

## Worklife Balance & HR Planning

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Why is work-life balance important? To answer that question, we first need to establish what exactly defines “work-life balance”. For the purpose of this article, we will define work-life balance by the definition set out by the Canadian Centre for Occupational Health and Safety (CCOHS). The CCOHS defines this term as “Creating a balance between work demands and the healthy management and enjoyment of life outside work”

*A negative work-life balance means that the stresses of work outweigh the positive.* The causes of a negative work-life balance will vary for everyone, but some causes may include long hours, unreachable goals, role overload, and conflict between work and family demands. According to a study conducted by [Harvard Business School \(Blanding, 2015\)](#), the psychological and physical challenges related to employee burnout and stress costs employers an estimated **\$125-190\$ billion USD** per year in healthcare spending. To that effect, when employees experience a negative work-life balance, the true cost can be far greater. Research shows that a negative work-life balance can lead to low employee engagement, high employee turnover, and increased tardiness. Furthermore, it can take a serious toll on employee mental health and physical well-being. Achieving a positive or healthy work-life balance can help create a healthy work environment by reducing stress, preventing burnout and improving organizational efficiency.

What does this mean for businesses? Creating a healthy work atmosphere makes good business sense! As an organization takes steps in this direction it can have many benefits such as:

- Attracting new employees

- Retention of staff/talent
- Reduction of sickness and absenteeism
- Improved morale
- Increased production and satisfaction

Furthermore, the idea of a healthy work-life balance has been gaining momentum over the years, which could lead to a lasting impact on Compensation Strategy, Organizational Culture, Recruitment, and Generational differences. Next, we will touch on how each of the above factors are affected by work-life balance:

- **Compensation Strategy** – In order to improve work-life balance, organizations can consider alternative compensation strategies that involve indirect compensation. Some of these considerations include flex-time, child-care, health and wellness opportunities and the ability to work from home. The ability to work from home can offer many benefits for the employer; [Flexitime](#) conducted a longitudinal study on this subject over the course of 11 years. As a result of their employees working from home, they saved more than **\$5 million USD** per year in the following areas:
  - Reduced overhead,
  - Real estate cost,
  - Transit subsidies
  - Continuity of operations.

Moreover, since Covid-19, many employers have researched the impact of working from home on their organization; according to a study conducted by [Global Workspace Analytics](#), a typical employer can save approximately \$14,000 per year for every person that works remotely half the time. Other areas where employers can expect to save money could include travel expenses for meetings, conferences, etc. Virtual meetings may not hold the same benefits as face-to-face, but the prospect of savings can potentially outweigh the cost. Moreover, employees can expect to save between \$3,000 and \$5,000 per year and even more if they can move to a less expensive area and work remotely full time.

- **Organizational Structure** - Employers may have to consider their overall organizational structure and look to adapt to the increased demand for work-life balance, putting less emphasis on overtime and working hours. If the organizational structure aligns with the rising trend of achieving a positive work-life balance, the organization can improve reputation throughout the community and increase employee engagement and buy-in. This will create a sense of membership behaviour for those in the organization.
- **Recruitment** – To improve recruitment efforts, employers can offer unique compensation strategies that are more attractive to the younger generations, placing more emphasis on in-direct benefits. According to a study conducted by [Flexjobs](#), “work-life balance is more important to millennials, with 83% ranking it as the most important factor in evaluating a job prospect”.
- **Generational Differences** - Baby Boomers crave stability and value the opportunity for employment; according to the [Flexjobs](#) study cited above, work-life balance is not as important to older employees with only 62% of those surveyed considering it as a factor. Generation X typically prioritize spending time with their families in contrast to the stressful experiences their parents often experienced at work. Millennials, and very likely our future workers in Generation Z, have an increased desire for a proper work-life balance and are more likely to change jobs until they find one that supports their lifestyle.

Another strategy for improving work-life balance that has gained traction in recent years is the 4-day work week. Employees who have an extra day off can more effectively de-stress and pursue other interests, which will lead to an overall increase in job satisfaction at work, improvement in productivity and an increase in overall work-life balance. There are a few variations in how to implement a 4-day work week, and in this article, we will examine how it was implemented by the New Zealand Estate Planning firm Perpetual Guardian in 2017. Perpetual Guardian first rolled out this initiative as an experiment to 240 workers across 16 different offices. They implemented a 4-day work week by reducing employee hours from 40 to 32. The experiment lasted two (2) months and during this time they hired

researchers to measure the results. During this timeframe, all employees were paid their usual salary and were able to perform at the same output level when they were working 5 days a week.

Across all staff, work-life balance saw a 24% improvement and team engagement levels increased by 20%, as well as an overall reduction in stress levels. As a result of the success of this experiment, the 4-day work week option was permanently offered to all employees. Perpetual Guardian experienced an increase in organizational citizenship behaviours, decreased utility bills and among these benefits are wider implications such as decreased traffic and reduction of office space. This can also be an added benefit for recent parents who are returning from a maternal/parental leave.

#### **Top Recommendations when considering a 4-day work week:**

- Give employees plenty of time to consider how they can work differently and encourage them to come up with their own measure of productivity.
- Encourage staff to consider how they can organize time off within teams while still meeting customer and business imperatives.
- Establish clear personal and team business goals and objectives.
- Begin with a trial and engage outside consultants/academics to evaluate qualitative and quantitative measures of success.
- Consider introducing an opt-in policy for employees/departments on an annualized basis. An opt-in form can keep track of an employee’s productivity measures and roster information, as well as linking it to company values.
- Consider seasonal workflow differences and ensure the policy can flex appropriately.
- Be clear that the aim of the initiative is not simply to improve things within the organization but also within a broader social context.

#### **Closing Thoughts**

The 4-day work week is one initiative being used to help create a healthy work atmosphere, but any benefits, policies, or programs that contribute positivity to the demands of the job and life outside of work is something to consider. Every organization is unique and will have to experiment with work-life initiatives to see what works best for their particular organization.

Unfortunately, there is no one-size-fits-all model, and factors such as the type of work, age, organizational culture, family needs, and socioeconomic status will play a role in developing these initiatives. As for any initiative, proper planning must be put in place to increase the likelihood of success. This will involve appointing an individual or group of individuals to take ownership and lead the process as change agents. Organizational buy-in will also play an important role when executing new initiatives. This should involve educating all stakeholders on the possible benefits and obstacles that might be encountered in the process. The goals and intention of each initiative should be made clear and goals should be put in place to measure the outcome of each initiative (check out our article on [Change Management](#) for more details).

The positive impact that work-life balance has caused in on the organizational environment front has only just begun. If there is one thing we know for sure, it is clear that this trend is here to stay. If you need support to implement any work-life balance strategies, we are here to help!

Do you have any comments or stories on change management that you would like to share? We would love to hear it! Please send your feedback to [mckillop@integrityconsultation.com](mailto:mckillop@integrityconsultation.com)

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