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MANAGERIAL LEADERSHIP

ITS EFFECT
ON
HUMAN RESOURCES
IN
SUPERMARKETS

S. E. TRIEB

B. W. MARION

Ohio Agricultural Research
and Development Center
Wooster, Ohio



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Managerial Leadership: Its Effect on Human Resources in Supermarkets

SYKES E. TRIEB and BRUCE W. MARION¹

PREFACE

This bulletin describes the results of a systematic attempt to measure the interrelationships of several dimensions of organizational effectiveness with managerial leadership and job orientation. This research effort, sponsored by the Ohio Agricultural Research and Development Center, was conducted in two Ohio food chains in 1967.²

This publication is addressed to supermarket executives, operations and merchandising directors, supervisory personnel, personnel managers, and store level management, as well as to interested academic colleagues. The implications for management action are discussed in Chapter I. Chapter II establishes the nature of the "people problem" and presents a summary of current understanding of human behavior. Chapter III briefly describes the methodology used in this study and defines the terms used in the following chapter. The study findings are discussed in some detail in Chapter IV. Readers pri-

marily interested in the practical applications of this report are encouraged to study Chapters I and II and to refer to Chapters III or IV when additional information is needed. The more serious student of human behavior and organizations will want to study the entire report.

The authors wish to express their gratitude to the management and personnel of the 15 supermarkets and their parent companies who participated in this study.

A special note of appreciation is due to Dr. Ralph Stogdill for his invaluable assistance throughout the project; to Mr. David Godfrey and Mr. Robert Lindberg, who offered their suggestions and assistance in collecting the data; to Dr. Francis Walker for his assistance in statistical analyses and manuscript review; and to Mr. Richard Metzgar for his encouragement and suggestions during the preparation of the manuscript.

CHAPTER I. IMPLICATIONS FOR MANAGEMENT

The primary objective of this research inquiry was to investigate the effects of supervisory leadership and employee job orientation on managerial and employee effectiveness and tenure.

The focal point of the inquiry was the supermarket employee as an individual but more importantly as a member of a work group. All employees describing the same immediate supervisor were considered members of the same work group. Employees described the leadership of their work group supervisors, several characteristics of their work group, their job satisfaction, and job orientation. Attitudes and work group scores of terminated employees were also compared with continuous employees.

The study results suggest several opportunities for management action. These include opportunities in:

- Personnel selection, counseling, and job assignment
- Employee job orientation
- Managerial leadership and work group dynamics

Personnel Selection, Counseling, and Job Assignment

The level of income of the store neighborhood was found to have very little effect on employee attitudes or work group performance. The only perceptible differences were that employees in stores in low income neighborhoods were more satisfied with their families' attitudes toward their job and with their rate of advancement.

This suggests that neighborhood income is not an important factor to consider in employee selection. With the exception that employees from low income neighborhoods may be somewhat easier to satisfy, employees from various income areas may be expected to bring similar attitudes to their job and should thus be selected on the basis of other factors such as aptitude skills, education, etc.

¹Dr. S. E. Trieb is Professor, Department of Economics, Kansas State University, Manhattan. Dr. Bruce W. Marion is Associate Professor, Department of Agricultural Economics and Rural Sociology, Ohio Agricultural Research and Development Center and The Ohio State University.

²Trieb, S. E. 1967. An Analysis of Supermarket Managerial Leadership and Its Relationship to Measurements of Operational Effectiveness. Ph. D. dissertation, The Ohio State University.

Hours and Customer Contact: The summary of exit interviews and employee likes and dislikes in Chapter IV suggests that an employee's capacity to serve customers and to adjust to the working hours of a retail food firm are considerations which should be examined in selecting new employees, counseling existing employees, and making job assignments. Customer contact is a "built-in" characteristic of most jobs at store level. The nature of the retail business also requires employees to work some evenings and Saturdays—times when others may be home with their families. Employees who are unable to adapt to these characteristics are not likely to be long-term employees at the store level and probably should not be hired unless their abilities suggest rapid promotion to higher levels.

A significant number of part-time employees expressed a desire for more hours of work. This may suggest the need for greater care in "over-hiring" part-timers as a cushion for illness, vacations, etc.

Since unsatisfactory hours stood out as the most frequent cause of employee dissatisfaction and job termination, increased management attention is warranted to more effectively screen, counsel, and assign employees.

Management Interest and Treatment. Inadequacies in this area are perhaps more important in losing good employees than the factors mentioned above. Poor opportunities for advancement and lack of recognition were particularly frequent criticisms. Reference to Figure 1 and the supporting discussion in Chapter II indicate that advancement and recognition can be important motivators since they fulfill some of the basic psychic needs of employees. Dissatisfaction with these "rewards" may therefore have serious effects, particularly if such rewards are not related to performance, since the incentive for superior performance will be reduced.

Dissatisfaction with hours and customer contact, while important factors in employee dissatisfaction and turnover, may have limited effects on performance. Previous research suggests that such factors may be causes of dissatisfaction but seldom operate in a positive fashion as motivators.

The foregoing suggests the need for management to critically appraise existing procedures for evaluating and promoting employees and the existing communications with store level employees. Are rewards (advancement, criticism, recognition, etc.) closely related to employee performance? Are store employees aware of the realistic opportunities in the firm? Are their ideas and contributions recognized? If employees are introduced to the opportunities in procurement, warehousing, merchandising, and su-

pervision, they may better see a way to "grow up" with the company. Haynes³ clearly demonstrated that the supermarket industry does not communicate job opportunities with its employees.

Job Content: The implications of employee dissatisfaction with their job content (carrying out large orders, monotonous work, no intellectual challenge, etc.) are limited by the essential tasks required at a retail store. Much of the work is rather unglamorous—repetitive—and physical. Until additional labor saving innovations are introduced, someone must perform such tasks as stocking shelves, bagging groceries, and carry-out.

At the same time, opportunities exist to enrich store level jobs by greater delegation of decisions and responsibilities. If used wisely, involvement of capable employees in situations where personal growth can be realized will result in greater employee satisfaction and motivation.

This need is also supported by other findings of this study. *Education and other training* were negatively related to several work group and satisfaction dimensions in Company A. This may be due to management's failure to expand and enrich an employee's job after his education or outside training has expanded his capabilities and expectations.

Since many employees considered their work interesting, this facet of retail employment is viewed quite differently by various employees. Like customer contact and working hours, job content is viewed as a positive attribute by some employees and as a liability by others. With limited ability to change the job content, management should attempt to detect employee attitudes toward store activities in the selection process, while also working to enrich store-level assignments.

Job Orientation

Job orientation, in this study, was defined as the employee's description of the first day or week on the new job. It was included in the responses to the questions, "Was the job carefully explained?" "Did the manager help you become acquainted with other people in the store?" and other questions.

The positive relationship of these measures of job orientation to the satisfaction of employees and to the dimensions of the work group was consistent for both companies. This would imply that management could expect to improve employee satisfaction and work group performance through an adequate job

³Haynes, William O. 1960. A Survey to Determine the Attitudes and Opinions of Young People Toward a Career in Supermarket Management. Western Michigan University, Kalamazoo, Mich., pp. 1-36. This study demonstrated that high school students working part time in supermarkets and other students not working in supermarkets had similar negative attitudes toward a food industry career.

orientation program. There was some difference in the magnitude of the relationship in Company A as compared to Company B, indicating that job orientation may be more important for firms with certain operating philosophies than it is for others. The relationship of job orientation to employee satisfaction is especially significant when one considers that employees satisfied with any one dimension of their jobs tended to also be satisfied with all other dimensions, and that satisfied employees usually create less absenteeism and turnover and are less prone to dishonesty.

These results further suggest that the early job experiences provide a lasting influence on employee attitude throughout several years of employment, even over the span of different department or store managers. Stockford and Kunze⁴ reported a similar effect on employee attitude toward starting pay at the Lockheed Aircraft Corp. Since effective job orientation should assist the employee in establishing more realistic expectations about his work, advancement, security, etc., and should contribute to a favorable attitude toward his job, the company, and his superiors, the relationships established from this inquiry appear reasonable.

To a large extent, job orientation must take place at the store level. Thus, firms endeavoring to more effectively orient and acclimate new employees may find it necessary to train store managers and key personnel on proper orientation procedures. "Proper procedures" are of limited value, however, unless the employee senses a feeling of genuine interest and concern by the key personnel who represent the company to him. These research results suggest that the attitudes and impressions developed during the first few days on a job have a lasting effect on employee performance, satisfaction, and turnover and that well-conceived, sincere efforts to effectively orient new employees may yield significant benefits to the human resources of the firm.

Managerial Leadership and Work Group Dynamics

One of the primary concerns of this inquiry was to determine the effects of leader behavior on work group performance and employee satisfaction. The findings indicate that the leadership style of the informal work group leader has a substantial impact on the work group and its members. The two dimensions of leader behavior, along with job orientation, had more effect on work group performance and employee satisfaction than all other identified variables of the job environment.

⁴Stockford, L. O. and K. R. Kunze. Sept. 1950. Psychology of the Paycheck. Personnel 27 (2): 129-143.

In general, both dimensions of leadership were important, indicating that work group leaders who were high in both *consideration* and *initiating structure* were the most effective.⁵ However, some variation was found in the importance of these two dimensions in the two companies. Work group performance in Company A was most closely related to leader initiating structure; in Company B, job orientation and leader consideration carried the most impact on group performance.

The eight measures of employee satisfaction showed even more differences. Both consideration and structure were important influences on Company A employee satisfaction. In Company B, leader initiating structure had no significant relationship to employee satisfaction. In the latter case, leader consideration was the dominant influence. Job orientation had a similar influence on the satisfaction measures in the two companies.

Thus, while both dimensions of leadership had influence in both companies, a marked difference in the desired balance of the two dimensions is evident. Company A employees appear to respond best to a reasonably balanced style of leadership which is slightly "tilted" toward initiating structure. Company B employees appear most responsive to a leadership style particularly high in leader consideration. This supports the contention that there is no one "best" style of leadership—that leadership is situational and should be adapted to the job environment, company policies, and the characteristics of those one is trying to lead. These findings also suggest that employees may develop an "employee treatment image" of various companies and be attracted to that firm whose image is most consistent with their personality. Employee treatment expectations may also be altered by their experiences after being hired.

Section 7, Chapter IV, indicates that no relationship was found between the leadership styles at various levels in the companies. Leadership style does not appear to be transferred by example from one level to the next. Leadership style appears to be more a function of individual personalities and experiences and the characteristics of those one is trying to lead.

These findings suggest that management must be highly sensitive to the formal and informal work groups operating within the firm and to the "real" leaders of such groups. These social units and their internal dynamics must be understood and dealt

⁵These two measures are defined as follows:
Initiating structure indicates the degree to which the leader defines his own role and the role expected of his subordinates.
Consideration indicates the degree to which the leader expresses his regard for the workers' well being, status, and contribution.

with for the firm to achieve the best results. In the main, supervision should be group-oriented—aimed at developing cohesive work groups with high group morale and effective group leadership and whose goals and norms are consistent with company objectives. Leadership should be evaluated on the basis of its effect on the work group.

Group productivity is only one of the characteristics which should be considered. Since group cohesiveness, productivity, drive, and loyalty to the company are highly interrelated, the long-run contribution of a group will depend upon the level of all four of these group dimensions. Group leadership which effectively stimulates productivity but depresses cohesiveness and morale may be short-run in its effectiveness and costly in its effect on the firm's human capital. On the other hand, leadership which is primarily concerned about group cohesiveness and morale and ignores group goals and productivity may stimulate a happy group whose productive efforts are not consistent with company objectives. Thus, while these characteristics tend to move together and to be highly interrelated, this is not always true, particularly in the short run. A highly productive group, with well balanced leadership, will also be high in the other group dimensions. Without effective and bal-

anced leadership, this may not be true. Thus, management should be sensitive to all dimensions of their work groups.

In searching for leadership talent, management should look for those individuals who reflect a reasonably balanced leadership style and who possess the flexibility and sensitivity to adapt the style used in accordance with the situation. Company philosophy and management example may temper, over time, the leadership style of individuals. However, this is usually a slow process with unknown total effect. Care in leader selection and employee assignment, plus training in human behavior and leadership, is likely the more expeditious method of developing effective work group leadership.

These implications for management consideration are based upon the strength of a conscientious effort to ferret out the meaningful relationships drawn from a study of management in its action-oriented environment. There are no simplified denominators. It is hoped that the isolation of the importance of job orientation together with the further application of leader behavior studies will in some measure contribute to the improved effectiveness of managerial leadership and to more effective utilization of the human resources in the supermarket industry.

CHAPTER II. INTRODUCTION

Nature and Extent of the Food Industry Management Problem

Successful supermarkets depend upon the skillful blending of many factors. Quality products, competitive prices, effective advertising, convenient location, clean and well-merchandised stores, and customer-pleasing services are some of the more obvious ingredients. All of these factors depend upon the human resources of the firm, both in decision making and in supervision.

In today's competitive labor market, many supermarket firms are experiencing acute shortages of competent employees and middle management personnel. Factors which influence employee satisfaction, morale, and productivity are of considerable importance, since they affect not only the short-run output of the firm but the long-run human wealth of the company. One of the key influences on employee satisfaction and performance is managerial leadership. This study focused on the relationships between various measures of managerial leadership and employee performance.

The boundaries for managerial leadership are not easily determined from the formal organization chart, as it represents only the visible structure of the organization. It is often the "underground" or informal organization which makes the supermarket tick or fail to tick. This organizational phenomenon, which might be called "the iceberg dimension," is defined by the complex interpersonal relationships of all store personnel.

This multiplicity of relationships suggests the identification of a broad set of variables which temper everyday managerial decision making. The influence of the employee's home, church, community, and work group bears heavily upon the effectiveness of managerial leadership. The manager's job is more than making decisions—it is predicting the effect of his decisions upon people in the work group. He must skillfully anticipate the resistance-acceptance "index" for each idea or assignment.

Human Behavior: A Current Topic in Every Business Organization

A review of business literature, of conference and workshop programs for businessmen, and of research being conducted in the business world leaves little question that there is great interest in understanding human behavior. Whether it's a customer entering a supermarket or the checkout girl serving him, firms want to know what motivates people—why they behave as they do—how they can be influenced—and what they like and dislike. This current interest in human relations has been "energized"

by the more discriminating customer, keener competition for competent employees, high employee turnover, and the recognition of the importance of "good" people to the success of the food industry.

Social scientists and other university faculty are actively trying to cope with this research problem. For example, Hekimian and Jones⁶ have suggested that one solution is to "put people on your balance sheet" by applying the techniques of managerial accounting to the firm's human assets. These authors suggest that a specific value be assigned to key employees and that explicit development plans be formulated for personnel as with other investments. From this approach, the employees may be assigned an asset valuation, as "Original Cost," "Replacement Cost," "Training Pay-Out Value," and "Opportunity Cost."

Other authors, including Saxberg and Knowles,⁷ suggest that the dilemma of dealing with people in the work situation is basically keyed to the validity of Douglas McGregor's "Theory X — Theory Y." Theory X assumes that man is innately lazy and unreliable and needs a great deal of direction. Theory Y assumes that man wants to be productive and can be self-directed and creative if properly motivated.

Judgment Needed in Human Relations Approach

At least one marketing authority, Malcolm McNair,⁸ has expressed concern that human relations could become a "fashionable" management idol at the expense of other management considerations. He also suggests that human relations skills may not be easily taught.

Prof. McNair's concerns should be weighed carefully. Like operations research or other new approaches to management, there is always the problem of developing proper balance. The nature of human relations also suggests some teaching limitations. Involved are the basic feelings (attitudes, values, and emotions) of human beings which have been developed from years of experience with friends, associates, and family. Such feelings, molded over time, are slow to change.

One author, Karen Horney,⁹ says, "An individual's human behavior is influenced most by the treatment he receives from others." This suggests that the treatment of an employee by his fellow employees

⁶Hekimian, James S. and Curtis H. Jones. Jan.-Feb. 1967. Put People on Your Balance Sheet. *Harvard Business Review*, p. 105.

⁷Saxberg, Borje O. and Henry P. Knowles. March-April 1967. Human Relations and the Nature of Man. *Harvard Business Review*, p. 22.

⁸McNair, Malcolm. 1966. Think Ahead: What Price Human Relations? In *The Nature and Scope of Management*, Maneck Wadia (Ed.) Scott Foresman & Co., Chicago.

⁹See Saxberg, Borje O. and Henry P. Knowles. op. cit., p. 23.

and by his superiors may have the greatest influence on his behavior. It also suggests that human relations training may be limited in its effectiveness unless the company's policies and attitudes toward employees—and the implementation of these policies—are consistent with the principles of human relations being taught.

If we think of personalities as a continuum ranging from the demanding, autocratic, overbearing human at one end to the insecure, retiring, dependent human at the opposite end, it helps us recognize that most people represent some blend in between. It may be nearly impossible to change those at the ends of the continuum. However, some change in human relations practices are possible with many employees.

Paul Lawrence reveals the changes in management practices which took place when a grocery

chain decided to decentralize and delegate more authority and freedom of action to store managers.¹⁰ This case study effectively shows the change in leader behavior which occurred with several district managers and also reveals the problems of “converting” a district manager who was extreme in his human relations practices.

While change may be difficult and slow, there is considerable evidence that a better understanding and application of human relations results in more effective managers. In addition, such information provides top management with valuable guidelines in evaluating the probable success of different employees in a supervisory capacity.

¹⁰Lawrence, Paul. 1958 The Changing of Organizational Behavior Patterns Division of Research, Harvard Business School, Boston.

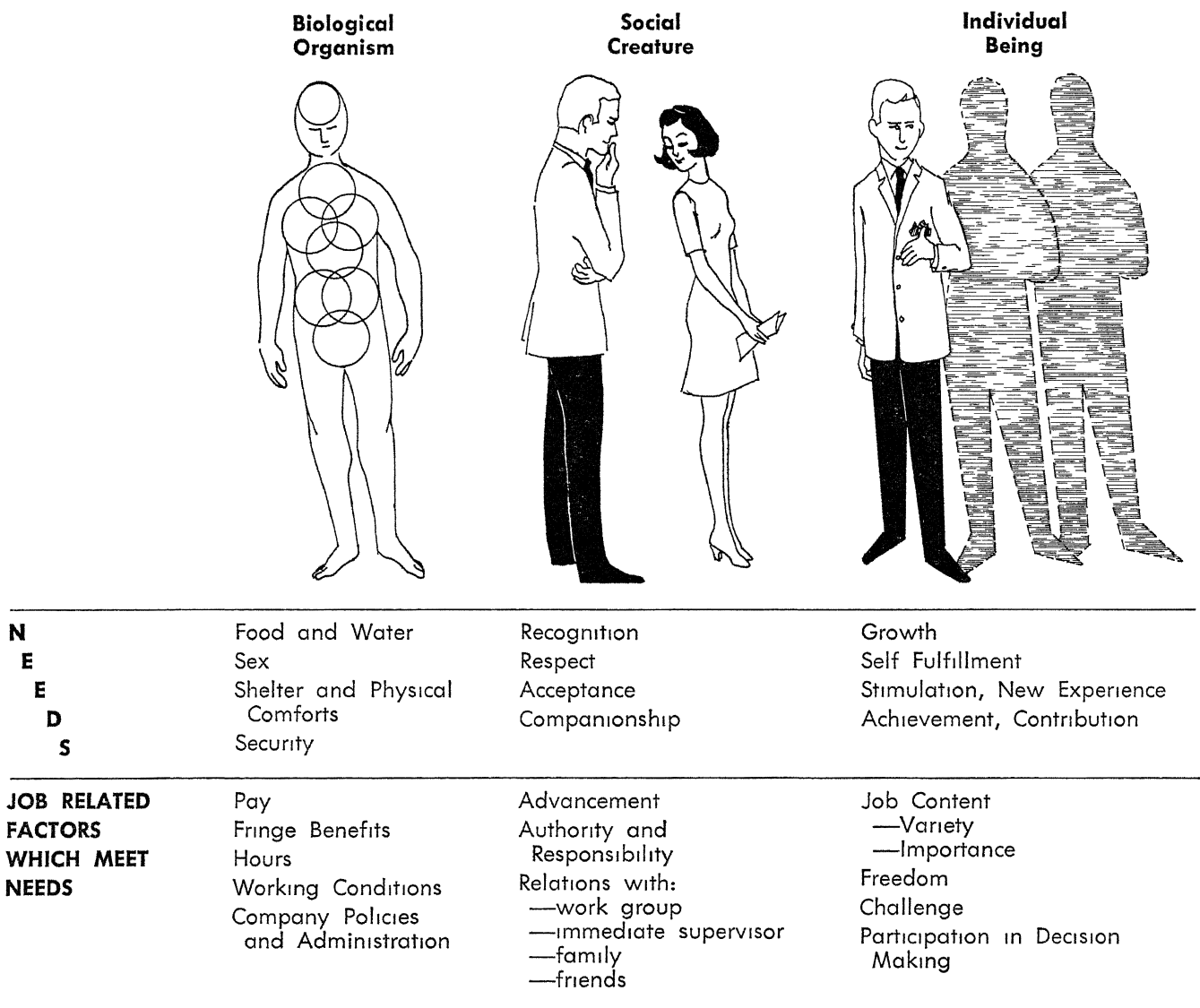


FIG. 1.—The Three Dimensions of the Human Being.

An Overview of Human Behavior¹¹

Numerous studies by anthropologists, psychologists, and social psychologists have resulted in a better understanding of human behavior. A perusal of this research cannot help but impress one with the complex nature of the human being and the research difficulties faced by behavioral scientists. Numerous efforts have been made to define the basic needs of humans, such as food, security, social response, etc. The desire to fill such needs provides motivation. The fulfillment of needs provides satisfaction. However, the various needs are not of equal importance in influencing motivation and satisfaction.

As the various needs are examined, it becomes apparent that they reveal three dimensions of the human being: a biological organism, a social creature, and an individual being (See Figure 1.) Of these, the individual being dimension has received the least recognition. An employee may be paid well, have good working conditions and fringe benefits, be accepted and recognized by his fellow workers and superiors, yet still not be satisfied with his job if there are inadequate opportunities for him to grow as an individual, to be creative, and to be stimulated by new experiences. In short, his individual needs have not been met.

Many job-related factors satisfy certain of these needs, at least in part. The more obvious factors are listed in Figure 1. In some cases, these factors may bear on the needs in more than one dimension. For example, responsibility and advancement may satisfy some of the growth and achievement needs of the individual being, as well as meeting social needs of recognition and respect. Similarly, if pay is closely related to performance, it may meet social needs for recognition as well as biological needs for physical comfort and security.

Biological needs tend to be more satiable than either social or individual being needs. In the United States, the biological needs of most people are adequately satisfied. Because of this, the fulfillment of biological needs is not an important source of motivation for Americans. However, they are important sources of dissatisfaction. In other words, when these forces influence the behavior of an individual, it is largely in a negative way.¹² Americans expect adequate pay, good working conditions, etc. Anything less than this becomes a source of dissatisfaction.

¹¹Many of the ideas for this section were drawn from the following two articles in Harvard Business Review. Herzberg, Frederick, Jan-Feb 1968. One More Time How Do You Motivate Employees? and Porter, Lyman and Edward Lawler, III, Jan.-Feb 1968. What Job Attitudes Tell About Motivation. While neither article identifies the three dimensions of human beings, they were responsible for stimulating the authors to this concept.

¹²Herzberg, Frederick. op. cit., pp. 56-57.

The social and individual needs of the human being are largely insatiable and are the main sources of motivation and satisfaction in American society. Different individuals vary in the importance of these two needs. Some rely largely on their own feelings to evaluate themselves; others function more by interpreting the feelings of others toward them. Both dimensions, the social creature and the individual being, are present in every person but the balance varies greatly.

To a certain extent, the satisfaction of these needs may be substitutable. For example, a man in a position which allows little growth and stimulation may be reasonably satisfied if his interaction with his work group and other important reference groups meets his social needs. Likewise, a university scholar may realize substantial individual growth and self-fulfillment and therefore require less to satisfy his needs as a social creature.

However, this does not suggest that employers can ignore either of these psychic dimensions of their employees. Rather, the need is to recognize both dimensions and to be sensitive to their balance in different employees.

The individual being needs may be best satisfied by matching people to the job, by job enrichment which provides opportunities for growth and achievement, by increased responsibility, and by changes in assignments to provide stimulation and challenge.¹³

Some positions in the supermarket industry do not lend themselves to meeting the growth needs of individuals. Such positions need to be filled by individuals with a limited thirst for growth and challenge. Those individuals with strong growth and self-fulfillment needs—if placed in such positions—must be moved rapidly to other positions if these needs are to be satisfied. Failure to recognize this has resulted in a poor “track record” for many retail firms in attracting and retaining highly creative individuals with high growth needs.

Social needs may be more adequately met by being sensitive to the important reference groups and individuality of employees. Recognition and advancement are important indicators of the employer's attitude toward the employee. An employee's work group and work group leader are his most immediate and probably his most important job-related reference groups; they are relied upon to meet many of his social needs in his particular occupation. The attitudes of other important reference groups, such as the employee's family and friends, toward his occupation may also have a significant influence on his job satisfaction and should not be overlooked.

¹³Herzberg, Frederick. op. cit., pp. 59-61.

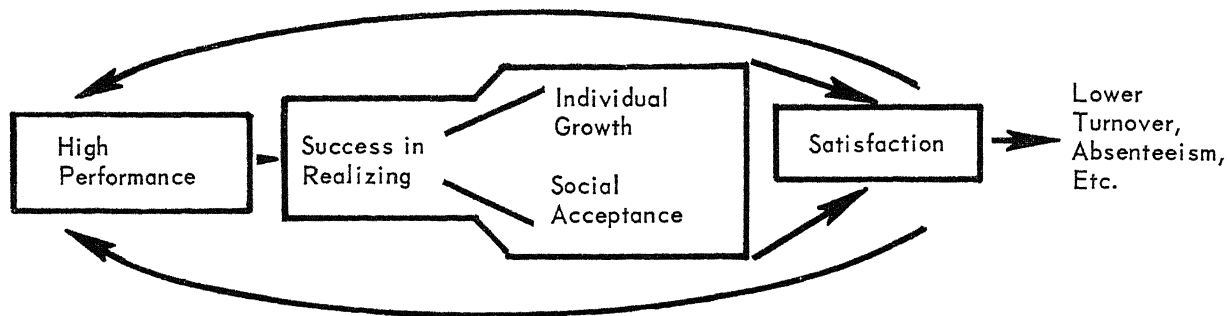


FIG. 2.—Performance—Satisfaction Relationship.

The psychic needs of human beings—both individual and social—may also be met off the job. If the occupation fails to meet these needs, the fulfillment of these needs ceases to operate as a motivator on the job. This is often true of persons who “live for” their avocations. Their occupations no longer provide an important source of satisfaction.

In some cases, psychic needs may be met on the job with little effect on performance. For instance, the social needs of an individual may be met by a cohesive work group which enthusiastically pursues its own goals, has a “good time,” but is not “in step” with the goals of the firm.

As Porter and Lawler point out, employee performance and satisfaction are related if the reward system of the firm is closely related to performance.¹⁴ In other words, performance leads to satisfaction, not vice versa—if the satisfaction of needs (rewards) is a function of performance. Thus, the logic goes as shown in Figure 2.

This is a critical point which has often not been recognized by scholars or firm management. As a result, efforts to create happy and satisfied employees,

¹⁴Porter, Lyman and Edward Lawler, III. *op. cit.*, p. 120.

in the hopes that higher performance will be realized, have often been unsuccessful. The causal relationships have simply been misunderstood.

By stratifying the performance—success—satisfaction model into three levels, other cause-effect relationships can be demonstrated.

The solid lines in Figure 3 indicate the desired relationship between levels of performance, rewards, and satisfaction. Where this relationship exists, employees are encouraged to raise their level of performance in order to realize higher rewards. Two other cases are also indicated on this model. Case 2 represents a situation where the average performer receives high rewards and is therefore highly satisfied. Under these conditions, little incentive is provided to stimulate high performance.

Case 3 represents a situation where high performance results in low rewards (or satisfaction of needs). Low satisfaction is realized and, as in Case 2, little encouragement is provided for high performance. If the relationships indicated in Cases 2 and 3 (i. e., rewards are not related to performance) are typical for any particular organization, it is evident

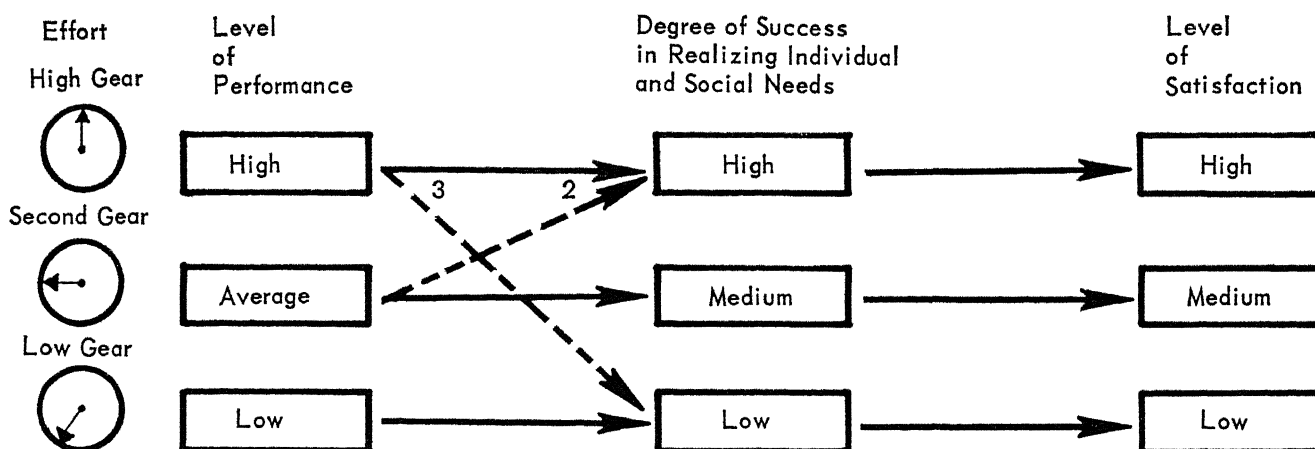


FIG. 3.—Stratification of Performance—Satisfaction Model.

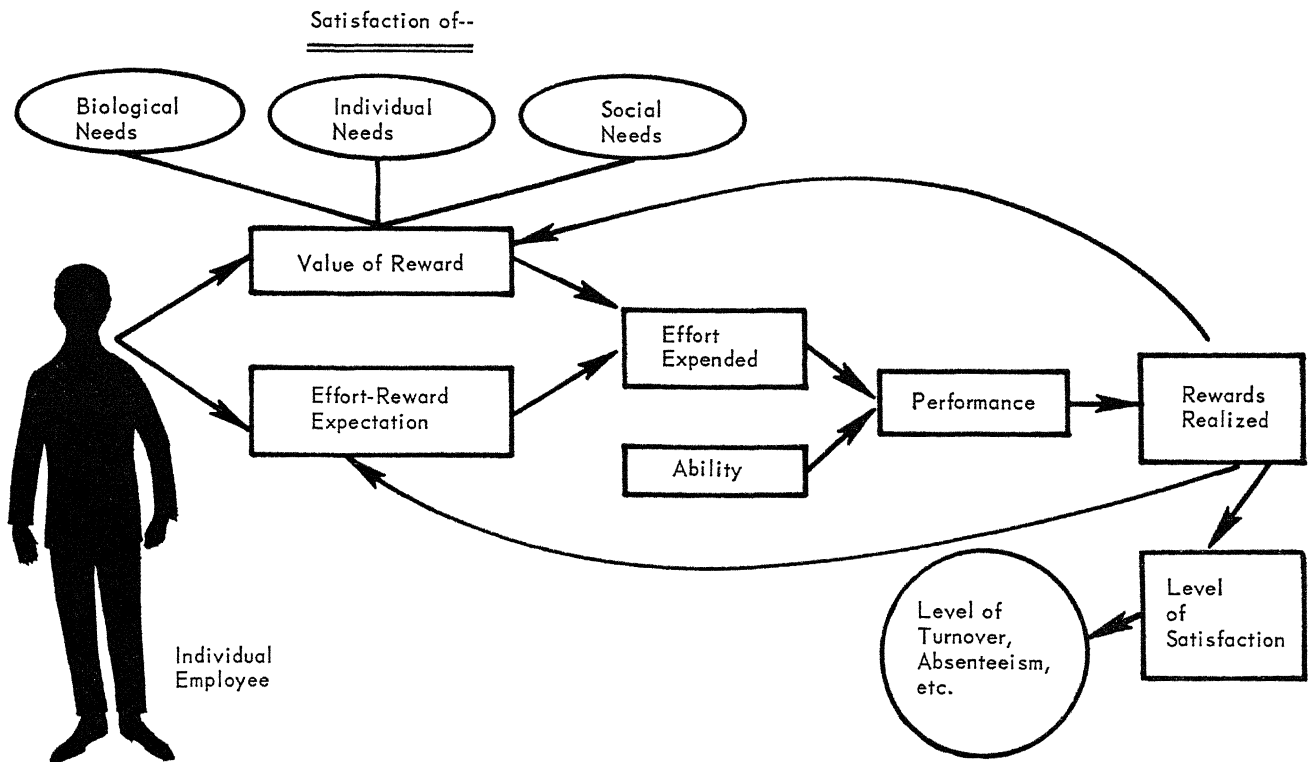


FIG. 4.—Expanded Model of the Motivation Process.

that low and mediocre performance will likely characterize that organization.

The relationship between performance and rewards in the organization has considerable influence on the effort-reward expectations of individual employees. (What is the likelihood that a high degree of effort will lead to the rewards desired?) As Figure 4 indicates, the effort expended by an individual is a function of the value he places on a particular reward and his appraisal of the probability that high effort on his part will lead to such a reward.¹⁵ A critical point for management to recognize is that both of these forces, the value of the reward and effort-reward expectations, are assessments made by individual employees and groups of employees. Thus, management may clearly recognize the opportunities for advancement in the organization but if these opportunities are not evident to employees or are not valued highly, they may provide little incentive for increased effort.

As discussed previously, the balance of individual vs. social needs varies considerably by individuals, indicating that a given reward may be valued quite differently. The effort-reward expectations are also an important source of difference for individual employees. The personality and past experience of "big

thinkers" tends to make them optimistic about their own abilities and about their personal goals. In organizations where there is a strong relationship between performance and rewards, "big thinkers" will have high effort-reward expectations and, if sufficiently appealing rewards are available, will put forth strong effort.

The "small thinker" in a similar situation may put forth less effort due to a lower appraisal of his own ability and lower effort-reward expectations. Management's challenge in the first case is to provide sufficient rewards to retain the individual; in the latter case, the effort-reward expectations of the individual need to be raised by strengthening his self-confidence and expanding his thinking horizons. The action needed to stimulate greater effort in these two examples would thus be quite different. Once management understands the relationships demonstrated in Figure 4, they are in a much better position to identify the approach needed with different employees and/or work groups.

The foregoing has attempted to give an overview of human behavior based on the authors' synthesis of previous research. It provides a framework within which the results of this research inquiry can be placed in perspective. To some extent, the satisfaction of needs in all three dimensions of man was examined in this study. However, particular empha-

¹⁵Porter, Lyman and Edward Lawler, III. op. cit., p. 123.

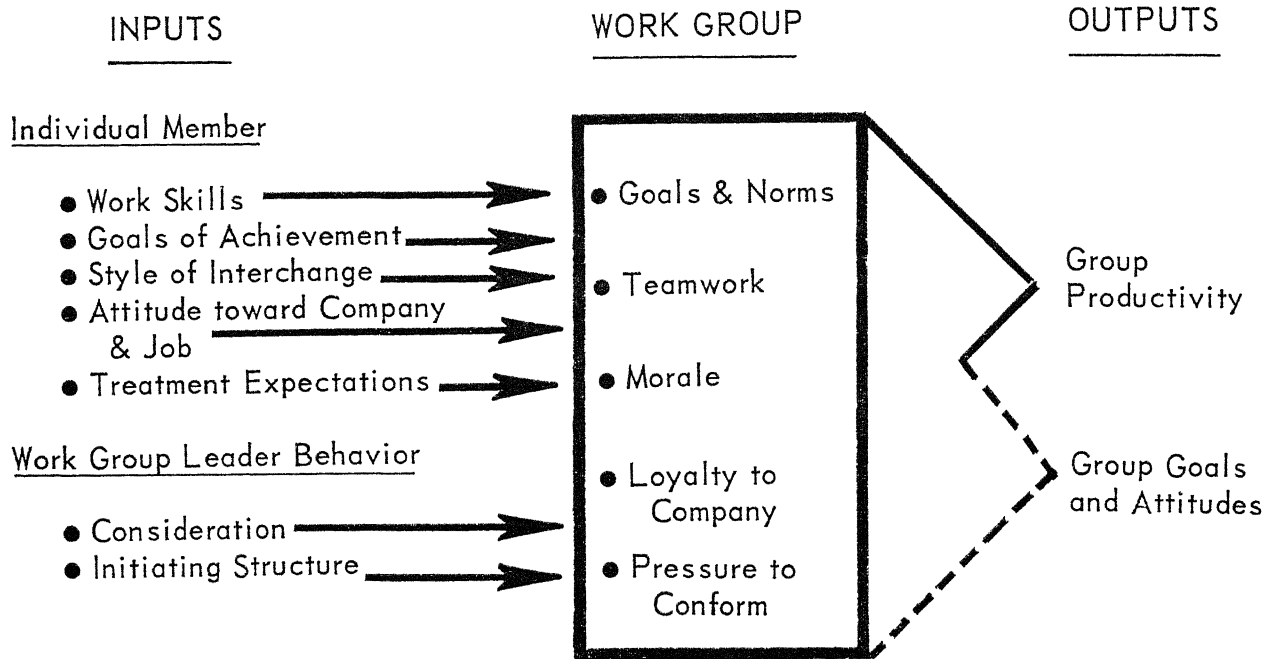


FIG. 5.—Model of Work Group Dynamics.

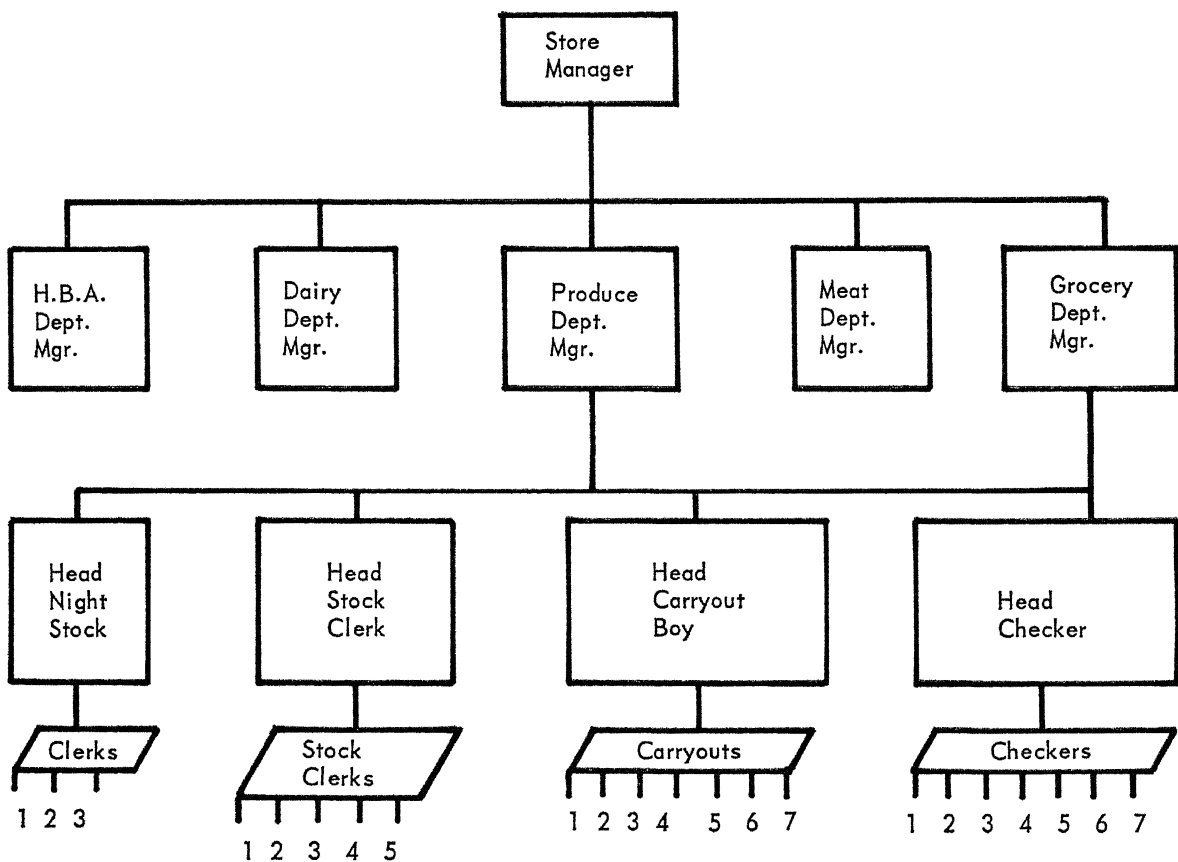


FIG. 6.—Formal Organization Chart.

sis was placed on the role of the work group and its leader. Stogdill, Likert, and others have defined the work group and its leader as major influentials in group performance and employee satisfaction.¹⁶ This research effort focused on the dynamics of the work group as the most important social unit within a business organization.

Work Group Dynamics

While employees have certain individual being needs, their behavior in a working situation is predominantly as a member of a team or work group. A simplified model of work group dynamics is shown in Figure 5.

Thus, the combination of the work group member's skills, goals, and attitudes, plus the influence of the group leader, determine the goals, teamwork, morale, loyalty, and pressure generated within the work group. In this model, productivity is viewed as the primary output of the work group. In a very real sense, however, those attitudes generated within the

work group should also be viewed as outputs. The goals and attitudes developed by the work group affect not only the quantity and quality of work group output in the short run and the long run, but likely have effect on customers and other work groups of the organization. Business organizations tend to be oriented toward the visible output of their work unit's productivity. This model, developed from previous research findings, suggests that organizations should also be sensitive to the invisible outputs—the goals and attitudes of the work group.

The informal organization of a firm determines the number and type of work groups. While the work groups may be synonymous with the departments and sub-departments of the formal organization chart, in many cases they are not. For example, Figure 6 shows the formal organization chart for one of the study stores. To simplify the example, the detail of only the grocery department is included. It would appear that the store has a very direct line of authority and responsibility from the store manager through the grocery department manager and from there to the head checker, the head carryout, head

¹⁶See, for example, Stogdill, Ralph M. 1955. *Managers, Employees, Organizations*. Bureau of Business Research, The Ohio State University; and Likert, Rensis. 1961. *New Patterns of Management*. McGraw-Hill Book Co., Inc., New York.

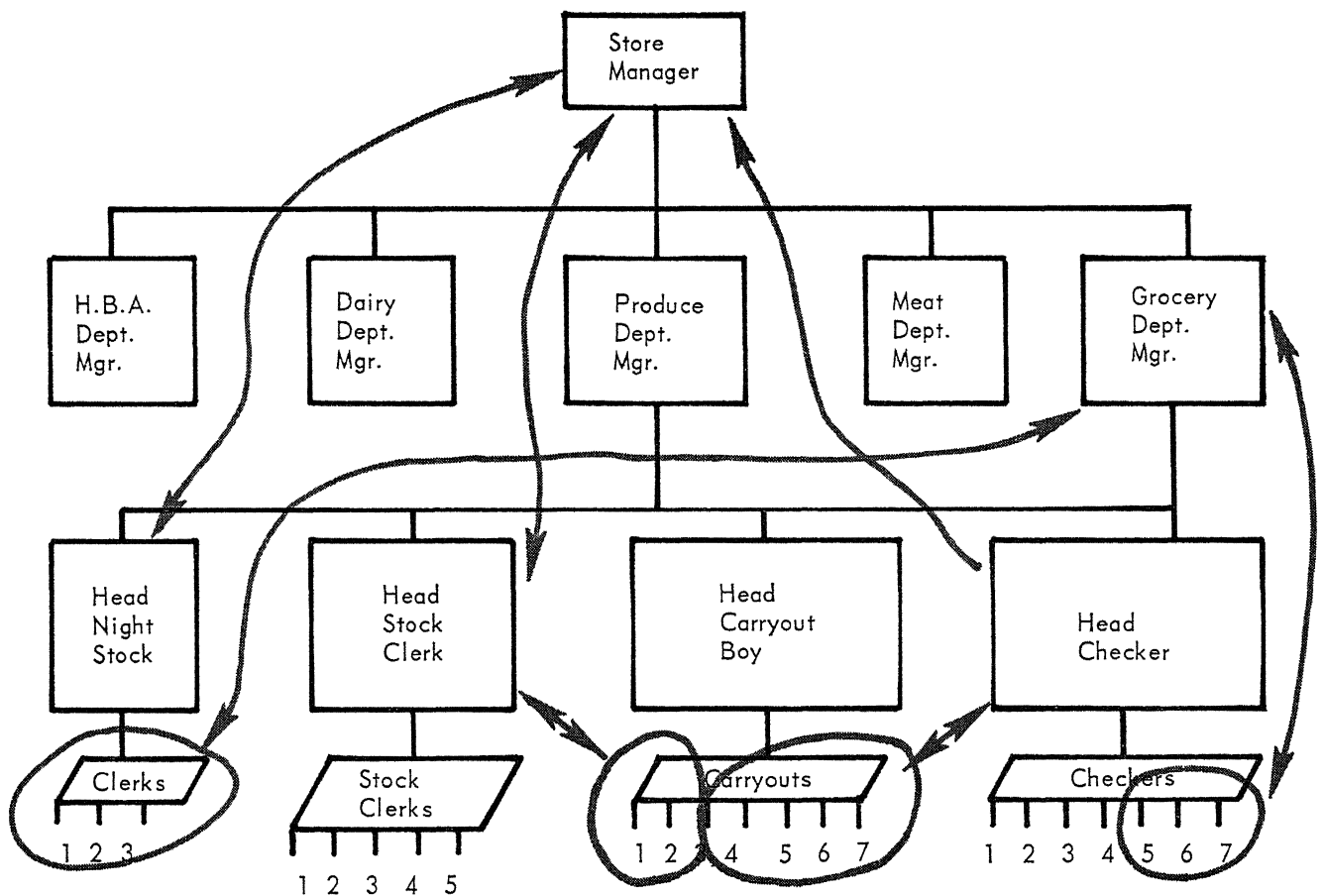


FIG. 7.—Actual Work Group Organization Chart.

stock, and head night stock. It seems evident that each employee receives his direction and leadership from his immediate supervisor and that the organization has direct management control.

As this store was analyzed, however, a more complicated work-unit organization chart became apparent. When the work groups were defined by determining who the employees actually regarded as their immediate supervisor, the leadership patterns were quite different from the formal organization.

Figure 7 demonstrates the complexity of the informal work group structure. A few of the employees in each of the departments worked as members of the grocery department manager's team, not because they were assigned to him but because they received leadership and guidance from him. Other employees were clearly members of the store manager's work group because they were not receiving leadership from their own department manager.

It thus becomes apparent that actual—not ideal—leadership patterns must be discovered and studied to determine their effects on work group performance and employee satisfaction. The dynamics of the "true" work groups in 15 supermarkets was the focal point of this research effort.

Scope of Study

The inquiry began with the sub-departmental and departmental work groups of two supermarket companies. These 108 work groups were then combined into their respective 15 stores, 3 income groups, and finally 2 companies.

From the work group questionnaires, the sub-totals of each dimension measured by the research instrument were available for comparing the multiplicity of interrelationships of each work group, department, store, and company. Stogdill¹⁷ stated: "An organization can be studied as a system of relationships between people or as a system of relationships between variables which describe the behaviors, attitudes, and perceptions of people."

It is helpful to determine that employee job satisfaction is related to the incentive of the work environment. But it is more descriptive to determine the extent to which job satisfaction is related to the fulfillment of the employee's expectations concerning pay, job security, advancement, or perhaps his family's attitude toward his job. By determining the intercorrelations between the selected variables, the direction and the intensity of the cause-effect relation-

ships become more useful to the manager who desires to better understand the complex patterns of his organization. This analysis does not promise to reveal all relationships but provides some insight into the organizational aspects of typical work groups in a supermarket.

Likert, in a recent book, summarized his review of current organizational research with a statement expressing the approach to this analysis.¹⁸

"The research findings show that the high-producing managers, much more often than the low-producing managers, have built the personnel in their units or departments into highly effective organizations, characterized by favorable, cooperative attitudes and high levels of job satisfaction . . . but even with this organizational strength, the leadership and decision-making processes are vital."¹⁹

The methodology for this study was primarily concerned with determining relationships between and among the descriptive variables of the employees and their supervisors in the environment of their work groups. By isolating the most important variables or groups of variables and the relative importance of the dimensions of leadership, work group behavior, job satisfaction, and certain personal and demographic characteristics, a more definitive insight into the underlying food industry "people problem" may be realized.

The most apparent shortcomings of any human behavior research endeavor are the difficulties of clearly specifying all of the independent and dependent variables and the inability to control them. The researcher is confronted with a multiplicity of cause and effect relationships which are compounded by the complex nature of the interactions.

On the other hand, most meaningful leadership in the business organization is complex. Therefore, if one is to study organizations, there is little doubt that a detour around the real issues would be a smoother route but would lead only to the periphery where the outcomes are nonessential.

Many of the research instruments used in this study have been carefully documented. To a large extent, the measures used were identical to those developed by The Ohio State University's Bureau of Business Research Leadership Studies.²⁰ They are the result of role theory, small group theory, and organization theory. Item analysis and factor analysis have been used to establish the reliability of sub-scales with the least possible contamination with the other scales.

¹⁷Stogdill, Ralph M. *op. cit.*, p. 21. See also Stogdill, Ralph M. and Carroll L. Shartle. 1955. *Methods in the Study of Administrative Leadership*. Bureau of Business Research, The Ohio State University, p. 77; Stogdill, Ralph M. 1961. *Manuals for the Work Group Description and Job Expectations Questionnaires*; and Stogdill, Ralph M. 1963. *Manual for the Leader Behavior Description Questionnaire*. Bureau of Business Research, The Ohio State University.

¹⁸Likert, Rensis. *op. cit.*, pp. 58-59.

¹⁹Emphasis and paraphrase added by the authors.

²⁰Stogdill, Ralph M. *Manuals for the Work Group Description and Job Expectations Questionnaires and Manual for the Leader Behavior Description Questionnaire*.

CHAPTER III. METHODOLOGY AND PROCEDURE

This study, conducted in two Ohio food chains, focused primary attention on people, both as individuals and as members of informal work groups within the 15 supermarkets included in the sample. A battery of behavioral questionnaires was administered to all employees and management personnel in the sample stores.²¹ These research instruments were administered with careful assurance of confidential treatment. Management provided a secluded section of the stock room or the employees' lounge for the administration of the test. The researchers met with the employees in small groups isolated from management to obviate the possibility of superior—subordinate influences and possible bias.

The stores studied from each company were selected so that three levels of neighborhood income were equally represented.²² This permitted an analysis of the interaction of the socio-economic influences of family background, income level, and neighborhood. (See Figure 8.)

Research Questions

Two general research questions guided the research procedure:

- What are the characteristics of leader behavior, job orientation, age, education, and training which influence work group performance and employee satisfaction?

²¹The behavioral questionnaires used were developed by the Bureau of Business Research, The Ohio State University. In the interest of brevity, copies are not included in this bulletin. However, they are available upon request from the authors. Manuals describing the scoring procedures are also available.

²²The income groupings were based upon 1960 average family income in the census tracts in which the stores were located. The income categories were: low—\$4500 to \$5500; medium—\$6500 to \$7500; and high—\$9500 to \$11,500.

- Are there dimensions of employee satisfaction and of leader behavior which may be significant in identifying the possible causes of high rates of employee turnover and managerial inefficiencies?

Variables Studied

The variables examined in this inquiry are summarized in Figure 9. Ten independent variables were used, including seven which measured the personal characteristics of employees (age, education, training, etc.). This information was obtained from company personnel files. The remaining three independent variables dealt with leader behavior and job orientation and were obtained through the behavioral questionnaires.

The 13 dependent variables included 8 measures of employee satisfaction and 5 measures of work group characteristics. All 13 of these variables were obtained through the behavioral questionnaires. The extent to which the dependent variables were found to be "dependent" upon certain of the independent variables is reported in Chapter IV, along with the other relationships found.

Definitions of Dependent Variables

1. **Work Group Dimensions.** All employees described the work unit of which they considered themselves members. This was sometimes a department, such as meat, produce, or dairy. In other cases, it was a small work unit within a department, such as carry-out, checker, night stock, or day stock. The 25 statements of the questionnaire measured 5 dimensions of the work group. These were:

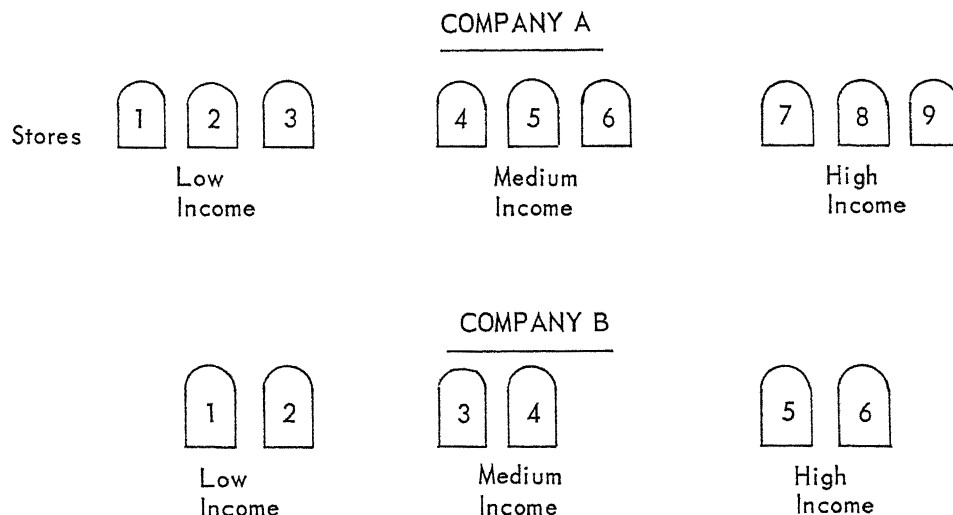


FIG. 8.—Research Design Showing Number of Stores in Each Company by Neighborhood Income.

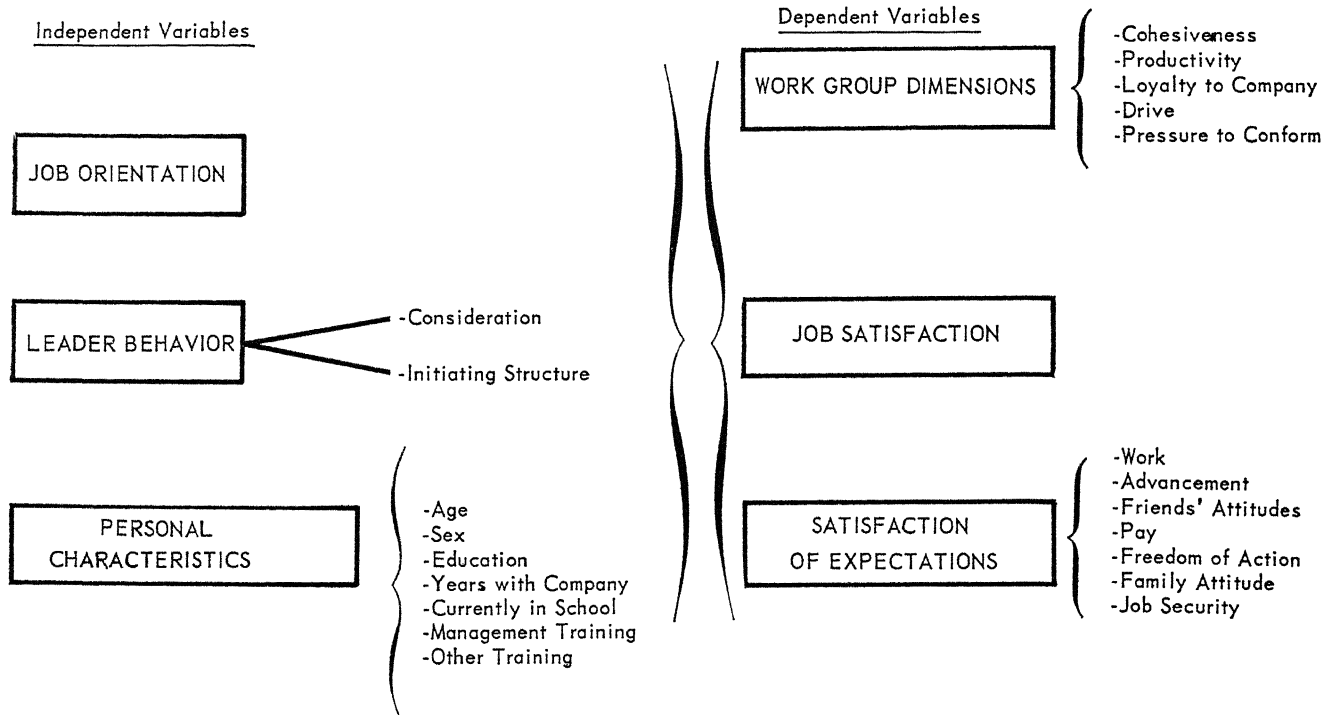


FIG. 9.—Summary of Variables Included in Analyses.

- a) *Cohesiveness*—the extent to which work group members support each other and work together as a closely knit team.
- b) *Productivity*—the productive output of the work group as described by the employees.
- c) *Loyalty*—the extent to which the work group supports the company and is loyal to it.
- d) *Drive*—the enthusiasm, effort, and esprit de corps of the group.
- e) *Pressure*—the extent to which group members put pressure upon deviant members to induce their conformity to the group norms.

Typical statements to measure these dimensions were: (Each statement was rated as: (1) Always, (2) Often, (3) Occasionally, (4) Seldom, or (5) Never.)

The members of my group regard each other as friends.

The group turns out more work than most groups here.

The group feels it is an important part of the company.

This group tackles any job with enthusiasm.

The group puts pressure on the member who gets out of line.

2. Job Satisfaction: All employees described their present satisfaction with the company, with management, and with the recognition of their contributions. Typical statements were: (Each state-

ment was rated as: (1) Very Good, (2) Good, (3) Fair, (4) Poor, or (5) Very Poor.)

Management's understanding of workers' problems.

My pride in working for this company.

Appreciation shown for my work here.

3. Satisfaction of Job Expectations: All employees described how their job compared with what they thought it should be. Their answers indicate the extent to which seven dimensions of their job expectations were satisfied. These expectation dimensions were:

a) *Work*—expectations about the job and kind of work being done.

b) *Advancement*—expectations about promotions and advancement.

c) *Friends' Attitudes*—expectations relative to friends' attitudes toward the company and in comparison with friends' jobs, pay, and advancement.

d) *Pay*—expectations about the amount of money paid and relationship to pay on other jobs.

e) *Freedom of Action*—expectations concerning their freedom to voice opinions and make decisions.

f) *Family Attitudes*—expectations relative to their family's attitudes toward company, pay, and job.

- g) *Job Security*—expectations relative to present job security and chances for steady employment.

Typical statements measuring these dimensions were: (Each statement was rated as: (1) Much better than expected, (2) Better than expected, (3) Same as expected, (4) Poorer than expected, (5) Much poorer than expected.)

Interesting work to do.
My chances of getting ahead in this company.
My job compared with my friends' jobs.
Pay here compared to other places.
Freedom to use my own judgment in my work.
My family's satisfaction with my advancement here.
Chances of steady work.

Definitions of Independent Variables

1. **Leader Behavior**—All employees described the leadership of their work group leaders. There were 108 immediate supervisors described as work group leaders. The 30 statements of the questionnaire were equally directed to the two leadership dimensions of *initiating structure* and *consideration*.²³

Employees described their leader by the following responses to each question: (1) Always, (2) Often, (3) Occasionally, (4) Seldom, or (5) Never.

Initiating Structure indicates the degree to which the leader defines his own role and the role expected of his subordinates. Typical statements directed to this dimension were:

He makes his attitudes clear to the group.
He speaks in a manner not to be questioned.
He assigns group members to particular tasks.
He encourages the use of uniform procedures.
He makes sure that his part in the organization is understood by everyone.
He lets (workers) members know what is expected of them.
He sees that the work of group members is coordinated.

²³All managerial personnel also described the level and scope of their responsibility, authority, and delegation (R.A.D.). Analysis revealed no consistent relationship between these measures of self perception and the way these leaders were described by their subordinates. There was also no consistent relationship between R.A.D. scores and the five work group dimensions.

Consideration indicates the degree to which the leader expresses his regard for the workers' comfort, well-being, status, and contribution. Typical statements directed to this dimension were:

He does personal favors for group members.
He is easy to understand.
He finds time to listen to the worker.
He backs up the members in their actions.
He makes the worker feel at ease when talking with him.
He puts suggestions made by the group into operation.
He gets group approval in important matters before going ahead.
He looks out for the personal welfare of the group members.

2. **Job Orientation of Employees:** The job orientation dimension was a self-description of the employee's experiences the first day or first week on the new job. Typical questions were:

On my first day on the job, the store manager or department manager helped me become acquainted with other people in the store.....Yes___ No___

Policies on checking in and out, personal appearance and uniforms, coffee and meal breaks, and work schedules were carefully explained to me when I began to work here.....Yes___ No___

When I was new on the job, the store manager or store supervisor frequently checked with me to see if I was getting along all right.....Yes___ No___

3. **Demographic, Biographic, and Educational Variables:** Data for the following variables were obtained from company personnel files.

Age
Sex
Years of formal education
Whether currently enrolled in high school or college
Participation in company training programs
Participation in outside courses, such as correspondence, short courses, Dale Carnegie, etc.

Method of Analyses

The scored questionnaires and other data for the 529 employees in 108 work groups were analyzed in a variety of ways using appropriate statistical techniques. The research questions answered with various analytical tools and the logic followed were:

Research Questions

Are personal characteristics of employees different for two companies and/or for three income areas?

Are employee satisfaction and work group description scores different for two companies and/or three income areas?

(Many significant differences were found between companies, few between income areas. Thus, further analyses were done for each company separately; neighborhood income variable was dropped.)

Are test scores similar for various stores within a company, for work groups within a particular store, and for certain work groups (i.e., meat departments) across stores?

How are satisfaction, work group, job orientation, and leader behavior variables interrelated?

What are the significant relationships between independent and dependent variables?

Are the styles of leadership at different levels within the company related?

What are the likes and dislikes of employees and the main causes of job termination? Do test scores of exited employees differ in any way from continuing employees?

While most of the satisfaction, work group and leader behavior variables were very similar to those analyzed in previous studies, this study also analyzed the neighborhood income effect, company effect, effect of selected personal characteristics, and effect of

Analytical Technique

Analysis of Variance and Chi Square

Two-Way Covariance Analysis

Analysis of Variance and Covariance Analysis

Factor Analysis

Multiple Regression

Comparison of Means and Standard Deviations of Leadership Measures

Summary of Exit Interviews; Comparison of Mean and Standard Deviation for Test Scores

job orientation. Through the variety of statistical techniques employed, the results reported in the following chapter should accurately reflect the relationships which influence employee satisfactions and work group performance.

CHAPTER IV. STUDY FINDINGS

The results of this study were briefly presented and interpreted in Chapter I. This chapter presents the findings in greater detail with relevant supporting data and statistical analyses. The chapter is organized into seven sections as follows:

1. Neighborhood Income Effect
2. Differences Between and Within Companies
3. Measuring Relationships of Independent and Dependent Variables
4. Intercorrelations of Attitude and Work Group Measures
5. Effect of Job Orientation
6. Managerial Leadership
7. Employee Likes and Dislikes; Reasons for Job Termination

Section 1. Neighborhood Income Effect

The personal characteristics of employees (age, education, etc.) were compared to determine if the various sub-samples were significantly different in the type of individual employed. These analyses answered the following questions:

1. Are there differences in the characteristics of the total sample for low, medium and high income groups?
2. Are there differences between Company A low income group employees and Company

B low income group employees? Are there differences in Company A and B employees for medium and high income groups?

3. Are there differences in the characteristics of employees between individual stores of Companies A and B within the low, medium and high income groups?

Analyses indicated few differences in employee characteristics by neighborhood income while detailing definite differences between companies. For stores in similar income areas, Firm A employees were significantly older and had more years with their company than Firm B employees. This was partly due to the significantly higher percentage of part-time employees (mostly in school) in the larger Company B stores. A significantly larger percentage of Company A employees had participated in management or other training. This was true regardless of income area. When company differences were adjusted for, employees in the three income areas had similar personal characteristics, with a few exceptions. Stores in low income areas were smaller in size and had a significantly smaller percentage of part-time employees. These employees also had longer service and fewer years of formal education. (See Table 1.)

TABLE 1.—Personal Characteristics of Employees by Company and by Income Neighborhood, Ohio, 1967.

Characteristic	Company A	Company B	Combined Companies A and B		
			Low Income	Medium Income	High Income
Total No. of Employees	220	319	144	227	168
% Full-Time Employees	28.6	23.5	31.2	24.2	22.6
% Part-Time Employees	47.7	63.3	47.2	61.7	58.9
% Management Personnel	23.6	13.2	21.5	14.1	18.4
% Male Employees	68.6	70.2	68.8	70.0	69.6
% Female Employees	31.4	29.8	31.2	30.0	30.4
Mean Age of All Employees	30.0	25.1	28.2	26.6	26.8
Mean Years of Formal Education	12.0	11.6	11.6	11.7	12.1
Mean Years with Company	7.0	3.8	6.3	5.2	4.0
% Part-Time Employees in School	29.1	46.7	35.4	42.3	29.3
% Part-Time Employees in High School	9.6	32.6	18.8	23.8	26.2
% Part-Time Employees in College	19.6	14.1	16.7	18.5	13.1
% Employees Who Have Participated in Management Training	42.7	17.2	33.3	27.3	23.2
% Employees Who Have Participated in Meat Training	8.6	2.2	6.9	4.0	4.2
% Employees Who Have Participated in Other Training	14.1	6.3	11.1	10.6	6.6

TABLE 2.—Within Company Differences Before and After Adjusting for Differences in Independent Variables.

Dependent Variables	Treatment Groups (sets)																				
	(a) Difference between nine stores of Co. A		(b) Difference between six stores of Co. B		(c) Difference between four work groups of store 7 of Co. A		(d) Difference between five work groups of store 8 of Co. A		(e) Difference between five work groups of store 10 of Co. B		(f) Difference between five work groups of store 11 of Co. B		(g) Difference between nine store manager work groups of Co. A		(h) Difference between front end work groups of Co. A		(i) Difference between six store manager work groups of Co. B		(j) Difference between six meat dept. work groups of Co. B		
	R	S*	R	S	R	S	R	S	R	S	R	S	R	S	R	S	R	S	R	S	
y ₁ Cohesiveness	.01 [†]	.05							.05										.01		y ₁
y ₂ Productivity	.01	.10							.10				.05	.05					.01		y ₂
y ₃ Loyalty	.01								.10	.05							.10				y ₃
y ₄ Drive	.01	.01			.05				.10	.01	.05		.01	.05			.01	.01	.01		y ₄
y ₅ Pressure											.10	.05							.01	.05	y ₅
y ₆ Job Satisfaction	.01		.10	.01				.10			.05		.01	.05			.05		.01		y ₆
y ₇ Work Expectations	.05				.10						.10		.10	.05					.05		y ₇
y ₈ Advancement Expectations		.05	.05	.01			.10	.10	.10							.10	.05	.05	.05		y ₈
y ₉ Friends' Attitude Expectations						.10							.05		.05						y ₉
y ₁₀ Pay Expectations	.01												.01								y ₁₀
y ₁₁ Freedom of Action Expectations	.01						.10		.01		.01					.10	.01		.05		y ₁₁
y ₁₂ Family Attitude Expectations	.05				.10	.10			.10								.05				y ₁₂
y ₁₃ Job Security Expectations	.05				.05	.05			.01	.05					.05		.10	.05	.01		y ₁₃

* R is before covariate adjustment, S is after covariate adjustment.

† Figures are probabilities that the differences found were due to chance.

The above analysis indicated that employees within each company had similar personal characteristics, regardless of income level. It gave no indication of the possible differences in leader behavior, work group performance, and employee job satisfaction between income areas or companies. A comparison of these measures also indicated few differences by income level.²⁴

Employees working in stores located in low income neighborhoods exhibited greater satisfaction of their expectations for advancement and their expectations concerning the attitudes of their families. With these exceptions, employees in the three income levels exhibited similar levels of satisfaction. The characteristics and performance of work groups were also not related to neighborhood income. These results suggest that store neighborhood has little effect on employee satisfaction or performance. Significant differences in the level of these variables were found between companies. These are discussed in the following section.

Section 2. Differences Between and Within Companies

Analyses of the 13 satisfaction and work group measures showed significant differences in the scores of seven measures between Company A and Company B. Company A work groups had higher levels of drive and Company B employees had higher scores for six measures of satisfaction. This may suggest a basic difference in the policies and philosophies of the two companies toward their employees.

Since the analyses indicated little influence of neighborhood income but marked differences by company, the future analyses ignored income as a variable and examined each company separately.

Differences within each company were studied to determine the influence of company policies, product merchandisers, store managers, and department managers. Work group scores and measures of satisfaction were analyzed to answer the following questions:

- Are there significant differences between the nine stores of Company A?
- Are there significant differences between the six stores of Company B?
- Are there significant differences between the four work groups in store 7, Company A?
- Are there significant differences between the five work groups of store 8, Company A?

²⁴The differences in the behavior variables due to income area and company were analyzed with two-way covariance analysis. Both linear and quadratic relationships were tested. This technique compensated for differences in leader behavior and personal characteristics so that differences in work group dimensions or job satisfaction which were due only to company or income could be isolated.

- Are there significant differences between the five work groups of store 10, Company B?
- Are there significant differences between the five work groups of store 11, Company B?
- Are there significant differences between the nine store manager work groups of Company A?
- Are there significant differences between the nine front-end work groups of Company A?
- Are there significant differences between the six store manager work groups of Company B?
- Are there significant differences between the six meat department work groups of Company B?

A comparison of the 13 work group and satisfaction measures in each of the above 10 sets indicated 54 instances where there was a significant difference out of a possible 130. The R columns in Table 2 indicate the differences found. No recognizable pattern is evident. Among the nine stores of Company A, significant differences were found for 10 of the 13 measures. At the other extreme, only job security expectation scores were found to differ significantly when the nine front-end groups of Company A were compared. Of the five measures of work group performance, drive differed significantly in six of the ten sets. Job satisfaction and two expectation measures also differed significantly in six of the sets.²⁵

The above differences are sufficiently numerous to indicate a lack of uniformity in behavior measures due to the effect of company policies, store managers, or product merchandisers. To determine the extent to which these differences were due to variations in work group leader behavior or in other independent variables, further analyses were conducted while adjusting for such variations. The results of these analyses are shown in column S, Table 2. After adjusting for differences in the scores of independent variables, 27 significant differences were found in the dependent behavioral variables. Drive and advancement expectations were the measures which most frequently differed for the 10 sets analyzed.

This indicates that many of the original differences in employee satisfaction and work group performance were explained by differences in the independent variables. At the same time, 27 significant differences remained—even after adjustment for independent variables—indicating some differences in work groups which could not be explained by the variables included in this study.

²⁵See Table 10 for the average scores of the 13 behavioral measures in each of the 15 stores studied.

Section 3. Measuring Relationships of Independent and Dependent Variables

Multiple linear regression was used to relate each dependent variable (y_1 to y_{13}) to nine independent variables.²⁶ The results are summarized in Tables 3 and 4. A second model using only three independent variables (x_3 , x_9 , and x_{10}) was also tested. In general, the more complete model explained only 2 to 5 percent more of the variation in the independent variables. Thus, six of the independent variables (x_1 to x_7) were found to have limited effect on employee satisfaction or work group characteristics. However, the remaining three—leader consideration, leader initiating structure, and job orientation—were significantly related to most of the dependent variables in both companies.

The two measures of work group leader behavior, *consideration* and *initiating structure*, were important explanatory variables in both companies. However, a difference in the relative importance of the two leader dimensions can be noted. In Company A, employees were more responsive to initiating structure; in Company B, employees were more responsive to leader consideration. This may reflect differences in company policies and philosophies. Companies which are customer and employee-oriented may develop a “people-oriented” image. Employees attracted to such a firm may have expectations of highly considerate treatment by their superiors. On the other hand, employees attracted to a firm which places more emphasis on efficiency may carry expectations of (and perhaps a desire for) supervision that clearly communicates what is expected and how things are to be done—and is thus more highly structured in nature.

Tables 3 and 4 also indicate some interesting differences in the effect of personal characteristics (x_1 to x_7) in the two companies. In Company A, older employees, employees with more education, and employees who had participated in “other training” (outside the company) exhibited lower scores on several measures of satisfaction. However, employees

²⁶Ten independent variables were examined initially. However, years with company, (x_4), was found to be highly correlated with age, (x_1), and was dropped from the model.

who had participated in “management training” (conducted by the company) had higher satisfaction scores. In Company B, the same independent variables had little effect on the satisfaction or work group variables. In Company B, employees who were in school and those with less education tended to rate their work group performance as low. Higher levels of satisfaction were exhibited by male employees in Company B and by female employees in Company A.

Tables 3 and 4 indicate the frequency with which each independent variable affects the work group dimension and employee satisfaction variables and the amount of variance explained (R^2) by the regression equation. The relatively low R^2 values are drawn to the reader’s attention. In general, only 20 to 40 percent of the variation in the scores of the dependent variables could be explained by the independent variables in this study. For many of the subjects researched by agricultural economists, R^2 values of this magnitude would be considered very low. For the subject of this study, as reflected by the attitude of industrial psychologists, the R^2 values are very acceptable. At the same time, the reader must recognize that even though some consistent and reliable relationships have been established, much of the variation in the independent variables remains unexplained.

Since the partial regression coefficients in Tables 3 and 4 are related to the magnitude of their respective variable scores, the size of these coefficients is meaningless for comparison with other regression coefficients.²⁷ To compare the importance of the independent variables, standardized Beta coefficients were computed and are shown in Table 5. These data clearly indicate the importance of the two measures of leader behavior and of employee job orientation. Since many of the comments made about Tables 3 and 4 apply equally to this table, no further discussion seems warranted.

²⁷Consider, for example, the range of scores for leader consideration (15 to 75) and for job orientation (0 to 5). The effect of a change of one unit in each of these two measures on a dependent variable—which is what the (b) values represent—will obviously be quite different. To complicate comparisons even further, the scores of the dependent variables range from 12 to 60 for job satisfaction but from 4 to 20 for the seven satisfaction of expectation measures.

TABLE 3.—Company A Partial Regression Coefficients (b_i) and Coefficients of Determination (R^2) from Multiple Regression Analysis, Using 13 Dependent and 9 Independent Variables.

Dependent Variables	Age (b_1)	Sex (b_2)	Education (b_3)	In School (b_4)	Management Training (b_5)	Other Training (b_7)	Leader Consideration (b_8)	Leader Initiating Structure (b_9)	Job Orientation (b_{10})	Coefficient of Determination (R^2)
y_1 Cohesiveness							.08*	.09*	.34*	.29
y_2 Productivity	.03†						.06*	.10*		.23
y_3 Loyalty			-.41*				.05*	.12*	.43	.34
y_4 Drive							.06*	.13*	.60*	.33
y_5 Pressure to Conform	.04*		-.22†	.77*		-1.03†		.12*		.21
y_6 Job Satisfaction			-.88*		2.08†	-4.79*	.29*	.21*	1.71*	.46
Satisfaction of Expectations Concerning:										
y_7 Work					1.03*	-1.66*	.06*	.07*	.49*	.24
y_8 Advancement	-.04†	-1.15*			.96†		.07*	.09*	.46*	.21
y_9 Friends' Attitudes	-.04*		-.51*	.58*	.83†		.03†	.08*		.24
y_{10} Pay	-.03†	1.29*	-.30*	.92*				.06*	.25†	.24
y_{11} Freedom of Action		-1.51*			1.88*	-1.85*	.18*		.58*	.47
y_{12} Family Attitude			-.27†				.05*	.06*		.15
y_{13} Job Security	-.04†	-1.17*			1.03*		.05*	.07*	.36*	.18

* Partial regression coefficients which are significantly different from zero at the .05 level.

† Partial regression coefficients which are significantly different from zero at the .10 level.

Degree of Freedom: 200.

TABLE 4.—Company B Partial Regression Coefficients (b_1) and Coefficients of Determination (R^2) from Multiple Regression Analysis, Using 13 Dependent and 9 Independent Variables.

Dependent Variables	Age	Sex	Education	In School	Management Training	Other Training	Leader Consideration	Leader Initiating Structure	Job Orientation	Coefficient of Determination
	(b_1)	(b_2)	(b_3)	(b_4)	(b_5)	(b_6)	(b_7)	(b_8)	(b_9)	(R^2)
y_1 Cohesiveness			.14†	-.74*			.09*		.85*	.28
y_2 Productivity		.87*	.20*	-.63*			.05*	.05*	.65*	.25
y_3 Loyalty				-.61*			.06*	.06*	1.19*	.36
y_4 Drive				-.62*			.10*	.07*	1.03*	.38
y_5 Pressure to Conform	-.06*						-.06*	.11*	.49*	.13
y_6 Job Satisfaction		1.65*					.26*	2.19*		.42
Satisfaction of Expectations Concerning:										
y_7 Work		.97*					.11*		.31	.18
y_8 Advancement							.13*		.54	.18
y_9 Friends' Attitudes		1.19*		.43†			.07*			.13
y_{10} Pay		1.49*		.65*	-.88†		.06*			.17
y_{11} Freedom of Action						1.47†	.17*			.28
y_{12} Family Attitude							.08*			.10
y_{13} Job Security							.12*		.33*	.19

* Partial regression coefficients which are significantly different from zero at the .05 level.

† Partial regression coefficients which are significantly different from zero at the .10 level.

Degree of Freedom: 301.

TABLE 5.—Rank Order of Standardized Beta Coefficients for Independent Variables and 13 Dependent Variables.

Dependent Variable	Rank of Significant Independent Variables				Dependent Variable	Rank of Significant Independent Variables			
	Company A	Beta Values	Company B	Beta Values		Company A	Beta Values	Company B	Beta Values
y ₁ Cohesiveness	Consideration	.29	Job Orientation	.33	Satisfaction of Expectations Concerning:				
	Structure	.25	Consideration	.26					
	Job Orientation	.14	In School	-.17					
			Education	.09*					
y ₂ Productivity	Structure	.30	Job Orientation	.27	y ₅ Advancement	Consideration	.23	Consideration	.38
	Consideration	.23	Consideration	.16		Structure	.22	Job Orientation	.21
			In School	-.16		Job Orientation	.17		
			Education	.14		Sex	-.15		
			Sex	.13		Age	-.14*		
			Structure	.13		Management Training	.13*		
y ₃ Loyalty	Structure	.30	Job Orientation	.40	y ₉ Friends' Attitude	Education	-.25	Consideration	.25
	Education	-.17	Structure	.15		Structure	.24	Sex	.21
	Consideration	.16	Consideration	.13		Age	-.16	In School	.12*
	Job Orientation	.15	In School	-.12		Management Training	.13*		
				Consideration	.12*				
y ₄ Drive	Structure	.32	Job Orientation	.35	y ₁₀ Pay	In School	.27	Sex	.24
	Job Orientation	.22	Consideration	.26		Sex	.21	Consideration	.20
	Consideration	.19	Structure	.16		Structure	.19	In School	.17
		In School	-.13	Education		-.15	Management Training	.11*	
				Age		-.13*			
				Job Orientation		.11*			
y ₅ Pressure to Conform	Structure	.39	Structure	.27	y ₁₁ Freedom of Action	Consideration	.61	Consideration	.53
	In School	.24	Job Orientation	.19		Management Training	.27	Other Training	.11*
	Age	.18	Consideration	-.18		Job Orientation	.22		
	Other Training	-.13*	Age	-.18		Sex	-.20		
	Education	-.12*				Other Training	-.18		
y ₆ Job Satisfaction	Consideration	.37	Job Orientation	.38	y ₁₂ Family Attitude	Structure	.18	Consideration	.41
	Job Orientation	.25	Consideration	.34		Consideration	.16		
	Structure	.21	Sex	.11		Education	-.14*		
	Other Training	-.18							
	Education	-.14							
	Management Training	.11*			y ₁₃ Job Security	Structure	.20	Consideration	.41
				Consideration		.19	Job Orientation	.14	
				Sex		-.17			
				Management Training		.16			
				Job Orientation		.15			
				Age	-.15*				
Satisfaction of Expectations Concerning:									
y ₇ Work	Consideration	.22	Consideration	.34					
	Job Orientation	.20	Sex	.15					
	Structure	.18	Job Orientation	.12					
	Other Training	-.17							
	Management Training	.15							

Note: All coefficients are significantly different from zero at the .05 level except those with an asterisk (), which are significant at the .10 level.

Section 4. Intercorrelations of Attitude and Work Group Measures

Stogdill²⁸ demonstrated the similarity of work group dimensions in 17 different organizations, including two divisions of a supermarket chain. The present study provided for the comparison of employee attitudes and work group characteristics under differing company management and operating policies within the same industry—food retailing.

Factor analysis was used to determine the intercorrelation of different measures in each of the two companies. The resulting clusters of variables (factors) indicate those attitudinal and performance measures which were highly interrelated and therefore suggest basic underlying dimensions of employees and their work groups. A comparison of the factors isolated for each company—and the measures included within the different factors—indicates the extent to which the work group dynamics in the two companies are similar.

Although several differences in the level and importance of variables between companies were found, the results of factor analysis suggest very similar work group dynamics in the two companies. The 13 dependent and 3 independent variables analyzed with factor analysis “sorted” into five factors which were highly similar for the two companies. These five factors were:²⁹

1. Employee satisfaction
2. Group performance
3. Leader behavior
4. Group pressure
5. Job orientation

The following pages discuss each of these factors in greater detail. The factor loadings indicate the intensity of relationship between each variable and the overall factor. The factor loadings do not necessarily indicate the importance of a particular variable or cause-effect relationship. Those variables with high factor loadings are highly correlated with the dimension defined by the factor and may be interpreted as good indicators of that dimension.

The first factor identified was Employee Satisfaction. The variables included in this factor and their loadings were as follows:

Company A	
Variable	Loading
Friends' Attitude Expectations	.87
Family Attitude Expectations	.78
Job Security Expectations	.78
Advancement Expectations	.76

²⁸See footnote 16.

²⁹The fractional contribution of the related factors was .758 for Company A and .755 for Company B.

Pay Expectations	.72
Work Expectations	.71
Job Satisfaction	.50
Freedom Expectations	.46
Cohesiveness	.23
Loyalty	.22

Company B	
Variable	Loading
Advancement Expectations	.82
Friends' Attitude Expectations	.79
Family Attitude Expectations	.79
Work Expectations	.76
Pay Expectations	.74
Job Security Expectations	.72
Freedom Expectations	.67
Job Satisfaction	.58
Consideration	.30
Loyalty	.20

All of the satisfaction measures were loaded on this factor and in general had high factor loadings. The high intercorrelation of the satisfaction variables suggests that employees who are satisfied with certain aspects of their job tend to be satisfied with all aspects. Of particular interest are the high loadings on Friends' Attitude Expectations and Family Attitude Expectations. Both of these variables refer to reference groups outside the firm. While firms may often overlook the influence of such reference groups, these results suggest that their attitude toward the employee's job may be an important ingredient of employee satisfaction. This reflects the importance of the social creature side of man discussed in Chapter II.

Job satisfaction, which measures the employee's attitude toward the company, his supervisor, and the recognition he receives, is positively related to this factor but is not as strong an indicator of the overall dimension of employee satisfaction as some of the expectation measures. The positive loadings of loyalty, although low, indicate that satisfied employees tend to foster group loyalty to their company.

The second factor identified was Group Performance. The variables included in this factor and their loadings were:

Company A	
Variable	Loading
Drive	.86
Loyalty	.81
Productivity	.80
Cohesiveness	.77
Job Satisfaction	.45
Work Expectations	.38
Advancement Expectations	.31
Leader Structure	.29
Pressure to Conform	.28
Family Attitude Expectations	.25
Leader Consideration	.22
Job Security Expectations	.20

Variable	Company B	Loading
Drive		.88
Productivity		.88
Loyalty		.86
Cohesiveness		.85
Job Satisfaction		.42
Pressure to Conform		.34
Job Orientation		.33
Work Expectations		.32
Leader Consideration		.25
Freedom of Action Expectations		.23

Four of the five measures used to describe the work groups were very highly loaded on this factor in both companies. Thus, work groups which were high in one measure, such as drive, also tended to be high in loyalty, productivity, and cohesiveness. The fifth measure, pressure to conform, was also positively related to this factor but only moderate in its loading. Of the remaining variables loaded on this factor, job satisfaction, work expectations, and leader consideration were included in this factor for both companies. The remaining variables included in the factors varied for the two companies. Job orientation was moderately positively loaded on the work group factor for Company B, again suggesting a stronger relationship between group performance and job orientation in Company B than in Company A. Leader initiating structure was positive but low in its loading for Company A, also supporting the stronger importance of this variable in Company A which was reflected in the regression results.

The third factor identified was Work Group Leader Behavior. The variables included in this factor and their loadings were as follows:

Variable	Company A	Loading
Leader Consideration		.89
Freedom Expectations		.67
Leader Structure		.47
Job Satisfaction		.40
Cohesiveness		.26
Productivity		.21
Advancement Expectations		.21

Variable	Company B	Loading
Leader Structure		.87
Leader Consideration		.79
Freedom Expectations		.27
Job Satisfaction		.24
Drive		.22

The first four variables which clustered on this factor were the same for both companies, although their order and degree of correlation varied. Leader consideration was the best indicator of this underlying dimension in Company A; in Company B, leader initiating structure was the best indicator, followed

closely by consideration. A more balanced style of leadership was evident in Company B.

Company A employees who rated their work group leaders high in consideration were highly satisfied with their freedom of action and with their jobs. A positive but less intense relationship is evident for Company B employees.

The fourth factor identified was Group Pressure. The variables clustered on this factor and their loadings were:

Variable	Company A	Loading
Pressure to Conform		.80
Leader Structure		.58
Pay Expectations		.36
Friends' Attitude Expectations		.21

Variable	Company B	Loading
Pressure to Conform		.77
Freedom Expectations		-.35
Pay Expectations		.28
Job Security Expectations		-.25
Leader Structure		.22

Company A employees who expressed high pressure to conform to group norms were reasonably satisfied with expectations concerning their pay and friends' attitudes and had work group leaders who were highly structured.

Company B employees who felt a high degree of pressure were dissatisfied with their freedom of action and job security but tended to be satisfied with their pay. Leader initiating structure, while positively related to pressure, was low in its loading on this dimension of work groups.

The fifth factor identified was Job Orientation. The variables and their loadings were as follows:

Variable	Company A	Loading
Job Orientation		.94
Job Satisfaction		.33
Loyalty to Company		.24
Work Expectations		.23
Drive		.22

Variable	Company B	Loading
Job Orientation		.89
Job Satisfaction		.40
Loyalty to Company		.25

Employees in both companies who had experienced thorough job orientation tended to be satisfied with their jobs and to foster group loyalty to their company. In Company A, satisfaction of work expectations and group drive were also positively related to job orientation.

The foregoing has described the five underlying dimensions of employees and work groups in the two companies studied. In general, the dynamics found

DESCRIBING HOW YOU STARTED ON YOUR JOB

Recall your first day or week in the food industry and describe your introduction to your job.

- Please check
Yes () or No ()
for each question
1. On my first day on the job, the store manager or department manager helped me become acquainted with other people in the store. Yes_____ No_____
 2. On my first day, my job was carefully explained to me so that I knew what I was to do and how I should do it. Yes_____ No_____
 3. Policies on checking in and out, personal appearance and uniforms, coffee and meal breaks, and work schedules were carefully explained to me when I began to work here. Yes_____ No_____
 4. In a short time, I realized that my job was important to the success of the store. Yes_____ No_____
 5. When I was new on the job, the store manager or store supervisor frequently checked with me to see if I was getting along all right. Yes_____ No_____

FIG. 10.—Job Orientation Questionnaire.

in the two companies were similar both in the five basic dimensions identified and in the variables inter-correlated for the various factors. Some differences were noted, however, particularly in the relationships of the two measures of leader behavior to other behavioral variables in the two companies.

Section 5. Effect of Job Orientation

This research inquiry isolated employee job orientation—the way a new employee is introduced to his job and his company—as a new important influence on job satisfaction and other measures of organizational effectiveness. The research results suggest that the attitudes and impressions of the first day or first week on a new job have a lasting effect on employee performance, satisfaction, and turnover.

The new employee frequently finds himself in an unfamiliar environment, with unknown demands, and a job assignment which is often poorly defined. He seeks guidance, assurance, acceptance, and security.

The research hypothesis was that the immediate supervisors (the department and the store manager) can help the employee to more quickly adjust to the informal and formal job demands by carefully orienting the employee to his new job and his fellow workers.

A brief questionnaire (Figure 10) was designed to provide an opportunity for the employee to describe his or her experiences as a new employee.

Results: This measure of job orientation was directly related to the various measures of job satisfaction and work group performance throughout all of the statistical analyses. The previous section indi-

cated job orientation was one of the five basic dimensions identified in the two companies and was positively correlated with job satisfaction and group loyalty to the company. The regression results discussed in Section 3 (Tables 3-5) indicated that job orientation had a significant effect (at the .05 level) on 9 of the 13 dependent variables in both companies.

Regression results identified significant relationships between job orientation and four measures of employee satisfaction: (1) job satisfaction, (2) satisfaction of work expectations, (3) satisfaction of advancement expectations, and (4) satisfaction of job security expectations. If it is assumed that increased employee satisfaction will reduce employee turnover, the previous relationships suggest that thorough employee job orientation provides one means by which firms can effectively combat their turnover problem.

While judgment supports the effect of job orientation on employee performance and satisfaction during the first few months on the job, is the influence lasting? Does the influence of job orientation vary by company? If so, why?

The zero-order correlation coefficients in Table 6 help answer these questions. The relationships between age (x_1) or years with company (x_4) and job orientation provide an indication of job orientation effect over time. If, in fact, the influence of job orientation is short term in nature, negative relationships should result.

These coefficients approximated zero for Company B but were positive and significantly different from zero (.05 level) for Company A. Individually, however, neither age nor years with company explain-

ed more than 7.3 percent of the variation in job orientation scores in Company A. The difference in these relationships between the two companies may be due to the significantly older and longer tenure employees in Company A. The mean age of employees was 30.0 in Company A and 25.1 in Company B³⁰. The average years with the company was 7.0 for Company A and 3.8 for Company B. It may also be that Company A did a more effective job of orienting employees in previous years or that the poorly oriented employees were dissatisfied with the company and hence tended to terminate employment prior to the study. In any case, these results give no evidence of only temporary influence of job orientation.

In examining the effects of job orientation on the performance and satisfaction measures in the two companies, a similar but more intense effect can be noted in Company B, particularly for variables y_1 to y_6 (Table 5). Company B employees seemed to respond more to a leadership style high in consideration

³⁰In part, this was due to the higher proportion of part-time employees in Company B—63.3 percent of all store employees compared to 47.7 percent in Company A.

TABLE 6.—Correlation Coefficients of Job Orientation and Other Variables, Two Ohio Retail Food Firms, 1967.

Job Orientation Correlated with:	Company A	Company B
Independent Variables:		
x_1 Age	.27	.06
x_2 Sex	.25	.17
x_3 Formal Education	-.16	-.08
x_4 Years with Company	.22	-.01
x_5 Currently in School	-.18	-.03
x_6 Management Training	.13	-.05
x_7 Other Training	.04	-.12
x_8 Leadership Consideration	.17	.20
x_9 Leadership Structure	.25	.23
Dependent Variables:		
y_1 Cohesiveness	.23	.40
y_2 Productivity	.14	.35
y_3 Loyalty	.31	.49
y_4 Drive	.35	.45
y_5 Pressure to Conform	.13	.21
y_6 Job Satisfaction	.40	.47
Satisfaction with Expectations of:		
y_7 Work	.30	.20
y_8 Advancement	.20	.25
y_9 Friends' Attitude	.17	.13
y_{10} Pay	.17	.12
x_{11} Freedom of Action	.30	.12
y_{12} Family Attitude	.16	.08
y_{13} Job Security	.18	.19

Note: Zero-order coefficients of correlation (Job Orientation and Age, Job Orientation and Sex, etc.).

compared to the more structured type of leadership to which Company A employees were responsive. This suggests that the importance of job orientation may vary between firms, depending on the leadership style expected or desired by firm employees.³¹

Section 6. Managerial Leadership

Perhaps the most sought-after research result of this and other studies has been a greater definition of managerial leadership. Some research studies have indicated that an individual's behavior is influenced most by the treatment he receives from others, including his boss. The previously reported results of this study indicate that the leadership "style" of work group leaders has a substantial effect on group performance and employee satisfaction.³²

Previous research on leadership has generally been of two types:

1. **Personal Traits:** This approach assumes that leadership is something that a person possesses such as intelligence, social maturity, age, formal training, perhaps hobbies, church and social group affiliations, and others.

These traits are frequently listed as "the profile of the most successful managers." There has been little evidence to demonstrate the consistent validity of selecting leaders on the basis of personal traits. Where success has been measured in terms of profits, dollar turnover, and return on investment, the profile does not help select effective management personnel.

2. **Leader Behavior:** This approach assumes that leadership is something a person does on the job—such as the type of leadership used in different situations and the effect upon employee performance. This, of course, is difficult to measure and has been the substance of this study.

Previous research results indicate that leaders of highly productive work groups are "tuned in" to the human aspects of their subordinates. These leaders tend to have high performance goals and to give primary attention to building effective work groups. There seems to be no one "best style" of leadership which fits all situations. To be effective, the manager must adapt his behavior to: (1) the pattern of employee expectations, (2) their goals, (3) their values, and (4) their background.

³¹This also suggests that the individuals attracted to a firm may possess certain expectations as to the way they will be treated and that two firms with different employee treatment images may attract individuals with significantly different treatment expectations. This is consistent with Newcomb's (1943) treatise.

³²Leadership style, as used in this report, refers to both the level and balance of the two dimensions of leadership, leader consideration and initiating structure.

This study found that both dimensions of leader behavior have a significant positive relationship to work group behavior and job satisfaction variables. However, the desired balance of the two leader-behavior dimensions, which may be called leadership style, differed for the two companies studied. In Company B, leader *consideration* had more effect on work group performance and employee satisfaction; in Company A, work groups responded more to leader *initiating structure*. This suggests that employees may be attracted to the firm whose "employee treatment image" is consistent with their personalities and that "treatment expectations" may be developed which influence the balance of leadership which is most effective.

General human relations training would help prepare the manager for a broader range of leadership situations but the training may have only limited effectiveness unless the company's policies and attitudes toward employees are consistent with sound principles of human relations. Personalities range all the way from the demanding, autocratic, and overbearing individual to the retiring, dependent, opposite type. At either extreme, human relations and leadership training may be limited in effectiveness. However, most personalities fortunately fall in between these two extremes and do respond to leadership training. Therefore, a better understanding of human behavior and its applications should result in more effective managerial leadership.

Transfer of Leadership Style

To determine if subordinate leaders emulate the leadership style of their superiors, the scores for the

leadership dimensions for each work group leader at each level of management were observed. The research inquiry was directed toward determining if there was a high correlation of leadership styles between two adjacent levels of management. That is, is leadership style a result of the example of one's superior? The subjects of the comparisons are graphically represented in Figure 11.

A comparison of the mean scores and their standard deviations did not produce meaningful relationships of leadership scores from one level to another within Company A or B. This suggests that leaders develop a style of leadership which is consistent with their personality characteristics and which considers the group situation, the workers, the task, and the job environment, rather than copying the style of their superior. This does not necessarily indicate a lack of influence by one's superior. A highly considerate store manager may in time stimulate greater consideration by department managers. However, this influence requires time and is tempered by the personality characteristics of the department managers and by the leadership style they judge to be most effective with their subordinates.

Since leadership style is strongly influenced by the characteristics of those one is trying to lead, it is not too surprising to find limited transfer of leadership style. The characteristics of employees at different levels may justify a different balance of leadership. For example, the operations director may use a style of leadership with the area supervisors which is quite different than the style used by department managers.

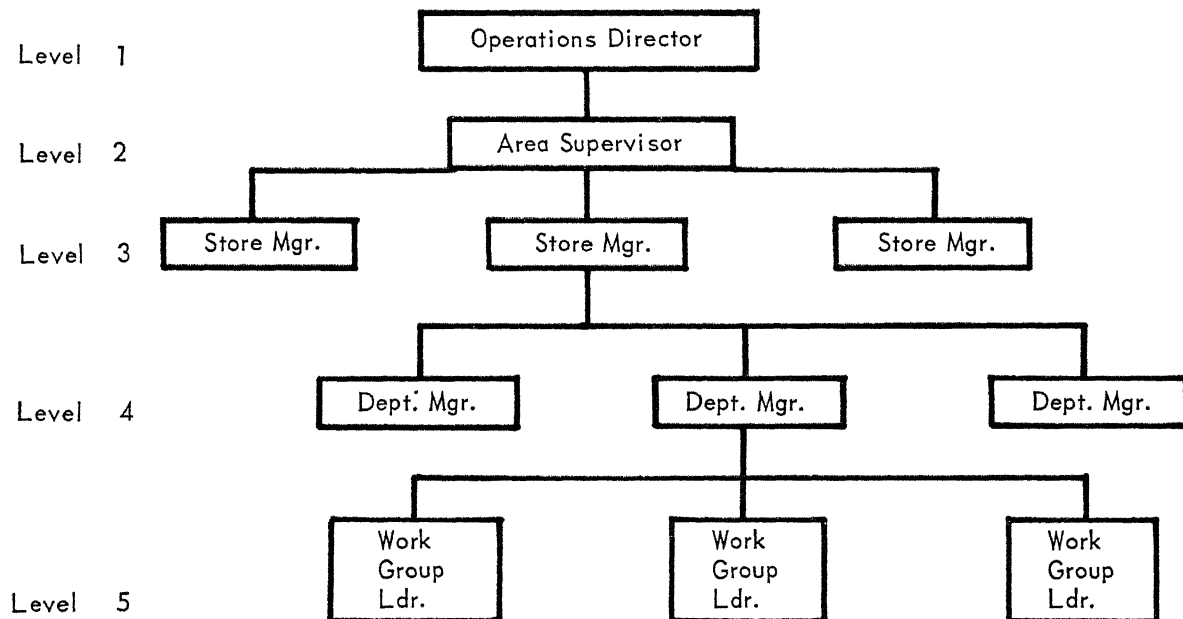


FIG. 11.—Levels of Management Analyzed for Transfer of Leadership Style.

**Section 7. Employee Likes and Dislikes;
Reasons for Job Termination**

Two instruments were used to define the likes and dislikes of employees. The first was a questionnaire given concurrently with the battery of behavioral questionnaires to store employees. Two open-ended questions were asked; "What do you like best about your job?" and "What do you like least about your job?"

The second instrument was an exit interview distributed to all employees who terminated employment within 6 months following the in-store collection of data. A copy of this questionnaire is included in the Appendix. This instrument obtained a rating of several facets of their previous job in addition to exploring the causes of job termination.

The results of the former instrument are summarized in Tables 7 and 8. The most important likes and dislikes were as follows:

Likes	Dislikes
Customer Contact	Hours
Friendly Place to Work	Job Content
Good Pay	Impatient Customers
Job Is Interesting	Management Treatment
Hours	Work Pressure

Three of the five points are comparable for the two lists. Customer contact was the most frequently mentioned "like" but was the third most important "dislike". Unsatisfactory hours represented the most important "dislike" but ranked fifth in the list of "likes". And, while many employees felt their job was interesting, an identical number identified job monotony or certain tasks as their greatest dislike. Thus, no convenient pattern is evident from these two questions except that different employees view their job characteristics in quite different ways. Those employees who enjoy serving the public view this facet of their job as a definite asset; others, perhaps with shorter patience with the public, view this job ingredient as an irritation and liability. The importance of personnel selection and placement is evident.

Exit Interviews: Interviews conducted with the employee "with his hat in his hand on the way out the front door" have questionable reliability. By the same measure, a line or two on company personnel records under the heading of "reason for termination of this employee" is usually equally unreliable.

In an effort to determine the more specific reasons behind employee termination, an exit interview questionnaire was designed and tested. The questionnaire was divided into three general sections. Section 1 was designed to determine the employee's feelings about company policies. Section 2 dealt with the employee's evaluation of the leadership he had received from his own immediate supervisor (depart-

ment manager or store manager). Section 3 included several open-ended questions about the reasons for termination, the type of work and pay in his or her new job, etc. This section proved to be a helpful source of basic causes for employee dissatisfaction.

Personal telephone calls, personal interviews, letters, and correspondence were used to administer the questionnaire. Each interview was conducted after a lapse of at least 2 weeks after exiting in order to provide a "cooling off" period.

Exit Interview Results: Analysis of 137 completed exit interviews indicated that 31 percent of the separations were due to "non-preventable" causes such as military service, returning to school, or moving. The remaining 69 percent of the separations were due to factors which are at least in part under management control. These were:

Unsatisfactory hours	26%
Better job, more money	14
Management treatment	10
Different work	5
Lack of responsibility or advancement	4
Dismissed	4
Job pressures	3
Other	3
	69%

Thus, as in the previous section, unsatisfactory hours (too many, too few, night work, etc.) appear as an important problem. Another one-fourth of the employees left their jobs for a "better" job, more money, or because of "unfair" treatment by management. The remaining 20 percent separated for a variety of reasons, including 4 percent who were dismissed. The latter figure may well be low if some dismissed employees either did not report the real reason for their separation or failed to return the questionnaire.

An independent confidential study of turnover found that 76 percent of store employee separations were voluntary. Of these, one-third were due to dissatisfaction with some aspect of their job. In this study, 96 percent were voluntary (employee initiated) separations and about one-half were due to dissatisfaction with certain aspects of their jobs.

In large part, these employees not only left their particular company but also left food retailing. Seven out of eight of the separated employees who completed the exit interview indicated that their new jobs were in a different type of work.

In about one-half of the cases, the new jobs paid more; 37 percent took jobs at lower pay than their jobs in food retailing. Asked whether they would consider working in food retailing again, 54 percent said yes, 31 percent said maybe, and 15 percent said no.

TABLE 7.—Employee Responses to Question, “What Do You Like Best About Your Job?”

	Number of Employees	Number of Management	Total	Number of Company A Respondents	Percent Company A	Number of Company B Respondents	Percent Company B
Customer Contact	88	15	103	60	26.0	43	21.5
Friendly Place to Work	92	5	97	41	17.7	56	28.0
Good Pay	62	2	64	33	14.3	31	15.5
Job Is Interesting	40	5	45	25	10.8	20	10.0
Hours	31	1	32	19	8.2	13	6.5
Management Trusts Me to Do My Job	18	3	21	13	5.6	8	4.0
Freedom to Use Own Ideas	15	6	21	11	4.8	10	5.0
Clean Environment	12	0	12	4	1.7	8	4.0
Good Chance for Advancement	9	2	11	2	.9	9	4.5
Promotion Based on Ability	5	3	8	8	3.5	0	0.0
Fringe Benefits	7	0	7	6	2.6	1	0.5
Steady Work	3	0	3	3	1.3	0	0.0
Other	7	0	7	6	2.6	1	0.5

TABLE 8.—Employee Responses to Question, “What Do You Like Least About Your Job?”

	No. of Employees	No. of Management	Total	No. Co. A	Percent Co. A	No. Co. B	Percent Co. B
Unsatisfactory Hours:	55	8	63	32	23.7	31	28.7
Don't like hours	26	5	31	15	11.1	16	14.8
Working nights or weekends	17	1	18	9	6.7	9	8.3
Want more hours	12	2	14	8	5.9	6	5.6
Job Content	41	4	45	20	14.8	25	23.1
Monotony of job	16	2	18	8	5.9	10	9.2
Carry-out and sacking big orders	12	1	13	6	4.4	7	6.4
Clean-up at night	4	0	4	2	1.5	2	1.9
Front-end operation	2	0	2	0	0.0	2	1.9
Stacking pop bottles	2	1	3	2	1.5	1	.9
Training new people	2	0	2	0	0.0	2	1.9
Other	3	0	3	2	1.5	1	.9
Impatient Customers	31	0	31	16	11.9	15	13.9
Management Treatment	31	0	31	21	15.6	10	9.3
Management doesn't understand worker	21	0	21	15	11.1	6	5.6
Too many bosses	4	0	4	2	1.5	2	1.9
Unequal treatment	3	0	3	2	1.5	1	.9
No praise from manager	3	0	3	2	1.5	1	.9
Work Pressure	19	11	30	23	17.0	7	6.5
Not enough time or help	12	9	21	16	11.8	5	4.6
Pressure for work and profit	7	2	9	7	5.2	2	1.9
Some of People I Work with	10	0	10	4	3.0	6	5.6
Pay Too Low	3	3	6	6	4.4	0	0.0
Rest Area	3	0	3	1	.7	2	1.9
No Seniority for Part-time Employees	2	1	3	2	1.5	1	.9
Other	18	4	21	10	7.4	11	10.2
Total			243	135	100.0	108	100.0

TABLE 9.—Summary of Separated Employees' Ratings of 19 Aspects of Their Former Jobs.

	Average Scores*		Rank	
	Co. A (25 Employees)	Co. B (112 Employees)	Co. A	Co. B
Personal Development	3.16	3.86	13	5
Working Conditions	3.92	4.07	3	2
Working Hours	3.16	3.28	13	16
Nature of Work	3.68	3.76	5	7
Importance of Work	3.60	3.73	6	8
Responsibilities of Job	3.56	3.70	7	9
Accomplishments of Work Unit	4.00	3.99	2	3
Pay	4.08	4.35	1	1
Opportunity for Advancement	2.72	2.98	18	19
Fringe Benefits	3.08	3.57	14	13
Lunch Area, Restroom, etc.	2.56	3.08	19	18
Effectiveness of Leadership in:				
Use of your abilities	3.20	3.49	11	14
Amount of assistance	3.48	3.59	8	12
Effectiveness of assistance	3.76	3.79	4	6
Interest in your progress	2.92	3.48	16	15
Recognition of ideas and accomplishments	2.88	3.11	17	17
Fair treatment	3.28	3.62	9	11
Evaluation of your performance	2.92	3.68	16	10
Knowledge of what was expected	3.24	3.91	10	4

*Scored on the basis of 5 for Very Good, 4 for Good, 3 for Fair, 2 for Poor, and 1 for Very Poor.

One part of the exit interview asked separated employees to rate 19 aspects of their former jobs. The results are summarized in Table 9. Many similarities can be noted between Company A and Company B employees. In both companies, *pay*, *working conditions*, and *accomplishments of their work unit* were the three factors most highly rated. The three factors rated the lowest in both companies were *opportunities for advancement*, *lunch and rest areas*, and *management's recognition of ideas and accomplishments*. *Interest in your progress* and *working hours* were also rated low. In general, the first 11 characteristics of the jobs were rated higher than the last eight aspects of leadership.

In comparing the "likes" and "dislikes" at the start of this section with reasons for separation and ratings in Table 9, it appears that the most important sources of dissatisfaction and job termination are:

Unsatisfactory hours

Job content (including customer contact, monotonous work, and lack of intellectual challenge)

Management interest and treatment (including recognition, responsibility and advancement, and pressure)

The extent to which excessive turnover may be prevented by management action was discussed in Chapter I, Implications for Management.

Analysis of Test Scores of Separated Employees:

To gather additional information on reasons for job termination, the exit interviews discussed above were distributed to many employees who were separated from stores other than the 15 studied. Of the employees in the 15 stores who completed the battery of behavioral questionnaires, 32 employees from Company A and 48 from Company B terminated their employment within 6 months following the in-store data collection. The scores of these employees were analyzed to determine if they were consistently low for certain measures. The results are shown in Tables 10 and 11.

In comparing the separated employees' scores with their store mean, no significant difference is apparent for the leader behavior and work group measures. Definitely lower scores are evident, however, for job orientation and the eight measures of satisfaction. In the case of four measures of satisfaction, particularly, exited employee scores were found to be rather consistently below the average scores for their stores. These measures were job satisfaction, work expectations, advancement expectations, and family attitude expectations (Table 12). In other words, these separated employees were relatively dissatisfied with the company, management, and their recognition

TABLE 10.—Comparison of Exited Employee Test Scores with Average Scores in Their Stores, 16 Employee Dimensions.

Item	Company A Stores							
	2	3	4	5	6	7	8	9
No. Exited Employees	5	6	3	2	3	6	4	3
Leader Consideration								
Exited Employee Mean	50.6	57.7	49.3	69.0	58.7	62.5	45.5	45.0
Store Mean	57.6	54.5	57.8	64.3	51.5	58.5	54.0	56.6
Leader Initiating Structure								
Exited Employee Mean	66.2	55.5	48.7	56.5	62.3	59.3	65.0	53.7
Store Mean	63.8	58.1	55.6	60.4	55.5	60.0	59.2	58.6
Cohesiveness								
Exited Employee Mean	21.6	19.5	19.0	25.0	21.3	22.8	24.5	16.7
Store Mean	21.7	20.1	20.7	22.7	20.7	23.1	22.5	21.6
Productivity								
Exited Employee Mean	18.8	20.3	19.0	23.5	20.7	21.2	24.0	17.7
Store Mean	20.3	19.4	19.7	21.0	20.0	21.7	21.2	20.4
Loyalty								
Exited Employee Mean	22.4	18.5	18.0	22.5	21.7	18.5	21.8	15.3
Store Mean	21.6	19.7	19.7	20.7	20.2	21.7	21.7	20.4
Drive								
Exited Employee Mean	21.8	20.5	16.7	22.0	21.0	20.3	24.2	16.0
Store Mean	22.2	20.0	19.7	21.5	21.3	22.6	22.9	21.8
Pressure								
Exited Employee Mean	16.6	17.5	15.3	17.0	17.7	17.0	20.0	18.7
Store Mean	18.1	18.0	16.9	18.6	17.9	18.0	19.0	18.3
Job Orientation								
Exited Employee Mean	3.8	3.2	2.7	4.5	4.7	3.5	4.0	3.0
Store Mean	4.3	3.8	3.6	4.2	4.3	4.0	4.4	4.4
Job Satisfaction								
Exited Employee Mean	42.4	39.2	32.0	51.5	44.7	42.7	45.8	35.0
Store Mean	49.2	42.3	44.5	51.0	44.4	49.2	48.6	47.8
Work Expectations								
Exited Employee Mean	12.4	13.5	10.3	12.5	13.7	12.8	13.0	7.3
Store Mean	15.3	14.0	13.8	16.2	13.7	14.7	16.1	14.4
Advancement Expectations								
Exited Employee Mean	13.6	10.8	7.7	11.5	15.0	10.2	14.0	9.0
Store Mean	14.1	11.8	13.2	13.6	12.6	12.9	15.1	13.2
Friends' Attitude Expectations								
Exited Employee Mean	15.4	12.8	11.3	16.0	12.0	11.8	14.0	11.7
Store Mean	15.8	13.6	14.4	14.8	13.4	14.4	15.2	14.8
Pay Expectations								
Exited Employee Mean	15.6	13.5	12.0	18.5	11.3	12.7	14.8	13.3
Store Mean	15.7	13.7	14.5	16.9	13.3	13.8	15.0	14.2
Freedom Expectations								
Exited Employee Mean	12.0	14.0	10.0	17.5	13.0	12.7	14.3	9.0
Store Mean	15.2	13.5	14.1	16.5	12.0	14.5	14.2	14.7
Family Attitude Expectations								
Exited Employee Mean	11.6	12.0	13.0	14.5	12.0	11.7	14.0	12.7
Store Mean	15.2	12.5	14.2	14.6	13.4	14.6	15.1	13.7
Job Security Expectations								
Exited Employee Mean	14.8	13.0	12.7	16.5	11.3	11.2	17.3	11.3
Store Mean	15.6	13.7	14.4	14.5	12.5	14.1	15.4	14.8

Note: Store 1 was not included in this table since only one employee had exited from that store.

TABLE 11.—Comparison of Exited Employee Test Scores with Average Scores in Their Stores, 16 Employee Dimensions.

Item	10	11	Company B Stores				Mean	
			12	13	14	15	Co. A	Co. B
No. Exited Employees	6	12	8	7	8	7		
Leader Consideration								
Exited Employee Mean	61.3	52.7	55.9	60.4	53.1	57.4	56.3	56.2
Store Mean	60.8	56.3	56.3	61.9	58.4	55.9	55.2	58.4
Leader Initiating Structure								
Exited Employee Mean	62.8	56.5	63.5	60.7	58.1	61.9	59.0	60.1
Store Mean	61.8	58.1	62.5	61.7	60.6	58.6	58.4	60.4
Cohesiveness								
Exited Employee Mean	22.3	20.1	21.9	18.7	22.6	20.4	21.3	20.9
Store Mean	22.3	21.2	22.0	22.0	21.8	20.6	21.6	21.7
Productivity								
Exited Employee Mean	19.8	18.1	20.0	16.9	21.6	19.0	20.6	19.2
Store Mean	20.3	19.9	20.7	20.7	21.0	19.7	20.5	20.4
Loyalty								
Exited Employee Mean	22.7	17.5	21.1	18.0	20.6	20.6	19.7	19.8
Store Mean	21.9	20.3	21.2	21.4	21.8	20.9	20.4	21.2
Drive								
Exited Employee Mean	20.5	18.1	22.1	18.1	22.1	20.7	20.5	20.1
Store Mean	21.2	20.4	21.5	21.4	21.7	20.4	21.3	21.1
Pressure								
Exited Employee Mean	21.2	17.7	20.0	17.3	17.4	17.1	17.5	18.3
Store Mean	18.4	18.3	18.1	18.4	18.1	18.1	18.1	18.2
Job Orientation								
Exited Employee Mean	4.7	3.7	3.9	4.3	4.1	4.0	3.6	4.0
Store Mean	4.7	4.1	4.3	4.2	4.4	4.1	4.1	4.3
Job Satisfaction								
Exited Employee Mean	52.3	42.3	50.5	47.0	50.9	46.6	41.4	47.6
Store Mean	52.3	49.5	48.0	51.7	53.0	48.3	46.4	50.8
Work Expectations								
Exited Employee Mean	13.8	14.5	14.0	13.9	15.9	14.4	12.2	14.5
Store Mean	15.5	15.6	14.5	15.7	15.9	15.4	14.7	15.5
Advancement Expectations								
Exited Employee Mean	14.7	12.2	11.4	14.0	15.5	13.3	11.5	13.3
Store Mean	14.7	14.1	12.4	14.5	14.4	14.3	13.3	14.1
Friends' Attitude Expectations								
Exited Employee Mean	15.2	14.2	15.5	15.9	16.2	14.1	13.1	15.1
Store Mean	15.8	15.3	15.1	15.7	15.6	15.5	14.5	15.5
Pay Expectations								
Exited Employee Mean	15.8	15.4	15.3	14.9	15.8	15.4	13.8	15.4
Store Mean	15.7	15.3	15.1	15.5	16.2	14.6	14.6	15.5
Freedom Expectations								
Exited Employee Mean	14.2	12.5	14.4	14.9	15.5	14.1	12.8	14.1
Store Mean	15.3	14.7	14.0	15.6	15.5	15.0	14.0	15.1
Family Attitude Expectations								
Exited Employee Mean	13.5	15.0	13.5	13.4	13.9	15.6	12.4	14.2
Store Mean	14.9	15.1	14.6	15.6	14.8	15.7	14.1	15.1
Job Security Expectations								
Exited Employee Mean	12.3	14.9	14.9	13.9	15.9	15.6	13.3	14.7
Store Mean	15.4	15.5	14.8	15.3	15.3	15.8	14.3	15.4

TABLE 12.—Number of Separated Employees Whose Scores Were Below Store Mean and Number Whose Scores Were Less Than Store Mean Minus One Standard Deviation.

	Job Satisfaction	Work Expectations	Advancement Expectations	Family Attitude
Company A (32 Exited Employees)				
Less Than Store Mean	20	26	22	25
Less Than (Store Mean — 1 Standard Deviation)	14	14	9	7
Company B (48 Exited Employees)				
Less Than Store Mean	27	31	32	30
Less Than (Store Mean — 1 Standard Deviation)	15	8	7	14

and felt the job was not what it should be with respect to the nature of the work, their advancement, and their family's attitude toward the job. Since job orientation was found to have a significant effect on three of these four measures of satisfaction (see Section 5), the importance of job orientation in reducing employee turnover is further substantiated.

In addition to revealing some of the causes of job termination, these measures may also be viewed as indicators of potential separations. If a firm periodically administered the satisfaction questionnaires, would the scores for certain measures allow them to identify those employees whom the firm is in danger of losing? For this purpose, those measures which were consistently scored significantly below the store mean hold the greatest promise.

For example, Table 12 indicates that 31 of the 48 employees who separated from Company B had scores on work expectations below their store mean. However, only 8 had scores less than their store mean minus one standard deviation.³³ By comparison, 15 of the separated employees had scores for job satisfaction which were less than their store mean minus one standard deviation. Thus, of these two measures, job satisfaction would be a more useful indicator of potential terminations.

The information in Table 12 indicates that job satisfaction would also be a good indicator in Company A. Satisfaction of work expectations would be a useful alternative indicator in Company A. In Company B, satisfaction of family attitude expectations was the second dimension (besides job satisfaction) which was consistently scored low enough by separated employees to be useful as a "termination indicator".

The ability to define potential terminations could be of considerable value to a company in selecting employees for additional training or in taking corrective measures to avoid losing management talent. These results suggest that periodic administration of satisfaction questionnaires could help management select those measures which would best indicate potential terminations.

³³Standard deviation is a commonly used statistical measure of dispersion. For observations which follow a normal distribution, the arithmetic mean \pm 1 standard deviation includes two-thirds of the observations. Approximately 1/6th of the observations are less than the mean minus 1 standard deviation. The scores of the dimensions studied in this inquiry were not normally distributed but were skewed toward the upper values. Thus, the relationships for a normal distribution do not hold in these cases. However, standard deviations can still be used as a measure of dispersion. In four stores checked, from 1/5th to 1/9th of the job satisfaction scores for all store employees were less than the mean minus one standard deviation.

APPENDIX
EXIT INTERVIEW FORM DEVELOPED AND USED IN STUDY

PLEASE CHECK (✓) THE APPROPRIATE LINE FOR EACH QUESTION.

1. When you were first employed at _____ Company, were the duties and responsibilities of your job clearly explained to you by your department manager and/or store manager?
 Yes_____ No_____ Uncertain_____ COMMENTS:_____

HOW DID YOU FEEL ABOUT THE FOLLOWING ITEMS?

PLEASE CIRCLE THE SYMBOL
 THAT BEST INDICATES YOUR
 FEELINGS ABOUT EACH ITEM.

VG—Very Good
 G—Good
 F—Fair
 P—Poor
 VP—Very Poor

COMMENTS

- | | |
|---|--|
| <p>2. Personal development (training, etc.)_____VG G F P VP</p> <p>3. Working conditions_____VG G F P VP</p> <p>4. Working hours_____VG G F P VP</p> <p>5. The work you were doing_____VG G F P VP</p> <p>6. The importance of your work_____VG G F P VP</p> <p>7. The responsibilities of your job_____VG G F P VP</p> <p>8. Accomplishments of your
work unit (department)_____VG G F P VP</p> <p>9. Pay commensurate with work performed_____VG G F P VP</p> <p>10. Opportunities for advancement_____VG G F P VP</p> <p>11. Fringe benefits and insurance programs_____VG G F P VP</p> <p>12. Lunch area, restrooms, etc._____VG G F P VP</p> | <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> |
|---|--|

HOW DID YOU FEEL ABOUT THE LEADERSHIP YOU RECEIVED FROM YOUR DEPARTMENT MANAGER OR STORE MANAGER?

- | | |
|---|--|
| <p>13. Utilization of your abilities_____VG G F P VP</p> <p>14. Amount of assistance received_____VG G F P VP</p> <p>15. Effectiveness of assistance received_____VG G F P VP</p> <p>16. Interest taken in your progress_____VG G F P VP</p> <p>17. Recognition of ideas and accomplishments_____VG G F P VP</p> <p>18. Fair and impartial treatment_____VG G F P VP</p> <p>19. Evaluation of your progress
and performance_____VG G F P VP</p> <p>20. Knowledge as to what was expected of you_____VG G F P VP</p> <p>21. When you needed information to do your job, were you able to get it easily?
Yes_____ No_____ Uncertain_____ COMMENTS:_____</p> | <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> |
|---|--|

22. What were the most important factors which influenced you to leave your job?

23. Could anything have been done, that was not done, to help you on your job?

24. Is the type of work you are going to do the same as the work you did on your last job?

25. If not, what type of work will you be doing?_____

26. Is the pay on your new job more?_____ the same? _____ less? _____

27. Would you work again in food retailing?_____

28. Would you work for the same company?_____ the same store? _____

29. Please comment on your last job, your feelings as an employee, or suggestions for making the store or the company a better place to work.

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