

# The Impact of Family-friendly Workplaces on the Retention of Employee

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**ABSTRACT:** The main objective of this research is to identify the impact of family-friendly workplaces on the retention of employees. 384 respondents in Kuala Lumpur involved in this research. The result of the hypothesis test show that five factors which included work schedule flexibility, health and wellness, compensation, work-life balance and job satisfaction detailed in this research give significant results to the factors that cause the retention. The most important factor of family-friendly workplace that cause the retention of employee is job satisfaction because it showed the highest value in the Unstandardized Coefficients (B value) in multiple linear regression. The correlation of work schedule flexibility, health and wellness and compensation had a strong positive relationship while job satisfaction has very strong relationship with the retention of employee.

**Keywords:** Retention; Family-friendly; Satisfaction

## 1. INTRODUCTION

The creation of a family-friendly workplace can give employers a major advantage in attracting and, perhaps most importantly, keeping hard-working employees long-term. Family-friendly workplace is about many things, but the balance between work and life and flexibility are always high on the list of priorities, particular the need for parents and caregivers to be able to reconcile their work and their private lives Langdon [3].

Losing even one key employee can have risky results and can have major influence on the organization's efforts to achieve its goals and objectives. Therefore, the objectives of this paper are to investigate the most important factor of family-friendly workplace that cause the retention of employees and to identify the satisfaction of employees toward their current working organization. The result of this study contributes organization in structuring a good policy to retain employees of their company.

## 2. METHODOLOGY

The main objective of the researcher in this study is to identify the impact of family-friendly workplaces on the retention of employees. The result of this study contributes organization in structuring a good policy to retain employees of their company. Therefore,

explanatory research is chosen throughout the research process as a research approach

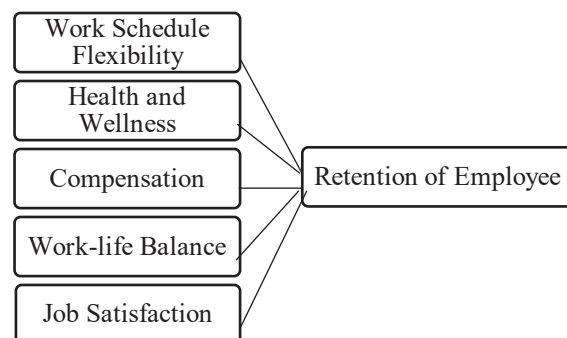
Family own companies in Kuala Lumpur and their employee age range was 18 years old and above. In order to ensure the validity of the results of this study, majority of the researcher suggested that 95% of the certainty level should be sufficient to work.

The questions will be constructed from previous literature on the impact of family-friendly workplace on retention of employees with a view to validate the research as well as to cover the variety of research problems because some of the questions are self structured. The raw data collected will transferred to IBM SPSS Statistic software to get the frequencies and was commonly used in quantitative analysis of the research.

### 2.1 Conceptual Framework

Employee require choices for flexible schedule and even flexible schedule of work that may change depending on their adaptability requirements in their lives. According to Lore [4], shown that many of us spend nearly 60% of our sober hours at work. Compensation is frequently thought to be one of the key factors in family-friendly workplace cause the employee retention. Work-life balance is progressively critical for commitment and influences retention of employees Baruah and Das [1]. Offering these capable employees preparing to keep them current on their activity capacities and enabling them to learn new abilities can likewise be used to enhance employees' job satisfaction with the companies Singler [5].

Figure 1: Conceptual Framework



H1: There is relationship between work schedule flexibility and factors cause retention of employees.

- H2: There is relationship between health and wellness benefits and factors cause retention of employees.
- H3: There is relationship between compensation and factors cause retention of employees.
- H4: There is relationship between work-life balance and factors cause retention of employees.
- H5: There is relationship between job satisfaction and factors cause retention of employees.

### 3. RESULTS AND DISCUSSION

Based on Table 1 examines the greatest significant factor that affect the dependent variable by observing at the B value of unstandardized coefficient. The higher the value of B, the more significant the factor is in influencing the dependent variable. Based on the results above shows that B1 = 0.214, B2 = 0.198, B3 = 0.155, B4 = -0.017 and B5 = 0.387 respectively to all independent variables start from work schedule flexibility, health and wellness, compensation, work-life balance and job satisfaction.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.993	.577		3.455	.001
Work Schedule Flexibility	.214	.041	.232	5.160	.000
Health and Wellness	.198	.064	.169	3.081	.002
Compensation	.155	.068	.153	2.265	.024
Work-life Balance	-.017	.093	-.014	-.186	.852
Job Satisfaction	.387	.041	.416	9.352	.000

a. Dependent Variable: Retention of Employee

Table 1: Regression Analysis on Coefficients

Through the table above, the highest B value is 0.387 (38.7%) which indicates that job satisfaction is the greatest influencing variable to dependent variable (retention of employee), followed by work schedule flexibility with B value = 0.214 (21.4%), health and wellness with B value = 0.198 (19.8%), compensation with B value = 0.155 (15.5%) and the least influence factor is work-life balance with B value only -0.017 (1.7%). Hence, the four independent variables are making a significant contribution to the prediction of model. Work-life balance is not significant because organizations need to improve their practices in order to improve organizational performance, including enhanced social exchange processes, increased cost savings, improved productivity and reduced turnover. This finding is been supported by Garg and Yajurvedi [2].

By inserting all required values from Table 4.15 into the multiple linear regression equation, an equation can be constructed. Equation:

$$y = a + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + b_5x_5$$

The coefficient of work schedule flexibility is 0.214 which indicates for each unit increase in work schedule flexibility, a 0.214 unit increase in retention of employee is forecasted, while other variables will set as constant. Secondly, the coefficient of health and wellness is 0.198 which means for each unit increase in health and wellness, a 0.198 unit increase in retention of employee is forecasted, while other

variables will set as constant. Thirdly, the coefficient of compensation is 0.155 which means for each unit increase in compensation, a 0.155 unit increase in retention of employee is forecasted, while other variables are set as constant. Next, the coefficient for work-life balance is -0.017. It illustrates that for every unit increase in work-life balance, a -0.017 unit increase in retention of employee is forecasted, while other variables are set as constant. Last but not least, the coefficient for job satisfaction is 0.387. It illustrates that for each unit increase in job satisfaction, 0.387 unit increase in retention of employee is forecasted, while other variables are set as constant.

### 4. CONCLUSION

In this study, the objectives were to investigate the most important factor of family-friendly workplace that cause the retention of employees and to identify the satisfaction of employees toward their current working organization. The result of the hypothesis test show that four factors detailed in this research give significant results to the factors that cause employee retention. This means that four factors are accepted.

According to Singler [5], other than utilizing compensation, holding talented employees may likewise be refined through enhancing their job satisfaction. Employees with high job satisfaction are highly motivated and have little desire to leave their job. Respondents are satisfied with their current job because there is support for additional training, recognized for the good work accomplished and the ability to utilize their skills and talents.

Organizations require in this way not to just attract talented employees but rather additionally to keep and retain them at work for a long haul.

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