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Organizational Learning and Employee Retention: A Focus Study Examining the Role of Relationships Between Supervisors and Subordinates

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Organizational Learning and Employee Retention: A Focused Study Examining the Role of Relationships between Supervisors and Subordinates

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Focusing on the relationship between supervisors and subordinates, the purpose of this research was to study the causal relationship among seven exogenous variables (*Supervisor empathy with subordinates, Supervisor trust of subordinates, Planning and delivery of instruction, Accommodating subordinate uniqueness, Supervisor insensitivity toward subordinates, Subordinate-centered learning process, and Supervisor-centered learning process*) and two endogenous variables (*Employee's job satisfaction and Employee's intention to remain in the company*). The study was based on the belief that the seven factors, which were beliefs, feelings, and behaviors of supervisors in helping adults learn, based on andragogical principles of learning, are not only methods to help subordinates learn, but techniques to increase employee's job satisfaction and intention to remain in the company as well. Five hundred and thirteen survey responses of Thai employees were used in the study to describe demographic characteristics and statistical test. Data were analyzed using descriptive statistics, factor analysis, Cronbach alpha's coefficient, and path analysis. The findings from the statistical analysis revealed that three out of seven characteristics of supervisors (*Supervisor empathy with subordinates, Supervisor trust of subordinates, and Supervisor insensitivity toward subordinates*) have either direct or indirect effect on an employee's intention to remain in the company.

Introduction

Due to the rapid changes in technology as well as in the global economy, physical boundaries no longer pose a problem for establishing an international business. Many corporations now compete in the global market in addition to local and national markets. Promoting learning in organizations emerges as an important component of a business if the business is to be competitive in the current economy (Chiva & Alegre, 2009; Jerez-Gómez, Céspedes-Lerente, & Valle-Cabrera, 2005).

In this period of investment and promotion of organizational learning, organizations realize that high employee turnover rate slows the rate of development. In many cases, employees leave the organization after completing training or professional development; that is, after a significant investment of resources by the business.

Organizations around the world face this problem. Why do employees leave? How can organizations attract employees to stay with them? Money is not the primary factor when employees are considering leaving or staying with an organization. They are more focused on job satisfaction, trust, and respect received from their supervisor and the company. According to Brown (2001), the top reason that employees leave a job is their supervisor. A study by Boswell, Boudreau, and Tichy (2005) shows that work attitude and job satisfaction are important factors for job retention.

In addition to assuring job satisfaction for retention, organizations must consider increasing knowledge and improving skills of personnel to keep up with business competitors and rapid changes in the business world. When employees learn new knowledge and skills, they

will be more innovative and creative. Therefore, organizations that value employees' learning can expect to be more competitive in the marketplace. Chiva and Alegre (2009) contend that job satisfaction is "mainly influenced by working and organizational environments" (p. 324). Some significant conditions, such as participative management (Kim, 2002) and continuous improvement (Victor, Boynton, & Stephens-Jahng, 2000) form the basis of learning organizations (Ulrich, Jick, & Von Glinow, 1993).

Purpose of the Study

This research study was initiated based on the belief that the andragogical approach is not only the art and science of helping adults learn (Knowles, 1980) but a method that can increase retention rates in organizations. Using andragogical principles, supervisors/adult educators can perform an important role in supporting, facilitating, and helping subordinates/learners to achieve subordinates' and organization's goals. This research examines the characteristics of supervisors to determine the significance of these characteristics to an organization. The characteristics are based on principles of andragogy and measured by the Modified Instructional Perspective Inventory, an instrument to measure beliefs, feelings and behaviors adult educators in the practice of adult education (Henschke, 1989). Specifically, this research examines whether these characteristics are predictors of employee's job satisfaction and employee's intention to continue working with their current company.

The andragogical practices measured by the Modified Instructional Perspectives Inventory (MIPI) and labeled as MIPI factors are: *supervisor empathy with subordinates, supervisor trust of subordinates, planning and delivery of instruction, accommodating subordinate uniqueness, supervisor insensitivity toward subordinates, subordinate-centered learning process, and supervisor-centered learning process.*

The Research Questions

This study will investigate the following research questions: what is the relationship between supervisor characteristics (factors) as identified by the Modified Instructional Perspectives Inventory (MIPI) and employee's intention to remain in the company? what is the relationship between supervisor characteristics (factors) as identified by the Modified Instructional Perspectives Inventory (MIPI) and employee's job satisfaction? and what is the relationship between employee's job satisfaction and employee's intention to remain in the company?

The Importance of the Research to the Practice of Adult, Continuing, Extension and Community Education

Andragogy, the art and science of helping adults learn, has been widely used in the field of education, however rarely applied in other arenas. This research studies an application of andragogy in the field of business as a way to promote organizational learning and increase the rate of employee retention. Application of the principles of andragogy can help organizational productivity in two ways. First, using andragogical principles serves to develop trust and respect between employees and supervisors. The more trust and respect are introduced, the greater the possibility that employees will be willing to learn and share their ideas, thoughts, and knowledge

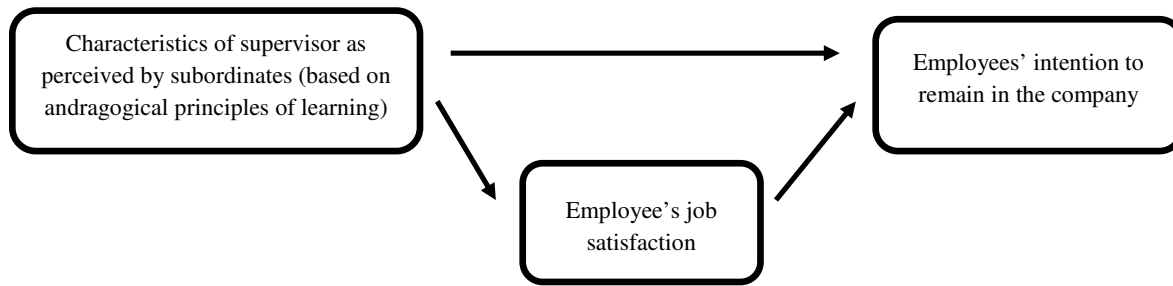
to create productive work. Employees will speak out when they know their direct supervisor listens, respects, and cares about their opinions. Second, the more that trust and respect are valued in the organization, the higher the levels of job satisfaction and, consequently, intention to continue working with the company.

The Methodology

Using a quantitative design, this researcher examined employee perceptions of the use of andragogical practices regarding the organizational techniques and settings selected by supervisors/managers where they work. The questionnaire method is used for data collection. The survey was 5 point Likert scale, consisted of 70 questions with an estimate completion time of 20-25 minutes. The instrument is composed of four parts:

1. Modified Instructional Perspectives Inventory (MIPI)
2. Questions asking about job satisfaction
3. Questions asking about intention of employee continuance
4. Questions asking about demographic data.

Subjects involved in the study consist of employees working in Bangkok, the capital city of Thailand, during the research period September 2010 through November 2010. In addition, data was collected from employees from the banking, the hospital, and the hotel industries as many studies (Cline, Reilly, & Moore, 2003; Creery, 1986; Lawler & Siengthai, 1997; Myers, 2005) report that these three industries have either excessive numbers of position vacancies or employee turnover. The participants were asked to complete a questionnaire regarding perceptions on how their supervisors treat them, job satisfaction, continuance intention with the current organization, and demographic information. Five hundred and thirteen survey responses of Thai employees were used in the study to describe demographic characteristics and statistical test. Data were analyzed using descriptive statistics, factor analysis, Cronbach alpha's coefficient, and path analysis. Path analysis techniques is used to examine causal relationship between characteristics of supervisors, measured by the MIPI, on employee's job satisfaction and employee's intention to remain in the company. The analysis used *Employee's job satisfaction* and *Employee's intention to remain in the company* factors as endogenous variables (dependent variables). The seven factors (*Supervisor empathy with subordinates, Supervisor trust of subordinates, Planning and delivery of instruction, Accommodating subordinate uniqueness, Supervisor insensitivity toward subordinates, Subordinate-centered learning process, and Supervisor-centered learning process*) of the Modified Instructional Perspectives Inventory were used as exogenous variables (independent variables).



Conceptual Framework

A summary of the Findings

The primary purpose of this study was to examine characteristics of supervisors, seven factors under the Modified Instructional Perspective Inventory, and whether these factors have an effect on employee's job satisfaction and employee's intention to remain in the company. There were 750 questionnaires distributed to subjects of interest. Five hundred and twenty-four surveys were returned to the researcher, and 513 returned questionnaires were used in the data analysis. The result of the path analysis revealed that three factors (*Supervisor empathy with Subordinates*, *Supervisor trust of subordinates*, and *Supervisor insensitivity toward subordinates*) out of the seven factors under the MIPI were either direct or indirect significantly predictors of *Employee's intention to remain in the company*. In addition, *Employee's job satisfaction* was found to be a significant predictor of *Employee's intention to remain in the company* and mediated the relationship of *Supervisor empathy with Subordinates* and *Supervisor trust of subordinates* on *Employee's intention to remain in the company*. Therefore, the three mentioned factors under the MIPI are not only techniques of helping adults learn, but when applied in a business environment, they have a significant effect on employees' job satisfaction and intention to continue working with the company. However, the findings reached in this study are subject to a number of limitations and one must be careful not to generalize beyond reasonable limits.

Conclusion

Employee retention problems occur world-wide. Without serious investigation of factors that affect employees' retention, the employee turnover problem has persisted. A tremendous amount of money that could be used to improve and develop an organization, for example organization learning, is used for recruitment and training new hires.

In addition, considerable research has investigated factors that sway employees to leave companies; however, few studies have examined factors that influence employees to remain with companies. Apparently, major factors that influence employee departure are not the same as primary factors that influence workers remaining with the company ("Motivation," 2006, p. 57). An essential factor that influences whether employees consider staying or not staying with companies is job satisfaction. Some of its most relevant conditions, for instance continuous improvement, teamwork, and participatory decision making, form a rudimentary learning organization.

To respond to the above-mentioned problems, this research study investigated relationships between characteristics of supervisors, based on andragogical principles of

learning, and employee's job satisfaction and intention to remain in the company. The findings of this study identified three MIPI's factors (*Supervisor empathy with subordinates*, *Supervisor trust of subordinates*, and *Supervisor insensitivity toward subordinates*) either directly or indirectly influence the intention of employees' continuance. In addition, these three significant factors are considered as beliefs and feelings that subordinates perceived from their supervisors.

The results of this research are beneficial to any business, especially for people in supervisory positions. They can apply knowledge from this study to treat their subordinates better in order to encourage both employees' learning and retention. The findings suggest that when supervisors have a high level of empathy, a high level of trust, or a low level of insensitivity toward subordinates, they inspire their subordinates to take time to explore and learn new materials and they also increase employee's job satisfaction and intention to continue working with the company. In addition, applying the knowledge from this research to organizations may impact organizational costs by decreasing the need for recruitment and training of new employees, increasing potential for productivity, and assisting in retaining talented, knowledgeable employees in the organization. In addition, encouraging employees' learning directly affects organizational development.

An organization deteriorates if workers are constantly leaving to be replaced by new workers needing training. Organizations cannot retain a competitive edge while continuously training and developing new employees. The reputation of an organization is influenced by employee satisfaction with the organization. Therefore, strategies to develop organizational learning, increase employee's job satisfaction, and retain employees are needed and should be applied concurrently.

The knowledge from this research can be of benefit to the Thai society. In order for countries like Thailand to compete with others in the global economy, it is important to know more about the perceptions of Thai employees and how to treat them. Supervisors have to be thoughtful and understand their subordinates so that they can best facilitate subordinates to achieve their work and life goals. Expatriate managers working in Thailand will not be successful if they do not know their Thai subordinates. According to this study, supervisors should pay attention to beliefs and feelings their subordinates perceive from them because these beliefs and feelings were verified to have an impact on employee's job satisfaction and intention to remain in the organization. According to the results of the study, supervisors should have empathy, trust, and sensitivity toward their subordinates to promote organizational learning, employee's job satisfaction, and employee's intention to remain in the company. Subordinates' skills and creativity need to be nurtured for business success. Dahlgard and Dahlgard (1999) assert quality and productivity improvement always go through people. Therefore, "an environment dedicated to the progression of the individual that allows each and every person to grow and work to the best of their ability must be created" (Prieto, 2009, p. 517).

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