appointment and unprivileged employees who cannot take advantages in a form of subsidised trainings, medical benefits or job security. From the macro perspective, in the social and economic context, it causes too big migration of highly qualified employees, high level of long-term unemployment, the syndrome of unemployment heritage, lowering the rate of fertility. The above factors contributed to the creation of a new social class that is "unsecure of their future" specified as workingpoor or precariat. The phenomenon of the appearance of a new social group which is difficult to define but possesses a common feature which is employment precariousness (En. precarious, Fr. précarité).

the participation of executive employees in a decision-making process, delegating the rights and responsibility for the work performed by them and guaranteeing them knowledge and skills necessary in the work process. The employees using their knowledge and having decisionmaking rights may notice and react quickly in the process connected with the improvement of products at their work positions, which leads to the reduction of losses as well as increases the number of innovative solutions in the area of quality. Empowerment means "...allowing the employees to think independently, use their knowledge, experience and motivation to fulfil the requirements arising from the three key issues in the company and namely: being a supplier by choice, employer by choice and place of investment by choice" (Randolph, Blanchard, 2007, p. 57). Employees' empowerment refers to the current alternative for technocratic management, which is personalistic and servant leadership in which the role of the leader is not based on power privileges for it but moves towards the more complex, strategic participative process typical for servant leaders. The performance of the management function stimulates the strong need of cooperation and involvement by executive employees in efficient, agile, modern organisations and leadership, at each management rank, is based on the system of organisation values, supports the attitude of asking questions and discovering, being the teachers and learners at the same time, focusing on the attempt to be perfect. Empowerment means both giving somebody right to do something as well as supporting employees in getting power from their knowledge, experience and internal motivation by creating the appropriate organisational climate. The basic components of this concept are (Czajkowska, 2008, pp. 150-157): feeling of possessing abilities and competences (self-efficacy); felling that one can decide about himself (self-determination); belief about the possibility to affect others (personal consequence); feeling that what one do is valuable (meaning); trust. Randolph, Blanchard (2007) present empirical effects of using the empowerment in the organisation in a way of economic profits of companies. They confirm that organisations in which the employees had greater control and responsibility obtained higher return on sales (10.3%) than the organisations which failed to use the employees' involvement (6.3%). Thus, empowerment will be the key solution for organisations functioning.

Work potential which is created by knowledge workers equipped with the ability of flexible time management (Sardinha et al., 2020) conditions the organisation ability to transform in a learning, creative, innovative and flexible organisation. Possessing vast autonomy in the jobs performance, knowledge workers have high level of responsibility for the effects of their actions in the context of customer's expectations and their comparison with the performance abilities of a given process. Work process is participative, which contributes to the easier acceptance of changes because employees participate in designing them. Flexible structural solutions of learning organisations are obtained thanks to subtle division lines between superiors and subordinates, recipients and suppliers, organisation and surrounding as well as thanks to efficient information system providing appropriate information, in proper time to proper management levels.

## 4. Conclusion

Economic development characterises with not only quantitative features included in the production growth (growth of GDP) but also it is expressed in the qualitative changes, structural, system and institutional changes. Work potential the basic element of which is human capital is a common and the superior factor of the performed transformations. Whereas, organisation competitiveness strongly depends on the efficiency of the individual business processes, applied management systems functioning on the basis of sustainable management paradigm and work environment organisation. Obtaining high level of efficiency and effectiveness in the company in the era of post-globalisation and Corona crisis is only possible when the organisation provides high flexibility focused on creating value for widely understood customers both the internal and external ones. Summing up, the complexity of the multidimensional interactions in the work environment implies that probably for the first time since the industrial revolution the success in business is becoming completely dependent on optimisation of workers' potential management (Hamel, 2007, after: Karwowski, 2010, p. 11) employed in the friendly work environment, integrated with the model Industry 4.0 and anchored in the creating super-intelligent society 5.0. Moreover, future competitive environment in which the flexible, intelligent organisation works forces the adaptation to the needs and expectations of people, all interested parties, according to the best practices of Corporation Social Responsable included in the concept of sustainable development.

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