

Effect of Perceived Line Manager Relationship and Working Environment to Intention to Stay in Ceramic & Glass Manufacturing Company

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Abstract*The purpose of this study is to know the contribution of Perceived Line Manager Relationship to Intention to Stay, Working Environment to Intention to Stay, and Perceived Line Manager Relationship & Working Environment simultaneously to Intention to stay in Indonesia Glass & Ceramic Manufacturing Company. This research was conducted in one of the Indonesia Glass & Ceramic Manufacturing company (Company XYZ). The variables used in this study are Perceived Line Manager Relationship, Working Environment, and Intention to Stay. This study used a quantitative approach using linear regression with survey method from a questionnaire and used data from 357 employees that distributed in company XYZ. A data analysis using technique linear regression. The result of the study shown that Perceived Line Manager Relationship was significantly positive effect on Intention to Stay by 37.2%, Working Environment was significantly positive effect on Intention to Stay by 47.7%, and Perceived Line Manager Relationship and Working Environment simultaneously was significantly positive effect on Intention to Stay by 47.8%.*

Keywords: Perceived Line Manager Relationship; Working Environment; Intention to Stay; Glass Ceramic Industry

Introduction

Human resources management should be the foundation of the company in order to achieve company's vision and mission. Having a productive employee is the key to business success. So it is important for companies to manage their employees to stay engaged, loyal, and productive in the company. Peterson (2004) has studied that employee Intention to Stay as one of the important points of an internal part of HR Strategy. Kodwani and Kumar (2004) point out the costs occurred due to employee turnover are not only monetary but also non-monetary, i.e. loss of productivity, reduced productivity, loss of knowledge and skills, and new competitive pressures. So one of the best way

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is to keep the company growing is make sure workers feel comfortable, happy so they will stay and be productive.

This study will focus on company XYZ as one of the market leaders in Glass & Ceramic Manufacturing in Indonesia. From the data obtained from internal data, the employee turnover rate in the company XYZ is under 3% in the last 5 years. A small number compared to the average turnover rate in several companies are 7% in 2019 (Mercer 2019). Company XYZ has a low turnover rate as a good indicator, but by understand the causes of this low turnover rate could help the company develop strategies and policies to increase the odds of keeping the staff member company value. Many studies have been done to identify those factors which are predictors of Intention to Stay. Abbasi and Hollman (2000) highlight five reasons related employee turnover: managerial style, toxic workplace environments, lack of recognition, lack of competitive compensation systems, and hiring practices. Alyzouid et al. (2019) revealed a significant relationship between leader's emotional intelligence and employee retention which can induce a sense of belongingness leading to enhance job satisfaction which further results in harnessing employee retention.

Another study from Asimah (2018) revealed that six factors (Job Insecurity, Job Dissatisfaction, Lack of Organizational Commitment, Poor Working Condition, Better Job Option, Job Stress and Unfair Treatments) were statistically significant in the prediction of employee turnover.

Focus on relationship with their superior, another study from Kim & Michaele (2014) found that when a worker feels a balanced relationship between them and their leader, workers will more enjoy their job and will have less turnover intention. In line with another study, Bauer et al. (2006) found where members have a weak relationship with their leader, they have a greater intention to leave compared to others that have a great relationship with their leader. Ksama & Wibawa (2016) in research on Hotel Industry have a same result that relationship between employee and their leader have a negative correlation to turnover intention. Besides the factor relationship to leader, as a company who engaged in Glass & Ceramic Manufacturing Industry. Company XYZ have a quite challenging working condition, because relatively hotter than normal temperature, consisting of building materials, etc. compared to other manufacturers. Study. Study by Zhang, Ma, Xu, and Xu (2019) found there is complicated relationship between job satisfaction and work environment that makes employee feel comfortable and decides to be loyal to their work. This research will focus on working environment and perceived line manager relationship as the predictor to Intention to Stay.

Meanwhile, the literature that reviewed effect of perceived line manager relationship and working environment to Intention to Stay in Ceramic & Glass Industry is rarely to be found as far as researcher are looking for it. Even though this industry had an important role to contributes and supports the government's strategic projects that focus on the development sector. By knowing the unique environmental conditions and business processes of the company and the low turnover to stay, it will be very interesting to know the magnitude of the influence of Perceived Line Manager Relationship and Working Environment on Intention to Stay in Ceramic & Glass Manufacturing company. Based on explanation & consideration described earlier, this research would contribute the development of Human Resources Management to know how much the effect of perceived line manager & working environment on Intention to Stay in Ceramic & Glass Manufacturing Indonesia.

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1. Literature review and conceptual model

Relationship between Perceived Line Manager Relationship and Intention to Stay

According to Rissanen (2017), Intention to Stay reflects employees are devoted to their jobs and organization so stay employed for long-term basis. Another study also explains the Intention to Stay is the tendency of employees to keep working with their current organization (Naim & Lengka 2017). Thus, employee's intention to stay is correlated with the progress and success of the company. Company should encourage them to be productive & utilized the knowledge & skill of talented employees. It is important to company to manage their stable workforce so that company goal can be achieved successfully.

Study about relationship related with intention to stay is important, because it is very big potential for manager to create intervention that may help their member have intention to stay in the company. According to the social exchange theory (Blau, 1964) employees and line managers can develop a high quality relationship because they participate and invest, over time, in the mutual reciprocation of socio-emotional resources, such as support and trust. Social exchange involves not only economic like tangible resources, such as pay and incentives, but also socio-emotional like intangible resources, such as social support and recognition. Organization required a strong relationship between leader and employees. Another study from Shuck & Herd (2012) found that leader's skill to inspire, motivate, and satisfy their employees are important drivers of employee intention to stay. Fletcher (2019) also revealed that an employee's perceived relationship with their line manager was particularly important for the positive effects of personal development, which will enhance a sense of meaningfulness and subsequently elicits engagement in the organization.

Relationship between Working Environment and Intention to Stay

Supportive environment has become essential and important things for an organization in a recent year to ensure their employee to stay in the company. Employee will leave the organization if they are not satisfied with several factors in the company. According to Bernardin and Russel (1993) found that work environment characteristic describe the conditions in which the employee works, climate, structure, agendas, roles, and stress, all of which are unique to an organization. Study from Jordan, AbuAlRub, ElJardali, Jamal, and Al-Rub (2015) revealed that working environment have a positive correlation to Intention to Stay, which means someone who perceived their work environment as supportive reported higher Intention to Stay at work than someone who perceived their work environment as unsupportive. Another study showed a same result, ChiouFen et al. (2010) showed a significant effect of work environment satisfaction on Intention to Stay, those participant who intended to stay had an average work environment satisfaction greater than those who intended to leave.

Working environment refers to the physical, psychological, and social elements of a workplace that would affect employee's output performance positively or negatively (Agbozo et al. 2017). The physical work environment is determined as physical or tangibles at the setting where the job takes place, such as office layout, temperature, machinery, ventilation, and light, which can influence the level of social interaction among employees. Meanwhile, the psychological work environment referred to the mental activities that an employee experiences during working hours, such as cooperation, stress, and conflict. The social work environment refers to relationship in job settings. It includes communication styles and the relationship between superior and subordinates. Poor working environments could be stressful and result in a lack of job satisfaction (Ella et al. 2016) which can lead reduce the Intention to Stay

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Relationship between Perceived Line Manager & Working Environment and Intention to Stay

There are many factors that effect on employee Intention to Stay in the company. Chew & Chan (2008) showed Intention to Stay was significantly related to person-organization fit, remuneration, recognition, training, and career development. In this study, there are two variables will be a predictor of Intention to Stay, Perceived Line Manager for people aspect and Working Environment as organization aspect. That two variables are related and inseparable that can simultaneously influence the Intention to Stay. Study from Agbozo et al. (2017) found the working environment refers to social environment which means includes how relationship between superior and subordinates. Another study from Sarpong et al. (2021) found that Organizational Culture (which include relationship that exists between a subordinates-superior and work environment) were positively correlated with Intention to Stay.

The dependent variable used in this study is Intention to Stay and independent variables are perceived line manager relationship and working environment. Regression technique is used to determine the direct contributions of perceived line manager relationship to Intention to Stay, working environment to Intention to Stay, and perceived of line manager relationship & working environment to Intention to Stay for employee in Indonesia ceramic & glass manufacturing company. The following research model can be seen in Figure 1 below.

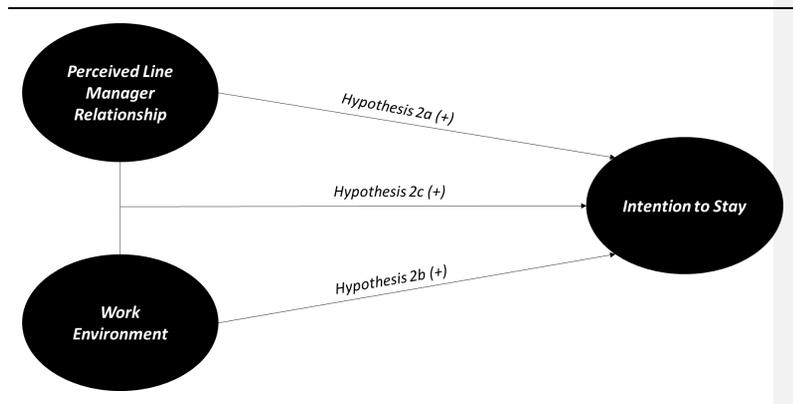


Fig. 1. Research Model

In this study, we assumed that the effects of each variables, hypothesizing the following:

Hypothesis 2a. Perceived line manager relationship has a positive effect on intention to stay

Hypothesis 2b. Working environment has a positive effect on intention to stay

Hypothesis 2c. Perceived line manager and working environment has a positive effect on intention to stay

2. Research methodology

Sample and data collection

In this study, the type of data is retrieved by using a questionnaire to factory employees in company XYZ. The sampling technique used is purposive sampling, researcher choose respondent from a particular target group based on the criteria set by the researcher (Mulyanto & Wulandari 2010). In

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this case, the criteria the employee status must be permanent employees and working at ceramic & glass manufacturing company XYZ, the sample size was determined by Slovin Formula which 357 respondents from total populations 5013 employees. We ensured the data collected from the respondents would be kept confidential. From 400 questionnaires, 357 questionnaires are returned and completely filled in one months in 2022 since published at Company XYZ. The characteristic of respondents was 77% above 40 years old, 11% around 30-39 years old, and 12% around 18-29 years old, and 53% had a tenure of more than 21 years.

Instrument development

The items of questionnaire used to measure intention to stay is a scale modified from Mrayyan (2018), scale used to measure perceived line manager relationship is a scale adapted by Fletcher (2019), and scale used to measure working environment is a scale modified from Bojadjiev et al. (2015). The preliminary study was carried out to test items on each scale, one month before the main survey to check validity & reliability and to revise ambiguous items. The sample size was 30 respondents and using trial method, which means respondent data used in the try out used again to be analyzed, with consideration of the limited number of respondents and the availability of respondent's, considering the characteristic of employees work in factory are difficulty to be disturbed when working, at break time, and after working hours. The questionnaire consisted of four parts. The first part contained questions about the participant's demographic information. Second part, participant is asked about intention to stay in the company. Third part, participant is asked about their perceived of line manager relationship. For the fourth part about working environment. Each scale construct measured using 6-point Likert scale responding to the question "how much do you disagree and agree with these statements?" (1: strongly disagree to 6: strongly agree).

In the Intention to Stay scale test, there are 5 items that are declared from the 5 items, with item correlation values ranging from 0.651 to 0.877 (more than r-table value for 30 respondents is 0.361) and reliability values (Cronbach's Alpha) of 0.792. Details of valid items are described in Table 3.1

Table 3.1 Index item validity scale Intention to Stay results from try out

No	Aspects	Favourable	Unfavourable	Validity Index	Total Item
1	<i>Intention to Stay</i>	1,2,3,4,5	-	0.651-0.877	5
	<i>Total</i>	5	-		5

Source: Primary Data Processing (2022)

In the Perceived Line Manager Relationship scale test, there are 4 items that are declared from the 4 items, with item correlation values ranging from 0.750 to 0.835 (more than r-table value for 30 respondents is 0.361) and reliability values (Cronbach's Alpha) of 0.781. Details of valid items are described in Table 3.2

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(Bojadjiev, Petkovska, Misoska & Stojanovska, 2015)

Table 3.2 Index item validity scale Perceived Line Manager Relationship results from try out

No	Aspects	Favourable	Unfavourable	Validity Index	Total Item
	<i>Perceived Line</i>				
1	<i>Manager Relationship</i>	1,2,4	3	0.750-0.835	4
	<i>Total</i>	3	1		4

Source: Primary Data Processing (2022)

In the Working Environment scale test, there are 10 items that are declared from the 10 items, with item correlation values ranging from 0.655 to 0.899 (more than r-table value for 30 respondents is 0.361) and reliability values (Cronbach's Alpha) of 0.924. Details of valid items are described in Table 3.3

Table 3.3 Index item validity scale Working Environment results from try out

No	Aspects	Favourable	Unfavourable	Validity Index	Total Item
1	<i>Physical</i>	1,2	-	0.655 – 0.716	2
2	<i>Psychological</i>	3,4,5	-	0.735 – 0.899	3
3	<i>Social Element</i>	6,7,9,10	8	0.735 – 0.902	5
	<i>Total</i>	9	1		10

Source: Primary Data Processing (2022)

Data analysis

The collected data was analyzed using SPSS version 21. The normal distribution of the measurement items was confirmed by Skewness & Kurtosis Test. The validity and reliability of the measurement items were tested by correlation analysis and comparing total item-correlated score with r-table. It was conducted to confirm whether the directionally of the measurement items was consistent with the hypotheses. The three hypotheses were verified using Linear Regression Analysis.

3. Results

Descriptive statistics

To show an overview the collected data, table 4.1 showed the descriptive statistical analysis of each variable.

In the table 4.1 from empirically score of Intention to Stay variable has the lowest value of 18 and the highest value of 30, and a standard deviation (data distribution rate) of 2.79. Perceived Line Manager Relationship

variable has the lowest value of 10 and the highest value of 24, and a standard deviation (data distribution rate) of 2.60. Working environment variable has the lowest value of 27 and the highest value of 60, and a standard deviation (data distribution rate) of 6.35. Based on the results of descriptive statistics of the research subjects, it was found that subject Intention to Stay variable was in the very high category ($X > 25.84$) with an empirical mean value of 26.18 and hypothetical mean value of 17.50. For Perceived Line Manager Relationship entered in high category ($17.33 < X \leq 20.66$) with an empirical mean value of 20.13 and hypothetical mean value of 14.00. For Working Environment entered in high category ($43.33 < X \leq 51.66$) with an empirical mean value of 50.66 and hypothetical mean value of 35.

Measurement model

This study collected data with a self-report questionnaire and used validity and reliability test for each variable. Validity test is conducted to determine the ability of each item measure what should be measured. Significance test is carried out to test the validity by comparing the score from item-correlated score with r-table score. To show an overview the collected data, table 4.2.1 showed the validity and reliability score of each variable. The total item-correlated score of Intention to Stay is greater than r-table score (0.1041) with the lowest item score is 0.677 and highest score is 0,754. The total item-correlated score of Perceived Line Manager Relationship is greater than r-table score (0.1286) with the lowest item score is 0.668 and highest score is 0.837. The total item-correlated score of Working Environment is greater than r-table score (0.1041) with the lowest item score is 0.562 and highest score is 0.822 so it can be concluded that all variables are valid. In reliability test,

Variable	Hypothetic				Empirical			
	Min	Max	Mean	SD	Min	Max	Mean	SD
<i>Intention to Stay</i>	5	30	17.50	4.17	18	30	26.18	2.79
<i>Perceived Line Manager Relationship</i>	4	24	14.00	3.33	10	24	20.13	2.60
<i>Working Environment</i>	10	60	35.00	8.33	27	60	50.66	6.35

the Cronbach's Alpha score for Intention to Stay is 0.762 Perceived Line Manager Relationship is 0.775, and Working Environment is 0.913, then all the variables have score more than 0,7 so it can be concluded all the variables are reliable.

Table 4.2.1 Validity and reliability score

Variable	Total Item	Cronbach's Alpha Score	Total Item Correlated Score Range	R-table Score
<i>Intention to Stay</i>	5	0.762	0.677 - 0.754	0,1041
<i>Perceived Line Manager Relationship</i>	4	0.775	0.668 - 0.837	0,1041
<i>Working Environment</i>	10	0.913	0.562 - 0.822	0,1041

Source: Primary Data Processing (2022)

Commented [FC27]: Rumus Mean Hipotesis
 Rerata = $0.5 * (\text{skor min} + \text{skor max}) * \text{Jumlah Item}$
 Rerata = $0.5 * (1+5) * 15$
 Rerata = $0.5 * (6) * 15$
 Rerata = $0.5 * 90$
 Rerata = 45

IS = $0.5 * (1+6) * 5 = 17.5$
 PLR = $0.5 * (1+6) * 4 = 14$
 WE = $0.5 * (1+6) * 10 = 35$

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 SD = $(1/6) * (75-15)$
 SD = $(1/6) * (60)$
 SD = 10,00

IS = $(1/6) * (30-5) = 4.167$
 PLR = $(1/6) * (24-4) = 3.333$
 WE = $(1/6) * (60-10) = 8.333$

Last, the normality test is conducted to find out the distribution is normal distribution. This test was carried out as a requirement for hypothesis testing and statistical analysis, this test using Skewness and Kurtosis Descriptive Analysis with help of SPSS version 21 because the sample size is more than 300. The criteria that will be used to decide whether the variable is normally distributed or not, if the Skewness score is between -2 to +2 and Kurtosis score is between -2 +. The Skewness and Kurtosis score of Intention to Stay is between -2 to +2 with the Skewness score is -0.440 and Kurtosis score is -0.479. The Skewness and Kurtosis score of Perceived Line Manager Relationship is between -2 to +2 with the Skewness score is -0.7 and Kurtosis score is 0.33. The Skewness and Kurtosis score of Working Environment is between -2 to +2 with the Skewness score is -0.429 and Kurtosis score is -0.265. So it can be concluded that data is normally distributed. To see normality test results can be seen in the following table 4.2.2.

Table 4.2.2 Normality score

Variable	Skewness Score	Kurtosis Score
<i>Intention to Stay</i>	-0.440	-0.479
<i>Perceived Line Manager Relationship</i>	-0.700	0.353
<i>Working Environment</i>	-0.429	-0.265

Source: Primary Data Processing (2022)

Research model

To know the effect of independent variables to dependent variable. This study tested the effect of Perceived Line Manager Relationship (PLR) on Intention to Stay (IS), Working Environment (WE) on Intention to Stay, and Perceived Line Manager & Working Environment simultaneously on Intention to Stay. The test was carried out using linear regression test to answer the purpose of research. The results of the analysis can be seen in table 4.3.1.

Table 4.3.1 Model Summary

Model	B	R ²	Adj. R ²	t	Sig.	p	Notes
PLR on IS	0.653	0.372	0.370	14.50	0.000	< 0.05	Positive Contribution
WE on IS	0.303	0.477	0.476	18.00	0.000	<0.05	Positive Contribution

Source: Primary Data Processing (2022)

Based on the results of the regression test in table 4.3.1 it can be concluded that Perceived Line Manager Relationship has a positively significant effect ($0.000 < 0.05$) on Intention to Stay with a magnitude of 37.2%. The positive regression coefficient of Perceived Line Manager (0.653) Relationship means that when the Perceived Line Manager Relationship value increases, the Intention to Stay value will increase. Working Environment has a positively significant effect too ($0.000 < 0.05$) on Intention to Stay with a magnitude of 47.7%. The positive regression coefficient of Working Environment (0.303) means that when the Working Environment value increases, the Intention to Stay value will increase.

Table 4.3.2 Model Summary Multiple Regression Result

Model	B	R ²	Adj. R ²	F	Sig.	p	Notes
PLR & WE on IS	10.757	0.478	0.475	161.78	0.000	<0.05	Positive Contribution
- Partial PLR on IS	0.040			0.48	0.475	<0.05	
- Partial WE on IS	0.289			8.46	0.000	<0.05	

Source: Primary Data Processing (2022)

Based on the results of the multiple regression result in table 4.3.2, Perceived Line Manager Relationship & Working Environment simultaneously has a significant effect on Intention to Stay with F score is 161.78 more than F-table score (2.63, F-score df1= 2; df2 = 354) and significance value (Sig.) result score is 0.000, which is less than 0.05. Thus it can be concluded that Perceived Line Manager Relationship & Working Environment simultaneously has a significant effect on Intention to Stay. From the table 4.3.2 also it is known that the coefficient of determination score (R square) is 0.478. This number means the Perceived Line Manager Relationship & Working Environment simultaneously has an effect on Intention to Stay of 47.8%.

While the rest (52.2%) is influenced by other variables outside of this regression model. Then it can be concluded that the multiple linear regression equation is $Y = 10.757 + 0.04 X1 + 0.289 X2$. So based on the following test results, it can be concluded that the first hypothesis which states that Perceived Line Manager Relationship has a negative effect on Intention to Stay is supported, the second hypothesis which states that Working Environment has a positive effect on Intention to Stay is supported, and the third hypothesis which states Perceived Line Manager Relationship and Working Environment simultaneously has a positive effect on Intention to Stay is supported. The results of hypothesis testing can be summarized in the following table 4.3.3

Table 4.3.3 Summary hypothesis test result

Hypothesis	Results
H1: Perceived line manager relationship has a positive effect on intention to stay	Supported
H2: Working environment has a positive effect on intention to stay	Supported
H3: Perceived line manager and working environment simultaneously has a positive effect on intention to stay	Supported

4. Discussion and implications

In this study, we examined the effect of Perceived Line Manager Relationship on Intention to Stay, the effect of Working Environment to Intention to Stay, and Perceived Line Manager Relationship

& Working Environment simultaneously on Intention to Stay in Company XYZ in Glass & Ceramic Manufacturing Industry. Based on hypotheses test result, all of hypotheses were supported.

First, Perceived Line Manager Relationship was significantly positive effect on Intention to Stay by 37.2%. This result is consistent with previous studies (Fletcher 2018; Shuck & Herd 2012) that show employee perceive line manager relationship was important for them with good relationship with leader, received feedback and motivation create a meaningfulness and engagement in the organization that significantly effect on Intention to Stay.

Second, Working Environment was significantly positive effect on Intention to Stay by 47.7%. This result may indicate that working environment have a major effect of Intention to Stay almost 50% significantly effect on Intention to Stay. This result is consistent with previous study (Jordan et al. 2015; ChiouFen et al. 2010) that also revealed that working environment have a positive correlation to intention to stay. Which means the physical, psychological, and social element need to be managed properly because it has a big impact on Intention to Stay. The influence of physical working environmental conditions which are influenced by industrial factors is not very influential, because employees see the Working Environment entity as a whole not only from the physical aspect of the workplace, but also psychosocial aspects and other social elements.

Third, Perceived Line Manager Relationship and Working Environment simultaneously was significantly positive effect on Intention to Stay by 47.8%. If we see the table 4.3.2 when Perceived Line Manager Relationship & Working Environment simultaneously effect on Intention to Stay, partially Perceived Line Manager Relationship has no significant effect because significance value (Sig.) result score is 0.475 which greater than 0.05. This may be because, in the dimensions in the Working Environment, there is a Social Element aspect which has similar characteristics to the Perceived Line Manager Relationship. Moreover, in the Working Environment, the elements felt by employees are more than just relationships with superiors, but also physical aspects of the workplace, psychosocial aspects, as well as other social elements. Based on this research, the company could focus on managing the work environment more comprehensively, without forgetting the development of leaders that can create a good relationship with their subordinates.

Besides that, in the previous explanation related descriptive analysis, the empirical mean value of Intention to Stay is in the very high category, Perceived Line Manager Relationship in high category, and Working Relationship in high category. This is the things that must be re-examined, because the demographics of the participant in this study were 77% of the participants were 40 years old and 53% of the participants had more than 21 years of service. Thus, it is suspected that people surveyed certainly have a high Intention to Stay because it has been proven to work for a long period of time and feel the comfort in working environment. Future studies could develop an enlarge scale to better determine the factor that effect on Intention to Stay with concern on employees that have a service life of 5-10 years.

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