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The Impact of Work Life Balance on Employee Turnover Intention in Selected Private Banks in Colombo District, Sri Lanka

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Abstract

Area of the Study

This study mainly focuses to identify the impact of work life balance on employee turnover intention in the selected private banks in Colombo District, Sri Lanka.

Problem of the Study

There are no empirical research findings on the impact of work-life balance on employee turnover of the banking employees in Sri Lanka. Therefore, the research problem addressed under the study is “How work life balance impact on employee turnover intention in the selected private banks in Colombo District, Sri Lanka?”

Method of the study

The data were collected from a randomly selected sample of 140 employees in the selected private banks in Colombo District, Sri Lanka. Data were collected using structured questionnaire which consists of 20 statements with 5 point Likert Scale. Data were analysed through SPSS (Version 16) computer package and it included univariate and bivariate analysis.

Findings of the Study

The results of the study emphasize that there is a negative impact of work life balance on employee turnover intention. As per the regression analysis, 54.7% of the total variation of employee turnover intention explained by the work life balance. Further, it was proved that there is a negative impact of dimensions of work life balance on employee turnover intention.

Conclusion of the Study

It is concluded that work life balance is a vital variable to realize the employee turnover intention. Further, this study support for filling the existing theoretical and practical gap in Sri Lankan banking industry, which is mainly helpful to top management to recruit work life balance employees to retain with in the industry.

Keywords: Colombo District, Private Banks, Turnover Intention, Work Life Balance

Introduction

The competitive life style of new generation leads them to the work conscious life and run towards their goals without considering the other aspects of life. Currently, employees are very busy, hurry towards competitive life pattern and divide their limited time between both work and house hold activities (Noor 2011). Therefore, presently employees are more involved in their jobs than in the last decade. As a result, the long working hours, work pressure, high demanding jobs, use of sophisticated technology made it difficult for employees to keep a balance between their job and work commitments (Nadeem & Abbas

2009). The current context of globalization and the changing nature of work have changed life style of employee. Thus work life balance plays a vital role in the society. Work life balance (WLB) defined as “the extent to which an individual’s effectiveness and satisfaction in work and family roles are compatible with the individual’s life priorities (Greenhaus & Allen 2006). The issue of WLB has been developed in response to demographic, economic and cultural changes (Lazar 2010). WLB has always been a concern of those interested in the quality of working life and its relation to broader quality of life (Guest 2002). According to Clark (2000) work life balance as satisfaction and good functioning at work and home with a minimum role conflict.

Further, Greenhaus and Allen (2006) found that WLB has directly and indirectly influence organization, for example there is a negative relationship between all types of work life conflict for both job and life satisfaction, directionality appears to make a difference: family-to-work conflict appears to be less strongly related than bidirectional or work-to-family conflict (Kossek & Ozeki 1998). According to Liyanage (2014) WLB has an impact on when getting decision about quite from job or not. Mathis and Jackson (2006) defined the labour turnover intention as the process in which employees leave an organization and have to be replaced. Employee turnover intention has resurfaced as an important issue for firms in recent years as they face tight labour markets and skill shortages (Samual & Chipunza 2009). The costs of turnover are high, particularly for professional and managerial employees, the subject of this study, because their skills and knowledge are difficult to replace (Noor 2011).

WLB considered to be an important factor in employees’ turnover intention. WLB has a more important role in employees’ turnover intention comparing to factors such as management behaviour towards the employees or the amount of pay (Hughes & Bozionelos 2004). There is no value to the amount of pay an employee receives when he has no time out of the organization to spend the money (Surienty et al. 2014). The happier the employees are in their personal life, the happier they are at work (Gachter et al. 2013). It is confirmed that work life balance has a negative impact on turnover intention (Surienty et al. 2014). Employees who perceive higher levels of balance in their work and life have lower intention to turnover (Gachter et al. 2013). On the other hand, studies have confirmed that work-family unbalance increases employees’ intention to turnover (Noor 2011). Therefore, the aim of this study is to identify the impact of work life balance on employee turnover intention in the selected private banks in Colombo District, Sri Lanka.

Problem Background and Problem of the Study

Work life balance has become one of the important challenges of today’s organization and employees (Guest 2004). Noor and Maad (2008) found that there is a significant positive relationship between work life balance and turnover intention. Perceived work life balance was negatively correlated with turnover intention (Noor 2001). According to the study of Moor (2007) mentioned that the bulk of the company’s WLB initiatives focus on the managers, but the managers display greater loyalty to the company, the workers are better able to achieve work-life balance. Further he mentioned the manager displays a more positive

attitude to their work; however, the managers focus more on achieving status and while the workers more focus on personal satisfaction.

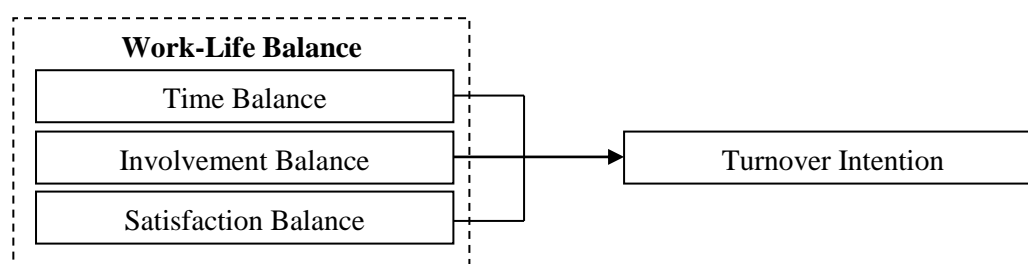
Individual spend a large amount of their life time working, which plays a central role in society (Hochschild 1997). Turnover intention positively related with actual leaving (Maad 2008). There is some factors employee which leads to leave the organization. Among them WLB considered to be an important factor in employees turnover intention (Fayyazi & Aslani 2015). Scholaris and Marks (2004) found that WLB directly and indirectly affect to the decision to turnover intention in the organization. One of the consequences of WLB is turnover intention. Employee turnoverintention has result in decreased performance and efficiency of the organization (Fayyazi & Aslani 2015). Moore (2007) concludes that studies of WLB in (multinational) corporations need to focus less on work-life balance policies, and more on the implications of other areas of corporate policy for the lifestyles of employees at different levels of the organization.

The speedy economic growth and development in the world has created new activities and open new doors for all the business organizations. The globalization trend has put the organizations hard to hold their competitive advantage. This trend has also affected the private banking sector. Private banking sector become more competitive and WLB has an impact to the decision of turnover intention and also there is significance difference between managers and non-managers when taking decision about leaving organization. However, there are many western scholars (Gachter, Savage, & Torgler 2013; Greenhaus, Collins & Shaw 2003; Surienty, Ramayah & Tarmizi 2014) conducted studies on WLB and turnover intention. Thus, it seems that there is a gap in the empirical knowledge, especially in Sri Lanka with regarded to the impact of work life balance and employee turnover intention in the selected private banking sector. So, to fill the existing gapthe problem of this study is:“How work life balance impact on employee turnover intention in the selected private banks in Colombo District, Sri Lanka?”

Research Framework

Considering the preceding literature, research framework of this study depicted in Figure 01. There are two variables of this study. Independent variable is work life balanceand dependent variable is turnover intention. Work life balanceconsists of three dimensions as time balance, involvement balance and satisfaction balance.

Figure 01: Research Framework



Work life balance consider as the important factor turnover intention. When comparing factors effect to turnover intention, work-life imbalance has a more important role comparing to factors such as management behaviour towards the employees or the amount of pay (Hughes & Bozionelos 2007). If an employee has no time out of the organization to spend the money there is no any value of amount of pay (Surienty, Ramayah & Tarmizi 2014). If the employee happy with their family life, the probability of been happy with their work life is very high. Inefficient WLB policies will leads to negative consequence for employee attitudes towards their organization as well as affecting the lives of employees (Scholaris & Marks 2004). It is confirmed that work life balance has a negative impact on turnover intention (Surienty, Ramayah & Tarmizi 2014). Employees who perceive higher levels of balance in their work and life have lower intention to quit (Gachter, Savage & Torgler 2013). According to Noor (2011) suggest that perceived work-life balance satisfaction was negatively correlated with turnover intention among the academics. According to Greenhaus, Collins and Shaw (2003) has found time balance impact on turnover intention. It is found that there is negative and significant impact on the time balance and turnover intention, therefore, the first hypothesis is develop as:

H1: Time balance significantly impact on employee turnover intention.

According to Greenhaus, Collins and Shaw (2003) has found involvement balance impact on turnover intention. It is found that there is a negative and significant impact on the involvement balance and turnover intention. Hence, the second hypothesis is as follows:

H2: Involvement balance significantly impact on employee turnover intention.

According to Greenhaus, Collins and Shaw (2003) has found satisfaction balance impact on turnover intention. It is found that there is a negative and significant impact on the satisfaction balance and turnover intention. Thus the third hypothesis of this study is as follows:

H3: Satisfaction balance significantly impact on employee turnover intention.

Method

Study Design

The main objective of the study was to delineate the impact of work life balance and employee turnover intention among the selected private banks in Colombo district, Sri Lanka and the hypotheses was developed based on the objectives. Therefore, this study needs to examine the impact of WLB on employee turnover intention. As a result, the type of investigation of this study was analytical and conducted in a natural environment and none of the study variables were controlled. The study was conducted by using a sample of 140 employees in the selected private banks in Colombo district, Sri Lanka.

Measures

A questionnaire was selected as the major source of data collection and researchers gathered first hand data by distributing the questionnaire. The questionnaire consists of three parts.

The first part contained 08 demographic factors. It consists of age, gender, marital status, experience, education, monthly income and current position. The second part contained the WLB related statements consisting of 12 items framed by Jeffrey, Greenhaus and Conllins (2003). The third part consists of turnover intention of employees in their workplace using 8 statements framed by from Maertz and Compion (2004). Response to individual statements was scaled according to a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

Validity and Reliability

The external reliability of the instrument used to collect data was examined by test- retest test method and the internal item consistency reliability was examined with Cronbach's Alpha Coefficient test (Kottawatta 2014). The result of Test Retest Coefficient and Cronbach's Alpha test are given in Table 01, which suggest that the external and internal reliability of each instrument was satisfactory.

Table 01: Result of Test- Retest and Cronbach's Alpha

	Instrument	Test Retest Coefficient	Cronbach's Alpha
1	Work Life Balance	0.939	0.788
2	Turnover Intention	0.986	0.798

The content validity of the instrument was ensured by the conceptualization and operationalization of the variable based on the literature, and indirectly by the high internal consistency reliability of the instruments as denoted by Cronbach's Alpha (Kottawatta 2014). The construct validity of the variable of the study was ensured by the fact that the regression analysis support the hypotheses formulate linking the relationship between the independent and dependent variable (Kottawatta 2014).

Techniques of Data Analysis

The primary data gathered from the sample were analyzed using the computer based statistical data analysis package, SPSS (version 16.0). The data analysis included univariate and bivariate methods.

Results

Considering the demographic factors, 64 male and 76 female respondents are in the sample. Among all respondents 64 are single and 76 are married. To investigate the responses for independent and dependent variables of selected private banks in Colombo district, Sri Lanka, univariate analysis was used. The results of the univariate analysis are depicted in Table 02 and the level of WLB and turnover intention of employees in selected banks is normally distributed. As per mean values, of the distribution of work life balance was 3.65 and mean value of the turnover intention is 2.60.

Table 2: Univariate Analysis

		WLB	Turnover Intention
N	Valid	140	140
	Missing	0	0
Mean		3.6494	2.6000
Std. Error of Mean		.04358	.03856
Median		3.7500	2.5833
Mode		3.83	2.75
Std. Deviation		.51559	.45624
Skewness		-1.754	1.310
Std. Error of Skewness		.205	.205
Kurtosis		2.730	1.553
Std. Error of Kurtosis		.407	.407

Regression analysis was done to identify the impact of WLB and employee turnover intention (refer Table 03). The R square is 0.547, which is approximately 54% of the variability of turnover intention is explained by the model. Further, the results show that 54% of the variance or impact in turnover intention is significantly explained by the three dimensions of work life balance model.

Table 03: Results of Regression Analysis

R square	Adjusted R square	β value	Sig value	N
0.547	0.543	-.739	.000	140

According to the results shown in table 3, the β value for the WLB is-.739 which is significant at 1 % (significant=.000). It indicates that there is a negative impact on turnover intention and the WLB. It can be further explained as, if WLB increases by one-unit, turnover intention will be decreased by .739. Hence it can be proved that there is a negative impact on WLB on turnover intention of banks employees.

According to Table 04, work life balance dimensions negatively relate with employee turnover intention. All hypotheses are significant since the p value is .000, it is less than .05.

Table 04: Summary of Hypotheses Testing

No	Hypotheses	Value	Remarks
H1	Time balance negatively impact on employee turnover intention.	b= -0.652,sig=.000	Accepted
H2	Involvement balance negatively impact on employee turnover intention.	b= -0.572,sig=.000	Accepted
H3	Satisfaction balance negatively impact on employee turnover intention.	b= -0.701,sig=.000	Accepted

Discussion and Conclusion

This study empirically scrutinized the impact of WLB on employee turnover intention in the selected private banks in Colombo district, Sri Lanka. In relation to the results of regression

analysis, WLB was found to have a negatively impact on employee turnover intention with the strength of b value is -0.739. It showed that two study variables were strongly negatively related as, WLB increases, turnover intention will be decreased. Further, dimensions of WLB were also found to have a negative impact on employee turnover intention. The b value of time balance, involvement balance and satisfaction balance are -0.652, -0.572 and -0.701 respectively which indicate the negative impact.

The above outcomes are in line with the related studies that emphasize the WLB on turnover intention. Findings similar to Greenhaus and Conllins (2003) results, the regression analysis provide sufficient statistical evident which were supported R square is 0.624 and strength of b value -0.678. The result shows that WLB negatively impact on employee turnover intention. So, they explained that when increasing work life balance decrease turnover intention.

Further, the results of negative impact of WLB on employee turnover intention are provided the confirmatory evidence with Noor (2011). He suggested that perceived work-life balance satisfaction was negatively correlated with turnover intention among the academics. Furthermore, this study results confirmed with Surlenty, Ramayah and Tarmizi (2014) results that work life balance has a negative impact on turnover intention. Employees who perceive higher levels of balance in their work and life have lower intention to quit (Gachter, Savage & Torgler 2013). All hypotheses are in accordance with the Greenhaus, Collins and Shaw (2003) results.

Recommendations

Work life balance is another significant way of reducing turnover intention of banks employees in the private sector. Therefore, top management and authoritative personalities in the organizations should have cultivated the practices focusing the work life balance. In modern context of world work life balance becoming a major issue for individuals as well as organization not having proper work life balance may affect quality of work and performance of the employees. Therefore, the findings of this study will be vital on the theoretical as well as practical scenario. Theoretically, this study framework proves to be an explanatory framework of work life balance and turnover intention. Practically, these study findings can be used decision makers in the banking industry to develop their employees.

This study involves with selected private banks in Colombo District. The results may be limited to the specific district only and the size of the sample limited to 140 participants. Further research, studies are suggested to increase sample size of the study and the many province to be involved. And also the generalizability of results is limited since the data set is specific to employees of private banks. Future studies using large and more diverse sample would be useful. Further, this study was conducted based on quantitative approach and it would be better if mixed method is used. Though the researcher studied number of variables affects to work life balance and turnover intention there are many other variables that are not considered in this study. Therefore, future research is needed including many variables in a

single model and suggested to carry out to find the effect of work life balance on turnover intention of the employees who are working in the public banks and other sectors.

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