

DO FLEXIBLE WORKING ARRANGEMENTS IMPACT WOMEN'S PARTICIPATION IN THE LABOUR MARKET? A MULTIPLE REGRESSION ANALYSIS

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ABSTRACT

In today's dynamic work environment, women employees face a great challenge in balancing work and home which has a significant economic effect on the labour market. Flexible working arrangements have been commonly cited as a good solution which provides work-life balance and a possible tool to encourage greater female labour force participation. Using multiple regression analysis, this exploratory study tries to examine whether there is a link between flexible working arrangements and work-life balance. Work-life balance in this study was measured using time spent for work and life and work and family responsibilities. Using a sample of 397 working women in Malaysia, the results reveal that flexible working arrangements have a significant impact on work-life balance and hence women's decision to continue working in the labour market. This study also shows that married women with higher education and higher income face a bigger challenge in balancing work and family. These results have a far reaching implication on talent loss and the Malaysian labour market and calls for workplace strategies that are more family friendly to be implemented immediately.

Keywords—flexible working arrangements; work life balance; women; labour market

Introduction

In today's dynamic work environment, women employees encounter a great challenge of balancing work and home and this is a global issue. This in turn has a significant economic effect on the labour market. In Malaysia, while women are recognized as a key economic resource in the labour market, accounting for 68 percent of university enrolment, a large proportion of them are not in paid labour compared to other ASEAN countries. Latest statistics by Talentcorp show that only 53.6% of women of working age are in the workforce, while one of the national goals of the 10th Malaysia Plan is to attain a higher female participation rate of 55% by 2015 (Talentcorp, 2015).

Work-family advocates have long championed the implementation of flexible working arrangements (FWAs) to positively influence work-family balance and continued participation in paid labour. Studies show that a lack of family-friendly facilities and flexible work policies at

most corporations in Malaysia might be the reason why women are leaving the workforce (MalayMail online.2014).

This paper attempts to understand the low participation of women in the labour force in Malaysia by examining whether there is a link between FWAs and work-life balance. Work-life balance in this study was measured using time spent for work and life and work and family responsibilities. Using a regression analysis, this exploratory study tries to examine whether FWAs may have an impact on women's choice to participate in the labour force. This paper finally concludes with discussions on family-friendly policies and long-term measures which might have an effect on women's continued participation in the labour market.

Literature Review

Flexible working arrangements (FWAs) are work practices (explained by the employer in employment policies and contracts) that allow the employees a certain degree of freedom in deciding how the work will be done and how they will coordinate their schedules with those of other employees. The study of work-family balance or work-life balance has gained much attention by many researchers in the past decades due to the increasing role of women in supplementing income to the households. The increase in the number of working women across countries has created challenges for them to balance work and family. In general, work-life balance encompasses broader activities than work-family conflict and focuses on gender equality (Carlson, Grzywacz, & Zivnuska, 2009) while work-family balance is satisfaction and good functioning at work and at home with a minimum of role conflict (Clark, 2001). After the year

2000, emphasis on work-family balance studies moved to work-life balance as highlighted by Lewis & Campbell (2008).

In many modern societies, the pressure on balancing work and life has also increased. For example, studies have shown that employees who work long weekly hours, and career-oriented women have worse work-life problems (Phillips, Bernard & Chittenden, 2002). Work-life balance significantly contributes to workplace issues such as stress, employee turnover, absenteeism and many negative implications. Numerous studies were conducted to examine various factors that affect both work-family balance and work-life balance.

For example, a study by Clark (2001), examined the relations between three aspects of work culture, namely flexibility of working hours, flexibility of the work itself, and supportive supervision and work-family balance. Findings showed that the flexibility of the work itself was associated with increased work satisfaction and increased family well-being and that work-family balance was lower when employees had many children and needed supportive supervision. Findings by Darcy, McCarthy, Hill, & Grady (2012) suggest that factors which impact work-life balance differ marginally across various career stages thereby indicating that work-life balance is a concern for employees at all career stages and not limited to parents with young children only. The relationship between FWAs and family enrichment were also examined and findings show that the availability of FWAs such as flexitime and a compressed work week seem to help employees experience greater enrichment from work to home, which in turn, is associated with higher job satisfaction and lower turnover intentions (McNall,

Masuda, & Nicklin, 2010). The role of job-related factors which are organisational support, job value, work time, and income were also examined and found to be significantly associated with work-life balance among employees (Wu, Rusyidi, Claiborne, & McCarthy, 2013). This is confirmed by Greenhaus & Shaw (2003) who found that individuals who invested substantial time in their combined work and family roles and those who spent more time on family than work, experienced a higher quality of life, than those who spent more time on work than family.

Most of the reasons why female employees want FWAs centres on family responsibilities and work-life balance (Liechty, Anderson (2007). In Malaysia and other Asian countries, there is a tendency for married women to leave employment upon marriage and birth of children (Kaur, 2004). Hence, they see FWAs as a good measure for them to achieve such balance because people, particularly women, increasingly want to work in an environment that offers them flexibility to create a balance between work and other life commitments (Whakatutuki, 2014). A study by Subramaniam, Overton & Maniam (2015) state that the more educated the women, the more they prefer to have FWAs to ensure that their work-life balance is achieved.

Existing literature shows that women's participation in the labour force is affected to a large extent by their workplace environment which has a bearing on their participation in the labour market (Kaur, 2004; Subramaniam, Mohamad, Selvaratnam, 2010). Therefore, to increase women's participation in paid labour, it might be pertinent to look at the link between FWAs, work-life balance, work-family balance and participation in the labour

market which is the main focus of this study.

Methodology

A total of 553 women from all over Malaysia were conveniently selected as sample for this research. However, as this study is focusing on working women and FWAs, only 397 respondents who were working full time were selected. A pre-test was done to check questionnaire comprehension and to correct any ambiguity. The questionnaire had four main sections. Section A had questions on personal and family background; Section B had questions on attitude towards working and also working arrangements. Section C had four questions on balancing work and life which were adapted from Pocock, Skinner and Williams (2008) based on The Australian Work and Life Index 2007 (AWALI). Section D had three questions on work and family, and was adapted from Subramaniam (2011). Sections C and D used a Likert scale of 1-5.

Section C's questions on work and life included questions on women's perception on how work interferes with their outside activities, time with friends, community and time for skill development at job place. Section D's questions on work and family were negatively worded and asked on how work has an effect on balancing work and family needs. The theoretical framework is as shown in Figure 1.

There are two dependent variables in this study namely, balancing between work and life and balancing between work and family as shown in Figure 1. Both variables were extracted by principal component analysis (PCA).

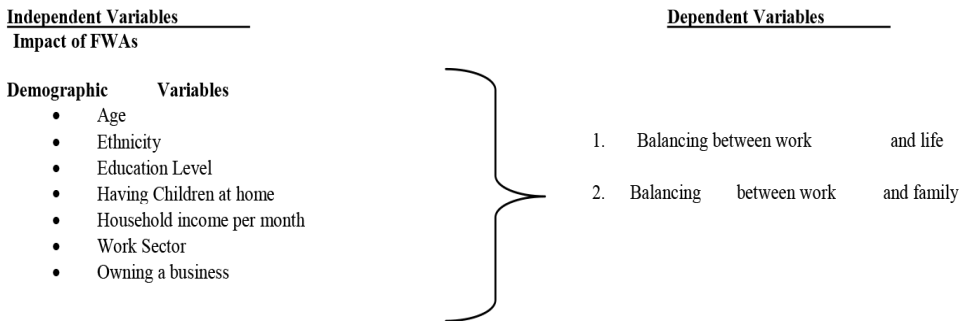


Figure 1 :Research Framework

Table 1 shows that the two dimensions or factors extracted fulfilled the requirements for PCA. Firstly, the Cronbach alpha for all variables in each factor is well above the acceptable level of 0.6 (Sekaran, Bougie, 2010). Secondly, the Kaiser-Meyer-Olkin (KMO) test which indicates the sufficiency of sample size, is above 0.5 which was deemed acceptable by Field (2013). Furthermore, all results from Bartlett’s Test of sphericity are significant which indicate the suitability of the data for factor analysis. Finally, PCA revealed that all the factors extracted explained between 60 to 76 percent of the variation.

In explaining the table below, the questions were worded positively for the section on “balancing between work and life”. Hence, a higher score for balancing between work and life indicates better balancing between women’s work and their lives. On the other hand, the questions were worded negatively for the section on “balancing between work and family”. Higher score for balancing between work and family indicates worse balancing between women’s work and family. These factors, together with selected demographic variables, were then used in multiple regression analysis to determine the impact of FWAs on women’s act of balancing between work with their lives and families.

Table 1 : Results From Principal Component Analysis

| Factor | No of Items | Cronbach Alpha | KMO Test | Bartlett’s Test of Sphericity X ² (df) | p-value | Percentage of Variance Explained |
|-----------------------------------|-------------|----------------|----------|---|---------|----------------------------------|
| Balancing between work and life | 3 | 0.839 | 0.702 | 493.61(3) | 0.0000 | 75.7 |
| Balancing between work and family | 3 | 0.667 | 0.638 | 180.67(3) | 0.0000 | 60.0 |

Table 2: Demographic Profile Of Respondents

| | Percentage | Number of respondents |
|---|-------------------|------------------------------|
| Age Group | | |
| 24 and below | 14.4 | 57 |
| 25 to 30 years old | 47.1 | 187 |
| 31 to 40 years old | 22.3 | 88 |
| 41 to 50 years old | 10.3 | 41 |
| More than 50 years old | 6.0 | 24 |
| Ethnic Group | | |
| Malays | 83.9 | 333 |
| Non-Malays | 16.7 | 64 |
| Highest Education Obtained | | |
| Up to Secondary School | 17.9 | 71 |
| Diploma | 27.5 | 109 |
| Degree | 42.6 | 169 |
| Post graduate | 12.1 | 48 |
| Marital Status | | |
| Married | 58.7 | 233 |
| Single – Never married | 41.3 | 164 |
| Having Children at Home | | |
| | 45.8 | 182 |
| Having Children aged below 6 years old | 29.5 | 117 |
| Having Children aged 6 to 12 years old | 16.1 | 64 |
| Having Children aged 13 to 18 years old | 17.9 | 71 |
| Having Children aged above 18 years old | 19.6 | 78 |
| Total Household Income per month | | |
| RM 1000 and below | 3.3 | 13 |
| RM 1001 - RM 2000 | 8.1 | 32 |

Table 2 Continue

| | | |
|---------------------------|--------------|------------|
| RM 2001 - RM 3000 | 16.4 | 65 |
| RM 3001 - RM 4000 | 18.9 | 75 |
| RM 4001 - RM 5000 | 11.8 | 47 |
| RM 5001 - RM 7000 | 13.4 | 53 |
| RM 7001 - RM 10000 | 14.6 | 58 |
| RM 10000 and above | 13.6 | 54 |
| Work Sector | | |
| Private Sector | 68.3 | 271 |
| Government Sector | 31.7 | 126 |
| Main Income earner | | |
| Yes | 19.9 | 79 |
| No | 80.1 | 318 |
| Owning a business | | |
| Yes | 30.2 | 120 |
| No | 69.8 | 277 |
| TOTAL | 100.0 | 397 |

Table 3 :Determinants of Perception of Balancing Work and Life (Model 1 & 2) and Perception Of Balancing Work and Family (Model 3 & 4) Using FWAs and Selected Variables

| | Model 1 | Model 2 | Model 3 | Model 4 |
|--|-----------------------|------------------------|-------------------------|-------------------------|
| Have used any form of FWA in the last one year (1= Yes; 0= No) | 0.405 (0.179) * | 0.502 (0.184) ** | -0.407 (0.103) ** | -0.371 (0.107)* * |
| Age group – 25 to 30 years old @ | | 0.022 (0.241) | | -0.192 (0.140) |
| Age group – 31 to 40 years old @ | | 0.022 (0.300) | | -0.281 (0.174) |
| Age group – 41 to 50 years old @ | | -0.042 (0.407) | | -0.215 (0.236) |
| Age group – more than 50 years old @ | | 0.540 (0.493) | | -0.357 (0.285) |
| Ethnic Group (1= Bumiputra; 0 = Others) | | 0.388 (0.218) + | | 0.065 (0.126) |
| Education Level – Diploma @ | | -0.495 (0.236) * | | -0.070 (0.137) |
| Education Level – Degree @ | | -0.570 (0.235) | | -0.211 (0.136) |

Table 3 Continue

| | | | | |
|--|---------|---------|---------|----------|
| | | | | * |
| Education Level – Post graduate @ | | -0.519 | | -0.163 |
| | | (0.310) | | (0.180) |
| | | + | | |
| Marital Status (1=Single; 0=Ever Married) | | 0.609 | | -0.068 |
| | | (0.242) | | (0.140) |
| | | * | | |
| Having Children at Home | | 0.634 | | -0.181 |
| | | (0.325) | | (0.188) |
| | | + | | |
| Having Children aged below 6 years old | | 0.070 | | -0.040 |
| | | (0.304) | | (0.176) |
| Having Children aged 6 to 12 years old | | -0.349 | | 0.003 |
| | | (0.252) | | (0.146) |
| Having Children aged 13 to 18 years old | | 0.243 | | -0.063 |
| | | (0.280) | | (0.162) |
| Having Children aged above 18 years old | | -0.067 | | -0.159 |
| | | (0.278) | | (0.161) |
| Total Household income per month - RM 2001 - RM 3000@ | | 0.844 | | -0.235 |
| | | (0.292) | | (0.169) |
| | | ** | | |
| Total Household income per month - RM 3001 - RM 4000@ | | 0.168 | | -0.192 |
| | | (0.295) | | (0.171) |
| Total Household income per month - RM 4001 - RM 5000@ | | 0.467 | | -0.097 |
| | | (0.324) | | (0.187) |
| Total Household income per month - RM 5001 - RM 7000@ | | 0.464 | | -0.031 |
| | | (0.324) | | (0.188) |
| Total Household income per month - RM 7001 - RM 10000@ | | 0.614 | | -0.203 |
| | | (0.325) | | (0.188) |
| | | + | | |
| Total Household income per month - RM 10000 and above@ | | 0.274 | | -0.216 |
| | | (0.344) | | (0.199) |
| Work Sector (1=Private Sector; 0=Government Sector) | | -0.011 | | 0.157 |
| | | (0.181) | | (0.105) |
| Main income Earner | | -0.266 | | -0.126 |
| | | (0.184) | | (0.106) |
| Own a business | | -0.100 | | 0.021 |
| | | (0.197) | | (0.114) |
| Constant | -0.093 | -0.885 | 2.484 | 2.987 |
| | (0.086) | (0.453) | (0.049) | (0.262)* |
| | | + | ** | * |

Table 3 Continue

| | | | | |
|--------------|------|------|------|------|
| Observations | 397 | 397 | 397 | 397 |
| R-squared | 0.01 | 0.11 | 0.04 | 0.11 |

Notes: 1) Standard errors in parentheses. + significant at 10%; * significant at 5%; ** significant at 1%

2) @ Control groups –

- age group - 24 years old and below;
- educational level - secondary school and below;
- total household income - less than RM 2000 per month

Finding and Discussion

Table 2 summarises the background of the respondents. Most of the respondents are young women who are below 30 years old. Nearly half (47 %) of them are in the age group of 25 to 30 years old. Hence they have probably been in the workforce for less than 10 years. In terms of education, they are highly educated with more than half of them having obtained a bachelor’s degree. These young and highly educated working women may not have had any problem managing their lives and work. However, some 60 percent of them are married, which poses a problem in balancing between work and family especially with young children where 30 percent of the married women have children below 6 years old at home. Furthermore, those who are currently single may also have a problem of juggling between their personal lives and work.

In terms of income, only 10 percent of the respondents’ household monthly income is less than RM 2000. Where as nearly 54 percent of them have a monthly household income above RM 4000, which is expected because most of them are highly educated and work in the private sector, with 30 percent of them running their own businesses.

Using multiple regression analysis, four models were derived. Model 1 and 2 show the determinants of balancing between work and life, while Model 3 and Model 4 show the determinants of balancing between work and family.

Model 1 and 3 show the simple regression analysis results of the significant impact of using FWAs on balancing work and life and balancing work and family. As shown in the Table, women who use FWAs are significantly better in balancing their work and their lives and their families.

Model 2 shows the inclusion of selected demographic variables on balancing work and life. Ironically, women who are higher educated are worse off compared to those with lower education in balancing their work and lives. This may be due to the work demands for higher educated workers who most likely will be holding higher job positions and greater responsibilities at the work place. This is also reflected in the household income whereby those who earn between RM 4000 and RM 7,000 are worse off than women in the lower income group. Also noted is that women in the middle and lower management who earn less than RM 4000 are significantly better off than those who earn less than RM 2000. This study further conforms to an earlier

study done by Subramaniam (2011) which revealed that the more educated women, earning a higher income and who are at the higher end of the occupational status, prefer to have FWAs at the workplace.

On the other hand, single women are significantly better off in balancing their work and lives compared to married women, especially those with children at home.

Although the target sample in this study were working women, with a blend of generations X and Y, it is noted that even single women show a very high interest in FWAs.

Model 4 shows that none of the selected demographic variables have any significant impact on how women balance their work and family. This may indicate that working women are unable to balance their work and families as work takes a big part of their time and energy away from their families.

The present study was conducted among the women employees in various sectors in Malaysia. The convenient sampling technique was used to gather the primary data from respondents. In this study, a majority of the female respondents perceive that FWAs will be able to provide them a better work-life balance. More than 90 percent of the respondents were interested in FWAs at the workplace, while only 20 percent of them have ever used any form of FWAs in the last one year.

Conclusion and Policy Recommendations

Based on this study, the main conclusions which can be drawn are: firstly, there is a positive link between FWAs at the workplace and women's ability to balance work, life and family and hence their participation

in the labour market. Secondly, Malaysian women who are educated are interested to participate in the labour market. However, they are unable to balance work and family commitments. It is not just work overload but the inability to manage their time well because of family obligations and societal structures that place domestic responsibilities on women's shoulders.

It is hoped that as more female students graduate and enter the labour market, participatory decision-makers will design work policies to ensure women have flexibility at their workplace. At a micro level, employers should try to reap local talent from an educated labour force by formulating work policies which are more flexible. Many FWAs policies such as flexi-work time and working from home, create a positive and friendly workplace environment with less traffic congestion and better family management. At the macro-level, the Malaysian government has been supportive of FWAs at the workplace, but the state should play a more proactive role in implementing, regulating and monitoring the implementation of these policies. More incentives should be given to organizations which facilitate FWAs and other family-friendly policies.

The most apparent implication from this study is for organizations to implement FWAs which may provide workplace flexibility and this can be a possible tool to retain women in the labour market as it allows women to juggle the double burden of work and home. Another pertinent point is that workplace flexibility will encourage women who quit the labour force to re-enter the labour market. Even though FWAs are very beneficial, it is acknowledged that FWAs are not a comprehensive package but should be carefully

implemented on a case to case basis.

This study only looked at a small sample throughout the country, so future studies should look at a larger sample to draw further conclusions.

As Malaysia moves towards achieving an industrialised nation status, for effective policies to be successful, a change in mindset is highly crucial as women's decision to participate in the labour market starts from home. Hence, by leveraging on the idea of FWAs as a strategic approach, employers, society and the nation can empower women and the end result will be a win-win strategy.

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