FAMILY SUPPORTIVE ORGANISATION PERCEPTIONS AND EMPLOYEE OUTCOMES: THE MEDIATING EFFECTS OF LIFE SATISFACTION

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Social exchange theory was used to understand employee perceptions of organisational support for work-family issues in this study of 373 employees from 40 New Zealand firms. These perceptions of family support were found to positively influence job and life satisfaction, and negatively influence turnover intentions and employee burnout. Consequently, there is strong support for firms supporting work-family issues leading employees to reciprocate with superior outcomes. In addition, the mediating effects of life satisfaction were explored, as there have been calls to test the effects of existing relationships outside the workplace. While life satisfaction was not found to fully mediate any attitude, it did partially mediate all outcomes. Similarly, life satisfaction was also a significant predictor of all outcomes. This indicates that the role of firms in providing a supportive work-family climate is important and can consistently contribute to employee outcomes. Further, the role of non-work attitudes is also important to acknowledge, and highlights the need to explore non-work aspects as potential mediators of work outcomes in social exchange relationships.

Keywords: family supportive organisation perceptions, job attitudes, mediation, life satisfaction.

INTRODUCTION

Work-family practices designed to assist in achieving balance, such as flexible work schedules, telecommuting, condensed working weeks and childcare assistance, have espoused
advantages such as increased recruitment and retention of qualified staff (Carlivati, 2007; Appleby, 2006), greater employee commitment (Haar & Spell, 2004), and reduced turnover intentions (Pasewark & Viator, 2006; Grandey, Cordeiro, & Crouter, 2005). For employees, these policies may assist in alleviating difficulties in managing multiple roles thus enhancing their quality of life (for a review see Eby, Casper, Lockwood, Bordeaux, & Brinley, 2005). The cornerstone of work-family policies is the necessity for these programs to help employees balance their work and family roles (Goodstein, 1994; Hand & Zawacki, 1994; Judge, Boudreau, & Bretz, 1994; Osterman, 1995).

WORK AND FAMILY

Recently, the work-family literature has coalesced around the view that formal work family policy adoption by organizations is an important but inadequate condition on which to alleviate work family conflicts (Kossek & Ozeki, 1998, 1999; Thompson, Beauvais, & Lyness, 1999; Eaton 2003). Kossek, Lautsch and Eaton (2006) found what mattered most to employee well being were perceptions regarding issues such as flexibility and job control. Kossek et al. (2006) suggested that employee perceptions of telecommuting practices may be more important predictors of reducing work and family conflict than the descriptive measures of polices and procedures. McDonald, Guthrie, Bradley and Shakespeare-Finch (2005), found that despite the work family policy aim of ‘removing barriers for staff with family responsibilities’, employees who worked part time or in job share situations in order to better manage these roles, perceived their promotion and opportunities for advancement within that organization as limited. The authors suggest that this could be due to the assumption that time spent in the workplace is an indicator of commitment and productivity, regardless of stated policy aim. Consequently, the perception or belief about how the organization values their employees is developed regardless of the stated aim of the work-family practice.
Kossek et al. (2006) referred to this as the “underlying message” (p. 350), as an important consideration in employee’s perceptions of organizational support. Haar and Spell (2004) have shown that the link between work-family practices and job attitudes may be addressed by focusing on employee perceptions relating to their knowledge of work-family practices. Similarly, Lambert (2000) found the usefulness of work-family practices predicted perceived organizational support and organizational citizenship behaviours. Allen (2001) found that family perceptions of organizational support suggested that benefit availability alone had a small effect on job attitudes, but that the global perceptions employees formed with the regard to the workplace environment was strongly related to employee job attitudes and experiences and suggested that these findings underscore the important role of perceptions of support. Recently, Behson (2005) argued that only organizations that spend time and energy to create cultures and management skills that are truly supportive of formal work-family practices would benefit from results.

SOCIAL EXCHANGE THEORY & HYPOTHESES

Brandes, Dharwadkar and Wheatley (2004) noted that social exchange theory is being increasingly used as a conceptual lens in which to view organisational relationships. Social exchange is based on the norm of reciprocity (Gouldner, 1960), where an employee receiving a benefit (e.g. work-family practices) should grow to be morally obligated to recompense their employer. Hence, social exchange is used to describe the interactions that employees encounter with their employing organisations (Blau, 1964). These relationships of give and take (the employer to the employee) are fundamentally important to test because failure to receive reciprocity may lead an employer to reduce or remove the giving of benefits such as work-family practices. However, social exchange is built on mutual exchanges in which the precise reciprocity for services gained by employees are not specified in advance.
Consequently, employers might provide work-family practices but would not be assured of any re-compensation or reciprocity from their employees.

Social exchange theory has recently been used in order to better understand the relationship between work-family practices and job attitudes (e.g. Chen et al., 2005; Kossek et al., 2006; Haar & Spell, 2004; Allen, 2001; Lambert, 2000). For example, an organization providing work-family practices (the benefit) would expect employees to reciprocate through improved job attitudes (e.g. reduced turnover intentions). This was supported by Lambert (2000) who stated that developments in social exchange theory support the possibility that work-family benefits may promote employee participation and initiative. Similarly, Haar and Spell (2004) found employees who felt their firm’s work-family practices were more readily understandable were more likely to report enhanced commitment to their organisation. These findings suggested that workers felt obligated to compensate their employer in response to the work-family practices they received. Further, perceptions of organizational support for employees through work-family practices will incur employee obligations and the repayment of this obligation will reinforce organizational giving and thus enhance the mutually beneficial exchange (Eisenberger, Fasolo, & Davis-LaMastro, 1990; Eisenberger, Cotterell, & Marvel, 1987). More recently, Chen et al. (2005) suggested that employees reciprocate the organisations favourable treatment by incorporating organisational membership and role status into their social identity as well as the engagement in behaviours that promote trust. They argue that the perception of trust and reciprocity is important in exchange relationships, in that it is not what is promised but what is delivered to employees that are increasingly important. We could extend this further to suggest that it is not what is promised or delivered that is important, but how the benefit is perceived.

**Direct Effects of Family Supportive Organisation Perceptions**
Coyle-Shapiro and Conway (2005) argued that the evaluation of exchange in what employees receive and anticipate receiving that creates the resultant feeling of obligation and indebtedness, similar to early exchange theory (e.g. Blau, 1964). Coyle-Shapiro and Conway (2005) found that POS created greater feelings of obligation but further called for a greater understanding and investigation in terms of the formation of reciprocal promises and obligations. One (small) limitation of POS is its generic and generalised approach towards exchange relationships between employer and employee. Cole, Schaninger, and Harris (2002) argued that it is the psychological processes and equations employees use to ascertain and judge the value and level of currencies that aid reciprocation using social exchange, and that these aid the obligation of exchange. For example, Kossek et al. (2006) examined the role of how employees perceive flexibility. Further, Flynn (2005) argued that how employees act in social exchange situations might depend on greater “contextual factors” (pg 747). Clearly, there is strong merit in exploring how the social exchange relationship is developed particularly towards more common benefits such as work-family practices.

Allen (2001) built upon these issues relating to POS by developing this view in terms of family supportive organisation perceptions (FSOP). That is, the perceptions that the overall work environment plays in determining employee reactions to work-family practices. Her findings supported the concept and found that FSOP significantly contributed to the variance associated with work-family conflict beyond that of work-family practices offered in relation to job satisfaction, commitment and turnover intentions. Hence, though the development of work-family practices may help employees manage multiple work and life responsibilities, the availability of polices and benefits alone does not address some more fundamental elements that might impede employees abilities from successfully managing career and family. Employees form perceptions as to how family supportive the work environment is and behave accordingly. This is an important aspect to consider because as more firms globally
seek to adopt work-family practices, the ability of them to universally lead to improved outcomes is unlikely. This is because firms may adopt support of such practices in very different ways. As such, the FSOP approach is important because it focuses on the underlying message (Kossek et al., 2006) regarding how supportive a firm is towards its employee’s work and family responsibilities.

Allen’s (2001) findings confirmed the role of perceptions of support for work and family as being significant, rather than the offering of benefits to better manage multiple roles. The present study seeks to confirm Allen’s (2001) findings in term of FSOP towards job outcomes (e.g. job satisfaction and turnover intentions), but also to widen its context and applicability to other outcomes, specifically life satisfaction and employee burnout. Consequently, we are examining the direct construct of FSOP towards a wide array of employee outcomes. Job satisfaction has been found to have a consistently negative relationship with work-family conflict (Kossek & Ozeki, 1998). Allen (2001) found a supportive work-family environment that allows employees to better balance their work and family responsibilities was linked to greater job satisfaction and lower turnover intentions. We expand the outcomes explored by Allen to include life satisfaction and employee burnout. In the meta-analysis by Tait, Padgett and Baldwin (1989), life satisfaction was found to have a strong correlation (r= .44) with job satisfaction, and this has been supported in work-family conflict studies where conflict from work and home detrimentally influence job and life satisfaction (Judge, Boudreau, & Bretz, 1994). Finally, we explore employee burnout, which relates to the result of a dysfunctional relationship between an employee and their work environment (Best, Stapleton, & Downey, 2005). The stressor-stress literature has supported the link between work-family conflict and employee burnout (Haar, 2006; Lingard & Francis 2006; Best et al., 2005; Posig & Kickul 2004). As such, we expect employees who are working in more family supportive work environments to be able to achieve greater balance
between work and family, which should be highlighted through lower burnout perceptions. This leads to our first set of hypotheses.

**Hypothesis:** Higher family supportive organisation perceptions will be positively related to (1) job satisfaction, (2) life satisfaction, (3) turnover intentions, and (4) employee burnout.

### The Intervening Effects of Life Satisfaction

Bishop et al. (2005) asserted that research should be undertaken regarding mediating effects in social exchange relationships. For social exchange theory to recognise the complexity of family and work roles it could be argued that life and family aspects of employee’s willingness and ability to manage work and family comprises part of the wider contextual and psychological influences in the social exchange. Graves et al. (2007) provided support for the idea that family role commitment has a positive effect on role behavioural outcomes at work, through family to work enhancement. Arguably, positive experiences in family roles could lead to enhanced work environments for work-family balance for employees. Consequently, understanding the greater roles a person has in their life, and how these roles may aid “bolstering attitudes … and particularly life satisfaction” requires further investigation (Graves et al., 2007, p. 45).

Related to exploring life satisfaction as a mediator, was Greenhaus et al., (2003) study of work-family conflict and work-family balance, which found that quality of life is highest for those who are more engaged or more satisfied in family than work, and lowest for those who are more engaged or more satisfied in work than family. In essence, this raises the notion that quality of life is not only an outcome for better understanding work-family conflict, but could potentially have an enhancing effect on outcomes, where creating better life balance environments can have additional positive effects at work. Tait et al. (1989) found the relationship between job satisfaction and life satisfaction has grown stronger for women in
recent decades as their roles in work and career have expanded. Moreover, studies have found a reciprocal relationship between job satisfaction and life satisfaction at the same point in time (Judge & Hulin, 1993; Judge & Watanabe, 1993). Judge and colleagues found that when the lagged correlations between these were examined, life satisfaction was a significant predictor of job satisfaction 5 years later, although the reverse was not true. Thus, it appears that the relation between job satisfaction and life satisfaction may reflect a life to job reciprocal process, where employees who are satisfied with their lives tend to find more satisfaction in their work (Diener, Suh, Lucas & Smith, 1999). Further, Ford, Heinen, and Langkamer (2007) supported this approach by arguing that the relationship between work factors and family satisfaction and between family factors and job satisfaction might be larger than initially evidenced. They stated, “organisations cannot optimize employee satisfaction without considering non work influences” (p. 74).

Some researchers have also suggested that with social exchange theory, the nature and strength of social exchange obligations and reciprocation depend on existing employee-organization relationships (Chen et al., 2005; Lambert, 2000; Konovsky & Pugh, 1994). Consequently, a pre-existing positive relationship may mean that additional benefits (like work-family practices) may only have a limited effect, because of the over-riding existing relationship. However, this literature has always explored existing job attitudes (e.g. Konovsky & Pugh, 1994; Lambert, 2000), opening the way for testing the effects of non-work attitudes and their influence on social exchange relationships. This leads to our second set of hypotheses.

**Hypothesis:** Life satisfaction will mediate the relationship between family supportive organisation perceptions and (5) job satisfaction, (6) turnover intentions, (7) employee burnout.
METHOD

Sample and Procedure

An MBA class on HRM in a New Zealand university were offered extra credit for distributing questionnaires to employees within local organizations. Forty firms in all industries (agriculture, education, finance, retail, manufacturing, and government) from a wide regional area were randomly selected and the students were instructed to distribute a survey to approximately ten random employees in each firm. Students were encouraged to target a range of employees regarding gender and age, as well as parents and non-parents. Students, who did not want to participate or could not fulfil this requirement, were given alternative options for earning the extra credit. However, all students did participate in the data collection, so this did not prove to be problematic. Approximately 450 surveys were distributed to 40 firms, and a total of 373 employee surveys were returned (response rate 83%). Respondents ranged in age from 17 to 67 years (average age of 35.2 years), 61% were female, 58% were married, 55% parents, and 47% of respondents were from the public sector, 45% the private sector, and 8% from the not-for-profit sector.

Analysis

Separate hierarchical regressions were conducted to examine FSOP as a predictor of job attitudes (Hypotheses 1 to 4). Step 1 contained the control variables (age, gender, parental status, marital status, education, and total hours worked). Step 2 was the FSOP measure. A total of four regression models were run (life satisfaction, job satisfaction, turnover intentions, and employee burnout). To test Hypotheses 5 to 7 (mediation effects of life satisfaction), the steps outlined by Baron and Kenny (1986) were followed. For step one, regressions were run to determine whether there are significant relationships between predictor (FSOP) and attitudes. Given that life satisfaction is also a potential mediator, step two is completed in this
process also. If the coefficient is significant, then the third step ascertains whether the mediator is related to the criterion variables. In this step, the predictor variable is controlled when establishing the connection between the mediator and criterion variables. Liden, Wayne, and Sparrowe (2000) maintained that the mediator should be related to the criterion variable when included in the equation with the predictor variable. If all these conditions hold, then at least partial mediation is present. If the predictor variable (FSOP) has non-significant beta weights in the third step, then full mediation is in effect and if the beta weights decrease, then at least partial mediation is supported (Liden et al., 2000).

RESULTS
FSOP was significantly associated with life satisfaction (β = .17, p< .001), job satisfaction (β = .27, p< .001), turnover intentions (β = -.15, p< .001), and employee burnout (β = -.31, p< .001). Consequently, there is support for Hypotheses 1 to 4. From the R² Change figures in Step 2, we see FSOP accounts for 3% of the total variance for life satisfaction (p< .01), 7% for job satisfaction (p< .001), 2% for turnover intentions (p< .01), and 9% for employee burnout (p< .001). Overall, the regression models were all significant: life satisfaction (Total R² = .06, F = 3.206, p< .01), job satisfaction (Total R² = .16, F = 9.054, p< .001), turnover intentions (Total R² = .13, F = 7.156, p< .001), and employee burnout (Total R² = .13, F = 7.200, p< .001). To test the mediation effects of life satisfaction on job satisfaction (Hypothesis 5), turnover intentions (Hypothesis 6), and employee burnout (Hypothesis 7), hierarchical regressions were re-run with the mediator (life satisfaction) included in Step 2 (with FSOP). Job satisfaction had a decrease in beta weight from β = .27 (p< .001) to β = .22 (p< .1), as did turnover intentions from β = -.15 (p< .001) to β = -.13 (p< .001), and employee burnout from β = -.31 (p< .001) to β = -.29 (p< .001). Further, life satisfaction was significant in all regression models: job satisfaction (life satisfaction β = .29, p< .001), turnover
intentions (life satisfaction $\beta = -.13$, $p< .01$), and employee burnout (life satisfaction $\beta = -.16$, $p< .01$). All these findings meet the requirements for partial mediation effects (Liden et al., 2000). The Sobel test (Preacher & Leonardelli, 2001) was used to confirm whether the difference in beta weights for these effects were significant. The Sobel test indicated there were significant mediation effects for job satisfaction ($p< .01$), turnover intentions ($p< .05$), and employee burnout ($p< .05$). Consequently, there is support for Hypotheses 5 to 7, with life satisfaction having partial mediating effects on outcomes.

**DISCUSSION**

The first major focus of the present study was to test the direct effects of FSOP on outcomes, and this was universally supported. FSOP were positively related to life and job satisfaction, and negatively related to turnover intentions and employee burnout. The findings towards job satisfaction and turnover intentions reconfirm the influence of this measure on job outcomes as found by Allen (2001). Further, the present study expands the outcomes associated with family supportive organisational environments by finding it also links positively to life satisfaction, which was previously unknown. This supports calls for further exploration of the effects of work-family practices on outcomes outside the organisation (Ford et al., 2007). Consequently, we find that how an organisation supports the work and family roles of its employees may also influence how employees consider their own lives outside of work. Similarly, we also find that FSOP was negatively linked with employee burnout, which is another unique outcome explored here. This supports the hypothesis that family supportive environments may create less harmful environments for employees, where they are better able to balance their work and family demands and thus experience lower burnout.

It also worth noting that the strength of FSOP in predicting outcomes was strongest for employee burnout and job satisfaction (9% and 7% respectively), and more modest for life
satisfaction and turnover intentions (3% and 2% respectively). This is interesting because the power to influence job satisfaction is surpassed by the influence on employee burnout, highlighting a previously unknown aspect of family supportive environments. Further research is encouraged to clarify the effects of FSOP on employee burnout. In addition, it must be noted that the regression model for life satisfaction was very small, with a total $R^2$ of only .06. The model for life satisfaction was less than half that of all the other models. This suggests that while FSOP may influence attitudes outside the workplace, the greatest influence of a family supportive work environment will be attitudes associated with work, rather than attitudes outside the workplace. Further research on non-work outcomes is needed to clarify this effect.

The other major focus of this study was the potential mediating effects of life satisfaction on the relationships between FSOP and outcomes. Scholars have noted that there has been few empirical studies understanding the effects of non-work attitudes on work-related social exchange relationships, particularly within the work-family domain (Eby et al., 2005; Casper, Eby, Bordeaux, Lockwood, & Lambert, 2007). The present study finds that life satisfaction does have significant direct effects on job satisfaction, turnover intentions, and employee burnout, over and above the effects of FSOP. However, these effects are relatively separate from the effects of a family supportive work environment, as FSOP was only partially mediated by life satisfaction. This shows that social exchange relationships are influenced by non-work related attitudes, although in the present study, the effect on social exchange relationships is only minor. However, given that there have been calls for this examination, the present study at least provides some empirical support for the notion that what happens outside the workplace can influence social exchange relationships in the workplace. Given the partial mediation effects and support for life satisfaction as linking with the three work outcomes, it is clear that the calls for non-work outcomes are warranted, and
we encourage further research in this area. Further, the partial mediation effects indicate that FSOP still plays a strong role in predicting outcomes, which highlights the importance of exploring employee perceptions of the amount of family support from their organisation. As with all cross sectional studies, there are some limitations that need to be highlighted namely data collection method (although this approach has been used previously e.g. Spell & Arnold, 2007). Another advantage of this method of data collection was the wide variation in employees and organizations that were collected. Kossek and Ozeki (1998) have previously criticized work-family research as having homogenous samples.
REFERENCES


