

IMPACT OF WORK LIFE BALANCE ON EMPLOYEE TURNOVER AMONG IT PROFESSIONALS

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ABSTRACT

The term 'Employee Turnover' refers to "the decrease in the number of employees due to retirement, resignation, upgrading or death. Whereas Work life balance refers to- describe the balance that a working individual needs between time allotted for work and other aspects of life. Whenever an individual is not able to manage or balance both , he comes down in his professional as well as in his/her family life. The main objective of the study are : To evaluate the work life balance of employees at different levels and to analyse if work life balance is influencing the employee turnover The study states that work life balance and employee turnover are dependent variable.

Key words: Employee turnover, Work Life Balance

Introduction:

Work life balance as a term commonly used to describe the balance that a working individual needs between time allotted for work and other aspects of life - Wikipedia. Areas of life other than work life can include personal interests, family and social or leisure activities. Whereas, Employee Turnover refers to the outflow of employees from an organisation in a given time period to the average number of total employees. Employees are trying hard to balance their work life and family life. Many of them don't get time for their family due to work pressure. Which normally lead to unhealthy relations in life. Human are social animal so they need to enjoy social and family life. In order to enjoy and satisfy the life , each and every employee go for better options. Better options like – good working environment, monetary benefits and non monetary benefits. Employment opportunities in IT is increasing day by day. It has been noted that the IT industry tops the list of industries with highest turnover rates with 13.2% as per the 2018 records.

Work environment itself can be negative motivating to many employees in IT sector, which leads the employees for thinking of other options. The subsequent replacement process entails manifold costs to the organizations. A sound recruitment policy calls for adopting a scientific process of recruitment.

(Bhattacharyya, 2006) In order to minimize the costs associated with the recruitment, firms should implementing various strategies, like upgrading internal employees which might not be possible always.

Attitude is a mental state of an individual who tends to act or respond or is ready to respond for or against objects, situation etc, with which his/her vested feelings or affect, interest, liking, desire and soon, are directly or indirectly linked or associated (Bhattacharyya, 2006). Employee turnover depends on the attitude how an individual balances his personal and work life. The purpose of this study was to study the impact of the work life balance on employee turnover. The causes of employee turnover may vary from external environmental factors to internal environmental factors. There are many causes of increase in employee turnover in an organization, but many researchers argue that the main cause of occupational stress is work overload (Employee Retention and its impact on Employee Turnover , 2019). The increase in the work load in the organization without taking into account the availability of staff to carry out the tasks, may lead to occupational stress. Therefore, the work load increase in any organization should correspond with the availability of work force (Employee Retention and its impact on Employee Turnover , 2019)

Review of Literature :

1. Eric Schulz, Sanjib Chowdhury, David Van de Voort (2013) The human capital of a firm as manifested by employee knowledge and experience represents a key resource of a firm's capabilities. Prior empirical studies have found that firms composed of high levels of human capital experience superior firm performance. Human capital theory proposes that an individual's general or firm specific human capital is positively related to compensation. However, empirical studies examining firm specific human capital's association with higher employee compensation have been inconclusive. The current study proposes that firm specific human capital be categorized as task specific and non task specific. Employees accumulate task specific human capital through duties conducted in their current position. Non task specific human capital represents experiences gained in prior positions to an employee's current job within the firm. Utilizing human capital data from 38,390 employees representing 76 firms in the IT sector, this study examines the association between forms of human capital and employee compensation at different levels of firm productivity. Results show that task specific human capital is associated with higher employee compensation. In addition, firm productivity moderates this association.

2. Marianne J. Koch, Rita Gunther McGrath, (2016). Despite the consistency with which the theoretical and normative connections between human resource management practices and firm-level performance outcomes are made, empirical studies that link the two are sparse. This paper presents results from a study of 319 business units that addresses this gap. Hypotheses are derived from a resource-based perspective on strategy. Positive and significant effects on labor productivity are found for organizations

that utilize more sophisticated human resource planning, recruitment, and selection strategies. These effects are particularly pronounced in the case of capital-intensive organizations.

3. Jennifer Aden Murnane,(2017) Organizational citizenship behaviour, when part of a leadership development program, can have an impact on an organization's culture and can impact measurable, tangible business outcomes. Striving for increased organizational citizenship behaviors as a component of leadership development programs can be beneficial in realizing greater organizational human capital and business impact, such as job satisfaction, reduced turnover, organizational effectiveness, and increased customer satisfaction. The associated steps for it having organizational citizenship into a leadership development program and measuring it are outlined.

4. John E. Delery,Dorothea Roumpi,(2009) The resource based view (RBV) of the firm has been consistently used as a backdrop in strategic human resource management (SHRM) research and has the potential to bridge the 'micro-macro' divide. The tension betiten the SHRM and the strategic human capital literature, however, signifies that RBV has not reached its potential. In this paper, it begin with a brief review of the conceptual logic linking human resource management (HRM) practices and firm outcomes that aim at highlighting the different treatment of RBV in the SHRM and strategic human capital literatures. It then propose a conceptual model that suggests that HRM practices are not simple levers that enable firms to create sustainable competitive advantage, as most of the strategic human capital research postulates. On the contrary, it argue that HRM practices can contribute to a firm's sustainable competitive advantage not only by enhancing employees' ability, and offering motivation and opportunities, but also by shaping supply side and demand side mobility constraints.

5. Mousumi Bhattacharya,D. Harold Doty,Thomas Garavan,(2009) In contrast to the traditional focus of HRD on human capital accumulations it examine the issue of variability in human capital investment. Drawing on Real Options Theory, it theorize that larger firms and firms that are faced with greater organizational risk will create a greater number of options in terms of human capital investment decisions resulting over time in greater variability in labor costs. Based on a large sample of U.S. firms and longitudinal data, it found that labor cost variability was positively related to organizational risk and firm size, but negatively related to capital intensity. These relationships itre significant even after controlling for employment variability. Overall, it found that in the long term, firms with greater variability in labor costs achieved better performance. Implications for strategic HRD theory and practice are discussed.

6. Alex Bryson ,Andy Charlwood ,John Forth,(2006) This article investigates the relationship betiten worker voice practices, employee perceptions of managerial responsiveness and labour productivity. It argues that managerial responsiveness is a critical but under-investigated variable in the study of the relationship betiten worker voice, human resource management and performance. Our results suggest that managerial responsiveness to worker voice does lead to superior labour productivity. However, this relationship is only found in non-union workplaces and there is little relationship betiten formal voice

regime and productivity. One important implication of this finding is that more responsive management will result in improved productivity, so policy interventions should focus on how to motivate managers to become more responsive to their employees.

7. Patrick M. Wright ,Gary C. McMahan,(2011) The field of strategic human resource management has seemingly rediscovered human capital with increasing research focused on human capital as a mediator in the relationship between HR practices and performance. In this paper it review human capital definitions and measurement approaches within this literature. It then identify some of the issues emerging with human capital research. Finally, it propose some future directions for research on human capital in organisations.

8. Taesung Kim,(2015) The current research examined the structural relationship between organizational investments in employee development and career development interventions, organizational human capital, and organizational long-term performance in the Korean business context. Four research questions were examined using the survey data with 469 sample corporations from the Human Capital Corporate Panel (HCCP) 2009 data set (the data set collected and shared for research purposes in Korea). The statistical strategies included measurement testing and examination of the predictive and mediating relationships between the variables, followed by the effect size comparison. The results of the statistical analyses indicated that the positive impacts of employee and career development interventions on organizational process and customer competencies are fully mediated by improved organizational human capital. That is, no statistically significant relationship between the learning interventions and organizational long-term performance was established without the critical mediating role of human capital. Based on the empirical findings, this research suggested implications for practice and recommendations for future research.

9. Edoardo Della Torre,Christopher D. Zatzick,David Sikora,Luca Solari,(2017). It assess the influence of workforce churning on the relationship between organisational human capital and labour productivity. Building on collective turnover research and human capital theory, it examine how the components of work force churning (i.e., voluntary turnover, involuntary turnover, and new hires) influence the relationship between existing human capital and labour productivity. Further, it examine how this influence varies according to a firm's technological intensity. Our data come from 1,911 Italian manufacturing firms and reveals that collective voluntary turnover negatively affects the relationship between organisational human capital and labour productivity regardless of an organisation's level of technological intensity. In contrast, collective involuntary turnover enhances the relationship between human capital and labour productivity, and its effect is even stronger for organisations with more technologically intensive operations. Finally, our results suggest that the integration of new hires disrupts the relationship between human capital and productivity, particularly for firms with technologically intensive operations.

10. Dana B. Minbaeva, (2017). Despite the enormous interest in human capital analytics (HCA), organizations have struggled to move from operational reporting to HCA. This is mainly the result of the inability of analytics teams to establish credible internal HCA and demonstrate its value. In this article, it stress the importance of conceptualizing HCA as an organizational capability and suggest a method for its operationalization. It argue that the development of HCA within an organization requires working with three dimensions of HCA: data quality, analytics capabilities, and strategic ability to act. Moreover, such work must be undertaken on three levels: individual, process, and structure.

Significance of the study:

According to the 2018 survey, IT industry tops the list of industries with the highest employee turnover rates with a turnover of 13.2%. The figures are increasing day by day. The turnover rate has always been a sensitive issue for all organizations. Calculating employee turnover rate is not that simple as it seems to be. No common formula can be used by all the organizations. A formula had to be devised keeping in view the nature of the business and different job functions. Moreover, calculating turnover rate is not only about devising a mathematical formula. It also has to take into account the root of the problem by going back to the hiring stage. Most organizations do not evolve robust measurements for calculating the cost of labour turnover or a bad hire. The details of information required and the measurement metrics are not common formulae, but have to be designed in keeping with the nature of the business and different job functions. As a result, most organizations do not intend to mislead by disclosing statistics which may not be true; it is just that perhaps they believe those to be true. It is imperative to evolve the science of measurement before the measure itself. The study aims at finding if lack of work life balance is a factor influencing employee turnover in IT sector

Scope of the study:

The study is restricted to IT sector employees working in software companies at Tidel park Chennai. Most of the employees are stressed in IT sectors as they find it difficult to manage personal life and work environment. As effect employees in IT sectors goes for other options. In IT field the employees have the option of doing the work at home, so the term work goes along with their life which is not found in any other profession.

Objectives of the Study

To evaluate the work life balance of employees at different levels.

To analyse if work life balance is influencing the employee turnover

Hypothesis of the Study

H0: There is no significant difference between work life balance among the employee at different managerial levels.

H1: There is significant difference between work life balance among the employee at different managerial levels.

H0: There is no significant difference between work life balance and employee turnover.

H1: There is significant difference between work life balance and employee turnover.

Methodology of the Study

Universe of the study

The population for the present investigation are the IT professionals working in software companies at TIDEL PARK ,Chennai

Data source: For the purpose of study primary data were collected from 250 respondents. Primary data were collected through a structured questionnaire, while secondary data were collected from various articles from journals, books and via internet relating impact of emotional intelligence on employee turnover.

Sampling technique: Convenient sampling technique is the sampling technique that is used for research.

Sample size: Sample size is the number of samples selected. For this research the sample size is 250.

Area of the study: The area of the study comprises of the IT sector in Chennai.

Tools for the data collection: The tools that is used for data collections is a structured questionnaire through Google form.

Data analysis: The tools that are used for data analysis are as follows:

Percentage analysis: Percentages are often used in data presentation of numbers reducing them to 0-100 range. Through the use of percentages the data are reduced in the standard form with base equal to 100 where facilities relative comparison.

Chi-Square Test: Chi-square test enables us to explain whether or not two attributes are associated. It is method of evaluating whether or not frequencies. Which have been empirically observed differ significantly from those which would be expected under a certain set of theoretical assumption.

TESTING OF HYPOTHESIS

. H0: There is no significant difference between work life balance among the employee at different managerial levels.

H1: There is significant difference between work life balance among the employee at different managerial levels.

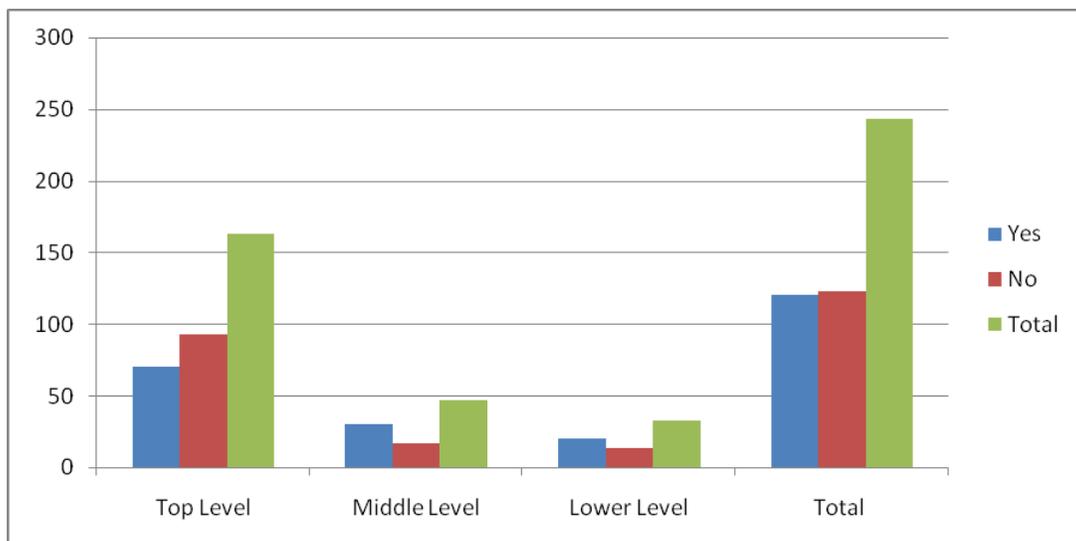
Chi-square test was carried out. The result obtained are given in the table below.

Table 1 :

Table showing details regarding work life balance among the employee at different managerial levels

Manage work life /Managerial level	Top Level	Middle Level	Lower Level	Total
Yes	70	30	20	120
No	93	17	13	123
Total	163	47	33	243

Figure 1 : Figure showing details regarding work life balance among the employee at different managerial levels



CHI-SQUARE CHART

Manage work life Balance	Managerial level			
	top	middle	lower	
yes	70 <i>80.49</i> (1.37)	30 <i>23.21</i> (1.99)	20 <i>16.30</i> (0.84)	120
no	93 <i>82.51</i> (1.33)	17 <i>23.79</i> (1.94)	13 <i>16.70</i> (0.82)	123
	163	47	33	243

$$\chi^2 = 8.290, \quad df = 2, \quad \chi^2/df = 4.15, \quad P(\chi^2 > 8.290) = 0.0158$$

The calculated value of Chi-square = 8.290

Critical value of Chi-square for 2 df at 5% significance is 5.991

Since the calculated value is greater than the table value, we reject the null hypothesis with 95% accuracy. Therefore there is significant difference between work life balance among the employee at different managerial levels

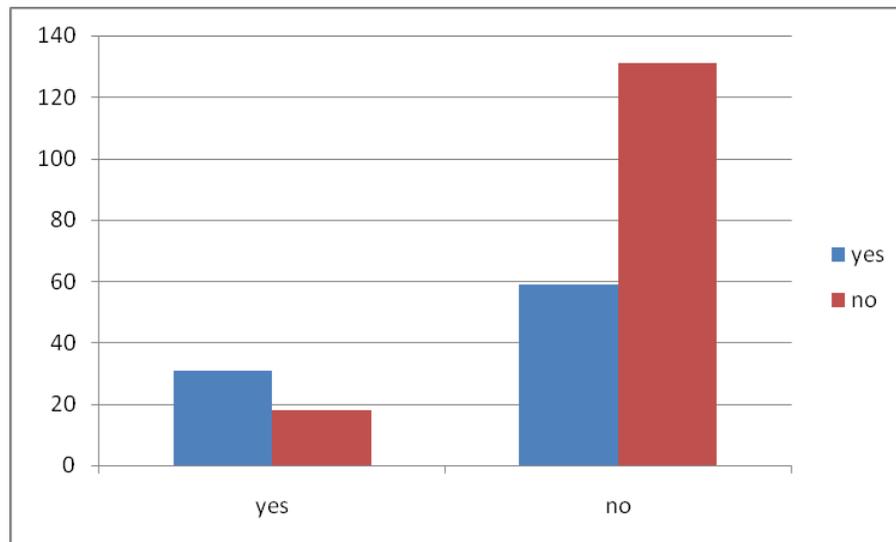
H0: There is no significant difference between work life balance and employee turnover.

H1: There is significant difference between work life balance and employee turnover

Chi-square test was carried out. The result obtained are given in the table below.

Table 2 : Table showing details regarding work life balance and employee turnover

Manage work life/Employees resigning the post	Yes	No	Total
Yes	31	59	90
No	18	131	149
Total	49	190	239

Figure 2: Figure showing details regarding work life balance and employee turnover**CHI-SQUARE CHART**

Manage work life Balance	Employees resigning the post		Total
	yes	no	
yes	31 <i>18.45</i> (8.53)	59 <i>71.55</i> (2.20)	90
no	18 <i>30.55</i> (5.15)	131 <i>118.45</i> (1.33)	149
Total	49	190	239

$$\chi^2 = 17.218, \quad df = 1, \quad \chi^2/df = 17.22,$$

The calculated value of Chi-square = 17.218

Critical value of Chi-square for 1 df at 5% significance is 3.841

Since the calculated value is greater than the table value, we reject the null hypothesis with 95% accuracy. Therefore there is significant difference between work life balance among the employee at different managerial levels

SUGGESTION AND CONCLUSIONS

The major suggestions put forward from the study are – Employers must reduce the stress associated with work which helps them to balance the distance between work and personal life. Stress free work life leads to increase the efficiency. The firms must introduce some new policies that would motivate the employees. The employers must consider employees with regards to the time of work and better working condition. Adequate leave facilities must be provided. The employers must eliminate the term “ work at home”, as the employees are not able enjoy time with their family

The study reveals that one among the reason of employee turnover is imbalance of work life balance. Majority of the top level employee are able manage both work as well as personal life, but still the study states that work life balance affects employee turnover

. The study comes to an end stating that there is a significant relationship between the employee’s turnover and work life balance. Hence, organizations need to concentrate on the employee’s needs and improve working conditions in order to retain their employees. If employees of the IT sector voluntarily quit, it will be a great loss to the organization.

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