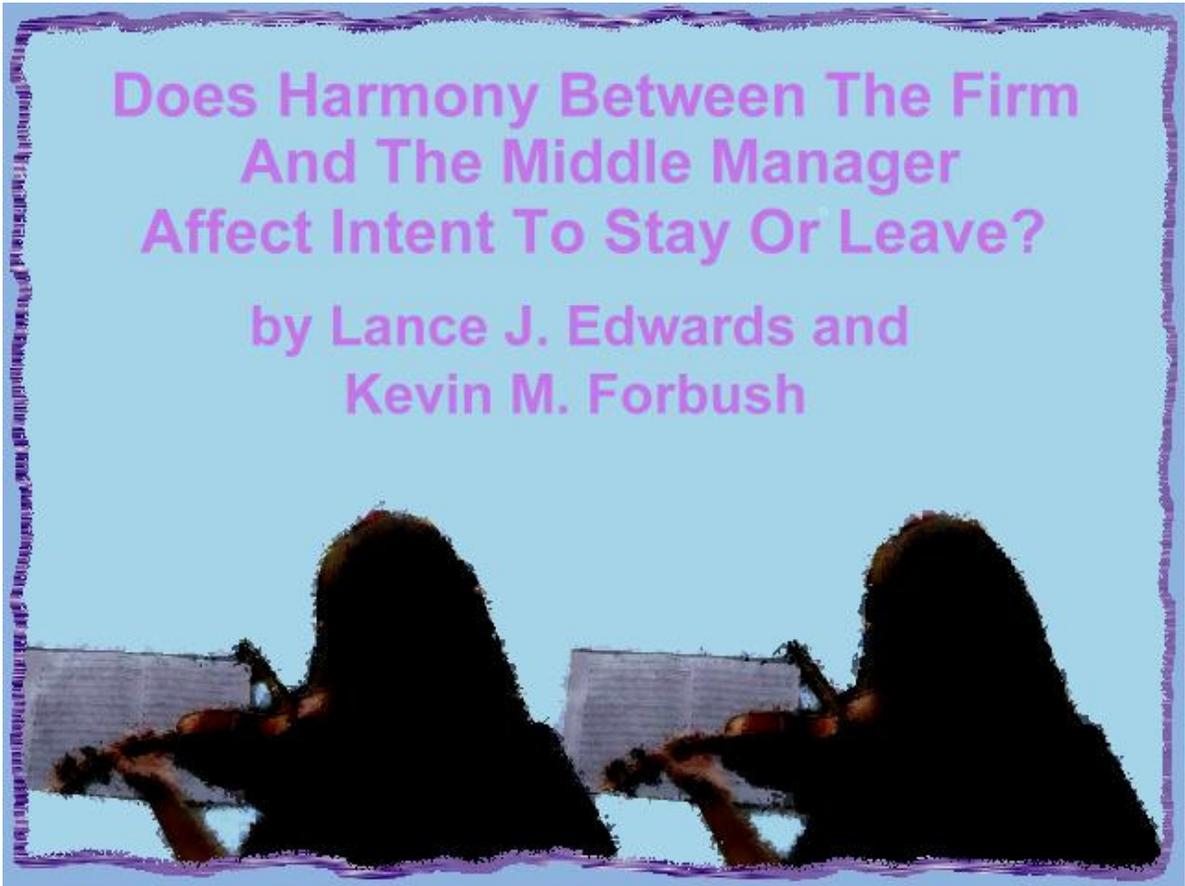


# Does Harmony Between The Firm And The Middle Manager Affect Intent To Stay Or Leave?

by Lance J. Edwards and  
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Peer reviewed

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## Abstract

This study's premise was that harmony between top-level management's policies in support of employee participation in decision-making and the middle manager's propensity for participative decision-making (PPDM) would affect the middle manager's intent to stay or leave. A survey questionnaire was given to a convenience sample of middle managers working in Seattle, Washington, Sierra Vista, Arizona; the Colorado community college system; and adult university

students. The university studies program surveyed was a business degree completion program for working adults. The research demonstrated that there was a dependent relationship between harmony and intent to stay or leave.

## **Introduction**

The research undertaken in this study sought to determine if the middle managers surveyed were in harmony with their company's policies to promote employee participation. The research premise was that such a harmony between top-level management's policies in support of employee participation in decision-making and the middle manager's propensity for participative decision-making (PPDM) would affect the middle manager's intent to stay or leave.

In a high performing organization, management style and organizational philosophy and values are in harmony: together they create a dynamic workplace that supports diversity in work patterns, values cooperation, and collaboration; encourages creativity and hard work' and measures a specialized kind of performance (Becker and Steele 1995). Additionally, when comparisons are made between the values of an organization and those of its members, value congruence has been found to indicate overall happiness and satisfaction with the organization (Meglino, Ravlin, and Adkins 1992).

In most organizations, only top-level managers have the responsibility for making decisions about how to design jobs and which policies to adopt (Hellriegel, Jackson, and Slocum 1999). As such, middle managers have little influence in determining whether their company does or does not practice participatory management. Although mid-level managers have invaluable firsthand knowledge of operations of their organizations, they are rarely involved in the strategic thinking process (Antonioni 1999). Yet, once a policy is adopted, it is the middle manager who must accept and support the consequences of the company's decision. By virtue of their position between the top management and line managers, middle managers find themselves expected to lead and/or implement change regardless of their individual reactions (Dopson and Neumann 1998).

## **Background of the Issue**

The issue considered in this research was whether a lack of harmony between the top-level management's policies in support of employee participation in decision-making and the middle manager's propensity for participative decision-making (PPDM) would affect middle manager turnover. Turnover is defined as the voluntary or involuntary permanent withdrawal from the organization (Robbins 1993).

Intention to leave -- the conscious and deliberate willfulness to leave the organization (Tett and Meyer 1993) -- is accepted as the single best predictor of turnover, as described in Mobley's (1977) work on linkages between job satisfaction and turnover. A review of a number of studies showed that intent to leave an organization has gained much empirical and theoretical support as an important predictor of actual turnover (Hellman 1997). The study also noted that behavioral intention is primarily antecedent to actual behavior.

Studying intention to leave as a measure of commitment has a number of advantages over looking at turnover (Thompson and Terpening 1983). First, the reasons given for leaving as indicated in an employee's report may not be true and accurate; second, the use of archival data may not adequately distinguish between voluntary and involuntary turnover; and third, other factors may be prevalent which are not related to the decision to quit.

An understanding of what precedes actual turnover can help managers to predict an employee's intention to leave and make changes so that employees may reassess their current situation and decide to stay.

However, if changes cannot be made, intention to leave has important consequences in predicting recruitment and human resource planning needs in organizations. Other researchers have stressed that understanding intention to leave should receive more attention than turnover, as once an employee has quit there is little an organization can do except incur the expense of hiring or training another employee (Dalessio et al. 1986).

## **Research Questions**

The survey questions were designed to elicit information regarding the research inquiry. The general research questions that lead to the hypotheses set were:

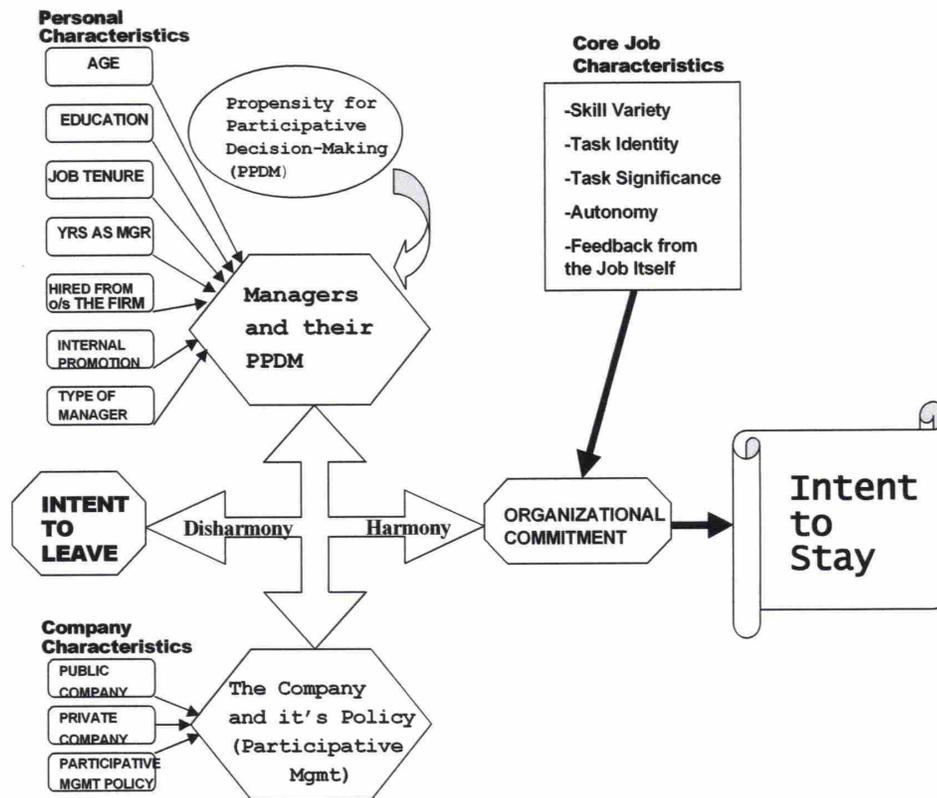
1. Can a harmony between the middle managers' PPDM and their company's use of participatory management techniques be measured?
2. Can the measured harmony be used to predict the middle managers' intention to stay/leave?
3. Do job characteristics affect organizational commitment thereby influencing the middle managers' intention to stay/leave?
4. Can a model of turnover intention be developed?

## **The Model of Turnover Intention**

The model of turnover intention shown in figure 1.1 presents three main components arrayed around a dichotomy of intent to leave to intent to stay. The

three components are: 1) the managers and their personal characteristics, including their propensity for using participative decision-making (PPDM), 2) the company and its policies in support of participative management techniques, and 3) an examination of core job characteristics and their impact on organizational commitment.

**Fig. 1.1. Model of Turnover Intentions**



The managers' component and their personal characteristics, including their propensity for using participative decision-making (PPDM), measured the propensity of the middle manager to use participative decision-making as a management style. The firm component and its policies in support of participative management techniques measured the firm as either a highly participatory company or a less participatory company. The job characteristics component measured the presence of the five core job characteristics in the surveyed middle

managers' jobs. The measurement of harmony between the middle manager and the firm relative to the use of participative decision-making; as well as the measure of affective organizational commitment the middle manager has for the firm is contained within the leave or stay dichotomy. Finally, the model provides a measure of the intention behavior: intent to stay/leave.

The measures compiled to create the survey instrument for this research were adapted from well-established instruments used in a number of studies and published in scholarly journals. The instruments include the Organizational Commitment Questionnaire, the Propensity for Participative Decision-Making Questionnaire, the Minnesota Organizational Assessment Questionnaire, and the Job Diagnostic Survey. These established measurement instruments have considerable reliability and validity data available.

**Table 1.1. Research Elements Embedded into the Model of Turnover Intention Components**

<b>Research Element</b>	<b>Component of the Proposed Model</b>	<b>Survey Instrument Measure</b>
No. 1 - Measurement of the propensity of the middle manager to use participative decision-making as a management style.	The managers' component and their personal characteristics.	Propensity for Participative Decision-Making Scale (PPDM); Parnell and Bell 1994.
No. 2 - Measurement of the firm as either a highly participatory company or a less participatory company.	The firm component and its policies in support of participative management techniques.	Research derived; Kardas, et al. 1994; Rosen, et al. 1986; Keogh 1993.
No. 3 - Measurement of the harmony between the middle manager and the firm relative to the use of participative decision-making.	The leave or stay dichotomy.	Research derived; Kristof 1996; Meglino 1992.
No. 4 - Measure the extent of affective organizational commitment the middle manager has for the firm.	The leave or stay dichotomy.	Organizational Commitment Questionnaire; Porter et al. 1994.
No. 5 - Measure the presence of the five core job characteristics in the surveyed middle mgrs' jobs.	The job characteristics component.	Job Diagnostic Survey; Hackman and Oldham 1980.
No. 6 - Measurement of the intention behavior: intent to stay/leave.	The model graphically embodies the intention behavior: intention to turnover.	Michigan Organizational Assessment Questionnaire; Cammann et al. 1979.

## Experimental Design

The population of interest for this study was all middle managers working for U.S. companies during the period in which the research was conducted. A convenience sample accessible to this study consisted of middle managers working for a healthcare management company in Seattle, Washington; the managers of a civilian-military contractor in Arizona; managers working for the Colorado community college system; and university graduate and undergraduate students in business disciplines. The geographical locations of the survey locations were selected based on their accessibility to the researcher and the willingness of the employers and the university program managers to have their employees and students surveyed.

The survey instrument was given to those middle managers totaling a sample size of two hundred and twenty students with a return of 180 surveys for a response rate of 81.8 percent. Twenty-two of the returned surveys were eliminated because survey respondents held a non-managerial position. This resulted in 158 usable surveys.

## Results of the Research

The null hypothesis tested was:

H<sub>0</sub>: The presence of a harmony between the middle manager's PPDM and the extent to which a company utilizes participative management will not have an effect on the middle manager's intent to stay/leave.

In testing this hypothesis, the Chi-Square Test for Independence using contingency table analysis was used to determine whether or not the two classification criteria for hypothesis one; intent to stay/leave and harmony, were independent of each other.

The quantitative data yielded computations of the expected cell counts and the observed data resulting in Table 1.3 (below).

The computations for  $\chi^2$  yielded  $\chi^2 = 8.4299$ . Using the Partial Table of Critical Values of Chi-Square from Lowry (2002), the critical point for  $\alpha = 0.05$  was 3.84. As the value for  $\chi^2$  is greater than the critical point value the null hypothesis one was rejected. The two variables, harmony and intent to stay/leave are not independent. The alternate hypothesis was accepted.

H<sub>1</sub>: The presence of a harmony between the middle manager's PPDM and the extent to which a company utilizes participative management will have an effect on the middle manager's intent to stay/leave.

**Table 1.3. Observed and Expected Cell Counts, Hypothesis One**

Second Classification Category	First Classification Category		
	Stay	Leave	Total
Harmony	82(74.43)	16(23.57)	98
Disharmony	38(45.57)	22(14.43)	60
Total	120	38	N=158

It was helpful to examine the sample population by dividing it into the two primary groups; whether a public or private firm employs the manager. The purpose of this examination was to determine if there is a difference between the two populations as it relates to intent to stay with the firm given the presence of harmony. To make this determination a large sample hypothesis test for two population proportions using independent samples was used.

The null hypothesis for this hypothesis test was:  $H_0: p_u = p_r$  (the population proportions are equal). The significance level,  $\alpha$ , chosen was 0.05. Using the Areas under the Normal Curve, for the two-tailed test the critical value of  $z_{\alpha/2} = \pm 1.9$  (Weiss 1997). A value of the test statistic,  $z$ , greater than 1.9 or lower than -1.9 would result in a rejection of the null hypothesis, while a value of the test statistic,  $z$ , between the upper and lower limits would result in do not reject the null hypothesis. For this test the value of the test statistic,  $z$ , was 0.112 resulting in not rejecting the null hypothesis. The conclusion drawn from this test statistic was that between the two populations sampled there is no difference between the proportions of the populations that have the attribute of experiencing harmony and having intent to stay with the firm. This strongly suggested that the results could be generalized over the two populations, public or private employees.

The following probabilities outcomes were predicted:

P ( Harmony $\cap$ Stay )	=	0.519	approximately 52%
P ( Harmony $\cap$ Leave )	=	0.101	approximately 10%
P ( Disharmony $\cap$ Stay )	=	0.241	approximately 24%
P ( Disharmony $\cap$ Leave )	=	0.139	approximately 14%

Taking probability a step further and conditioning the prediction, it was predicted that:

$$P(H \mid \text{Stay}) = P(\text{Harmony} \cap \text{Stay}) / P(\text{Stay}) = 0.519 / 0.760 = 0.683.$$

This conditional probability states that when a manager has intent to stay, harmony will be present over 68 percent of the time.

In testing hypothesis two the Chi-Square Test for Independence using contingency table analysis was used to determine whether or not the two classification criteria for hypothesis two; the presence of core job characteristics and intent to stay/leave, were independent of each other.

The hypothesis tested was:

$H_0$ : The high presence of the core job characteristics, as defined by Hackman and Oldham, will not have an effect on the middle manager's intent to stay/leave.

The quantitative data yielded computations of the expected cell counts and the observed data resulting in Table 1.4.

**Table 1.4. Observed and Expected Cell Counts, Hypothesis Two**

Second Classification Category	First Classification Category		
	Stay	Leave	Total
High Presence of CJC	69(63.04)	14(19.96)	83
Low Presence of CJC	51(56.96)	24(18.04)	75
Total	120	38	N=158

The computations for  $\chi^2$  yielded  $\chi^2 = 4.9357$ . Using Table 6.11, Partial Table of Critical Values of Chi-Square from Lowry (2002), the critical point for  $\alpha =$

0.05 was 3.84. As the value for  $\chi^2$  is greater than the critical point value the null hypothesis one was rejected. The two variables, presence of core job characteristics and intent to stay/leave are not independent. The alternate hypothesis was accepted.

H<sub>1</sub>: The high presence of the core job characteristics, as defined by Hackman and Oldham, will have an effect on the middle manager's intent to stay/leave.

The Chi-Square Test for Independence using contingency table analysis was used to determine whether or not the variables organizational commitment and harmony/disharmony are independent of each other. The computed value for  $\chi^2 = 5.0395$  and this was greater than the critical point value of 3.84; therefore the null hypothesis was rejected. The two variables, organizational commitment and harmony/disharmony are not independent.

The Chi-Square Test for Independence using contingency table analysis was used to determine whether or not the variables organizational commitment and core job characteristics are independent of each other. The computed value for  $\chi^2 = 10.6751$  and this was greater than the critical point value of 3.84; therefore the null hypothesis was rejected. The two variables, organizational commitment and core job characteristics are not independent.

The Chi-Square Test for Independence using contingency table analysis was used to determine whether or not the variables organizational commitment and intent to stay/leave are independent of each other. The computed value for  $\chi^2 = 63.4229$  and this was greater than the critical point value of 3.84; therefore the null hypothesis was rejected. The two variables, organizational commitment and intent to stay/leave are not independent.

Harmony was examined with respect to the demographic data generated from the research survey, in order to determine if the variables were related. The seven demographic variables were analyzed to examine their relationship to the variable harmony. The statistical test used was the Chi-Square Test for Independence using contingency table analysis. The null hypothesis was H<sub>0</sub> = the variables are independent.

The computed value for  $\chi^2$  was lower than the critical point value for every demographic variable. Thus, the null hypothesis was accepted for each analysis. The variable, harmony, is independent of each of the demographic variables.

## Interpretation of Results/Conclusions

The first research question asked if a harmony could be measured and the results said yes. Firms interested in measuring harmony may measure current middle managers' PPDM using the Propensity for Participative Decision-Making Scale (Parnell and Bell 1994) and the middle managers' perception of the firms' PMP using questions eight and nine from the research survey. The scoring differences, as suggested by Meglino and Kristof, can be determined and plotted. In the same manner, prospective managers can be surveyed for their PPDM and the firms' self-reported perception of PMP could be used to calculate and plot a harmony to estimate if the prospective manager is a good person-organization fit.

The second research question asked, "Can the measured harmony be used to predict the middle managers' intention to stay/leave?" Again, the answer appears to be yes.

The null hypothesis was rejected and the alternate hypothesis, there will be an effect, was accepted. It can be concluded that there is evidence of dependence between harmony and an intention to stay or leave.

The calculated value of  $X^2 = 8.4299$  exceeded the value of chi-square of 3.84 required for significance at the .05 level; hence the observed result is significant beyond the .05 level. That is, if the null hypothesis were true and accepted, the likelihood of doing so, by mere chance coincidence, would be smaller than five percent. In this test, the calculated value of  $x^2 = 8.4299$  exceeds the value of chi-square of 7.88 required for significance at the .005 level. The likelihood of committing a Type I error, rejecting the null hypothesis when it is true, is smaller than one half of one percent. The null hypothesis can be rejected with a high degree of confidence.

Using a large sample hypothesis test for two population proportions using independent samples to determine if there is a difference between the two populations as it relates to intent to stay with the firm given the presence of harmony resulted in the null hypothesis not being rejected. The null hypothesis was that the populations had the same proportion of the desired attribute. By not rejecting the null hypothesis the conclusion drawn was that between the two populations sampled there is no difference between the proportions of the populations that have the attribute of experiencing harmony and having intent to stay with the firm. This strongly suggests that the results can be generalized over the two populations, public or private employees.

The data also allowed for the computation of probability outcomes. The results predict that in a sample population approximately 52% of the managers would perceive harmony and have intent to stay, 10% would perceive harmony

yet have intent to leave, 24% would not perceive a harmony yet intend to stay, and 14 would not perceive harmony and intend to leave. A conditional probability outcome could be stated as: of the middle managers with intent to stay, over 68% would also perceive harmony between themselves and their firms.

The use of the second test statistic supports the contention that harmony is a predictor of intent to stay or leave.

The third research question asked, "Do job characteristics affect organizational commitment thereby influencing the middle managers' intention to stay/leave?" This question was posed in the research to allow the use of theoretical triangulation. Through the use of competing hypotheses this researcher attempted to demonstrate a convergence or consistency of data that would tend to support the premise of the study.

Based on what is determined from the research and based on what was learned in the search of the literature, conducted during the study, it is safe to say that organizational commitment (OC) is a very strong antecedent of intent to stay/leave.

It is noted that core job characteristics (CJC) and OC are dependent and CJC and intent to stay/leave are dependent. It is interesting to note that while there is no dependence between the CJC variable and the harmony variable, there is a consistency of results between those variables and OC and intent to stay/leave. Harmony, also, has a dependency relationship with both OC and intent to stay/leave.

A conclusion we draw from the research and analysis of the results is that organizational commitment directly precedes intent to stay or leave, while both core job characteristics and harmony are moderators of organizational commitment and, to a similar degree, of intent to stay/leave.

The last research question asks, "Can a model of turnover intentions be developed?" The answer to this question is also yes.

The proposed model of turnover intentions that was developed early on in this study as a working model has had all elements tested, analyzed, and validated.

The research survey instrument used in this study was adapted from a number of previously validated instruments. The results from the quantitative research was tested with the Chi-Square Test for Independence using contingency table analysis and each component of the model was found to have

statistically significant results yielding a rejection of the null hypotheses and acceptance of the alternative hypotheses.

## **Conclusions**

The research undertaken in this study sought to determine if the middle managers surveyed were in harmony with their company's policy to promote employee participation. The research premise was that a harmony between top-level management's policies in support of employee participation in decision-making and the middle manager's propensity for participative decision-making (PPDM) would affect the middle manager's intent to stay or leave. The research, after hypothesis testing and analysis, demonstrated that there was a dependent relationship between harmony and intent to stay or leave.

## **Recommendations for Applying Results**

**Appropriate Fit:** A significant goal of this research was to develop a model of turnover intention that can be predictive in determining whether a potential middle manager is an appropriate fit for a company that practices participatory management. This researcher recommends, to firms that have an interest in doing this, to utilize the PPDM Scale developed by Parnell and Bell to determine the prospective manager's PPDM. Using the results obtained and comparing them to the firm's participative management policies (PMP) may be predictive on the prospect's fit with the firm.

**Harmony Encourages Staying:** When examining the results of the research a large sample hypothesis test for two population proportions using independent samples was used. It resulted in a conditional probability that stated "when a manager has intent to stay, harmony will be present 68% of the time." It is recommended that firms, who have identified participative decision-making as a desirable element of their firm's processes, develop training programs that encourage and facilitate middle managers in using PDM techniques.

## **Recommendations for Further Research**

1. A limitation of this study has been the comparison of the middle manager's PPDM and the firm's PMP. In this study both measures of the PPDM and PMP were quantified using the middle manager's perceptions. While this is appropriate, and preferred, when measuring the harmony of middle managers currently with the firm; perceptions of PMP are not an appropriate measure for prospective middle managers. A recommendation for further research, therefore,

is to develop a method to conduct a participatory management policy (PMP) audit of the firm to establish a measure for judging harmony between a prospective manager and the hiring firm. A developed audit of this type could be conducted in the same manner as communication audits or social responsibility audits.

2. The one demographic characteristic that had an impact on the research was whether the respondent worked in private firms or a public entity. In total, and using the Chi-Square test, the results did not indicate that there was an effect resulting from this demographic. However, when the results were segmented, still using the Chi-Square test, a difference was detected. Manager respondents that worked for private firms were more likely to have harmony affect their intent to stay or leave. Public employees were less likely to be so affected. It is recommended that this interesting result merits further research.

3. When testing with a large sample hypothesis test for two population proportions using independent samples, however, the demographic characteristic of public or private firm did not yield differing results. In fact, the z value was well within the do not reject region. The population proportions were the same with a high degree of confidence. As the second statistic is a more robust test this researcher is inclined to accept the latter tests results. However, the differing result between the two tests begs further study.

4. Equally interesting was the finding that managers working for the Colorado community college system were the least likely to let a lack of harmony on the job affect their intent to stay or leave. One question that arises is, "does working for an educational institution affect intent to stay/leave in a manner different from other publicly employed managers?" It is recommended that this issue also merits further study.

5. The last item to be mentioned for further study is the suggestion that further research be conducted on the issues explored in this study. Replication of the studies made here are necessary to provide support to the conclusions put forth by this researcher. Additional study into the effects of harmony on intent to stay or leave, most notably, the direction of the effect and the intensity of the effect, is needed.

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