

**RETAINING THE BEST TALENTS: ARE FAMILY
FRIENDLY POLICIES USEFUL?**

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ABSTRACT

This study provides a comprehensive analysis on the relationship between turnover intention and a full set of family friendly policies, which includes flextime policies, family leave policies, child and dependent care services and employee assistance programs. It also determines the moderating role of family responsibilities on each of the above relations

Data were collected from 177 local managers. They were asked to indicate the availability of a list of 18 family friendly policies in their organizations and their intent to leave the current job. Significant negative relations were found in regressing turnover intention on the entire list of family friendly policies, child and dependent care services and employee assistance programs respectively. Furthermore family responsibilities were found to have significant moderating effects on the above three significant relationships. In addition, surprising result was found. Family responsibilities unexpectedly magnified the hidden relation between family leave policies and turnover intention.

This research further investigated deep into the components of family responsibilities. Result showed that the moderating effects were solely contributed by the number of dependent children present.

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CHAPTER I – INTRODUCTION

What is the quality of life? Antedating back to the past, people normally defined it simply as a good living environment, a good economic well-being, or a stable political system. Less people mentioned the importance of having a balanced work life. In recent years, people no longer focus only on these factors; attention has already switched to achieving a balance between work and life.

However, a considerable number of people in Hong Kong experience difficulties in balancing their work and family, thus causing a significant increase in the number of divorce, domestic violence and suicide cases. The divorce rate has substantially increased from 1.9 percent to 2.7 percent from 1996 to 2001 (Hong Kong Government, 2001), while the suicide rate increased from 13.1 percent in 1999 and reached the peak of 18.6 percent in 2003 (Hong Kong Jockey Club Suicide Research and Prevention statistic). Meanwhile, Hong Kong People are bearing a lot of stress and pressure today. According to the Asian Health Survey conducted between the fourth quarter of 2003 and the first quarter of 2004, the stress index of Hong Kong was ranked the second among Asian countries and majority of respondents (29%) claimed that their pressure was coming from work (Jiang Xun, 3 April 2006).

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This work related pressure may result from the long working hours of Hong Kong employees. Based on the International Labour Organization statistics (1999), working hours for Hong Kong people was the longest among countries in the world. Indeed, prior researches had already established a strong relation between the time commitment to work (Burke, Weir, & DuWors, 1980; Frone, Yardley, & Markel, 1997; Pleck, Staines, & Lang, 1980) and work interference with family.

While the long working hours contribute to family-work conflict, the change in demographic composition of Hong Kong work force triggers conflicts in family interference work (Hobfoll, 1989). The Hong Kong Government's census and statistics shows, in 2000, the rate of participation for women was 50 per cent. In 2005, women's labour participation rate went up to 51.8 per cent. Many women go out for work because of the high living standard in Hong Kong and consequently leading to the increasing number of dual couple earners (Luk, & Shaffer, 2005). Nowadays, neither women nor men are responsible for taking care of the family or going out for work. Many couples give each other career equal weighting rather than precedence over the other (Cummings & Worley, 2005). Work family conflict therefore happens on almost every employee regardless of gender, as both men and

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women need to be flexible to meet child care or dependent-elderly care demands (Lee, 1991).

Work family conflict in fact causing a lot of side effects to the employees and organizations. Employees who experience work-to-family spillover will express intention to withdraw from family interaction (Paden & Buehler, 1995; Repetti & Wood, 1997) and increase conflict in marriage (Bolger, DeLongis, Kessler & Wethington, 1989; Crouter, Perry-Jenkins, Huston, & Crawford, 1989), while employees who experience family-to-work spillover will have a decrease in job satisfaction and a greater likelihood of leaving the company (Burke, 1989).

In response to the current situation, the Hong Kong Administrative Region Government also remarked the importance of having a family friendly environment in the year 2005 to 2006 Policy Address. In the document, the Government obligated to collaborate with private organizations and social services agencies to deliberately introduce the family friendly policies into the workplace of Hong Kong. In fact in many western countries like Australia and the States, a growing number of family friendly policies have been adopted in organizations to help employees balance their work and life (Aryee, Luk & Stone, 1998; Wolcott, 1990). Organizations which adopted the

policies reported notable benefits such as reduced absenteeism (Meyer & Allen, 1997; Russell and Eby, 1993;) and improved productivity. Some academic researches also showed positive results on the provision of family friendly policies. Grover and Crooker (1995) found that employees with access to the policies express less intention to leave the organization and a higher organization commitment; Dex and Scheibl (1999) reported improved morale and satisfaction. Meanwhile, some researches announced an opposing view. Dunham, Pierce and Castenada (1987) said that the policies did not significantly affect turnover intention and organization commitment. From want of congruous findings, further study is needed in gaining a better understanding of the family friendly policies so as to make the implementation effectual in the future.

1.1 Statement of problem

Prior researches have mainly focused on studying the impact of individual family friendly policy. A lack of study is conducted to understand the effects of all family friendly policies at one time. In order to cultivate a family friendly workplace in Hong Kong, it is important to promote all kinds of policy that are in response to people's needs. A comprehensive study on both the entire family friendly policies and on each category is essential to

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gain a thorough understanding on the benefits of the family friendly policies such that organizations can design more cost effective human resources system in the future.

Meanwhile, the current market recovery causes a continuous rise in the turnover rate. According to the Hong Kong institutes of Human Resources Management Survey conducted in the first quarter of 2005, the turnover rate was 0.92% higher when compared with the same period in 2004. It signifies an upcoming challenge for business to successfully retain their high profile talents. In response to this upcoming challenge, perhaps family friendly policies will be a good mean to retain these talents pool.

1.2 Purpose of the study

The purpose of this study is to look at the impact of a comprehensive list of family friendly policies on employees' turnover intention; the individual impact by each category of family friendly policies and the moderating role of family responsibilities on the impacts. Results of this study will be essential in helping organizations to determine the best policies to use, consequently helping the organizations to attract and retain the best talents. Meanwhile, this study also aims to cultivate a family friendly workplace in Hong Kong as a result to help employees opt out from an imbalance work life.

1.3 Research Questions

The research questions for this study are:

1. Is there a significant relationship between family friendly policies and the turnover the intention of employees?
2. Is the impact of different categories of family friendly policy on turnover intention of employees differs?
3. Upon the provision of family friendly policies, will there be a difference in turnover intention between employees who have family responsibilities and employees who do not?

CHAPTER II – LITERATURE REVIEW AND HYPOTHESIS

2.1 Turnover Intention

Turnover Intention is referred as an individual's intent to stay or leave an employing organization (Cotton and Tuttle, 1986). It is an important and effective factor in predicting the actual turnover (Maertz & Campion, 1998). Several studies had tried to investigate the relationship between different family friendly policies and turnover intention (Grover & Crooker; 1995; Dalton and Mesch, 1990), however, the predictive power of family friendly policies on turnover intention varies and was not well established.

2.2 Family Friendly Policies

Family Friendly Policies also calls work-family policies (Bardoel, Moss, Smyrnios & Tharenou, 1999) or family responsive policies (Grover & Crooker, 1995) is defined as any benefits or working conditions that an organization has in place to assist an employee balance their work and life (Bardoel, Tharenou, & Moss, 1998). Literatures reveal more than 25 family friendly policies that are in place to help employees achieving a balanced work life. Most researches categorize these policies as flextime policies, leave policies, child and dependent care services and employee assistance programs (Bardoel, *et.*

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al., 1999; Saltzstein, Ting, & Saltzstein, 2001). Majority of researches usually probe the influence of a single category of family friendly policies on employees' turnover intention. The most comprehensive and systematic analysis of the entire family friendly policies was done by Grover and Crooker (1995) in which they found that the policies significantly reduced the turnover intention of employees.

The result was explained by Grover and Grooker (1995) using the effect of symbolic impact and social justice theory. Organizations which provide or sponsor the family friendly policies are construed positively by their employees as a caring organization or the employer of choice regardless of whether they themselves are the beneficiaries (Grover & Crooker, 1995). Employees who view the organizations positively are more likely to stay in the organizations, constituting to a lower level of turnover intention. Meanwhile, the social justice theory also predicts that employees will have a more positive attitude towards organizations that treat their employees fairly (Greenbery, 1990). For example, with a more equitable performance and management system, employees will be more committed to the organizations. Therefore, Family friendly policies serve similar function to promote the positive image of the organization as fairness and treating their employees well (Grover &

Crooker, 1995), leading to a lower level of turnover intention. As a result, the following hypothesis is tested

Hypothesis 1: Provision of family friendly policies will be negatively related to employee's turnover intention.

While the symbolic impact above predicts employee's goodwill on organizations which provide family friendly policies to every individual, it also predicts employees' attitude more on a personal and individual level (Grover & Crooker, 1995). Scholl (1981) noted that an individual who is being treated well by an organization, for example extra privileges or benefits are bestowed on a person; a corresponding goodwill is generated. According to the balance theory, there must be a balance between attitudes and behavior within an individual (Heider, 1958), therefore the individual who perceives goodwill on the organization will be more likely to have a higher level of commitment in return.

In order to gain a thorough understanding of which components of family friendly policies has the greatest effect in retaining employees for organizations; the four components below are tested separately. They are (a) Flextime Policies, (b) Family Leave Policies, (c) Child and Dependent Care Services and (d) Employee Assistance Programs.

(a) Flextime Policies

Flextime Policies refers to the ability in rearranging one's work hours within certain guidelines offered by the company (Hill, Hawkins, Ferris & Weitzman, 2001). Nowadays organizations adopt various kinds of flextime policies, like the compressed work week, flexible scheduling program, job sharing, work at home program and part-time work. All of these policies in fact sharing similar aim, which is to increase the work scheduling flexibility of employees. Employee whose job is inflexible will be more likely to experience work family conflict, as the competing demands of work and family for them are difficult to balance (Greehaus & Beutell, 1985; Aryee, 1993). Consequently it leads to higher intentions to leave the organizations. Rothausen (1994) reported flexibility work scheduling to be significantly and negatively related to turnover intentions for her sample of working parents. Grover and Crooker (1995) also reported a negative relation between the flexibility work scheduling and turnover intention. Therefore it is believed that employees who enjoy a higher flexibility work schedule will be more likely to remain in the organizations. Thus the following hypothesis is tested.

Hypothesis 1a: Provision of flextime policies will be negatively related to employee's turnover intention.

(b) Family Leave Policies

Family leave policies allow employees to be away from the workplace for varying period of time in order to deal with family responsibilities (Bond & Wise, 2003). In Hong Kong, only maternity leave is compelled by law, other forms of family leaves are subjected to agreement between the employers and employees. Female employees who are employed under a continuous contract are entitled to have a minimum of 10 weeks maternity leave in case of pregnancy (CAP. 57, p. 3, s. 12). Failure to provide 10 weeks maternity leave is an offense and will subject to prosecution. In recognition of employees' work, some organizations provide more than ten weeks maternity leave to pregnant women. However, a lack of research is done to study employees' attitude towards these additional days of maternity leave.

While women are entitled to have 10 weeks of maternity leave to take care of their new born babies, continuous discussions are made on the topic of paternity leave. In United Kingdom for example, unpaid paternity leave was proposed to allow new fathers to leave their work taking care of their new born babies (Higgenbottom, 2005), while in Hong Kong, fathers who leave at the time of birth usually takes in the form of paid personal days. Other than maternity and paternity leave, organizations in Hong Kong usually provide

compassionate leave to their employees in dealing with some family matters.

Similar to flextime policies above, family leave policies are aiming to help employees achieving a balance work life, which is in return to retain talents for organizations, therefore the following hypothesis is tested.

Hypothesis 1b: Provision of family leaves policies will be negatively related to employee's turnover intention.

(c) Child Care and Dependent Care Policy

Working parents are most likely to find conflicting roles between family and work domains (Frone, Russell & Cooper, 1992a; Pleck, *et. al.*, 1980). To help working parents accommodating their dual roles, employers have begun to provide child care and dependent care assistance (Goff, Mount & Jamison, 1990). Child care is a common benefit in many western countries, which refers to a system of services for children in families who need supplementary care outside their home for part of the day (Morgan, 1970). Many advocates of day care argue that a well-designed and well-run program can positively influence parents' work behavior (Milkovich & Gomez, 1976). However, there is little solid evidence to support the notion of having company sponsored child care programs, as only a few searches have worked on this area and the results were subjected to many limitations (Goff, *et. al.*, 1990).

So far, only Milkovich and Gomez (1976) presented a reduction in absenteeism and turnover rates in provision of day care programs. In order to gain a better understanding whether or not day care programs have a significant positive impact on employees' attitude, the following hypothesis is tested.

Hypothesis 1c: Provision of child and dependent cares policies will be negatively related to employee's turnover intention.

(d) Employee Assistance Program

Employee Assistance Programs (EAPs) have long been introduced into the States and United Kingdom. MacLennan (1996) claimed that, by 1996, there were ten of thousands of effective EAPs in operations, and in the U.S., most of the Fortune 500 companies have employee counseling services in place (Highley & Cooper, 1994). The nature of today EAPs vary from organizations to organizations. It does not only limit to counseling services, and may include life skills programs and fitness centres (Bardoel, *et. al.*, 1999). Most of it attempts to assist employees in managing stress and resolving personal problems. Prior researches had established a strong relation between unsolved employee personal problems with health care and operational cost of organizations (Highley & Cooper, 1994). Employees who

are physically or mentally unwell are in fact the cost of the organizations, as there may be a higher cost on medical claims and a higher rate of absenteeism.

A healthy workforce is essential for the success of the organizations. Thus EAPs are an important mean to improve employee mental and physical well-being such that they have better performance at work and enhanced job satisfaction and reduced turnover intention (Carolyn & Cooper, 1994).

Advocates also support EAPs as a good device for employee retention and recruiting new hires (Ruiz, 2006). Therefore, the following hypothesis is tested.

Hypothesis 1d: Provision of employee assistance programs will be negatively related to employee's turnover intention.

2.3. Moderating role of Family Responsibilities

In previous researches, parents are found to be most likely experienced from work family conflict (Goff, *et. al.*, 1990). Pleck, Straines, and Lang (1980) reported findings of a nationwide survey which showed that parents experienced conflicts between work and family more than other workers.

Keith and Schafer (1980) also found that having more children at home is a source of work family conflict. The role theory perhaps provides an explanation for these findings.

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The role theory construes every individual has different roles, for example the role of employee and the role of parent. Role conflicts arise when two or more sets of pressure occur such that compliance with one would make more difficult compliance with the others (Kahn, Wolfe, Quinn, Snoech & Rosenthal, 1964). With the increase in women participation and the number of the dual couple earners in the work force, there is an increasing demand for family friendly programs to help parents balancing their conflicting roles (Lee, 1991).

While the overriding aim of family friendly policies is to assist employed parents in managing their family responsibilities (Lowis & Lewis, 1995), some researchers questioned whether the non-beneficiaries express similar attitude towards provision of family friendly policies (Grover and Crooker, 1995). For employees who are benefited from the policy, more likely he or she will perceive goodwill to the organizations, however for employees who do not benefit from it, there is a possibility that they perceive themselves as being treated unfairly by the organizations. Human have egocentric biases, which leads to the subjective judgment of the beneficiaries to perceive those actions or procedures as more fair as compared to the non-beneficiaries (Grover & Crooker, 1995). Therefore, employees who have family responsibilities may express a more positive attitude towards the organizations upon the provision

of various kinds of family friendly programs. Based on the work of Scandura & Lankau (1997), in which he found that employees with family responsibilities reported higher levels of commitment upon the provision of flexible work hours, it is assumed that family responsibilities will have similar effects on the relationship between the four categories of family friendly policy and turnover intention. Therefore the following hypotheses are tested.

Hypothesis 2: Presence of family responsibilities will moderate the relationship between family friendly policies and turnover intention such that employees with family responsibilities will express lower level of turnover intention than employees who do not.

Hypothesis 2a, b, c& d: Presence of family responsibilities will moderate the relationship between a) flextime policies, b) family leave policies, c) child and dependent care services, d) employee assistance programs and turnover intention such that employees with family responsibilities will express lower level of turnover intention than employees who do not.

2.4 Control Variables

Five demographic variables which established by pervious researches to have relation with turnover intention were controlled in this study. Age and tenure were found to have a negative relation with turnover intention (Arnold & Feldman, 1982; Cotton and Tuttle, 1986; Gerhart, 1990; Mobley et. Al., 1979 Price & Mueller, 1986; Wai & Robinson, 1998; Weil & Kimball, 1995), education level, on the other hand, was found to have a positive relation with

turnover intention (Berg, 1991; Cotton & Tuttle, 1986), since people with higher education level usually have better employment alternatives (Royalty, 1998). In addition, female was reported to have a higher level of turnover intention than male (Cotton & Tuttle; 1986, Weisberg & Kirschenbaum, 1993). Marital status was also found to have significant influence on turnover intention, as marriage bring financial burdens which constraint the mobility of people (Carbery, 2003).

2.4 Conceptual Model of Hypotheses

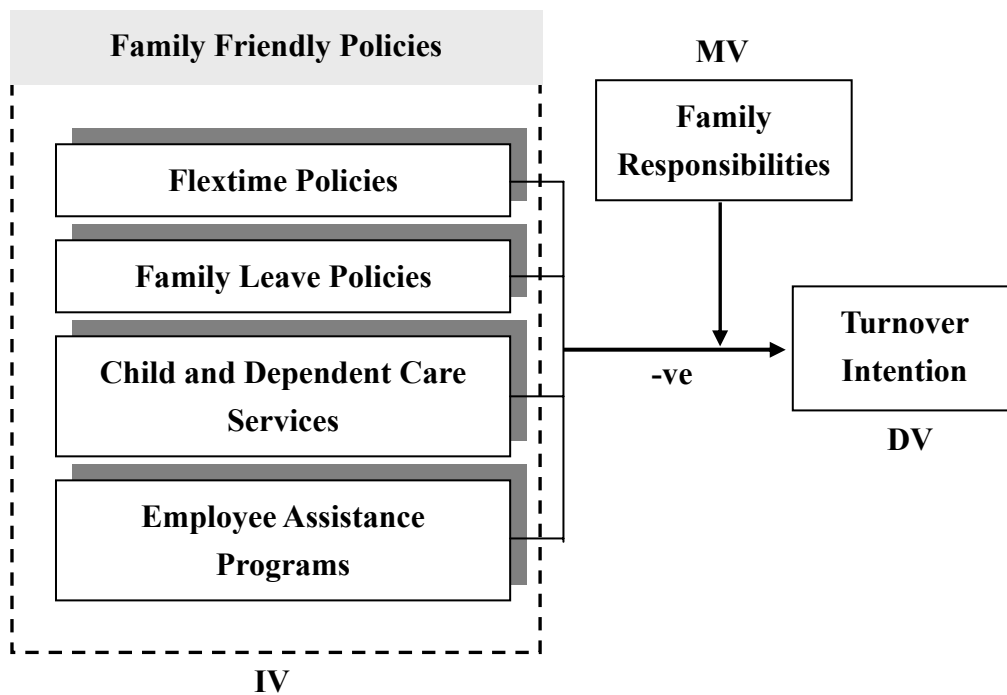


Figure 1: Conceptual Framework of the Hypotheses

2.5 Summary of Hypotheses

1	Provision of family friendly policies will be negatively related to employee's turnover intention.
1a	Provision of flextime policies will be negatively related to employee's turnover intention.
1b	Provision of family leave policies will be negatively related to employee's turnover intention.
1c	Provision of child and dependent care services will be negatively related to employee's turnover intention.
1d	Provision of employee assistance programs will be negatively related to employee's turnover intention.
2	Presence of family responsibilities will moderate the relationship between family friendly policies and turnover intention such that employees with family responsibilities will express lower level of turnover intention than employees who do not.
2a	Presence of family responsibilities will moderate the relationship between flextime policies and turnover intention such that employees with family responsibilities will express lower level of turnover intention than employees who do not.
2b	Presence of family responsibilities will moderate the relationship between family leave policies and turnover intention such that employees with family responsibilities will express lower level of turnover intention than employees who do not.
2c	Presence of family responsibilities will moderate the relationship between child and dependent care services and turnover intention such that employees with family responsibilities will express lower level of turnover intention than employees who do not.
2d	Presence of family responsibilities will moderate the relationship between employee assistance program and turnover intention such that employees with family responsibilities will express lower level of turnover intention than employees who do not.

Table 1: The Present Hypotheses

CHAPTER III – METHODOLOGY

3.1 Sample

Data was collected using a questionnaire that contained measures of the availability of family friendly policies and turnover intention. It also covered the demographic characteristics of respondents. Questionnaires were sent to managers in Hong Kong by post. Cover letter was attached to inform participants the purpose of this study was to assess employees' work related attitude on the provision of family friendly policies. Participation was fully voluntarily and respondents were assured of the strict confidentiality of their responses. A stamped envelop was enclosed so that employees could return the questionnaires anonymously to the researcher.

The data was collected during February 2006 to April 2006. 427 questionnaires were sent out to employees in managerial grade, 198 questionnaires were returned. Of the 198 returned questionnaires, 21 questionnaires were returned due to resignation of the addressees, while the remaining 177 questionnaires were all usable for a response rate of 41.5 percent.

As shown in Table 2 below, majority of respondents were married (67.2%)

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while the proportion of male and female respondents was near. Male and female respondents contributed 42.9 percent and 57.1 percent of the sample respectively. For age composition of the sample, only 2.8 percent of respondents were less than 26 years old. The remaining percentage of respondents were evenly distributed in the age range of 26 to 30 (16.4%), 31 to 35 (19.2%), 36 to 40 (16.4%), 41 to 45 (18.1%), 46-50 (13.6%) as well as 50 and above (13.6%). In term of education level, 33 percent of respondents attained bachelor degree, 30.5 percent got a master degree or able, 20.3 percent studied up to matriculation level or below. The remaining 15.3 percent were diploma or associate degree holder. In term of tenure, majority of respondents worked in the same organization for more than 14 years (26%), only 16.4 percent, 19.8 percent, 15.3 percent, 13 percent and 9.6 percent stayed in the same organization for less than three years, 3 to 5 years, 6 to 8 years, 9 to 11 years and 12 to 14 years respectively.

Table 2: The Demographic Characteristics of the sample

Variable	Category	Percentage (%)
Gender	Male	42.9
	Female	57.1
Age	<26	2.8
	26-30	16.4
	31-35	19.2
	36-40	16.4
	41-45	18.1
	46-50	13.6
	50>	13.6

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Education Level	Matriculation or below	20.3
	Diploma/Associate degree	15.3
	Bachelor degree	33.9
	Master degree or above	30.5
Marital Status	Married	67.2
	Single	32.8
Tenure	<3	16.4
	3-5	19.8
	6-8	15.3
	9-11	13.0
	12-14	9.6
	>14	26.0

Table 3 presents the availability of family friendly policies among the 177 respondents. Of the 18 family friendly policies options, the most common available policy is compassionate leave (67.8%), followed by professional counseling (53.1%) and flexible scheduling program (30.9%). In average, the most common category of family friendly policies is employee assistance program (34.1%) while the least common category is child and dependent care services, which has only 12.6% respondents claimed that they are entitled to have such kind of policies.

Table 3: Percentage of provision of Family Friendly Policies

Items	Provided	Being Consider	Not Provided
1. Compressed work week	48%	20.9%	31.1%
2. Flexible scheduling program	30.9%	16.9%	52.5%
3. Job Sharing	13.6%	18.1%	68.4%
4. Work at home	10.7%	13.0%	76.3%
5. Part-time work	29.4%	15.8%	54.8%
Average:	26.5%	16.9%	56.6%
6. Shorter work days for parents	6.2%	15.3%	78.5%
7. Compassionate leave	67.8%	9.6%	22.6%

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8. Extended paid maternity leave	20.9%	15.8%	63.3%
9. Paid leave to care for sick family members	13.0%	10.7%	76.3%
10. Unpaid paternity leave	14.7%	15.8%	69.5%
Average:	24.5%	13.4%	62.0%
11. On-site/ near site company child-care centre	7.9%	5.2%	87.0%
12. Company referral system for child care	11.3%	3.1%	81.9%
13. Program for emergency care of ill dependents	24.3%	17.5%	58.2%
14. Child-care programs during school vacations	6.8%	10.2%	83.1%
Average:	12.6%	9.0%	77.5%
15. Professional counseling	53.1%	19.8%	27.1%
16. Life skill programs	31.1%	16.4%	52.5%
17. Subsidized exercise or fitness centre	26.6%	17.5%	55.9%
18. Work and family resource kit or library	25.4%	14.1%	60.5%
Average:	34.1%	17.0%	49.0%

3.2 Measurement Instruments

For demographic factors, respondents were asked to indicate their age, gender, tenure, marital status and education level. Respondents were also asked to report the number of dependent children and the number of dependent parents respectively as to measure their family responsibility.

A comprehensive list of 18 individual family friendly policies were derived from prior researches based on its commonness in researches and the workplace in Hong Kong. With reference to the work of Bardoel and associates (1999) and Grover and Crooker (1995), the 18 family friendly policies items were divided into four main categories which were Flexitime Policies (six items), Family Leave Policies (four items), Child and Dependent

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Care Services (four items) and Employee assistance program (four items).

Respondents were asked to identify whether such policies are provided in their organization on a three point Likert scales (1=Provided, 2=Being Consider, 3= Not Provided). The alpha reliability is .73 for the whole family friendly policies (18 items) and .41 for flextime, .40 for family leaves, .56 for child care and dependent care services and .70 for employee assistance programs.

Turnover intention was measured via three items adopted from previous researches (Chiu & Francesco, 2003; Jenkins, 1993; Kransz, M., Koslowsky, M., Shalom, N., & Elyakim, N., 1995). Sample items are “At the present time, I am actively searching for another job in different organization”. Response options range from (1) “Strongly disagree” to (5) “Strongly agree”. The scale alpha reliability is .69.

3.3 Data Analysis

Separate hierarchical multiple regression was used to test the above hypotheses. Control variables were entered in the first step while the predictive variables and moderator were entered simultaneously in the second step and the interaction term is entered in the third step. Age, gender, marital status, education level and tenure were entered as control variables in the first

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step of each model, while the entire family friendly policy and the four categories (flextime, leave, child care and dependent care and employee assistance program) were entered in the second step together with family responsibilities as the moderator. Finally, family responsibilities were interacted with each predictive variable and entered in the third step to test the moderating effects on each of the relations. The SPSS for Windows Statistical Package was used to run the above regression models.

CHAPTER IV– RESULTS

4.1 Zero-order Correlation

Table 4 presents the results of the zero-order correlations, the Cronbach's alpha reliability and descriptive statistics among the studied variables. As shown in Table 2, a significant negative relationship was found between ($r = -.175, p < 0.01$) family friendly policies and turnover intention; ($r = -.231, p < 0.05$) child and dependent care policies and turnover intention as well as ($r = -.159, p < 0.01$) employee assistance program and turnover intention. These results provide preliminary support for the hypotheses.

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Table 4: Descriptive statistics and correlations among study variables (N= 177)

Variables	α	Mean	S.D.	1	2	3	4	5	6	7	8	9	10	11	12
1. Gender ^a	-	-	-	-											
2. Age ^b	-	4.25	1.73	-.27**	-										
3. Education Level ^c	-	2.75	1.10	.03	-.13	-									
4. Marital Status ^d	-	1.32	.47	.19*	-.47**	-.03	-								
5. Tenure ^e	-	3.58	1.84	-.14	.66**	-.14	-.34**	-							
6. Flextime	.41	1.70	.44	.04	.01	-.15*	.07	.06	-						
7. Leave	.40	1.62	.40	.15*	-.08	-.11	.01	.05	.30**	-					
8. Child and dependent care	.56	1.35	.44	.10	-.02	-.19*	-.06	.12	.30**	.50**	-				
9. EAP	.70	1.85	.63	.00	-.04	.05	-.07	-.03	.16*	.29**	.37**	-			
10. FFP	.73	1.63	.33	.10	-.05	-.13	-.02	.06	.64**	.72**	.74**	.70**	-		
11. Family Responsibility	-	2.22	.73	-.07	.12	-.20**	-.33**	.09	.10	.22**	.16*	.16*	.23**	-	
12. Turnover Intention	.69	2.75	.66	-.10	-.10	-.11	-.00	-.12	-.02	-.09	-.23**	-.16*	-.18*	.78	-

^a1= Male, 2=Female

^b1=<26, 2=26-30, 3=31-35, 4=36-40, 5=41-45, 6=46=50, 7=>50

^c1=Matriculation or below, 2=Diploma/Associate degree, 3=Bachelor degree, 4=Master degree or above

^d1=Married, 2=Single

^e1=<3, 2=3-5, 3=6-8, 4=9-11, 5=12-14, 6=>14

* P<0.05

** P<0.01

4.2. Hierarchical Regression Analysis

Five separate hierarchical regressions were conducted to test the relationship between the five predictive variables and turnover intention.

Table 5 presents the regression results of family friendly policies, flextime policies, family leave policies, child and dependent care services and employee assistance programs on turnover intention.

As indicated in Table 5, three of the predictive variables were found to have significant negative relationships with turnover intention. They were, family friendly policies ($\beta = -.20, P < 0.01$), child and dependent care services ($\beta = -.26, P < .001$) and employee assistance programs ($\beta = -.17, P < .05$).

Therefore, Hypotheses 1, 1c and 1d were supported, that is the provision of these policies will be negatively related to turnover intention.

While the above three predictive variables were found to have a significant negative relations with turnover intention, flextime policies ($\beta = -.03, P > .05$) and family leave policies ($\beta = -.09, P > .05$) were found to have no significant relations with turnover intention. Hypothesis 1a and 1b were not supported. In other words, the provision of these two policies will not negatively relate to turnover intention.

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The hierarchical regression was also used to examine the interaction of family responsibilities with the five predictive variables while predicting turnover intention. As indicated in Table 5, family responsibilities were found to have significant moderating effects on the relationship between the entire family friendly policies and turnover intention ($\beta = -1.09$ $P < .05$), child and dependent care services and turnover intention ($\beta = -.79$ $P < .05$) as well as the employee assistance programs and turnover intention ($\beta = -1.01$ $P < .01$), these findings thus provide support for Hypothesis 2, 2c and 2d. It is concluded that people with family responsibilities will express lower levels of turnover intentions than people who do not have family responsibilities upon the provision of these policies.

Meanwhile, a surprising result was found on the interaction of family responsibilities with family leave policies while predicting turnover intention. Though no direct relationship between family leave policies and turnover intention was found in the main effect of the regression, family responsibilities were found to have a significant moderating effect on the predictive relationship between family leave policies ($\beta = -1.26^{**}$ $P < .01$) and turnover intention. It does provide support for Hypothesis 2b.

However, similar findings were not established in studying the role of

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family responsibilities on the relationship between flextime policies ($\beta = .03$
 $P > .05$) and turnover intention. As a conclusion Hypothesis 2a was not
supported. The provision of flextime policies will have no effect on turnover
intention even though family responsibilities were presented.

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Table 5: Result of Hierarchical Regression Analysis of Turnover Intention on Family Friendly Policies, Flextime Policies, Family Leave Policies, Child and Dependent Care Services and Employee Assistance Programs. (N=177)

	Variables	Step 1 Controls				Step 2 Main Effects				Step 3 Interaction Term			
		β	ΔR^2	F Δ	P	β	ΔR^2	F Δ	P	β	ΔR^2	F Δ	P
Controls	Gender		.05	1.91	.10								
	Age	-.12											
	Education Level	-.11											
	Marital Status	-.15											
	Tenure	-.08											
H1 & H2	FFP					-.20*	.04	3.23	.04				
	Fam Rep					.02					.03	5.93	.02
	FFP x Fam Rep									-1.09*			
H1a & H2a	Flextime Policies						.00	.10	.91				
	Fam Rep					-.03					.00	.01	.93
	Flextime Policies x Fam Rep					-.02				.03			
H1b & H2b	Family Leave Policies						.01	.72	.49				
	Fam Rep					-.09					.04	7.59	.01
	Family Leave Policies x Fam Rep					.00				-1.26**			
H1c & H2c	Child and Dependent Care Services						.06	5.94	.00				
	Fam Rep					-.26**					.03	6.27	.01
	Child and Dependent Care Services x Fam Rep					.01				-.79*			
H1d & H2d	EAP						.03	2.51	.08				
	Fam Rep					-.17*					.04	7.77	.01
	EAP x Fam Rep					.01				-1.01**			

*P<0.05 **P<0.01 ***P<0.001

FFP: Family Friendly Policies, Fam Rep: Family Responsibilities, EAP: Employee Assistance Programs

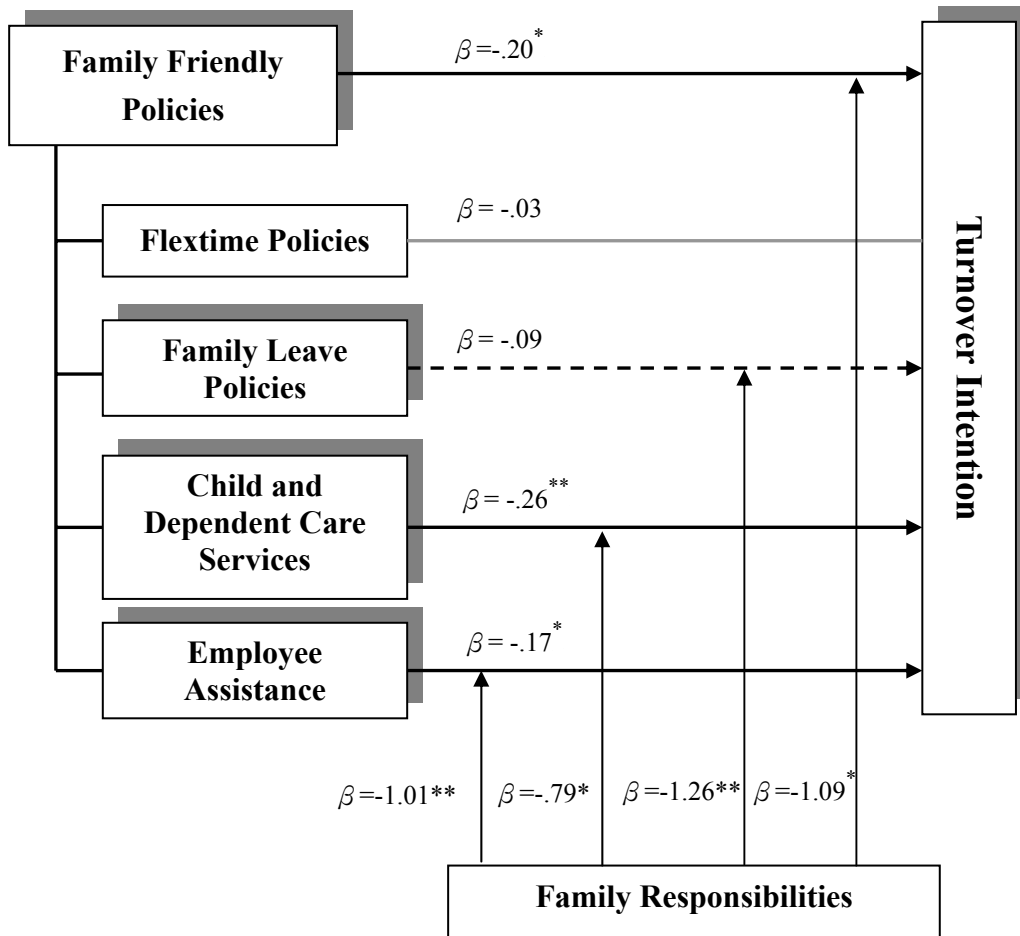


Figure 2: Finding Summary of Regression

4.3 Additional Analysis

Family responsibilities were found to have no moderating effect on the relationship between turnover intention and flexitime policies whereas it did moderate the relationship between turnover intention and the other three categories of family friendly policies which are similar in nature and serve similar purpose to assist employee balance their work and life. It is noteworthy to ponder over which part of the moderator genuinely contributed to the above effects. Hence an additional analysis was done to look deep into

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the two major components of family responsibilities, which were the number of dependent children and the number of dependent parents, to see which of them actually contributing to the moderating effects.

Two other hierarchical regressions were conducted to study the moderating role of the number of dependent children and the number of dependent parents respectively. Interestingly, the moderation effects on the relation between turnover intention and family leave policies, turnover intention and child and dependent care services and turnover intention and employee assistance programs were solely caused by the number of dependent children presented whereas the number of dependent parents was found to have no significant moderating effects on the above relations. Furthermore, similar to the previous findings of the moderating role of family responsibilities on the relationship between flextime policies and turnover intention, neither the number of dependent children nor the number of dependent parents was found to have no significant moderating effect.

CHAPTER V- DISCUSSION AND RECOMMENDATIONS

5.1 Discussion

The results of this studies show some consistency with previous researches. In examining the impact of the entire family friendly policies on turnover intention, similar result to Grover and Crooker (1995) was derived. Family friendly policies were found to be negatively related to turnover intention, that is people will express lower level of turnover intentions on the provision of family friendly policies, regardless of the extent to which they are benefited from it or not.

The social justice theory offers an explanation for these finding. The social justice theory reviews that people will perceive the organization as fair and benevolent if the organization provides support to people in need (Grover & Crooker, 1995). Though they themselves are not necessarily the beneficiaries of the policies, the provision of such kind of support has already signified the organization as the “employer of choice” in the eyes of most employees, thus improving their attitude towards the organization.

Another theory supporting this finding is the social information processing theory (Grover & Crooker, 1995). People forms attitude about

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organizations and work from seeing and hearing about others' experiences with the organization (Salancik & Pfeffer, 1978). Therefore when one is benefited from a policy, he or she will share the positive attitude with his or her colleague such that both the beneficiaries and non-beneficiaries perceive goodwill on the organizations. It does provide support to the findings that people with access to family friendly policies, despite he or she is the beneficiaries or not, will still express less intention to leave the organization.

Meanwhile, in examining the relationship between the four categories of family friendly policies and turnover intention, surprisingly, only child and dependent care services and employee assistance programs were found to have significant negative relations with turnover intentions, but not the other two. It is noteworthy the significant relation between the entire family friendly policies and turnover intention may result particularly from these two findings.

One possible explanation for the significant impact of child and dependent care services on turnover intention is the traditional family concept of Chinese. Unlike the western societies, Hong Kong Chinese assign greater importance to family roles and perceive family as the main part of their live (Aryee *et. al.*). However in recent years, they have been spending increasing number of hours at work, the responsibility of child and dependent care thus

shift to domestic helpers. Even though a lot of Hong Kong people employ domestic helpers nowadays, the Confucian belief which is enrooted among Hong Kong Chinese hinder the role of domestic helper in helping parents to balance the work and family responsibilities (Luk & Shaffer, 2005). Child and dependent care services therefore serve as another mean to assist employees balancing their dual roles. Since employees with access to these policies on one hand can concentrate at work; on the other hand, they can look after the family themselves, their dual roles can stand side by side. Child and dependent services are thus being valued by employees in Hong Kong and if it is provided by their employers, in reciprocity, people will express a more positive attitude towards the organization and express less intention to leave.

The increasing health awareness of Hong Kong people accounts for the significant relationship between employee assistance programs and turnover intention. The medical benefit or insurance provided nowadays only assist employees on a monetary basis but do not have any help in improving employee's physical wellbeing. Employee assistance programs however help employees to obtain healthy body, though difference activities, such as professional counseling and fitness centre etc. Therefore, employees who stood to benefit from these policies are more likely to have less personal

problems, leading to a better performance and consequently to lower level of turnover intentions (Carolyn & Cooper, 1994).

Even though significant relations were found between the above three predictive variables and turnover intention, the magnitude of their impact are rather low as compared to the results of Grover and Crooker (1995) in which they derived a significant increase in the amount of variance explained after adding similar predictive variables. This difference may be induced by the lack of supportive organizational culture (Kossek & Nichol, 1992) and the unpopularity of family friendly policies in Hong Kong. Aryee *et.al.* (1998) revealed a significant positive effect of supervisor support on turnover intention and prior researches have been suggested that the adoption of formal family friendly policies may not have the desired effects if there is no supportive organizational culture (Bowen, 1988; Galinsky & Stein, 1990; Thompsonm Thomas, & Maier, 1992). Though whether to utilize the family friendly policies is to act on one's own, the administration of benefit options is typically at the discretion of supervisors, their willingness to allow employees to take advantages of these benefits is likely to have a critical influence on employee job attitudes (Allen, 2001). The lack of organization supportive culture in Hong Kong does hinder the positive outcomes of family friendly

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policies as employee fear of using the policies will affect their career progression (Griffin, 2000; Jenner, 1994a). It thus provides an explanation for the relatively small effect on turnover intention.

The other two categories of family friendly policies: flextime policies and family leave policies showed no significant relationship with turnover intention. Conceivably flextime policies are too unrealistic in the eyes of Hong Kong people and they intend not to use it, as the inherent value of Hong Kong Chinese interprets working longer hours as hardworking. Therefore they are obligated to work for lengthy hours a day. Even though flextime policies are provided, people still need to work for long hours to demonstrate their hardworking attitude. The purpose to help people balancing their work and life in fact never achieve, thus flextime have no effects on the turnover intention of employee.

Unlike flextime policies, family leave policies are more common and practical in Hong Kong. Most organizations provide at least a kind of leave policy to their employee in dealing with some family matters. Employees may some how regard it as a norm for having such kind of benefit. Therefore, they do not have much idea as to how these policies contribute to their life, and do not realize the benefit of it. As a result there is no linkage between

the provisions of family leave policies and the turnover intention of people.

The moderating role of family responsibilities on the above three significant relations were also supported in this study. Though it differs from the result of Grover and Crooker (1995), in which they reported that none of the benefit variables interacted with the need for that policy, it provides support for previous theory and researches which suggested that family friendly policies will be more salient when children are present (Hoschild, 1989; Hunsaker, 1985). Since the core value for the provision of family friendly policies is to assist employees balancing their work and life (Lowis & Lewis, 1995). People with family responsibilities are more likely to find conflicting roles between their work and family (Goff, *et.al.*). Therefore, are more likely to be benefited from these policies. As a result of psychological reciprocity (Eisenberger, Fasola, & Davis-LaMastro, 1990; Florkowski & Schuster, 1992), people who stood to benefit from the policies perceive themselves being treated well by the organization, therefore they will in return exert more positive attitude towards the organization.

Furthermore, interesting findings on the interaction of family responsibilities and family leave policies in predicting turnover intention was found in this study. Neither family responsibilities nor family leave policies

showed significant main effects, but unexpectedly, the interaction term was significant. Family responsibilities appear to be a catalyst that facilitates the relation between flextime policies and turnover intention, making this hidden relation comes into view. As mentioned before, most Hong Kong employees take family leave policies for granted. They do not realize its importance unless something happens that compels them to use the policies. Not surprising, people with family burdens may encounter sudden incidents more frequently than people who do not have family burdens. Therefore, it provides a speculation to explain the catalytic effect of family responsibilities in this finding.

However, the result may also be induced by the relatively small sample size of the sample which makes this study subjected to certain limitations, or the correlation between the predictive variables and dependent variables are actually mastered by a certain predictive variable. (Barrick, Parks & Mount, 2005). Replication of this finding is necessary to gain a better understanding for this surprising result.

Finally, additional analysis of this research also reveals the moderation effects of family responsibilities were genuinely caused by the number of dependent children present rather than the number of dependent parents.

One possible explanation for this discrepancy is, most family friendly policies in Hong Kong are designed particularly for working parents rather than for people who have dependent elderly care needs. Therefore, for people who have numbers of dependent children are benefited more from the policies relatively to those who have dependent parents at home. As a result of that the number of dependent children at home thus has more contribution in explaining the moderating role of family responsibilities in predicting the relationship between turnover intention and different predictive variables.

5.2 Practical Implications

The significant negative impact of family friendly policies on employees' turnover intention provides a stepping stone for a more prevalent family friendly working environment in Hong Kong. Organizations now have a more scientific analysis of the usefulness of each policy in retaining employees, such that more cost effective human resources programs can be developed in the future. Meanwhile, the findings also suggest that family friendly policies are more valued by employees who have family responsibilities. It thus provides a valuable suggestion for organizations to cope with the changing workforce decomposition, especially the increasing number of dual couple earners. However, for the policies to attain it greatest

results, it is suggested organizations should develop a more supportive cultures on the policies as a lack of support from management will hinder the effectiveness of the policies.

Meanwhile, it also supports the Hong Kong Special Administrative Region Government 2005 policy address in cultivating a family friendly working environment in Hong Kong. Findings of this study will be a good mean to persuade organizations to collaborate with the government in erecting a family friendly culture in Hong Kong.

5.3 Study Limitations

The present study is subjected to several limitations. First the eighteen items of family friendly policies are based on the work of Bardoel *et. al.* (1999), which are mainly carried out by organizations in western societies. It cannot accurately reflect the practical policies that are adopted by organization in Hong Kong nowadays. Besides, though examples are provided in the questionnaires, there is no standardized definition for the policies. Respondents may have different perceptions as to which policies in their organization matches with the questionnaire options.

Secondly, this study only targeted at managerial employees, the

generalization power of whether family friendly policies actually reduced turnover intention is reduced. Meanwhile, the relatively small sample size of this study also hinders the conclusive power of this study. As compared to some nationalized study, the amount of variance explained by this study is relatively low.

Furthermore, the cross sectional design, which the data is collected one point at a time, constraint the ability of this study to make causal inferences. It cannot figure out the processes by how family friendly policies affect employees.

Lastly, family friendly policies are rather too new in Hong Kong. Employees do not have the intent to connect its benefit with their attitudes towards the organization. Therefore, it has restrained the research aims.

5.4 Recommendations for future research

This study only gives a preliminary picture of how family friendly policies impact the turnover intention of people in Hong Kong. A stepwise regression approach is suggested for future research to determine which category of family friendly policy contributes the greatest extent on the impact on turnover intention.

Furthermore, in stead of focusing on the work related outcomes, future studies can put more effort in evaluating the purpose of family friendly. The policies aim at helping people to balance their work and life domains, it will be worthwhile to investigate the moderating role of family friendly policies on the relationship between work family conflicts and turnover intention as to evaluate whether it aims are being effectively achieved.

Finally, as it is believed that without a supportive organization culture, the desired effects will be hindered. Therefore, future research may include the effect of perceived organization support on the relationship between family friendly policies and turnover intention.

5.5 Conclusion

This study examined the impact of family friendly policies on employees' turnover intention and the moderating role of family responsibilities.

Since there are only little family friendly policies provided in Hong Kong workplace, many employees have little understandings on the policies and do not realize it benefits. As a result, there is a potential breakage between the policies and the attitudes of respondents. The magnitude of the impact is relatively low as well.

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Despite the above situation, family friendly policies are found to have a significant negative relation with turnover intention and family responsibilities were found to moderate this relationship. Similar results were derived in regressing turnover intention on child and dependent care services and employee assistance programs respectively. The significant impact of the entire family friendly policies thus may result particularly from these two categories.

The findings of this study provides no support for flextime policies and family leave policies, even though both of them are the other two components of family friendly policies. However, unexpectedly, upon the present of family responsibilities on employees, the hidden relation between turnover intention and family leave policies comes into view. That is family responsibilities were found in this study to have a moderating effect on family leave policies while predicting turnover intention.

Additional analysis of this study also depicts the genuine moderating effects of family responsibilities, in which the number of dependent children at home was found to be the major contributor in the moderating role of family responsibilities in predicting the direct relations to turnover intention.

Findings of this study support the notion to provide various kinds of

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family friendly policies in the workplace, and it serves as a remarkable and influential basis for organizations to design more cost effective human resources programs in the future.

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Appendix
Family Friendly Policies
Survey

February 15, 2006

Dear Participants,

Survey on the Effects of Family-friendly policies

We are conducting a research study on the benefits of Family-friendly policies (家庭友善政策) for employees in Hong Kong.

The enclosed questionnaire is administered to examine employees' attitudes under the provision of Family-friendly policies. Your invaluable responses will remain **ANOYMOUS** and **CONFIDENTIAL**. In any type of report or publication, no information will be included that will make it possible to identify you or your employer. Please complete the attached questionnaire and send it to us with the enclosed stamped envelop on or before February 28, 2006. The questionnaire will take you approximately 10 minutes.

If you have any inquiries on this study, please do no hesitate to contact our Christine Lam at 9833 2120 or Isis Chan at 9802 9487.

Sincerely,

Prof. Randy K. Chiu

Research Team:

Isis L. P. Chan, Joyce W. S. Ho, Vivian Y. Y. Lai

Christine W. S. Lam, Donald K. H. Tong, Rainbow H. Yip

FAMILY FRIENDLY POLICIES SURVEY

Please read each statement carefully and answer the questions truthfully. There is no right or wrong answer.

Part A: Family-friendly Policies

Listed below are the 21 items of family-friendly policies. Please indicate your answer by circling the most appropriate number.

(1=Provided, 2=Being Considered 3= Not Provided)

1	Compressed work week (<i>e.g. Work on weekdays only</i>)	1	2	3
2	Flexible scheduling program	1	2	3
3	Job sharing (<i>e.g. Two share one job</i>)	1	2	3
4	Work at home	1	2	3
5	Part-time work	1	2	3
6	Shorter work days for parents (<i>less but longer working days</i>)	1	2	3
7	Bereavement leave (<i>OR compassionate leave</i>)	1	2	3
8	Extended paid maternity leave	1	2	3
9	Paid leave to care for sick family members	1	2	3
10	Unpaid paternity leave (<i>for male employees only</i>)	1	2	3
11	On-site/near site company child-care centre	1	2	3
12	Company referral system for child care	1	2	3
13	Program for emergency care of ill dependents (<i>e.g. unpaid emergence leave</i>)	1	2	3
14	Child-care programs during school vacations	1	2	3
15	Professional counseling (<i>e.g. Marriage and Family counseling</i>)	1	2	3
16	Life skill programs (<i>e.g. outward bound or stress management</i>)	1	2	3
17	Subsidized exercise or fitness centre	1	2	3
18	Work and family resource kit or library	1	2	3

Part B: Employees' attitudes

Please circle the most appropriate number by reading the following statements. (1-Strongly Disagree, 2=Disagree, 3=Neutral, 4-Agree, 5-Strongly Agree)

		Strongly Disagree			Strongly Agree	
1.	I do not feel a strong sense of belonging to my organization.	1	2	3	4	5
2.	I will probably look for a new job in the future.	1	2	3	4	5
3.	At the present time, I am actively searching for another job in different organization.	1	2	3	4	5

Part C: Demographic Information

Please complete the following questions by ticking the appropriate box.

- Gender
 - Male Female
- Age
 - <26 26-30 31-35 36-40 41-45
 - 46-50 >50
- Education level
 - Matriculation or below Diploma/Associate degree
 - Bachelor degree Master Degree or above
- Marital status
 - Married Single
- Presence of dependent children
 - 0 1 2 3 4 5 or more
- Presence of dependent parents
 - 0 1 2 3 4 ore more
- Tenure (year)
 - <3 3-5 6-8 9-11 12-14 >14
- Position
 - Managerial Level Non-Managerial Level

Please check to ensure that you have answered all the questions.
Thank you for your patience and time in completing the questionnaire.

~ End of Questionnaire ~