

The relationship between employee benefit management and employee retention

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The relationship between employee benefit management and employee retention

The purpose of this study is two fold. 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 wasn't the 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: retention management; family friendly; job satisfaction; organizational tenure; withdrawal cognition; Japan

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.

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2 The keyword in terms of human resource management is “retention.” In addition to the general definition
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4 of the word, i.e. “holding, maintaining, continuation and preventing from leaving,” this word takes on a
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6 new meaning in business administration. It means “securing employees in a company.” In the retention
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8 concept, organizations are the key players and retention is a specific organizational management issue,
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10 namely “retention management,” which can be defined as “the entire human resource management policies
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12 for retaining the current or expected high-performing employees within organizations for long periods of
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14 time, enabling them to exercise or develop their capabilities.” (Yamamoto, 2009, pp.14-15)
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18 Let’s first consider the consequences of an organization’s failure to retain high-performing employees,
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20 i.e. their resignations. First of all, resignation increases short-term costs, such as the money spent on hiring,
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22 personnel reshuffling, education/training of other employees and decreased production. Assuming the
23
24 overall workload remains the same, the short-term burden on the remaining employees will increase and is
25
26 likely to have an ill effect on their motivation. In the long run, the organization-specific knowledge, skills
27
28 and know-how that longtime employees possess will be lost. In this sense, the retention of employees,
29
30 especially the high performers, is an important issue for organizations.
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34 On the other hand, the recent widespread acceptance of family-friendly work styles and the concept of
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36 work-life balance have encouraged both organizations and individuals to take an interest in balancing their
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38 work (labor) and private life, and this trend also exists in the context of greater emphasis being placed on
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40 women’s roles in organizations. Employees’ mental health is another significant issue in light of increasing
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42 cases of depression reported at workplaces. Closely tied to such recent trends in organizational human
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44 resource management is the concept of employee benefit management. Employee benefits include various
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46 measures offered by organizations to their employees and their families for improving employee welfare,
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1 which have come to be known as an “intra-corporate welfare system.” The more representative of the
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4 statutory welfare measures include insurance schemes for health, pension plans, employment and
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6 workmen’s accident compensation. The non-statutory welfare systems vary widely; their representative
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8 examples include monetary gifts for celebrations and condolences, recreational facilities, subsidies for
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10 home ownership and recreational activities, e.g. sports meets, company excursions, etc. Employee benefits
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12 offered by Japanese organizations decreased steadily throughout the long recession after the crash of
13
14 Japan’s economic bubble; however, recently, these benefits have been on a slightly upward trend according
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16 to an employee benefit expenses survey by the Japan Business Federation. This proves that employee
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18 benefit management, or improving employee welfare, has not lessened in importance.
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23 How do such recent trends in employee benefit management affect employee retention? In other words,
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25 how effective are benefits in employee retention? Since around the 1960s, employee benefits for Japanese
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27 organizations have been a central concept, just as important as training and development, in the retention
28
29 management. Many corporations suffered a keen shortage of younger employees when their businesses
30
31 expanded, so measures such as the provision of bachelor apartments, the mentoring of young employees by
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33 older employees, etc., were adopted widely (Tsuda, 1993). As typical non-statutory benefits, such as a
34
35 corporate pension system and home ownership support, clearly show, quality employee benefits are rarely
36
37 portable, so it is only natural for employees to stay for long periods of time at organizations providing good
38
39 benefits. Prior studies have shown that employee benefit practices, if not all practices, have a certain
40
41 positive effect on retention (Fairris, 2004; Lincoln and Kalleberg, 1996; Mitchell, 1982; Wagar and
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43 Rondeau, 2006). It is particularly notable that when compared with competitors in the same industry, the
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45 quality of health-related employee benefits and the rate of employee benefit expenses over the entire
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1
2 personnel cost, in other words, both the quantity and quality of employee benefits, negatively affected the
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4 resignation rate. (Bennett, Blum, Long and Roman, 1993)
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7 So how are the family-friendly work environment and work-life balance concepts, or the new directions
8
9 in employee benefits, related to employee retention? “Family-friendliness” was a concept which first
10
11 appeared in Europe and the United States in the 1980s, meaning a work style that takes into consideration
12
13 the “worker’s responsibility to his/her family.” This concept advocates the need to be flexible and change
14
15 the employee’s work style to match their family circumstance, and the newly-adopted measures were often
16
17 called “family-friendly practices.” The concept of work-life balance was advocated in the United States
18
19 amidst their economic recession of the 1990s, a little after the introduction of the family-friendly work style.
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21 The general meaning of this concept is to seek a good balance between one’s work (labor) and private life.
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23 The adoption of this concept enables employees to lead fuller lives, which not only improves productivity
24
25 but also the retention of high-performing employees, thus bringing great merits to management. Actually,
26
27 many new human resource management practices tied to the family-friendly and work-life balance
28
29 concepts have been adopted, some of which are the ability to take child care or family care leaves at
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31 different times, shorter working hours to allow for child or elderly care, flex time systems, sick/injured
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33 child care leave, in-company nursery facilities and subsidies for child and elderly care expenses.
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41 Prior studies investigated how family-friendly practices and work-life balance practices were related to
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43 employee retention (Grover and Crooker, 1995) and reported that childbirth and child-rearing leaves with
44
45 the promise of full-time re-employment and disseminating information about local child-care services
46
47 promoted retention. However, these same studies found that flexible working hours, a flex time system and
48
49 subsidies for child daycare fees were not related to employee retention. Batt and Valcour (2003) reported
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1
2 that flexible working hours and support from one's superiors, but not child care, contributed to low
3
4 "withdrawal cognition." In other words, prior studies failed to show a unified conclusion as to the effect of
5
6 family-friendly practices on retention. Nonetheless, it is worthwhile to note that only the effect of
7
8 family-friendly practices on retention was detected, without these practices necessarily having a direct
9
10 effect on organizations' financial performance (Sakazume, 2002).
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12

13
14 In the present study, the author analyzed the employee benefit management and, in particular, the
15
16 retention effects of family-friendly practices¹ by first setting up the following hypothesis:
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18 Hypothesis: The introduction of employee benefit management and improved job attitude are
19
20 intermediary factors in the relationship between family-friendly policies and retention. Additionally, we
21
22 examined gender differences in the aforementioned relationships.
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26 This hypothesis was formulated based on the following reasoning:
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28 First of all, it is based on human resource policy model (Morishima, 1996) in strategic human resource
29
30 management. This model asserts that the introduction of a practice like setting up an employee benefit
31
32 management practices contributes to retention, if such practice fits well with the higher-level concept of
33
34 family-friendly policy strategy. Assuming that policies are a part of management strategy, one can think of
35
36 this model as being based on a contingency approach that analyzes the idea that the external fit of
37
38 management strategy and human resource management improves organizational performance. If you
39
40 assume that the policies and practices are related to one another within a human resource management
41
42 system, one can see this model as a configurational approach that examines the idea that the
43
44 policy-and-practice internal fit improves organizational performance.
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49 Second, our hypothesis is based on a multi-step model of retention, in which job attitudes, such as job
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1
2 satisfaction and organizational commitment factors are thought to exist between human resource
3
4 management and retention. Many prior studies have shown a better fit of this multi-step model than a
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6 model that proposes that human resource management directly affects retention (Ganesan and Weitz, 1996;
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8 Paul and Anantharaman, 2003; Yamamoto, 2008). Many intermediary factors, e.g. job satisfaction,
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10 organizational commitment, motivation, trust (in the organization) and other job attitude factors, have been
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12 adopted with proven effects. In examining the relationship between employee benefit programs and
13
14 retention, another model was examined in regards to the effect of monetary worth (an objective factor) of
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16 employee stock options programs and the feeling of participating in company management through this (a
17
18 subjective factor), which may lead to withdrawal cognition and actual spontaneous resignation by way of
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20 multi-step awareness, i.e. satisfaction with the system, overall job satisfaction, organizational commitment,
21
22 etc. (Buchko, 1993) In short, this model makes it clear that both the objective and subjective factors are
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24 related to retention and that job satisfaction is important as an intermediary factor.
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31 Patterned after prior studies, the author in the current study considered two intermediary variables
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33 between human resource management and retention, which were both objective factors, i.e. the number of
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35 introduced employee benefit management practices, and subjective factors, i.e. job satisfaction. By
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37 considering objective factors that are more easily measurable by the Human Resources Department, the
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39 current study aimed to build a model that is readily applicable to organizations. At the same time, it was
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41 expected that subjective factors greatly affected personal decisions about resigning from or retaining one's
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43 job.
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48 Third, the author considered the importance of gender differences in the aforementioned hypothesis.
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50 When examining employee benefits and work-life balance, considerations for family life and private life
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2 are necessary. Gender difference is likely a factor in differences among employees. Generally, women are
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4 said to put greater importance on family and private life than men. Behind this general notion are
5
6 underlying circumstances, women have greater workloads at home, and they frequently resign after
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8 childbirth.
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11 Prior studies on gender differences resulted in two theoretical models: (1) A job model in which gender
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13 did not play a role, and (2) a gender model which asserts differences due to gender difference (Feldberg and
14
15 Glenn, 1979; Gonzalez, 2004). The predominance of these models varies with the study target. Many prior
16
17 studies reported that workers were not conscious of gender differences, thus mostly supporting the above
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19 job model (1). This shows the equalization of work attitudes between men and women as increasingly more
20
21 women make professional advancements.
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25
26 On the other hand, another study that examined the relationship between employee benefits and retention
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28 noted a gender gap in the resignation pattern and concluded that a pension system had a high retention
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30 effect on men and that the loss of fringe benefits did not affect women's retention as much as men's
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32 (Mitchell, 1982). This finding, however, is limited to the examination of individual systems and does not
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34 refer to the overall employee benefit management practice, its policies or employee perception. Thus, the
35
36 role gender differences play in the relationship between employee benefits and retention has not been
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38 shown clearly. The current study, therefore, analyzed whether the job model or the gender model held true,
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40 in examining the employee benefit-retention relationship. By so doing, the researcher hoped to obtain basic
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42 data for introducing employee benefit practices as part of retention management, by first clarifying the
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44 existence or non-existence of gender differences in the model in which family-friendly policies influence
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46 retention, mediated by job attitude.
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1
2 The hypothesis in this study is schematically shown in Figure 1.
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8  Fig. 1

9 **Method**

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11 This study is based on the results of a questionnaire by the Employee Benefit and Insurance Study Group
12
13 of the Japan Institute of Life Insurance. This Internet-based survey was conducted in February 2004 by
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15 Company S, which specializes in surveys using their monitors, analyzing 1,228 full-time employees aged
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17 25-59 living in the metropolitan area, including Tokyo and six nearby prefectures. Their mean age was 40.7
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19 (standard deviation of 9.6), and the mean organizational tenure was 12.1 years (10.0). Men accounted for
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21 71.4% and women, 28.6%; unmarried subjects 34.2% and married subjects 65.8%; and 53.4% of them had
22
23 experienced job changes, while 46.6% had no such experience. As for educational background, 1.5% of
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25 them were junior high school graduates, 22.6% were high school graduates, 12.5% were
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27 professional/advanced vocational school graduates, 8.4% were junior/technical college graduates, 54.4%
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29 were college/graduate school graduates, and 0.5% were in the "Other" category. As for the types of
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31 occupations, 28.0% were engaged in clerical work, 21.5% in technology and research, 20.5% in
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33 management, 15.3% in skilled labor, 10.9% in sales/marketing and 3.7% in other occupations.
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42 ***Measurement instruments***

43 *Family-friendly policies*

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47 In order to measure family-friendly policies closely related to employee benefit management, this study
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49 set up its own 1-5 Likert scale of four items. Considering that the purpose of the questionnaire was to ask
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1 employees about policies of their organization, the questions focused on childcare, family care and so on
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3
4 for the sake of lucidity. Examples of the items in the questionnaire included efforts to encourage employees
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6 to take child- and family care leaves and support to enable employees on temporary leaves due to child- or
7
8 family care to smoothly return to their former position.
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10 11 12 13 14 *Employee benefit management practices*

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16 We used the number of introduced employee benefit management systems as an objective intermediary
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18 factor in our multi-step process model of retention. As there was a prior study which reported that the
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20 number of introduced family-friendly practices had no impact on the resignation rate (Vandenberg,
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22 Richardson and Eastman, 1999), the said number was not limited to the introduction of family-friendly
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24 (work-life balance) practices but also covered the introductions of various practices related to employee
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26 benefits. We presented 36 practices consisting of 9 areas, namely housing, medical care, childcare support,
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28 monetary aid for celebrations and condolences, asset formation, leisure, provision of information,
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30 self-enlightenment, and miscellaneous. The subjects were asked about the practices currently installed at
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32 their places of employment (e.g. companies, mutual aid associations, health insurance associations, etc.)
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34 that they could use. We used these numbers as factors in determining the relationships. The specific
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36 practices are shown in Table 1 below with the rate of their introductions.
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Job attitude

This study used job satisfaction as a subjective intermediary factor in our multi-step process model of

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2 retention. This factor has been analyzed by many studies as a representative measure of workers' job
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4 attitude together with organizational commitment. This was also a factor showing intermediary effects in
5
6 prior studies on the relationship between employee benefits and retention (Buchko, 1993). In measuring job
7
8 satisfaction, individual job satisfaction concerning individual aspects broadly relating to workers' duties,
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10 such as work itself, human relations and working conditions, and overall job satisfaction, based on all such
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12 elements were measured separately (Nishikawa, 1984). Considering the analysis method (analysis of
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14 covariance structures), this study preferred to use a few items, measuring the scale of job satisfaction by
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16 means of overall job satisfaction on a 1-5 Likert scale.
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22 23 *Retention*

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26 Past personal surveys on retention adopted objective indicators (resignation behavior and organizational
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28 tenure) and a subjective indicator (withdrawal cognition) as indicators of retention. This study also adopted
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30 organizational tenure as an objective indicator and withdrawal cognition as a subjective indicator, with a
31
32 focus on objective indicators as clues when planning specific policies by organizations' Human Resources
33
34 Department. Many prior studies measured withdrawal cognition using the Likert scale, but it has been
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36 pointed out that the Likert method and the rating method forming the basis of the Likert method have some
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38 defects, such as the lack of exhaustiveness. We therefore adopted a 1-5 scale based on the Semantic
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40 Differential Technique in which stimulus questions were "Do you want to work at your current workplace
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42 for a long time?" and "Would you want to change your job if there were other more beneficial
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44 workplaces?" We measured organizational tenure by the number of years of employment.
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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 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.

Table.2

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

1
2 observed variables, made multiple regression analyses using the age and educational backgrounds as
3
4 explanatory variables, and used its residual as a variable. Examining the calculated goodness-of-fit, we
5
6 found that the goodness-of-fit index (GFI) and adjusted goodness-of-fit index (AGFI) were above 0.90 and
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8 that the root mean square error of approximation (RMSEA) was below 0.08. Therefore, the goodness-of-fit
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10 of this model was judged to be at an appropriate level. The path from family-friendly policies to withdrawal
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12 cognition was significantly negative, and the path to organizational tenure was significantly positive,
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14 contributing to both the objective and subjective aspects of retention.
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Fig.2

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.



Fig.3

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).



Table.3

1 We then examined our hypothesis. To recognize the intermediating effects of the practices and job
2 attitude, the following three relationships should be assumed: (1) Family-friendly policies affect retention,
3
4 (2) Family-friendly policies affect the practices and job attitude, and (3) The practices and job attitude
5
6 affect retention (Baron and Kenny, 1986). Examining Figure 3 from these perspectives, assumptions (1)
7
8 and (2) were applicable, and in assumption (3), the path was significant except for the effect of job
9
10 satisfaction on organizational tenure. By comparing Figure 2 with Figure 3, the (direct) effect of
11
12 family-friendly policies on retention did not vanish but only diminished by adding the practices, thus, it
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14 was judged to have a partial intermediary effect.
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20 As a result of the Sobel Test, the intermediary effects of the practices and job attitude on withdrawal
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22 cognition were significant, $Z=2.01$, $p<.05$ and $Z=6.24$, $p<.01$, respectively. Similarly, the intermediary
23
24 effect of the practices on organizational tenure was significant ($Z=9.08$, $p<.01$). It showed that the
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26 introduction of many employee benefit practices and improved job satisfaction strengthened the retention
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28 effect of family-friendly policies. The hypothesis, except a part of it, was thus proved.
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32 Last, we made a simultaneous analysis of several groups by gender to explore any differences in the
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34 relationship among the intermediary factors in the multi-step retention process model of employee benefits.
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36 First, arrangement invariance, as the comparative assumption regarding path coefficients among variables,
37
38 and measurement invariance, as the comparative assumption regarding the mean and variance of the
39
40 intermediary factors, were examined (Table 4). As a result, the GFI and AGFI were above 0.950 and the
41
42 RMSEA was below 0.05 in both the “invariance of the arrangement model” and the “invariance of the
43
44 measurement model,” showing that it was possible to examine the difference among groups and analyze the
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46 mean structure model by gender.
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Table.4

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.

Table.5

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 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.

Table.6

Fourth, based on the above results, we compared women with men using a means and covariance structures 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.

Table.7

Fifth, based on the above results, we calculated estimated values of mean and intercept and verified them

1 (Table 8). As a result, it was found that there were fewer employee benefit practices currently introduced
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3
4 and available to women, and the organizational tenure of women, which is an objective indicator of
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6
7 retention, was shorter than that of men.

Table.8

Discussion and implications

13 The findings of this study are thought to have made a certain contribution to retention management
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15 studies. In Japanese organizations, together with training and development, employee benefit management
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17 has been emphasized as a sub-system in human resource management conducive to employee retention.
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19 However, in retention studies based on the strategic human resource management theory approach, which
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21 sees human resource management from systematic and macroscopic viewpoints, employee benefit
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23 management was hardly considered as one of these elements. As summarized below, it can be said that the
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25 findings of this study proved its importance.
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30 First, it was found that while job satisfaction, a subjective factor, contributes to lower withdrawal
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32 cognition, a subjective indicator of retention, the number of introduced employee benefit practices, an
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34 objective factor, contributes to longer organizational tenure, an objective indicator of retention. It can be
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36 said that this study showed similar tendencies with prior studies on organizational behaviors. In addition,
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38 the number of introduced employee benefit practices helped to lower withdrawal cognition, and in some
39
40 relationships, objective indicators cross the border between subjectivity and objectivity and contribute to
41
42 subjective retention. In other words, the number of introduced employee benefit practices, which is more
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44 objective and easy to understand for organizations, was found to be important as a retention-promoting
45
46 factor. However, the result of job satisfaction indicated the importance of understanding not only
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1
2 practically comprehensible objective indicators but also subjective factors. Such results also indicated the
3
4 need to explore the consciousness of employees through interviews by their bosses and through conducting
5
6 morale surveys. This could possibly prevent controllable resignation by high performers.
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9 In general, the model adopting both subjective factors and objective factors was more valid than models
10
11 adopting only the subjective or objective factor. Although limited to employee benefits, the need to
12
13 consider both subjective and objective factors as explanatory models of retention was indicated. Prior
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15 studies have not considered the difference among affecting factors according to the type of retention
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17 indicators, but this study showed the difference between objectivity and subjectivity of indicators for the
18
19 first time.
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23 Second, for the first time, the results of this study showed retention effects when the emphasis on
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25 family-friendliness was linked to specific practices in the policy or strategy levels. To some degree, the
26
27 relationship between family-friendly policies and the number of introduced employee benefit practices
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29 verified a longitudinal hierarchy in the employee benefit sub-system within the human resource
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31 management system. It translates as the importance of keeping policies consistent with actual system
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33 designs in retention. To promote it further within organizations, close discussion and human interaction
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35 would be necessary between the Business Management and Planning Division, which decides business
36
37 strategies, and the Human Resource Division, which implements them. As assumed in the strategic human
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39 resource management theory, it will be necessary in the future to examine how employee benefit
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41 management contributes to organizational performance through retention.
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48 Third, in the retention process of employee benefit management in organizations assumed in this study, a
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50 job model was established. It was suggested that organizational policies such as child- and family care
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2 leaves targeted at retaining female rather than male employees would be effective for the retention of male
3
4 employees. At least on a perceptual level, policies that facilitate family life contribute to male employee
5
6 retention. In other words, workplaces good for female employees are also good for male employees. This
7
8 indicates that it is necessary to design systems from a male point of view, as well as a female point of view,
9
10 when trying to promote the work-life balance. For example, childcare leave taken by male employees and
11
12 the acquisition of childcare leave as a condition of promotion to a managerial position are required in some
13
14 Japanese organizations. But gender differences were found in individual factors composing various models,
15
16 so a specific job model could not be said to be established. Among others, it was notable that fewer
17
18 employee benefit practices were available to women. In terms of employee benefits in Japanese
19
20 organizations, there has been a tendency to promote them on the basis of households, and as men were
21
22 often the heads of households, more benefits seemed to have been provided for them. As the number of
23
24 one-person households is increasing due to a declining birthrate and aging population in Japan, it is
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26 necessary to increase the number of employee benefit practices accessible to individuals, while also
27
28 disseminating information on benefit practices available to women.
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38 **Limitations and future research**

39
40 This study may have had some limitations as discussed below.

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42 First, this study was limited to full-time employees working in Japan, which likely prevents the generalization
43
44 of the study's findings. However, at least these findings may lead to clarifying the retention process of
45
46 organizational employees in the context of Asian studies. It is hoped that surveys in the West with different
47
48 cultural backgrounds and further comparative surveys between Asia and the West will be implemented in the
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1
2 future.

3
4 Second, this study analyzed only the data obtained from personal surveys. In order to better understand
5
6 family-friendly policies and the number of the introduced employee benefits more precisely, a cross-level
7
8 analysis surveying organizations' Human Resources Department and linking their results with personal
9
10 data obtained from their employees is preferable. It now remains as a new challenge for the future.
11
12 Nevertheless, it would be difficult to implement such a survey because it would require cooperation from
13
14 many organizations and their employees. Meanwhile, as with this study, it is also necessary to collect more
15
16 objective human resource management data by conducting personal surveys.
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21 The third limitation is that this study was based on a cross-sectional data at one point in time. Therefore,
22
23 it will be necessary to implement a longitudinal study analyzing the relationship between human resource
24
25 management policies at the point of this survey and the retention thereafter (in the future), for it is a
26
27 time-lapse study that will enable us to verify a cause-and-effect relationship between human resource
28
29 management and retention. It then will be possible to measure the validity of practices by examining how
30
31 newly introduced practices and the improvement of existing practices will affect retention. Then, based on
32
33 the information obtained, it will be possible to provide useful information to organizations. As with
34
35 organizational surveys, however, the implementation of such a survey may prove difficult.
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40 The fourth limitation lies in the fact that this study did not consider job performance. It was deliberately
41
42 omitted because the subjects of this study varied in occupations, departments and organizations to which
43
44 they belonged, so it was impossible to measure their job performance using a uniform standard. But many
45
46 organizations would want to retain high performers (or expected high performers). A study showed that
47
48 there was no difference between human resource management and retention by difference in job
49
50

1 performance (Yamamoto, 2009); nevertheless, it does not necessarily apply to all cases. We would like to
2
3
4 accumulate retention management surveys at different workplaces/organizations whose performance can be
5
6 assessed by a uniform performance index.
7
8
9

10 11 **Acknowledgements**

12
13 This study was based on a presentation made at the 22nd Japanese Association of Industrial and Organizational Psychology
14
15 held on August 29-30, 2009, in Aomori, Japan.
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20 21 **Note**

- 22
23 1. The work-life balance concept is being used increasingly more generally. At present, however, uniform dimensions or
24
25 measurement scales have not yet been established because of the broad scope of meaning. So this study used this concept
26
27 from the family-friendly perspective, a traditional approach.
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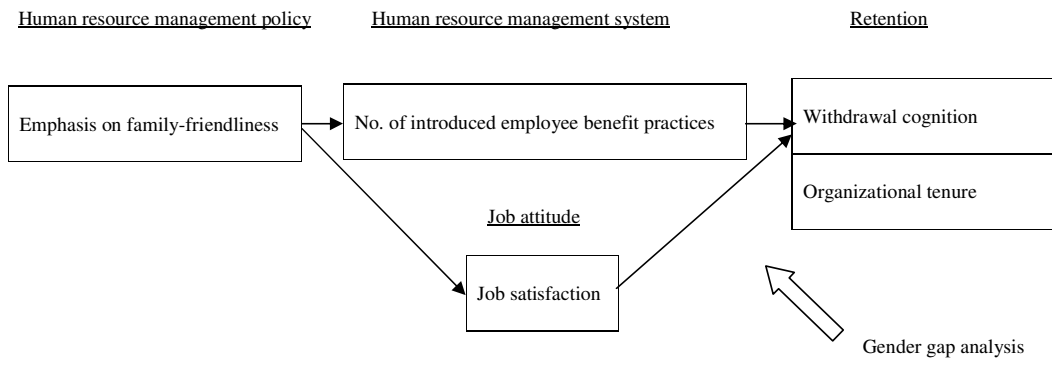


Figure 1. Research model

Table 1: Introduced and currently available employee benefit practices

Introduced and currently available employee benefit practices	Introduction rate (%)
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, 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, sports facilities)	43.0

1		
2	Facilities for providing meals, such as a staff cafeteria	42.2
3		
4	Group term insurance (aid for optional insurance)	42.1
5		
6		
7	Support for acquisition of official qualifications and correspondence courses	38.4
8		
9	Mental health	37.6
10		
11	Survivors' annuity, orphans' pensions and orphans' scholarship pensions	37.0
12		
13		
14	In-house financing system (finance using in-house funds)	36.9
15		
16	Employee stock ownership plan	36.7
17		
18		
19	In-house financing system (loan affiliated with financial institutions)	32.3
20		
21	Long vacation for refreshment and self-improvement	30.7
22		
23	Leaves and shorter working hours for childcare support	30.3
24		
25		
26	Nursing and family care leave system	30.1
27		
28	Long-term income compensation	28.9
29		
30	Company housing (for families: company-owned)	27.2
31		
32		
33	Bachelor apartments (for unmarried employees only: company-owned)	26.0
34		
35	Preparatory education for retirement	20.6
36		
37		
38	External studies (at foreign/domestic colleges or companies)	19.4
39		
40	Life planning (life planning courses/seminars)	17.2
41		
42		
43	Requisitioning of company housing (for families)	15.8
44		
45	Cafeteria plan	12.0
46		
47	Requisitioning of bachelor apartments (incl. requisitioned rooms)	11.7
48		
49		
50	Stock options	9.4
51		

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

Table 2. Mean, standard deviation, correlation coefficient, 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	(.896)				
no. of introduced employee benefits	10.2305	8.58107	.419**	—			
job satisfaction	3.5244	1.02705	.210**	.087**	—		
withdrawal cognition	2.70	1.346	-.349**	-.231**	-.447**	—	
organizational tenure(yrs)	12.14	9.989	.250**	.433**	.066*	-.290**	—

Note: n =1,228, *: p<.05; **: p<.01; ():reliability coefficients are in parentheses.

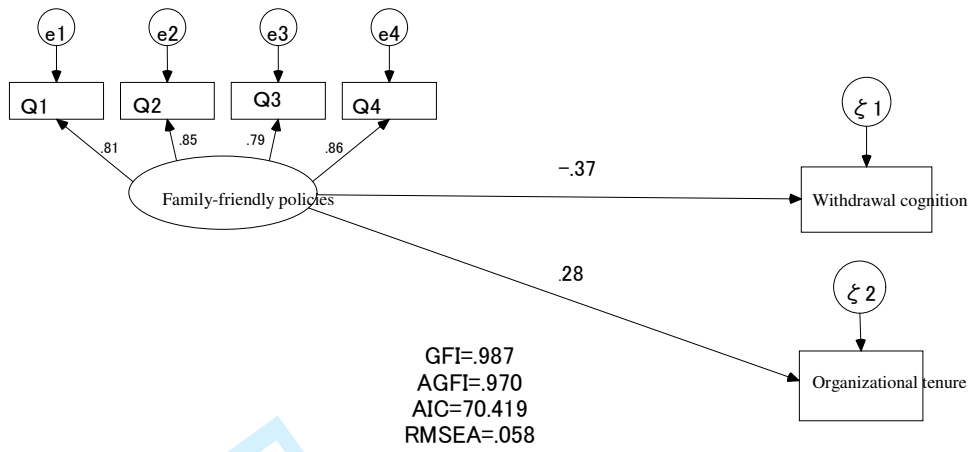


Figure 2. Policy model

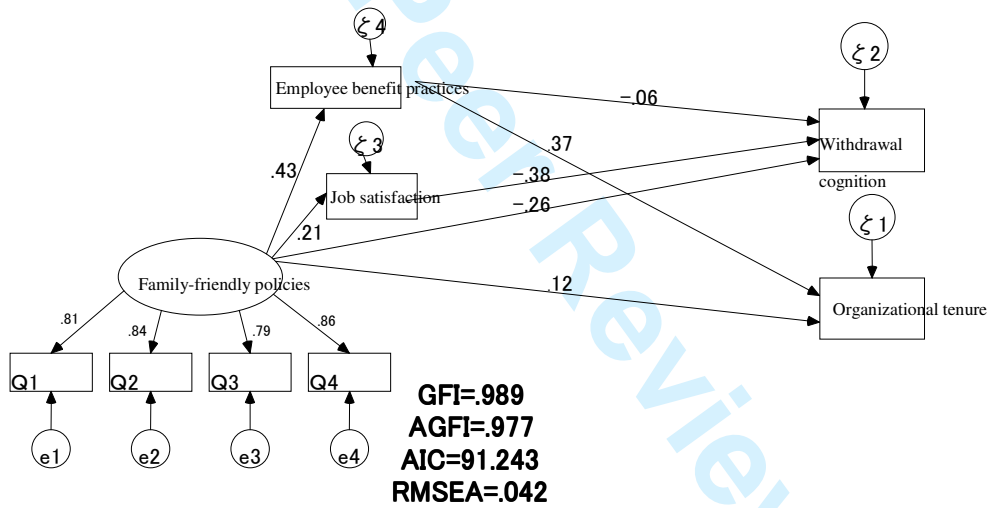


Figure 3. Hypothetical model

Table 3. Comparing goodness-of-fit of four models

Model name	GFI	AGFI	AIC	RMSEA
policy model	.987	.970	<u>70.419</u>	.058
practice model	.988	.975	78.074	.047
job attitude model	.987	.972	85.106	.051
hypothetical model	<u>.989</u>	<u>.977</u>	91.243	<u>.042</u>

Note: 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; RMSEA = root mean square error of approximation

Table 4. Verification of arrangement invariance and measurement invariance

model	GFI	AGFI	AIC	RMSEA
invariance of the arrangement model	.985	.969	148.302	.030
invariance of the measurement model	.984	.969	146.660	.030
saturated model	1.000		144.000	
independence model	.470	.319	3921.838	.236

Note: GFI =goodness-of-fit-index; AGFI = adjusted goodness-of-fit index; AIC= Akaike Information

Criterion; RMSEA = root mean square error of approximation

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

path	t-value

family-friendly→no. of introduced employee benefit practices	-1.115
family-friendly→ job satisfaction	1.476
family-friendly→ withdrawal cognition	-.240
no. of introduced employee benefit practices→ withdrawal cognition	-.182
no. of introduced employee benefit practices→ organizational tenure	-1.730
job satisfaction→ withdrawal cognition	-.304
family-friendly→ organizational tenure	.461

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

Model	GFI	AGFI	AIC	RMSEA
Model 0 (the invariance of the arrangement model)	<u>.985</u>	.969	148.302	.030
Model 1 (the invariance of the measurement model)	.984	.969	146.660	.030
Model 2	.983	<u>.972</u>	<u>140.406</u>	<u>.027</u>
Model 3	.982	.971	142.288	.028
Model 4	.976	.968	162.087	.033

Note: 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; RMSEA =root mean square error of approximation

Table 7. Results of means & covariance structures analysis

Model description	CFI	RMSEA	AIC
model with different mean values	<u>.988</u>	<u>.028</u>	<u>174.778</u>
model with equal mean values	.980	.035	201.518
saturated model	1.000		176.000
independence model	.000	.236	3453.838

Note: the underlined figures show the highest goodness-of-fit values.

CFI = comparative fit index; RMSEA = root mean square error of approximation; AIC = Akaike

Information Criterion

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

constructs	estimate	standard error	Z-value
job satisfaction	-.080	.062	-1.290
family-friendly policies	.019	.057	.332
no. of introduced employee benefit practices	-.242	.054	-4.521***
withdrawal cognition	-.055	.054	-1.002
organizational tenure	-.197	.052	-3.778***

Note:***p<.001