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Managing the future workforce in a sustainable way:

Exploring paradoxical tensions associated with flexible work practices that are intended to be sustainable

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Abstract

In this study, we employed a paradox lens to investigate how flexible HRM policies and practices are perceived by managers and employees in two organizations and how these relate to three key paradoxes associated with sustainable Human Resource Management (HRM): the efficiency-legitimation paradox; the efficiency-substance paradox; and the present/future paradox. We then look at the role of the management and HRM in how they manage the three paradoxes and if they are able to involve management, HRM and employees in this process. The paradox lens supports us to search for the presence of paradoxical tensions and analyse the employees’ perceptions on these tensions, and finally support the management in developing an active approach discussing the paradox tensions with all stakeholders (management, HRM and the employees).

Key words: Flexible HRM, sustainable HRM, flexibility, paradox lens, active Human Resource Management approach
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Introduction

Sustainable Human Resource Management (sustainable HRM) (Kramar, 2014) can be viewed as an emerging perspective on how to manage the workforce in future (labour) markets, characterized as global, dynamic, complex and pluralist. Sustainable HRM builds on Strategic HRM, but goes beyond it by stressing the increasing value and vulnerability of human resources. It reflects a “paradigm shift” (Boudreau & Ramstad, 2005, p. 129) in that it moves away from measuring organizational effectiveness in terms of short-term financial outcomes as the only significant bottom line (Boudreau & Ramstad, 2005). Unlike mainstream Strategic HRM, sustainable HRM is based on the assumption that HRM should start from the individual worker and needs to contribute to their human, social and psychological capital and to the externalities of the organization (De Prins, Van Beirendonck, De Vos, & Segers, 2015; Ehnert, Harry, & Zink, 2014; Ehnert & Harry, 2012). Up until now, many definitions have been presented to characterize the novel HRM perspective. Mariappandar (2003, p. 910), for example, views a sustainable HR strategy as the “management of human resources to meet the optimal needs of the company and community of the present without compromising the ability to meet the needs of the future.” Building on Ehnert (2009), Kramar (2014, p. 1084) defines sustainable HRM as “the pattern of planned or emerging HR strategies and practices intended to enable the achievement of financial, social and ecological goals while simultaneously reproducing the HR base over a long term.” De Prins and colleagues (2015) define sustainable HRM as a specific form of personnel management that is explicitly linked with the organizational environment, being focused on respect for individual employees and in which
the short and long-term interests of the employer, employees, and societal interests are balanced with each other. In the present study, we follow Ehnert, Parsa, Roper, Wagner, and Muller-Carmen (2016, p. 90) who define sustainable HRM as “the adoption of HRM strategies and practices that enable the achievement of financial, social and ecological goals, with an impact inside and outside the organization over a long-term, while controlling for unintended side effects and negative feedback.”

Sustainable HRM implies that HRM needs to develop organizations’ dynamic capability to manage the workforce in future (labour) markets in a sustainable way (Bhattacharya, Sen, & Korschü, 2008). Starting from the individual worker, this calls HRM to provide meaningful work and to support individuals to maintain and develop their employability (i.e., the skills and general competences that individuals need to find and maintain employment), workability (i.e., the physical, psychological and social ability to participate in the labour market), and vitality (employees’ work motivation and engagement) which is needed to enable them to self-manage their increasingly boundaryless careers in a sustainable way (De Prins et al., 2015; De Vos, Van der Heijden, & Akkermans, 2018; Ehnert, 2014). Amongst others, this implies that employers need to “provide interesting jobs and opportunities to develop skills [for a] mobile career” (Pearce & Randel, 2004, p. 82).

Taking into account multiple sustainability goals also demands organizations to deal with so called paradoxical tensions (Ehnert, 2014; Lewis, 2000; Peters & Lam, 2015; Smith & Lewis, 2011). Paradoxes can be described as “contradictory yet interrelated elements of organizations that seem logical in isolation but inconsistent and oppositional in conjunction and yet persist over time (Smith & Lewis, 2011, p. 382). In this empirical interview study, we aim to contribute to the sustainable HRM literature by exploring paradoxical tensions associated with flexible human resource management (HRM) policies and practices that have been implemented in organizations to meet organizations’ multiple bottom lines, such as enhancing
efficiency, on the one hand, and supporting sustainability (including enhancing individuals’ employability, workability, and vitality), on the other. In this paper, we argue that flexible work practices are associated with multiple paradoxical tensions that are inherent to HRM (Ehnert, 2014). Acknowledging this, the sustainable HRM literature suggests that HRM and other actors alike should engage in an ongoing process of “equilibrating opposing forces that encourage commitment, trust and creativity while maintaining efficiency, discipline and order” (Lewis, 2000, p. 765). Tensions underlying organizational paradoxes can for example be felt when market and institutional pressures (e.g., associated with efficiency and sustainability) are contradicting yet operating simultaneously (Jarzabkowski et al., 2013; Lewis, 2000; Smith & Lewis, 2011).

More specifically, in this study, we analyse how professional employees in two start-ups (one in the engineering sector and one facilitating the energy-related sector) that employ a relative young workforce experience positive and negative outcomes of flexible HRM policies and practices [i.e., numerical flexibility, functional flexibility, working time flexibility, time-spatial flexibility, and pay-flexibility (cf. Kornelakis, 2014; Spreitzer, Cameron, & Garrett, 2017)] which are intended (cf. Wright & Nishii, 2008) by their organization to enhance the organization’s and the employees’ sustainability and how these can be associated with paradoxical tensions. Our paradox lens allows us to analyse the contradictions, ambiguities and tensions that are inherently associated with flexible work practices and how stimulating paradoxical poles simultaneously, in this study, stimulating both organizations’ efficiency and sustainability, efficiency and legitimation, and present and future needs (Ehnert, 2014) can benefit both the organization and its employees.

Below, we first present a brief literature review on the scholarly debate on flexible HRM and our paradox lens. Second, we present our methodology, data analysis and results. In
conclusion, third, we summarize our main findings and discuss their implications for HRM scholars and practitioners.

**Theoretical lens**

*The flexible HRM debate*

In order to achieve competitive advantage, organizations increasingly implement flexible HRM policies and practices as these allow them to adjust the organization of work to the growing uncertainty and complexity of the environment that contemporary organizations and individual employees face (Kozica & Kaiser, 2012). Both organizations and individual employees need flexibility to meet multiple and oftentimes unpredictable needs, for example, new skill needs, or emergency jobs at work and at home. In the literature, a distinction can be made between flexibility *for the employer* and flexibility *for the individual*. In some situations, however, a win-win situation may be achieved as flexibility can meet both organizations’ and employees’ needs, for example when it meets both organizations’ needs to expand their operating hours and individuals’ needs to integrate work and non-work demands (Peters, Den Dulk, & Van der Lippe, 2009). Based on the literature, several flexible HRM practices can be distinguished (cf. Kornelakis, 2014; Spreitzer et al., 2017): numerical flexibility, functional flexibility, working time flexibility, time-spatial flexibility, and pay-flexibility.

*Numerical flexibility* refers to organizations varying the number of workers they hire, for example, by employing workers through employment agencies and through temporary work contracts. For organizations, this may be a rational work practice as this can reduce (overhead) costs and can foster innovation. However, it can also hinder the development of social capital in the organization. For individual employees, numerical flexibility can be welcomed as a possibility to gain job experience in different organizations (Pearce & Randel, 2004; Spreitzer
et al., 2017). However, it can also be experienced as a loss of job security, possibly hindering sustainable career development (Conley, 2006).

*Functional flexibility* refers to employees carrying out various tasks and jobs, for example, through teamwork, job enrichment and job rotation. This type of flexibility has the potential to meet the needs of both organizations and individual employees, as it enhances organizations’ agility, meanwhile fostering employees’ professional development and employability (cf. Van der Heijden, Peters, & Kelliher, 2015). Moreover, job enrichment can lead to more meaningful work and can motivate them for their work. Carvalho and Cabral-Cardoso (2008) even claim that functional flexibility creates a mutual dedication for the employer and employees.

*Working time flexibility* refers to individual employees varying their number of working hours, for example, by offering various employment contracts, such as zero-hours, part-time contracts, or ‘reduced work time and reduced work load arrangements’ (Gascoigne & Kelliher, 2017). A related practice is *time-spatial flexibility*, referring to individual employees working at different times and locations, which oftentimes demands more self-management. Time-spatial flexibility can be either imposed on employees, for example when employees have to communicate with peers in different time zones, or can be voluntarily chosen (Spreitzer et al., 2017). Paradoxically, Kelliher and Anderson (2010) found that in their study, working reduced and remote hours on a voluntary basis was associated with higher levels of job satisfaction and organizational commitment, on the one hand, but with work intensification, on the other. Obviously, two seemingly contradicting outcomes (poles) can be united in the outcomes of this (oftentimes voluntarily) chosen HRM practice.

In conclusion, *pay flexibility* refers to practices in which payment depends on employees’ performance, such as performance-related pay or bonuses, which may motivate employees to work longer hours in order to achieve higher performance. In this study, pay
flexibility is defined as “the ability to vary the level of pay in tandem with performance, decreased commitment to fixed pay (e.g., bonuses, piece-rates, merit pay, performance-related pay, etc.)” (Kornelakis, 2014, p. 401). Pay flexibility can motivate employees to perform better and can lead to higher remuneration (Gerhart, Rynes, & Fulmer, 2009). However, Yeh, Cheng, and Chen (2009) showed that employees subject to performance-based and piece-rated pay systems experienced higher levels of personal burnout and work-related burnout in comparison to other employees and concluded that these pay-systems can affect workability.

The flexible HRM debate presented in the scholarly literature discusses the underlying drivers and outcomes of flexible work practices (Jiang, Lepak, Hu, & Baer, 2012; Kelliher & Anderson, 2010; Kornelakis, 2014; Truss, 2001). Two broad perspectives can be recognized: a managerial versus non-managerial perspective. In the managerial perspective, researchers focus on the positive effects of flexible HRM, such as organizations’ enhanced adaptation to the dynamic and unpredictable environment and improved competitiveness. The non-managerial perspective focuses on the impact of flexible HRM on society and mainly aims to show the negative effects of flexible HRM, such as enhanced job insecurity and increased stress-levels. Moreover, with regard to the managerial perspective, a hard versus a soft model can be distinguished (Kozica & Kaiser, 2012). The hard model, characterized as a rational approach focusing on strategic perspectives and organizational effectiveness, for example, relates to flexible HR staffing arrangements (e.g., temporary workers). The soft approach is broader as it also takes into account human aspects, such as motivation and commitment as potential practices that can enhance organizational effectiveness, which calls to take the organizations’ skill based and behavioural based flexibility into the equation (Kozica & Kaiser, 2012).

A paradox perspective
Contemporary organizations in dynamic, unpredictable, complex, and uncertain environments, with stakeholders having pluriform needs, have to deal with multiple challenges, ambiguity, uncertainty and contradictions (Ehnert, 2014; Lewis, 2000). It is oftentimes stated that organizations have to make decisions that can be viewed as trade-offs, for example, between targeting at economic, social, or environmental outcomes. In line with this, previous studies have acknowledged that designing a flexible HR architecture (implementing the above introduced flexible work practices) should be accompanied by paying attention to individual employees’ interest in personal and professional development and willingness to develop more boundaryless careers (Paauwe, 2004). Therefore, Paauwe (2009, p. 138) states that a more flexible HR architecture “is only possible once the organization has taken proper care of employees’ needs and has ensured that they are treated fairly and with due consideration for their well-being.” Hence, besides the ‘dual economic rationality,’ comprising both efficiency and sustainability (Ehnert, 2014) and stressing that HRM should take both organizations’ and individual workers’ needs into account when designing and implementing flexible HR practices, also legitimation for organizations’ flexible work practices from society should be earned for the organization to be able to continue their operations in the longer term (Ehnert, 2014).

The above implies, however, that the implementation of flexible HRM should not be viewed in terms of trade-offs, but by continuously balancing between various poles of the potential paradoxes associated with these practices. The word ‘paradox’ has been used by various researchers (Cameron & Quinn, 1988; Smith & Lewis, 2011) to define contradictory forces in organizations that are inherent to organizing and to HRM. The sustainable HRM perspective, and particularly the incorporated paradox lens, offers opportunities to understand why paradoxical tensions are felt, even though actors may not always be aware of these, let alone of their sources which may be out of the actors’ sphere of influence, and how these are
responded to (De Prins et al., 2015; Ehnert, 2014; Kramar, 2014; Peters & Lam, 2015; Smith & Lewis, 2011).

Ehnert (2014) distinguishes three key paradoxical tensions that HRM has to deal with in view of economical and ethical (normative) logics (Ehnert, 2009, p. 142). The three paradoxes are labelled as follows (Ehnert, 2014): the efficiency/responsibility paradox; the efficiency/substance paradox; and the present/future paradox. In all cases, both poles of the paradox need to be taken into account simultaneously, as both are important. Ignoring one of the poles, or prioritizing the one over the other, will lead to lower performance in the longer run.

First, the efficiency/substance paradox reflects that HRM should manage paradoxical tensions that may be felt when they need to deploy people both efficiently and in a sustainable way, such that the human resources base is sustained. Second, the efficiency/responsibility paradox reflects that HRM needs to manage paradoxical tensions that may be felt when both efficiency and substance need to be achieved (simultaneously), but also the relational/ethical rationality should be taken into account. In other words, not only the economic, but also the social rationality should be given consideration in order to gain legitimation for the organization’s operations, which is needed to guarantee organizational continuity in future markets (Ehnert, 2014). Third, the present/future paradox reflects that HRM has to take into account both the short-term and longer-term outcomes of their HRM policies and practices. It should be acknowledged that current actions form the basis of future outcomes. Not taking future needs into account in present-day decision making can harm the continuity of the organization and of individual employees. Paradoxical tensions, for example, can cause anxiety and threaten individuals (Lewis, 2000).
In practice, organizations and individuals may respond either in a defensive or an active way (Andriopoulos, 2003, p. 386). *Defensive responses* usually focus on the short term and can bring some relief, but do not support actors to understand the paradox and do not foster a new way of working. *Active responses*, in contrast, aim to deal with paradoxes over a longer time frame, perceiving paradox as an inherent part of work. As such, these active responses may consist of new types of behaviour that bypass the defensive routines of stakeholders. In this case, the tension experienced is rather used as a trigger to “rethink existing polarities and recognize more complicated interrelationships” (Lewis, 2000, p. 763) and give way to new insights and behaviours. As escaping from “reinforcing cycles that perpetuate and exacerbate tension,” this is not an easy process (Lewis, 2000, p. 263) and oftentimes requires “counterintuitive reactions” (Lewis, 2000, p. 264). Active responses ask courage and conviction on the side of the actors and a critical examination of actors’ polarized perceptions.

**Methodology**

**Data Collection**

In this interview study, we explore paradoxical tensions associated with flexible HRM in two organizations that intend to be ‘sustainable’ when it comes to their social HRM policies and practices. That is, their flexible policies and practices are expected to enhance both the organizations’ and employees’ efficiency and sustainability (i.e., employability, workability, and vitality). Data were collected through fifteen semi-structured interviews. In total ten interviews were conducted with employees and managers working in the engineering and mechatronics divisions of an organization which we refer to in this chapter as ENGIN and five interviews in an organization which we refer to in this chapter as FACIL.
ENGIN is an engineering company that was founded in 2012 and has grown substantially since then. The workforce comprises seventy-five employees which are relatively young of age (mean age being thirty-three). The nationality of the employees in the company is Dutch (besides the Dutch nationality, there is only one employee with another nationality, which is English). The organization has a high male percentage (89% males versus 11% females), and has physical offices at four different locations in the Netherlands. The organization operates in many different sectors, such as energy, automotive, food and packaging. ENGIN has three divisions: Engineering (53 employees), Mechatronics (17 employees), and Sustainability (5 employees). In comparison with the other two divisions, the Sustainability division is relatively small. In addition, the three divisions are involved in different types of work. The Engineering division is occupied with the ‘normal’ engineering assignments which they fulfil inside or outside their clients’ premises. This type of work can vary from consultancy to engineering. The same holds true for the Mechatronics division. However, this division is occupied with more complicated and complex engineering issues. The Sustainability division in particular fulfils consultancy work for sustainability issues. Although the company is divided in these three different divisions, the company tries to present itself as one company to the outside world (for an overview of this organization’s characteristics, see Table 1).

Insert Table 1 about here

FACIL, being part of a larger family-owned real estate organization, is responsible for the facilitation of an industrial park, which is the base for mainly cleantech companies in the Netherlands, which work with clean sustainable technologies. FACIL’s priority is to attract and maintain organizations to the industrial park and aims this to be known in 2025 as ‘the most
sustainable industrial park in Western Europe.’ FACIL employs nine employees (among which one director), their average age being 35. The gender distribution is reasonably balanced (5 men and 4 women). All employees carry the Dutch nationality. Each employee has his or her own responsibility within the organization, related to, for example, commerce, finance, events, communication and projects, park management, and technical service. Since they are only a small team, the employees regularly support each other with different tasks. In this study, five employees from FACIL voluntary participated (see also Table 2 for an overview of the characteristics of FACIL). The background information on the interviewees is presented in Table 3.

Data analysis

In order to answer the research question, we analysed various forms of flexible HRM policies and practices, making use of the data of the semi-structured interviews with managers and individual employees at ENGIN and FACIL. We used the three key paradoxes as sensitizing concepts to discover whether flexible HRM practices can be labelled sustainable and hence are part of a ‘sustainable HR strategy.’ In this study, workplace flexibility comprises the following policies and practices: numerical flexibility, functional flexibility, pay flexibility, working time flexibility, and location flexibility. We analysed how the interviewees experienced the flexible HRM policies and practices in their organization and valued their outcomes and focused on the potentially experienced paradoxical tensions between efficiency and responsibility, efficiency and substance, and presence and future, respectively.
Results

Efficiency/substance paradox

The substance and self-sustaining pole associated with flexible HRM revolves around the development of human resources and the organization being able to sustain itself on the long-term, which needs to be balanced with efficiency. In terms of sustainable HRM, this means that organizations should try to hold on to their employees by promoting HRM policies and practices that help to achieve preservation and retention of their human resources and allow them to have a sustainable career. Below, we present the analysis of our interview study by discussing how the perceived flexible work practices are evaluated by the interviewees.

The interviews reveal that at FACIL and ENGIN (being a consultancy firm itself), numerical flexibility mainly applies to new employees who are given temporary contracts in the first year in order to see whether there is a fit between the organization and the individual. After that year, the contract can become permanent. Formal contractual hours can range from thirty-two to forty hours per week, depending on their own preferences for a full or a reduced working time contract. At ENGIN, however, overtime is common and accepted by the employees as something that should be done in exchange for the flexible work practices provided. An average of four to five hours overtime per week was deemed acceptable. However, the employees explicitly valued their private time which should be protected, especially in view of the relatively low numbers of holidays provided by the organization. Strikingly, the younger interviewees mainly worked full time, whereas the more tenured employees have reduced their working time contract, perhaps because of the need for more time
outside work. Working less than thirty-two hours, however, was uncommon at ENGIN and also at FACIL thirty-two hours was considered the minimal.

In order to keep the reduced working time contract sustainable, that is, in order to also reduce the work-load in line with working hours reductions (Gascoigne & Kelliher, 2018), customers are made aware of the fact that many employees do not work full-time.

“When accepting a project clients are made aware that due to reduced work-load arrangements, the project delivery date may need to be extended.” ENGIN 2

The interviewees felt that the flexible approach to working time had a positive impact on themselves and their private lives. ENGIN 5 for instance, stated:

“If something happens in my personal life, the children, the relationship, those kind of things... that is handled flexibly with possible temporarily working time reduction.” – ENGIN 5

One of the most outstanding flexible work practices used at ENGIN and FACIL to promote sustainability and to reduce the organizations’ need for numerical flexibility was functional flexibility, which refers to the variation in tasks, job rotation and the possibility of acquiring new skills. In order to promote variation in tasks and learning on the job, the employees of ENGIN enjoy a high degree of job rotation, which increased their functional flexibility. This was viewed as a win-win situation for the organization and the employees also both wanted and needed to be efficient and the broad skills and experience in multiple teams helped employees to take over jobs of others, also when these were working on another project:

“If, for example, there is a need to switch fast, and the rest of the colleagues are busy and you have some time, then you take over.” – ENGIN 5
Most of the employees of ENGIN stated that they experienced sufficient variation in their daily work, which provides them with sufficient challenges:

“For me, a day never looks the same. Each day is different. So there is much variation.”

– ENGIN10

Although this was felt by most, this did not hold true for all interviewees.

“At the moment, I do not think there is enough variation, no.” – ENGIN3

Obviously, customization and dialogue about how to sufficiently challenge employees is needed to guarantee that all employees are satisfied when it comes to job variation (cf. De Prins et al., 2015). Although all young employees had a senior employee or manager to support them and checked whether they were still satisfied with their work, some of these younger employees indicated that they themselves had to have a pro-active attitude to organize their work in accordance to their own liking.

The employees at ENGIN are offered possibilities to acquire new skills supporting their development and intra-organizational employability:

“Yes, there are possibilities for sure. They offer you courses.” – ENGIN3

According to the employees and managers at ENGIN, ENGIN offers its employees a lot of possibilities to learn and develop themselves professionally:

“I thought like, yes, maybe it is clever to follow such a course so that I know what needs to be on the blueprint and why it needs to be on the blueprint. Therefore, I followed such a course and that’s how one keeps developing.” – ENGIN3
Not only functional flexibility contributes to the development of the employees and managers of ENGIN. Also other forms of flexibility, such as working time flexibility, can be viewed a condition that supports professional development:

“If they would expect from employees that they are here each single day, from eight am to five pm, employees would quit quite fast and ...it does not motivate employees to further develop themselves.” – ENGIN10

In both ENGIN and FACIL, employees enjoy flexitime, which implies that they can choose the temporal location of the start of their work day between seven a.m. and nine a.m. In practice, however, they can deviate from this time frame when they can substantiate this with ‘good’ reasons.

“We do not really have fixed working times. Between nine a.m. and three p.m. you have to be present, but you can choose whether you start at seven a.m. or nine a.m.” – ENGIN5

Although time-spatial flexibility is present at ENGIN and FACIL, one of the interviewees at FACIL mentioned:

“It [flexible working] makes me feel comfortable, since you know that you are given freedom and you get that freedom only when people trust you……so, if you are very busy one day and you know that you can handle the job better by working home one day, that is not a problem. I just need to inform my manager.” FACIL1

This quote shows that FACIL empowers its employees to decide for themselves where to work. So, they offer the employees the freedom to make their own judgment concerning work location and this helps them cope with a situation of being (too) busy. However, in some
cases, this may be easier than in others, depending on the type of (team) work and customers’ wishes. At ENGIN, for example, teleworking appears to be not that common in practice.

“For me, working from home is no option, because my customer prevents me from doing it. They are very protective of their Intellectual Property.” – ENGIN1

Obviously, telework at ENGIN much depends on the room provided by clients.

Although time-spatial flexibility is valued by the employees, some employees at ENGIN mentioned that working time flexibility had become more limited over the past few months, because of the abolishment of the ‘time-for-time-arrangement’ the organization used to have in place. With this arrangement, employees could exchange overtime hours in one week for additional free time later. The abolishment of this flexible work practice had led to a high degree of disappointment among the employees at ENGIN:

“We used to have a wonderful time-for-time-arrangement, but sadly, they abolished it.” – ENGIN1

The HRM manager at ENGIN explained why the ‘time-for-time-arrangement’ was abolished. In her view, it was just not beneficial for the employees:

“Well, we used to have flexibility in the form of a time-for-time-arrangement, so that if you worked more, you could have more time off. Well, we abolished it, because we found out that the boys would ‘burn their fingers.’ They built up way too many hours and then they were not able to take up these hours.” – ENGIN8

In other words, the management viewed the time-for-time arrangement an unsustainable HR practice in the longer run, as employees would work too long hours at some point in time, which the organization could not compensate because the employees could not afford the extra free time later as they were needed to do the projects. This reason for abolishing the
arrangement, however, was not well communicated to the employees and no dialogue had taken place. Therefore, losing the time-for-time arrangement gave the employees a feeling of reduced freedom. Despite this, the general idea among employees that ENGIN offers a lot of working time flexibility was not seriously affected.

Recently, ENGIN had implemented a time registration system which demands the employees to register their activities per hour. The advantage perceived by the employees was that the organization was able to accurately measure and assess employees’ billable hours for each single project. This time keeping ran parallel with the need for employees to work in a very efficient way. Although this was applauded by the employees, they also experienced that the time registration system left little time for informal learning as these ‘unbillable hours’ would come at the expense of the organization’s performance in the short run. In this regard, they also acknowledged that not all employees could keep up with the pace in which the work had to be conducted. In the past, they had witnessed how the tight work schedule not only had affected the well-being of these colleagues, but had also hindered other team members. Eventually, colleagues that could not manage the work pace had left the organization.

In conclusion, at ENGIN, employees receive a standard salary, rather than performance-related pay. Overtime was paid 125%, which was welcomed by the employees, but was not driving their motivation to do overtime, as this was more considered to be a token of organizational commitment. When employees develop, however, they can be awarded with a salary increase:

“We offer rewards based on the way that someone develops and if we see that someone develops fast, because of a training, or whatever, there is a reward in the form of a salary or something extra.” – ENGIN10
Despite this policy, the employees indicate that their work motivation more depends on the challenges and learning opportunities they experience in the work projects.

**Efficiency/responsibility paradox**

The efficiency/responsibility paradox (Ehnert, 2014) implies that organisations, on the one hand, have to gain social legitimacy in society by conforming to the society’s norms and values, incorporated in its institutions and, on the other hand, to reach optimal efficiency within the organization to meet its economic goals, without depleting, but rather regenerating employees’ resources. Based on the interviews, we found that both ENGIN and FACIL aim to be perceived as a sustainable organization and that flexible work practices are instrumental for this goal.

Within ENGIN, most employees recognized that flexible HRM should be viewed as an increasingly important value for future HRM in order to retain personnel. One interviewee that recently joined ENGIN mentioned that flexible HRM was one of the reasons to work for ENGIN also in the longer term:

> “Actually, the flexibility is one of the bigger advantages of working at ENGIN. If that would be abolished, I would probably just look for something else.” – ENGIN7.

Another interviewee just did not really bother too much about flexibility, but she too stated that it will be increasingly important for the workforce of tomorrow:

> “For me personally, I do not need flexibility that much. I can imagine that the future generation demands flexibility.” – ENGIN8
ENGIN wants to be ‘an employer of choice’ where particularly young engineers like to work, since they are given more job autonomy and responsibility (empowering HRM) already from the start of their careers than their competitors in the sector would give.

“You do have a voice in which project you participate in. If you do not like to work on a certain project, ENGIN tries to find a project that is more fun to do or more challenging.”

“When you prefer to work on producing a machine for the food industry over making a machine for the automotive industry, then you are free to choose that.” – ENGIN 2

The professional freedom provided to the employees at ENGIN implies that these are allowed to choose among assignments and to develop themselves in the way they like, as long as this meets the interests of the organization. This way, ENGIN wants to be known as a sustainable organization that offers work that is meaningful and that focusses on the individual employees’ interests and needs. Also FACIL wants to offer meaningful work and wants to be known within a number of years not only as ‘the greenest industry site in the Netherlands,’ but also as human.

“the fact that you matter, that your opinion counts. That you are given the opportunity to decide or think that’s what I find important.” – FACIL1

“I explain that we want to become the most sustainable site of the Netherlands but that sustainability is not only in CO2 emissions, but also in the people and the capital.” – FACIL5

For both organizations, the aim to gain legitimacy by implementing sustainable HRM immediately contributes to their employer branding (cf. App, Merk, & Büttgen, 2012), which helps to attract and retain young talents that are sensitive to the idea of having autonomy,
responsibility and impact. This autonomy should be accompanied by support from seniors which function as coaches. The work should be meaningful to the employees, which can refer to prosocial work in that it contributes to society at large (cf. Winter & Jackson, 2014).

“I am very satisfied with ENGIN as an employer. The organization oftentimes takes up very nice extra assignments, including many ‘alternative projects.’ Projects with pupils for example. That is great fun. If you like that, you can just participate in these projects.”
– ENGIN2

All of the interviewees at ENGIN and FACIL felt respected and valued by their organization and colleagues. Some even felt like a co-owner of the organization or considered the organization or their team members as family:

“You really feel here that you are a team.” – FACIL1

“I feel like an owner of the company, while on paper, I am not. And that would be the ultimate goal.” – ENGIN10

“So, I kind of see it as family, my child, my thing. That is my relationship with ENGIN.” – ENGIN8

These quotes clearly show the affective relationships across organizational members. When the interviewees were asked if they would still feel ‘valued’ by the organization when the organization would not have implemented flexible HR practices in their organization, all stated that the flexible work policies and practices truly contributed to their positive feelings about their organization, colleagues and their work:

“If you would have less flexibility, the organization will become more authoritarian, I guess. There will be more interference and the relationship will be totally different...”
– ENGIN6
The interviewees did not experience that the flexible policies and practices would lead to exploitation of their resources. In fact, they stressed that it is the responsibility of the individual employee to take ownership (cf. De Prins et al., 2015) by safeguarding that the flexibility used does lead to health problems.

“You are responsible for your own [work] planning. And if you think that your planning works better, you should indicate that. It [the empowerment] stimulates you to get to know yourself, what works for you. Here you get the opportunity to find out. I really like to work for this company.” – FACIL5

As indicated earlier, not all employees might be fit to work at ENGIN. As one interviewee stated:

“They throw you into the deep and if you are able to swim, that is okay. I felt a bit left alone in the beginning, but I was able to deal with it. However, it much depends on you as a person. Whether you can manage that.” – ENGIN 3.

“We do have a specific way of working here. We work very hard. And there are some people who cannot cope with that. They are used to take more time to deal with some problems. So, these people may need to leave the organization.” – ENGIN2

So, the way of working at ENGIN might not be that inclusive (cf. De Prins et al., 2015) as the implicit ‘selection mechanism’ favours individuals who have a ‘hands-on working style’ and who can keep up with the pace of work and fit the workstyle of project work.

The interviewees themselves did not recognize any potential paradoxical tensions between the efficiency pole and the social legitimacy pole, which we associated with the phenomenon of flexible HRM. For example, although ENGIN limits its use of numerical flexibility, probably because it operates in an emerging and booming market where talent is
scarce, in practice, new employees are first offered a temporary labour contract, which can be changed into a permanent contract after a year. Most of the interviewees regarded this flexible work practice as legitimate, which may result from previous years characterized by economic crisis and recession (Kornelakis, 2014).

In some cases, ENGIN appeared to be willing to deviate from this ‘standard procedure,’ which the employees did view as flexible, rather than as unfair.

“ENGIN wanted to give me a temporary contract for a year. That is actually normal when you’re starting with a company…. We talked about it and then they actually offered me a permanent contract. Perhaps that too is an example of flexibility at ENGIN. The organization always offers a contract for a year, but in some cases, they think: Let’s be flexible in this case and let’s give him a permanent contract.”—ENGIN3

Particularly the HR manager at ENGIN stresses that flexibility does not hinder social legitimacy and that sustainability is in fact prioritized over efficiency:

“We find it important that everyone says what I am saying right now I think... so we always try to prevent that our name is presented negatively in the outside world, because of our actions, regarding employees, in what whatever way: flexibility, sustainability, everything... We surely do keep an eye out on that.”—ENGIN8

The quote above reflects that ENGIN wants to signal that they act in a sustainable way, not only in terms of working with sustainable materials, but also with regards to employees’ health. This is also implemented in other HRM policies and practices at ENGIN.

“Well, what is deemed important in our organization is that our personnel is [having a healthy lifestyle]... ENGIN used to have soft drinks and sweets for our people in the offices. ENGIN has decided that we are not doing that anymore, also because of our
The soft drinks are replaced by flavoured water and we have fruit baskets in the office. ... That is much more sustainable and we also have goodie bags. These we give to customers. These bags are made of sustainable materials. There is water [in the bags], which is not just in a bottle, but in a bottle that can be recycled.”

**Present/future paradox**

The present/future paradox implies that HRM has to take into account both the short-term and longer-term outcomes of their HRM policies and practices. Flexible work practices might meet the needs of organisations, employees or both parties in the short term, but in order to be sustainable, it needs to be assessed how this would affect the longer term. Conversely, HRM should meet needs that might not be felt in the short term, but that might be important in the longer term.

In view of this paradox, one of the interviewees acknowledges that numerical flexibility is not beneficial for all parties’ long-term sustainability:

“I think that these (short-term contracts) are not desirable for both parties [organization and employees], because employees develop a relationship with the organization over time. I think that both parties want to stay together for as long as possible... [short-term contracts] could be a negative aspect of workplace flexibility.” – ENGIN7

One interviewee indicated that the long-term perspective was on the minds of the managers and employees at ENGIN and that the future growth of the organization could be a negative factor in workplace flexibility.

“I think that in the longer term, things will get less flexible, as the organization grows.”

– ENGIN7
The growth of the firm could demand that the organizational structure and culture of ENGIN will become more formalized than it used to be, which can have a negative impact on the sustainability of the organization.

Formalization, however, may also have many positive sides. An interviewee stated it like this:

“I think when the policies are more clear that may be advantageous for the employees. Now, it is always a bit of a surprise how management will react? … We have witnessed a lot of turnover, jobs were not always clearly described……and when there is no clear job description, the job scope always becomes larger. ……So, in that respect, more clear rules and sustainability can have positive influences here”. – FACIL1

Obviously, the freedom and flexibility experienced at FACIL right now may come at the expense of job clarity and predictability. There is a risk that ad hoc decision-making leads to arbitrariness and unequal treatment, which might be perceived as unfair which affects sustainability.

At ENGIN, some form of monitoring does take place during performance appraisals that are conducted twice a year. This, however, might not be sufficient to assess the effect of flexibility according to some of the interviewees.

“I would like to substantiate [the effectiveness of the flexible HRM practices]. It is a feeling that I am having right now, but I would like to be able to substantiate……what are the benefits, what are the costs [of the flexible HRM practices].” – ENGIN10

Currently, the impact of flexible policies and practices on sustainable outcomes at ENGIN are barely formally monitored, even though this might be needed:
“No, ...monitoring, that is not quite done here yet. We are way too busy for it. So we just look at what happens and if something happens then: bam, we will go full throttle to regain the balance in case something happens.” – ENGIN8

So they aim to continuously respond to unbalanced situations However, whereas some interviewees at ENGIN mention that their manager or coach asks about how they experience their working and private lives and support their careers in a sustainable way by stimulating personal and professional development, others indicate that this is oftentimes left to the proactive behaviour of the individual employee.

Conclusion and discussion

This interview study set out to analyse how professional employees in two start-ups (one in the engineering sector and one facilitating the energy-related sector) that employ a relative young workforce experience positive and negative outcomes of flexible HRM policies and practices (i.e., numerical flexibility, functional flexibility, working time flexibility, time-spatial flexibility, and pay-flexibility) which are intended by the organizations to create sustainable work and how these outcomes can be associated with paradoxical tensions. More specifically, our paradox lens helped us to understand how the two organizations stimulated both efficiency and sustainability, efficiency and legitimation, and present and future needs (Ehnert, 2014) in order to benefit both the organization and its employees. The organizations’ sustainability goal required organizations to deal with paradoxical tensions (Ehnert, 2014; Lewis, 2000; Smith & Lewis, 2011, Peters & Lam, 2015). Below, the results of our study on how the organization dealt with the three key paradoxical tensions distinguished by Ehnert (2014) are summarized and discussed.
With regard to the paradox of efficiency/substance (Ehnert, 2014), the organisations in our study offered many flexible HRM practices that contributed to both the efficiency and substance poles simultaneously. Numerical flexibility was only used for new employees who were given a one year contract to see whether there was fit between the way of working at the company and their own working style. At ENGIN, it showed that not all workers appeared to fit the tight work schedules characterizing their work style. In contrast to the indicator by Prins et al. (2015), this work practice cannot be viewed as inclusive. In fact, only those who could cope with the empowerment and the pace of work were given a permanent contract.

In both companies, the younger workers interviewed worked full time, whereas the more senior workers oftentimes had engaged in a dialogue with the management in order to negotiate a customized working time arrangement in the form of reduced work hours (32 hours per week minimal) (cf. De Prins et al., 2015). In order to keep this arrangement sustainable, in terms of adjusting the work load to the formal working hours (cf. Gascoigne & Kelliher, 2018), the teams engaged in a dialogue with customers to manage their expectations with regard to the feasibility of the projects’ deadlines.

The function flexibility, including job rotation, enabled the organisation to combine sustainability and efficiency as the way the work was designed and organized allowed employees to support and take over jobs when necessary (cf. Gascoigne & Kelliher, 2018). Moreover, job rotation was enabled by developing a broad skill set both via formal and informal learning in line with their interests (Carvalho & Cabral-Cardoso, 2008). In order to motivate workers and create meaningful work, employees were allowed to choose which projects they would participate in. This and the professional autonomy and responsibility (empowerment)
was much appreciated by the employees and was enabled by the teammates’ support and the trust relations developed which created a good working and collaboration climate in the teams.

At FACIL, time-spatial flexibility appeared to be more present than at ENGIN, probably because of the type of work that has to be conducted. At ENGIN, the influence of the client organizations was much larger, which could hinder the use of flexible work practices, such as working from home and flexitime, which were both limited. Moreover, the time-for-time arrangement, which was much appreciated by the employees at ENGIN was abolished, just because of its frequent use, which had affected the teams’ efficiency. According to the organization, the time saved by working overtime could not be exchanged for extra free time when this was preferred by the employees, probably due to the organization’s growing work portfolios in the booming market. The time registration system that was only recently introduced at ENGIN was accepted by the employees, as they recognized the relevance for the organization and for themselves, as it helped to estimate the time needed for projects. However, according to the employees this system also hindered informal learning opportunities which they regretted.

Despite this, all employees were truly satisfied with the employers’ flexible HRM policies and practices. Overtime was accepted as long as it would not affect their personal life and was viewed as a token of appreciation for the organizations’ flexibility and the opportunities to develop oneself professionally. Even though overtime was paid extra, this was not the motivation for the employees to work at ENGIN and FACIL.

*The efficiency/legitimation paradox*
The efficiency and legitimation poles characterizing the second paradox were shown to be rather balanced as well. All employees stated that it was for the organizations’ flexible practices that they had chosen to work for them, rather than applying for jobs at the many other organizations that were interested in their talent. Although most of the employees stated that numerical flexibility should be reduced, as it is regarded as negative in the longer run, in terms of decreased job security, employee well-being and commitment (cf. Conley, 2006; Peters & Lam, 2015), most seemed to accept temporary contracts, for the first year, even in a tight labour market.

Both organizations clearly deemed it important to create an image of sustainability, both towards their employees as towards the outside world. Employer branding was improved not only by practices that were ecologically sustainable, for example by using sustainable materials, but also by social practices, such as treating individuals as friends, family and co-owners and by stimulating a healthy life style. In line with the criteria for sustainable HRM as described in the literature (De Prins et al., 2015; De Vos et al., 2018; Ehnert, 2014; Kramar, 2014), the two organizations focussed on the individual employees and wanted to support them to maintain and develop their employability (professional development), workability (health) and vitality (motivation and work engagement) which is needed to enable them to self-manage their increasingly boundaryless careers in a meaningful way. Meaningful work was provided in both organizations by offering choice in projects and by creating a positive and psychological safe work climate. Moreover, some of the employees appreciated the prosocial activities that ENGIN engaged in, such as school projects with youngsters that employees could voluntarily participate in.

The present/future paradox
The present/future paradox was shown to be recognized by the employees and managers alike. The current flexible HRM practices were not systematically monitored, although this was acknowledged to be important by both employees and management. The interviews revealed that the use and success of these practices much depended on the proactive attitude of the employees, which had led to inequalities, for example, with regard to getting a permanent contract and having meaningful work. The informal approach to flexible HRM is perceived to be suitable for the start-up phase. However, in view of future growth, this might not be suitable anymore. Both employees and managers expect that more formalisation is needed to prevent unfair situations and to treat all employees equally (De Prins et al., 2015). Some expect future formalisation to be a threat to sustainability, as it may reduce autonomy, flexibility and informal learning based on trust relationships in project teams. However, in view of future growth, formalisation is also viewed as a means to guarantee the balance between efficiency and sustainability for both employees and the organisation. Although sustainable HRM states that employees should take ownership (cf. De Prins et al., 2015), it can be argued that formalisation is needed as this would allow to better and more systematically monitor and control the impact of flexible HRM on the employees’ and the organizations’ sustainability (cf. Ehnert, 2015) and could prevent arbitrariness at the expense of less proactive employees, who might not find the support of a coach or manager who stimulates them to manage their work and careers themselves (cf. De Prins et al., 2015). Balancing formal HRM and individuals’ own responsibility is in line with the paradox found by Peters and Lam (2015).

Practical implications

For ENGIN and FACIL, it is important to develop a future perspective for their organizations. In view of their purpose to become a sustainable organization, ENGIN developed
a sustainable image by offering flexible HRM policies and practices for their employees who experienced this as positive. Employees do get responsibility to choose their specific projects in their job and so create meaningful work. As the organization is only small, this informal flexibility works positively for most employees (not for all as a number of them left the organizations after a short while) at this moment.

As the organizations are both growing, this informal flexibility may gradually fade so that there is no guarantee for ongoing job satisfaction in the future. As the organization grows, more structure and more formalization of regulations, rules and procedures are needed. At this moment responses of the management have an ad hoc and sometimes impulsive character. This can be a risky strategy as it may lead to unfairness when applying the rules differently for different employees.

Another important point is the leadership styles used so far. Despite the autonomy employees in ENGIN and FACIL experience, this perceived autonomy may be a result of a laissez-faire leadership style. Laissez-faire leadership styles may create initiative-taking from the side of the employees who experience space to sort out planning, developing new client contacts, and take other initiatives. A risk is that employees experience too little support for self-development for the long term. They may lack a certain dialogue where their ideas are confronted with feedback from the manager (Wong & Giessner, 2018) to enable double loop learning. This is necessary for further learning.

References


**Table 1: Overview characteristics ENGIN**

<table>
<thead>
<tr>
<th>Divisions (employees):</th>
<th>Sector</th>
<th>Male/Female</th>
<th>Mean age</th>
<th>Nationalities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering (53)</td>
<td>Automotive, Food, Energy,</td>
<td>Male: 67</td>
<td>33</td>
<td>Two: Dutch and English</td>
</tr>
<tr>
<td>Mechatronics (17)</td>
<td>Engineering,</td>
<td>(89%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sustainability (5)</td>
<td>Packaging,</td>
<td>Female: 8</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Engineering,</td>
<td>(11%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total employees: 75</td>
<td>Consultancy</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 2: Overview characteristics FACIL

<table>
<thead>
<tr>
<th>Employees</th>
<th>Sector</th>
<th>Male/Female</th>
<th>Mean age</th>
<th>Nationalities</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>Real estate, Sustainability, Development, Events</td>
<td>Male: 5 (56%)</td>
<td>35</td>
<td>One: Dutch</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female: 4 (44%)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Table 3: Sample Characteristics ENGIN and FACIL

<table>
<thead>
<tr>
<th>Organization</th>
<th>Function (*division)</th>
<th>Sex</th>
<th>Age</th>
<th>Nationality</th>
<th>Tenure</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENGIN1</td>
<td>Mechanical engineer</td>
<td>Male</td>
<td>29</td>
<td>Dutch</td>
<td>2 years</td>
</tr>
<tr>
<td></td>
<td>(E)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENGIN2</td>
<td>Mechanical engineer</td>
<td>Male</td>
<td>27</td>
<td>Dutch</td>
<td>1 year</td>
</tr>
<tr>
<td></td>
<td>(M)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENGIN3</td>
<td>Draftsman/constructor</td>
<td>Male</td>
<td>31</td>
<td>Dutch</td>
<td>11 months</td>
</tr>
<tr>
<td></td>
<td>(E)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENGIN4</td>
<td>Mechanical engineer</td>
<td>Male</td>
<td>30</td>
<td>Dutch</td>
<td>3 years</td>
</tr>
<tr>
<td></td>
<td>(E)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENGIN5</td>
<td>Draftsman/constructor</td>
<td>Male</td>
<td>28</td>
<td>Dutch</td>
<td>1.25 years</td>
</tr>
<tr>
<td></td>
<td>(E)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENGIN6</td>
<td>Lead engineer (M)</td>
<td>Male</td>
<td>31</td>
<td>Dutch</td>
<td>2.5 years</td>
</tr>
<tr>
<td>ENGIN7</td>
<td>Mechanic engineer (E)</td>
<td>Male</td>
<td>24</td>
<td>Dutch</td>
<td>6 months</td>
</tr>
<tr>
<td>ENGIN8</td>
<td>Operational business manager (M)</td>
<td>Male</td>
<td>34</td>
<td>Dutch</td>
<td>6 years</td>
</tr>
<tr>
<td>ENGIN9</td>
<td>Sales (E) + (M)</td>
<td>Male</td>
<td>26</td>
<td>Dutch</td>
<td>1.5 years</td>
</tr>
<tr>
<td>ENGIN10</td>
<td>HR Manager (E) + (M)</td>
<td>Female</td>
<td>41</td>
<td>Dutch</td>
<td>6 years</td>
</tr>
<tr>
<td>FACIL1</td>
<td>Financial administrator</td>
<td>Female</td>
<td>24</td>
<td>Dutch</td>
<td>1.5 years</td>
</tr>
<tr>
<td>FACIL2</td>
<td>Facilitatory manager</td>
<td>Female</td>
<td>39</td>
<td>Dutch</td>
<td>3 years</td>
</tr>
<tr>
<td>FACIL3</td>
<td>Technical service</td>
<td>Male</td>
<td>42</td>
<td>Dutch</td>
<td>6 years</td>
</tr>
<tr>
<td>FACIL4</td>
<td>Events</td>
<td>Male</td>
<td>27</td>
<td>Dutch</td>
<td>3 years</td>
</tr>
<tr>
<td>FACIL5</td>
<td>Commerce</td>
<td>Male</td>
<td>4</td>
<td>Dutch</td>
<td>4 months</td>
</tr>
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</tbody>
</table>

* (E) = Engineering Division, (M) = Mechatronics Division

Note: Because of ethical reasons, this table was not shown in the version issued to the participating organizations.