RELATIONSHIP BETWEEN SUPERVISOR CONFLICT MANAGEMENT STYLES AND SUBORDINATE INTENTION TO LEAVE

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ABSTRACT

The purpose of this study is to investigate the relationship between supervisor conflict management styles and subordinate intention to leave in chemical industry in Tai'an City of China and to explore whether job opportunities and job tenure play moderating role in this relationship. A survey using questionnaire to collect data from 126 respondents from three companies in chemical industry in Tai'an City of China was conducted. The data reflects that the respondents perceive that integrating style and avoiding style are two mostly preferred conflict management styles of their supervisors in this study. Not all cooperative conflict management styles have negative relationship with subordinate intention to leave. Not all uncooperative conflict management styles have positive relationship with subordinate intention to leave. And job tenure has some moderating effect on the relationship, while job opportunities outside has no moderating role in the relationship. This paper generated important findings which are capable of enabling employers and employees of chemical industry in Tai'an City of China in understanding conflict and improving the effectiveness of conflict management.



ABSTRAK

HUBUNGAN ANTARA PENGURUSAN KONFLIT PENYELIA DAN PEKERJA YANG INGIN MELETAKKAN JAWATAN

Tujuan pengajian ini adalah untuk mengkaji hubungan antara pengurusan konflit penyelia dan pekerja yang ingin meletakkan jawatan di bidang industri kimia di bandar Taian Negeri Cina, Disamping itu mencari kepastian sama ada kebanyakan keria dan jangka masa yang panjang dalam Satu jawatan akan memainkan apa peranan dalam hubungan tersebut di atas. Satu kajian menggunakan borang soal-jawab untuk mendapatkan data maklumbelas telah dikirim kepada 126 orang peserta di 3 buah kilang kimia di Bandar Taian Negeri Cina untuk mendapatkan maklumbelas. Keputusan menurut data menunjukkan cara integerasi dan mengelak adalah 2 cara yang dipilih oleh kebanyakan pengurus atau penyelia dalam kajian ini. Bukannya semua cara konflit berunding ada hubungan negatif dengan pekerja yang ingin meletakkan kerjanya. Bukan semua cara tidak boleh berunding ada hubungan positif dengan pekerja yang ingin meletakkan kerjanya. Dan tempoh lama seseorang dalam satu jawatan itu ada kesan sedarhana dalam hubungan ini, manakala peluang bekerja luar tidak ada kesan sama sekali dalam hubungan ini. Kajian ini mendatangkan pendapat yang membolehkan pengurus atau penyelia dan pekerja di industri kimia di Bandar Taian Negeri Cina sama sama memahami konflit dan memperbaiki lagi keperkesanan dalam pengurusan konflit.

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CHAPTER 1

INTRODUCTION

1.1 Overview

Under the more competitive economy, the role of human is more significant than ever before. The central role of human capital in the economy has become a key problem. Human capital has become the most important factor of growth and wealth in the economy. As articulated by Watson Wyatt's own CEO, John Haley, "The cruel twist in this is that just when we need human capital the most, it is in short supply." (Bruce and Ira, 2002)

Although there are large numbers of employees waiting for employers in labor markets, the fact is that there is a short supply of talent people. Whether the employers can retain talent people determines their positions in the more competitive world. Only by retaining enough talent people, the organizations can keep their competitive advantage and survive in the competition.

In China, human capital is also seen as a vital factor to determine one organization's success. And the situation of labor market of China also intensifies this fact. In the past, employers dominated in China companies because of political policy. At that time labor was in abundant supply. Employees' jobs are assigned by government and they can not change their jobs by their desire. But nowadays, because of the open policy of China government, the employees can freely select their employers. The environment is more precarious for employers; however it is more rewarding for employees. Employees can compare different kinds of organizations to decide where they work for. And once they find that the organizations are not suitable for them, they can easily choose to transfer to other organizations. And this kind of transfer is related to one term of this research, which is turnover. The problem of

frequent employee turnover has brought a concern for managers of China about how to decrease the frequent transfers and to retain talent people.

Turnover is an important area of research in several subjects (e.g. psychology, sociology, economics, and organizational behavior) (Williams and Hazer, 1986). Individuals born late in the baby boom were found to have held almost 10 jobs from the ages of 18-36 (Bureau of Labor Statistics, 2002). This trend impacts organizations as they will have to work harder to retain their employees. Turnover can cause varieties of results to companies, the most serious of which are cost to companies because of the time and money lost when the turnover happens.

Previous researchers have postulated and identified a number of variables as being associated with turnover. Among all the variables, researches has showed that the single best predictor of whether an employee will leave the organization, better than job satisfaction, organizational commitment, and a multiple of others, is the intent to do so (Carsten & Spector, 1987; Griffeth, Hom & Gaertner, 2000; Price, 2001; Tett and Meyer, 1993). Intention to leave is a conscious and deliberate willfulness to leave the organization (Tett and Meyer, 1993).

The antecedents of turnover, such as job satisfaction, organizational commitment, intention to leave are only indicators of turnover, one more underlying antecedent is conflict. Conflict is part of organizational life. Managers spend up to 20% of their time in the workplace dealing with conflict or its aftermath (Schermerhorn, Hunt, & Osborn, 1998; Thomas & Schmidt, 1976). Conflict is considered to be a natural process between people and, as such, is an inevitable aspect of a manager's job (Markowich& Farber, 1987). Researches investigated that conflict between managers and workers is particularly important, because, if managed poorly, it can undermine an organization's labor relations and productivity (Tjosvold & Chia, 1988).

Towers Perrin's report of 2007 showed that China's employee turnover rate is very high. 68% of employees are planning to search for new jobs, so the researches of the

relationship between supervisor conflict management styles and subordinate intention to leave is particularly worthwhile. Besides, many researchers have done researches to find the relationship between conflict management styles and other outcomes, such as organizational stability, efficiency of organization, training, communication systems, decision making process and so on, but there is a lack of researches about the relationship between supervisor conflict management styles and subordinate intention to leave. Based on all the above factors, the researcher tries to explore the relationship between supervisor conflict management styles and subordinate intention to leave in chemical industry of Tai'an, China.

A number of researches have been done about the relationship between conflict management styles and work outcomes in Western countries. This study explores this relationship under the specific context of China. This study investigates some different findings within Western countries and these findings are in details explained, which contributes to conflict management in China.

Many industries have been investigated about the variable of conflict management and intention to leave, such as nursing, hotel, call center and other hospitality industry. But there is a lack of researches focusing on chemical industry. So the researcher of this study tried to make a research within the chemical industry.

Overall, this research paper focuses on supervisor conflict management styles, tries to find the relationship between it and subordinate intention to leave, and explores whether the moderating variables—job opportunity outside and job tenure—have an moderating impact on this relationship. It is hoped that this study can provide useful information to the researches of supervisor conflict management styles and subordinate intention to leave and accordingly contribute to conflict management of chemical industry in Tai'an City of China.

1.2 Background of Tai'an City and Its Chemical Industry

Tai'an city is a middle city in north of China. There are a number of chemical companies in this city. The researcher chooses three of the chemical companies located in Tai'an City of China to conduct the survey. The list of the three companies is as follows:

- a) Taian Ruichang Chemical Co., Ltd.. The total number of staff of the company is 1569.
- b) Shandong Taian Yateer Chemical Building Material Co.,Ltd.. Altogether the number of staff of the company is 3212.
- c) Feicheng LuTai Co. Ltd. There is 1326 staff in this company.

There are two main reasons for this researcher of this study to select chemical industry in Tai'an City of China as the object of survey. One reason is that Tai'an City is the hometown of the researcher of this study, relatives and friends of the researcher can provide more support when collecting data. Another reason is that there are numerous chemical companies located in Tai'an City of China. Therefore, the researcher of this study chooses the chemical industry as the object of this study. The result of the study of the chemical industry can help the employers of this industry to improve their human capital management strategies to retain employees to keep competitive advantage in the business world.

1.3 Research Problem

Conflict management is a major predictor of managerial success (Rahim, 1983). Bagshaw (1998) notes that conflict is a fact of life, in organizations as well as other areas of life, as people compete for jobs, resources, power, acknowledgement and security.

Conflict management styles have been the focus of considerable researches for decades. Some studies show that conflict management styles of managers is related to various outcomes of subordinates, such as job satisfaction, supervision satisfaction, supervisor—subordinate relationships, long-term cooperation, and attitudinal and behavioral compliance (Alexander, 1995; Blake & Mouton, 1964; Follett, 1940; Rahim,

1986; Thomas & Kilmann, 1974; Weider-Hatfield & Hatfield, 1996). But what the Chinese supervisor conflict management styles are and whether these styles influence subordinate intention to leave is a problem puzzling the researcher of this study.

From the literature review, the researcher of this study finds the value of researching the relationship between supervisor conflict management styles and subordinate intention to leave. Therefore, this study tries to investigate the relationship between supervisor conflict management styles and subordinate intention to leave and tries to answer the following questions:

- 1.3.1 Is there a relationship between supervisor conflict management styles displayed in organizational environment and subordinate intention to leave?
- 1.3.2 Do different supervisor conflict management styles cause different subordinate intention to leave?
- 1.3.3 Which supervisor conflict management style has positive relationship with subordinate intention to leave?
- 1.3.4 Which supervisor conflict management style has negative relationship with subordinate intention to leave?
- 1.3.5 Does job opportunities outside, job tenure play a role in moderating the relationship between supervisor conflict management styles and subordinate intention to leave?

1.4 Research Objectives

Based on the literature review in Chapter 2, most researches support that cooperative conflict management styles are negatively related with intention to leave, while uncooperative conflict management styles are positively related with intention to leave. But these findings are mainly from Western researches. The researcher explores these findings under the Chinese context. Different findings are supposed to be concluded because China culture is definitely different from Western cultures.

Besides, in actual life, many employers of China have not realized the importance

of conflict management to retain employees. In order to inform the employers and provide some guidelines about how to deal with conflict to retain employees, the researcher defines two objectives about this research, one of which is main objective, the other one is supplementary objective.

The objectives of this research are as follows:

- a) To investigate whether there exists a negative relationship between supervisor's cooperative conflict management styles and subordinate intention to leave.
- b) To investigate whether there is a positive relationship between supervisor's uncooperative conflict management styles and subordinate intention to leave.
- c) To examine whether job opportunities outside and job tenure play a moderating role in the relationship between supervisor conflict management styles and subordinate intention to leave.

The supplementary objectives are as follows:

- a) To find which kind of conflict management style the Chinese mostly prefer to use.
- b) To find suitable conflict management styles to improve the effectiveness of conflict management to retain employees under the context of China.

1.5 Scope of the Study

The unit of analysis of this research is from subordinate perspective. The researcher surveyed three companies which all belong to chemical industry in Tai'an, China. 230 non-managerial employees were selected as respondents in the process of survey. Questionnaires were selected to be the research tool. The questionnaires were intended to get the data of employees' perception of their supervisors' conflict management styles and their personal intention to leave their organization. Altogether 126 questionnaires were collected.

1.6 Significance of the Study

This paper provides a helpful trial to the research of the relationship between supervisor conflict management styles and subordinate intention to leave under the specific context of China. It provides some practical use of the human capital management. From this research, employers can find that different supervisor conflict management styles can have different effects on subordinate intention to leave. Employers also can use more effective styles of conflict management which is explored by this study to deal with conflicts in organizations in order to retain talent people.

However, this research has some limitation in some aspects. The main limitations are that this study only focuses on the interpersonal conflict and the sample size is limited because of time and distance.

Overall, the study can serve as a reference for further researches about the relationship between supervisor conflict management styles and subordinate intention to leave.

1.7 Definition of Key Items in This Study

The key items of the study are supervisor conflict management styles and subordinate intention to leave. Each of the two items has specific meaning. And the definitions of them in the context of this study are outlined as follows:

1.7.1 Conflict Management Styles

In this research, the researcher of this study uses Rahim's five-style conflict model. Rahim (1983) created five conflict management styles based on two dimensions—concern for self and concern for others which portray the motivational orientation of a given individual during conflict. The combination of the two dimensions yields five conflict management styles: integrating, obliging, compromising, dominating and avoiding.

Among the five conflict management styles, the ones in which a moderate to high level of concern for the other party is shown, namely integrating, obliging and comprising, are considered as "cooperative conflict management styles"; while the

ones in which little concern is shown for the other party, namely avoiding and dominating, are considered as "uncooperative conflict management styles" (Rahim, Magner, & Shapiro, 2000; Song, Xie, & Dyer, 2000).

1.7.2 Intention to Leave

In this study, the term "intention to leave", "intention to quit" and "intent to leave" is used changeable. The researcher of study uses the definition of intention to leave from Tett and Meyer (1993), who defined intention to leave as a conscious and deliberate willfulness to leave the organization. Although intention to leave does not necessarily mean actual employee turnover, intention has been found to be a strong predictor of quitting a job (Hayes, 2006, Blau, Boal, 1989, Griffeth, Hom, Gaertner, 2000).

1.8 Organization of the Thesis

This study is designed to explore the relationship between supervisor conflict management styles and subordinate intention to leave in chemical industry of Tai'an, China. This thesis is organized into five major sections. Firstly, chapter 1 is an introduction of the whole study. Chapter 2 presents literature review of related researches with this study. Chapter 3 describes the research framework, research methodology and key variables of this study. Chapter 4 is the result of the study. The last chapter, chapter 5 concludes the whole study and it also provides recapitulation, discussion, implication, limitation and suggestions of this research.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter deals with literature related to conflict management styles and intention to leave. In order to have a comprehensive understanding of the supervisor conflict management styles influencing subordinate intention to leave and utilize the result of previous researches, a literature review of all these related researches is necessary before the survey is conducted. The variables and its key concepts are outlined in this chapter.

2.2 Conflict Management under the Context of China

Chinese culture is different from Western cultures, so the conflict management must be different from that of Western countries. The following are outline of literature of Chinese culture and conflict management in China.

The ideology of Confucianism should be understood first before understanding the Chinese culture, because Confucianism has been predominated in China for more than 2500 years. Firstly, Confucianism supports authoritarian system which emphasize on the values of respecting one's parents and elders. So a leader has the right to maintain strong authority over subordinates, and the subordinates are obligated to obey. Although the virtues of submission, humility, tolerance, and hierarchy of subordinates are promoted, Confucianism ideologies predispose Chinese leaders to act as the parents of the group or organization and practice authoritarian control (Bond, 1996; Hui&Tan, 1996).

Secondly, Confucianism supports harmony in human relationships. Harmony, a

value set forth by Confucius some 2500 years ago, leads Chinese to resort to conflict avoidance tactics in order to maintain smooth interpersonal relationships. Hawang (1997-1998) support that Confucianism emphasizes the value of harmony. When one is conflicting with someone else within his or her social network, the first thing one has to learn is forbearance. This leads to giving up one's personal goals, for a prior consideration of maintaining a harmonious relationship.

Both the value of respect for hierarchy and harmony explained above contribute to shape certain kinds of conflict management styles. In terms of the current literature of conflict management under the context of China, most researches support that Chinese prefer non-confrontation approaches to manage conflict. For example, Tang and Kirkbride (1986) and Leung (1988) found that the Chinese preferred some non-confrontational approaches to conflict resolution to a greater extent than did their Western counterparts. Chinese executives tend to use avoiding and compromising. The strategies and tactics used by the Chinese include indirect confrontation through mediators, or avoiding reactions, such as making false compromises, or withdrawing from the situation. Bond and Hwang (1986) supported that they would to choose to hold a relatively indirect, inactive stance toward conflicts, such as avoiding or ignoring the conflict and try to avoid open debate and indirect confrontation.

Besides China, the phenomenon of conflict avoidance is also prevalent in some other East Asian countries, because that these countries are also affected by Confucianism of China. In Japan, business negotiations are often ritualized, providing strict guidelines for the interactants according to status and roles. Harmonious consensus is maintained in formal sessions and agreements among participants are usually pursued by informal negotiation in an indirect way. Even the Japanese national legal system, unlike those in western countries, tends to discourage people from publicly pursuing conflicts in court (Ohbuchi, 1998). Japanese people generally accept social order or social harmony as a principle of justice, believing that this value is more important than fairness (Ohbuchi, 1998). Similar values predominate also predominate

in Korea. For example, Cho and Park (1998) argue that group harmony is the most important management value in Korean firms.

Many researches supported that authoritarianism has negative effect on the attitudinal and behavioral outcomes of subordinates (Cheng, Shieh, & Chou, 2002; Farh, Cheng, Chou & Chu, 2004), but there are still researches that show authoritarianism has positive effects on employee loyalty to supervisors, commitment to organization, subordinate identification, compliance, and gratitude (Cheng, Chou, Huang, Farh, &Peng, 2003; Cheng, Chou, Huang, Wu, & Farh, 2004).

Overall, there are both researches viewing authoritarianism having bad effect on work outcomes and also researches supporting authoritarianism having good effect on work outcomes. Therefore, the researcher of this study supposed that supervisor's some conflict management styles related to authoritarianism may have negative relationship with the dependent variable of this study, subordinate intention to leave.

2.3 Definition of Key Concepts

In this chapter, each of the concepts was defined as to show the relationship between supervisor conflict management styles and subordinate intention to leave. The researcher linked these concepts with the findings in the latter chapters.

2.3.1 Conflict

Conflict is a common phenomenon that exists in our society. There are a number of articles and books that have investigated and discussed the area of conflict. For example, conflict issues considered in the literature include dispute resolution practices (Hill, 1995; Pope&Bush,2000; Verge,2000; Warters,2000), international conflict and peace keeping (Langran,2002), family conflict(Straus,1979), organizational conflict (Rahim, 2001), human rights (Vorster,2002), justice and law(Dershowitz,2002; Whiteman & Mamen,2002), health (York,2002), ethics (McCabe & Rabil,2002), and security and terrorism (Durant, 2002).

Conflict can also be examined in terms of personal and group orientations, such as interpersonal, intrapersonal, intergroup and intragroup conflict (Rahim, 2001). The focus of this study is interpersonal conflict. Interpersonal conflict is a term used to describe the ways in which people interact in terms of affiliation, agreement, or difference of opinion (Rahim, 2001).

Conflict was defined by many researchers in the previous researches. Conflict is broadly defined as the process in which an individual or group perceives an interdependent other individual or group to oppose one's own interests, beliefs, values, or perceptions of reality (De Dreu et al., 1999; Thomas, 1992; Pruitt, 1998; Schmidt and Kochan, 1972; Wall and Callister, 1995). According to Katz and Kahn (1978), conflict is inherent to working in organizations. And conflict is regarded as disagreement regarding interests or ideas (Esquiveland Kleiner, 1997).

From some researches, conclusion can be got that conflict is perceived as an inevitable part in organization. For example, Jones viewed conflict as an inevitable part of organizational life since the goals of different stakeholders such as managers and staff are often incompatible (Jones et al., 2000). Bagshaw (1998) comments that conflict is a fact of life, in organizations as well as other areas of life, as people compete for jobs, resources, power, acknowledgment and security; dealing with it is difficult because it arouses primitive emotions such as people feeling threatened, which creates a version of the age-old stress response fight or flight.

Previous studies showed that conflict has both negative and positive consequences (Deutsch, 1973; Rahim, 1986). On one hand, researches support that conflict has many negative outcomes. On the other hand, researches investigate that conflict has many positive consequences. For example, some conflict researchers view conflict as a potentially useful occurrence in an organization, because, if handled appropriately, it can enhance creativity and innovation, improve the quality of decision making, and provide for mutual understanding (De Dreu, 1997; Pelled, Eisenhardt, & Xin, 1999). And Lewicki and Wiethoff (2000) found that the rise of conflict can test