Work-Life Balance Responsiveness in Australian Small and Medium Enterprises

A thesis submitted in the fulfilment of requirements for the degree of Doctor of Philosophy at Charles Sturt University

By

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Statement of original authorship

I, Stacey Jenkins, hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person nor material which to a substantial extent has been accepted for the award of any other degree or diploma at Charles Sturt University or any other educational institution, except where due acknowledgment is made in the thesis. Any contribution made to the research by colleagues with whom I have worked at Charles Sturt University or elsewhere during my candidature is fully acknowledged.

I agree that this thesis be accessible for the purpose of study and research in accordance with the normal conditions established by the Executive Director, Library Services or nominee, for the care, loan and reproduction of theses.

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I wish to express my sincere thanks to all managers who took part in the pilot survey, and the small and medium enterprise managers who willingly completed the questionnaires.

Very special thanks are extended to my family. First, to my husband, Drew, I have been truly privileged to have his support throughout the entire candidature and feel exceptionally grateful. During the journey we have been blessed with four gorgeous children, Zoe, Hugh, Finlay and Vaughn (that alone is an achievement – hence why this PhD has taken so long in the making). Their tolerance, devotion and unyielding love act as my motivators in life. They offer true meaning to why achieving a work-life balance is
imperative. Finally, to my mum, Sandra, and sister, Jodie, who have helped with minding children and moral support along the way and to my step-father, John, for his invaluable comments. Above all, I thank God for granting me with health, strength, wisdom and grace to complete this phase of my life.
18th November 2006

Dear Ms Jenkins,

The Ethics in Human Research Committee has approved your proposal “Work-life balance practices and organisational determinants in Australian small business” for a twelve month period.

The protocol number issued with respect to this project is 2006/293. Please be sure to quote this number when responding to any request made by the Committee.

Please note that the Committee requires that all consent forms and information sheets are to be printed on Charles Sturt University letterhead. Students should liaise with their Supervisor to arrange to have these documents printed.

You must notify the Committee immediately should your research differ in any way from that proposed.

You are also required to complete a Progress Report form, which can be downloaded from www.csu.edu.au/research/forms/ehrc_annrep.doc, and return it on completion of your research project or by 1/11/2007 if your research has not been completed by that date.

The Committee wishes you well in your research and please do not hesitate to contact the Executive Officer on telephone (02) 6338 4628 or email ethics@csu.edu.au if you have any enquiries.

Yours sincerely

James Elibank Murray
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Charles Sturt University
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Email: jelibank-murray@csu.edu.au
Glossary

Adjusted goodness-of-fit index  AGFI
Australian and New Zealand Standard Industrial Classification  ANZIC
Average variance extracted  AVE
Chi-square to degrees of freedom ratio  $\chi^2/df$
Chi-square value  $\chi^2$
Common method variance  CMV
Comparative fit index  CFI
Composite scale reliability  CSR
Confidence interval  CI
Confirmatory factor analysis  CFA
Correlated uniqueness model  CTCU
Degree of freedom  $df$
Direct effect model  M1
Employee assistance program  EAP
Employee consultation  ECON
Employer attitude  EATT
Expected cross-validation index  ECVI
Exploratory factor analysis  EFA
Fully mediated model  M3
Goodness-of-fit index  GFI
High performance work system  HPWS
Human resource management  HRM
Incremental fit index  IFI
International Labour Organisation  ILO
Kaiser-Maeyer-Olkin  KMO
Linear structural relations  LISREL
Multivariate analysis of variance  MANOVA
Non-normed fit index  NNFI
Normed fit index  NFI
Organisation for Economic Cooperation and Development  OECD
Organisational barriers  OBAR
Partially mediated model  M2
Perceived benefits  PBEN
Principal axis factoring  PAF
Principal component analysis  PCA
Relative fit index  RFI
<table>
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<td>Root mean square residual</td>
<td>RMR</td>
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<tr>
<td>Root-mean-square error of approximation</td>
<td>RMSEA</td>
</tr>
<tr>
<td>Small and medium enterprises</td>
<td>SME</td>
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<tr>
<td>Standardised mean square residual</td>
<td>SRMR</td>
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<tr>
<td>Statistical Package for the Social Sciences</td>
<td>SPSS</td>
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<tr>
<td>Structural equation modelling</td>
<td>SEM</td>
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<td>Work-life balance</td>
<td>WLB</td>
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<td>Work-life balance responsiveness</td>
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Publications emerged from this research

Peer reviewed refereed journal article


Peer reviewed conference proceedings


Abstract

Research on work-life balance in small and medium enterprises is largely lacking across a number of national contexts. The purpose of this study was to investigate what organisational characteristics of small and medium enterprises in Australia, if any, are most likely to lead to organisational work-life balance responsiveness. A post positivist research paradigm was adopted. Consequently this research drew and built on four theoretical perspectives: institution, organisation adaptation, high commitment and situation. Factor analysis was performed to examine the factor structure of each of the six constructs in this study: work-life balance responsiveness, perceived benefits, employee consultation, high performance work system, organisational barriers, and employer attitude.

Data were collected through a survey involving small and medium enterprise managers. Questionnaires were distributed by specific contacts at participating organisations, following a pilot study. Out of the 2000 questionnaires distributed, 557 were returned deliverable. From the remaining 1443 surveys 219 were returned fully completed and usable, yielding a response rate of 15%. Exploratory factor analysis was performed to inspect each construct’s factorial structure according to the data collected. Following this a nested-model approach was employed using structural equation modelling to examine the relationships within the mediated model. Hierarchical regression analysis was conducted to further examine the research problem and relationships hypothesised.

The analysis offered responses to each of the research objectives. First, the current study revealed small and medium enterprises offer work-life balance practices in the pattern of a multi-dimensional structure. Second, institution factors including industry and geographic location impact on a small and medium enterprises work-life balance responsiveness but
size and unionisation do not. Third, from the organisation adaptation perspective, the mediator variable—employee consultation—helps explain the relationship between perceived organisational benefits and an organisation’s work-life balance responsiveness. Fourth, from the high commitment perspective, high-performance work systems and employer attitude towards work-life balance influence small and medium enterprises work-life balance responsiveness. Fifth, from the situational theoretical perspective the mediator variable, employer attitude, helps explain the relationship between barriers encountered when developing and implementing work-life balance practices and small and medium enterprises work-life balance responsiveness. This supports 15 of the 19 hypotheses and, while consistent with many previous studies, offers some additional insights.

The theoretical and practical implications of this study include, first, the overall model supports the validity of an umbrella model as opposed to a competing model to explain small and medium enterprise work-life balance responsiveness. Second, initial evidence is provided that employee consultation and employer attitude act as mediating variables, hence extending the understanding of how the relationships between predictors and work-life balance responsiveness occur. Third, this study provides cumulative knowledge on each of the four theoretical perspectives. Fourth, this study highlights the need for managers of small and medium enterprises to be aware of what their competitors are doing and seek to mimic those within their industry and geographic region, otherwise they risk facing recruitment and retention issues. Fifth, small and medium enterprises that employ females and/or have an educated workforce, and/or have staff aged over 40 years should seek to consult staff through high performance work systems to identify what work life balance practices most appeal to them. Last, government bodies responsible for small
business should seek to develop education programs regarding potential benefits of offering such work-life balance practices.

Several limitations of this study point to a number of areas for future research. First, this study used a single, self-reporting methodology to obtain information about each organisation. Future research could seek to obtain information from multiple sources, including employees, over a longitudinal basis, and use a mixed method approach to provide deeper understandings. Second, limitation lies in the sample size. Although adequate for this study, the findings might vary with a larger sample. Future research as posited could seek to gather multiple sources of data to eliminate this issue. Third, conceptually this study was constrained by analysing only a limited number of factors and mediating variables. Future research could identify and examine the mediating and moderating impacts of other influencing factors, such as business strategies adopted by organisations and actual performance outcomes. Last, as with all single-country research, the results of this study may not be generalised to other countries. Therefore, there is a need for future studies to conduct similar research based in different national contexts or across international boundaries, and potentially within specific industries.
Chapter 1 Introduction

This chapter provides an overview of the study. The chapter comprises 11 sections, as listed below.

Section 1.1: Introduction
Section 1.2: Key definitions of work-life balance
Section 1.3: The research setting
Section 1.4: Theoretical background—institution theory, organisation adaptation theory, high commitment theory, and situation theory
Section 1.5: Statement of the problem
Section 1.6: Research objectives
Section 1.7: Theoretical model
Section 1.8: Research methodology
Section 1.9: Research outcomes
Section 1.10: organisation of the thesis
Section 1.11: Conclusion

Transformations in the workplace and changes in workforce demographics have resulted in numerous work demands causing work-life imbalances. Several researchers (Arthur, 2003; Barringer & Milkovich, 1998; Bretherton, 2008; Chandra, 2012; Colley, 2010; Deepika & Rani, 2014; Dex & Scheibl, 2001; Henley & Lambert, 2014; Hodges, 2014; Lewis, Gambles & Rapoport, 2007; McCarthy, Darcy & Grady 2010; O’Driscoll, Brough & Haar, 2011) note that responding to the challenges of work-life balance (WLB) practices is a major concern for organisations, policy makers and employees. While more research has emerged in the last decade (e.g., Barrett & Mayson, 2007; Cegarra-Leiva, Sánchez-Vidal,
Cegarra-Navarro, 2012a; Chandra, 2012; Greenhaus & Foley, 2007; Hodges, 2014; Jack, Hyman & Osborne 2006; Lewis, Gambles & Rapoport, 2007; Malik, McKie, Hogg & Beattie 2010; Maxwell, Rankine, Bell & MacVicar 2007; O’Driscoll et al., 2011; Wood & de Menezes, 2011; Yuile, Chang, Gudmundsson & Sawang, 2012), WLB warrants further research relevant to small and medium enterprises (SMEs) (Cegarra-Leiva et al., 2012a; Lavoie, 2004; O’Driscoll et al., 2011). As Poelmans, Kalliath and Brough (2008) state, ‘WLB is not a fad, but the logical consequence of dramatic and irreversible changes taking place globally in terms of demographic shifts, the intensification of work and the fragmentation of time’ (p. 229).

Bardoel, Tharenou and Moss (1998) explain that most of the research undertaken in the area of work and family has focused on individuals in organisations, a trend reflected in Thornwaite’s (2004) study in which the preferences of employees ‘juggling’ work and family are explored. Liddicoat (2003) also examined the individual perceptions of different stakeholders. Kramar (1997) contends that whilst much is known about the nature of work and family initiatives in Australia, very little is known about the development of these policies, and sought to examine the processes used to develop work and family policies.

These studies each had their limitations. The study of Bardoel et al. (1998) explored the organisational characteristics that are associated with the provision of work-family practices, including organisational size. However, the study was exploratory and they used a convenience sample rather than a stratified or representative sample. Kramar’s (1997) study was limited in that it only looked at five large organisations located in major Australian cities. Similarly, Liddicoat’s (2003) sample was limited to six large organisations based in New Zealand.
The current study took a broader approach; first, it looked at WLB rather than ‘family’, recognising that all employees (not just those with family responsibilities) may need to balance work and non-work commitments, and second, it surveyed the managers responsible for human resource management (HRM), rather than employees, to provide a more comprehensive understanding about why SMEs elect to offer certain WLB initiatives.

This approach is further supported by Bretherton (2008) and Davis and Kalleberg (2006), who argue that employer perspectives on WLB are under-developed and under-represented, advocating the need for a comprehensive theoretical framework examining organisational variation in this area of policy formation. Lavoie (2004) specifically observed that more empirical research was required concerning WLB of SME employees.

1.1 Definition of work-life balance

There has also been some debate about how to define the area of work and personal life. Many researchers (Bardoel, 2003; Goward, Mihailuk, Moyle, O’Connell, de Silva, Squire, & Tilly, 2005; Hogarth, Hasluck, Pierre, Winterbotham, & Vivian, 2000; Kalliath & Brough, 2008; Pocock, 2003; Russell & Bowman, 2000) note a reciprocal process—how work impacts on life, or life impacts on work—commonly terming it work-family or, more recently, work-life balance. Edgar (2005) explains this change in terminology can possibly be attributed to the fact that whilst work-family conflicts are simply one aspect of the broader conflict between work demands and life outside work, not everyone has family responsibilities, yet everyone deserves time for a life outside the workplace, avoiding stress, cultivating private interests and leading a healthy, more balanced life.
Hogarth et al. (2000) agree with this argument. They posit that, while some employees who may not have direct family and/or caring responsibilities may experience a more privileged position in the labour market, they can nevertheless experience a large degree of imbalance in their lives, which can have a significant impact on their psychological and physical wellbeing. One factor that may lead to this imbalance could be the changing nature of work away from nine to five arrangements, with an increase in non-standard work arrangements (Henly & Lambert, 2014). Bardoel (2006) notes the reverse, explaining that another reason for the distinction and the possible increasing use of the term work-life balance, is that it is possible to have a work-family balance but one may not have achieved a work-life balance.

Some argue (Edgar, 2005; Guest, 2001) that ‘balance’ itself may be a misleading term. For example, as they explain, like the scales of justice, the image of work-life balance suggests the two sides should be equal. But, in justice, as in life, the balance may tip one way or the other depending upon circumstances faced and individual preferences at different times and points in one’s life. The problems in defining the term do not stop there. The definition of ‘work’ itself can be problematic. First, there is a need to consider other aspects, such as whether to include paid and unpaid work, or simply paid work. Second, consideration must be given to what is actually meant by ‘life’; for example, where the line is drawn between free time and leisure time (Guest, 2001; Pocock, 2003).

However, as Guest (2001) states, in simple terms ‘work’ is normally conceived as including only paid employment while ‘life’ includes all activities outside of work. Pocock (2005) explains that the United Kingdom definition offered by Employers for Work-Life Balance is comprehensive, as it points to several parties with an interest in WLB and it
sees ‘control’ as a core concept. Table 1.1 presents this and other key definitions.

<table>
<thead>
<tr>
<th>Definition</th>
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<tr>
<td>Work-life balance is about people having a measure of control over when,</td>
<td><a href="http://www.employersforwork-lifebalance.org.uk">http://www.employersforwork-lifebalance.org.uk</a></td>
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<tr>
<td>where and how they work. It is achieved when an individual’s right to a</td>
<td></td>
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<tr>
<td>fulfilled life inside and outside paid work is accepted and respected as</td>
<td></td>
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<tr>
<td>the norm, to the mutual benefit of the individual, business and society.</td>
<td></td>
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<tr>
<td>An approach to industrial relations which recognises that individuals at</td>
<td>Daniels (2000) cited in Bardoel (2003) p. 239</td>
</tr>
<tr>
<td>all ages and life career stages work best when they are able to get a</td>
<td></td>
</tr>
<tr>
<td>satisfactory balance between their paid work and other aspects of their</td>
<td></td>
</tr>
<tr>
<td>lives.</td>
<td></td>
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<tr>
<td>A self-defined, self-determined state of wellbeing that a person can</td>
<td>Canadian Department of Labor cited in Bardoel (2006, p. 239)</td>
</tr>
<tr>
<td>reach, or can set as a goal, that allows them to manage effectively</td>
<td></td>
</tr>
<tr>
<td>multiple responsibilities at work, at home, and in their community; it</td>
<td></td>
</tr>
<tr>
<td>supports physical, emotional, family, and community health, and does so</td>
<td></td>
</tr>
<tr>
<td>without grief, stress or negative impact.</td>
<td></td>
</tr>
<tr>
<td>The relationship between the institutional and cultural times and spaces</td>
<td>Felstead, Jewson, Phizacklea, and Walters (2002, p. 56)</td>
</tr>
<tr>
<td>of work and non-work in societies where income is predominantly</td>
<td></td>
</tr>
<tr>
<td>generated and distributed through labour markets.</td>
<td></td>
</tr>
<tr>
<td>The individual perception that work and non-work activities are</td>
<td>Poelmans, et al. (2008, p. 326)</td>
</tr>
<tr>
<td>compatible and promote growth in accordance with an individual’s current</td>
<td></td>
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<td>life priorities.</td>
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This study adopts the approach (like Bardoel, DeCieri & Santos 2008; Guest 2002) that work is defined as paid employment, life is everything outside of work, and WLB is ‘a state in which a range of needs are met by allocating time to both work and life roles according to a combination of individual priorities and the demands of work and life (Yuile et al., 2012 p. 54).

1.2 The research setting

In Australia, WLB is an increasingly important area of HRM which concerns political parties, employers, employer representatives, employee representatives, consultants, academic researchers and popular media (Bardoel 2006; De Cieri, Holmes, Abbott & Pettit, 2005; Edgar 2005; Pocock, 2003).

Bardoel (2006) highlights three determinants of WLB within Australia. The first is demographic factors affecting the labour force, of which there are also three. The first is the increase in female participation rates in Australia. According to the Australian Bureau of Statistics (2015) in January 1995 the female participation rate for 15-64 years was 61.9%, in January 2005 it had risen to 66.8% and to 69.8 in January 2015. However, the male participation rates have declined in comparison—in January 1995 it was 83.8%, falling to 82.2% in January 2015. Australia’s female part-time participation rate is 44%, compared to an Organisation for Economic Cooperation and Development (OECD) average of 26% (Pocock, 2003).

The second demographic factor, is the long-term trend towards an increasing proportion of both partners in a household being in the paid workforce. The traditional male-worker/female carer household type is changing, with a rise in dual earner and single-
parent earner households (Australian Bureau of Statistics, 2005; Bardoel, 2006; Pocock, 2005). According to Pocock (2005) such household types are time poor, care rich and consumption dependent, which places a new level of need for flexibility in the workforce. Although, WLB issues are recognised as concerns for both genders, employed females may experience greater conflict regarding their life, as they assume the major responsibility for domestic matters (Abbott, De Cieri & Iverson, 1998; Goward et al., 2005; Konrad & Mangel, 2000).

The third demographic factor is the impact of the ageing paid workforce on business. According to an AMP.NATESM report (Kelly, Bolton & Harding, 2005), Changing Face of the Australian Labour Force 1985–2005 and the Human Rights and Equal Opportunity Commission’s 2005 Discussion Paper Striking the Balance: Women, men, work and family (cited in Goward et al., 2005), employers are likely to face increasing competition for younger workers, thus driving them to provide opportunities for mature aged workers and other disadvantaged labour market groups. Bardoel (2003) further notes that with an aging workforce, retraining, career progression, and retirement support may need to be provided for employees with elder care responsibilities.

Bardoel (2006) notes a second determinant impacting the need to focus on WLB requirements in Australia. This determinant being labour market trends and changing employment relationships, of which there are two. First, casual density (i.e., the proportion of employees without paid leave entitlements as a proportion of all employees) grew from 21.5% to 25.5% of employees between 1992 and 2003 (Pocock, 2005). These casual employees are more likely to be female, aged 15–24 years and employed in lower skilled occupations than ongoing employees (Australian Bureau of Statistics, 2005). This could be
what may be termed a ‘catch-22’ effect. For example, by working casually to get some WLB, employees, specifically females, are faced with the inability to access a broad array of employee entitlements, such as recreational and sick leave. Hence the traditional division of labour continues and the weighing up of whether to bother working casual lingers (Wolcott, 1993).

The second example of the impact of labour market trends is the increasingly long work hours that many Australians are experiencing. According to the OECD, since 1970 many countries, including France and Japan, have managed to reduce the amount of hours worked. However, in countries such as Australia and the United States of America there has been an increase in the amount of working hours (Organisation for Economic Cooperation and Development, 2004). The International Labour Organisation (ILO) (cited in Pocock, 2005) reports that Australia had the fourth highest proportion of people working 50 hours or more a week, and that the number of Australians working these hours is growing faster than in any other industrialised nation. Goward et al. (2005) and Pocock (2005) note that this issue is further exacerbated by the fact that according to research (Allen, O’Donnell, Peetz, 1999; Australian Council of Trade Unions, 1998) the intensity of workload pressures is increasing.

A third determinant influencing WLB is changing societal values and attitudes. For example, many fathers are seeking to play a more significant role in their domestic and caring responsibilities (Goward et al., 2005), which could be argued is due, in part, to the generational shift in attitude towards work (Muetzel, 2003). While this concept does not match the ‘ideal’ worker, who is ‘… someone who works full time (and often overtime) and can move if the job requires it’, it does marry with the increasing trend to move from a
40 hour week to a 24/7 society in which shift work and flexible working hours are becoming the norm (Bardoel, 2006). Bardoel points out that this can serve to meet the needs and wants of both employers and employees. For example, it could be in the interest of business to meet its targets to assist employees to balance their work and personal lives. However, it could be argued that such a shift could exacerbate the ability to achieve a desired WLB for some individuals if work demands (for example shift work) conflict with life outside work. According to Bardoel there have been a number of recent calls not just locally, but internationally, that assert WLB issues can only be tackled effectively as a shared personal, public and private sector responsibility.

When looking at the employers’ response to WLB, Pocock (2005) notes that it varies, and is dependent on the size of the enterprise and the sector in which they are operating. Recent research from the OECD (cited in Pocock, 2005) places Australia at the wrong end of the international scale on work and family supports. Of 20 countries included in its study, only Turkey, Mexico and New Zealand have inferior provisions. This exacerbates the bleak prospects of a country that has ratified ILO 156 (International Labour Organisation, 1981) on Workers with Family Responsibilities, which requires Australia as a signatory:

> to make it an aim of national policy to enable persons with family responsibilities who are engaged or wish to engage in employment to exercise their right to do so without being subject to discrimination and, to the extent possible, without conflict between their employment and family responsibilities.

According to Cegarra-Leiva, Sánchez-Vidal and Cegarra-Navarro (2012b) ‘the availability of WLB practices is related to company size and needs to be examined in the national context in which such practices are offered’ (p. 93). A number of definitions of SMEs have
been constructed by various government and ‘official’ sources (Senderovitz, 2009). Most commonly SMEs have been defined according to the number of employees, but the intervals vary considerably (Senderovitz). According to Senderovitz the SME definition used for a particular context should be the result of a deliberate and well-grounded choice. He suggests that for a quantitative study with a large data set, a quantitative definition may be the best option. Furthermore, he considers the official quantitative definition of a specific region would be most suitable for a study investigating SMEs and entrepreneurship policies in that regional area. Hence in this study, the Australian Bureau of Statistics (2005) definition of SMEs was used; this specifies that small business are those with 1–19 employees and medium sized businesses those with 20–200 employees.

Addressing WLB issues in the context of SMEs is especially important given that SMEs make a significant contribution to the world economy and are a major source of employment. SMEs have been reported to account for over 95% of all firms, 60–70% of total employment, and generate a large share of new jobs in OECD economies (Organisation for Economic Cooperation and Development, 2005). Within Australia, as at June 2009, 99% of the 2,051,085 actively trading businesses were SMEs (Clark, Eaton, Lind, Pye & Bateman, 2011). Lavoie (2004) observes that more research is required concerning WLB of SME employees, particularly research adopting quantitative techniques and analysing issues in different countries.

Hughes and Bozionelos (2007) contended that SMEs benefit from improving the WLB of employees through retaining skilled workers and increasing productivity, efficiency and profitability. However, a lack of skilled labour and resources and lack of easy-to-use and affordable WLB solutions adapted to SMEs have resulted in SMEs often being unable to
assist their employees achieve WLB (Cegarra-Leiva et al., 2012a). Bardoel (2006) argues that a variety of strategies are needed to address WLB problems. Reactive remedies that focused on individual problems and strategies that tackled the socioeconomic environment of the workplace or developed ways to attract and retain valued employees were suggested.

An Australian Senate Reference Committee called for ‘research into measures to assist small business to become employment ready and to enhance its capacity to recruit appropriate employees’ (Senate Employment Workplace Relations and Education References Committee, 2003, p. 48). However, the government responded that commissioning such research was beyond its capacity. This is problematic given that appropriate HRM practices within small firms potentially contribute to their economic well-being, and as Pocock (2005) states:

Australia’s workplace citizens will experience widening gaps between work and family provisions from firm to firm as larger employers take action (convinced that it is the right thing to do, or make business sense), while smaller businesses and many employees fail to gain any assistance or improvement in their work-life arrangements and perhaps suffer further degradations through job insecurity, and growing work demands. (p.207)

Further, Australia’s Equal Workplace Gender Equality Act 2012 does not require private sector companies, community organisations, non-government schools, unions, group training companies, and higher education institutions with less than 100 employees to establish a workplace program to remove barriers to women entering and advancing in their organisation. Hence no Australian small business, and few medium businesses, are required to comply with the reporting requirements to the Australian Government.
Given Australia’s obligation under ILO 156 to help workers achieve a balance between work and family demands, insofar as conditions permit, we need to know what may restrain an SME from being able to offer certain provisions (Wolcott 1993). The reasons offered by Wolcott (1993) for why small businesses should be concerned include the fact that in light of decreased fertility rates and an ageing population, organisations will need to compete to attract and retain quality staff. They will not only be competing against themselves but also with larger organisations; hence, in order to survive they will need to offer similar attractive provisions.

However, as Wolcott (1993) acknowledges, the ability to achieve such provisions is escalated for SMEs because of their size, given they confront different problems and have particular needs that may be overlooked when dealing with policies and initiatives that address the work and family roles of employees. Similarly, according to the United Kingdom Employers for Work-Life Balance, small organisations face unique challenges such as time and cost constraints when introducing or improving WLB policies that large organisations may not encounter (Employers for Work-Life Balance, 2005). For example, a small business owner may not be able to provide child-care facilities or computerised facilities to work from home. In addition, Kreigler and Wooden (1990) note that the absence of one employee has a marginal effect on output in large organisations as opposed to smaller firms.

1.3 Theoretical background

According to Wood (1999) there are five key empirical papers on family-friendly/WLB management. Four of the studies are from the organisation adaptation theoretical perspective (Goodstein, 1994; Goodstein, 1995; Ingram & Simons 1995; Morgan &
Milliken, 1992); and the other tests the high commitment theoretical perspective (Osterman, 1995; Wood, 1999). Wood (1999) and Felstead et al. (2002) both test their hypotheses against four theoretical perspectives that attempt to explain the determinants related to the adoption of WLB practices. These theoretical perspectives comprise institution theory, organisation adaptation theory, high commitment theory, and situation theory. Each differs from the predictive characteristics they identify (Felstead et al., 2002). These theories underpin the hypotheses which direct this current study.

1.3.1 Institution theory

Institution theory is built around the rationale that organisations will conform to normative pressures faced within society. However, the adoption will vary in degree based on social legitimacy (Di Maggio & Powell, 1983; Oliver, 1991; Scott, 1987). According to Wood, de Menezes and Lasaosa (2003) variation in the offering of WLB practices should therefore be explained by the extent to which the protection of social legitimacy is relevant to an organisation. An example of an organisational characteristic associated with this perspective is industry; if an organisation belongs to a certain industry and its competitors are offering a practice, it may feel obliged to mimic them (Morgan & Milliken 1992).

The relevance of this theory, to this study, is it seeks to provide a basis for analysis which allows factors such as industry, organisation size (by way of staff employed), geographic location, and unionisation of the workforce to influence, if at all, the adoption of WLB practices.

1.3.2 Organisation adaptation theory

Organisation adaptation theory retains the factors associated with institution theory, but
adds others that relate to the processes through which the organisation recognises and interprets the changing world around it (Felstead et al., 2002; Wood, 1999). Much of the recent research in the field has adopted this perspective (Goodstein, 1994; Ingram & Simons, 1995; Morgan & Milliken, 1992). The additional factors associated with this theory are said to include the demography of the workforce and the perceived benefits associated with the provision of WLB practices (Felstead et al., 2002; Wood, 1999).

This theory suggests from the WLB perspective that the greater the female composition of the workforce (given women may make the strongest demands for WLB practices) the greater the likelihood of WLB practices being offered (Felstead et al., 2002). This theory also assumes that employers who value a healthy WLB consult with their employees, given they associate tangible benefits from the provision of these practices (Felstead et al., 2002; Goodstein, 1995; Morgan & Milliken, 1992; Wood 1999).

Organisation adaptation theory is therefore relevant to this study as it seeks to examine the extent to which SMEs are able to adjust in a responsive way to their respective environments, given the theory posits management should have the capacity to scan, collate, interpret and act on data in a meaningful way.

1.3.3 High commitment theory

High commitment theory suggests that there is a link between an organisation’s HRM strategy and its adoption of WLB practices (Felstead et al., 2002; Osterman, 1995; Wood, 1999). According to Felstead et al. (2002), the theory originates from an interest in work systems and employee–employer relationships that aim to raise employee organisational commitment. Others (see Smith & Oczkowski, 2007) also refer to this high commitment
perspective as a high performance work system (HPWS).

An HPWS is an important innovation of modern management, and is claimed to have positive impacts on the performance of individuals and the organisation’s performance (Wood & de Menezes, 2011). An HPWS can encourage employees to partake in decision making, allowing them to be part of determining successful business strategy (Barney and Wright 1998; Becker & Huselid 1998). Further, given that a successful HPWS necessitates employee initiative and engagement; WLB practices can assist organisations in creating a supportive culture (Osterman 1995; Wang & Verma, 2012).

This study will therefore seek to explore how factors associated with high commitment theory, mainly high performance work systems such as teamwork, job rotation, training, performance appraisals, performance related pay and participatory management may impact on an SMEs WLB responsiveness.

1.3.4 Situation theory
Situation theory, as referred to by Felstead et al. (2002) and Wood (1999), or practical response theory as referred to by Osterman (1995), takes a very pragmatic approach to the organisation adaptation theory. It implies that any management of WLB practices is done so from an open, empirical question perspective. So the local circumstances are taken into account as opposed to the societal normative pressures when adopting WLB practices. Hence, an unsystematic/ad hoc/piecemeal approach may be adopted if this meets workforce requirements. This could mean that a reasoned approach could be applied, based on employer attitude, if it was felt economic gains outweighed organisational barriers encountered, and if it met the greater workforce requirements.
Situational theory will hence be used as a basis to evaluate how employer attitudes towards WLB, organisational barriers encountered when seeking to implement WLB practices, female composition of the workforce, education level of the workforce and employer, and age of the workforce will influence SMEs WLB responsiveness, if at all.

1.4 Statement of the problem

Wood et al. (2003) highlight recent research on family-friendly practices in the United States of America that has focused on the predictors of their adoption as opposed to the associations amongst them. Like Wood et al. (2003) and Wood (1999) this study seeks to determine which of the perspectives, either alone or in combination, best predicts an organisation’s WLB responsiveness. Bardoel (2003) did examine a similar issue from an Australian perspective. However, she focused on three theoretical perspectives factors, rather than the four of Wood et al. (2003) and Wood (1999), and her study was confined to one state within Australia, Victoria, and to respondents that were professional members of the Australian Human Resource Institute.

This study attempts to extend the theoretical and empirical work of studies explaining WLB responsiveness, such as Bardoel (2003), Wood (1999); and Wood et al. (2003). First, it analyses Australian data from all states and territories. Second, the sample is not limited to members of a professional body. Third, the study relates specifically to SMEs, which have largely been ignored in the literature in relation to WLB responsiveness. Fourth, the mediating relationships not yet explored are examined.

1.5 Research objectives

The general objective of this study is to empirically investigate what organisational
characteristics of SMEs, if any, are most likely to lead to organisational WLB responsiveness. More specifically to:

1. measure the types of WLB practices offered by SMEs within Australia
2. study the overall dimensions of WLB responsiveness of SMEs within Australia
3. examine the impact of institution factors on an organisation’s WLB responsiveness
4. examine the relationship of organisation adaptation factors on an organisation’s WLB responsiveness
5. analyse the relationship between high commitment factors and an organisation’s WLB responsiveness
6. study the impact of situation factors on an organisation’s WLB responsiveness
7. examine if the pattern of organisational characteristics of SMEs that offer WLB practices is reducible to one umbrella model

1.6 **Theoretical model**

Based on the theoretical background discussed in Section 1.3 the theoretical model developed for this study is shown in Figure 1.1, which summarises the relationships between the four theoretical perspectives. This is explained further in Chapter 2.

1.7 **Methodology**

This section outlines the research paradigm, sampling framework, research instrument, analytical strategy and scope of this study.
1.7.1 Research paradigm and method

A post positivist research paradigm was adopted for this study. The post positivist approach seeks to verify and confirm empirical observations (Neuman, 2006). Wahyuni (2012) explains that this paradigm assumes generalisations can be applied across contexts.

This study adopted the quantitative approach to research, which involves gathering and analysing numerical data. This method requires large amounts of information to reliably test hypotheses or to draw conclusions. The aim is that the sample is representative of a larger population so that results can be generalised to the wider population. The data can be derived from questionnaire-based surveys, from observation or from secondary sources (Veal, 2005).
Figure 1.1  Theoretical model

Mediator 1 and Predictor

Employer Attitude (EATT)

Mediator 2 and Predictor

Employee Consultation (ECON)

Predictors

Perceived Benefits (PBEN)

High Performance Work Systems (HPWS)

Organisational Barriers (OBAR)

Dependent

Work-Life Balance Responsiveness (WLBR)

Key:
Direct pathway
Mediated pathway

Predicators

High Performance Work Systems (HPWS)

Organisational Barriers (OBAR)

Perceived Benefits (PBEN)
1.7.2 Sampling framework and strategy

A Dun and Bradstreet database file was used to identify 2000 suitable SMEs within Australia; a practice supported by Osterman (1995) who describes it as the best choice. Wiesner and Innes (2010) also used a Dun and Bradstreet database in their Australian HRM study. The criteria used for the selection of SMEs were: all Australian Bureau of Statistics industry categories were represented; companies had between 1 and 200 employees; the name and address of the business owner/operator were available; and each Australian state and territory was represented.

Prior to the main data collection, a pilot tested was conducted with 10 SME owner/managers to obtain their suggestions and comments on the questionnaire’s design. Based on the results some questions were refined to more closely represent the constructs, thereby enhancing its content validity. A pre-approach letter describing the study was sent to the business manager and asked that the manager responsible for HRM within each organisation complete the survey. Later, the questionnaire with a cover letter and reply-paid envelope was posted to the organisations. A follow-up reminder letter to non-respondents was sent after one month and then a final reminder letter was sent one month after that. Anonymity was guaranteed and no data were collected that might identify individual respondents.

Of the 2000 questionnaires sent, 557 were returned as undeliverable. From the remaining 1443 possible respondents, 219 useable questionnaires were returned yielding a response rate of 15%. The overall response rate is similar to a study by Milliken, Martins and Morgan (1998), who obtained a response rate of 18% (n = 175).
1.7.3 Research instrument and measures

The study used a structured survey to collect data. From the literature review, it was determined that the relevant measures would include work-life balance responsiveness (WLBR) (Pitt-Catsouphes, Mirvis & Litchfield, 1995); perceived benefits (PBEN) (Pitt-Catsouphes et al., 1995); employee consultation (ECON) (Wood, 1999); employer attitude towards WLB (EATT) (Hayward, Fong, & Thornton, 2007); organisational barriers (OBAR) (Mulvena, 1998).

1.7.4 Analytical strategies

Quantitative statistical techniques such as multiple regression and factor analysis share one common limitation: they can only examine a single relationship at a time (Hair, Black, Babin, Anderson & Tatham, 2006). In the context of business research, which often requires a series of dependent relationships to be examined at any one time, this is a large limitation.

However, structural equation modelling (SEM) is well suited to this type of analysis as it allows the examination of a set of relationships between one or more independent variables and one or more dependent variables, which can be continuous or discrete. Furthermore, it explicitly permits modelling with latent variables by recognising the error measurements associated with observed indicators (Tabacknick & Fidell, 2013).

SEM is a statistical methodology that takes a confirmatory (i.e., hypothesis-testing) approach to the analysis of a structural theory bearing on some phenomenon. The term SEM conveys two important aspects of the procedure: first, that the causal processes under study are represented by a series of structural (i.e., regression) equations, and second, that these structural relations can be modelled pictorially to enable a clear conceptualisation of
the theory under study (Byrne, 2001).

It is important that a sample size can affect the statistical test by either making it insensitive (i.e., for small samples) or overly sensitive (i.e., for too large samples) (Hair et al., 2006). If a sample size is more than 100 respondents, it is sufficient for SEM (Jackson, Chow & Leitch, 1997); however, if it exceeds 400 responses Hair et al. (2006) suggest that the researcher should examine all significant results to ensure they have practical significance due to the increased statistical power from the sample size. This study achieved 219 responses, hence SEM was adopted.

Specifically, this study employed the two-stage approach recommended by Anderson and Gerbing (1988) to assess the models. First, exploratory factor analysis (EFA) was conducted to test the measurement (outer) model through examining the factor structure of the items, and to evaluate the model for validity and reliability. In this study, principal axis factoring (PAF) was employed with promax rotation to extract factors in Statistical Package for Social Sciences (SPSS). Three indices; Kaiser-Maeyer-Olkin (KMO) criterion, Bartlett’s test of sphericity and composite scale reliability (CSR), were employed to determine the appropriateness of applying factor analysis.

Second, SEM was employed using Linear Structural Relations (LISREL) 9.1 to test the theoretical (inner) model. While testing the model, a series of confirmatory factor analyses (CFAs) were conducted, using LISREL. A nested-model approach was employed using SEM to examine the relationships within mediated models (Tokar & Jome, 1998). SEM was employed using LISREL in order to establish measurement models that concurrently address complex behavioural relationships prevailing in each model (Shook, Ketchen, Hult & Kacmar, 2004). The results were evaluated in terms of the following indices suggested
by Hair et al. (2006): Chi-square value ($\chi^2$) and the associated degree of freedom ($df$), chi-square to degrees of freedom ratio ($\chi^2/df$), comparative fit index (CFI), goodness-of-fit index (GFI), adjusted goodness-of-fit index (AGFI), and root-mean-square error of approximation (RMSEA). Hair et al. (2006) suggest that to be considered as having an adequate fit, all the indices must be measured against the following criteria: $\chi^2/df < 3.00$: GFI and CFI 0.90: and RMSEA < 0.08. The hypotheses were tested following the procedures recommended by Judd and Kenny (1981) and Baron and Kenny (1986). Three critical steps are required to justify a mediation effect. First, the independent variable should be significantly correlated with the mediator. Second, after controlling for the effect of the independent variable on the dependent variable, the mediator variable should be significantly correlated with the dependent variable. Third, the indirect effect of the independent variable on the dependent variable must be significant. The study also employs Preacher and Hayes’ (2004) procedures, which include the Sobel test (Sobel, 1982) and a bootstrap approach.

Besides assessing models, regression analysis and multivariate analysis of variance (MANOVA) was used to test how control variables (demographic & organisational factors) affect the latent constructs (independent variables) by using SPSS. $F$-value and adjusted R-square should be significant at $p < 0.05$ level.

1.7.5 Scope and delimitation

A questionnaire-based survey was employed to capture the WLB responsiveness of SME in Australia. The sampling framework was limited to those organisations represented in this Dun and Bradstreet database and to those that responded. The key respondents were identified as the most appropriate individuals that possessed the necessary skills. The study is limited to Australian SMEs, which limits the applicability of findings to broader
contexts.

1.8 Research outcomes and contributions of the study
This study attempts to extend the theoretical and empirical work of other studies on the issue of WLB responsiveness. It examines four theoretical perspectives and in so doing seeks to offer new insights to the variables measured directly, PBEN, HPWS, OBAR, and mediating variables, ECON and EATT, which influence WLBR. Second, this study examines the mediating effects of ECON on PBEN and WLBR, and EATT on OBAR and WLBR. Third, this study further examines the direct and indirect impact of PBEN and OBAR respectively on WLBR. Thus the study examines three different models, namely the direct, partially mediated and fully mediated effects representing the relationships among the PBEN, OBAR, EATT and WLBR.

Using a nationally representative sample of Australian SMEs, this study develops a more comprehensive picture of the determinants of WLBR. It adds to our understanding of why certain organisations are inclined to adopt innovative HRM strategies. From these insights the study supplies a practical guide for SMEs when contemplating if they should be WLB responsive.

1.9 Organisation of the thesis
The thesis is structured into five chapters as outlined below.

1.9.1 Chapter 1: Introduction
Chapter 1 provided the background of the research; identified the research problem and listed the research objectives arising from gaps in the existing literature. This was followed by the methodology, and scope and delimitation of this study. Then the outcomes and
contributions of this study were listed. Finally, Chapter 1 outlined the structure of this thesis.

1.9.2 Chapter 2: Review of literature
Chapter 2 provides an extensive review of the literature and useful discussion of the context in which the current research has been conducted. Hypotheses related to the literature and constructs are posited and the conceptual framework is developed. This chapter also describes the main concepts in the literature that are important and useful to this study. Then, this chapter identifies the gap or discontinuity in the literature related to WLBR, especially in the Australian context.

1.9.3 Chapter 3: Methodology
Chapter 3 aims to illustrate the methodology for data collection and analysis, including justification of the research paradigm and quantitative methodology. It presents details related to the participants and sampling design, as well as the research instruments. Then this chapter explains the data analytic plan, which involves EFA using SPSS 20.0, SEM and CFA using LISREL, and regression analysis and MANOVA using SPSS. The chapter concludes with a discussion about the ethical issues connected with the research.

1.9.4 Chapter 4: Analysis, results and discussion
Chapter 4 presents the findings and results of this study based on the data collected through quantitative questionnaires. In addition, this chapter provides an intensive discussion of the findings. This chapter also tests the hypotheses developed in Chapter 2.

1.9.5 Chapter 5: Contributions, directions for future research and conclusion
Chapter 5 summarises the major findings of the study, and highlights the contribution of
this research to both theory and practice. It also discusses the limitations of the study. Based on the limitations, this chapter concludes with recommendations for further research.

1.10 Conclusion

This chapter described the research context and theoretical background related to four theoretical perspectives of WLBR: institution; organisation adaptation; high commitment; and situation. It identified research problems, objectives, outcomes and implications; and developed a conceptual model. Moreover, this chapter provided a brief explanation of research methodology for data collection and analysis. It also outlined delimitations. Finally, it presented a framework of the entire thesis. The following chapter will provide a detailed review of the literature in core areas of identified constructs.
Chapter 2 Review of literature

Chapter 2 reviews the literature related to the four theoretical perspectives on WLBR: institution, organisation adaptation, high commitment, and situation. The hypotheses are developed based around the respective constructs identified. Thus this chapter comprises two main sections. The first section describes the literature related to WLB, the associated four theoretical perspectives and the respective main constructs. The second section focuses specifically on the relationships between the four constructs. The hypotheses prepare the landscape for the theoretical model presented in Chapter 3.

2.1 Theoretical background

This section reviews the literature on the four theoretical perspectives that underpin this current study.

2.1.1 Work-life balance practices and responsiveness

In order to obtain a full understanding of the issues of WLB from an organisation perspective it is necessary to identify what types of practices can be implemented. According to the OECD (as cited in Goward et al., 2005, p.15), one way of identifying such practices is to look at those that:

- facilitate the reconciliation of work and family life through adequate family and child development resources
- facilitate parental and other carers’ choice about work and care
- promote gender equality in employment opportunities.

This definition is limiting for this study, as it is confined to work and ‘family’ life and
some employees with no family commitments may be seeking a balance.

Another definition of WLB practices is offered by Felstead et al. (2002, p. 56), who explain that WLB practices are ‘those which increase the flexibility and autonomy, intentionally or unintentionally, of an employee in managing their work and non-work aspects of their lives’. They add that these practices only become ‘policies’ if they are deliberately designed and adopted, and these policies can only be considered WLB management ‘strategies’ if they are intentionally implemented to increase productivity and profitability of the business.

However, De Cieri et al. (2005, p.100), in their analysis of the HRM literature, suggest that WLB strategies may also be labelled policies and practices, or programs. They state that, ‘these labels collectively refer to initiatives that are designed, usually by HRM professionals, to influence employees’ behaviour, attitudes and performance.’ McCarthy et al. (2010, p. 158) also state that WLB practices refer to, ‘initiatives voluntarily introduced by firms which facilitate the reconciliation of employees’ work and personal lives.’ Yet it is important to clarify that just because an HRM practice is not offered formally, it may be offered informally in an ad hoc arrangement (Bardoel, 2003), especially in a small business environment (see for example: Wiesner & McDonald, 2001).

There is vast array of practices that a company can seek to implement to address WLB issues (Parliament of Australia, 2006). However, as noted by Poelmans and Beham (2008) there is not a widespread approach to the classification of these practices. For example, Bardoel et al. (1998) identify 100 different work-family practices in Australia, based on previous studies. Pitt-Catsouphes et al. (1995) used a measure of 36 specific work-family
practices to measure total work-family responsiveness. Morgan and Milliken (1992) also identify a diverse range of family supportive practices and sought to construct subscales of their overall WLBR measure. Others have also identified three to five factors, classifications or categories (e.g., Arthur, 2003; Arthur & Cook, 2003; Brough & O’Driscoll, 2010; Cegarra-Leiva et al., 2012a; Davis & Kalleberg, 2006; Glass & Finley, 2002; Lobel & Kossek, 1996; McCarthy et al., 2010; Morgan & Milliken, 1992; Wood 1999; Yuile et al., 2012).

While the studies on WLB practices are restricted to small sample sizes (e.g., Bardoel et al. 1998; Blair-Loy & Wharton, 2002), samples of workers (Glass & Fujimoto, 1995), or specifically targeted at large companies, evidence exists of WLB practices in SMEs that fall within three to five factor structures (Cegarra-Leiva et al., 2012a), for example, offsite working, carers arrangements, flexi-work schedule, and alternative work arrangements (Yuile et al., 2012). The scope of these practices has then been used as an indicator of employer WLBR (see Pitt-Catsaouphes et al., 1995). Wood et al. (2003) found a unidimensional structure existed on family-friendly practices based on survey data conducted in the United Kingdom. They explain unidimensional to mean the correlation between the practices reflects a common concept—for them this was family-friendly management. However, no large-scale empirical quantitative study specifically related to Australian SME adoption of WLB practices was found that measured the structure between the practices. Hence, this leads to the following hypothesis:

Hypothesis (H₁): Work-life balance practices exist and the pattern of association between them represents a multi-dimensional structure.

According to Wood (1999) and Felstead et al. (2002) there are four theoretical perspectives
that can be drawn on when studying WLB. These comprise: (i) institution; (ii) organisation adaptation; (iii) high commitment; and (iv) situation. Each differs from the predictive characteristics they identify (Felstead et al., 2002). According to Wood (1999) there are five key empirical papers on family-friendly management. Four of these papers specifically looked at extending the organisation adaptation perspective (Goodstein, 1994, 1995; Ingram & Simons, 1995; Morgan & Milliken, 1992); and one examined the high commitment perspective (Osterman, 1995). Wood (1999) and Felstead et al. (2002) both tested their hypotheses against the four theoretical perspectives identified. These theoretical perspectives underpin the following specific hypotheses that direct this study.

2.1.2 Institution theoretical perspective

Institution theory is based on the rationale that organisations conform to normative pressures. However, organisational conformity varies in degree (DiMaggio & Powell, 1983; Oliver, 1991; Scott, 1987) owing to the tension between competitive and institutional pressures (Boon, Paauwe, Boselie & Hartog, 2009). ‘Organizations compete not just for resources and customers, but for political power and institutional legitimacy, for social as well as economic fitness’ (DiMaggio & Powell, 1983, p. 150). The views of various stakeholders (i.e., government, trade unions, professional associations, works councils and employees) regarding an organisation’s legitimacy affect its probability of survival. Meyer and Rowan (1977) also contend that, according to the institution perspective, organisational practices are shaped by the institutional context.

DiMaggio and Powell (1983) propose three types of pressures that act on firms to create conformity or isomorphism: coercive, mimetic and normative. First, coercive isomorphism results from both informal and formal pressures placed upon one firm by another firm that
they are reliant on, and by cultural expectations within their society. Second, mimetic isomorphism arises from uncertainty within a firm’s environment and hence a firm may seek to model itself on another firm that they perceive to be more legitimate or successful. Third, normative pressures stem from professional associations in the organisational field that stress conformity with professional standards.

According to Goodstein (1994), and Ingram and Simons (1995), due to their public profile, larger organisations may experience institutional pressure to offer socially legitimate conditions such as WLB practices. Bardoel (2003), Bardoel et al. (1998), Goodstein (1994), Ingram and Simons (1995), Morgan and Milliken (1992), Osterman (1995) and Wood (1999) concur, arguing that the size of an organisation co-exists with intentional choices made by managers to provide, or not to provide, work-life policies. Likewise, Felstead et al. (2002) found that organisations with greater than 99 employees were significantly more likely to offer non-managerial staff the option to work at home. Similarly, Pocock (2005) notes that employers’ responses to WLB issues varied and was dependent on employer size and sector.

Dex and Scheibl (2001) found, however, that whilst SMEs were less likely than larger organisations to have devised their WLB practices as a package of measures, they were more likely to have made incremental and ad hoc additions to their arrangements as needs arose. This study focuses exclusively on SMEs, as opposed to larger organisations, hence the following hypothesis is posited:

*Hypothesis* (H2): There is no significant relationship between organisational size and work-life balance responsiveness.
It has also been argued that an organisation’s location may affect the provision of WLB practices. Based on institution theory, Milliken et al. (1998) postulate that organisations were more likely to offer WLB practices to compete for staff in their geographical regions and because they were able to observe other organisations more closely. State legislatures could also impact upon the provision of WLB practices; creating coercive pressures towards responsiveness (Barringer & Milkovich 1998; DiMaggio & Powell, 1983; Milliken et al., 1998; Scott, 1987).

Abbott and De Cieri (2008) contended that, interest groups can influence policy, procedures and business directions and have a ‘stake’ in the actions of the organisation. Governments are in a particularly influential position because they legislate on employment conditions, making WLB issues a topic of considerable national attention in Australia. Given rules of employment are not uniform throughout Australia, the following hypothesis is posited:

_Hypothesis (H3):_ There is a significant difference among small and medium enterprises located in different geographic regions and their work-life balance responsiveness.

Barringer and Milkovich (1998) suggest that in accordance with institution theory, as WLB practices become more prevalent, businesses are more likely to perceive them as standard. Hence businesses tend to align with competitors in their industry and adopt their employment conditions. Building on past empirical research (Felstead et al., 2002; Goodstein, 1994, 1995; Ingram & Simons, 1995; Milliken et al., 1998; Morgan & Milliken, 1992), this study tests whether there are industry differences in regard to Australian SMEs offering WLB practices. Therefore, it is posited that:
**Hypothesis (H4):** There is a significant difference across industries in their work-life balance responsiveness.

External coercive pressures have also been identified as affecting how an organisation behaves (Di Maggio & Powell, 1983; Scott, 1987). Abbott and De Cieri (2008) note that workers’ unions were an example of a stakeholder that influenced decisions to offer WLB practices. For example, Dex and Schiebl (2001) and Barringer and Milkovich (1998) found that unions exerted pressure to bring about flexible working conditions. Additionally, in June 2003 the Australian Council of Trade Unions applied to the Australian Industrial Relations Commission for a Work and Family Test Case in support of establishing new work family standards in industrial awards (Burrows, 2003). Felstead et al. (2002) predict the greater the unionisation of the workplace, the more likely the option to work at home would be offered. Morgan and Milliken (1992), however, found no significant relationship between the offering of family-friendly practices and the percentage of the workforce that was unionised. But, Hoque and Noon (2004) conclude that equal opportunity policies were more likely to be adopted by unionised organisations. Hence, the following hypothesis is posited:

**Hypothesis (H5):** The larger the unionisation of the workforce the greater is work-life balance responsiveness.

### 2.1.3 Organisation adaptation theoretical perspective

Milliken, Dutton and Bayer (1990) assert that at the core of the organisation adaptation perspective is the notion that organisations are able to adjust in a responsive way to their respective environments. According to them, the organisation adaptation perspective identifies the important role human resource professionals and other senior managers play
in noticing, interpreting, and prioritising information that may impact upon the characteristics and needs of the labour force. They posit that organisations that adapt more appropriately to environmental changes will be more effective over time. But, what is of concern is that ‘surprisingly little research on factors related to firm adoption of work-life policies and programs’ (Thompson & Prottas, 2009, p. 53) exists.

Bretherton (2008), Brough and O’Driscoll (2010), and Davis and Kalleberg (2006) note insufficient empirical research exists and do not provide a theoretical framework to explain and assess the variation between organisations in the formation of family-friendly/WLB policies. Lavoie (2004) suggests that further research is required on WLB. Skinner and Chapman (2013) acknowledge that legislation within a country can have an important impact on work-life outcomes, as can industry sector and organisational culture. Pocock, Charlesworth and Chapman (2013) claim that many factors can enhance or lessen the impact of government legislation on the WLB of its citizens, including prevailing economic conditions and sociocultural values.

Over the years, many researchers have become more interested in organisation adaptation processes (Goodstein, 1994, 1995; Milliken et al., 1990; Milliken et al., 1998). This stemmed from what some (see for example, Oliver 1991; Powell & Di Maggio 1991) saw as limitations of institution theory. They note that the narrow focus on conformity and isomorphism has directed theoretical attention away from the role of active agency and resistance in organisations. Hence, what has evolved (see Milliken et al. 1998) has been an increasing acknowledgement that the deterministic explanations of organisation adaptation (i.e., an organisation’s behaviour is expected to be predictable based on external constraints) and strategic choice models (i.e., an organisation’s behaviour can be based on
the role of managers as agents in a strategic decision-making process) can be integrated into one theoretical model, termed organisation adaptation. Wood et al. (2003) note that organisation adaptation differs from institution theory in that it assumes that organisations do not passively conform to normative pressures, rather management has discretion over how it elects to respond. For example, management can elect to either acknowledge or ignore societal pressures to put in place measures to assist employees with balancing work and life.

Organisation adaptation theory therefore is an extension to institution theory, which allows senior management to exercise strategic choice over how to respond to environmental pressures (Goodstein 1994, 1995). Daft and Weick (1984) developed this broad theoretical framework by arguing that organisation responsiveness to environmental changes will be influenced by the underlying processes involved in the recognition and interpretation of these changes. For example, as an environment is scanned, data are collated, interpreted and given meaning in ways that determine the nature of organisational responsiveness.

Milliken et al. (1990 p. 92) relate this general organisation adaptation framework to the specific context of work-family/life issues. They cite Galinsky (1988) as noting that ‘family responsive policies and practices may become important means by which to attract and retain a skilled labour force.’ Milliken et al. explain that in essence, organisations that respond more appropriately to environmental changes will eventually be more successful.

Milliken et al. (1990) extend the original organisation adaptation model of Daft and Weick (1984) by adding that ‘noticing’ and ‘choosing’ are important aspects along each side of ‘interpreting’ to determine organisation adaptation to work-life changes. However, they did
not empirically test the factors they proposed to contribute to the interpretations, but they propose that undesirable levels of organisational performance, captured by employee-centered measures that can be aligned with work-family/life problems are important for recording the level of need and benefits for investing in WLB practices. Milliken and Dukerich (1989) recommend from their study that managers are more likely to assess issues as important when the issue is perceived to have an impact on the organisation. Beauregard and Henry (2009) conclude that whilst WLB practices may not reduce work-life conflict, they are often associated with improved organisation performance such as higher retention rates and attendance, and lower turnover of staff.

Auerbach (1988) found within the United States of America that the major reason for providing child-care assistance was the recruitment and retention of employees. Baroel (2003) establishes that the greater the perceived organisational benefits associated with the provision of work-family practices, the more likely an organisation is to offer such practices. Wood (1999) further supports the notion that the benefits to the bottom line from providing family-related practices co-exist with intentional choices made by managers regarding decisions to provide, or not to provide, work-family policies. The following hypothesis is tested:

\[ \text{Hypothesis } (H_0): \text{ There is a positive relationship between the perceived organisational benefits of work-life balance practices and work-life balance responsiveness.} \]

The final stage of Daft and Weick’s (1984) model of organisation adaptation, and as illustrated by Milliken et al. (1990) in the context of adapting to work-force and family/life changes, is called ‘learning’. This involves deciding on an appropriate course of action.
According to the model, organisations can elect do nothing, monitor trends, survey employee needs, analyse options or establish some programs, such as job sharing, and flexible working hours. Milliken et al. argue that the quality and amount of bottom-up communication could impact substantially on whether decision makers within organisations are aware of work-life issues. Specifically, they postulate greater participation, less formalisation and more interaction across all levels are needed.

Wood et al. (2003) propose the predictors of organisation adaptation theory, besides those of institution theory, consist of three factors (1) the values of senior management, (2) the information senior management has on institution pressures, and (3) the prediction of the economic outcomes associated with the provision of WLB practices. Hence, it is likely that employers are WLBR if they value their employees having WLB, consult with their employees regularly and associate tangible benefits with the provision of WLB practices. McCrea, Boreham and Ferguson (2011) found participative management improved keys aspects of job quality, which in turn decreased experiences of work-life interference. Therefore, test the following hypotheses are tested:

**Hypothesis (H7):** There is a positive relationship between perceived organisational benefits and employee consultation.

**Hypothesis (H8):** There is a positive relationship between employee consultation and work-life balance responsiveness.

While organisation adaptation theory posits a positive association between perceived organisation benefits and WLBR, and a positive relationship between employee consultation and WLBR, it is proposed that the relationship between them is mediated by
employee consultation. This is due to the notion that as Milliken at al. (1990) explain, the actual adaptation patterns can vary. For example, some organisations may elect to adopt a program, such as subsidised child-care assistance, because of their view of family demographics without really thinking through the process. However, other organisations may elect to introduce a program, such as flextime, because competitors have it in place. They may then seek to justify the action afterward by examining the internal and external environment for evidence of trends to account for prior resource allocation choices (Staw 1980). Hence the following hypothesis is posited:

**Hypothesis (H9):** Employee consultation mediates the relationship between perceived organisational benefits and work-life balance responsiveness.

### 2.1.4 High commitment theoretical perspective

Like Berg, Kalleberg and Applebaum (2003) it is proposed in this study that a high commitment environment is characterised predominantly by an HPWS. According to researchers (Applebaum, Bailey, Berg & Kalleberg, 2000; Berg et al., 2003; Hueslid, Jackson & Schuler, 1997; Mitchell, Obeidat & Bray, 2013; Osterman, 1995; Smith & Oczkowski, 2007; White, Hill, Mc Govern, Mills & Smeaton, 2003) the major elements of people management in an HPWS consist of extensive use of teamwork, adoption of total quality management methods, job rotation, extensive training, appraisals and performance related pay, and participatory management techniques.

Employer attitudes towards WLB is added as a variable that influences the high commitment environment, as it is suggested that unless management of an organisation believe the introduction of these practices will contribute some positive outcome to the organisation, they are not likely to be WLB responsive, regardless of whether or not
employees may be experiencing workplace difficulties (Armitage & Keeble-Ramsay, 2009; Hughes, 2008).

An HPWS is an important innovation in modern management, claimed to have positive impacts on the performance of individuals and organisations. (Wood & de Menezes, 2011). Such systems can encourage employees to partake in decision making, hence allowing for them to part of the success of the determined business strategy (Barney and Wright 1998; Becker & Huselid 1998). Further, given a successful HPWS necessitates employee initiative and engagement; WLB practices can assist organisations in creating a supportive culture (Osterman, 1995; Wang & Verma, 2012).

According to Osterman (1995) many organisations up until the 1980s sought to organise their labour through traditional models, which focused on tight divisions of labour and focused job designs (i.e., ‘Taylorised’ systems of work organisation). Participative management was not necessarily encouraged or sought. However, the adoption of lean production systems by manufacturing organisations in western advanced economies in the 1990s led to the emergence of the concept of HPWS (Smith & Oczkowski, 2007), also called ‘high commitment’ (Arthur, 1992) or ‘high involvement’ (Lawler, 1992) work systems. Hence, in recent decades, evidence has evolved to demonstrate that innovative work practices can lead to greater levels of productivity (Ichniowski, Shaw & Presnnushi, 1997; Way, 2002; MacDuffie, 1995; Osterman, 1995). Kling (1995) claimed that 60% of organisations had cited their HPWS increased productivity and 70% noted improvements in quality. Based on the results of studies by de Kok and den Hartog (2006) and Way (2002), an HPWS is not only relevant to large organisations, but also benefit SMEs through a positive impact on performance and innovation.
These HPWSs focus on changes in the way employees are organised in carrying out their roles, which gives them ‘the skills, knowledge, and motivation to help an organisation gain a competitive advantage’ (Wang & Verma, 2012 p. 411). In addition, an HPWS needs to be implemented as ‘bundles’ of practices in order to gain maximum impact (Applebaum et al., 2000). Osterman (1995) postulates these systems are related to work/family benefits. This study proposes that work/family practices can be extended to WLB benefits—they are not just limited to employees with family commitments. Osterman (1995) contends the reason for this linkage is the way work is organised—work requires a great deal of employee commitment and discretionary effort, yet an employee may not be willing to offer such commitment if they think that the organisation is not prepared to be responsive in offering WLB practices. This notion counteracts the argument of traditional organisation behaviour theories, which posit that WLB benefits, and other general benefits, are considered extrinsic job characteristics and only possible in promoting job satisfaction not actual job performance (Lambert, 2000).

Berg et al. (2003) believe there is spillover from work to family, but again it is contended that this extends to not just family but has broader life balance implications. It is agreed that being able to partake in an HPWS will enable employees to, first, have a higher degree of personal control and efficacy, which has positive influences on being able to achieve their self determined WLB (Greenhaus & Beutell, 1985; Piotrkowski, 1979; Voydanoff, 1988). Previous research (Lambert, 2000; Wang & Walumbwa, 2007) has demonstrated the accessibility of WLB practices can induce volunteer behaviours in employees. Specifically, Lambert (2000) found that the employees who were offered WLB practices were more inclined to participate in an HPWS. Like Berg et al. (2003) this study measured the direct effect of working in an HPWS organisation on WLB, because the measures of control
Second, an HPWS is suitable to be associated with WLBR because, this research contends, like Berg et al. (2003), that this study builds on Osterman’s (1995) research. Osterman found significant support from a nationally representative sample of private sector establishments in the United States of America with 50 or more employees, that organisations characterised as having an HPWS were more likely to have programs promoting integration of work-family policies than those that did not. Yet Hoschild (1997) argues that as a result of this enhanced commitment, employees in an HPWS will elect to spend more time at work than with the family. White et al. (2003) also found a conflict between HPWS and WLB practices. But Galinksy, Bond and Friedman (1996, p. 133) found from a nationally representative survey in the United States of America that, ‘parents who felt they had greater autonomy in their jobs, more control over their work schedules, less hectic and demanding jobs, and/or job security reported appreciably less conflict, stress, and better coping than other parents’. However, based on the findings of Bardoel (2003), Wood (1999) and Wood et al. (2003) no support was found for the relationship between HPWS and WLBR.

According to de Kok and den Hartog (2006), Hueslid (2003) and Way (2002), HRM research tends to ignore SMEs, which they claim also holds true for HPWSs and firm performance in SMEs. Whilst the HRM system is typically thought of as the responsibility of HRM, an HPWS can be implicit in smaller firms without such a function (Becker & Huselid, 1998). De Kok and den Hartog (2006, p. 7) state, ‘increasing our understanding of the role of high performance work systems in small and medium enterprises in different countries is both scientifically and practically relevant’. Whilst de Kok and den Hartog
researched HPWSs, performance and innovativeness, they did not explore any correlations with WLBR. Hence, this study extends Osterman’s (1995), and Becker and Huselid’s (1998) research because:

- it allows for the WLBR of SMEs
- it looks more broadly than just at family-friendly responsive practices
- It extends the bundle to WLB practices
- it looks more broadly than just at the manufacturing industry (which Berg et al., 2003 did)
- it looks at the specific geographic region of Australia and at SMEs to see if results can be generalised.

Hence, the following hypothesis is tested:

\[ \text{Hypothesis (H10): There is a positive relationship between high performance work systems and work-life balance responsiveness.} \]

Milliken and Dukerich (1989) suggest that managers are more likely to assess issues as important when the issue is perceived to have an impact on the organisation. Beauregard and Henry (2009) and Hoschild (1997) conclude that whilst WLB practices may not reduce work-life conflict, they are often associated with improved organisational performance. Perry-Smith and Blum (2000) found from their national survey that firms in the United States of America with more extensive work-family policies have higher perceived organisational-level performance. Specifically, those with a greater range of WLB practices have greater levels of organisational performance, market performance, and profit sales growth.
From an employer’s perspective, WLB practices can serve to help attract and retain skilled workers (Department of Employment and Industrial Relations, 2008; Fair Work Ombudsman, 2013; Harrington & Ladge, 2009), improve corporate image, reduce absenteeism, lower stress levels, increase levels of productivity and performance, and improve satisfaction and commitment among employees (Hughes & Bozionelos, 2007; Nelson, Quick, Hitt & Moesel, 1990; Scandura & Lankau, 1997). Thompson, Beauvais & Lyness, 1999) found support for the link between family leave, high commitment and lower turnover intentions.

The Australian Government actually introduced an 18-week paid parental leave system in 2011, based on the Productivity Commission’s recommendations (Productivity Commission, 2009). The federal government citing one positive impact of the introduction of the scheme would be ‘promoting employment continuity and workplace retention … and reducing training costs for employers’ (Commonwealth of Australia, cited in Baird, 2011). In addition, the National employment Standards (NES), set out in the Fair Work Act 2009 (Cth), a number of provisions specifically aimed at improving the WLB of employees, which include Individual (Award) Flexible Agreements (IFAs) and Flexible Work Arrangements (FWAs).

Auerbach (1988) found, within the United States of America, the major reason for providing child-care assistance was the recruitment and retention of employees. Similar studies also found reduced turnover of staff (see Youngblood & Chambers-Cook, 1984). Other studies found increased organisational commitment from employees (Goldberg, Greenberg, Koch-Jones, O’Neil & Hamill, 1989; Kossek & Nichol, 1992). Flexitime and compressed work schedules have been associated with lower levels of turnover intentions
and enhanced commitment (Allen, 2001; Baltes, Briggs, Huff, Wright & Neuman, 1999). Bardoel (2003) also found that the greater employers perceived the benefit associated with the provision of work-family practices, the more likely an organisation is to offer such practices. Wood (1999) further supports the notion that the bottom line benefits from providing family-related practices, co-exists with intentional choices made by managers regarding decisions to provide or not to provide work-family policies.

Hayward et al. (2007) found in the third WLB employer survey they conducted on British workplaces with five or more employees, that positive attitudes towards WLB were strongly associated with having a wide range of WLB arrangements in place. Hence, this study extended their study to look at the specific geographic region of Australia and specifically at SMEs to see if results can be generalised, the following hypothesis:

*Hypothesis (H11):* There is a positive relationship between employer attitude towards work-life balance and work-life balance responsiveness.

It has been argued that from a high-commitment perspective, an HPWS and employer attitude towards WLB are linked to WLBR. Based on these arguments, this study reasoned that employer attitude towards WLB plays a mediating role in the relationship between HPWS and WLBR because, unless the employer has a positive attitude towards WLB, the employer is less likely to be responsive. Thus the study hypothesises the following:

*Hypothesis (H12):* Employer attitude towards work-life balance mediate the relationship between high performance workplace systems and work-life balance responsiveness.
2.1.5 Situational theoretical perspective

Given the widely accepted view that human resources are an essential key to an organisation’s long-term sustainability and prosperity (Baird, 2011) it is pivotal that factors that help enhance attraction, motivation and retention of employees be examined. One of these factors is the offering of WLB practices. However, unlike counterparts in the United Kingdom and Europe, the Australian Government has been less vigorous in addressing the intersection of human resources and WLB policies (Baird, 2011). This, it can be argued, impacts on the responsiveness of employers. However, according to Wood et al. (2003) the situation theoretical perspective, or what Osterman (1995) calls the practical response perspective, is removed from such pressures. Under this perspective, organisations respond to local circumstances rather than feeling the need to conform to societal norms and pressures.

In order to test this notion, the study proposes that a situation perspective is influenced by the survival needs of the private business establishment to be profitable, which drives managers to be WLB responsive to ensure the organisation has a productive workforce. Thus, the situation perspective will be influenced by its workforce characteristics and the local/internal barriers employers encountered when implementing WLB practices. In addition, the study considers positive attitude by employers towards WLB acts as a mediator that influences the relationship, given, the study argues, if employers encounter difficulties in implementing WLB practices they are less likely to be responsive unless employers exhibit a positive attitude towards WLB.

Previous research has also associated practical response issues with the situational theoretical perspective. Osterman (1995), for example, hypothesises that workforce
difficulties, such as absenteeism, turnover and recruitment, encountered as a result of an employee’s work-family conflict would be positively related to offering of family-friendly practices. However, no such relationship was found. Felstead (2002), Wood (1999) and Wood et al. (2003) found similar results.

Yet, other research has identified a number of barriers that have created difficulties for the development and implementation of WLB practices (De Cieri et al., 2005; Edgar, 1998). De Cieri et al. (2005) define barriers, ‘as obstacles or hindrances to the implementation and on-going effectiveness of WLB strategies’ (p. 93). It is proposed that these are situational in nature, for example, resistance from co-workers and perceived inequity will be encountered in some organisations yet not all. Hence, the following hypothesis is tested:

**Hypothesis** (H13): There is a positive relationship between fewer barriers encountered in the development and implementation of work-life balance practices and work-life balance responsiveness.

Joint gains for employee and employer can be attained by an accommodating approach to WLB issues that may lead to greater organisational attachment (Scholarios & Marks, 2004). Specifically, a number of employers have implemented initiatives to help better manage employees’ WLB issues (Morrissey & Warner, 2011). Milliken and Dukerich (1989) state that managers are more likely to assess issues as important when the issue is perceived to have an impact on the organisation. Beauregard and Henry (2009) and Hoschild (1997) conclude that, whilst WLB practices may not reduce work-life conflict, they are often associated with improved organisational performance.

A review of three national United States of America studies found greater than 50% of
employers reported that on-site child care lowered employee absenteeism by 20–30% (Friedman, 1986). Studies have also found enhanced productivity, through increased employee concentration and alertness at work, based on increased employer satisfaction with their children’s care arrangements (Glass & Estes, 1997). WLB strategies have also been used by regionally based organisations in Australia as an employer branding tool to attract and retain quality employees (Grigg & Da Silva, 2008). Perry-Smith & Blum (2000) found from their national survey of firms in the United States of America that organisations with more extensive work-family policies have higher perceived organisational-level performance. Specifically, those with a greater range of WLB practices have greater levels of organisational performance, market performance, and profit sales growth. However, as Morrissey & Warner (2011) state, ‘there is a lack of empirical research on work-life initiatives’ (p. 346). Hence, the following hypothesis is tested:

**Hypothesis (H14):** There is a positive relationship between fewer barriers encountered in developing and implementing work-life balance practices and employer attitude.

It has been argued (Osrteman, 1995; Wood, 1999; Wood et al., 2003) that from a situation or practical response theoretical perspective, barriers to developing and implementing WLB practices are linked to WLBR. Based on such arguments, this study reasons that employer attitude towards WLB plays a mediating role in the relationship between barriers and WLBR because unless the employer has a positive attitude towards WLB, organisations are less likely to be responsive. Thus the following hypothesis is tested:

**Hypothesis (H15):** Employer attitude towards work-life balance mediate the
relationship between barriers to developing and implementing work-life balance practices and work-life balance responsiveness.

According to De Cieri et al. (2005), ‘an organization’s need to attract and retain valued employees in a highly competitive labour market is a strong motivating factor for increased organizational awareness and action with regard to human resource policies and practices that are address work/life balance’ (p. 90) (sic). They argue any organisation seeking to achieve a competitive advantage needs to develop an approach to HRM and WLB strategies that cater for the diversity of their workforce, given ignorance of employees, as a key stakeholder, may affect future performance. There is an increasing body of literature that details that HRM strategies are influenced by contextual influences (De Cieri et al., 2005; Jackson & Schuler, 1995).

Wood (1999) and Wood et al. (2003) propose that the situational theoretical perspective suggests organisations simply react and respond to the pressures of immediate circumstances, and this can be ad hoc or via a systematic approach if WLB practices have known positive impacts. Pressures at a local level are driven mainly by the characteristics of the workforce (Wood, 1999; Wood et al., 2003). A range of previous studies have measured situational variables (see: Felstead et al., 2002; Goodstein, 1994, 1995; Ingram & Simons, 1995; Morgan & Milliken, 1992; Osterman, 1995; Wood, 1999; Wood et al., 2003). The situational pressures measured include the percentage of the workforce that is female, percentage of working parents, proportion of employees aged 40 and over, proportion of professionals, and percentage of female managers (see Table 2.1, which is adapted from Wood, 1999).

The main variable tested in these studies, as can be seen from Table 2.1, is gender. Felstead
et al. (2002) states, ‘the greater the proportion of female staff employed, the more responsive an organisation is (p. 57). They argue this proposition is made on the assumption that women make tougher requests for WLB practices. Other researchers have tested this and found a significant positive relationship between these two variables (Goodstein, 1994; Osterman, 1995; Wood, 1999; Wood et al., 2003). However, some studies found there was either no link or a very weak association with the concentration of female employees and employer provision of work-family practices (Bardoel et al., 1998; Glass & Fujimoto, 1995; Ingram & Simons, 1995; Morgan & Milliken, 1992; Wood, 1999).
<table>
<thead>
<tr>
<th>Study</th>
<th>Unit of analysis</th>
<th>Sample size (response rate)</th>
<th>Unit of analysis</th>
<th>Sample size (response rate)</th>
<th>Dependent variable</th>
<th>Independent variables</th>
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</table>
| Morgan and Milliken (1992)  | Company                   | 175 (18%)                   | Company                   | 1239 (38%)                  | Aggregation of family leave policies, flexible work options and dependent care benefits | % of work force that is female **
% of female***
Change in % of females
Diversity of top team
Proportion of female employees
Proportion of employees aged 40 and over
Proportion of professionals
Proportion of female employees which is female ***
Difficulties with employees (absence, turnover, recruitment relocation)
Family issues expected to cause more difficulty over next 5 years |
| Goodstein (1994) (a)        | Public and private sector (establishments) | 407 (56%)                  | Establishments            | 727 (64.5%)                 | Scale of employee involvement in work-family issues based on child-care benefits and options for flexible working | % of female employees
Proportion of female employees aged 40 and over
Problems from parents missing work |
| Goodstein (1995) (a)        | Companies with more than 100 employees | 875 (65%)                  | Private sector establishments | 871 (65.5%)                | Aggregation of 17 elder care benefits | % of female employees
Proportion of female employees aged 40 and over
Problems from parents missing work |
| Ingram and Simons (1995)    | Establishments            | 1783 (64%)                 | US private Sector with 50 or more employees | 1783 (64%)                | Aggregate of 4 class of responsiveness from acquiescence to defiance based on child-care services, flexible working and information on service | % of female employees
Proportion of female employees aged 40 and over
Problems from parents missing work |
| Osterman (1995) (a)         | Establishments            | 875 (65%)                  | Workplaces with 10 or more employees (UK) | 1783 (64%)                | Aggregate scale of 16 benefits in total categorised into pregnancy leave benefits; day care benefits; and benefits of personal and family needs | % of female employees
Proportion of female employees aged 40 and over
Problems from parents missing work |
| Wood (1999)                 | Establishments            | 871 (65.5%)                | Workplaces with 10 or more employees (UK) | 1783 (64%)                | Aggregate scale of 16 benefits in total categorised into pregnancy leave benefits; day care benefits; and benefits of personal and family needs | % of female employees
Proportion of female employees aged 40 and over
Problems from parents missing work |
| Wood, de Menezes & Lasaosa (2003) | Establishments            | 1783 (64%)                | Workplaces with 10 or more employees (UK) | 1783 (64%)                | Family-friendly practices and child-care assistance totalling 9 practices (but they only related to non-managerial employees) | % of female employees
Proportion of female employees aged 40 and over
Problems from parents missing work |

Note: Significantly greater ***< 0.01, **< 0.10. Significantly lower + < 0.10. (a) Significance levels only reported at or below 0.05 level.
Source: Adapted from Wood (1999, p.105)
Wood (1999), nonetheless, notes that gender composition may not be totally irrelevant if all local situational factors are taken into account. For example, as noted above by Felstead et al. (2002), the influence of gender could be mitigated depending on the type of employees an organisation engages. Bardoel et al. (1998) highlight that whilst not statistically significant, the results of their study indicated there was a trend for organisations with a higher proportion of women to offer more life-career policies. Glass and Fujimoto (1995) also suggest that conflicting results between studies might be due to female employee demand factors. For example, if large number of female employees are available to take up employment in the paid workforce, then the offering of WLB practices may not be as high (i.e., demand versus supply). However, if females are a resource in high demand, then organisations may need to offer competitive benefits if they wish to attract, motivate and retain female employees (Bardoel et al., 1998), thus further highlighting the relevance of the situational perspective.

Hence, given the conflicting findings, this study seeks to extend previous research by testing the WLBR of SMEs—it looks more broadly than just at family-friendly responsive practices, extends the bundle to WLB practices, looks more broadly than just at the manufacturing industry, which Berg et al (2003) did, and looks at the specific geographic region of Australia. Hence, the following hypothesis is tested:

_Hypothesis (H16):_ There is a positive relationship between the female composition of the workforce and an employer’s work-life balance responsiveness.

Goodstein (1995) and Felstead et al. (2002) also argue that highly educated and mobile employees have larger bargaining power, and employers with a high composition of such employees are less able to resist pressures from them. This, it is argued, is intensified in a
tight labour market, which was apparent for Australian SMEs at the time of data collection. Grigg and Da Silva (2008) stated at the time, ‘Australia is currently experiencing a robust period of high economic growth and low unemployment and these conditions conspire to make the skill shortage problem of increasing concern’ (p. 2). Hence, in this study the following hypotheses are tested:

**Hypothesis (H17):** There is a positive relationship between the education level of the workforce and work-life balance responsiveness.

**Hypothesis (H18):** There is a positive relationship between the education level of the employer and work-life balance responsiveness.

Another situational workforce characteristic that could serve to enhance or lessen an employer’s WLBR may be age composition of the workforce. For example, Bardoel et al. (1998) assessed whether the percentage of employees under the age of 35 years was related to the number of work-family benefits offered. They elected the age of 35 years because men and women of this age are likely to have young, dependent children, hence their demands for such practices would be stronger. However, their hypothesis was not supported. Yet, Goodstein’s (1995) study tested whether the proportion of employees aged 40 and over played any significant role in management’s decision to offer family-friendly practices. He justified this measure by noting that not only do employees aged 40 and over potentially have child-care responsibilities but they also potentially have elder-care responsibilities. Hence, he postulated, this would force higher demand by this age group for WLB practices; yet, he found no support.

Bardoel et al. (1998) note the lack of impact a young workforce has possibly had on the
provision of work-family practices could be one reason for the above findings of nil support. This argument could be strengthened by the fact that a growing number of working families are having children later (and hence their demand for WLB practices is not as strong as it could be at the age of 35 years), and the demand for caring responsibilities of elders may not be required for many until they are over the age of 35. However, this justification should give strength to Goodstein’s (1995) hypothesis, in the sense that he used the measure of 40 and over. Nonetheless, as discussed by Goodstein, the ability to directly assess employee needs may be very important in managing WLB needs but difficult to do in larger organisations. Therefore, given SMEs are arguably in a better position to do this and hence have a more intimate knowledge of the demands of their employees compared to larger organisations, the following hypothesis is tested:

*Hypothesis (H19): There is a positive relationship between the proportion of employees aged over 40 years and work-life balance responsiveness.*

### 2.2 Overall theoretical model

The theoretical model developed for this study shown in Figure 2.1 summarises the relationships between the constructs and the corresponding hypotheses denoted.
Figure 2.1 Overall theoretical model

Predictors

Perceived benefits (PBEN)

High performance work systems (HPWS)

Organisational barriers (OBAR)

Mediator 1 and Predictor

Employee consultation (ECON)

Mediator 2 and Predictor

Employer attitude (EATT)

Dependent

Work-life balance responsiveness (WLBR)

Key:
Direct pathway
Mediated pathway
2.3 Conclusion

This chapter reviewed literature related to WLBR and respective constructs adopted in this study. It began with a review of literature on the nature and concept of WLBR and the four theoretical perspectives, namely institution, organisation adaptation, high commitment, and situation. Then, the theoretical foundations of the dimensions measuring the individual constructs were reviewed. It was proposed that employee consultation (ECON), perceived benefits (PBEN), high performance work systems (HPWS), employer attitude towards WLB (EATT), and organisational barriers (OBAR) would have a significant and positive effect on work-life balance responsiveness (WLBR). In addition, it was posited that EATT towards WLB would mediate the relationship between both HPWS and employer barriers and WLBR. The following chapter illustrates the methodology of the study and develops the theoretical model central to this study.
Chapter 3 Methodology

The previous chapter reviewed relevant literature and detailed the hypotheses and theoretical model for this study. This chapter is devoted to the methodology for the research undertaken for this thesis. It starts by explaining the research design, including the research objectives and hypotheses. The following section justifies the use of quantitative research. This is followed by an explanation of how the data was collected, including the research population, sampling strategy, distribution of the questionnaire and the response rate. The chapter also describes the measurement instruments, derived from the literature. The data analysis and interpretation plan follows, which illustrates the data analysis strategy and structural model assessment. A discussion about the ethical issues connected with the research concludes the chapter.

3.1 Research design

Research design refers to the action plan that links the theoretical assumptions to the specific way the research is conducted (Creswell, 2003; Kalof, Dan & Dietz, 2008; Wahyuni, 2012). It outlines the rationale for the manner in which the research was conducted, including sampling, data collection, data analysis and ethics (Oliver, 2004).

3.1.1 Statement of the problem

WLB practices are mutually beneficial for both employees and employers (Thompson & Prottas, 2009; Yuile et al., 2012). From an employer’s perspective, WLB practices can help attract and retain skilled workers (Department of Employment and Industrial Relations, 2008; Fair Work Ombudsman, 2013; Harrington & Ladge, 2009), improve corporate image, reduce absenteeism, lower stress levels, increase levels of productivity and performance, and improve satisfaction and commitment among employees (Hughes &
Bozionelos, 2007; Nelson et al., 1990; Scandura & Lankau, 1997). From the perspective of the employee, the offering of WLB practices can be perceived as personal organisational support that can lead to increased commitment and job satisfaction and decreased turnover intentions (Allen, 2001; Haar & Spell, 2004).

However, possible gains will not be forthcoming if organisations develop and implement WLB practices, but fail to effectively communicate them to employees or if employees fear using such practices (Prottas, Thompson, Kopelman & Jahn, 2007). Hence, when organisations are faced with change, an increasing number of employees nearing retirement age, and the decline of young people available for work (Colley, 2010; DEIR, 2008), there is a need for WLB responsive policies and practices that may assist with attracting and retaining a skilled workforce (Galinsky, 1988).

Whilst much WLB research has been carried out in the United States of America and the United Kingdom, it is unclear whether such research theories, models and findings are valid in Australia (Bardoel et al., 2008), possibly because of different legal environments. A good example of this is the fact that within Australia, but not the United States of America, there are legislative measures covering paid maternity leave and the right to request flexible working arrangements. Additional reasons for the research are that employer perspectives on WLB are under-developed and under-represented (Bretherton, 2008) and a comprehensive theoretical framework to explain and assess the variation among organisations regarding family-friendly policy formation is lacking (Davis & Kalleberg, 2006).

This research is particularly important as scholars postulate (e.g., see Wolcott, 1993) that the diversity of businesses, specifically small businesses, does not warrant generalisations
about how such organisations should handle work–family/life matters. But as per ILO Recommendation No.156 (*Workers with Family Responsibilities*), its accompanying Recommendation (No. 165) and ILO Conventions 189, 156, 111, 100 and 183 (*Maternity Protection*) (Hodges, 2014, International Labour Organisation, 1981, 1998) there is an obligation to try and find where differences amongst adoption exist.

### 3.1.1.1 Research objectives

Overall this study aims to empirically investigate what organisational characteristics of SMEs, if any, are most likely to lead to organisational WLBR. Specific objectives are to:

- measure the types of WLB practices offered by small and medium enterprises within Australia
- study the overall dimensions of WLBR in SME within Australia
- examine the impact of institution factors on an organisation’s WLBR
- examine the relationship of organisation adaptation factors on an organisation’s WLBR
- analyse the relationship of high commitment and an organisation’s WLBR
- study the impact of situation factors on an organisation’s WLBR
- examine if the pattern of organisational characteristics, of SME that offer WLB practices, is reducible to one model.

### 3.1.1.2 Hypotheses

Based on the literature review in Chapter 2 and the research objectives, the following hypotheses were formulated.
**Hypothesis (H1):** Work-life balance practices co-exist and the pattern of association between them is a multi-dimensional structure.

**Hypothesis (H2):** There is no significant relationship between organisational size and work-life balance responsiveness.

**Hypothesis (H3):** There is a significant difference among small and medium enterprises located in different geographic regions and work-life balance responsiveness.

**Hypothesis (H4):** There is a significant difference across industries in their work-life balance responsiveness.

**Hypothesis (H5):** The larger the unionisation of the workforce the greater is work-life balance responsiveness.

**Hypothesis (H6):** There is a positive relationship between the perceived organisational benefits of work-life balance practices and work-life balance responsiveness.

**Hypothesis (H7):** There is a positive relationship between perceived organisational benefits and employee consultation.

**Hypothesis (H8):** There is a positive relationship between employee consultation and work-life balance responsiveness.

**Hypothesis (H9):** Employee consultation mediates the relationship between perceived organisational benefits and work-life balance responsiveness.

**Hypothesis (H10):** There is a positive relationship between high performance work systems and work-life balance responsiveness.
Hypothesis (H11): There is a positive relationship between employer attitude towards work-life balance practices and work-life balance responsiveness.

Hypothesis (H12): Employer attitude towards work-life balance mediate the relationship between high performance workplace systems and work-life balance responsiveness.

Hypothesis (H13): There is a positive relationship between barriers encountered in the development and implementation of work-life balance practices and work-life balance responsiveness.

Hypothesis (H14): There is a positive relationship between barriers to developing and implementing work-life balance practices and employer attitude.

Hypothesis (H15): Employer attitude towards work-life balance mediate the relationship between barriers to developing and implementing work-life balance practices and WLB responsiveness.

Hypothesis (H16): There is a positive relationship between the female composition of the workforce and work-life balance responsiveness.

Hypothesis (H17): There is a positive relationship between the education level of the workforce and work-life balance responsiveness.

Hypothesis (H18): There is a positive relationship between the education level of the employer and work-life balance responsiveness.

Hypothesis (H19): There is a positive relationship between the proportion of employees aged over 40 years and work-life balance responsiveness.

3.1.2 Research paradigm

A research paradigm suggests a basic orientation to theory and research (Kuhn, 1962). The
importance of a paradigm (conceptual/theoretical framework/approach) is that it includes basic assumptions, the important questions to be answered and the research methods (Creswell & Plano Clark, 2007). The exploration of a paradigm to be adopted in a study should be explained prior to any discussion about the methodology (Gaba & Dash, 2004; Kuhn, 1974).

In the social sciences there is a wide and ongoing debate about paradigms, but it is generally accepted that no single paradigm is dominant (see for example Burrell, 1996; Guba & Lincoln, 1994; Lincoln & Denzin, 2000; Lincoln & Guba, 2000; Neuman, 2006). According to Creswell and Plano Clark (2007) a paradigm or worldview is deeply rooted in personal experiences, culture and history, and can change over time based on life experiences. They offer four organising frameworks: post positivism, constructivism, advocacy and participatory, and pragmatism. All have common elements but represent different views on the underpinning assumptions of ontology (the nature of reality), epistemology (how we acquire knowledge), axiology (the role values play in research), methodology (the process of research), and rhetoric (the language of research) (Creswell & Plano Clark, 2007).

Ontology is concerned with the form and nature of reality and the nature of human beings in the world (Burrell & Morgan, 1979; Wahyuni, 2012). The ontological assumptions made in a study reflect a position on whether the reality under investigation is external or internal to the individual, or whether the reality is the product of the individual’s consciousness (Neuman, 2006).

Epistemology is constrained by ontology, and deals with the nature of the relationship between the researcher and the subjects for the research (Guba & Lincoln, 1994). The
Axiology is concerned with the study of the nature, types, and criteria of values and of value judgments, for example, how bias is dealt with by the researcher (Creswell & Plano Clark, 2007). In terms of methodology, this refers to how the researcher goes about finding what they believe can be known (Guba & Lincoln, 1994; Morgan & Smircich, 1980). Last, rhetoric refers to the selected language for the research, whether formal, informal, advocacy or change (Creswell & Plano Clark, 2007).

According to Creswell and Plano Clark (2007) in reference to the four paradigms, first, post positivism researchers apply a singular reality (e.g., researchers reject or fail hypotheses), are distant and impartial in collecting data, seek to be unbiased, adopt a deductive approach, and use a formal style of language. Second, constructivism researchers adopt multiple realities by providing quotes to illustrate perspectives, visit research participants, actively talk about their biases and interpretations, adopt an inductive approach and use an informal language style. Third, researchers adopting the advocacy and participatory worldview paradigm adopt a political reality, collaborate, are biased and negotiate with participants about interpretations, are participatory, and seek to adopt language that will bring about change and advocate for participants. Finally, pragmatism researchers can adopt singular or multiple realities, adopt a practical approach to the research, can use multiple axiology stances (i.e., biased and unbiased), use quantitative or qualitative or mixed approaches, and use formal and/or informal language.

This study applies a post positivist approach to the study as it adopts a singular reality i.e., it rejects or fails to reject hypotheses (ontology), is distant and impartial with data
collection (epistemology), is unbiased (axiology), is deductive (quantitative research methodology), and uses a formal language style (rhetoric). Further details on this selected approach follow.

3.2 The quantitative research method

The quantitative methodology approach centres on using numerical data to describe the various patterns and relationships that exist in the data (Burns, 2000). Investigators who adopt this approach seek to maintain an objective and detached approach to minimise any bias in seeking to understand the facts (Neuman, 2006). A key strength of this research method is that it allows researchers to collect a large amount of specific information on a large number of respondents (Neuman, 2006; Wilkinson, 2000). This approach is often contrasted with the qualitative approach, where examination tends to focus on the recognition of the importance of the subjective, experiential life world of human beings; its strength as a methodological approach is that it can lead to the discovery of deeper levels of understanding (Burns, 2000).

3.2.1 Quantitative survey

Bailey (1987) posits it is feasible to gather valid and reliable data from respondents using self-completion questionnaires. Neuman (2006) states that if research seeks to explore an issue through gathering data from a large number of respondents, then a survey is the most useful tool for collecting the necessary data. Survey tools seek to offer the following advantages: they are time efficient, cost effective, afford the respondent an increased level of anonymity, and the risk of interviewer inference and bias are removed (Bailey, 1987).

However, the survey tool comes with certain disadvantages. First, there is potential for a low response rate from surveys (Neuman, 2006). For example, Heberlein and Baumgartner
(1978) claim a response rate of 20–40% can be quite typical for a survey in a large sample of organisations. Second, given the nature of the tool surveys do not encourage respondents to collaborate and resolve potential differences in their responses, they can be quite limiting and static, and therefore only offer a realistic picture at the time data is collected (Wilkinson, 2000). Third, the construction of appropriate questionnaires can be time consuming and difficult, requiring a great deal of expertise (Leedy & Ormond, 2001). Fourth, Yang and Mossholder (2010) explain that results based on data from surveys may have been biased by common method variance (CMV), which refers to the spurious variance that is attributable to the measurement method rather than to the constructs the measures represent (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003).

3.2.2 Justification for quantitative methodology

According to Creswell and Plano Clark (2007), no single study perfectly fits all elements of either a quantitative or qualitative approach; rather it is the research questions and objectives which should indicate the selection of the methodology. Walsh (2001) argues that studies that apply quantitative methods aim to measure, ‘how many…how often …what percentage or proportion… [or]… to what extend is there a connection or correlation between X and Y’ (p. 7). Since the aim of this study was to study what WLB practices are offered by SMEs in Australia, and the organisational characteristics of those that are responsive, the quantitative methodology was selected.

In addition, Lavoie (2004) observed more research was required concerning WLB of SME employees, particularly research which adopts quantitative techniques and analyses the issues in different countries. It has also been highlighted in the literature (see Bretherton, 2008; Brough & O’Driscoll, 2010; Davis & Kalleberg, 2006) that insufficient empirical research exists, and those papers which have been published do not provide a theoretical
framework to explain and assess the variation among organisations in family-friendly/WLB policy formation.

Hence, given the intent of this study is to develop generalisations that contribute to theory and enable one to better predict and understand the WLBR phenomenon, the quantitative approach is adopted.

3.3 Data collection procedure
Based on the post positivist research paradigm, quantitative research utilising a questionnaire-based survey was deemed appropriate for this study. The study was conducted in two phases, beginning with a pilot study that was completed prior to the main data collection.

3.3.1 Population of the study
The population of this study consisted of Australian SME managers. The criteria used for the selection of SME were: all the Australian and New Zealand Industrial Classification (ANZIC) (Australian Bureau of Statistics, 2006) were represented, companies had between 1 and 200 employees, the name and address of the business owner/operator were available, and each Australian state and territory was represented.

3.3.2 Unit of analysis
The participants in this study were persons designated as responsible for HRM within the selected Australian SME. This made them a reliable source of valid information for this study. The participants of the study were informed that participation was voluntary and anonymous; thus, no direct contact was made with the participants and their anonymity assured.
3.3.3 Sampling strategy
A Dun and Bradstreet database file was used to identify 2000 suitable SMEs within Australia; a practice supported by Osterman (1995) and Wiesner and Innes (2010). Osterman describes it as the only practical choice.

3.3.4 Pilot study
Prior to the main data collection, the questionnaire was pilot tested by 10 SME managers responsible for HRM. Their suggestions and comments on the questionnaire’s design were sought. Based on the results some questions were refined to more closely represent the constructs, thereby enhancing its content validity. The pilot survey and review of the survey instrument took one month to complete.

3.3.5 Distribution of questionnaire
Once the survey instrument had been pilot tested and amended a pre-approach letter describing the study was sent to the business manager and asked that the manager responsible for human resource within each organisation complete the survey. To ensure a higher response rate the name of a person was found for each firm from the Dun and Bradstreet database. Where no name was found a telephone call was made to the organisation concerned and they were asked for a name. Two weeks after the introductory letter, and following Dillman’s (1991) ‘total questionnaire design’, three rounds of surveys were sent out. In each round, there was a covering letter, a copy of the survey with return date and a self-addressed, postage paid envelope in which to return the questionnaire. Each questionnaire was numbered, and when it was returned it was checked off against the master list. Anonymity was guaranteed and no data were collected that might identify individual respondents. The mail outs were conducted over a three-month period with one month intervals allowed in between each mail out.
3.3.6 Response rate

Of the 2000 questionnaires sent, 557 were returned as undeliverable. From the remaining 1443 possible respondents, 219 useable questionnaires were returned yielding a response rate of 15%. The overall response rate is similar to a study by Milliken et al. (1998), who obtained a response rate of 18% (n = 175) when surveying a random sample of 1000 human resource managers about work-family policies.

In this case a response rate of 15% is considered to be satisfactory as it provides a substantial sample size in absolute terms to yield reliable statistical results. For SEM using LISREL software the sample size can affect the statistical test by either making it insensitive (i.e., for small samples) or overly sensitive (i.e., for too large samples) (Hair et al., 2006). A sample size of more than 100 respondents is sufficient for SEM (Jackson et al., 1997). Thus, the sample size of 219 businesses was considered appropriate for the SEM procedure adopted.

3.4 Measurement instruments

To facilitate the reliable and valid measurement of various concepts, numerous multi-item measurement scales were employed. These scales were derived from previous studies and/or developed from related literature and suitably adapted. When designing the actual questions Dillman (1991) argues that a central consideration when conducting a self-completion questionnaire is its overall presentation. For this study, issues related to the order of questions, formatting, and the use of front and back covers were all addressed. The survey comprised two parts. In terms of the order of questions it was important that ‘easy’ questions came first in order to develop the respondent’s confidence to continue. Part A included five sections, and first sought information regarding the independent variables that comprised the organisation’s characteristics and workforce demographics.
Later in this first part were questions dealing with the benefits employees perceive about the offering of WLB practices, barriers to developing and implementing WLB practices, adoption of HPWS, and situational factors. Part B sought data regarding the harder questions dealing with various practices offered. To minimise the respondent’s mental effort of switching between different content areas, questions were grouped together by content and also ordered in a way that showed progression between questions. The questionnaire is located in the Appendix.

3.4.1 Independent variables

This section provides details about the instruments used for data collection.

3.4.1.1 Institution instruments

Organisational characteristics were used to measure the institution perspective. Table 3.1 lists them.
### Table 3.1  Institution variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size</td>
<td>Respondents were asked to indicate the total number of people employed in their organisation (as per the ABS definition: 1–19 employees constitute small enterprises, 20–200 represents medium enterprises).</td>
</tr>
<tr>
<td>Location and operations of business</td>
<td>Respondents were asked to indicate in which Australian state or territory they were located (i.e., New South Wales, Victoria, Queensland, South Australia, Western Australia, Tasmania, Northern Territory or Australian Capital Territory) and identify if they were metropolitan or non-metropolitan based.</td>
</tr>
<tr>
<td>Industry type</td>
<td>Using the ANZIC codes of industry type (Australian Bureau of Statistics, 2006) respondents were asked to nominate which of the following best described their primary industry type: 1 = agriculture, forestry and fishing; 2 = mining; 3 = manufacturing; 4 = electricity, gas, water and waste services; 5 = construction; 6 = wholesale trade; 7 = retail trade; 8 = accommodation and food services; 9 = transport, postal and warehousing; 10 = information media and telecommunications; 11 = financial and insurance services; 12 = rental, hiring and real estate services; 13 = professional, scientific and technical services; 14 = administrative and support services; 15 = public administration and safety; 16 = education and training; 17 = health care and social assistance; 18 = arts and recreation services; 19 = other services.</td>
</tr>
<tr>
<td>Unionisation</td>
<td>Respondents were asked to estimate the percentage of employees that were unionised.</td>
</tr>
</tbody>
</table>

Note: ABS = Australian Bureau of Statistics; ANZIC = Australian New Zealand Industry Classification
3.4.1.2 Organisation adaptation instruments

Perceived benefits (PBEN) was used to determine whether the manager of the business felt the WLB practices offered in their SME had a positive impact on absenteeism, turnover, productivity, morale, bottom line, recruitment and retention, employee stress, loyalty, and company image. Respondents were asked to rate each on a five-point Likert scale. Response options were 1 = not at all; 2 = very limited; 3 = somewhat; 4 = quite a bit; 5 = to a very large extent. This measure was used by Pitt-Catsouphes, Mirvis and Litchfield (1995) and was used by creating an index score for each respondent. Cronbach $\alpha = 0.94$.

Employee consultation (ECON) was used as a mediator variable to assess the quality and amount of bottom-up communication. The owner/manager of the SME was asked whether the organisation had employee-management committees or regular meetings of employees and managers to discuss five issues: occupational health and safety, productivity, training, technology and work organisation, and work roles or job descriptions. This measure was originally used by Wood (1999) and Wood et al. (2003) and involved an overall index score. Respondents were asked to answer 1 = no and 2 = yes. Cronbach $\alpha = 0.85$.

3.4.1.3 High commitment instruments

High performance work systems (HPWS) was used to assess to what extent the organisation employs and commits to workplace practices, including just-in-time inventories, worker teams, total quality management, quality circles, peer review of employee performance, pay increases based on a pay for knowledge system, employee involvement in the organisations’ technology and equipment purchase decisions, and job rotation. This measure was used by Frazis, Herz and Horrigan (1995) and Bardoel (2003). Like de Kok and den Hartog (2006) and Way (2002) an index score was created using an additive approach. For this study, a five-point Likert scale measure was used: 1 = not at all;
2 = very limited; 3 = to some degree; 4 = quite a bit; 5 = to a very large extent. Cronbach $\alpha = 0.72$.

*Employer Attitude* (EATT) was used as the mediator variable to assess employers attitudes towards WLB and the impact WLB practices had on employees and the workplace. Ten statements were asked including: people work best when they can balance their work and the other aspects of their lives; employers should make a special effort to accommodate the particular difficulties parents of young and disabled persons face in balancing work and family life; people who work flexibly are just as likely to be promoted as those who don’t; employees should not expect to be able to change their work pattern if it would disrupt the business; it is not easy trying to accommodate employees with different patterns of working; everyone should be able to balance their work and home lives in the way they want; providing flexible practices improves customer service; when some employees take-up flexible working practices, it causes resentment among other employees; policies that help employees balance work and other interests are often unfair to some employees; and it’s not the employer’s responsibility to help people balance their work with other aspects of their lives. The level of agreement was recorded on a five-point Likert scale: 1 = strongly disagree; 2 = disagree; 3 = neither agree nor disagree; 4 = agree; 5 = strongly agree. This measure was used by Hayward et al. (2007) and was used by creating an index score for each respondent. Cronbach $\alpha = 0.81$.

### 3.4.1.4 Situation instruments

*Organisational barriers* (OBAR) was used to assess to what extent the organisation encountered barriers when implementing WLB practices, including the following seven items: lack of supervisor support, resistance from co-workers, perceived costs of the program, perceived inequity, lack of information about employee needs, management
perception that work and family should be kept separate, and lack of evidence of the long-
term benefits of WLB initiatives. This measure was used by Mulvena (1998) and is most
suitable for SMEs. Other similar measures have been used by De Cieri et al. (2005). For
this study a five-point Likert scale measure was used: 1 strongly agree; 2 = somewhat
agree; 3 = neither agree/disagree; 4 = somewhat disagree; 5 = strongly disagree. Cronbach
$\alpha = 0.90$.

Organisational characteristic variables were also used to assess the situation perspective.
This included the average education level of the workforce, and the education level of the
employer was sought as an exploratory variable. For the workforce the following
categories were used: 1 = most less than the higher school certificate; 2 = most equal to
higher school certificate or less; 3 = most have higher school certificate; 4 = most equal
higher school certificate or above; 5 = most have more than higher school certificate. The
following categories of schooling were used for the education level of the employer: 1 =
primary school; 2 = secondary school; 3 = technical college; 4 = some university, 5 =
diploma; 6 = bachelor; 7 = masters; 8 = doctorate; 9 = other. For the latter measure, while
education was collected as an interval variable, it was treated as a continuous variable,
which is similar to other research (Schulz, Chowdhury & Van De Voort, 2013).

The other organisational characteristics variables were assessed using a scale measure, and
the following question was posed: approximately what proportion/percentage of
employees fall into each of the following categories: females employed, female managers
employed, and numbers of employees aged over 40 years.

3.5 Dependent variable

Work-life balance responsiveness (WLBR) was used to assess what WLB practices were
offered to the workforce. Similar to previous research (e.g., Milliken et al., 1998), a wide range of WLB practices were included in this study to measure the dependent variable, WLBR. The WLB practices were derived from practices identified by Bardoel (2003), Bardoel et al. (1998), Konrad and Mangel (2000), Mulvena (1998), Pitt-Catsouphes et al. (1995). Similar to the studies conducted by Bardoel (2003) and Pitt-Catsouphes et al. (1995), respondents were asked to estimate the extent to which their organisation provided each practice on five-point Likert-type scales (1 = not at all; 2 = being considered; 3 = offered informally/ad hoc or on a pilot arrangement to a limited number of employees; 4 = available to less than half of the workforce; 5 = available to more than half of the workforce). Cronbach $\alpha = 0.74$.

3.6 Control variables

The control variables in this study were selected based on theoretical perspectives as well as previously published studies. First, like Osterman (1995) the existence of a human resources department is controlled for, as it is advocated that a designated person responsible for HRM for SME purposes encourages the use of WLB practices as they are part of the team that develop and implement practices, and they are concerned with appearing to be modern or are responsive to external pressure.

Based on a survey conducted by the Business Council of Australia (cited in Wolcott, 1993) of medium and large enterprises it was predicted that businesses in 2000 and beyond would operate two workforces. The first group would be the core workforce comprised of full-time permanent employees who would be entitled to receive benefits. The second group would be the peripheral workers consisting of part-time and/or casual employees and sub-contractors, and who would be likely to receive fewer benefits.
Such forecasts have become reality according to the Australian Social Trends survey results (Australian Bureau of Statistics, 2003) 50% of men and 64% of women working full-time have leave entitlements, compared with 7% of men and 25% of women working casual arrangements. The Australian Council of Trade Unions (2003) found similar results. Felstead et al. (2002) note that different types of employment could impact management decisions in offering WLB practices. They offer the following example, ‘high levels of part-time working women may diminish the importance management attaches to the delivery of other aspects of the work-life balance package’ (p. 52). The number of casual/permanent part-time staff is therefore controlled for.

The following measures were used for these control variables First, for the presence of a human resources manager the question was asked: does your business employ (1) a human resource professional; or (2) a designated person responsible for human resource/staff issues? Second, to measure the casual part-time workforce the following question was posed: approximately what percentage of employees are casual and/or permanent part time?

### 3.7 Data analysis and interpretation

For this study the multi-step approach recommended by Anderson and Gerbing (1988) to assess models was used. For this study an EFA was performed to test the measurement (outer) model through examining the factor structure of the items and to evaluate the model for validity and reliability. Second, SEM was employed using LISREL to test the theoretical (inner) model. SEM is a collection of statistical techniques that allow examination of a set of relationships between one or more independent variables, either discrete or continuous (Hair et al., 2006). SEM is best employed to confirm theoretical or hypothesised links between observed and latent variables (Tabachnick & Fidell, 2001).
The strength of the specified model depends largely on the validity of the theory that has been used to specify the model, and if the model does not supply good fit statistics a process of refinement is necessary to define the best fit model (Hair et al., 2006).

SEM is seen as most appropriate for this study for the following reasons. First, this study has identified a conceptual model with proposed links between several latent variables. In order to test the research question, this model needs to be tested. Second, the availability of the data was sufficient to allow SEM to be executed. Third, SEM is an acceptable analytical technique that has been used widely to solve research questions and, like Wood (1999) identifies, is appropriate for this type of latent variable analysis.

Besides assessing models, regression analysis and MANOVA was used to test how control variables (organisational characteristics) affect the latent constructs (independent variables) by using SPSS. *F*-value and adjusted R-square should be significant at $p < 0.05$ level.

**3.7.1 Data preparation**

Prior to analysing any data, preparation of the data was conducted, which involved checking and logging data—checking for accuracy, and entering into the computer for transformation.

**3.7.1.1 Data coding and entry**

Data coding is a summary of instructions used to convert information obtained from a respondent into an understandable form (Pallant, 2011). For easy computer identification, a coding scheme for all survey questions was developed using Microsoft Excel, in which variable descriptions and code names were identified. For example, 1 = no and 2 = yes;
and 1 = strongly disagree, 5 = strongly agree. A coding sheet was developed using Microsoft Excel. This was then exported to SPSS-20.0.

3.7.1.2 Recoded items

To measure the variable ‘industry’ ANZIC (Australian Bureau of Statistics, 2006) was used. But like Milliken et al. (1998) and Perry-Smith and Blum (2000), it was re-coded into a dummy variable 0 = manufacturing, 1 = non-manufacturing. The control variable ‘designated human resource professional’ was recoded. The question asked (a) does your business employ a human resource professional 1 = no, 2 = yes (b) a designated person responsible for human resource/staff issues 1 = no, 2 = yes. The two items were re-coded into one dichotomous variable (0 = no and 1 = yes.). For the dependent variable Pitt-Catsouphes et al. (1995), respondents were asked to estimate the extent to which their organisation provided each practice on five-point Likert-type scales (1 = not at all; 2 = being considered; 3 = offered informally/ad hoc or on a pilot arrangement to a limited number of employees; 4 = available to less than half of the workforce; 5 = available to more than half of the workforce. Like Pitt-Catsouphes et al. (1995) the following items were recoded to 0 = not at all; 1 = being considered; 2 = offered informally/ad hoc or on a pilot arrangement to a limited number of employees; 8 = available to more than half of the workforce.

3.7.1.3 Data cleaning

Before analysing data it is also essential to screen and clean the data set (Pallant, 2011), which involves checking for errors and then correcting them. Missing values and outliers were thoroughly checked by employing both SPSS 20.0 and LISREL 8.70. No missing values or outliers were found.
3.7.1.4 Skewness and kurtosis

Before assessing data it is important to first check that the dependent scores are ‘normal’ and follow a symmetrical bell-shaped curve, where the greatest frequency of scores fall in the middle with smaller frequencies towards the extremes (Pallant, 2011). According to Pallant, measures that can be used to measure normality are skewness and kurtosis. The skewness value provides an indication of the symmetry of the distribution, and scores should range from –1.0 to +1.0. Where kurtosis provides information about the ‘peakedness’ (Jondeau & Rockinger, 2003; Pallant, 2011) and the histogram should be inspected to check for reasonable normal distribution. This study used SPSS 20.0 to compute skewness and kurtosis and assess the overall normality of the data.

3.7.1.5 Non-response bias

Testing for non-response bias helps identify any potential bias due to the failure of elements in the sample to respond. Armstrong and Overton (1977) found that non-respondents are similar in nature to late respondents. As a check for likely non-response bias, Lambert and Harrington (1990) suggest carrying out independent t tests for differences in the means between responses from early and late respondents. Following this model, respondents were either categorised as responding to either the initial (58%) or the follow-up request (42%). A comparison of the two groups was performed using the independent t tests, finding that the groups displayed responses that did not have statistically significant differences. Thus, non-response bias was not negatively affected by the data.

3.7.1.6 Assessment of common method bias

As a means of reducing common method bias (i.e., inflated estimates) due to using data from single informants, Podsakoff and Organ (1986) suggest ‘scale reordering’. This
requires measurement items related to independent variables preceding the dependent variable in the questionnaire. The survey instrument used in this study was structured this way. Podsakoff, MacKenzie, & Podsakoff (2012) recommend that to reduce this potential bias some procedural and statistical remedies could be employed. In this study, the assurance of anonymity and confidentiality was provided.

Konrad and Linnehan (1995) support this process, arguing that anonymity could help reduce such bias. Additionally, as postulated by Podsakoff and Organ (1986), Harman’s one-factor test was used to examine any bias. All variables were entered into a principal component analysis (PCA). CMV is signalled by the emergence of a single factor that explains a majority of the variance. In each study more than principal component was extracted. Thus it can be said that common method bias did not appear to be a major issue. A sequential $\chi^2$ difference test indicated that the one-factor model was significantly inferior to the three-factor model for each analysis, which showed CMV is not a potential problem in this study.

We also employed CFA to further test the effect of CMV. Each final model demonstrated good fit to the data. Therefore, again CMV does not appear to be a serious problem. Last, we further developed a correlated uniqueness model (CTCU), as suggested by Marsh and Bailey (1991), to assess the presence of CMV. We compared the fit of a model with latent factors and a trait-only model. Thus, the comparison of the three-factor model to the CTCU model resulted in no significant change in chi-square. Finally, like Guthrie (2001) and Mitchell et al. (2013) the most senior person responsible for HRM was asked to complete the survey, based on expertise. Overall, these results suggest CMV should not be a major factor accounting for the findings.
3.7.2 Statistical analysis

A number of data analysis techniques were employed in this study.

3.7.2.1 Descriptive statistics

Descriptive statistics were conducted to describe the characteristics of the sample and check if any variables violated the assumptions underlying the selected statistical techniques, such as outliers.

3.7.2.2 Exploratory factor analysis

EFA was used on each construct to establish if all the scale measures used had construct validity. In this study, PAF was employed with promax rotation to extract factors in SPSS. Three indices; KMO criterion, Bartlett’s test of sphericity and CSR, were employed to determine the appropriateness of applying factor analysis. Factor analyses were considered to be appropriate if they met the requirement against the following criteria: KMO is more than 0.60 and chosen as the minimum requirement for the eigenvalue greater than one; Bartlett’s test should be significant at $p < 0.05$ level; and CSR is more than 0.70 (Hair et al., 2006; Kaiser, 1974). According to Nunnally (1978) items with loadings higher than 0.50 on one factor should be retained for further analysis. In addition, Baruch (1999) and Nunnally (1978) posit that a minimum value of 0.7 for the Cronbach’s alpha should be used to assess if the overall scale has adequate levels of internal reliability.

3.7.2.3 Structural equation modelling

While testing the model, a series of CFAs were conducted using LISREL. A nested-model approach was employed using SEM to examine the relationships within mediated models (Tokar & Jome, 1998). SEM was employed using LISREL 9.1 in order to establish measurement models that concurrently address complex behavioural relationships.
prevailing in each model (Shook et al., 2004). The results were evaluated in terms of the following indices suggested by Hair et al. (2006): $\chi^2$ and the associated $df$, $\chi^2/df$, CFI, GFI, AGFI, and RMSEA. Hair et al. (2006) suggest that to be considered as having an adequate fit, all the indices must be measured against the following criteria: $\chi^2/df < 3.00$: GFI and CFI > 0.90: and RMSEA < 0.08.

The hypotheses were tested following the procedures recommended by Judd and Kenny (1981) and Baron and Kenny (1986). Three critical steps are required to justify a mediation effect. First, the independent variable should be significantly correlated with the mediator. Second, after controlling for the effect of independent variable on dependent variable, the mediator variable should be significantly correlated with dependent variable. Third, the indirect effect of the independent variable on dependent variable must be significant. Preacher and Hayes (2004) procedures were employed, which included the Sobel test (Sobel, 1982) and a bootstrap approach.

3.7.2.4 Regression analysis and multivariate analysis of variance

In order to seek understanding of individual organisational characteristics, regression analysis and MANOVA were employed to test the relationship with the latent constructs. To examine this relationship, regression analysis using SPSS 20.0 was performed between the dependent latent variable index scores and the predictor variables (industry, organisation size, unionisation, location of business, education level, gender, and age of the workforce). The purpose was to analyse if there was adequate evidence to show organisational characteristics were significant predictors in estimating WLBR. $F$-value and adjusted $R^2$ should be significant at $p < 0.05$ level.
3.8 Ethical considerations

According to Burns (2000) ethical problems may arise in social science research given human subjects are involved. In order to minimise ethical problems this study received ethics approval from Charles Sturt University’s Ethics in Human Research Committee (Approval Number: 2006/293). No complaints were received regarding any aspect of this methodology or the project overall. Measures taken to achieve this were, first, it involved voluntary participation; second, it imposed no psychological harm or discomfort to the participants; third, there was informed consent; fourth, anonymity and confidentiality was assured; fifth, access and security of data storage was achieved via a lockable office and filing cabinet and a password protected computer; sixth, the respondent could withdraw at any stage; and finally, there was no deception as the participants were informed via a covering letter of the nature, purpose and duration of the study.

3.9 Conclusion

This chapter reported on the research methodology employed in this study. It provided a detailed outline of the research design and highlighted how the post positivism paradigm and quantitative research approach provided the best fit for this study. The second section of the chapter described the population of the study, sampling strategy and data collection. The third section offered an explanation of the data analysis and interpretation procedure including an outline of the acceptable values of indices. The final section offered ethical considerations and measures taken into account for this study.
Chapter 4 Analysis, results and discussion

Based on the findings of this study, Chapter four presents the results, analysis and discussion. First, it presents the organisational characteristics of a sample of respondents from SMEs. Second, each of the six constructs—WLBR PBEN, ECON, HPWS, EATT, and OBAR—is evaluated separately, using EFA to determine the structure of factors, followed by the tabulation of Conbach’s alpha coefficients to determine reliability of instruments. Third, CFA and SEM confirm each scale structure in relation to the Australian SME context. A nested-model approach is used where appropriate to examine relationships within mediated models. Fourth, a hierarchical regression analysis is used to test for any mediating variables and to find out how organisational characteristics influence each of the constructs. The final section aims to build the relationships between the constructs and to the hypotheses by conducting SEM.

4.1 Organisational characteristics of respondents

A total of 219 SME managers participated in this study. The ANZIC (Australian Bureau of Statistics, 2006) industry categories were used to describe the main operations of the organisations. The manufacturing category represented the highest percentage of respondents (21.9%), followed by other services (11.9%), and construction (10.5%). Each state and territory within Australia was represented, including metropolitan and non-metropolitan areas. Most businesses were in New South Wales, making up 26.6% of the metropolitan businesses and 12.4% of those in non-metropolitan areas. In relation to the extent of their business operations, 44.7% operated within their local region only, 30 nationally and 25.3% globally. Of the businesses that responded, 62.7% were family owned; 16.8% operated from home; 72.6% expected to grow within the next 12 months; 46.7% had experienced employment growth in the last 12 months; 35% had experienced
sales growth in the last 12 months; 11.6% employed a designated human resources manager; 38.9% had a designated human resource member; and 65% held regular occupational health and safety meetings, productivity meetings and training meetings. Of the education levels of the business operators, 29% held an undergraduate degree, 24% held a vocational qualification, 18% held secondary school qualifications, and 13% held a post-graduate qualification (see Table 4.1)

### 4.2 Skewness and normality

In this study, skewness and kurtosis were computed for each of the six constructs by using SPSS 20.0. Skewness was adopted to test asymmetry and deviation from a normal distribution. The value of skewness is supposed to range from –1.0 to +1.0 (Pallant, 2011). Results showed that skewness of all the constructs were acceptable and symmetrical, given all variables attained skewness ranges from –1.0 to +1.0 and an inspection of each histogram illustrated normal distribution (see Table 4.2).
<table>
<thead>
<tr>
<th>Value Label</th>
<th>$n$</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Industry</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture forestry &amp; fishing</td>
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<td>5.0</td>
</tr>
<tr>
<td>Mining</td>
<td>9</td>
<td>4.1</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>48</td>
<td>21.9</td>
</tr>
<tr>
<td>Electricity gas water &amp; waste</td>
<td>1</td>
<td>0.5</td>
</tr>
<tr>
<td>Construction</td>
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<td>10.5</td>
</tr>
<tr>
<td>Wholesale Trade</td>
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<td>5.9</td>
</tr>
<tr>
<td>Retail Trade</td>
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<td>6.4</td>
</tr>
<tr>
<td>Accommodation and food services</td>
<td>4</td>
<td>1.8</td>
</tr>
<tr>
<td>Transport postal and warehousing</td>
<td>10</td>
<td>4.6</td>
</tr>
<tr>
<td>Information media</td>
<td>14</td>
<td>6.4</td>
</tr>
<tr>
<td>Financial &amp; insurance</td>
<td>6</td>
<td>2.7</td>
</tr>
<tr>
<td>Rental hiring &amp; real estate</td>
<td>2</td>
<td>0.9</td>
</tr>
<tr>
<td>Professional scientific and technical</td>
<td>17</td>
<td>7.8</td>
</tr>
<tr>
<td>Administration &amp; support</td>
<td>2</td>
<td>0.9</td>
</tr>
<tr>
<td>Public administration &amp; safety</td>
<td>1</td>
<td>0.5</td>
</tr>
<tr>
<td>Education and training</td>
<td>6</td>
<td>2.7</td>
</tr>
<tr>
<td>Health care &amp; social assistance</td>
<td>10</td>
<td>4.6</td>
</tr>
<tr>
<td>Arts &amp; recreation services</td>
<td>2</td>
<td>0.9</td>
</tr>
<tr>
<td>Other</td>
<td>26</td>
<td>11.9</td>
</tr>
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<td><strong>Location of head office</strong></td>
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<td></td>
</tr>
<tr>
<td>Metropolitan New South Wales</td>
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<td>26.5</td>
</tr>
<tr>
<td>Metropolitan Victoria</td>
<td>47</td>
<td>21.5</td>
</tr>
<tr>
<td>Metropolitan Queensland</td>
<td>18</td>
<td>8.2</td>
</tr>
<tr>
<td>Metropolitan South Australia</td>
<td>14</td>
<td>6.4</td>
</tr>
<tr>
<td>Metropolitan Western Australia</td>
<td>11</td>
<td>5.0</td>
</tr>
<tr>
<td>Metropolitan Tasmania</td>
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<td>0.5</td>
</tr>
<tr>
<td>Metropolitan Northern Territory</td>
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<td>0.5</td>
</tr>
<tr>
<td>Metropolitan Australian Capital Territory</td>
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</tr>
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<td>Non-metropolitan New South Wales</td>
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<td>12.3</td>
</tr>
<tr>
<td>Non-metropolitan Victoria</td>
<td>7</td>
<td>7.8</td>
</tr>
<tr>
<td>Non-metropolitan Queensland</td>
<td>14</td>
<td>6.4</td>
</tr>
<tr>
<td>Non-metropolitan South Australia</td>
<td>4</td>
<td>1.8</td>
</tr>
<tr>
<td>Non-metropolitan Western Australia</td>
<td>2</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Extent of business operations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Within local region only</td>
<td>97</td>
<td>44.3</td>
</tr>
<tr>
<td>Within Australia</td>
<td>65</td>
<td>29.7</td>
</tr>
<tr>
<td>Global</td>
<td>55</td>
<td>25.1</td>
</tr>
<tr>
<td>Home-based</td>
<td>33</td>
<td>16.8</td>
</tr>
<tr>
<td>Family owned</td>
<td>133</td>
<td>62.7</td>
</tr>
<tr>
<td>Value Label</td>
<td>n</td>
<td>Percentage %</td>
</tr>
<tr>
<td>----------------------------------------------------</td>
<td>-----</td>
<td>--------------</td>
</tr>
<tr>
<td>Intention to grow</td>
<td>156</td>
<td>72.6</td>
</tr>
<tr>
<td>Designated human resource member</td>
<td>84</td>
<td>38.4</td>
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<tr>
<td><strong>Consultation meetings</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Occupational Health &amp; Safety</td>
<td>141</td>
<td>65.0</td>
</tr>
<tr>
<td>Productivity</td>
<td>139</td>
<td>64.5</td>
</tr>
<tr>
<td>Training</td>
<td>142</td>
<td>65.4</td>
</tr>
<tr>
<td>Technology &amp; work organisation</td>
<td>116</td>
<td>53.5</td>
</tr>
<tr>
<td><strong>Educational level of business operator</strong></td>
<td></td>
<td></td>
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<tr>
<td>Secondary</td>
<td>39</td>
<td>17.8</td>
</tr>
<tr>
<td>Technical college</td>
<td>52</td>
<td>23.7</td>
</tr>
<tr>
<td>Diploma</td>
<td>12</td>
<td>10.6</td>
</tr>
<tr>
<td>Bachelor</td>
<td>63</td>
<td>67.9</td>
</tr>
<tr>
<td>Masters</td>
<td>28</td>
<td>18.0</td>
</tr>
<tr>
<td>Doctorate</td>
<td>3</td>
<td>3.5</td>
</tr>
</tbody>
</table>

Source: Survey data
<table>
<thead>
<tr>
<th></th>
<th>Skewness</th>
<th>Standard Error of Skewness</th>
<th>Kurtosis</th>
<th>Standard Error of Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>EATT</td>
<td>0.110</td>
<td>0.164</td>
<td>0.558</td>
<td>0.327</td>
</tr>
<tr>
<td>ECON</td>
<td>-0.501</td>
<td>0.164</td>
<td>-0.1225</td>
<td>0.327</td>
</tr>
<tr>
<td>HPWS</td>
<td>-0.115</td>
<td>0.165</td>
<td>-0.193</td>
<td>0.328</td>
</tr>
<tr>
<td>OBAR</td>
<td>0.423</td>
<td>0.165</td>
<td>-0.569</td>
<td>0.329</td>
</tr>
<tr>
<td>PBEN</td>
<td>0.111</td>
<td>0.121</td>
<td>-1.431</td>
<td>0.242</td>
</tr>
<tr>
<td>WLBR</td>
<td>1.007</td>
<td>0.164</td>
<td>0.505</td>
<td>0.327</td>
</tr>
</tbody>
</table>

Note: EATT = employer attitude; ECON = employee consultation; HPWS = high performance work system; OBAR = organisational barriers; PBEN = perceived benefits; WLBR = work-life balance responsiveness
4.3 Work-life balance responsiveness and institution factors

In order to determine the underlying dimension of WLBR in Australian SMEs, EFA and CFA using SEM was employed to determine the underlying factor structures. In order to determine the institution factors that influence WLBR a regression analysis was also performed. For those factors that showed significance a MANOVA was conducted.

In the course of this analysis the following hypotheses are posited and tested:

**Hypothesis (H₁):** Work-life balance practices exist and the pattern of association between them represent a multi-dimensional structure.

**Hypothesis (H₂):** There is no significant relationship between organisational size and work-life balance responsiveness.

**Hypothesis (H₃):** There is a significant difference among small and medium enterprises located in different geographic regions and work-life balance responsiveness.

**Hypothesis (H₄):** There is a significant difference across industries in their work-life balance responsiveness.

**Hypothesis (H₅):** The larger the unionisation of the workforce the greater is work-life balance responsiveness.

4.3.1 Exploratory factor analysis

EFA explores the data to see how many factors are required to best fit the data, and its distinctive feature is that factors are derived from statistical results rather than theory (Hair et al., 2006). Factor analysis was performed on the 30 items listed in Table 4.2 in the
In order to determine the underlying dimension of WLBR, factors based on the latent root orientation (eigenvalue), total variance explained, and correlation matrix were determined using SPSS 20. Furthermore, given the indeterminate nature of the factor structure, this study employed EFA, a well-established statistical technique for finding patterns in data and for dimensionality reduction, using varimax rotation to extract factors (Hair et al., 2006). Cronbach alpha coefficients were also employed to determine the reliability of the instrument (Cronbach, 1951). The Cronbach alpha (CSR) score for WLBR was 0.86, exceeding the recommended value of 0.70 (Nunnally, 1978). The sample was first assessed for its suitability for factor analysis. Bartlett’s test of sphericity, $\chi^2 = 1380.459$, was highly significant ($p < 0.0001$) and the KMO measure of sampling adequacy of 0.750 exceeded the recommended value of 0.6 (Kaiser, 1974), which supported the factorability of the correlation matrix.

The three most widely offered WLB practices by SMEs were telephone access, bereavement leave and flexible annual leave. EFA indicated that the responses to the questionnaire items measuring WLBR loaded onto four factors (see Table 4.3). These four factors exceeded the criterion value obtained from parallel analysis (Watkins, 2000). Using Catell’s (1966) scree test, a four-factor solution was retained. The four significant factors, namely flexible work options ($\alpha = 0.83$), leave programs ($\alpha = 0.76$), support benefits ($\alpha = 0.67$), and care arrangements ($\alpha = 0.53$), emerged from the analysis, showing high factor loading and correlation values. Whilst the fourth factor, care arrangements, has a low Cronbach alpha, according to Nunnally (1978), for any hypothesised measure of a construct the modest reliabilities of 0.60 or 0.50 are acceptable. Furthermore, these factors
were analogous to previous literature. For example, Yuile et al. (2012) identify four factors: flexible work schedules (α = 0.60), offsite work arrangements (α = 0.81), alternative work arrangements (α = 0.83), and care arrangements (α = 0.72). Hence all factors were maintained.
Table 4.3  Work-life balance rotated factor loadings, mean and standard deviation

<table>
<thead>
<tr>
<th>Factors</th>
<th>Items</th>
<th>Mean</th>
<th>SD</th>
<th>Factor Loading</th>
<th>α</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factor 1: FLEX</td>
<td>Compressed work week</td>
<td>1.13</td>
<td>2.316</td>
<td>0.497</td>
<td>0.83</td>
</tr>
<tr>
<td></td>
<td>Flexi time</td>
<td>2.35</td>
<td>2.963</td>
<td>0.665</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Job sharing</td>
<td>.92</td>
<td>1.980</td>
<td>0.517</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Telecommuting</td>
<td>1.71</td>
<td>2.533</td>
<td>0.724</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Work-at-home programs</td>
<td>1.46</td>
<td>2.431</td>
<td>0.703</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Part-time work</td>
<td>2.70</td>
<td>2.697</td>
<td>0.699</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Shorter work days</td>
<td>1.58</td>
<td>2.424</td>
<td>0.590</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Emergency care</td>
<td>1.41</td>
<td>2.524</td>
<td>0.424</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Child care during school breaks</td>
<td>0.38</td>
<td>1.532</td>
<td>0.438</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sabbatical breaks</td>
<td>1.16</td>
<td>2.042</td>
<td>0.445</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Flexible start and finish times</td>
<td>3.63</td>
<td>3.125</td>
<td>0.531</td>
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<tr>
<td>Factor 2: LEAV</td>
<td>Bereavement leave</td>
<td>4.99</td>
<td>3.323</td>
<td>0.594</td>
<td>0.76</td>
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<td></td>
<td>Paid maternity leave</td>
<td>1.02</td>
<td>2.318</td>
<td>0.635</td>
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<tr>
<td></td>
<td>Paid paternity leave</td>
<td>0.84</td>
<td>2.115</td>
<td>0.695</td>
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<tr>
<td></td>
<td>Carers leave</td>
<td>3.73</td>
<td>3.564</td>
<td>0.645</td>
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<tr>
<td></td>
<td>General domestic/special leave</td>
<td>2.04</td>
<td>2.768</td>
<td>0.580</td>
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<tr>
<td></td>
<td>Flexible annual leave</td>
<td>4.88</td>
<td>3.274</td>
<td>0.486</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Telephone access</td>
<td>6.42</td>
<td>2.836</td>
<td>0.440</td>
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</tr>
<tr>
<td></td>
<td>Paid religious holidays</td>
<td>0.73</td>
<td>2.082</td>
<td>0.423</td>
<td></td>
</tr>
<tr>
<td>Factor 3: SUPP</td>
<td>Re-entry scheme</td>
<td>1.00</td>
<td>1.923</td>
<td>0.513</td>
<td>0.67</td>
</tr>
<tr>
<td></td>
<td>Employee assistance program</td>
<td>1.05</td>
<td>2.175</td>
<td>0.509</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Life skills program</td>
<td>0.63</td>
<td>1.635</td>
<td>0.701</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Subsidised fitness centre</td>
<td>0.27</td>
<td>1.052</td>
<td>0.670</td>
<td></td>
</tr>
<tr>
<td></td>
<td>WLB kit or library</td>
<td>0.18</td>
<td>1.113</td>
<td>0.654</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Purchased additional annual leave</td>
<td>0.91</td>
<td>2.172</td>
<td>0.473</td>
<td></td>
</tr>
<tr>
<td>Factor 4: CARE</td>
<td>Child care on or near site</td>
<td>0.40</td>
<td>1.612</td>
<td>0.540</td>
<td>0.53</td>
</tr>
<tr>
<td></td>
<td>Child-care referral system</td>
<td>0.06</td>
<td>0.378</td>
<td>0.698</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Volunteer work</td>
<td>0.68</td>
<td>1.719</td>
<td>0.465</td>
<td></td>
</tr>
<tr>
<td></td>
<td>On site breastfeeding area</td>
<td>0.42</td>
<td>1.486</td>
<td>0.529</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Paid adoption leave</td>
<td>0.35</td>
<td>1.523</td>
<td>0.498</td>
<td></td>
</tr>
</tbody>
</table>

Notes: N = 219. Extraction method: principal axis factoring. Rotation method: promax with Kaiser-Meyer Olkin = 0.750 (0.000 significance). Bartlett test of sphericity $\chi^2 = 1377.154$. Scale composite reliability = 0.857.
FLEX = flexible work options; LEAV = leave programs; SUPP = support benefits; CARE = care arrangements; SD = standard deviation
4.3.2 Confirmatory factor analysis

Having found the valid factor structure for WLBR CFA was used to further investigate the structure of the factors. Data were processed and analysed using LISREL 9.1. Absolute fit indices determined how well the model fitted the sample data and which model represented the superior fit (see Hooper, Coughian & Mullen, 2008). The first model, M₁, consisted of all four factors: Sub-scale 1 consisted of six items measuring flexible work options; Sub-scale 2 consisted of five items measuring leave programs; Sub-scale 3 consisted of four items measuring support benefits; Sub-scale 4 consisted of three items measuring care arrangements. Based on overall GFI statistics (0.83), M₁ yielded poor fit to the data, even after removing five items in Sub-scale 1, three items in Sub-scale 2 and two items in Sub-scale 3, and 4 that showed non-significant coefficient values. This model also yielded poor fit for the CFI (= 0.83), the normed fit index (NFI) (= 0.76), the non-normed fit index (NNFI) (= 0.79), the incremental fit index (IFI) (= 0.83), and RMSEA (= 0.097) (Kline, 2005; Marsh, Balla & Hau, 1996).

Based on the results of M₁, it was possible to improve the measurement model. Accordingly, two items from Sub-scale 2 (bereavement leave and flexible annual leave) and one item from Sub-scale 3 (subsidised fitness centre) showing the lowest coefficient values were deleted. The second model (M₂) was carried out using the four sub-scales with the same six items for Sub-scale 1, three items for Sub-scale 2, three items for Sub-scale 3 and the same three items for Sub-scale 4. M₂ showed a slight improvement in the fit indices values (CFI = 0.86, NFI = 0.80, NNFI = 0.83, IFI = 0.86, and RMSEA (0.086), but they remained above acceptable cut-off points.

Given the poor fit of data for M₁ and M₂, the modification indices values were evaluated to
uncover the M1 and M2 misfit. This analysis suggested that removing one item in each of the four sub-scales that showed the lowest coefficient values (work-at-home programs from Sub-scale 1; carer’s leave from Sub-scale 2; re-entry scheme from Sub-scale 3, and child-care referral system from Sub-scale 4) would result in a significantly improved model. For the Sub-scale 1 (flexible work options), five items remained (flexi-time, telecommuting, part-time work, shorter work days, and flexible start and finish times). For the Sub-scale 2 (leave programs) two items remained (paid maternity leave and paid paternity leave). For the Sub-scale 3 (support benefits) two items remained (employee assistance program and life skills program). For Sub-scale 4 (care arrangements) two items remained (on-site breast feeding area and child care on or near site). Based on the overall GFI statistics, the four-factor model M3 for WLBR yields satisfactory fit statistics $\chi^2 = 68.91, p = 000.158, df = 38, GFI = 0.95, CFI = 0.93, NFI = 0.87, NNFI = 0.90, and IFI = 0.93$, relative fit index (RFI) = 0.81, root mean square residual (RMR) = 0.086, standardised RMR (SRMR) = 0.052, AGFI = 0.91 and RMSEA = 0.061. Table 4.4 displays the results ($\beta$, standardised loadings, t values) for the three models and Table 4.5 shows the GFI statistics for the three models, and the iteration process used to achieve the final good fit model for the WLBR construct. Three structural models were tested to examine the path covariance; the best fit model can be seen in Figure 4.1. Thus the above analysis provides support for Hypothesis (H1).
<table>
<thead>
<tr>
<th>Structural Path</th>
<th>$M_1$</th>
<th>$M_2$</th>
<th>$M_3$</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$\beta$</td>
<td>Std Loadings</td>
<td>$t$ values</td>
</tr>
<tr>
<td>WLBFlexop $\rightarrow$ flex</td>
<td>1.71</td>
<td>0.79</td>
<td>7.66</td>
</tr>
<tr>
<td>WLBFlexop $\rightarrow$ telec</td>
<td>0.57</td>
<td>1.22</td>
<td>14.21</td>
</tr>
<tr>
<td>WLBFlexop $\rightarrow$ athome</td>
<td>0.57</td>
<td>1.16</td>
<td>14.01</td>
</tr>
<tr>
<td>WLBFlexop $\rightarrow$ parttime</td>
<td>1.71</td>
<td>0.62</td>
<td>6.16</td>
</tr>
<tr>
<td>WLBFlexop $\rightarrow$ shorter</td>
<td>1.55</td>
<td>0.64</td>
<td>6.66</td>
</tr>
<tr>
<td>WLBFlexop $\rightarrow$ reentry</td>
<td>0.92</td>
<td>0.65</td>
<td>7.48</td>
</tr>
<tr>
<td>WLBFlexop $\rightarrow$ flexsf</td>
<td>1.64</td>
<td>0.71</td>
<td>7.06</td>
</tr>
<tr>
<td>WLBLeav $\rightarrow$ bereav</td>
<td>1.02</td>
<td>1.02</td>
<td>10.14</td>
</tr>
<tr>
<td>WLBLeav $\rightarrow$ mleavep</td>
<td>1.28</td>
<td>0.57</td>
<td>6.08</td>
</tr>
<tr>
<td>WLBLeav $\rightarrow$ pleave</td>
<td>1.14</td>
<td>0.49</td>
<td>5.63</td>
</tr>
<tr>
<td>WLBLeav $\rightarrow$ cleave</td>
<td>1.35</td>
<td>1.24</td>
<td>10.47</td>
</tr>
<tr>
<td>WLBLeav $\rightarrow$ sleave</td>
<td>1.64</td>
<td>0.69</td>
<td>6.45</td>
</tr>
<tr>
<td>WLBLeav $\rightarrow$ ccare</td>
<td>0.50</td>
<td>0.48</td>
<td>5.28</td>
</tr>
<tr>
<td>WLBLeav $\rightarrow$ referral</td>
<td>0.09</td>
<td>0.13</td>
<td>4.00</td>
</tr>
<tr>
<td>WLBLeav $\rightarrow$ bfeed</td>
<td>0.54</td>
<td>0.47</td>
<td>5.18</td>
</tr>
<tr>
<td>WLBSupp $\rightarrow$ eap</td>
<td>0.80</td>
<td>0.88</td>
<td>9.36</td>
</tr>
<tr>
<td>WLBSupp $\rightarrow$ lifeskil</td>
<td>0.56</td>
<td>0.66</td>
<td>8.87*</td>
</tr>
<tr>
<td>WLBSupp $\rightarrow$ fitness</td>
<td>0.38</td>
<td>0.25</td>
<td>4.88*</td>
</tr>
</tbody>
</table>

Note: * $p < 0.05$; Flexop = flexible work options; Supp = support benefits; Leav = leave programs; Care = care arrangements
Table 4.5  Confirmatory factor analysis: Goodness-of-fit indices for work-life balance responsiveness

<table>
<thead>
<tr>
<th>Structural Models</th>
<th>ECVI</th>
<th>NFI</th>
<th>NNFI</th>
<th>CFI</th>
<th>IFI</th>
<th>GFI</th>
<th>RMR</th>
<th>SRMR</th>
<th>RMSEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>M₁</td>
<td>1.57</td>
<td>0.76</td>
<td>0.79</td>
<td>0.83</td>
<td>0.83</td>
<td>0.83</td>
<td>0.15</td>
<td>0.087</td>
<td>0.097</td>
</tr>
<tr>
<td>M₂</td>
<td>1.37</td>
<td>0.80</td>
<td>0.83</td>
<td>0.86</td>
<td>0.88</td>
<td>0.88</td>
<td>0.15</td>
<td>0.080</td>
<td>0.086</td>
</tr>
<tr>
<td>M₃</td>
<td>0.57</td>
<td>0.87</td>
<td>0.90</td>
<td>0.93</td>
<td>0.93</td>
<td>0.95</td>
<td>0.086</td>
<td>0.052</td>
<td>0.061</td>
</tr>
</tbody>
</table>

Notes: (M₁ = Chi-square $\chi^2 = 393.32, p < 0.000, df = 129$); (M₂ = Chi-square $\chi^2 = 227.21, p < 0.000, df = 84$); (M₃ = Chi-square $\chi^2 = 68.91, p < 0.000, df = 38$)
M₁ = Model 1; M₂ = Model 2; M₃ = Model 3; ECVI = Expected cross-validation index; NFI = normed fit index; NNFI = non-normed fit index; CFI = comparative fit index; IFI = incremental fit index; GFI = goodness-of-fit index; RMR = root mean square residual; SRMR = standard root mean square residual; RMSEA = root-mean-square error of approximation
Figure 4.1  Structural Model 3: Work-life balance responsiveness

Notes: V1 (FLEXOP) = flexible work options; V2 (LEAV) = leave programs V3 (SUPP) = support benefits and V4 (CARE) = care arrangements
4.3.3  Regression analysis and multivariate analysis of variance

To examine the impact of the institutional organisational characteristics of SMEs’ responsiveness to WLB issues, a standard regression analysis was performed involving the individual dependent variables that make up the four latent factors. The independent variables are: flexi-time, telecommuting, part-time work, shorter work days, paid maternity and paternity leave, child care on or near site, employee assistance program (EAP), life skills programs, on-site breastfeeding and flexible start and finish times. The organisational factors represented organisation size, location of business, industry type, and unionisation of the workplace. No significant relationship was found between organisational size and WLBR, therefore Hypothesis (H2) was supported. The results showed that industry was significantly related to flexi-time ($F = 6.411, p < 0.000$), telecommuting ($F = 10.528, p < 0.00$) and part-time work ($F = 5.598, p < 0.00$). Further, location was significantly related to telecommuting ($F = 12.921, p < 0.00$) and flexible start and finish times ($F = 5.731, p < 0.00$). These results supported Hypotheses (H3) and (H4). No significance was found between the unionisation of the workplace and WLBR. Hence, Hypothesis (H5) was rejected.

Furthermore, MANOVA was performed to ascertain which locations (geographic regions) and industries were more likely to offer the flexible work options. Results of Tukey multiple comparisons on location showed that for flexible work options the mean scores for metropolitan Western Australia and non-metropolitan New South Wales, Queensland and South Australia ($p = 0.000$) were significant. For all industries except rental, hiring and real estate services, the mean scores for flexible work options were also found to be significant ($p = 0.000$). Hence this further supports Hypotheses (H3) and (H4).
4.3.4 Discussion: Institution factors and work-life balance responsiveness

The above analysis aimed to determine if SMEs varied in the extent to which they offered WLB practices based on organisational characteristics associated with the institution theoretical perspective. A compendium of WLB practices adopted by Australian SMEs was identified. Therefore, this research extends prior knowledge on what WLB practices are offered by SMEs. The findings add new insights on WLB practices by explaining four distinctive factors: flexible work options, leave programs, support benefits, and care arrangements, which were not fully examined in earlier research (Arthur 2003; Arthur & Cook, 2003; Glass & Finley, 2002; Lobel & Kossek, 1996; Morgan & Milliken, 1992; Yuile et al., 2012).

Interestingly, this study found there was evidence to indicate that within SMEs the size of the business was not related to the provision of practices conducive to WLB. This supports previous research conducted by Dex and Scheibl (2001), who found that whilst SMEs were less likely than larger organisations to have devised their WLB practices as a package of measures, they were more likely to have made incremental and ad hoc additions to their arrangements as needs arose.

Furthermore, the results revealed a significant relationship between industry type and the offering of WLB practices. These results are consistent with the findings of previous studies by Felstead et al. (2002); Goodstein (1994, 1995); Ingram and Simons (1995); Milliken et al. (1998); and Morgan and Milliken (1992). Hence the findings may be indicative of industry norms around WLB practices that operate within SMEs. The results of the current study led to the conclusion that WLB provisions offered to employees within SMEs were dependent on the industry type. Yet, it is acknowledged that differences in
adoption by industries could also be related to work settings and tasks.

The results also revealed that the location of the business impacted on whether SMEs offered flexible work options to their employees. It could be argued that in areas where significance was found (i.e., metropolitan Western Australia and non-metropolitan New South Wales, Queensland and South Australia) SMEs may be more likely to offer WLB practices to their employees. This may be due to the difficulty they face in sourcing and retaining quality employees due to the resources boom, hence organisations in these locations seek to mimic other organisations and offer competitive packages.

The current study, however, did not find any significant results relating to leave programs (e.g., paid paternity leave), support benefits (e.g., EAP) and care arrangements (e.g., childcare arrangements on or near workplace site). This could possibly be attributed to most SMEs not seeing these WLB practices as financially feasible options. However, some WLB practices may change in the near future due to legislative changes and larger companies, such as Caltex and Insurance Australian Group Limited starting to offer generous paid parental leave schemes to attract and retain women (Hopkins, 2012).

4.4 Organisation adaptation factors and work-life balance responsiveness

In order to examine the factors associated with the organisation adaptation theoretical perspective and WLBR, the following hypotheses were posited:

*Hypothesis (H₆):* There is a positive relationship between the perceived organisational benefits of work-life balance practices and work-life balance responsiveness.

*Hypothesis (H₇):* There is a positive relationship between perceived organisational benefits
and employee consultation.

*Hypothesis* (H₈): There is a positive relationship between employee consultation and work-life balance responsiveness.

*Hypothesis* (H₀): Employee consultation mediates the relationship between perceived organisational benefits and work-life balance responsiveness.

### 4.4.1 Exploratory factor analysis

This study employed EFA to finding patterns in the data and for dimensionality reduction using promax (oblique) rotation to extract factors (Hair et al., 2006). Cronbach alpha coefficients were also employed to determine the reliability of the instrument (Cronbach, 1951). The sample was first assessed for its suitability for factor analysis. Bartlett’s test of sphericity was highly significant (\( p < 0.000 \)) and the KMO measure of sampling adequacy value of 0.833 exceeded the recommended value of 0.6 (Kaiser, 1974), which supported the factorability of the correlation matrix.

EFA indicated that the responses to the continuous variables questionnaire items measuring organisation adaptation loaded onto three factors (see Table 4.6), which exceeded eigenvalues of three, explaining 63.24% of the variance. These three factors exceeded the criterion value obtained from parallel analysis (Watkins, 2000). Using Catell’s (1966) scree test, the three-factor solution was retained. Bartlett’s test of sphericity, \( \chi^2 = 2453.240 \), was highly significant (\( p < 0.0001 \)) and the KMO measure of sampling adequacy value of 0.891 exceeded the recommended value of 0.6 (Kaiser, 1974), which supported the factorability of the correlation matrix.
The three significant factors, namely PBEN (α = 0.94), and ECON (α = 0.85), and WLBR (α = 0.74), emerged from the analysis, showing high factor loading and correlation values and hence exceeding the recommended value of 0.70 (Nunnally, 1978). Furthermore, all three constructs and dimensions had convergent validity as their average variance extracted (AVE) rates are above the accepted threshold of 0.5 (Fornell & Larcker, 1981). Summarised in Table 4.7 are the means, standard deviations and zero-order correlation matrices for all variables.
## Table 4.6  Organisation adaptation rotated factor loadings

<table>
<thead>
<tr>
<th>Factors</th>
<th>Items</th>
<th>Mean</th>
<th>SD</th>
<th>Factor Loading</th>
<th>α</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factor 1: PBEN</td>
<td>Reduced absenteeism</td>
<td>2.96</td>
<td>1.359</td>
<td>0.853</td>
<td>0.94</td>
</tr>
<tr>
<td></td>
<td>Reduced turnover</td>
<td>2.73</td>
<td>1.431</td>
<td>0.709</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Higher productivity</td>
<td>2.87</td>
<td>1.241</td>
<td>0.901</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Higher morale</td>
<td>3.16</td>
<td>1.236</td>
<td>0.913</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Improvements to bottom line</td>
<td>2.55</td>
<td>1.159</td>
<td>0.861</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Improved recruitment &amp; retention</td>
<td>2.76</td>
<td>1.253</td>
<td>0.840</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reduced employee stress</td>
<td>2.95</td>
<td>1.198</td>
<td>0.847</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Increased loyalty</td>
<td>3.06</td>
<td>1.342</td>
<td>0.882</td>
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</tr>
<tr>
<td></td>
<td>Improved company image</td>
<td>2.64</td>
<td>1.315</td>
<td>0.787</td>
<td></td>
</tr>
<tr>
<td>Factor 2: ECON</td>
<td>Occupational health and safety</td>
<td>1.66</td>
<td>0.476</td>
<td>0.691</td>
<td>0.85</td>
</tr>
<tr>
<td></td>
<td>Productivity</td>
<td>1.63</td>
<td>0.483</td>
<td>0.786</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Training</td>
<td>1.65</td>
<td>0.477</td>
<td>0.773</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Technology &amp; work organisation</td>
<td>1.54</td>
<td>0.500</td>
<td>0.807</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Work roles or job descriptions</td>
<td>1.58</td>
<td>0.494</td>
<td>0.820</td>
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</tr>
<tr>
<td>Factor 3: WLBR</td>
<td>Flexi time</td>
<td>2.53</td>
<td>1.530</td>
<td>0.739</td>
<td>0.74</td>
</tr>
<tr>
<td></td>
<td>Part-time work</td>
<td>2.19</td>
<td>1.432</td>
<td>0.723</td>
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</tr>
<tr>
<td></td>
<td>Shorter work days</td>
<td>2.86</td>
<td>1.444</td>
<td>0.712</td>
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<tr>
<td></td>
<td>Telecommuting</td>
<td>2.12</td>
<td>1.401</td>
<td>0.662</td>
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<tr>
<td></td>
<td>Flexible start and finish time</td>
<td>3.28</td>
<td>1.462</td>
<td>0.651</td>
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</tr>
</tbody>
</table>

Notes: N = 219. Extraction method: principal axis factoring. Rotation method: promax with Kaiser normalisation = 0.891 (0.000 significance). Bartlett test of sphericity $\chi^2 = 2453.240$. Scale composite reliability = 0.833. PBEN = perceived benefits; ECON = employee consultation; WLBR = work-life balance responsiveness
Table 4.7  The means, standard deviations and zero order correlations among all organisation adaptation variables

<table>
<thead>
<tr>
<th>No.</th>
<th>Items</th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Total WLBR</td>
<td>16.35</td>
<td>13.01</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Total benefits</td>
<td>26.10</td>
<td>9.760</td>
<td>-0.142*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Total consultation</td>
<td>8.11</td>
<td>1.880</td>
<td>0.163*</td>
<td>0.067</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>HR professional employed</td>
<td>0.12</td>
<td>0.324</td>
<td>0.158*</td>
<td>-0.043</td>
<td>0.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Average education level of staff</td>
<td>3.34</td>
<td>1.370</td>
<td>0.226**</td>
<td>0.099</td>
<td>0.008</td>
<td>0.063</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Education level of operator</td>
<td>4.51</td>
<td>1.970</td>
<td>0.302**</td>
<td>-0.031</td>
<td>-0.024</td>
<td>0.156*</td>
<td>0.341**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Females employed</td>
<td>33.37</td>
<td>27.430</td>
<td>0.284**</td>
<td>-0.069</td>
<td>0.074</td>
<td>0.103</td>
<td>0.121</td>
<td>0.212**</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>8</td>
<td>Female managers employed</td>
<td>17.41</td>
<td>26.440</td>
<td>0.212**</td>
<td>-0.187</td>
<td>0.099</td>
<td>0.095</td>
<td>0.008</td>
<td>0.161*</td>
<td>0.574**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Number aged over 40 years</td>
<td>49.07</td>
<td>29.340</td>
<td>0.128</td>
<td>0.063</td>
<td>0.051</td>
<td>-0.200**</td>
<td>-0.112</td>
<td>-0.026</td>
<td>0.172*</td>
<td>0.101</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Casual staff</td>
<td>11.74</td>
<td>21.660</td>
<td>-0.002</td>
<td>0.004</td>
<td>0.041</td>
<td>-0.056</td>
<td>-0.177**</td>
<td>-0.063</td>
<td>0.214**</td>
<td>0.092</td>
<td>0.164*</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Permanent part-time staff</td>
<td>11.91</td>
<td>22.200</td>
<td>0.100</td>
<td>0.033</td>
<td>0.065</td>
<td>-0.056</td>
<td>0.032</td>
<td>0.152*</td>
<td>0.119</td>
<td>0.078</td>
<td>-0.017</td>
<td>-0.017</td>
</tr>
</tbody>
</table>

Note: The data presented here are based on regression analysis using SPSS 21. Workplace characteristics are shown in the left-hand column. The final column shows the significance levels (2-tailed) with *p < 0.05, **p < 0.01

WLBR = work-life balance responsiveness; SD = standard deviation; HR = human resources

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4.4.2 Mediation analysis using structural equation modelling

A nested-model approach was employed using SEM to examine the relationships within mediated models (Tokar & Jome, 1998). SEM was employed using LISREL 9.1 in order to establish measurement models, which concurrently address complex behavioural relationships prevailing in each model (Shook et al., 2004). Hair et al. (2006) suggest that to be considered as having an adequate fit, all the indices must be measured against the following criteria: $\chi^2/df < 3.00$; GFI, CFI, and NFI > 0.90; and RMSEA < 0.08. The hypotheses were tested following the procedures recommended by Judd and Kenny (1981) and Baron and Kenny (1986). Three critical steps are required to justify a mediation effect. First, the independent variable should be significantly correlated with the mediator. Second, after controlling for the effect of independent variable on dependent variable, the mediator variable should be significantly correlated with dependent variable. Third, the indirect effect of the independent variable on dependent variable must be significant. We also employed Preacher and Hayes’ (2004) procedures which include the Sobel test (Sobel, 1982) and a bootstrap approach.

Each model included three first-order latent variables, which are PBEN, ECON and WLBR. The direct effect model (M1) and the fully mediated model (M3) are nested in partially mediated model (M2). However, M2 included all paths between latent variables. Considering Anderson and Gerbing’s (1988), recommendation the hypothesised relationships were tested. Table 4.7 shows the GFI for the models.

The indices showed that M1 resulted in less than favourable RMR, GFI, CFI and high RMSEA (RMR = 0.079; GFI = 0.78; CFI = 0.64; RMSEA = 0.141) and did not fit the data. The path from PBEN and ECON to WLBR was significant. However, the path from PBEN
to WLBR was negatively significant. Based on overall GFI statistics (0.84), M₂ yielded satisfactory fit statistics: CFI = 0.94, NFI = 0.89, NNFI = 0.93, IFI = 0.94, and RMSEA = 0.070, $\chi^2 = 516.30$, $p = 0.00000$, $df = 249$, SRMR = 0.070, RFI = 0.88. Based on the overall GFI statistics, M₃ showed perfect fit statistics: CFI = 0.97, NFI = 0.94, NNFI = 0.97, IFI = 0.97, and RMSEA = 0.058, $\chi^2 = 259.98$, $p = 0.00000$, $df = 149$, SRMR = 0.048, RFI = 0.93, AGFI = 0.86.

Table 4.7 displays the results for all the models. Two structural models were tested to examine the path covariance; the best fit model can be seen in Figure 4.2. The results of the structural model demonstrate a negatively significant relationship ($\beta = -0.80; p > 0.05$) exists between PBEN and WLBR, not supporting Hypothesis (H₆). Further, a significant positive relationship ($\beta = 0.71; p < 0.05$) between PBEN and ECON was found. This result does support Hypothesis (H₇). The analysis revealed a significant positive relationship ($\beta = 0.86; p < 0.05$) between ECON and WLBR, supporting Hypothesis (H₈).
### Table 4.8  
Confirmatory factor analysis: Goodness-of-fit indices for organisation adaptation

<table>
<thead>
<tr>
<th></th>
<th>χ²</th>
<th>df</th>
<th>ECVI</th>
<th>NFI</th>
<th>NNFI</th>
<th>CFI</th>
<th>IFI</th>
<th>GFI</th>
<th>RMR</th>
<th>SRMR</th>
<th>RMSEA</th>
<th>β</th>
<th>β</th>
<th>β</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model 2 (partially mediated)</td>
<td>516.30</td>
<td>249</td>
<td>2.84</td>
<td>0.089</td>
<td>0.093</td>
<td>0.94</td>
<td>0.94</td>
<td>0.84</td>
<td>0.100</td>
<td>0.070</td>
<td>0.070</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Model 3 (fully mediated)</td>
<td>259.98</td>
<td>149</td>
<td>1.57</td>
<td>0.940</td>
<td>0.970</td>
<td>0.97</td>
<td>0.97</td>
<td>0.89</td>
<td>0.066</td>
<td>0.048</td>
<td>0.058</td>
<td>0.71</td>
<td>0.86</td>
<td>−0.80</td>
</tr>
</tbody>
</table>

Note: χ² = chi-square value; ECVI = Expected cross-validation index; df = degree of freedom; NFI = normed fit index; NNFI = non-normed fit index; CFI = comparative fit index; IFI = incremental fit index; GFI = goodness-of-fit index; RMR = root mean square residual; SRMR = standard root mean square residual; RMSEA = root-mean-square error of approximation.
Figure 4.2 Structural Model 3: Organisation adaptation (mediation)

Notes: Significance levels *p < 0.05, Chi-Square $\chi^2 = 259.98$, df = 149, RMSEA = 0.058
WLBR = work-life balance responsiveness; ECON = employee consultation; PBENE = perceived benefits
4.4.3 Hierarchical regression analysis

Adopting Baron and Kenny’s (1986) approach for mediation analysis a hierarchical multiple regression analysis was employed to test the hypotheses. Table 4.8, illustrating $M_2$, demonstrates that controlling for demographic variables, PBEN has a negatively significant relationship with WLBR ($\beta = 0.295$) therefore Hypothesis ($H_6$) is not supported. Additionally, $M_2$ and $M_3$ provide results supporting the mediating effects of ECON on the relationship between PBEN and WLBR ($\beta = 0.178; p < 0.05$), hence supporting Hypothesis ($H_7$) and Hypothesis ($H_8$). Furthermore, the Sobel test (Sobel, 1982) was conducted to ascertain if the mediating effect is significantly different from zero. Results of this test confirmed the association between PBEN and WLBR was significantly mediated by ECON ($z = 1.91; p \leq 0.05$) Therefore Hypothesis ($H_9$) is supported. Refer to Table 4.9 for the hierarchical regression analysis results.

Finally, in line with the approach of Preacher and Hayes (2008), a bootstrap analysis was conducted to examine the indirect effects of PBEN and WLBR through ECON, with 1000 resamples. Controlling for the number of staff employed, HR professional employed, education level of staff and owner/manager, casual and permanent staff employed, gender of employees and managers, and age of workforce (years), results demonstrated a significant indirect relationship of PBEN on WLBR ($\beta = 0.62; p < 0.05$). Additionally, the analysis demonstrated that the total indirect contribution of PBEN on WLBR through ECON was significant (point estimate $= 1.2$; 95%; (confidence interval (CI) = 0.07, 0.78). The specific indirect effects revealed ECON (point estimate $= 0.06; 95%; CI = 0.02, 0.11$) as a significant mediator of the relationship between PBEN and WLBR. Therefore, these results provide support for Hypothesis ($H_9$).

The control factors represented: number of staff employed; HRM professional employed;
average education level of staff; number of staff aged over 40 years; and female composition of the workforce. The results showed that education level of the manager was highly significant related to WLBR ($\beta = 0.19; p < 0.01$) as was the number of staff over the age of 40 years ($\beta = 1.56; p < 0.05$) (see Table 4.9).
## Table 4.9  
Hierarchical regression analysis results for organisation adaptation variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>Dependent variable</th>
<th>Work life balance responsiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Model 1</td>
</tr>
<tr>
<td>Step 1: Control Variables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of staff employed</td>
<td>0.030</td>
<td>0.030</td>
</tr>
<tr>
<td>HR professional employed</td>
<td>0.123</td>
<td>0.122</td>
</tr>
<tr>
<td>Average education level of staff</td>
<td>0.136</td>
<td>0.156*</td>
</tr>
<tr>
<td>Education level of owner/manager</td>
<td>0.188**</td>
<td>0.182**</td>
</tr>
<tr>
<td>Casual staff employed</td>
<td>−0.042</td>
<td>−0.036</td>
</tr>
<tr>
<td>Permanent staff employed</td>
<td>0.056</td>
<td>0.062</td>
</tr>
<tr>
<td>Females employed</td>
<td>0.134</td>
<td>0.137</td>
</tr>
<tr>
<td>Female managers employed</td>
<td>0.079</td>
<td>0.051</td>
</tr>
<tr>
<td>Number of staff aged over 40 years</td>
<td>0.150*</td>
<td>0.163*</td>
</tr>
<tr>
<td>Step 2: Independent variable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organisational benefits</td>
<td>−0.130*</td>
<td>−0.145*</td>
</tr>
<tr>
<td>Step 3: Mediator</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee consultation</td>
<td>0.150*</td>
<td>0.151*</td>
</tr>
<tr>
<td>Two way interactions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PBEN x ECON</td>
<td>−0.130*</td>
<td>0.140*</td>
</tr>
<tr>
<td>$R^2$</td>
<td>0.180</td>
<td>0.200</td>
</tr>
<tr>
<td>$\Delta R^2$</td>
<td>0.180</td>
<td>0.016</td>
</tr>
</tbody>
</table>

*p < 0.05, **p < 0.01
4.4.4 Discussion: Organisation adaptation factors and work-life balance responsiveness

The purpose of the above analysis was to examine the impact of PBEN on WLBR and the mediating role of ECON. Three models—direct effect M₁, partially mediated M₂ and fully mediated M₃—were analysed and compared. Past research has not clearly identified the relationships between these variables and therefore the mediating effect of ECON in the relationship between PBEN and WLBR was posited. All the fit indices demonstrated that both M₂ and M₃ fit the data. However, M₃ is considered as the parsimonious model.

The current study therefore has several important findings. First, previous studies have focused mainly on demonstrating a direct relationship between various predictors and the adoption of WLB practices (Bardoel et al., 1998; Budd & Mumford, 2006; Glass & Fujimoto, 1995; Wood et al., 2003) while paying little attention to the process through which it occurred. Wang and Verma (2012) note that researching possible mediating factors can assist in providing a fuller understanding of an organisation’s WLBR. This study provides initial evidence that employee consultation mediates the relationship between PBEN and WLBR. The findings suggest that WLB practices are not adopted in isolation. Rather, they occur within an organisational context. Within our sample most organisations that adopted WLB practices also conducted employee consultation sessions with their staff. Specifically, more than half of the respondents stated they held meetings related to occupational health and safety, productivity, training, technology and work organisation, and work roles or job descriptions. These findings support previous research (e.g., Hughes & Bozionelos 2007; Wood, 1999; Wood et al., 2003). Only through such consultation can potential benefits, such as reduced employee turnover and absenteeism, be forthcoming.
Second, research on WLB has principally been conducted based in large organisations, which according to Alegre, Chincilla, Leon and Canela (cited in Cegarra-Leviva et al., 2012b, p. 103) is because large companies are more easily contacted and located, and managers of SMEs often suffer from a lack of time and see limited benefits in doing so. Hence the ability to generalise from large organisations to SMEs is limited. Whilst recently research has been conducted in SMEs (Cegarra-Leviva et al., 2012a, 2012b) investigations to help address gaps continues. This study is an important step forward and indicates that SMEs within Australia vary in the extent to which they offer WLB practices based on factors associated with organisation adaptation perspective.

Third, no support was found for Hypothesis (H9). Rather a negative significant relationship was found between PBEN and WLBR. These findings do not support previous research (e.g., Hughes & Bozionelos, 2007; Wood, 1999; Wood et al., 2003). However, they offer an interesting and important insight into how the managers of SMEs process information and take organisational action. For example, SMEs that offered WLB practices were more likely to have consulted with their employees before adopting WLB practices as the benefits they perceived were not enough to instill action. This supports earlier research findings that managers’ interpretations are related to the organisational actions (Felstead et al., 2002; Goodstein, 1994, 1995; Ingram & Simons 1995; Morgan & Milliken 1992; Milliken et al. 1998), yet this interpretation may be based on initial consultations they have with their staff.
4.5 High commitment factors and work-life balance responsiveness

In order to examine the high commitment theoretical perspective and WLBR, the following hypotheses were posited:

Hypothesis (H10): There is a positive relationship between high performance work systems and work-life balance responsiveness.

Hypothesis (H11): There is a positive relationship between employer attitude towards work-life balance practices and work-life balance responsiveness.

Hypothesis (H12): Employer attitude towards work-life balance mediate the relationship between high performance work systems and work-life balance responsiveness.

4.5.1 Exploratory factor analysis

This analysis employed EFA, a well-established statistical technique for finding patterns in data and for dimensionality reduction using promax (oblique) rotation to extract factors (Hair et al., 2006). Cronbach alpha coefficients were also employed to determine the reliability of the instrument (Cronbach, 1951). The sample was first assessed for its suitability for factor analysis. Bartlett’s test of sphericity was highly significant ($p < 0.000$) and the KMO measure of sampling adequacy value of 0.759 exceeded the recommended value of 0.6 (Kaiser, 1970), which supported the factorability of the correlation matrix.

EFA indicated that the responses to the continuous variables questionnaire items measuring high commitment environment loaded onto three factors (see Table 4.10), and exceeded eigenvalues of 3, explaining 40.57% of the variance. These three factors exceeded the
criterion value obtained from parallel analysis (Watkins, 2000). Using Catell’s (1966) scree test, a three-factor solution was retained. The three significant factors, namely HPWS ($\alpha = 0.72$), EATT ($\alpha = 0.81$), and WLBR ($\alpha = 0.76$), emerged from the analysis, showing high factor loading and correlation values, and hence exceeding the recommended value of 0.70 (Nunnally, 1978). Summarised in Table 4.10 are the means, standard deviations and zero-order correlation matrices for all variables.
Table 4.10  High commitment rotated factor loadings

<table>
<thead>
<tr>
<th>Factors</th>
<th>Items</th>
<th>Mean</th>
<th>SD</th>
<th>Factor Loading</th>
<th>α</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factor 1: WLBR</td>
<td>Flexi time</td>
<td>2.34</td>
<td>2.959</td>
<td>0.710</td>
<td>0.76</td>
</tr>
<tr>
<td></td>
<td>Part-time work</td>
<td>2.72</td>
<td>2.692</td>
<td>0.770</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Shorter work days</td>
<td>1.59</td>
<td>2.422</td>
<td>0.658</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Telecommuting</td>
<td>1.75</td>
<td>2.565</td>
<td>0.701</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Flexible start and finish times</td>
<td>3.64</td>
<td>3.116</td>
<td>0.679</td>
<td></td>
</tr>
<tr>
<td>Factor 2: HPWS</td>
<td>Just-in-time inventories</td>
<td>2.47</td>
<td>1.382</td>
<td>0.406</td>
<td>0.72</td>
</tr>
<tr>
<td></td>
<td>Worker teams</td>
<td>3.08</td>
<td>1.328</td>
<td>0.580</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total quality management</td>
<td>3.67</td>
<td>1.290</td>
<td>0.641</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Quality circles</td>
<td>1.68</td>
<td>1.091</td>
<td>0.598</td>
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<tr>
<td></td>
<td>Performance peer reviewed</td>
<td>2.15</td>
<td>1.326</td>
<td>0.608</td>
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<tr>
<td></td>
<td>Pay increase for knowledge</td>
<td>2.42</td>
<td>1.295</td>
<td>0.617</td>
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<tr>
<td></td>
<td>Employee involvement</td>
<td>2.82</td>
<td>1.260</td>
<td>0.604</td>
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<tr>
<td></td>
<td>Job rotation</td>
<td>2.53</td>
<td>1.328</td>
<td>0.546</td>
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</tr>
<tr>
<td>Factor 3: EATT</td>
<td>Balance</td>
<td>4.28</td>
<td>0.753</td>
<td>0.529</td>
<td>0.81</td>
</tr>
<tr>
<td></td>
<td>Effort</td>
<td>3.87</td>
<td>0.863</td>
<td>0.613</td>
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<tr>
<td></td>
<td>Promotion</td>
<td>3.45</td>
<td>1.031</td>
<td>0.534</td>
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<tr>
<td></td>
<td>Patterns of work</td>
<td>2.41</td>
<td>1.002</td>
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<td></td>
<td>accommodation</td>
<td>2.44</td>
<td>1.036</td>
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<td></td>
<td>Choice</td>
<td>2.98</td>
<td>1.064</td>
<td>0.621</td>
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<td></td>
<td>Customer service</td>
<td>3.22</td>
<td>1.026</td>
<td>0.576</td>
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<td>Resentment</td>
<td>2.80</td>
<td>0.956</td>
<td>0.697</td>
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<tr>
<td></td>
<td>Fairness</td>
<td>2.94</td>
<td>0.954</td>
<td>0.699</td>
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<tr>
<td></td>
<td>Responsibility</td>
<td>3.17</td>
<td>1.067</td>
<td>0.602</td>
<td></td>
</tr>
</tbody>
</table>

Notes: N = 219. Extraction method: principal axis factoring. Rotation method: promax with Kaiser normalisation = 0.759 (0.000 significance). Bartlett test of sphericity χ² = 1303.065. Scale composite reliability = 0.780.

WLBR = work-life balance responsiveness; HPWS = high performance work systems; EATT = employer attitude; SD = standard deviation.
4.5.2 Mediation analysis using structural equation modelling

SEM was employed using LISREL 9.1 in order to establish measurement models that concurrently address complex behavioural relationships prevailing in each model (Shook et al., 2004). As a confirmatory, rather than exploratory technique, SEM justifies its use in this explanatory study.

Absolute fit indices determined how well the model fitted the sample data and which model represented the superior fit (see Hooper et al., 2008). The direct effect model contained the three first-order latent variables, which are HPWS; EATT; and WLBR. Based on overall GFI statistics (0.87), direct effect model yielded satisfactory fit to the data: CFI = 0.91, NFI = 0.82, NNFI = 0.89, IFI = 0.91, and RMSEA = 0.057).

Based on the results of direct effect model it was possible to improve the measurement model. Accordingly, one item from the HPWS variable (just-in-time inventories) and three items from EATT (people work best when they can balance their work and other aspects of their lives; people who work flexibly are just as likely to be promoted; and employees should not expect to be able to change their working pattern if it would disrupt the business) showing the lowest coefficient values were deleted. The adjusted direct effect model was carried out using all three variables and the remaining items (five for WLBR, six for HPWS and seven for EATT). Based on the overall GFI statistics, the three-variable adjusted direct effect model for WLB yields good fit statistics ($\chi^2 = 223.37, p = 0.00000, df = 132, GFI = 0.90, CFI = 0.93, NNFI = 0.92, and IFI = 0.94, RMR = 0.17, SRMR = 0.067, AGFI = 0.91 and RMSEA = 0.056$). Table 4.11 shows the GFI for both models and Figure 4.3 shows the path covariance. The results of the structural model demonstrate a positive significant relationship ($\beta = 0.29; p < 0.05$) exists between HPWS
and WLBR, supporting Hypothesis (H_{10}). Further, a significant positive relationship ($\beta = 0.50; p < 0.05$) between EATT and WLBR was found. This result supports Hypothesis (H_{11}). No such support was found for Hypothesis (H_{12}) as there was no significant relationship found between HPWS and EATT ($\beta = 0.05; p > 0.05$).
<table>
<thead>
<tr>
<th></th>
<th>$\chi^2$</th>
<th>df</th>
<th>ECVI</th>
<th>NNFI</th>
<th>CFI</th>
<th>IFI</th>
<th>GFI</th>
<th>RMR</th>
<th>SRMR</th>
<th>RMSEA</th>
<th>$\beta$</th>
<th>$\beta$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hypothesised Model 1 (Direct Effect)</td>
<td>388.5</td>
<td>227</td>
<td>2.23</td>
<td>0.89</td>
<td>0.91</td>
<td>0.91</td>
<td>0.87</td>
<td>0.16</td>
<td>0.07</td>
<td>0.06</td>
<td>0.26</td>
<td>0.52</td>
</tr>
<tr>
<td>Adjusted Model 1 (Direct Effect)</td>
<td>223.4</td>
<td>132</td>
<td>1.38</td>
<td>0.92</td>
<td>0.93</td>
<td>0.94</td>
<td>0.90</td>
<td>0.17</td>
<td>0.07</td>
<td>0.06</td>
<td>0.29</td>
<td>0.50</td>
</tr>
</tbody>
</table>

Note: $\chi^2$ = chi-square value; ECVI = Expected cross validation index; df = degree of freedom; NFI = normed fit index; NNFI = non-normed fit index; CFI = comparative fit index; IFI = incremental fit index; GFI = goodness-of-fit index; RMR = root mean square residual; SRMR = standard root mean square residual; RMSEA = root-mean-square error of approximation.
Figure 4.3  Structural Model: High commitment (direct effect)

Notes: Significance levels *$p < 0.05$, Chi-Square $\chi^2 = 223.37$, $df = 132$, RMSEA = 0.056
WLBR = work-life balance responsiveness; HPWS = high performance work systems; EATT = employer attitude
4.5.3 Hierarchical regression analysis

To further examine the data, hierarchical multiple regression was used to assess the impact of two independent variables (HPWS and EATT) on WLBR, after controlling for average education level of staff; education level of the operator; females employed; female managers employed; number of staff aged over 40 years, the number of casual staff employed and industry. Preliminary analysis was conducted to ensure no violation of the assumptions of normality, linearity, multi-collinearity and homoscedasticity. Average education level of staff, education level of the operator, females employed, female managers employed, number of staff aged over 40 years, and the number of casual staff employed were entered at Step 1, explaining 19% of variance in WLBR. After entry of HPWS and EATT at Step 2 the total variance explained by the model as a whole was 31%, $F(10,204) = 9.28, p < 0.001$. The two independent variables explained an additional 13% of the variance in WLBR, after controlling for average education level of staff, education level of the operator, females employed, female managers employed, number of staff aged over 40 years, the number of casual staff employed, and the industry $R^2$ change = 0.13, $F(2,204) = 18.71, p < 0.001$.

The control factors represented average education level of staff; education level of the operator, females employed, female managers employed; number of staff aged over 40 years and the number of casual staff employed. The results showed that education level of the operator was significantly related to WLBR ($\beta = 0.14; p < 0.05$), as was number of staff aged over 40 years ($\beta = 0.15; p < 0.05$) (see Table 4.12).
### Table 4.12 Hierarchical regression analysis results for high commitment variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>Work-life balance responsiveness</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Model 1</td>
<td>Model 2</td>
</tr>
<tr>
<td><strong>Step 1 Control variables</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HR professional employed</td>
<td>0.096</td>
<td>0.067</td>
<td></td>
</tr>
<tr>
<td>Average education level of staff</td>
<td>0.139</td>
<td>0.116</td>
<td></td>
</tr>
<tr>
<td>Education level of operator</td>
<td>0.182</td>
<td>0.136*</td>
<td></td>
</tr>
<tr>
<td>Females employed</td>
<td>0.173</td>
<td>0.118</td>
<td></td>
</tr>
<tr>
<td>Female managers employed</td>
<td>0.073</td>
<td>0.069</td>
<td></td>
</tr>
<tr>
<td>Number of staff aged over 40 years</td>
<td>0.125</td>
<td>0.152*</td>
<td></td>
</tr>
<tr>
<td>Casual staff employed</td>
<td>-0.025</td>
<td>-0.043</td>
<td></td>
</tr>
<tr>
<td>Industry</td>
<td>0.046</td>
<td>0.060</td>
<td></td>
</tr>
<tr>
<td><strong>Step 2 Independent variable</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High performance work systems</td>
<td></td>
<td>0.211**</td>
<td></td>
</tr>
<tr>
<td>Employer attitude</td>
<td></td>
<td>0.298***</td>
<td></td>
</tr>
<tr>
<td>( R^2 )</td>
<td>0.187</td>
<td>0.313</td>
<td></td>
</tr>
<tr>
<td>( \Delta R^2 )</td>
<td>0.187</td>
<td>0.126</td>
<td></td>
</tr>
</tbody>
</table>

Notes: *\(p < 0.05\), **\(p < 0.01\), ***\(p < 0.001\)

HR = human resources
4.5.4 Discussion: High commitment factors and work-life balance responsiveness

The purpose of this research was to determine the impact of a high commitment environment on an organisation’s WLBR and the pathways through which the effect is generated. To achieve this objective, this study investigated a bundle of human resource practices that represented HPWS and EATT towards WLB. The results provide support for a positive relationship between HPWS and WLBR (Hypothesis H10) and EATT and WLBR Hypothesis (H11), but no support for a mediation pathway Hypothesis (H11). Results also showed two organisational characteristics, the education level of the operator and the number of staff aged over 40 years, was significantly related to WLBR.

The study therefore has several important findings. First, by using a different methodology and more comprehensive measures of WLB practices than previously used, a positive relationship between HPWS and WLBR was found. This finding was unlike Bardoel (2003), Wood (1999) and Wood et al. (2003), who found no support for this relationship, but is consistent with Osterman (1995) and Berg et al. (2003), who did find support. This finding therefore implies that WLB responsiveness is being driven by ‘a new model for organizing and motivating the labor force’ (Osterman, 1995, p. 697), and high commitment management for SMEs within Australia’s national context, which is similar to United States of America counterparts.

Bardoel (2003) acknowledges that a reason for the lack of support for HPWS in her study, and the provision of family-friendly practices, could be attributed to the fact that there was no strong connection of attitudes towards WLB. Thus, the second important finding is that management’s attitude towards WLB helps explain the provision of WLB practices. This finding is consistent with previous research conducted by Hayward et al. (2007) from the
United Kingdom. However, this current study also sought to determine how the process of adoption occurred that is, is it via a direct relationship or a mediated relationship. The findings found a direct rather than a mediated relationship existed, which offers a new finding not previously fully explored. The findings from this study help demonstrate that high commitment management is useful in explaining WLB responsiveness for SME within Australia.
4.6 Situation factors and work-life balance responsiveness

In order to examine the situation theoretical perspective and WLBR, the following hypotheses were posited:

*Hypothesis (H₁₃):* There is a positive relationship between barriers encountered in the development and implementation of work-life balance practices and work-life balance responsiveness.

*Hypothesis (H₁₄):* There is a positive relationship between barriers to developing and implementing work-life balance practices and employer attitude.

*Hypothesis (H₁₅):* Employer attitude towards work-life balance mediate the relationship between barriers to developing and implementing work-life balance practices and work-life balance responsiveness.

*Hypothesis (H₁₆):* There is a positive relationship between the female composition of the workforce and work-life balance responsiveness.

*Hypothesis (H₁₇):* There is a positive relationship between the education level of the workforce and work-life balance responsiveness.

*Hypothesis (H₁₈):* There is a positive relationship between the education level of the employer and work-life balance responsiveness.

*Hypothesis (H₁₉):* There is a positive relationship between the proportion of employees aged over 40 years and WLB responsiveness.
4.6.1 Exploratory factor analysis

This analysis employed EFA, a well-established statistical technique for finding patterns in data and for dimensionality reduction using promax (oblique) rotation to extract factors (Hair et al., 2006). Cronbach alpha coefficients were also employed to determine the reliability of the instrument (Cronbach, 1951). The sample was first assessed for its suitability for factor analysis. Bartlett’s test of sphericity was highly significant ($p < 0.000$) and the KMO measure of sampling adequacy value of 0.844 exceeded the recommended value of 0.6 (Kaiser, 1970), which supported the factorability of the correlation matrix.

PCA indicated that the responses to the continuous variables questionnaire items measuring the situation perspective loaded onto three factors (see Table 4.12), which exceeded eigenvalues of 3, explaining 49.02% of the variance. These three factors exceeded the criterion value obtained from parallel analysis (Watkins, 2000). Using Catell’s (1966) scree test, a three-factor solution was retained. The three significant factors, namely total OBAR ($\alpha = 0.90$); total EATT ($\alpha = 0.81$); and WLBR ($\alpha = 0.76$), emerged from the analysis, showing high factor loading and correlation values and hence exceeding the recommended value of 0.70 (Nunnally, 1978). Furthermore, all the three constructs and dimensions had convergent validity as their AVE rates were above the accepted threshold of 0.5 (Fornell & Larcker, 1981). Summarised in Table 4.13 is the means, standard deviations and zero-order correlation matrices for all factors and their respective items.
Table 4.13  Situation perspective rotated factor loadings

<table>
<thead>
<tr>
<th>Factors</th>
<th>Items</th>
<th>Mean</th>
<th>SD</th>
<th>Factor Loading</th>
<th>( \alpha )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factor 1:</td>
<td>WLBR</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Flexi time</td>
<td>2.34</td>
<td>2.959</td>
<td>0.715</td>
<td>0.76</td>
</tr>
<tr>
<td></td>
<td>Part-time work</td>
<td>2.72</td>
<td>2.692</td>
<td>0.782</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Shorter work days</td>
<td>1.59</td>
<td>2.422</td>
<td>0.689</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Telecommuting</td>
<td>1.75</td>
<td>2.565</td>
<td>0.673</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Flexible start and finish times</td>
<td>3.64</td>
<td>3.116</td>
<td>0.672</td>
<td></td>
</tr>
<tr>
<td>Factor 2:</td>
<td>OBAR</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lack of supervisor support</td>
<td>3.35</td>
<td>1.125</td>
<td>0.762</td>
<td>0.90</td>
</tr>
<tr>
<td></td>
<td>Resistance from co-workers</td>
<td>3.53</td>
<td>1.093</td>
<td>0.799</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Perceived cost of program</td>
<td>3.22</td>
<td>1.148</td>
<td>0.786</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Perceived inequity</td>
<td>3.24</td>
<td>1.196</td>
<td>0.792</td>
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<tr>
<td></td>
<td>Lack of info for employee needs</td>
<td>3.14</td>
<td>1.110</td>
<td>0.828</td>
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</tr>
<tr>
<td></td>
<td>Management perception</td>
<td>3.43</td>
<td>1.210</td>
<td>0.696</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lack of evidence of benefits</td>
<td>3.29</td>
<td>1.150</td>
<td>0.763</td>
<td></td>
</tr>
<tr>
<td>Factor 3:</td>
<td>EATT</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Balance</td>
<td>4.28</td>
<td>0.753</td>
<td>0.529</td>
<td>0.81</td>
</tr>
<tr>
<td></td>
<td>Effort</td>
<td>3.87</td>
<td>0.863</td>
<td>0.613</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Promotion</td>
<td>3.45</td>
<td>1.031</td>
<td>0.534</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Patterns of work accommodation</td>
<td>2.41</td>
<td>1.002</td>
<td>0.527</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Choice</td>
<td>2.44</td>
<td>1.036</td>
<td>0.648</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Customer service</td>
<td>2.98</td>
<td>1.064</td>
<td>0.621</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Resentment</td>
<td>3.22</td>
<td>1.026</td>
<td>0.576</td>
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<tr>
<td></td>
<td>Fairness</td>
<td>2.80</td>
<td>0.956</td>
<td>0.697</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Responsibility</td>
<td>2.94</td>
<td>0.954</td>
<td>0.699</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>3.17</td>
<td>1.067</td>
<td>0.602</td>
<td></td>
</tr>
</tbody>
</table>

Notes: \( N = 219 \). Extraction method: principal axis factorings. Rotation method: promax with Kaiser normalisation = 0.844 (0.000 significance). Bartlett test of sphericity \( \chi^2 = 1848.173 \). Scale composite reliability = 0.833. WLBR = work-life balance responsiveness; OBAR = organisational barriers; EATT = employer attitude; SD = standard deviation.
4.6.2 Mediation analysis using structural equation modelling

A nested-model approach was employed to examine the relationships within mediated models (Tokar & Jome, 1998). SEM was employed using LISREL 9.1 in order to establish measurement models, which concurrently address complex behavioural relationships prevailing in each model (Shook et al., 2004). As a confirmatory, rather than exploratory technique, SEM justifies its use in this explanatory study. Hair et al. (2006) suggest that to be considered as having an adequate fit, all the indices must be measured against the following criteria: $\chi^2/df < 300$; GFI, CFI, and NFI $> 0.90$; and RMSEA $< 0.08$. The hypotheses were tested following the procedures recommended by Judd and Kenny (1981) and Baron and Kenny (1986). Three critical steps are required to justify a mediation effect. First, the independent variable should be significantly correlated with the mediator. Second, after controlling for the effect of independent variable on dependent variable, the mediator variable should be significantly correlated with dependent variable. Third, the indirect effect of the independent variable on dependent variable must be significant.

Each model contained three first-order latent variables—OBAR, EATT, and WLBR. The direct effect model (M1) and the fully mediated model (M3) are nested in partially mediated model (M2). However, M2 included all paths between latent variables, considering that Anderson and Gerbing (1988) recommend the hypothesised relationships be tested. Table 4.14 shows the GFI of all the models. The indices showed that M1 resulted in less than favourable results. The path from OBAR and EATT to WLBR was significant. Based on overall GFI statistics (0.84), M2 yielded satisfactory fit statistics: CFI = 0.93, NFI = 0.88, NNFI = 0.92, IFI = 0.93, and RMSEA = 0.074, $\chi^2 = 454.30$, $p = 0.00000$, $df = 206$, SRMR = 0.065, RFI = 0.86. Based on the overall GFI statistic (0.90), M3 showed perfect fit statistics: CFI = 0.96, NFI = 0.96, NFI = 0.92, NNFI = 0.96, IFI = 0.96, and
RMSEA = 0.058, $\chi^2 = 204.67$, $p = 0.00000$, $df = 116$, SRMR = 0.051, RFI = 0.90, AGFI = 0.87.

The best fit model, of the structural models tested to examine the path covariance, can be seen in Figure 4.4. The results of the structural model demonstrate a positively significant relationship ($\beta = 0.30; p > 0.05$) exists between OBAR and WLBR, supporting Hypothesis (H13). Further a significant positive relationship ($\beta = 0.43; p < 0.05$) between OBAR and EATT was found. This result does support Hypothesis (H14). The analysis revealed a significant positive relationship ($\beta = 0.52; p < 0.05$) between EATT and WLBR, supporting Hypothesis (H11) which was previously demonstrated in Section 4.5.2.
<table>
<thead>
<tr>
<th>Model</th>
<th>( \chi^2 )</th>
<th>df</th>
<th>ECVI</th>
<th>NFI</th>
<th>NNFI</th>
<th>CFI</th>
<th>IFI</th>
<th>GFI</th>
<th>RMR</th>
<th>SRMR</th>
<th>RMSEA</th>
<th>( \beta )</th>
<th>( \beta )</th>
<th>( \beta )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model 2</td>
<td>469.58</td>
<td>207</td>
<td>2.57</td>
<td>0.88</td>
<td>0.92</td>
<td>0.93</td>
<td>0.93</td>
<td>0.84</td>
<td>0.15</td>
<td>0.084</td>
<td>0.076</td>
<td>0.19</td>
<td>0.55</td>
<td>0.35</td>
</tr>
<tr>
<td>(partially mediated)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Model 3</td>
<td>204.67</td>
<td>116</td>
<td>1.27</td>
<td>0.92</td>
<td>0.96</td>
<td>0.96</td>
<td>0.96</td>
<td>0.90</td>
<td>0.15</td>
<td>0.051</td>
<td>0.058</td>
<td>0.36</td>
<td>0.49</td>
<td>0.30</td>
</tr>
<tr>
<td>(fully mediated)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Note: \( \chi^2 \) = chi-square value; ECVI = expected cross validation index; df = degree of freedom; NFI = normed fit index; NNFI = non-normed fit index; CFI = comparative fit index; IFI = incremental fit index; GFI = goodness-of-fit index; RMR = root mean square residual; SRMR = standard root mean square residual; RMSEA = root-mean-square error of approximation.
Figure 4.4  Structural Model 3: Situation factors (mediation)

Notes: Significance levels *$p < 0.05$, RMSEA = 0.058, chi-square $\chi^2 = 204.67$
WLBR = work-life balance responsiveness; OBAR = organisational barriers, EATT = employer attitude

EATT

OBAR

WLBR

$0.43^*$

$0.52^*$

$0.30^*$
4.6.3 Hierarchical regression analysis

Adopting Baron and Kenny’s (1986) approach for mediation analysis a hierarchical multiple regression analysis was employed to test our hypotheses. Table 4.15, illustrating M₂, demonstrates that controlling for demographic variables, OBAR has a positively significant relationship with WLBR ($\beta = 0.153$). Additionally, M₃ provides results supporting the mediating effect of EATT on the relationship between OBAR and WLBR ($\beta = 0.291; p < 0.000$). Furthermore, the Sobel test (Sobel, 1982) was conducted to ascertain if the mediating effect is significantly different from zero. Results of this test confirmed the association between OBAR and WLBR was significantly mediated by EATT ($z = 2.61; p \leq 0.05$).

Finally, in line with the approach of Preacher and Hayes (2008), a bootstrap analysis was conducted to examine the indirect effects of OBAR and WLBR through EATT, with 1000 resamples. Controlling for the number of staff employed, the industry type, human resource professional employed, and casual staff employed, the results demonstrated a significant indirect relationship of OBAR on WLBR ($\beta = 0.39; p < 0.05$). Additionally, the analysis demonstrated that the total indirect contribution of OBAR on WLBR through EATT was significant (point estimate = 1.6; 95%; CI = 0.09, 0.81). The specific indirect effects revealed ECON (point estimate = 1.23; 95%; CI = 0.06, 0.56) as a significant mediator of the relationship between OBAR and WLBR. Therefore, these results provide support for Hypothesis (H₁₅).

Results from the control variables (see Table 4.15) show that the number of staff is never significant. This confirms previous results (refer to Hypothesis (H₂) in Section 4.3.3). In addition, permanent/part-time and casual staff showed no significance. One possible reason is the workforce of smaller organisations could be made up of mainly this...
demographic of employee. Alternatively, given in SMEs there is no place to hide, there could be an increased need to ensure consistency. The only control variable to show any significance was the presence of a designated human resource employee. But the importance of this variable diminishes with the introduction of other variables.

In relation to the independent variables, the females employed and education level of the operator, variables are significant at the 0.05 level and prior to the introduction of the EATT variable. This implies that gender and the education levels of the operator are associated with the situation factors that influence WLBR prior to the introduction of the mediating variable. Hence partial direct support is found for Hypothesis (H_{16}) and Hypothesis (H_{18}). However, no support was found for Hypothesis (H_{17}) and Hypothesis (H_{19}) at the 0.05 significance level, but there was slight significance found at the 0.1 level. This low significance finding highlights that the education level of the workforce and the age of the workforce do not make a large statistically significant impact on an SME’s WLBR.
### Table 4.15  Hierarchical regression analysis results for situation factors

<table>
<thead>
<tr>
<th>Variables</th>
<th>Work life balance responsiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Model 1</td>
</tr>
<tr>
<td>Step 1: Control Variables</td>
<td></td>
</tr>
<tr>
<td>Number of staff employed</td>
<td>–0.085</td>
</tr>
<tr>
<td>Industry</td>
<td>0.105</td>
</tr>
<tr>
<td>Designated HR professional</td>
<td>0.162**</td>
</tr>
<tr>
<td>Casual staff employed</td>
<td>0.012</td>
</tr>
<tr>
<td>Step 2: Independent variable</td>
<td></td>
</tr>
<tr>
<td>Females employed</td>
<td></td>
</tr>
<tr>
<td>Female managers employed</td>
<td>0.056</td>
</tr>
<tr>
<td>Average education level of staff</td>
<td>0.122*</td>
</tr>
<tr>
<td>Education level of operator</td>
<td>0.167**</td>
</tr>
<tr>
<td>Number of staff aged over 40 years</td>
<td>0.115*</td>
</tr>
<tr>
<td>Total barriers</td>
<td>0.153**</td>
</tr>
<tr>
<td>Step 3: Mediator</td>
<td></td>
</tr>
<tr>
<td>Employer attitude</td>
<td></td>
</tr>
<tr>
<td>$R^2$</td>
<td>0.036**</td>
</tr>
<tr>
<td>$\Delta R^2$</td>
<td>0.036**</td>
</tr>
</tbody>
</table>

Notes: *p < 0.1, **p < 0.05, ***p < 0.01  
OBAR = organisational barriers; EATT = employer attitude
4.6.4 Discussion: Situation factors and work-life balance responsiveness

The purpose of this research was to determine the impact of situation factors on WLBR and the pathways through which the effect is generated. To achieve this objective, this study investigated the relationship between OBAR and an organisation’s WLBR, and the mediating role of EATT as a contingency on this relationship. Further, it looked at the situational pressures encountered by an organisation’s workforce when seeking to be WLB responsive, for example the composition of the gender of the workforce, the age and education levels. The results provide support for a positive relationship between OBAR and WLBR (H14) and the mediated pathway between EATT, OBAR and WLBR (H15). Based on the regression analysis conducted, support was also found for the following organisational characteristics of the workforce: gender (H16), educational level of employees (H17) and employer (H18). But, no support was found for the age of the workforce (H19).

Previous studies have tested, but found no support, for a relationship between difficulties encountered, such as recruitment, absenteeism and turnover, and family-friendly practice adoption (see for example, Fesltead et al., 2002; Wood, 1999; Wood et al., 2003). However, De Cieri et al. (2005) and Senses (2007) found that organisations did encounter barriers, such as lack of communication to staff, when seeking to implement WLB practices. Hence, this study tested the OBAR construct and its relationship with the WLBR and found a significant positive relationship between the fewer barriers encountered the greater the SME WLBR. This demonstrated that SMEs did face organisational barriers when seeking to develop and implement WLB practices. Importantly, the fewer the barriers encountered, the greater the WLBR of the organisation.
Another significant but related finding was that the relationship between OBAR when developing and implementing WLB practices and WLBR was fully mediated by EATT. This mediated relationship helps provide a deeper understanding of how the relationship occurs (Wang & Verma, 2012). Specifically, it implies that OBAR mainly exert their influence on WLBR through EATT. In other words, OBAR encountered when developing and implementing WLB practices no longer affects WLBR when EATT has been controlled for.

In addition, another situational variable that showed a positive relationship with WLBR was gender, specifically, the greater the female composition of the workforce the greater the WLBR of SMEs within Australia. This supports previous findings of Goodstein, (1994), Osterman (1995), Wood (1999) and Wood et al. (2003). This could imply, like Glass and Fujimoto (1995) suggest, that females were a resource in high demand at the time the study. Further, the higher the education levels of the employee and employer, the greater the WLBR of the SME. This finding supports earlier work of Goodstein (1995) and Felstead et al. (2002), and it could again be inferred that such a finding may be the result of the tight labour market encountered at the time of data collection—hence the ability of professional employees to exert influence given their increased mobility and that organisations are competing for scarce resources, and the higher the education level of the employer, the greater their awareness of this.

Finally, the findings therefore reveal situational management does influence WLBR in Australian SMEs, which is different to what Wood (1999) and Wood et al. (2003) found in their respective studies in the United States of America and Great Britain.
4.7 The final model

Wood et al. (2003) highlight that recent research on family-friendly practices in the United States, which has focused on the predictors of their adoption as opposed to the associations amongst them. Like Wood, et al. (2003) and Wood (1999) this study sought to determine which of the perspectives either alone or in combination best predicts organisations WLBR within an Australian SME context. Specifically, the aim of this analysis was to test and examine the structural model that explains the relationships between each of the constructs. The constructs in this analysis include PBEN, ECON, EATT, HPWS, OBAR and WLBR. Employing SEM, the results of the structural model are presented in Figure 4.5. This final model shows that, based on a sample of Australian SME managers, SEM analyses mostly exhibit support for this integrative/umbrella model framework. Findings from this current study show that PBEN, ECON, EATT and OBAR influence WLBR.

First, from an organisation adaptation perspective, PBEN has a negative relationship with WLBR. This means higher levels of PBEN result in lower levels of WLBR. This finding is generally not consistent with previous findings (Hughes & Bozioneles, 2007; Wood, 1999; Wood et al., 2003). Yet, ECON mediates the relationship between PBEN and WLBR. Whilst this mediated relationship has not been tested before to the author’s knowledge, it supports previous research that manager’s interpretations are related to organisational actions (Felstead et al., 2002; Goodstein, 1994; Goodstein, 2005; Ingram & Simons, 1995; Morgan & Milliken, 1992; Millikens et al., 1998). This study adds that this interpretation may be based on the initial consultation management has with their workforce regarding WLB needs and/or wants. Specifically, it implies that PBEN of WLB practices exert their influence on WLBR through ECON. In other words the PBEN of WLB practices no longer affect WLBR when ECON has been controlled for.
Second, this study found a significant and positive correlation between HPWS and WLBR, in line with some previous studies (Berg et al., 2003; Osterman, 1995), but differing from findings of others (Bardoel, 2003; Wood, 1999; Wood et al., 2003). It also found that EATT has a significant and positive direct relationship with WLBR, which is consistent with others (Hayward et al., 2007); however, no mediated relationship was found. This finding indicates that high commitment management is useful in explaining WLBR for Australian SMEs.

Third, this current study indicates that the fewer the barriers encountered by the SME when developing and implementing WLB practices, the greater the WLBR. This is a new finding; previous research (De Cieri et al., 2005; Sensis, 2007) found barriers existed when seeking to develop and implement WLB practices, but the relationship with the adoption of WLB practices had remained until now unexplored, to the author’s knowledge. In addition, from a situation perspective it was found EATT mediate the relationship between OBAR and WLBR. This may mean that OBAR mainly exert their influence on the adoption of WLB practices through EATT. In other words, OBAR encountered when developing and implementing WLB practices no longer affect WLBR when EATT has been controlled for. Hence, changes in EATT to WLB strategies are requisite for the adoption of WLB practices, a notion also supported by De Cieir et al. (2005) and Kossek, Dass and DeMarr, (1994). This study, and the final model, has therefore sought to refine the existing literature and provide useful information to assist in understanding how specific groups within an SME setting are influenced when it comes to being WLB responsive. Table 4.16 provides the summary of the results of the hypotheses tested.
Figure 4.5  Overall structural model

Predictors

- Perceived benefits (PBEN)
- High performance work systems (HPWS)
- Organisational barriers (OBAR)

Mediator 1 and Predictor

- Employee consultation (ECON)

Mediator 2 and Predictor

- Employer attitude (EATT)

Dependent

- Work-life balance responsiveness (WLBR)

Key:
- Direct pathway
- Mediated pathway

Correlation Coefficients:

- Perceived benefits (PBEN) to Employee consultation (ECON): 0.06
- High performance work systems (HPWS) to Employee consultation (ECON): 0.08
- Organisational barriers (OBAR) to Employee consultation (ECON): -0.10
- Perceived benefits (PBEN) to Employer attitude (EATT): 0.19
- Employee consultation (ECON) to Employer attitude (EATT): 0.21
- Work-life balance responsiveness (WLBR) to Employer attitude (EATT): 0.53

Correlation Coefficients for Mediation:

- Mediator 1 to Employee consultation (ECON): 0.43
- Mediator 1 to Employer attitude (EATT): 0.43
- Mediator 2 to Employee consultation (ECON): 0.30
- Mediator 2 to Employer attitude (EATT): 0.26
<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hypothesis (H₁)</strong>: Work-life balance practices exist and the pattern of association between them represent a multi-dimensional structure.</td>
<td>Supported</td>
</tr>
<tr>
<td><strong>Hypothesis (H₂)</strong>: There is no significant relationship between organisational size and work-life balance responsiveness.</td>
<td>Supported</td>
</tr>
<tr>
<td><strong>Hypothesis (H₃)</strong>: There is a significant difference among small and medium enterprises located in different geographic regions and work-life balance responsiveness.</td>
<td>Partially Supported</td>
</tr>
<tr>
<td><strong>Hypothesis (H₄)</strong>: There is a significant difference across industries in their work-life balance responsiveness.</td>
<td>Supported</td>
</tr>
<tr>
<td><strong>Hypothesis (H₅)</strong>: The larger the unionisation of the workforce the greater is work-life balance responsiveness.</td>
<td>Rejected</td>
</tr>
<tr>
<td><strong>Hypothesis (H₆)</strong>: There is a positive relationship between the perceived organisational benefits of work-life balance practices and work-life balance responsiveness.</td>
<td>Rejected</td>
</tr>
<tr>
<td><strong>Hypothesis (H₇)</strong>: There is a positive relationship between perceived organisational benefits and employee consultation.</td>
<td>Supported</td>
</tr>
<tr>
<td><strong>Hypothesis (H₈)</strong>: There is a positive relationship between employee consultation and work-life balance responsiveness.</td>
<td>Supported</td>
</tr>
<tr>
<td><strong>Hypothesis (H₉)</strong>: Employee consultation mediates the relationship between perceived organisational benefits and work-life balance responsiveness.</td>
<td>Supported</td>
</tr>
<tr>
<td><strong>Hypothesis (H₁₀)</strong>: There is a positive relationship between high performance work systems and work-life balance responsiveness.</td>
<td>Supported</td>
</tr>
<tr>
<td><strong>Hypothesis (H₁₁)</strong>: There is a positive relationship between employer attitude towards work-life balance practices and work-life balance responsiveness.</td>
<td>Supported</td>
</tr>
<tr>
<td><strong>Hypothesis (H₁₂)</strong>: Employer attitude towards work-life balance mediate the relationship between high performance work systems and work-life balance responsiveness.</td>
<td>Rejected</td>
</tr>
<tr>
<td><strong>Hypothesis (H₁₃)</strong>: There is a positive relationship between barriers encountered in the development and implementation of work-life balance practices and work-life balance responsiveness.</td>
<td>Supported</td>
</tr>
<tr>
<td><strong>Hypothesis (H₁₄)</strong>: There is a positive relationship between barriers to developing and implementing work-life balance practices and employer attitude.</td>
<td>Supported</td>
</tr>
<tr>
<td><strong>Hypothesis (H₁₅)</strong>: Employer attitude towards work-life balance mediate the relationship between barriers to developing and implementing work-life balance practices and work-life balance responsiveness.</td>
<td>Supported</td>
</tr>
<tr>
<td><strong>Hypothesis (H₁₆)</strong>: There is a positive relationship between the female composition of the workforce and an employer’s work-life balance responsiveness.</td>
<td>Supported</td>
</tr>
<tr>
<td><strong>Hypothesis (H₁₇)</strong>: There is a positive relationship between the education level of the workforce and work-life balance responsiveness.</td>
<td>Supported</td>
</tr>
<tr>
<td><strong>Hypothesis (H₁₈)</strong>: There is a positive relationship between the education level of the employer and work-life balance responsiveness.</td>
<td>Supported</td>
</tr>
<tr>
<td><strong>Hypothesis (H₁₉)</strong>: There is a positive relationship between the proportion of employees aged over 40 years and work-life balance responsiveness.</td>
<td>Rejected</td>
</tr>
</tbody>
</table>
4.8 Conclusion

This chapter provided the analysis of all data. For each of the six constructs in this study the EFA showed all items adopted had an acceptable loading value. The reliability values were tested for all constructs, the Cronbach alpha coefficients were all high and deemed suitable. CFA confirmed the measurement model of each measurement in the Australian SME setting. The relationships between the constructs were examined through performing SEM. Hierarchical regression demonstrated there were two mediating variables, ECON and EATT. The following chapter concludes this thesis, and will discuss the contributions of this study to theory and practice, limitations, and directions for future research.
Chapter five presents both the theoretical and practical implications drawn from the findings identified in the four theoretical perspectives, the associated constructs and organisational characteristics. Specifically, the theoretical perspectives are institution, organisation adaptation, high commitment and situation. The constructs are PBEN, ECON, EATT, HPWS, OBAR, and WLBR. In addition, this chapter identifies the limitations of the study and suggests possible directions for future research. Finally, this chapter provides a comprehensive conclusion of the present study.

5.1 Contribution to theory and practice

The results of this study provide theoretical and practical contributions to assist scholars and practitioners understand the importance of the four theoretical perspectives and the associated constructs (PBEN, ECON, EATT, HPWS and OBAR) and organisational characteristics on an SME’s WLBR. This section presents the implications of each of the perspectives.

5.1.1 Institution perspective

This section details the theoretical and practical contributions of the study from the institution theoretical perspective.

5.1.1.1 Theoretical contributions

This study provides evidence that SMEs vary in the extent to which they offer WLB practices based on certain organisational characteristics. Specifically, it was found that location and industry type impacted on whether SMEs offered WLB practices. These results supported conclusions drawn by others for larger companies (Bardoel, 2003;
Felstead et al., 2002; Goodstein, 1994, 1995; Ingram & Simons, 1995; Milliken et al., 1998; Morgan & Milliken, 1992) that institutional pressures could co-exist with intentional choices made by owner/operators when offering WLB practices. This study clearly demonstrates how institution theory conforms and adds an important nuance for WLB practices, as it underscores the role of the organisation and provides strong evidence that WLB research is appropriately premised with institution theory.

This study indicates that adopting the quantitative approach contributes to the identification of the nature and type of WLB practices utilised by SMEs, and the organisational characteristics that are associated with institution theory. This research on WLB practices, applied specifically to an Australian SME environment, expanded the boundaries for analysis of a contingency framework and answered calls (see Lavoie, 2004) for more research concerning WLB provision for employees in SMEs in different countries. The findings particularly refute the conclusions drawn from past studies (see for example Felstead et al., 2002) that the institution factors of size and unionisation in a private sector establishment influence WLBR. However, it helps demonstrate that national context does matter when seeking to understand the relationships which influence WLBR given, for example, that Felstead found support in the United Kingdom for size and unionisation but this study did not find such support.

Researchers continue to investigate internal and external environmental influences on WLB practices. This study validates that WLB are offered to employees of SMEs and that the pattern of association is multi-dimensional—flexible work options, leave programs, support benefits and care arrangements—and are worthwhile indicators of what employers feel their employees need to achieve a greater WLB. This study contributes to the literature by unravelling the responses of the organisations, particularly SMEs, as they are diverse.
and have distinct individual WLB practices and policies.

5.1.1.2 Practical contributions
The findings proffer implications to managers of SMEs responsible for HRM. First, it is recommended managers carefully consider what other SMEs in their industry and geographic region are doing when deciding what WLB practices to offer their staff. If others in their industry are offering certain WLB practices, they should consider doing the same (i.e., mimic them). If they do not, there should be compelling justification for why not (Wang & Verma, 2012).

Second, no consideration of the size or unionisation of the workforce should influence WLBR, given no significance was found for either factor for SMEs within the Australian context.

5.1.2 Organisation adaptation perspective
This section details the theoretical and practical contributions of the study from the organisation adaptation theoretical perspective.

5.1.2.1 Theoretical contributions
The study builds on and contributes to work on the organisation adaptation theory developed by Daft and Weick (1984), and further extended by Milliken et al. (1990). Although studies from the organisation adaptation perspective have examined WLB programs and the direct relationships between predictors and the adoption of WLB practices (Bardoel et al., 1999; Budd & Mumford, 2006; Glass & Fujimoto, 1995; Wood, 1999; Wood et al., 2003) there have not been any studies that have introduced the mediator variable, ECON, that helps explain the relationship between OBAR and an organisation’s
WLBR.

Hence, this study provides additional insight into other factors that influence organisation adaptation and an organisation’s WLBR as it provides initial evidence that ECON mediates the relationship between OBAR and WLBR. The results provide a new means of understanding an organisation’s decisions regarding adoption of WLB practices in SMEs within Australia.

This study provides empirical evidence for the mediating role of ECON on the effect of PBEN and WLBR. From a theoretical perspective, the results contribute to previous research into the value of the organisation adaptation perspective. This research focus on the pathway through which the PBEN of WLB practices generates its impact, representing a pioneering study in this area. The PBEN of WLB practices have implications on the extent of employee consultation and, through this, on WLBR. This suggests that WLB practices are not adopted in isolation. Rather, they occur within an organisational context. This finding supports what Milliken et al. (1990) propose; that at the core of the organisation perspective is the notion that organisations are able to adjust in a responsive way to their respective environment. This study contributes to the theory by demonstrating the process through which this response occurs.

Specifically, the model clarifies the mechanisms through which, and the circumstances under which, adoption of WLB practices can be successfully adopted. By specifying the indirect pathway through which the PBEN of WLB practices enhances WLBR, this study validates the utility of complex mediating relationships in predicting WLB practice adoption. This has significant implications for future research into WLB, which should encompass indirect model effects.
5.1.2.2 Practical contributions

The findings give practical insights into how ECON and PBEN work together to influence the WLBR of organisations. Wang and Verma (2012) note that, given changes in employee demographics there is an increased demand for organisations to adopt WLB practices, and human resources managers, or owner/managers in SMEs, must decide how best to respond. The findings suggest that several factors contribute to an organisation’s WLBR, and SME owners or designated human resource managers need to be aware of such implications so they can act accordingly to ensure they are able to attract, motivate and retain quality employees in order to remain competitive. These factors include the education level of the workforce, the number of females employed, and the number of staff aged over 40 years. Hence, these findings lead to three recommendations.

First, given the findings revealed that WLBR within Australian SMEs, as in larger organisations in the United State of America (Goodstein, 1995) and the United Kingdom (Wood, 1999), is significantly related to the education level of the workforce, organisations should consider the education level of their workforce. Goodstein (1995) argues the link between WLBR and education level could be due to professional employees having more bargaining power. It is anticipated a similar argument could be posited for SMEs, as the difficulties associated with attracting and retaining professional, specialist and highly skilled employees in small organisations would be exacerbated, given the loss of one key employee could have a significant negative impact on the skills and knowledge available. Hence, if an SME’s workforce is highly educated, it should be consulting with their employees to find out what their demands are, and seek to meet these where benefits can be attributed (i.e., decreased turnover).

Second, the results support Felstead et al. (2002) and Davis and Kallberg (2006), given the
gender composition of the workforce was found to be highly significant with WLBR. Specifically, the analysis clearly demonstrated that SMEs with a greater proportion of female workers were more likely to offer WLB practices. Hence, our results shed light on some of the inconsistent findings in past research relating to the concentration of female employees and WLBR of organisation’s (Bardoel et al., 1998; Felstead et al., 2002; Glass & Fujimoto, 1995; Goodstein, 2004; Ingram & Simons, 1995; Morgan & Miliken, 1992; Wang & Verma, 2012; Wood, 1999). Therefore, SMEs should consider the gender composition of their workforce when deciding whether to be WLB responsive.

Finally, age composition (i.e., employees aged over 40 years), is positively significant with the extent to which SMEs are WLB responsive, which is contrary to previous findings (see for example, Bardoel et al., 1998; Goodstein, 1995). It is therefore recommended that, given SMEs are in a better position to assess employee needs compared to their larger counterparts, they should respond accordingly through appropriate consultation.

5.1.3 High commitment perspective
This section details the theoretical and practical contributions of the study from the high commitment theoretical perspective

5.1.3.1 Theoretical contributions
This study’s findings are important from a theoretical perspective for several reasons. This study builds on and contributes to work in the area of high commitment, as developed by Osterman (1995). First, although the role of HPWS is widely discussed in the literature, extant empirical evidence about its value is limited. The findings provide strong support for the argument that HPWS has a significant and positive relationship with the adoption of WLB practices. This suggests that investing more in HPWS is an appropriate strategy
for organisations that wish to be WLB responsive to their workforce needs.

Second, this study is unique in that, although previous research has examined HPWS and work-family programs (Felstead, 2002; Wood 1999; Wood et al., 2003), in order to increase the level of workplace commitment to the organisation there has not been any studies that have empirically tested and introduced the direct variable, EATT, to the author’s knowledge. Hence, this study provides additional insight into other factors that influence the high commitment environment and an organisation’s WLBR. Specifically, employers that have a positive attitude towards work-life matters and introduce HPWS in order to generate enhanced ECON are more likely to be responsive to WLB needs of their employees.

Contrary to Osterman (1995), Bardoel (2003) actually found in her study that the use of HPWS did not explain the provision of total work-family practices, and noted this was ‘perhaps because the volume of work-family practices is not strongly connected to attitudes or workplace systems’ (p. 16), and called for further research in this area. This current study answers this call, investigating additive models and further supporting the above proposition that investing more in HPWS is an appropriate strategy for organisations. Further, it adds that employers who have a positive attitude towards WLB are more responsive, and this may be because when HPWS is implemented, the result is greater consultation and awareness of workforce needs.

Third, a unique finding offered by this study is that the relationship between EATT is a simple direct relationship rather than a mediated relationship. Hence, the model tested and offered provides clarity about the mechanisms through which, and circumstances under which, a high commitment environment should be adopted when seeking organisation
Finally, Osterman (1995) highlights as part of his discussion and limitations, that findings from his research could not be generalised to smaller private sector establishments. In addition, he states (p. 696) that his study only focused on ‘one form of benefits’—day-care arrangements. This study extends the number of benefits examined, and is not limited to just family benefits. Thus, from a theoretical perspective, the results contribute to previous research into the value of an HPWS from a cross-sectional link—across nations and establishment size—and applies to more than one form of benefit.

5.1.3.2 Practical contributions

The findings give human resource managers practical insights into how the attitudes of employers and HPWS influence the WLBR of organisations. Mitchell et al. (2013, p. 912) state, ‘the modern business environment generates pressures for organisations to constantly improve their processes and work structures. Developing and implementing new ways of doing work enable an organisation to enhance its performance.’ The findings of this study suggest those responsible for human resources within an organisation need to recognise the benefits that can accrue to the organisation if they adopt a positive attitude towards WLB, implement an HPWS, and are thus WLB responsive. Specifically, an HPWS has the potential to improve employee performance, boost their motivation at work, and enhance their contribution and involvement (Allen, 2001; Micheli & Mulvey, 2000). Thus a bundle of HRM practices that may have a positive symbolic effect to employees could be offered—the bundle including HPWS, consultation practices and WLB practices.

The findings suggest that several factors contribute to an organisation’s WLBR, and employers need to be aware of such implications so they can act accordingly to ensure they
are able to attract, motivate and retain quality employees in order to remain competitive. These factors include the education level of the operator and the number of staff aged over 40 years. These findings lead to support for the above recommendations.

5.1.4 Situation perspective
This section details the theoretical and practical contributions of the study from the situation theoretical perspective.

5.1.4.1 Theoretical contributions
The study builds on and contributes to work in situation theory. First, this study found a positive relationship between the fewer barriers encountered and the adoption of WLB practices, such as flexible start and finish times and telecommuting. This finding extends the previous theoretical framework for organisation responsiveness to WLB issues by suggesting a more compressive theoretical model. Specifically, earlier studies have conceptualised situational factors such as gender (Goodstein, 1994; Osterman, 1995, Wood, 1999; & Wood et al., 2003) as a predictor of organisational responsiveness to WLB issues; however, no studies had considered the direct relationship barriers to developing and implementing WLB practices. This current study took a new insight into account, and the findings suggest that OBAR when developing and implementing WLB practices determines the selection and mix of WLB practices offered.

Second, previous studies (Bardoel et al., 1999; Budd and Mumford, 2006; Glass & Fujimoto, 1995; Felstead et al. 2002; Wood, 1999; Wood et al, 2003) have largely focused the direct relationships between predictors and the adoption of WLB practices, but they have not paid relative attention to the mechanism through which the relationship happens. Yet, examining possible mediating factors can help establish a greater understanding of
why some organisations are more responsive than others (Wang & Verma, 2012). This study provides initial evidence that EATT fully mediates the relationship between OBAR and the WLBR.

Specifically, the results revealed that the dimensions of barriers encountered had a significant and positive impact on EATT. This result can be interpreted as meaning that barriers encountered when developing and implementing WLB practices exert their influence on WLBR of Australian SMEs through EATT. In other words, the barriers encountered when developing and implementing WLB practices no longer affect WLBR when EATT has been controlled for. This finding suggests that WLB practices are not offered in what Wang and Verma (2012, p. 424) refer to as a ‘vacuum’, instead they are offered within an organisational context.

Third, the current study provides cumulative knowledge on the situation theoretical perspective concerning WLBR. The findings, of this study – especially the significant effect of female composition the workforce and the education level of employees and managers – support the situational view (Wood et al., 2003) of organisational responsiveness to immediate issues that impact them locally rather than just to the institutional pressures such as industry and geographic location (Goodstein, 1994, 1995; Ingram & Simons, 1995; Milliken et al., 1998).

5.1.4.2 Practical contributions

The findings give human resource managers practical insights into how situational pressures encountered by an organisation’s workforce influence an SME’s WLBR. If SMEs offer an array of WLB provisions to their staff, there is a correlation with greater levels of performance (Sensis, 2007). Hence, if barriers are encountered in an organisation,
it is worth operators and or those responsible for human resource matters within the SME to ensure that this does not deter adoption of WLB practices. Rather they should make themselves aware, if they are not, of the potential benefits that can accrue to an organisation by being responsive. Hence, for example, given we found there was a significant relationship between the female composition of the workforce and WLBR, those SMEs that employ females within their workforce should seek to consult such staff to identify what WLB practices most appeal to them. This in turn may assist with the motivation and retention of key employees, and result in favourable business outcomes.

Government bodies should also seek to offer education programs to SME operators of the benefits that can be forthcoming, especially given the finding that the greater the education levels of the operators of the SME the greater likelihood that it will be WLBR. Hence, for those less-educated SMEs there is a greater need by government to inform them of the potential gains. This message could be delivered, for example, in the form of educational posters, small business information kits, marketing and communication campaigns.

5.1.5 Contributions of the overall theoretical model

This section details the theoretical and practical contributions of the study overall.

5.1.5.1 Theoretical contributions

The overall relationship model reveals several important theoretical implications. First, drawing on the four theoretical perspectives of organisation adoption of WLB practices—institution; organisation adaptation; high commitment; and situation—this study found a positive relationship between all constructs, except for PBEN and WLBR. This study extends the previous findings offered by Wood (1999) and Wood et al. (2003) and Bardoel (2003), as the results revealed there is support for an umbrella model versus a competing
model for WLBR of Australian SMEs.

Second, the findings suggest the WLB practices are not offered in separation. Rather they occur within an organisation context. For example, most SMEs that offered WLB practices also consulted their staff, implemented HPWS and had a positive attitude towards WLB. As Lambert (2000) suggests, implementation of WLB practices can symbolise ECON for employees and act as a persuasive influence on employees’ perception of organisational support. Hence, a bundle of human resources management practices, which may include WLB practices, HPWS and other HRM practices could also serve to have the same influence.

Third, as indicated in previous sections, previous studies have focussed to a large extent on illustrating a direct relationship between predictors and WLB responsiveness (Bardoel et al., 1999; Budd & Mumford, 2004; Glass & Fujimoto, 1995; Felstead et al. 2002; Wood, 1999; Wood et al., 2003) at the expense of examining the means through which the relationship occurs. Wang and Verma (2012) however, highlight that mediating factors can assist in providing a more substantial knowledge of why certain organisations may offer WLB practices versus those that do not. This study provides initial evidence that ECON and EATT towards WLB act as mediating variables. Specifically, ECON mediates the relationship between organisation benefits and WLBR, and EATT mediate the relationship between OBAR and WLB responsiveness.

Finally, this study responds to calls from Bardoel (2003) for greater research into additive models for understanding WLBR and to the mediating relationships through which this occurs. Specifically, whilst Bardoel’s study provided some support for an additive model being useful for offering a theoretical framework to understand work-family
responsiveness, this study went further and adopted the four theoretical perspectives offered by Wood (1999) and tested the results using mediation. Hence, by integrating the insights of these theoretical perspectives a more refined model of organisational responsiveness in relation to WLB practices, rather than just family-friendly practices, has been developed, and a set of testable propositions have been hypothesised and tested that can guide future research.

5.1.5.2 Practical contributions

Given the employee demographic changes in the workplace, there has been an amplified demand for employers to be WLB responsive (Wang & Verma, 2012). This study’s findings suggest several factors contribute to Australian SMEs responsiveness, and the delegated person responsible for human resources need to be aware of them to ensure their organisation retains its competitiveness. Managers must first be aware of what others within their industry are doing when considering whether they should adopt WLB practices. Failure to respond could result in problems of recruitment and retention of quality staff (Morgan & Milliken, 1992).

Second, SME employers’ should consider aligning WLB practices with other existing human resource practices such as those identified in the HPWS construct, for example participatory management, given other companies that offer WLB practices also adopt these practices. Failure to cement these in place may mean there is competition for scarce resources over time and the forces of mimicry and institutional coercion become increasingly salient on other issues (Tolbert & Zucker, 1983), especially given perceptions among individuals are not homogenous but may contain personal variations affected by other factors such as socioeconomic and professional status.
5.2 Limitations

The results and contributions from this study need to be taken with a number of caveats. This section outlines the limitations of this study.

5.2.1 Common method bias

The first limitation of this study is the use of a single, self-reporting methodology to obtain information about each organisation. Whilst the debate and critical comments regarding this approach are acknowledged (Hueslid & Becker, 2000), self-reporting methodology is widely used in the HRM literature, and like De Cieri et al. (2005) this study did not seek to directly measure a connection with SME performance. Thus, the likelihood of social desirability would be less, and comparison with such research and judgments of the operators of the SMEs is valid, as they are the informed experts for their particular organisations. Further, as a means of reducing common method bias (i.e., inflated estimates) due to using data from single informants, Podsakoff and Organ (1986) suggest ‘scale reordering’. This requires measurement items related to independent variables preceding the dependent variable in the questionnaire. The survey instrument used in this study was structured this way. Podsakoff et al. (2012) recommend that to reduce this potential bias, some procedural and statistical remedies could be employed. In this study, the assurance of anonymity and confidentiality was provided. Konrad and Linnehan (1995) support this process, arguing that anonymity could help reduce such bias.

Additionally, as postulated by Podsakoff and Organ (1986), Harman’s one-factor test was used to examine any bias. All variables were entered into a PCA. CMV is signalled by the emergence of a single factor that explains a majority of the variance. In each analysis detailed in Chapter 4, at least three principal components were extracted, Thus it can be said that common method bias did not appear to be a major issue. A sequential $\chi^2$
difference test conducted for each analysis also indicated that the one-factor model was significantly inferior to the three-factor model (which helped showed CMV is not a potential problem in this study).

CFA was also employed to further test the effect of CMV. The three-factor model for each analysis provided good fit to the data. Therefore, again CMV does not appear to be a serious problem. Last, a CTCU was further developed, as suggested by Marsh and Bailey (1991), to assess the presence of CMV. Each analysis compares the fit of the model with latent factors and a trait-only model. Thus, the comparison of the three-factor model to the CTCU model resulted in no significant change in $\chi^2$. Finally, like Guthrie (2001) and Mitchell et al. (2013) this study chose to ask the most senior person responsible for HRM to complete the survey based on expertise. Overall, these results suggest CMV should not be a major factor accounting for the findings.

5.2.2 Methodology: Sample and population

The second limitation relates to the sample and population used. Specifically, the low response rate to the survey and deliberate bias to SMEs means the findings should be generalised with caution, and replicated in other data sets and in other countries. The small size of the study increases the risk that significant relationships will not be detected (McClelland & Judd, 1993). However, the hypotheses and model received good support. In addition, this study deals only with private sector establishments, and WLBR could be quite different in the public sector. Although Goodstein (1994) did not find a significant difference, this could be quite different if conducted in a different national context, such as Australia versus the United States of America, due to factors such as legislative differences and in different cultures i.e., western versus eastern (Australia versus China).
5.2.3 Methodology: Measurement—quantitative survey

The third limitation of this study relates to the use of the quantitative method, and hence the sole use of a questionnaire to collect the data that led to the findings and conclusions. Whilst it is acknowledged (Wang & Bozionelos, 2007) that a survey can act as a practical tool in order to obtain data and allow for findings and conclusions to be drawn, a survey does not allow researchers to gather detailed information, such as the causes and possible solutions for a problem Creswell and Plano Clark (2007). Therefore, future research should consider qualitative or mixed methodologies to identify WLBR.

5.2.4 Conceptual

Last, whilst this study attempted to test the relative importance of a combined theoretical perspective, only a limited range of factors was used to represent each theoretical framework. Therefore, there is a conceptual limitation with this study. Other factors such as sector or family owned businesses could be included.

5.3 Directions for future research

This section suggests directions for future research from the four theoretical perspectives and then the overall model

5.3.1 Institution perspective

This study highlights that institutional pressures, such as industry and location of the business, co-exist with intentional choices made by the owner/operator of the SME. However, other factors could have been identified. Future studies could examine factors such as the sector of the organisation, (i.e., public or private) to help establish if institutional pressure to offer socially legitimate conditions exists for such establishments, and how specific societal pressures are placed into specific segments in the process of
interpretation.

In addition, given the influence of mimicry from the institution perspective (Oliver, 1991) and that this study only measured a particular point in time, further attention could be placed on how factors that lie behind WLBR change over time. Hence, future research could benefit from a longitudinal analysis, especially given that WLB practices will face competing pressures over time for resources and the attention of internal advocates, such as designated human resource specialists, in any organisational setting. Finally, given industry was a significant influence on WLBR for SMEs in the Australian context, future research could seek to identify if the same applies internationally.

5.3.2 **Organisation adaptation perspective**

This study did find strong support from the organisation adaptation perspective. Specifically, ECON mediates the relationship between PBEN and WLBR. However, given the quantitative approach adopted for this study, it is not possible to specify the exact nature of the relationship between these variables in a cross-sectional analysis. Time could change the relationship, hence again, a longitudinal study would be appropriate to further examine such potentially intricate correlations.

Furthermore, this study showed an unexpected negative relationship between the PBEN of WLB practices and WLBR. However, this study did not offer sufficient explanation for this unexpected relationship. Therefore, future studies could focus on why such a relationship may exist. Interviews could be conducted with a subsample of organisations to gain a greater understanding of employers’ values and perceptions and the relationship among them, given the quantitative survey does not permit for such detail. In addition, a subsample of organisations could be selected on the basis of similar WLBR index scores to
develop the understanding of the relationships further, and to undertake a deeper comparative analysis.

5.3.3 **High commitment perspective**

This study found strong support for the high commitment perspective. However, EATT was not found as a mediating variable, but rather a direct predictor of WLBR. But, there could be other potential mediators, such as job discretion, given Budd and Mumford (2006) established that employees who had discretion over work tasks were more likely to have access to WLB programs. Future study could expand this study to link HPWS, EATT and organisational outcomes.

According to the results of this study, organisations may adopt a bundle of practices due to their positive attitudes towards WLB. Future research could examine how different management rationales for adopting such programs impact on employee commitment and performance, and if the effect is more significant when employees view the responsiveness as favourable treatment for good performance on their behalf versus implementation due to institutional pressures. This expansion may require the study being conducted at a group level (i.e., from employers and employees) versus an individual level (i.e., just from an employer perspective).

5.3.4 **Situation perspective**

This study found support for the situation perspective. Specifically, EATT mediates the relationship between OBAR and WLBR. Second, support was found for linkage between the female composition of the workforce, the education level of the owner/operator of the SME, and WLBR. But the influence of occupational composition of the workforce has been omitted in this study. Future research could seek to include this as a potential
influencing variable.

### 5.3.5 Overall model

A worthwhile extension of this study is to test the WLB model by using multisource data from SMEs to confirm its explanatory power. Future researchers could use field studies and qualitative methodologies to evince deeper understanding of the complexities surrounding WLB practices in SMEs in Australia. This would involve investigating environmental factors affecting the offering of WLB practices by SMEs to shed light on managerial attitudes towards WLB practices and strategic decision making in terms of offering appropriate WLB practices.

This study focused on EATT and ECON as mediating variables in the relationship between PBEN, HPWS, OBAR and WLBR but did not include other mediators and moderators of the relationships. However, researchers should be aware of the existence of other possible mediators not included in present study, for instance, organisational culture and leadership style. Future research could seek to identify and examine the mediating and moderating impacts of these possible influencing factors.

Future research should also consider quality, appropriateness and timeliness of the implementation of WLB programs. Indeed, this avenue of research is crucial in different industries, as organisational values, psychological contracts, work setting and tasks, and resource bases differ from one industry to another, and possibly between regions. Moreover, considering the differences between SMEs and larger firms, the contingent factors influencing the implementation of WLB practices should also be examined.

The findings from this study could form a basis for further research to test whether there
are differences in the WLB initiatives adopted by SMEs internationally, given the findings are limited to the narrowly defined contexts SMEs in an Australian context. Finally, although 219 samples were enough for the factorial and advanced statistical analysis, this sample size might not be generalisable to all SMEs in Australia. Therefore, future studies could attempt to use a large sample including more organisations, which would allow a more accurate examination of the models and relationships.

5.4 Conclusions

Given the changing nature of work away from nine–five arrangements, and an increase in non-standard work arrangements, there is growing global concern about how to help manage an employee’s WLB conflict (Henly & Lambert, 2014). However, Wood, et al. (2003) highlight that recent research on family-friendly practices in the United States of America focuses on the predictors of their adoption as opposed to the associations amongst them. Like Wood et al. (2003) and Wood (1999) this study sought to determine which of the perspectives, either alone or in combination, best predict an organisation’s WLBR. It sought to fill the gap in the literature related to WLBR, as it applied to an Australian SME context and examined previously unexplored mediating variables.

Chandola et al. (2004), Budd and Mumford (2005) and Spector et al. (2007) argue that the national culture in which a study is conducted is important due to social, economic and cultural factors that impact on work and conflict experiences of employees and on availability and use of WLB practices in organisations. This study provides insights about what organisational factors influence WLBR of Australian SMEs. Data were obtained from a sample of 219 business owners/managers. However, it is acknowledged that this study was conducted in a westernised setting and hence differences between countries and cultures may well exist as organisational characteristics are not likely to be uniform.
everywhere. Thus a one size fits all strategic approach to managing this human resource management issue is not necessarily appropriate or helpful. But this data tells us about groups subject to specific influences, with interesting outcomes.

First, the results identified organisational characteristics associated with the adoption of four groups of WLB practices using a causal model. Of three models tested, the final model supports a conceptual framework that includes four domains: flexible work options, leave programs, support benefits, and care arrangements. The findings suggest that organisational characteristics namely, industry type and geographic location impact on WLB practices.

Second, building upon Daft and Weik’s (1984) organisation adaptation framework and subsequent work by Milliken et al. (1990), ECON was introduced as a mediator that explains the positive impact PBEN of WLB practices has on an organisation’s WLBR. A nested-model approach was adopted to examine the impact of ECON on PBEN and WLBR by evaluating direct effect, partially mediated and fully mediated models. The present study extends knowledge about perceived organisational benefits associated with organisations that adopt WLB practices. GFI statistics indicate that the direct effect model did not fit the data. While the partially mediated and the fully mediated models fit equally well, the latter was more parsimonious and thus was chosen for further analysis. Hence, findings reveal WLBR is related to PBEN and this relationship is mediated by ECON. The findings show other organisational factors, namely human resource professionals employed, average educational level of the employees, proportion of female employees, and number of employees aged over 40 years, also impact on WLBR.

Third, this study found strong support for the high commitment theoretical perspective.
Specifically, support was found for a positive relationship between HPWS and WLBR. In addition, a positive relationship between EATT and WLBR was found. But no support was found for a mediating relationship. Again, the higher the education level of the employer the greater work-life responsiveness of the organisation. Finally, the greater the proportion of employees who are aged over 40 years, the more responsive the organisations are in offering WLB practices.

Fourth, strong support for the situation perspective was found in this study. Specifically, the findings suggest that EATT mediates the relationship between the OBAR and the response rate of the organisation in offering WLB practices. Furthermore, support was found for a linkage between the female composition of the workforce and WLBR. In addition, the other situation workforce characteristic that emerged as significant was the education level of the operator of the organisation. Hence, in a practical sense, government should seek to implement the education benefits to SME employers of the gains that can be forthcoming if an array of WLB practices is offered to staff.

Finally, the findings suggest that all four theoretical perspectives—institution, organisation adaptation, high commitment and situation—influence Australian SMEs’ overall WLBR. Hence, the models are not necessarily competing, rather they represent an umbrella model that can be used to help explain their usage. This differs from that found in the United States of America (Wood, 1999) and the United Kingdom (Wood et al., 2003) as they found that not all perspectives are systematically adopted. Hence, it is expected that the results of the study could benefit future WLB studies, as it provides researchers with useful theoretical implications on adoption of WLB practices in SMEs in Australia, and offers some practical implications for those responsible for HRM in organisations and government department portfolios that look after small and medium organisations.
References


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Appendix: Small and medium business work-life balance survey
15 July 2008

Work-life balance issues in small and medium businesses

In a few days you will receive a mail survey which is being distributed to small and medium business owners/operators in Australia. The purpose of this letter is to describe the context of the research and to encourage your participation in the research by responding to the mail survey you will receive.

I share a common interest and concern for small and medium sized business operators who struggle in trying to attract, motivate and retain quality staff, especially given I have been involved in family businesses of my own and have worked as a Human Resource Manager in others. The research seeks to examine the current and crucial issue of work-life balance practices, specifically, the prevalence of them, and the organisational determinants of small and medium businesses that support or hinder the adoption of them. The research is being conducted and supervised by researchers from Charles Sturt University.
**Why should you participate?**

**First** and most importantly, you will be making an important contribution to the nation’s understanding of issues surrounding work-life balance in small and medium businesses.

**Second**, if you complete the survey and enclose your business card (anonymity of responses is assured) we will send you an executive summary of the main findings and invite you to attend a free information seminar outlining the findings. These findings will enable you to benchmark your organisation’s practices against other organisations.

**Finally**, if you complete the survey and enclose your business card, you will be in the running to **win** a trio pack of **Charles Sturt University wine**.

Details on how to complete and return the questionnaire will be provided with the mail survey. I hope you can find the time to complete the survey and participate in this important piece of research.

**Lecturer**

Stacey Jenkins
Small and Medium Business Work-Life Balance Survey

General instructions on how to complete the survey:

The questions in this survey relate to the work-life balance practices your business may offer its employees. Examples of these may include job sharing, flexible hours etc.

Please use your actual use; and your actual perception, not your desired perception of practices when answering these questions.

The questionnaire consists of two parts. Part A includes 5 sections and looks at your organisation’s characteristics, workforce demographics, perceived benefits and barriers of work-life balance practices, adoption of high performance work practices/systems, and situational factors. Part B asks about the actual offering and take-up of certain work-life balance practices.

Please attempt to answer all questions. Please note; questions appear on both sides of each page on this questionnaire.
Work-Life Balance Survey

Part A  This part of the survey looks at your organisation’s characteristics, workforce demographics, perceived benefits and barriers of work-life balance practices, adoption of high performance work systems, and situational factors.

Section 1

Organisational Characteristics

1) How many full time equivalent people (besides yourself) are employed in your organisation?

2) Has your business experienced growth in any of the following two areas in the last twelve months? (please circle one box for questions a and b)

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>a)</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>b)</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

3) Does your business have planned intentions to grow over the next twelve months? (please circle one number)

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

4) Approximately, what is the age of your organisation in years?

__________ (in years)

Location of business

5) Where is your head / main office located? (please circle one number)

<table>
<thead>
<tr>
<th>Location</th>
<th>Metropolitan</th>
<th>Non Metropolitan</th>
</tr>
</thead>
<tbody>
<tr>
<td>New South Wales</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>Victoria</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Queensland</td>
<td>3</td>
<td>11</td>
</tr>
<tr>
<td>South Australia</td>
<td>4</td>
<td>12</td>
</tr>
<tr>
<td>Western Australia</td>
<td>5</td>
<td>13</td>
</tr>
<tr>
<td>Tasmania</td>
<td>6</td>
<td>14</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>7</td>
<td>15</td>
</tr>
<tr>
<td>Australian Capital Territory</td>
<td>8</td>
<td>16</td>
</tr>
</tbody>
</table>

6) Where does your business operate? (please circle one number)

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
7) Is your business (please circle a number for each of the parts below):

<table>
<thead>
<tr>
<th></th>
<th>No</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Home based</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>b) Family owned and operated</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

8) What is your business sector? (please circle one number)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Private not for profit / voluntary</td>
<td>1</td>
</tr>
<tr>
<td>2) Private for profit</td>
<td>2</td>
</tr>
<tr>
<td>3) Public</td>
<td>3</td>
</tr>
</tbody>
</table>

9) Did you become aware of work-life balance practices through being a member of a business group(s) or a coalition or through association with other organisations involved in work-life balance issues? (please circle one number)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>1</td>
</tr>
<tr>
<td>Yes</td>
<td>2</td>
</tr>
</tbody>
</table>

10) Which of the following best describes your primary industry type?

(please circle one number)

<table>
<thead>
<tr>
<th>Industry Type</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Forestry and Fishing</td>
<td>1</td>
</tr>
<tr>
<td>Mining</td>
<td>2</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>3</td>
</tr>
<tr>
<td>Electricity, Gas, Water and Waste Services</td>
<td>4</td>
</tr>
<tr>
<td>Construction</td>
<td>5</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>6</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>7</td>
</tr>
<tr>
<td>Accommodation and Food Services</td>
<td>8</td>
</tr>
<tr>
<td>Transport, Postal and Warehousing</td>
<td>9</td>
</tr>
<tr>
<td>Information Media and Telecommunications</td>
<td>10</td>
</tr>
<tr>
<td>Financial and Insurance Services</td>
<td>11</td>
</tr>
<tr>
<td>Rental, Hiring and Real estate Services</td>
<td>12</td>
</tr>
<tr>
<td>Professional, Scientific and Technical Services</td>
<td>13</td>
</tr>
<tr>
<td>Administrative and Support Services</td>
<td>14</td>
</tr>
<tr>
<td>Public Administration and Safety</td>
<td>15</td>
</tr>
<tr>
<td>Education and Training</td>
<td>16</td>
</tr>
<tr>
<td>Health Care and Social Assistance</td>
<td>17</td>
</tr>
<tr>
<td>Arts and Recreation Services</td>
<td>18</td>
</tr>
<tr>
<td>Other Services</td>
<td>19</td>
</tr>
</tbody>
</table>

11) Approximately, what percentage of your employees are unionised?

___ %

12) Approximately, what percentage of employees, are covered by an individual or collective registered employment agreement (i.e. an Enterprise Bargaining Agreement)?

___ %
Work-Life Balance Survey

Section 2

1. Does your organisation have any meetings/committees to discuss any of the following? (please circle one number for each)

<table>
<thead>
<tr>
<th></th>
<th>No</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Occupational health and safety</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>b) Productivity</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>c) Training</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>d) Technology and Work Organisation</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>e) Work Roles or Job Descriptions</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

2. Does your business employ a: (please circle one number for each)

<table>
<thead>
<tr>
<th></th>
<th>No</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Human resource professional</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>b) Designated person responsible for human resource / staff issues</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

3. What is your job title:

Education

4. Please indicate the average education level of the workforce in your business: (please circle one number)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Most have less than a high school certificate</td>
<td>1</td>
</tr>
<tr>
<td>Employees are about equally divided between less than a high school certificate and having a high school certificate</td>
<td>2</td>
</tr>
<tr>
<td>Most have a high school certificate</td>
<td>3</td>
</tr>
<tr>
<td>Employees are about equally divided between having a high school certificate and more than a high school certificate</td>
<td>4</td>
</tr>
<tr>
<td>Most have more than a high school certificate</td>
<td>5</td>
</tr>
</tbody>
</table>

Note: high school certificate means finished the highest year of secondary school and received a certificate

5. Please indicate the highest level of education of the owner/operator of the business: (please circle one number for one owner, two numbers if more than one owner/operator etc)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary School</td>
<td>1</td>
</tr>
<tr>
<td>Secondary School</td>
<td>2</td>
</tr>
<tr>
<td>Technical College</td>
<td>3</td>
</tr>
<tr>
<td>Some University (did not graduate or have not yet completed)</td>
<td>4</td>
</tr>
<tr>
<td>University diploma</td>
<td>5</td>
</tr>
<tr>
<td>Bachelor’s degree</td>
<td>6</td>
</tr>
<tr>
<td>Masters degree</td>
<td>7</td>
</tr>
<tr>
<td>Doctorate/ PhD</td>
<td>8</td>
</tr>
<tr>
<td>Other - please specify</td>
<td>9</td>
</tr>
<tr>
<td>Not known</td>
<td>10</td>
</tr>
</tbody>
</table>
Work-Life Balance Survey

Demographics of the workplace

6. Approximately, what percentage of employees fall into the following classifications:
   
   Professionals  ________ %
   
   Females  ________ %
   
   Female managers  ________ %
   
   Aged over 40 yrs  ________ %
   
   Casual (hourly)*  ________ %       Permanent Part – Time**  ________ %

* Casual means an employee who is not a permanent employee but receives a casual loading for hours worked in lieu of receiving annual and sick leave entitlements.

** Permanent part-time means an employee who works anything less than 35 hours but on a regular basis.

7. Are the skills of your core employees (i.e. essential to your business):
   (please circle one number)
   
   Very transferable  1
   
   Moderately transferable  2
   
   Difficult to transfer to firms in other industries  3
## Work-Life Balance Survey

**Section 3**

**Benefits / impact of work-life balance practices**

1. Do you believe the work-life balance practices in place in your organisation have had a positive impact on the following? (please circle one number for each of the below)

<table>
<thead>
<tr>
<th>Outcomes</th>
<th>Not at all</th>
<th>Very limited</th>
<th>Some what</th>
<th>Quite a bit</th>
<th>To a very large extent</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Reduced absenteeism</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>b) Reduced turnover</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>c) Higher productivity</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>d) Higher morale</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>e) Improvements to the bottom line</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>f) Improved recruitment and retention</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>g) Reduced employee stress</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>h) Increased loyalty</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>i) Improved company image</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>j) Other benefit (please specify)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

**Barriers**

2. To what extent do you agree the following have been barriers to your organisation implementing work-life balance practices: (please circle one number for each of the below)

<table>
<thead>
<tr>
<th>Barrier</th>
<th>Strongly agree</th>
<th>Somewhat agree</th>
<th>Neither agree/disagree</th>
<th>Somewhat disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Lack of supervisor support</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>b) Resistance from co-workers</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>c) Perceived costs of the program</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>d) Perceived inequity (i.e. the benefits are for some but not others)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>e) Lack of information about employee needs</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>f) Management perception that work and family should be kept separate</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>g) Lack of evidence of the long term benefits of work-life balance initiatives</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>h) Other barrier (please specify)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
**Work-Life Balance Survey**

**Section 4** Please circle one number for each statement

Adoption of other workplace practices:

1. To what extent does your organisation employ and commit to the following workplace practices:

<table>
<thead>
<tr>
<th>Practice</th>
<th>Not at all</th>
<th>Very limited</th>
<th>To Some degree</th>
<th>Quite a bit</th>
<th>To a very large extent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Just in-time inventories (i.e. which are methods of inventory control and production where firms keep very small amounts of supplies on hand)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Worker teams (i.e. which are small, intact groups of workers who members have the authority to handle internal processes as they see fit)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Total quality management (i.e. this is an organisational management approach in which the core ideas include doing things right the first time, striving for continuous improvement, and a devotion to understanding and meeting customer needs)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Quality circles (i.e. which are generally voluntary groups of workers brought together for an hour or so a week to come up with solutions to workers and productivity)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Peer review of employee performance (i.e. is a performance appraisal system in which employees' work performance is evaluated (at least in part) by co-workers)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Pay increases based on a “pay for knowledge” system (i.e. a pay system in which compensation is based on mastering new job-related skills)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Employee involvement in technology purchase decisions</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Job rotation (i.e. a work design system that allows employees to rotate among different jobs on a regular basis)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
## Work-Life Balance Survey

### Section 5 Please circle one number for each statement

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Neither agree nor disagree</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) People work best when they can balance their work and the other aspects of their lives</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>b) Employers should make a special effort to accommodate the particular difficulties parents of young and disabled persons face in balancing work and family life</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>c) People who work flexibly are just as likely to be promoted as those who don’t</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>d) Employees should not expect to be able to change their work pattern if it would disrupt the business</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>e) It is not easy trying to accommodate employees with different patterns of working</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>f) Everyone should be able to balance their work and home lives in the way they want</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>g) Providing flexible practices improves customer service</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>h) When some employees take-up flexible working practices, it causes resentment among other employees</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>i) Policies that help employees balance work and other interests are often unfair to some employees</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>j) It’s not the employer’s responsibility to help people balance their work with other aspects of their lives</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

### Additional Questions:

<table>
<thead>
<tr>
<th></th>
<th>Not serious /applicable</th>
<th>Slightly serious</th>
<th>Moderately serious</th>
<th>Very serious</th>
<th>Extremely serious</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>3</td>
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<td>4</td>
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<td>5</td>
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<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
## Part B  Provision of work-life balance practices

This part of the survey gathers information on work-life balance practices in your organisation. Work-life balance practices are initiatives your organisation has put in place to help address the work-life balance needs of its employees. Please circle a number to indicate the status of the offering of work-life balance practices in your organisation.

<table>
<thead>
<tr>
<th>Practice</th>
<th>Not at all</th>
<th>Being considered</th>
<th>Offered informally / ad hoc or on a pilot arrangement</th>
<th>Available to less than half of the workforce</th>
<th>Available to more than half of the workforce</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Compressed work week (i.e. work 38 hours in 4 days)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>2. Flextime</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>3. Job Sharing (i.e. where a full time job is shared between 2 people)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>4. Telecommuting (i.e. work from home or another location but maintain links with work via information and or communication technologies)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>5. Work at home programs</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>6. Part time work (work anything less than 35 hours per week)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>7. Shorter work days for parents</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>8. Bereavement/compassionate Leave</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>9. Paid or part paid maternity leave (i.e. for mothers)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>10. (Paid or part paid paternity leave (i.e. for fathers)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>11. Paid leave to care for family members (i.e. use of sick leave)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>12. On site / near site childcare</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Practice</td>
<td>Not at all</td>
<td>Being considered</td>
<td>Offered informally / ad hoc or on a pilot arrangement</td>
<td>Available to less than half of the workforce</td>
<td>Available to more than half of the workforce</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------</td>
<td>------------</td>
<td>------------------</td>
<td>------------------------------------------------------</td>
<td>---------------------------------------------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>13. Company referral system for childcare</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>14. Program for emergency care for ill dependents (i.e. ability to bring an child / elder / disabled person to work in an emergency)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>15. Childcare programs during school vacations</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>16. Re-entry scheme (i.e. authorised and planned scheme that supports employees who have been out of the workplace for a period of time)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>17. Phased retirement</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>18. Sabbatical / study / career break leave</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>19. Professional counselling (i.e. employee assistance program)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>20. Life skill programs</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>21. Subsidised exercise or fitness centre</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>22. Relocation assistance</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>23. Work and family resource kit or library</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>24. Ability to purchase additional annual leave</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>25. Childcare subsidies</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>26. After school care programme or subsidy</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>27. Volunteer work during regular work hours</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
### Work-Life Balance Survey

<table>
<thead>
<tr>
<th>Practice</th>
<th>Not at all</th>
<th>Being considered</th>
<th>Offered informally/ad hoc or on a pilot arrangement</th>
<th>Available to less than half of the workforce</th>
<th>Available to more than half of the workforce</th>
</tr>
</thead>
<tbody>
<tr>
<td>28. Family oriented social events</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>29. On site breastfeeding area</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>30. Fridge available for storing breast milk</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>31. General domestic/special leave</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>32. Flexible annual leave (e.g. with respect to timing and use of single days)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>33. Flexible start and finish times</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>34. Paid adoption leave</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>35. Access to a telephone for family reasons</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>36. Subsidy for elder care or care for a family member with a disability</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>37. Paid leave for religious holidays (other than public holidays)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>38. Other (please specify)</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

To what extent are your employees using the above work-life balance strategies that are available within the organisation? (Please circle one number)

<table>
<thead>
<tr>
<th>0-20%</th>
<th>21-40%</th>
<th>41-60%</th>
<th>61-80%</th>
<th>81-100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

Small and medium business work-life balance survey Page 11
Work-Life Balance Survey

Please send me a copy of a summary of the completed report (please tick if yes) 

Would you be happy for Stacey to contact you to discuss your experience of the link between work-life balance practices and your organisation’s situation? (please tick if yes) 

If you ticked either box, please provide your contact details below (or enclose your business card):

Name: ______________________

Phone: _____________________

Email: ______________________

Thank you for your time and contribution it is greatly appreciated.