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The Influence of Human Resource Management Policies on Employee Motivation and work-life Balance: A Systematic Review

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Abstract: *The aim of this systematic review is to review the link between the main domains of Human Resource Management (HRM) policies, namely compensation and rewards, training and development, performance appraisal, recruitment and selection, and work-life balance (WLB) initiatives with two outcomes at the employee level, namely employee motivation and employee WLB. Rather than viewing WLB as the only HRM policy that interest' readers, this review treats WLB as a dependent measure (as indicated in the questionnaires and measures of work–family conflict scores, and by means of WLB satisfaction scores) and compares the scores with those in the employee motivation measures. We searched five major databases and combined evidence from 94 empirical studies published from 38 countries between 2015 and 2024, according to PRISMA guidelines. The relationships between employee motivation and compensation, training and development, and performance appraisal and recruitment/selection policies were small to medium and were not significant. The strongest associations with both outcomes were for WLB-specific policies, which were positively related to motivation (r = 0.68, 95% CI: 0.58-0.77) and negatively related to work–family conflict (r = -0.61, 95% CI: -0.70 to -0.51). The organizational culture, managerial support and national cultural context was the most important factor in most of the relationships. The findings suggest a partially different link between HRM policy bundles and motivation and WLB, and that the link between HRM policy and WLB is an outcome of the policies. HR practice, policy implications and future longitudinal and cross-cultural studies are discussed.*

Key Words: *work-life balance, work–family conflict, compensation, training and development, performance appraisal, recruitment and selection, and the systematic review.*

1. INTRODUCTION

The economy of service and digitalization places the individual in a new situation, where service and working life are increasingly entangled, and workers should have the ability to be on call, efficient and responsive always. This mess comes at an organizational cost in the loss of absenteeism, employee turnover, employee burn out and employee disengagement. One of the main ways in which employers try to control this relationship is via the work-life balance (WLB) measures, but also via the entire package of policies that govern employee payments, development, assessment and recruitment. Previous reviews have tended to look at one aspect of HRM (usually WLB policy) and at one link between the policy and one indicator of an outcome (Clark, 2000; Guest, 2002; Greenhaus & Beutell, 2005). This is a close shot and 2 big misses. First, it's not certain if other fundamental HRM areas like compensation and rewards, training and development, performance assessment and recruitment and selection are linked with employee motivation than the WLB policy is. Second, and more fundamentally, WLB is not often considered as an end-goal. In most of the previous studies, WLB is considered as part of the independent variable, such as 'WLB policy' or 'WLB policy implementation'. Most studies define WLB as a state that can be influenced – positively or negatively from any HRM policy, whether it is explicitly a WLB policy. However, a compensation programme, one that would reduce an employee's financial strain, or a training programme, one that would help an employee understand the work life balance, could, of course, affect his/her real work-life balance, in so far as his/her actual work-life balance is concerned, but not

as far as the name of the programme implies, because a programme designed to help ease financial strain is not a 'compensation programme' or a 'WLB policy' and a training programme designed to clarify roles is not a 'compensation programme' or a 'WLB policy'. This review not only helps to close this gap, but it also contributes to the systematic synthesis of evidence in five domains of HRM policies, and it proposes two distinct and measurable outcomes of HRM employee motivation and work-life balance.

2. RESEARCH QUESTIONS

1. How do the HRM policies in the above areas relate to employee motivation a) compensation, b) training and development, c) performance appraisal, d) recruitment and selection and e) WLB?
2. How do these domains of HRM policies relate to work-life balance, in terms of work family conflict and WLB satisfaction?
3. What HRM policies have the highest correlations with each of the outcomes and do the two outcomes react to different policy lever?
4. Which are the moderators of the relationships between organisational, cultural and individual factors you see?
5. What are the differences in effectiveness patterns by sector, size of the organisation and national culture?

3. CONCEPTUAL FRAMEWORK

This review will be based on four complementary theoretical points of view. Conservation of Resources (COR) theory (Hobfoll, 1989) suggests that individuals will attempt to increase or conserve resources such as status, security, time, and energy and that loss of resources will lead to stress and to reduced motivation; depending on the design and implementation of HRM policies, they can be either resource-providing or resource-depleting. Self-Determination Theory (SDT) (Ryan & Deci, 2000) states that motivation is related to meeting basic psychological needs which can be met via application of WLB policy (autonomy) as well as training and development (competence) and fair performance appraisal (relatedness, procedural fairness). In this view, Social Exchange Theory (SXT) (Blau, 1964) states that employees' responses to the investment made by their organization will be through their efforts and commitment, which can be used as justification for any HRM policy and this one too that will improve their motivation. Finally, the popular model of Ability-Motivation-Opportunity (AMO) among the strategic HRM studies considers compensation, training and appraisal systems as complementary, making it necessary to study several HRM components simultaneously and not individually. The Ability Motivation Opportunity (AMO) model, which is traditionally used in the HRM studies, also supports that there is a need to have more than one area of HRM addressed at the same time (not in isolation) because the three factors are seen as interrelated and affecting employee performance and motivation. HRM policy, as used in this review, means any formal, organizational program, system or policy for managing the employment relationship in five areas: compensation and rewards policy (pay structures, incentives, benefits); training and development policy (skills policy, career development, mentoring); performance policy (performance evaluation systems, feedback systems, goal-setting); recruitment and selection policy (hiring policy, onboarding, person-job fit processes); and work-life balance policy (flexible working, remote working, leave, dependent care support). Further, there is the understanding of multi dimensionality of the concept of employee motivation, intrinsic, extrinsic and organizational commitment. Work - life balance is not part of the policies being considered, but rather a dependent variable measured as: (1) Degree of work -family conflict (role incongruity between work and family), and (2) Satisfaction with work - life balance (subjective assessment of work -life balance).

4. METHODOLOGY

The Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) guidelines have been used to report this review.

4.1 Search Strategy

Five major databases (EBSCO Business Source Complete, ProQuest ABI/INFORM, Scopus, Web of Science, and Google Scholar were searched systematically. The terms in the HRM policy domain (compensation, pay, incentive, training, development, performance appraisal, performance management, recruitment, selection, staffing, flexible working, remote work, telework, parental leave, dependent care) were merged with the terms in the employee motivation outcome domain (motivation, engagement, organizational commitment) and work-life balance (work–family conflict, work–family conflict, WLB satisfaction). An example of the search syntax is in Appendix A.

4.2 Inclusion Criteria

Empirical studies that are peer-reviewed, and published 2015-2024;

1. Research that examines an existing written HRM policy in at least one of the five areas (compensation, training and development, performance appraisal, recruitment and selection or WLB policy);

2. Research instruments that cover employee's motivation, engagement or commitment and/or work-life balance (work–family conflict or WLB satisfaction);

3. Work with working adults; and

4. Quantitative, qualitative or mixed methods designs;

5. Publications in English.

4.3 Exclusion Criteria

Opinion pieces, editorials, purely theoretical papers without empirical substantiation or studies that included only retired workers or studies with no distinct focus on policy intervention were not included.

4.4 Study Selection Process

An expanded search covering all five HRM domains yielded 6,214 preliminary records. 4,102 non-duplicate records were available for screening for titles and abstracts. All records were independently reviewed by two reviewers based on the above criteria, and disagreements were discussed and/or agreed to by a third reviewer. In this step, 341 articles were identified as potentially relevant articles and were selected for full-text review. Full-text review yielded 94 studies which met all inclusion criteria: 67 which concerned a WLB policy (this synthesis builds upon the original, narrower review of this policy), and 27 new studies involving compensation, training and development, performance appraisal, and/or recruitment and selection policies, and their link to motivation and/or WLB outcomes. The PRISMA flow diagram is presented in Figure 1.

4.5 Quality Assessment

Two reviewers independently rated the quality of the studies using the following adapted GRADE criteria: study design, rigor; outcome measurement, adequacy; data analysis, appropriateness; potential sources of bias; generalizability. The range of scores was 0 – 20 (high quality ≥15, moderate quality 10 – 14, lower quality <10). The number of these studies that were high quality (31%), moderate quality (52%) and lower quality (17%) was quite similar to that of the original sample of 56 WLB studies, as is seen in all three domains of HRM in the organisational field studies.

5. RESULTS

Study Characteristics

A total of 94 studies, 6 of which were from 6 continents worldwide. Studies conducted were WLB policy (n=67, 71%), compensation and rewards (n=9, 10%), training and development (n=8, 8%), performance appraisal (n=6, 6%) and recruitment and selection (n=4, 4%) as per the HRM domain. By sector: private sector (n=39, 41%), public sector (n=25, 27%), non-profit/education (n=17, 18%), and multi-sector analyses (n=13, 14%). The methodological designs used were quantitative design in 68 studies (72%), qualitative design in 16 studies (17%) and mixed method in 10 studies (11%).

HRM Policy Domain	N Studies	% of Total
work-life Balance Policy	67	71%
Compensation & Rewards	9	10%
Training & Development	8	8%
Performance Appraisal	6	6%
Recruitment & Selection	4	4%

Table 1. Included studies by HRM policy domain.

Increases in Employee Motivation

There was a wide range in the strength of association for HRM domains that were related to employee motivation. This synthesis expands upon a larger review of policies which showed that WLB policy had the strongest association ($r = 0.68$, 95% CI: 0.58-0.77, $p < .001$) in this study. The training and development policy had a moderate positive association ($r = 0.41$, 95% CI: 0.28-0.53), which was mainly associated with competence-need satisfaction in SDT. This developmental (rather than just evaluative) feedback on job performance was slightly but significantly correlated with $r = 0.33$ (95% CI: 0.19-0.46). There was a weak but non-strong correlation between compensation and rewards ($r = 0.29$, 95% CI: 0.15-0.42) and a lower degree of consistency between perceptions of pay fairness and pay based on incentives. Recruitment and selection practices, which have been studied mostly using the person–job and person–organization fit models, were the ones with the lowest correlation with motivation ($r = 0.24$, 95% CI: 0.08-0.39), probably due to the time gap between recruiting and the motivational state at a later point.

Impacts of Work Life Balance (Work Family Conflict and WLB Satisfaction)

The pattern was very different when WLB was viewed as an outcome, not a policy designation. WLB policy was most consistent, although not a good one: negatively related to work–family conflict ($r = -0.61$, 95% CI: -0.70 to -0.51); and positively related to WLB satisfaction ($r = 0.64$, 95% CI: 0.55 to 0.72). Training and development were negatively correlated with conflict ($r = -0.18$, 95% CI: -0.31 to -0.05), likely because the training and development was well delivered in terms of role clarity and efficiency. The results of the studies reviewed indicated that there were negligible associations between performance appraisal and WLB outcome ($r = -0.04$) and no significant ones between compensation and WLB outcome ($r = 0.06$). There were negligible ($r = 0.06$) and non-significant ($r = -0.04$) associations between compensation and WLB outcomes, and between performance appraisal and WLB outcomes, respectively, in the studies reviewed; there were, however, no significant associations. The central empirical finding of this review is that the different domains of HRM have little impact on motivation, but the WLB-specific domains of HRM mainly affect WLB; this finding is quite distinct to previous single-outcome syntheses.

Heterogeneity and Cultural Context

The small amount of heterogeneity observed in the studies in the WLB motivation relationship ($I^2 = 47.2\%$, $Q = 89.6$, $p = .037$) also does not indicate a sampling error. The results were more consistent with Hofstede's cultural dimensions, with results being more pronounced in individualistic cultural contexts (North America/Western Europe; $r = 0.72$) compared to collectivistic cultural contexts (East Asia; $r = 0.59$) and interpreted as reflecting differences in basic needs for organizational versus family/social support structures. Qualitative studies (n=16) provided context: interviewees often mentioned that flexible arrangements would increase effort and commitment, that they would signify trust that the company has in the individual, and the implications of the flexible arrangement on the stigma of the role, workload, and availability of the role for all individuals.

6. DISCUSSION

One of the strengths of this review is to begin to differentiate between motivation and work-life balance as outcomes of HRM policy instead of investigating WLB as an additional factor. In this sense, the evidence shows that at least two slightly different models of the functioning of HRM policies exist. Motivation is very much related to a 'competence and fairness' pathway training and development, performance appraisal and even in part, compensation; although these have nothing to do with the actual work-life balance of employees. A 'resource and autonomy' pathway WLB-specific policy boosts motivation with the support of two resources - TIME and AUTONOMY, in line with the COR theory. The domain which was not directly associated with the working experience, recruitment selection policy was the one that had weakest correlation with both outcomes. These results suggest that, generally, there are a number of options available to organizations to motivate their employees, and a relatively small number of options for those organizations looking to improve their employees' work-life balance. On available evidence, however, that is the direction of policy in WLB – the main organisational levering for achieving that outcome. From a practical perspective, an organisation may be spending significant efforts in training or performance monitoring without implementing a WLB policy and only reap benefits in terms of improvements in motivation – and that is it.

7. LIMITATIONS AND GAPS

Most studies are cross sectional in nature so associations can only be reported and not causation, perhaps there is a potential risk of reverse causation (motivated or well-balanced employees volunteering to supportive organizations). The number of studies in the non-WLB HRM domains (compensation, training, appraisal and recruitment; n=9, 8, 6, 4 respectively) were relatively small, and therefore the estimates of effect size in each of these was less precise and estimates in each domain should be compared with caution. Publication bias will be more likely to suggest relationships in the larger and newer literature on compensation, training, and recruitment and its impact on WLB. Measurement heterogeneity was also a problem, with motivational constructs being operationalized differently across studies (as affective commitment, intrinsic motivation, effort or intention to leave), and WLB being measured using a range of conflict measures and satisfaction measures across studies, which could measure more subtle differences. The negative or contingent effects (e.g. stigma, work intensification, unequal access) are under-researched relative to the main effects. Some generalizability as geographic representation remains to be skewed in Anglo-American/western contexts, and limited geographic representation of the Global South.

8. IMPLICATIONS FOR PRACTICE

For HR: This involves keeping track of and controlling motivation and work life relationships separately not together. The development of a comprehensive HRM strategy to enhance employees work-life balance should not be limited to just training, appraisal or compensation reform, it is essential to have a policy for WLB specifically. However, motivational needs for competence and recognition can also be overlooked when there is no investment in development and/or fair appraisal, other than WLB policy. In organisations: policy bundles need to be assessed based on the policy goal(s) that it wants to influence. Those who want to achieve both should be more active in more than one policy area of HRM irrespective of whether the policy is good and not ‘rely solely' on one policy area for both outcomes. The indirect effect on the WLB outcome is to be found in national policies on parental leave, childcare and working-time policy, whereas national workforce skills and labour-market policy have a more direct impact on the pathway training/development and motivation.

9. IMPLICATIONS FOR FUTURE RESEARCH

- Longitudinal and quasi-experimental designs were used to look at each variable of interest (motivation and WLB) separately over time.
- Reinforced empirical breadth of compensation, training and development effects on WLB outcomes, performance appraisal and recruitment/selection effects on WLB outcomes because there is unevenness in the number of studies that have examined these effects.
- Further exploration of psychology of the 'competence and fairness' route and the 'resource and autonomy' route.
- Discussion of how non-WLB HRM policies may reasonably affect both the improvement and deterioration of WLB (e.g., policies that involve using intensive training programs, which reduce personal time).
- More inclusion of contexts from the Global south, and collectivistic culture, in all five HRM domains. Organisational cost-benefit analyses considering the motivational benefits of HRM investment in areas where investment is needed to be prioritized.

10. CONCLUSION

HRM policies and employee motivation and work-life balance do not always go hand in hand. All empirical studies across 38 countries from the 94 studies found, in which the work-life balance policy was measured, showed the highest relationship with both outcomes; association was moderate with work-life balance in studies that also measured motivation, with generally weaker relationships with motivation in the other policy areas. Rather than being confounded within the independent variable, measuring work-life balance as an outcome shows that enhancing one aspect of the outcome does not necessarily lead to enhancing the other aspect. The strategy for HRM must then be intentional and have to be focused in policy areas that align with the outcome that the organisation would like to influence, whether it be motivation, work-life balance or both.

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