

An Empirical Research of Supervisor-subordinate Guanxi

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Abstract—The factors in turnover might be an organization not being able to provide satisfactory working environment for employees and the work identity of employees. Supervisor-subordinate guanxi is especially emphasized in Chinese enterprises, and such guanxi culture is the maxim in Chinese societies. The results the moderation of supervisor-subordinate guanxi, ones with better supervisor-subordinate guanxi present lower turnover intention than those with worse supervisor-subordinate guanxi.

Keywords—turnover intension, organizational commitment, job security, supervisor-subordinate guanxi

I. INTRODUCTION

The continuous financial crises and export crunch in past years have largely impacted the employment market in Taiwan. According to the statistics, the unemployment in Taiwan remains high and is even increasing. Under the news of high unemployment rate, corporate bankruptcy and layoff, the spread of job insecurity has resulted in great influence and insecurity on organizations and employees. Employees bear even more stress and are suffering from the anxiety of unemployment. In current working environments, employees reveal increasing desire for job security and worry about the continuity of job that the work attitudes and career planning are affected.

High turnover rate has been a problem of human resource management for enterprises. In spite of the necessity of turnover rate for the growth of an enterprise, improper or frequent turnover rate would influence the quality of customer services and result in the gap in experience inheritance of organizational members. Employees consider organizational commitment, leadership styles of supervisors, and organizational culture in an enterprise as the factors in the job satisfaction[1][2][3]. Past research pointed out the higher organizational commitment of employees, the lower turnover intention, the better work attitudes, and the higher job satisfaction. For this reason, when the factors in job satisfaction of organizational members are properly controlled, remedial measures could be adopted to enhance employees' job satisfaction and effectively promote the morale and reduce the turnover rate. It shows positive effects on an organization[4][5].

Chinese societies and organizations particularly stress on the bonding of individual guanxi[6] and the normative

obligations of reciprocity and exchange. Guanxi is also directional and can be divided into vertical supervisor-subordinate guanxi and horizontal colleague guanxi among different departments in order to expand the power and influence[6]. Guanxi, being a special resource in an enterprise, could protect the status of the owner in the enterprise as well as consolidate the power of "one of us"[6]. Furthermore, the cultural background in Chinese societies presents distinctiveness, and the etiquette, commitment, and prestige among people are particularly emphasized[7]. In an enterprise, the abusive supervision of a supervisor would affect employees' altruism and organizational commitment in the enterprise and could easily result in supervisor-subordinate guanxi conflict[8], especially when subordinates perceive unfair treatment from supervisors[9].

II. LITERATURE REVIEW

2.1 Job Security, Organizational Commitment and Turnover Intension

According to Hierarchy of Needs and Two Factor Theory, personal security factors were the fundamental needs. The so-called personal needs of safety refer to not being invaded or threatened physically and mentally and not surviving in panic life. Maslow[10] also mentioned that, in addition to physical security, employees would expect to acquire needs of job security, covering job stability and seniority security. Job security from an enterprise, including employees' physical and mental health, job satisfaction, organizational commitment, and the reduction of turnover intention, would affect the employees' work attitudes and work results. On the contrary, an employee would be hurt the physical and mental health when perceiving job insecurity to result in negative effects on the job satisfaction[11][12], reduce the organizational commitment[13], and increase the turnover intention[14][15]. In sum, job security offered by an enterprise would indeed affect personal work attitudes and behaviors of an employee. An employee when perceiving job insecurity would easily generate negative effects and even appear turnover behaviors. It is therefore considered in this study that Hypothesis 1: employees perceiving high job security would reduce the turnover intention.

By reviewing the past research on organizational commitment, Allen and Meyer[16] classified organizational commitment into affective commitment, continuance commitment, and normative commitment. Organizational

commitment could be regarded as employees' intention to stay in the enterprises as well as a kind of work attitudes towards organizational loyalty[17][18]. It could be a kind of employees' organizational attachment where compliance, identification, and internalization were utilized for defining organizational commitment[19]. When employees reduce the loyalty or appear mistrust and disidentification, the organizational commitment is reduced that they are likely to present dissatisfaction and increase the turnover intention. As a result, it is regarded in this study that Hypothesis 2: employees with higher organizational commitment would reduce the turnover intention.

2.2 Supervisor-subordinate Guanxi

Guanxi is a historical and specific culture in Chinese societies. The special interpersonal relationship in Chinese societies became the focus since Fei[20] proposed the idea of Chaxugeju. The idea of guanxi in Chinese societies was originated from Confucianism[21] and offered the role positioning of an individual in the society and the behavioral rules for getting along with others to become the key value in the interpersonal relationship in Chinese societies. Yang[22] argued that guanxi was the correlation among objects, forces, and persons; especially, it could be a kind of "social connection" when the correlations among people were emphasized; such guanxi was established on shared benefits and profits[6]. Guanxi is a specific transactional relationship between partners in which they acquire benefits by exchanging preference. Renqing and mianzi are the favorable media.

Referring to Chaxugeju proposed by Fei[20], Hwang[21] divided guanxi into expressive, mixed, and instrumental guanxi and indicated that different types of guanxi would result in distinct interaction rules. For instance, individual-family guanxi was a permanent and stable social guanxi, as expressive guanxi; salesperson-customer/stranger guanxi was to acquire personal material goal through benefit exchange, as instrumental guanxi; and teacher-student, colleague, and classmate guanxi presenting certain affection after contact, but not as close as family members, was mixed guanxi. Based on above guanxi standards, supervisor-subordinate guanxi should be a kind of mixed guanxi, i.e. covering both expressive and instrumental contents. Tsai et al.[6] revealed that managers with friend guanxi played the role of a communication bridge between chief managers and subordinates as well as the function of lubricant in an enterprise.

Taormina and Gao[24] mentioned that different guanxi behaviors would show distinct influence, such as job satisfaction, mutual support among employees in an organization, and self-attribution to success. The better supervisor-subordinate guanxi in an enterprise, the better mistakes being forgiven and forgot, the better subordinates' affective commitment being enhanced, the higher employees' organizational commitment, and the higher supervisors' leadership effectiveness[6][23]. It is therefore considered that

the better supervisor-subordinate guanxi could release employees' perceived inadequate job security and low organizational commitment to reduce the turnover intention. Hypothesis 3: supervisor-subordinate guanxi presents moderation between perceived job security and turnover intention of employees. Hypothesis 4: supervisor-subordinate guanxi appears moderation on organizational commitment and turnover intention of employees.

III. METHODS

Middle management of enterprises in Taiwan is researched in this study. The research data are collected with questionnaire survey. With the assistance of local associations, enterprises are first confirmed the intention of being interviewed through telephones or emails and further made appointment for the questionnaire survey. Total 142 enterprises are surveyed with 1-3 copies of questionnaire, and total 383 valid copies are retrieved. In the samples, 67 percent is males and their supervisors are almost male. The mean age is 35.3 years and seniority is 8.7 years. About the type of guanxi, total 47 percent of the samples reveal family guanxi with their executives, friend guanxi about 31 percent and favor-exchange Guanxi 22 percent. A total of 67 percent of the samples is manufacturing and almost 71 percent of their job function is operating.

Perceived job security is Based on the job security scale proposed by Caplan, Cobb, French, Van Harrison and Pinneau[25], this part contains three questions and is measured with Likert 5-point scale. The Cronbach's α appears 0.85. Organizational commitment is Based on the organizational commitment scale proposed by Allen and Meyer[16], total 18 questions are covered and measured with Likert 5-point scale. The Cronbach's α appears 0.88. Turnover intention is measured with Likert 5-point scale. The Cronbach's α reveals 0.85. Supervisor-subordinate guanxi is measured with Likert 5-point scale. The Cronbach's α is 0.96.

IV. CONCLUSION

Under the moderation of supervisor-subordinate guanxi, it is also found that ones with better supervisor-subordinate guanxi would show better perceived job security and organizational commitment to reduce turnover intention. Supervisor-subordinate guanxi is a new concept proposed in recent years, which emphasizes the elements of affection, reciprocity, and trust. Meanwhile, supervisor-subordinate guanxi is a product of Chinese culture. The concept stresses that the trust and affection between supervisors and subordinates are not merely generated in business, but are the key to establish trust and affection in private. Guanxi focuses on the contact among people in informal situations and is an important principle of interaction in Chinese societies. Supervisor-subordinate guanxi is a kind of mixed guanxi which contains both expressive and instrumental contents. Such expressive guanxi would guide both parties to a different

boundary and generate “fettters”. Higher than tasks and hierarchical systems, such fettters are established based on affection. For this reason, when the establishment of supervisor-subordinate guanxi exceeds the job specifications, it would assist subordinates in reducing the turnover intention.

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