



HYBRID WORK ARRANGEMENT AND FIRM'S PRODUCTIVITY IN THE SERVICE INDUSTRY: EMPIRICAL EVIDENCE FROM KPMG LAGOS, NIGERIA

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Abstract

This study examines the nexus between hybrid work arrangements and a company's productivity in the service sector using Klynveld Peat Marwick Goerdeler (KPMG) Nigeria, situated in Victoria Island, Lagos, as a case study. The study adopts the Taro Yamane method and the stratified sampling technique to recruit a sample of 307 employees, drawn from a population of 1,321. A regression analysis was conducted to ascertain the correlations between the dependent and independent variables (firm productivity and job sharing), using the Statistical Package for Social Sciences (SPSS) version 23. Findings showed that job sharing accounts for 12.4% of the variance and considerably increases productivity. The results highlight how crucial flexible work schedules are for raising production because they lower stress levels, increase efficiency, and enable improved work-life balance. Consequently, the study concludes that companies in the post-pandemic era are implementing a diversity of hybrid work models that combines the upsides of remote work compared to working in the office. These models may help achieve better wellbeing outcomes (SDG 3) and better working conditions (SDG 8). In order to further increase productivity, the study suggests that KPMG support flexible workplace arrangement and improve job-sharing initiatives. Employing this strategy can support the success of the company by utilizing a variety of skill sets, allocating responsibilities fairly, and accommodating workers' personal and family commitments.

Keyword: Hybrid Work Arrangement, flex-place Job Sharing, Productivity, Service industry.

1.0 Introduction

The twenty-first century has seen a significant transformation in business and work due to groundbreaking innovations that have expanded digitization throughout all facets of life. Consequently, interest in monitoring and determining the structure of this change has increased. One of the most significant benefits of digitalization in this century, which is sometimes referred to as the information age, is the mobilization of human life and activities owing to advancements in communication technologies. There has been a significant change in the nature of production and consumption, especially since the 1990s, when mobile technology and the Internet became ubiquitous in daily life (Şen & Batı, 2020)

In contemporary times, the concept of work has undergone substantial transformation owing to the growing demand for work-life balance and technological advancement. The traditional nine-to-five office structure is no longer the dominant employment model, as flexible work arrangements have become increasingly prevalent. Essentially, hybrid work models have become increasingly important among employers and employees due to their ability to combine remote work and on-site work arrangements. For one, it offers premium flexibility to the work to attend to office tasks from a different location without compromising on work quality or undermine interpersonal collaboration among workers or eroding work cohesion

Job sharing and flex-place are two indicators of hybrid work arrangements that have drawn a lot of attention lately. The term ‘flex-place’ describes the freedom for workers to work from any location, including shared office space, restaurants, or their homes. Job sharing refers to an arrangement whereby multiple employees share the work responsibilities of a particular person, usually on a flexible or part-time basis.

Currently, the hybrid model, which involves employees combining and alternating their work schedule between remote work and on-site arrangements became prevalent among service works on the heels of the COVID-19 pandemic which saw the enforcement of restrictions of movement and necessitated social distancing (Acas, 2022). These agreements give workers greater control over where and when they finish their professional tasks, which may improve their flexibility, autonomy, and maintaining a balance between work and life. (Bardoel & Hopkins, 2023). The emergence of hybrid work arrangements presents a substantial obstacle for businesses seeking to comprehend and maximize the influence of this novel work paradigm on business success. Meanwhile, productivity is a crucial factor to consider because the independence and flexibility that come with hybrid work arrangements may affect employee productivity levels differently depending on the task and industry. To ascertain their effect on businesses’ financial performance, the possible cost reductions linked to hybrid work arrangements especially with regard to less office space and associated costs need to be carefully evaluated.

Despite the level of acceptance and growing disposition towards hybrid work arrangements, there is a dearth of research on their impact on firm productivity. Therefore, it is essential to examine how hybrid work arrangements influence productivity within the service industry. This then forms the critical aspect of this study involving investigating the effectiveness of job sharing arrangements where tasks are shared and jointly undertaken with each working on part time basis for a number of hours as against a flex-place arrangement where employees retain the autonomy and flexibility choose their work locations, such as home or the office, throughout the workweek. This flexibility is believed to potentially enhance productivity by reducing the stress of commuting

to work and improving work-life balance. By examining these arrangements within KPMG Nigeria, it was evident that this shift in work dynamics also has profound implications for firm productivity when considering the use of job sharing as sub-variable. To this end, this study investigates the relationship between hybrid work arrangement and firm productivity in the Service sector with evidence from Klynveld Peat Marwick Goerdeler (KPMG) Lagos, Nigeria. Specifically, this study ascertains the relationship between job sharing and firm's productivity in KPMG, Lagos, Nigeria, and to what extent such relationship is significant.

2.0 Literature Review

2.1 Conceptual Framework

The section describes conceptual meaning, definition and understanding of the variables under study. Here effort was made to analyse various authors, scholars and academician view of the independent variable.

2.1.1 Hybrid Work Arrangement

Flexible work arrangements grant employees varying levels of autonomy regarding the timing, location, and manner in which they perform their duties. Remote work, a form of location-based flexibility, enables employees to choose an alternative location such as the home outside the traditional workplace to work from. The concept of 'hybrid' refers to the blending of remote and on-site work arrangements. Two working models are popular in this regard, namely compressed hours and flextime. These models are based on timing of hours worked and quantity of work done (Mutebi & Hobbs, 2022). Meanwhile, a hybrid system is also referred to as a blended system. It is necessitated by the desire to accommodate different demands in an equitable manner such that eliminates conflict or clash of interests. This model specifically caters to the needs of an organization by serving as a panacea to challenges related to cost, distance, location and availability. Therefore, a hybrid system is a product of technological advancement since it adopts digital tools in ensuring that work is done and transmitted remotely (Iqbal et al., 2021).

2.1.2 Job Sharing and Firm Productivity

Job sharing is a product of the proliferation of digital technology and its application to business and commerce. It affords employees the opportunity to reallocate the job responsibilities of a fulltime staff to themselves, with each person working on a part-time basis. Companies often implement this approach to enhance revenue and success by maintaining high levels of employee satisfaction through engagement programs. This allows businesses to reduce costs while fostering an atmosphere of positive team spirit and collaboration. By making job sharing an essential feature of an organization's culture, a company can significantly boost workplace productivity (Onyekwelu et al., 2022). Job sharing also ensures that work continues uninterrupted, regardless of the absence of a team member for medical, vacation purposes or exit from the company. The remaining employee can maintain the workflow and train a new partner if necessary, ensuring continuity and productivity. This arrangement is particularly beneficial as it allows the employee who stays to temporarily take on more hours, keeping the job running smoothly pending the recruitment and training of a new partner (Wales, 2013 as cited in Umar, 2022).

2.1.3 Hybrid Work Arrangement and Productivity

Hybrid work environments are structured to optimize the productivity of individual employees. A key factor underlying this enhancement is employees' perception that the organization prioritizes their well-being. This perception fosters intrinsic motivation, as employees feel valued and supported by their employers. Consequently, even when workloads appear to be demanding, workers are less likely to experience burnout. The emphasis on employee convenience within the

hybrid model also reduces the likelihood of disengagement or underperformance, as the structure is designed to align organizational expectations with personal flexibility (Leclercq-Vandelannoitte, 2021; Yang et al., 2019).

2.1.4 Firm Productivity

Firm productivity is a multifaceted concept that encompasses various definitions and metrics, depending on the context and the sector being analyzed. Productivity refers to the effectiveness with which an organization transforms resources, such as materials, labor, capital, and equipment, into finished and consumable goods. According to Tokarčíková (2013), as cited in Green (2016), productivity is essentially a ratio, assessing how well inputs are transformed into outputs. This fundamental view underscores how essential resource administration and operational efficiency is in boosting productivity.

2.2 Theoretical Framework

2.2.1 Conservation of Resources Theory (CORT)

The Conservation of Resources Theory posits that workers are motivated to prevent the depletion of their resources, such as time, emotional energy and cognitive capacity, while simultaneously seeking to accumulate additional resources necessary for achieving their goals. This study advances the views of Hobfoll et al. (2018) in underscoring hybrid work from a resource standpoint thereby presenting CORT and the institutional logic it conveys as essential. This is rooted in the idea that CORT accounts for the work transition as it evolves from the work from home model necessitated by the COVID-19 lockdown to a hybrid work arrangement in the post-pandemic era. In the modern context, hybrid work combines both remote work and on-site, with the former mostly pertaining to working from home. The focus on hybrid work arrangements is justified because the pandemic environment frequently changed the way people thought about remote work, moving the conversation from whether it was good for workers and businesses to how to balance remote and on-site work.

2.3 Empirical Review

Revenio and Almalinda (2019) examined the conceptual basis of the nexus between remote work and employee productivity, drawing on secondary data and prior research for analysis and interpretation. Their study addressed prevailing issues and trends in remote work, its perceived benefits and drawbacks, the extent of its adoption within the Sultanate of Oman, and proposed strategies to mitigate the identified challenges. The findings highlighted a divergence in perspectives, with some literature emphasizing the potential upsides of remote work, such as enhanced productivity, greater flexibility, broader access to global talent, cost efficiency, improved work environments, and reduced environmental impact, while other studies pointed to its limitations. Onyekwelu et al. (2022) in their study examined how flexible work arrangements (FWA) influences organizational productivity in Nigerian firms selected across the country's six geopolitical zones. Employing a descriptive survey approach, they sampled 234 firms from an initial population of 600 using Krejcie and Morgan's (1970) sampling technique. Data collected from primary sources were analyzed using inferential and descriptive statistics at a 5% level of significance. The results demonstrated a strong positive correlation between flexible work arrangements and productivity outcomes ($R^2 = 0.882359$, $F = 1545.089$, $p = 0.05$).

3.0 Methodology

This study adopted a survey research design to assess the impact of hybrid work arrangements on organizational productivity at KPMG in Lagos, Nigeria. The study population consisted of all employees of KPMG Nigeria, Victoria Island, Lagos State, which was one thousand, three hundred and twenty-one (1,321) according to the Peoples Performance and Culture (PPC) team.

NIGERIA	
Division	Total
Advisory	484
Audit	498
Central Services/Shared Services	100
TRPS/Tax	240

Source: *Global Ethical Culture Survey (May, 2024)*

This study applied the Taro Yamane formula to calculate the sample size, with a 95% confidence level and a 5% error.

$$n = \frac{N}{1 + N(e)^2}$$

Where: n= sample size

N=finite population

e=level of significance (or limit of tolerance error)

1=Unite (a constant value)

$$n = \frac{1321}{1 + 1321(5\%)^2}$$

$$n = 307$$

The stratified sampling method was used. This type of sampling method results in more reliable and detailed information (Kothari, 2004). The researcher stratified the study population into four departments (strata) namely, Advisory, Audit, Central Services/Shared Services and Tax Regulatory and people services. Thereafter, stratified randomization was employed in selecting the staffers from each stratum.

Department	Sample Size
Advisory	77
Audit	77
Central Services/Shared Services	76
TRPS/Tax	77
Total	307

Source: Researcher's Desk, (2024)

3.1 Data Collection Instrument and Instrumentation

A questionnaire was used by the researchers to gather data for the study. The instrument was divided into two distinct sections, viz: A and B. The first section asked respondents to provide personal information including their sex, marital status, and qualifications, while Section B asked them to check the items that interested them. The respondents' levels of receptivity were gauged using a 5-point Likert scale, namely: Agree (A), Undecided (UD), Disagree (D), Strongly Disagree (SD), and Strongly Agree (SA).

3.2 Reliability of the Research Instrument

The reliability of these instruments was primarily assessed through internal consistency, measured by calculating Cronbach's alpha resulting to $r = 0.795$, which indicated a good internal consistency among the items for each construct.

3.3 Administration of Research Instrument

The researcher employed the service of an employee in the organization to administer the electronic instrument on the respondents and ensured that the instrument was well circulated and promptly retrieved from respondents. Effort was also made to collect the questionnaires within two days (2) to ensure a high percentage of return. Out of the three hundred and seven (307) electronic questionnaires that were administered through the google form, only two hundred and sixty (260) were duly completed and returned by the respondents and found usable for the analysis. This represents 85 percent response rate.

4.0 Data Analysis, and Interpretation

4.1 Hypotheses Testing

H₀: There is no significant relationship between job sharing and firm's productivity.

Using SPSS 23 to run regression analysis of the data, the following was obtained with level of significance, 0.05.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics	
					R Square Change	F Change
1	.352 ^a	.124	.120	.48383	.124	36.447

Model Summary^b

Model	Change Statistics			
	df1	df2	Sig. F Change	
1	1	258	.000	1.489

a. Predictors: (Constant), Job Sharing

b. Dependent Variable: Firm's Productivity

ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	8.532	1	8.532	36.447	.000 ^b
Residual	60.396	258	.234		
Total	68.929	259			

a. Dependent Variable: Firm's Productivity

b. Predictors: (Constant), Job Sharing

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.981	.134		22.310	.000
Job Sharing	.218	.036	.352	6.037	.000

a. Dependent Variable: Firm's Productivity

Regression analysis was conducted to examine the relationship between the independent and dependent variables, viz: job sharing and firm productivity respectively, using SPSS version 23 at a 0.05 significance level. The model summary yielded an R value of .352, which indicates a moderate positive correlation between job sharing and firm productivity. The R² value of .124 indicates that approximately 12.4% of the disparity in firm productivity can be attributed to job sharing practices. The adjusted R², which represents the number of predictors in the model, was at .120, reflecting a minimal correction for potential bias. The standard error of the estimate was .48383, denoting the average deviation of the observed values from the regression line. Additionally, the model's change statistics reported an R² change of .124 and an F-change value of 36.447, signifying that the adoption of job sharing significantly improved the model's illuminating power of firm productivity.

With a regression total of squares of 8.532 and a residual sum of squares of 60.396, the ANOVA table provides more evidence of the model's relevance. Regression's mean square is 8.532, while residuals' mean square is .234. The model significantly predicts company productivity, as evidenced by the very significant F-statistic of 36.447 ($p = .000$). When the coefficients were analyzed, the constant term (intercept) was 2.981, statistically significant ($t = 22.310$, $p = .000$), and had a standard error of .134. This implies that the firm's production level is expected to be 2.981 when job sharing is zero. With a standard error of .036 and an unstandardized coefficient of .218 ($t = 6.037$, $p = .000$), job sharing was a significant variable. This coefficient indicates that per unit increase in job sharing, the firm's productivity increases by .218 units. The standardized

coefficient (Beta) for job sharing is .352, reinforcing the moderate positive impact of job sharing on firm productivity.

5.0 Conclusion

Any workplace whose stakeholders want to surpass the expectations of a constantly evolving workplace should place a high priority on the future of work. Companies are taking their time to set up more demanding working arrangements, even in the wake of the global pandemic and lockdown experience.

6.0 Recommendations

The study provides the following recommendations:

- i. KPMG should equip managers and employees with the training and resources needed to thrive in a flexible work environment. This includes time management training, tools for remote collaboration, and guidelines for maintaining work-life balance.
- ii. Job sharing arrangements have proven to significantly boost productivity by allowing employees to share responsibilities. KPMG should encourage and facilitate job sharing opportunities, especially for roles where this can be effectively implemented, to distribute workload evenly and leverage diverse skill sets.

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