

Give employees more free time to increase work performance, suggests new research

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Managers seeking to reduce problems caused by employees using too much on-the-job leisure time should offer bonuses that provide more off-the-job leisure time, finds new research from Frankfurt School of Finance & Management (<https://www.frankfurt-school.de/en/home/>).

Employees spend a considerable amount of their working time enjoying on-the-job leisure, the most significant being private use of the internet, which can cost companies billions of dollars due to reduction in effective working time.

Professor Timo Vogelsang, Assistant Professor from Frankfurt School of Finance & Management, investigated the impact of cash or free time bonuses on work performance and leisure time. Participants were asked to complete a task on a computer with internet access which involved moving sliders to randomly predetermined positions.

At the beginning of each task, participants could click the time-out button to access the internet. Subjects were free to choose how to spend their time on the internet and could minimise the internet browser at any time to continue working. In the main experiment, participants were involved in two working periods lasting 30 minutes each.

This study used three groups: one group received €4 for each period, the cash bonus group received €4 for each period and an extra €6 for period one, and the free time bonus group received €4 for each period with an extra 25 minutes to use the internet in period one.

Those given an extra 25 minutes leisure time as a bonus exhibited 60% less on-the-job internet consumption compared to those given extra cash. Also, those given extra leisure time showed increased work performance in terms of completed tasks.

This suggests that a cash bonus doesn't affect employees' on-the-job leisure time nor their work performance. However, gifting employees more off-the-job leisure time does reduce on-the-job leisure time of employees and increases their performance while working.

Prof Vogelsang says,

"This study shows that 'time is not money' when using a gift of more off-the-job leisure as a form of management control. Compared to money, time has certain favourable characteristics and affects employees' behaviour at work. Leisure time is a noteworthy alternative to cash bonuses and the various forms of non-cash bonuses currently in use."

Off-the-job leisure as a bonus can be implemented by informing employees in advance that they can leave early on certain days or that they will be gifted extra holiday days. This suggests that employees may appreciate a better work-life balance over salary increases.

These findings were first published in the journal *European Accounting Review*.

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For more information, a copy of the research paper, or to speak with Prof Vogelsang, please contact Kyle Grizzell from BlueSky Education on +44 (0) 1582 790709 or kyle@bluesky-pr.com