

Work life balance
programs cost or an
investment
management essay



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Work-life balance programs are fast gaining popularity in developed countries, even though they are viewed as novelties in Malaysia. Work-life balance programs can be defined as “ any benefits, policies or programs that help employees find ways to manage the demands of the workplace and life outside work” (Ortega, 2006) or “ strategies, policies, programs and practices initiated and maintained in workplaces to address flexibility, quality of work and life, and work-family conflict” (Bardoel et al, 2008). In other words, work-life balance programs are designed as “ a two pronged approaches to achieve meaningful achievement and enjoyment in everyday life” (Joshi et al, 2002). There are many forms of work-life balance programs such as flex-time, child-care facilities at work, gyms and concierge services and paid vacations.

Many reasons are cited for the introduction of work-life balance programs at the workplace, the most common being that it increases productivity as well as employee loyalty. While these are all valid justifications, the costs of having work-life balance programs should not be ignored. Therefore, do the benefits of work-life balance programs outweigh the costs? Going further, should these programs be considered a cost or an investment to the firm?

While it may be easier to estimate the returns on investment of a project, it is difficult to financially quantify the impact of work-life balance programs. Thus, companies have to resort to a series of performance measurement tools that are indirectly related to financial return. The best performance indicators are in terms of human resource management. One of the benefits of work-life balance programs can be seen through recruitment. Successful work-life balance programs are powerful marketing tools for attracting new

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employees who are drawn to the company not just for good remuneration, but other perks too.

Work-life balance programs also help to create a better relationship between employer and employee that can be mutually beneficial. One of the main sources of workplace stress is unreasonable demands made on employees' time. Thus, programs that assist employees to better manage their time lead to greater job satisfaction. This is evident in the healthcare industry where employees have to work alternative hours in a very stressful and emotionally draining environment. Work-life balance programs in the healthcare industry like wellness programs and child care facilities bring balance and perspective to the lives of employees (Ortego, 2006). This leads to greater productivity, lower job turnover and absenteeism, greater esprit-de-corps and more loyalty towards the employer. In terms of operating costs, retaining employees reduces the cost of training new employees and the time it takes to train new staff to be competent. In fact, there is some evidence to support the argument that companies that offered work-life balance programs outperformed those that did not (Joshi et al, 2002).

To evaluate if such programs are good investment, we need to examine them from three metrics, which are efficiency, effectiveness and impact (Bardoel et al, 2009). Efficiency metrics are those that measure the cost of work-life balance programs to ascertain the return on investment (ROI). Effectiveness measures are those that indicate how work-life balance programs affect the capacity and actions of employees in targeted talent pools. The third type of measure concentrates on the real impact of work-life

balance programs on organizational performance by measuring the value added to an organization by a work-life balance program.

Interestingly, research has found that managers often collect data on efficiency, but not on effectiveness and impact factors. This is a major limitation because efficiency measures do not reveal the value added to such programs. The second group of metrics termed effectiveness metrics, assess the outcomes related to the intended effects on individuals of work-life balance programs, for example through employee satisfaction surveys. Again, surveys are useful but they do not gauge whether such programs have positively impacted performance. Though financial ratios such as ROI are typically used to assess core competency, it should be remembered that ROI focuses on financial indicators whereas work-life balance programs use non-financial indicators. Impact metrics measure the ability of work-life balance programs to improve the quality or availability of a particular talent pool, for example to achieve competitive advantage by lowering absenteeism and turnover.

To illustrate this cost versus investment dilemma, let us examine three types of work-life balance programs – childcare, office gymnasium and flexible work hours. Childcare facilities are provided to entice workers from dual-income households where both parents work. There are many forms of childcare facilities such as in-house child care facilities, after school programs, subsidized child care, and referral services. The main benefit of having such a facility is to help employees cope with the demands of caring for their young children and their jobs and reduce stress among employees as they are assured about the safety of their children (Ortego, 2006). When <https://assignbuster.com/work-life-balance-programs-cost-or-an-investment-management-essay/>

employees are happy and well-adjusted, it is believed that they become more productive and can contribute more to the company. Other fringe benefits include tax reliefs and exemptions to employers (Deery, 2008), though this is only available in a few countries. On the other hand, the costs of maintaining such childcare facilities are numerous. They include the cost of setting up the facility, the cost of employing qualified staff to care for the children and other operating costs. Also, there is no empirical evidence to support the argument that such facilities promote productivity (Michel et al, 2009). In some cases, the employee might spend more time at the childcare facility instead of at work. In addition, it is almost impossible to quantify the ROI of a childcare facility.

Another popular form of work-life balance program is the office gym. A gym is provided because it is believed that exercise promotes good health and reduces job stress. In turn, healthy employees are more productive and there are fewer cases of absenteeism due to poor health (Stimpson, 2008). However, running a gym is potentially expensive. Equipment must be bought, a special room must be prepared and in some cases, physical trainers must be employed. Setting up an office gym must also be done with caution as not all employees would enjoy working out to keep fit. Some may prefer other forms of exercise like swimming, jogging or playing tennis or some may not bother to exercise at all. Hence, it would be a waste of resources to set up a gym when few employees utilize it. There must be proper rules as to when the gym can be used to avoid abuse. In addition, if the gym is open beyond office hours, the cost of operation must also be

considered. Finally, the cause and effect relationship of setting up an office gym and increased productivity are largely conjectural.

The third type of work-life balance program mentioned earlier is flex-time. This is a form of work schedule that allows employees to select the hours they will work, for example a condensed work week or a shift (Deery, 2008). Flex-time is particularly attractive to those who have to juggle work with other demands like caring for aged parents or looking after young children if childcare facilities are not provided at the workplace. Flex-time is also beneficial for the company in terms of decreasing overhead costs. If employees work different schedules that do not overlap, equipment such as computers and desks can be shared. Companies that do business with firms in different time zones will also benefit as they are able to operate for longer hours and do not have to pay overtime (Bourne et al, 2009). Nevertheless, there are some problems associated with flex-time including difficulty of communicating with employees who work outside regular office hours. There are also concerns about staff abusing flex-time. If the flex-time schedule is not structured properly, it could lead to the office being staffed sparsely during peak hours (Burke, 2005) and this is unacceptable.

In conclusion, from a purely financial perspective, it would appear that work-life balance programs are more of a cost than an investment to the firm. These programs rely on qualitative measures to estimate their success whereas investments rely on quantitative indicators and attempting to reconcile both is problematic to say the least. However, it would be unfair to dismiss work-life balance programs as facile and unprofitable. Just because something cannot be measured with crude financial instruments does not

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mean it does not exist. The benefits of work-life balance programs on the happiness and well being of employees are well documented. When employees are happy, they become more productive and this ultimately benefits the organization. Therefore, companies should adopt work-life balance programs as long as they are not a severe financial burden.

Question 2

Do you think work-life programs can increase retention? Why or why not? How could you assess whether such a program were a good investment?

One of the key reasons cited for the proliferation of work-life balance programs is that they contribute to increased retention of employees. Before we answer how work-life balance programs do so, we first need to examine some of the key reasons for employee turnover. It is widely acknowledged that conditions at the workplace affect job turnover. There are many reasons why employees quit because of conditions at the workplace such as long hours, conflict with colleagues and superiors, lack of appreciation shown by employers and unclear job descriptions.

For example, long hours at work and increased work intensity both contribute to adverse physical and psychological conditions and lead to negative family functioning (Burke, 2005). Workplace stress can be caused by long working hours, excessive workloads, weekend duties, inadequate physical activity and an unhealthy lifestyle. All these lead to a reduction in the quality of health. When employees are severely overworked and excessively strained, they experience symptoms of fatigue, depression, musculo-skeletal pains, sleeping disorders and an increase in chronic

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diseases (Tsui, 2008). When the situation becomes too stressful, employees leave their jobs, even opting for those that pay far less but involve less stress.

If workplace stress is prolonged, it leads to burnout. Lee and Shin (2005, cited in Deery, 2008) examined the psychological dimensions of job burnout and concluded that it consisted of three components namely emotional exhaustion, depersonalization and diminished personal accomplishment. Burnout is potentially fatal as it increases the risk of coronary diseases, stroke and suicidal tendencies. Employees who lack time to spend with their family or maintain a social life are more likely to be emotionally exhausted, which impact negatively on their job satisfaction and eventually cause them to leave their organizations (Karatepe and Uludag, 2007 cited in Deery, 2008). The following diagram illustrates the relationship between stress and how retention can be improved by work-life balance programs:

(Source: Deery, 2008)

Also, employees quit their jobs because of dissatisfaction. The top reason why Americans leave their jobs is because they do not feel appreciated (Ortega, 2006). This dissatisfaction may stem from having inadequate job descriptions and unreasonable demands made by employers. Some may be insufficiently trained to perform their jobs or lack sufficient re-training when their job description changes. To compound the matter, there is no assistance for employees when they encounter technical problems when their jobs change and management is indifferent to their plight. All these contribute to stress and increased dissatisfaction with work. Obviously,

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remuneration is another factor that leads to job dissatisfaction. Employees become unhappy with their jobs when they feel they are inadequately compensated for their efforts based on comparisons of the remuneration of their peers within the organization or within the industry. In the absence of other benefits that work-life balance programs offer, there is little incentive for employees to remain within a company if they can earn more elsewhere.

Female employees are faced with additional problems that their male counterparts do not experience. Despite advances in promoting equal rights for women at the workplace and the gradual acceptance that the traditional roles of both men and women have and need to evolve to reflect the changing times, female employees still feel they have to shoulder the traditional burden of being the perfect housewife and mother, in addition to proving that they are as capable as men at the workplace. Therefore, women are more vulnerable than men to suffer from stress caused by the conflict of managing the roles of employee, wife and mother (Michel et al, 2009). Often, it is because the workplace is inattentive or even hostile to the problems faced by female employees that compel them to leave the workplace when they start a family or when the demands of their family changes.

These are some of the primary causes of employee turnover. High turnover is unacceptable, particularly amongst skilled or knowledge-based workers. Particularly in western countries which have declining birth rates and a tendency for job-hopping, the need to retain key staff is essential. Retaining existing internal resources such as good staff, is crucial to maintain an organization's success (Bourne et al, 2009). High employee turnover breaks the continuity of operations and this will adversely affect efficiency. For <https://assignbuster.com/work-life-balance-programs-cost-or-an-investment-management-essay/>

instance, when an employee leaves, there is bound to be a break in service until a qualified replacement is found and trained. High staff turnover can foster a culture low in morale and loyalty. From a financial viewpoint, there are two major costs associated with turnover which are replacement costs and preventative costs. Replacement costs are the costs of recruiting, selecting and training replacements; loss of output or efficiency during this process; possible wastage; spoilage and efficiency due to inexperienced staff (Burke, 2005). On the other hand, preventative costs are the costs of retaining staff through pay, benefits and work-life balance programs. Hence, there is greater pressure for employers to strike a balance between eliminating unproductive employees and formulating new and innovative ways to attract and retain talent.

There is some evidence to support the postulation that work-life programs can increase retention, provided that the main cause of workplace stress is juggling work-life balance (Osif, 2009 and Joshi et al, 2002). One, work-life balance programs like wellness and physical fitness programs help reduce the symptoms of stress and promote greater physical health. On the other hand, counseling and support groups help employees to manage their stress. While it is impossible and perhaps not desirable to eliminate all forms of stress at the workplace, such programs can contribute a great deal in managing negative stress. When employees are better able to cope with the demands of the workplace, they are less likely to suffer from burnout and less likely to leave.

Secondly, work-life balance programs like flex-time are much welcome by working mothers and employees who may want to further their studies and <https://assignbuster.com/work-life-balance-programs-cost-or-an-investment-management-essay/>

work at the same time. Additional flexibility in terms of working hours will ensure that employees are not compelled to leave because they cannot work the traditional office hours. This will lead to greater retention.

Thirdly, in a bid to retain the best and brightest, companies have to resort to novel ways such as work-life balance programs. Assuming that remuneration is similar between two companies, additional perks will go a long way to making a company the desired place to work. Even if a company offers slightly less salary than its competitors, some employees will be enticed to remain there because of the programs and fringe benefits others do not offer.

Finally, companies need to show that they value their employees who often have to sacrifice so much for work. While the traditional viewpoint is to provide financial incentives, very often it is the non-financial gestures that make employees feel valued. For example, having office parties or company vacations may be more personal and sincere gestures to show appreciation when the company performs exceptionally well rather than just provide generous bonuses. In that sense, work-life balance programs can be viewed as the minor intangibles that collectively show whether the employee is valued or not.

On the other hand, having work-life balance programs does not alleviate an employee's woes if they are caused by other stress factors. For instance, if unhappiness at work is because of lack of sufficient training, then overcoming it would be to provide the necessary training. Findings suggest that training quality is positively related to training satisfaction, job

satisfaction and the intention to stay in the company. Thus, this type of training is important as a means of retaining employees.

In addition, there is no guarantee that such work-life balance programs will increase retention. No substantial longitudinal study has been conducted to ascertain the effectiveness of such programs in leading to long-term retention of staff, and the costs may outstrip the advantages in the long-run, particularly when the economy is bad and the company needs to cut expenses.

In conclusion, there is some evidence that supports the notion that work-life balance programs can increase retention (Turner et al, 2009). Introducing flexible working hours and arrangements, providing better training, breaks from work and better work support all enhance employee retention by resolving some of the work-life conflicts faced by employees. Nevertheless, these programs can only be regarded as good investments if they are proven to improve retention of quality staff in the long term and contribute to the overall profitability of the firm.

Question 3

Besides flextime arrangements, wellness programs, child-care options and fitness centers, describe three other common mechanisms to improve employees' motivation and retention. Present steps to implement such mechanisms in a typical organization.

A company can motivate employees through work-life balance programs.

Apart from the ones described earlier, other programs like sabbatical leave,

paternal leave and work naps are some of the other mechanisms that can improve employees' motivation and retention.

While sabbatical leave is normally associated with academic institutions, the scope of sabbatical programs is quite extensive, but basically they provide unrestricted time away from work so that the employee can do what he or she wants. For example, the employee can opt to take sabbatical leave to learn how to paint, travel extensively abroad or for further education.

Sabbaticals are viewed as a means to allow critical talent time to recharge and people generally return supercharged and more productive than before (Pagano and Pagano, 2009). Basically, there are three defining characteristics of sabbatical leave. One, the time away is planned. Two, it is extended generally for at least four weeks with some firms offering up to three months and three, the employee is expected to return after the break.

There is some psychological basis for providing sabbatical leave. Such a work-life balance program is viewed as a form of work motivation.

Specifically, it fulfils Maslow's Hierarchy of Needs theory. According to Maslow, needs are arranged in a hierarchy from the most basic to the highest level (Baron, 1998). There are five hierarchies of needs which are (in ascending order) physiological needs (the need for food, water and sleep), safety needs (need for security), social needs (need to belong), esteem needs (the need to develop self-respect) and self-actualization needs (the need for self-fulfilment). Therefore taken in this context, taking a sabbatical leave to fulfil a longstanding desire is a form of self-fulfilment that will ultimately benefit the individual. However, employers generally tend to negatively view sabbatical leave of this nature as an indulgent form of <https://assignbuster.com/work-life-balance-programs-cost-or-an-investment-management-essay/>

fantasy and a waste of both time and money to the company. Yet, harbouring unfulfilled desires will adversely affect productivity as the employee will feel frustrated. In addition, even the best job can seem monotonous after a while and sabbatical leave should be viewed as a way of gaining fresh perspective and overcoming work fatigue.

There are some problems when instituting sabbatical programs which is why companies tend to avoid them. The first problem is lack of top management support. Top management must see the merits of such a program to implement it successfully. Secondly, there is a problem of scheduling. Too many employees taking sabbatical leave at the same time is a serious threat to business, especially during busy seasons. From the employee's viewpoint, sabbatical leave can be problematic in two main respects. One, the employee may be worried that if he or she is away for too long, the company may decide that it can do without them. Two, returning to work after a lengthy sabbatical can be very stressful and intense since there will be a lot of unfinished work to attend to (Turner et al, 2009).

However, sabbatical programs can be successful if well implemented. First, the company should determine the objectives of such a program, be it to re-energize employees, attract new employees or improve work culture. Two, the company should study the market to see what other companies are offering to come up with better programs. Three, employees should be involved in the decision making process to gain their input and insights. Four, the program should be developed by preparing a sabbatical leave policy. This should include support documents like departure checklists, timelines and scheduling requirements. Five, the program should be piloted <https://assignbuster.com/work-life-balance-programs-cost-or-an-investment-management-essay/>

to ascertain its effectiveness and adjusted if necessary (Pagano and Pagano, 2009).

Frederick Herzberg developed a theory of motivation called the Two-factor theory that is similar to Maslow's Hierarchy of Needs. According to Herzberg, job satisfaction and job dissatisfaction acted independently of each other (Baron, 1998). Hence, there are factors at the workplace that cause job satisfaction, whilst there are other factors that cause dissatisfaction. The positive satisfaction factors are collectively termed motivators. These include recognition of a job well done, a sense of achievement and personal growth. Hence, they reflect Maslow's hierarchy of needs. However, Herzberg describes another set of factors called hygiene factors. Hygiene factors do not provide positive satisfaction such as company policy, and working conditions, but their absence could cause dissatisfaction.

Therefore, work-life programs can be regarded as hygiene factors, the absence of which causes job dissatisfaction. While it is common for most companies to provide paid maternity for their female employees, few in Malaysia extend paternity leave to male employees, though it is common practice in Scandinavian countries. This is a fringe benefit that is being increasingly sought after by more and more employees. As the traditional roles of men and women evolve, more fathers now want to have a more hands-on approach to parenting. This means being with their wives during childbirth and tending to the needs of mother and child during the crucial period following birth. The Family and Medical Leave Act in America allows for a minimum of 12 weeks paid paternity leave while those in Scandinavian countries allow leave to be extended for up to three years (Joshi et al, 2002). <https://assignbuster.com/work-life-balance-programs-cost-or-an-investment-management-essay/>

While it is unlikely that Malaysian fathers will want to take such a long time off from work, more would like to spend a week or two with their recuperating wives and new infants. Therefore, providing paternity leave acts as a form of motivator to encourage male employees to remain with the company (Robbins and Judge, 2007). Implementing paternal leave at the workplace should not be too difficult as the procedure is similar to maternity leave. Hence the same documents for record keeping can be used.

Taking a nap at work would seem extremely unprofessional and unproductive. Yet, some researchers conclude that taking short naps at work, termed “ power naps” may actually increase alertness and productivity. The scientific argument in support of power naps is that it is designed to replenish “ down time” during out circadian rhythm which normally occurs during the afternoon. Some of the benefits of “ power naps” include increased memory, response time and cognitive skills. Taking “ power naps” may be linked to the drive theory which is a theory of motivation that suggests that behavior is pushed from within by drives stemming from basic biological needs like sleep (Baron, 1998). The problems associated with permitting “ power naps” at the workplace include the duration of the nap, scheduling and top management support.

It is generally believed that a power nap of fifteen to twenty minutes is sufficient to yield the abovementioned benefits (Robbins and Judge, 2007). Anything longer than that will result in the employee falling into deep sleep which would result in sleeping difficulty at night. However, the company must decide when it is permissible for employees to nap. Some allow employees to nap during their lunch break while others prepare a schedule. <https://assignbuster.com/work-life-balance-programs-cost-or-an-investment-management-essay/>

While it is not necessary to prepare special sleeping areas since employees are perfectly capable of sleeping at their desks, it is important to ensure that such naps do not interrupt the flow of work. Customers must also not see employees napping as it would create a negative perception of the company. However, if implemented correctly, “ power naps” may be amongst the cheapest and most beneficial forms of work-life balance programs.

In conclusions, these are but a few examples of the many work-life balance programs that can be designed to provide motivation and improve retention of employees. Deciding on which to choose will depend on the size and nature of the organization, its work culture and the target benefits of such programs. Top management should keep an open mind about these initiatives for if conducted in the correct manner, the desired results can be obtained.