

The value of balance

Do work-life balance policies really make any difference to retention? Stewart Forsyth presents the results of a recent survey that firmly indicates they do.



STEWART FORSYTH IS DIRECTOR OF FX CONSULTANTS, SPECIALISTS IN LIFTING PRODUCTIVITY AND PERFORMANCE THROUGH THE CREATIVE USE OF MEASUREMENT AND MOTIVATIONAL SYSTEMS

When would an organisation be concerned about the balance its staff have between their work and life? When it can't hire the people it needs, or loses vital people to a competing organisation offering better options for balance.

In some creative research, Peter Boxall and Erling Rasmussen asked New Zealand workers why they had left employers – the fourth most common answer was 'to achieve better work-life balance' ('Turnover tally', **employment today**, Nov/Dec 2001). When you run the risk of people going elsewhere, it's time to check how your organisation's approach to work-life balance measures up with your people.

The dilemma you face is deciding what to do about it. What is going to change how your people view what is on offer? What is going to affect their decision about whether to stay?

High response

In this year's inaugural Pohlen Kean Work-life Balance Survey we identified which initiatives make a difference. We 'Kiwified' a survey run by Pohlen Kean's international affiliate, Arbora Global Career Partners. We asked New Zealand organisations to give us their and their employees' viewpoints – what they were doing and how their staff responded. To bring in the vital dimension of whether work-life balance makes a difference, we asked staff about their level of loyalty (their 'intention to leave') and also asked the organisations about their

voluntary staff turnover.

We got huge participation – a 65% median level of staff participation among the 25 organisations (and their units) surveyed. This is a high participation rate for a survey, and probably reflects the significance of the topic to these people.

We used statistical techniques to clarify what the 1187 individuals thought was important in achieving work-life balance, what influenced their view that their employer was making a positive contribution and what influenced their organisational loyalty.

Balance contributors

Table 1 shows that the most important contributor to whether people thought they had work and life in balance was the extent that work stress was negatively affecting life areas (eg, family, health, leisure and work performance). Next most important was their experience of bringing work home or having to work in the weekend. The third most important factor was the perception that their employer was doing positive things to contribute.

Other contributors included feeling overloaded with work, work being more stressful this year compared to the previous one and the actual number of hours worked the previous week.

Background factors

These results give an idea of how to help work-life balance, and the positive

message that employers' efforts are seen to make a difference. When we drilled down into what it was that influenced people to see their employer as making a difference, we finally got to the total number of work-life balance policies that their employer made available. But we also found that individuals' experiences strongly influenced whether they thought their employer provided strategies to improve or assist work-life balance.

The main driver was individuals' experience of work-life balance, then job satisfaction. Individual background factors also played a part – individuals with shorter average organisational tenure were less likely to see that their employer was helpful, as were those who already intended to leave their employer.

Policy in practice

Obviously, having a number of policies in place contributes to staff perception that the employer is trying to help. But did the actual policies matter? We checked this by evaluating what influenced a person's 'intention to leave'. We also expanded out the range of possible influences to include the organisation's 'attitude' to work-life balance, and current practices as well as policies.

Even if an organisation had a range of policies we would expect that the actual culture, as communicated by managers, would influence the impact of the policies. A manager might discourage an employee from taking up a policy, or even not tell employees of its availability.

Consistent pragmatism

It is important to note that around two thirds of our organisations were positively inclined to work-life balance issues – this could be why they participated in the survey. There was quite a range of practices, but pragmatism was a consistent theme. While organisations didn't typically treat work-life balance as a strategic issue (reported to the board),

they were very likely to have redesigned work to make it easier for staff to achieve this.

Our participating organisations varied from having few to many policies on offer (both in terms of number of policies, and the extent of their coverage).

Retention factors

We focused on the relationship between work-life balance and retention – table 2 illustrates the bigger retention picture. The chart is not an exhaustive review of retention factors but it highlights those that research, particularly New Zealand research, has demonstrated.

As illustrated by the factors in bold, the survey found that work-life balance relates to job satisfaction, which drives leaving intention, which in turn results in actual staff turnover.

By combining the views of individuals with results from their employers we were able to identify the policies that are critical to both work-life balance and retention. Staff members' view that they lacked balance and that their organisation wasn't helping them to achieve this, was shown to contribute to them leaving the business.

The logical among you might complain that current employees' satisfaction with work-life balance (or their leaving intention) could hardly explain the actual departure of their previous workmates. But you will probably agree that the relationship we found reflects a reality – some organisations have larger proportions of employees unhappy with their work-life balance, and considering leaving, together with ongoing levels of high staff turnover.

Organisational strategy

Jim Guthrie has demonstrated with a

1. Employee's rating of degree of balance between work and personal life

Factors ranked in order of variance of degree of work-life balance (WLB) explained (see numbers in brackets).

Hinders WLB

- Total of work stress impacts (1)
- Work home/weekends (2)
- Work overload (4)
- Stress higher than last year (5)
- Total work hours (6)

Helps WLB

- Organisation assists WLB (3)

2. What drives retention: the big picture

The highlighted factors are those identified in the 2002 Pohlen Kean Work-life Balance Survey

- Organisational strategy
- Industry
- Job
- Recruitment & selection
- Career growth
- Quality relationships
- Organisational hassles/supports
- High involvement work practices
- Performance management & performance consequences
- **Individual performance**
- **Work-life balance (WLB)**
- **WLB policies – part-time work, unpaid leave**
- **View that organisation helps WLB**
- **Work stress**
- **Career stage/average org. tenure**
- Family situation



**Job satisfaction
& organisational
commitment**

**Leaving
intention**

**Voluntary
staff turnover**

large sample of bigger New Zealand businesses that organisational strategy – whether cost minimisation or differentiation – is related to actual staff turnover (see my summary in 'Make it count', **employment today**, December 2001). Cost-minimisers have higher levels of staff turnover, those competing on the basis of innovation and service get value out of retaining staff and so build organisational knowledge and strengthen customer relationships.

Different industries may tolerate different levels of staff turnover (probably related to their cost/differentiation strategy). Similarly, people in different jobs presumably have different career options and strategies, particularly their relative 'cost of job-changing'. As would be expected, managers had lower staff turnover than professionals, whose staff turnover was below that of other employees.

It is clear that ineffective recruitment and selection, with a poor match between job-holder's values and competencies and their job requirements, can push up staff turnover. (The other risk is hiring non-performers who stay.)

Keeping them loyal

Career growth and the opportunity to build a CV is a significant motivator of loyalty or job moves. Employers are being increasingly challenged to provide the opportunities to build their employees' knowledge and skill base

for future careers. The link between such growth opportunities and loyalty was presented in a New Zealand case study (Stewart Forsyth and Andrea Polzer-DeBruyne, 'The pay off', **employment today**, January 2001).

Relationships with co-workers and supervisors has been found to have a profound effect on retention. Boxall and Rasmussen found that New Zealand workers saw the quality of relationships with bosses as significant in deciding whether to stay or go.

Organisations can support or undermine the efforts of their people. Factors such as red tape and political decisions drive people away.

High involvement

The research by Jim Guthrie highlighted the impact of what he described as 'high involvement work practices' on both lifting organisational performance and lowering staff turnover. These included promotion on performance, group based incentives and attitude surveys. His results tie in with those indicating that effective performance management processes, particularly the link between results and rewards (performance consequences), are a critical part of keeping people. If your people see that their effort and results are linked to their rewards they are more likely to stay (and to perform).

We found that those people who rated their performance higher were

also more likely to be thinking of leaving. This is a result that has been found before. Typically these are people who do not see that they are getting an equitable return for their performance. If they are right, this is a clear illustration of why some staff turnover is very expensive to organisations.

Stay or go?

The Pohlen Kean Survey found only two policies that contributed to staff loyalty (and no effect on the organisation's practices or attitudes) – part-time work was most important for managers and unpaid leave was significant for other (not managers or professional) staff, and for those with dependants.

As noted above, the experience of work-life balance and the view that the organisation was trying to help significantly influenced both leaving intention and staff turnover.

Organisational tenure influenced leaving intention. Those with shorter tenure were more likely to be thinking of moving on. This presumably reflects the maturity of their career, and fits with Boxall and Rasmussen's finding that younger people were more job mobile.

In summary, our research demonstrates that work-life balance matters – to individuals and to their employers. Employees will choose to join or leave organisations based on the policies and support they provide for achieving work-life balance.

Special thanks to the survey participants and to Pohlen Kean for their support through the process. **ET**

It's a matter of balance



We offer

- work/life balance reviews
- leadership coaching
- customised diagnostic surveys
- performance improvement & management
- organisational values development
- competency modelling & assessment

Contact:
Stewart Forsyth
09 378 9299
021 392 667
stewart@fxc.co.nz
www.fxc.co.nz

fxc consultants

It is important to note that around two thirds of our organisations were positively inclined to work-life balance issues...