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THE INFLUENCE OF FLEXIBLE WORK ARRANGEMENTS ON THE INNOVATIVE WORK BEHAVIOR OF EMPLOYEES IN THE IT SECTOR OF THE REPUBLIC OF SERBIA

Abstract

Flexible work arrangements (FWAs) are non-traditional work patterns that enable employees and employers to agree on when, where, and how tasks are performed, enhancing work-life balance. This study investigates the effect of flexible work arrangements on innovative work behavior (IWB) in Serbia's IT sector, focusing on idea generation, promotion, and realization. Using a sample of 185 IT employees, the research employs PLS-SEM analysis with IBM SPSS Statistics and SmartPLS software. The results reveal a significant positive relationship between flexible work arrangements and innovative work behavior, demonstrating that flexible work arrangements foster creativity and innovation. The findings emphasize the strategic value of flexible work arrangements in enhancing employee performance and organizational innovation. The study contributes to bridging a gap in the literature by providing empirical evidence on FWAs' role in fostering innovation within the IT sector in Serbia. Practical implications highlight the need for tailored flexible work arrangements to improve employee engagement and organizational competitiveness, with recommendations for future research involving larger and more diverse samples.

Key words: *flexible work arrangements, innovative work behavior, IT sector, Republic of Serbia*

JEL classification: *J0, O30, M10, M54*

УТИЦАЈ ФЛЕКСИБИЛНИХ РАДНИХ АРАНЖМАНА НА ИНОВАТИВНО ПОНАШАЊЕ ЗАПОСЛЕНИХ У ИТ СЕКТОРУ РЕПУБЛИКЕ СРБИЈЕ

Сажетак

Флексибилни радни аранжмани представљају нетрадиционалне радне обрасце који омогућавају запосленима и послодавцима да се договоре о времену,

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месту и начину обављања задатака, чиме се побољшава баланс између пословног и приватног живота. Ова студија истражује утицај флексибилних радних аранжмана на иновативно понашање запослених у ИТ сектору Србије, са фокусом на генерисање, промоцију и реализацију идеја. Коришћењем узорка од 185 запослених у ИТ сектору, истраживање примењује анализу PLS-SEM уз помоћ софтвера IBM SPSS Statistics и SmartPLS. Резултати показују значајну позитивну везу између флексибилних радних аранжмана и иновативног понашања запослених, указујући на то да флексибилни радни аранжмани подстичу креативност и иновације. Налази наглашавају стратешку вредност флексибилних радних аранжмана у унапређењу перформанси запослених и организационе иновативности. Студија доприноси попуњавању празнине у литератури пружајући емпиријске доказе о улози флексибилних радних аранжмана у подстицању иновација у ИТ сектору Србије. Практичне импликације истичу потребу за прилагођеним флексибилним радним аранжманима како би се побољшала ангажованост запослених и конкурентност организација, уз препоруке за будућа истраживања која би укључивала веће и разноврсније узорке.

Кључне речи: *флексибилни радни аранжмани, иновативно радно понашање, ИТ сектор, Република Србија*

Introduction

The challenges faced by organizations worldwide, such as the rapid development of information and communication technologies, digitalization, and globalization, directly impact the need for organizations to adapt their behavioral patterns not only to survive in the market but to become leaders in their business fields and creators of future development directions (Vasić, 2020; Gašić, 2021). As one of the strategies for attracting and retaining top talent, companies are compelled to adopt various approaches to ensure their success. The implementation of FWAs is one such strategy through which organizations can improve their business operations. The aim of this research is to determine the existence of a relationship between the observed variables, specifically whether there is a direct positive relationship between flexible work arrangements and employees' innovative behavior, whether employees are satisfied with this way of working, and to what extent the implementation of this model influences the increase in innovative work behavior among employees in Serbia's IT sector. The IT sector was included in the analysis due to the high level of FWA application in this field. Understanding human behavior is a crucial prerequisite for improving organizational functioning and aligning the needs and desires of organizations and employees. Organizational behavior integrates the humanistic aspects of management into a novel approach to understanding the role and significance of the human factor and its management within organizations. In this study, innovative work behavior is the dependent variable, while flexible work arrangements are the independent variable. Farr & Ford (1990) define innovative work behavior as the behavior of individuals aimed at initiating and deliberately introducing new and useful ideas, processes, methods, or procedures. Spreitzer

(1995) describes innovative behavior as a reflection of creating something new or different, while Scott & Bruce (1994) emphasize that it encompasses the production of usable processes or services arising from problem identification and idea generation (Al-Omari et al., 2019). Examining the impact of flexible work arrangements in modern business, particularly in the IT sector, where the application of this model is pronounced, represents a significant scientific endeavor. The objective is to investigate the influence on employees' innovative work behavior. Based on the findings, IT companies can evaluate the effects of implementing this business model and reorganize their processes to enhance employee performance and, consequently, overall organizational performance.

The research consists of three parts. The first part is dedicated to the theoretical foundations of the study. The second part includes a description of the questionnaire and the sample used for the analysis. As part of the data collection process, a survey was conducted among employees in Serbia's IT sector. The third part presents the results and a discussion of the findings obtained using the SmartPLS software. In this section, the authors conduct a PLS-SEM analysis to determine the relationship between the observed variables of FWAs and innovative work behavior. Additionally, the study graphically illustrates the level of teleworking application before, during, and after the COVID-19 pandemic. Finally, the authors present conclusions and recommendations for future research.

1. Literature review

1.1. Understanding flexible work arrangements

Due to various internal and external influences that relate directly to the nature of work, there are developed different work patterns that modified traditional way of organizing working hours such as weekend work, home-based work, teleworking, job share, shift work, flexi-time, part-time job, overtime, compressed working week, fixed-term contract, temporary work, etc. (Coenen & Kok, 2014; Berber & Slavić, 2019; Gašić & Berber, 2021). Those patterns are called flexible work arrangements. As a result of the intention of companies around the world to become more flexible, but also in response to various influences such as the Covid-19 pandemic, digitalization, globalization, etc., many organizations are moving from traditional work (working in offices) to different types of FWAs, mainly home and remote work. FWAs offer employees the ability to make changes to where, when, and the total amount of time they will spend or engage in work-related tasks and are typically used as part of an HR strategy to attract, motivate and retain key talent (Richman et al., 2008). Flexible work arrangements represent "a mutually beneficial arrangement between employees and employers in which both parties agree on when, where and how the employee will work to meet the firm's needs" (Kossek et al., 2014, p. 2). FWAs represent great significance in the creation of jobs in the twenty-first century. Organizations that practice the application of FWAs in their business become aware that changing work patterns towards flexibility can offer employees to make a better balance between work and private life (Cazes et al., 2015; Capnary, Rachmawati & Agung, 2018; Rusilowati, 2022) which also results in better productivity (Garg & Yajurvedi, 2016), positive working attitudes and positive behavior on the job (Dettmers, Kaiser & Fietze, 2013; Rahman, Kistyanto & Surjanti, 2020; Weideman & Hofmeyr, 2020; Gašić & Berber, 2021; Bontrager, Clinton & Tyner, 2021; Berber et al., 2022).

1.2. Understanding Innovative work behavior

Innovation allows companies to adapt to the changes that occur due to the development of digitalization, globalization, economic and other challenges to become more competitive and successful. Previous research confirmed that innovation is beneficial for company performance because companies can then respond more quickly to challenges and take better advantage of new market opportunities. It is necessary to influence employees to see the importance of innovations both for the company itself and for themselves. This knowledge is necessary if companies want to pursue innovative strategies and align employee behavior with strategies (Bos-Nehles et al., 2017). Understanding human behavior at work is necessary to improve functioning and reaching goals of an organization and their employees. Innovative work behavior is characterized as the intentional behavior of a person to introduce and apply new thoughts, items, procedures, and methods in his workplace, unit, or organization. The procedure refers to the creation of new applications for critical thinking (De Jong & Den Hartog, 2007). Innovative behavior is related to defining the problem, producing a solution and implementing a solution into the organization (Turgut & Beğenirbaş, 2013). Innovative work behavior is more important than just being creative, because "it also includes behaviors needed to implement ideas and achieve improvements that will enhance personal and/or business performance" (Yunus et al., 2014, p. 216).

Three dimensions of innovative work behavior are: idea generation, which involves the production of new and useful ideas in a specific domain, idea promotion that involves spreading ideas or developed innovations to other contexts, and realization, as creating a prototype or model of an innovation that others can experience (Messmann & Mulder, 2010). If we look at the effects of HRM on innovative work behavior, the authors Bysted and Jespersen (2014) found that the relationship between private and public organizations differs and that the effect of training and development practices on innovative work behavior is smaller in public than in private organizations, and this research is relating to the private IT sector organizations in the Republic of Serbia. Also, FWAs are very often in It companies, that are also very innovative, so it is important to investigate what are the relations between FWA and IWB. Önhon (2019) emphasizes that if managers understand how to positively influence innovation climate and work behavior that support innovation, they can create opportunities for innovation in their organizations, and improve performance.

1.3. Relations between flexible work arrangements and innovative work behavior

According to the results of theoretical review of authors of this paper, there are no so many previous research that investigated proposed relationship. Some that are found to be reliable based on key words, proposed relations, and results from analysis of papers in Web of Knowledge database, are presented below.

Rahman, Kistyanto & Surjanti (2020) studied FWAs during the COVID-19 pandemic, focusing on their impact on employee performance and the mediating role of IWB. The results showed that while FWAs did not significantly affect performance, they positively influenced IWB, which in turn mediated the relationship between FWAs and performance. Moll & de Leede (2016) examined how new ways of working, such as remote work, flexible hours, and flexible workplaces, impact IWB. Their research found that these practices positively affected all stages of IWB, with telecommuting enhancing opportunity exploration and idea

generation, and flexible hours increasing employee engagement and innovation. Azeem & Kotey (2021) highlighted that flextime and flexi-leave positively influence innovation by providing mental space and diversity for knowledge creation and sharing. They suggest that managers in SMEs should prioritize these FWAs to foster innovation. Qi, Liu, Li & Liu (2021) investigated the effects of FWAs on IWB in the IT sector in China. Their findings showed that a greater degree of flexibility in FWAs leads to higher levels of IWB, particularly when the flexibility offered aligns with employee needs. Based on the review of previous theoretical and empirical research, the authors propose the hypothesis:

H_1: Flexible work arrangements relates positively to the Innovative Work Behavior of employees in the IT sector of the Republic of Serbia.

2. Methodology

2.1. The questionnaire

The questionnaire has four sections. The first section consists of questions related to the socio-demographic (gender, age, education) and organizational characteristics (work position, size of organization, main market on which company operates, company headquarters, and type of the company (like a national, international, or subsidiary of the national or international company)). The second section refers to question related to flexible work arrangements. The authors used standardized questionnaire developed by Albion (2004). The example of the question from the used questionnaire is "FWAs help me balance life commitments", based on Likert scale (1-5). The third part refers to questions on innovative work behavior, where the authors used Janssen's questionnaire with 9 questions that make 3 constructs (idea generation, idea promotion, and realization). An example of question is: "I search out new working methods, techniques, or instruments", also on Likert scale (1-5). The fourth part of the questionnaire refers to the level of application of teleworking before, during, and after the Covid-19 pandemic. These three questions were taken from the Cranet questionnaire for 2022 (Cranet, 2023).

2.2. The sample

The data was collected from 185 employees in the IT sector in Serbia between June and October 2022 using Google Forms. According to the ten times rule (Hair et al., 2017), this sample size is suitable for PLS-SEM analysis. Of the respondents, 65.9% were men and 34.1% were women. The majority (51.9%) were aged 25-34, and 62.7% held a master's degree. Most respondents (71.4%) were professional workers, with 66.4% employed in SMEs. The majority (87%) worked for companies operating globally, while 2.7% served regional markets. Most respondents (55.7%) indicated that their company's headquarters were in Serbia, with 36.2% at national headquarters and 37.8% in subsidiaries of international companies.

Table 1: Sample characteristics

Sample characteristics		Number	Percent (%)
Gender	Male	122	65.9
	Female	63	34.1
Age	Less than 25	11	5.9
	25–34	96	51.9
	35–44	62	33.5
	45–55	16	8.6
Education	High School	11	5.9
	Three-year vocational studies	8	4.3
	Bachelor's degree	41	22.2
	Master's study	116	62.7
	Ph.D.	9	4.9
Possition	Manager	43	23.2
	Professional worker	132	71.4
	Administrative worker	10	5.4
Company size	Small	48	25.9
	Medium	75	40.5
	Large	62	33.5
Main market	Regional	5	2.7
	National	6	3.2
	International	13	7
	Global	161	87
Headquarters of company	Republic of Serbia	103	55.7
	EU	47	25.4
	A non-EU country	13	7
	Other	22	11.9
Type of company	National company	67	36.2
	A subsidiary of a national company	2	1.1
	An international company	46	24.9
	A subsidiary of an international company	70	37.8
Total		**185**	**100**

Source: Authors of research

2.3. Data processing

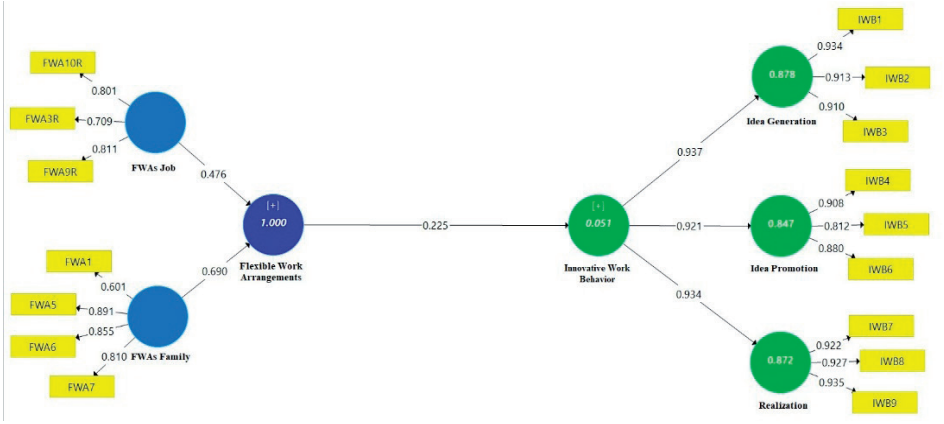
To test the proposed model, the authors used structural equation modeling with partial least squares. The PLS path model has two sets of linear equations, the first refers to the external model (measurement model) that specifies the relationship between the construct and its observed indicators, while the second refers to the internal (structural model) that specifies the relationships between the constructs (Gašić & Berber, 2023), in this research it is precisely the influence of flexible work arrangements on the innovative work behavior of employees in the IT sector in the Republic of Serbia. PLS-SEM has recently gained wide application in various fields, also in HRM. The first part of the analysis refers to the determination of reflective indicator loadings, if it is shown that the values of certain observed questions are outside the defined limits, it is necessary to exclude those questions from further analysis. The next step is related to the evaluation of the formative construct by outer weight,

standard deviation, t-statistics, p-value, and multicollinearity (variance inflation factor, VIF). If all criteria are met, the next step refers to the analysis of the reflective part of the model. Within the analysis of the reflective model, the authors will perform: internal consistency reliability and convergent validity, discriminant validity (Cross-loadings, Fornell-Lacker Criterion, and Heterotrait-monotrait HTMT), and multicollinearity statistic (VIF) (Grubor, Đokić, Milićević & Đokić, 2021, p. 277; Becker et al., 2023). The last part is about testing the structural model, the authors will use the bootstrapping procedure based on 5000 subsamples to test proposed hypothesis.

3. Results and discussion about obtained research

The first part of the data processing was dedicated to investigation of the measurement model. Reflective indicator loadings, internal consistency reliability, convergent validity, and discriminant validity were assessed. This type of measurement was proposed for reflective structures in the model of Hair et al. (2019) & Gašić & Berber (2021). Regarding the reflective indicators loadings, the lowest factor loading should not be below 0.708. Additionally, factor loadings between 0.4 and 0.7 could be retained in the model only if they would not affect AVE and composite reliability (Hair et al., 2014). Based on the results of the analysis, items FWA2R, FWA4R, FWA8R, and FWA11 were eliminated from the analysis since their loading level below threshold. Figure 1 shows retained objects with the permitted degree of load.

Figure 1: Path analysis



Source: Authors of research

The authors tested the appropriateness of the formative construct related to flexible work arrangements. Based on Table 2, formative construct is appropriate for further analysis (FWA Family; B=0.476; T=22.325; p<0.00) and (FWA Job; B=0.690; T=16.138; p<0.00).

Table 2: Analysis of the formative construct

Direct effect	Outer Weights	Standard dev.	T Stat.	*p* - values
FWAs Family -> Flexible Work Arrangements	0.476	0.031	22.325	0
FWAs Job -> Flexible Work Arrangements	0.69	0.029	16.138	0

Source: Authors of research

Table 3: Variance inflation factor – VIF

Direct effect	Variance inflation factor - VIF	
	Values	Criterion
Flexible Work Arrangements - Family	1.259	< 3.3 (Kock, 2015)
Flexible Work Arrangements - Job	1.259	

Source: Authors of research

The multicollinearity analysis was assessed by the variance inflation factor (VIF). Based on the data in Table 3, there is no multicollinearity in formative construct (values are below 3.3). The next step refers the test of reflective construct in the model. Table 4 represent the reliability test, analysis of Cronbach's Alpha, Composite Reliability (CR), and Average Variance Extracted (AVE) coefficients.

Table 4: Indicator and construct reliability and validity

Name	Cronbach's Alpha		CR		AVE	
	Values	Criteria	Values	Criteria	Values	Criteria
FWAs - Family	0.8	> 0.6 (Dakduk, González & Portalanza, 2019; Bjekić et al., 2020)	0.87	> 0.7 (Hair et al., 2014; Sabi et al., 2016)	0.64	> 0.5 (Dash & Paul, 2021)
FWAs - Job	0.66		0.82		0.6	
Idea Generation	0.91		0.94		0.84	
Idea Promotion	0.84		0.9		0.75	
Realization	0.92		0.95		0.86	

Source: Authors of research

Based on the data obtained, the value of Cronbach's Alpha ranged from 0.66 (FWAs - Job) to 0.92 for Realization. The Cronbach's Alpha criteria is satisfied. The value of CR of constructs ranged from 0.82 (FWAs – Job) to 0.95 (Realization). Based on the criteria in table 4, we conclude Composite reliability is satisfied. Convergent validity was assessed by testing AVE, ranging from 0.6 (FWAs – Job) to0.86 (Realization). Criteria for convergent validity was also satisfied. Discriminant validity of the model was assessed by Cross-loadings indicators, the Fornell-Lacker Criterion, and Heterotrait-monotrait HTMT (Ab Hamid, Sami & Sidek, 2017; Gašić et al., 2024).

Table 5: Discriminant validity (Cross-loadings)

Variable name		Items	FWAs		IWB		
			FWAs Family	FWs Job	Idea Generation	Idea Promotion	Realization
FWAs	FWAs Family	FWA1	**0.601**	0.305	-0.033	0.06	0.034
		FWA5	**0.891**	0.31	0.074	0.114	0.155
		FWA6	**0.855**	0.293	0.069	0.154	0.126
		FWA7	**0.81**	0.518	0.128	0.26	0.233
	FWAs Job	FWA10R	0.34	**0.801**	0.099	0.173	0.244
		FWA3R	0.367	**0.709**	0.195	0.226	0.191
		FWA9R	0.348	**0.811**	0.067	0.229	0.121
IWB	Idea Generation	IWB1	0.13	0.153	**0.934**	0.782	0.751
		IWB2	0.018	0.193	**0.913**	0.713	0.725
		IWB3	0.081	0.077	**0.91**	0.713	0.755
	Idea Promotion	IWB4	0.128	0.24	0.798	**0.908**	0.739
		IWB5	0.171	0.256	0.579	**0.812**	0.508
		IWB6	0.208	0.214	0.691	**0.88**	0.77
	Realization	IWB7	0.124	0.202	0.79	0.733	**0.922**
		IWB8	0.219	0.207	0.718	0.765	**0.927**
		IWB9	0.165	0.256	0.746	0.69	**0.935**

Source: Authors of research

A measurement model has adequate discriminant validity if indicator loadings are higher for its structural construct than for any other construct (Chin, 1998). The results shown in Table 6 indicate that the cross-loadings output confirms the discriminant validity of the measurement model.

Table 6: Discriminant validity (Fornell-Lacker criterion)

Variable name		FWAs		IWB		
		FWA Family	FWAs Job	Idea generation	Idea promotion	Realization
FWAs	FWAs Family	**0.8**				
	FWAs Job	0.45	**0.78**			
IWB	Idea generation	0.08	0.15	**0.92**		
	Idea promotion	0.19	0.27	0.8	**0.87**	
	Realization	0.18	0.24	0.81	0.79	**0.93**

Source: Authors of research

Table 6 shows that the discriminant validity is satisfied because the value of the root of Average variance extracted on the diagonal is higher than all values below for each variable respectively (Fornell & Larcker, 1981). Table 7 presents the result of the analysis of discriminant validity through Heterotrait-Monotrait (HTMT).

Table 7: Discriminant Validity – Heterotrait-Monotrait (HTMT)

Variable name		FWAs		IWB		
		FWAs Family	FWAs Job	Idea generation	Idea promotion	Realization
FWAs	FWAs Family					
	FWAs Job	0.62				
IWB	Idea generation	0.12	0.2			
	Idea promotion	0.23	0.37	0.89		
	Realization	0.2	0.31	0.86	0.84	

Source: Authors of research

HTMT ratio values below 0.9 indicate that the defined components are sufficiently different from each other; it means that they describe different phenomena (Hair et al., 2019; Strugar Jelača et al., 2022). The results presented in Table showed that the discriminant validity criterion is met.

Table 8: Multicollinearity statistics

Variable name		Items	Variance inflation factor - VIF	
			Values	Criterion
Flexible work arrangements	FWAs - Job	FWA10R	1.431	VIF < 3.3 (Kock, 2015) VIF < 5 (Wong, 2013)
		FWA3R	1.172	
		FWA9R	1.448	
	FWAs - Family	FWA1	1.213	
		FWA5	3.531	
		FWA6	3.141	
		FWA7	1.628	
Innovative work behavior	Idea generation	IWB1	4.791	
		IWB2	2.932	
		IWB3	2.783	
	Idea promotion	IWB4	4.134	
		IWB5	1.717	
		IWB6	2.082	
	Realization	IWB7	3.105	
		IWB8	3.334	
		IWB9	4.197	

Source: Authors of research

The threshold value of VIF factors is 3.3 (Kock, 2015). The questions FWA5, IWB1, IWB4, IWB8 & IWB9 record values of VIF above 3.3, in the work of the author (Wong, 2013) the value of VIF below 5 is also accepted. According to the data presented in Table 10, the multicollinearity analysis shows that the criterion is met. The last step after the tested measurement model (internal model) refers to the testing of the structural (external model). Structural model analysis was performed using bootstrap analysis with 5000 subsamples. Using this analysis, the value is determined: Original Sample (β), Sample Mean, St. Deviation, t-statistics, and *p*-value, the results of which, i.e. the tested influence between the observed variables, will be presented tabular and graphically below (Gašić & Berber, 2023).

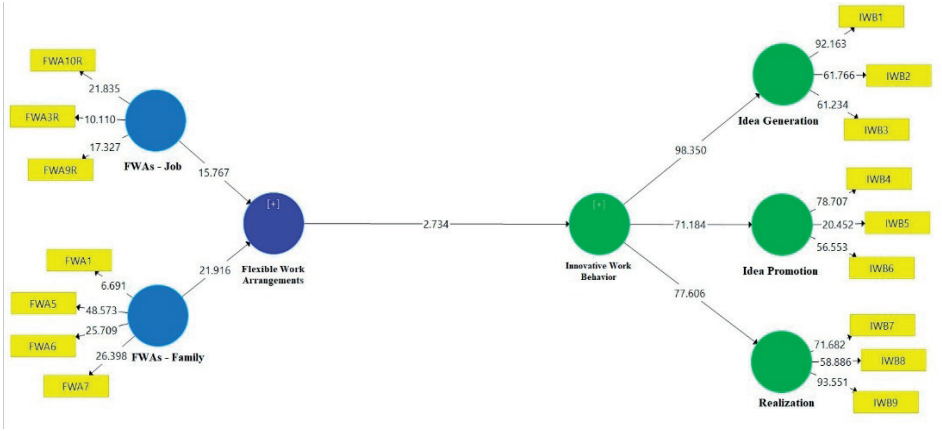
Table 9: Results of bootstrapping

Direct effect	β	St. Deviation	t -statistics	p-value
Flexible Work Arrangements -> Innovative Work Behavior	0.225	0.085	2.648	0.008

Source: Authors of research

The results shown in Table 9 indicate a positive statistically significant relation between flexible work arrangements and innovative work behavior, where values of β=0.225; t=2.648; *p*=0.008. Based on the conducted analysis, hypothesis H_1 is confirmed. More precisely, if employees perceive positively to flexible work arrangements, it will affect the increase in their innovative work behavior. The structural model presented in Figure 2:

Figure 2: The path model with the bootstrapping result



Source: Authors of research

Due to the limited number of studies worldwide on the impact of flexible work arrangements on employees' innovative work behavior in the IT sector, this research represents a significant scientific contribution. It was found that employees who use various types of FWAs, such as remote work, flexi time, and home-based work exhibit a positive effect on their innovative work behavior. Some previous studies that have also reported such positive effects include those by Rahman, Kistjanto & Suryanti (2020), Mol & de Lide (2016), Azim & Kotey (2021), Gašić (2023), and Gašić et al. (2025). In his doctoral dissertation, Gašić (2023) confirmed the positive impact of FWAs on innovative work behavior based on a sample of 582 respondents in Serbia, suggesting that these effects are not exclusive to the IT sector but are also present in other industries and business sectors.

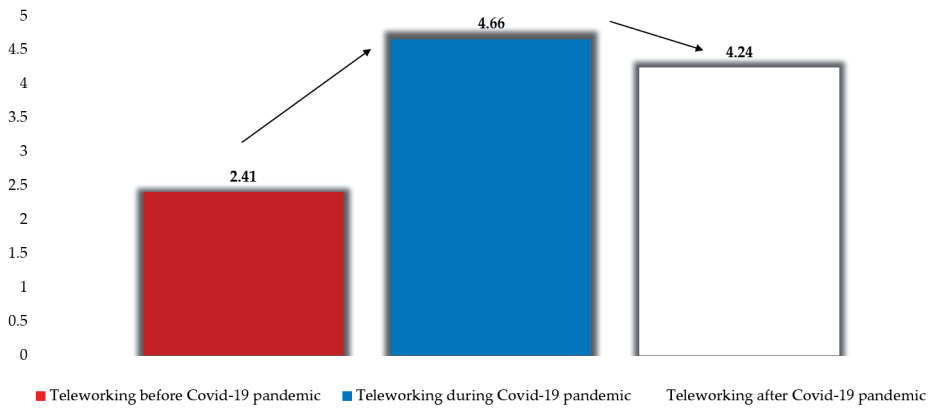
The results obtained from employees in the IT sector provide a valuable finding for contemporary HR theory and practice. Innovative work behavior which includes the generation, promotion, and implementation of new ideas in the workplace is crucial for organizational sustainability and competitiveness, especially in today's dynamic and unpredictable market conditions. These positive effects can be attributed to the fact that flexible work provides employees with greater autonomy, the ability to achieve a better work-life balance, and more

effective time management. In addition, FWAs foster psychological conditions that enhance proactivity and creativity. As a result, organizational commitment and intrinsic motivation are strengthened both of which are key prerequisites for innovative behavior.

Flexibility can also reduce stress and fatigue, thereby freeing up mental capacity necessary for divergent thinking, experimentation, and curiosity. Employees who work in environments that value flexible work practices are more likely to engage in behaviors that go beyond their formal job responsibilities and contribute to the improvement of processes and outcomes. In the next part, the authors presented the level of application of teleworking before, during, and after the Covid-19 pandemic in the IT sector in the Republic of Serbia (Gašić, 2021).

Next part refers to present of level of application of teleworking in three periods, before, during and after Covid-19 pandemic in IT sector in the Republic of Serbia. This part is very significant because we need to see how organization can enhance their job, what is better for them and did they still use maintained the same level of implementation and why.

Figure 3: Level of application of teleworking before, during, and after the Covid-19 pandemic in the IT sector in the Republic of Serbia



Source: Authors of research

Based on the results represent in Figure 3 we conclude that the level of application of teleworking before the Covid-19 pandemic was 2.41, this level is the lowest in comparison to the other two. Due to the emergence of the Covid-19 pandemic, there is a sudden increase in the application of this type of flexible work arrangement (Berber & Gašić, 2023), and after the Covid-19 pandemic, there is a slight drop in the level of application to 4.24, which is still a high level compared to the level of application before the COVID-19 pandemic, which indicates that IT companies in the Republic of Serbia saw the advantages of this way of doing business and directed their business in line with it.

Conclusion

The authors conducted a theoretical review of the literature on flexible work arrangements (FWAs), innovative work behavior (IWB), and their relationship. Previous studies indicate that FWAs positively affect IWB (De Spiegelaere, Van Gyes & Van Hootegem, 2016; Rahman, Kistyanto & Surjanti, 2020; Azeem & Kotey, 2021). Based on this, they hypothesized H_1: "FWAs are positively related to IWB in the IT sector of the Republic of Serbia." The authors then conducted an empirical study with 185 IT employees from Serbia. After coding the data, they performed PLS-SEM analysis using SmartPLS 3. The analysis confirmed the validity of the formative construct and the measurement model, including indicator and construct reliability, validity, and discriminant validity. The collinearity statistic analysis met the criteria, followed by an analysis of the structural model and bootstrapping results. The findings showed a positive and statistically significant relationship between FWAs and IWB, confirming H_1. Employees who positively perceive FWAs tend to exhibit higher IWB. These results align with previous studies, such as Qi et al. (2021), who found that greater flexibility in FWAs leads to higher IWB, and De Spiegelaere et al. (2016), who highlighted the importance of work autonomy in promoting IWB. The authors also analyzed the application of teleworking before, during, and after the COVID-19 pandemic in the IT sector of Serbia. The results showed the highest application during the pandemic, with a slight decrease afterward, but still a high level compared to the pre-pandemic period. This suggests that companies recognized the benefits of teleworking and continued its use at a higher level.

Future research should involve a larger sample from the IT sector to enhance the quality of the study. Given the lack of scientific works on this topic, further research could provide a better understanding of how FWAs impact both employee behavior and organizational attitudes.

The IT sector plays a crucial role in adapting businesses to external and internal challenges, such as new generations (Y & Z), globalization, digitalization, and crises (COVID-19, political, and economic instability). Developing IWB among IT employees is vital for improving efficiency, productivity, and organizational leadership. The practical implication is that flexible work can enhance employee innovation. Managers should identify and implement appropriate FWAs to foster innovative behavior.

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