INFLUENCE OF WORK ENVIRONMENT MANAGEMENT AND WORK-LIFE BALANCE PRACTICES ON THE RETENTION OF WORKERS IN ORGANIZATIONS: THEORETICAL REVIEW

JACINTA MUNYIVA KINYILI*
DR. KABARE KARANJA**
PROF. G.S. NAMUSONGE***

*Ph.D Student in Human Resource Management, Dept of Entrepreneurship, Technology, Leadership and Management, Jomo Kenyatta University of Agriculture and Technology, Kenya
**Doctor, Dept. of Entrepreneurship, Technology, Leadership and Management, Jomo Kenyatta University of Agriculture and Technology, Kenya
***Professor, Dept. of Entrepreneurship, Technology, Leadership and Management, Jomo Kenyatta University of Agriculture and Technology, Kenya

ABSTRACT

Human resources are the heart and mind of any organization. Although most of the organizations are nowadays, found to be technology driven, it is the human resources who invent and run the technology. The human resources are also the most dynamic resources of any organization. With globalization thanks to technological breakthrough there is stiff competition in the market and the only sure source of competitive advantage for the organization is the quality of human resource that they engage. However, one of the biggest challenges that organizations are facing today is not only attracting these resources but also maintaining and retaining them. Securing and retaining skilled employees plays an important role for any organization, because employees’ knowledge and skills are central to companies’ ability to be economically competitive. Keeping into account the importance of employee retention to any organization, the current study tries to review existing literature and research work on the role of human resource management (HRM) practices on the retention of employees in organization with special attention to role of work environment management practices and work-life balance practices. The review has shown that these practices positively influence employees’ loyalty and commitment hence retention to organizations. Work-life balance practices that enhance retention have also been reviewed. Organizations should thus embrace them to enhance workers’ retention.

KEYWORDS: Human Resources, Employee Retention, Work Environment, Work-Life Balance and Theoretical Review
INTRODUCTION

The strength of any nation depends to a large extent on its productivity which in turn depends on the well-being of the population. (Misau, Al-Sadat & Gerei, 2010). Mischa et al (2008) observed that a key constraint to achieving the MDGs is the absence of a properly trained and motivated workforce. Retention is considered as all-around module of an organization’s human resource management practices. It is a voluntary move by an organization to create an environment which engages employees for long term (Chaminade, 2007). The main purpose of retention is to prevent the loss of competent employees from the organization as this could have adverse effect on productivity and service delivery. It commences with the recruiting of right people and continues with practicing programs to keep them engaged and committed to the organization (Freyermuth, 2007). Drucker, (2001) asserts that knowledge is always embodied in a person; carried by a person; created, augmented, or improved by a person; applied by a person; taught and passed on by a person; used or misused by a person. The shift to the knowledge society therefore puts the person in the center. Retaining employees whose knowledge has high competitive value is becoming a critical and well-recognized challenge (DeLong, 2004; Frank, Finnegan, & Taylor, 2004; Jamrog, 2004; Ready & Conger, 2008; Somaya & Williamson, 2008). Such employees are known as knowledge workers in that they “have high degrees of expertise, education, or experience, and the primary purpose of their jobs involves the creation, distribution or application of knowledge” (Davenport, 2005).

Irshad and Afridi (2012) and Muhammad et al (2011) assert that employee retention is the most imperative target for the organization because hiring of qualified candidate is essential for organization but their retention is more important than hiring, because a huge amount is spent on the orientation and training of potential employees. When employees leave the job, Organization loose not only the employees, but also loose customers and clients who were loyal with the employee, knowledge of production , current projects, competitors and past history of the organization,(Naseem et al,2011).

Empirical studies such as Stovel and Bontis (2002) have shown that employees, on average switch employers every six years. This situation demands that management should identify the reason(s) for this frequent change of employment by employees. Once this reason(s) has been identified, management can then device retention strategies that will help in keeping essential employees for a rather longer tenure.
Aguenza, & Som (2012) also cite work life balance practices, psychological factors, recognition, management, job characteristics, financial rewards and career development as some of the factors that motivate workers to stay in organizations. Branham (2005) drawing on a research undertaken by the Saratoga Institute as cited in Torrington, Hall, Taylor and Atkinson (2011) identified the seven ‘hidden reasons why employees leave’ as the job or workplace not living up to expectation, mismatch between the person and the job, too little coaching and feedback, too few growth and advancement opportunities, feeling devalued and unrecognized, stress from overwork and work-life imbalance, loss of trust and confidence in senior leaders. This study explores the effects of work-life balance and the management of work environment on the retention of employee in organizations.

Kaushik (2009) in a study on workplace issues- “Exit interview”, mentioned the freedom of the talented worker to work his work schedule, incentive packages, keeping and maintaining personal touch with the people, regular training sessions to help the employees achieve goals on their personalized career graphs, positive and constructive feedback on a regular basis, socialization of the employees to corporate culture, senior managers role as a committed leader and finally the practice of fair treatment of all the employees so as to foster a positive work environment as determinants of employee retention while Shoaib, Noor, Tirmizi and Bashir (2009) identified career opportunities, supervisor support, working environment, rewards and work-life policies as the determinants of employee retention in telecom sector of Pakistan.

Janki (2009) said for retaining valuable employees the practices of proper attention should be given to every employee, get the right people at right time, provide training and coaching, plan for succession and acceleration pool, offer better career visibility, use explicit ranking systems tied to incentive and differentiate the organization with unique culture, can be adopted. Muhammad et al (2011) found out that the reasons for which employee wants to stay in leather industry were good career prospects, good attitude of employer, or a supervisor or a manager, good working conditions, benefits and fair pay, fair recruitment, work and family life balance and job security.

Since the factors are many this review will concentrate on the role of work environment management practices and work-life balance practices on the retention of staff in organizations.
2.0 OBJECTIVES OF THE LITERATURE REVIEW

This literature on retention initiatives has been undertaken with the following objectives:

i. To find out the role of work environment management practices on employee retention in organizations.

ii. To establish the influence work-life balance practices on retention of employees in organizations.

iii. To explore work-life balance practices that organizations can adopt to enhance employee retention.

3.0 THEORIES OF RETENTION ON THE BASIS OF WORK ENVIRONMENT AND WORK-LIFE BALANCE

The desire to stay in an organization due to work environment management practices and work-life balance can best be explained by the expectancy theory and the two-factor theory.

3.1 VICTOR VROOMS EXPECTANCY THEORY

Turnover and retention framework developed from this theory assert that decisions to stay or leave an organization can be explained by examining the relationship between structural, psychological and environmental variables. Johnsrud & Rosser,(2002), Zhou & Volkwein,(2004), Daly & Dee,(2006) employ a model of employees intent to stay that is grounded on expectancy theory which includes structural, environmental and psychological variables. Structural variables include work environment, autonomy, communication, distributive justice and workload. Psychological variables include job satisfaction, organizational satisfaction and organizational commitment while the environmental variables include availability of job opportunities. The expectation that the management will provide a conducive work environment both physical and psychological tends to encourage employees to stick with an organization and vice versa.

3.2 HERZBERG’S TWO FACTOR THEORY

Herzberg (1969) two factor theory as cited in Bassett, Jones and Lloyd (2005) provides a theoretical framework for this study. Herzberg argued that employees are motivated by internal values rather than values that are external to the work. In other words, motivation is internally generated and is propelled by variables that are intrinsic to the work which Herzberg called
“motivators”. These intrinsic variables include achievement, recognition, the work itself, responsibility, advancement, and growth. Conversely, certain factors cause dissatisfying experiences to employees; these factors largely result from non-job related variables (extrinsic). These variables were referred to by Herzberg as “hygiene” factors which, although do not motivate employees; nevertheless, they must be present in the workplace to make employees happy. The dissatisfies are company policies, salary, co-worker relationships, and supervisory styles (Bassett-Jones and Lloyd, 2005, Armstrong, 2009). Herzberg (1959) as cited in Bassett-Jones and Lloyd (2005) argued further that, eliminating the causes of dissatisfaction (through hygiene factors) would not result in a state of satisfaction; instead, it would result in a neutral state. Motivation would only occur as a result of the use of intrinsic factors. Michael (2008) and Samuel and Chipuuza (2009) used this theory to find out the motivational variables influencing staff retention in South Africa.

Empirical studies by Kinnear and Sutherland, (2001), Meudell and Rodham, (1998) and Maertz and Griffeth, (2004) have however revealed that extrinsic factors such as good interpersonal relationships, friendly working environment, and job security were cited by employees as key motivational variables that influenced their retention in the organization’s. The implication of this therefore is that management should not rely only on intrinsic variables to influence employee retention; rather, a combination of both intrinsic and extrinsic variables should be considered as an effective retention strategy.

4.0 METHODOLOGY

The study is descriptive in nature and only secondary data has been used in it. The source of the secondary data consist of books and various research journals.

5.0 WORK ENVIRONMENT MANAGEMENT PRACTICES AND RETENTION

Numerous studies have attempted to explain work environment in various areas such as for example employee job satisfaction (Iaffaldano & Muchinsky, 1985), employee turnover, job involvement and organizational commitment (Sjöberg & Sverke 2000). Work environment is one of the factors that affect employee’s decision to stay with the organization (George & Jones 2008, Zeytinoglu & Denton, 2005). Hay Group (2007), contends that work environment includes a friendly, well designed, safe physical space, good equipment and effective communication,
which will improve productivity. Well designed and organized offices and work areas make significant differences to how people feel about their work.

Levi (2002) asserts that people enjoy to work in those organizations that provide positive work environment where they feel they are making a contribution to the achievement of the organization’s objectives and moving the organization forward. (Bushe, 2012) notes that working conditions refers to a work environment that promotes the efficient performance of job tasks by employees and touches on aspects such as space, tools and equipment, hours of work, internal customer support from the administration departments, nature and tenure of contract, safety in the workplace, and requisite support from supervisors. All these make job performance easier.

Hytter (2008) asserts that in industrial perspective, work environment focuses on physical aspects such as, heavy lifts, noise and exposure to toxic substances. However characteristics of work environment vary in services sector as compared to production sector because it has to interact with the clients/consumers (Normann 1986). Irshid and Afrid (2012) conquer with this when they note that the interaction between employees and clients or customers move from physical to psychological dimension. They assert that the physiological environment consists of workload, decision, support, stressors, and attitude among others. Working environment that is comfortable, relatively low in physical and psychological stress and facilities attainment of work goals will tend to produce high levels of satisfaction among employees.

In contrast, stressful working environment result to low levels of satisfaction. Daly & Dee (2006) observe that heavy workloads, including assignments to teach large classes may generate hostility towards the organization and diminish levels of faculty commitment to the institutions and mostly affects employees’ retention negatively. Milory (2004) reported that people enjoy working, and strive to work in those organizations that provide positive work environment where they feel they are making difference and where most people in the organization are proficient and pulling together to move the organization forward. Workspace designs have a profound impact on workers and they tend to live with job as long as satisfied (Brill, Weidemann, Olsen, Keable & Bosti, 2001). To keep better privacy and to avoid distractions, the design of office equipment and furniture must be correspondence to it (Redman, Snape, & Ashurst, 2009). Netswera (2005) notes that flexible working hours, a challenging job, a sense of purpose and minimal grievances between staff and employers provide a favorable work
environment. The psychological environment, which provides support for handling stress, and physical support infrastructures such as psychologists or a nurse, etc. on site provide a sense of security to employees.

Working environment can give some depressing messages about how much the organization value employees and the standards it expects from them (Armstrong & Murlis, 2007). An independent study conducted by the Society for Human Resource Management, demonstrated that physical work environment contributes a major factor affecting the decision of employee’s whether to stay or leave the job (Sutherland, 2004). Access to friendly and natural environment helps to reduce job stress, depression and apprehension which are beneficial for health environment as well (Steel & Griffeth 2002).

Sutherland, (2004) asserts that the focus of organizations must be on how to provide better jobs with great work environment to retain employees. The key to retaining employees is to create an environment employees choose to work in and will stay given the availability of other job opportunities (Winterton, 2011). Organizations can create the necessary environment by meeting the needs of current and future employees. Communication and recognition to employees are essential factors in retaining employees. Organizations must be able to communicate their past, present, and future plans to employees so they are secure with the strength and stability of the organization. Research shows that organizations that are transparent and involve their high performing employees in finding solutions will be able to retain these individuals during downturns in the economy (Ongori, 2008).

The Hay Group study on the work environment also mentioned job autonomy. Job autonomy is defined as the amount of discretion that an employee has in carrying out his work activities (Perez, 2008). The research study demonstrated that job autonomy constitute an aspect of work environment. When employees have some control over their jobs and its outcomes, they feel less stressful and more interested in an organization to stay. Armstrong (2010), identified job autonomy as the degree to which the job provides substantial freedom, independence, and discretion to the individual in work content, the method for accomplishing the work, and the pace at which work is accomplished. Job autonomy emerged as an important dimension of job outcomes following deCharm’s theory of personal causation, which asserted that individuals will cherish behaviour and results that they perceived as stemming from their own choice (Sutherland, 2004). When employees are given the chance to control their own work outcomes,
they become owners of the decisions, feel more involved in the organization, and are thus more willing to stay.

Machayo and Keraro (2013), in a study titled incentives for health worker retention in Kenya: An assessment of current practice, Ndetei, Khasakhala and Omolo (2008) stressed that incentives are not only financial. According to the feedback they received from health workers, non-financial incentives such as improved working conditions, good living conditions, communications, health care and educational opportunities for themselves and their families were highly valued. In their view the government needs to invest not only in its health workers but in its facilities, by ensuring regular medical supplies, upgrading facilities and improving working conditions in rural and poorer areas.

A study by Kwenin (2013) on relationship between work environment, career development opportunities and employee retention in Vodafone Ghana Limited showed that employee retention is highly correlated with work environment \( r = 0.281 \) at a significant level of 0.001 and therefore recommended that the management of Vodafone Ghana Limited should as much as possible provide attractive work environment for employees to boast their decisions to stay with the organisation.

6.0 WORK-LIFE BALANCE PRACTICES AND RETENTION.

The challenges of integrating work and family life (work life balance) is a part of everyday reality for majority of workforce (Cleveland, 2007). Work–life balance refers to perceiving a satisfactory balance between one’s personal life and work schedule, and minimal conflict between the multiple roles one has to fulfill in terms of one’s personal and work lives (Döckel 2003). Parkes and Langford (2008) describe work–life balance as an individual’s ability to meet his or her work and family commitments, as well as other non-work responsibilities and activities. Shrotriya (2009) said that work life balance entails attaining equilibrium between professional work and other activities, so that it reduces friction between official and domestic/personal life and thus enhances efficiency and productivity of employees with increase in commitment and contentment. Work-life balance practices are thus those institutionalized structural and procedural arrangements as well as formal and informal practices that enable individuals to easily manage the conflicting worlds of work and family, (Osterman, 1995).
Munsamy and Bosch-Venter (2009) state that, the focus of work–life balance is on the notion of a flexible and stress-free work environment by making provision for childcare facilities and access to families. Employees work hard to strike a balance to fulfill the demands of the working life and meeting the commitments of family life. Those who fail to do so either quit the organization thereby increasing the rate of attrition or become less productive. In the personal front also they feel unhappy. At this cross road organizational culture plays a crucial role to support the employees; high culture has a mediating effect to link the Work Life Policies and practices with talent retention. (Kar and Misra, 2013). Increasing flexibility around work has therefore become more important to dual-income families. As a result, organizations that provide for this may be perceived as concerned employers, which positively influence employees and a positive attitude towards the organization (Döckel, 2003). Pasewark and Viator (2006) places flexible work arrangement as a very important part of work family support that plays pivotal role in the retention of employees.

Work-life balance programmes have the potential to significantly improve employee morale, reduce absenteeism and retain organizational knowledge, particularly during the difficult economic times (Lockwood, 2003; Landaur, 1997). Indeed Rahman and Nas (2013) assert that obtaining a balance between work and life has a great role in employee’s decision to remain with the organization. They assert that the conflict between these dimensions of human activity can cause both job dissatisfaction and hence an intention to leave the organization as well as causing conflict with family members and family activities. Thompson and Prorttas (2005) and Yanadoria and Katob (2010) examined the relationship between employee turnover intention and organization support such as supervisor support, flex time work family culture and co-worker support etc, and they conclude that organization support reduced the employee turnover intention.

7.0 WORK LIFE BALANCE PRACTICES THAT ORGANIZATIONS CAN ADOPT TO ENHANCE EMPLOYEE MOTIVATION HENCE RETENTION

Studies have shown that there are several work-life balance practices that organizations may adopt in order to increase employee commitment and hence retain those (Estes & Michael, 2005). These practices include flexible scheduling (Perry-Smith et al, 2000) such as flextime, which permits workers to vary their start and finish times provided a certain number of hours is
worked. 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.

Another practice is compressed or condensed work week, (Byars & Rue, 2008). A compressed or condensed 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 cannot 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 startup 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.(Byars & Rue, 2008, Lazar, Osolan, & Ratiu, 2010)

Teleworking also called telecommuting (Kathy, 2006, Byars & Rue, 2008) is another work life balance practice this type of arrangement is often called 'telework' or 'telecommuting'. It is the practice of working at home or while travelling and being able to interact with the office. (Byars & Rue, 2008). It 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 (Kathy, 2006; Byars & Rue, 2008). The fact that employees who telework can use this added flexibility to capitalize on their personal peak productivity periods can also favorable influence a company’s bottom line (Lazar, Osolan, & Ratiu, 2010). 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 (Lazar, Osolan, & Ratiu, 2010). Other potential disadvantages of telecommuting are insurance concerns relating to health and safety of employees working at home and lack of the professional and social environment of the workplace. Another drawback is that some state and local laws restrict what kind of work can just be done at home. (Byars & Rue, 2008).

Part-time arrangements, (Lazar, Osolan, & Ratiu, 2010) is another work-life practice that 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. (Lazar, Osolan, & Ratiu, 2010). 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, 2001).

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. It can be in the form of shared responsibilities, split duties, or a combination of both. (Byars & Rue 2008). 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. (Byars & Rue, 2008 & Lazar, Osolan, & Ratiu, 2010).

Other practices may be support of children’s education, employees’ participation in volunteer work, or facilitate phased retirement (Lazar, Osolan, & Ratiu, 2010). 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, (Shrotriya, 2009). Employees who had access to family-friendly policies showed significantly greater organizational commitment and expressed significantly lower intention to quit their jobs (Grover & Crooker, 1995), whereas the problem of work life balance is clearly linked with withdrawal behavior, including turnover and non-genuine sick absence (Hughes and Bozionelos, 2007). Indeed 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.

8.0 CONCLUSION AND RECOMMENDATIONS

Human capital is the main asset for an organization, so organizations should take necessary measures to retain skillful employees. The purpose of this literature review was to establish the effect of work environment management and work life balance practices on employee retention. As shown in the review it is concluded that organizations are less likely to retain employees when the work environment and work life balance practices are unfavorable. The findings reveal that when the work environment is conducive and appropriate work-life balance practices are in place the employees feel valued and recognized, they experience job satisfaction and therefore become committed to their roles and loyal to their organizations.
thereby experiencing less desire to leave. So to retain skillful employee there must be favourable work environment and appropriate work life balance practices in place. The review has also identified some work-life balance practices that employers can adopt to increase attraction and retention of competent workforce in their organizations especially at this error when talent attraction and retention is a major challenge in organization due to the effects of globalization.

This review has only been done on the influence of work environment and work-life balance practices on retention. Similar reviews should also be done on the role of other practices such as remuneration, training and development, supervision, leadership styles among others. Empirical research on the role of these practices in the retention of employees in critical sectors of the economy such as the health care sector should be done with the aim of establishing strategies that can be embraced to enhance their retention.

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