

# **CHAPTER 1**

## **INTRODUCTION**

### **1.1 INTRODUCTION**

This chapter present the introduction of the effort for the research. It begins with the background of the study, followed by the research problems and significance of the study, research questions and research objectives. Next, the scope of the study will also been defined. The organization of the report will then be outlined at the final part of this chapter in order to better guide the flow for the whole project paper.

### **1.2 BACKGROUND OF THE STUDY**

Studies have shown that an organization which values its employees and recognizes the importance of work life balance stands to win in terms of staff morale and commitment. (Nadeem & Hendry, 2003; Liddicoatt, 2003; Subramaniam & Selvaratnam, 2010). Whereas, work-life benefits are evidenced in an attempt to help employees with many facets of their lives including their personal well-being, professional development, and family responsibilities. (Muse, Harris, Giles & Feild, 2008, McShane & Von Glinow, 2000; Galinsky, Bond, & Friedman, 1996)

However, in Malaysia, the facilitation and adoption of FWA (Flexible Working Arrangement) is still gaining a very limited attention from the HR practitioner

especially from the private sectors (such as : SME and Non-MNC companies); in considering FWA as an alternative HR strategic on promoting employees well-being, as well as taking it as a workplace flexibility tools to endorse positively on the employee's organizational commitment and talent retention with the organization.

Although, there are several calls (i.e. through Malaysian Woman Summit launched by Ministry of Women and Family Development, 10<sup>th</sup> Malaysian Plan, and some NGO society etc) urged for workplace reform as such to initiate and incorporate various workplace flexibility and family friendly practice into Malaysia workplace to better help the Malaysian employee and society to reconcile within their work and social / personal obligations, however, the result are as far seems impervious. In Malaysia, we may only able to more prevalently observed these benefits (FWAs and Family Friendly Policy & Practice) to be adopted through Malaysian government sector, foreign owned Multinational Corporations (MNC), educational institutions and some few limited local companies; irregardless of its ideology (i.e. inherent into organization's value and culture) and practical implementation.

While, Flexible Working Arrangement or practices have long been viewed among one the valuable workplace tools especially in facilitate work-life management (Richman, Civian, Shannon, Jeffrey & Brennan, 2008) and evidenced with some of its positive influence on the work and non-work attitudes of employees through

previous researches (Baltes, Briggs, Huff, Wright, & Neuman, 1999; Barber, Dunham, & Formisano, 1992; Pierce & Dunham, 1992; Ronen & Primps, 1981; Hayman J.R., 2009), why the employer or organizations in Malaysia still very reluctant to facilitate these kind of benefits and practice at their workplace ? Is there still exist a gap in between that we need to re-look into? Will that be from an employer perspective that FWA may not be as necessary associated to the employees' positive attitudes and behaviors at the workplace which may also benefit to the organization as whole? On the other hand, is there exist any variance on Malaysian employee's perception towards the adoption of Flexible Working Arrangement at their workplace; especially grounded on an Asian culture compare to Western culture (due to the different value system and social norm)? This rose up one aspect of our study to find out how Malaysian employee in fact perceived the value of the Flexible Working Arrangement as one of the work life benefits being provided at their workplace. Does Flexible Working Arrangement as one of the work-life benefits provided at the workplace in reality do relate to Malaysian employee's organizational commitment? And, is this kind of work-life benefits plan is anticipated in promoting a positive employer-employee relationship through Perceived Organizational Support? Finally, is the organizational commitment able to predict employee's perceived turnover intention with the organization? Generally, in this study, we wish to explore the relationship between the employee's perceived value of organizational provided benefits (FWA) and actual used of benefits with the employee's positive organizational attitude and behavior in a workplace context.

### **1.2.1 Flexible Work Arrangement and Work Life Balance**

Today, how to reconcile between the work life and personal commitments is increasingly becomes vital concern of Malaysian employees especially for the female workforce. Generally, female employees are more affected by how they were in trying to juggle within work, home and the family issues. (Subramaniam & Selvaratnam, 2010). Despite, these conflicts on how to take an equilibrium point within the work and family life (taking care of children/elders/disable siblings' members in family and others related work personal issues) had even led some of the female opt out from Malaysia labor market without letting them much choice. This was reflected by UNESCAP (2007) report which had shown that Malaysian women were still underrepresented in the job market. Also, based on the 10th Malaysian Plan, it was reported that although the participation rate of women in the labor force has increased from 44.7% in 1995 to 46.4% in 2009, however, this participation rate is relatively low in comparison to others neighboring countries such as Thailand (70.0%), Singapore (60.2%) and Indonesia (51.8%). (Sources : Malaysian 10<sup>th</sup> Plan). Why was this happened ? We believed this is very much influenced by the inherent culture in Asian people. In Eastern cultures, work has a different meaning than it does in the West. Work is viewed as a way of supporting the family and to attain a meaningful life and happiness, family welfare is always given the utmost importance in an Asian culture. Therefore, most of the Asian employee especially female are having a higher chance to rather sacrificing their work and career achievement when confronting to work-life and roles conflict.

Therefore, in respect to this, UNDP study (2007) had even highlighted some immediate measures were necessary to increase women into paid labor in Malaysia; such as, a better family friendly policies, reformation on maternity benefits and child care arrangements as well as taking flexible time and working arrangements into Malaysia workplace were among those being recommended (Subramaniam & Selvaratnam, 2010).

Further to this, we believed the dilemma on how to better manage a balance work-life has also increasingly impacted on the male employees due to the changing of overall social-economic landscape in Malaysia society, such as : increasing trends of dual income and single parents family, changing on the work-life perception especially from the new generations (i.e.: Gen-Y & Millennial) who are more alert on their job preference in cultivating a better quality and flexible lifestyle, increasing awareness of people who are looking towards a higher Work Life Quality and different work-leisure time expectations etc. Hence, it is critically for us to get a more in depth understanding from various dimension and antecedents on how Flexible Working Arrangement may potentially relate and even further impact on the employer-employee (either from organizational level or individual level) at the workplace in Malaysia.

Although, theoretically and empirically supported by most of the studies on the positive relationships of FWA towards employee's attitude and behavior (eg :

better job motivation, satisfaction, commitment, attachment etc) and also organizational output (higher productivity, lower turnover etc), however, FWA is as far as has only practically proven in gaining a more common attention and implementation at Western society compared to Eastern society.

Based on a journal titled “Family Friendly Policies in Malaysia : Where are We ? ” stated : “...Although FFPs are beginning to get importance in the corporate sector in the country but flexi working hours are still hard to come by in most Malaysian firms....” Being also reported in the same study : “...There are many work places in Malaysia which have implemented FFPs such as various types of leave entitlements but in terms of working hours flexibility, there is still a lack of awareness and urgency among the employers and there is still exists a gap between employee’s practical needs and the availability of family friendly policies....” (Subramaniam & Selvaratnam, 2010).

Being published by Price Water House Cooperation (PWC) on a survey carried : “Managing Tomorrow’s People: Where will you be in 2020 ? This survey was conducted in early 2010 with the objectives focusing on the people impact on the new business models and the ramifications for people management and the Human Resource function did show that Malaysian respondents (31% as majority) ranked the “Flexible working” as the most important and valued benefits compared to others benefits such as “performance based cash bonuses” (26%) which was being ranked at 2nd top benefits, while “paid academic training and

development” (15%) being ranked at 3rd position. Respondents do believe FWA may help employer to better attract the talent and branding the organization overall. Further being reported in the same survey which is based on a total of 5,746 responses from 113 countries, many countries had cited flexible working arrangements as an up most important benefit other than salary. (i.e. Netherlands 39%, Switzerland 47%, UK 47% and US 43%) Perhaps unsurprisingly these numbers were much higher for women respondents who placed a greater value on the opportunity for flexible working options at their workplace. (Sources :<http://www.pwc.com/my/en/services/workforce-2020.jhtml>).

The increasing preference of employee on the opportunities of having Flexible Working Arrangement at their workplace was supported by previous researches that the majority of flexible workers did agree with having a sense of balance between work commitments and home life was important to them. And in more cases flexible working arrangement had have a positive impact on their work–life balance. (Kelliher & Anderson, 2008)

Unfortunately, unlike in Western developed countries, flexible work options, on-site childcare supports, job sharing and others work-life benefits are rarely being offered by Malaysian organizations (Hassan, Dollard & Winefield, 2007). However with all the tremendous changes being evolved around the globe (marketplace and labor market), it comes at no surprise that the Malaysian workforce is being under stressed (Hassan et al. 2010; Manshor et al., 2003).

### **1.3 RESEARCH PROBLEMS AND SIGNIFICANCE OF THE STUDY**

Although, many previous studies have taken into place at Western society in regards on the work life issues, Flexible Working Arrangement and its relationship with employee attitudes and behaviors at workplace, however, many questions still remain lack of rigorous evidences especially conducive with culture perspective, just like what is happening in Malaysia. This is problematic because employee's perception towards the work-life benefits provided at their workplace such as Flexible Working Arrangement can be vary across countries and culture due to different value system raised from divergent intrinsic and extrinsic factors (eg : culture, norm of the society, education and social background, etc).

Although, several studies has been conducted in Malaysia on some related topic such as work life conflict issues, work life balance, Family Friendly Policy etc, however, most of the research is still focus on a very preliminary stages. Among those included the studies : to investigate the potential factors to effect the woman employee to uptake the FWAs in Malaysia (Subramaniam & Overton, 2010)., primary survey on how some of the family friendly policy worked at Malaysia workplace and how interested are the employees with regards to some of the modes of family friendly policies offered by the employers (Subramaniam & Selvaratnam, 2010), but, little works has been done to investigate on the true impact of FWA towards individual and organizational outcomes.



Therefore, there are still remained a substantial gap in the Malaysia literature and research work to access the relationship between the benefits provided at their workplace (eg : Flexible Working Arrangement, on site child care, etc) especially from the employee's perception and how it potentially link to some variable outcomes.

On the other hand, as noted by Muse et al.(2008) and consistent with several pervious authors that the nature of the relationships between work-life benefit programs and employee attitudes and behaviors remains unclear and have called for more research on the impact of work-life benefits in the workplace (Casper & Buffardi, 2004; Eby, Casper, Lockwood, Bordeaux, & Brinley, 2005; Kossek & Ozeki, 1998; 1999). Others calls from previous researchers to urge for better understanding on several unclear issues related to work-life benefits and WLB including below :

1. More research is required on the relative role of benefit value in the exchange relationship (reciprocity) is needed (Muse et al, 2008, Haar & Spell, 2004)
2. More theoretical and empirical work is needed to measure specific aspects of employees' experiences with the work life benefits that invoke the norm or reciprocity as well as the mediating role of POS with WLB and OCB (Lambert, 2000)
3. More studies are needed in the area of understanding the antecedents and consequences of normative commitment especially conducive

with the culture perspective in the positive exchange relationship between the employer-employee. (Yao & Wang, 2006) (which we believe normative commitment will take a heavier role in engender the norm of reciprocity in an Asian culture compare to Western culture) Eg : employee feel more “obligation” to stay and work hard for the organization in return of the benefits and perceived organization support they received from the organization)

Hence, we believed this research is pertinently to be carried in Malaysia in justifying whether Flexible Working Arrangement is a worthy strategy to be adopted at Malaysia workplace, i.e. at one hand to promote on employee well-being while on the other hand to reciprocate in a beneficial way towards the organizational outputs (i.e. engender on improving employee organizational commitment and reducing employee’s turnover intention with the organization)

#### **1.4 RESEARCH QUESTIONS**

Align with the above research problems, we attempt to answer the below questions as our scope of study :

1. Does employee really uptake Flexible working arrangement as one valuable benefits provided by employer at their workplace in helping them to better manage their work-life domains? How they perceived the value of the benefits being provided by employer at their workplace?
2. What is the relative’s role of benefits (benefits used and perceived value of

benefits) on POS and employee organizational commitment? Is these variables associate and link to each other?

3. Is employees view the FWA facilitation at workplace as one of the perceived organizational support on employee work-life benefits which might engender the norm of reciprocity towards a positive relationship between the employer-employee?
4. And how in fact this reciprocity relationship is predicted to either significantly related to employee's organizational commitment and predict the turnover intention of the employee with the organization?
5. In this vein, does the Flexible working arrangement deserved more attention from HR practioner as a humanistic workplace tools in Malaysia?

## **1.5 RESEARCH OBJECTIVES**

Based on the questions posted above, the overall objective of this study is outlined as below :

1. To investigate and explore the relationship of Flexible Working Arrangement as a work-life benefits provided at the workplace (benefit used and perceived value of benefit) towards employees' organizational commitment
2. To assess and investigate the mediating role of Perceived Organization Support (POS) grounded on the social exchange theory and norm of reciprocity in an Asian culture

3. To investigate the relationship of organizational commitment with employee's perceived turnover intention with the organization

Overall, this study is aimed to explore the relationship between the employee's perceived value of organizational provided benefits (FWA) and actual used of benefits as one of the workplace flexibility strategy in helping them to better manage their work-life domains and how they associate these benefits to be a kind of company's goodwill and support (POS) to them. Meanwhile, is this positive exchange of employer-employee relationship will in turn relate and lead to employee's organizational commitment and perhaps minimize their turnover intention (employee retention) with the organization?

We hope the findings may able to bring a new insight to HR practitioners to better understand the FWA from an employee's perspective and to lead HR practitioners in Malaysia to take more serious consideration in embarking various initiatives to made the FWA available and adoptable at Malaysia workplace.

## **1.6 SCOPE OF THE STUDY**

This study is confined to the Flexible Working Arrangement users; whose their workplace has been adopted with Flexible Working Arrangement or those who have used it at their pass/current working experiences during their employment with the organization. The sample of this study are drawn from different private sectors, mainly covering : IT industries, telecommunication industries, academic

industries and some local companies which the FWA arrangements are most popular being observed.

Due to the limitation on the time and resources, this study shall at macro level took Flexible Working Arrangement as whole to represent among one of the Work-life benefits provided at the workplace. Subsequently, at micro level to view the FWA from the combination of 2 dimensions / facet : (i) Time (Flexi-time / Flexi-hours & compressed work week) and (ii) Location (Work from home & telecommuting).

## **1.7 ORGANIZATION OF THE REPORT**

This research report is outlined into five chapters as following :

**Chapter 1** gives an overview of the research. The research problems, research questions, research objectives, significance of the research and the research scope are identified and presented in this chapter.

**Chapter 2** reviews the research framework and relevant literatures and theoretical related to Flexible Working Arrangement. In order to address the issues, the hypothesized relationships among the variables are also being discussed.

**Chapter 3** discusses research methodology used in this study. This includes the development of hypotheses, measurement of constructs, detailed explanations

on the questionnaire design, sampling design, data collection techniques and data analysis techniques.

**Chapter 4** discusses the results from the data. The first part of this chapter discusses the findings about the demographic characteristics of the respondents at the descriptive analysis part, and followed by the results of the reliability assessment. Lastly, the findings of the correlation analysis and multiple regressions will be explained by responding to each hypothesis.

**The Chapter 5 - final chapter** presents a summary of the previous chapters and elaborates the findings of this study. The implications and contributions of the study will be discussed in this chapter. Finally, limitations and suggestions for future work are provided at the end of the chapter.

## **1.8 CONCLUSION OF THE CHAPTER**

Interference between work and non-work responsibilities has evidenced a number of negative outcomes that have been well established in the literature. (Beauregard & Henry, 2009). Hence, organizations are increasingly offering work-life benefits (WLBs) such as dependent care assistance and flexible work schedules to aid employees in managing work and family (Friedman, 1990; Casper & Harris, 2008). On top, a number of researchers have also proven the use of flexible working hours is associated with lower levels of work-to-life conflict (Anderson, Coffey, & Byerly, 2002; Hill et al., 2001).

In Malaysia, the interest and awareness of employers to create a positive climate for employees especially in terms of helping employee in gaining a better work-life balance is still very limited.

Although, organizations, of course, may face various challenge with respect to the benefits they offered to the employees due to the financial and non financial concerns. For example, SME organization may not able to offer a wide range of benefit packages to their employee due to inadequate of resources and financial to support on-site childcare centers etc, but may need to think of an alternatives benefits offering and practices within their budget (eg: job sharing, flexible time or place arrangements etc).

It is important for organization to be innovative and flexible in dealing with the rapid changes of its business and labor environment especially in retaining the talent with the organization. How to sustain the strength of its human capital and fulfilled their employee's today needs may warrant the organization's future success.