THE EFFECT OF PARTICIPATIVE LEADERSHIP ON TURNOVER INTENTIONS

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Abstract:

The basis for good leadership is a respectable personality and unselfish service to employees and the organization. Participative leader behavior is a one effective tool to decrease turnover intent of an employee. Leadership style is one of the effective tools for managers to conduct employees to reach organizational goals and objectives. A participative leader must have a pioneering, imaginative and adventuresome mindset in order to empower employees to make decisions involving the organization. The cost of turnover is a great financial burden for companies. The cost of turnover in firms, which often includes opportunity costs, recruiting, retraining and reselection and decreased morale of existing employees, may result in serious losses to the firms Managers try to find ways to keep successful employees in their organizations. High turnover may be harmful to a company's productivity if skilled employees are often leaving and the employee population contains a high percentage of inexperienced workers. Thus, this study examines the relationship between participative leader behavior and turnover intentions in a sample of 150 employees from telecommunication industry. Results show that participative leadership significantly and negatively affects employee's turnover intentions. Namely, when employees perceive their manager's behavior as participative, they will tend to have lower intentions to leave that organization.

Keywords: Participative Leadership, and Turnover Intentions

KATILIMCI LİDERLİĞİN İŞTEN AYRILMA NİYETİNE ETKİSİ

Öz:

İyi bir liderliğin temelinde güvenilir bir kişilik ve gerek çalışanlara, gerekse de örgüte özverili bir şekilde hizmet etmek bulunmaktadır. Katılımcı liderlik davranışı, çalışanların işten ayrılma niyetlerinin azaltılmasında kullanılabilecek etkili uygulamalardan birisidir. Liderlik tarzı, yöneticilerin çalışanlarını örgütsel amaç ve hedeflere yöneltmesinde etkin bir araçtır. Katılımcı bir liderin öncülük etme, yaratıcılık ve cesur davranma zihniyetine sahip olması, çalışanların örgütle ilgili kararlarda güçlendirilmesi açısından önem taşır. İşten ayrılma maliyeti şirketler açısından ağır yüktür. Örgütlerde işten ayrılma maliyeti, fırsat maliyetini, personel bulma, seçme, eğitme ve mevcut çalışanların morallerinin düşmesinin neden olduğu maliyetleri de içerir ve ciddi kayıplara yol açar. Yöneticiler, özellikle başarılı çalışanları örgütte tutma yollarını ararlar. Yüksek işten ayrılma oranı, özellikle yetenekli çalışanların yitirilmesiyle örgütlerin verimliliği önemli zararlar görür ve deneyimsiz çalışan oranının yükselmesiyle sonuçlanır. Bu kapsamda

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çalışma, katılımcı liderlik davranışı ile işten ayrılma niyeti arasındaki ilişkiyi, telekomünikasyon sektöründen 150 çalışan örneklemi üzerinde incelemiştir. Sonuçlar, katılımcı liderliğin anlamlı ve negatif yönlü olarak çalışanların işten ayrılma niyetlerini etkilediğini göstermektedir. Şöyle ki, çalışanlar yöneticilerinin katılımcı davranış sergilediğini algıladıklarında, örgütlerinden ayrılma niyetlerine yönelik eğilimleri de azalmaktadır.

Anahtar Kelimeler: Katılımcı liderlik, İşten Ayrılma Niyeti

Introduction

Leadership style is very important factor in today's chaotic work settings. It is one of the crucial and important factors in enhancing an organizational performance. House (1996, p.335) states that leader behavior is acceptable and satisfying to employees to the extent that employees see such behavior as either immediate source of satisfaction or as instrumental to future satisfaction. Participative leadership may be a great tool in order to attain such satisfaction in work settings. When employees were involved in the decision making process and take responsibility for their work quality and exert initiative and creativity to be successful in their work, these will increase employee's satisfaction and motivation at work. Further, such employees will stay in those organizations instead of quitting their job. Thus organizations, which adapt participative leadership, will have competitive advantage by keeping highly talented workforce and lowering their recruitment costs. Therefore, this study examines the effect of participative leadership on turnover intentions by using a sample of 150 telecommunication employees.

1. Literature Review

Leadership style is the combination of traits, skills, and behaviors leaders use as they interact with employees (Lussier & Achua, 2004). The basis for good leadership is a respectable personality and unselfish service to employees and the organization. According to House (1971, p.321), "leader consideration is used to describe the degree to which the leader creates a supportive environment of psychological support, warmth, friendliness, and helpfulness by doing such things as being friendly and approachable, looking out for the personal welfare of the group, doing little things for subordinates, and giving advance notice of change". The participative leadership is one of the effective tools for managers to conduct employees to reach organizational goals and objectives. A participative leader must have a pioneering, imaginative and adventuresome mindset in order to empower employees to make decisions involving the organization (Smith, 2008). According to House & Mitchell (1974), participative leader behavior is one of the four independent variables of path goal theory. House (1971) suggested that the path- goal theory influences and motivates employee's views and opportunities. House (1996, p.327) defines participative leader behavior as "the behavior directed toward encouragement of subordinate influence on decision making and work unit operations and consulting with subordinates and taking their opinions and suggestions into account when making decisions". The leader set the organizational goals and objectives and then asks for employee suggestions under participative leader behavior. House (1996) states that participative leader behavior has four main effects. First, it provides work-goal attainment and extrinsic rewards. Second, it increases compliances between employee goals and organizational goals. Employees will select the goals, which is valuable for them under participative leadership style. Third, it provides greater employee effort and performance. Fourth, it increases subordinate involvement, commitment, and social pressure of peers to reach organizational performance. In this management style in which other members of the organization or department, especially subordinate employees are involved in discussions and making decisions that are important to the company or work team. While it often leads to slower decision-making processes, this approach has several key advantages to both the manager and the employees. Leaders who allow employees to participate in decision-making may show improvement in labor-management relations, encouraged employee commitment, enhanced product and/or service performance, and satisfaction.

On the other hand, turnover intentions have been an important bridge between macro strategies and micro behavior in organizations (Holtom, 2008). Barrick and Zimmerman (2005) found that self-confidence and decisiveness were negatively associated with turnover. Watrous, Huffman and Pritchard (2006) reported that intention word is the main determinant of actual quitting from the job. Turnover intention can be explained as "a conscious and deliberate willfulness to leave the organization" (Tett & Meyer, 1993, p. 262). Hellman (1997) states that turnover intention is

the behavioral intention, that is enlightening an individual's intention to leave the organization. Schwepker (2001) reported that positive and statistically significant relationships have been noted in dozens of studies examining leaving intentions and actual leaving behavior. Turnover indicates a conflict in the relationship between individuals and the organization (Cho et al., 2009). Turnover may be classified and categorized into voluntary or involuntary, as well as functional or dysfunctional (Choi et al., 2012). The cost of turnover in firms, which often includes opportunity costs, recruiting, retraining and reselection and decreased morale of existing employees, may result in serious losses to the firms (Cho et al., 2009). Mount (1996) presented conscientiousness negatively relates to turnover. High turnover may be harmful to a company's productivity if skilled employees are often leaving and the employee population contains a high percentage of inexperienced workers. High turnover will also threaten the progress on achieving organizational objectives and goals. Companies also often track turnover internally across departments and divisions or other demographic groups such as gender, age, and tenure. One important factor that may affect turnover intention is leadership style (Green & Miller, 2013). Tepper (2000) showed that the positive relationship between abusive supervision and voluntary turnover. Maertz, Griffeth, Campbell and Allen (2007) reported that perceived supervisor support had effects on turnover cognitions. Ghamrawi and Jammal (2012) stated that transformational leadership style has negative influence on career stress and consequently decreases turnover intention. Some researchers (Bass, 1998; Griffith, 2004) claimed that transformational leadership can prevent turnover behavior by providing employees positive emotions toward their managers or leaders. Rafferty and Griffin (2004) also contend that transformational leadership is negatively associated with turnover intention. Thus, we expect that participative leadership will have positive effect on the decrease of employee's turnover intentions. In other words, as employees perceive a participative leader behavior in work settings, they will tend to stay in that organization. Our research hypothesis will be as follows:

H_1: The participative leader behavior significantly and negatively affects employee's turnover intentions.

2. Methodology

2.1. Sample and Data Collection Procedure

Survey method applied in order to collect data from 150 employees, who work in telecommunication industry. All the participants were informed about the protection of their anonymity. Average age of the participants was 34.24 and 31 % of the participants was female.

2.2. Measures

All the scales except demographic ones are measured using five-point Likert scales with anchors strongly disagree (1) and strongly agree (5). Participative leadership was measured by a five-item ($\alpha = 0.94$) from House and Dessler's (1974) Perceived leadership behavior scale and turnover intentions were measured by using Bluedorn (1982) three-item scale ($\alpha = 0.92$).

3. Analyses and Results

Table 1 provides means, standard deviations, and correlations. The results explain that the participants of this study have lower levels of turnover intentions and they perceive their managers as participative. Also, we found a negative relationship between participative leadership and turnover intentions.

Table1: Means, Standard deviations, and Correlations

Variables	Mean	S.D.	1	2

1.Participative leadership	3.73	0.88	----	
2.Turnover intentions	2.30	1.12	-0.19[*]	----

*. $p < 0.05$, S.D. = Standard deviation

Table 2 presents the effect of participative leadership on turnover intentions by using regression analysis. The results show that the regression model is statistically significant (F=5.33; p<0.02) and the participative leader behavior negatively and significantly affects turnover intentions (β =-0.19; p<0.02). In other words; when the employees perceive their managers' leadership style as participative, they will tend to show lower levels of turnover intentions. Therefore, we accept H_1.

Table 2: The Effect of Participative Leadership on Turnover Intentions

R^2	Adjusted R^2	S.E.	ANOVA	
			F	p (Sig.)
0.04	0.03	1.10	5.33	0.02

Model	B	Beta Coefficient (β)	t	p (Sig.)
Constant	3.18	-	8.09	0.00
Participative leadership	-0.24	-0.19	-2.31	0.02

S.E.= Standard error of the estimate, Dependent variable = turnover intentions.

4. Discussion

This study evaluates the effect of participative leader behavior on turnover intentions in a sample of 150 employees from telecommunication industry. The results show that participative leadership significantly and negatively affects employee's turnover intentions. Namely, when employees perceive their manager's behavior as participative, they will tend to have lower intentions to leave that organization. In other words, when employees perceive that their managers ask them for their suggestions before making decisions and concerning how to carry out assignments and consult them when a problem occurred; this will negatively affect their turnover intentions. This finding is in congruence with House, 1996; Tepper, 2000; Maertz, Griffeth, Campbell and Allen, 2007.

Participative behavior of managers can provide employees with experience of intrinsic motivation, feelings of self-worth, and a sense of autonomy (Deci, Connell, & Ryan, 1989). Therefore, participative leadership may increase the feeling of ''psychological ownership'' of subordinates (Sashkin, 1976). All of these will provide motivation to employees stay in that organization. Further, subordinates can trust their leaders better under participative management depending on the social exchange theory. When employees treated well in the work settings, specifically when they were involved in decision making processes, this will increase employee's trust to manager, which causes lower levels of turnover intentions.

Organizations can use participative leadership training in order to reach their organizational goals by lowering turnover intentions. This is very important in today's work settings since many companies have difficulties to keep their talented workforce. Participative management can be an effective tool for this purpose.

Our study has some limitations as well. First, the relationship found in this study is relational and provide no evidence of the direction of the relationship. One possible solution can be application of a longitudinal study. Second, our data collected from telecommunication industry in Turkey, which make it difficult to generalize the results for other industries and cultures. Thus, we cannot rule out the potential cross-cultural variation of our research model. Future research should replicate our results by using samples from other industries and cultures.

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