

INFLUENCE OF WORK LIFE BALANCE ON PERFORMANCE OF THE BANKING INDUSTRY IN KENYA

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Abstract: The demand for work life balance solutions by employees and managers is expanding at unprecedented rate and work life balance is one of the challenges that organizations and the banking industry are expected to manage to be competitive due to globalization and fast pace of economic development in the 21st century such as customer satisfaction being the prime work in the banking industry. This study therefore sought to investigate the influence of work life balance on performance of the banking industry in Kenya. Specifically the study sought to determine the influence of flexible work-arrangement, wellness programs, family responsibilities and lastly influence of work life conflict on performance of the banking industry in Kenya. The study adopted survey research design using both quantitative and qualitative approaches. The target population was 36,212 employees from all 43 commercial banks in Kenya with a sample size of 380 respondents. Sample was selected using stratified simple random sampling. Structured questionnaire was used for data collection in accordance with the objectives of the study. The data obtained was analyzed using SPSS and Microsoft Excel. Descriptive, Pearson correlation, and regression analysis were also adopted for analysis. Regression models were fitted and hypothesis testing carried using multiple regression analysis and standard F and t tests. The study found that flexible work arrangements, wellness programs, family responsibility concerns were more strongly related to performance of the banking industry in Kenya. It also found that institutions that support employees in work life balance practices had higher performance. Work life conflict negatively influenced performance hence the finding of the study revealed that there was negative relationship between work life conflict and performance in the banking industry. The study recommends that organizations could try and support family responsibilities, offer flexible work arrangements and wellness programs and reduce work life conflict among its employees for increased performance. The study also recommends that organizations should diagnose employees work life balance practice needs and develop practical solutions by implementing them so as to be able to achieve business goals. In regard to this, the role the managers play in organizations in supporting work life balance practices is important. The findings of this research indicate a lack of implementation of policies on work life balance practices, which are rarely utilized as well as lack of involvement of employees in adoption of worklife balance practices which means they are not made in an open manner; hence need for investigation unto the reasons for non implementation and non-involvement.

Keywords: Work life Balance, Organizational Performance Banking Industry Kenya.

I. INTRODUCTION

Work life balance which refers to organizational support for dependent care, flexible work options and family (Estes & Michael, 2005) is a very important phenomenon that is of great concern today to various employees and organizations in both private and public sector. The term gained importance at the beginning of the 21st century in Europe and the United States of America with the argument that workers were having a problem balancing between what they wanted to do; that is caring for their families and their careers at work place especially young mothers. In the Late 1960's the aspect of work life balance was increased due to concerns about the effects of work on the general well-being of employees, up until the

mid-1970's, where employers concern was on work design and working conditions improvement (Cummings & Worley, 2005). Until the beginning of the twenty-first century, work life balance did not get much attention and was perceived as less challenging as compared to the current perception because of two reasons. First, mostly employment limited itself to a male full time worker. Second, it was a trend that women were involved in more unpaid work such as nurturing, caring, and domestic work (Crompton, 1999). These sort of fixed gender roles were viewed, moreover as a solution to balance work and life, that is work to be the responsibility of a man, whereas family caring be the responsibility of a woman. This notion changed drastically when the number of women workers and dual-earner couples increased in various employment sectors (Lambert, 1990; Burke & Greenglass, 1987; Shah, 2014). According to Shah (2014) work and family roles for the men and the women have become flexible which has naturally influenced the way they balanced work and family. The increase of women employees has changed the traditional work-life balance pattern mentioned above by Crompton (1999). Men participated more in the family responsibilities and shouldered higher domestic and child rearing responsibilities (Thomas & Gangster, 1995). Therefore work life balance which goes beyond prioritizing the work role and one's personal life, which affects the social, psychological, economical and mental well being of the individual is very important. According to Nawawi (2009) she defines performance as the achievement of a person in a particular field of expertise, in performing his job duties as delegated by superiors effectively and efficiently; thus, the ability of a person to perform on his job in order to reach the goals set earlier. This can help the firm increase and utilize the capacity of the human resources as well as translating into good service delivery and interaction which affects every area of the organization. To achieve this, organizations need to make policies that will encourage performance and consider aspects that may enable performance of its employees to increase so as to meet its goals and be able to achieve competitive advantage because organization success depends on the employee performance (Hameed & Waheed, 2011). Therefore, it is important for a manager to create a well-rounded approach to managing and coaching its workforce and encouraging worklife balance

II. STATEMENT OF THE PROBLEM

The multi-faced demand between work and home responsibilities have assumed increased relevance for employees in commercial banks in recent years. This is due to demographic and workplace changes such as; transformation in family structures, growing reluctance for 'long number of hours' acceptance culture, greater number of women in the workforce (Lambert, 1990). Consequently customer satisfaction and customer service being the prime work in the banking sector has evoked changes which consequently have brought changes in work setups (Korir, 2015). According to study by Muleke, Kamau, Wagoki, & Mukaya (2013) on work life balance practices on employee job performance in Eco bank, there was found a significant increase in performance when programs to assist the employees in achieving a balanced work life which include flexible working hours, employee assistance programs and leave programs were introduced. The direct relationship between work life balance and performance particularly in the other banks remain relatively insufficient in the Kenyan context leading to insufficient empirical literature. These are the issues that prompted the investigation of the influence of work life balance practices on performance of the commercial banks in Kenya.

III. OBJECTIVES

The study sought to investigate the influence of work life balance on performance of the banking industry in Kenya. The Specific aspects which were covered were flexible wellness programs, family responsibility and work life conflict

IV. SIGNIFICANCE OF THE STUDY

Work-life balance plays a major role in the development of a highly committed workforce in the organization leading to increased performance through reduced turnover rates. The purpose of research being to inform action, this study therefore sought to contextualize its findings within the larger body of research. The research findings would be applicable outside of the research setting with implications that go beyond the researcher. In academia this study would contribute to contemporary debates on work-life balance and existing literature and provoke the why question that could form the basis for future explanatory research. The study in the banking sector highlighted impacts of adopting or not adopting work-life balance practices that are appropriate hence this would be useful in improving current public policy and individual's companies' policies on work life balance practices. Outcome of data analysis may be valuable to the government to inform policy development and in other corporate organizations. To the global community the study is useful to CEO'S, human resource managers and administrators in appreciating the importance of research in identifying organizational strengths and weaknesses in areas of work life balance and performance.

V. LITERATURE RERVIEW

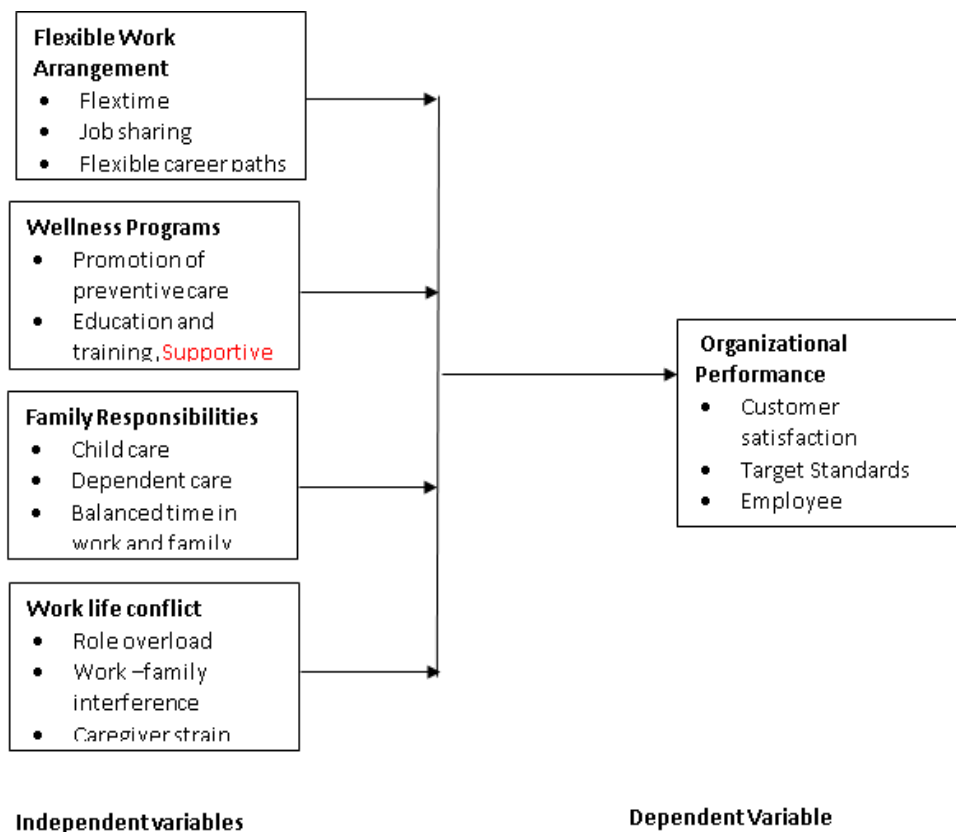


Fig 1. Conceptual Framework

Flexible work arrangements is defined as an alternative to the standard working day where employees are able to choose when they work and where they work from so long as they fulfill their working obligations in doing so (Rau & Hyland, 2002; Grzywacz, Carlson, & Shulkin, 2008). The common flexibility arrangements includes; flexi-time, permanent part-time work, absence autonomy, job sharing, compressed work weeks, reduced schedule, telework, extra vacation days, limited schedule of meetings (meetings cannot be scheduled too late at the end of the day), flexible holidays and keeping with the schedule (employees work the mandatory 8 hours /day and do not extend their schedules longer (Rau et al., 2002; Hartel et al., 2007). Workplace wellness programs designed to promote employee health and well-being is now found in an estimated 80 to 90 percent of medium and large size U.S. workplaces (Aldana, 2001; Riedel et al., 2001). The motivation for most employers is to bring down or contain the rising cost of health benefits, with the alternative being cut backs in benefits coverage. They include fitness programs, recreational opportunities, social activities and intellectual and spiritual development programs which in turn impacts on company bottom line where the employees' wellbeing is seen to greatly affect overall productivity (Naydeck & Pearson, 2009). Work life conflict is defined as a form of inter role conflict in which work and family demands in one domain makes it difficult to meet demands in the other (Edwards & Roth Bard, 2000; Higgins, Duxbury and Lyons, 2007). This definition implies multi directional relationship where work can affect family and vice versa (Frone, 2002). When work and family are in conflict, obtaining rewards in one domain requires foregoing rewards in the other (Edwards et al., 2000; Schmidt, 2012). For example when experiences at work interfere with other aspects of life such as extensive, irregular, or inflexible work hours, work overload and other forms of job stress, interpersonal conflict at work, extensive travel, career transitions, unsupportive supervisor or organization and, an unexpected meeting late in the day may prevent a parent from picking up his or her child from school or attend to spiritual matters. Work-life conflict can have adverse affects on both families and workplaces, impacting the wellbeing of society as a whole. The demands that one experiences in family life and that have effects on his work life balance can be given as demand of workload such as shopping, house chores, child care and time, role expectations in the family and lack of support given to the spouse (Aycan, Al-Hamad, Davis, & Budhwar, 2007). Again marriage, child raising, caring of the elderly at home have effect on work life balance since they demand more family responsibility. Those who have to look after a child or elderly might sometimes have to risk their career by shortening their working hours which becomes a source of stress for them (Lowe, 2005). Again

the experiences of parenthood which is part of family responsibility play an important part in the way work and family balance is achieved by individuals overtime, with differing consequences for women and men (Blair- Loy, 2001). Results by these studies depict women as the main caregivers of children overtime with their careers being shaped by their family choices. Firm performance is the outcome achieved in meeting internal and external goals of a firm (Lin, Peng, & Kao, 2008). Performance has several outcomes including growth, survival, success and competitiveness. Better performing employees at work become more committed to their organizations and ultimately contribute to increased performance as well as growth of the economy; to achieve this, work life balance is important.

VI. RESEARCH METHODOLOGY

This study adopted descriptive survey design which is used to give information on current phenomena by selecting samples and analysing them. Population is a total collection of elements about which inference is made to all possible cases which are of interest in the study (Sekaran & Bougie 2010). The target population consisted of 43 licensed and registered banks by the Central bank of Kenya (CBK, 2015). These banks consisted of banks located in Nairobi because major banks have their busiest and main branches in Nairobi and most of their headquarters are in Nairobi. The target population of the study was 36,212 employees (Bank Supervision Report, 2015) hence sample size was 380 respondents. The sample consisted of top management, middle level management, supervisory, clerical and secretarial and support staff where proportionate stratified random sampling technique was used to select the required sample from the target population of 36,212 employees. In addition purposive sampling was used to pick 43 top managers for validation of the self-reported responses from employees. Secondary data was also used from the banks that possessed publications, brochures, financial statements, customer complaints records and were used to inform on the study objectives. Questionnaire was self-administered and three research assistants who are qualified were recruited to collect data

VII. RESEARCH FINDINGS AND DISCUSSIONS

Table 1 shows the results of Pearson correlation coefficient to determine the magnitude of the relationship between flexible work arrangement, wellness programs, and family responsibilities and work life conflict on performance. The findings indicate that flexible work arrangements was significantly and positively correlated with performance ($r=0.375$, $p<0.001$). Further wellness programs was significantly and positively correlated with performance ($r=0.287$, $p<0.001$). This implies that increase in wellness programs will lead to increased performance in the banking industry in Kenya. The findings support the findings by Eisingerich, & Bell (2006) who support that the underlying purpose of wellness programs is to unlock the value of the relationship assets in organizations to enable acceleration in revenue and profit. Moreover family responsibilities was significantly and positively correlated with performance ($r=0.074$, $p=0.130$) implying that increase in family responsibility concerns will lead to increased Performance. This finding supports the findings by Allen (2001) who 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 which translates to increased performance. Consequently work life conflict was not significantly and positively correlated with performance ($r=0.35$, $p=0.473$). These findings agree with Hsu (2011) who found that work family conflict has a negative effect on employee commitment, job satisfaction and turnover intentions indicating that when work family conflict is experienced by employees there is likelihood that work roles and responsibilities will remain unfulfilled which may in turn affect performance.

Table 1: Correlation Analysis Between Work Life Balance Practices and Performance Correlations

		Performance	Flexible work arrangement	Wellness programs	Family responsibility	Work life conflict	performance and work life balance
Performance	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	414					
Flexible work arrangement	Pearson Correlation	.262**	1				
	Sig. (2-tailed)	0					
	N	413	419				
Wellness programs	Pearson Correlation	.178**	.553**	1			
	Sig. (2-tailed)	0	0				

	N	410	414	415			
Family responsibility	Pearson Correlation	.153**	.253**	.478**	1		
	Sig. (2-tailed)	0.002	0	0			
	N	414	418	415	419		
Work life conflict	Pearson Correlation	0.01	-0.012	.185**	.548**	1	
	Sig. (2-tailed)	0.843	0.811	0	0		
	N	414	418	415	419	419	
Performance and work life balance	Pearson Correlation	.556**	.375**	.287**	0.074	-0.035	1
	Sig. (2-tailed)	0	0	0	0.13	0.473	
	N	414	418	415	419	419	419
**. Correlation is significant at the 0.01 level (2-tailed).							

Results in tables 2a, b, c below shows the amount of variation on the dependent variable explained by the independent variables. Regression analysis yield coefficient R value of 0.291 and $R^2 = 0.085$ which means that 8.5% of corresponding variations in performance can be explained/ predicted by work life conflict, flexibility, wellness programs and family responsibility. The rest of variation 91.5% could be explained by other variables not included in this study. However the F test had a value of ($F=9.367, p<0.001$), which showed the model goodness of fit in explaining the variation. The model was found to be significant $F(4,404) = 9.367, p<0.001$. This means the model is strong enough to support the goodness of fit model explaining the variations in the dependent variable. This validates that flexible work arrangement, family responsibility, wellness program and work life conflicts are useful predictors of performance in the banking industry in Kenya. This implies that when employees experience an increase in provision of work life balance their performance will increase. The model was obtained as; $Performance = 1.853 + 0.158X_1 + 0.004X_2 + 0.084X_3 + 0.030X_4$ (flexible work arrangement, wellness program, family responsibility, work life conflict index). From the model constant (1.853) is the predicted value of performance when all other variables are 0. In finding out the usefulness of the predictors, it is recommended to look for t values that are well below -1.96 or above +1.96 (Cohen & Cohen, 1983). The results in table 1c shows that all variables flexible work arrangement ($t=4.293$), wellness programs ($t= -0.091$), family responsibilities ($t= 1.856$), and work life conflict ($t= -0.906$) have t values within the range and therefore they are significant predictors of performance. This also shows when employees experience an increase in provision of work life balance their performance will increase by the above t values respectively. This findings is similar also to the findings by Lazar, Osoian, & Ratiu, (2010) who showed that work life balance practices can improve performance.

Table 2: Regression Results for All Combined variables

Table 2 a: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.291 ^a	0.085	0.076	0.414

Table 2 b: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	6.422	4	1.605	9.367	.000 ^a
	Residual	69.243	404	0.171		
	Total	75.665	408			

Table 2 c: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.853	0.124		14.962	0
	Flexible work arrangement (X ₁)	0.158	0.037	0.248	4.293	0
	Wellness programs (X ₂)	-0.004	0.039	-0.006	-0.091	0.928
	Family responsibility (X ₃)	0.084	0.045	0.119	1.856	0.064
	Work life conflict (X ₄)	-0.03	0.033	-0.052	-0.906	0.366

VIII. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Based on the findings of this study, flexible work arrangements had a significant effect on the performance of banking industry in Kenya. Performance in the banking industry in Kenya when measured in terms of customer satisfaction, target standards and employee satisfaction was positively influenced if employees were allowed flexible work arrangements. The predicting power of R square when flexible work arrangements was introduced in the regression model was statistically significant ($R^2=0.068$) implying that flexible work arrangement had influence on performance in the banking industry in Kenya and therefore the null hypothesis H_{01} was rejected. The results of regression analysis revealed there was significant positive relationship ($p<0.001$) between flexible work arrangement and performance. This implies that employees who experience higher levels of flexible work arrangements tend to have higher performance. Based on the results of this research, as evidenced in the regression model, there was an interaction term between wellness programs and performance. The findings of this study indicated that performance of the banking industry was increased when wellness programs were provided to employees in that there was a significant change in Performance. The value of R square was significant ($R^2=0.032$) and as revealed by results of F tests ($p<0.001$). This led to rejection of the null hypothesis that wellness programs had no significance influence on performance in the banking industry in Kenya. Based on the correlations analysis results of this study, the aspect of childcare, dependent care and employees having more time with the family had a strong positive and significant association with performance of the banking industry in Kenya. When measured in terms of customer satisfaction, target standards and employee satisfaction, family responsibility had a strong influence on performance in that it had significant and positive linear relationship explaining. Based on the findings of this study, work life conflict had no significant influence on performance of the banking industry in Kenya. The predicting power of $R^2(0.001)$ when work life conflict was introduced in the regression model was not statistically significant in that $p=0.0843> 0.05$. This implies that work life conflict has a significant negative influence on performance

IX. CONCLUSION

Based on the findings of this study, it can therefore be concluded that majority of the banks in Kenya sampled in this study lay more emphasis on flexible work arrangement for increased performance. Hence flexible work arrangement remained significant in influencing performance in the banking industry in Kenya. The results of this research indicating an interaction between wellness programs and performance is a reflection that wellness program practices such as promotion of preventive care, education and training opportunities on wellness matters and having supportive manager are good practices that influence performance if employees are accorded them. Based on the results of this study, it can be concluded that consideration of family responsibilities aspects that pertains to employees, can greatly influence performance in banks in Kenya. Child care issues, dependent care and employees having balanced time with the family had a positive and significant linear relationship on the measures of performance which were customer satisfaction, target standards, employee satisfaction. The multiple regression results of this study indicated that there is linear relationship between family responsibilities and performance. Based on the findings of this study, it can therefore be concluded that majority of the banks sampled in this study on the aspect of work life conflict did not influence their performance in that employees were able to balance their schedules and time between work and other aspects which included family, personal and social aspects.

X. RECOMMENDATIONS

From the findings the study recommends that organizations should carefully consider the alignment of work life balance aspects they will adopt so that they support and supplement one another in ensuring the objective of both the organization and employees is met.

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