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FINANCIAL SERVICES**

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ABSTRACT

The objective of the research is to establish the effect of compressed work schedule on employee productivity. The Demand Control Model serves as the study's pillar. The research design used in the study was descriptive. A total of 300 personnel were drawn from all County Pension Fund tasks, according to Human Resource at County Pension Fund Financial Services. In this investigation, a stratified random sampling technique was employed. Using a stratified random sampling technique, homogeneous groups of the population elements was created. The sample proportion was then be assigned to each strata using a straightforward random sampling approach. A sample of 171 participants was derived using the Yamane statistical procedure. Primary data was used which was gathered via a standardized questionnaire. The Statistical Package for Social Science, version 29, was utilized to examine the information gathered. Two of the data analysis techniques that was applied are multiple regression analysis and descriptive statistics. The report would be helpful to academics researching human resource development and human resource policy makers. The data was presented using frequency tables. The study findings revealed that compressed work schedule had the strongest correlation with employee productivity. The correlation between part time arrangement and employee productivity was the least. The study concludes that compressed work schedule has significant effect on employee productivity in County Pension Fund Financial Services. The study recommends that the management of County Pension Fund Financial Services expand opportunities for employees to work from home outside of regular business hours and ensure robust infrastructural support for telecommuting, such as providing necessary tools and resources.

Key Words: Work Time Control, Emotional Exhaustion, Employee Choice, Targets Achieved, Service Quality, Customer Satisfaction, Task Execution

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INTRODUCTION

In an effort to maintain competitiveness, draw in top talent, and stay relevant to employees' requirements, many organizations have seen a movement in recent years from the traditional nine-to-five work paradigm to flexible work arrangements (Giannikis & Mihail 2017). An employee's motivation, behavior, and effort at work are increasingly determined by the schedule of their work hours and the extent to which they have influence over it. Flexible work arrangements are becoming more and more appealing to modern businesses worldwide since they are Flexible work arrangements (FWAs) are defined as work settings and schedules that are unrestricted by the traditions of traditional labor (Avery & Zabel, 2018). According to Grzywacz, Carlson, and Shulkin (2018), flexible working arrangements are practices in which employees have the freedom to select when and where they work as long as they meet their job requirements. Due to the COVID-19 pandemic, FWAs have gained attention (Legesse, 2020). In an effort to stop the virus's spread, governments have only permitted the opening of vital enterprises, while other employers have been urged to offer flexible work arrangements. Furthermore, employing digital technology for flexible working has been boosted by the COVID-19 outbreak (Stamm, Bernhard, Hameister, & Miller, 2023).

Increasing employee productivity has been a primary priority for many companies (Avery & Zabel, 2018). This is because higher employee productivity offers a number of advantages to the business and its employees. In addition, increased productivity typically boosts an organization's competitive edge by reducing costs and producing higher-quality work at a higher level (Baily, Farrell, Greenberg, Henrich, Jinjo, Jolles, & Remes, 2015; Hill, Jones, & Schilling, 2014; Wright, 2014). According to a Cisco research from 2022, most respondents felt that working entirely remotely increased both their productivity and the quality of their work.

According to studies by Tharu and Shrestha (2019) and Onyekwelu, Nnabugwu, Monyei, and Nwalia (2021), employee productivity is the amount of work completed in a specific work environment over a given amount of time. Employee productivity, according to Gummesson (2016), is a gauge of an individual's or a group's effectiveness. According to Yunus and Ernawati (2017), employee productivity is the ability to produce goods and services in order to achieve corporate goals.

For a business to be profitable and competitive over the long run, productivity is essential (Chow & Howe, 2006). For many businesses, raising employee productivity has been a top priority (Hanaysha, 2017). This is because increased worker productivity has several benefits for the organization as well as the employees. The Gartner 2021 Digital Worker Experience Survey found that while 30% of participants said that traveling less or not at all improved productivity, 43% of participants said that having flexible working hours did (Castrillon, 2023).

According to Maxwell, Rankine, Bell, and MacVicar (2006), flexible work arrangements are any explicit or informal policies or practices that provide employees the freedom to decide when and where they work. According to Gardiner and Tomlinson (2009), any work arrangement that deviates from regular employment with established daily hours on the employer's premises is deemed flexible. According to Estanio, Losbanes, Vigonte, and Abante (2023), flexible work arrangements (FWA) are agreements that benefit both the employer and the employee and increase worker productivity. Avery and Zabel (2017) define flexible work arrangements as timetables and work environments free from the typical constraints of traditional work. Several organizations are promoting Work-Life Balance (WLB) programs, including flexible working arrangements, to help their employees balance work and family obligations (Giannikis & Mihail, 2016).

Kenya's County Pension Fund Financial Services has a number of intricate difficulties that prevent maximum worker productivity. As a pension administrator for different counties and government agencies, CPF Financial Services deals with a variety of issues. These difficulties include the undersupply of pensions, the subpar provision of government services to employees, and unfriendly laws, rules, and practices that hurt pension holders.

Statement of the Problem

Further research indicates that the adoption of flexible work arrangements is linked to improved morale and productivity (Melbourne, 2018), as well as increased job satisfaction, motivation, and organizational commitment (Nadeem & Henry, 2017). The interconnected problems necessitate a detailed investigation of CPF Financial Services' relationship between flexible work schedules and employee productivity. Through an examination of how the adoption of flexible work arrangements can lessen the difficulties brought on by insufficient pension provision, subpar service delivery, societal disparities, and unfavorable regulations, this study seeks to offer helpful insights and recommendations to increase employee productivity. By addressing these issues, CPF Financial Services can try to create a workplace that promotes worker happiness, engagement, and overall organizational performance.

According to the 2018 Modern Workplace Research Report, employees in all professions are only productive for sixty percent of the day on average. According to a study by Pryce-Jones (2023), the cross-sector average for time on task in financial services like CPF is 58.8%. The financial services industry receives a somewhat lower percentage of 57.3 percent. This contrasts with other industries, such education, which accounts for 63%. In this context, CPF Financial Services has been struggling with low productivity, staff discontent, and a lack of commitment (Internal management report, 2023).

Previous research has yielded inconsistent findings. For example, flexible work schedules and telework regulations helped employees at Orbit Logic, a US software maker, and Aerospace Software Company deal with the infamously difficult traffic in the Washington, D.C. metro area. But even with all of these initiatives, these firms continued to struggle with retention. Conversely, a Schall (2019) report demonstrated how individuals who practice WFH are more committed, driven, and immersed in their work, which subsequently increases their job happiness.

Studies about the adoption of flexible work schedules in Africa, and Kenya specifically, are scarce (Conradie & De Klerk, 2019; Hunter, 2019). For instance, Onyekwelu, Monyei, and Muogbo (2022) investigated the connection between workplace productivity and flexible working arrangements (FWA) in six Nigerian geopolitical zones. The results showed that FWA positively impacted workplace productivity in a statistically meaningful way. Ochieng (2022) found that employees with more schedule flexibility outperform those with regular working hours when it comes to the effects of flexible work arrangements on productivity in Africa.

Nevertheless, the study contains methodological issues because it relied on a desktop methodology, which could produce inaccurate results. Kipkoeh (2018) looked on how staff members' productivity at the Kericho County Referral Hospital was affected by flexible work schedules. The study does, however, highlight contextual gaps because the hospital and CPF Financial Services are different. The empirical literature that has been reviewed indicates that there is a paucity of empirical study on the issue of employee productivity and how it relates to flexible work arrangements.

In light of this, the purpose of this study is to empirically investigate if employee productivity at Nairobi County, Kenya's County Pension Fund Financial Services and flexible work schedules are correlated.

Objective of the Study

The objective of the study was to examine the effect of compressed work schedule on employee productivity in County Pension Fund Financial Services.

LITERATURE REVIEW

Demand-Control Model

Karasek (1979) introduced the Demand Control Model, which describes how work factors affect productivity. According to the Demand-Control Model, a key determinant of health is the degree of control employees have over their working environment. This paradigm states that occupations that provide a high degree of control and high demands without being oppressive—a feature that flexible work arrangements enable—encourage new learning, proactive behavior, and self-efficacy in workers. These attributes help to lower stress levels in employees (Theorell & Karasek, 1996).

The three primary components of the model are support, control, and demand. The model states that the best working conditions occur when employees have both high expectations and high degrees of control (Kindenberg & Wallin, 2000). According to the Demand-Control Model (Karasek & Theorell, 1990), having high expectations, limited control, and little social support are the main causes of stress at work.

The Demand-Control Model does not address the possible outcomes that these issues may have; instead, it focuses on analyzing the origins of psychosocial concerns in workers. The demand-control paradigm places a greater emphasis on the workplace than it does on employees' individual dispositions. The idea is based on an individual's perception of their degree of control over their employment in relation to the working environment and psychological stresses they face. According to Karasek and Theorell (2009), this link makes it possible to identify the factors associated to an employee's job that have an impact on well-being.

Advocates of flexible work arrangements think that allowing workers to perform their tasks in a more flexible way enhances their well-being and, as a result, lowers their stress levels at work. The workplace is seen under the Demand-Control Model (Karasek, 1979, 1998; Karasek & Theorell, 1990) as a structure that was created by humans and may be optimized for active learning. Furthermore, it is well recognized that considerable changes in job demands may be associated with modifications in the work structure. According to the current study, an employee's reported well-being may be impacted by changing employment features.

Empirical Review

Compressed Work Schedule and Employee Productivity

The impact of reduced work schedules on staff retention in small local governments was examined by Lee (2021). A quantitative research approach was applied in the investigation. Non-proportional quota sampling from 50 non-entitlement jurisdictions in Los Angeles County was employed by the researchers. In one of the 50 designated non-entitlement areas in Los Angeles County, civil-service employees who presently hold administrative or clerical office jobs were given a closed-ended questionnaire as part of the study's methodology. The findings showed that a shortened workweek significantly improved staff retention. The study, however, has conceptual flaws because it examined FWA through the prism of staff retention rather than employee productivity.

Roma, Paola, Anna, and Paula (2020) examined the effects of reduced workweeks on workplace stress, work-life balance, and productivity among Manila workers. A total of three hundred fifty (350) Metro Manila respondents were selected to participate in the study. The results, demonstrated that reducing the workweek lowers workplace stress, which enhances work-life balance and productivity. It is challenging to generalize, though, because the

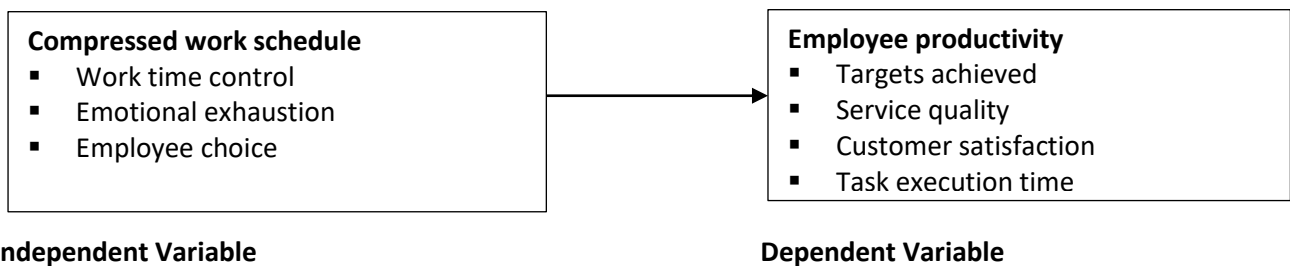
study was conducted in a separate nation with distinct employment laws and work ethics.

Orishede and Ndudi (2020) looked into the connection between employee performance and metrics related to flexible work arrangements. In order to provide answers to the research objectives and concerns, the study's methodology included a thorough synthesis of the body of existing literature on FWAs along with theories, conceptual formulations, and empirical data. The results showed, among other things, a beneficial

association between employee performance and a reduced work week. Contextual gaps exist since the study examined flexible work arrangements in relation to employee performance, which differs from employee productivity.

Conceptual Framework

A conceptual framework is a set of elements or ideas that are essential to understanding a certain area of research. Employee+ productivity is the aim variable, while work-life balance is one of the independent factors.



Independent Variable

Dependent Variable

Figure 1: Conceptual Framework

METHODOLOGY

The study adopted descriptive research design. A total of 300 personnel, selected from all CFP functions, are employed, according to CPF HR. The 300 employees that make up the unit of observation are the focus of the current study.

The mathematical formula proposed by Yamane (1967) was utilized in this study to determine the suitable sample size from a finite population.

$$n = \frac{N}{1 + N(\alpha)^2} = \frac{300}{1 + 300(0.05)^2} = 171$$

In this case, N represents the whole population, n the sample population, and α the 5% precision level. A two-step sampling technique was employed. Using a stratified random sampling technique, homogeneous groups of the population elements will be created.

The study employed two sections of a structured questionnaire to collect primary data. Thirty workers of Kenya Power Pension Fund were chosen at random to participate in pilot research. To address face validity, the researcher modified

instruments based on his subjective assessment of the instruments' validity as well as those that have already been examined in other studies. This study used a Cronbach alpha threshold of 0.7 in order to increase the level of dependability of research instruments.

The collected data was examined using data analysis methods including descriptive and inferential statistics. The study employed the Statistical Package for Social Sciences (SPSS version 29) as its data analysis tool.

DATA ANALYSIS AND INTERPRETATION

Response Rate

The researcher distributed 171 questionnaires and 129 respondents filled and returned the questionnaires making a response rate of 75.4%.

Descriptive Analysis of Study Variables

Compressed Work Schedule

The study respondents were asked to rate their agreement or disagreement on the various aspects of compressed work schedule. They were required to do this on a 5 point Likert scale where 1

represented Strongly disagree while 5 represented Strongly agree. The results are presented in Table 1.

Table 1: Compressed Work Schedule

	N	Mean	Std. Deviation
I've had numerous chances to work a shortened workweek.	129	3.95	.691
I work more efficiently when my workweek is shorter.	129		
The company uses core hours to create flexible work schedules.	129	3.36	1.035
The company provides assistance to prevent emotional weariness among employees.	129	3.40	.989
The company gives workers options for reducing the length of their workweek.	129	3.22	1.174

The results in Table 1 have shown that respondents agreed to a greater extent that they have had numerous chances to work a shortened workweek, as indicated by a mean of 3.95 and a standard deviation of 0.691. Additionally, respondents were somewhat neutral to the statement that the company uses core hours to create flexible work schedules, as shown by a mean of 3.36 and a standard deviation of 1.035.

Furthermore, results showed that respondents were moderately positive about the company providing assistance to prevent emotional weariness among employees, as indicated by a

mean of 3.40 and a standard deviation of 0.989. Finally, respondents were indifferent to the statement that the company gives workers options for reducing the length of their workweek, as shown by a mean of 3.22 and a standard deviation of 1.174.

Employee Productivity

The study respondents were asked to rate their agreement or disagreement on the various aspects of employee productivity. They were required to do this on a 5 point Likert scale where 1 represented Strongly disagree while 5 represented Strongly agree. The results are presented in Table 2.

Table 2: Employee Productivity

	N	Mean	Std. Deviation
The past five years have seen a rise in the output per employee.	129	2.90	.931
Over the previous five years, the organization's staff turnover rate has decreased.	129	3.23	1.132
Over the previous five years, the percentage of employees that are absent has decreased.	129		
The company's sales turnover rate has gone up.	129	3.10	1.225

The results in Table 2 have shown that respondents agreed to a lesser extent that the past five years have seen a rise in the output per employee, as indicated by a mean of 2.90 and a

standard deviation of 0.931. This suggests that employees do not strongly perceive an increase in productivity per employee over the past five years, with the lower mean score reflecting a

more neutral to slightly negative perception. Additionally, respondents were indifferent to the statement that over the previous five years, the organization's staff turnover rate has decreased, as shown by a mean of 3.23 and a standard deviation of 1.132. Furthermore, results showed that respondents were indifferent to the statement that the company's sales turnover rate

has gone up, as indicated by a mean of 3.10 and a standard deviation of 1.225.

Correlation Analysis Results

Correlation analysis was done to determine the correlation between the flexible work arrangement and employee productivity using the Pearson's product moment correlation analysis. The results are shown in Table 3.

Table 3: Correlation Results

		Compressed work schedule	Employee productivity
Compressed work schedule	Pearson Correlation	1	
	Sig. (1-tailed)		
	N	129	
Employee productivity	Pearson Correlation	.460*	1
	Sig. (1-tailed)	.013	
	N	129	129

*. Correlation is significant at the 0.05 level (1-tailed).

From the bivariate correlation results, it was established that compressed work schedule had the strongest correlation with employee productivity, as shown by a correlation coefficient of 0.460 and a p-value < 0.05. This indicates that employees who have access to compressed work schedules tend to report higher productivity levels, and this relationship is statistically significant.

Discussion of Key Findings and Hypotheses Testing

The specific objective of the study sought to determine the effect of compressed work schedule on employee productivity in County Pension Fund Financial Services. The study concludes that a unit change in compressed work schedule, on average, would lead to 0.404 unit change in employee productivity. Based on t- statistics of 2.219 and p-value <0.05, compressed work schedule was revealed to have significant effect on employee productivity, thus, the null hypothesis is rejected and the alternative hypothesis accepted. The study, therefore, concludes that compressed work schedule has significant effect on employee productivity in County Pension Fund Financial Services.

CONCLUSION AND RECOMMENDATIONS

The study concludes that compressed work schedule has significant effect on employee productivity in County Pension Fund Financial Services. It is concluded that the company uses core hours to create flexible work schedules and provides assistance to prevent emotional weariness among employees to a less extent. The study concludes that the company does not give workers options for reducing the length of their workweek.

Recommendations

Based on the results, the study recommends that the management of County Pension Fund Financial Services prioritize the implementation of compressed work schedules, as they have a significant positive effect on employee productivity. To enhance this impact, the company should refine its use of core hours to create more effective and flexible work schedules. Additionally, the organization should increase its efforts to provide assistance in preventing emotional weariness among employees, such as offering mental health resources and stress management programs. Furthermore, the company should consider

introducing options for reducing the length of the workweek, as this could further improve employee well-being and productivity.

Recommendation for Further Research

The scope of this study was limited to flexible work arrangements in the context of employee productivity in County Pension Fund Financial Services. However, the coefficient of determination

(r^2) revealed that flexible work arrangement constructs adopted in the study only explained 40.8% change in employee productivity. Other studies should be done to determine the other flexible work arrangements not factored in the current study and ascertain their effect on performance by expanding the scope to cover other economic sectors in Kenya.

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