

Impact of Performance Management and Work Life Balance on Employee Engagement

Author: Reginold John, faculty, Rajagiri College of Social Sciences, Kochi.

Abstract

performance management system and work life balance in an organization play a role in determining the engagement level of each employees. It is very relevant in all sectors especially in IT sectors. Employee engagement helps the employees to match their goals with the organization goals and it can lead to higher productivity and profitability of the employees. This paper is an attempt to develop a new perspective to introduce how to enhance and manage employee engagement to achieve high levels of job performance.

The population selected are employees working within IT companies in Kochi, Kerala. Primary data was collected from the respondents through an online questionnaire and their responses are to be taken into account with anonymity of their identity. The study has a sample size of 100 employees.

There is a direct positive relationship between performance management and employee engagement and there is also a direct positive relationship between work life balance and employee engagement.

Introduction

Many contemporary organizations are placing a greater emphasis on their performance management systems as a means of generating higher levels of job performance. Here, performance management involves setting of goals, evaluation, feedback etc. which involves the participation of employees and the employees will be able to know about their performance level in the organization. It means that goals are extremely important for initiating the work life balance and employee engagement process because goals stimulate energy, focus, and intensity or the feeling of engagement. In other words, employee engagement is related to work life balance and performance management of an organization. Employees in IT sector face problems related to work life balance and thus it can affect their engagement in organization.

The main intention of this paper is to present a model of the effective application of performance management processes and work life balance that may foster employee engagement and produce high levels of performance. There currently exists very little conceptual and empirical work on how the performance management process and work life balance can enhance performance by fostering employee

engagement. This paper thus represents a significant new development in the performance management literature. It also represents a significant development in the literature on engagement by presenting a coherent model and process for promoting the engagement of employees that goes beyond the use of engagement surveys that focus on aggregate levels of psychological engagement as self-reported by employees.

Performance Management

performance management requires a holistic perspective that encompasses the entire organization and comprehensively addresses the constituents of performance Armstrong (2000). There are two ways, in which organizations look at this concept. Many organizations use their performance management system as a criterion for decision-making, such as pay, promotions, assignments and reduction in force. At the same time, other organizations use their performance management system to guide employee development, in terms of skills, knowledge, abilities and other personal characteristics that are more essential for attaining important job outcomes and it contributes to organizational success.

Work life balance

The great motive of top management for introducing work-life balance policies in their organizations stands for achieving a good balance between work and family commitments among contemporary employees. Balancing work and family domains is increasingly becoming a difficult task for various employees and they are concerned about the boundary between their work and non-work lives. work-life balance (WLB) refers (E. Pruyne, M. Powell and J. Parsons, 2012) to the ability of individuals to pursue successfully their work and non-work lives, without undue pressures from one domain undermining the satisfactory experience of the other. A “good” work-life balance is defined as a situation in which workers feel that they are capable of balancing their work and non-work commitments, and, for the most part, do so (M. Noon, and P. Blyton, 2007).

Employee Engagement

Kahn (1990) defines employee engagement as a state whereby employees find their work to be meaningful, to the extent where they choose to invest in their work with the objective of achieving personal and career growth. Engaged employees execute their work with passion and energy (Kahn & Heaphy, 2014). There are three different constructs of employee engagements that seem consistent in the literature, namely, cognitive engagement (an employee’s focus on his or her work), emotional engagement (an employee’s sense of purpose and belonging) and behavioral or physical engagement (the

amount of effort an employee is willing to put into his or her work) (Shuck, Adelson, &Reio, 2017; Zhong et al., 2015).

Performance management and Employee Engagement

There are a few literatures which speak about the relation between performance management and employee engagement. Pulakos (2009) clearly says that although an employee's work goals should support higher-level organizational objectives, an individual's developmental needs can also be considered when establishing goals. In order to produce engagement, not only should employees' needs be considered, their needs, goals, and desires should be a significant part of the goal setting process. In other words, "the feeling of engagement cannot occur without a specific purpose or objective" (Macey et al, 2009). It means that there should be an alignment between individual goals and organizational goals.

H1: There is a significant relationship between performance management and employee engagement.

Work life balance and Employee Engagement

WLB has a positive impact on the employee engagement for millennial generation employees in maintaining and optimizing their capabilities (DwiPutriLarasati University of Muhammadiyah Malang, 2018) and when the employees get the chance to manage their personal life positively they will increase their employee engagement productivity (Patricia, 2017; Sheppard, 2016).

H2: There is a significant relationship between work life balance and employee engagement.

H3: There exist a positive relation between performance management, work life balance and employee engagement.

Methodology

(The study is descriptive in nature. The sample unit were employees from IT organizations in Kerala. The sample size was limited to 100 and data was collected by convenience. There are three variables, like performance management, Work life balance and Employee engagement (dependent). All the questions were measured using a five point Likert scale from 1 strongly Disagree to 5 Strongly Agree.

Reliability and Validity of Scale

The scale adopted for measuring Employee Engagement, performance management, and

work life balance are found to be reliable based on their Cronbach's alpha values. All the three variable showed Cronbach's alpha value greater than 0.6, which shows high reliability. Hence, the scale used in this study are reliable with acceptable level of internal consistency.

	EE	PM	W
R-Squared	.668		
Adj. R-squared	.661		
Composite reliab.	.771	.840	.747
Cronbach's alpha	.617	.795	.626
Avg. Var.extrac	.196	.290	.237

Structural Model Path Analysis

Hypothesis 1 tests direct path between 'Performance Management (PM)' and 'Employee Engagement (EE)', and per the model the relationship is significant with $p < 0.01$. This shows that there exists a direct relationship between 'Performance Management' and 'Employee Engagement'. This direct path coefficient Beta is 0.80 which means a unit change in Performance management can explain 0.80 change in Employee Engagement and R-squared = 0.64 which infers that 64% of variance in EE is PM

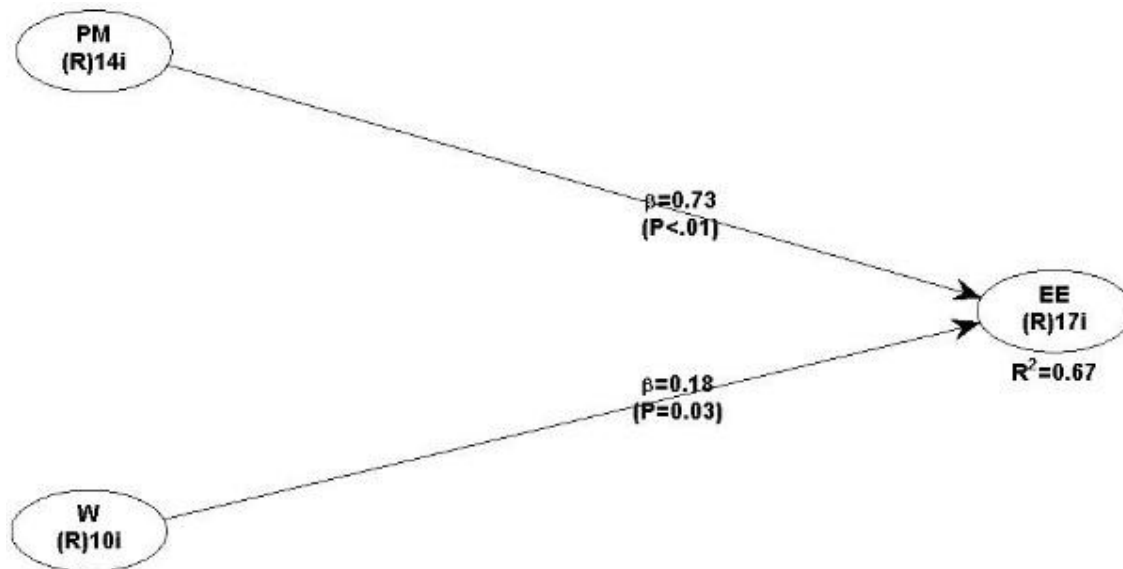


Hypothesis 2 tests direct path between 'Work life balance' and 'Employee Engagement', and per the model the relationship is significant with $p < 0.01$. This shows that there exists a direct relationship between 'Work life balance' and 'Employee Engagement'. This direct path coefficient Beta is 0.45 which means a unit change in work life balance can explain 0.45 change in Employee Engagement and R-squared = 0.20 which infers that 20% of variance in Employee Engagement is explained by Work LifeBalance.



Hypothesis 3 tests positive relationship between ‘Performance Management, Work Life Balance and Employee Engagement’. As per the model;

- The relationship between ‘Performance Management’ and ‘Employee Engagement’ was significant at $<.01$ level and the path coefficient Beta is 0.73 which means a unit change in Performance Management can explain 0.73 change in Employee Engagement and $R^2 = 0.67$ which infers that 67% of variance in EE is explained by PM
- The relationship between ‘Work Life Balance’ and ‘Employee Engagement’ was significant at $P=0.03$ level and the path coefficient Beta is 0.18 which means a unit change in Work Life Balance can explain 0.59 change in ‘Employee Engagement’ and $R^2 = 0.67$ which infers that 67% of variance in W is explained by EE



Conclusion

It can be concluded that the research has been able to establish a relationship between Performance Management, Work Life Balance and Employee Engagement. This study clearly indicates that there is a positive relation between performance management, work life balance and employee engagement. The real successes of any organization is really connected with the beautiful blending of these three aspects, in which there will be a provision for developing the skills and abilities of the employees, there should be a beautiful coherence between family life and work. These two factors will truly stimulate the employee to be engaged more and more in his job. In other words, providing more freedom, power, authority, during performance management and providing a work environment which balances the personal and professional life of employees at work place can impart better employee engagement and in turn result in less absenteeism and turnover and can increase productivity. Thus when the employees in a firm are provided with better performance management system and work life balance the employees tends to be moreproductive.

Reference

1. Belzunegui-Eraso, A. and Erro-Garces, A. (2020), "Teleworking in the context of the covid-19 crisis", *Sustainability*, Vol. 12 No. 9, p. 3662.
2. Finn, D., & Donovan, A. (2013). PwC's NextGen: A global generational study. *Evoloving talent strategy to match the new worforce reality*. Accessed 29 June, 2017. (pp. 1–16). Price Waterhouse Coopers.
3. Deloitte. (2018). *Deloitte millennial survey*. Accessed October 24, 2018. <https://www2.deloitte.com/global/en/pages/about-deloitte/articles/millennialsurvey.html>.
4. Chung, H., & Van der Horst, M. (2018b). Women's employment patterns after childbirth and the perceived access to and use of flexitime and teleworking. *Human Relations*, 71(1), 47–72. <https://doi.org/10.1177/0018726717713828>.
5. Hill, E., Ferris, M. and M€artinson, V. (2003), "Does it matter where you work? A comparison of how three work venues (traditional office, virtual office, and home office) influence aspects of work and personal/family life", *Journal of Vocational Behaviour*, Vol. 63 No. 2, pp. 220-241.
6. DwiPutriLarasati University of Muhammadiyah Malang (2018) The Effects of Work-Life Balance towards Employee Engagement in Millennial Generation, *Advances in Social Science, Education*

- and Humanities Research (ASSEHR), 4th ASEAN Conference on Psychology, Counselling, and Humanities, volume 304.
7. Palumbo, R (2020). Let me go to the office! An investigation into the side effects of working from home on work-life balance. *International Journal of Public Sector Management*, doi. 10.1108/ijpsm-06-2020-0150.
 8. Patricia, B. (2017). *Bi-directional Work to Life Conflict: An Investigation of Work Life Balance for Nurses in Acute Public Hospital Settings in Ireland*. Thesis in NUI Galway.
 9. Sheppard, G. (2016). *Work Life Balance Programs to Improve Employee Performance*. Walden University Scholar Works: Doctoral Thesis
 10. Fuller, S., & Hirsh, C. E. (2018). "Family-friendly" jobs and motherhood pay penalties: The impact of flexible work arrangements across the educational spectrum. *Work and Occupations*. <https://doi.org/10.1177/0730888418771116>.
 11. M. Armstrong. (2000), *Performance management: Key strategies and practical guidelines* Kogan Page Limited, London, UK.
 12. W.H. Macey, B. Schneider, K.M. Barbera, S.A. Young. (2009). *Employee engagement: Tools for analysis, practice, and competitive advantage*, Wiley-Blackwell, Malden, WA.
 13. Pulakos. (2009). *Performance management: A new approach for driving business results* Wiley-Blackwell, Malden, MA (2009)