The Role of Work-Life Balance Practices in Order to Improve Organizational Performance

IOAN LAZĂR PROFESSOR PH.D  
Email: ioan.lazar@econ.ubbcluj.ro

CODRUȚA OSOIAN SENIOR LECTURER PH.D  
Email: codruta.osoian@econ.ubbcluj.ro

PATRICIA RAȚIU PH.D STUDENT¹  
Email: patricia.ratiu@econ.ubbcluj.ro

Babeș Bolyai University, Faculty of Economics Sciences and Business Administration, Cluj-Napoca, Romania

Abstract: Well known in the literature as work life balance, the quality relationship between paid work and unpaid responsibilities is critical for success in today’s competitive business world. The issue of work-life balance has been developed in response to demographic, economic and cultural changes.

The purpose of this paper is to establish whether work-life balance initiatives and practices can be considered as strategic human resource management decisions that can translate into improved individual and organizational performance. The results of a number of studies reviewed in this paper show the outcomes and the benefits of implementing work-life balance practices not only for employees themselves, but also for their families, organizations and society. Despite the fact that work-life conflict has significant business costs associated with lack of engagement, absenteeism, turnover rates, low productivity and creativity or poor retention levels, there are some factors of organizational work-life culture that may compromise availability and use of these practices.

What are the challenges for research and practice in the future? In the end of the article we propose several suggestions (guidelines) in order to improve our understanding, choice, implementation and effectiveness of work-life practices.

Keywords: Work-life balance, integration, performance, flexible working time, work-place culture.

Introduction

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Work-life balance practices are deliberate organizational changes in programs or organizational culture that are designed to reduce work-life conflict and enable employees to be more effective at work and in other roles. The transition from viewing work-life balance practices solely as a means of accommodating individual employees with care giving responsibilities to recognizing their contribution to organizational performance and employee engagement is an important paradigm shift that is still very much ‘in process.’

Competing and multi-faced demands between work and home responsibilities have assumed increased relevance for employees in recent years, due in large part to demographic and workplace changes, such as: a greater numbers of women in the workforce (dual-career couples), transformation in family structures (a rise in the number of single parents), a growing reluctance to accept the longer hours culture, the rise of the 24 per 7 society, and technological advancements. In response to these changes and the conflict they generate among the multiple roles that individuals occupy, organizations are increasingly pressured to design various kinds of practices, intended to facilitate employees' efforts to fulfill both their employment-related and their personal commitments. The way of how work-life balance can be achieved and enhanced is an important issue in the field of human resource management and has received significant attention from employers, workers, government, academic researchers, and the popular media. (McPherson and Reed 2007, 13).

In order to encourage the improvement of implementing such practices this article addresses the following questions: What does work-life practices mean? Why do organizations apply work-life practices?, What is the effectiveness of these practices?, Why do not work-life practices really work?, What are the challenges for research and for the practice in the future?

Literature Review
Practices that are meant help employees better manage their work and non-work times are called in the literature as work-family policies, family-friendly or family-responsive policies

In recent years, the term “work-life balance” has replaced what used to be known as “work-family balance” (Hudson Resourcing, 2005). This semantic shift arises from a recognition that childcare is by no means the only important non-work responsibility and the issue can be applies to any non-paid activities or commitments and to a diverse range of employees such women, man, parents and non-parents, singles and couples. Other life activities that need to be balanced with employment may include study, travel, sport, voluntary work, personal development, leisure or eldercare.

From the very beginning it is important to understand that work-life balance does not mean to devote an equal amounts of time to paid work and non-paid roles; in its broadest sense, is defined as a satisfactory level of involvement or ‘fit’ between the multiple roles in a person’s life. Although definitions and explanations may vary, work-life balance is generally associated with equilibrium between the
amount of time and effort somebody devotes to work and personal activities, in order to maintain an overall sense of harmony in life. (Clarke, et al 2004, 121)

To understand work-life balance, it is important to be aware of the different demands upon us and our personal resources- our time and our energy- that we can deploy to address them. With this awareness, we are able to review and value the choices we have in terms of how we allocate our precious resources. Such conscious decision-making provides a sense of control over our working arrangements in order to better accommodate other aspects of our lives, while still benefiting the organizations.

Research has indicated that those workers who have some form of control over their working environment tend to suffer less stress-related ill-health, with clear implications for the concept of work-life balance. According to Jim Bird, CEO of Worklifebalance.com (an international work-life balance and consulting company), “Work-life balance is meaningful achievement and enjoyment in everyday life”. Also he believes that to achieve better work-life balance, each individual needs to work smarter- to get more done in less time. The primary way companies can help facilitate work-life balance for their employees is through work-life practices, that are usually associated with flexible working and reductions in working time or family-friendly policies. Even if many companies have extensive work-life programs, most have not yet changed their organizational cultures to support employees and managers who want to use work-life options. Research by Kenexa Research Institute in 2007 shows that those employees who were more favorable toward their organization’s efforts to support work-life balance also indicated a much lower intent to leave the organization, greater pride in their organization, a willingness to recommend it as a place to work and higher overall job satisfaction.

Organizations can implement various work-life balance initiatives that may assist employees to better balance their work and family responsibilities, gain improvements in well-being and provide organizational benefits. There are a large variety of family friendly policies which include but are not limited to the following: flexible working hours, job sharing, part-time work, compressed work weeks, parental leave, telecommuting, on-site child care facility, (Hartel et al 2007). In addition, employers may provide a range of benefits related to employees’ health and well-being, including extended health insurance for the employee and dependents, personal days, and access to programs or services to encourage fitness and physical and mental health. Still, other practices may support children’s education, employees’ participation in volunteer work, or facilitate phased retirement. These additional practices fall outside the scope of our current paper, but can be viewed as supporting employees’ health, well-being, and work-life balance.

**Flexi time** allows employees, to determine (or be involved in determining) the start and end times of their working day, provided a certain number of hours is worked. This can allow them to meet family or personal commitments/emergencies (enable employees to respond to both predictable and unpredictable circumstances),
during the day or to reduce their commuting time by starting and ending work before or after the rush hour.

**Telecommuting:** It is becoming more and more common for people to do at least some of their regular work from home instead of going into the office. This type of arrangement is often called 'telework' or 'telecommuting' and can be advantageous for employees by allowing them: to organize their work day around their personal and family needs; to decrease work-related expenses; to reduce commuting time; and to work in a less stressful and disruptive environment. It may also help to accommodate employees who, because of particular disabilities, are unable to leave home. The fact that employees who telework can use this added flexibility to capitalize on their personal peak productivity periods can also favourable influence a company’s bottom line. Despite these benefits and the attention that telecommuting has attracted in the media, very few collective agreements contain telework provisions. The paucity of telework clauses is partly due to the fact that not all occupations are amenable to such an arrangement. Moreover, employers may be concerned by the initial implementation costs, potential legal liabilities, and difficulties in supervising and appraising the performance of teleworkers. Trade-Unions may disapprove of work-at-home clauses if they perceive them as leading to greater isolation of employees, reduced job security and promotion opportunities, and diminished health and safety protection.

**Compressed Work Weeks:** A compressed work week is an arrangement whereby employees work longer shifts in exchange for a reduction in the number of working days in their work cycle (e.g. on a weekly or biweekly basis). This can be beneficial for employees in terms of additional days off work (e.g. longer weekends allowing “mini vacations”) and reduced commuting time, whereas employers can extend their daily operating hours, with less need to resort to overtime. Compressed work week arrangements may be particularly useful for employees who wish to reduce the number of days per week spent at work, but who can not financially afford to decrease their working hours. Compressed work weeks are often initiated by the employee, but sometimes the employer may initiate the option to improve operational efficiency, to maximize production (reduced daily start up costs) or to establish longer business hours which can enhance customer service. Common arrangements for a forty hours work week are working ten hours per day, four days a week; working an extra hour a day with one day off every two weeks; or working an extra half hour a day and having one day every three or four weeks off.

**Part-Time Work:** Part-time arrangements can also allow people with health problems, disabilities or limited disposable time (e.g. students) to participate in the labour force, develop their skills and obtain work experience. Finally, they can facilitate re-entry into the workforce for those who have had career breaks — particularly mothers (or fathers) who have stayed at home to raise their children — or provide a gradual exit for employees nearing retirement. From the employer’s point of view, the use of part-time workers, where feasible, can help maximize the use of human resources and increase operational flexibility, by providing additional coverage during peak periods. Part-time employment can also be considered
unsatisfactory for those employees who would prefer working longer hours to increase their income, thereby ensuring a higher standard of living for their families. The European Working Conditions Survey found that 85% of those working less than 30 hours per week were satisfied with their work–life balance. Furthermore, part-time workers and those working less than 35 hours a week reported the lowest levels of both physical and psychological health problems. Part-time work is one strategy frequently used by workers who wish to better balance their work and family life. Part-time work should be promoted in more, higher-level occupations, for instance, Daimler Chrysler in Germany promotes part-time work in leading positions in the company. (Clarke, et al, 2004)

**Job sharing** is an arrangement which allows two (or sometimes more) employees to jointly fill one fulltime job, with responsibilities and working time shared or divided between them. Job sharing may be appropriate where opportunities for part-time jobs or other arrangements are limited. Apart from the obvious advantage of allowing employees more time for other commitments, including family responsibilities, job sharing also facilitates the development of partnerships, where job sharers can learn from each other while providing mutual support. It can benefit employers as well by improving staff retention, increasing productivity and combining a wider range of skills and experience in a single job. In some cases, such an arrangement can also provide additional coverage during busy periods, while ensuring continuity of coverage when one partner is on sick leave or holidays. For business with substantial numbers of administrative, maintenance or customer-facing employees, offering flexible working conditions can be problematic. Where the hours of work are customer-driven, organizations face limitations on flexibility for employees, but this is when family-friendly programs such as child care would be of most benefit. A positive example of childcare support is Star City Casino in Sydney that provides a 24-hour childcare facility. Management believes this has helped both staff and the organization, as evidenced by the lowest staff turnover rate of any casino in Australia. (Australia Government Website, 2005).

Contextual factors that influenced the success of these work arrangements were management support and supportive organizational culture, the presence of formal human resource management practices regarding reduced work arrangements and assistance in the implementation of such arrangements.

**Work-Life Policies as Strategic Human Resource Management Decisions**

There are some motives for applying work-life practices by organizations: to increase participation of female personnel and make use of their capacities, to keep employee motivated and well performing, to make the organization more attractive to employees, to have a better corporate social responsibility.

During the last decades there have been dramatic changes in the field of Human Resource Management. The focus has been broadened from the micro level to more macro- or strategic perspective, known as strategic human resource
management. The basic promise of this perspective is that organizations that achieve congruence between their human resource practices and their strategies should enjoy superior performance (Delery and Doty, 1996). The strategic human resource management perspective emphasizes that a workforce strategy should fit an organization's business goals, culture and environmental circumstances and that human resource management practices should be interrelated and internally consistent (Dreher, G.F., 2003).

While the field has been criticized for lacking theoretical foundation, Delery and Doty, (1996) recognized three theoretical modes that are utilized in strategic human resource management to explain mainly financial performance. The first theoretical approach is the universalistic perspective, which assumes that some practices are always better than others (the so-called best practices) and if organizations adopt them this will result in productivity. A second theoretical approach is the contingency perspective arguing that in order to be effective the organization's human resource management policies must be consistent with aspects like the organization's strategy. The third theoretical model is the configurationally approach, which is guided by a holistic principle of inquiry, and identifies typologies — instead of unique factors — that are posited to be maximally effective (for performance).

The question is now, which of these approaches are relevant to the study of the effectiveness of work-life policies. The first problem that we encounter when answering this question is how to operationalize effectiveness. Does it refer to the smooth functioning of family life, or to positive organizational behavior e.g., job performance, or is it merely the answers on questions about the experienced conflict between work and private life? Evidence provides strong support for the universalistic perspective and some support for both the contingency and configurationally perspective, at least what concerns the prediction of company's performance (Delery, J.E. and Doty, D. H., 1996). This means that some HR practices were more appropriate under specific strategic conditions and less appropriate in other conditions underlining the complexity of the HR manager's job.

Actually, none of the known work-life policies has been consistently found as beneficial for job performance. Also Konrad, A.M and Mangel, R., (2000) found no relationship between a composite measure of 19 work-life initiatives and productivity. While there is not strong evidence for the universalistic approach for work-life policies regarding their effects on job performance, Perry-Smith and Blum (2000) provide evidence for the configurationally approach. Specifically, organizations with a greater range of work-family policies (including leave policies, traditional dependent care and less traditional dependent care) had higher organizational performance, market performance and profit-sales growth. Work-life policies have not been studied yet from a contingency perspective while this can be promising in terms of effectiveness.

While it seems logical that there should be a lot of research on the relationship between the provision of specific (combinations of) work-life policies and experienced work-life balance or conflict, the studies reviewed in this article do
not confirm this. What can be concluded from the existing studies is that there are no universalistic policies that have been found to be beneficial in reducing conflict between work and non-work domain (Eby, L.T et al., 2005). In a study among male executives, (Bretz, R.D. and Judge, T.A., 1994) found that the more the organizations provided comprehensive policies to accommodate work and family issues the less work-family conflict was experienced by these employees. However, the relationship was not so strong and Judge et al. ( ) used a global scale to rate the provision of policies. While we cannot make any conclusion about which policies were supplied, this finding can be considered as an indication that it is the provision of constellations of work-life policies that matters and not a unique policy. This pleads for the configuration or contingency approach as more applicable for the reduction of conflict between work and life-family.

Organizational outcomes and employees’ benefits of work-life balance policies

The effects of introducing work-life balance practices on employee attitudes and perceptions include job satisfaction, organizational commitment, job stress and turnover intention. All of these factors, in turn, affect job performance, direct and indirect absenteeism costs, costs associated with the loss and replacement of valued employees, customer satisfaction, and organizational productivity; Although the formal evaluation of work-life practices is often difficult because of the problem of calculating the costs and benefits of different strategies, some companies have attempted to quantify the outcomes of specific policies. The most commonly used measures of organizational outcomes include the follow:

- Reduce staff turnover rates
- Increased retention of valuable employee
- Reduce absenteeism and lateness
- Employee loyalty and commitment
- Improved productivity
- Enhanced organizational image
Reduced costs – particularly those related to reduced absenteeism and turnover. Both absenteeism and high turnover rates in organizations are indicative of low morale and job stress. Thus, reducing absenteeism is an important organizational objective for reducing costs. Organizations like Capital One Financial, a financial services company, reported that work-life balance practices reduced turnover and increased productivity and Employee satisfaction. The Canadian Teleworkers Association has also reported that about 25% of IBM’s 320,000 employees worldwide telecommute saving the company $700 million in real estate costs. (Hartel et al 2007).

Enhanced organizational image and retention of “desirable” employees: Being perceived as having innovative work-life balance practices allows organizations to enhance their organizational reputation in the public domain. This means that they are also well-positioned to attract and retain greater numbers of job applicants from which a larger pool of better qualified employees can be selected. Thus for example, Arup Laboratories, a Medical and Testing Reference Laboratory with 1,789 employees in Salt Lake City, has reported that offering flexible scheduling has helped them to more than double their employee base from 700 in 1992 to 1,700 employees in 2004, whilst reducing turnover from 22% to 11%. (Hartel et al 2007). It is also notable that a variety of ‘best employer’ surveys regularly use availability of work-life balance practices as an evaluation criterion, thus indicating the connection between corporate image and the availability of such practices. SC Johnson, a family-owned consumer-goods company in New Zealand, says improved staff retention as a result of work-life initiatives saves the company more than $200,000 a year. (www.worklifebalance.com, 2004)

Increased productivity and employees’ performance: The existent literature suggests that work-life balance practices generally have a positive impact on individual and organizational productivity. In addition to the previous reference to Capital One Finance, Pfizer Canada reported a 30% productivity increase in its translation department when employees were provided with opportunities to telecommute. Focusing specifically on customer service as an indication of organizational performance, KPMG has reported that allowing employees to take
emergency time off to attend to care responsibilities has been a driving force behind their retention and ‘superlative services’ provision.

Organizations that offered more extensive bundles of work-life balance practices had higher ratings on a measure of organizational performance obtained from senior HR directors on such dimensions as being able to attract essential employees, the quality of relations between management and employees, and product quality.

Can Work-Life Initiatives be measured? Even if, it is difficult enough measuring the return on investment in work-life practices there are several key factors to be considered in measuring return on investment and that can positively impact the bottom line. Identifying and assessing the impact of work-life balance practices on absenteeism, turnover/ replacement, healthcare costs and stress-related illness and employee time saved will be the topic for a further research.

**Barriers in achieving work-life balance**

Implementing of work-life practices for organizational effectiveness may be compromised by lack of use these practices. Research conducted amongst organizations in the UK suggests that employees often remain unaware of their work-life entitlements following the implementation of work-life balance practices (Kodz et al, 1998). For example, in a survey of 945 employees in six different organizations across three sectors of employment (local government, supermarkets, and retail banking), found that 50% of employees were unaware of the family-friendly practices offered by their organizations. (Yeandle et al 2002).

Five distinct aspects of work-life culture have been identified from previous studies (McDonald et al 2005), all of which should be considered by organizations when attempting to improve employees’ work-life balance. These are outlined below:
Managerial support is consistently emphasized in discussions and studies as a factor influencing work-life balance. Managers play an important role in the success of work/life programs because they are in a position to encourage or discourage employees’ efforts to balance their work and family lives. Where supervisors enthusiastically support the integration of paid work and other responsibilities, employees will be more likely to take up available work-life programs. On the other hand, it has been suggested that even in ‘family-friendly’ organizations, managers may send negative signals indicating that the use of flexible benefits is a problem for them, their colleagues and the organization as a whole (Hudson Resourcing, 2005).

Career consequences: The second factor associated with a barrier to the successful implementation of work-life practices is the perception of negative career consequences. In a study of 463 professional and technical employees in biopharmaceutical firms, (Eaton 2003, 145) found that the provision of work-life practices improved employees' organizational commitment, but only to the extent that employees felt free to use the practices without negative consequences to their work lives—such as damaged career prospects. Similarly, (Cunningham, 2001), cites an American Bar Association report that although 95% of American law firms have a part-time employment policy, only 3% of lawyers have used it due to fear of career derailment. The perception that using work-life balance practices will have a negative impact on their career prospects appears to be a powerful demotivator for employees' use of these practices (Kodz, Harper, Dench, 2002).

Organizational time expectation: Another factor that influence the uptake and overall supportiveness of work-life policies is organizational time expectations—the number of hours employees are expected to work; how they use their time (e.g., whether employees are expected to take work home); In several studies, however, long working hours have been identified as a signal of commitment, productivity and motivation for advancement. One study, based on interviews with engineers in a Fortune 100 company in the US, concluded: “If one is to succeed, one has to be at work, one has to be there for long hours, and one has to continuously commit to work as a top priority. To be perceived as making a significant contribution, productivity alone is not enough. One has to maintain a continual presence at work.” This is particularly the case in organizations with “presenteeism” cultures where those who succeed are the ones who come in early and stay late as a matter of course.

Known as “face time” being visibly at workplace, often for long hours—is seen as a sign of commitment, of loyalty, of competence and high potential (Beauregard and Lesley 2008, 9-12), but also is seen as a major barrier to achieving work/life balance. Employees who do not give the maximum amount of time possible to the organization are often defined as less productive and less committed, and are therefore less valued than employees working longer hours;

We consider that the shift to evaluating performance on the basis of outputs rather than time spent physically at the workplace is, however, an essential part of developing a culture that supports work-life balance. It is very difficult to implement
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Flexible work arrangements in organizations where the focus is on hours rather than output, and presence rather than performance. This means that organizations that want to increase work-life balance need to introduce new performance measures that focus on objectives, results and output. To do this, they need to reward output not hours and what is done, not where it is done. They also need to publicly reward people who have successfully combined work and non-work domains and not promote those who work long hours and expect others to do the same.

**Genders perceptions:** Perceptions that work-life policy is developed only for women are the fourth factor related to their use. A review of men’s use of family-friendly employment provisions argues that barriers to men’s use arise from three major sources.

First the culture of many workplaces casts doubt on the legitimacy of men’s claims to family responsibilities. Second, the business environment, imposing competitive pressures to maintain market share and increase earnings. Third, the domestic organization in employees’ own homes often precludes men from taking up available work/life options. Some work-life provisions, such as paternity leave, are intended specifically for men and aim to foster a greater sharing of responsibilities between men and women. Thus, encouraging more men to use opportunities for flexible work is important but clearly this requires a supportive work environment as well as changes in attitudes and expectations in the wider community.

**Co-worker support:** An increasing amount shows that workers who make use of work-life practices suffer negative perceptions from colleagues and superiors. An experiment (Beauregard, Lesley, 2008) found that employees who used work-life balance practices were perceived by co-workers as having lower levels of organizational commitment, which was thought to affect the subsequent allocation of organizational rewards such as advancement opportunities and salary increases. Some staff that use flexible arrangements have reportedly experienced ‘family-friendly backlash’ or resentment from co-workers.

In other organizations, employees without dependent care responsibilities (in this paper, defined as time spent performing childcare, eldercare or care for a disabled dependent) interpret “family friendly” as favoritism and complain that they are being “unfairly” or inequitably treated. We consider that such employees feel that their colleagues with childcare or eldercare responsibilities are “getting away with less work” and that the needs of childless employees are being ignored, but this kind of attitude should be changed. This backlash against “family friendly” makes it harder for organizations who wish to address the issue.

In conclusion regarding such perceptions, it is therefore not surprising why work-life practices tend to be underused by male employees, single employees and career-oriented mothers; and that apprehension of negative career consequences for using practices has been associated with increased levels of work-life conflict.

**Conclusions**
Changing demographics are behind the move to embrace work-life programs. The decline of the traditional family, an increase in dual-career couples, and a rise in the number of single parents mean that employees are juggling more responsibilities outside work.

In conclusion we want to enhance that everyone benefits from good practice in work-life balance. For instance: business, through easier recruitment, improved retention, and easier service delivery; the economy, as the labor market grows more skilled and experienced people are available to work; parents and careers, who can spend quality time at home as well as providing financial support through work; people with disabilities, through improved access to work; and, the workforce generally where they are better able to balance their work with other aspects of their lives.

The more control employees feel they have over their lives, the more able they are to balance work and family. An overall conclusion of much of the research is that work-life balance practice are most effective when they enhance employees’ autonomy and increase their capacity to perform well in work and in family situation. In summary, a successful convergence between work and non-work aspects can be a win-win situation for employees and employers alike. The ability to achieve satisfying experiences in all life domains enhances the quality of personal relationships and a range of organizational outcomes.

Availability and use of work-life balance practices, when provided in the context of supervisor and organizational support can reduce work-life conflict and increase positive appraisals of one’s organization. These effects are often associated with employee attitudes such as increased job satisfaction and enhanced control over their work schedule. The results are: reduce absenteeism, intend to turnover, job stress levels and work-life conflict and increased productivity. A lower turnover intentions means: lower recruitment and training costs, increased retention of valuable employee and increased organizational commitment and loyalty. All of these aspects are associated, in turn, with costs savings, higher customer satisfaction and implicitly higher levels of organizational performance.

This article argues that building an organizational culture which supports work-life balance is a long term process for large organizations. It involves changing the way people think and talk about their work and about work-life balance so that using flexible working options and other work-life initiatives becomes accepted and normal for everyone regardless of their gender, seniority within the organizational or personal commitments.

References:
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