Curtin Business School

An Exploratory Study of the Human Resource Climate Dimensions that Influence the Development of Workplace Friendships in the Australian Context

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DECLARATION

To the best of my knowledge and belief, this thesis contains no material previously published by any other person except where due acknowledgement has been made.

This thesis contains no material which has been accepted for the award of any other degree or diploma in any university.

Signature

Date 13th Nov 2014

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ABSTRACT

Interpersonal relationships are socially constructed entities which form a basis on which organisations operate. The task of understanding organisational processes, therefore, rests on examining the intricate relationships which exist within it. Consequently, the notion of workplace friendships (WFs) increasingly has risen in prominence and value within the realms of academia and business practice. However, despite the positive association that these ubiquitous workplace relationships have at individual and organisational levels, there is a lack of literature examining the determinants of the opportunity to develop and maintain WFs. Specifically, studies addressing the causal effect of HR climate on the opportunity and prevalence of WFs within the Australian context are limited. Accordingly, the purpose in this study was to examine the likely relationships between HR climate dimensions and WF opportunity and prevalence; viz., job autonomy, employee involvement, employee integration, emphasis on training, perceived levels of welfare and supervisory support.

To investigate empirically the effects of HR climate dimensions on WF opportunity and prevalence, a quantitative approach was used in the study. The positivistic approach was deemed a suitable method for statistically measuring the relationship between the investigated variables.

The study was conducted with 875 respondents across Australia. Given that WF is more prevalent at an operational level, particularly within the service industry, a salient feature of the participants in the study is that the respondents had to be operational staff members. In order to facilitate a comparative analysis of the affects of the variance of HR climate on WF opportunity and prevalence, respondents from the healthcare, banking/financial and government sectors represented the targeted sample population. Although there were disproportionate numbers of responses across the three business sectors, the data were considered sufficient and appropriate for statistical analysis.

Once the ordinal and categorical data were 'cleaned' and free of errors, they were subjected to a factor analysis as a data reduction technique followed by reliability and validity analyses to ensure internal consistency and reliability of the WF and HR Climate scales. Subsequently, a multiple regression was conducted to explore the predictive ability of the independent variables on the dependent variables. Following these analyses, an ANOVA was conducted to measure the HRM Climate dimension variables in each of the three business sectors. Finally, a multivariate analysis of variance (MANOVA) was conducted to assess the mean differences of the HRM climate dimensions across the WF opportunity and prevalence variables simultaneously.

Overall, the Hypotheses in the current study were supported by the findings which revealed that HR climate does indeed have an impact on WF opportunity and prevalence. Specifically, HR climate dimensions of job autonomy, supervisory support, employee involvement and emphasis on training heavily influence the opportunity to develop WFs. Similarly, the degree of supervisory support and the emphasis on training were found to have a substantially positive impact on WF prevalence. On the other hand, employee integration and perception of welfare had very little bearing on the opportunity to develop and maintain WFs. The results of the study indicated marginal variances in the HR climate across the banking/financial, health and government sectors. However, despite these marginal differences, the respondents from the government sector reported substantially greater opportunities to develop friendships, while those from the healthcare sector reported having considerably stronger WFs.

The implications in this study present insightful information on understanding of, and how to establish, a HR climate that is conducive to, and enhances, the development and maintenance of WFs within the banking/financial, healthcare and government sectors. For example, the study may be useful particularly for organisations representative of the banking/financial sector which seek to provide greater opportunities for WFs to initiate and strengthen social ties.

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CHAPTER 1

INTRODUCTION

1.1   Overview

Friendships are becoming increasingly important as human populations grow in number, mobility and communication resources (Garcia & Miranda 2008). In the organisational context, relationships are a fundamental form of social existence. Regardless of one's perspective on Workplace Friendship (WF), almost all employees would have experienced the relationship in one way or another; either by observing WFs, participating in them and/or being affected by friendships of other employees.

WFs develop in all types of organisations, at all hierarchical levels and between all types of employees (Bridge & Baxter 1992). Given the amount of time people spend interacting with others at work and the increasing use of project teams and work groups, workplace friendships are likely to develop; the phenomenon is reinforced by the increasing trend of employees to be more involved in the workplace and to work for more hours (Pocock 2001). However, despite the workplace being considered as the "main crucible for making friends" (Shellenbarger 2000: B1), it is less likely that employees will establish informal social networks in an organisation perceived as having a poor or negative human resources (HR) climate. Consequently, the current study was designed specifically to address WFs in terms of exploring the HR processes that affect such relationships.

Given that organisational climate is widely defined as the perception of formal and informal organisational policies, practices, procedures, routines and rewards (Kuenzi & Schminke 2009; Schneider 2000), it follows that human resource (HR) management practices and systems will play a fundamental role in determining climate perceptions (Bowen & Ostroff 2004) that will influence the opportunity and prevalence of WF.

The aim in this study was to discover the impact of HR practices on the development of WFs. With particular reference to the Australian context, the study was used to address the impact of HR climate dimensions on the development of WFs within the Service Industry; incorporating responses from the healthcare, banking/finance and government sectors.

In developing an empirically tested model of the relationship between HR climate and the development of WFs, an original insight into the effects of HR climate dimensions was provided on the opportunity and prevalence of WFs.

1.2 Background to this Study

The concept of Workplace Friendships has drawn attention from scholars since the 1930s as it has been found to provide both instrumental (Berman, West & Richter 2002) and emotional support (Kram & Isabella 1985). However, it is relatively recently that the concept of workplace relationships and their impact on organisational performance emerged (Sias 2009, Tse, Dasborough & Ashkanasy 2008; Morrison 2004; Markiewicz, Devine & Kausilas 2000; Nielson, Jex & Adams 2000) leading to increasing interest in the implications of workplace relationships.

The overarching key finding in WF research is that it serves as a fundamental aspect of the work experience for employees (Morrison 2009). WFs have been found to offer benefits to both the individual employee and the organisation as a whole. At the individual level, friendships at work have been found to increase an employee's job satisfaction, job involvement, organisational commitment, longevity, social support and community building by fostering shared values and experiences (Song &Olshfski 2008).

At the organisational level, workplace friendship increases institutional participation, motivates employees to better serve the organisation's purpose, establishes supportive and innovative climates and increases organisational productivity (Song & Olshfski 2008).

Given that an organisation's social environment and the HR management practice of developing an employee friendly work environment play a key role in enhancing organisational commitment (Paul & Ananthraman 2004), the value of WFs to organisational outcomes should not be taken lightly. This argument is supported further by the growing prominence of HR initiatives and practices which have led to the greater acceptance of HR taking on the role of a strategic business partner and having a key influence on the overall climate of the organisation (Chew & Chan 2007). Therefore, developing a friendly and socially supportive climate is of importance to managing human resources as these positive environments are related to employee outcomes such as commitment (Morrison 2009; Ellingwood 2001), job satisfaction, intention to leave and cohesion (Morrison 2009). As such, surveying the organisational climate not only enables the evaluation of HR strategies, but also strengthens the perception of HR as a strategic business partner.

Despite the increasing number of studies and the associated positive outcomes of workplace friendships, very little research has examined the role of informal relationships as they relate to organisational climate and even fewer have delved into organisational climate as an antecedent that can predict WF (Sias 2005; Nielson et al. 2000; Sias & Cahill 1998). The predominance of literature on social interaction within the workplace revolves around formal organisational dyads such as supervisor-subordinate (LMX and TMX theory) (Tse, et al. 2008) and mentor/protégé (Kamdar & Dyne 2007; Wanberg, Welsh & Kammeyer-Mueller 2007; Vecchio & Bullis 2001; Sias & Jablin, 1995). Consequently, there has been a gap in the research specifically addressing HR dimensions that had an impact on the opportunity and prevalence of WF. The outcome in this study has facilitated the better prediction of WF opportunities and prevalence based on employees' perception of the HR climate dimensions within their respective organisations.

Past research has suggested that the quality of an organisations' social environment is a product of the organisational management and human resource practices (Simons & Roberson, 2003; Ostroff, Kinicki & Clark, 2002; Ostroff & Bowen, 2000). In light of such findings, the current study was used specifically to explore the human resource climate dimensions on the opportunity and prevalence of WFs. The

outcomes of the research will assist organisations and scholars in understanding the impact of perceived job autonomy, employee integration, level of involvement in decision-making, supervisory support, the organisations' perceived demonstration of employee welfare and the degree of sophistication in training programs offered on WFs.

HR climate dimensions such as job autonomy, involvement in decision making and cross-functional employee integration manifest in job attributes as they influence the level of social interaction or dependency an employee might have with fellow colleagues. This concept is reinforced by the employees' needs for maintaining frequent interactions with the same people in a relatively enduring, stable environment (Baumeister & Leary 1995) which implies that a highly autonomous job, centralised decision-making and low cross-functional integration, potentially, could lead to social isolation which could impede WF opportunity and the strength of friendships.

In addition, HR climate dimensions such as the level of supervisory support, the provision of sophisticated training programs and the demonstration of concern over employee welfare reflect the extent to which an organisation emphasises the importance of employee development and satisfaction; a view reinforced by Patterson, West, Shackleton, Dawson, Lawthom, Maitlis, Robinson and Wallace (2005) who claim that a positive organisational climate is created when HR practices and policies are designed to encourage mentoring relationships and supervisors to be friendly, approachable and understanding of their staff. Gill and Mathur (2007) add that designing sophisticated training and development programs demonstrates an organisation's concern for developing employees' skills which, in turn, is associated with pro-social organisations. It follows, therefore, that these positive organisational climates and pro-social characteristics, in turn, would provide conducive work environments for WF opportunity and prevalence to flourish.

The phenomenon of workplace friendships was examined in the current study within the Service Industry, specifically focussing on organisations in the healthcare, banking/finance and government business sectors. A comparative study was

undertaken, then, to compare the opportunity and prevalence of workplace friendships in each of the participating organisations.

1.3 Research Objectives

It is critical that the objectives, intent and major idea of a study are clearly defined (Creswell 2003). Several authors share this sentiment and stress the importance of defining a research problem with claims that it is a critical preliminary step in the research process (Kothari 2006; Kumar 2005). The research problem, then, should be examined more precisely in the hypotheses which act as a boundary around the research (Perry 1994).

The majority of research in workplace relationships is grounded in positivism and, therefore, relies predominantly on self-report survey data to test hypotheses and examine research questions (Sias 2009). Similarly, the objectives in this study are aligned with a positivistic approach in order to investigate the implications of HR climate dimensions on WF opportunity and prevalence. The current study utilises pre-existing tools to test and measure the hypothesised relationship between HR climate dimensions and WF opportunity and prevalence. These tools have been validated and proven reliable in earlier insightful studies on WF and Organisational Human Resource Climate. The aim of this study is aligned with the quantitative methodological approach which involves "the formulation of a hypothesis and the collection of numerical data to test this hypothesis" (Mukherji & Albon 2010:11). The quantitative methodology adopted to test the hypotheses in this study is considered to share the philosophical foundation of the positivist paradigm (Weaver & Olsen 2006). The "deterministic philosophy in which causes probably determine effects or outcomes" (Creswell 2003:7) is the underpinning principle of the positivist paradigm which is reflected in the assumptions presented in this study.

Given that the research was aimed primarily at exploring the HR climate dimensions that influence the development of WFs, the research questions were designed to address and investigate the relationship between the two concepts of opportunity and

prevalence. In an attempt to explore the relationship between HR climate dimensions and WF, multiple organisations appearing to have diverse HR climates within the service industry participated in the survey.

The study was designed to achieve the following objectives;

- To examine the relationship between HR climate dimensions and WF opportunity and prevalence.
- To identify the impact of HR climate dimensions on WF opportunity and prevalence.
- To compare the WF opportunity and prevalence between different business sectors.
- Describe the predominant HR climate dimensions that have a positive impact on WF opportunity and prevalence in the participating organisations within the different business sectors.

In order to achieve the research objectives, the major research question was;

- *In what ways do organisational HR climate dimensions affect WF opportunity and prevalence in the three business sectors?*

The following minor research questions addressed and complemented the major research question and objectives;

- *Is there a relationship between HR climate and WF opportunity and prevalence?*
- *How do HR climate dimensions affect WF opportunity and prevalence?*
- *Is there a variation in WF opportunity and prevalence in the participating organisations?*

1.4 Research Method and Design

Given that the purpose for the study was focussed on examining and explaining "relationships between variables, in particular cause-and-effect relationships"

(Saunders, Lewis & Thornhill, 2007:356), the research design was one that adopted a positivist ontology, empirical epistemology and quantitative methodology.

The design for the study was framed and conducted at the individual level of analysis. Arthur and Boyles (2007:8) argue that this level of analysis is suitable given that HR practices and climate components are theorised as emanating at the individual level and manifesting at the organisational level. Furthermore, friendships are experienced at a personal and individual level, thereby providing further support for this level of analysis.

Multivariate dependence techniques were adopted to facilitate the analysis of the raw data as they satisfied the objective of the study which aimed to assess the level of dependency of each of the variables identified as the WF opportunity and prevalence, on the HR climate dimensions, identified as the independent variables.

Allen and Bennet (2008) support the use of these techniques when the objective is to explore the degree of dependency of multiple dependent variables against independent variables. These techniques were chosen also based on the number and nature of the independent and dependent variables.

The research was conducted in the following stages;

1. *Literature review* - involved a literature review that consolidated the research on WF and HR climate thereby facilitating the identification of gaps in the study of predictors of WFs and the outcomes of HR climates.

2. *Data collection and verification* - Given the efficiency in data collection, widespread reach and access to a potentially large pool of respondents (Van Selm & Jankowski 2006), a web-based survey was emailed to participants in the current study. Therefore, as a prerequisite for inclusion in the study, participants needed to have an internet connection. The choice of distribution tool is supported by Gosling, Vazire, Srivastava and John (2004) who claim that online sampling is reliable, relevant, justified and offers greater

participant anonymity. Participants in this study were recruited using an online panel (OP) with a self-selection technique. An OP is a "pool of readily available participants for different kinds of studies" (Joinson, McKenna & Reips 2007: 473) and is considered to be an increasingly common means of recruiting survey participants (Joinson et al. 2007; Stanton & Weiss 2002). Stanton and Weiss (2002: 3) claim that using an OP serves as a "reliable participant recruiting resource for primary researchers". This recruitment technique was engaged predominantly because the researcher did not have personal access to the large number of respondents required to satisfy the study. Although the approach offers time efficiency, it presents a risk associated with the inability to ascertain response rates and lack of control over who responds to the survey (Stanton & Weiss 2002). However, the challenges were mitigated by ensuring that the chosen panel provider had access to a large OP that could serve as the sampling frame. The panel provider disclosed that they have access to "over 3000 Australian panellists" (S. Kippenberger, personal communication September 27, 2013). In the current study the use of a reliable online survey tool was adopted, Qualtrics, whereby respondent anonymity was achieved by disabling the ISP address function. In order to conduct web-based self-selection techniques successfully, participants first need to be made aware of the existence of the survey and the associated web link (Bethlehem 2009). Once the survey tool and web link were constructed, it was emailed to the panel provider who then disseminated the email and web link to 3256 panellists. Adopting Kittleson's (1997) claims of expectations for 25% to 30% response rate justified the distribution of 3256 surveys as this was likely to meet the collection requirement of 900 surveys for the study. Respondents were emailed the details of the study and given the option of partaking in the survey.

3. *Data reduction* - involved a series of quantitative multivariate dependence techniques to quantify, interpret and measure the strength of the relationship between the WF variables and the HR climate dimensions. Statistical Package for the Social Sciences (SPSS©) was used to facilitate the preparation, analysis and presentation of the raw data collected.

i. A reliability analysis was conducted first in order to generate Cronbach's alpha that was used to determine the internal consistency and reliability of both the WF and HR climate scale.

ii. A factor analysis was performed subsequently to assess if the items on the HR climate scale measured separate and distinct aspects. This process facilitated the decision as to how and whether the HR scale had to be clustered further.

iii. A multiple regression was conducted, then, to assess simultaneously the correlation between each of the dependent variables, WF opportunity and prevalence, against the HR climate dimensions. This technique facilitated the analysis of the direction, strength and significance between each set of variables.

iv. Following this, an ANOVA was performed to identify the HR climate dimension variations in each of the participating organisations.

v. A MANOVA was performed, then, in order to test the mean differences of the HR climate dimensions among the participating organisations across the WF opportunity and prevalence variables simultaneously.

4. *Data display* – the data analysis was presented in tabular form, which allowed the results of the multiple response questions to be condensed and displayed in a concise manner.

5. *Conclusions* – the results from the participating organisations were examined, analysed and compared against each other in order to:

i. assess the relationship between the HR climate dimensions and the WF opportunity and prevalence;

ii. identify the impact of the HR climate dimensions on WF opportunity and prevalence;

iii. ascertain the predominant HR climate dimensions that have a positive impact on WF opportunity and prevalence in the participating organisations and

iv. compare the WF opportunity and prevalence among the participating organisations.

The questionnaires were not administered to individuals at the senior management level as it was considered that workplace friendships are more predominant at operational levels of an organisation (Morrison & Nolan 2009; Mao 2006; Louis, Posner & Powell 1983) and it was these employees' perception of the HR climate that was the focus of the study.

Organisations representative of three business sectors within the Service Industry, viz., healthcare, banking/finance and government, were asked to participate in an online survey. The business sectors were chosen on the basis of appearing to demonstrate diverse HR climates, thereby facilitating the inference and comparison of WF opportunities and prevalence across the different sectors.

Given that the main focus in the study was on positive friendships in the workplace, the scale developed by Nielson et al. (2000) was used for measuring workplace friendship because it distinguishes positive from negative friendships. The construct used to measure the HR climate dimensions was the HR domain subscale from the Organisational Climate Measure developed by Patterson et al. (2005). Both constructs have been used in numerous studies and have proven to be both reliable and valid research instruments. Despite this, the instruments were first distributed to a pilot group of participants in order to prove the face validity within the context of the current study. The pilot group of participants was comprised of staff members from a tertiary education institution.

1.5 Significance of the Study

It was anticipated that the study of the relationship between an organisation's HR climate and its influence on WFs could be used to:

- inform academics in the field of social and organisational behavioural sciences.

- guide practitioners who wished to consider the impact of HR initiatives on WF to the organisations' bottom line. According to L'Abate (2007), the positive outcomes of these WFs, in turn, could be used as a low cost means of eliciting commitment and staff retention.

- present a model for local management and HR practitioners that facilitated better prediction of organisational outcomes based on the HR decisions that exert indirect influence by enhancing or depressing the work climate. Understanding this phenomenon will assist HR practitioners to better understand employee behaviour and manipulate organisational outcomes to some degree by indicating possible HR policies and procedures to influence desired HR climates and business outcomes.

Despite WFs increasingly being recognised as a crucial element in the informal structure of organisations (Nielson et al. 2000; Riordan & Griffeth, 1995; Krackhardt & Stern, 1988), there is a lack of research into the organisational antecedents that predict WFs (Sias 2005; Nielson et al. 2000; Sias & Cahill 1998). Therefore, the current study adds to the current knowledge and literature of WFs by identifying the impact of HR climate dimensions as an antecedent of WFs. Furthermore, in exploring employees' experiences of HR practices, the research adds to the steadily growing body of work that sheds light on the ways in which employees respond to HR practices and the interventions that are necessary to translate HR policies into outcomes of relevance to employees and organisations.

1.6 Scope and Limitations

The intention in the study was to examine the relationship between HR climate dimensions and WF opportunity and prevalence. The participants were selected based on their hierarchical position within the organisation and a survey administered to full-time operational staff members within the Service Industry in the Australian context. As such, the prerequisite for inclusion in the study was that participants had to have internet access in order to complete the survey. The online questionnaires

were administered to operational staff members as it was considered that WF is more predominant at the operational level due to the similarity in work context and organisational level (Mao, 2006; Boyd & Taylor, 1998; Sias & Cahill, 1998;). Despite the increasing emergence of research on WFs, the lack of research addressing HR climate to WFs required a review of the general literature of WFs. While every effort was made to locate relevant literature, there may be unpublished studies or research that was published in a foreign language and was not available to the researcher. As with all research, the current study involved a number of limitations that needed to be acknowledged and considered. The following points were noted;

- The nature of the study focussed on employee perceptions and not behaviours. It is therefore possible that an individual has a small number of friends in the workplace but perceived a greater number of friendships, and the opposite also could hold true. Similarly, employee perceptions of HR climate can be considered subjective. Participants in the study were sourced from operational levels of the three business sectors within the Service Industry. Due to the hierarchical levels within each organisation, the response from individuals could have been an opportunity to air grievances toward management otherwise unrelated to HR policies and practices. Nevertheless, self-reported data was deemed appropriate for the purpose of the study as Sias et al. (2003) supports the notion that individuals are most accurate in generating memories of their own experiences.

- The use of a single research design strategy also can be considered to be a limitation as Creswell and Clark (2007) argue that the use of a mixed method approach increases the comprehensiveness of overall findings more than using a single design strategy. However, given that the instruments used in this study are pre-existing scales that have been proven to be both valid and reliable, as demonstrated in Bandy's (1995) previous studies and the pilot study administered in the current study, the rigour of the study was not compromised.

1.7 Overview of the thesis

The presentation of the research study is divided into 5 chapters. Chapter 1 provides a general introduction and overview to workplace friendships, identifying them as a phenomenon of interest and importance to both scholars and practitioners. The chapter presents the overarching importance of WFs, the benefits these ubiquitous relationships offer and the literature that supports the area of study. Subsequently, the research gap was identified as a lack of literature on establishing the antecedents to WFs. The chapter also examines the role that HR climate plays in developing a pro-social work environment. Given the key role that WFs play, particularly in the service sector (Bandy 1995), three business sectors appearing to demonstrate traditionally diverse HR climates were selected for examination in order to facilitate a comparative analysis of the impact of HR climate on the opportunity to develop and maintain WFs. Traditionally, the HR climate in the government and banking/financial services sectors is perceived to be bureaucratic, administrative and centralised (Wright & Davis 2003) thereby offering a weak HR climate for WFs to develop and flourish. On the other hand, the HR climate in the healthcare sector is considered to be characterised by high levels of employee participation, involvement and empowerment (Rondeau & Wagar 2001) and therefore associated with a conducive workplace environment that nurtures the development and maintenance of WFs. This notion prompted the development of the major research question and hypotheses which support the overarching aims and objectives in the current study.

Chapter 2 provides the conceptual foundation for the study through a review of literature on workplace friendships, relationships in organisations and the existing research on workplace friendship. The discussion in this chapter presents the different types of workplace relationships and aims to highlight the key factors which delineate WFs from other relationships. The literature review examines extant WFs studies and presents the current findings with regards to the antecedents of WFs and its relationship with HR climate. As a result of the review, gaps in the literature with regards to antecedents of WFs were identified.   This facilitated the formulation of the main research question which guided the quantitative nature of data collection.

Chapter 3 describes the quantitative study, including the research sample, methodology and variable measures. Given that the current study has been designed to test a set of predetermined hypotheses and to examine the existence of a co-relational effect, a deductive and positivistic experimental approach was adopted. The major research questions, research model and pilot study results also are presented.

A description and analysis of each case, together with the description of the quantitative data, are presented in Chapter 4. The discussion in this chapter presents the statistical tests employed to evaluate the data; viz., factor analysis, reliability analysis, regression analysis, ANOVA and MANOVA. Subsequent to the descriptive statistics illustrating the normality and suitability of the data, the validity and reliability of the construct were verified. Consequently, all the proposed variables from the original scales were retained for further parametric statistical analysis. ANOVAs were conducted to test the hypotheses and assess the relationship between HR climate dimensions and WF opportunity and prevalence. All the Hypotheses were supported and, subsequently, a MANOVA was conducted to assess differences in WFs across the three business sectors. The findings in the study illustrate that there is little variance in HR climate across the three business sectors examined. Among the three business sectors examined, it was found that the government sector displayed the highest degree of opportunity to develop WFs while the healthcare sector demonstrated the strongest WFs.

Chapter 5 provides an integrated discussion of findings in the study. Implications of the research findings for theory and practice, as well as limitations and directions for future research, are presented. The discussion offers an explanation for the findings of the WFs in the three business sectors. Although there are marginal differences between the HR climates in the three business sectors, there are considerable differences in the WF opportunity and prevalence. One possible explanation for the marginal differences in HR climate is the trend for contemporary organisations to adopt converging HR practices. Recommendations are presented on how the healthcare sector could offer greater opportunities for the development of WFs. Suggestions on strengthening WFs are also presented for the government sector. The

findings and literature suggest that, although there are converging HR practices, the banking/financial services sector is characterised by highly competitive values that inhibit the opportunity for WFs to develop and be maintained.

CHAPTER 2
LITERATURE REVIEW

2.1 Introduction

Organisations have been considered to be comprised of intricate systems of relationships (Wheatley 2001; Sias & Perry 2004) that form their fundamental social existence. Given the amount of time people spend interacting with others at work, the increasing use of project teams and work groups, workplace friendships are likely to develop; the phenomenon is reinforced by the increasing trend of employees to spend more hours in the workplace (Pocock 2001). Compared to the OECD counterparts, the average working hours of a full-time employee in Australia have steadily been getting longer since the early 1980s (Campbell 2002). In addition, the distribution of time between work and leisure reflects an imbalance of a higher proportion of time spent at work than in leisure (Jacobs & Gerson 2001). Communication and interaction between employees is not confined to departments, hierarchical levels or roles as the number and variety of relationships range from peer to coworker relations at one end of the continuum to best friends at the other (Sias et al. 2003) Further to this, the "relatively recent shifts in the demography of the family, domestic life and the economic locations of men and women" (Rumens, 2010:135) have contributed to the critical role that friendship plays as a supportive personal relationship (Allan 2008). As a result, increasingly the workplace is becoming a significant venue for social connection and friendship.

Peer relationships at work are considered to be a primary means by which organisational socialisation transpires (Kramer 2010). The information disseminated from peers assists in understanding the organisational environment and facilitates learning task and social information (Kramer 2010). In addition, employees consider social interaction with colleagues a highly valued job aspect that acts as a key determinant of job satisfaction (Dur & Sol 2008). Similarly, organisations facing the challenges of the current economic climate recognise the benefits of these

relationships as workplace competition and rivalry are being replaced by teamwork and support for camaraderie (Anonymous 2010).

As a consequence of the current economic climate, contemporary organisations are faced with challenges that include a rapidly changing economic environment, changing customer and investor demands and an ever-increasing product-market competition. In order to survive and compete successfully, an organisation is partially dependent on the effort, behaviours and interactions of employees to accomplish the firm's mission and strategy (Collins & Smith 2006; Rahim 2007). Thus, the fundamental issue that organisations must resolve involves developing and implementing HR practices that best facilitate organisational performance and a competitive edge. The perception of friendship ties within the workplace is a critical aspect of the human relations system as friendships among employees can result in increased interaction, communication, trust, respect, cooperation, growth, development, support, energy and security; all of which can influence work-related attitudes and behaviours (Sias et al. 2003). Given that organisational climate is widely defined as the perception of formal and informal organisational policies, practices, procedures, routines and rewards (Kuenzi & Schminke 2009; Schneider 2000), it follows that HR practices and systems will play a fundamental role in determining climate perceptions (Bowen & Ostroff 2004) that will influence the opportunity and prevalence of WF.

The concept of WF has been studied from the psychology, sociology and management research perspectives and has been scrutinised under a variety of topics which include social networks (e.g. Oh, Chung & Labianca 2004; Labianca & Brass 2006), social capital (e.g. Seibert, Kramer & Liden 2001; Alexopoulos & Monks 2004; Bandiera, Barankay & Rasul 2008) and human capital (e.g., informal networks, expressive networks, informal communication, informal relationships and informal behaviour (e.g. Lengnick-Hall & Lengnick-Hall 2003). A great deal of research attention on WF has addressed three primary aspects; the functions of WF, the developmental processes associated with WF and the outcome consequences of WF (Sias, 2009). Despite the increasing academic interest in the phenomena of WF and the extant literature addressing the antecedents of WF, very little scholarly

attention has been directed at exploring the HR climate as a predictor of these unique relationships. In this chapter existing research is highlighted on WF that has contributed to the conceptual foundation for the ensuing discussion presented in the current study.

The chapter begins with an introduction to the concept of WF, followed by a theoretical framework that has shaped the phenomenon. The chapter also offers an overview of the extant literature in relation to the antecedents of WF. Following this, the discussion is extended to include an outline of HR climate, addressing the conceptualisation and application of HR climate to WF and its organisational outcomes. Finally, the discussion is concluded with the presentation of the theoretical model derived from extant literature and used as a basis for the current study.

2.2 The Concept of Friendship

2.2.1 Definitions of Friendship

Despite the ubiquitous nature of friendship relationships, there is no one agreed definition. A friend has been described as someone with whom one experiences ongoing mutuality and resonance (Morrison & Nolan 2009), with the relationship characterised by having shared values and mutual respect (Berman et al. 2002). Friendship also has been described as a social bond in which participants have a regular and strong influence over each other's behaviour (Felmlee & Sprecher 2000).

Although there is a lack of institutionalisation of the term 'friendship', scholars have made several common assumptions about such relationships; they are voluntary (Wright 2006), exist outside of legal and formal control and they are not related by blood (Grey & Sturdy 2007). In general, the concept of friendships has been explained using terms which include; voluntary, supportive (Doyle & Smith 2002) intimate, unromantic, committed and respectful (Monsour 2002; Webster & Carter 2007). These communal relationships (Spencer & Pahl 2006) are considered to have a personal focus, as friends respond to each other as unique individuals (Sias 2009).

Pahl (2002) posits that the lack of consensus on the meaning of a friend is due to the relational term that signifies the quality of interaction between different people. Slomp (2007) reiterates this notion with the argument that the definition of friendship is dependent on the "ideological bent and historical context of the person who attempts to define it" (Slomp 2007: 200). Grey and Sturdy (2007), on the other hand, associate the difficulty in defining friendship within the Western context with the "series of shifts and transformations" (Grey & Sturdy 2007 : 160) that these relationships have undergone, much of which has been influenced by urbanisation and the rise of an "instrumentalised economic sphere" (Grey & Sturdy 2007: 160). The challenge of delineating these unique relationships also has extended to the workplace arena where they are considered to be vague, ambiguous and multifaceted (Song & Olshfski 2008).

2.2.2 The importance of Friendship

The importance of friendship was well established in ancient times, with the Greek philosopher Epicurus who observed that "of all the things that wisdom provides to help live one's life in happiness, the greatest by far is the possession of friendship" (cited in Hecht 2007: 181). Evidence of the importance of this concept is further supported by Aristotle who viewed friendships to revolve around the concepts of utility, pleasure and goodness (Spencer & Pahl 2006). Nevertheless, Brooke (2007) warns of the negative implications of friendships based on utility or pleasure being mistaken for those based on goodness. Aristotle's views on friendship also advocated the issue of equality which excluded the possibility of friendship between rulers and the ruled (Berman, et al. 2002). The importance of friendship was also stressed by Cicero, a Roman statesman and orator, proclaiming that virtue, is the basis of friendship (Cicero n.d.: Section 27).

The concept of friendships began to transform as industrialisation and commercialisation influenced the development of relationships resulting from long working hours and changing work conditions (Smith 1759; 1776). The notion of friendship, which was classically characterised by "face-to-face and largely convivial

relationships" (Doyle & Smith 2002:7) began to be replaced by relationships that were characterised by being competitive, anonymous and impersonal in nature. This increasingly changing form of how relationships were established, developed and maintained brought about the need to address the social paradigm existent in workplace relationships.

2.3 The Concept of Workplace Friendship

Although workplace relationships share characteristics with non-work friendships in as much as they are "based on the presumption of progression and continuity, they imply certain role expectations and they can be multidimensional" (Smith & Wilson 2010: 137), they differ in terms of their function, development, deterioration and consequences (Smith & Wilson 2010).

The workplace is an environment in which individuals work in close proximity and often require interdependence with one another in order to accomplish tasks. WF can both hinder and facilitate organisational functioning (Morrison 2004) as these relationships are considered to play a critical role in the management process in as much as they have the capacity to influence managerial control (Grey & Sturdy 2007). Characteristically, the relationships are open, informal and demonstrate a level of inclusiveness (Berman et al. 2002). Such characteristics increasingly are reflected in modern management strategies (Berman et al. 2002) with WFs now being considered as a reflection of "how individuals operate in teams and organisations as a whole" (Dickie, 2009: 135).

WFs are unique from other workplace relationships as they are considered to be voluntary (Sias, 2009) and adopt a personal focus that, characteristically, is lacking in other workplace relationships (Sias 2009). Unlike other workplace relationships, WFs are not imposed nor are they bound by formal roles created for organisational or work-related benefits (Mao 2006). Activities such as information sharing and providing support extend beyond the role of that required by formal organisational positions (Fine 1986; Sias 2005). Further to this, workplace friends voluntarily spend

more time with each other than is required by the organisation (Sias & Cahill 1998) and the relationship is characterised by individuals communicating and understanding one another beyond that of a work role occupant (Sias & Cahill 1998). As such, given the level of intimacy, honesty and depth of these relationships, it is conceivable that the boundaries between co-worker and friend roles are blurred (Bridge & Baxter 1992; Marks 1994).

WFs are considered to be reciprocal and equal in nature (Morrison & Nolan 2007) where shared collegial support is reflected through interpersonal interactions (Berman et al. 2002). These defining characteristics of WF transcend formal responsibilities and hierarchical boundaries and distinguish WF from other dyadic organisational relationships such as those exhibited in supervisor-subordinate or mentor-protégé relationships (Morrison 2004).

Within the work context, there are two crucial factors that affect friendships; the opportunity and prevalence of the relationships. Barley and Kunda (2001) indicate that the availability of interaction in the workplace is a fundamental dimension that affects friendship as it facilitates the sharing and provision of support through collegial interactions. Further to this, Smith and Wilson (2010) claim that workplace contextual factors such as culture can influence the level of interaction which, in turn, either can encourage a friendly work environment or be one that fosters "uniplex relationships" (Smith & Wilson 2010 : 137). Nielson et al. (2000) contend that examining existing friendships at work is just as critical when studying these relationships. Barsness, Diekman and Seidel (2005) support this view with the argument that interpersonal behaviour is associated with the quality of interaction between individuals. The notion is reiterated by Sias (2005) who states further that the quality of relationships in the workplace presents critical consequence for employees. Therefore, the availability of friendship manifests as the opportunity that organisations present for friendships to develop while existing friendships are examined through the prevalence of the relationships.

Empirical studies (Riordan & Griffeth 1995) have established a positive and direct relationship between perceived friendship opportunities and fundamental work

related outcomes such as job satisfaction and job involvement. In addition, Winstead, Derlega, Montgomery and Pilkington (1995) discovered the positive correlation between the quality of friendships and job satisfaction. Taken together, these findings demonstrate that the opportunity and strength of friendships are positively associated with individual and organisational outcomes and, therefore, are significant and relevant to HR practice.

The positive individual and organisational implications of WFs have led to these relationships being conceptualised increasingly as important forms of 'capital' (Alexopoulos & Monks 2004; Bandiera, Barankay & Rasul 2008) and are even perceived as a form of sustainable organisational competitive advantage if HR is able to ensure that talent is "embedded in networks of relationships that are difficult for competitors to observe, understand or imitate" (Lengnick-Hall & Lengnick-Hall 2003 : 53).

2.4 The Importance of Workplace Friendships

Informal relationships between employees in the workplace have the capacity, potentially, to hinder or facilitate organisational operations and, therefore, are considered a "key element in the informal structure of an organisation" (Morrison 2004: 5). Despite the view that befriending co-workers can be dangerous and potentially harmful to productivity (Morrison 2008; Sias 2009), these adverse perceptions are exiguous and outnumbered by empirical research that has discovered favourable organisational and employee implications (Morrison 2004). There is an increasing acceptance of these unique relationships being conceptualised as a form of 'capital' resources for both the individuals and the organisation. Therefore, the magnitude of influence that these structural units have on individual and organisational outcomes and performance should not be underestimated.

Given that these informal relationships "offer significant and rewarding benefits to individuals" (Morrison 2004: 5) and are considered to offer both instrumental (Berman et al. 2002) and emotional support (Morrison & Nolan 2009), it is not

surprising that they serve as a fundamental aspect of the work experience for employees (Morrison 2009). In addition to WF serving as a form of intrinsic reward (Sias & Cahill 1998) for employees, it also acts as an important source of information and support (Morrison & Nolan 2009) by easing work-related stress and preventing employee burnout (Sias & Bartoo 2007).

WF has been associated with increased communication, support (Gordon & Hartman 2009), trust (Sias et al. 2004), respect, cooperation (Morrison 2008), growth (Mao 2006), development (Sias et al. 2003), energy (Dutton & Ragins 2007) and security (Morrison 2004). Further to this, friendship opportunity and prevalence have been associated with job satisfaction and increased levels of commitment (Nielson et al. 2000). In turn, these positive employee-level outcomes have favourable ramifications on organisational outcomes and performance.

At the organisational level, WFs have been associated with reducing turnover, improving morale and increased levels of creativity and innovation (Sias 2009). In addition, WFs play a fundamental role in managing, implementing and facilitating organisational change, primarily due to the trust and cohesiveness that are characteristic of the relationships (McGrath & Krackhardt 2003; Kahn, Cross & Parker 2003).

2.5 Types of Workplace Relationships

2.5.1 High Quality Connections

High-quality connections theory is one that stems from the positive organisational scholarship paradigm and postulates that the quality of connections among those internal and related to the organisation is a powerful factor that can influence both individual and organisational outcomes (Dutton 2003; Dutton & Heaphy 2003). Similar to WF, these high-quality connections are characterised by trust, positive regard and mutuality (Dutton & Heaphy, 2003). However, contrary to WF, these high-quality connections are not necessarily enduring recurring bonds that are stable,

intimate or have a personal focus (Dutton & Heaphy 2003). Nevertheless, although high-quality connections share some of the characteristics of WF, it is reasonable to conceptualise WF as a specific type of high-quality connection; thereby necessitating independent examination of the WF.

2.5.2 Supervisor-subordinate friendships

WFs develop among all types of employees in varying occupations, at different hierarchical levels and are experienced either by co-workers participating, observing or being affected by the relationships (Sias 2009). The literature addressing the development of WF predominantly has been in relation to supervisor-subordinate relationships focussing on the dyadic relationship between a mentor and protégé (Sias 2009).

The literature addressing the relationships, typically, has focussed on the career and psychological support provided by the mentoring relationships and the impact of mentor-specific factors on protégés' attitudes, satisfaction and perceived support received (Ragins & Cotton 1999; Ragins, Cotton & Miller 2000).

Liden, Sparrowe and Wayne's (1997) model claims that supervisors and subordinates who share a common relationship with a third party in the organisational social networks are more likely to develop friendships than those without common social contacts. In summary, the organisational contextual factors that drive the development of supervisor-subordinate friendships are the physical organisational design that facilitates frequent interactions and the proximity of the locations where work is conducted.

Boyd and Taylor's (1998) 4-stage model of friendship development between supervisors and subordinates adds to Liden et al.'s (1997) research. This model, grounded in LMX (Leader-Member Exchange) theory, suggests that friendship development between supervisors and subordinates is facilitated by the perception of attitudinal and demographic similarity, the closeness of work proximity and the high frequency of interaction (Graen & Uhl-Bien 1995). Although the model contributes

to the understanding of factors that facilitate the development of friendships between supervisor and subordinate, the model fails to address the dimensions that propel the development of relationships beyond Stage 1. However, it is suggested by Sias (2009) that, most likely, contributing factors would be those that apply to the development of LMX relationships and include "the employee's ability, personality, similarity and communication patterns" (Sias 2009: 100).

Research that examines developmental relationships helps to shed light on understanding how senior level work-related relationships can develop into friendships with junior organisational members. However, it should be noted that the predominance of friendships that exist within organisations are those between employees at the lower levels in an organisation (Mao 2006). Factors such as equality, reciprocity (Berman, et al. 2002), the voluntary nature of friendships, expectations (Gordon & Hartman 2009) and degree of formality (Grey & Sturdy 2007) differentiate WF from developmental relationships. In addition, in contrast to mentor-protégé relationships that can occur outside a single organisation, WF is a relationship that develops between individuals in the same organisation.

Although knowledge of the different types of workplace relationships helps to contribute to an understanding of WF, it also highlights the importance of examining these unique social relationships independently from other, affiliated constructs.

2.5.3 Peer Workplace Friendships

There are three primary stages that reflect the development phases of peer WF; acquaintance with friend, friend to close friend and close friend to (almost) best friend (Sias 2009). These three transitional phases are not experienced in all WFs. In fact, Sias (2009) claims that very few friendships extend to the closest level of friendship due to the time and effort required to be invested in order to attain and maintain these relationships. The development of peer WFs are influenced by three main types of developmental factors; individual, interactional and workplace contextual factors. According to Sias and Cahill (2009), individual and contextual factors contribute to the transition of peer relationships into friendships. Specifically,

friendships develop between individuals perceived to be demographically or attitudinally similar, who work in close proximity and/or share tasks in a friendship-enhancing work culture and climate (Feely, Hwang & Barnett 2008).

2.6 The Antecedents of Workplace Friendships

2.6.1 Individual Developmental Factors

The individual-level factors that impact on the development of WFs are ones that emanate from the individuals in the relationship and include personality, perceived similarity (e.g. McPherson, Smith-Lovin & Cook 2001), gender (e.g. Markiewicz, et al. 2000), national culture (Sias et al. 2008) , task and the hierarchical position (Mao 2006) within an organisation. Although these individual-level factors influence the development of WF, the relationships do not exist in isolation from the work environment. The context in which relationships are given the opportunity to develop and encouraged to flourish plays an essential role in determining friendships in the workplace.

2.6.2 Workplace Context Developmental Factors

The nature of the work environment plays a critical role in defining the nature of the friendship network within an organisation (Sias 2009). Given that situational and external factors influence the development of WF (Sias 2009), these relationships should not be studied in isolation from their context. The workplace environment operates as a 'container' for these relationships and bears a significant impact on the development of friendships. Organisational structure, culture (Lin 2010) and leadership (Tse et al. 2008) are among the factors found to influence and distinguish the development and content of these relationships from other extra-organisational friendships.

The more proximal co-workers are to each other, the more opportunity this presents for interaction, thereby increasing the likelihood of friendship developing and

flourishing (Gordon & Hartman 2009). Sias (2009) and Sias and Gallagher (2009) elaborate further and indicate that close proximity coupled with shared tasks contribute significantly to the development of friendships in the workplace. Highly interdependent jobs that are designed to invite and encourage participation from co-workers (Berman et al. 2002; Sias 2009) enhance the development of WF as they facilitate employee interaction. In summary, the degree of autonomy and participation provided in a job influences the opportunity for WF to develop and flourish.

Central to the issues of proximity and frequency of interaction between co-workers, is the impact of new communication technologies on WF (Sias 2009). The adoption of sophisticated communication technologies has an impact on job context as it has given rise to a variety of innovative work practices which eliminates the need to communicate and interact personally. Some scholars have advised that extra-organisational socialising is required to overcome these issues associated with geographical distance and dispersion (Hinds & Bailey 2003). However, Fehr (1996) argues that computer-mediated communication technologies may result in physical proximity being less relied on for making and developing friendships as employees as subjected to wider possibilities of individuals to befriend; thus, technology presents "different developmental trajectories than traditional face-to-face friendships" (Sias 2009 : 105).

The similarity of work-related problems experienced by employees also has been found to contribute to the development of WF. Perceived inconsiderate and unfair treatment or nepotism is associated with the development of WF as individuals seek friends for sympathetic support and try to make sense of the situation (Sias 2009).

An organisation's culture either can impede or facilitate the development and maintenance of WF. An organisational culture associated with 'feminine' values of collaboration, emphasising the formation and development of close interpersonal relationships has resulted in the development of close friendships characterised by high levels of trust, intimacy and affinity (Ashcraft 2000). Ironically, relationships developed in this cultural context, if not monitored, can have negative consequences

such as political infighting as a result of increased competition, jealousy and nepotism (Ashcraft 2000).

Also, an organisation's climate either can hinder or facilitate the development of WF. Highly cohesive climates are associated with relationships which are collegial and characterised by trust, intimacy, self-disclosure and support (Nolan & Kupers 2009).

2.7 Human Resource Climate

Organisational climate has been described as a model of organisational behaviour that is central to firms and refers to perceptions of the work environment (Patterson et al. 2005). The organisational climate is considered to be a multidimensional construct which addresses dimensions that can be applied across a variety of organisations (Lindell & Brandt 2000) and reflects a wide range of individuals' evaluations of the work environment (Arthur & Boyles 2007). The evaluation of employees' perceptions of the work environment is necessary as work attitudes and behaviours are fundamental to organisational performance outcomes (Seibert, Silver & Randolph 2004) and positive attitudes depend largely on the perception of how much the employing organisation cares about employee well-being and values their contribution (Allen et al. 2003; Gould-Williams 2007). Such demonstrations of organisational values are manifest in the HR practices, procedures and systems which, in turn, shape the organisation's HR climate.

Positive perceptions of HR practices, procedures and systems have had favourable implications on organisational and individual outcomes such as increased job satisfaction and organisational citizenship behaviours (Gould-Williams 2007). Commitment-centred HR systems and systems that focus on enhancing human capital are associated with increased levels of productivity and lower turnover rates (Collins & Smith 2006). Conversely, HR systems perceived to be control-centred are associated with lower productivity and higher turnover rates (Collins & Smith 2006). Furthermore, HR practices and procedures such as employee recruitment and

selection, compensation and performance management, employee involvement and training have demonstrated significant impact on employee and organisational performance (Gelade & Ivery 2003).

In particular, employee participation and empowerment and job design, including team-based production systems, extensive employee training and performance-contingent incentive compensation are widely believed to improve the performance of organisations (Seibert et al. 2004).

In summary, the literature suggests that the perception of HR practices, procedures and systems has important implications for organisational and individual outcomes as it impacts on employee behaviours and attitudes as well as organisational performance.

2.8 HR Implications on Workplace Friendship

The escalating trend of Australian employees spending an increasing portion of their time at the workplace (Knight 2009), the facilitation and encouragement of these interpersonal relationships coupled with organisational dependency on communications associated with work related outcomes (Morrison 2004) are likely to lead to friendships being developed. In addition, HR related activities such as job design, organisational systems of training and development, social support, job involvement and job rotation are designed as group rather than individual activities as they have been found to influence job satisfaction and organisational commitment (Riordan & Griffeth 1995).

The social network of an organisation is affected by the architectural designs that facilitate interaction and the policies and procedures that are designed to stimulate synergy among organisational members. A formal organisational design that facilitates frequent interactions is more likely to offer opportunities for friendships to develop. Similarly, HR practices policies and procedures that foster teamwork and frequent interaction present opportunities and are conducive to conditions in which

friendships develop and flourish (Lengnick-Hall & Lengnick-Hall 2003). In addition, such high-involvement work practices that facilitate relationship-based systems are associated with favourable organisational outcomes. These work practices have been found to increase productivity levels and innovation rates, improve operating performance, enrich stakeholder relationships while reducing turnover and cycle times (Becker & Huselid 1998; Guthrie 2001).

HR's "ability to initiate, nurture, deploy and extend relationships" (Lengnick-Hall & Lengnick-Hall 2003: 54) contributes to the creation of a firm's sustained competitive advantage by ensuring that an organisation's resource base is "embedded in networks of relationships that are difficult for competitors to observe, understand or imitate" (Lengnick-Hall & Lengnick-Hall 2003: 53). The competitive edge that these relationships present and its implications on organisational outcomes are considered to be immobile given that they are ingrained within an organisation's culture and climate (Barney 1991). As such, organisations will benefit from HR adopting a more integral role in orchestrating the creation of a climate that facilitates the opportunity and prevalence of WF. Given that organisational climate is defined widely as the perception of formal and informal organisational policies, practices, procedures, routines and rewards (Kuenzi & Schminke 2009; Schneider 2000), it is argued in the current study that HR practices and systems will play a fundamental role in determining climate perceptions (Bowen & Ostroff 2004) that, in turn, influence the opportunity and prevalence of WF.

2.8.1 Human Resource Dimensions as antecedents to Workplace Friendships

As competition increases within the current economic climate among contemporary organisations, the source of competitive advantage has migrated from tangible resources and market power to one that is dominated by knowledge-based competition. Consequently, more than ever, organisations are highly dependent on the efforts, behaviours and interactions of employees in order to achieve organisational missions and strategies (Collins & Smith 2006). Therefore, it is imperative that organisations develop and implement HR practices that can influence

the interactions, behaviours and motivation of employees positively in order to best facilitate organisational success.

Empirical studies (Riordan & Griffeth 1995) have confirmed that a positive and direct relationship exists between perceived friendship opportunities and fundamental work related outcomes such as job satisfaction and job involvement. In addition, Winstead, et al. (1995) discovered a positive correlation between the quality of friendships and job satisfaction. Moreover, the source of social support that is derived from WF is associated with discouraging employee turnover, reducing job related stress (Kwesiga & Bell 2004) as well as decreasing burnout (Kahn, Cross & Parker 2003). Taken together, these findings demonstrate that the opportunity and strength of friendships are positively associated with individual and organisational outcomes and, therefore, are significant and relevant to HR practice.

2.9 Human Resource Climate Dimensions

The social network of an organisation is affected by the architectural designs that facilitate interaction and the policies and procedures that are designed to stimulate synergy among organisational members. A formal organisational design that facilitates frequent interactions is more likely to offer opportunities for friendships to develop (Riordan & Griffeth 1995). In part, the call for greater focus in interpersonal relationships at work (Chiaburu & Harrison 2008, Oldham & Hackman 2010) reflects the contemporary trend of how work increasingly is organised based on teams and relationships, with less focus on narrowly specified tasks and duties (Simon, Judge & Halvorsen-Ganepola 2010). In addition, social interaction is considered to be more ubiquitous and central to contemporary organisational operations.

Activities that emphasise employee well-being and the development of people within the organisation are associated with organisations that are internally focussed, possess flexible orientations and place greater emphasis on processes as opposed to final outcomes (Quinn & Rohrbaugh 1981). Given that the opportunity and

prevalence of WFs, in part, are dependent on organisational focus, orientation and values (Sias 2009), it follows that an organisation that is internally focussed with a flexible orientation and values employee well-being would present a more positive environment for the development and maintenance of such relationships. Such organisations would adopt an HR approach that reflects this focus and flexibility.

Organisations with such an internal focus and flexible orientation are considered to possess structural designs and mechanisms of coordination and control that value employee well-being, growth and commitment (Patterson et al. 2005). Similarly, WFs have been associated with these same values (Morrison & Wright 2009). Partly, WFs are dependent upon communication relationships (Gordon & Hartman 2009) and are linked with norms and values of belonging, trust and cohesion (Morrison & Wright 2009). In turn, these internally focussed norms and values are achieved through the provision of HR activities such as training and human resource development (Patterson et al. 2005).

The structural design of an internally focussed organisation is accomplished through empowerment and participation manifest in the degree of autonomy within a job (Patterson et al. 2005). Similarly, WFs are influenced by the structural design of an organisation as it impacts on the opportunity for, and level of interaction between, employees (Morrison & Wright 2009). Lastly, the coordination and control of an organisation with a flexible orientation is characterised by interpersonal relations that are supportive, cooperative and trusting in nature which is demonstrated by the level of cross-functional integration, level of involvement in decision making, degree of supervisory support and demonstration of welfare towards employees (Patterson et al. 2005). Likewise, WFs have been characterised as being supportive, cooperative and trusting (Morrison & Wright 2009). Therefore, it can be deduced that HR activities such as employee welfare, level of participation, job autonomy, cross-functional and cross hierarchical integration, level of supervisory support and sophistication of training programmes can have an impact on developing a climate conducive for the opportunity and prevalence of WFs.

In extant literature, climate is often referred to as the individuals' perceptions of their environment and is used widely therefore, as a framework to understand how employees experience their work environment (Cooil, Aksoy, Keiningham & Maryott 2009). However, given the variety of dimensions and the multitude of definitions proposed, a myriad of climate constructs has been developed since the inception of the organisational climate concept. The most widely researched area of organisational climate addresses dimensions that consist of a variety of broad-based determinants of employee behaviour. Although these global climate constructs are useful in understanding the influence of climate on employees, they do not tap specifically the HR climate dimensions addressed in the current study.

Organisational climate has been addressed also within the realm of specific contexts and their strengths. These facet specific climates, although more focussed in their conceptualisation, address particular aspects of the organisational context such as climates for justice (Naumann & Bennett, 2000), safety (Zohar 2000), innovation (Anderson & West, 1998) ethics (Cullen, Parboteeah & Victor 2003), service (Schneider, Macey & Young 2006) and diversity (McKay, Avery & Morris 2008); none of which focuses on an HR-specific climate. However, the evaluation of employees' perception of the work environment is necessary as work attitudes and behaviours are fundamental to organisational performance outcomes (Seibert et al. 2004) and positive attitudes depend largely on the perception of how much the employing organisation cares about employee well-being and values their contribution (Gould-Williams 2007). Such demonstrations of organisational values are manifest in the HR practices, procedures and systems which, in turn, constitute the organisation's HR climate. HR's "ability to initiate, nurture, deploy and extend relationships" (Lengnick-Hall & Lengnick-Hall 2003: 54) contributes to the creation of an organisation's sustained competitive advantage by ensuring that an organisation's resource base is "embedded in networks of relationships that are difficult for competitors to observe, understand or imitate." (Lengnick-Hall & Lengnick-Hall 2003: 53). The competitive edge that these relationships present and its implications on organisational outcomes are considered to be immobile given that they are ingrained within an organisation's culture and climate (Barney 2007). Consequently, organisations will benefit from HR adopting a more integral role in

orchestrating the creation of a climate that facilitates the opportunity and prevalence of WF.

2.10 Conclusion

The examination of the extant literature presented above, suggests a clear gap in the research to date; in the area of WF per se, as well as in its relevance to the workplace, HR and organisational climate.

Consequently, derived from the extant literature it was possible to generate a hypothetical model of concepts related to the WF topic (see Figure 2.1 below). The model delineates the relationships between WF and HR climate; viz., dimensions of employee welfare, level of participation, job autonomy, cross-functional and cross hierarchical integration, level of supervisory support and sophistication of training programmes.

As an overview of extant knowledge, the hypothetical model was identified as an appropriate starting point for the current study and from which an outline for the development of a survey could be prepared for participants in the research.

Figure 2.1: Hypothetical Model from Current Literature
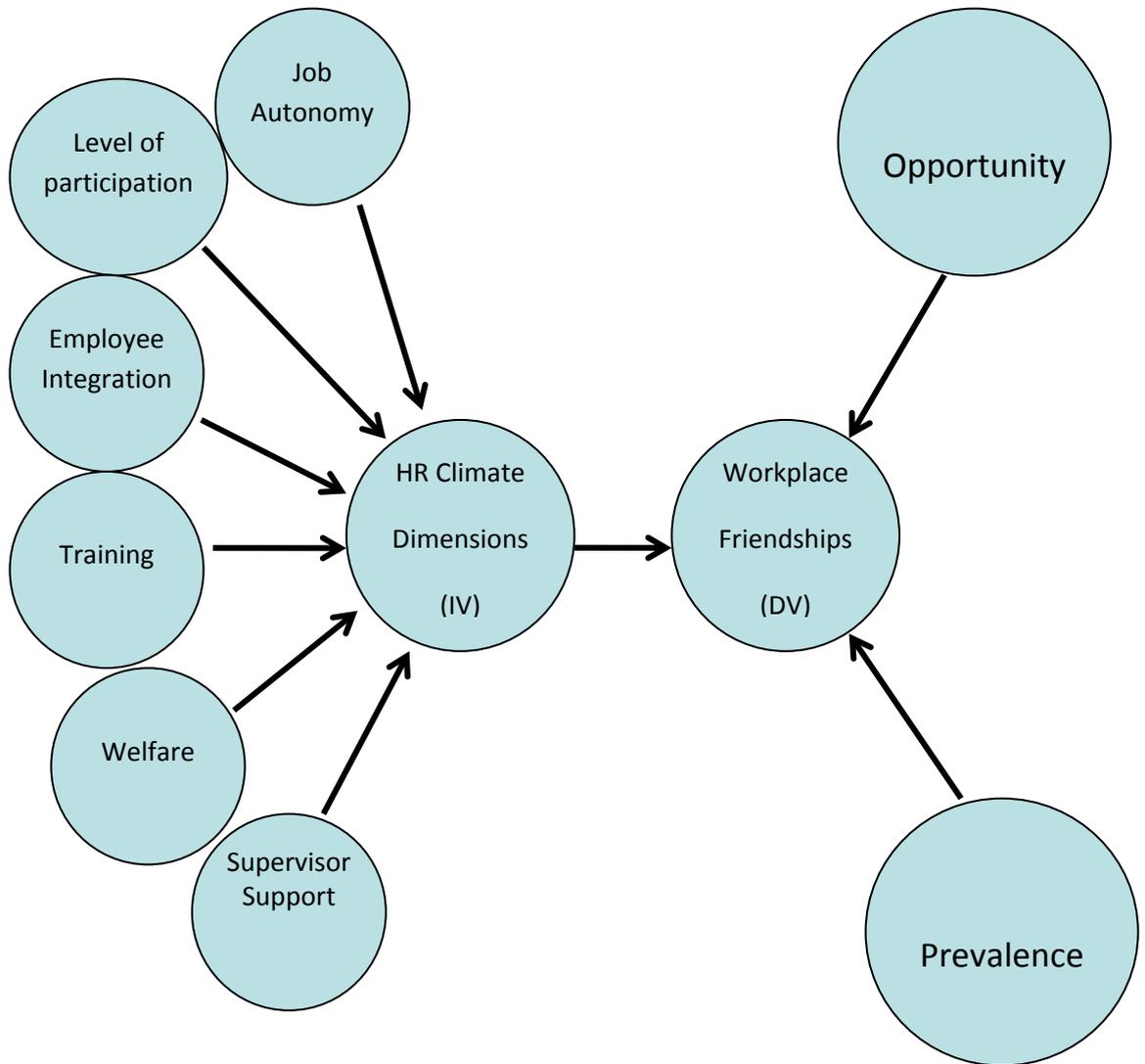
Matters considered in developing an appropriate research method used in this study were established next, as described in Chapter 3.

CHAPTER 3

METHODOLOGY

3.1 Introduction

The purpose in this chapter is to outline the research process and present the methodological issues related to the current study. From the gap in the literature suggesting the need to investigate the antecedents of WF and HR, Climate Dimensions were identified as potential variables because they influence the level of interactivity and interdependence among individuals, thereby providing the opportunity for WFs to develop and flourish.

In Chapter 2, the relevant literature was reviewed and a conceptual model was presented to reflect the research gap in linking the hypothesised relationship between HR Climate Dimensions and the opportunity and prevalence of WF. Based on the literature and subsequent research gap, appropriate research questions were designed to investigate whether or not a relationship exists between HR Climate Dimensions and the extent of that relationship. Chapter 3 provides an overview and explanation of the research design and discusses the philosophical framework surrounding the quantitative research model and the aspects of rigour that were considered in developing the study.

In order to explore the relationship between HR Climate Dimensions and WF, the following major research question was proposed:

- In what ways do organisational HR climate dimensions affect WF opportunity and prevalence in the three selected business sectors?

The chapter is organised so that the research approach and the supporting philosophical framework are first discussed. Following this, the research questions, aspects of the research design, data collection and analysis complete the discussion.

The researcher adopted a positivist ontology, empirical epistemology and quantitative methodology in order to explore the link between the HR climate dimensions and WF opportunity and prevalence. Saunders et al. (2007: 356) support such a choice of method when the aim of a study is to "examine and explain relationships between variables, in particular cause-and-effect relationships". The structured nature and analytic approach in the study was aimed at explaining and predicting the causal relationship between HR climate dimensions and WFs via deductive reasoning. The objective of the hypothesis testing in the study was to confirm and validate the affects of HR climate dimensions on WF opportunity and prevalence.

3.2 Philosophical Framework

The philosophical framework of business research influences the epistemological and ontological paradigms that reflect the approach adopted towards the perception of organisational reality (Bryman & Bell 2007). A paradigm refers to a set of beliefs about how the world operates (Snape & Spencer 2003) and has been described as "the conventional wisdom of the subject" (Remenyi, Williams, Money & Swartz 2003: 32). Given that the nature of research and the approach adopted is often associated with a particular paradigm (Ticehurst & Veal 1999), Esterby-Smith, Thorpe and Lowe (2004) propose three main reasons to establish the link between a guiding paradigm and the research approach adopted. Firstly, understanding the key philosophical position that underlies the design of management research facilitates the clarification of research designs and problems by identifying what type of research is required and the subsequent data collection and analysis procedures. Secondly, it assists in identifying the appropriate research themes. Lastly, it provides insight into particular designs that may extend beyond the realm of the researcher's perspective (Esterby-Smith, Thorpe & Lowe 2004).

Two central traditional perspectives dominate the literature on philosophical research methodology; the critical interpretive social science and the positivist paradigm. The interpretive perspective, also known as constructivism, seeks to "understand

contextualised meaning, to understand the meaningfulness of human actions and interactions - as experienced and construed by the actors - in a given context" (Denzin & Lincoln 2003: 597). This naturalistic research approach operates on the assumption that the social world is distinct from the physical world and investigates the emotional, linguistic, symbolic, interactive and political dimensions of the social world (Greene 2003). The approach has attracted scholarly criticism in that it has been described as avoiding "highly structured methodological approaches of deduction" (Gill & Johnson 2010: 62) and, thereby, has been seen to be lacking in objectivity.

The positivist paradigm seeks to explain behaviour with established causal determinants and relationships that adopt an objective ontological stance whereby the assumptions of determinism, empiricism, parsimony and generality are practiced (Remenyi et al. 2003). The research process from the positivistic approach emerges from an established theory or model to explain a social phenomenon and controlled experimental tests are used to support or disprove established hypotheses (Ticehurst & Veal 1999). The objective, realist and empirically dependant approach has been criticised as one that overlooks "what is taken to be warranted knowledge, the metaphysical - that is to say the intangible, the subjective or abstract" (Gill & Johnson 2010: 194). In response to these criticisms, the post-positivist perspective was developed and has since been the dominant approach that guides workplace relationship research (Sias 2009).

Post-positivism derives from positivism and is described as an approach that unites the principles of naturalism with realism (Sias 2009); it is focussed on exploring causal relationships that enable the prediction and the control of an organisational environment (Miller 2000). However, this perspective views workplace relationships as an "entity that exists in a reality that transcends our perceptions, but is indicated by observable indicators" (Sias 2009:9).

Kumar (2005) suggests that the choice of inquiry paradigm and research approaches hinge on the research purpose that should suit the nature of the research and its desired outcomes. Thus, the current research is designed to explore the relationship

between WF and HR climate dimensions within the Australian service sector. To achieve this objective, the research has been designed to test a set of predetermined hypotheses and to examine the existence of a co-relational effect. Therefore, given the possible co-relational relationship between two sets of empirical variables, the deductive and positivistic experimental approach has been chosen as the most appropriate to adopt.

The positivistic perspective stems from the scientific method and is considered to be the most suitable epistemological stance when the purpose of the research is primarily concerned with the search for causal relationships that enable the prediction and control of environments (Miller 2000). Given that WF literature has revolved predominantly around the search for causal relationships between variables, it is not surprising that the dominant epistemological stance in WF literature is associated with a positivistic stance. Therefore, this study has been designed with the aim of exploring the link between HR practices and the development and prevalence of WF.

Positivism is aligned with the belief that perceptions matter; it is associated with the belief that objective reality exists and that human behaviour can be observed, measured and evaluated (Sias 2009). Thus, in order to understand the reality of an organisation, indicators of reality are examined by observing human behaviour. In relation to this study, the indicators of reality are the variables that represent WF and HR climate. Although WFs or an organisation's HR climate cannot be directly studied, employee behaviours can be observed and assessed. Consequently, these quantifiable observations lend themselves to statistical analysis through the use of existing theory to develop hypotheses which, in turn, can be tested to lead to the development of further theories (Saunders et al. 2007). Similarly, the current study is designed to use existing WF and HR climate theories to frame a conceptual model in order to generate hypotheses to be tested by using multivariate techniques in order to establish whether or not causal relationships exist.

3.3 The Quantitative Approach

Given that the current research is framed within the boundaries of the positivistic paradigm and is concerned with investigating the causal relationships between variables, Henn, Weinstein and Foard's (2009) suggestion was accepted that quantitative research, as opposed to qualitative, was the most suitable research strategy. The quantitative line of inquiry within the social sciences is described as being "specific, objective, well focused and systematic" (Black 2005:2). This is opposed to the qualitative approach which is characterised as a 'soft' social science method that utilises meanings, interpretations and words (Yin 2009). Both approaches to inquiry have their merits, weaknesses and are considered to be complementary when utilised together (Black 2005).

The qualitative approach is considered idiographic (Langenhove 2006) in that it emphasises the classification and organisation of data from narrative records in the form of written descriptions of behaviour in order to test hypotheses (Shaughnessy, Zechmeister & Zechmeister 2003). Also, qualitative investigation analyses processes as opposed to measuring and analysing causal relationships between variables (Todd, Nerlich, McKeown & Clarke 2004). However, the quantitative approach to social sciences is considered as an "organized method for combining deductive logic with precise empirical observations of individual behaviour in order to discover and confirm a set of probabilistic causal laws that can be used to predict general patterns of human activity" (Neuman 2003: 71). Given that the nature of this study is associated with investigating causal relationships between two sets of variables, HR Climate Dimensions and WF opportunity and prevalence. It was determined that quantitative research would provide the empirical breadth and depth for understanding and exploring of the relationships and facilitate the prediction of WF outcomes as a result of specific HR practices.

The quantitative approach towards conducting research is rooted in the scientific method which emphasises an empirical, systematic and controlled approach where dependent variables are measures of behaviour used to assess the effects of independent variables (Neuman 2003; Shaughnessy et al. 2003; McBurney & White

2004). Social surveys and experiments are frequently viewed as prime examples of quantitative research and are evaluated against the strengths and weaknesses of statistical, quantitative research methods and deductive methods of analysis (Ticehurst & Veal 1999).

Existing research on WFs has adopted this approach and provided a greater understanding of the functions of the relationships, processes and factors associated with their development, deterioration and the consequences of these relationships both at the organisational and individual levels (Sias 2009). Similarly, the conceptual model theorised in this paper presents WF opportunity and prevalence as dependent variables and the six HR climate dimensions of employee welfare, participation, job autonomy cross-functional and cross hierarchical integration, supervisory support and sophistication of training programs as the independent variables.

Creswell (2003) considers the quantitative approach is associated with empirical observations and measures which subsequently result in a statistical analysis of objective data. Thus, the decision to adopt a quantitative research approach was best undertaken for the purpose of this study to enable the researcher to "understand the predictors of outcomes" (Creswell, 2003: 21) by verifying cause-and-effect relationships and the strength between HR climate dimensions and opportunity and prevalence of WF. Further, the statistical outcome from the study will facilitate answering the research questions and verify the proposed hypothesised relationships between the dependent (WF opportunity and prevalence) and independent (HR climate dimensions) variables.

The structured nature and analytic approach in this study is aimed at explaining and predicting the causal relationship between HR climate dimensions and WFs via deductive reasoning. The objective of the hypothesis testing in this study is to confirm and validate the effects of HR climate dimensions on WF opportunity and prevalence. The study will rely on existing constructs for extrapolating self-report survey data in order to test the hypotheses. Consequently, the nature of the data will result in analysis based primarily on factor, correlation and multiple regression analysis. This method of conducting research adopts a nomothetic approach aimed at

"developing a taxonomic understanding of broadly generalisable features of human behaviour, based on comparisons between persons or between groups" (Barta & Tennen 2008: 13). The results of the study will facilitate a better understanding of the effects of HR practices, the opportunity and prevalence of WFs and participating organisations within different business sectors.

3.4 Survey Research

Jackson (2009) suggests that several research designs are associated with the quantitative approach; e.g., experimental, quasi-experimental and descriptive methods. Regardless of the chosen approach, all quantitative research is associated with objectivity, deductiveness, generalisability and numbers (Creswell 2011). The experimental approach is one where the researcher can manipulate research conditions and, therefore, "intervene and induce a change" (Neuman 2003: 238) in order to examine the outcomes that result from the change or intervention. Such an approach has been considered best in addressing issues that have a narrow scope or scale allowing the researcher to conduct multiple experiments with limited resources within a short time scale. Similarly, quasi-experiments include some type of intervention allowing for comparison, and both approaches are considered to be suitable when the aim is to establish causality (Shaughnessy et al. 2003); however, this approach lacks the degree of control that characterises the experimental approach and is recommended for use when the experimental approach is not feasible due to the lack of control necessary to perform a true experiment (Shaughnessy et al. 2003).

Descriptive method, on the other hand, offers "a detailed picture or account of some social phenomenon" (Ruane 2005:12) and establishes associations between variables (Shaughnessy et al. 2003). This method strives for accuracy through placing emphasis on measurement and sampling (Ruane 2005). Given that the current research does not allow for the manipulation of research conditions and is aimed at examining a social phenomenon, viz., WF and its outcomes as a direct impact of specific HR practices, the current study is deemed to be descriptive.

There are several research methodologies associated with descriptive research; one being the survey strategy which is considered to be well suited to descriptive studies (Muijs 2004). The overarching data collection approach chosen for this study is the survey strategy which is associated with the deductive approach (Saunders et al. 2007) and with the results from such a strategy described as one that facilitates the prediction of people's behaviour (Shaughnessy et al. 2003).

Predominantly, survey research has been employed in the field of social sciences and has been considered as the dominant method for gathering information on topics that include health, politics and market trends (Marsden & Wright 2010 : xvi). It has served also as the most commonly used data-gathering instrument within the realm of business research (Hackley 2003; Gulati 2009) and is considered as one of the more commonly used methodologies in descriptive research (Neuman 2003).

Gulati (2009: 81) advocates the suitability of survey research to business-related issues given the "precise" and "highly specified" nature of the research instrument. These data collection methods which include interviewing, administering questionnaires and observing people and phenomena (Sekaran 2000) often are used to extract information from a smaller group of people to allow the generalisation of results to a larger group (Neuman 2003).

A survey is described as a systematic and standardised method of "collecting information on individuals, households, organisations or larger organised entities through questioning systematically identified samples" (Marsden & Wright 2010: 3). Marsden and Wright (2010) declare that there are four core determinants associated with the survey method; representative sampling, statistical inference, the validity and reliability of measurement and multivariate data analysis techniques. Cook, Heath and Thompson (2000) support this notion and declare that survey methodology requires systematic sampling, high response rates, statistical weighting procedures and the avoidance of sampling bias. Survey research can be administered through several methods: face-to-face, telephone or computer-aided interviews; electronic media; personally administered mail; electronically administered questionnaires; and through the observation of individuals and events (Sekaran

2000). Marsden and Wright (2010) explain that surveys extract representative samples from human populations, thereby facilitating the generalisation of the sample through statistical inference by measuring responses from questionnaires and using multivariate data analysis techniques.

Although quantitative survey research has been described as being "sterile and unimaginative" (De Vaus 2002: 5) this strategy is best suited to "providing certain types of factual, descriptive information-the hard evidence" (De Vaus 2002:5). The objective, succinct and direct nature of administering a survey, therefore, has been considered as the most suitable data-collection method for the current study as the objective of the study is to measure attitudes by using scaled questions that previously have been used and tested in related studies. Given that questionnaires are considered highly structured, they provide a direct and economical means of obtaining information (De Vaus 2002) and can be used to extract empirical information on WF and HR climate dimensions. In addition, De Vaus (2002) purports that the systematic data collection through survey research is the best strategy when the aim is to establish causes of phenomena by making causal inferences from comparing cases. Administering questionnaires to organisations representative of private, not-for-profit and public business sectors and, subsequently, conducting an analysis on the survey responses provided the opportunity to investigate the hypothesised relationship between WF and HR climate dimensions and facilitated the comparison of the relationships across the participating organisations.

The population of a study incorporates all individuals, items or units pertaining to the study (Quinlan 2011). Determining the right population, defining its parameters and selecting a representative sample from that population are critical to the success of any research (Kumar 2011). Sampling in quantitative research enables the researcher to draw inferences about the group from which the sample was selected. Therefore, it is paramount that the selection of the sample population in quantitative research is unbiased and representative of the population from which it is selected (Kumar 2011). This sampling approach differs from qualitative research in that "qualitative

research is designed to draw in-depth knowledge about a situation/event/episode" (Kumar 2011: 192).

The population of choice for the current study was driven by two main determinants; the participant's hierarchical level and organisations appearing to demonstrate different HR climates. Given that studying the entire population was too big and beyond the scope of the researcher, a sample population representative of the entire population was selected. Additionally, because the study was designed to explore the WF outcomes as a consequence of differing HR practices in three business sectors, the sampling approach was designed to facilitate a comparative analysis between the business sectors. The sample population selected represented the entire population from which a comparative study was undertaken to compare the opportunity and prevalence of WF in each business sector based on the differing HR climate dimensions reflected in the sectors. The questionnaire was not administered to individuals at the senior management level as it was considered that workplace friendships are more predominant at operational levels of an organisation (Morrison & Nolan 2009; Mao 2006; Louis et al. 1983) and it is these employees' perception of the HR climate that is the focus of the study. The sample population from the banking/finance industry was studied at the branch level due to much of the bank's activities occurring at the branch level. Carers in the healthcare profession constituted the healthcare sample population and public servants from a Government agency were asked to complete the online survey. Organisations from each of the three business sectors were chosen on the basis that HR policies and practices vary between sectors (Shahnawaz & Juyal 2006) and would demonstrate differing HR climates.

Kumar (1996) declares that it is imperative to avoid bias in the selection of the research sample. There are several strategies associated with each kind of sampling; probability, non-probability or mixed sampling and the choice is dependent upon the size of the population, the time available for the research and the requirements of the research (Quinlan 2011). Based on the theories of mathematics of probability, basic rule of probability sampling is that "each member of the population has an equal probability of being selected for inclusion in the sample" (Kumar 1996:209).

Therefore, this necessitates the need for a complete list of every member of the population, or a sampling frame, to enable the researcher to randomly select and include a member of the population for the study. Such techniques include simple random sampling, systematic sampling, stratified sample and cluster sampling. Given that it is beyond the scope of the current research to obtain a complete list of all the members within the research population, a sampling frame could not be developed, ruling out the use of probability sampling. The emphasis of non-probability sampling on the other hand, is on "the capacity of a relatively small number of cases to clearly and comprehensively illustrate the phenomenon under investigation" (Kumar 1996: 213). This approach is widely used in social science research where it is not possible to produce a complete list of a population. Such sampling strategies included in this technique are judgemental sampling, quota sampling, snowball sampling and convenience sampling (Kumar 1996).

Given that an online panel of respondents were engaged to participate in the survey, a non-probability quota sampling design was employed for this study. Nevertheless, the study involved a random sampling strategy as the researcher was not directly involved with the distribution of the surveys to participants.

The sample size in quantitative research is dependent upon the type of the study and the possible use of the findings (Kumar 2011). A larger sample size ensures the inclusion of people with diverse backgrounds as required in studies designed to formulate strategies, test associations and relationships or to establish impact assessments (Kumar 2011). A total of 3256 surveys were emailed to full-time operational staff members of sample populations by a representative of each business sector, allowing for an expected 25% to 30% response rate (Kittleson 1997). Quinlan (2011) warns that the scale, scope and validity of the research may be negatively affected if the response rate from the sample is not sufficiently high.

Online surveys as a form of survey distribution are fast becoming the preferred medium for collecting research data as they are considered to provide a quick turnaround rate and provide the opportunity to target highly specific research groups without having to screen a large random sample (Simsek, Veiga & Lubatkin 2005;

Reips 2007). In addition to being cost effective, ease of data entry and analysis mean online surveys have a wider, global reach to participants, are considered more flexible in their format and offer more convenience to both the participant and researcher than traditional forms of data collection (Evans & Mathur 2005). Nevertheless, issues such as the perception of surveys being unsolicited junk mail and impersonal, skewed attributes of internet population, lack of respondent expertise/experience, technological variations, privacy and security issues and unclear instructions pose as major challenges when conducting web-based surveys. Despite potential drawbacks of internet-based surveys, increasingly they are being considered by participants as the preferred means of completing a survey (Evans & Mathur 2005) and are known to yield a high response rate when developed and conducted appropriately (Cook, Heath & Thompson 2000). Furthermore, the administration of online sampling has been found to be reliable, relevant, justified and in several ways arguably more effective due to it providing greater participant anonymity (Gosling et al. 2004). In the current study an online tool was used to distribute the surveys electronically which, consequently, meant that access to the internet would be a prerequisite for inclusion in the study. The Internet Protocol (IP) address function was turned off to assure respondent anonymity and confidentiality. Given multiple failed attempts at cold calling organisations to set up contacts, coupled with the time pressure to complete the project, the researcher decided to engage a panel provider to recruit participants across Australia. The survey was made available to the panel provider who distributed the online survey to willing participants representative of each business sector. Therefore, the data gathered was cross-sectional, with the data collected at one point in time.

3.5 Rigour

Rigour is concerned with the study adhering to scientific principles of research by being both systematic and valid. In order for a study to be rigorous, appropriate research methods are used systematically and consistently to ensure that the aims and objectives of the research project are accomplished (Quinlan 2011). Reliability and validity are the central issues in all scientific measurement and contribute to the

rigour of a research project (Golafshani 2003). Reliability is concerned with the "replicability or repeatability of results or observations" (Golafshani 2003: 598). Validity on the other hand, addresses the "question of how well the social reality being measured through research matches with the constructs researchers use to understand it" (Neuman 2003: 179). Although perfect reliability and validity are impossible to achieve, research projects should be designed to maximise the reliability and validity of indicators (Neuman 2003).

The current study relied on two main constructs; the Workplace Friendship Scale developed by Nielson et al. (2000) and the HR domain subscale from the Organisational Climate Measure developed by Patterson et al. (2005). The WF Scale has been used extensively within the study of organisational behavioural sciences (e.g. Mao 2006; Lin, Hsieh & Lu 2008; Tse et al. 2008; Yen, Chen & Yen 2009; Mao, Chen & Hsieh 2009; Morrison 2004; 2005; 2006; 2007; 2009). Similarly, the Human Resource domain subscale derived from the Organisational Climate Measure has been used in numerous studies addressing Organisational Climate (e.g. Dawson, Gonzalez-Roma, Davis & West 2007; Cooil et al. 2009) with the instrument being praised as being "a tool with perhaps the strongest psychometric support that has been published in academic literature" (Langford 2009). Both research instruments have been proven to be reliable and valid.

Another measure of reliability is the concept of internal consistency which assesses "the extent to which a set of questionnaire items tapping a single underlying construct covary" (Allen & Bennett 2008: 205). This concept, also known as equivalence reliability, refers to the degree to which all the different items on the scale measure the phenomenon consistently and is reflected by a statistical index known as Cronbach's alpha (Cortina 1993). The index assumes that items measuring the same thing will be highly correlated and the following rules of thumb are suggested for evaluating the alpha coefficients; > .9 excellent, > .8 good, > .7 acceptable, > .6 questionable, > .5 poor, < .5 unacceptable (George & Mallery 2003). Instruments adopted for the current study reflected a Cronbach's coefficient of .83 for the HR Climate subscale and .84 for the WF scale; demonstrably a *good* level of internal consistency.

Conducting a pilot study is considered a useful means of improving the rigour and validity of a research project (Quinlan 2011). Although both instruments adopted in the current study have proven to be both reliable and valid in previous studies, the samples used and context in which the instruments were used may have been different to that of the current study. Therefore, a pilot study was conducted to confirm the face validity of both instruments within the context of the current study. This procedure is supported by Anderson and Gerbing (1988) who recommend the re-specification of measurement models prior to their use in later analysis. The Cronbach's alpha coefficient from the pilot study was .92 for the HR Climate subscale and an average of .87 for the WF Scale respectively. Based on George and Mallery's (2003) suggestions, these coefficients display an 'excellent' and 'good' level of internal consistency thereby indicating a rigorous approach towards this study.

3.6 Research Questions

This study was designed to address the following research questions;

Major research question

> In what ways do organisational HR climate dimensions affect WF opportunity and prevalence in the three business sectors?

Related **minor research questions** were;

1. Is there a relationship between HR climate and WF opportunity and prevalence?

2. How do HR climate dimensions affect WF opportunity and prevalence?

3. Is there a variation in WF opportunity and prevalence in the three business sectors?

The major research question was designed to ensure the study maintained focus on *identifying* and *explaining* the HR Climate dimension that influence WF outcomes within the Australian context. The minor questions that follow focussed on gathering the relevant information that would facilitate identifying the impact and relationship

of perceived HR related initiatives on WF and allow a comparative analysis between the different business sectors.

It was expected that addressing the research questions would achieve the following objectives;

1. Examine the relationship between HR climate dimensions and WF opportunity and prevalence.

2. Identify the impact of HR climate dimensions on WF opportunity and prevalence.

3. Compare the workplace friendship opportunity and prevalence between different business sectors.

4. Describe the predominant HR climate dimensions that have a positive impact on WF opportunity and prevalence in the participating organisations within the different business sectors.

It was anticipated that addressing these questions could:

- Inform academics in the field of social and organisational behavioural sciences;

- Respond to the lack of empirical research linking HR climate orientation and WF;

- Guide business practitioners interested in the contribution of HR practices to the organisation's bottom line, and

- Provide practical implications for local management and central HR practitioners to facilitate better prediction of organisational outcomes based on HR decisions that exert indirect influence by enhancing or depressing the work climate.

3.7 Hypotheses

The phenomenon of workplace friendships was examined in each of three business sectors within the service industry; banking/finance, healthcare and government. By comparing the opportunity and prevalence of workplace friendships in each business sector, it was possible to identify the WF outcomes based on different HR climate dimensions reflected in the three business sectors. Thus, the hypotheses developed to address the research objectives were as follows:

H1: There is a significant relationship between HR climate dimensions and WF opportunity and prevalence.

H2: The higher the level of job autonomy, the greater the WF opportunity.

H3: The higher the level of employee involvement in decision making, the higher the WF opportunity and prevalence.

H4: The higher the level of employee integration, the greater the WF opportunity and prevalence.

H5: The more emphasis an organisation places on developing employee skills (training), the greater the WF opportunity and prevalence.

H6: The higher the perceived levels of welfare towards employees, the greater the WF opportunity and prevalence.

H7: The greater the perceived levels of supervisory support, the greater the WF opportunity and prevalence.

Table 3.1 indicates relevant independent and dependent variables used in the study.

Table 3.1: Independent and Dependent Variables

Independent Variables HR Climate Dimensions	Questions
Job Autonomy	• *Management let people make their own decisions much of the time* • *Management trust people to take work-related decisions without getting permission first* • *People at the top of the organisation tightly control the work of those below them** • *Management keeps too tight a reign on the way things are done around here*.* • *It's important to check things first with the boss before taking a decision**
Employee Integration	• *People are suspicious of other departments** • *There is very little conflict between departments in this organisation* • *People in different departments are prepared to share information* • *Collaboration between departments is very effective.* • *There is very little respect between some of the departments here**
Level of participation	• *People are suspicious of other departments** • *There is very little conflict between departments in this organisation* • *People in different departments are prepared to share information* • *Collaboration between departments is very effective.* • *There is very little respect between some of the departments here**
Employee Involvement	• *Management involves people when decisions are made that affect them.* • *Changes are made without talking to the people involved in them** • *People don't have any say in decisions which affect their work** • *People feel decisions are frequently made over their heads** • *Information is widely shared* • *There are often breakdowns in communication here**
Supervisory support	• *My direct supervisors are really good at understanding peoples' problems* • *My supervisor shows that they have confidence in those they manage* • *My supervisor is friendly and easy to approach* • *My supervisor can be relied upon to give good guidance to people* • *My supervisor shows an understanding of the people who work for them*
Training	• *People are not properly trained when there is a new machine or bit of equipment** • *The company only gives people the minimum amount of training they need to do their job** • *People are strongly encouraged to develop their skills* • *People receive enough training when it comes to using new equipment*
Welfare	• *This company pays little attention to the interests of employees** • *This company tries to look after its employees* • *This company cares about its employees* • *This company tries to be fair in its actions towards employees*

Dependent Variables Workplace Friendship	Questions
Opportunity	• *I have the opportunity to get to know my co-workers* • *I am able to work with my coworkers to collectively solve problems* • *In my organisation, I have the chance to talk informally and visit with others.* • *Communication among employees is encouraged by my organisation.* • *I have the opportunity to develop close friendships at my workplace.* • *Informal talk is tolerated by my organisation as long as the work is completed*
Prevalence	• *I have formed strong friendships at work.* • *I socialise with co-workers outside of the workplace.* • *I can confide in people at work.* • *I feel I can trust many co-workers a great deal.* • *Being able to see my co-workers is one reason I look forward to my job.* • *I do not feel that anyone I work with is a true friend.*

Note: * Indicates reverse scaled questionnaire items

3.8 Research Method

Figure 3.1, below, illustrates the research method undertaken in this study and reflects the linear sequence of the research process used. The comparative nature of the major research question and the final minor research question could be resolved only by collecting relevant answers from participants in the three business sectors; the private, not-for-profit and government. The answers had the potential to suggest alternative organisational behaviours based on their different HR practices. Consequently, the deductive approach was selected to provide a fit between the research questions and the research method.

Perry's (1998) model was adapted to present the methodical nature of the overall research procedure. The lines and arrows in the model reflect the feedback loops and connections that characterise each logical development of the research process.

Consequently, Figure 3.1 was developed to depict the research process undertaken in the study.

Figure 3.1: Research Method
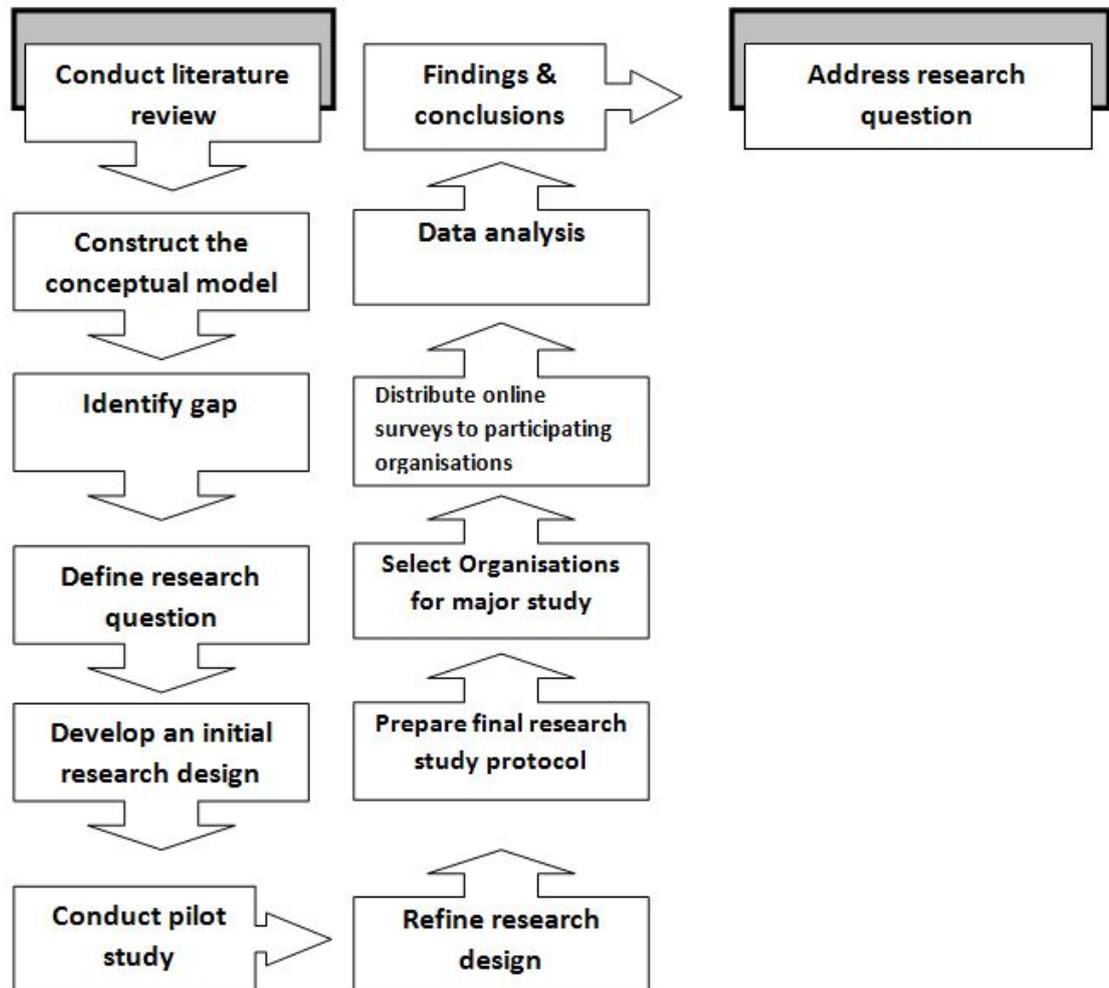
Adapted from: Perry (1998: 3)

3.9 Initial Research Design

Figure 3.2 below, depicts the 'methodological pyramid' that was adapted from Quinlan (2011:104). The pyramid illustrates the complex relationship between the philosophical framework, the chosen research methodology and the data collection method which is aimed at complementing the research methodology.

A research design provides the framework for the research by detailing the methods and procedures for collecting and analysing the required data (Zikmund & Babin 2010). It is driven by the objectives of the study, appropriate sources of information, design technique and sampling methodology in order to ensure that information collected addresses the research problem adequately. The design chosen for this study was relevant as it satisfied the causal research by which survey data will be gathered through existing constructs; it was based on the sequential and systematic nature of the investigation appropriate for the deductive approach.

The study began with a literature review and, although the predictors of WFs had been researched, none of the predictors was associated with HR climate. Data collection included the distribution of online surveys to organisations from the three business sectors to facilitate a comparative analysis.

HR climate and WF were measured using existing scales that directly provided numeric values for subsequent use in statistical analysis and hypothesis testing. Zikmund and Babin (2010: 95) state that this confirmatory research approach is considered more objective for causal research and conclusions, given that the "survey respondent provides a commitment score on a quantitative scale".

Once the data entry stage was completed, data reduction involved manual editing, coding and filing of the raw data set using SPSS$^{©}$ (Statistical Package for the Social Sciences) for Windows (Release 7.0). Data integrity was maintained by ensuring that the data was checked for errors, edited and properly coded to reverse negatively scaled questionnaire items and replace missing values. SPSS was used to store the data file and the data display took the form of a matrix in an SPSS spreadsheet file, facilitating representation of the data in graphical and tabular formats. Conclusions derived from the data display and data reduction stages allowed potential causal relationships to emerge and facilitated hypothesis testing.

Figure 3.2: Methodological Pyramid

Methods
Statistical & deductive

Methodology
Quantitative

Epistemology
Empirical

Ontology
Positivist
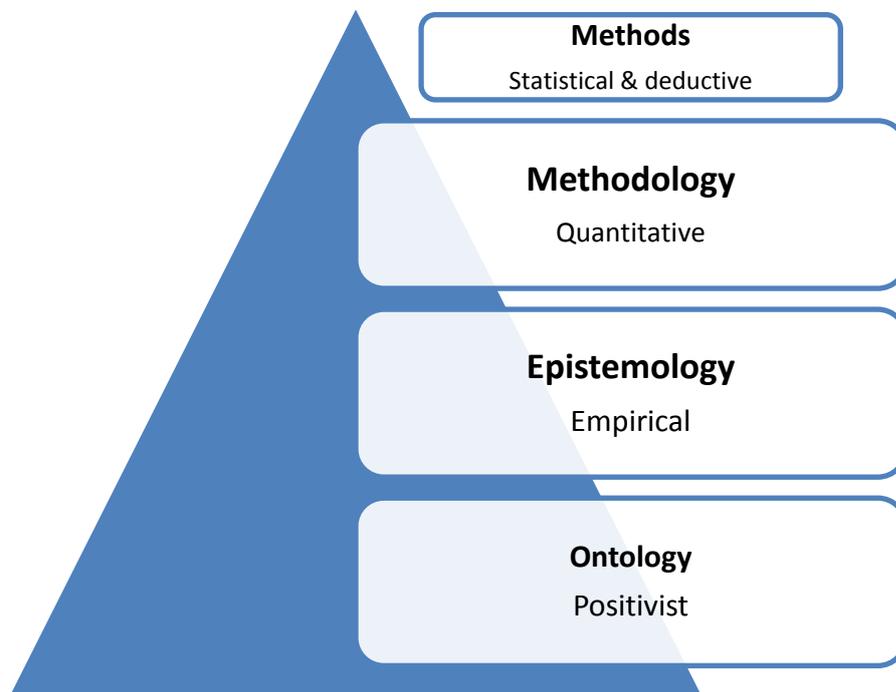
Adapted from: Quinlan (2011:104).

Data collection was conducted via the distribution of online questionnaires developed as a result of amalgamating the HR climate and WF scales. The online questionnaires also incorporated demographical questions which contributed to an understanding of the sample population.

3.10 Pilot Study

Reliability and validity are at the very heart of the positivist epistemological stance (Golafshani 2003). A pilot study, also referred to as a feasibility study, is a smaller version of a full scale study that allows the specific pre-testing of a particular research instrument (Teijlingen & Hundley 2001) thereby increasing the reliability and validity of a research project. In social science research, pilot studies are used predominantly in preparation for the major study, allowing the researcher to identify

potential problems in the research procedure (Teijlingen & Hundley 2001). Given that they are considered to increase the likelihood of success in the main study (Teijlingen & Hundley 2001), a pilot study was undertaken on a sample of 60 individuals to ascertain the reliability and validity of the conceptual model, survey instrument and research method.

In order for a pilot study to contribute successfully to the major study, Teijlingen and Hundley (2001) caution against the possibility of making inaccurate predictions and assumptions on the pilot data and the possible problems that may arise from data contamination. Given that a pilot study is "nearly always based on small numbers" (Teijlingen & Hundley 2001:2) they lack the statistical foundation and, therefore, should not be used as an accurate form of data for analysis. Furthermore, Teijlingen and Hundley (2001) warn against using the data from the pilot study in the main results and including the pilot participants in the main study as this would contaminate the data from the larger scale study. In the current study, a pilot study was undertaken on a sample population that would not be used in the larger scale study nor was the data be incorporated into the analysis of the major study. Therefore, the current study was not exposed to the risks associated with conducting pilot studies.

Participants involved in the pilot study represented the tertiary teaching sector and they were chosen for being representative of the Service Industry as well as being a convenience sample because the researcher had access to them. Furthermore, given that the sample population had a background in education, they provided valuable insight and feedback into improving the research instrument. Yin (2003) suggests that pilot study participants should be determined by three main criteria; convenience, access and geographic proximity. Participants in the pilot study met all three criteria and were representative of the Service Industry participants in the major study.

Appointments were made with the department managers of each section to seek prior permission before the survey was distributed to operational staff willing to participate in the pilot study. Department managers were able to ask general

questions in relation to the study and the completion of the surveys. In addition, they were presented with the Curtin Ethics Approval Form declaring that privacy and confidentiality of the data gathered would be honoured, and a brief summary of the study provided.

Once approved by the department managers, 50 paper-and-pencil surveys were left at each office for operational staff members to complete at their leisure and unsupervised. A one-page brief summary of the study and written assurance of privacy and confidentiality of participation was attached to each questionnaire. Also, participants were encouraged to provide feedback on the design of the questionnaire. Each department manager emailed their staff members, advising them of the surveys and inviting them to participate. The surveys were left at each of the respective administration offices for a week and the researcher sent a follow up email to each of the department managers for emailing to their respective operational staff.

The 'self-administered drop-off' (Van Dessel 2008) survey approach taken by the researcher was to allow the sample population to participate voluntarily and complete the surveys unsupervised. Van Dessel (2008:1) declares that respondent motivation is greater where survey instruments are self-administered given that "the instrument is reliant on the respondent reading and completing the survey questions without the presence of a trained interviewer to clarify questions, probe for deeper responses or ensure subjects complete all questions on the survey".

Given the small sample size and accessibility to the sample population, the researcher decided to distribute pencil-and-paper surveys rather than the online alternative adopted for the larger study. Also, it was considered that the face-to-face interaction of department managers and staff would generate a higher response rate based on the personal interaction. Van Dessel (2008) supports the notion that the drop-off approach provides the opportunity for the researcher to spur interest in completing the questionnaire, answer general questions and collect the completed surveys.

A total of 60 completed surveys were collected at the end of the week and department managers and staff were thanked for participating. Prior to running the reliability tests, factor analysis and subsequent multivariate analysis, the data were cleaned, inversely worded items from the scales were reversed, the scales were saved as a separate file in SPSS and missing items were imputed using the 'missing value analysis' feature of the programme.

3.11 Final Research Design

Conducting the pilot study provided the opportunity for the researcher to ascertain the suitability and accuracy of the conceptual model, survey instrument and the research design in attempting to address the question: *in what ways do organisational HR climate dimensions affect WF opportunity and prevalence in the three business sectors?*

It was determined that the original design was appropriate to the requirements of the study although changes to the administration of the survey were necessary. The pencil-and-paper drop approach was replaced with the administration of an online survey due to the large number and limited access to the participants in the larger study. Furthermore, an online survey, as compared to the pencil-and-paper drop approach, was considered to be advantageous to research methodology given that it is economical, facilitates access for large sample sizes across a wider geographical reach, allows participant anonymity and enhances survey completion rates (Mikulsky 2005). Given the face and content validity proven in the pilot study, the content of the questionnaire and its design remained the same as that of the pencil-and-paper drop approach.

Given multiple failed attempts at cold calling representative organisations with the aim of establishing a contact for survey distribution, the researcher engaged a panel provider to recruit willing participants representative of the business sectors. The panel provider was emailed a link to the website containing the questionnaire that was developed using the Qualtrics Software. The email contained a cover letter inviting respondents to participate in the study and presented brief information about

the study (see Appendix A). The email also contained the internet link that would direct participants to the questionnaire (see Appendix B). The panel provider was advised to forward the emails to potential participants who were representative of the sample population.

Once participants received the email from the panel provider and after reading and agreeing to the conditions presented in the cover letter, participants were prompted to start responding to the questions in the survey. In order to retain confidentiality and anonymity or participants, the Internet Protocol (IP) address function was turned off to ensure that participants were neither identified nor exposed to being traced. The digital data obtained via the online survey was secured in the Qualtrics Software server which is password protected and, therefore, only accessible by the researcher.

The quantitative data from the pilot study was analysed using multivariate dependence techniques facilitated by the Statistical Package for the Social Sciences (SPSS$^{©}$) software to demonstrate a sound and logical method of analysis. The data from the major study, therefore, was analysed using the same techniques and procedures as used in the pilot study.

3.12 Procedure

In order to quantify, interpret and measure the strength of the relationship between the HR climate dimensions and the WF variables, multivariate dependence techniques such as multiple regression analysis and MANOVA were used. Such techniques were chosen as they satisfied the need for objectivity of the study designed to assess the level of dependency of each of the dependent variables identified as the WF opportunity and prevalence, on the HR climate dimensions identified as the independent variables. Allen and Bennet (2008) support the use of these techniques when the objective is to explore the degree of dependency of multiple dependent variables against independent variables. The techniques were chosen also based on the number and nature of the independent and dependent variables.

A reliability analysis was conducted in order to generate Cronbach's alpha used to determine the internal consistency and reliability of both the WF and HR climate scale. Once the reliability and consistency of both scales were established, factor analysis was performed in order to ensure that the HR climate subscales were internally coherent and that they measured conceptually and empirically distinct variables; this allowed the researcher to condense the HR climate dimensions into a more summarised set of variables. Hair, Black, Babin and Anderson (2009) claim that this statistical approach is ideal when the objective is to create a summated scale.

Multiple regression was used to assess simultaneously the correlation between each of the dependent variables, WF opportunity and prevalence, against the HR climate dimensions. Sekaran (2000) asserts that this technique generates the regression coefficient to enable the researcher to analyse the direction, strength and significance between each set of variables in a manner that maximises the correlation between the two sets. A probability of less than 0.05 was considered significant for the purpose of the research.

In the next phase, an ANOVA was performed to identify the HR climate dimension variations in each business sector. Following this, a multivariate analysis of variance (MANOVA) was performed to test the mean differences of the HR climate dimensions among the sectors and across the WF opportunity and prevalence variables simultaneously. Tabachnick and Fidell (1996: 23) support the use of this technique when the objective is to evaluate the "differences among centroids for a set of DVs when there are two or more levels of an IV (groups)".

The quantitative data analysis using SPSS software enabled a test of overall association between each of the two sets of variables, as well as the prediction of the opportunity and prevalence variables from the HR climate dimensions.

Correlation between the predictor variables and the outcome variables was analysed using Pearson correlation coefficient and provided evidence of the expected relationship and, therefore, the validity of the expected relationships. A correlational study examines differences in characteristics or variables; a correlation exists if,

when one variable increases, another variable either increases or decreases in somewhat predictable fashion (Leedy & Ormrod 2010).

3.13 Measures

The research instrument was designed predominantly to measure quantitative elements. The dependent variables are WF (1) opportunity and (2) prevalence. Further, the 6 independent variables, representative of the HR climate dimensions, are (1) job autonomy, (2) integration, (3) involvement, (4) supervisory support, (5) training and (6) welfare. Further, the hypothesised relationship is reflected in the conceptual model presented in Figure 2.1 in Chapter 2. Both the dependent and independent variables were assessed with data that were captured from the administration of 5-point Likert scales. Arithmetic means were generated from the participant responses to the survey. In addition, demographic dimensions were evaluated from three perspectives: firstly, personal (i.e., age, gender, marital status, mother tongue, education level; secondly, employment status (i.e., hierarchical position, length of employment, number of hours spent at work site, work schedule); thirdly, organisational (i.e., size of organisation and industry). A detailed discussion of the study measures are presented in the following section, with the dependent variables documented first.

Two dependent variables, WF opportunity and prevalence, were measured using a 12-item Likert scale originally developed by Nielsen et al. (2000). The independent variables represented by the HR climate dimensions, were measured using a 29-item Likert scale adapted as a subscale from the original Organisational Climate Measure (OCM) developed by Patterson et al. (2005)

3.13.1 Workplace Friendship Scale

The WF Scale, used to test Hypotheses 1 – 7, measured two aspects of WF; (a) the opportunity for friendship and (b) the presence of friendship. The 12-item scale was developed from a study by Nielsen et al. (2005) who assessed the internal

consistency reliability scores of the two 6-item subscales of the WF Scale. Nielsen et al. (2005) reported an internal consistency coefficient (Cronbach's alpha) of .84 and .89 for the 'opportunities for friendship' and 'prevalence of friendship' subscales respectively. In addition, the analysis supported the two-dimensional structure of the scale and provided adequate evidence of construct validity; findings supported by subsequent studies (e.g., Morrison 2006, Dickie 2009) also confirmed the overall reliability of the instrument in measuring two dimensions of friendship in the workplace. Overall, the WF scale was demonstrated as a valid and reliable measure that effectively addressed opportunity and prevalence of WF. The items from the scale are reflected as questions 12 to 17 as demonstrated in Appendix C.

The items employed to assess WF opportunity were;

12. I have the opportunity to get to know my co-workers
13. I am able to work with my coworkers to collectively solve problems
14. In my organisation, I have the chance to talk informally and visit with others.
15. Communication among employees is encouraged by my organisation.
16. I have the opportunity to develop close friendships at my workplace.
17. Informal talk is tolerated by my organisation as long as the work is completed

These items, with an alpha reliability coefficient .88 in the pilot study, were summed to produce a friendship opportunity score for each respondent; a high score on the scale denoting a high degree of perceived friendship in the workplace.

The second subscale of the WF instrument measured the depth of friendships developed. Items employed to assess WF prevalence were;

18. I have formed strong friendships at work.
19. I socialise with co-workers outside of the workplace.
20. I can confide in people at work.
21. I feel I can trust many co-workers a great deal.
22. Being able to see my co-workers is one reason I look forward to my job.
23. I do not feel that anyone I work with is a true friend.*

After the score on item 23 was reversed, these items with an alpha reliability coefficient of .86 in the pilot study, were summed to produce a friendship prevalence score for each respondent; a high score on the scale indicated a high degree of perceived friendship in the workplace.

Logically, Morrison (2004) suggests that, in order for these relationships to flourish within this context, there must first be the opportunity for friendships to develop in the workplace. The 'prevalence' subscales measure whether friendships actually have been established and only addresses positive relationships in the workplace. Measuring the extent of these friendships accounts for significant variance of HR outcomes measured in the current study as the focus is on positive friendships in the workplace. There may be plenty of opportunities for friendships to develop in an organisation; however, they may be a result of an unhealthy organisational climate. Given that the underlying sentiments represented in this construct address issues of strong relationships, trust and general positive feelings associated with socialising with co-workers, the scale was incorporated into the survey instrument to distinguish positive relationships from negative ones.

3.13.2 HR Climate Scale

The HR climate scale was used to test Hypotheses 1 – 7 and measured six facets of HR practice; (1) job autonomy, (2) integration, (3) involvement, (4) supervisory support, (5) training and (6) welfare. The 29-item subscale was adapted from the 'HR domain' of the Organisational Climate Measure (OCM) developed by Patterson et al. (2005). The original OCM scale consisted of 17 subscales with a total of 82 items and was divided into four quadrants; human relations, internal process, open systems and rational goal. The human relations quadrant was identified as being relevant to measuring HR climate. The items in this particular quadrant emphasise flexibility and reflect values associated with belonging, trust and cohesion through means such as training and human resource development.

In their study, Patterson et al. (2005) reported internal consistency estimates of the HR climate dimensions as follows; Autonomy .67; Integration .86; Involvement .87; Supervisory Support .88; Training .83 and Welfare .91. With the exception of the Autonomy scale, all alpha values are at or above .73. Nevertheless, the Patterson et al. (2005) study reported the subscale's overall reliability coefficient score as being .83, demonstrating a high level of internal consistency.

The internal consistency of the HR climate subscale has been validated by subsequent studies that either have utilised the entire 83 items on the OCM or chosen specific items deriving from the human relations quadrant. For example, Dawson et al. (2007) reported a reliability coefficient of .82 for the Integration subscale; Ancarani, Di Mauro and Giammanco (2011) reported Cronbach's alpha of .70, .61, .86, .69 and .88 for the Autonomy, Involvement, Supervisory Support, Training and Welfare subscales respectively while Patterson, Warr and West (2004) reported a similar robust median value of .82 for the internal reliability of the entire OCM scale. The alpha reliability coefficient was .92 in the pilot of the current study. Taken together, these findings from previous studies support the internal reliability of the HR climate subscale.

The items employed to assess the HR climate were;

Autonomy:

24. Management let people make their own decisions much of the time
25. Management trust people to take work-related decisions without getting permission first
26. People at the top of the organisation tightly control the work of those below them*
27. Management keeps too tight a reign on the way things are done around here*.
28. It's important to check things first with the boss before taking a decision*

Item numbers 26, 27 and 28 on this scale were reversed. The HR dimension measured the extent towards which employees were given the opportunity to exercise freedom in decision-making.

Integration:

29. People are suspicious of other departments*
30. There is very little conflict between departments in this organisation
31. People in different departments are prepared to share information
32. Collaboration between departments is very effective.
33. There is very little respect between some of the departments here*

Item numbers 29 and 33 on this scale were reversed. The Integration subscale measured the degree to which departments within an organisation were cooperative and interdependent on one another.

Involvement:

34. Management involves people when decisions are made that affect them.
35. Changes are made without talking to the people involved in them*
36. People don't have any say in decisions which affect their work*
37. People feel decisions are frequently made over their heads*
38. Information is widely shared
39. There are often breakdowns in communication here*

Item numbers 35, 36, 37 and 39 on this scale were reversed. The subscale addressed the measure to which there was decentralised decision making, involving employees.

Supervisory support:

40. My direct supervisors are really good at understanding peoples' problems
41. My supervisor shows that they have confidence in those they manage
42. My supervisor is friendly and easy to approach
43. My supervisor can be relied upon to give good guidance to people
44. My supervisor shows an understanding of the people who work for them

None of the items on the scale had to be reversed. The subscale reflected the extent to which supervisors were perceived to be friendly and approachable.

Training:

45. People are not properly trained when there is a new machine or bit of equipment*
46. The company only gives people the minimum amount of training they need to do their job*
47. People are strongly encouraged to develop their skills
48. People receive enough training when it comes to using new equipment

Item numbers 45 and 46 on the scale were reversed. The subscale reflected the level of sophistication with regards to the training and development programs offered to staff.

Welfare:

49. This company pays little attention to the interests of employees*
50. This company tries to look after its employees
51. This company cares about its employees
52. This company tries to be fair in its actions towards employees

Only the first item on the scale was reversed. The Welfare dimension measured the degree to which the organisation was perceived to demonstrate care and concern towards staff members.

Once all relevant items were reversed, items on each of the subscales were summed to produce a score representative of each HR dimension for each respondent. A high score on the scale indicated a high degree of perceived autonomy, integration, involvement, supervisory support, training and welfare respectively.

3.13.3 Demographics

The demographic dimensions of the respondents were evaluated from three perspectives; personal, job-specific and organisational. From a personal perspective, geographic location, age, gender, ethnicity, marital status, English as a first language and education were included as items 53, 54, 55, 56, 57, 58 and 59 respectively. These dimensions were included in the analysis because prior studies had found these variables to influence interpersonal and social relationships (e.g., Sias & Cahill 1998; Markiewicz et al. 2000; Sias et al. 2003). The 'hot spot' function in the survey instrument; Qualtrics, was utilised to indicate the respondent's geographic location. Geographic location was coded as 1 for 'Western Australia', 2 for 'Northern Territory', 3 for 'Queensland', 4 for 'New South Wales', 5 for 'Australian Capital Territory', 6 for 'South Australia', 7 for 'Victoria' and 8 for 'Tasmania". Age was coded as 1 for 'under 21', 2 for '22-25', 3 for '26-35', 4 for '36-45', 5 for '46-55', 6 for '56-65', 7 for '66-70' and 51 for respondents over 70 years of age. Respondents were asked to give responses to 1=male and 2=female. Marital status was coded 1 for 'widowed', 2 for 'Separated', 3 for 'Married', 4 for 'De facto or common law partnership', 5 for 'Not de facto but in a relationship for more than 6 months' and 6 for 'Single'. English as a first language was coded as 1= Yes and 2=No. Education was highest degree earned and was coded as 1 for 'Primary', 2 for 'Secondary', 3 for 'Post-secondary (TAFE)' and 4 for 'Tertiary (University)'.

Questions that were job-specific were asked in order to ascertain the average number of hours spent at the work site, the nature of the job and work schedule. These questions were reflected as items 8, 9 and 10 respectively. Items were included in the survey as the number and frequency of hours one spends at work inevitably influences the ability to make and develop friendships. The average number of hours spent at work was recorded in hours per day. The necessity of the role to spend more than two hours a week away from the primary place of work was coded as 1 for 'Yes' and 2 for 'No'. Work schedule was coded as 1 for 'Fixed', 2 for 'Shift', 3 for 'Flexible' and 4 for 'Other'.

In relation to the organisational dimensions, respondents were asked to specify their formal position in the organisation, the number of subordinates below their position, the number of colleagues they closely work with, the number of colleagues they consider friends, their employment and positional tenure, the industry classification and employment status; questions 1, 2, 3, 4, 5, 6, 7 and 11 respectively. Information on these organisational dimensions has been proven to have an impact on workplace friendship development (e.g., Mao 2006; Lin et al. 2008; Mao at al. 2009; Lin 2010). The classification of hierarchical position within the organisation was coded as 1 for 'CEO', 2 for 'Middle Level Manager', 3 for 'First Line Manager' and 4 for 'Non managerial staff member'. The number of subordinates below the respondent's position was the number of individuals that were hierarchically lower than the respondent. The number of colleagues the respondent closely works with was coded as 1 for '1- 5', 2 for '6 - 10', 3 for '11 – 15', 4 for '16 – 20', 5 for '21 – 25', 6 for '26 – 30', 7 for '31 – 35', 8 for '36 – 40', 9 for '41 – 45' and 51 for 'more than 45'. Similarly, the number of colleagues the respondent considered friends was coded as 1 for '1- 5', 2 for '6 - 10', 3 for '11 – 15', 4 for '16 – 20', 5 for '21 – 25', 6 for '26 – 30', 7 for '31 – 35', 8 for '36 – 40', 9 for '41 – 45' and 51 for 'more than 45'. Employment and position tenure was recorded as 1 for 'less than 1 year', 2 for '1 – 2 years', 3 for '3 – 5 years', 4 for '5 – 7 years, 5 for '7 – 9 years', 6 for '9 – 11 years', 7 for '11 – 13 years', 8 for '13 – 15 years' and 9 for 'more than 15 years' at the place of employment and in the current position. The industry classification was coded as 1 for 'Banking/Finance', 2 for 'Healthcare', 3 for 'Government' and 4 for 'Other'.

Employment status was the nature of the current employment and was coded as 1 for 'Full time', 2 for 'Part time', 3 for 'Contract', 4 for 'Casual' and 5 for 'Other'.

3.14 Analysis

The data compiled was analysed using the Statistical Package for the Social Sciences (SPSS$^{©}$), allowing for in-depth data access and preparation, analytical reporting, graphics and modelling.

There were two phases in the study; the first phase consisted of a pilot study with 60 participants and the second phase was the major study with 3256 surveys distributed via an online tool. The objective of the pilot study was to establish and validate the reliability and validity of the instrument in the context of the current study and the major study facilitated the investigation of the relationship between the Dependent and Independent variables.

Consequent to the pilot study confirming the factor structure of the instrument and validating its construct validity, 3256 online surveys were distributed and the data imputed into an SPSS file. The objective of the major study was to investigate the relationship between the independent and dependent variables, the emphasis being on the analysis of dependence between the independent variables and the dependent variables. Multivariate techniques, a regression analysis, MANOVA and an ANOVA were conducted in order to assess the level of dependency of each of the dependent variables; WF opportunity and prevalence on the HR climate dimensions, identified as the independent variables.

Multiple regression analysis allows a "metric dependent variable to be predicted by multiple independent variables" (Zikmund & Babin 2010: 390). This technique was first conducted in order to generate the regression coefficient which facilitated the correlation analysis between the each of the dependent variables; WF opportunity and prevalence against the HR climate dimensions. A probability of less than 0.05 was considered significant for the purpose of this research. This technique answered the minor research questions of *'Is there a relationship between HR climate and WF*

opportunity and prevalence?' and *'How do HR climate dimensions affect WF opportunity and prevalence?'* The findings from these analyses satisfied the first and second objectives of examining the relationship between HR climate dimensions and WF opportunity and prevalence and identifying the impact of HR climate dimensions on WF opportunity and prevalence.

An analysis of variance (ANOVA) was conducted to compare variances between variables in order to make inferences about the means (Zikmund & Babin 2010); a technique that only allows "the investigation of one treatment variable on an interval-scaled dependent variable" (Zikmund & Babin 2010: 541). The technique was used to determine the statistical differences in means between the HR climate dimensions across the three business sectors. The findings from this technique facilitated the next stage of the study, which was to conduct a MANOVA. This statistical technique was critical in answering the minor research question *'Is there a variation in WF opportunity and prevalence in the three business sectors'* and satisfied the objective of comparing the workplace friendship opportunity and prevalence between different business sectors.

Finally, a multivariate analysis of variance (MANOVA) facilitated the prediction of "multiple continuous dependent variables with multiple independent variables" (Zikmund & Babin 2010: 589); i.e., the researcher tested the mean difference of the HR climate dimensions among the three business sectors across WF opportunity and prevalence simultaneously. The findings answered the major research question of *'In what ways do organisational HR climate dimensions affect WF opportunity and prevalence in the three business sectors?'* and satisfied the objective of identifying the predominant HR climate dimensions that had a positive impact on WF opportunity and prevalence in the participating organisations within the different business sectors.

3.15 Conclusion

In Chapter Three, the development of the study methodology has been outlined with the aim of justifying the research approach and describing and explaining the design of the study. The rationale behind the presentation of the chapter was to demonstrate the reliability, construct validity and rigour of the research methodology adopted.

Aligned with the positivist paradigm perspective, the quantitative dimension was argued to be the most appropriate. Of the various quantitative research strategies possible, the survey approach satisfied the research objectives in the study. The sample size, respondents and procedures for conducting the research were presented also. In addition, the design of the questionnaire, including its content and distribution process was addressed. The research instruments that were adopted to measure the dependent, independent variables and demographic dimensions were presented. The chapter was concluded with an outline of the statistical tests employed to evaluate the data; viz., factor analysis, reliability analysis, regression analysis, ANOVA and MANOVA. The statistical approach was justified by aligning the techniques with the associated research objectives and questions. The results generated through these multivariate statistical analyses are reported in Chapter Four.

CHAPTER 4

FINDINGS AND ANALYSIS

4.0 Introduction

The purpose in this chapter is to present the results of the collected data processed using numerous data techniques and statistical tests to facilitate analysis. Given the ordinal data collected illustrated a normal underlying distribution of scores representative of the healthcare, government and banking/finance sectors, parametric statistical procedures were used to analyse them. Statistical analysis was used to test the hypothesised relationship between HRM climate dimensions and the opportunity and prevalence of WF. Specifically, the chapter presents findings relating to the extent to which the HRM climate dimensions of employee welfare, participation, job autonomy, cross-functional and cross hierarchical integration, supervisory support and sophistication of training programs as independent variables affect the dependent variables of WF opportunity and prevalence in the banking/finance, government and healthcare sectors; i.e., relating to the major research question.

The population of choice for the current study was driven by two main determinants; the participant's hierarchical level within the organisation and the organisations appearing to demonstrate different HRM climates. Three fundamental goals underpinned the collection of data and the subsequent data analysis to answer the minor research questions. The first goal was to measure the strength of the relationship between HRM climate Dimensions, the second was to identify the impact that the HRM climate Dimensions had on WF opportunity and prevalence and the third goal was to compare the variations in the WF opportunity and prevalence in the three business sectors.

As indicated previously, a factor analysis was conducted as a 'data reduction' technique and was followed by a reliability and validity analysis to ensure internal consistency and the reliability of the WF and HR climate. Following this, a standard multiple regression analysis was conducted to explore the 'predictive ability' (Pallant

2011:104) of the HRM climate dimensions on WF opportunity and prevalence. An ANOVA measured HRM climate dimension variations in each of the three business sectors and a multivariate analysis of variance (MANOVA) was used to assess the mean differences of the HRM climate dimensions across the WF opportunity and prevalence variables simultaneously.

4.1 Response Rate and Non-respondents

A survey's response rate is defined as "the percentage of eligible sample cases that were measured" (Groves, Fowler, Couper, Lepkowski, Singer & Tourangeau 2009: 183). In total, 1516 (47.9%) respondents attempted the survey which returned an initial usable 1282 surveys (39.4% of those distributed). A total of 407 participants did not meet the participation criteria of belonging to either one of the three business sectors (n=44) and were senior managers (n=363). As illustrated in Table 4.1, the number of cases used in the analysis was reduced further to 875 cases and, subsequently, no further respondents were disqualified from the analysis.

Table 4.1: Survey Respondents

Respondents	N	%
Total number of respondents	1516	100.0
Total respondents who completed the surveys in its entirety	875	57.72
Exclusions from the survey		
Responses were incomplete; suitability unknown	148	9.76
Respondents did not agree to the Consent form	86	5.67
Respondents that did not meet the criteria:		
Senior managers	363	23.94
Unsuitable profession	44	2.90

4.2 Demographic of the Respondents

Table 4.2 summarises the personal demographics of respondents. In the current study, 662 (75.7%) respondents were females, whilst 213 (24.3%) of respondents were male. The majority of respondents worked in NSW (N=298) and Victoria (N=203) and predominantly belong to the 26 to 45 age range bracket (N=703) representing 80.3% of respondents surveyed.

Table 4.2: Personal demographics; age, gender and location (N=875)

Gender	N	%	Age	N	%
Male	213	24.3	18-21 years	2	0.2
Female	662	75.7	22-25 years	29	3.3
			26-35 years	244	27.9
Location			36-45 years	251	28.7
ACT	24	2.7	46-45 years	208	23.8
NSW	298	34.1	56-65 years	133	15.2
NT	2	0.2	66 years plus	8	0.9
Queensland	164	18.7			
SA	90	10.3			
Tasmania	25	2.9			
Victoria	203	23.2			
WA	69	7.9			

Despite the study being within the Australian organisational context and the survey being distributed only in Australia a range of ethnic backgrounds was evidenced; Oceanic (N=582), European (N=144) and Asian (N=130). The researcher used the standard classification developed by the ABS (2005) as a guide to grouping and recoding respondents who identified themselves as being of 'other' ethnic background. Fifty percent of the respondents (N=443) were married, while 221 (25.3%) were single. The majority of respondents was either tertiary educated (N=441) or had post-secondary education (N=276).

Table 4.3: Personal demographics; ethnicity and marital status (N=875)

Ethnicity	N	%	Marital status	N	%

Oceanic	582	66.5	Widowed	8	0.90
European	144	16.5	Separated	46	5.30
Asian	130	14.9	Married	443	50.6
African & Middle Eastern	14	1.6	De facto or common law partnership	125	14.3
American	5	0.6	Not de facto but in a relationships for more than 6 months	32	3.70
			Single	221	25.3

The majority of the respondents is English-speaking (88%) and reported to either be tertiary educated (50.4%) or had post-secondary education (32.5%).

Table 4.4: Personal demographics; English as first language and level of education (N=875)

English as first language	N	%	Highest level of education	N	%
Yes	770	88	Primary	6	0.7
No	105	12	Secondary	152	17.4
			Post secondary (TAFE)	276	31.5
			Tertiary (University)	441	50.4

Although there were three times as many female than male respondents, there was a high level of similarity in the respondents' age, marital status, ethnicity, education and language, thereby suggesting a homogenous sample population.

Table 4.5 illustrates the employment status of the respondents surveyed. Respondents were screened on the basis of their hierarchical position in the organisation. Core-executives (3.5%), middle-level managers (7.0%) and first-line managers (16.6%) were excluded from the survey as they did not meet the criteria of the study which resulted in a total of 875 non-managerial participants from the banking/financial services (17.6%), healthcare (37.1%) and government (45.3%) sectors respectively. Largely, the respondents were full-time employees (N=560) who reported working fixed hours every day (N=420) and worked mainly from a primary work site (84.2%).

Table 4.5: Respondents' Employment Status

Industry sector	N	%	Close colleagues	N	%
Banking/Financial services	154	17.6	None	51	5.8
Healthcare	325	37.1	1 to 5	333	38.1
Government	396	45.3	6 to 10	266	30.4
			11 to 15	99	11.3
Away from primary work site			16 to 20	70	8
Yes	138	15.8	21 to 25	24	2.7
No	737	84.2	26 to 30	15	1.7
			31 to 49	17	1.9

Given that the amount of time spent at work, particularly at a primary work site, has an impact on the ability and exposure to the opportunity to make friends and strengthen relationships (Smith & Wilson 2010), the employment status represented by the surveyed respondents indicates that they would have been given the opportunity to make friends and strengthen relationships in their respective workplace. A large number of participants (N=698) reported having a range of between one and fifteen colleagues with whom they work closely. This is an important factor to note within the context of this study as employees who work closely with other members of the organisation have been found to have a higher propensity to make friends with each other (Sias, Smith & Avdeyeva 2003). This can be illustrated by the percentage of respondents who reported having friends at work (85.4%) compared to the percentage of those who reported having no friends (14.6%). The majority of the respondents (71.5%) claimed to have between one to five friends.

Figure 4.1: Average number of working hours
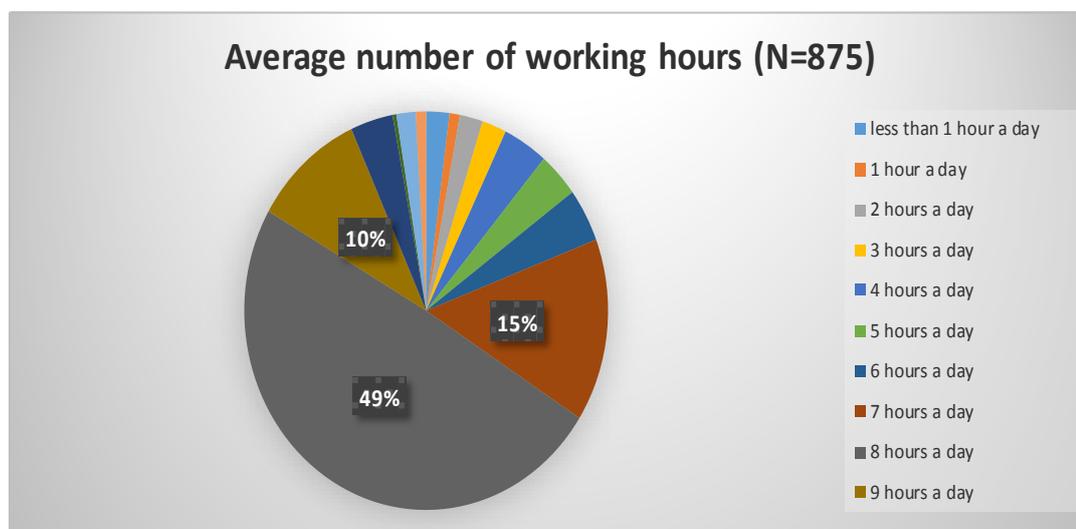
4.3 Descriptive statistics

Prior to conducting parametric statistical tests, it is necessary to verify that there is a normal sampling distribution (Tabachnick & Fidell, 2007). Testing the data for normality is especially important in this study given that normality is an assumption that precedes all the proposed statistical tests used for data analysis.

Descriptive statistics (means and standard deviations) for each item on the 41-item scale were calculated. The means of the items ranged from 2.48 to 4.02 (possible range was from 1 to 5); standard deviations ranged from 0.92 to 1.44. This suggests that there was suitable variation in responses. Further to this, the inspection of the normal probability plot of standardised residuals indicated that the assumptions of normality, linearity and homoscedasticity of the data were met.

In addition, Allen and Bennett (2008) suggest that the Maximum Mahalanobis distance larger than the critical chi-square (χ^2) value for degrees of freedom (df) = k at α = 0.001 indicates the presence of one or more multivariate outliers which is problematic in parametric testing. The Maximum Mahalanobis distances calculated for all regressions in this study were less than the associated critical values of χ^2.

Therefore, based on this analysis, multivariate outliers are not a concern in this study rendering the subsequent parametric analyses reliable.

4.4 Data reduction, validity and reliability

The Statistical Package for the Social Sciences (SPSS$^{©}$) version 20 was used to analyse the construct validity and reliability and subsequently test the research hypotheses. Exploratory factor analysis was used to determine the validity of the research instruments. A factor analysis with Varimax rotation was performed on all items in every variable of each scale. The items used in this study were considered valid if the value of factor loading is $\pm$ 0.40 or greater (Ford, MacCallum & Tait 1986; Hair et al. 2009). Table 4.6 and 4.7 illustrate the results of the validity analysis for the HR climate and WF opportunity and prevalence scales. Given that all the studied variables reflect a factor loading greater than $\pm$ 0.40, this analysis indicates that all the variables meet the acceptable standard of validity analysis. In addition, the results of the factor analysis indicated six distinct factors (with Eigenvalues exceeding 1) underlying the 29-item HR climate subscale and 2 factors (with Eigenvalues exceeding 1) that underlie the WF scale. As a result of these findings, the original items on the HR climate and WF scales proposed by Patterson et al. (2005) and Nielson et al. (2000) respectively, were retained and considered well-suited for further parametric statistical analysis

Subsequent to a factor analysis, a Kaiser Mayer Olkin test (KMO) and the Bartlett test of sphericity were performed for each variable to determine a sampling adequacy. The KMO test was conducted to determine the sufficiency of sample size in the current study (Field 2009) while the Bartlett's test of sphericity was performed to examine the suitability of the R matrix to determine the applicability of the factor analysis (Allen & Bennett 2008). Sampling adequacy of the variables was accepted if the KMO statistic was 0.60 or greater and Bartlett's test of sphericity was large and significant (Field 2009). Further to this, the reliability of all the variables in each scale was conducted and assessed using Cronbach's alpha. The reliability of the research instrument is deemed acceptable if the alpha value falls between 0.70 and

1.0 (Tabachnick & Fidell 2007). Tables 4.6 and 4.7 present the results of the KMO test, Bartlett's test of sphericity and reliability analysis for the HR climate and WF scale respectively. The analysis of the test indicates that all the studied variables exceed the acceptable KMO statistic of 0.60 or more and were significant in Bartlett's test of sphericity. In addition, all the studied variables exceeded the Cronbach alpha value of 0.70 indicating that the variables met the acceptable standard of reliability analysis.

Overall, the results of these preliminary statistical analyses demonstrated that the research instrument employed to examine HR climate and WFs was robust, reliable and, therefore, considered a good fit for subsequent hypotheses testing.

Table 4.6: Principal Component Factors: Rotated Factor Matrix[a] (Varimax Rotation) HR Climate Dimensions

Variables	Items #	Factors					
		1	2	3	4	5	6
Supervisory support	17	**0.833**	0.191	0.107	0.164	0.113	0.098
	18	**0.823**	0.15	0.141	0.158	0.147	0.147
	19	**0.843**	0.089	0.123	0.141	0.158	0.083
	20	**0.889**	0.115	0.138	0.168	0.065	0.146
	21	**0.896**	0.125	0.124	0.187	0.092	0.108
Involvement	11	0.169	**0.598**	0.19	0.406	0.103	0.064
	12	0.142	**0.774**	0.19	0.203	0.154	0.176
	13	0.164	**0.750**	0.182	0.225	0.194	0.156
	14	0.088	**0.779**	0.217	0.182	0.2	0.146
	15	0.199	**0.427**	0.406	0.368	0.139	0.145
	16	0.172	**0.607**	0.367	0.152	0.146	0.132
Integration	6	0.145	0.268	**0.671**	0.054	0.186	0.167
	7	0.037	0.099	**0.692**	0.134	0.099	0.047
	8	0.147	0.151	**0.754**	0.175	0.107	0.091
	9	0.166	0.138	**0.732**	0.209	0.084	0.127
	10	0.103	0.282	**0.715**	0.091	0.144	0.146
Welfare	26	0.165	0.402	0.21	**0.559**	0.162	0.283
	27	0.259	0.276	0.201	**0.786**	0.143	0.156
	28	0.228	0.324	0.2	**0.763**	0.165	0.158
	29	0.269	0.312	0.202	**0.727**	0.139	0.146
Job autonomy	1	0.185	0.093	0.194	0.269	**0.672**	-0.009
	2	0.192	0.08	0.182	0.239	**0.753**	0.019
	3	0.081	0.28	0.064	0.019	**0.741**	0.05
	4	0.146	0.376	0.164	0.077	**0.663**	0.066
	5	0.006	0.012	0.061	-0.01	**0.745**	0.093
Training	22	0.107	0.187	0.116	-0.012	0.039	**0.793**
	23	0.149	0.213	0.148	0.255	0.104	**0.724**
	24	0.26	0.055	0.242	0.482	0.129	**0.463**
	25	0.208	0.114	0.205	0.387	0.017	**0.676**
Kaiser Mayer Olkin		0.905	0.895	0.821	0.844	0.751	0.771
Bartlett' Test of Sphericity		4260.045	2813.639	1685.377	2797.126	1751.032	1079.54
		$p = 0.000$	$p = 0.000$	$p = 0.000$	$p = 0.000$	$p = 0.000$	$p = 0.000$
Eigenvalue		4.119	3.916	3.058	3.235	2.96	2.489
Variance explained		82.374	65.272	61.154	80.868	59.191	62.237
Cronbach's Alpha		0.946	0.893	0.839	0.920	0.827	0.781

Table 4.7: Principal Component Factors: Rotated Factor Matrix[a] (Varimax Rotation) Workplace Friendship Opportunity and Prevalence

Variables	Items #	Factors	
		1	2
WF Opportunity	1	0.238	**0.727**
	2	0.214	**0.769**
	3	0.216	**0.752**
	4	0.1	**0.794**
	5	0.454	**0.672**
	6	0.121	**0.733**
WF Prevalence	7	**0.820**	0.243
	8	**0.794**	0.094
	9	**0.792**	0.283
	10	**0.648**	0.396
	11	**0.745**	0.269
	12	**0.774**	0.073
Kaiser Mayer Olkin (KMO)		0.876	0.879
Bartlett' Test of Sphericity		2680.55	2226.464
		$p = 0.000$	$p = 0.000$
Eigenvalue		3.826	3.26
Variance explained		63.763	60.433
Cronbach's Alpha		0.884	0.868

4.5 Correlations

Pearson correlation analysis measures the degree of association and relationship between two constructs (Field 2009). This technique was employed within the context of this study to assess the correlation between the independent variables (HR climate dimensions) and the dependent variables (WF opportunity and prevalence). In addition, conducting this procedure allowed the examination of data to ensure that multicollinearity error is avoided. Allen and Bennet (2008) caution that multicollinearity error could reduce the accuracy of results derived from performing a multiple regression analysis.

The results of correlation matrix among the variables in Table 4.8 indicate that all the variables have a positive relationship and were significantly correlated, at the $p<0.01$ level. The analysis indicates that WF opportunity and prevalence are related to job autonomy ($r=.326$; $r=.199$), employee integration($r=.328$; $r=.223$), employee involvement ($r=.372$; $r=.236$), level of supervisory support ($r=.392$; $r=.300$), the amount of training provided ($r=.330$; $r=.256$) and the degree of welfare exhibited ($r=.360$; $r=.205$) respectively. All the correlation coefficients for the relationship between the independent variables (job autonomy, integration, involvement, supervisory support, training and welfare) and the dependent variables (WF opportunity and prevalence) were less 0.7 thereby indicating that the data was free from multicollinearity error and considered appropriate for conducting multiple regression analysis. In addition, variance inflation factor (VIF) testing was conducted and no multicollinearity issues were detected.

Overall, analysis demonstrates that there is a positive and strong association between HR climate and the opportunity to develop and maintain friendships in the workplace.

Table 4.8: Correlation matrix of research variables

	Job Aut	Integration	Involvement	Supp Support	Training	Welfare	F'ship Opp	F'ship Prev
Job Aut	1	.428**	.515**	.360**	.308**	.449**	.326**	.199**
Integration	.428**	1	.602**	.379**	.308**	.524**	.328**	.223**
Involvement	.515**	.602**	1	.429**	.536**	.669**	.372**	.236**
Supp Support	.360**	.379**	.429**	1	.451**	.516**	.392**	.300**
Training	.308**	.308**	.536**	.451**	1	.601**	.330**	.256**
Welfare	.449**	.524**	.669**	.516**	.601**	1	.360**	.205**
F'ship Opp	.326**	.328**	.372**	.392**	.330**	.360**	1	.553**
F'ship Prev	.199**	.223**	.236**	.300**	.256**	.205**	.553**	1

**. Correlation is significant at the 0.01 level (2-tailed).

4.6 Multiple Regression

A Standard Multiple Linear Regression (SMLR) was conducted to facilitate the analysis of the direction, strength and significance between the HRM climate

(independent) variables and WF (dependent) variables as presented in Hypothesis 1. The objective of the procedure was to assess the magnitude and direction of the HR climate variables in combination on the WF opportunity and prevalence variables independently.

The first multiple regression facilitated delineating the HR dimension that has the strongest impact on the opportunity to make friends while the second regression was conducted to identify the critical HR dimension that impacted upon friendship development. For the purpose of this study, a probability of less than 0.05 was considered significant.

Prior to conducting the multiple regressions, the items representing each of the HR climate variables of 'job autonomy', 'integration', 'involvement', 'supervisory support', 'training' and 'welfare' were collapsed to form a single variable; HR1, HR2, HR3, HR4, HR5 and HR6 respectively. Similarly, the items representing the WF opportunity and prevalence variables were collapsed to form a single variable; OP1 and PR1 respectively. This technique was performed via the 'transform, compute' function in SPSS$^©$ and facilitated the analysis of the HR climate variables as predictors of WF opportunity and prevalence.

4.6.1 Hypothesis 1

H1: There is a significant relationship between HRM Climate dimensions and WF opportunity and prevalence.

Table 4.9 summarises the results of the multiple regression analysis conducted on the HR climate variables and WF opportunity and prevalence variables. The analysis indicates that job autonomy, supervisory support, employee involvement and training are significantly associated with WF opportunity. In particular, job autonomy (β=0.122, p=0.001), level of supervisory support (β=0.222, p=0.000), employee involvement (β=0.103, p=0.025) and training (β=0.081, p=0.040) have a strong positive impact on the opportunity to develop friendships in the workplace. On the other hand, employee integration and employee welfare were at the p>0.05 level which appears to have a non-significant relationship with WF opportunity. Overall, it

can be concluded that HR climate dimensions in combination has a significant impact on the opportunity to make friends (R^2=0.228, p<0.001).

Further to this, the analysis indicates that supervisory support and training are significantly correlated with WF prevalence. Supervisory support (β=0.213, p=0.000) and training (β=0.128, p=0.002) have a significant positive impact on the prevalence of friendships in the workplace. At p>0.05, the results illustrate that job autonomy, employee integration and employee involvement have a non-significant relationship with WF prevalence. However, in combination, HR climate dimensions have a significant impact on the WF prevalence (R^2=0.120, p<0.001).

Table 4.9: Multiple regressions – HR Climate variables and WF opportunity and prevalence (Hypothesis 1)

Criterion variable (Dependent variable)	Predictor variable (Independent variable)	Beta	R Square	Fisher's statistic	Sig.
		β	R^2	F	P<
WF opportunity	HR in combination		0.223	42.783	0.000
	Job autonomy (HR1)	0.122***			
	Integration (HR2)	0.072			
	Involvement (HR3)	0.103*			
	Sup support (HR4)	0.222***			
	Training (HR 5)	0.081*			
	Welfare (HR6)	0.036			
WF prevalence	HR in combination		0.120	19.757	0.000
	Job autonomy (HR1)	0.062			
	Integration (HR2)	0.06			
	Involvement (HR3)	0.064			
	Sup support (HR4)	0.213***			
	Training (HR 5)	0.128*			
	Welfare (HR6)	-0.084			

Note. *=p<0.005 and ***=p<0.001

Despite some HR climate variables displaying no significant correlations with WF opportunity and prevalence (employee integration and welfare), the overall findings support Hypothesis 1; concluding that there is a significant relationship between HRM climate dimensions and WF opportunity and prevalence.

Hypotheses two to seven were tested using linear regression analyses. This analysis was conducted to assess the strength, direction and significance of the various HR climate dimensions as independent predictors of WF opportunity and prevalence. The root mean squared (R^2) values, standardised beta (β), Fisher's values and significance levels are summarised in Table 4.10.

4.6.2 Hypothesis 2

H2: The higher the level of job autonomy, the greater the WF opportunity.

An ANOVA was used to investigate the impact that the level of job autonomy had on the opportunity to develop WFs. The ANOVA was statistically significant, indicating that WF opportunity is influenced by the degree to which a job is perceived to be autonomous $R^{2=}10.7$, $p=<0.001$. These results indicate that 10.7% of the variance in WF opportunity can be accounted for by the level of job autonomy. Overall, given these findings, the hypothesis is supported and confirms that higher job autonomies will results in greater WF opportunity.

4.6.3 Hypothesis 3

H3: The higher the level of employee involvement in decision making, the higher the WF opportunity and prevalence.

ANOVAs were used to examine the relationship between the composite variable; employee involvement (HR3) as the independent variable, and WF opportunity (OP1) and WF prevalence (PR1) as dependent variables respectively. The results of the ANOVA was statistically significant, indicating that employee involvement is a strong predictor of WF opportunity $R^2=0.138$, $p=<0.001$ and WF prevalence $R^2=0.055$, $p=<0.001$. These findings illustrate that 13.8% variance in WF opportunity and 5.5% variance in WF prevalence can be explained by the level of employee involvement. Overall, the analysis supports this hypothesis and confirms that higher levels of employee involvement in decision making will have a positive impact on the opportunity to develop and maintain friendships.

4.6.4 Hypothesis 4

H4: The higher the level of employee integration, the greater the WF opportunity and prevalence.

ANOVAs were conducted to assess the relationship between the composite variable; employee integration (HR2) as the independent variable, and WF opportunity (OP1) and WF prevalence (PR1) as dependent variables respectively. The results of ANOVA was statistically significant, demonstrating that employee integration is a strong predictor of WF opportunity R^2=0.107, p=<0.001 and WF prevalence R^2=0.050, p=<0.001. These results indicate that 10.7% variance in WF opportunity and 5% variance in WF prevalence can be attributed to the degree of employee integration. As a whole, the analysis indicates that hypothesis four is supported and confirms that higher levels of employee integration result in higher levels of WF opportunity and prevalence.

4.6.5 Hypothesis 5

H5: The more emphasis an organisation places on developing employee skills (training), the greater the WF opportunity and prevalence.

ANOVAs were conducted to assess the relationship between employee training as a predictor variable (HR5) and WF opportunity (OP1) and prevalence (PR1) as outcome variables. The result of the regression analysis demonstrated a statistically significant relationship between training and WF opportunity R^2=0.109, p=<0.001 and WF prevalence R^2=0.065, p=<0.001. These results suggest that 10.9% variance in WF opportunity and 6.5% variance in WF prevalence can be accounted for by employee training. Overall, the analysis supports the hypothesis and confirms that the more emphasis placed on developing employee skills (training), the greater the WF opportunity and prevalence.

4.6.6 Hypothesis 6

H6: The higher the perceived levels of welfare towards employees, the greater the WF opportunity and prevalence.

In order to test hypothesis six, two ANOVAs were conducted to assess the relationship between the composite variable; welfare (HR6) as independent variables

and the composite variables of WF opportunity (OP1) and WF prevalence (PR1) as dependent variables. The results of the ANOVA illustrate that there is a statistically significant relationship between welfare and WF opportunity R^2=0.130, p=<0.001 and WF prevalence R^2=0.042, p=<0.001. The results illustrate that 13% variance in WF opportunity and 4.2% variance in WF prevalence is accounted for by perceived levels of employee welfare. The analysis demonstrates that perceived levels of welfare have a strong impact and association with the opportunity to develop and maintain WFs.

4.6.6 Hypothesis 7

H7: The higher the perceived levels of supervisory support, the greater the WF opportunity and prevalence.

ANOVAs were conducted to examine the relationship between the composite variable; supervisory support (HR4) as a predictor variable on the composite WF opportunity (OP1) and WF prevalence (PR1) variables respectively. The results of the ANOVA indicate that there is a statistically significant relationship between supervisor support and WF opportunity R^2=0.154, p=<0.001 and WF prevalence R^2=0.090, p=<0.001. These results indicate that 15.4% variance in WF opportunity and 9% variance in WF prevalence can be explained by perceived levels of supervisory support. The analysis supports the hypothesis by suggesting that higher perceived levels of supervisory support will result in greater opportunities to develop and maintain WFs.

Table 4.10: Multiple regressions – Linear regression analysis – HR Climate variables and WF opportunity and prevalence (Hypotheses 2 – 7)

Dependent variable	Independent variable	R Square	Beta	Fisher's statistic	Sig.
		R^2	β	F	$P<$
WF opportunity	Job autonomy (H2)	0.107	0.326	104.166	0.000
	Employee involvement (H3)	0.138	0.372	139.830	0.000
	Employee integration (H4)	0.107	0.328	104.916	0.000
	Training (H5)	0.109	0.330	106.547	0.000
	Welfare (H6)	0.130	0.360	130.34	0.000
	Supervisory support (H7)	0.154	0.392	158.745	0.000
WF prevalence	Employee involvement (H3)	0.055	0.236	51.266	0.000
	Employee integration (H4)	0.050	0.223	45.503	0.000
	Training (H5)	0.065	0.256	61.040	0.000
	Welfare (H6)	0.042	0.205	38.262	0.000
	Supervisory support (H7)	0.090	0.300	86.405	0.000

4.7 ANOVA - HR Climate Dimension variations in each of the three business sectors

In order to test the mean differences between the three business sectors; banking/finance, healthcare and government, a One-Way Between Groups ANOVA was conducted. A One-Way Between Groups ANOVA is a statistical technique aimed at evaluating the significant differences between three or more independent sample means. In this study, the banking/finance, healthcare and government sectors will each represent an independent sample from which the means will be compared.

Prior to conducting the ANOVA, it is necessary to ensure that the data meet the assumptions required for this statistical analysis. Inspection of skewness, kurtosis and Shapiro-Wilk statistics indicates that the assumption of normality was supported

for each of the three conditions. Levene's test of Homogeneity of Variances (F=0.858) indicated both normality as well as homogeneity of variances respectively. Given that Levene's statistic is not significant at α = 0.05 (F=0.858, p=.424), it can be concluded that the assumption of homogeneity of variance has not been violated and that the data is suitable for an ANOVA analysis.

An ANOVA was conducted to assess whether there is a difference in HR climate in any of the three business sectors. Table 4.11 reports both the Between Groups variance and Within Groups variance. The ANOVA was not statistically significant (α>.05) indicating that there is not a statistically significant difference between the HRM climate of at least two of the business sectors.

Table 4.11: ANOVA – Difference in HR climate between the three business sectors

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	8.651	2	4.325	4.996	0.007
Within Groups	754.901	872	0.866		
Total	763.551	874			

Following the ANOVA, a Post Hoc test was conducted to assess the magnitude in the variance of HR climate illustrated by the three business sectors. Table 4.12 presents the Multiple Comparisons table which reports on the Tukey HSD and the associated significance levels. Overall, the results indicate that the mean difference between the HR climates of the banking/financial sector and the healthcare sector are not statistically significant (M=0.075, p=0.685). This demonstrates that the banking/financial sector and the healthcare sector statistically share a similar HR climate. On the other hand, the results illustrate that there is a statistically significant difference between the HR climate in the government and the healthcare sectors (M=0.169, p=<0.05). Similarly, there is a statistically significant difference between the means of the HR climate in the government and the banking/financial sectors (M=0.244, p=<0.05). Overall, the results indicate that the HR climate in the government sector is statistically different from the HR climate illustrated in the

healthcare and banking/financial sectors. Using Cohen's (1988) conventions of interpreting the calculated eta-squared statistic ($\eta2=.01$; small, $\eta2=.059$; medium and $\eta2=.138$; large), it can be concluded that the difference in industry sectors account for 1.1% (a very small effect) of the variability in HR climate ($\eta2 = 0.011$).

Table 4.12: Multiple comparisons between the HR climates of the three business sectors

Industry sector		Mean Diff (I-J)	Sig.
Banking/Financial Services	Healthcare	0.0754074	0.685
	Government	.24394496*	0.016
Healthcare	Banking/Financial Services	-0.0754074	0.685
	Government	.16853757*	0.042
Government	Banking/Financial Services	-.24394496*	0.016
	Healthcare	-.16853757*	0.042

Note. *=$p<0.005$

4.8 MANOVA

MANOVA is a statistical technique that facilitates the testing of "significant differences between groups on multiple dependent variables" (Allen & Bennett 2008, 141). This technique was employed to measure the statistical difference between the WF opportunity and prevalence across the three business sectors; banking/financial, healthcare and government.

Prior to conducting the MANOVA, the data was examined using Box's Test of Equality of Covariance Matrices and Levene's test of Equality of Error Variances to ensure that all the underlying assumptions required of this statistical technique were met. Box's Test of Equality of Covariance Matrices indicated non-significance at $\alpha=0.001$, illustrating that the data is suitable for a MANOVA analysis (see Appendix F). The results of Levene's Test of Equality of Error Variances indicates non-significance for all eight dependent variables (OP1, PR1, HR1, HR2, HR3, HR4, HR5 and HR6). This finding offers the assurance of reliability of the univariate tests

to follow and strengthens the assumption that the multivariate statistics are robust (Field 2009).

Table 4.13 summarises the key findings of the Multivariate test that presents a statistical comparison between multiple dependent variables; the HR climate, WF opportunity and prevalence across the three business sectors. Pillai's Trace is the Multivariate test that indicates if there is a significant difference between groups on the combination of DVs. Taking $\alpha=0.05$, the significant Pillai's Trace indicates that there is a significant difference, on a combination of the HR climate, WF opportunity and prevalence between the three business sectors ($p=<0.001$).

Table 4.13: Multivariate tests: Comparing the HR climate and WF Opportunity and Prevalence between three business sectors

Effect		Value	F	Hypothesis df	Error df	Sig.	Partial Eta Squared
Industry sector	Pillai's Trace	0.065	3.634	16	1732	0.000	0.032
	Wilks' Lambda	0.936	3.640[b]	16	1730	0.000	0.033
	Hotelling's Trace	0.068	3.645	16	1728	0.000	0.033
	Roy's Largest Root	0.047	5.124[c]	8	866	0.000	0.045

The Tests of Between-Subjects Effects is a procedure that is used to interpret the results that reflect the variances in HR climate, WF opportunity and prevalence across the three business sectors. The F-ratios for each univariate ANOVA and their significance values are summarised in Table 4.14.

The results of the test indicate that, at the $p=<0.05$ level, there was a non-significant difference between the three business sectors in terms of the WF opportunity (OP1; $p=0.261$) and prevalence (PR1; $p=0.784$), job autonomy (HR1; $p=0.159$), supervisory support (HR4; $p=0.287$), training (HR5; $p=0.094$) and welfare (HR6; $p=0.007$). However, there is a significant difference between the three business sectors in terms of employee integration (HR2; $p=0.000$) and employee involvement (HR3; $p=0.001$).

Table 4.14: Tests of Between-Subjects Effects

Source	Dependent Variable	Type III Sum of Squares	df	Mean Square	F	Sig.	Partial Eta Squared
Industry sectors	OP1 (WF Opp)	2.344	2	1.172	1.346	0.261	0.003
	PR1 (WF Pre)	0.436	2	0.218	0.243	0.784	0.001
	HR1 (Autonomy)	3.088	2	1.544	1.84	0.159	0.004
	HR2 (Emp Int)	14.738	2	7.369	8.838	0.000	0.020
	HR3 (Emp Inv)	11.727	2	5.863	6.587	0.001	0.015
	HR4 (S Support)	2.386	2	1.193	1.249	0.287	0.003
	HR5 (Training)	3.91	2	1.955	2.37	0.094	0.005
	HR6 (Welfare)	9.38	2	4.69	5.017	0.007	0.011

An examination of the estimated marginal means in Table 4.15 demonstrates that there is a greater opportunity to develop WFs in the government sector (M=0.44) than there is in the healthcare (M= -0.05) or banking/financial (M= -0.101) services sectors. On the other hand, statistically, there is a higher degree of friendship maintenance in the healthcare sector (M=0.025) than there is in the government (M= -0.07) and banking/financial services (M= -0.037) sectors. The results indicate that statistically there are higher levels of job autonomy (M=0.058) in the healthcare and banking/financial services (M=0.046) sectors than there is in the government sector (M= -0.065). Compared to the government sector (M= -0.137), the healthcare (M=0.147) and the banking/financial services (M=0.043) sectors demonstrate statistically higher levels of employee integration. There is a statistically higher level of employee involvement in the banking/financial services (M= 0.144) sector than in the healthcare (M=0.085) and the government (M= -0.125) sectors. The government sector displays statistically greater levels of supervisory support (M=0.052) than do the healthcare (M= -0.063) and banking/financial sectors (M=0.000). On the other hand, the results indicate that statistically there is a greater level of training in the healthcare (M=0.068) sector than there is in the government (M= -0.073) and banking/financial services (M=0.045). There is a statistically higher perceived level of employee welfare in the banking/financial services sector (M=0.213) than in the healthcare (M= -0.006) and government (M= -0.078) sectors.

Table 4.15: Means and standard error for each business sector on each DV

Dependent Variable	Industry Sector	Mean	Std. Error
OP1 (WF Opp)	Banking /Financial Services	-.101	.075
	Healthcare	-.005	.052
	Government	.044	.047
PR1 (WF Prev)	Banking /Financial Services	-.037	.076
	Healthcare	.025	.053
	Government	-.007	.048
HR1 (Job Autonomy)	Banking /Financial Services	.046	.074
	Healthcare	.058	.051
	Government	-.065	.046
HR2 (Emp Int)	Banking /Financial Services	.043	.074
	Healthcare	.147	.051
	Government	-.137	.046
HR3 (Emp Inv)	Banking /Financial Services	.144	.076
	Healthcare	.085	.052
	Government	-.125	.047
HR4 (S. Support)	Banking /Financial Services	.000	.079
	Healthcare	-.063	.054
	Government	.052	.049
HR5 (Training)	Banking /Financial Services	.045	.073
	Healthcare	.068	.050
	Government	-.073	.046
HR6 (Welfare)	Banking /Financial Services	.213	.078
	Healthcare	-.006	.054
	Government	-.078	.049

4.9 Conclusion

The objective in this chapter was to present the findings of the empirical analysis of the data; in doing so, seven proposed hypotheses were tested and evaluated. The results generated from the preliminary data assessment facilitated the 'cleaning' of data to ensure that there were not outliers. Following this, a discussion of the demographic characteristics of the study respondents was presented. In order to address the major research and minor research questions, a series of statistical analyses was conducted in several phases.

The first phase of the statistical analysis verified the reliability and validity of the construct within the context of the current study. The results of the factor and reliability analysis supported the findings of the pilot study in that it indicated that the variables had acceptable construct validities and internal consistencies thereby providing confidence in the hypotheses testing. The evaluation of the descriptive statistics and correlations of both the independent and dependent variables provided the impetus for regression analysis. A Standard Multiple Linear Regression (SMLR) was conducted to assess the strength, direction and significance of the HR climate variables in combination, on WF opportunity and prevalence. Overall, the findings indicate that all but two HR climate variables (employee integration and welfare) have a significant impact on WF opportunity and prevalence. Linear Regression Analyses was conducted to examine the impact of independent HR climate variables on WF opportunity and prevalence. Statistically, the results indicate that the HR climate variables independently have an impact on WF opportunity and prevalence. Specifically, it was found that that high levels of job autonomy result in greater opportunities to develop WFs. Statistically, high levels of employee involvement, integration, emphasis on training, supervisory support and high perceived levels of welfare result in greater opportunities to develop and maintain friendships. A One-Way Between Groups (ANOVA) and a Multivariate Analysis of Variance (MANOVA) were conducted in the third phase of the statistical analyses to examine the differences between the HR climate, WF opportunity and prevalence across the three business sectors. The findings of the ANOVA suggest that the healthcare and banking/financial services sectors display statistically similar HR climates. The results of the MANOVA indicate that there are greater opportunities to develop WF in the government sector while the healthcare sector statistically displays greater maintenance of WFs. Overall, the findings of all the proposed hypotheses tested in the study were largely supported and are presented in Appendix D.

In Chapter five a discussion on the findings within the theoretical context of this study is presented.

CHAPTER 5

DISCUSSION OF FINDINGS

5.1 Introduction

The purpose of this chapter is to examine, discuss and analyse the findings of the statistical tests conducted to confirm and validate data on the affects of selected HR climate dimensions on WF opportunity and prevalence. The aim in the study was to examine the relationship between selected HR climate dimensions and WF within the Australian service sector; a statistical approach was undertaken to explore the implications of selected HR climate dimensions within the context of the banking/financial, healthcare and government sectors in Australia.

Subsequent to identifying the research gap in the antecedents of WF in Chapter 1, a conceptualised model reflecting the hypothesised relationship between selected HR climate dimensions and WF opportunity and prevalence was presented in Chapter 2. Chapter 3 presented an overview and justification of the research design, discussed the philosophical framework associated with the quantitative research model and addressed issues of rigour considered in the development of the study. In addition to illustrating the statistical techniques used to treat and calculate the data, Chapter 4 also presented the findings of the hypotheses testing.

The current Chapter begins with a discussion on the overarching aims and objectives of the study. Following this, the results and findings of the statistical analyses are considered in light of the current literature. In the chapter the business and academic implications are considered together with a discussion on the limitations of the study.

5.2 Aims and objectives of study

The overarching finding in WF research indicates that the relationship between selected HR climate dimensions and WF offers noteworthy benefits to both individual employees and organisations as a whole. Strong social ties and friendly work environments are critical in enhancing job satisfaction, involvement and commitment (Song & Olshfski 2008) and have an impact on organisational performance (Sias 2009, Tse, et al. 2008; Morrison 2004; Markiewicz, Devine & Kausilas 2000; Nielson, Jex & Adams 2000). In recent years, scholars and practitioners increasingly have recognised the key role that HR plays in developing and nurturing a socially harmonious and cohesive workforce (Kehoe & Wright 2013). However, despite the increasing theoretical value and practical significance that WFs offer, there is limited research as to the antecedents that predict the development and maintenance of these ubiquitous relationships.

Current WF literature suggests that work-related factors such as physical proximity (Hodson 1996; Sias & Cahill 1998), job autonomy (Hodson 1996) level of participation and involvement (Shah 1998; Sias & Cahill 1998), technology (Sias & Cahill 1998; Hinds & Bailey 2003) work-related problems (Sias & Jablin 2006) and workplace culture (Ashcraft 2000) impact on the development of WFs. Although the findings from previous research have contributed to understanding the contextual factors that impact on the development and maintenance of WFs, none has explored the role that selected HR climate dimensions play in determining WFs.

Further to this gap in WF literature, studies on HRM climate have highlighted the need for theoretical analysis of climate-related dimensions at the individual level (Sirca, Babnik & Breznik 2012). Historically, empirical studies on HRM climate have overlooked the individual's perceptions of HRM practices (Nishii, Lepak & Schneider 2008) and have only recently been recognised as a critical source of theoretical analysis providing valuable insight into HRM climate (Neal 2005; Sanders, Dorenbosch & Reuver 2008; Babnik & Breznik 2012). Given that HRM climate "treats employees' perceptions as individual descriptions of the work environment" (Sirca, Babnik & Breznik 2012: 369), the examination of individual

employees' perception toward implemented HRM practices is considered suitable as a means of analysing the associated implications on the strength and development of WF.

Subsequent to this study, research has emphasised the critical role that HRM climate plays in promoting employee growth and wellbeing (Shein, Dutton, Grant, Spreitzer & Sutcliffe 2013) and in creating high-performance work systems. These studies support the underpinning theoretical perspective of the current study whereby workplaces are increasingly seen as "primarily a social environment and value is created not by machines and computers but by people who operate them" (Berber & Yaslioglu 2014, quoted in Machado & Davim 2014: 33). Furthermore, Machado and Davim (2014) deduce that employees' perception and experience of HR practices are associated with the quality of workplace relationships. Berber and Yaslioglu (2014, quoted in Machado & Davim 2014: 33) describe contemporary high performance work systems as being highly dependent on decentralised HR practices characterised by greater levels of employee involvement and autonomy and well-trained employees who are supported by their supervisors. Furthermore, Paterson, Luthans and Jeung (2014), have found that supervisor support results in a more collaborative work environments. In turn, it is reasonable to suggest that a collaborative work environment could facilitate the opportunity to make and develop friendships.

The purpose in this study was to fill this research gap and extend WF literature by examining selected HR climate dimensions as a predictor to the development and maintenance of WF; specifically, the impact of job autonomy, level of employee involvement and integration, emphasis on training, perceived level of welfare and supervisory support on WF opportunity and prevalence across the banking/financial, healthcare and government sectors was explored. The service industry was chosen based on the idiosyncratic nature of the work performed. WFs are considered to be especially critical for successful performance in the service industry (Bandy 1995) because the nature of work is heavily reliant on harmonious workplace relationships (Brymer 1995). Three business sectors, the banking/financial, healthcare and government sectors with diverse HR climates, were examined to facilitate a

comparative analysis of the impact of HR climate on the opportunity to develop and maintain WFs.

5.3 Research findings

The overarching key finding in this study is that HR climate does have an impact on the development and maintenance of WFs. The key themes that emerged from the study are presented in the following discussion.

5.3.1 HR climate in the banking/financial, healthcare and government sectors

Government sector jobs are perceived to be routine, specified and bureaucratic (Wright & Davis 2003) and the banking/financial industry has long been perceived as one that is highly bureaucratic and administrative, especially at the operational level. Such contextual characteristics are associated with low levels of job autonomy, centralisation and mechanistic approaches towards job design (Sparrow 1996). Conversely, the healthcare industry has been associated with high levels of employee participation, involvement and empowerment (Rondeau & Wagar 2001). Such 'cohesive' characteristics are associated with an organisational culture that facilitates the development and maintenance of WFs (Odden & Sias 1997). Given this apparent difference in job characteristics across the banking/financial, healthcare and government sectors, HR climate was examined in the current study as manifested in job autonomy, employee integration and involvement, supervisory support, emphasis on training and perception of welfare.

The results of the study revealed that there were marginal differences in the HR climate across the three business sectors. Although the healthcare and the banking/financial services sectors exhibited similar HR climate characteristics, they were marginally different from those of the government sector. The healthcare and banking/financial services sectors demonstrated similar levels of job autonomy and emphasis on training as compared to the government sector. Among the three sectors, the healthcare sector displayed the greatest level of employee integration and

training. On the other hand, the government sector exhibited the highest level of supervisory support while the banking/financial services sector displayed the greatest level of employee involvement and employee welfare. Overall, the difference in industry sectors accounted for very little variance in the HR climates. The results from the study indicated that jobs across the banking/financial services, healthcare and government sectors are converging towards similar HR climate attributes in terms of job autonomy, employee integration and involvement, the provision of supervisory support, emphasis on training and demonstration of employee welfare. The findings suggest a degree of congruence in HR climates across industries, thereby supporting the notion of recent studies which have observed a shift in contemporary organisations toward adopting increasingly participative and inclusive HR practices (Wilkinson, Townsend & Burgess 2013). The overall trend for organisations operating in the current hypercompetitive global market is to implement HR practices that are decentralised, encourage employee participation and involvement (Bartel 2004; Datta, Guthrie & Wright 2005; Kizilos, Cummings & Cummings 2013), thereby exhibiting similarity in HR climates.

5.3.2 WF opportunity and prevalence in the banking/financial healthcare and government sectors

Despite the indication of marginal differences among the HR climate of the three business sectors, participants from the government sector reported substantially greater opportunities to develop friendships while those from the healthcare sector reported having considerably higher WF prevalence. Typically, jobs within the government sector are characterised by the traditional arrangement of a 'central office' where employees work in close proximity, have greater and more frequent interactions which present ample opportunities for WFs to develop. However, the degree to which jobs within the government sector are bureaucratic and rigid may explain the lack of WF prevalence illustrated in this sector. On the other hand, jobs within the healthcare sector are considered to have a large emphasis on facilitating "warm, caring and quality relationships between employees" (Sias 2009, 198); a finding consistent with the current study which found that healthcare professionals demonstrate higher WF prevalence as compared to the banking/financial services and

government sectors. Given that WFs are considered to be a source of social support (Cahill & Sias 1997), it is arguable that strong WFs in the healthcare sector play a key role as a source of emotional support in an industry where employees are exposed to illness and issues of life and death.

However, as previously highlighted in earlier research, personality, workplace contextual factors and communication changes may have a mediating role on the development of WFs (Sias 2009). These findings suggest that there may be other mediating factors not addressed in the study that influence the development and maintenance of WFs.

Employees who share similar personality and demographic characteristics are shown to have a greater potential for friendship development (Sias 2009). Workplace contextual factors such as technology and organisational culture also have been found to have an impact on the development of WFs. While on one hand Hinds and Bailey (2003) argue that geographically dispersed employees are counterproductive to the development and maintenance of WFs, on the other hand research (Fehr 1996; Sias & Cahill 1998) suggests that computer-mediated technologies expose individuals to a different means of communicating and, therefore, to friendship development. The existence of work-related problems also has been found to result in the tendency for WFs to develop (Sias & Jablin 1995). Further research in WF may well consider the mediating role that personality, workplace contextual factors and technology play in the development and maintenance of friendships across different industries.

5.3.3 Workplace friendship and HR climate dimensions

Workplace contextual factors such as physical proximity, the autonomy and interdependency of tasks and level of participation have been found to have an impact on the development and maintenance of WFs (Sias 2009). However, there is a lack of WF research in examining the combination of these workplace contextual factors as HR climate on the development and maintenance of WFs. Specifically, the current study explored the impact of job autonomy, employee integration and

involvement, supervisory support, emphasis on training and perception of welfare on the development and maintenance of WFs.

Overall, the findings in this study support the hypothesised relationship between HR climate and the development and maintenance of WF (Hypothesis 1). HR climate as a combination of job autonomy, employee integration, employee involvement, emphasis on training, supervisory support and perception of welfare can be considered to influence the development and maintenance of WFs. However, the study found that some HR climate dimensions have more of an impact on the opportunity to develop and maintain WFs. Specifically, job autonomy, supervisory support, employee involvement and training heavily influence the opportunity to develop WFs. Similarly, the degree of supervisory support and the emphasis on training were found to have a substantially positive impact on WF prevalence. It was found in this study that employee integration and perception of welfare had very little bearing on the opportunity to develop and maintain WFs.

The following section presents a discussion on the impact that selected independent HR climate dimensions have on the development and maintenance of WFs. In addition, the discussion addresses the differences between the HR climate and WF opportunity and prevalence across the three business sectors examined.

5.3.4 Job autonomy and WF opportunity

Within the context of the current study, job autonomy refers to the degree to which jobs are designed to allow employees individual discretion over their pace of work and work methods (Klein 1991). Such job design and its associated discretion have an impact on the degree to which employees have the freedom to interact and initiate relationships within the workplace (Pierce, Byrne & Aguinis 1996). On the other hand, jobs that are low in autonomy suggest that employees who are interdependent on one another require increased levels of communication and therefore increase the likelihood for interaction and WF development (Morrison 2004).

The results of the current study support Morrison's (2004) findings in that the data demonstrated a strong association between job autonomy and the opportunity to

develop friends in the workplace. Hypothesis 2 was supported in the current study which found higher levels of job autonomy result in greater opportunities for friendship development.

Operational staff members in the government and banking/financial services sectors reported having lower levels of job autonomy than in the healthcare sector. In a bid to improve productivity and efficiency, public sector jobs are experiencing a shift toward decentralising power, authority and accountability (Brunetto & Far-Wharton 2005). However, public sector jobs are still characterised by a low level of autonomy whereby job processes are tightly controlled by higher levels in the organisational hierarchy (Jin & Lee 2012). Similarly, the banking/financial services industry is considered to be characterised by jobs that limit employee control over how work is conducted (Sparrow 1996).

Among the three business sectors examined, respondents from the government sector reported the greatest opportunities to develop WFs and the least WF prevalence. Conversely, respondents from the healthcare sector reported having the least opportunities to develop WFs but had the strongest ties with their WF than did the respondents from the other sectors.

The findings in this study support Morrison's (2009) research, suggesting that the nature of a job in terms of its frequency of interaction and proximity has an impact on the ability to develop and maintain friendships. Jobs in the government sector are predominantly 'fixed' where the job incumbent is required to work from a delegated office space that is occupied on a daily basis. Similarly, to a lesser extent, employees from the banking/finance sector have a primary location from which work is conducted. Therefore, it is reasonable to assume that employees in the government and banking/financial sectors work within close proximity of each other and conduct highly interdependent tasks. Thus, despite the low levels of job autonomy displayed in the government and banking/financial services sector, the delegated office space and the interdependency of the tasks facilitates frequent interaction and communication among employees, thereby increasing the likelihood for WFs to develop. On the other hand, although operational staff members in the healthcare

sector exercise greater control over work-related decisions, their tasks are often completed independently and they do not have delegated office spaces. However, they are required to report to their assigned 'stations' which then presents intermittent opportunities to develop friendships, but to a lesser extent than in desk-specific jobs. Given that both the opportunity for personal control over work-related decisions and the opportunity for personal interaction are associated with high levels of job satisfaction (Warr 1992), these findings have significant implications for organisations seeking to improve employee job satisfaction.

5.3.5 Employee involvement

Employee involvement refers to the degree to which an organisation encourages employees to participate in organisational processes and share information (Patterson et al. 2005). Shared tasks and jobs that invite employees to participate in decision-making have been found to enhance friendship ties among employees (Berman, West and Richter 2002; Gordon & Hartman 2009; Sias 2009). Similarly, the frequency and breadth of information exchange has an impact on the development and maintenance of WFs (Sias & Cahill 1998). Workplace friends are more inclined to share information about work-related issues and disclose discretionary information through broader topics of discussion (Sias and Cahill 1998).

Hypothesis 3 was supported by the findings in this study, illustrating a strong relationship between involving employees in organisational decisions and the development of friendships. Results in the study indicate a substantial difference in the level of employee involvement across the three business sectors. Among the three business sectors, respondents from the banking/financial services sector reported the highest level of employee involvement. This finding can be explained by the increasing number of service-oriented businesses adopting the HR practice of involving employees (Bartel 2004). Involving employees in decision making and problem solving has been found to "develop the kind of firm-specific human capital knowledge of the firm's products, customers and work processes" (Bartel 2004, 181-203) that facilitates effective interactions with customers.

Respondents from the banking/financial sector reported having comparatively low opportunities to develop and maintain WFs. One possible reason for this is that the banking/finance work environment has been found to be one that is more enterprising and well-regulated, offering a weak social work environment (Tartakovsky & Cohen 2013). Relatedly, the competitive and conventional work environment in the banking industry tends to recruit conservative individuals with a higher preference for self-enhancement (Tartakovsky & Cohen 2013). Therefore, such individuals would have a lower need for the social or emotional support that WFs offer.

5.4.6 Employee integration

Mutual trust is one of the key defining characteristics that differentiate WFs from other workplace relationships (Jehn & Shah 1997; Berman et al. 2002; Dotan 2007). Previous research indicates that there is a higher propensity for employees to develop strong workplace friendships in an organisation that nurtures trust and respect (McGrath & Krackhardt 2003; Kahn, Cross & Parker 2003). Hypothesis 3 in this study was supported in that the findings indicated that higher levels of employee integration result in greater WF opportunity and prevalence.

The level of employee integration demonstrated by the three business sectors in this study varied considerably. Compared to the banking/financial services and government sectors, the healthcare sector indicated the highest level of employee integration. This finding can be attributed to the nature of healthcare jobs that are considered to have a 'family-like culture' (Sias 2009) that encourages cross-functional trust, cooperation and respect among employees. This finding is supported by Benson and Dundis (2003) who stress the importance of developing a sense of security and social belongingness in the healthcare sector. These findings can be attributed partly to the nature of the health profession where jobs are characterised by the need to share information with colleagues about patients and work processes. Another possible reason for this high level of integration is the nature of the job which can be stressful emotionally. Employees in the healthcare profession are exposed to issues of illness, life and death and, therefore, seek social support by

developing strong WFs. Relatedly, this could explain the finding in this study which indicated that the healthcare sector reported the strongest WFs among the three business sectors.

5.3.7 Employee training

An organisation that offers incentives such as professional development and training is perceived as one that invests in and exhibits concern towards its employees (Ahmad & Bakar 2003). Such organisations have been found to elicit a strong psychological contract among employees and raise organisational commitment (Sparrow 1998). Consequently, such organisations have been associated with pro-social organisational climates (Gill & Mathur 2007) which, in turn, offer conducive work environments in which WFs develop and strengthen. The findings in the current study supported Hypothesis 5 which proposed that greater emphasis on training will result in greater WF opportunity and prevalence.

Among the three business sectors in the current study, the healthcare sector demonstrated the greatest emphasis on training. Recent studies (Benson & Dundis 2003) suggest that changes in external environmental forces demand a higher emphasis in training in the healthcare sector. Specifically, technological changes, increased workforce and demographic diversity coupled with organisational restructuring, drive the need for a higher emphasis in training in the healthcare sector (Benson & Dundis 2003).

Among the three business sectors examined, respondents from the healthcare sector reported the strongest WFs. The findings in the current study support Benson and Dundis's (2003) findings which established that training in the healthcare sector result in stronger relationships.

5.3.8 Employee welfare

Within the context of this study, employee welfare refers to the degree to which employees perceive the organisation demonstrates care and concern, and exercises fairness and equity (Patterson et al. 2005). Studies have determined that, typically, organisations demonstrating 'rational-legal bureaucracy' (Sias 2009) are less likely to exhibit warm and caring traits typically characterised by 'caregiving' professions (Sias 2009). Therefore, it is interesting to note that the findings of the current study found that the operational staff members from the banking/financial services sector perceived the highest level of welfare as compared to the healthcare and government sectors. These respondents also reported having the least amount of prevalence and opportunities to develop WFs. The findings of the current study can be explained by Sparrow's (1998) study that concluded that transitions in the banking/finance sector are characterised by HR policies that reward individual performance and offer career opportunities to those who perform well. Although these HR practices may lead to the perception of fairness and equity, it may result in a highly fragmented workforce. In order to 'balance' the highly competitive nature of this transitioning industry, Sparrow (1998) emphasises the need for HR practices to increase employee involvement, develop trust and off-the-job socialisation. The findings in the current study suggest that HR practices in the banking/financial services sector have resulted in increased perception of employee welfare but are still lacking in managing the socialisation process whereby employees are exposed to greater opportunities to develop and maintain WFs.

5.3.9 Supervisory support

Supervisory support refers to the degree to which a supervisor is perceived to be approachable, is friendly and provides guidance (Patterson et al. 2005). Recent studies (Jokisaari & Nurmi 2009) have demonstrated that supervisory support plays a critical role in developing an effective organisational socialisation process. Correspondingly, poor or weak supervisory support is associated with increased levels of interaction and stronger relationships mainly due to the need for social support as a result of a problematic work environment (Sias & Jablin 1995).

However, the focus of the current study is on the development and maintenance of WFs as a result of a positive HR climate. The results in this study support Jokisaari and Nurmi's (2009) findings and confirm Hypothesis 7 that anticipated the notion that greater supervisory support would result in greater opportunities to develop and maintain friendships.

As compared with the banking/financial services sector and the healthcare sector, the government sector was found to display higher levels of supervisory support. These findings are consistent with those of Nyhan (2013) who observed the shift in government sector jobs in its increasing emphasis on developing higher levels of trust and effective supervisor-worker relationships. Nyhan (2013) recommends that the typical bureaucratic model reflected in public sectors be replaced by trust-based models which are facilitated by increased feedback and empowerment. Typically the healthcare profession is associated with caring and quality relationships (Sias 2009). Moreover, the findings of the current study indicated that, among the three business sectors, the healthcare sector reported the least amount of supervisory support. A possible explanation for this finding could be attributed to the notion that the health care sector is transitioning from a traditionally hierarchical structure (White 1998) to one which emphasises belongingness, friendship and collegiality (Benson & Dundis 2003). These findings suggest that the healthcare sector is shifting toward adopting HR practices that replace high dependency on supervisory support with employee empowerment and collegiality among peers. This notion is supported by the findings in this study which report the healthcare sector as demonstrating the highest level of employee integration among the three business sectors.

5.5 Limitations

Like any study, this dissertation had several limitations. Previous research established that the development and maintenance of WFs are contingent upon many factors which include personal factors, workplace contextual factors and changes in communication (Sias 2009). The current study only addressed HR climate as manifested in job-related attributes such as job autonomy, involvement, integration,

emphasis on training, perceived levels of welfare and supervisory support. While the findings in the current study validate the role of selected HR climate dimensions as predictors of WF opportunity and prevalence, logically there may be other mediating factors idiosyncratic to organisations that inhibit or enhance the development and maintenance of WFs. For example, variation in organisation size and structure will have an impact on the ease and frequency of workplace interaction which, in turn, present opportunities for the development and maintenance of WFs.

Another limitation in this study is the diverse mixture of organisations from which respondents were recruited to participate in the survey. Respondents were from different states in Australia (WA, NSW, ACT, NT, SA, Victoria, Tasmania and Queensland) and presumably operate in diverse organisations with varying organisations cultures and socialisation processes. Having such a mixture of respondents precludes the ability to draw generalisable conclusions that would apply to a particular industry. However, the cross-sectional nature of the study and the robust number of respondents facilitates the generalisation of conclusions that likely apply to the three business sectors examined.

The sole reliance on a quantitative and rational approach in examining WFs represents another shortcoming of the current study. WFs possess an emotional component which may be considered antithetical to rationality (Mumby & Putnam 1992). The research may have been strengthened by use of a series of focus groups or interviews that could be compared and contrasted with the findings of the survey. Therefore, use of such qualitative research approaches could enrich and complement extant literature which is predominantly post-positivistic.

Although the sample size is relatively large, the disproportion of the sample population in each of the business sectors surveyed suggests the need for some caution. The healthcare and government sectors had more than half the number of respondents in the banking/financial services sector. Given that the banking/financial services sector was under-represented, the current study may have been improved had further reminder emails been sent to individuals' representative of this sector.

However, constraints of time and resources meant that this option was not available to the researcher.

Common method variance (CMV) is a methodological concern that occurs in various aspects of empirical research (Siemsen, Roth & Oliveira 2009) that can negatively affect the construct validity of a measurement technique (Doty & Glick 1998). The variety of potential causes of this form of error is extensive and has implications on research design considerations (Pace 2010).

In relation to the current study, the likelihood of the occurrence of CMV is potentially reflected in issues surrounding response biases, item/scale characteristics and situational factors (Podsakoff, MacKenzie, Lee & Podsakoff, 2003).

Response bias as a concern may be present in the current study since test takers "may be more inclined to respond according to assumptions about themselves, rather than their actual behaviour" (Pace 2010:423).

Within the current study, CMV could also occur in situations where "raters or test takers attempt to maintain consistency across similar-seeming items" (Pace 2010:423). Given that the items on the HR Climate scale are associated with 'soft HR' activities, raters may consider them to be comparable items and consequently respond uniformly to the various questions.

The current study uses a single-source measure to gather data which is an approach that potentially, may cause CMV (Pace 2010:423).

In order to overcome or reduce the impact of CMV occurrence, longitudinal and multimethod studies are recommended as ideal research design approaches (Pace 2010: 423). However, Spector (2006) cautions that longitudinal and multimethod studies may not always be possible or practical as such studies can be expensive and inappropriate when studying self-reported data.

Despite the prevalence of CMV in organisational research, Doty and Glick (1998:400) highlight that its occurrence in observed correlations does not sufficiently "challenge the theoretical interpretation of the relationship". In addition,

Pace (2010: 432) concludes that the ambiguous and multi-faceted understanding of CMV needs further research before it can be faulted for weak interpretation of study results.

Finally, utilising a self-selection approach to attract respondents resulted in a population that may not be representative of the entire Australian healthcare, government and banking/financial services sectors. Hence, the findings in this study are not generalisable in the three business sectors across Australia.

5.6 Recommendations and implications

5.6.2 Future research

Given that this study presents the first investigation into HR climate as a predictor of WF opportunity and development, there is still much to explore to understand the predictors of WFs. One potential area for further understanding is to examine the mediating effects of organisation structure and size on the development and maintenance of WFs. This can be achieved by examining and comparing the variances in WF opportunity and prevalence across organisations of diverse structures and sizes.

WF research is predominantly studied under the post-positivistic lens and conducting qualitative-based research would greatly enrich and cross-validate extant literature. Such an approach would provide insight into more personal and individual factors that drive the development and maintenance of WFs. Conducting interviews and a series of focus groups would facilitate deeper understanding of the topic and complement extant WF research.

One question that this study raises is related to the implications of work context on the development and maintenance of WFs. Some occupations where emotionally-related stress is part of the work context may transcend the need for emotional or social support. Research has found that problematic supervisors and negative organisational cultures result in stronger social ties in the workplace (Sias 2009). The

current study found that employees in the healthcare sector have relatively strong WFs and this could be a result of the emotional need for social support due to emotionally-related work stress of being exposed to illness, and issues of life and death. Further research could examine occupation-specific factors that may drive the need for social and emotional support through the development and maintenance of WFs.

5.6.1 Industry Implications

Strong social ties and a friendly workplace have an impact on organisational performance (Sias 2009, Tse, et al. 2008; Morrison 2004; Markiewicz et al. 2000; Nielson et al. 2000) and have recently been acknowledged as a source of competitive advantage (Campbell, Coff & Kryscynski 2012). Therefore benefits associated with WFs, for both the organisation as a whole and the individual should not be overlooked. The findings in this study illustrate that the overall trend for organisations operating in the current hypercompetitive global market is to implement HR practices that are decentralised and encourage employee participation and involvement (Bartel 2004; Datta et al. 2005; Kizilos et al. 2013).

Banking/Financial services sector
Among the three business sectors examined, the banking/financial services sector illustrated high levels of employee involvement and integration which has resulted in greater opportunities to develop and strengthen WFs. However, the relatively high level of job autonomy in this sector hinders the opportunity to develop WFs. The trend toward increasing job autonomy is considered to be aligned with high-performance HR practices (Kehoe & Wright 2010) and, therefore, should not be discouraged. In the quest to leverage the benefits of WFs, HR professionals in this sector should consider complementing high levels of job autonomy with increased supervisory support and greater emphasis on training and welfare. These HR practices will result in an HR climate that would increase the opportunity and prevalence of WFs in the banking/financial services sector.

Healthcare sector

Compared to the other two business sectors examined, the HR climate in the healthcare sector illustrated the highest degree of employee integration and emphasis on training. This, coupled with the high level of employee involvement in decisions has led to the development of strong WFs in the sector. However, the high job autonomy, low levels of supervisory support and low levels of perceived welfare hinders the opportunity for WFs to develop. Given that the nature of the job is conducted relatively independently, it is not practical to change the degree to which the job is autonomous but HR professionals in this sector could consider processes and practices that increase levels of supervisory support and the perception of welfare. In doing so, these HR practices would lead to a HR climate that is more conducive to the development of WFs.

Government sector

Based on the findings in the current study, the HR climate in the government sector is characterised by comparatively high levels of supervisory support and low levels of job autonomy which, in turn, has resulted in relatively greater opportunities for the development of WF. However, relatively low levels of employee integration, weak emphasis on training and low perceived levels of welfare have a negative impact on the employee's ability to strengthen and maintain WFs. If HR professionals in this sector seek to strengthen the social ties within the organisation, it would be recommended that they consider exercising higher employee integration in decision making, increase the emphasis on training and adopt HR practices that demonstrate high levels of welfare toward employees.

Overall

Taken together, the findings in this study have uncovered the importance of selected HR climate dimensions within the service industry. Organisations seeking to improve and enhance healthy customer relationships should foster a climate that facilitates open communication and employee empowerment (Martin & Bush 2003). Similarly, the current competitive business climate has driven an increasing number of organisations to adopt HR practices that facilitate more efficient, flexible and lean operations (Kizilos et al. 2013). Service-oriented organisations seeking to facilitate

the development of strong ties within the workplace should consider designing jobs that are autonomous to allow employees to exercise control over work processes and allow the freedom to interact with fellow colleagues, thereby increasing the opportunity to develop and maintain WFs. Organisations could enhance employee involvement by practicing participatory decision making and problem solving. By doing so, employees are given increased opportunities to interact and communicate with colleagues. Employee integration could be improved with the provision of socialisation processes across functional departments and teams thus facilitating a team-oriented workforce. Similarly, the provision of group or team training would provide greater opportunities for employees to develop and maintain WFs. Finally, HR policies and processes that encourage the provision of support and welfare to employees will result in the development of positive WFs.

These highly regarded HR practices are associated with the selected HR climate dimensions that were examined in this study where jobs are characterised by a high level of autonomy, greater employee involvement and integration, high levels of supervisory support, an emphasis on training and demonstration of welfare via rewards and recognition. In addition to improving organisational performance through its positive implications on employee motivation and expertise (Kizilos et al. 2013), these HR practices also lead to greater opportunities to develop and maintain WFs.

5.6 Conclusion

Extant WF literature has examined the individual, workplace contextual and communication changes as factors that influence the development and maintenance of WFs. However, none has expressly investigated HR climate as a predictor of WFs. This study was a first step toward understanding the relationship between HR climate and the development and maintenance of WFs. As a result, this study has provided the empirical grounding for further research in understanding organisational factors that influence WFs.

Overall, the findings from this study have established that HR climate has an impact on WF opportunity and prevalence. In particular, low job autonomy, high levels of supervisory support, greater employee involvement and emphasis on training result in greater opportunities to develop WFs. On the other hand, greater levels of supervisory support and high emphasis on training have a positive influence on the strength of WFs.

The findings from this study indicate that the difference in industry sectors accounted for very little variance in the HR climate across the three sectors. However, among the three business sectors examined, the government sector is delineated from the healthcare and banking/financial services sectors in terms of perceived HR climate and WF opportunity and prevalence. Among the three business sectors examined, the government sector exhibited the highest level of supervisory support and greatest opportunities to develop WFs, while demonstrating the least strength in WFs. On the other hand, the findings in this study indicate that the healthcare sector has the highest level of job autonomy and employee integration among the three business sectors. Compared to the other two business sectors, the healthcare sector reported having the least opportunity to develop friendships while having the strongest WFs. Among the three business sectors, the banking/financial services sector demonstrated the highest level of employee involvement and perception of welfare.

These findings have established and supported previous research within the WFs arena. Future research should attempt to replicate these findings, explore the mediating organisational contextual factors and identify other predictors of WF opportunity and prevalence.

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APPENDICES

Appendix A

Information Sheet

Dear Respondent,

I am a Master's student from the School of Management at Curtin University. I am inviting you to participate in a research project to study the affects of human resource practices on the development of workplace friendships. Included with this letter is a short questionnaire that asks a variety of questions about your current workplace and the existence of friendship within the current workplace setting. If you agree to complete the questionnaire, it will take approximately 5 minutes.

Through your participation I hope to understand the implications of HR practices on the development and existence of friendships in the workplace. The survey may be filled out by any staff member of your organisation. Participation in this study is voluntary and participants' rights to anonymity and confidentiality will be assured at all times. Participants' right to withdraw from the study without prejudice or negative consequences is recognised.

If you would like to add additional comments, please feel free to do so.

All information provided through your participation in this study will be kept confidential. Further, you will not be identified in the thesis or in any report or publication based on this research. There are no known or anticipated risks to participation in this study. The data collected through this study will be kept for a period of 5 years in a secure location.

I would like to assure you that this study has been reviewed and has received ethics clearance through the Office of Research and Development, Curtin University of Technology. This study has been approved by the Curtin University Human Research Ethics Committee (Approval Number SOM-13-13). The Committee is comprised of members of the public, academics, lawyers, doctors and pastoral carers. If needed, verification of approval can be obtained either by writing to the Curtin University Human Research Ethics Committee, c/- Office of Research and Development, Curtin University, GPO Box U1987, Perth, 6845 or by telephoning 9266 2784 or by emailing

hrec@curtin.edu.au.

 Should you have any concerns about the nature of this study or the way in which it is conducted please contact my supervisor, Professor Carolyn Dickie, on (08) 9266 7690 or carolyn.dickie@cbs.curtin.edu.au

Thank you in advance for your co-operation.

Yours sincerely,

Ms Endah Ibrahim
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Appendix B

Online Survey Participant Consent Form – Workplace Friendship

Research Project - *An Exploratory Study of the Human Resource Climate Dimensions that Influence the Development of Workplace Friendships*

You are invited to participate in a research study titled "An Exploratory Study of the Human Resource Climate Dimensions that Influence the Development of Workplace Friendships" This study is conducted by Ms Endah Ibrahim from Curtin University in Perth.

If you agree to take part in this study, you will be asked to complete an online survey/questionnaire. Your participation in this study is completely voluntary and you can withdraw at any time. You are free to skip any question that you choose. By clicking "I consent" below, you will be navigated to the online survey and you are indicating that you:

- ð   Have been informed of and understand the purposes of the study
- ð   Have been given an opportunity to ask questions
- ð   Understand that you can withdraw at any time without prejudice
- ð   Are aware that any information which might potentially identify you will not be used in published material
- ð   Agree to participate in the study as outlined in the Information Sheet

●   I consent

●   I do not consent

Appendix C

Questionnaire

Q1. Would you classify your position as:

- Core Executive (CEO, Director)
- Middle Level Manager (Dept Head, Divisional Head)
- First Line Manager (Supervisor)
- Non-managerial staff member (Operational Staff)

Q2. How many employees are you directly responsible for in your current position?

[▼]

Q3. How many colleagues do you work closely with?
(Closely can refer to either physical proximity or frequency of interaction)

[▼]

Q4. Among those colleagues that you closely work with, how many of them do you consider friends?

[▼]

Q5. For how long have you worked at your current place of employment?

- less than 1 year
- 1 - 3 years
- 3 - 5 years
- 5 - 7 years
- 7 - 9 years
- 9 - 11 years
- 11 - 13 years
- 13 - 15 years
  - more than 15 years

Q6. For how long have you worked in your current position?

- less than 1 year
- 1 - 3 years
- 3 - 5 years
- 5 - 7 years
- 7 - 9 years
- 9 - 11 years
- 11 - 13 years
- 13 - 15 years
- more than 15 years

Q7. In what industry is your organisation?

- Banking
- Healthcare
- Government
- Other please specify [   ]

Q8. On average, how many hours a day do you spend in your primary work site?

 Primary work site refers to the main location you work from

[▼]

Q9. Does your role necessitate you being away from your primary work site for more than 2 hours a week most weeks (ie fieldwork, sales etc)?

- Yes
- No

Q10. What is your work schedule?

- Fixed (same hours everyday)
- Shift (rostered)
- Flexible (compressed work week, flexible daily schedule etc)
- Other please specify [   ]

Q11. What is your employment status?

- Full-time
- Part-time
- Contract
- Casual
- Other please specify [   ]

On a scale of 1 to 5, with 1 being strongly disagree and 5 strongly agree, please complete the extent to which you agree or disagree with each of these statements.

Q12. I have the opportunity to get to know my coworkers.

- Strongly disagree
- Tend to disagree
- Neither agree nor disagree
- Tend to agree
- Strongly agree

Q13. I am able to work with my coworkers to collectively solve problems.

- Strongly disagree
- Tend to disagree
- Neither agree nor disagree
- Tend to agree
- Strongly agree

Q14. In my organisation, I have the chance to talk informally and visit with others.

- Strongly disagree
- Tend to disagree
- Neither agree nor disagree
- Tend to agree
- Strongly agree

Q15. Communication among employees is encouraged by my organisation.

- Strongly disagree
- Tend to disagree
- Neither agree nor disagree
- Tend to agree
- Strongly agree

Q16. I have the opportunity to develop close friendships at my workplace.

- Strongly disagree
- Tend to disagree
- Neither agree nor disagree
- Tend to agree
- Strongly agree

Q17. Informal talk is tolerated by my organisation as long as the work is completed.

- Strongly disagree
- Tend to disagree
- Neither agree nor disagree
- Tend to agree
- Strongly agree

Q18. I have formed strong friendships at work.

- Strongly disagree
- Tend to disagree
- Neither agree nor disagree
- Tend to agree
- Strongly agree

Q19. I socialize with coworkers outside of the workplace.

- Strongly disagree
- Tend to disagree
- Neither agree nor disagree
- Tend to agree
- Strongly agree

Q20. I can confide in people at work.

- Strongly disagree
- Tend to disagree
- Neither agree nor disagree
- Tend to agree
- Strongly agree

Q21. I feel I can trust many coworkers a great deal.

- Strongly disagree
- Tend to disagree
- Neither agree nor disagree
- Tend to agree
- Strongly agree

Q22. Being able to see my coworkers is one reason I look forward to my job.

- Strongly disagree
- Tend to disagree
- Neither agree nor disagree
- Tend to agree
- Strongly agree

Q23. I do not feel that anyone I work with is a true friend.

- Strongly disagree
- Tend to disagree
- Neither agree nor disagree
- Tend to agree
- Strongly agree

On a scale of 1 to 5, with 1 being definitely false and 5 definitely true, please indicate the extent to which you perceive the following statements to be true or false.

Q24. Management let people make their own decisions much of the time.

- Definitely false
- Mostly false
- Neither true nor false
- Mostly true
- Definitely true

Q25. Management trust people to take work-related decisions without getting permission first.

- Definitely false
- Mostly false
- Neither true nor false
- Mostly true
- Definitely true

Q26. People at the top of the organisation tightly control the work of those below them.

- Definitely false
- Mostly false
- Neither true nor false
- Mostly true
- Definitely true

Q27. Management keeps too tight a reign on the way things are done around here.

- Definitely false
- Mostly false
- Neither true nor false
- Mostly true
- Definitely true

Q28. It's important to check things first with the boss before taking a decision.

- Definitely false
- Mostly false
- Neither true nor false
- Mostly true
- Definitely true

Q29. People are suspicious of other departments.

- Definitely false
- Mostly false
- Neither true nor false
- Mostly true
- Definitely true

Q30. There is very little conflict between departments in this organisation.

- Definitely false
- Mostly false
- Neither true nor false
- Mostly true
- Definitely true

Q31. People in different departments are prepared to share information.

- Definitely false
- Mostly false
- Neither true nor false
- Mostly true
- Definitely true

Q32. Collaboration between departments is very effective.

- Definitely false
- Mostly false
- Neither true nor false
- Mostly true
- Definitely true

Q33. There is very little respect between some of the departments here.

- Definitely false
- Mostly false
- Neither true nor false
- Mostly true
- Definitely true

Q34. Management involves people when decisions are made that affect them.

- Definitely false
- Mostly false
- Neither true nor false
- Mostly true
- Definitely true

Q35. Changes are made without talking to the people involved in them.

- Definitely false
- Mostly false
- Neither true nor false
- Mostly true
- Definitely true

Q36. People don't have any say in decisions which affect their work.

- Definitely false
- Mostly false
- Neither true nor false
- Mostly true
- Definitely true

Q37. People feel decisions are frequently made over their heads.

- Definitely false
- Mostly false
- Neither true nor false
- Mostly true
- Definitely true

Q38. Information is widely shared.

- Definitely false
- Mostly false
- Neither true nor false
- Mostly true
- Definitely true

Q39. There are often breakdowns in communication here.

- Definitely false
- Mostly false
- Neither true nor false
- Mostly true
- Definitely true

Q40. My direct supervisors are really good at understanding peoples' problems.

- Definitely false
- Mostly false
- Neither true nor false
- Mostly true
- Definitely true

Q41. My supervisor shows that they have confidence in those they manage.

- Definitely false
- Mostly false
- Neither true nor false
- Mostly true
- Definitely true

Q42. My supervisor is friendly and easy to approach.

- Definitely false
- Mostly false
- Neither true nor false
- Mostly true
- Definitely true

Q43. My supervisor can be relied upon to give good guidance to people.

- Definitely false
- Mostly false
- Neither true nor false
- Mostly true
- Definitely true

Q44. My supervisor shows an understanding of the people who work for them.

- Definitely false
- Mostly false
- Neither true nor false
- Mostly true
- Definitely true

Q45. People are not properly trained when there is a new machine or bit of equipment.

- Definitely false
- Mostly false
- Neither true nor false
- Mostly true
- Definitely true
- Not applicable

Q46. The company only gives people the minimum amount of training they need to do their job.

- Definitely false
- Mostly false
- Neither true nor false
- Mostly true
- Definitely true

Q47. People are strongly encouraged to develop their skills.
- Definitely false
- Mostly false
- Neither true nor false
- Mostly true
- Definitely true

Q48. People receive enough training when it comes to using new equipment.
- Definitely false
- Mostly false
- Neither true nor false
- Mostly true
- Definitely true

Q49. This company pays little attention to the interests of employees.

- Definitely false
- Mostly false
- Neither true nor false
- Mostly true
- Definitely true

Q50. This company tries to look after its employees.

- Definitely false
- Mostly false
- Neither true nor false
- Mostly true
- Definitely true

Q51. This company cares about its employees.

- Definitely false
- Mostly false
- Neither true nor false
- Mostly true
- Definitely true

Q52. This company tries to be fair in its actions towards employees.

- Definitely false
- Mostly false
- Neither true nor false
- Mostly true
- Definitely true

Please complete the following demographic questions. Please remember, all individual information remains confidential to the researcher.

Q53. Which part of Australia do you work in? Please only select one state.

Q54. How old are you?

[▼]

Q55. Gender

- ● Male
- ● Female

Q56. What is your ethnic background?

[   ]

Q57. What is your marital status?

- ● Widowed
- ● Separated
- ● Married
- ● De facto or common law partnership
- ● Not de facto but in a relationship for more than 6 months
- ● Single

Q58. Is English your first language?

- Yes
- No

Q59. What is the highest level of education you have received?

- Primary
- Secondary
- Post secondary (TAFE)
- Tertiary (University)

Thank you for completing the survey. Any comments that you think may add to this research are welcomed.

Appendix D

Multiple Regression - HR Climate and WF Opportunity

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.478[a]	**.228**	.223	.82290940

a. Predictors: (Constant), HR6, HR1, HR4, HR2, HR5, HR3
b. Dependent Variable: OP1

Multiple Regression - HR Climate and WF Opportunity (ANOVAa)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	173.832	6	28.972	42.783	.000[b]
	Residual	587.792	868	.677		
	Total	761.625	874			

a. Dependent Variable: OP1
b. Predictors: (Constant), HR6, HR1, HR4, HR2, HR5, HR3

Appendix E

Multiple Regression - HR Climate and WF Prevalence

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.347[a]	**.120**	.114	.89049892

a. Predictors: (Constant), HR6, HR1, HR4, HR2, HR5, HR3

ANOVA Multiple Regression - HR Climate and WF Prevalence

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	94.003	6	15.667	19.757	**.000[b]**
	Residual	688.314	868	.793		
	Total	782.316	874			

a. Dependent Variable: PR1

b. Predictors: (Constant), HR6, HR1, HR4, HR2, HR5, HR3

Appendix F

MANOVA

The HR climate variables (HR1, HR2, HR3, HR4, HR5 and HR6), WF opportunity (OP1) and WF prevalence (PR1) were entered into the multivariate model as dependent variables. The three industry sectors as represented by the variable Dem_Org_Industry were entered as fixed factors list. Box's M is non-significant at α=0.001 illustrating that the assumption of homogeneity of variance-covariance matrices has not been violated

Box's Test of Equality of Covariance Matrices[a]

Box's M	94.781
F	1.296
df1	72
df2	757948.332
Sig.	.046

Levene's Test of Equality of Error Variances[a]

	F	df1	df2	Sig.
OP1	.452	2	872	.636
PR1	2.472	2	872	.085
HR1	1.316	2	872	.269
HR2	1.732	2	872	.178
HR3	1.788	2	872	.168
HR4	.547	2	872	.579
HR5	.751	2	872	.472
HR6	1.110	2	872	.330

Tests the null hypothesis that the error variance of the dependent variable is equal across groups.

a. Design: Intercept + Dem_Org_Industry

Appendix G

Summarised Results of Hypothesis Testing

#	Hypothesised Relationships	Supported/ Unsupported	Reference Table #
H1	There is a significant relationship between HR climate dimensions and WF opportunity and prevalence	Supported	Table 4.9
H2	The lower the job autonomy, the greater the WF opportunity	Supported	Table 4.10
H3	The higher the level of employee involvement in decision making, the higher the WF opportunity and prevalence	Supported	Table 4.10
H4	The higher the level of employee integration, the greater the WF opportunity and prevalence	Supported	Table 4.10
H5	The more emphasis an organisation placed on developing employee skills (training), the greater the WF opportunity and prevalence	Supported	Table 4.10
H6	The higher the perceived levels of welfare towards employees, the greater the WF opportunity and prevalence	Supported	Table 4.10
H7	The greater the perceived levels of supervisory support, the greater the WF opportunity and prevalence	Supported	Table 4.10