

AN ANALYTICAL STUDY ON WORK LIFE BALANCE IN EMPLOYEE RETENTION WITH SPECIAL REFERENCE TO IT AND BPO SECTORS

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ABSTRACT

In modern times, employee's retention has become one of the leading challenges for organization, especially for service sector. The issue isn't simply losing a key member of your team; there is also the hassle-and cost-of replacement. It is obvious that employee's retention is one of the most pressing issues that Human Resource Professionals face today. This problem becomes critical when the employee is unable to maintain the balance between work life and family relationship. In that situation mostly employees leave the organization as they feel that in this organization their emotions, feelings and passions are not given recognition and their employers are not going to cooperate in any way. Hence, in this study, the effect of work life balance has been examined in lieu of the employee retention. Correlation and regression were applied to conclude the findings of this research study.

Keywords: employee retention, work life balance, growth and development

INTRODUCTION

Employers who thrash about to retain people in the critical markets. "Employee retention is the mindful and intentional attempt to retain quality persons on the company payroll. It is the proactive methods utilized by successful organizations to stop the drain of company returns caused by unwarranted employee attrition". Among the many reasons organization care about retention, retention are the direct and indirect costs linked to the loss of talented employees. In a number of studies human resources managers have estimated the cost of turnover to vary between 50% and 500% of the departing employee's annual salary, depending on job level, industry and geography potentially one of the largest costs of turnover, and perhaps the most over looked, is the lost future potential of the brightest and best who often are the ones to leave. Another, more dangerous costs of turnover involves the sharing of a company's method, technology and clients with competitors who may have hired the employees away. As

a company's success becomes increasingly dependent on the knowledge skills, abilities, and relationships of its employees. The financial impact of losing talented employees will continue to rise.

For managers, nothing feels better than having a physically powerful, successful, satisfied workforce in place that is mutually focused on the organization's performance. It is an essential to any manager's ongoing process is a critical retention strategy for hiring top-quality individuals on its own. In fact, hiring does not end the process when the candidate has acknowledged the place. Profitable initiatives and well-planned processes must be firmly in place and constantly nurtured so that employees will have motives to remain with your company for intensification to continue.

India is growing at a fast pace. Everyone is in a hurry to succeed and earn money. This is leading to overtime, nuclear family etc. Somewhere in this run we are sacrificing our family time. We have becomes like machines. Technology development has intertwined the personal and work life. Today even Indian companies also recognize these problems and have come up with various options for their employees. Thus my study aims to gain a greater understanding of employee's views towards work-life balance initiatives and identifying organizational factors that may be important for employees achieving a better balance between work and non-work life.

Today the demands of workforce have been increased very much as ever before. It is in terms of every aspect, not only remuneration and incentives but also work experience and enriching cultural context in which it occurs. It is vital to realize the varying needs and expectation in order to develop an effective retention plan for today's employment market. If the retention strategies are not properly entrenched in the business processes, the all effort since recruitment will ultimately proves fruitless (Earle, 2003) Together, effective recruitment and retention efforts attract individuals to the organisation and also increase the chance of retaining the employees once they are recruited. Employee retention strategies refer to strategies and practices that an organization implements to satisfy the varied needs of employees and create an environment that encourages them to stay with the organization.

EMPLOYEE RETENTION STRATEGIES IN THE SERVICE INDUSTRY

The part of the economy that produce services rather than goods. Employee turnover is a common and continuous problem in service sector like IT and BPO because it is more challenging than manufacturing units. Employee retention Strategies are very important for the growth of service industry. Different generations are currently in the workplace with

their differences overstated as a result of the current disjointed global, and highly technological world. The changes in the workplace, in society, and in organisations over the years have been gigantic. These changes, according to Fields (2001) have, to a great extent, caused the rules of the workplace to change. Today's workforce is a blend of up to four generations which can be both challenging and rewarding for employers, requiring specific management strategies. In the workforce, more than ever before, there is an intergenerational blend of employees – Veterans, Baby Boomers, Generation X and Generation Y (Harrison, 2010).

WORK LIFE BALANCE

In the current scenario of stiff competition, organizational productivity depends to a very great extent on the performance of employees which ultimately leads to job satisfaction. Organisations today strive to augment job satisfaction in their workforce to be more productive and to keep in pace with the competition that prevails in an era of globalisation. Stress at work place is related to the various tasks performed by the employee in the workplace which is considered to be important determinants of performance of an employee.

In the present study, an attempt is made to understand the impact of work-family challenges on professionals' career decisions and also to understand the type of work-life support they would require from their employers to balance their work and life in a better manner. This study also explores the tough challenges faced by working professionals in maintaining a balance between their personal and professional life. The various factors affecting the work-life balance have been examined in this study.

Organization should create the environment to support and maintain the flexibility of work & life of employees. This entails the modifications in HR Policies to maintain a good blend of personal lives with their careers. The top management of the organization should reorganize the work schedules in such a manner that it can balance the work & life of the employees which depicts the value of employees by the employer.

Work Place Flexibility:-

It is considered to be the most practical solution for maintaining an effective work life balance. For majority of the employees time is nearly as important as money, that's why employees are requesting work flexibility including telecommuting from home, flexitime, and a compressed work week.

Benefits obtained from balanced work life in organization include increased productivity, improved recruitment, and retention of employees and enhanced company reputation. Work – life balance also includes child care, elder care facilities and special leave schemes which provide employees with the freedom to respond to a domestic crisis without jeopardizing their employment status.

Flexitime:-

This is the practice of permitting employees to choose their own working hours with in certain limitations. It is a scheduling policy in which full time employees may opt for starting & ending times within the prescribed guidelines of the organization.

In a recent Harvard study where employees were asked to list their most important job component, the first priority on the list was “having a work schedule that allows employees to spend time with family.” A flexitime policy also may permit employees to adjust their work hours in order to utilize time for Doctor’s appointments, children activities, hobbies or voluntary work.

Compressed Work Week:-

It is an arrangement of work hours that allows employees to complete their tasks in fewer days than the usual 5 day work week. For example- instead of working eight hours a day for five days, employees could complete 40 hours of work in four 10- hour days.

Job Sharing:- In this method, 2 part- time employees carry out the tasks associated with a single job. Such arrangements can facilitate an organization to attract or retain valued employees who require more time to attend to child care responsibilities.

REVIEW OF LITERATURE

Ajith. Et al (2013) studied on work-life balance for role prioritization of IT employees showed that the employees were able to fulfil their professional and personal commitments at the same time, because of better work-life balance policies. The study was conducted on variables like travelling time, depression, temper, work etc., to know the relation between work-life balance and stress management.

Carmeli (2013), examined the extent of which senior managers with high emotional intelligence, employed in public sector organizations develop positive attitudes behaviour & outcomes. Results show senior managers who had high emotional intelligence were more

likely to be effectively control work-family conflict than those who have low emotional intelligence.

Ignacio Levy (2012) in his study of working mothers and their perceived work-life balance showed that the age of the children is not that significant but the child-care support remains an important factor in determining perceived work-life balance.

T. G. Vijaya, R. Hemamalini (2012), in their article titled, "Impact of Work Life Balance on Organizational Commitment among Bank Employees", the researcher found that there exist a positive correlation between affective commitment, continuance commitment and work life balance variables.

Sophia J. Ali (2011) investigated that organizations should strive to ensure that career development programmes were set to enhance career development amongst women employees. Top management should also be committed to the career development of women, and organizations should also introduce affirmative action to urgently address career development of women.

Moseley, Jeffers and Paterson (2008) state that employee retention is important to organisations, as increased turnover creates instability and puts additional workload and stress on remaining staff, increasing job dissatisfaction and therefore potentiating the turnover cycle.

OBJECTIVES OF THE STUDY

- To identify the issues and factors related to work life balance which can contribute to the employee retention.
- To help policy makers in developing a more effective and better system for maintaining the work life balance.

RESEARCH METHODOLOGY

Research Approach: Descriptive approach has been undertaken for the study. The target populations of the study were 500 employees who were selected from the service sector of IT and BPO to participate because this group tends to be the focus of most employee turnover in recent years. Additionally, they are more likely to be responsible for implementing the HR strategies for retaining the employees. The population was taken for survey in Indore city.

Unit of Analysis: The theoretical population is consisted of the IT companies and BPO centres in Indore city.

Sample Size: Total 500 employees were selected from the universe included Middle Managers and Top Managers.

Survey Instrument: A set of 15 measures were selected for the study after going through the literature. A self- structured questionnaire was framed with the help of reviews on past studies and utilizing these 15 measures of WLB with respect to job recognition, flexibility in timing , perks and benefits, employee motivation, learning climate, career opportunities, organizational commitment, communication, superior-subordinate relationship and training with appropriate instructions for each section of the questionnaire for the collection of data on the study.

HYPOTHESIS

H₀₁₁: Increased Work Life Balance does not result into higher Employee Retention

H₁₁₁: Increased Work Life Balance results into higher Employee Retention

TABLE 1.1 (A) DESCRIPTIVE STATISTICS ON WORK LIFE BALANCE & EMPLOYEE RETENTION

	Mean	Std. Deviation	N
Employee Retention	6.7020	1.15926	500
Work Life Balance	8.5420	1.46715	500

TABLE 1.1 (B) CORRELATIONS ON WORKER'S PARTICIPATION & EMPLOYEE RETENTION

		Employee Retention	Work Life Balance
Pearson Correlation	Employee Retention	1.000	.674
	Work Life Balance	.674	1.000
Sig. (1-tailed)	Employee Retention	.	.000
	Work Life Balance	.000	.
N	Employee Retention	500	500

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Sig. (1-tailed)	Employee Retention	.	.000
	Work Life Balance	.000	.
N	Employee Retention	500	500
	Work Life Balance	500	500

Above table shows the correlations and it is evident from this table that Pearson's correlation coefficient between Employee Retention and Work Life Balance is 0.674 which is significant since the significant value (p- value) 0.000 is less than 0.05. Therefore, we may conclude that there is significant association between Work Life Balance and employee retention. Furthermore, since the value of correlation coefficient r suggests a strong positive correlation, we can use a regression analysis to Model the relationship between the variables.

TABLE 1.1 (C) MODEL SUMMARY^B ON WORK LIFE BALANCE & EMPLOYEE RETENTION

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.674 ^a	.454	.451	1.14270	.451	15.566	1	498	.000

a. Predictors: (Constant), Work Life Balance

b. Dependent Variable: Employee Retention

TABLE 1.1 (D) ANOVA^B ON WORK LIFE BALANCE & EMPLOYEE RETENTION

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20.326	1	20.326	15.566	.000 ^a
	Residual	650.272	498	1.306		
	Total	670.598	499			

a. Predictors: (Constant), Work Life Balance

b. Dependent Variable: Employee Retention

TABLE 1.1(E) COEFFICIENTS^A ON WORK LIFE BALANCE & EMPLOYEE RETENTION

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	5.527	.302		18.290	.000	4.933	6.121
	Work Life Balance	.438	.035	.674	3.945	.000	.069	.206

a. Dependent Variable: Employee Retention

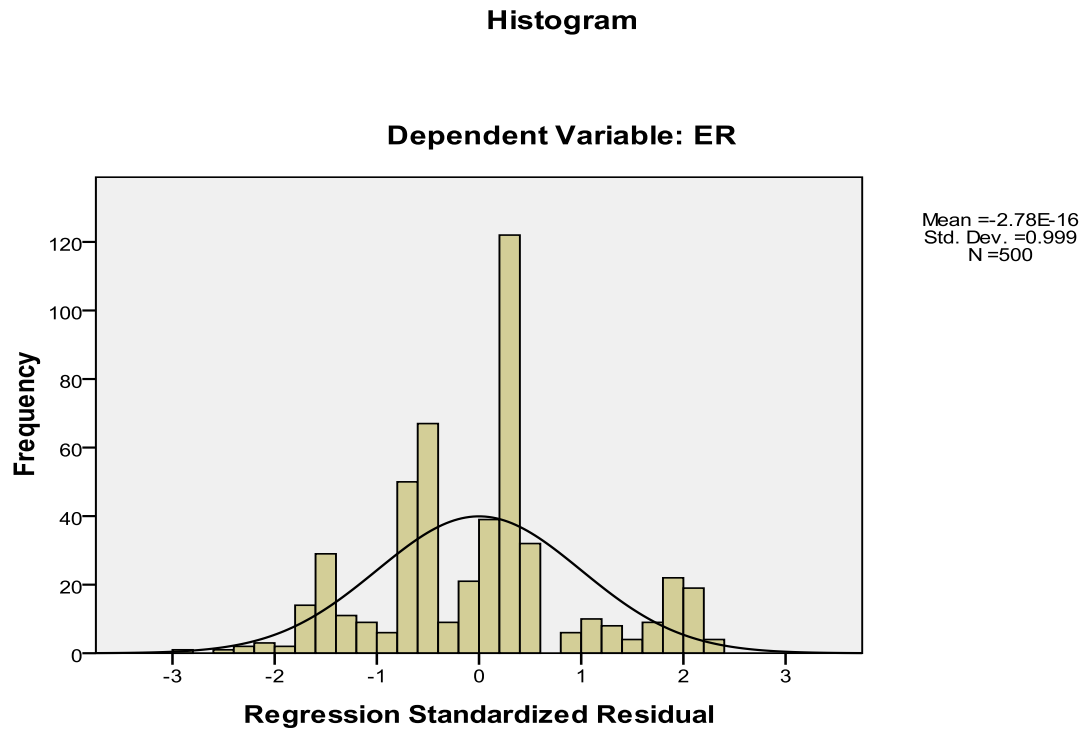


FIGURE 1.1: HISTOGRAM ON WORK LIFE BALANCE & EMPLOYEE RETENTION

Over all model summary shows the value of linear correlation coefficient $R=0.674$, it is the linear correlation coefficient between observed and model predicted values of the dependent variable, Its large value indicates a strong relationship. R^2 , the coefficient of determination is the squared value of the multiple correlation coefficients. Adjusted $R^2=0.451$, R^2 change is also 0.454 and these values are significant which shows that overall strength of association is moderately noteworthy. The coefficient of determination R^2 is 0.454; therefore, 45.4% of the variation in employee retention is explained by Work Life Balance.

ANOVA is used to exhibit model's ability to explain any variation in the dependent variable. ANOVA table exhibits that the hypothesis that all model coefficients are 0 is rejected at 1% as well as 5% level of significance which means that the model coefficients differ significantly from zero. In other words we can say that there exists enough evidence to conclude that slope of population regression line is not zero and hence, Work Life Balance is useful as predictor of employee retention.

From the table of coefficients, the regression equation can be obtained as

Employee Retention= 5.527 + .438* Work Life Balance

The normal probability plot is obtained to test the assumption about the normality of residuals and it appears that the residuals are approximately normally distributed. Thus the assumptions for regression analysis appear to be met.

Impact as Manager

As a manager understanding work life balance will help me to maintain a health work culture and increase employees' productivity. It will also help me to:

- reduced employees turnover rates and absenteeism
- becoming a good employer or an employer of choice
- increased return on investment in training as employees stay longer

CONCLUSION

India is growing at a fast pace. Everyone is in a hurry to succeed and earn money. This is leading to overtime, nuclear family, etc. Somewhere in this run we are sacrificing our family time. We have become like machines. Technology development has intertwined the personal and work life and this topic has always attracted my attention. Indian companies also recognize these problems and have come up with various options for their employees. Thus this study aims to gain a greater understanding of employee's views towards work-life balance initiatives and identifying organizational factors that may be important for employees achieving a better balance between work and non-work life.

Today's work culture provides flexible work hours, focus on results and recognition of achievements. Also, performance evaluation is given utmost importance in every organization. Performance management refers to the evaluation of performance of an individual on set parameters, usually decided by the upper level management. Performance management can also be done by using various tools, called performance management systems, which help evaluate the performance of an individual promptly and with least errors. The changing work culture often leads to hindering of productivity which ultimately hampers the performance of an individual. Work culture also plays a pivotal role in the job satisfaction of an individual. Every individual needs a peaceful and friendly environment to carry out his job in a better and optimistic way.

Service sector is one of the fastest growing sector it provides opportunity for employment of more number of women. The secret to work-life balance will vary depending on field of

work, family structure and financial position. Personal life and professional work are two sides of coin it is difficult to separate and form a source of conflict. Companies must strive to develop a special bond with its people, so that they will put in more into their jobs and contribute positively. The philosophy of work life balance for the people/employee of the company is a very progressive and encouraging concept.

Employees today expect their organisations to help in managing work-life balance and in reducing stress and burnout. Work life balance is a situational variable, while stress is a personality variable. Both together determine job satisfaction that, in turn, affects employee engagement and productivity.

Work-life balance also negatively affects stress. It implies that if the organisation and individual make concerted efforts, stress can be reduced to a very great extent and employees may therefore in a better position to strike a proper balance between their professional and personal life.

It is primarily the responsibility of an individual to balance work and life and initiate steps to reduce stress and burnout.

SUGGESTIONS AND RECOMMENDATIONS

Work-life balance is a broad concept including proper prioritizing between Professional life which includes career, challenges, pressure, achievement and ambition on one hand and private life which includes pleasure, leisure, family and spiritual development, specific Counseling programmes on Work Life Balance can be conducted. Employers can create awareness about the impact of work life balance at employees personal and organization life.

- Well designed flexible working hours.
- An ideal work culture can be created to achieve work life balance
- Family welfare programmes and family counseling programmes can be conducted
- Employees' social gathering programmes and public contact programmes will be the better option to reduce the mental pressure in the work place as the study reveals more mental pressure for the Women employees.

- Regular exercises, mediation and other soft skill practices can improve the emotional balance of the employees.
- Reward and recognition system should be fair and objectively to be adapted to each and every employee in the Organization since the study shows majority of the respondents are not comfortable with the present compensation system of their respective institution where they employed.

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