Leader Personality and Employee Turnover Critical Analysis

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Despite the crisis, many employers are faced with the problem of staff turnover. Not having time to hire and train an employee, the employer is forced to part with them. Is the employer guilty in all cases of employee turnover? The proposed article answers these and other questions. The internal turnover of staff (inside one organization or group of companies, the holding company) is not included in the review, which, rather, has positive aspects: there is career growth in personnel, a competent substitution policy, and many chances for workers in terms of alternative of employment functions and instant place of work, strong staff motivation (Fleishman, 1998; Harter, Schmidt and Hayes, 2002). The natural turnover of staff is not considered: the turnover, which does not exceed 5% a year, has no effect on the business as a whole and has such an optimistic side as timely regeneration of the business, introduction of new thoughts and novelty. When considering the issue of staff turnover, only the increased staff turnover, which is already over 5% per year, is taken into account. Bigger employee turnover has almost no optimistic features: not all innovations could simply have time to be planted; the organization constantly carries higher and unencumbered costs for personnel selection and training, which immediately "flows" to other organizations.

Leadership Styles and Their Organizational Effects

Kurt Levin and his colleagues conducted the first studies of the three leadership styles at the University of Iowa, which included Autocratic, democratic and liberal styles of leadership. The autocratic style is characterized by the concentration of power in the hands of the leader, who determines the goals and means to achieve them. Strengths of this style are the accuracy and speed of the task and the ability to predict the result. The weakness is the ability to contain the initiative of subordinates (Detert and Burris, 2007).

The democratic style is distinguished by the separation of power and the participation of workers in management, giving subordinates the opportunity to take the initiative. However, this style of leadership requires a lot of time to discuss and agree on different points of view on the solution of the problem.

Liberal style means non-interference and "freedom of hands" (from laissez-faire – "do not touch," let it go as it goes, let it go by itself). The liberal leader does this by rarely using power. The subordinates are given almost complete freedom in determining their goals and controlling their activities. The weak side of this style is the possibility of losing an employee's speed and direction of movement without the intervention of the leader (Walumbwa and Schaubroeck, 2009).

In his study, K. Levin found that an autocratic leader sought to do more work than a self-governing one. However, on the other hand, there were low levels of motivation, less friendliness in groups, less creativity, superior hostility, high levels of anxiety and concurrently more reliant and obedient behavior. Compared with democratic leadership, under liberal leadership, the amount of work is reduced, the quality of work is reduced, and in the polls, the preference is for a democratic leader.

Later studies partially confirmed the conclusions that autocratic leadership ensured higher productivity, but a lower degree of satisfaction than the democratic one. Nevertheless, the study of K. Levine provided the basis for further search for a style of behavior that can lead to high labor productivity and high satisfaction of subordinates (Mathieu and Babiak, 2015). The most popular among the concepts of behavioral styles leaders recently received the management grid. This two-dimensional theory of leadership is based on research results at universities in the states of Ohio and Michigan. Researchers concluded that any result is achieved in the “force field” between production and man. The first “line of force” leads to the maximum volume of production, expressed in a variety of goods and services. Permanent goals here are maximizing profits, reducing production costs, increasing labor productivity, improving product quality, and so on (Wang and Hsieh, 2013).

The second “line of force” is aimed at a person. It is aimed at ensuring that working conditions meet its needs and desires. A good state of health and satisfaction with work is the second group of goals. Between these “lines of force,” there is a contradiction. At the same time, a certain “field” is formed, which is spread out. Blake and Mouton singled out nine gradations on each line of force, which made it possible to identify five basic types of leadership behavior. Each of these is indicated by numbers. For example, a management style is production-oriented and pays minimal attention to specific employees. This is a “hard” administrator; for him, the main thing is a high production result, and the person is, at best, a performer and, in fact, no one (Tse, Huang and Lam, 2013).

Naturally, under such conditions, work does not bring satisfaction to anyone, so everyone tries to escape from constant pressure. The administrator’s response is ubiquitous control. Most of his time is absorbed by the functions of supervision. Everything happens according to the rule: “The cat is behind the door, the mice are on the table”. The reaction of employees to such leadership is to refuse to participate in the search for solutions to the problems that they are facing, from the willingness to share responsibility. This position, in turn, strengthens the “hard administrator” in his dismissive attitude toward employees. He himself is constantly in stressful situations. As a result, “guiding pressure” is increasingly amplified. The turnover of staff is growing, the best people are leaving, many are sick. The manager of the type is a bad manager.

An effective leader knows and uses, depending on the situation, all forms of power. In addition, the style of his behavior with his subordinates is very important. The style of the manager is a set of certain principles, the most characteristic and sustainable methods of solving problems arising in the process of implementing management functions (Owens, Johnson and Mitchell, 2013).

There are three approaches to determining effective leadership. The first – the approach from the

standpoint of personal qualities – suggests that the leader must have a certain set of stable qualities, including congenital ones. Different researchers distinguished different groups of leadership qualities. They can be grouped into five groups: physiological, psychological (emotional), intellectual, personal-business and moral.

Let's name the necessary qualities of an effective leader: persistently strives to manage people; educated, has unconventional thinking; recognizes that not everyone knows himself; informs subordinates about the nature of the work; boring labor turns into a creative one; self-assured; initiative; knows how to value the time of his subordinates; demanding and strict; is able to encourage and punish; balanced, polite and affable; has a sense of humor; he can speak and listen; knows how to rejoice in others' successes; honest and incorruptible; independent; is able to take risks and responsibilities (McClean, Burris and Detert, 2013).

Of course, a leader must have a certain set of personal qualities. However, this set cannot be permanent, suitable for all managerial situations and inherent to all managers. In different situations, managers discover different personal qualities. This leads to the fact that the list of potentially important characteristic personal traits cannot be final. Add more and more characteristics (the sign of the zodiac, under which this or that leader, handwriting, origin, etc.) are born necessary for effective leadership (Jackson, 2011).

The second approach to the definition of effective leadership is behavioral, based on the study of the behavior of the leader and the means of his influence on the subordinates. This approach, like the first, also tries to find the best type of effective leadership. However, the criterion for selection here is different – leadership behavior. If the first concept is based largely on the innate qualities of the leader, the second assumes the possibility of training leaders on special programs. The main thing is to find the answer to the question of what and how leaders do, not the question of who is the leader (Liu et al., 2013).

The attraction and retention of talent is the key to the success of companies in the market. Only the best employers can adequately cope with this difficult task. However, what does it mean to be "the best" in the eyes of employees? In addition, who are they, these winners in the war for talent? The rating of the best employers of Central and Eastern Europe from Hewitt Associates will tell about the latest trends in the market and heroes of the invisible front. "Know yourself, know your employees," the CEO of a large IT company describes his vision of leadership. In addition, the "Best Employer" survey in Central and Eastern Europe 2006/2007 by Hewitt Associates confirms that your employees are the key to the survival and success of your business (Allen, Weeks and Moffitt, 2005). The survey, which involved about 90,000 employers, 1,800 senior executives and 504 companies in 10 countries in the region, indicates an increase in employees' self-esteem and their willingness to look for new promising jobs (Jackson, 2011).

Experts note an interesting trend – gradually, the expectations of employees are rising, and companies should be ready to match. Already today, the problem of attracting and retaining talent

has become one of the most pressing and acute problems. Only the best employers will be able to adequately cope with the complex processes of retaining and motivating employees, successfully integrating the business goals and strategy of personnel management with the expectations of employees (Wefald, Reichard and Serrano, 2011).

The study showed that the majority of employees in the countries of Central and Eastern Europe show a high level of satisfaction with colleagues, support for the manager and the environment of the work (Bauer et al., 2006). It would seem that this is enough to keep staff; however, on the other hand, managers are constantly striving to move up the career ladder and increase their compensation package. This contradiction shows that in the near future, the most popular candidates will be companies that have made the development of employees one of the rules of corporate culture. For example, the company McDonald's (Bulgaria), included in the top ten employers, believes that this position is due to their policy of career development of personnel. "We are not just a company for sandwiches, but a company for people," says HR manager Borislav Mishev. "In Bulgaria, more than 70% of restaurant managers started out as ordinary employees, which proves that we all have equal opportunities to achieve a high position." (Wefald, Reichard and Serrano, 2011)

The Role Of Leadership

Many companies, unfortunately, underestimate the role of leadership in motivating and retaining employees. "As the survey results show, in companies where employees really feel their worth and value, the level of involvement is 25% higher on average than in other companies. It is these workers who highly value their leaders and trust them, "stresses Rita Veresh, head of the" Best Employers "study in Central and Eastern Europe (Judge, LePine and Rich, 2006).

Official And Professional Growth

A well-developed personal development plan contributes to the retention of employees, which gives an opportunity for professional and official growth of employees in the organization.

Big Hopes

83% of HR managers from leading companies believe that within the next three to five years, attracting and motivating talent will be the most important problem for organizations. 71% of top managers agree with them. Unfortunately, most companies are not ready for a war for talent; they do not know how much the problem of attracting key employees will affect them, and accordingly, they do not have the tools to prevent a potential threat (Holtom et al., 2008).

The main trend identified by Hewitt's research – employees are more mobile; they are more willing to change their place of work, seeking to realize themselves. 47% of the managers surveyed believe

that they would easily find a new job if they left their current employer. 33% of respondents said that finding a new place is possible, although it will require some effort.

Another problem that company executives should pay attention to is the trust of employees in top managers. Only 41% of employees believe that senior management communicates openly and honestly; for comparison, 71% answered affirmatively to the leaders. Not surprisingly, companies where the difference in this indicator is minimal are much more successful in retaining employees. However, it should be noted that according to statistics, one in four employees believes that the company did not reward him for the work done well, whether it is a matter of material incentives or other recognition of his merits (Grant, Gino and Hofmann, 2011).

The above situations with deplorable regularity are typical for the described spheres of activity. It is no accident that retail (as well as wholesale) trade (including work in stores, warehouses, and markets) is the leader among employers in terms of employee turnover. However, it should be noted that not only the reasons described above are decisive in such a super-high fluidity. The unwillingness of retail employers to see the problem of turnover, the desire to get the maximum profit, including by saving on qualified personnel, providing guarantees and compensations and meeting other requirements (Gong, Huang and Farh, 2009). It eventually leads to an established negative image of such employers and also to the increased interest in the territorial bodies of the Federal Labor Inspectorate.

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