IDENTIFYING CRITICAL FACTORS OF WORK-LIFE BALANCE AND ITS IMPACT ON INSURANCE EMPLOYEES IN INDIA - AN EXPLORATORY FACTOR ANALYSIS

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[The present paper aims at identifying the factors influencing work-life balance practices of insurance companies and assessing the impact of work-life balance practices on the employee's work domain.

The study focuses on responses on sixteen WLB statements of 300 respondents of managerial and supervisory cadres randomly selected from various insurance companies in Kolkata, India. Data have been collected by survey method using structured questionnaire of four point scale. The principal components method of Factor Analysis with varimax rotation and Ordinal Regression Analysis - PLUM **(Polytomous Universal Model)** *have been performed in order to identify influential factors of WLB and the impact of work-life balance practices on family-work conflict (FWC).*

The study identified four factors comprising sixteen items having Eigen values of more than 1 which accounted for about 52.9% of variation in data. Finally, thirteen statements were found to be statistically valid valid on the basis of Cronbach's alpha of internal consistency. The pseudo R^2 values **(Nagelkerke = 37.6%)** *indicate that sixteen variables of WLB practices explain a relatively moderate proportion of the variation on family work conflict. Further, the Wald statistics identified only four influential variables out of sixteen variables which explain on family work conflict.*

The study would be beneficial for the service sector organizations in order to design a effective workplace that facilitates work-life balance and results in minimum family-work conflict.

Keywords: *Work-life balance, Family-work conflict, Work-family conflict, Professional life, Personal life, Factor analysis, Regression analysis.]*

JEL Classification: G15, C22, G15, G01, C52

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1. Introduction:

All human beings play many roles in an organization, in the family and in the society as employee, boss, subordinate, spouse, parent, child, sibling, friend and community member etc. Each of these roles imposes demand on us which require time, energy and commitment to fulfill. Participation in one role is made more difficult by participation in the other role. Work-life balance (WLB) is all about managing or prioritizing the varied dimensions work as well as non-work domains. It does not necessarily mean slicing out equal number of hours for each of your work and non-work domains which is highly impractical in the real world. Balance has also more become difficult to attain given that the boundaries between work life and home life have become more blurred through 21st century telecommunications and facilitation of home and virtual office.

WLB is a dynamic phenomenon. It is not a structure but a process. The life component of WLB includes family, friends and self. WLB is not then just a concern of people with family but with all people around. A man does not live by work alone but also by self, family and friends. Leisure and social interaction are as much important as work and career. An individual has to continuously juggle around with the different priorities and needs of the work as well as non-work domains.

1.1 Literature Survey:

Many studies have been conducted on the various dimensions of work-life balance which are mentioned here. The concept of work-life balance has gained considerable importance due to the demographic and sociological trends, changing employee perception of work, workforce diversity, changing role of men and women and skill shortage (Ghalawat & Dahiya, 2010). Eaton (2003) suggests that family supportive practices involving flexibility increase commitment on the part of the workers increasing productivity and reducing turnover. Welsey & Muthuswamy (2005) in a study of 230 teachers in an engineering college in Coimbatore, India, found that work to family conflict was more prevalent than family to work conflict, thus indicating the permeability of work into family was more than permeability of family into work. Lowe & Schellenberg (2006) recommended a supportive work environment and management, flexible work arrangements as work-life conflict moderators. Kinnunen & Mauno (2007) collected data from a sample of 501 employees working in four organizations, namely, municipal and social healthcare, manufacturing for exports, a bank and a supermarket. The results indicated that interference from work to family was more prevalent than interference from family to work. However, there was no gender difference in experiencing either work to family and family to work conflict. The issue of WLB has become pertinent for both the genders. The participation of women in labour force has been accelerating and the family structure is in the process of shifting from joint to nuclear family structure. Furthermore, there is evidence that generational values differ (Smola & Sutton, 2002) and young people today emphasize the achievement of work/life balance more than their previous generation. Sadhu & Mehta (2006) in a study of 271 women working in service sector in Punjab found that gender role

attitude and spillover between work and family roles was the most important factor that affected the career of working women. Maxwell & McDougall (2004) found that WLB initiatives helped in the management of stress and also improved performance. The results indicated that individuals who accessed WLB policies were more motivated at work, more loyal to the organization and more efficient through increased commitment and improved performance. Employee retention is linked to flexitime (Gordon and Whelan,1998). Compensation, flexible work schedules and training are important tools for retaining employees. Employers should not underestimate the power of benefits package (Terry Mullen,2007). The problem of work-life balance is directly linked with withdrawal behavior, including turnover and non-genuine sick absence (Hughes & Bozionelos,2007).

1.2 Exploration of the Study:

All of literature cited above focus on essence and significance of WLB within certain dimension. However, in recent time, there has been a rise in the consideration of the pressure that work has on family as well as life of employees. In an environment where there is high level of competitive pressures stemming largely from efforts to deliver quality service, the weight of this on employees is enormous (Karatape, 2010; Lourel et.al.,2009). Most of the work in Indian setting dealt with the aspects of managing work-life balance at both the ends. No specific study has been made to understand the specific factors affecting work life balance practices in Indian insurance industry. The present study is focused on identifying the factors that causes work-life imbalance among the

insurance employees in the context of Kolkata, India.

1.3 Objective of the Study

The study has two fold objectives: (i) to identify the factors influencing work-life balance practices of insurance companies and (ii) to assess the impact of select work-life balance practices on the employee's work domain.

1.4 Significance of the Study

Work-life balance is an increasing concern on the part of employees as well as employer. The main motivation of the research work is the study of Frone et. al (1997) who developed and tested an integrative model of work-family interface using a sample of 372 employed adults who were married and/or parents, the findings supported the indirect reciprocal relation between work to family and family to work conflict.

WLB is a choice an individual has to make. However, it's the organization that needs to take an initiative to help the employees. If a company addresses these needs, in addition to provide great career opportunities, then it will be successful in providing job satisfaction to the employees. Although companies are adopting new ways to ensure that their employees get enough time to enjoy with their personal life and spend time with family. But still it is unknown major critical factors influencing work life balance. Even though the issue of WLB is a universal one; the contributing factors may be different in different geographical areas depending on the prevailing work culture, societal codes of behavior and familial concepts. The present study is an attempt to identify the causes underlying the improper work-life balance among employees of Insurance companies in

Kolkata, India and its impact on work domain.

2. Research Design:

The Study is exploratory in nature based on structured questionnaire with 300 respondents randomly selected from life and general insurance companies in the city of Kolkata, West Bengal. Nineteen Insurance companies have been selected in order to know the perception of employees of insurance companies about work-life balance practices. Five main factors have been identified namely workplace factors, family and personal commitments, job content, situational issues and employee assistance programmes comprising16 related statements. Questionnaire survey method with Likert scaling has been used to gather primary data. Keeping in view the objectives of the study two advanced statistical methods have been used. These are: factor analysis with principal component method and varimax rotation.Secondly ordinal regression model (PLUM) is used understand impact of select WLB variables on family work conflict. The adequacy of the data is evaluated on the basis of the results of Kaiser-Meyer-Olkin (KMO) measures of sampling adequacy and Bartlett's test of Sphericity (homogeneity of variance). The KMO measure of sampling adequacy indicates whether the present data are suitable for factor analysis or not. Similarly, Bartlett's test of sphericity is significant, when ($p<0.001$), indicating whether significant correlation exists between the variables or not. The Bartlett's test statistic should be approximately distributed as the chi-square distribution and it may be accepted when it is significant at $p<0.005$.

3. Empirical Results & Discussions

3.1 Industry Structure:

Over the past decade, there have been increases in premiums, players and outreach in Indian insurance industry. This Industry, like many other industries, has also become competitive with number of insurers attracting investors with numerous product innovations. A combination of these factors along with strong economic growth in the last few years has positioned India as a regional insurance hub and now India aspires to be an international financial centre. There is still a huge untapped demand for insurance (Table 1). Where almost all the industries in the world are trying hard for survival due to the major economic meltdown, the Indian insurance industry is one of the sectors that is still observing good growth. Indian Insurance Industry has modified itself with the passage of time by introducing customized products based on customers' need, through innovative distribution channels. Changing government policy and guideline of the regulatory authority, Insurance Regulatory Development Authority (IRDA), have also played a very vital role in the growth of the sector (Srivastava, Tripathi and Kumar, 2012). Today, the Indian Insurance Industry consists of 52 insurance players comprising 24 life businesses, 27 non-life insurers and General Insurance Corporation (GIC) which is the sole national reinsurer. LIC continues to remain strong in rural areas and perhaps in the middle class and the lower middle class segments while in metros and major urban centers, the private insurers have made their presence felt.

Table 1: Indian Insurance Statistics

Size of Market	Life (US $ bn)					Non-life (US $ bn)					Total (US $ bn)				
	2000	2004	2008	2009	2012	2000	2004	2008	2009	2012	2000	2004	2008	2009	2012
Global Market ($ bn)	1500	1848	2490	2331	2621	922	1395	1779	1735	1992	2422	3243	4269	4066	4631
India ($ bn)	7.4	16.92	48.86	57	53.3	2.54	4.33	7.3	7.97	13.14	9.94	21.25	56.19	64.97	66.44
Market (Share In %)	0.51	0.92	1.96	2.45	2.03	0.27	0.31	0.41	0.46	.66	0.41	0.65	1.32	1.59	1.58
India's Ranking	07	09	10	9	10	30	27	28	26	19	23	19	14	9	15
CAGR (%)			25.8					17.6					24.6		
Density (USD)	7.6	15.7	41.2	47.7	49	2.3	4.0	6.2	6.7	10	9.9	19.7	47.4	54.3	53.2
Penetration (GP as % GDP)	1.77	2.53	4.0	4.6	3.4	.55	.64	.60	.60	0.70	2.3	3.17	4.6	5.2	3.96

Source: Swiss Report ,February 3/2009, December 2/2010, June 3/2013 and IRDA, Annual Reports

Indian life insurance industry has gone through two cycles — the first one being characterized by a period of high growth (CAGR of approx. 31 percent in new business premium between 2001-10) and a flat period (CAGR of around 2 percent in new business premium between 2010-12). During this period, there have been increase in penetration (from 1.77 percent in FY 00 to 3.96 percent in FY12), increased coverage of lives, substantive growth through multiple channels (agency, banc-assurance, broking, direct corporate agency amongst others) and increased competitiveness of the market (from four private players in FY01 to 23 private players in FY12). The sluggish period being experienced today by the Indian life insurance companies brings to fore the big challenge of profitability. The industry's participants have been struggling to achieve profitability in the face of high operating losses primarily on account of distribution and operating models. Cumulative losses for private life insurers are in excess of INR 187 billion till March 2012, majority of which have gone towards funding losses rather than for meeting solvency requirements.

After liberalisation of the Indian insurance industry in the year 1999- 2000, the Indian general insurance industry has witnessed rapid growth. The industry's gross direct premiums has grown from INR 11,446 crore in FY02 to INR 57,964 crore in FY12, which corresponds to a compounded annual growth rate (CAGR) of 17.6 percent. Insurance density, which is defined as the ratio of premium underwritten in a given year to the total population, has increased from USD 2.3 in 2000 to USD 10 in 2012. The growth in the general insurance industry has kept pace with the nominal GDP growth rate resulting in general insurance penetration remaining stable in the range of 0.55% to 0.75% over the last 10 years.

3.2 Testing and Validation of Work-Life Balance Issues :

Among all items presented in the table 2, the variable "Quality family time" and "Medical facilities" were rated with the highest mean score of 3.14 and the variable "Relaxation" scored lowest mean rating (1.96). Sixteen items pertaining to work-life balance issues of Indian Insurance Employees in Kolkata (Table 2) were factor- analyzed using principal component analysis with varimax rotation to determine the underlying factors and appropriateness. The result of the Kaiser Meyer Olkins (K.M.O) measures was .859 and Bartlett test of sphericity is significant ($p < 0.001$), indicating significant correlation exists between the variables and this result allows us to proceed with the analysis. These findings suggest that appropriateness of the data for factor analysis.

Table 2: Mean Ratings of the Statements of Work-Life Balance (WLB) Issues

Items	Variables	Description	Mean	Standard Deviation
1.	Nature of Work	I am satisfied with the nature of work assigned by the organization.	3.09	.642
2.	Flexi-Schedules	My authority is sympathetic enough when I need time off or have to reschedule work due to family commitments.	2.67	.686
3.	Work Overload	I have to take work to home in order to accomplish some predefined goals.	2.58	.756
4.	Working Conditions	My organization provides healthy working conditions.	3.05	.631
5.	Quality Family Time	I spend quality time with my family.	3.14	.733
6.	Social Participation	I manage time to attend family functions and other social activities.	2.83	.778
7.	Work on Holidays	I do official work on Holidays.	2.47	.715
8.	Technological Support	My organization provides technological support (laptops, smart phones etc.) for balancing work and family . commitments	2.66	.744
9.	Remuneration	I am getting remuneration as per my skills, knowledge, ability and experience.	2.84	.598
10.	Role Clarity	To what extent, duties and responsibilities are clear to you?	2.83	.769
11.	Training & Development	My organization conducts training & development programme in order to make workforce more efficient.	2.94	.609
12.	Social Prestige	I feel proud to work in the organization	2.98	.631
13.	Relaxation	I can get time to relax during working hours.	1.96	.796
14.	Professional Counseling	My organization facilitates professional counseling in order to assist employees about their career plans.	2.31	.843
15.	Medical Facilities	My organization provides medical facilities for me and my dependents.	3.14	.836
16.	Employee's Well-being	My organization really cares about my well-being.	2.90	.734

Principal component factor analysis with varimax rotation (Table 3) yielded four factors with Eigen Values > 1.0 explaining 52.90% of total variance. The first, five statements were loaded into factor 1 with a reliability alpha of 0.721. The overall mean of the first factor was 14.58 (Table 3) and it is re-named as Workplace Facilitator. Three statements were loaded into factor 2 with a reliability alpha of .672 and overall factor mean of 8.42 and it is re-named as Social Commitments. The next five statements were loaded in factor 3 with a reliability alpha .696. The overall mean of this factor is 13.34 and named as Working Situation. The remaining three statements were loaded in the factor 4, with a Cronbach's alpha of .404 with overall mean of 8.04 and it is re-named as Workplace Support. Therefore, it is clear from the table 3 that Workplace Facilitator, Social Commitments, Working Situation and Workplace Support are the major work-life balance issues of Indian Insurance employees in Kolkata.

Table 3 : Factor Analysis and Cronbach's Alpha of Work-Life Balance Issues

Sr.No. of items as given in Table 2	Factor loadings	Factor name (Factor mean)	Eigen values	Variance %	Cumula-tive Variance	Cronbach's alpha
1	.632	Work				
4	.538	Facilitator				
8	.735	(14.58)	4.573	15.164	15.164	.721
9	.665					
11	.480					
5	.767	Social	1.747	14.709	29.872	.672
6	.731	Commitments				
7	.647	(8.42)				
2	.585					
10	.584	Working				
12	.419	Situation				
13	.732	(13.34)	1.136	13.779	43.652	.696
16	.435					
3	.661	Workplace				
14	.472	Support				
15	.698	(8.04)	1.008	9.248	52.900	.404

3.3 Impact on Select Work-Life Balance Practices on Employee's work domain

Ordinal Regression model has been performed in order to know the impact of select work-life balance practices on employee's work domain (family work conflict), i.e., family interferes with work. Before application of regression analysis using **PLUM (Polytomous Universal Model)** the assumption of the model has been kept into consideration. (i) **dependent variable** should be measured at the **ordinal** level; (ii) One or more **independent variables** that are **continuous**, **ordinal** or **categorical**; **(iii)** There is **no multicollinearity, (iv) proportional odds**, which is a fundamental assumption of ordinal regression model. The predictive value of the model, i.e., model fitting information, gives the -2 likelihood values for the base line and final model, and the chi-square statistic (p<.0001) indicates that the final model gives a significant improvement over the baseline intercept only model. The Pearson test for goodness of fit is used to measure the degree of the relationship between the linear related variables. In this case also the observed data were found to be consistent with the estimated values in the fitted model since the p was insignificant (p = 1.00 > 0.05).

Table 4: Plum-Ordinal Regression

4.1.Model Fitting Information					4.2.Goodness –of- Fit			
Model	-2 log Like lihood	Chi-Square	Df	Sig.		Chi-Square	df	Sig.
Intercept only	694.537				Pearson	817.878	835	.657
Final	570.210	124.326	50	.000	Deviance	570.210	835	1.000

Another useful statistics for measuring goodness of fit is pseudo R^2 statistics. For ordinal regression models it is not possible to compute the same R^2 statistic as in linear regression so three approximations are computed instead (Table: 4.33). What constitutes a "good" R^2 value depends upon the nature of the outcome and the explanatory variables. Here, the pseudo R^2 values (e.g. **Nagelkerke = 37.6%; Cox and Snell= 33.9% and McFadden=17.9%**) indicate that sixteen variables of WLB practices explains a relatively moderate proportion of the variation in the family work conflict. The test of parallel lines can be used to assess whether the assumption that the parameters are the same for all categories is reasonable. This test compares the estimated model with one set of

coefficients for all categories to a model with a separate set of coefficients for each category. It can be seen that the general model (with separate parameters for each category) gives a significant improvement in the model fit (Table 4.4). The Wald test of significance (parameter estimates) identifies four variables out of sixteen issues which sound statistically significant. These variables are- quality family time, work on holidays, role clarity and medical facilities.

4.3.Pseudo R-Square		4.4.Test of Parallel lines				
Cox & Snell	.339	Model	-2 Log Likelihood	Chi-Square	Df	Sig.
Nagelkerke	.376	Null Hypothesis	570.210			
Mc Fadden	.179	General	390.145	180.065	100	.000

4. Conclusions: The study has dual objectives: identification of critical factors of work life balance and analyzing the impact of select WLB variables on family-work-conflict (FWC). For identification of important factors Exploratorary Factor Analysis (Principal Component Analysis) was conducted with varimax rotation. The study identified four factors having Eigen values of more than over 1. These factors accounted for about 52.9% of variation in data. The first group (work facilitator) consists five variables, namely, nature of work, working conditions, technological support, remuneration, and training and development. It is another important factor explaining 15% variation with Eigen values of 4.57. Further, internal consistency (.721) projects items comprising factor 1 and this factor produces reliable scale. The second factor covering three items (quality family time, social participation, and work on holidays) with Eigen value of 1.747, counts 14.709 variance in data, renamed as social commitment. The coefficient of internal consistency (.672) shows that

factor 2 is on a moderate scale. The third factor consisting of five items (Table 3) projects useful grouping with Eigen value of 1.136 and 13.779% variation. The Cronbach's alpha of the group 3 (.696) indicates that it also can be treated as a useful scale. The fourth factor may be ignored since its coefficient of Cronbach's alpha is below the standard limit. Thus, out of sixteen variables only thirteen variables are found useful as the scale of work life balance.

To fulfill the second objective of the study, i.e., measuring the impact of select work life balance on family work conflict, the Ordinal regression analysis using PLUM (**Polytomous Universal Model)** has been used. As. $p<.001$ for the final model, the relationship between the dependent variable and the combination of independent variables is statistically significant. The Pearson test for goodness of fit shows that the observed data are consistent with the estimated values in the fitted model since the p was insignificant, $p = 1.00 > 0.05$. The Nagelkerke (the

Pseudo R-Square Statistics) is.376. This explain moderate variation in the outcome variable. Further, the Wald statistics identified only four influential variables out of sixteen variables.

5. Scope for Further Research: The results of the study based on sixteen statements; therefore, it is suggested to incorporate more variables. The size of sample for the study was 300; the same study can be conducted with larger size of sample. Since WLB varies on culture and there is no work life balance policy in Indian insurance companies, it is suggested that an the inter-city comparison may be conducted with scientific validation. The further study in this area may be interlinking WLB policies with firm performance and productivity. The study has identified useful scale for work life balance in insurance companies and companies can focus the useful issues identified in this study. Further, the study has traced using scientific method a few variables which influence family work conflict, i.e., family interfering with work.

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