

Reducing Employee Turnover by Improving Trust in Organization Through Supervisory Support

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Abstract

This paper highlights the significance of organizational trust in the relationship between supervisory support and employee turnover. This review is imperative as an employee's well-being encompasses many fundamental dimensions of employment, several of which can be significantly affected by an immediate supervisor. A survey of previous literature reveals perceived supervisor support associated with employee turnover intention. Previous studies also suggest that an employee's trust in the organization should enhance retention, and found evidence that this variable had a clear negative relationship with organizational turnover rates. Additionally, in other studies, the quality of supervision was found to influence turnover intention. The current study proposes that trust in organization mediates the relationship between supervisory support and intention to turnover. The findings of this study will assist managers in building supportive job conditions needed to enhance employee trust in the organization, and researchers in further investigating the impact of trust in organization on employee turnover intentions.

Keywords: Employee turnover; Organizational trust; Supervisory support.

1. Introduction

This research investigates the role of perceived supervisor support as a mediator in the relationship between career development and intention to turnover. A review of the empirical literature would be able to shed light to this area of inquiry and consequently offer suggestions to organizations on how to reduce employee turnover and retain quality employees.

The term *turnover* is defined by Price (1977) as the ratio of the number of organizational members who have left during the period being considered divided by the average number of people in that organization during the period. Frequently, managers refer to turnover as the entire process associated with filling a vacancy, whereby each time a position is vacated, either voluntarily or involuntarily, a new employee must be hired and trained. This replacement cycle is known as turnover (Woods, 1995).

A high turnover rate can affect productivity and increase cost of an organization (Butali, Wesang'ula, & Mamuli, 2014). Beer (1981) found that high turnover brings negative impact to organizations such as loss of productivity and profitability. Utter (1982) also agree that productivity could drop in slump when there is replacement of employees by new hires. Besides the unproductive performance portrayed by new hires in contrast to veteran workers, productivity of trainers may drop as well during the training periods.

A global research involving 32 countries, 266 industries, and 506 occupations around the world shows that labor shortage risks is an important issue that every country will need to focus on in the future (Ward, 2014). Additionally, a global employment consultancy report shows that more than one of three talents around the world face difficulty finding a job and 38 percent of managers could not find a suitable talent (Graham, 2015). The serious employee shortage in the world will make an unparalleled challenge for all business leaders and policy makers over the next fifteen years and beyond (Freeman, 2006).

2. Intention to Turnover

Turnover intention is defined as an employee's intention to voluntarily change jobs or companies (Saeed, Waseem, Sikander, & Rizwan, 2014). The concept captures the individual's perception and evaluation of job alternatives (Mobley et al., 1979). When employees are not satisfied with their employment or when organizations do not trust their employees, the employees' intention to turn over will be greater. Hence, they will leave the organization and the duration of their job will be shorter (Pfeffer, 2007). Actual intention and turnover intention have been measured separately; yet, actual turnover is expected to increase as the intention increases. The results of the different studies provide support for the high significance of turnover intention in investigating the individual's turnover behavior.

3. Supervisory Support

Supervisors administer employees' work, providing direct and indirect feedback of their work, and serve as the pivotal person in influencing rewards, appraisal, and career development in an organization. Maertz and Griffeth (2004) theorized that attachments to supervisors could have influential effects on employees' turnover intention. Several studies showed that satisfaction with supervisory support reduces turnover intention (Cotton & Tuttle, 1986; Krackhardt, McKenna, Porter, & Steers, 1981; Lee, 2004). Maertz et al. (2007) called for further research on the personal and situational characteristics for supervisors to extend employees' positive attitudes and attachment to an organization, indicating the necessity for examining the effect of supervisory support in providing performance feedback, trust and confidence, empowerment, and career development plans that could influence turnover intention.

Supervisory support has become a major topic in recent research (Eisenberger et al., 2002; Maertz, et al., 2007; Shanock & Eisenberger, 2006; Stinglhamber & Vandenberghe, 2003). These studies contribute to the growing body of research on the influence of supervisor to staff motivation and retention. Other intangible socio-emotional elements of supervisory support such as providing empowerment, confidence at work, personal guidance in career plans as well as treating subordinates with respect and trust are coherent with organizational support and care. Apart from work related feedback and development opportunities, personal relationships could affect a larger portion of those with attachment to the organization via favorable actions of agents (Levinson, 1965). This might explain the preference of Malaysians to work in harmonious and relationship-based workplace (Abdullah 2001; Pearson & Chong, 1997). Such a culture shows that authority and supervisory support play a pivotal role in influencing employee work related perceptions, attitudes, and behaviors (Ferris & Gilmore, 1984; Yoon & Lim, 1999).

3.1 Supervisory Support and Intention to Turnover

Maertz and Griffeth (2004) theorized that attachments to supervisors could have influential effects on employees' turnover intention. Their study demonstrated that supervisor attachments have separate effects on turnover cognitions—distinct from attachments and attitudes related to the organization itself. In return, employees tend to direct their actions toward the target from which it benefits them (Hoffman & Morgeson, 1999). Therefore, employers should consider the potential relationship between employees and the supervisor that directly affects the employees' turnover decision.

It is agreed that employees have different relationships with the supervisor and the organization (Becker, 1992; Dirks & Ferrin, 2002; Reichers, 1985) but by responding towards the perceived supervisor support (PSS), any result of responsibility should be generally towards the supervisor rather than the organization (Hoffman & Morgeson, 1999). By increasing the PSS and level of commitment, the organization can

reduce the turnover intentions of their employees (Newman, Thanacoody, & Hui, 2012). PSS is crucial to retain employees in the organization (Gentry et al., 2006). These theoretical findings all strongly propose that PSS should cause attachments straightforwardly to the supervisor, and which should directly influence turnover cognitions.

4. Trust in Organization

Organizational trust is of great importance to the success of organizations. Trust is an important issue for most organizations as it can have great advantages for organization. If employees trust the organization, they will contribute more and give more to others. Organizational trust is defined as an employee's feeling of confidence that the organization will perform actions that are beneficial, or at least not detrimental, to him or her (Tan & Tan, 2000).

Luhmann and colleagues (1979) defined system trust (here used as a surrogate for organizational trust) as the appearance that everything is properly in order. This type of trust is necessary for the effective functioning of such things as monetary exchange and political power (Lewis & Weigert, 1984). According to Lewis and Weigert, the absence of the public's trust and confidence in the reliability, effectiveness, and legitimacy of the cultural symbols such as money and laws would lead to the collapse of modern social institutions. Moreover, Durkheim (2008) posited that system trust supports interpersonal trust. Therefore, one could expect that individuals would lose trust in individuals with a corresponding erosion of trust in institutions. This framework for understanding system trust in society provides a useful mechanism for understanding system trust in organizations.

Argyris (1973) believes that organizations should take on the belief that human growth is important. He claims that when mistrust in organizations rises, individuals will look out for themselves, rather than working together. The result is decreased productivity due to the lack of information flow, conformity, and ineffective decision-making. Argyris (1973) proposes that organizations of the future should "seek to enrich work, minimize unilateral dependence, and increase openness, trust, risk-taking, and expression of feelings".

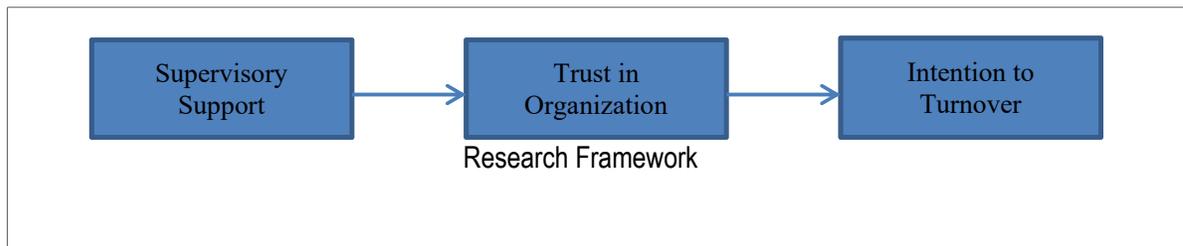
According to Bodnarczuk (2008), organizational trust means that "we trust the organizational structures, systems, and culture within which we work". The evolution of trust within an organization will be affected by the history of outcomes that an employee or manager has experienced when trusting the other based on their ability, benevolence, and integrity (Mayer, Davis, & Schoorman, 1995, p. 724). Organizational trust is a circular motion of action and reaction. The trustor trusts and the trustee honors and fulfills that trust.

4.1 Trust in Organization and Intention to Turnover

One of the factors that affect turnover intention is the trust towards the organization. Costa (2003) demonstrated that trust plays a main role for the social relations between individuals and organization. The social bounds based on trust are likely to increase an employee's intention to stay in a long-term relationship with the organization (Barrick & Zimmerman, 2009).

Research has demonstrated that an organization's ability to develop trusting relationships is an increasingly important source of competitive advantage (Barney & Hansen, 1994). Organizations that foster internal and external climates of trust reap advantages in the marketplace (Zaheer, McEvily, & Perrone, 1998). Trust has also been linked to organizational outcomes such as higher sales and profits, lower employee turnover (Davis, Schoorman, Mayer, & Tan, 2000), and increased levels of cooperative

behavior among employees (Gambetta, 1988).



5. Mediating Role of Trust in Organization in the Relationship between Supervisory Support and Intention to Turnover

The significance of supervisory support in relation to employees' trust toward a specific individual such as trust in supervisor or leader (Folger & Konovsky, 1989) or generalized trust in management (Tyler, 2003) or organization should be further investigated. Existing literature suggests that future researchers examine the relationship between employees' perceptions on organization's HRM practices and their attitudes towards organization (supervisory support and trust in organization), and subsequently how these variables influence employees' behavioral intentions (turnover intentions).

Positive perceptions of workplace relationships (supervisor and co-workers support) may help reduce work-related stress, increase job satisfaction and motivation, enhance commitment, improve performance, and reduce employees' turnover intentions (Currivan, 1999; Lam et al., 2002). Firth et al. (2004) found that social supports from supervisors directly reduced the level of employees' burnout and indirectly reduced employees' intention to quit via job satisfaction.

Research suggests that employees are more likely to indicate intent to leave in the absence of adequate support from top management and co-workers. Perceptions of organizational supports and cares about workers are positively related to job satisfaction and organizational commitment (Allen et al., 2003). Regarding turnover, Eisenberger, Fasolo, and Davis-LaMastro (1990) specifically ascertained that individuals with higher perceived organizational support would be less likely to seek out job alternatives in other organizations. Klein and Weaver (2000) postulated that employees who participated in the organizational support program (e.g., employee orientation training program) generally exhibited higher organizational commitment, supported the firm's mission, understood the firm's corporate culture, adopted its values and beliefs, and demonstrated a willingness to stay longer in the organization. Moreover, the level of employee training through a realistic job preview, job shadowing opportunities, and core standards training have instilled loyalty and a positive attitude among resort club employees (LaLopa, 1997).

In line with this thought, Settoon, Bennett, and Liden (1996) confirmed that emotional support (e.g., showing appreciation, taking an interest in employees' work, maintaining open communication, helping on personal problems) and instrumental support (e.g., providing needed resources, helping with work tasks) correlate positively with job satisfaction and organizational commitment.

6. Conclusion

The literature indicates a positive correlation between trust in organization and turnover intentions. Employee trust in their supervisors has been known as one of the critical factors that continue to affect even today the organization's structure, working time of employees, and behaviors related to this. In this context, trust towards the employer is a highly important factor on the workplace activities. On the other

hand, findings on supervisory support has been reviewed against these variables and found to be imperative in the both trust and turnover intention literature.

7. References

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