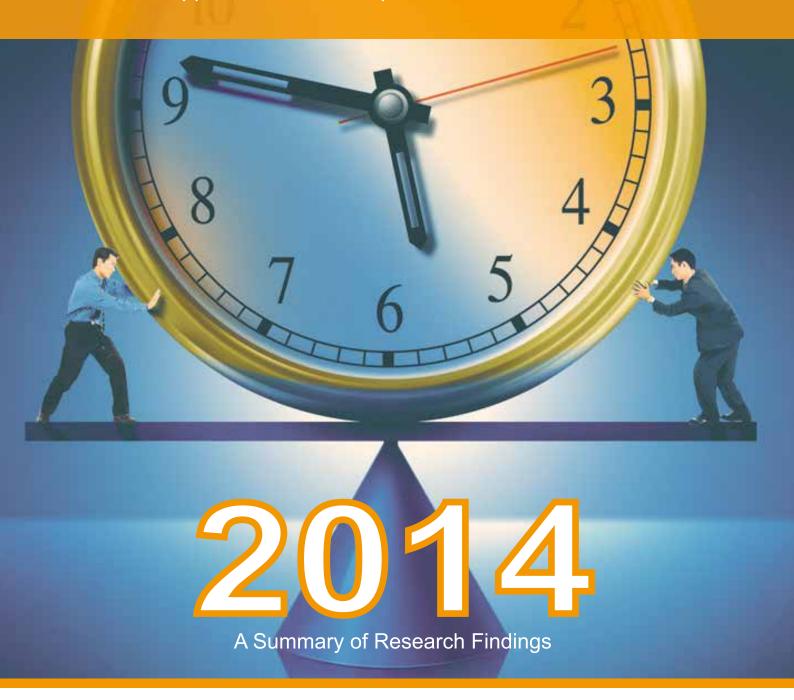


Happiness and The Impact of Work-Life Balance



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Community Business is a not-for-profit organisation whose mission is to lead, inspire and support businesses to improve their positive impact on people and communities. As a thought leader in corporate responsibility in Asia, Community Business conducts research, facilitates events and networks, leads campaigns and provides consultancy and training. Its major areas of focus include: Corporate Responsibility Strategy, Diversity & Inclusion, Work-Life Balance and Community Investment. Founded in 2003 and based in Hong Kong, Community Business works with leading organisations across the Asia region. For more information, visit www.communitybusiness.org.

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## INTRODUCTION

## **Background**

Community Business has championed the importance of work-life balance as a strategic business issue since 2006 and, for the past nine years running, has commissioned research into the state of work-life balance in Hong Kong. This annual "State of Work-Life Balance in Hong Kong Survey" has become an authoritative reference source for organisations looking to understand issues relating to work-life balance and those seeking to develop appropriate work-life balance initiatives and strategies for their employees in Hong Kong.

## **Survey Methodology**

In line with previous research, the 2014 Survey is a representative survey of the working population in Hong Kong and was conducted by the Public Opinion Programme at the University of Hong Kong (HKUPOP). Using a computer-assisted technique, more than 1000 random telephone interviews were conducted with workers of all levels in Hong Kong. The maximum sampling error of all percentages is +/-3.1% at 95% confidence level.

## **Purpose of This Research**

This survey is designed to assess the overall state of work-life balance and the impact that work-life balance has on the happiness of employees by examining:

- How employees feel about their work-life balance in Hong Kong.
- The impact of work-life balance on an employee's happiness and fulfillment both inside and outside the workplace.
- The factors employees consider important when it comes to happiness at work.

In this report, we hope to continue to provide further data for the business case for work-life balance by gaining a better understanding of the role of work-life balance in happiness – both inside and outside the workplace. Much has been published on the effect of happiness and employee engagement on business success. International research has shown that happy employees are more productive, stay longer in their jobs, are more organised and take less sick leave. However, little has been done in Asia to explore the

connection between work-life balance and happiness inside and outside the workplace. We hope that through this survey we are able to shed some light on what the current state of work-life balance is in Hong Kong, the role work-life balance plays in happiness, and where shifts are needed to truly embrace and adopt a more strategic approach to work-life balance in order to reap the business benefits this approach can bring.

#### **Summary of Research Findings**

This report identifies the key findings that will be of interest to the corporate sector. These are presented in the following sections:

- 1. Findings at a Glance: The State of Work-Life Balance 2014
- 2. Employees' Satisfaction with Work and Life in Hong Kong
- 3. The Impact of Work-Life Balance on Happiness
- 4. Observations and the Way Forward

In this report, we have highlighted variations that are statistically significant and of business interest by:

🔑 Age

8♀ Gender

Education level

Type of employer



## 1. FINDINGS AT A GLANCE: THE STATE OF WORK-LIFE BALANCE 2014

## **Degree of Achieving Work-Life Balance**

- The median score given by employees for the extent to which they have achieved their ideal work-life balance is 6.1 out of 10.
- This score has remained static from last year without any significant variation over the past nine years. This would suggest that the state of worklife balance in Hong Kong has not improved.
- However, there have been slight increases in the number of employees who have rated their level of satisfaction with their work-life balance at 7+, since the inception of the survey.

#### **Retention of Employees**

- When asked whether an employee would consider leaving their job for better work-life balance, 30% of employees said yes.
- This figure has remained fairly consistent over the years.

## **Happiness and Work-Life Balance**

#### Happiness at work

- 37% of Hong Kong employees believe that worklife balance is a factor which has a positive impact on their work-place happiness.
- 40% of employees believe work-life balance is not a factor affecting their workplace happiness or feeling of fulfillment.
- Only 20% of employees felt their happiness at work was impacted negatively by their pursuit of a balanced approach to work and life.

## Personal happiness

- 31% of employees in Hong Kong believe that their work-life balance allows them to pursue their own personal goals when outside of work and positively impacts their personal happiness
- 35% believe that work-life balance is not a factor affecting their happiness outside of work.
- Only 22% of employees felt that work-life balance played a negative role in trying to achieve happiness outside of work.

#### Importance of Workplace Location and amenities

- Workplace location and amenities are important to employees in Hong Kong. The top three factors an employee rates as important to their workplace happiness are:
  - To be located where there is a diverse variety of shops, restaurants and entertainment at affordable prices / different price points.
  - A location that is convenient to travel to.
  - A workplace that is equipped with good leisure facilities such as a decent pantry, quiet break rooms, with perks like massage chairs.

#### **Observations and the Way Forward**

- There is a mismatch between how employees rate their work-life balance and their reported happiness inside and outside work. This is contradictory to international theories and evidence.
- Hong Kong's culture of long working hours and need for face time (usually demonstrated through the habit of subordinate staff staying later in the working day than their more senior managers as a mark of respect, irrespective of whether their workload commitments for the day have been completed) suggests that location and amenities of their workplace may play a significant role in employees' happiness. Employees may be resigned to the view that it is not possible to change 'how' one works so instead it is more attainable to focus on 'where' one works.
- This demonstrates that 'work' in Hong Kong is still being viewed as somewhere you go, as opposed to something you do.
- Hong Kong appears to have reached stagnancy when it comes to strategic work-life balance.
- To truly gain the business benefits that come from a more progressive approach, which sees flexibility at the forefront, companies need to move towards a more strategic approach to worklife balance.





## 2. EMPLOYEES SATISFACTION TOWARDS WORK AND LIFE IN HONG KONG

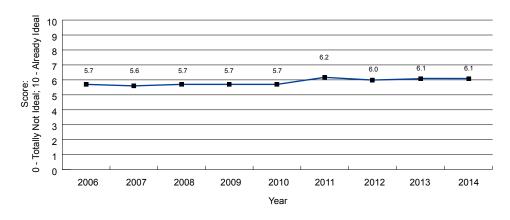
### The State of Work-Life Balance Has Not Improved

In 2014 the score given by Hong Kong employees for the extent to which they have achieved their work-life balance is 6.10 out of 10.

As shown in Figure 1, the score given by employees to assess the extent to which they feel they have achieved

their ideal work-life balance has remained fairly static over the past nine years. This suggests the state of work-life balance has not improved. Interestingly, the higher the educational attainment, the higher one rated themselves, whereas those from more blue collared industries ranked themselves lowest.

Figure 1: Degree to Which Employees Have Achieved Their Ideal Work-Life Balance (2006 to 2014)

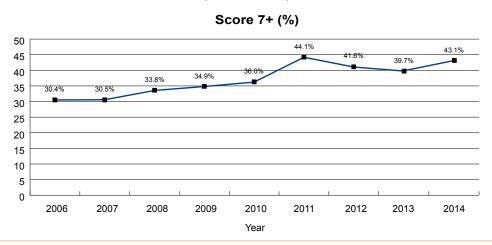


Demographic Variable	Key Findings
	<ul> <li>Those respondents who have achieved tertiary education or above rated their work-life balance at 6.2 on average as opposed to those who finished education at primary school or below and rated it as 5.5.</li> </ul>
	<ul> <li>Professionals/Executives/Managers rated their work-life balance at 6.3 on average as opposed to those who work in factories/shops/outdoors in manual labour who rated theirs as 5.5.</li> </ul>
$\bigcirc \bigcirc \bigcirc$	Men rated their work-life balance (6.05) lower than women (6.17)



However, there has been an increase over the years as shown in Figure 2. when it comes to respondents who have ranked their score at a 7 or above, which indicates the work-life balance of some employees is improving, which is encouraging.

Figure 2: Employees Who Rate Their Ideal Work-Life Balance at 7 or Above (2006 to 2014)



This may be due to the fact that improvements to the working lives of many employees in Hong Kong have been made over the last nine years. Worklife programmes that offer employees a greater chance of achieving balance, such as flexible working arrangements, are now offered by approximately 60% of companies in Hong Kong, according to previous Community Business research<sup>1</sup> and more employees today are offered a five-day working week.

However, despite these improvements, we are still not seeing major change when it comes to the median rating (Figure 1). This may be due to the fact that more employees in Hong Kong have become aware of the idea of work-life balance and as their understanding of what constitutes work-life balance deepens, it is

possible that expectation also increases. What may have been considered acceptable work-life balance before changes as the employee's interpretation of what is and what is not acceptable now differs.

## **Retention of Talent Remains a Risk**

Work-life balance continues to be a key talent retention issue for employers in Hong Kong – 30% of respondents admitted they would consider quitting their job altogether to achieve better work-life balance. As shown in Figure 3, this is a slight increase from 28% when asked in 2011 and remains a worrisome statistic for employers keen to attract and retain the best talent.

Interestingly, more men than women would be willing to leave their job to achieve better work-life balance.

Demographic Variable	Key Findings
$\bigcirc \bigcirc$	<ul> <li>More men (31%) than women (29%) would be willing to leave their job altogether to achieve better work-life balance.</li> </ul>
d A P	<ul> <li>Gen Z (43%) and Gen Y (36%) are more willing than Gen X (27%) and Baby Boomers (18%) to leave their job in pursuit of better work-life balance.</li> <li>Baby Boomers are a lot more risk adverse with nearly 80% of them stating they would not consider giving up their role for better work-life balance.</li> </ul>



## 3. THE IMPACT OF WORK-LIFE BALANCE ON HAPPINESS

Much has been written about the role of work-life balance in the equation of workplace happiness, which in turn impacts the bottom line. Happiness at work is fairly self-explanatory - a feeling of happiness derived from work<sup>2</sup>.

People who are happy at work generally:

- Like the work they do
- Like the people they work with
- Feel energetic
- Are motivated
- Look forward to going to work
- Trust each other
- Go the extra mile

Employee happiness has an impact on overall productivity, and helps decrease turnover<sup>3</sup>.

There are benefits to employees as well. A study by Accenture<sup>4</sup> revealed that work-life balance — ahead of money, recognition and autonomy — is the key determiner for more than half of men and women on whether or not they have a successful career.

# Work-Life Balance no Impact on Happiness in Hong Kong?

While balancing work life with home life may present a challenge for most workers, it presents an opportunity

for companies trying to keep their employees happy. In fact, companies that offer employees a balance between their work and personal lives are more likely to keep employees happy in their current jobs<sup>5</sup>.

International research has revealed that 67% of workers said they would stay at a company because of the balance it offers them in their life<sup>6</sup>.

When asked whether the pursuit of work-life balance impacts an employee's happiness and sense of fulfillment at work, despite the fairly average rating of their satisfaction with work-life balance, surprisingly 40% of employees reported that work-life balance is not a factor that affects their happiness at work. 37% of employees felt work-life balance was a factor that positively impacts their happiness at work, while only 20% felt work-life balance is a factor that negatively impacts their happiness at work. (Figure 4)

However, when asked whether work-life balance is a factor that affects happiness outside of the workplace, 35% of respondents once again reported that work-life balance had no impact at all on their ability to enjoy life outside of work and pursue goals. 31% of employees felt satisfied that their work-life balance allowed them sufficient time and space to feel fulfilled outside of work, while only 22% of those surveyed felt that poor work-life balance had an impact on their happiness during personal time. (Figure 5)

Figure 4: Work-Life Balance Effect on Happiness at Work

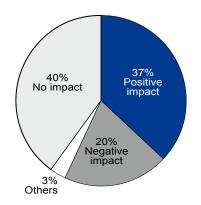
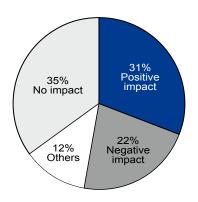


Figure 5: Work-Life Balance Effect on Personal Happiness





## Hong Kong Behind the Curve?

If we compare these results with international research and anecdotal evidence which supports the theory of a direct correlation between work-life balance and happiness, these results are surprising.

With the perceived state of work-life balance of employees in Hong Kong given a fairly average rating, we expected to see work-life balance play a much larger role in the happiness of employees both inside and outside the workplace.

## 4. WHERE YOU WORK IS KEY

Employees are happier if they like where they work. Most people spend 50% of their lives within indoor environments, which greatly influence their mental status, actions, abilities and performance. Better outcomes and increased productivity is assumed to be the result of a better workplace environment and a better physical environment of a workplace boosts employees and ultimately improves their productivity<sup>7</sup>.

In the past, this survey focused primarily on companies' policies and practices but has not investigated the importance of the workplace location and environment. As employees place greater importance on how the workplace supports their personal well-being and happiness, we have investigated this angle in this year's survey.

Employees in Hong Kong work long hours – on average 48.7 hours per week, approximately 22% higher than

the 40 hours recommended by the International Labour Organisation<sup>8</sup>.

Additionally, many families in Hong Kong reside in multigenerational households or in homes that are small, and as housing continues to be expensive, working or staying at the workplace for long hours is only likely to continue. Working from home is not yet a mainstream approach taken by many companies. Although Hong Kong workers have access to modern and efficient public transportation, overcrowding at peak times and increased number of tourists overall may be contributing to longer commutes.

It is not surprising therefore when looking at these factors, where an employee works becomes so much more important.

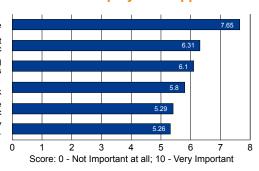
As shown in Figure 6, workplace location, its proximity to home as well as how near it is to a diverse range of shopping and dining options, are two critical factors that impact employees' happiness in Hong Kong.

The third most important factor cited by respondents was to have a workplace which provided employees with good leisure room and facilities like a decent pantry, quiet spaces for tea break, and additional perks like massage chairs.

As employees are spending a great amount of time in the workplace, it evidently becomes increasingly important for them to have a great place to work from a facilities point of view.

Figure 6: Workplace Location and Amenities Effect on Employees' Happiness at Work

Convenient to go to work from home
Office equiped with good leisure room / facilities like decent
pantry, quiet room for tea break, massage chairs, etc
Diverse with variety of shops, restaurants and
entertainment at affordable price / different price points
Where I can go shopping or
dining after overtime work
Convenient to go to sports facilities like
gym, swimming pools, etc
Office equiped with good family friendly
facilities like nursing room, etc.





## 5. OBSERVATIONS AND THE WAY FORWARD

This year's research proved interesting. While some findings remained consistent with previous observations Community Business has made on the state of work-life balance in Hong Kong, there were some surprises. We highlight below our commentary on the key trends from this year's survey and thoughts on the way forward.

# 5.1 Employees in Hong Kong do not see a strong link between their happiness and work-life balance

There appears to be a mismatch between employees' rating of their work-life balance and their belief of the impact it makes on their happiness both inside and out of the workplace.

These results surprised us, as given the fairly average rating of work-life balance satisfaction we expected to see much work-life balance have a greater role in employees' happiness both inside and outside of work.

Only 20% of employees reported that they experienced unhappiness at work as a result of poor work-life balance. And again only 22% of employees reported that poor work-life balance impacted their happiness and ability to pursue personal goals outside of the workplace.

However, previous research conducted by Community Business as well as international observations on work-life balance contradict this.

# **5.2 Work-life balance effect on workplace happiness, engagement and productivity**

There is a correlation between work-life balance and happiness at work. An organisational culture in which work-life balance and general well-being are central values are more likely to yield higher performance as employee happiness is one of the keys to success.

Happiness has an impact on overall productivity and helps decrease turnover. Specifically, research has shown that across industries and job types, happy employees<sup>9</sup>:

- have 16% better overall performance.
- experience 125% less burnout than peers.

- are 32% more committed to the organisation.
- report 46% more satisfaction with their jobs.
- miss much less work and report significantly fewer doctor visits.

This year's findings have shown that 40% of respondents believe that work-life balance is not a factor that affects their happiness or fulfillment at work. Yet, when we investigated the impact of work-life balance of a number of factors that would infer happiness at work such as impact on higher productivity, lower absenteeism and reduced sickness in previous research conducted by Community Business on the subject, the results tell a different story.

According to research conducted in 2011, 33.3% of employees said they spend time on activities not related to work, e.g. surfing the internet and visiting social network websites, to de-stress during office hours. Nearly 1/3 of the respondents (29.7%) felt they were less efficient during the working day as they know that they will have to work until late; whilst 26.7% have had to take sick leave in the last 12 months due to fatique as a result of work.

Significantly, 25.5% indicate that their relationship with co-workers worsens as a result of heavy workload. This not only has implications for work performance but also employee well-being and their sense of belonging to the organisation for which they work.

While work-life balance is only part of what contributes to employee happiness, it is clear that employees in Hong Kong do not make a strong link between the two. Perhaps employees have resigned themselves to accept the status quo, because they feel there is not much they can do to effect change in their workplace due to the following:

- Overarching and relentless hard-work ethic.
- Prevailing culture of presenteeism where employees are present but not fully functioning or productive due to illness or other conditions.
- Management mindset of 'face time' where managers fear a loss of control if they do not physically see their employees working.



This feeling of lack of empowerment of employees is validated by our findings in the 2012 State of Work-Life Balance survey in which:

- 18% of respondents felt that they did not feel comfortable to raise concerns about work-life balance if they wanted to get ahead in their company.
- 30.7% said that work-life balance was not talked about in their company.
- 21.4% said that employees do not leave work before their bosses do.

# 5.3 Work-life balance has a greater role in personal happiness than Hong Kong employees realise

From both ends of the spectrum, a company with a happy, motivated workforce should expect a positive impact on its products and services and an individual's happiness at work will create happiness throughout all areas of their life.

However, previous research from Community Business<sup>10</sup> demonstrated that a significant proportion of the working population reportedly spends less than 2 hours per day on their personal life (70.6%), with some employees reporting that no time at all is spent on personal activities (7.8%).

In the 2010 State of Work-Life Balance survey, respondents were asked what problems they had encountered as a result of poor work-life balance. 77% of employees reported a negative impact on their life with the top three cited problems being:

- Prolonged fatigue, sleepiness and extreme tiredness (57.2%).
- Not having enough time to spend with partner and family (37.0%).
- Having insomnia and poor diet as a result of work pressure (34.9%).

In our survey 2010, 12.2% of respondents claimed they had taken up any harmful behaviour, such as cigarette smoking or excessive use of alcohol, caffeine and drugs, as a result of poor work-life balance.

Again, if you compare these findings with this year's research, which has shown high numbers of respondents admitting that work-life balance is not a factor that affects their personal happiness, the results are surprising. Experiencing fatigue, poor diet, insufficient time to spend on personal activities or time for relationship building as well as the need in some instances to engage in harmful activity are not behaviours indicative of high levels of happiness.

It is clear that employees in Hong Kong do not appreciate the impact of work-life balance on their happiness both inside and outside the workplace, despite reporting an average satisfaction with work-life balance and demonstration of behaviors and attitudes both inside and outside of the workplace that make it clear that professional and personal happiness is indeed negatively impacted.

### 5.4 Work is seen as a destination, not an action

It is not surprising that employees' cited proximity to home, access to shopping, dining and entertainment options as well as a great office environment as the three important factors to workplace happiness.

The long working hours, prevailing culture of visibility equaling productivity (the more you are seen in the workplace, the more productive you are deemed to be) and need for face-time coupled with smaller living spaces means that office environments and surrounding amenities become ever more important as employees need and often want to spend more time in the office, whether working or not.

However, this is also demonstrative of Hong Kong's resistance to a more strategic approach to work-life balance, namely, the integration of a much more flexible approach to working. "Work" in Hong Kong is still viewed as somewhere you go as opposed to something you do. Despite recognition of the potential benefits of flexible working, many companies have difficulty in adapting to the new way of working that a culture of flexibility requires. There is still a fear of loss of control and resistance to this change of working style.

This emphasis on location of workplace may also in part be due to resignation by employees – it is not





possible to change 'how' one works so instead it is more attainable to focus on 'where' one works.

#### 5.5 Moving forward

The findings indicate that culture still remains the greatest barrier to work-life balance becoming a reality for many companies in Hong Kong and becomes critical if the work-life balance of employees is to significantly improve. An organisation's work-life culture – the unwritten yet well understood norms and expectations about how people are supposed to work, and what it means to be a good employee, have enormous power over behavior. Culture defines how much latitude people have in terms of managing their work and non-work demands.

It appears Hong Kong continues to lag behind international trends and standards when it comes to recognising the role that work-life balance plays in life's happiness. It is an important piece of the employee engagement puzzle, and individuals who do not manage this balance are at risk of burnout or demotivation.

While the results of this survey were surprising, they are also indicative of Community Business' experience in trying to drive forward change in work-life balance recently. When we began to champion this issue nine years ago, companies were willing to take small steps to implement changes to put work-life balance on the agenda and we began to see momentum. Quite often however, these quick wins were more 'cosmetic' in nature, often focused on well-being initiatives or easy to implement options like flexibility around starting time.

#### Corporate culture remains critical

As we have tried to support companies along their work-life balance journey, helping them to take a strategic approach which involves a more sophisticated look at flexibility, we have realised that on the whole, we have hit a wall. While some companies have been willing to change their culture to one that is more conducive to work-life balance, for others, the change is too drastic.

We believe the overarching hard-working ethic and face-time culture of Hong Kong has a big role to play in this, as it has permeated down into the organisational cultures of many companies. With the exception of

a number of game changers, the vast majority of companies and in fact employees themselves are unwilling to take the bold steps necessary to adapt to the new way of working that a culture of flexibility requires. And in doing so, they are missing out on the business benefits this approach can bring.

Work-life balance issues cannot be solved by a onesize-fits-all approach. Each employee is different with needs that will continue to change over the course of their career as their personal circumstances change.

#### **Employees have a responsibility**

If Hong Kong employees are to break down the cultural prevalence of visibility equaling productivity and truly change the way they work, they must be willing to take ownership of their work-life balance and challenge acceptance of the status quo.

Unfortunately though, many employees in Hong Kong abdicate responsibility and expect their employers to fix their work-life balance problems for them. These employees do not set their priorities accordingly nor engage in appropriate discussions that would enable them to take ownership of the way they work.

## Employees must:

- Establish their own work-life balance goals taking one goal at a time improves the chances of success.
- Make a commitment to planning for "life" by recording social and personal activities in their work schedule and stick to it as they do for normal business meetings.
- See the relationship between themselves and their employer as a two-way street.
- Be willing to share details of their specific needs and priorities in trying to achieve work-life balance with their employer.
- Understand the needs of the business and be flexible in their requests.
- Take responsibility that work delivered flexibly will be of the highest quality.



## Companies must change their culture

It is important to emphasise that work-life balance remains a critical issue to businesses as employers not only have a responsibility to ensure the well-being of their staff – but they must also recognise that a healthy, happy and productive workforce is critical to the overall health and success of an organisation.

As this survey has shown, 30% of employees in Hong Kong would consider leaving their role altogether in order to achieve work-life balance. This is a worrying statistic for any employer looking to attract and retain the best talent. Too often, many companies do not acknowledge this and as a result they see an increasing number of employees 'voting with their feet' - choosing to leave their organisation in search of one that recognises and respects their right to a life outside of work.

Having senior executives lead by example, building a culture where people want to work, offering flexible work arrangements, and providing choices for employees<sup>11</sup> are some of the steps companies can take to start building a culture that allows employees to better manage their work and life commitments.

We recognise this is an ongoing journey, but those who persevere will reap the benefits – companies who differentiate themselves in the marketplace with happy, engaged employees.

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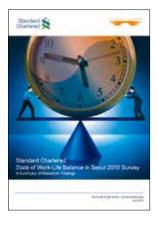








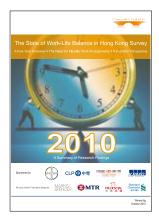


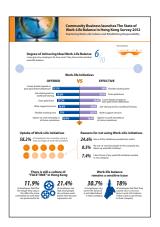


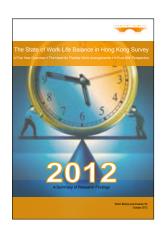


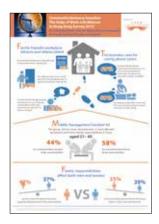
















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