T. Alexandra Beauregard and Lesley C. Henry
Making the link between work-life balance practices and organizational performance

Article (Accepted version)
(Refereed)

Original citation:

DOI: http://dx.doi.org/10.1016/j.hrmr.2008.09.001

© 2009 Elsevier

This version available at: http://eprints.lse.ac.uk/25224/
Available in LSE Research Online: September 2009

LSE has developed LSE Research Online so that users may access research output of the School. Copyright © and Moral Rights for the papers on this site are retained by the individual authors and/or other copyright owners. Users may download and/or print one copy of any article(s) in LSE Research Online to facilitate their private study or for non-commercial research. You may not engage in further distribution of the material or use it for any profit-making activities or any commercial gain. You may freely distribute the URL (http://eprints.lse.ac.uk) of the LSE Research Online website.

This document is the author’s final manuscript accepted version of the journal article,
Making the Link between Work-Life Balance Practices and Organizational Performance
Abstract

The business case for work-life balance practices, as espoused by many organizations, rests on attracting better applicants and reducing work-life conflict among existing employees in order to enhance organizational performance. This review of the literature provides some evidence for the claim regarding recruitment, but there is insufficient evidence to support the notion that work-life practices enhance performance by means of reduced work-life conflict. We suggest that the business case may therefore need to be modified to reflect the number of additional routes by which work-life balance practices can influence organizational performance, including enhanced social exchange processes, increased cost savings, improved productivity, and reduced turnover. The impact of these processes may, however, be moderated by a number of factors, including national context, job level, and managerial support. The importance of further research into the effects of these practices is discussed.
Making the Link between Work-Life Balance Practices and Organizational Performance

Despite the popularity of work-life conflict as a topic of academic and practitioner debate, and the mounting prevalence of work-life balance practices (a.k.a. family-supportive or family-friendly policies) in organizations around the world (Kersley et al., 2005; US Bureau of Labor, 2007), research on the organizational effects of such practices is not well integrated. Competing demands between work and home have assumed increased relevance for employees in recent years, due in large part to demographic and workplace changes such as rising numbers of women in the labour force, an ageing population, longer working hours, and more sophisticated communications technology enabling near constant contact with the workplace. In response to these changes and the conflict they generate among the multiple roles that individuals occupy, organizations are increasingly pressured to implement work practices intended to facilitate employees’ efforts to fulfil both their employment-related and their personal responsibilities (Rapoport, Bailyn, Fletcher, & Pruitt, 2002).

While there is no one accepted definition of what constitutes a work-life balance practice, the term usually refers to one of the following: organizational support for dependent care, flexible work options, and family or personal leave (Estes & Michael, 2005). Hence these practices include flexible work hours (e.g., flextime, which permits workers to vary their start and finish times provided a certain number of hours is worked; compressed work week, in which employees work a full week’s worth of hours in four days and take the fifth off), working from home (telework), sharing a full-time job between two employees (job sharing), family leave programs (e.g., parental leave, adoption leave, compassionate leave), on-site childcare, and financial and/or informational assistance with childcare and eldercare services.
Over the past two decades, the outcomes of these work-life practices have been discussed in publications representing a number of different academic disciplines – economics (e.g., Johnson & Provan, 1995; Whitehouse & Zetlin, 1999), family studies (e.g., Hill, Hawkins, Ferris, & Weitzman, 2001; Raabe, 1990), gender studies (e.g., Nelson, Quick, Hitt, & Moesel, 1990; Wayne & Cordeiro, 2003), industrial relations (e.g., Batt & Valcour, 2003; Eaton, 2003), information systems (e.g., Baines & Gelder, 2003; Frolick, Wilkes, & Urwiler, 1993), management (e.g., Konrad & Mangel, 2000; Perry-Smith & Blum, 2000), social psychology (e.g., Allen & Russell, 1999; Hegtvedt, Clay-Warner, & Ferrigno, 2002), and sociology (e.g., Blair-Loy & Wharton, 2002; Glass & Estes, 1997). The most common approach is to view work-life balance practices through a business case lens: that is, by offering these practices, organizations attract new members and reduce levels of work-life conflict among existing ones, and this improved recruitment and reduced work-life conflict enhance organizational effectiveness.

A review of the literature, however, questions this purported link between work-life balance practices and organizational effectiveness. The majority of studies investigating the outcomes of work-life practices do not measure work-life conflict, and thus cannot support this proposed mediated relationship (Eby, Casper, Lockwood, Bordeaux, & Brinley, 2005). The mechanisms by which the provision of work-life practices affects both employee behaviour and organizational performance remain unclear, and under-researched (Allen, 2001; Schutte & Eaton, 2004). The results of a number of studies reviewed in this paper appear to suggest that work-life balance practices do not necessarily influence levels of employee work-life conflict, but instead improve organizational performance via other routes, such as reduced overheads in the case of employees working from home, improved productivity
among employees working at their peak hours, or social exchange processes arising from perceptions of organizational support (e.g., Allen, 2001; Apgar, 1998; Shepard, Clifton, & Kruse, 1996).

This paper examines the literature to identify the various ways in which organizational work-life practices may influence organizational performance. Using a wide range of studies from a variety of disciplines, the empirical support available for the link between work-life practices and organizational performance at both the individual and organization level of analysis is reviewed. Integrating the literature in this fashion provides us with important new insights regarding potential moderators and mediators of the link between work-life practices and organizational performance, and suggests new research questions that may further enhance our understanding of how (or if) this link operates. Figure 1 illustrates the relationships identified and suggested by this examination of the literature, and provides a structure for the framework of the paper.

First, the paper will focus on individual-level explanations for the link between work-life practices and organizational performance, such as reduced work-life conflict, improved job-related attitudes and perceived organizational support, and use of practices. Organization-level explanations will then be explored, such as improved recruitment, retention, and productivity. Within each section, the literature’s major findings will be reviewed and the key implications drawn out. The paper concludes by discussing the future of work-life balance practices, analyzing inadequacies in current research, and identifying directions for future research.

______________________________
INSERT FIGURE 1 ABOUT HERE
______________________________
Rationale for methodology

By conducting a comprehensive narrative review rather than a meta-analysis, we are able to examine the different ways in which work-life practices and outcomes are conceptualized and measured in the literature, and explore the theory underpinning the results. This is especially important when working in a field in which the literature is relatively young and not especially well developed, such as that concerning the impact of work-life balance practices. Meta-analytic techniques have been criticized for their failure to consider heterogeneity in both subjects and methods, and have also been accused of over-generalizing results and over-emphasizing quantitative comparisons of substantively different literatures (Graham, 1995; Slavin, 1986). These concerns are particularly relevant given the wide variety of disciplines contributing to the work-life balance practice literature, the wide variety of definitions and measurements adopted in the research, and the diversity of study participants in terms of demographic characteristics and caregiving responsibilities.

Papers were selected for this review on the basis of their empirical investigation of the outcomes of work-life balance practices. Relevant articles were identified using computerized searches on PsycInfo, Business Source Premier, Google Scholar, PAIS International, and International Bibliography of the Social Sciences search indices. No specific journals were targeted, included, or excluded. The following search terms were used: work-life, work-family, work-nonwork, family friendly, and family responsive, in conjunction with policy, practice, and benefit; childcare, dependent care, eldercare, flexible work schedules, flexible work hours, telework, telecommuting, and performance.
Individual-level explanations

*Reduction of work-life conflict*

Interference between work and non-work responsibilities has a number of negative outcomes that have been well established in the literature. In terms of job attitudes, employees reporting high levels of both work-to-life and life-to-work conflict tend to exhibit lower levels of job satisfaction and organizational commitment (Burke & Greenglass, 1999; Kossek & Ozeki, 1998). Behavioural outcomes of both directions of conflict include reduced work effort, reduced performance, and increased absenteeism and turnover (Anderson, Coffey, & Byerly, 2002; Aryee, 1992; Frone, Yardley, & Markel, 1997; Greenhaus, Collins, Singh, & Parasuraman, 1997; Wayne, Musicca, & Fleeson, 2004). Both work-to-life and life-to-work conflict have also been associated with increased stress and burnout (Anderson et al., 2002; Kinnunen & Mauno, 1998), cognitive difficulties such as staying awake, lack of concentration, and low alertness (MacEwen & Barling, 1994), and reduced levels of general health and energy (Frone, Russell, & Barnes, 1996). While the majority of work-life balance research focuses on employees’ family responsibilities, there are also a number of studies that recognize commitments to friends and community groups, expanding the affected population to virtually all employees (e.g., Beauregard, 2006; Hamilton, Gordon, & Whelan-Berry, 2006; Tausig & Fenwick, 2001). The implications for organizations are clear: work-life conflict can have negative repercussions for employee performance.

According to the business case as espoused by many firms and government bodies, these costs to organizations can be avoided by implementing programs to help employees manage their work-life conflict (e.g., European Network for Workplace Health Promotion, 2006; Human Resources and Social Development Canada, 2006).
This view proposes that work-life balance practices will assist employees in balancing their work and family demands, which can in turn lead to enhanced employee productivity and significant business improvements. By enabling employees to schedule their time in order to better balance competing demands from work and from home, and by helping employees to procure third-party assistance with caregiving responsibilities, such practices are intended to reduce or eliminate levels of work-life conflict, and thereby augment employee performance and organizational effectiveness.

There is mixed support in the literature for this proposition. In a study of male executives, Judge, Boudreau & Bretz (1994) rated the work-family policies available to these employees and found that more comprehensive benefits were associated with lower work-to-life conflict, but not life-to-work conflict. Thompson, Beauvais and Lyness (1999) also found a significant, negative association between the availability of work-life practices and work-to-life conflict, while Frye and Breaugh (2004) identified a negative relationship between perceptions of the usefulness of organizational work-life practices and work-to-life conflict. A number of researchers have found that use of flexible working hours is associated with lower levels of work-to-life conflict (Anderson, Coffey, & Byerly, 2002; Hill et al., 2001) and non-directional work-life conflict (Lee & Duxbury, 1998; Saltzstein et al., 2001). Thomas and Ganster (1995) found that perceived control served as a mediating mechanism by which family-supportive policies influenced a non-directional measure of work-life conflict, and O’Driscoll et al. (2003) demonstrated that family-supportive organizational perceptions mediated the link between use of work-life practices and work-to-life conflict.
On the other hand, research by Blum, Fields, and Goodman (1994), Galinsky and Morris (1993), and Premeaux, Adkins, and Mossholder (2007) found no effects of work-life practices on employees’ work-life conflict levels. Similarly, Goff, Mount, and Jamison’s (1990) study did not reveal any association between provision of an on-site childcare centre and levels of work-life conflict. Providing work-life practices does not necessarily entail a reduction in levels of staff work-life conflict, then, and even where this is the case, there is a dearth of research investigating the mediating role of work-life conflict in the link between work-life practice provision and organizational effectiveness. Furthermore, much of the research literature groups a number of work-life practices together when relating provision or use to attitudinal or behavioural outcomes. This only clouds the issue of whether such a variety of work-life practices can be expected to produce similar effects. Ashforth, Kreiner, and Fugate’s (2000) work on boundary theory and role transition suggests that because workers have different preferences for integration versus segmentation of work and family roles, certain work-life practices may be ineffective in reducing inter-role conflict if they do not cater to a worker’s particular values, needs, or preferences for managing multiple roles. For example, participating in telework arrangements has been shown to benefit some workers, whereas for others – particularly those with greater family responsibilities – it appears to blur the boundaries between work and home (see Hill, Miller, Weiner, & Colihan, 1998; Loscocco, 1997).

Another issue with the existing research is that availability of work-life practices is often measured, as opposed to actual use of such practices. This, however, brings us to another potential explanation for the link between work-life practices and organizational performance. Even when the practices are not used and therefore no reduction in work-life conflict is achieved, the mere presence of such practices can
effect a number of beneficial outcomes to the organization in the form of positive job-related attitudes. We shall begin to explore these in the following section.

*Key implications:* While work-life conflict is generally held to be a mediator in the link between provision of practices and performance outcomes, this proposition remains untested. Existing research designs often neglect to distinguish between practice availability and practice use, and largely fail to differentiate among work-life practices, rendering it difficult to reach conclusions regarding their common or distinct effects.

*Improved job-related attitudes and perceptions of organizational support*

With regard to job attitudes, use of and satisfaction with work schedule flexibility has been associated with increased organizational commitment and reduced turnover intentions (Aryee, Luk, & Stone, 1998; Halpern, 2005; Houston & Waumsley, 2003), and voluntary reduced hours have been linked to greater job satisfaction, loyalty, and organizational commitment (Williams, Ford, Dohring, Lee, & MacDermid, 2000). A number of studies have found that employees who benefit from childcare centres, referral services and other family-supportive practices report higher levels of commitment to the organization (Goldberg, Greenberger, Koch-Jones, O’Neil, & Hamill, 1989; Grover & Crooker, 1995; Orthner & Pittman, 1986; Youngblood & Chambers-Cook, 1984). A meta-analysis by Baltes, Briggs, Huff, Wright, and Neuman (1999) found that flexible work schedules had positive effects on both job satisfaction and satisfaction with work schedule. In a study of the ‘virtual office’, Callentine’s (1995) participants attributed an increase in job satisfaction to increased flexibility in the location and timing of their work. Teleworkers in Quaid and Lagerberg’s 1992 study (cited in Standen, Daniels & Lamond, 1999) also reported higher levels of job satisfaction. In their 2007 meta-analysis, Gajendran and
Harrison found that telework was associated with increased job satisfaction and reduced intentions to turnover, with these relationships partially mediated by lower levels of work-life conflict.

Availability of work-life balance practices, independent of actual use, appears to produce similarly positive results in terms of work-related attitudes. For instance, the availability of organizational resources, including flexible work hours, has been linked to job satisfaction and organizational commitment for women and for all employees with family responsibilities, regardless of whether or not these resources are being used (Nelson et al., 1990; Scandura & Lankau, 1997). Similarly, Roehling, Roehling, and Moen (2001) found in a representative sample of 3,381 American workers that the presence of flexible time policies and childcare assistance was associated with employee loyalty for those with family responsibilities.

Availability of work-life balance practices has also been related to increased affective commitment and decreased turnover intentions (Chiu & Ng, 1999; Thompson, Beauvais & Lyness, 1999; Wood & de Menezes, 2008). Grover and Crooker (1995) found that parental leave, childcare information and referral, flexible work hours, and financial assistance with childcare predicted both increased affective commitment to the organization and decreased turnover intentions among all employees, not just users of the practices.

A few studies have identified moderators of the practice availability – job attitude link. Kossek and Ozeki’s (1999) review suggests that the provision of flexible work hours will be positively related to organizational commitment only if employees perceive the flexibility as increasing their control over their time. Similarly, Wang and Walumbwa (2007) found that the availability of flexible work arrangements was associated with increased organizational commitment for banking employees in
China, Kenya, and Thailand only when employees perceived their supervisors to exhibit transformational leadership behaviours, including individual consideration. In a 2008 study by Casper and Harris, the impact of work-life practice availability on organizational commitment was moderated by gender and by practice use. For women, the availability of work-life practices had a positive relationship with commitment, mediated by perceived organizational support. For men, however, the availability of flexible schedules was positively related to commitment only when men’s use of this practice was high. When use of flexible schedules was low, the availability of this practice was negatively related to commitment. Similarly, Butts, Ng, Vandenberg, Dejoy, and Wilson (2007) found that for men, the availability of work-life practices was associated with higher organizational commitment only when perceived organizational support was high. For women, there was a positive link between practices and commitment regardless of levels of perceived organizational support.

These results can be interpreted using social exchange theory (Blau, 1964). When treated favourably by the organization, employees will feel obliged to respond in kind, through positive attitudes or behaviours toward the source of the treatment. Using the provision of work-life balance practices as an indicator of favourable treatment, employees will reciprocate in ways beneficial to the organization – increased commitment, satisfaction with one’s job, and citizenship behaviours. The availability of work practices designed to assist employees with managing their responsibilities at home may also increase employee perceptions of organizational support, particularly if these work-life balance practices are seen as being useful (Lambert, 2000). Perceived organizational support can also be used as an indicator of favourable treatment, prompting reciprocal positive actions from employees. This
proposition finds support in the results of Allen (2001), which indicated that perceptions of the organization as being family-supportive mediated the link between work-life practice availability and both affective commitment and job satisfaction.

This interpretation is, however, not without criticism. In the context of the psychological contract - the individual employee’s subjective belief in the reciprocal obligations between the employee and the organization (Rousseau, 1995) - it is possible that employees may not feel obliged to ‘repay’ their organization’s provision of work-life practices with an increase in positive, work-related behaviours or attitudes. Instead, they may perceive that access to such practices is an entitlement, rather than an example of favourable treatment. It is difficult to estimate the extent to which employees construe such practices as favours versus rights. Research conducted by Lewis and Smithson (2001) indicates that perceived entitlement to such practices is not widespread among European employees, particularly those in nations with low levels of statutory regulations concerning the balance of work with family or personal commitments. For instance, study participants in Ireland and the UK did not feel entitled to employer support for child care, and perceived entitlement to flexible hours or parental leave was contingent upon the participants’ view of whether such practices were practical for the organization, in terms of time, operation and costs. Given the current absence of compelling data to demonstrate perceived entitlement to work-life practices, therefore, the social exchange explanation for the positive effects of work-life practices among non-users cannot be discounted.

*Key implications*: The provision of work-life practices has the potential to generate improved attitudinal and behavioural outcomes among employees independent of practice use. While this process is widely held to occur via social exchange, research has not yet explicitly tested this proposition, nor the possibility
that national context (in the form of varying statutory regulations) may moderate the link between provision of practices and employee perceptions of organizational support.

Use of practices

The influence of work-life practices on organizational effectiveness may be compromised by practices that fail to achieve their intended aims. An issue frequently cited in accounts of work-life practice implementation is lack of use. Research conducted amongst organizations in the UK suggests that employees often remain unaware of their work-life entitlements following the implementation of work-life balance practices (Kodz, Harper, & Dench, 2002; Lewis, Kagan, & Heaton, 2000). For example, in a survey of 945 employees in six different organizations across three sectors of employment (local government, supermarkets, and retail banking), Yeandle, Crompton, Wigfield, and Dennett (2002) found that 50% of employees were unaware of the family-friendly practices offered by their organizations.

Even when employees are fully informed of the practices available to them, many display a reluctance to use them. Relative to female employees, few men make use of family leave, choosing instead to take vacation or other discretionary days off upon the birth of a child or other family-related event (Berry & Rao, 1997; Pleck, 1993). Hall (1990) refers to this as the ‘invisible daddy track’; if colleagues and superiors are not aware that an employee is taking time off work for family reasons, he is less likely to be accused of having competing priorities and less likely to be perceived as uncommitted to his job. Gender role theory may help to explain this phenomenon. In a study by Wayne and Cordeiro (2003) examining perceptions of citizenship behaviours among male and female employees who either took family leave or did not, female employees were not rated differently regardless of their use of
family leave. Men who took family leave, however, were rated as being less likely to help their co-workers, to work overtime, and to be punctual than men who did not take family leave, even in the presence of identical job performance ratings. Gender role theory proposes that men are expected to place work before family, and are thus not viewed as being good organizational citizens when they take leave.

According to Liff and Cameron (1997), use of work-life leave provisions is low among staff with career aspirations due to the belief that taking such leave will be interpreted as a lack of commitment to the organization. This premise is supported by Brandth and Kvande (2002), who studied 1,360 Norwegian working fathers and found that as men progress up the managerial career ladder, they exhibit a reduced tendency to use the paternity leave to which they are entitled. In a study of 463 professional and technical employees in biopharmaceutical firms, Eaton (2003) found that the provision of work-life practices improved employees’ organizational commitment, but only to the extent that employees felt free to use the practices without negative consequences to their work lives - such as damaged career prospects. Similarly, Cunningham (2001) cites an American Bar Association report that although 95% of American law firms have a part-time employment policy, only 3% of lawyers have used it due to fear of career derailment.

The perception that using work-life balance practices will have a negative impact on their career prospects appears to be a powerful demotivator for employees’ use of these practices (Kodz et al., 2002). This perception is reinforced by organizational cultures unsupportive of work-life balance issues. According to Ryan and Kossek (2008), implementation attributes including supervisor support for use and universality of practice availability will affect the degree to which work-life practices are seen by employees as fulfilling their work-life needs and signalling
support from the organization. Organizations featuring an entrenched long-hours
culture and unaccommodating attitudes among managers and co-workers tend to
discourage employees from making use of the work-life practices ostensibly available
to them. As Bailyn (1997: 211) puts it, “putting in time – being visibly at work, often
for long hours – is seen as a sign of commitment, of loyalty, of competence and high
potential, and in many cases as an indicator, in and of itself, of productive output”.
Employees who do not give the maximum amount of time possible to the organization
are often defined as less productive and less committed, and are therefore less valued
than employees working longer hours; this view is reflected in the attitudes of many
managers to the promotion of employees working reduced hours or non-standard
schedules (Lewis, 1997).

Employees are often demonstrably concerned that using flexible working
arrangements will damage their promotion prospects and perhaps their relationships
with co-workers and managers (Houston & Waumsley, 2003). These concerns are not
always unfounded. Frequent telework has been associated with professional isolation,
impeding professional development activities such as interpersonal networking,
informal learning, and participating in mentoring relationships (Cooper & Kurland,
2002). Some work-life practices, such as voluntary reduced hours, are frequently
unavailable in upper-level professional and managerial work. However, when they are
available to professionals and managers, their use is often associated with career
derailment (Raabe, 1996). As time spent at the workplace is often used as an indicator
of employees’ contributions and commitment to the organization, participation in
work-life practices that make employees less visible (such as telework, flexible hours,
or family leave) has been associated with lower performance evaluations, smaller
salary increases, and fewer promotions (Bailyn, 1997; Perlow, 1995).
There is an increasing amount of research supporting the notion that workers who make use of work-life practices suffer negative perceptions from colleagues and superiors. An experiment conducted by Allen and Russell (1999) found that employees who used work-life balance practices were perceived by co-workers as having lower levels of organizational commitment, which was thought to affect the subsequent allocation of organizational rewards such as advancement opportunities and salary increases. Rogier and Padgett (2004) conducted an experimental study among 107 working MBA students, in which participants were given a packet of materials designed to simulate the personnel file of a female employee in an accounting firm who was seeking a promotion to senior manager. They found that participants perceived the job candidate who was using flexible work hours as being less committed to her job, less suitable for advancement, less ambitious, and less desirous of advancement, despite no differences in her perceived capability compared to a candidate not using a flexible schedule. This finding was consistent with that of Cohen and Single (2001), whose research showed that accountants working flexible schedules were perceived to be less likely to be promoted and more likely to leave the firm.

Moving from perceptions to reality, research by Judiesch and Lyness (1999) among 11,815 managers in an American financial services organization found that managers who took leaves of absence, both family and illness-related, received fewer subsequent promotions and salary increases than those who did not take leave, even after controlling for performance ratings. Regardless of type of leave, length of absence, or when leave was taken, managers who took multiple leaves of absence received fewer rewards than managers who took only one leave of absence. It is therefore not surprising that work-life practices tend to be under-utilized by male
employees, single employees, and career-oriented mothers (Bailyn, Fletcher, & Kolb, 1997; Whitehouse and Zetlin, 1999), and that apprehension of negative career consequences for using practices has been associated with increased levels of work-life conflict (Anderson et al., 2002; Thompson et al., 1999).

For those employees who are aware of the practices available to them and who wish to make use of them, other obstacles may exist. Drawing on evidence from case studies of four companies in the Scottish financial sector, Bond and Wise (2003) report that despite managerial discretion being built into a number of work-life practices and codified in staff handbooks, awareness of statutory family leave provisions is variable and often quite poor among line managers, who frequently have limited training in work-life related human resource policies. Similarly, Casper, Fox, Sitzmann and Landy (2004) showed that supervisors generally had poor awareness of work-life practices in their organization, and this influenced their ability to refer employees to these practices. Research has also demonstrated that factors completely unrelated to employees’ requests to use work-life practices can have a profound influence on the likelihood of those requests being granted. For example, female managers are more likely than male managers to grant requests for alternative work arrangements (Powell & Mainiero, 1999). Supervisors with greater parental responsibility have been found to exhibit more flexibility in helping employees balance their work and home commitments, while supervisors with a greater need for control have been found to display less flexibility in this regard (Parker & Allen, 2002).

Key implications: Managerial support and the work-life climate of an organization may moderate the link between work-life balance practice provision and both employee use of practices and perceptions of organizational support. If
management is unsupportive of employees’ efforts to balance work and personal responsibilities, and workers anticipate career penalties should they make use of the available practices, organizations may find that perceptions of organizational support are not enhanced and outcomes such as improved citizenship behaviour and organizational performance are thus unrealized. Fear of harming their career prospects may discourage employees from using the work-life practices on offer, which in turn may nullify some of the intended beneficial effects of those practices.

Organization level explanations

*Improved recruitment and retention*

Adopting a resource-based view of the organization, work-life practices may serve as a source of competitive advantage in a context in which their provision is limited (Perry-Smith & Blum, 2000). Offering voluntary reduced hours has been associated with increased recruitment and retention (Williams, Ford, Dohring, Lee, & MacDermid, 2000). The provision of onsite childcare centres has been associated with lower turnover intentions among employees (Milkovich & Gomez, 1976; Youngblood & Chambers-Clark, 1984), as has access to family-responsive policies in general (Grover & Crooker, 1995). In McDonald, Guthrie, Bradley, and Shakespeare-Finch’s (2005) qualitative study of employed women with dependent children, several of the participants stated that without access to flexible working hours, they would not continue to work full-time. Availability of flexible work hours predicted retention among employed new mothers in Glass and Riley’s (1998) study, and Hofferth (1996) found that availability of flexible spending accounts to pay for child care predicted reduced turnover among working mothers. Studies have also shown that as levels of flexibility in terms of working hours decrease, turnover intentions are raised (Pierce & Newstrom, 1982; Rothausen, 1994).
There is debate concerning the extent to which work-life practices encourage recruitment and retention of all employees, or only those with caring responsibilities or other personal commitments requiring flexibility in their work hours. A number of studies have demonstrated support for the “universal appeal” perspective. In a study of MBA alumni and students, Honeycutt and Rosen (1997) found that regardless of whether their salient identities centred on family, balance, or career, individuals were more attracted to organizations offering flexible career paths and policies than to more traditional organizations. In a quasi-experimental study of young, inexperienced job seekers without caregiving responsibilities, Carless and Wintle (2007) found that organizations offering flexible career paths (with family supportive policies available to all employees) and dual career paths (with the option to either prioritize career, or balance career and family) were perceived as significantly more attractive than those offering only traditional career paths. Further support for the universal appeal perspective is provided by Bretz and Judge (1994), who found that levels of work-life conflict among employees did not predict their attraction to organizations offering work-life practices. Similarly, in a survey of 120 employers in upstate New York, Baughman, DiNardi and Holtz-Eakin (2003) found that employers who had instituted flexible sick leave and childcare referral services five years ago or longer experienced significant subsequent decreases in turnover amongst all employees, while the work of Bretz, Boudreau, and Judge (1994) found that lack of access to work-life practices predicted turnover intentions among managers.

An explanation for these findings can perhaps be found in the results of an experiment among 371 current or recent job search candidates conducted by Casper and Buffardi (2004), which demonstrated that the provision of work schedule flexibility and dependent care assistance by organizations led to job pursuit intentions
among participants. Levels of work-life conflict and family responsibilities had no impact on the link between work-life practices and attraction to the organization, but this relationship was fully mediated by perceptions of anticipated organizational support - job candidates’ expectations that an organization would provide them with support were they to become employed by the organization. Casper and Buffardi (2004) speculate that such perceptions of support are a psychological mechanism through which work-life practices influence behavioural intentions, explaining why even employees who have no need of work-life practices are still more attracted to organizations offering them. According to signalling theory, when decisions need to be made with incomplete information available, individuals use observable characteristics to form inferences about unobservable characteristics (Spence, 1973). During the recruitment process, job candidates may therefore use the presence of work-life balance practices as signals for work-related supports that are important to them in choosing an organization (e.g., fair treatment, understanding supervision, and adequate provision of resources).

On the other hand, there is also empirical support for the notion that work-life balance practices are attractive only to individuals in need of assistance with balancing their work and non-work responsibilities. In a study examining the effects of an onsite organizational childcare centre, Kossek and Nichol (1992) found that users of the childcare centre had been with the organization longer and held more positive attitudes regarding the centre’s influence on recruitment and retention than did employees who were on the waiting list. In another study related to onsite childcare centres, Rothausen, Gonzalez, Clarke and O’Dell’s (1998) findings indicated that childcare provision had a positive effect on job-related attitudes only for current users, past users, and future users of the childcare centre. A formal evaluation
study of the childcare program at an American hospital found that parents using the
on-site childcare centre exhibited lower turnover rates than other employees (24% compared to 33%), and much lower turnover rates than those of parents prior to the implementation of the childcare centre, which averaged 40% (Auerbach, 1990).

Individual differences have also been found to predict employee attraction to work-life practices beyond childcare provision. Frone and Yardley (1996) determined that employees with young children and those with higher levels of family-to-work conflict deemed organizational work-life balance practices as more important than did employees without these characteristics. Rau and Hyland (2002) found that individuals with high levels of work-family conflict were more attracted to organizations that offered flexible working hours, while individuals with lower levels of conflict between work and family were more attracted to organizations that provided opportunities for telework. Research by Rothbard, Dumas, and Phillips (2001) found that employee preferences for segmentation versus integration of work and family roles predicted attraction to work-life practices, with employees who preferred to keep their work and family lives separate being more satisfied with the provision of flexible hours rather than onsite childcare.

These studies suggest that individual differences among employees can moderate the appeal of work-life balance practices offered by organizations. This is consistent with the person-organization fit perspective, which posits that individual differences are key predictors of the qualities a job candidate will find attractive in an employing organization (Turban & Keon, 1993). Unlike the universal appeal perspective, which sees organizational work-life balance practices as a boon to recruitment and retention of all employees, the person-organization fit viewpoint
suggests that work-life practices will be more useful in recruiting and retaining workers who will directly benefit from them.

Key implications: Individual differences such as caregiving responsibilities or preferences for integration vs. segmentation of work and life activities may moderate the link between work-life balance practice provision and anticipated organizational support, influencing the ultimate effects of practice provision on recruitment and retention. Organizations seeking to maximize the impact of their work-life practices on these outcomes may therefore wish to target practices to meet the specific needs of their current or anticipated workforce.

Improved attendance and productivity

Individual level research. Research supports the notion that absenteeism rates can be influenced by employees’ use of work-life balance practices. Flexible work hours and childcare centres have received particular attention in the literature. A study of female insurance company employees in Israel found lower levels of absenteeism in divisions with access to flexible work hours (Krauz & Freibach, 1983), while Dalton and Mesch’s (1990) longitudinal assessment of a flexible scheduling intervention in a public service organization found that absenteeism decreased significantly among employees in the experimental group, but not the control group. Two years after the program had ended, absenteeism levels had returned to pre-intervention levels. Using a nationally representative sample of working adults, Halpern (2005) found that employees using flexible work hours reported lower levels of absenteeism. Baltes et al.’s (1999) meta-analysis demonstrated a significant negative relationship between flexible work schedules and absenteeism, as did Pierce and Newstrom (1983); the latter discovered that the effect was stronger when
employees were not required to obtain approval from their supervisors for the requested flexibility.

Evidence for the effect of childcare provision on absenteeism is mixed. Research from Milkovich and Gomez (1976) found that onsite childcare centre users missed work less often than non-users, and in Auerbach’s (1990) study of an American hospital’s childcare program, absenteeism rates dropped from 6% to 1% among eligible parents following the introduction of the childcare centre, whereas absenteeism rates for other employees remained steady at 4%. In contrast, no relationship between childcare centre use and absenteeism was found in empirical studies conducted by Clark (1984), Goff, Mount, & Jamison (1990), Kossek and Nichol (1992), and Thomas and Ganster (1995). Goff et al. (1990) propose a possible explanation for their lack of findings; while non-directional work-life conflict appears to mediate the relationship between work-life practices and absenteeism, users of childcare centres will not necessarily experience lower levels of conflict. Rather, work-life conflict is decreased when employees express greater satisfaction with their childcare situation. This line of thinking suggests that organizational childcare centres will only be effective in improving employee attendance if they provide the most satisfactory alternative to employees’ childcare options, a feat by no means guaranteed.

In terms of performance, Kossek and Nichol’s (1992) study of onsite childcare found no effects of childcare centre use on supervisor ratings of employee performance, although self-ratings of performance among users indicated higher levels of quality and greater ability to balance multiple roles than among non-users. In a study of 55 firms that permitted administrative employees to bring their children to work when childcare arrangements broke down or were otherwise unsustainable,
company representatives reported that this work-life balance practice helped to maintain employee productivity (Secret, 2006).

Telework is another practice that has received mixed support with regard to its effects on employee performance. Studies using self-report measures of productivity often find a positive association between telework and performance among employees (Callentine, 1995; Hill et al., 1998), and formal participation in telework programs has also been related to improved performance ratings from supervisors (Kossek, Lautsch, & Eaton, 2006). In their review of telework studies, Pitt-Catsouphes and Marchetta (1991) found productivity increases of between 10% and 30%, and Frolick et al.’s (1993) qualitative research among teleworkers and their managers also yielded positive reports of increased performance. Gajendran and Harrison’s (2007) meta-analysis reveals an association between telework and supervisor ratings or archival records of job performance. However, the results of Hartman, Stoner, and Arora (1991) indicate that more time spent teleworking is related to lower productivity, rather than increased performance. This relationship was moderated by responsibility for initiation of telework arrangements; employees in employee-initiated or mutually-initiated rather than supervisor-initiated telework arrangements reported higher levels of productivity.

Studies examining groupings of flexible working arrangements has associated employee participation in these arrangements with higher levels of self-reported focus, concentration, and motivation (Raabe, 1996; Williams et al., 2000), and Lewis’s (1997) case study research found that working reduced hours on a voluntary basis resulted in greater self-reported productivity and efficiency for chartered accountants. Chow and Keng-Howe’s (2006) study of workers in Singapore revealed that the more flexible their schedules, the greater their self-reported productivity;
Baltes et al. (1999) also found positive effects of flexible work schedules on productivity in their meta-analysis. On the other hand, in reviewing the results from studies conducted by Dunham et al. (1987) and Pierce and Newstrom (1982; 1983), Kossek and Ozeki (1999) concluded that a more limited amount of flexibility was optimal in predicting improved performance, with employees specifying in advance what hours they would work, rather than varying their schedule on an ad hoc basis. With regard to contextual performance, the perceived usefulness of available practices has been found to predict increased organizational citizenship behaviour (Lambert, 2000).

**Organization level research.** Further support for the impact of work-life balance practice usage is generated by the results of organization level research. Shepard et al. (1996) collected information from 36 pharmaceutical companies in the U.S., covering an 11-year period, which indicated that the use of flexible work hours is associated with an increase of approximately 10% in firm productivity. The work of Perry-Smith and Blum (2000) showed that in a national sample of 527 U.S. firms, organizations offering a greater range of work-life balance practices reported greater perceived market performance, profit-sales growth, and organizational performance. Similarly, an analysis of the 1998 Workplace Employee Relations Survey by Dex, Smith, and Winter (2001) found that organisations offering parental leave enjoyed above average labour productivity, and that the provision of flexible work hours and telework was associated with reduced turnover.

There are several different potential explanations for these results. According to Pfeffer’s (1981) symbolic action perspective, the provision of work-life balance practices promotes employee obligation and interest in organizations by serving as symbols of special treatment and organizational concern for workers. Shepard et al.
Work-Life Practices and Organizational Performance 27

(1996) speculate that flexible work hours may increase organizational productivity because employees may choose to work during their peak hours in terms of personal productivity. Another proposition given by the authors is that employees using flexible work hours may increase their work effort, because the costs of losing a job that offers desired flexibility would be higher than those of losing a job without the option of flexible hours. McDonald et al. (2005) suggest that employees working flexible hours may enable organizations to keep up with a workload that is inherently variable throughout the year; flexible working arrangements may invoke the principle of reciprocity, wherein employees work extra hours during peak times in exchange for the ability to tailor their hours to suit their own needs at other times. Alternatively, there may be direction of causality issues at play regarding the results of Perry-Smith and Blum’s (2000) and Dex et al.’s (2001) cross-sectional analyses; successful firms may be better able to afford work-life practices and thereby more likely to make them available. Without longitudinal research, it is impossible to ascertain whether work-life practices contribute to organizational performance, or whether organizational performance contributes to the existence of work-life practices.

A study of the ‘100 Best Companies for Working Mothers’ by Meyer, Mukerjee, and Sestero (2001) revealed that organizations offering work-life balance practices enjoyed increased profit rates. This was particularly the case for the practices of family sick leave and telework, which were related most strongly to increased profits. The authors posited that telework encouraged longer work hours by employees who were constantly available for work and who no longer needed to commute. Another proposed explanation was that offering family sick leave might allow firms to pay lower wages, if workers viewed the leave as compensation for less pay. This wage/benefit tradeoff hypothesis is supported by the results of Baughman et
al. (2003), who found in their survey of 120 organizations that the provision of flexible sick leave, flexible scheduling policies, and on-site childcare was associated with significantly lower entry-level salaries. In his analysis of the May 1997 Current Population Survey, Golden (2001) found that an increase in the provision of flexible work schedules was accompanied by a polarization of work hours (i.e., work weeks were either very long, or very short). Long hours of work were particularly prominent. In other words, in order to attain flexibility at work, employees sacrificed leisure time or compensation, both of which represented cost savings for the employing organizations.

In a study of Fortune 500 firms, Arthur (2003) found that announcements of work-life initiatives were associated with increased shareholder returns: approximately $60 million per initiative, per firm. Invoking institutional theory, Arthur suggests that once a work-life practice becomes institutionalized among large organizations such as those featured in the Fortune 500 list, the adoption of that practice by an organization is a source of organizational legitimacy, and a signal that the organization is conforming to social expectations. According to Meyer and Rowan (1977), legitimate organizations may have better access to financial resources such as investments, grants, and loans, hence the positive reaction from investors.

Arthur’s (2003) research identified high-tech industries and industries that employ large proportions of women as having slightly higher returns on work-life practice announcements, suggesting that benefits to firms offering such practices may vary according to industry or workforce demographics. Further support for this proposition comes from Konrad and Mangel (2000), whose research found that the relationship between extensive provision of work-life practices and firm productivity was stronger in organizations employing greater proportions of women, and those
whose workforce was predominantly composed of professionals. The authors concluded that “for firms hiring less skilled, less autonomous, and less highly paid workers, the productivity benefits of work-life initiatives may be negligible” (p. 1235).

Bloom and Van Reenan (2006) offer a dissenting view regarding the causal effect of work-life practices on firm productivity. In a survey of 732 medium-sized manufacturing firms in the USA and Europe, they found that while the number of work-life balance practices on offer was positively associated with both higher productivity and better management practices, the relationship with productivity disappeared after controlling for the overall quality of management as evidenced by practices such as better shop-floor operations or performance-based promotion systems. This would suggest that organizations offering a wider range of work-life practices to employees are also more likely to institute high quality management practices, which may be confounding the link between work-life practices and organizational performance.

*Key implications:* Organizations providing work-life balance practices may be able to generate cost savings by offering lower salaries and attracting greater investment. Productivity may be enhanced as a result of workers either exerting greater effort in order to retain desirable benefits, or simply working at their peak hours. It appears that gender and job level may act as moderators of the link between practice provision and these outcomes, however, with organizations employing a greater proportion of women and professionals exhibiting greater effects.

**Conclusions**

The business case for work-life balance practices relies on their ability to enhance recruitment and retention, and reduce work-life conflict among employees. It
makes intuitive sense that offering work-life balance practices would attract individuals to an organization, and that using these practices would result in improved employee attitudes and behaviours within the organization. However, two things become clear after reviewing the literature on work-life balance practices and organizational performance. One, such practices do not necessarily reduce levels of employee work-life conflict. Employee take-up may be low due to concerns that using work-life practices will result in reduced advancement opportunities or perceptions of the employee as being less committed to the organization. Employees who do make use of these practices may or may not find they experience less work-life conflict. The presence of supportive managers and organizational climates may be at least as if not more important in decreasing conflict (e.g., Behson, 2005; Premeaux et al., 2007).

Two, regardless of effects on work-life conflict, work-life balance practices are often associated with improved organizational performance. Making practices available to employees appears to give organizations a competitive advantage in terms of recruitment, by enhancing perceptions of anticipated organizational support among job seekers (Casper & Buffardi, 2004), particularly those who might require that support due to caregiving responsibilities (Frone & Yardley, 1996). The availability of practices may also increase positive job-related attitudes, work effort and contextual behaviours by enhancing social exchange processes; as symbols of organizational concern for employees, work-life practices promote employee interest in and obligation to the organization (Pfeffer, 1981). Providing work-life practices can allow organizations to offer lower wages in exchange (Baughman et al., 2003), and attract investors by signalling the organization’s legitimacy (Arthur, 2003).

Having employees who make use of available work-life practices may also incur cost savings for organizations via longer work hours and enhanced productivity.
Employees may work longer hours because flexible arrangements increase their availability for work and reduce their commuting time, or because they are exchanging leisure time for flexibility (Golden, 2001; Meyer et al., 2001). They may choose to work during their peak hours in terms of personal productivity (Shepard et al., 1996), or work extra hours during the organization’s peak times in exchange for flexibility at other times (McDonald et al., 2005). They may also increase their work effort to avoid losing a job that offers them the flexibility they desire (Shepard et al., 1996).

Caveats to many of these conclusions exist. Until longitudinal research is conducted, we cannot discount the possibility that successful organizations are more likely to offer work-life practices, and that the practices themselves are not exerting a favourable effect on organizational performance. Equally, it may simply be that organizations offering work-life practices are more likely to engage in high-quality management practices overall, generating positive effects on employee and performance outcomes. The present review has also identified a number of moderators of the link between practice provision and outcomes, meaning that organizations may only reap the benefits of work-life practices given particular characteristics of the employee, the organization, and the national context. Still, in the absence of research conclusively demonstrating otherwise, if we assume even a minimal positive association between work-life practices and organizational performance, the implications of the findings outlined in this paper are not insignificant. Relying on the business case as traditionally stated to justify the implementation or promotion of work-life balance practices may limit their potential appeal. Much of the evidence for return on investment in work-life balance practices is derived from case studies, which are not necessarily representative and therefore
cannot be generalized to all organizations. However, it is generally agreed that many work-life balance practices, such as flexible hours, telework, and informational assistance with dependent care services, have low financial costs that are associated primarily with program administration and do not require an extensive initial outlay of resources. In a study of a nationally representative sample of U.S. firms employing more than 100 people, Galinsky and Bond (1998) found that 36% of organizations reported their flexible work arrangements to be cost-neutral, with 46% claiming a positive return on investment in these practices. With regard to caregiving leave, often regarded as a costly endeavor, 42% of firms viewed them as cost-neutral, with another 42% reporting a positive return on investment in their leave programs.

Presumably, more organizations would be interested in offering work-life practices were they aware that benefits may accrue to them regardless of whether or not their employees made use of the practices. This is of particular relevance to contexts not characterized by heavy regulation. Getting the business case ‘right’ is particularly important in nations where public policy is not a key driver for organizational work-life balance practices. For instance, UK employment legislation decrees that employees with caregiving responsibilities for young or disabled children, or for elderly dependents, have the right to request a flexible working schedule, and that their employers have a duty to consider that request seriously (DTI, 2007). Across the rest of Europe and in Japan, public policy encourages flexible work hours, paid parental leave, and shorter weekly working hours in an effort to increase women’s participation in the labour force (Appelbaum, Bailey, Berg, & Kalleberg, 2006). In comparison, countries such as the USA, Australia, and Canada rely to a greater extent on the initiative of individual firms to implement work-life practices. In
these instances, the business case is the primary incentive for most organizations to do so.

There is an argument to be made that restating the business case and disseminating more widely the alternative routes by which work-life practices influence organizational performance may have the unwelcome effect of directing organizations’ attention to the fact that work-life practices may deliver cost savings and improved reputation, both internally and externally, regardless of employee use or net effect on work-life balance. This could potentially serve to dampen organizations’ interest in addressing issues of eligibility for work-life practices and the work-life culture surrounding the use of those practices, actions essential to support their employees’ work-life balance. Without necessary changes being made, users of work-life practices will continue to be predominantly women, men will continue to anticipate negative repercussions arising from practice use, and career-oriented individuals of both sexes will continue to think twice before availing themselves of the practices on offer. This would be a considerable step backwards for all concerned, and lessen the benefits to organizations derived from improved employee perceptions of current or anticipated organizational support. However, it can be argued just as strongly that the paucity of research evaluating the business case for work-life practices jeopardizes the effective implementation and use of those practices. If it remains unknown whether or not employees’ use of work-life practices actually reduces their work-life conflict, then there are no means of ensuring that practices are designed and implemented in such a way as to derive the greatest possible benefits from them for both organizations and employees. Without drawing attention to some of the potentially negative aspects of work-life practices, there is no basis from which
Future research

According to Liff and Cameron (1997), many organizations neglect to conduct formal monitoring and evaluation of their work-life practices, assuming that because the practices are being offered, they are being used to good effect. There is a scarcity of research based on systematic policy evaluation data to address the question of whether work-life practices are achieving their intended aims (McDonald et al., 2005). Future research exploring the effects of work-life practices on performance outcomes needs to test more complex models of this relationship, and examine more closely how use of practices translates into increased productivity. How credible are the explanations identified earlier in this review of the literature? Does increased control over their schedules enable employees to plan their time more efficiently and achieve better performance? Do employees actually choose their optimal hours of productivity in which to work, and does this have a measurable effect on their performance?

Glass and Finley (2002) recommend that the evaluation of work-life practices be enhanced by better measurement of specific practices and practice combinations, and by focusing on the function of the practice (e.g., reducing work hours, increasing schedule flexibility, or assisting with caregiving responsibilities). Future research investigating the effects of work-life practices would do well to measure each practice separately and explore its impact on both work-to-life conflict and life-to-work conflict. Mediators and moderators of the relationships among work-life practices, work-life conflict, and organizational performance should also be examined in greater detail. For instance, employee preference for integration versus segmentation of work and life domains may act as a moderator of the link between work-life practices and
work-life conflict, and of the link between work-life practices and performance. Which practices appeal to which employees, and which are most effective in allowing them to meet their personal commitments and improve their performance on the job? Is work-life conflict a mediator in the link between practices and performance? Is performance enhanced by use of work-life practices only when levels of management support are high, or when the organizational climate is supportive of work-life issues? Is social exchange the mechanism by which provision of practices translates into improved job-related attitudes and behaviours?

This review has sought to draw new insights and research directions from the extant literature on work-life balance practices and their relationship to organizational performance. In identifying all the routes between work-life practices and organizational performance either proposed or implied by existing research, by identifying processes at the level of the individual and of the organization, and by specifying mediators and moderators that influence these linkages, this paper has attempted to contribute to model building in this area of study. The work-life conflict literature has amassed a comprehensive account of antecedents, outcomes, mediators, and moderators so that the phenomenon can be better understood and coped with. Now it is time to do the same for the work practices designed to resolve that conflict between work and home.
References


Lewis, S., & Smithson, J. (2001). Sense of entitlement to support for the 
reconciliation of employment and family life. *Human Relations*, 54(11), 1455-
1481.


Loscocco, K. A. (1997). Work-family linkages among self-employed women and 

MacEwen, K. E., & Barling, J. (1994). Daily consequences of work interference with 
family and family interference with work. *Work and Stress*, 8, 244-254.

work-family policy aims and employee experiences. *Employee Relations*, 
27(5), 478-494.


Milkovich, G. T., & Gomez, L. R. (1976). Day care and selected employee work 

progress, and work/home conflict: Stress and strain for working women. *Sex 

of work-family conflict and family-work conflict scales. *Journal of Applied 
Psychology*, 81(4), 400-410.

O’Driscoll, M., Poelmans, S., Spector, P., Kalliath, T., Allen, T., Cooper, C., & 
and supervisor support, work-family conflict and psychological strain.

International Journal of Stress Management, 10(4), 326-344.


Figure 1: Model of proposed relationships between the provision of work-life balance practices and organizational performance

Organizational work-life climate / Managerial support → National context

Provision of work-life balance practices

Perceived organizational support → Organizational citizenship behaviour

Use of practices

- Gender; job level
- Longer work hours; increased control; more effort
- Lower wages; more investment

Anticipated organizational support

Individual differences

Individual-level explanations

- Reduced work-life conflict
- Improved job-related attitudes
- Improved productivity
- Cost savings
- Improved retention
- Improved recruitment

Organization-level explanations

Improved job-related attitudes

Improved productivity

Cost savings

Improved retention

Improved recruitment

Organizational performance