

## **THE RELATIONSHIP BETWEEN WORK-LIFE BALANCE AND EMPLOYEE RETENTION**

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## **ABSTRACT**

The aim of this study was to examine the relationship between the factors of work-life balance and employee retention among middle-level management at World Vest Base Sdn. Bhd., Malaysia. The factors of work-life balance adapted in this research are flexible job schedule, job sharing, and job burnout. Survey method been used to collect and gather information, and 85 sets of questionnaires were collected and analysed by using the SPSS version 22.0. The method analysis used to analyze the data includes correlation and regression testing. The correlation analysis showed that there was a significant positive relationship between work-life balance and employee retention. While in regression testing, majority of the respondents agreed that their organization has provide them with worrying job burnout level that were be concerned by the management. In conclusion, the results of this study can contribute in increasing knowledge and understanding of the significant relationship between work-life balance and employee retention, and thus allows the practitioners to be more aware on the important factors that could impact in retaining employees particularly the talented and experienced ones in the organization.

**Keywords:** *Work-life balance; employee retention; flexible work schedule; job sharing; job burnout*

## **1. INTRODUCTION**

Employees' retention is one of the challenges faced by many business organizations today. The growth of technology and communication alone can also raise the issues within an organization. Retaining workers is very important to an organizations as Tymon, W.G. Jr, Stumpf, S.A. & Smith, R.R. (p. 293) note how retaining the best professional talent is of great practical significance to organizations as it eliminates the recruiting, selection and on-boarding costs of their replacement, maintains continuity in their areas of expertise, and supports a culture in which merit can be rewarded. Research into the retention of talented staff is ongoing and this article examines the findings from such research to put forward strategies for industry consideration. Today, however, retention of valuable employees is a global challenge. Managers and top level authorities are constantly met with the issue of retaining employees, and there is a wealth of evidence that worldwide, retention of skilled employees has been of serious concern to managers in the face of ever increasing high rate of employee turnover (Budhwar & Mellahi, 2007; Chiboiwa, Samuel & Chipunza, 2010).

It is more important to identify the organizational characteristics that make people stay with their organizations than to constantly identify the organizational characteristics that make them leave. Several factors that have an influence on retention have been identified by previous research (Kyndt, E., Dochy, F., Michielsen, M. & Moeyaert, B., 2009). Work-life balance is one of the factors as it has become an increasingly important factor for retaining staffs or workers. Work-life balance is described as the ability of employees to meet their work and family commitments as well as other non-work responsibilities and activities (Parkers & Langford, 2008). The balance between work and other life domains means that some workers will sacrifice some degree of their work-life to allow more time for other areas of life. Employees will fell more attached to the organization as they get a lot of autonomy for both, works and family. Employees regard work-life balance policies as organizational care and positively influence employees' psychological attachment to their organizations (Döckel, 2003).

This research is important in order to examine the relationship between the factors of work-life balance towards employee retention. It is to identify the factors that lead employee to stay in the organization as well as the factors that lead employee to leave the organization. In Malaysia, there is still lack of research in work-life balance field. Researcher has chosen World Vest Base Sdn. Bhd. Malaysia to do the research. Therefore, the study is proposed to investigate the relationship between work-life balance and employee retention in middle level management in World Vest Base Sdn. Bhd. Malaysia.

## **2. LITERATURE REVIEW**

### **2.1 Worklife Balance**

Work-life balance is a term used in both the research and the popular literature to conceptualize the idea of balance in individuals' lives. The concept of work-life balance does not imply achieving some impossible definition of the perfect life. Instead, it means perceiving that employee have achieved a realistic, personally satisfying balance among the different main factors in their life, namely family, work, and leisure (Amram, 2004).

The role of work life balance has a direct relation in employee's decision to stay or leave the organisation (Deery, 2008). Job attitudes such as job satisfaction and commitment, personal reasons such as positive and negative feelings, the role of work-life balance proved to lessen high turnover rates. Thompson and Prottas (2006), who investigate the relationships

between organizational support for family requirements and turnover levels, find a link between informal organizational support and turnover intention. In more recent studies examine the way in which Japanese firms implement policies that support work–family balance, and find significant links between the employee support policies in place and the levels of female employee turnover (Yanadoria & Katob, 2010).

## **2.2 Flexible Work Schedule**

Flexible work schedules, often referred to as flex-time, are the most common form of flexible work arrangements (Galinsky E., Bond, T., Sakai, K., Kim, S., & Giuntoli, N., 2008). It consists of formal workplace policies or informal practices that allow employees to make decisions about the start and ending times of their work days, generally around a core set of work hours (Eaton, 2003).

Schedule flexibility is a work arrangement whereby employees are allowed to decide the time of day they start and stop their job-related work, usually around a band of core hours where each employee must be present (Baltes, B., Briggs, T., Huff, J., & Wright, J., 1999). Research examined the relationship between employee turnover intention and organization support such as supervisor support, flex time work family culture and co-worker support and they conclude that organization support reduced the employee turnover intention (Thompson & Prottas, 2005).

## **2.3 Job Sharing**

Job sharing is a situation in which two workers or employees share the responsibilities and benefits of a single full-time position (Gliss, 2000). It means that it refers to a voluntary arrangement in which employees (usually two), with the approval of their employer, share a single job on an on-going basis.

Two people voluntarily share the responsibilities of one full-time job, allowing employers to retain valued employees who prefer to work part time (Singh, J., Goolsby, J.R. and Rhoads, G.K., 1994). This showed that retaining employees in an organization strongly cause by the voluntarily of workers itself to share their work with others. The relationship between job satisfaction, commitments and workloads as debated by Lee and Cummings (2008) in their systematic review on job satisfaction in front line managers highlights the importance of flexibility in job sharing and the importance of job satisfaction in retaining employees. They also noted that many of the studies from their review were conducted well over a decade ago and new research into this topic is looked-for to grasp more current concepts of job satisfaction and retention for staff leaders.

## **2.4 Job Burnout**

The concept of job burnout has been used to explain employees' chronic and cumulative job stress in the workplace (Babakus, E., Yavas, U. and Ashill, N.J., 2009; Halbesleben, 2006; Sand and Miyazaki, 2000). Job burnout refers to the state of psychological strain that an employee experiences because of chronic job stress (Halbesleben, 2006).

A number of studies have found a positive relationship between job burnout and turnover intentions in diverse settings (Schaufeli & Bakker, 2004; Singh et al., 1994). A high level of job burnout causes employees to feel depressed and experience a sense of failure, fatigue, and a loss of motivation, which in turn can lead to a number of problems for the organization, including employee turnover, absenteeism, and reduced organizational commitment, morale, job satisfaction, and productivity (Halbesleben & Buckley, 2004; Singh

et al., 1994). Job burnout (including emotional exhaustion and depersonalization) is an important predictor of turnover intentions for service organizations (Schaufeli & Bakker, 2004).

## 2.5 Employee Retention

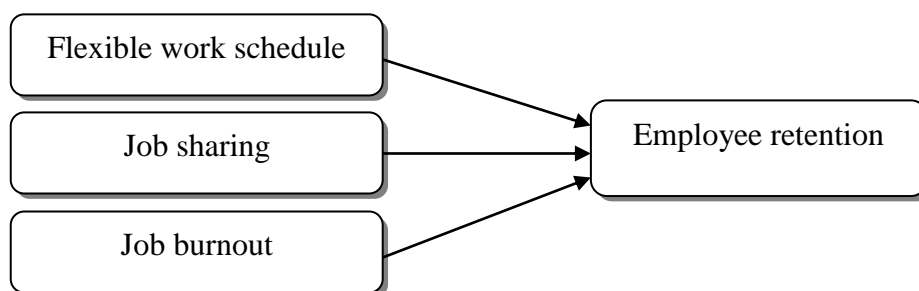
Retention is one of the voluntary moves made by an organization to create an environment in which engages employees for the long term (Chaminade, B., 2006). Employee retention is the main aim and the major concern for most organizations. The retention of talented employees is an advantage to an organization because employees' knowledge and skills are central to a company's ability to be economically competitive (Kyndt, E., Dochy, F., Michielsen, M. and Moeyaert, B., 2009).

The most recent addition to the research into employee retention is the role that obtaining a balance between work and life has in an employee's decision to remain with the organization (Deery, 2008). Deery (2008) has presented the framework that provides organizations with a more holistic method of examining the causes of low employee retention as well as suggesting ways to improve job satisfaction and organizational commitment. Social support has been shown to play an important role in mitigating intention to quit, although not all findings have been in agreement.

## 3. METHODOLOGY

Research design used for this research is descriptive correlation, using non experimental research method and structure of an investigation chosen by the researcher to conduct data collection and analysis (Salkind, 2014). In this research, the researcher focuses on the relationship between factors of work-life balance towards employee retention among middle level management at World Vest Base Sdn. Bhd. Malaysia.

A conceptual framework on the factors of work-life balance towards employee retention among middle level management at World Vest Base Sdn. Bhd. Malaysia as shown below, which is adapted Deery (2008). The factors are flexible job schedule, job sharing, and job burnout. The dependent variable of this study is employee retention that measures by the intention of respondents to leave or stay in the organization.



**Figure 3.1: Conceptual framework for work-life balance and employee retention**

The instrument used for the data collection was a survey questionnaire. The population of the study will consist of several departments at World Vest Base Sdn. Bhd. Malaysia. For this study, the total population will be 150 staffs from middle level management. Simple random sampling technique is used for this study. According to Salkind (2014), simple random sampling technique is the process of each member of the population has an equal and

independent chance of being selected to be part of the sample and the characteristics of the sample should be very close to that of the population.

#### 4. EMPIRICAL RESULTS

A total of 108 sets of questionnaires were distributed to the respondents among middle level management at World Vest Base Sdn. Bhd. Malaysia. The objective is to interpret and analyzed the data collected in the research. The return rate is 78.7% and results of 85 sets of questionnaires were being analyzed. There is no rejected questionnaire and the data obtained will be analyzed with the aid of Statistical Package of the Social Sciences (SPSS) software version 22.

The Pearson Correlation Coefficient which represented by letter  $r$  is a number between  $-1.00$  and  $1.00$  and it is used to measure the degree of relationship between independent and dependent variable. As a result, the higher value of correlation coefficient indicates the stronger the level of relationship between two variables. Positive value of correlation coefficient indicates a positive relationship and in other hand, negative value of correlation coefficient indicates a negative relationship.

In this study, dependent variable is employee retention and there are three independent variables i.e., flexible job schedule, job sharing and job burnout. In order to test all hypotheses, researchers had used Pearson Correlation analysis. The results are shown as follow:

**Table 4.1: Correlation Analysis**

Independent Variables	Result ( $r$ )
Flexible Job Schedule	-0.029
Job Sharing	-0.191
Job Burnout	0.411

Based on the table, there are no relationship between the two independent variables which are flexible job schedule and job sharing toward employee retention among executive level employees of World Vest Base Sdn. Bhd Malaysia. Analysis shows that there is a little or no association between flexible job schedule and employee retention since the result indicates that Pearson Correlation,  $r = -0.029$ . This means that there is no relationship exists between flexible job schedule and employee retention among middle level management at world Vest Base Sdn. Bhd. Malaysia. Analysis also shows that there is no significant linear correlation between job sharing towards employee retention. The result shows that Pearson Correlation ( $r =$  value) is  $-0.191$ . This indicates that there is no relationship between job sharing and employee retention among middle level management at World Base Vest Sdn. Bhd. Malaysia.

However, there are only one independent variable that has relationship toward employee retention among executive level employees of World Vest Base Sdn. Bhd Malaysia which is job burnout. It shows that there is a moderate uphill (positive) significant linear

correlation between job burnout and employee retention. The result shows that the Pearson Correlation,  $r = 0.411^{**}$ . The result indicates that there is significant relationship between job burnout and employee retention among middle level management at World Vest Base Sdn. Bhd. Malaysia.

## 5. CONCLUSION

Work-life balance and employee retention become the growing concerns nowadays since the workplace changing into fast faced work environment as the economy is growing globally. The researcher proved that there is a relationship between work-life balance and employee retention. The neglect of organization's work-life balance among the employees could lead to negative consequences towards the employees in which directly affect the organization itself. Thus, it is important to manage the organization work-life balance and to retain employees as the employees are the backbone of the organization.

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