

# **THE IMPACT OF EMPLOYMENT RELATIONS PRACTICES ON PERFORMANCE OF MALAYSIAN SMES: THE CONCEPTUAL FRAMEWORK**

**Noor Syakirah Zakaria<sup>1</sup> and Mohd Khairuddin Hashim<sup>1</sup>**

<sup>1</sup>College of Business  
Universiti Utara Malaysia

Email: [syakirah1525@gmail.com](mailto:syakirah1525@gmail.com)

**Abstract** -The interest of study in employment relation has spawned a number of conceptual and empirical studies that examine the relationship of employment relations and organisational performance. The empirical evidences also suggest that employment relations practices have positive significance to the performance of the organisation. However, most of the employment relations literature has been done based on large firms. The review of the literature indicates that the number of studies of employment relations in SMEs is remained neglected and limited. This paper attempts to highlight the importance of employment relations practices in SMEs. This paper also highlights the key practices of employment relations which help to enhance the performance of Malaysian SMEs.

**Keywords:** Employment Relations Practices, Small and Medium Enterprise (SMEs) Organisational Performance.

## **1. Introduction**

Employment relations continue to attract much attention among academicians, practitioners as well as the government agencies. The importance of employment relations at the workplace has been emphasised in the literature. Moreover, the review of past studies suggests that effective employment relations can assist to enhance performance of organisations (Dyer & Reeves, 1994; Guest, 1997; Hiltrop, 1996a; Huselid, 1995). Findings from previous studies also indicated that good employment relations policies and practices can contribute to the competitiveness of organisations in many ways. Among these are as a means to shape the characteristics, attitudes and behaviors of employees for the better performance and to reduce conflicts at workplace, employees turnover as well as industrial actions (e.g. strike and picket) (Arthur, 1992).

The adoption of employment relations practices in SMEs is essential, especially when these firms faced many challenges such as increasing competition as well as uncertainty in the domestic and the global marketplaces, and limited growth in demand (Hashim, 2011; Sheehan, 2013). SMEs have little choice but to find ways and means to better manage and sustain their employees. One of the ways to sustain their employees and increase their effectiveness is through the adoption of effective employment relations practices (Guest, Michie, Conway, & Sheehan, 2003; Hashim, 2011). Scholars have suggested that by

adopting effective employment relations practices, SMEs would be able to sustain their competitive advantage, maintain their relationship with employees, and also encourage their employees to perform well.

Employment relations have attracted much attention in the literature. The review of past studies on employment relations practices, however, indicated that most of previous researches have focused on large companies (Razouk, 2011; Sels et al., 2006; Sheehan, 2013). Despite the importance of employment relations practices to the performance of both large and small firms, the review of the small business literature shows that research on employment relations in the context of SMEs has neglected and not received much attention particularly in the Malaysian context.

This paper attempts to address the employment relations practices in SMEs and their relationship with performance of organisation. Drawing from the views and evidence presented in the literature, this present paper discusses five employment relations practices that are useful to assist SMEs namely compensation, training and development, employee participation, safety and health and work life balance. For this purpose, the paper is presented by highlighting the concept of employment relations. Then, this paper continues with the discussion of the relationship between employment relations and organisational performance, followed by employment relations practices in SMEs. The article subsequently presents a conceptual framework and finally comes to the conclusion parts.

## **2. The Concept of Employment Relations**

The review of the literature shows that although the term ‘employment relations’ is widely used, at the moment, there is still no universal definition of employment relations. Various definitions as well as terms have been presented in the literature to explain employment relations. For example, Kaufman (2001) refers employment relations to all terms which are related to work, employment and also emphasises on relationship between employer and their employees at workplace. As a field of study, employment relations also involves areas such as employment management, labour management, personnel management and administration, labour relations, employee relations, industrial relations and human resources management.

Blyton and Turnbull, (1994), Edwards (2003) and Aminuddin (2007) view the discipline of employment relations as the study of the relationship between employer and their employees, either collectively or individually and this relationship is bound by the regulation, law and rules.

Meanwhile, Abbott (2006) suggests that there are two perspectives on how employment relations were defined. First, the American literature frequently refers to employment relations term when describing the HRM policies and practices as well as any associated interactions that exist between employer and their employees at workplace level. Secondly, the British literature tends to view employment relations in a wider meaning that goes beyond the micro level (the workplace). It also involves the macro level of interactions

where the role of the state, employer associations and trade union are involved in the employment relationship.

Specifically, most of British literature uses employment relations terms in two senses. Firstly, the term employment relation is used to describe HRM functional activities and the relationship between employer/manager and employees, work organisation, non-union organisation and performance issues. In other words, this first sense of definition is similar to American literature usage. The second usage of the employment relations term is about trade union recognition and the state intervention in the labour issues through employment law and industrial court or tribunal. Applied in this way, the employment relationship takes on a distinct meaning that recognises the plurality of group interests and objectives, the possible of any conflicts at workplace, the dispute settlement, the importance of collective bargaining process to determine the workplace's rules and regulations and informal customs and practices, which govern the employment relationship. In a simple word, this second definition stresses on the process and regulation of employment relations.

In addition, Abbott (2007) views that employment relations term is a definition used to encapsulate both industrial relations and HRM. In reality, there is a considerable degree of overlap between both areas, for instance, industrial relations and HRM share similar contexts. Among these are geography, industry, size, politics and ethics (Baker, 2005). Boselie et al. (2005) suggest that there are three ways on how employment relations practices were defined and measured:

- a. Employment relations as a set of employee management activities
- b. Employment relations practices as an organisation 'orientation' towards managing employees
- c. The effectiveness of the employment relations practices functions.

Similarly, Townsend and Wilkinson (2014) suggest that all matters relating to "people management" (either industrial relations or HRM) were seen under one unifying realm namely employment relations. For many organisations, both industrial relations and human resources management are performed by the same department or functions (Harpaz & Meshoulam, 2010).

Although the employment relations literature provides differing views and definitions of employment relations, a comprehensive review of the definitions presented in the literature suggests that most authors tend to agree and view employment relations as a set of employee management activities which is related to work and employment, as well as the relationship between employee and employer at workplace. This relationship may be mediated by the two important institutions, the trade union (for unionised firms) and the state through related agencies, for instance Labour Department.

### **3. Employment Relations and Organisational Performance**

Employment relations practices have been increasingly recognised as a basis for achieving sustained competitive success, especially for firms operating in challenging and rapid changing environment. Numerous conceptual and empirical researches have been carried out to understand the effects of employment relations practices on organisational performance (Becker & Huselid, 1998; Buller & McEvoy, 2012; Geringer, Frayne, & Milliman, 2002; Guest, 1997; Huselid, 1995; Ichniowski, Shaw, & Prenzushi, 1997; Macduffie, 1995; Sheehan, 2013).

The study by Macduffie (1995) suggests that in order to enhance organisational performance, the organisations need to adopt various employment relations practices. More specifically, this study reveals that by adopting the various employment relations practices, organisations not only will be able to increase employee performance but also enhance the overall organisational performance.

Similarly, the study by Huselid (1995) found out that the employment relations practices implemented in the organisation have statistically significant effect on organisational performance as measured in term of employee turnover, productivity and financial performance.

The subsequent study by Harel and Tzafrir (1999) also discovered that employment relations practices such as training programmes and employee selection are significantly related to organisational performance. In similar manner, the study conducted by Tzafrir (2006) revealed that several employment relations practices such as training and development, employee participation, compensation, internal labour market and selection had positive impact on organisational performance.

A recent study by Adnan, Shah and Ahmad (2011) investigated the effect of employment relations practices on organisational performance among Malaysian R&D companies. The finding of this study reveals that the two dimensions of employment relations practices, including employee participation and reward are positively associated with organisational performance as measured in term of financial performance.

### **4. Employment Relations Practices in SMEs**

Empirical research has discovered a positive relationship between employment relations practices and organisational performance. However, this research tends to have a preoccupation with employment relations practices in large firms. The adoption of employment relations practices in large firms differs with small business firms particularly in term of structure of organisation, size, resources, complexity and dynamic and familial ideologies (Amedzro St-Hilaire, 2010; Atkinson, 2007; Cooke, 2005; Harney & Dundon, 2007; Matlay, 2002b; Patel & Cardon, 2010; Rainnie, 1989; Verreyne, Parker, & Wilson, 2011).

The review of literature reveals that most of the empirical studies on employment relations practices in small firms, however, still in a descriptive and an explorative stage (Doherty & Norton, 2014; Sels et al., 2006) and remain under-researched (Sheehan, 2013).

The review of the literature further reveals that earlier studies showed that employment relations practices in small firms also tend to be fairly ad hoc and informal (Matlay, 2002a; Ram, Edwards, Gilman, & Arrowsmith, 2001). Nevertheless, growing empirical evidence indicates that employment relations practices in smaller firms may be more sophisticated than previously expected (Doherty & Norton, 2014; Razouk, 2011; Sels et al., 2006; Sheehan, 2013).

Based on suggestion by scholars, there is a need to adopt effective and formal employment relations practices in SMEs to cope with current business environment (Brand & Croonen, 2010; Patel & Cardon, 2010; Razouk, 2011; Sheehan, 2013; Snape & Redman, 2010).

Previous studies reveal that employment relations practices help to enhance SMEs performance. For instance, the study by Sels et al., (2006) found that employment relations practices assist to increase small business performance in term of productivity and profitability. Meanwhile, the study by Cunningham and Rowley (2007) examined the employment relations practices adopted by SMEs in China. The finding of this study suggests that employment relations practices adopted by the Chinese SMEs have the potential to help them to enhance their performance particularly in the dynamic business environment in China.

In the same vein, Debrah and Mmih (2009) in their study examined employment relations practices among Ghana SMEs. The study identified and listed six practices such as recruitment, selection, retention, remuneration, discipline and welfare. These employment relations practices are considered important to the business survival of Ghana SMEs.

The more recent study by Razouk (2011) attempted to examine the employment relations practices in 275 French SMEs. This study indicates employment relations practices are able to not only increased short term performance but also their long term performance as well.

Sheehan (2013) suggests that small business managers are increasingly aware of employment relations practices such as recruitment and selection, performance appraisal, performance-based compensation payment and training and development. These practices are believed to help their firms enhance profitability and innovation. Moreover, the finding of study also reveals that the selected employment relations practices do not only help to enhance current performance, but able to sustain better performance over time.

Since the empirical evidence from past studies indicated that compensation, training and development, employee participation, safety and health, work life balance and employment security can influence the performance of SMEs, these practices should be adopted not only among existing SMEs, but also to new SMEs. According, the next section explains and discusses briefly each of these five employment relations practices.

## **4.1 Compensation**

Compensation is recognised as one of the most important practices in employment relations. The compensation is considered as central to the relationship between employers and their employees (Dulebohn and Werling, 2007).

The compensation is a straightforward practice that organisation use in order to enhance employee performance by increasing their motivation to perform in a better way (Vlachos, 2009). Compensation may also include the financial and non-financial rewards used by employers to their employees in return for their efforts.

The Malaysian Employment Act, 1955 states that the primary duty of the employers is to pay wages or compensation for the service provided by their employees (Employment Act, 1995). The compensation package may consist of the basic wages and all other payments in cash payable to an employee for work done in respect of employees' contract of service (Federation Malaysian Employer, 2010). Based on employment law, it has become an essential responsibility for employers to pay their employees in a fair and equitable manner.

The review of previous studies suggests that compensations are contingent on organisational performance (Carlson, Upton, & Seaman, 2006; Dulebohn & Werling, 2007; Long & Perumal, 2014; Tomczyk, Lee, & Winslow, 2013; Vlachos, 2009). The important role of compensation practices to increase organisational performance has been recognised for long time (Dulebohn & Werling, 2007). For instance, Frederick Taylor (the father of scientific management) viewed compensation and performance-based as a means to encourage employees to perform well.

More specifically, the use of compensation practices is positively related to organisational performance especially in term of financial performance (Huselid, 1995), market performance (Delaney & Huselid, 1996) and sales growth performance (Carlson et al., 2006). The employment relations scholars also agree that by using a good package of compensation, it helps motivate individual employees to perform well. Additionally, the compensation has major impact on organisational capability to catch and retain high potential employees to contribute their skills, knowledge and abilities for the organisation's success.

## **4.2 Training and Development**

Training and development are also considered as the other crucial practices of employment relations. In general, these practices are viewed as the heart of a continuous effort designed to improve employee competency and organisational performance (Harel & Tzafrir, 1999; Hiltrop, 1996b; Liu, Combs, Ketchen, & Ireland, 2007; Nadarajah, Kadiresan, Kumar, Kamil, & Yusoff, 2012; Pfeffer, 1998). More specifically, training and development is a planned effort to facilitate learning of job related behavior (Hashim, 2011).

Organisations need employees with knowledge, skills and abilities (KSAs) to perform their task effectively, identify and solve problems, focus on quality and adapt to changes in the working as well as business environments. The review of literature suggests that effective training and development not only helps to improve KSAs of employees, but also assist organisations to retain their employees and develop the competitive advantages for organisations (Kotey & Folker, 2007; Robertson, 2003).

The study by Wong et al., (1997) who examined the training and development in 138 SMEs firms, found that there are two major improvements among these firms. First, within their organisation, these firms experienced better internal communication and integration, improved organisational planning, increased organisational ability to manage change in business and enhanced their employees' performance. Second, these firms also increased organisational performance in terms of better customer care, quality of product, use of new technology, organisations' image and financial control.

In view of the need to further train and develop their employees, SMEs owner in Malaysia should give serious consideration to the various training and development programmes provided by Human Resource Development Fund (Hashim, 2011). These training and development programmes are needed by SMEs in order to strengthen the capabilities of their employees in term of acquiring information, skills, knowledge and changing their attitudes. In addition, training and development is considered as one of vital practices to cope with the uncertainty and competitiveness of business environment (Cardon & Stevens, 2004; Hashim & Wafa, 2002; Hashim, 2011; Jones, 2005; Kotey & Folker, 2007; Magableh, Kharabsheh, & Al-Zubi, 2011; Robertson, 2003; Schein, 2005; Wong et al., 1997).

### **4.3 Employee Participation**

Employee participation practice aims to encourage employees to participate in the decision making process in organisations. This practice is increasingly being recognised as one of important employment relations practices adopted by organisations.

Findings of previous studies suggest that encouraging employees to participate in decision making activities are likely to increase their motivation, cooperation and satisfaction (Wilkinson & Fay, 2011). Additionally, the empirical evidence reveals that organisations that adopt employee participation practices tend to perform better than those organisations that do not (Bryson, Charlwood, & Forth, 2006).

In SMEs businesses, the practice of employee participation became as an important component in organisations. The possible reasons are the increasing opportunities for direct communication between owner-managers and employees (Forth, Bewley, & Bryson, 2004) and employees normally get to know their owners and managers personally (Hashim, 2007). If their relationships are good, the employees will contribute to positive employee outcomes such as a strong feeling of loyalty, a strong sense of responsibility and a greater of employee participation. In such situation, the owner-managers of SMEs firms should

strongly consider adopting effective employee participation programmes in their organisations such as Joint Consultative Committees (JCCs), upward problem solving group, quality circles and suggestion schemes (Dundon, Wilkinson, Marchington, & Ackers, 2004).

Employee participation provides the valuable chances for employees to contribute ideas, knowledge as well as opinions and this practice does not only add dignity to their jobs, but also encourage them to perform in a better ways in order to improve organisational performance (Bryson et al., 2006; Forth et al., 2004; Hashim, 2011).

#### **4.4 Safety and health**

Effective safety and health practice are also considered as the other important component of employment relations practices. Most of the previous studies reveal that safety and health practice have a positive impact on organisational performance (Bottani, Monica, & Vignali, 2009; Kongtip, Yoosook, & Chantanakul, 2008). The effective safety and health practice do not only help improve the well being of both employers and employees in the organisations, but also as a prevention of workplace accidents, especially among employees who are required to use tools, operate machineries and equipment as well as use dangerous chemicals in their daily work.

The Malaysian Occupational Safety and Health Act 1994 (OSHA 1994) requires organisations to comply with the safety and health guidelines as presented in this act (Akta Keselamatan dan Kesihatan Pekerjaan, 1994). According to the OSHA 1994, employers' general duties include ensuring that the workplace and systems of works are safe and without any risks to employees' health. Employers are also required to provide more information, instruction, safety training and supervision to their employees on safety and health issues. As part of these general duties, OSHA 1994 does not only specify that employers have to offer a safe work environment that is free from risks, but also provide adequate facilities to employees such as a restroom, toilets, canteen and other facilities. Additionally, the OSHA 1994 stimulates the following obligations such as formulate safety and health policy, employ a safety and health officer and establish a safety and health committee at the organisations.

It is equally important for SMEs to carry out the safety and health programmes in their firms. The empirical evidence indicated that managing safety and health practices effectively is very crucial to improve organisational performance particularly in term of financial performance and competitiveness (Ali, Abdullah, and Subramaniam, 2009; Miller and Haslam, 2009; Bakri et al., 2006; Loeppke et al., 2007; Bakri et al., 2006; Smallman and John, 2001; Danna and Griffin, 1999).

#### **4.5 Work life balance**

In recent years, work-life balance has become one of the important topics not only for academicians, but also to practitioners, the government and related NGOs. The literature



reveals that in most business areas, the need to reconcile employees' productive and their personal life arises. The literature further suggests that the adoption of work life balance practices creates motivation and satisfaction among the employees, which, in turn, leads to better performance which benefits organisations (Beauregard & Henry, 2009; Benito-osorio, Laura, & Villar, 2014; Cegarra-leiva, Sa, & Cegarra-navarro, 2012; Greenhaus, Collins, & Shaw, 2003).

More specific, the past studies reveals that by adopting this practice, organisation will able to develop good relationship between employer and their employees, reduce absenteeism and turnover, increase productivity, retain their employees and encourage them to be more creative, healthier and create happier workplace (Benito-osorio et al., 2014; Chimote & Srivastava, 2013). For employees' perspective, work life balance practice provides them to develop their career and at the same time, they can satisfy personal and family needs as well as reduction of inter-role conflict (Cegarra-leiva et al., 2012).

Given the importance of work life balance practices, a number of studies have investigated the nature and the impact of this practice on employees' performance as well as organisational performance. For instance, the study by Lau (2000) found out that the organisation that emphasised work life balance for their employees tended to have better performance, in term of sales growth, asset growth and return on asset growth over a five year period. Isamu and Toshiyuki (2012) revealed that work life balance practices help to enhance organisational productivity and this practice is found useful to reduce employees' turnover rate. Chimote and Srivastava (2013) in their study of work life balance benefits for both organisations and employees perspective listed three benefits of work life balance practices to the organisation such as reducing absenteeism and turnover, improving productivity and image and ensuring loyalty and retention. Meanwhile, from employees' point of view, the adoption of work life balance helps to increase their job satisfaction, ensuring job security, autonomy, stress reduction and improving their health.

As far as the Malaysian Employment Act 1955 is concerned, there are several obligations related to work life balance practices that employer are required to fulfill (Employment Act, 1995). The Act stipulates that employers are required to provide maternity leave of 60 days to be given to female employees. All employees are entitled to one rest day per week and the normal hours of work per week shall not be more than 48 hours (except in certain circumstances which include any accident at work, urgent work to be done to machinery, unforeseen interruptions to work and employees engaged in industries declared as Essential Services under the Industrial Relations Act 1967). In addition to these practices, the government also encourages the organisation to provide flexibility of work, shift work, paternity leave, paternity and parental leave (Ibrahim, 2013).

## 5. Conceptual Research Framework

The conceptual research framework has been developed from previous studies. The following is the proposed conceptual framework:

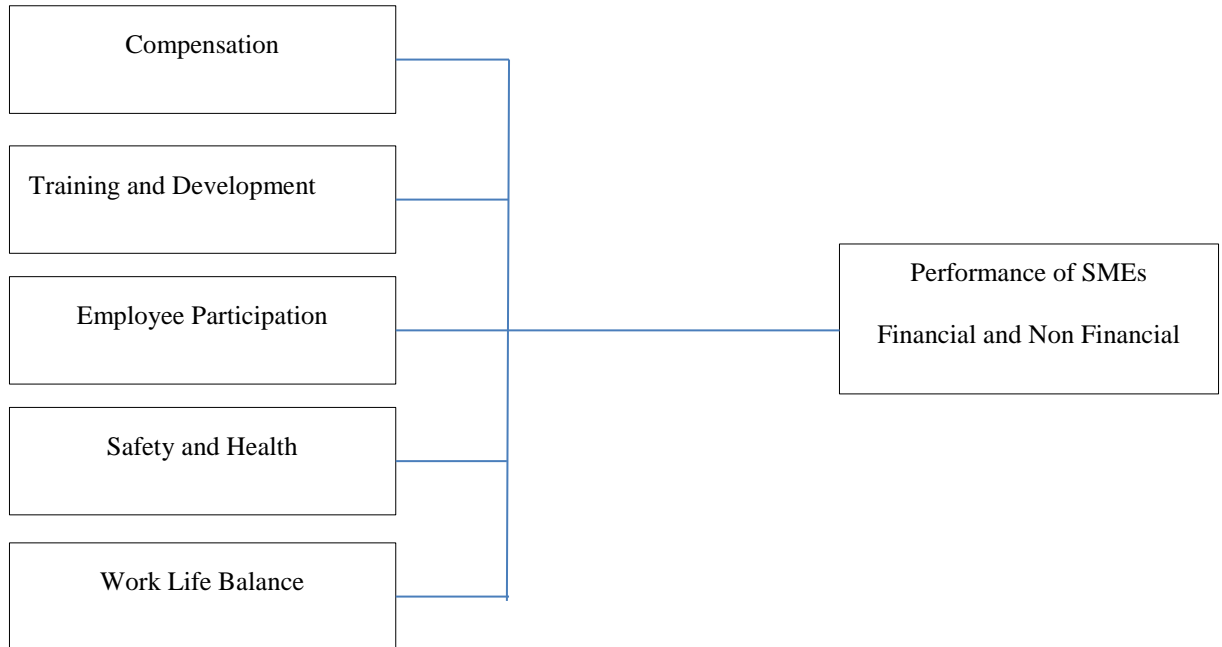


Figure 1: The Proposed Conceptual Framework

The independent variable for this study consists of employment relations practices and will be measured by compensation, training and development, employee participation, safety and health and work life balance. Meanwhile, the performance of SMEs is measured in term of financial and non-financial performance.

The hypothesis of the study is that employment relations practices will have significant positive effects towards the performance of SMEs.

## 6. Conclusion

This paper contributes to an understanding of the importance of employment relations practices on the performance of SMEs. Although SMEs are structured differently from current practices in large companies, the growing evidences show that employment relations practices are vital for their success.

In addition, this paper also highlights the need for SMEs to adopt effective employment relations practices to ensure their survival and better performance. Based on the evidences

presented in the small business literature, employment relations practices are able to enhance not only employee performance, but also the performance of SMEs.

## **References**

- Abbott, K. (2006). A review of employment relations theories and their application. *Problem and Perspectives in Management*, 1, 187–199.
- Abbott, K. (2007). Employment relations: Integrating industrial relations and human resource management. *Problem and Perspectives in Management*, 5(1), 61–147.
- Abdullah, N. A. C., Spickett, J. T., Rumchev, K. B., & Dhaliwal, S. S. (2009). Assessing employees perception on health and safety management in public hospitals. *International Review Of Business Research Paper*, 5(4), 54–72.
- Adnan, Z., Shah, H., & Ahmad, J. (2011). Direct influence of human resource management practices on financial performance in Malaysian R & D companies. *World Review of Business Research*, 1(3), 61–77.
- Akta Keselamatan dan Kesihatan Pekerjaan, 1994. (1994). Akta Keselamatan dan Kesihatan Pekerjaan 1994. *Undang-Undang Malaysia*, 1–38.
- Ali, H., Abdullah, N. A. C., & Subramaniam, C. (2009). Management practice in safety culture and its influence on workplace injury: An industrial study in Malaysia. *Disaster Prevention and Management*, 18(5), 470–477. <http://doi.org/10.1108/09653560911003660>
- Amedzro St-Hilaire, W. G. (2010). Human resources management in Quebec SMEs: Empirical findings and theoretical weaknesses. *Journal of Global Business Administration*, 2(1), 2–16.
- Aminuddin, M. (2007). *Malaysian Industrial Relations & Employment Law (Sixth)*. Shah Alam: McGraw-Hill.
- Arthur, J. B. (1992). The link between business strategy and industrial relations systems in American steel minimills. *Industrial and Labor Relations Review*, 45(3), 488–506.
- Atkinson, C. (2007). Building high performance employment relationships in small firms. *Employee Relations*, 29(5), 506–519. <http://doi.org/10.1108/01425450710776317>
- Azimah, N., Abdullah, C., & Spickett, J. T. (2009). Managing safety: The role of safety perceptions approach to improve safety in organizations. *IBEJ*, 2(1), 41–51.
- Baker, D. (2005). Strategic human resource management: performance, alignment, management. *Librarian Career Development*, 7(5), 51–63.
- Bakri, A., Zin, R. M., Misnan, M. S., & Mohammed, A. H. (2006). Occupational safety and health (OSH) management systems: Towards development of safety and health culture. In *Proceedings of the 6th Asia-Pacific Structural Engineering and Construction Conference (APSEC 2006)* (pp. 19–28). Kuala Lumpur.

- Beauregard, T. A., & Henry, L. C. (2009). Making the link between work-life balance practices and organizational performance. *Human Resource Management Review*, 19(1), 9–22. <http://doi.org/10.1016/j.hrmr.2008.09.001>
- Becker, B. E., & Huselid, M. A. (1998). High performance work systems and firm performance: A synthesis of research and managerial implications. *Research in Personnel and Human Resources Management*, 16, 53–101.
- Benito-osorio, D., Laura, M.-A., & Villar, C. (2014). The impact of family and work-life balance policies on the performance of Spanish listed companies. *Management*, 17(4), 214–236.
- Blyton, P., & Turnbull, P. (1994). *The Dynamics of Employee Relations* (1st Editio). London: MacMillan.
- Bottani, E., Monica, L., & Vignali, G. (2009). Safety management systems: Performance differences between adopters and non-adopters. *Safety Science*, 47(2), 155–162. <http://doi.org/10.1016/j.ssci.2008.05.001>
- Brand, M. J., & Croonen, E. P. M. (2010). Franchised and small, the most beautiful of all; HRM and performance in plural systems. *Journal of Small Business and Enterprise Development*, 48(4), 605–626.
- Bryson, A., Charlwood, A., & Forth, J. (2006). Worker voice, managerial response and labour productivity: An empirical investigation. *Industrial Relations Journal*, 37(5), 438–455. <http://doi.org/0091-8692>
- Buller, P. F., & McEvoy, G. M. (2012). Strategy, human resource management and performance: Sharpening line of sight. *Human Resource Management Review*, 22(1), 43–56. <http://doi.org/10.1016/j.hrmr.2011.11.002>
- Cardon, M. S., & Stevens, C. E. (2004). Managing human resources in small organizations: What do we know? *Human Resource Management Review*, 14(3), 295–323. <http://doi.org/10.1016/j.hrmr.2004.06.001>
- Carlson, D. S., Upton, N., & Seaman, S. (2006). The impact of human resource practices and compensation design on performance: An analysis of family-owned SMEs. *Journal of Small Business Management*, 44(4), 531–543.
- Cegarra-leiva, D., Sa, M. E., & Cegarra-navarro, J. G. (2012). Understanding the link between work life balance practices and organisational outcomes in SMEs. *Personnel Review*, 41(3), 359–379. <http://doi.org/10.1108/00483481211212986>
- Chimote, N. K., & Srivastava, V. N. (2013). Work-life balance benefits: From the perspective of organizations and employees. *The IUP Journal of Management Resource*, XII(1), 62–74.
- Cooke, F. L. (2005). Employment relations in small commercial businesses in China. *Industrial Relations Journal*, 36(1), 19–37.
- Cunningham, L. X., & Rowley, C. (2007). Human resource management in Chinese small and medium enterprises: A review and research agenda. *Personnel Review*, 36(3), 415–439. <http://doi.org/10.1108/00483480710731356>

- Danna, K., & Griffin, R. W. (1999). Health and well-being in the workplace: A review and synthesis of the literature. *Journal of Management*, 25(3), 357–384. <http://doi.org/10.1177/014920639902500305>
- Debrah, Y. a., & Mmieh, F. (2009). Employment relations in small- and medium-sized enterprises: insights from Ghana. *The International Journal of Human Resource Management*, 20(7), 1554–1575. <http://doi.org/10.1080/09585190902985178>
- Delaney, J. T., & Huselid, M. A. (1996). The impact of human resource management practices on perception of organizational performance. *Academy of Management Journal*, 39(4), 949–969.
- Doherty, L., & Norton, A. (2014). Making and measuring “ good ” HR practice in an SME : the case of a Yorkshire bakery. *Employee Relations*, 36(2), 128–147. <http://doi.org/10.1108/ER-02-2013-0017>
- Dulebohn, J. H., & Werling, S. E. (2007). Compensation research past, present, and future. *Human Resource Management Review*, 17(2), 191–207. <http://doi.org/10.1016/j.hrmr.2007.03.002>
- Dundon, T., Wilkinson, A., Marchington, M., & Ackers, P. (2004). The meanings and purpose of employee voice. *The International Journal of Human Resource Management*, 15(6), 1149–1170. <http://doi.org/10.1080/095851904100016773359>
- Dyer, L., & Reeves, T. (1994). Human resource strategies and firm performance: What do we know and where do we need to go ? (No. CAHRS Working Paper #94-29). Cornell University, School of Industrial and Labor Relations, Washington.
- Edwards, P. (2003). The employment relationship and the field of industrial relations. In P. Edwards (Ed.), *Industrial Relations: theory and practice* (second edi, pp. 1–36). London: Blackwell Publishing.
- Employment Act, 1995. (1995). *Employment Act 1955*. Laws of Malaysia, 1–120.
- Federation Malaysian Employer. (2010). *Employment Relationship*. Kuala Lumpur: Malaysian Employers Federations.
- Forth, J., Bewley, H., & Bryson, A. (2004). *Small and Medium-sized Enterprises: Findings from the 2004 Workplace Employment Relations Survey*. London.
- Geringer, J. M., Frayne, C. a., & Milliman, J. F. (2002). In search of “best practices” in international human resource management: research design and methodology. *Human Resource Management*, 41(1), 5–30. <http://doi.org/10.1002/hrm.10017>
- Greenhaus, J. H., Collins, K. M., & Shaw, J. D. (2003). The relation between work family balance and quality of life. *Journal of Vocational Behavior*, 63, 510–531. [http://doi.org/10.1016/S0001-8791\(02\)00042-8](http://doi.org/10.1016/S0001-8791(02)00042-8)
- Guest, D. E. (1997). Human resource management and performance : a review and research agenda. *The International Journal of Human Resource Management*, 3(June), 263–276. <http://doi.org/0985-5192>

- Guest, D. E., Michie, J., Conway, N., & Sheehan, M. (2003). Human resource management and corporate performance in the UK. *British Journal of Industrial Relations*, 41(2), 291–314. <http://doi.org/0007-1080>
- Harel, G. H., & Tzafrir, S. S. (1999). The effect of human resource management practices on the perceptions of organizational and market performance of the firm. *Human Resource Management*, 38(3), 185–199. <http://doi.org/CCC 0090-4848/99/03185-15>
- Harney, B., & Dundon, T. (2007). An emergent theory of HRM: A theoretical and empirical exploration of determinants of HRM among Irish small- to medium enterprise (SMEs). In *Advances in Industrial & Labor Relations* (pp. 103–153). Emerald Group Publishing Limited. [http://doi.org/10.1016/S0742-6186\(06\)15002-7](http://doi.org/10.1016/S0742-6186(06)15002-7)
- Harpaz, I., & Meshoulam, I. (2010). The meaning of work, employment relations, and strategic human resources management in Israel. *Human Resource Management Review*, 20(3), 212–223. <http://doi.org/10.1016/j.hrmr.2009.08.009>
- Hashim, M. K. (2007). *SMEs in Malaysia: A Brief handbook* (1st Editio). Petaling Jaya: August Publishing Sdn Bhd.
- Hashim, M. K. (2011). Seven practices for sustaining human resources in small and medium-sized enterprises. In M. K. Hashim (Ed.), *Agenda for Sustaining Small and Medium-Sized Enterprises2* (pp. 1–162). UUM Press.
- Hashim, M. K., & Wafa, S. A. (2002). *Small &Medium-sized enterprises in Malaysia: Development issues*. Selangor: Prentice Hall.
- Hiltrop, J. (1996a). A framework for diagnosing human resource management practices. *European Management*, 14(3), 243–254. <http://doi.org/0263-2373/96>
- Hiltrop, J. (1996b). The impact of human resource management on organisational performance : Theory and research. *European Management Journal*, 14(6), 628–637. <http://doi.org/0263-2373/96>
- Huselid, M. A. (1995). The impact of human resource management practices on turnover, productivity , and corporate financial performance. *The Academy of Management Journal*, 38(3), 635–672.
- Ibrahim, D. (2013). *An analysis of work and non-work patterns in Malaysian public sector workplaces : a multi-level approach*. Cardiff University.
- Ichniowski, C., Shaw, K., & Prennushi, G. (1997). The effects of human resource management practices on productivity : A study of steel finishing lines. *The America Economic Review*, 87(3), 291–313.
- Isamu, Y., & Toshiyuki, M. (2012). Effect of work-life balance practices on firm productivity: Evidence from Japanese firm-level panel data. *RIETI Discussion Paper Series*, 12-E-079, 1–33.
- Jones, J. T. (2005). The determinants of training in Australian manufacturing SMEs. *Education + Training*, 47(8/9), 605–615. <http://doi.org/10.1108/00400910510633143>

- Kaufman, B. E. (2001). The theory and practice of strategic HRM and participative management Antecedents in early industrial relations. *Human Resource Management Review*, 11, 505–533.
- Kongtip, P., Yoosook, W., & Chantanakul, S. (2008). Occupational health and safety management in small and medium-sized enterprises: An overview of the situation in Thailand. *Safety Science*, 46(9), 1356–1368. <http://doi.org/10.1016/j.ssci.2007.09.001>
- Kotey, B., & Folker, C. (2007). Employee training in SMEs : Effect of size and firm type — Family and nonfamily. *Journal of Small Business Management*, 45(2), 214–238.
- Lau, R. S. . (2000). Quality of work life and performance: An ad hoc investigation of two key elements in the service profit chain model. *International Journal of Service Industry Management*, 11(5), 422–437.
- Liu, Y., Combs, J. G., Ketchen, D. J., & Ireland, R. D. (2007). The value of human resource management for organizational performance. *Business Horizons*, 50(6), 503–511. <http://doi.org/10.1016/j.bushor.2007.07.002>
- Loeppke, R., Taitel, M., Richling, D., Parry, T., Kessler, R. C., Hymel, P., & Konicki, D. (2007). Health and productivity as a business strategy. *Journal of Occupational and Environmental Medicine*, 49(7), 712–21. <http://doi.org/10.1097/JOM.0b013e318133a4be>
- Long, C. S., & Perumal, P. (2014). Examining the impact of human resource management practices on employees ' turnover intention. *International Journal of Business and Society*, 15(1), 111–126.
- Macduffie, J. P. (1995). Human resource bundles and manufacturing performance: Organizational logic and flexible production systems in the world auto industry. *Industrial and Labor Relations Review*, 48(2), 197–221. Retrieved from <http://www.jstor.org/stable/2524483>
- Magableh, I. K., Kharabsheh, R., & Al-Zubi, K. A. (2011). Determinants and impact of training: The case of SMEs in Jordan. *International Journal of Economics and Finance*, 3(5), 104–117. <http://doi.org/10.5539/ijef.v3n5p104>
- Marlow, S., Taylor, S., & Thompson, A. (2010). Informality and formality in medium-sized companies: contestation and synchronization. *British Journal of Management*, 21(4), 954–966. <http://doi.org/10.1111/j.1467-8551.2009.00635.x>
- Matlay, H. (2002a). Industrial relations in the SME sector of the British economy: an empirical perspective. *Journal of Small Business and Enterprise Development*, 9(3), 307–318. <http://doi.org/10.1108/14626000210438625>
- Matlay, H. (2002b). Industrial relations in the SMEs: Conceptual and contextual perspectives. *Journal of Small Business and Enterprise Development*, 9(3), 307–318. <http://doi.org/10.1108/14626000210438625>
- Miller, P., & Haslam, C. (2009). Why employers spend money on employee health: Interviews with occupational health and safety professionals from British Industry. *Safety Science*, 47(2), 163–169. <http://doi.org/10.1016/j.ssci.2008.04.001>

- Nadarajah, S., Kadiresan, V., Kumar, R., Kamil, N. N. A., & Yusoff, Y. M. (2012). The relationship of HR practices and job performance of academicians towards career development in Malaysian Private Higher Institutions. *Procedia - Social and Behavioral Sciences*, 57, 102–118. <http://doi.org/10.1016/j.sbspro.2012.09.1163>
- Patel, P. C., & Cardon, M. S. (2010). Adopting HRM practices and their effectiveness in Small firms facing product- market competition. *Human Resource Management*, 49(2), 265–290. <http://doi.org/10.1002/hrm>
- Pfeffer, J. (1998). Seven practices of successful organizations. *California Management Review*, 40(2), 96–124. <http://doi.org/10.2307/41165935>
- Rainnie, A. (1989). *Industrial relations in small firms: Small isn't beautiful (First)*. London: Routledge.
- Ram, M., Edwards, P., Gilman, M., & Arrowsmith, J. (2001). The dynamics of informality: employment relations in small firms and the effects of regulatory change. *Work, Employment and Society*, 15(4), 854–61.
- Razouk, A. A. (2011). High-performance work systems and performance of French small- and medium-sized enterprises: examining causal order. *The International Journal of Human Resource Management*, 22(2), 311–330. <http://doi.org/10.1080/09585192.2011.540157>
- Robertson, P. L. (2003). The role of training and skilled labour in the success of SMEs in developing economies. *Education + Training*, 45(8/9), 461–473. <http://doi.org/10.1108/00400910310508856>
- Schein, E. H. (2005). From brainwashing to organizational therapy: A conceptual and empirical journey in search of “systemic” health and a general model of change dynamics. A drama in five acts. *Organization Studies*, 27(2), 287–301. <http://doi.org/10.1177/0170840606061831>
- Sels, L., Winne, S. De, Delmotte, J., Maes, J., Faems, D., & Forrier, A. (2006). Linking HRM and small business performance: An examination of the impact of HRM intensity on the productivity and financial performance of small businesses. *Small Business Economics*, 26, 83–101. <http://doi.org/10.1007/s11187-004-6488-6>
- Sheehan, M. (2013). Human resource management and performance: Evidence from small and medium-sized firms. *International Small Business Journal*. <http://doi.org/10.1177/0266242612465454>
- Smallman, C., & John, G. (2001). British directors perspectives on the impact of health and safety on corporate performance, 38, 227–239.
- Snape, E., & Redman, T. (2010). HRM practices, organizational citizenship behaviour, and performance: A multi-level analysis. *Journal of Management Studies*, (November). <http://doi.org/10.1111/j.1467-6486.2009.00911.x>
- Tomczyk, D., Lee, J., & Winslow, E. (2013). Entrepreneurs' personal values, compensation and high growth firm performance. *Journal of Small Business Management*, 51(1), 66–82. <http://doi.org/10.1111/j.1540-627X.2012.00374.x>



- Townsend, K., & Wilkinson, A. (2014). Guest editor' note: Time to reconnect the silos? Similarities and differences in employment relations and human resources. *Human Resource Management*, 53(2), 203–210. <http://doi.org/10.1002/hrm>
- Tzafrir, S. S. (2006). A universalistic perspective for explaining the relationship between HRM practices and firm performance at different points in time. *Journal of Managerial Psychology*, 21(2), 109–130. <http://doi.org/10.1108/02683940610650730>
- Verreynne, M.-L., Parker, P., & Wilson, M. (2011). Employment systems in small firms: A multilevel analysis. *International Small Business Journal*, (July 2011). <http://doi.org/10.1177/0266242611401445>
- Vlachos, I. P. (2009). High-performance workplace practices for Greek companies. *EuroMed Journal of Business*, 4(1), 21–39. <http://doi.org/10.1108/14502190910956675>
- Wilkinson, A., & Fay, C. (2011). Guest editors' note: New times for employee voice? *Human Resource Management*, 50(1), 65–74. <http://doi.org/10.1002/hrm>
- Wong, C., Marshall, J. N., & Alderman, N. (1997). Management training in small and medium-sized enterprises : methodological and conceptual issues, (February).