IMPACT OF WORK-LIFE BALANCE ON EMPLOYEE RETENTION

D. Abirami
Ph.D Research Scholar,
A. V. V. M Sri Pushpam College, Poondi, Tanjavur – 613503
(Affiliated to Bharathidasan University, Tiruchirappalli)
Tamilnadu, India

Dr. S. Suresh
Research Advisor & Assistant Professor, Department of Commerce,
A. V. V. M Sri Pushpam College, Poondi, Tanjavur – 613503.
(Affiliated to Bharathidasan University, Tiruchirappalli)
Tamilnadu, India

ABSTRACT

The core purpose of the study is to explore the IT employees' work-life balance and its impact on their Employee Retention. The researcher conducted this study in the Tiruchirappalli district. The data was collected for 130 sample respondents using the convenience sampling technique and evaluated using the SPSS IBM Statistical package. The correlation and multiple regression statistical tests were compared with the collected data. The research findings would assist the top management in improving their policies and laws toward employee retention. Further, the finding also benefits the organization for its sustainable development.

Keywords: Employees, Employee Retention, Impact, IT, Work-Life Balance.

1. INTRODUCTION

Employee retention has been one of the most pressing issues for businesses in recent years, particularly in the IT industry. The problem is not just losing a crucial member of the organization; it is also dealing with the inconvenience of searching for a new employee for that position. It is self-evident that retaining an employee is essential. This is one of the most pressing concerns confronting today's HR professionals. When an employee cannot establish a work-life balance, a problem arises. When this happens, the majority of staff leaves the company.

The workforce's demands have risen as high as they have ever been. So it is in every way, not just in terms of salary and incentives, but also in terms of work experience and the cultural context in which it occurs. Understanding the various demands and expectations is critical to build an effective retention plan for today's employment market. Thus the study focuses on the effect of work-life balance on employee retention in IT companies.

2. LITERATURE REVIEW

Alison and Hall (2015) have argued that employees who achieve work-life balance meet their needs in both the job and non-work environments of life. They feel better when they have an excellent work-life balance. They have a propensity for behaving well in their personal and professional lives. They are less likely to get involved in conflicts in their lives and are more satisfied with their jobs and lifestyles. When employees are less stressed and depressed, they are more likely to attract new workers, minimize attrition and absenteeism, and increase voluntary engagement, which can improve productivity.

In his article based on the IT sector, Ratna and Kaur (2016) revealed that employee work-life has been a source of significant concern due to a slew of issues with employee health, workplace monotony, and diminishing productivity levels competence at the employee level.

Wei & Yazdanifard (2014) mentioned that workplaces increasingly require flexible working hours. The most prevalent benefits are increased employee productivity and increased company profitability. Furthermore, flexible working hours help achieve and maintain a healthy work-life balance. Work-life balance results in reduced stress and improved employee well-being.

Kumarasamy et al. (2015) stated that work-life balance is influenced by individual, organizational, and environmental factors. It is not just about families and childcare when it comes to work-life balance. It is also not about reducing the number of hours one's work. It all comes down to being resourceful. It is about being able to provide for both one's job and his/her family without sacrificing one for the other.

Later & Heathfield (2017) discussed that employee retention could be achieved in various ways. First has stated that retaining top staff is critical to a company's long-term health and profitability. Customer happiness, product sales, satisfied coworkers and reporting staff, successful succession planning, and firmly implanted organizational knowledge and learning are all ensured by keeping the best people.

3. METHODOLOGY

3.1. RESEARCH DESIGN

The research is an empirical study; the data is based on observation and a structured questionnaire (5 points Likert Scale). The research adopted primary and secondary data—the primary data obtained from 130 IT employees as sample respondents in Tiruchirappalli district. The secondary data was gathered from journals, e-books, websites etc. The data was collected from the whole Tiruchirappalli district; hence the research followed the convenience sampling techniques from the Non-Probability sampling method.

3.2. OBJECTIVES

- To identify the association between the Work-life balance and Employee Retention of IT employees.
- To measure the impact of Work-life balance and Employee retention among employees of an IT company.

3.3. STATISTICAL TOOLS

The research used Correlation and Multiple Regression analysis to identify the relationship and impact among Dependent, Independent variables.

3.4. VARIABLES

  i.   Dependent Variables – Employee Retention
  ii.   Independent Variables – Work-Life Balance factors

3.5. HYPOTHESIS STATEMENT

H0: Work-life balance factors are not significant predictors of employee retention

H1: Work-life balance factors are significant predictors of employee retention

4. FINDINGS AND DISCUSSION

Table 4.1 Correlation of Work-life balance and employee retention.

Variables	Pearson Correlation	P-Value
Flexible working hours	0.574*	0.041
Company leave policy	0.671*	0.027
Training and career development opportunities	0.512**	0.000
Compressed work week	0.729**	0.000
Workload management	0.487**	0.003

The above table 4.1 shows the relation between dependent (Employee retention) and independent variables (Work-life balance). The correlation matrix table has shown that the value of employee retention and Flexible working hours is estimated to be 0.574 at the significance level of 0.041, with a very strong positive correlation among variables. The value of employee retention and company leave policy is estimated to be 0.671 at the significance level of 0.027, with a strong positive correlation among variables. The value of employee retention and training and development opportunities is estimated as 0.512 at the significance level of 0.000, with a very strong positive correlation among variables. The value of Employee retention and Compressed workweek is estimated to be 0.729 at the significance level of 0.000, with a very strong positive correlation among variables. Finally, the value of Employee retention and Workload management is estimated to be 0.487 at the significance level of 0.003, with a very strong positive correlation among variables. Therefore, all the dependent and independent variables were positively correlated.

Table 4.2 Model summary of Work-life balance and employee retention.

Model Summary	
Model R	0.752
R Square	0.617
Adjusted R Square	0.608
Std. Error of the Estimate	0.821

Table 4.2 indicates the model summary of regression analysis in which adjusted R Square explain the impact of work-life balance on employee retention among IT Employees. The adjusted R Square value is (0.608) showed that 75.2% work-life balance impacts IT employees' employee retention.

Table 4.3 ANOVA of Work-life balance and employee retention.

ANOVA					
Model	**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig**
Regression	161.121	8	21.783	29.678	0.000
Residual	189.243	151	0.718		
Total	341.786	157			

The above ANOVA table 4.3 explains with the significance (<0.05) F = 29.678 that the predictors' independent variables (work-life balance) have strong prediction over the dependent variable (Employee Retention)

Table 4.4 Coefficient of Work-life balance and employee retention

		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		**B**	**Std.Error**	**Beta**		
1	(Constant)	0.315	0.527		0.553	0.549
	Flexibility working hours	0.274	0.419	0.068	6.718	0.000
	Company leave policy	1.514	0.114	0.741	2.175	0.019
	Training and career development opportunities	1.876	0.274	1.19	4.764	0.047
	Compressed work week	0.072	0.268	0.071	0.754	0.024
	Workload management	0.319	0.117	0.394	0.516	0.012

$$Y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \beta_5 x_5$$

Employee Retention = 0.315 + (0.274) Flexible working hours+ (1.514) Company leave policy+ (1.876) Training and development opportunities + (0.072) Compressed work week + (0.319) Workload management

The regression equation shows the impact of work-life balance on employee retention. The above table 4.4 reveals that Flexible working hours are highly significant with the P-Value 0.000 along with t-value (6.718), followed by the company leave policy with significant with the P-Value 0.047 along with t-value (4.764), Training and career development opportunities significant with the P-Value 0.019 along with t-value (2.175), Compressed workweek significant with the P-Value 0.024 along with t-value (0.754) and Workload management significant with the P-Value 0.012 along with t-value (0.516)

5. CONCLUSION

The researcher found the prominent work-life balance factor that impacts the employee retention of IT employees. Therefore, the study focused on the favourable influence on employee retention and work-life balance. The influence of work-life balance was measured using correlation and regression tests. The correlation results prove a relationship between the work-life balance such as Flexitime, the company's leave policy, opportunities available for training and career development, work arrangements, management of workload for work-life Balances, and employee retention were highly correlated. Furthermore, the regression results explore that work-life balance had a high impact on employee retention; especially flexible working hours had an impact on employee retention in the IT industry.

REFERENCES

[1]   Alison & Hall (2017). Work-Life balance, Society for industrial and organizational psychology, 01, 125-132.

[2]   Ajith. Et al. (2013) "Work-Life Balance Benefits: From the Perspective of Organizations and Employees", IUP Journal of Management Research, Vol. 12 Issue 1, Jan 2013, Pp62-73.

[3]   Ratna, R & Kaur, T (2016) The impact of Information Technology on Job Related Factors like Health and Safety, Job Satisfaction, Performance, Productivity and Work Life Balance. J Bus Fin Aff 5: 171. doi:10.4172/2167-0234.1000171

[4]   Schaufeli, W. B. & Bakker, A. B. (2004). Job Demands, Job Resources, and Their Relationship with Burnout and Engagement: A Multi-Sample Study, Journal of Organizational Behavior, 25(3):293-315.

[5]   Shagvaliyeva, S. & Yazdanifard, R. (2014). Impact of Flexible Working Hours on Work-Life Balance, 4(1), 20-23, doi: 10.4236/ajibm.2014.41004.

[6]   Singh, J., Goolsby, J. R., & Rhoads, G. K. (1994). Behavioral and Psychological Consequences of Boundary Spanning Burnout for Customer Service Representatives Trait Perspective". Journal of Retailing, 85(4):480-492.

[7]   Sophia J. Ali (2011) "Managing Work-Life Balance-a guide for HR in achieving organizational and individual change", London. CIPD, 2003

[8]   Virick, M, Lily, JD & Casper, WJ (2007). Doing more with less: An analysis of work life balance among layoff survivors, Career Development International, 12(5), 463-80.

[9]   Wanninayake, M.S. (2017). Women's labour force Participation in Sri Lanka, International Journal of Social Science and Humanity, 7(3), 184-187

[10]   Wei, L.T. & Yazdanifard, R., (2014). The impact of Positive Reinforcement on Employees' Performance in Organizations, 04, 9-12.

[11]   Gopinath, R. (2019). Impact of Knowledge Management Practices on Organisational Effectiveness of Self-Financing Engineering Colleges' Faculties, International Journal of Scientific Research and Review, 8(5), 32-39.

[12]   Gopinath, R. (2019). Knowledge Management Practices on Faculties of Self-Financing Engineering Colleges, Journal of Emerging Technologies and Innovative Research, 6(5), 394-399.

[13]   Gopinath, R. (2020). Impact of Academic Leaders' Self- Actualization on Organisational Commitment In Tamil Nadu Universities – Through Structural Equation Modelling (SEM), TEST Engineering & Management, 83, 24898–24904.

[14]   Gopinath, R. (2020). Demographic Percipience of Self-Acutalization among Academic Leaders in Tamilnadu Universities – A Study, NOVYI MIR Research Journal, 5(6), 81–91.

[15]   Gopinath, R. (2020). Job Involvement and Organizational Commitment of Academic Leaders in Tamilnadu Universities – A Relationship Study with Structural Equation Modelling, Journal of Critical Reviews, 7(19), 1857-1864.

[16]   Gopinath, R. (2020). Emotional Intelligence's Influence on Self-Actualization – A Study Among Academic Leaders of Tamilnadu Universities, International Journal of Management, 11(7), 1314-1323.

[17]   Gopinath, R. (2020). Influence of Self Actualization on Job Involvement and Organizational Commitment Among Academic Leaders with Structural Equation Modeling, Journal of Critical Reviews, 7(19), 3647-3654.

[18]   Gopinath, R. (2020). Assessment of Demographic Characteristics and Self-Actualization Dimensions of Academic Leaders in Tamil Nadu Universities: An Empirical Study, Asian Journal of Engineering and Applied Technology, 9(2), 1-7.