MASTER THESIS

Work-Life Balance and Firm Performance

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Abstract

This paper analyzes the relationship between work-life balance programs (WLB) and corporate financial performance (CFP). Using a large sample of Spanish firms, we expect to find a positive relationship between work-life balance and corporate financial performance. However, we expect the magnitude of this relationship to vary over time and to find a greater magnitude in the long run. Furthermore, we examine the impact of corporate governance (CG) on this relationship and anticipate finding a negative relationship in companies with poor corporate governance. We expect to contribute to several strands of literature. First, we aim to add to the growing employee-wellbeing literature by examining the impact of WLB programs on firm financial performance. Second, we extend the literature on governance by showing that the positive relation between WLB and financial performance is only pronounced in firms with high-quality governance mechanisms. Third, we contribute to CSR literature that examines the link between CSR and financial performance. Despite a positive association being documented by prior literature, little evidence is provided on the channels through which CSR enhances firm performance.

Keywords: work-life balance, corporate financial performance, corporate governance

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1. Introduction

Sweeping changes in the composition of families and the workforce, such as more of dual-career couples and working mothers with young children, have increased the likelihood that both male and female employees have substantial household responsibilities in addition to their work responsibilities (Allen, 2001; Bond et al., 1998; Gilbert et al., 1994; Jackson and Fransman, 2018). In response to these changes, many organizations have implemented programs or policies designed to accommodate the needs of today's diverse workforce (Nijp et al., 2016). For instance, Fortune 100 companies continue to promote work-family balance as an essential component of corporate success (Hill et al., 2006). The phenomenon of work-life balance (WLB) has been attracting increasing attention from popular media and academics (e.g., Greenhaus et al., 2006; Grzywacz and Carlson, 2007; Valcour, 2007). Work-life balance is defined as "the desire of all individuals – not just those with family responsibilities – to attain a balance between their paid work and their life outside of work, from child-care and housework to leisure and self-development" (Khallash and Kruse, 2012). WLB practices include different types of arrangements. For instance, two popular forms of WLB practices are flextime and flexplace. Flextime refers to flexibility in the timing of work. Flexplace involves flexibility in the location where work is completed, often referring to work conducted at home (also known as telework or telecommuting). (Allen et al., 2008).

Despite the popularity of this concept, only recently have scholars made a concerted effort to empirically study work-family balance, and the concept has been acknowledged as a unique and useful addition to literature (Maertz and Boyar, 2011; Wayne et al., 2017). For instance, the number of publications and citations dealing with the topic "work-life balance" on Web of Science database, has increased significantly in the previous years (see Annex 1). The incompatibility between work-related demands and non-work - related demands, introduced the early theme of WLB research (Adame-Sánchez and Miquel-Romero, 2012; Stier et al., 2012). Work-family conflict has been associated with several negative physical and psychological outcomes that affect workers' performance (Adams et al., 1996; Boyar et al., 2005; Frone et al., 1996; Greenhaus and Beutell, 1985; Netemeyer et al., 1996). For instance, the research that examines the effects of work-family conflict on health outcomes (e.g., Frone et al., 1996), life satisfaction (e.g., Adams et al., 1996), in addition to several other outcomes.

From a broader socio-economic perspective, WLB programs are important constituents of corporate social responsibility (CSR) agenda. It is well documented in literature that CSR activities that directly address the needs of its core stakeholders (e.g., employees and consumers), may allow companies to improve their competitiveness more effectively than social activities that are primarily directed at other, more peripheral stakeholders (Flammer, 2015). The debate regarding the relationship between CSR and CFP remains after decades of research (Hull and Rothenberg, 2008; McWilliams and Siegel, 2000; Waddock and Graves, 1997) since most empirical studies often adopt a pragmatic approach to avoid measuring problems, using aggregated CSR indices established by other parties. Researchers should not seek to generalize the CSR-CFP link but rather to decompose it. Specific relationships are more useful for practical applications. Recently, several researchers have investigated the relationships between CSR and CFP subsets, which are termed 'decomposed' CSR and CFP respectively (Lu et al., 2014).

Following this approach, we seek to decompose CSR by examining employee-wellbeing programs, offered by corporations as a part of internal CSR initiatives, aimed at addressing the needs of their employees. More specifically, we focus on WLB programs that address the need of employees to fulfill both work and family spheres. Researchers are now developing approaches with a greater orientation toward business, stressing the benefits of incorporating WLB as a tool to improve firm performance. However, despite its popularity, WLB remains one of the least studied concepts in business research (Beauregard and Henry, 2009), although several authors document that WLB policies could conceivably improve the financial performance of the firm (e.g., Arthur, 2003; Meyer et al., 2001). Nevertheless, many of these studies suffer from key limitations, such as sample size (e.g., Meyer et al., 2001) or the reliance on cross-sectional designs (e.g., Giovanis, 2018). Moreover, the number of articles examining the WLB-CFP link remains low. For instance, a search for the words "work-life balance" and "corporate financial performance" on Web of Science database, yields only 10 results (see Annex 2). It can be argued strongly that the paucity of research evaluating the business case for work-life practices jeopardizes the effective implementation and use of those practices (Beauregard and Henry, 2009). Unfortunately, empirical evidence regarding the outcomes of WLB policies is still scarce (Adame-Sánchez and Miquel-Romero, 2012; Allen, 2001; Beauregard and Henry, 2009; Guest, 2002).

In this paper, we attempt to fill this gap and add to the existing literature by investigating the relationship between WLB and corporate financial performance, treating WLB as one of the important constituents of corporate social responsibility. Our study contributes to several strands of literature. First, building on the employee welfare and firm performance literature (e.g., Chang and Jo, 2019; Chen et al., 2016; Jiao, 2010), this paper adds to the literature by investigating the link between WLB programs and corporate financial performance. Second, we extend the literature on governance by showing that the positive relation between WLB and financial performance is more pronounced in firms with high-quality governance mechanisms. Third, we contribute to CSR literature that examines the link between CSR and financial performance broadly (e.g., Bae et al., 2011; Edmans, 2011). Despite a positive association being documented in prior literature, little evidence is provided on the channels through which CSR enhances firm performance (Bhattacharya et al., 2009; Saeidi et al., 2015; Servaes and Tamayo, 2013). This study fills in this apparent gap by detailing a practical mechanism through which firms can implement CSR practices to improve financial performance. Finally, there are theoretical and practical implications in seeking to fully understand how the different CSR initiatives, such as WLB in relation to CFP evolves over time. Further explorations of the time effect on the CSR-CFP relationship are certainly promising as a research direction (Lu et al., 2014). In this study, we add to the literature by examining the time-effect on WLB-CFP link.

This paper is structured as follows: in the next section, we introduce a general framework for the provision of WLB programs and their impact on firm performance. In doing that, we depart from a broad CSR and employee well-being perspective, since no specific theories exist which ground the relationship between WLB and firm performance. Therefore, our literature review includes several strands of the research and it is not confined exclusively to WLB practices. Within this large scope academic literature review, we comment on the methodological approaches which so far, the researchers have been employing, and their limitations. The contingent factors which influence employee well-being -firm performance relationship is addressed as well. We then derive testable hypotheses on the impact and determinants of WLB programs before we give a detailed discussion of our proposed dataset and the proposed analysis technique. We subsequently present and discuss our expected results, and finally provide concluding comments with implications for future research.

2. Theoretical framework

2.1 Corporate Social Responsibility

A definition commonly used by academics and practitioners, proposed by the World Business Council for Sustainable Development, (2000), is that "CSR is the commitment of a business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve the quality of life." It is possible to distinguish two contrasting cases for CSR: the normative case, which searches for motivations in the desire to do good; and the business case, which focuses on the notion of enlightened self-interest. The normative case suggests that a firm should behave in a socially responsible manner because it is morally correct to do so. The business case can be presented by asking how companies view the possibility of furthering their economic success by paying attention to social responsibility (Branco and Rodrigues, 2006). Although there is a clear difference between these two perspectives, the reasons for a company to engage in CSR activities might reflect a mixture of the two (Branco and Rodrigues, 2006; Smith, 2003).

CSR involves firms considering the interests of stakeholders other than shareholders, such as employees, customers, and the environment (Clarkson, 1995; Donaldson and Preston, 1995; Edmans, 2012; Shrivastava, 1995). It is related to complex issues such as environmental protection, human resources management, health and safety at work, relations with local communities, and relations with suppliers and consumers (Branco and Rodrigues, 2006). In essence, CSR can be viewed as an extension of firms' efforts to foster effective corporate governance (CG), ensuring firms' sustainability via sound business practices that promote accountability and transparency, not only to shareholders but also to the greater society (Jo and Harjoto, 2012).

Many scholars conceive CSR as encompassing two dimensions: internal and external. On the internal level, companies revise their in-house priorities and accord due diligence to their responsibility to internal stakeholders, addressing issues relating to skills and education, workplace safety, working conditions, work-life balance, human rights, equity considerations, equal opportunity, health and safety, and labor rights (Flammer and Bansal, 2017; Jones et al., 2005). With respect to the external dimension of CSR – which admittedly receives more attention in the literature (Deakin and Hobbs, 2007; Jamali et al., 2008) – priority shifts to the need for corporations to assume their duties as citizens, and accord due diligence to their external – economic and social – stakeholders and the natural environment (Munilla and Miles, 2005; Jamali et al., 2008).

CSR initiatives can take on many different forms. For example, companies may decide to invest in the research and development of environment-friendly products, offer work-life benefits (e.g., childcare, flextime) to their employees, donate to charity, etc. Given the wide variety of CSR investments, their contribution to a company's competitiveness may differ. More specifically, a company's social engagement that directly addresses the needs of its core stakeholders (e.g., employees and consumers) may allow companies to improve their competitiveness more effectively than social activities that are primarily directed at other, more peripheral stakeholders (e.g., society at large and environment) (Flammer, 2015). CSR activities that address internal social enhancement within the firm such as employees' diversity, firm relationship with its employees, and product quality, enhance the value of the firm more than other CSR subcategories for broader external social enhancement such as community relation and environmental concerns (Jo and Harjoto, 2011).

Despite some evidence that CSR is increasingly considered to be important by firms and capital market participants, there remains an unsettled debate among researchers regarding the relation between CSR and firm performance (Awaysheh et al., 2020). While the benefits of CSR are relatively clear in theory, empirically documenting them is harder (Edmans, 2012). It is becoming increasingly clear that in order to explain and predict the outcomes of CSR activities with any degree of certainty, we need a more precise understanding of the underlying processes that drive those returns (Bhattacharya et al., 2009).

2.2 Employee wellbeing and firm performance

In recent years, researchers have paid much attention to the importance of human capital, specifically the role of employees in firm performance and corporate decision making. One of the most debated issues is whether employee-friendly practices are beneficial for financial performance (Chang and Jo, 2019). The resource-based view (RBV) of the firm (Barney, 1986; Wernerfelt, 1984) argue that firms develop a sustainable competitive advantage by building resources that are both valuable and hard for competitors to poach. Employees are the key source of value creation in the modern firm, particularly in knowledge-based industries such as pharmaceuticals and software. However, satisfying the latter requirement of being hard to poach is difficult, because talented employees can walk out of the door. This is where the role of job satisfaction lies (Edmans, 2012).

This view consistent the stakeholder theory (Freeman, 1984), that the firm's decisions should consider the interest of all its stakeholders. Stakeholders include all individuals or groups who can substantially affect the welfare of the firm: not only the financial claimants but also employees, customers, communities, and governmental officials (Jensen, 2001). Yet, traditional theories (e.g., Taylor, 1911) which focused on cost efficiency, argue that employees perform unskilled tasks and have no special status; just like other inputs such as raw materials, management’s goal is to extract maximum output while minimizing their cost. Satisfaction arises if employees are overpaid or underworked, both of which reduce firm value (Edmans, 2011). This view is supported by the Principal-Agent theory (Jensen and Meckling, 1976), the firm’s objective function is maximized by holding the worker to her reservation wage.

2.2.1 Work-life balance from a principle agency framework

The economics literature commonly uses the principal-agent framework to conceptualize the employee-employer relationship. The employee (the agent) is hired by the employer (the principal) to act in the employer’s best interest, that is, to provide a high level of effort. However, if the employer cannot perfectly monitor the employee’s effort, the latter has an incentive to shirk by providing low effort (Flammer and

Luo, 2017). Managers are not the perfect agents of the principal shareholders. They tend to use their information advantage to serve their own agenda and increase their utilities at the expense of the principal's interests (Ben-Nasr and Ghouma, 2018). Employee welfare may be driven by hidden motives due to misalignment of management and shareholder incentives, resulting in a decline in shareholder value (Jensen and Meckling, 1976; Pagano and Volpin, 2005).

According to this line of thought, such CSR initiatives primarily benefit managers who, at the expense of shareholders, earn a good reputation among key stakeholders (e.g., politicians, non-governmental organizations, or labor unions) (Krüger, 2015). Pagano and Volpin (2005) argue that employee welfare practices can be exploited by incumbent managers to prevent value-adding takeover bids. The overinvestment hypothesis suggests that if CSR initiatives do not maximize firm value, such initiatives are a waste of valuable resources and a potentially value-destroying proposition (Barnea and Rubin, 2010). Managers might choose to generously invest in employee benefits to hide their bad-news-hoarding activities (Ben-Nasr and Ghouma, 2018). Consequently, this agency perspective implies that positive news about CSR is bad news for shareholders (Krüger, 2015). Generous working conditions can be used as a maneuver by the management to cover up corporate misbehavior. This statement would even be more evident for excessively generous employee welfare, managers may use the working environment to divert shareholders, and the market focus from important issues. This would lead the news to accumulate until a certain tipping point when bad news comes out to the market and cause equity prices to crash (Ben-Nasr and Ghouma, 2018).

Consistent with this view, several authors claim that employee welfare practices can be considered as a form of the agency problem. For instance, Hemingway and Maclagan (2004) suggest that CSR may be adopted by firms to hide managerial misbehavior. Rothschild and Miethe (1999) claim that in less employee-friendly work environments, employees have more tendency to reveal management wrongdoings. Seen from this angle, it is in the interest of the management to be closer to their employees and provides them with generous employment conditions, satisfied employees would be more reluctant to reveal the wrongdoings of their management (Ben-Nasr and Ghouma, 2018). Employee welfare practices are value-diminishing to shareholders (Friedman, 1970). These findings seem to contradict the theoretical benefits of CSR identified by the management literature, and instead support the economics and finance literatures' view on CSR. Just as these literatures view job satisfaction being at the expense of shareholders (Edmans, 2011).

2.2.2 *Work-life balance from a stakeholder perspective*

The strategy literature identifies human capital, tangible, and intangible resources as critical strategic firm resources for achieving a sustainable competitive advantage (Barney, 1991). McWilliams et al. (2006) suggest that firms engage in CSR strategically, and that this behavior can be examined through the lens of the RBV. The argument is that firms generate sustainable competitive advantages by effectively controlling and manipulating their resources and capabilities that are valuable, rare, cannot be perfectly imitated, and for which no perfect substitute is available. Engaging in CSR can help firms to create some of these resources and capabilities (Branco and Rodrigues, 2006). Firms with better employee treatment policies generate more and better patents by improving employee satisfaction and teamwork (Chien et al., 2016).

Freeman's (1984) stakeholder theory suggests that firms should consider the interest of all its stakeholders, and that firms can use CSR practices as an extension of effective CG mechanisms to resolve conflicts between managers and non-investing stakeholders. Jones (1995) argue that firms can improve financial performance by taking into account the stakeholders' interests. More precisely, CSR can increase brand value (Moskowitz, 1972), enhance customer loyalty (Solomon and Hanson, 1985), improve the innovation process in the firm (Chen et al., 2016; Porter and van der Linde, 1995), attract and retain valuable workforce (Greening and Turban, 2000; Turban and Greening, 1997), and attract capital from socially responsible investors (Cheng et al., 2014; Edmans, 2011). Particularly in times when capital may be limited, or in crisis periods when social capital and trust are more important (Lins et al., 2017).

Stakeholder–company relationship quality will depend on the type of benefits that stakeholders receive from CSR initiatives (Bhattacharya et al., 2009). Under Taylorism (Taylor, 1911), motivation could be achieved by extrinsic factors such as piece pay or the threat of firing. This approach worked because employees' output was easy to measure—for example, the number of widgets produced. Nowadays, workers' tasks, such as building client relationships and mentoring subordinates, are much harder to quantify (Edmans, 2012). Since extrinsic motivators are less effective, this increases the role of intrinsic motivators such as satisfaction (Edmans, 2011).

The management literature highlights the strategic importance of aligning individual with organizational interests, to motivate and engage employees for generating a sustainable competitive advantage (e.g., Castanias and Helfat, 2001; Coff, 1997; Flammer and Luo, 2017; Gottschalg and Zollo, 2007). Employees draw clues from the firm's CSR engagement about whether the managers and the firm are fair-minded on an individual, group, and universal level (Aguilera et al., 2007; Flammer and Luo, 2017). WLB is highly valued by nearly all employees, and it has important implications on people's well-being and work productivity all over the world (Haar et al., 2014; Kossek et al., 2014: Lyness and Judiesch, 2014).

Regarding the effects of WLB, extant research shows that people who perceive balance between their work and life roles tend to be more satisfied with their life and report better physical and mental health (Brough et al., 2014; Carlson et al., 2009; Ferguson et al., 2012; Greenhaus et al., 2003; Haar, 2013; Haar et al., 2014). Employees working in this employee-friendly context are likely to reciprocate favorably to their employers. They will exert extra effort to improve quality and service, develop concerns for the success of the organization, and link their individual goals with those of the organization (Goñi-Legaz and Ollo-López, 2015; Grover and Crooker, 1995; Lambert, 2000; Macduffie, 1995; Wang and Waulmbwa, 2007). These practices reduce individual’s psychological pressure and time involvement, contributing to individuals’ satisfaction with both family and work (Ezra and Deckman, 1996; Goñi-Legaz and Ollo-López, 2015; Jones and Mckenna, 2002). Moreover, employee-friendly practices attract socially responsible consumers and improve a firm's overall reputation (Chang and Jo, 2019). Furthermore, employee-friendly practices are associated with lower turnover and, on a per employee basis, higher sales, market value, and profits (Huselid, 1995). Perceived organizational performance is positively associated with work-family programs (Perry-Smith and Blum, 2000). Work-life balance programs can be used as a tool to enhance firm productivity (Konrad and Mangel, 2000).

2.2.3 Methodological challenges facing work-life balance literature

Nevertheless, several authors argue that the positive correlation between CSR practices that address employee-wellbeing (e.g., work-life balance) in previous literature suffers some major methodological limitations. Primarily, Edmans (2011) argues that the positive correlations reported by previous research cannot be automatically interpreted as evidence that job satisfaction improves firm value. The positive correlation could result from reverse causality from performance to satisfaction since many of the previous studies are cross-sectional. It could be that performance directly causes satisfaction (employees are happier working for a successful firm), or that strong performance allows managers to increase wages and benefits, which in turn raises satisfaction. Successful firms may be better able to afford work-life practices and thereby more likely to make them available (Beauregard and Henry, 2009). Studies that regress portfolio returns of trading strategies or other annual measures of firm value (e.g., Tobin's q) on low-frequency measures of CSR (e.g., annual ratings) cannot address the basic question of whether companies do well because they do good or whether they do good because they do well (Krüger, 2015). Without longitudinal research, it is impossible to ascertain whether work-life practices contribute to organizational performance, or whether organizational performance contributes to the existence of work-life practices (Beauregard and

Henry, 2009). In support of this view, Hong et al. (2012), show that less financially constrained firms tend to have better CSR performance.

Moreover, another methodological drawback facing previous literature is related to the measurement metrics used to represent firm performance and stakeholder welfare. Studies typically focus on job performance as the dependent variable. However, this is critically different for firm value, whether job performance is measured at the individual or collective level, and it is unclear how this aggregate at the firm level. In addition to that, some of these performance measures do not take into account the costs of achieving higher job satisfaction. Even if job satisfaction improves job performance, it may still reduce firm value net of costs (Edmans, 2011). Other researchers tend to use aggregated CSR indices established by other parties to measure the impact on different stakeholder groups. For instance, some CSR initiatives that address external stakeholders might have an adverse effect on internal stakeholders such as employees (Lu et al., 2014). Similarly, Porter and Kramer (2006) assert that many CSR practices are unsuccessful as they consider CSR in a generic way, not in a way more appropriate to the firm. Lower generality of the relationships does not render them useless; the contextualized link can be an ideal value for a metric, i.e., of a priority area. Executives from different countries, industries, or companies could make their own comparisons and enact CSR practices that are appropriate to their firms (Lu et al., 2014).

Furthermore, some of the previous studies excluded key variables that affect the relationship between different CSR initiatives and firm performance. For instance, in their review addressing the link between CSR and CFP, Lu et al. (2014) examined 84 empirical studies and found that only 54 considered the time effect on the CSR-CFP relationship. Time is a key variable when it comes to measuring outcomes of different CSR initiatives since many of these outcomes are considered intangible. The market takes a long time to incorporate information about intangibles, such as employee satisfaction into the stock price (Edmans, 2012). There are theoretical and practical implications in seeking to fully understand how the CSR-CFP relationship evolves over time. As held by the 30 studies not considering time effect on the relationship, the notion that CSR will have an immediate and unchanging impact on CFP may be flawed. It takes time for CSR to have an effect on CFP, or vice versa (Lu et al., 2014).

Finally, a key limitation in several previous studies is related to the dataset used, which hinders any sort of generalizability of the results. For instance, Edmans (2012) documents in his limitations the issue of generalizability to the overall distribution of job satisfaction. The Best Companies list considers only firms in the right tail of job satisfaction, since it includes only 100 firms per year. It may be that job satisfaction matters only when it reaches very high levels, and that there is little difference for firm value between low and moderate job satisfaction.

On the other hand, several authors managed to overcome some of the limitations found in previous literature. To address the causality problem and account for time as a key variable, Edmans (2012, 2011) undertakes longitudinal studies that lag the satisfaction measure. The author examines the relationship between employee satisfaction and firm value, by analyzing future stock returns, rather than stock return by lagging the satisfaction measure, using a value-weighted portfolio of the ‘‘100 Best Companies to Work for in America’’, and found that these companies earned an annual four-factor alpha of 3.5%, from 1984 to 2009, and 2.1% above industry benchmarks. These findings are consistent with human capital-centered theories of the firm, employee satisfaction is positively correlated with shareholder returns. Nevertheless, employee satisfaction is not directly capitalized, but only affects the stock price when it subsequently manifests into tangible outcomes that are valued by the market. The author documents that a full incorporation takes as long as four to five years.

Moreover, as an alternative approach to overcome the causality problem, Jiao (2010) uses a different analysis technique. In a study examining stakeholder welfare and firm value, the author utilized the instrumental variables to analyze the subject relationship. A standard remedy for endogeneity problems is the use of instrumental variable estimation method (Greene, 2007). The results of this study support the stakeholder view. Stakeholder welfare represents intangibles (such as reputation or human capital), crucial for shareholder value creation, rather than private benefits managers pursue for their own social or economic needs.

Yet, these studies had limitations related to the sample used, discussed earlier in this section. To overcome this obstacle and using a different data source, Symitsi et al. (2018) found a positive correlation between employee satisfaction in relation to ROA and Tobin’s Q, using employees’ online reviews obtained from Glassdoor database. Their results suggest that job satisfaction is a valuable characteristic that is not fully valued by the market. In line with the mispricing of intangible assets, intangibles are valuable, but their value is not immediately recognized by the market. Intangibles are assets that are not physical in nature, and so cannot be seen or physically measured.

2.2.4 Factors affecting work-life balance and firm performance

The link between nonfinancial stakeholder demands and firm actions suggests that firms consider multiple factors when choosing their actions. From a strategic perspective, what is especially interesting is whether actions influenced by nonfinancial stakeholders are detrimental to firm financial performance (i.e., if they are inconsistent with firms maximizing profits), or whether they complement other policies in making firm resources valuable, rare, and inimitable (Bloom et al., 2011). CSR initiatives are successful in generating profits to the company, in addition to improving the relationship with stakeholders (Waddock and Smith, 2000). Trust is enhanced by providing benefits to the stakeholder, the company indicates that it cares about the individual (Bhattacharya et al., 2009). The financial crisis highlighted the importance of trust for well-functioning markets and financial stability. Firm-specific social capital, built up through CSR activities, pays off during a period when the importance of trust increases unexpectedly, namely the 2008–2009 financial crisis (Lins et al., 2017). Once stakeholders receive benefits from the company's CSR initiatives, they feel a social norm to reciprocate, which will motivate commitment by the stakeholder to the company (Bhattacharya et al., 2009).

Nevertheless, some authors argue that the magnitude of the impact is dependent on several factors. For instance, Chang and Jo (2019) suggested that the effect of employee satisfaction on firm value varies according to the competition level, in their article examining employee-friendly practices in relation to firm value. Based on an extensive sample of US data on firms' employee-friendly practices, they found that firms in competitive industries engage in employee-friendly initiatives more than do those in non-competitive industries. This implies that product market competition encourages firms to treat their employees well, so that a high-performing workforce becomes a source of competitive advantage.

Moreover, in addition to competition level, the industry may have an impact on the subject relationship. Tang and Lee (2014), analyzed the relationship between employee satisfaction and long-run shareholder return. Their findings suggest that the impact of customer satisfaction on shareholder return varies in magnitude between different sectors. Consistent with this view, the industry effect is supported by findings of Ben-Nasr and Ghouma (2018), in their study examining the relationship between employee welfare programs and stock price crash risk. Their results point to a more pronounced impact of employee welfare on stock price crash risk in labor-intensive firms and industries.

Furthermore, time is a factor documented by several authors. Cao and Chen (2016) examined the effect of employee satisfaction during the financial crisis. The authors show that the impact of employee satisfaction on firm value changes over time. Similarly, Lins et al. (2017), concluded that time is a major factor that affects the relationship between employee satisfaction and firm value. This view is supported by findings of Edmans (2011), the abnormal returns abate over time, both because employee satisfaction is not a permanent characteristic, and because the market slowly learns about this intangible.

2.3 Work-life balance in Spain

As countries differ in the way they regulate matters pertaining to labor, such as working hours and conditions; the availability of WLB practices for employees also vastly differs from one country to another (Stier et al., 2012). For instance, the effective use of flexible time schedules significantly varies among European countries. For example, in Spain, 15.0 percent of the female and 15.5 percent of the male labor force use flextime, whereas in Denmark, the figures are 61.3 and 62.7 percent, (Goñi-Legaz and Ollo-López, 2015). Spain is characterized by delaying the introduction of WLB practices (Adame-Sánchez and Miquel-Romero, 2012), and the effective use of some WLB practices is not as extensive as it is in other countries (Goñi-Legaz and Ollo-López, 2015). Moreover, in Spain, the working hours are long (Pasamar, 2015). Consequently, Spanish employees suffer high levels of work-life conflict (Adame-Sánchez and Miquel-Romero, 2012; Pasamar, 2015; Stier et al., 2012). Nevertheless, the use of WLB practices has increased in this country (Adame-Sánchez and Miquel-Romero, 2012), due to the Organic Law 3/2007 of March 22 for Effective Equality between Women and Men, which empowers workers and makes WLB available to both men and women so they can balance their work-life roles and create a more equal society (Peregort et al., 2013).

3. Hypothesis development

3.1 Work-life-balance and corporate financial performance

While the provision of work-life balance practices may improve morale and employee retention, the link between work-life balance practices and a set of hard performance measures is more controversial, and has to be studied rigorously (Bloom and van Reenen, 2006). Presumably, more organizations would be interested in offering work-life practices if they were aware of the benefits that may accrue to them (Adame-Sánchez and Miquel-Romero, 2012; Beauregard and Henry, 2009). There is a scarcity of research based on systematic policy evaluation data to address the question of whether work-life practices are achieving their intended aims (McDonald et al., 2005).

Although the business case of work-life balance is still under debate, due to the limited number of studies examining the outcomes of these practices, the results documented by the broad literature of employee welfare and firm financial performance indicate that employee welfare practices can have a significant impact on firm performance. Many researchers have focused on the ways intangible assets affect firm value;

employee treatment is one integral example of an influential CSR (Mao and Weathers, 2019). Employee treatment has an impact on firm value through multiple channels (e.g., Bae et al., 2011; Edmans, 2011; El-Ghoul et al., 2011; Faleye and Trahan, 2011). For instance, Edmans (2012) finds that the firm commitment to employee welfare is positively associated with firm performance. He documents significant increases in long-run stock returns, announcement returns, and positive earnings surprises. Bae et al. (2011) explore the employee welfare relationship to firm value via the capital structure channel. They find that firms with better employee treatment policies maintain lower debt ratios. El Ghoul et al. (2011) examine the effect of employee-treatment on the cost of equity capital. Their findings suggest that investment in improving employee welfare contributes substantially to reducing firms' cost of equity.

Moreover, further support is generated by the limited number of studies analyzing the WLB-CFP link. For instance, Shepard et al. (1996) using data from the pharmaceutical sector in the U.S., document that the implementation of flexible-work programs is associated with an increase of nearly 10% in firm productivity. Arthur (2003) examining the Fortune 500 firms, shows that announcements of work-life practices increased the expected value of the firm initiatives and is associated with increased shareholder returns. Meyer et al. (2001) using survey data from Working Mother, find that firms offering work-family programs witnessed increased profit rates, namely telework programs, which were strongly associated with increased profits. The authors speculate that telework programs motivated employees to work for longer hours and were constantly available for work since they no longer needed to commute. McDonald et al. (2005) suggest that flexible-working arrangements may allow companies to keep up with a workload that varies throughout the year. Flexible-working arrangements may invoke the principle of reciprocity, wherein employees work extra hours during peak times in exchange for the ability to tailor their hours to suit their own needs at other times (Beauregard and Henry, 2009). We support this line of thought, we argue that WLB programs have a positive impact on corporate financial performance.

H1: The implementation of WLB programs is positively correlated with CFP.

3.2 Work-life balance and firm performance under the umbrella of corporate governance.

It has been widely documented that firms with high quality of the internal governance mechanisms (board of directors, ownership structure, executive compensations, etc.), and in countries where investors are well protected, the managers are less inclined to adopt opportunistic behaviors (Ben-Nasr and Ghouma, 2018; Boubakri and Ghouma, 2010; Leuz et al., 2003; Shen and Chih, 2005). Under the umbrella of CG, companies are encouraged to promote ethics, fairness, transparency, and accountability in all their dealings. They are expected to continue generating profits while maintaining the highest standards of governance internally (Jamali et al., 2008). This act of accountability is crucial for a business to gain and retain the trust of financial investors and other stakeholders (Jamali et al., 2008; Page, 2005). Several CSR scholars emphasize the need to uphold the highest standards of governance internally, particularly in discussions of the internal dimension of CSR (Grosser and Moon, 2005; Jamali et al., 2008; Perrini et al., 2006; Rosam and Peddle, 2004). Managers can opportunistically use generous working conditions, to divert shareholders, and the market focus from important issues (Ben-Nasr and Ghouma, 2018). The implementation of WLB programs can simply be the manifestation of the agency problem inside the organization. It can be seen as a tool to reduce the likelihood that employees uncover potential managers' wrongdoings and blow the whistle on their fraudulent behaviors. Satisfied employees would be more reluctant to reveal the wrongdoings of their management. Generous employee welfare would help them achieve their goals by diverting the employees focus from important issues. Accumulated undisclosed information over time leads to opaque and less transparent financial reporting (Ben-Nasr and Ghouma, 2018). Holding a high standard of corporate governance ensures that WLB programs are used as a performance enhancement tool, rather than an incentive to cover up managerial misbehavior. Brown and Caylor, (2009) argue that good corporate governance creates a system of greater control over managerial actions, which should reduce principal-agency problems, and enhance firm performance. This Ensures firms' sustainability via sound business practices that promote accountability and transparency (Jo and Harjoto, 2012). We support the agency perspective in this context; WLB programs can be used as a distraction tool rather than a value-enhancing tool in corporations with weak CG mechanisms. Consequently, the implementation of WLB balance programs in corporations with weak governance tools and control systems will result in a negative impact on firm financial performance. We expect the implementation of WLB programs in poorly governed corporations to have a negative impact on CFP.

H2: The implementation of WLB programs in firms with weak CG firm has a negative impact on CFP.

3.3 Work-life balance, firm performance, and time

Further explorations of the time effect on the CSR-CFP relationship are certainly promising as a research direction (Lu et al., 2014). The relationship between different CSR initiatives in relation to CFP seems to be affected by time. For instance, Wang et al. (2008) argue that the impact of corporate philanthropy on CFP varies over time. Namely, an increase in corporate philanthropy is beneficial for CFP, but after a certain level, the magnitude will eventually decline. Consistently, we expect the WLB-CFP link to vary over time. Several studies document how WLB programs can improve firm performance via different routes, such as reduced overheads in the case of employees working from home, improved productivity among employees working at their peak hours, or social exchange processes arising from perceptions of organizational support (e.g., Allen, 2001; Beauregard and Henry, 2009; Shepard et al., 1996).

However, many of these routes are intangible and hard to measure. For instance, employee satisfaction is one of the main expected benefits from the implementation of WLB programs (e.g., Brough et al., 2014; Haar, 2013; Haar et al., 2014; Viñas-Bardolet et al., 2019). Edmans (2011) suggests that the market may not incorporate the full benefits of job satisfaction immediately. While it should incorporate tangible information, such as performance immediately, it may take time to incorporate intangible information such as job satisfaction, as it is difficult to quantify its impact on firm value. Moreover, the author documents that it takes as long as four to five years to reach full incorporation. These results imply that time is a key variable when dealing with intangible outcomes. Furthermore, different studies examined the impact of social capital on corporate financial performance during the financial crisis of 2008 (e.g., Cao and Chen, 2016; Lins et al., 2017). They concluded that employee satisfaction's impact on firm value varies over time. Consequently, we expect WLB programs' contribution to financial performance to vary over time. We expect the implementation of WLB programs to have a higher positive magnitude on CFP in the long run, than in the short run.

H3a: The magnitude of the impact of WLB on CFP varies over time.
H3b: The magnitude of the impact of WLB is more pronounced in the long-term than in the short-term.

4. Methodology

4.1 Model formulation

In this study, we examine the impact of work-life balance of corporate financial performance. To do so, we construct the following model aligned with previous literature on CFP-CSR relationship, to include similar financial measures of CFP while controlling for size, industry, and leverage (e.g., McWilliams and Siegel, 2001; Waddock and Graves, 1997). Moreover, we follow more recent articles to control for R&D expenditure (e.g., Faleye & Trahan, 2011; Jo and Harjoto, 2012).

$$CFP_{\mathrm{i}}, t = \beta 0 + + \beta 1 WLB_{\mathrm{i}}, t-1 + \beta 2 D(WeakCG) * WLB_{\mathrm{i}}, t-1 + \beta 3 CONTROLS_{\mathrm{i}}, t + u_{\mathrm{i}}, t \qquad (1)$$

Where all the variables refer to firm i in year t. CFP represented by return on assets (ROA) and stock returns (R). WLB represents the work-life balance index. D(WeakCG)*WLB represents the interaction between D(WeakCG) which is a dummy variable with a value of 1 for corporations with a low corporate governance score and 0 otherwise, interacted with the variable WLB. In addition to SIZE, INDUSTRY, LEVERAGE and R&D as control variables and u is the error term.

Following previous literature examining CSR-CFP link (e.g., Edmans, 2012, 2011; Flammer and Bansal, 2017; Lins et al., 2017), we plan to use regression analysis to establish the basic relationships. Additionally, we plan to run the same model explained in this section several times, with different lags for the variable WLB to include $WLB_{\mathrm{i}}, t-1$, $WLB_{\mathrm{i}}, t-3$, and $WLB_{\mathrm{i}}, t-5$, in order examine the time effect on the relationship between CSR-CFP and test for H3.

4.1.1 Dependent variable

In line with previous studies, we use two different indicators of corporate financial performance: return on assets (ROA) which primarily to the financial profitability of firms, indicating how many euros of earnings are derived from each euro of assets controlled, and stock returns ®, which considers the returns that the investors generate out of the stock market. This combination of both measures was used by previous authors to represent CFP in relation to CSR (e.g., Nelling and Webb, 2009; Nollet et al., 2016). The motivation for selecting two different indicators stems from the fact that combining different types of measure aims to increase the accuracy in measurement, since weaknesses in one type of performance measure can be alleviated to some extent by the use of another (McGuire et al., 1988; McWilliams et al., 2006). More precisely, ROA is an accounting-based measure and R is a market-based measure. Both accounting and market variables look for different aspects of performance and are subject to particular biases (McGuire et al., 1988).

ROA is one of the widely used indicators of corporate financial performance (e.g., Argiles-Bosch et al., 2016; Fulmer et al., 2003; Symitsi et al., 2018). Several authors argue that accounting-based indicators capture a firm's internal efficiency in some way (e.g., Cochran and Wood, 1984). Yet, this approach can be biased due to the differences in accounting procedures and managerial manipulation (McGuire et al., 1988). Consequently, to overcome the earnings management problem, we utilize stock returns'-based indicator as a second measure. In line with previous studies (e.g., Edmans, 2012, 2011; Lins et al., 2017) this approach suffers fewer reverse causality issues than valuation ratios or profits. A positive correlation between valuation/profits and satisfaction could occur if performance causes satisfaction, but a well-performing firm should not exhibit superior future returns as profits should already be in the current stock price, since they are tangible. However, market-based measures also have their weaknesses. For example, if there is asymmetric information, market-based measures may not reflect fair evaluation from investors (Scholtens, 2008).

4.1.2 Explanatory variables

Our main explanatory variable is the work-life balance index computed by averaging all available ratings by employees for each firm in our sample in each year. We plan to obtain this data from Glassdoor, which has collected employee satisfaction ratings and reviews of their employers since 2008. Similar to the employee survey of the "100 Best Companies to Work for in America" (e.g., Edmans, 2011, 2012) employees are asked to report their overall satisfaction with their companies as well as satisfaction in categories such as career development, compensation and benefits, senior management, and work-life balance by using a 5-point Likert scale. In addition, employees report their ratings of CEOs using a 3-point scale ranging from disapprove to no opinion to approve.

Several authors utilized the same data source in previous literature (e.g., Symitsi et al., 2018), to examine the relationship between employee satisfaction and corporate financial performance. Nevertheless, we focus only on one sub-index, which is work-life balance satisfaction. Our measure has several distinctive advantages: First, it is based on employee perceptions of work-life balance satisfaction, not on corporate announced measures. This is important because Guiso et al. (2015) find that employee perceptions matter for firm performance. Second, our measure incorporates a large number of firms and provides considerable cross-sectional and time-series variations, which allows us to overcome the limitation of sample size found in previous studies (e.g., Giovanis, 2018). Finally, employee satisfaction ratings are publicly available to researchers on Glassdoor's website.

The second explanatory variable D(WeakCG)*WLB represents the interaction between D(WeakCG) which is a dummy variable with a value of 1 for corporations with a low corporate governance score and 0 otherwise, interacted with the variable WLB variable. In H2, we predict WLB to have a positive effect on CFP in the presence of good corporate governance mechanisms only. This implies that firms with poor corporate governance mechanisms are expected to experience a decrease in CFP when implementing WLB programs, in support to the agency theory, discussed in previous sections. To do so, we plan to construct an interaction between a dummy variable that represents firms with low corporate governance score D

(WeakCG), indicating a value of 1 for firms with a lower CG score than the sample median, and 0 otherwise. This variable is interacted with our first explanatory variable of WLB discussed previously in this section.

We plan to obtain measurements for D(WeakCG), based on the scoring of the corporate governance sub-index of ESG, obtained from Thomson Reuters Eikon. The main index consists of three pillars: 1. The Environmental Pillar. Examines factors, including resource usage and reduction; emissions and emissions reductions; environmental activism and initiative and product or process innovation. 2. The Social Pillar. Examines factors including employment quality, health and safety issues, training, diversity, human rights, community involvement and product responsibility. 3. The Corporate Governance Pillar. Examines factors, including board structure, compensation policy, board functions, financial and operational transparency, shareholder rights and vision and strategy. Our focus will only be on the corporate governance pillar, which is constructed based on a country-level corporate governance benchmark, since best governance practices tend to be more consistent within countries. The CG pillar includes three main modules. Primarily, the management score measures a company's commitment and effectiveness towards following best practice corporate governance principles. Secondly, Shareholders Score measures a company's effectiveness towards equal treatment of shareholders and the use of anti-takeover devices, and finally The CSR Strategy Score that reflects a company's practices to communicate that it integrates the economic (financial), social and environmental dimensions into its day-to-day decision-making processes. ESG index is a widely used measure of corporate governance in recent publications (e.g., Miralles-Quirós et al., 2019; Uyar et al., 2020).

4.1.3 Control variables

We follow previous literature examining the CSR-CFP link to include the most used control variables. Lu et al., (2014), documents that SIZE, INDUSTRY, and LEVERAGE are amongst the most frequently used control variables in explaining the CSR-CFP relationship. Moreover, Andersen and Dejoy, (2011) document that R&D is also widely used by recent studies, in addition to the previously mentioned variables.

Firm size (SIZE) may have a significant effect on the relationship between CSR and CFP, since large firms are more likely to engage in CSR initiatives than small firms (Luo and Bhattacharya, 2009; McWilliams and Siegel, 2001; Waddock and Graves, 1997). It is widely recognized that large firms enjoy certain advantages over small firms, including economies of scale (e.g., Alvarez and Crespi, 2003; Argiles-Bosch et al., 2016; Caves, 1990) more favorable access to the credit market and lower financing costs (e.g., Beck and Demirguc-Kunt, 2006; Martinelli, 1997). In contrast, the advantages of small firms are associated with their greater flexibility (You, 1995) and the fact that they tend to be less bureaucratic and so more likely to use their resources efficiently (Baker and Nelson, 2005). They also respond more quickly to changing circumstances (e.g., Knight and Cavusgil, 1996). Since the influence of size on profitability is uncertain, we follow previous literature by estimating the logarithm of total assets (e.g., Argiles-Bosch et al., 2016; Park and Lee, 2009; McWilliams and Siegel, 2000).

Leverage (LEVERAGE) introduced into the model to control for any systematic effect over financial performance and CSR (McWilliams & Siegel, 2000). Estimated as a firm's total debt divided by its total assets, is introduced to the models (McWilliams & Siegel, 2000; Waddock & Graves, 1997). Leverage presumably affects this link because high-risk tolerant firms (firms with high leverage) may behave differently than low-risk tolerant firms in terms of CSR investment because of different levels of risks involved in CSR investment (Waddock &Graves, 1997).

Industry performance (INDUSTRY) is included since our sample is composed of firms in various industries. Industry performance with respect to profitability is also likely to influence individual firm profitability. Industries with high growth rates or profits offer more opportunities (Argiles-Bosch et al., 2016; Gruca and Rego, 2005). We follow previous literature examining the CSR-CFP relationship (e.g., Faleye and Trahan, 2011) to control for the industry performance.

R&D expenditure (R&D), recent studies have suggested that R&D expense can have an impact on the CSR-CFP relationship (e.g., Andersen and Dejoy's, 2011; Faleye & Trahan, 2011; Jo and Harjoto, 2011). R&D expenditure is defined as all costs incurred during the year that relate to the development of new products or services (Andersen and Dejoy's, 2011).

4.2 Sample and data collection

4.2.1 Sample

We plan on using a longitudinal dataset, that includes firms from different industries. However, following previous literature on earnings management, we exclude the financial sector due to different characteristics and performances from our analysis (Hong and Andersen, 2011; Prior et al., 2008). Collecting firm data over consecutive time periods would allow us to test the effect of time on our subject relationship, since we expect the magnitude of impact to vary over time. Moreover, it may help us deal with the endogeneity problem (Edmans, 2012). We plan on collecting data from 2008 – 2018.

Our sample will include Spanish companies. The main motivation behind selecting Spain as a location for this study comes from the fact that Spain is characterized by delaying the introduction of WLB practices (Adame-Sánchez and Miquel-Romero, 2012), and the effective use of some WLB practices is not as extensive as it is in other countries (Goñi-Legaz and Ollo-López, 2015; Lewis et al., 2017). Today, the increasing attention is paid to issues of WLB, the pressure to implement relevant policies and practices is rising (Beauregard and Henry, 2009; Lewis et al., 2017). Jointly with the enactment of the Spanish Organic Law for the Effective Equality between Women and Men in 2007, these factors call for an analysis that links WLB systems and business results in the Spanish setting. In particular, the expected results of their implementation are key to senior managers tasked with making decisions about offering these systems.

4.2.2 Data collection

We plan to collect data from several sources. For WLB, we plan to obtain the data on all available employee reviews for Spanish firms from Glassdoor. The total number of firms operating in Spain found on Glassdoor was 8020 firms, with review data from 2008 up to this day. Our focus is on the work/life balance satisfaction rating reported on a 5-point Likert scale, and only on reviews posted from current employees so that the results are not driven by disgruntled former employees. Furthermore, as a secondary source of data, we plan to make use of the public announcements of companies' implementation of WLB programs from their websites, CSR reports, and collective bargaining agreements.

For corporate governance data, we plan to collect data from Thomson Reuters which is a widely used data source in finance literature (e.g., Ben-Nasr and Ghouma, 2018; Maelah, 2016; Velte, 2016). As an alternative data source, we plan to collect data from CNMV (Spanish National Commission of Stock Exchange). This web page contains the annual corporate governance reports that all the Spanish listed companies must publish since 2003 (García-Meca and Palacio, 2018).

For financial data, we plan to use SABI Bureau van Dijk which contains financial metrics of over 2.5 million Spanish companies.

5. Results

We expect to find a positive correlation between the implementation of work-life-balance programs and both ROA and R, as it stated in our hypothesis and in a line with previous studies (e.g., Arthur, 2003; Edmans, 2012; Giovanis, 2018). Our expected findings would be in support to the stakeholder theory

(Freeman, 1984). Addressing the needs of its core stakeholders may allow companies to improve financially. However, this positive correlation is expected to be found only in companies with strong corporate governance systems. Consequently, we expect the impact of WLB program implementation in companies with poor governance mechanisms to be negatively associated with CFP, as argued in H2, in support to the agency theory and aligned with previous literature that examined similar relationships (e.g., Ben-Nasr and Ghouma, 2018). Moreover, we expect the magnitude of this impact to be dynamic. We expect the impact on CFP to increase in magnitude, in the long run, consistent with previous findings (e.g., Edmans, 2012, 2011; Tang and Lee, 2014), and supporting H3.

Table 1: Expected Results

Dependent	**Explanatory Variable**	**Hypothesis**	**Expected Result**	**Supporting Literature**
CFP	WLB	H1	Significant, $\beta 1 > 0$	(Arthur, 2003; Chang and Jo, 2019; Edmans, 2012, 2011; Giovanis, 2018; Jiao, 2010; Meyer et al., 2001; Symitsi et al., 2018; Tang and Lee, 2014)
	D(WeakCG)*WLB	H2	Significant, $\beta 2 < 0$	(Ben-Nasr and Ghouma, 2018; Jo and Harjoto, 2011)
	Time	H3	Significant, $\beta 1$ (lag5) > $\beta 1$ (lag3) > $\beta 1$ (lag1)> 0	(Edmans, 2012, 2011; Lins et al., 2017; Tang and Lee, 2014)

6. Conclusion

This study aims to examine the impact of work-life balance on corporate financial performance. WLB has become increasingly an important tool in the CSR field. While the topic of CSR is well examined in literature (e.g., Bae et al., 2011; Edmans, 2012, 2011), it is obvious that there still a lack of practical evidence on how individual CSR dimensions can improve financial performance (Bhattacharya et al., 2009). By decomposing CSR to examine WLB practices as a practical tool for CFP improvement, we expect to find a positive correlation between WLB and corporate financial performance. The expected findings contribute to employee-welfare and firm performance literature (e.g., Chang and Jo, 2019; Chen et al., 2016; Jiao, 2010) by shedding light on the benefits of WLB programs to firm performance. The latter would support the business appeal of WLB programs and potentially encourage managers to implement these programs to improve firm performance. Moreover, we contribute to the ample CSR literature by detailing one of the CSR mechanisms that can affect CFP positively, since various CSR tools can have different impacts on CFP, in terms of correlation sign and magnitude. Despite a positive association being documented in prior literature (e.g., Edmans, 2012, 2011), little evidence is provided on the channels through which CSR enhances firm performance (Bhattacharya et al., 2009; Saeidi et al., 2015; Servaes and Tamayo, 2013). Examining practical CSR initiatives rather than aggregated indices, helps in better understanding of how CSR affects CFP, in addition to aiding managers in selecting CSR programs that are beneficial to all stakeholders. Furthermore, we extend the literature on governance by showing that the positive relation between WLB and financial performance is more pronounced in firms with high-quality governance mechanisms. Finally, there are theoretical and practical implications in seeking to fully understand how the CSR-CFP relationship evolves over time. Further explorations of the time effect on the CSR-CFP relationship are certainly promising as a research direction (Lu et al., 2014). In this study, we add to the literature by examining the time-effect on this relationship, by examining one of the key internal CSR tools, which is WLB practices.

While our study aims to address several unsettled issues in different strands of literature, our results carry some limitations. Mainly, it is related to the generalizability of the results. Our study examines the link between WLB and CFP in Spain only. Different countries with different governance systems and labor laws may result in different outcomes, in magnitude or in the direction of the correlation. Future research can extend this enquiry using different countries and perhaps employing a comparative research setting in examining the difference in outcomes between different countries. Moreover, future efforts may decompose the WLB-CFP link to examine the difference in impact between different industries. Furthermore, while this study examines a particular tool of CSR for enhancing CFP, future studies may examine different practices of CSR and their impact on financial performance, encouraging managers to adopt CSR tools to improve corporate financial performance.

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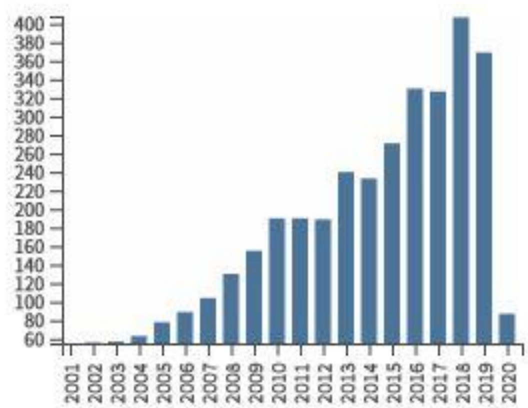
8. Annex

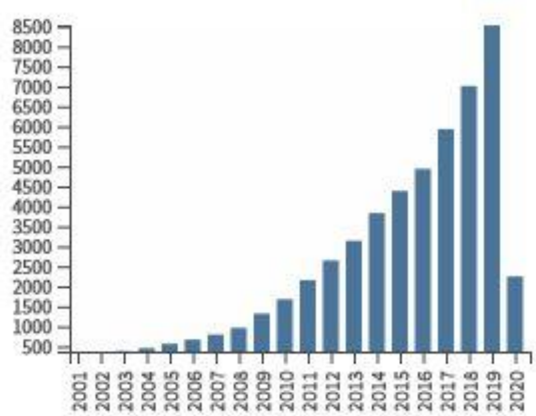
8.1 Annex 1

Total Publications by Year



Source: Web of Science

Sum of Times Cited by Year



Source: Web of Science

8.2 Annex 2

Count of Publications for Keywords “work-life balance” and “corporate financial performance”

Select	Field: Publication Years	Record Count	% of 10	Bar Chart
☐	2020	1	10.000 %	
☐	2019	1	10.000 %	
☐	2018	2	20.000 %	
☐	2017	1	10.000 %	
☐	2016	1	10.000 %	
☐	2015	2	20.000 %	
☐	2010	1	10.000 %	
☐	2004	1	10.000 %	

Source: Web of Science