

The relationship between employee benefit management and employee retention

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The purpose of this study is twofold. The first purpose is to investigate the hypothesis as follows: the enrichment of the employee benefit management and the improvement of job attitudes mediate the relation between the adoption of family-friendly policies and the employee retention. The second purpose is to investigate the gender gap in the above-mentioned model. The facts and conclusions presented in this paper were obtained from a study of 1228 employees. Analysis of covariance structures was adopted for testing hypothesis. About the first one, significant mediator effects of the enrichment of the employee benefit management and the improvement of job satisfaction were clarified. About the second point, there was no gender gap in the above-mentioned retention process by the employee benefit management, except for the number of the employee benefit management practices and the organizational tenure. The necessity of additional research about international comparison, investigation of organization, longitudinal investigation, etc. was pointed out.

Keywords: family friendly; Japan; job satisfaction; organizational tenure; retention management; withdrawal cognition

Introduction

Fierce competition is raging presently to secure competent human resources. Greater employment fluidity enhanced by increased job changes further intensifies the competition for securing capable, high-performing individuals as well as those who will become the future core personnel for organizations. This trend is evident even in times of economic recession. Viewing the same phenomenon from a different perspective, organizations today are at greater risk of losing capable human resources to other organizations. The keyword in terms of human resource management is 'retention.' In addition to the general definition of the word, i.e. 'holding, maintaining, continuation, and preventing from leaving,' this word takes on a new meaning in business administration. It means 'securing employees in a company.' In the retention concept, organizations are the key players and retention is a specific organizational management issue, namely 'retention management,' which can be defined as 'the entire human resource management policies for retaining the current or expected high-performing employees within organizations for long periods of time, enabling them to exercise or develop their capabilities.' (Yamamoto 2009, pp. 14–15).

Let us first consider the consequences of an organization's failure to retain the high-performing employees, i.e. their resignations. First of all, resignation increases short-term

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costs such as the money spent on hiring, personnel reshuffling, education/training of other employees, and decreased production. Assuming the overall workload remains the same, the short-term burden on the remaining employees will increase and is likely to have an ill effect on their motivation. In the long run, the organization-specific knowledge, skills, and know-how that long-time employees possess will be lost. In this sense, the retention of employees, especially the high performers, is an important issue for organizations.

On the other hand, the recent widespread acceptance of family-friendly work styles and the concept of work-life balance have encouraged both organizations and individuals to take an interest in balancing their work (labor) and private life, and this trend also exists in the context of greater emphasis being placed on women's roles in organizations. Employees' mental health is another significant issue in light of increasing cases of depression reported at workplaces. Closely tied to such recent trends in organizational human resource management is the concept of employee benefit management. Employee benefits include various measures offered by organizations to their employees and their families for improving employee welfare, which have come to be known as an 'intra-corporate welfare system.' The representatives of the statutory welfare measures include insurance schemes for health, pension plans, employment, and workmen's accident compensation. The nonstatutory welfare systems vary widely; their representative examples include monetary gifts for celebrations and condolences, recreational facilities, subsidies for home ownership, and recreational activities, e.g. sports meets, company excursions, etc. Employee benefits offered by Japanese organizations decreased steadily throughout the long recession after the crash of Japan's economic bubble; however, recently, these benefits have been on a slightly upward trend according to an employee benefit expenses survey by the Japan Business Federation. This proves that employee benefit management or improving employee welfare has not lessened in importance.

How do such recent trends in employee benefit management affect employee retention? In other words, how effective are benefits in employee retention? Since around the 1960s, employee benefits for Japanese organizations have been a central concept, just as important as training and development, in the retention management. Many corporations suffered a keen shortage of younger employees when their businesses expanded, so measures such as the provision of bachelor apartments, the mentoring of young employees by older employees, etc. were adopted widely (Tsuda 1993). As typical nonstatutory benefits, such as a corporate pension system and home ownership support, clearly show that quality employee benefits are rarely portable, it is only natural for employees to stay for long periods of time at organizations providing good benefits. Prior studies have shown that employee benefit practices, if not all practices, have a certain positive effect on retention (Mitchell 1982; Lincoln and Kalleberg 1996; Fairris 2004; Wagar and Rondeau 2006). It is particularly notable that when compared with competitors in the same industry, the quality of health-related employee benefits and the rate of employee benefit expenses over the entire personnel cost, in other words, both the quantity and quality of employee benefits, negatively affected the resignation rate (Bennett, Blum, Long and Roman 1993).

So, how are the family-friendly work environment and work-life balance concepts, or the new directions in employee benefits, related to employee retention? 'Family-friendliness' was a concept which first appeared in Europe and the USA in the 1980s, meaning a work style that takes into consideration the 'worker's responsibility to his/her family.' This concept advocates the need to be flexible and change employees' work style to match their family circumstance, and the newly adopted measures were often called 'family-friendly practices.' The concept of work-life balance was advocated in the USA

amidst their economic recession of the 1990s, a little after the introduction of the family-friendly work style. The general meaning of this concept is to seek a good balance between one's work (labor) and private life. The adoption of this concept enables employees to lead fuller lives, which not only improves productivity but also the retention of high-performing employees, thus bringing great merits to management. Actually, many new human resource management practices tied to the family-friendly and work-life balance concepts have been adopted, some of which are the ability to take childcare or family care leaves at different times, shorter working hours to allow for child or elderly care, flex time systems, sick/injured childcare leave, in-company nursery facilities, and subsidies for child and elderly care expenses.

Prior studies investigated how family-friendly practices and work-life balance practices were related to employee retention (Grover and Crooker 1995) and reported that childbirth and child-rearing leaves with the promise of full-time re-employment and disseminating information about local childcare services promoted retention. However, these same studies found that flexible working hours, a flex time system, and subsidies for child day care fees were not related to employee retention. Batt and Valcour (2003) reported that flexible working hours and support from one's superiors, but not childcare, contributed to low 'withdrawal cognition.' In other words, prior studies failed to show a unified conclusion as to the effect of family-friendly practices on retention. Nonetheless, it is worthwhile to note that only the effect of family-friendly practices on retention was detected, without these practices necessarily having a direct effect on organizations' financial performance (Sakazume 2002).

In the present study, the author analyzed the employee benefit management and, in particular, the retention effects of family-friendly practices¹ by first setting up the following hypothesis:

Hypothesis: The introduction of employee benefit management and improved job attitude are intermediary factors in the relationship between family-friendly policies and retention. Additionally, we examined gender differences in the aforementioned relationships.

This hypothesis was formulated based on the following reasoning:

First of all, it is based on human resource policy model (Morishima 1996) in strategic human resource management. This model asserts that the introduction of a practice like setting up an employee benefit management practice contributes to retention, if such practice fits well with the higher-level concept of family-friendly policy strategy. Assuming that policies are a part of management strategy, one can think of this model as being based on a contingency approach that analyzes the idea that the external fit of management strategy and human resource management improves organizational performance. If you assume that the policies and practices are related to one another within a human resource management system, one can see this model as a configurational approach that examines the idea that the policy-and-practice internal fit improves organizational performance.

Second, our hypothesis is based on a multi-step process model of retention, in which job attitudes, such as job satisfaction and organizational commitment factors, are thought to exist between human resource management and retention. Many prior studies have shown a better fit of this multi-step process model than a model that proposes that human resource management directly affects retention (Ganesan and Weitz 1996; Paul and Anantharaman 2003; Yamamoto 2008). Many intermediary factors, e.g. job satisfaction, organizational commitment, motivation, trust (in the organization), and other job attitude factors, have been

adopted with proven effects. In examining the relationship between employee benefit programs and retention, another model was examined in regard to the effect of monetary worth (an objective factor) of employee stock options programs and the feeling of participating in company management through this (a subjective factor), which may lead to withdrawal cognition and actual spontaneous resignation by way of multi-step awareness, i.e. satisfaction with the system, overall job satisfaction, and organizational commitment (Buchko 1993). In short, this model makes it clear that both the objective and subjective factors are related to retention, and that job satisfaction is important as an intermediary factor.

Patterned after prior studies, the author in the current study considered two intermediary variables between human resource management and retention, which were both objective factors, i.e. the number of introduced employee benefit management practices, and subjective factors, i.e. job satisfaction. By considering objective factors that are more easily measurable by the Human Resources Department, the current study aimed to build a model that is readily applicable to organizations. At the same time, it was expected that subjective factors greatly affected personal decisions about resigning from or retaining one's job.

Third, the author considered the importance of gender differences in the aforementioned hypothesis. When examining employee benefits and work-life balance, considerations for family life and private life are necessary. Gender difference is likely a factor in differences among employees. Generally, women are said to put greater importance on family and private life than men. Behind this general notion are the underlying circumstances: women have greater workloads at home and they frequently resign after childbirth.

Prior studies on gender differences resulted in two theoretical models: (1) a job model in which gender did not play a role and (2) a gender model which asserts differences due to gender difference (Feldberg and Glenn 1979; Gonzalez 2004). The predominance of these models varies with the study target. Many prior studies reported that workers were not conscious of gender differences, thus mostly supporting the above job model (1). This shows the equalization of work attitudes between men and women as increasingly more women make professional advancements.

On the other hand, another study that examined the relationship between employee benefits and retention noted a gender gap in the resignation pattern and concluded that a pension system had a high retention effect on men and that the loss of fringe benefits did not affect women's retention as much as men's (Mitchell 1982). This finding, however, is limited to the examination of individual systems and does not refer to the overall employee benefit management practice, its policies or employee perception. Thus, the role gender differences play in the relationship between employee benefits and retention has not been shown clearly. The current study, therefore, analyzed whether the job model or the gender model held true in examining the employee benefit-retention relationship. By so doing, the researcher hoped to obtain basic data for introducing employee benefit practices as part of retention management, by first clarifying the existence or nonexistence of gender differences in the model in which family-friendly policies influence retention, mediated by job attitude.

The hypothesis in this study is schematically shown in Figure 1.

Method

This study is based on the results of a questionnaire by the Employee Benefit and Insurance Study Group of the Japan Institute of Life Insurance. This Internet-based survey was conducted in February 2004 by Company S, which specializes in surveys using their

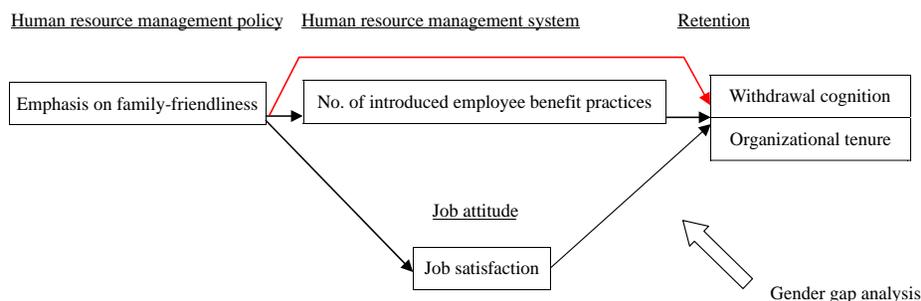


Figure 1. Research model.

monitors, analyzing 1228 full-time employees aged 25–59 living in the metropolitan area, including Tokyo and six nearby prefectures. Their mean age was 40.7 (standard deviation of 9.6), and the mean organizational tenure was 12.1 years (10.0). Men accounted for 71.4% and women, 28.6%; unmarried subjects 34.2% and married subjects 65.8%; and 53.4% of them had experienced job changes, while 46.6% had no such experience. As for educational background, 1.5% of them were junior high school graduates, 22.6% were high school graduates, 12.5% were professional/advanced vocational school graduates, 8.4% were junior/technical college graduates, 54.4% were college/graduate school graduates, and 0.5% were in the ‘Other’ category. As for the types of occupations, 28.0% were engaged in clerical work, 21.5% in technology and research, 20.5% in management, 15.3% in skilled labor, 10.9% in sales/marketing, and 3.7% in other occupations.

Measurement instruments

Family-friendly policies

In order to measure family-friendly policies closely related to employee benefit management, this study set up its own 1–5 Likert scale of four items. Considering that the purpose of the questionnaire was to ask employees about policies of their organization, the questions focused on childcare, family care, and so on for the sake of lucidity. Examples of the items in the questionnaire included efforts to encourage employees to take child- and family care leaves and support to enable employees on temporary leaves due to child- or family care to smoothly return to their former position.

Employee benefit management practices

We used the number of introduced employee benefit management systems as an objective intermediary factor in our multi-step process model of retention. As there was a prior study which reported that the number of introduced family-friendly practices had no impact on the resignation rate (Vandenberg, Richardson and Eastman 1999), the said number was not only limited to the introduction of family-friendly (work-life balance) practices but also covered the introductions of various practices related to employee benefits. We presented 36 practices consisting of nine areas, namely housing, medical care, childcare support, monetary aid for celebrations and condolences, asset formation, leisure, provision of information, self-enlightenment, and miscellaneous. The subjects were asked about the practices currently installed at their places of employment (e.g. companies, mutual aid associations, and health insurance associations) that they could use. We used these

numbers as factors in determining the relationships. The specific practices are shown in Table 1 with the rate of their introductions.

Job attitude

This study used job satisfaction as a subjective intermediary factor in our multi-step process model of retention. This factor has been analyzed by many studies as a

Table 1. Introduced and currently available employee benefit practices.

<i>Introduced and currently available employee benefit practices</i>	<i>Introduction rate (%)</i>
Medical examination (added to statutory requirements)	77.6
Monetary gifts for celebrations and condolences	75.6
Asset formation aid system such as workers' nest-egg savings and in-house savings deposits	62.5
Leisure facilities (contractual-type: resort facilities and sports facilities)	58.4
Retirement allowance paid to deceased employees (paid to their surviving families)	5.9
Housing allowance and rent aid	55.8
Monetary aid for thorough out-of-pocket physical examinations	52.7
Long vacations more than once a year	52.5
Medical examinations for lifestyle-related illnesses (medical examinations for adult disease)	47.0
Support for cultural, physical, and recreational activities	45.5
Leisure facilities (company-owned: resort facilities and sports facilities)	43.0
Facilities for providing meals such as a staff cafeteria	42.2
Group term insurance (aid for optional insurance)	42.1
Support for acquisition of official qualifications and correspondence courses	38.4
Mental health	37.6
Survivors' annuity, orphans' pensions, and orphans' scholarship pensions	37.0
In-house financing system (finance using in-house funds)	36.9
Employee stock ownership plan	36.7
In-house financing system (loan affiliated with financial institutions)	32.3
Long vacation for refreshment and self-improvement	30.7
Leaves and shorter working hours for childcare support	30.3
Nursing and family care leave system	30.1
Long-term income compensation	28.9
Company housing (for families: company-owned)	27.2
Bachelor apartments (for unmarried employees only: company-owned)	26.0
Preparatory education for retirement	20.6
External studies (at foreign/domestic colleges or companies)	19.4
Life planning (life planning courses/seminars)	17.2
Requisitioning of company housing (for families)	15.8
Cafeteria plan	12.0
Requisitioning of bachelor apartments (incl. requisitioned rooms)	11.7
Stock options	9.4
Visit by family care helpers (incl. monetary aid)	8.8
Financial planning courses/seminars	8.6
Monetary aid for childcare and hiring of babysitters	8.3
Nursery (company-owned or requisitioned)	3.7

representative measure of workers' job attitude together with organizational commitment. This was also a factor showing intermediary effects in prior studies on the relationship between employee benefits and retention (Buchko 1993). In measuring job satisfaction, individual job satisfaction concerning individual aspects broadly relating to workers' duties, such as work itself, human relations and working conditions, and overall job satisfaction, based on all such elements were measured separately (Nishikawa 1984). Considering the analysis method (analysis of covariance structures), this study preferred to use a few items, measuring the scale of job satisfaction by means of overall job satisfaction on a 1–5 Likert scale.

Retention

Past personal surveys on retention adopted objective indicators (resignation behavior and organizational tenure) and a subjective indicator (withdrawal cognition) as indicators of retention. This study also adopted organizational tenure as an objective indicator and withdrawal cognition as a subjective indicator, with a focus on objective indicators as clues when planning specific policies by organizations' Human Resources Department. Many prior studies measured withdrawal cognition using the Likert scale, but it has been pointed out that the Likert method and the rating method forming the basis of the Likert method have some defects, such as the lack of exhaustiveness. We, therefore, adopted a 1–5 scale based on the Semantic Differential Technique in which stimulus questions were 'Do you want to work at your current workplace for a long time?' and 'Would you want to change your job if there were other more beneficial workplaces?' We measured organizational tenure by the number of years of employment.

Control variables

As with prior studies, we controlled the age and educational backgrounds of our subjects, which are thought to affect retention. It was impossible to measure the job performance of our study subjects by any uniform standard because they varied in the type of occupations as well as divisions and organizations to which they belonged. Therefore, we did not analyze the relationship between employee benefits and retention according to different job performance.

Results

The correlation coefficient, descriptive statistics, and reliability among the variables in this study are shown in Table 2. The correlation coefficient of withdrawal cognition, a subjective indicator, and organizational tenure, an objective indicator of retention, was significant but low, so it may be appropriate to set up both indicators separately. The same was true for the relationship between the number of employee benefits introduced and job satisfaction. The reliability of family-friendly policies was verified.

In order to examine our hypothesis, we examined the intermediary effects of the employee benefit practices and job attitude by comparing the 'policy model,' in which only family-friendly policies affected retention, with the 'hypothetical model,' which added employee benefit systems and job attitude to the 'policy model.' We first made an analysis of covariance structures based on the policy model in which family-friendly policies directly affected retention, without considering the intermediating factors between family-friendly policies and retention (Figure 2). In order to control affecting factors, we standardized the observed variables, made multiple regression analyses using

Table 2. Mean, standard deviation, correlation coefficient, and reliability among variables used in the present study (except for control variables).

	Mean	Standard deviation	Family-friendly policies	No. of introduced employee benefits	Job satisfaction	Withdrawal cognition	Organizational tenure
Family-friendly policies	2.5275	1.05527	(0.896)				
No. of introduced employee benefits	10.2305	8.58107	0.419**	–			
Job satisfaction	3.5244	1.02705	0.210**	0.087**	–		
Withdrawal cognition	2.70	1.346	–0.349**	–0.231**	–0.447**	–	
Organizational tenure (years)	12.14	9.989	0.250**	0.433**	0.066*	–0.290**	–

Notes: $n = 1228$; * $p < 0.05$; ** $p < 0.01$; reliability coefficients are in parentheses.

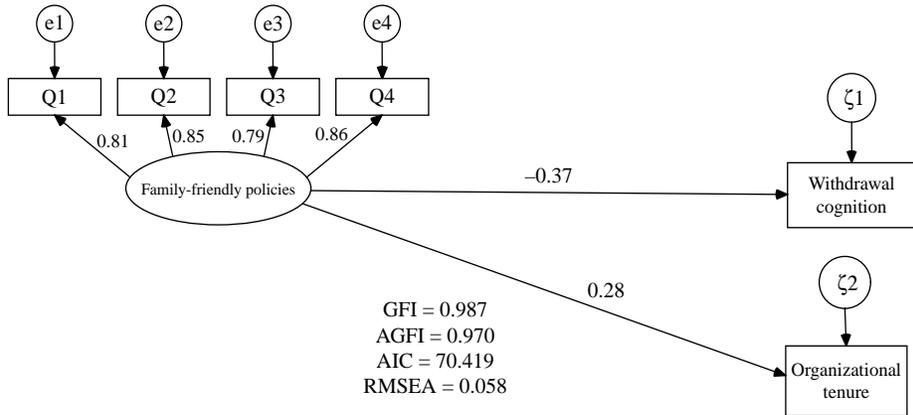


Figure 2. Policy model.

the age and educational backgrounds as explanatory variables, and used its residual as a variable. Examining the calculated goodness of fit, we found that the goodness-of-fit index (GFI) and the adjusted goodness-of-fit index (AGFI) were above 0.90 and that the root mean square error of approximation (RMSEA) was below 0.08. Therefore, the goodness of fit of this model was judged to be at an appropriate level. The path from family-friendly policies to withdrawal cognition was significantly negative, and the path to organizational tenure was significantly positive, contributing to both the objective and the subjective aspects of retention.

Next, we made an analysis of covariance structures based on the hypothetical model in which the employee benefit practices and job attitude intermediate the relationship between family-friendly policies and retention (Figure 3). In terms of goodness of fit, the GFI and AGFI were above 0.90 and the RMSEA was below 0.05, so our hypothetical model was judged to have a positive goodness of fit.

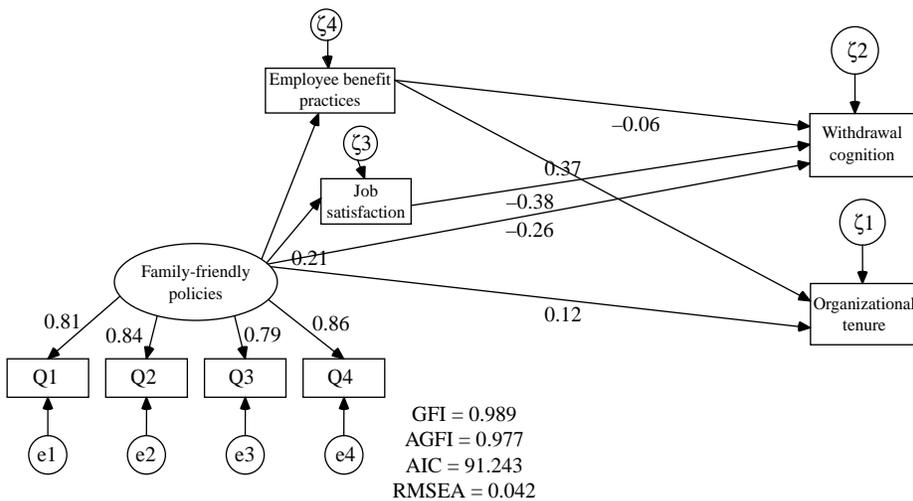


Figure 3. Hypothetical model.

We also compared the goodness of fit among the following four models: the 'policy model,' the 'practice model,' which excluded job satisfaction from the 'hypothetical model' and left only the employee benefit practices between family-friendly policies and retention, and the 'job attitude model,' which excluded the employee benefit practices. The overall goodness of fit of the hypothetical model was the highest (Table 3).

We then examined our hypothesis. To recognize the intermediating effects of the practices and job attitude, the following three relationships should be assumed: (1) family-friendly policies affect retention, (2) family-friendly policies affect the practices and job attitude, and (3) the practices and job attitude affect retention (Baron and Kenny 1986). Examining Figure 3 from these perspectives, assumptions (1) and (2) were applicable, and in assumption (3), the path was significant except for the effect of job satisfaction on organizational tenure. By comparing Figure 2 with Figure 3, the (direct) effect of family-friendly policies on retention did not vanish, but only diminished by adding the practices; thus, it was judged to have a partial intermediary effect.

As a result of the Sobel test, the intermediary effects of the practices and job attitude on withdrawal cognition were significant, $Z = 2.01$, $p < 0.05$ and $Z = 6.24$, $p < 0.01$, respectively. Similarly, the intermediary effect of the practices on organizational tenure was significant ($Z = 9.08$, $p < 0.01$). It showed that the introduction of many employee benefit practices and improved job satisfaction strengthened the retention effect of family-friendly policies. The hypothesis, except a part of it, was thus proved.

Last, we made a simultaneous analysis of several groups by gender to explore any differences in the relationship among the intermediary factors in the multi-step retention process model of employee benefits. First, arrangement invariance, as the comparative assumption regarding path coefficients among variables, and measurement invariance, as the comparative assumption regarding the mean and variance of the intermediary factors, were examined (Table 4). As a result, the GFI and AGFI were above 0.950 and the RMSEA was below 0.05 in both the 'invariance of the arrangement model' and the 'invariance of the measurement model,' showing that it was possible to examine the difference among groups and analyze the mean structure model by gender.

Second, we conducted a *t*-test to find the difference among path coefficients in the same path (Table 5). As a result, every path had no significant difference by gender, showing that there was no difference between men and women in the retention process of employee benefit management.

Third, we examined the comparative gender model matching this study's data. In doing so, we compared the goodness of fit among five different models. In addition to the invariance of the arrangement model (Model 0) and the invariance of the measurement model (Model 1), we added Model 2, in which the coefficients among latent variables were

Table 3. Comparing goodness of fit of four models.

<i>Model name</i>	<i>GFI</i>	<i>AGFI</i>	<i>AIC</i>	<i>RMSEA</i>
Policy model	0.987	0.970	70.419	0.058
Practice model	0.988	0.975	78.074	0.047
Job attitude model	0.987	0.972	85.106	0.051
Hypothetical model	<u>0.989</u>	<u>0.977</u>	91.243	<u>0.042</u>

Notes: The underlined figures show the highest goodness-of-fit values. GFI, goodness-of-fit index; AGFI, adjusted goodness-of-fit index; AIC, Akaike information criterion; and RMSEA, root mean square error of approximation.

Table 4. Verification of arrangement invariance and measurement invariance.

<i>Model</i>	<i>GFI</i>	<i>AGFI</i>	<i>AIC</i>	<i>RMSEA</i>
Invariance of the arrangement model	0.985	0.969	148.302	0.030
Invariance of the measurement model	0.984	0.969	146.660	0.030
Saturated model	1.000		144.000	
Independence model	0.470	0.319	3921.838	0.236

Notes: GFI, goodness-of-fit index; AGFI, adjusted goodness-of-fit index; AIC, Akaike information criterion; and RMSEA, root mean square error of approximation.

constrained to be equal, Model 3, in which the variances of latent variables in Model 2 were constrained to be equal, and Model 4, in which the error variances of observed variables were constrained to be equal (Table 6). As a result, the goodness of fit of Model 2 was the highest.

Fourth, based on the above results, we compared women with men using a means and covariance structure analysis based on Model 2 (Table 7). As a result, the goodness-of-fit value of the model with different mean values by gender was higher than that of the model with equal mean values, showing that the mean values of the concepts consisting of the current hypothetical model were different between genders.

Fifth, based on the above results, we calculated the estimated values of mean and intercept and verified them (Table 8). As a result, it was found that there were fewer employee benefit practices currently introduced and available to women, and the organizational tenure of women, which is an objective indicator of retention, was shorter than that of men.

Discussion and implications

The findings of this study are thought to have made a certain contribution to retention management studies. In Japanese organizations, together with training and development, employee benefit management has been emphasized as a sub-system in human resource management conducive to employee retention. However, in retention studies based on the strategic human resource management theory approach, which sees human resource management from systematic and macroscopic viewpoints, employee benefit management was hardly considered as one of these elements. As summarized below, it can be said that the findings of this study proved its importance.

First, it was found that while job satisfaction, a subjective factor, contributes to lower withdrawal cognition, a subjective indicator of retention, the number of introduced employee benefit practices, an objective factor, contributes to longer organizational

Table 5. Differences in retention process of employee benefits by gender (*t*-test).

<i>Path</i>	<i>t</i> -value
Family-friendly → no. of introduced employee benefit practices	-1.115
Family-friendly → job satisfaction	1.476
Family-friendly → withdrawal cognition	-0.240
No. of introduced employee benefit practices → withdrawal cognition	-0.182
No. of introduced employee benefit practices → organizational tenure	-1.730
Job satisfaction → withdrawal cognition	-0.304
Family-friendly → organizational tenure	0.461

Table 6. Comparison of the goodness of fit among the five models.

<i>Model</i>	<i>GFI</i>	<i>AGFI</i>	<i>AIC</i>	<i>RMSEA</i>
Model 0 (the invariance of the arrangement model)	0.985	0.969	148.302	0.030
Model 1 (the invariance of the measurement model)	<u>0.984</u>	0.969	146.660	0.030
Model 2	0.983	<u>0.972</u>	140.406	<u>0.027</u>
Model 3	0.982	<u>0.971</u>	<u>142.288</u>	<u>0.028</u>
Model 4	0.976	0.968	162.087	0.033

Notes: The underlined figures show the highest goodness-of-fit values. FI, goodness-of-fit index; AGFI, adjusted goodness-of-fit index; AIC, Akaike information criterion; and RMSEA, root mean square error of approximation.

tenure, an objective indicator of retention. It can be said that this study showed similar tendencies with prior studies on organizational behaviors. In addition, the number of introduced employee benefit practices helped to lower withdrawal cognition, and in some relationships, objective indicators cross the border between subjectivity and objectivity and contribute to subjective retention. In other words, the number of introduced employee benefit practices, which is more objective and easy to understand for organizations, was found to be important as a retention-promoting factor. However, the result of job satisfaction indicated the importance of understanding practically not only comprehensible objective indicators but also subjective factors. Such results also indicated the need to explore the consciousness of employees through interviews by their bosses and through conducting morale surveys. This could possibly prevent controllable resignation by high performers.

In general, the model adopting both subjective and objective factors was more valid than models adopting only the subjective or the objective factor. Although limited to employee benefits, the need to consider both subjective and objective factors as explanatory models of retention was indicated. Prior studies have not considered the difference among affecting factors according to the type of retention indicators, but this study showed the difference between objectivity and subjectivity of indicators for the first time.

Second, for the first time, the results of this study showed retention effects when the emphasis on family friendliness was linked to specific practices in the policy or strategy levels. To some degree, the relationship between family-friendly policies and the number of introduced employee benefit practices verified a longitudinal hierarchy in the employee benefit sub-system within the human resource management system. It translates as the importance of keeping policies consistent with actual system designs in retention. To promote it further within organizations, close discussion and human interaction would be necessary between the Business Management and Planning Division, which decides

Table 7. Results of means and covariance structure analysis.

<i>Model description</i>	<i>CFI</i>	<i>RMSEA</i>	<i>AIC</i>
Model with different mean values	0.988	0.028	174.778
Model with equal mean values	<u>0.980</u>	<u>0.035</u>	<u>201.518</u>
Saturated model	1.000		176.000
Independence model	0.000	0.236	3453.838

Notes: The underlined figures show the highest goodness-of-fit values. CFI, comparative fit index; RMSEA, root mean square error of approximation; and AIC, Akaike information criterion.

Table 8. Estimated values and verification results of mean and intercept (women).

<i>Constructs</i>	<i>Estimate</i>	<i>Standard error</i>	<i>Z-value</i>
Job satisfaction	-0.080	0.062	-1.290
Family-friendly policies	0.019	0.057	0.332
No. of introduced employee benefit practices	-0.242	0.054	-4.521***
Withdrawal cognition	-0.055	0.054	-1.002
Organizational tenure	-0.197	0.052	-3.778***

Note: *** $p < 0.001$.

business strategies, and the Human Resource Division, which implements them. As assumed in the strategic human resource management theory, it will be necessary in the future to examine how employee benefit management contributes to organizational performance through retention.

Third, in the retention process of employee benefit management in organizations assumed in this study, a job model was established. It was suggested that organizational policies such as child- and family care leaves targeted at retaining female rather than male employees would be effective for the retention of male employees. At least on a perceptual level, policies that facilitate family life contribute to male employee retention. In other words, workplaces good for female employees are also good for male employees. This indicates that it is necessary to design systems from a male point of view, as well as a female point of view, when trying to promote the work-life balance. For example, childcare leave taken by male employees and the acquisition of childcare leave as a condition of promotion to a managerial position are required in some Japanese organizations. But gender differences were found in individual factors composing various models, so a specific job model could not be said to be established. Among others, it was notable that fewer employee benefit practices were available to women. In terms of employee benefits in Japanese organizations, there has been a tendency to promote them on the basis of households, and as men were often the heads of households, more benefits seemed to have been provided for them. As the number of one-person households is increasing due to a declining birthrate and aging population in Japan, it is necessary to increase the number of employee benefit practices accessible to individuals, while also disseminating information on benefit practices available to women.

Fourth, the relationship between this model and the wage management was suggested. The classical economics tells us that one of the major factors to retain employees was wages. For a long time, the employee benefit management as the fringe benefit management has been thought as supplements of the wage management. And prior studies showed the higher pay decreases employee turnover (Batt and Valcour 2003; Fairris 2004; Ghebreorgis and Karsten 2007). The respondents were from different employees with different pay systems. And job satisfaction should involve pay satisfaction. The result of the present study contains the possibility to be able to admit even by the viewpoint of the wage management.

Limitations and future research

This study may have had some limitations as discussed below.

First, this study was limited to full-time employees working in Japan, which likely prevents the generalization of the study's findings. However, at least these findings may

lead to clarifying the retention process of organizational employees in the context of Asian studies. It is hoped that surveys in the West with different cultural backgrounds and further comparative surveys between Asia and the West will be implemented in the future.

Second, this study analyzed only the data obtained from personal surveys. In order to better understand family-friendly policies and the number of the introduced employee benefits more precisely, a cross-level analysis surveying the organizations' Human Resources Department and linking their results with personal data obtained from their employees is preferable. It now remains as a new challenge for the future. Nevertheless, it would be difficult to implement such a survey because it would require cooperation from many organizations and their employees. Meanwhile, as with this study, it is also necessary to collect more objective human resource management data by conducting personal surveys.

The third limitation is that this study was based on a cross-sectional data at one point in time. Therefore, it will be necessary to implement a longitudinal study analyzing the relationship between human resource management policies at the point of this survey and the retention thereafter (in the future), for it is a time-lapse study that will enable us to verify a cause-and-effect relationship between human resource management and retention. It then will be possible to measure the validity of practices by examining how newly introduced practices and the improvement of existing practices will affect retention. Then, based on the information obtained, it will be possible to provide useful information to organizations. As with organizational surveys, however, the implementation of such a survey may prove difficult.

The fourth limitation lies in the fact that this study did not consider job performance. It was deliberately omitted because the subjects of this study varied in occupations, departments, and organizations to which they belonged, so it was impossible to measure their job performance using a uniform standard. But many organizations would want to retain high performers (or expected high performers). A study showed that there was no difference between human resource management and retention by difference in job performance (Yamamoto 2009); nevertheless, it does not necessarily apply to all cases. We would like to accumulate retention management surveys at different workplaces/organizations whose performance can be assessed by a uniform performance index.

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Note

1. The work-life balance concept is being used increasingly more generally. At present, however, uniform dimensions or measurement scales have not yet been established because of the broad scope of meaning. So, this study used this concept from the family-friendly perspective, a traditional approach.

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