Adapting HRM Practices to Regulatory Changes: Enhancing Work Flexibility and Productivity

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Abstract
The regulatory changes introduced by the Omnibus Law (Undang-Undang Cipta Kerja) have significantly impacted Human Resource Management (HRM) practices in Indonesia, particularly in terms of work flexibility and employee productivity. This study examines the influence of these regulatory changes on work flexibility and employee productivity at ABC Company, a firm based in North Sumatra. Utilizing a quantitative approach, this research applies regression analysis within two distinct structural models. The sample comprises employees and managers of ABC Company, totaling 200 respondents. Data were collected through questionnaires and analyzed using statistical software. The results indicate a positive and significant impact of regulatory changes on work flexibility and employee productivity. These findings suggest that the Omnibus Law has initiated strategic shifts in HRM at ABC Company. Specifically, the results highlight the need for more adaptive and innovative HRM strategies to address the challenges of flexibility and productivity in a dynamic work environment. Moreover, this study provides empirical evidence of the significant impact of regulatory changes on HRM practices, particularly regarding work flexibility and employee productivity. The findings underscore the importance of adapting HRM strategies in response to regulatory changes, offering valuable insights for other companies undergoing similar transitions in workforce management. This study contributes to the broader understanding of how legislative changes can influence HRM practices and provides a foundation for future research on adaptive HRM strategies in evolving regulatory landscapes.

Keywords: Employee productivity, Regulatory changes, Human resources, Work flexibility, Omnibus law

Introduction
The regulatory changes introduced by the Omnibus Law (Undang-Undang Cipta Kerja) have emerged as a significant phenomenon in the contemporary labor market, particularly in
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the context of ongoing globalization and digitalization. The Omnibus Law, designed to enhance work flexibility and accelerate economic growth, has fundamentally altered traditional paradigms in human resource management (HRM). According to data from the Indonesian Ministry of Manpower, this regulation has introduced various new provisions affecting multiple aspects of employment, including employment contracts, minimum wages, and working hours (Manpower, 2021). These regulatory changes not only redefine how individuals work but also how companies manage their workforce. With greater flexibility and freedom compared to traditional employment, these changes present unique opportunities for workers while posing new challenges for HRM (Bappenas, 2020; Bennington & Habir, 2003; Malik et al., 2021; World Bank, 2021). These challenges particularly manifest in terms of work flexibility and employee productivity. For instance, technology companies like Gojek, which adjusted its operational strategies to support a more flexible workforce as reported in 2020, must navigate new dynamics in talent retention and managing employees within an increasingly diverse and flexible work environment (World Bank, 2021).

This situation unequivocally demands more adaptive and responsive HRM strategies (Kaine & Josserand, 2019; Kost et al., 2020; Malik et al., 2021). For example, PT Telkom Indonesia has implemented work flexibility programs that allow employees to work from various locations, thereby providing flexibility and retaining key talents within the organization. On the other hand, regulatory changes also bring significant implications for recruitment policies and practices. LinkedIn, for instance, has reported a substantial increase in the number of flexible job postings on its platform, reflecting a shift in recruitment policies across numerous industries. The flexibility and project orientation embedded in the new regulations compel companies to review and adapt their recruitment strategies to be more dynamic and responsive to the rapidly changing workforce needs (Doorn et al., 2010; Williams et al., 2021). A concrete example of this adjustment can be seen in companies like Deloitte, which has integrated flexible workers and independent contractors into its business model, allowing the company to swiftly adjust its workforce in response to market demands.

Furthermore, companies must gain a deeper understanding of the changing nature of work, where employee productivity becomes a more complex challenge, necessitating different approaches from traditional standards (McDonnell et al., 2021; Meijerink & Keegan, 2019). Leading companies like Microsoft, for example, have implemented programs to enhance employee engagement and productivity, including initiatives to build communities of flexible workers and provide better resources for them. In this way, companies not only retain skilled workers but also build loyalty among flexible workers, who are often overlooked in traditional retention strategies (Gerards et al., 2018; Salmah et al., 2024). These examples illustrate how different companies respond to the challenges and opportunities presented by regulatory changes, adjusting their recruitment and retention strategies to remain competitive and effective in a continuously evolving business environment. Therefore, a profound understanding of how regulatory changes affect HRM practices is crucial, not only to capture current labor market trends but also to prepare for the dynamic and rapidly changing future of work (Chan, 2022; Doorn et al., 2010; Williams et al., 2021).
This study centers on Company ABC to address the critical question: how do regulatory changes impact work flexibility and employee productivity, and what are the practical implications for human resource management? Company ABC was selected as the subject of this research based on several important considerations. Firstly, Company ABC has undergone significant transformations in its workforce structure due to regulatory shifts. In recent years, Company ABC has increased its use of flexible workers and contractors for specific projects, indicating a strategic shift from the traditional workforce model. This makes the company an ideal case to observe the direct impact of regulatory changes on work flexibility policies and productivity. Secondly, Company ABC has actively adopted new technologies and innovative strategies in its human resource management, reflecting broader industry trends. This study aims to explore how these innovations interact with and are influenced by regulatory changes, providing valuable insights into current industry dynamics. Thirdly, Company ABC’s workforce is highly diverse in terms of demographics and job types, offering a comprehensive context to examine various aspects and implications of regulatory changes.

Therefore, this study aims to quantitatively analyze the impact of regulatory changes on work flexibility and employee productivity at Company ABC. By examining current data and trends, this research seeks to identify how regulatory changes influence management strategies and decisions regarding flexibility and productivity. The findings are expected to provide practical insights that other companies can apply to address similar challenges and navigate the continuously evolving work environment.

**Literature Review**

This study is grounded in the theory of work flexibility, which emphasizes an organization’s capacity to adapt to changes in both external and internal environments. Work flexibility is posited to enhance employee productivity by allowing individuals to work under conditions that better align with their personal and professional needs (Hill et al., 2008; Shockley & Allen, 2007). Furthermore, the human resource management (HRM) framework utilized in this research incorporates principles of efficiency and effectiveness, which are essential for ensuring that regulatory changes are optimally implemented to support employee productivity (Armstrong, 2012; Ulrich & Dulebohn, 2015). The Omnibus Law (Undang-Undang Cipta Kerja), defined as a regulatory package aimed at increasing work flexibility and productivity, has become a pivotal topic in labor policy research in Indonesia. This regulation is frequently regarded as a solution to enhance operational efficiency and responsiveness to the dynamic demands of the labor market (Ministry of Manpower, 2021). Previous research indicates that regulatory changes can contribute to improved organizational performance, although the outcomes are significantly contingent on the specific context and implementation (Bappenas, 2020; World Bank, 2021).

1. Implementation of Regulatory Changes

The implementation of regulatory changes is crucial for achieving the desired outcomes. Organizations must ensure that new policies are applied in ways that support work flexibility and employee productivity. Gilson (1997) suggests that a well-
executed implementation strategy can substantially influence the results of regulatory changes. Therefore, the implementation strategy must consider various organizational aspects to ensure that all segments of the company benefit from the regulatory changes (Koutsimpogiorgos et al., 2020; Telle & Larsson, 2007).

2. Work Flexibility

Work flexibility encompasses the ability to adjust working hours, locations, and patterns to meet the needs of both individuals and organizations. Without sufficient flexibility, employees may struggle to balance their work and personal lives. Studies by Hill et al. (2008) emphasize that high work flexibility is a critical prerequisite for optimal productivity. Further research by Kossek et al. (2023) indicates that increased work flexibility is essential for the successful implementation of regulatory changes. The ability to manage work time and location is heavily dependent on the support and policies available at the organizational level (Shockley & Allen, 2007).

3. Employee Productivity

Employee productivity reflects the efficiency and effectiveness with which employees complete their tasks. Regulatory changes that support work flexibility are expected to enhance employee productivity by granting them more control over their work time and methods. Increased employee productivity has been shown to improve overall organizational performance in many settings (Demerouti et al., 2001). At Company ABC, high employee productivity can strengthen the relationship between new regulations and operational efficiency, thereby boosting the company’s competitiveness.

4. Hypotheses Development

Based on the literature reviewed, the following two hypotheses are formulated to examine the impact of implementing regulatory changes on work flexibility and employee productivity at Company ABC:

H1: The implementation of regulatory changes positively affects work flexibility at Company ABC.

H2: The implementation of regulatory changes positively affects employee productivity at Company ABC.

Previous studies highlight that the success of regulatory changes in enhancing work flexibility and employee productivity is heavily dependent on effective implementation strategies. This research aims to explore these determinants within the context of Company ABC, providing deeper insights into how regulatory changes can be effectively implemented to improve organizational performance. By understanding these factors, more effective policies can be designed to support sustainable and impactful regulatory changes in human resource management.
Research Method

This study employs a quantitative approach to analyze the impact of regulatory changes on work flexibility and employee productivity at Company ABC. This methodology was selected due to its capability to provide objective data and precisely measure trends and patterns. The study’s population consists of all employees at Company ABC, totaling 1,012 individuals. A stratified random sampling technique was utilized to select the sample, ensuring balanced representation from various departments and job levels. The total number of respondents included in the study was 200, with a distribution of 90% employees and 10% managers and supervisors. Managers were selected based on their involvement in the implementation of regulations and human resource management.

Data collection was conducted online through a secure and encrypted survey platform. Prior to distribution, the questionnaire was pilot tested for validity and reliability. Participants were provided with comprehensive information about the study’s objectives and assurances of confidentiality and anonymity. The questionnaire served as the primary instrument for data collection, divided into sections that included questions regarding employees’ perceptions of regulatory changes, work flexibility, and employee productivity. A Likert scale was employed to measure respondents’ agreement levels with various statements. The collected data were analyzed using statistical software. Descriptive analysis was performed to provide an overall picture of the data. Subsequently, inferential analysis, including t-tests, ANOVA, and linear regression, was utilized to test the hypotheses and understand the relationships between regulatory changes, work flexibility, and employee productivity.

The results of these analyses are expected to offer in-depth insights into the impact of regulatory changes in the context of human resource management at Company ABC. This study adheres to strict ethical research guidelines. Informed consent was obtained from all respondents, and their identities and responses were kept confidential to maintain data privacy and integrity, as well as to comply with specific requests from the company’s management. The designed methodology aims to ensure that the research yields valid, reliable results that can be generalized to a broader context.

Results

Presented below are the sequential steps and outcomes of the conducted examinations:

1. Classic Assumption Testing
   Classic assumption testing involves the scrutiny of several assumptions or prerequisites essential for a regression model. These assumptions include:
   a. Normality Test
      The outcomes of the normality test using the One-Sample Kolmogorov-Smirnov method are presented in Table 1.
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Table 1. Normality Test Results

<table>
<thead>
<tr>
<th>One-Sample Kolmogorov-Smirnov Test</th>
<th>Implementation of Regulatory Changes</th>
<th>Work Flexibility</th>
<th>Employee Productivity</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>200</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>Normal Parameters&lt;sup&gt;a,b&lt;/sup&gt;</td>
<td>Mean</td>
<td>19.41</td>
<td>19.63</td>
</tr>
<tr>
<td></td>
<td>Std. Deviation</td>
<td>4.381</td>
<td>4.551</td>
</tr>
<tr>
<td>Most Extreme Differences</td>
<td>Absolute</td>
<td>.112</td>
<td>.095</td>
</tr>
<tr>
<td></td>
<td>Positive</td>
<td>.112</td>
<td>.095</td>
</tr>
<tr>
<td></td>
<td>Negative</td>
<td>-.088</td>
<td>-.073</td>
</tr>
<tr>
<td>Test Statistic</td>
<td></td>
<td>.112</td>
<td>.096</td>
</tr>
<tr>
<td>Asymp. Sig. (2-tailed)</td>
<td></td>
<td>.197&lt;sup&gt;c&lt;/sup&gt;</td>
<td>.187&lt;sup&gt;c&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

<sup>a</sup> Test distribution is Normal.
<sup>b</sup> Calculated from data.
<sup>c</sup> Lilliefors Significance Correction.

The SPSS output table for the normality test indicates that the Asymp. Sig. (2-tailed) values for each variable are greater than the required cut-off value (>0.05). Following the decision criteria of the Kolmogorov-Smirnov normality test, it can be inferred that the data conforms to a normal distribution. Therefore, the normality assumption for the regression model has been met.

a. Linearity Test

The outcomes of the linearity test for each independent variable are presented in Table 2.

Table 2. Linearity Test

<table>
<thead>
<tr>
<th>ANOVA Table</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Flexibility * Implementation of Regulatory Changes</td>
<td>Between Groups (Combined)</td>
<td>1187.548</td>
<td>14</td>
<td>88.762</td>
<td>14.295</td>
</tr>
<tr>
<td></td>
<td>Linearity</td>
<td>1145.713</td>
<td>1</td>
<td>1145.713</td>
<td>192.476</td>
</tr>
<tr>
<td></td>
<td>Deviation from Linearity</td>
<td>64.774</td>
<td>13</td>
<td>4.975</td>
<td>.827</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>1218.847</td>
<td>185</td>
<td>5.995</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>2428.395</td>
<td>199</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Productivity * Implementation of Regulatory Changes</td>
<td>Between Groups (Combined)</td>
<td>897.737</td>
<td>14</td>
<td>63.481</td>
<td>9.793</td>
</tr>
<tr>
<td></td>
<td>Linearity</td>
<td>754.736</td>
<td>1</td>
<td>763.746</td>
<td>117.816</td>
</tr>
<tr>
<td></td>
<td>Deviation from Linearity</td>
<td>125.991</td>
<td>13</td>
<td>9.614</td>
<td>1.483</td>
</tr>
<tr>
<td></td>
<td>Within Groups</td>
<td>1187.355</td>
<td>185</td>
<td>6.483</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>2088.000</td>
<td>199</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The results of the linearity test indicate that the Sig. values for the deviation from linearity for Work Flexibility is 0.639 (>0.05), and for Employee Productivity is 0.534 (>0.05). Consequently, it can be inferred that a significant linear relationship exists between the Implementation of Regulatory Changes, Work Flexibility, and Employee Productivity.
1. Hypothesis Testing

The model constructed in this study can be described as follows:

![Diagram of Path Analysis Model]

Figure 1. Path Analysis Model

The preceding classic assumption tests have demonstrated that the model satisfies the prerequisites for a robust regression analysis. To assess the formulated hypotheses, the researcher conducted two regression steps based on the path analysis model: Firstly, a regression test to assess the impact of the Implementation of Regulatory Changes (X) on Work Flexibility (Y1) (Path Coefficient I). Secondly, a regression test to evaluate the influence of the Implementation of Regulatory Changes (X) on Employee Productivity (Y2) (Path Coefficient II).

Based on the outcomes of these two model tests, the confirmation of the hypotheses established in this study can be ascertained. The ensuing results depict the tests conducted:

a. Regression Test I

The outcomes of Regression Test I for the effects of the Implementation of Regulatory Changes (X) on Work Flexibility (Y1) (Path Coefficient I) are as follows:

<table>
<thead>
<tr>
<th>Model Summary</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.701a</td>
<td>.492</td>
<td>.489</td>
<td>2.434</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Implementation of Regulatory Changes

ANOVA*

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1135.713</td>
<td>1</td>
<td>1135.713</td>
<td>191.758</td>
<td>.000p</td>
</tr>
<tr>
<td></td>
<td>1172.682</td>
<td>198</td>
<td>5.923</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2308.395</td>
<td>199</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Work Flexibility

b. Predictors: (Constant), Implementation of Regulatory Changes
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The regression test output indicates that the significance value (Sig.) for the Implementation of Regulatory Changes (X) and Work Flexibility (Y1) is 0.000 (<0.05). This result demonstrates that Path Coefficient I, representing the Implementation of Regulatory Changes, has a positive and significant impact on Work Flexibility (Y1). The R Square value, as shown in the Model Summary, is 0.492. Thus, the contribution of the Implementation of Regulatory Changes to Work Flexibility (Y1) is 49.2 percent.

b. Regression Test II

The results of Regression Test II for the influence of the Implementation of Regulatory Changes (X) on Employee Productivity (Y2) (Path Coefficient II) are as follows:

Table 4. Path Coefficients II

Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.605¹</td>
<td>.366</td>
<td>.363</td>
<td>2.586</td>
</tr>
</tbody>
</table>

¹. Dependent Variable: Employee Productivity

ANOVA²

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>763.746</td>
<td>1</td>
<td>763.746</td>
<td>114.194</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>1324.254</td>
<td>198</td>
<td>6.688</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>2088.000</td>
<td>199</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

². Dependent Variable: Employee Productivity

Coefficients²

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>6.281</td>
<td>.637</td>
<td>9.863</td>
</tr>
<tr>
<td>Gig Economy</td>
<td>.561</td>
<td>.052</td>
<td>.605</td>
<td>10.686</td>
</tr>
</tbody>
</table>

². Dependent Variable: Employee Productivity

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*a. Dependent Variable: Work Flexibility
b. Predictors: (Constant), Implementation of Regulatory Changes

*a. Predictors: (Constant), Implementation of Regulatory Changes

*b. Predictors: (Constant), Implementasi Perubahan Regulasi

*a. Dependent Variable: Employee Productivity

*b. Predictors: (Constant), Implementasi Perubahan Regulasi
The regression test output indicates that the significance value (Sig.) for the Implementation of Regulatory Changes (X) and Employee Productivity (Y2) is 0.000 (<0.05). This result demonstrates that Path Coefficient II, representing the Implementation of Regulatory Changes, has a positive and significant impact on Employee Productivity (Y2). The R Square value, as shown in the Model Summary, is 0.366. Thus, the contribution of the Implementation of Regulatory Changes to Employee Productivity (Y2) is 36.6 percent.

In light of the regression test results for both Path Coefficient I and Path Coefficient II, the following conclusions can be drawn:

1. In the context of the path analysis for Structure I, the significance value (Sig.) for the impact of the Implementation of Regulatory Changes (X) on Work Flexibility (Y1) is 0.000 (<0.05). This result indicates a direct, positive, and statistically significant influence of the Implementation of Regulatory Changes on Work Flexibility. Consequently, H1: The Implementation of Regulatory Changes affects Work Flexibility at Company ABC is confirmed and accepted.

2. In the context of the path analysis for Structure II, the significance value (Sig.) for the influence of the Implementation of Regulatory Changes (X) on Employee Productivity (Y2) is 0.000 (<0.05). This result indicates a direct, positive, and statistically significant impact of the Implementation of Regulatory Changes on Employee Productivity. Therefore, H2: The Implementation of Regulatory Changes affects Employee Productivity at Company ABC is confirmed and accepted.

The results of the regression tests for both Model Structure I and Model Structure II provide significant insights into the impact of the implementation of regulatory changes on work flexibility and employee productivity at Company ABC. This analysis reveals a significant and positive relationship between regulatory changes and these two aspects. Several key observations related to these findings in the specific context of Company ABC include the following:

1. Impact of the Implementation of Regulatory Changes on Work Flexibility (H1)
   The path analysis for Structure I indicates a significance value (Sig.) of 0.000 (<0.05) between the Implementation of Regulatory Changes (X) and Work Flexibility (Y1), suggesting a direct and positive impact of regulatory changes on work flexibility. This suggests that Company ABC has successfully adapted its management strategies to leverage the flexibility offered by regulatory changes. However, it should be noted that while there is a positive impact, these changes may also present certain challenges, such as the need for a more dynamic and potentially more complex management system to handle work flexibility effectively.

2. Impact of the Implementation of Regulatory Changes on Employee Productivity (H2)
   For the path analysis for Structure II, the results show a significance value (Sig.) of 0.000 (<0.05) between the Implementation of Regulatory Changes (X) and Employee Productivity (Y2), indicating a significant and positive impact on employee productivity. This suggests that regulatory changes have aided Company ABC in enhancing its employee productivity, potentially through increased work flexibility and new opportunities. However, these findings also raise critical questions about how
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regulatory changes affect long-term employees and their loyalty to the company. Employees working within a more flexible structure may have different perspectives on long-term commitment and job security, which can influence overall productivity strategies.

The findings of this study demonstrate the positive impact of the implementation of regulatory changes on work flexibility and employee productivity at Company ABC. It is important to consider the broader implications and potential challenges that may arise in this context. Adapting to regulatory changes requires a balanced approach, ensuring that changes in flexibility and productivity not only meet the company’s needs but also serve the interests and well-being of employees (van Doorn et al., 2023; Williams et al., 2021; Malik et al., 2021). Therefore, this research suggests the need for holistic and sustainable strategies to integrate the principles of regulatory changes into human resource management at Company ABC.

Discussions

The findings from the study at Company ABC demonstrate a positive and significant impact of the implementation of regulatory changes on work flexibility and employee productivity. These insights provide critical implications for the future of Human Resource Management (HRM) practices in the context of regulatory changes, such as those introduced by the Omnibus Law. Given the evidence that regulatory changes positively affect work flexibility, it is imperative for companies to develop more adaptive and responsive strategies. This includes considering the need for employee flexibility, adaptability, and the specific skills required in a more dynamic work environment. Additionally, companies must adjust their management processes to support a more flexible work model, which may differ from traditional criteria (Brewster & Haak-Saheem, 2022; Spreitzer et al., 2017).

The positive impact of regulatory changes on employee productivity also raises important questions about how HRM strategies should be adapted. Future HRM practices should emphasize flexible career development, continuous learning opportunities, and the creation of a work environment that supports work-life balance (Cameron, 2022; Felstead et al., 2006; Kaine & Josserand, 2019; Spreitzer et al., 2017). Given the ever-evolving regulatory landscape, companies must innovate in offering incentives and benefits that align with the needs of both permanent and flexible employees. Implementing regulatory changes necessitates the development of a more inclusive and flexible organizational culture. This includes recognizing and valuing workforce diversity, promoting collaboration between permanent and flexible employees, and adapting internal policies and practices to support diverse ways of working (Li et al., 2020; Pokhrel, 2023; Richard et al., 2002).

Furthermore, technological advancements will play a crucial role in supporting these changes. HRM systems integrated with advanced technology can facilitate more efficient workforce management, predictive analytics for better decision-making, and process automation for operational efficiency (Mulcahy, 2016). In addressing the impact of regulatory changes, companies need to consider how they can adapt and develop their HRM practices.

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This approach is not only about responding to current needs but also about preparing for an increasingly uncertain and dynamic future of work. Through an innovative, flexible, and future-oriented approach, companies can ensure that they not only manage their human resources effectively but also support and develop their workforce in this evolving work environment (Kost et al., 2020; McDonnell et al., 2021).

**Conclusion**

The findings from this study concerning Company ABC indicate that regulatory changes have a significantly positive impact on work flexibility and employee productivity. These results confirm that regulatory changes are not merely a temporary response but a phenomenon that brings substantive changes to Human Resource Management (HRM) practices. This influence, as evidenced by the strong statistical significance, suggests that regulatory changes have become a crucial factor in how companies manage work flexibility and enhance employee productivity.

The positive impact of regulatory changes on work flexibility and productivity at Company ABC underscores the need for more adaptive and innovative HRM strategies. In the context of work flexibility, this necessitates developing processes that are more responsive to the dynamic needs of employees and the labor market. Regarding productivity, companies should explore new methods to enhance employee performance, such as flexible career development, continuous learning opportunities, and creating a work environment that supports work-life balance. These changes also require adaptations in organizational culture, including the recognition and appreciation of workforce diversity and fostering collaboration between permanent and flexible employees.

Moreover, with the increasing integration and importance of technology in human resource management, companies must leverage digital tools and advanced analytics to support these changes. By adopting a future-oriented, flexible, and innovative approach, Company ABC and other organizations can ensure they are not only effective in managing human resources but also successful in supporting and developing their workforce in an ever-changing and challenging work environment. This study not only confirms the impact of regulatory changes but also highlights the necessity of a holistic and sustainable HRM approach to address challenges and capitalize on opportunities in this new era of work.

**Declaration of conflicting interest**

The authors declare that there is no conflict of interest in this work.

**References**


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