## Why People Stay in Their Jobs:

## New Perspectives on Employee Retention

*This Research Briefing is a service from BC HRMA's research group. Our aim is to make it easier and quicker for HR professionals to find and apply the latest and best people management insight to their challenges and projects. This paper contains a concise and practical summary of a recent academic finding that should shape your HR practices.*

**Summary**

Satisfaction-based models explaining why people leave their jobs have not been shown to be very accurate predictors of employees actually leaving. This study, *"Why People Stay: Using Job Embeddedness to Predict Voluntary Turnover"* by Terence R. Mitchell, Brooks C. Holtom, Thomas W. Lee, Chris J. Sablynski and Miriam Erez, presents a new paradigm for understanding why some employees leave their jobs that is a better forecaster of actual employee departures. This synopsis will outline and describe the nature and dynamics of **job embeddedness** and address some retention strategies that flow from a better understanding of this concept.

**Background**

Previous research into understanding why people decide to leave their jobs or stay in them focussed on the attitudinal model of job satisfaction and commitment to the organization. This model supposes that low levels of job satisfaction and organizational commitment forecasts the likelihood an employee will leave when that employee is engaged in job search. The research, however, found that attitudinal variables were only moderately accurate predictors of employees' intent to leave.

The researchers expanded on the literature about organizational attachment. They looked to three types of studies to form the construct of job embeddedness: (1) the importance of non-work factors, such as family, hobbies and community activities in forming attachments to the organization; (2) non-attitudinal factors such

> ### *Job Embeddedness Defined*
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> **Job Embeddedness** looks beyond the traditional factors of satisfaction and commitment that have typically been considered to retain people in organizations.
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> Using 3 factors that are considered from both an internal and an external perspective the researchers create a 6 dimensional model of the influences that hold people in their roles.
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> The three factors are:
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> **Links** - Connections to the organization and the community
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> **Fit** - with the role and the community / geography around the organization
>
> **Sacrifice** - material or psychological benefits that would be lost by moving to a new role

as work-related groups or the benefits of working with a particular manager; and (3) evidence showing that satisfied employees sometimes leave their jobs because of a precipitating event outside of the organization. A spouse relocating would be a tangible example of this kind of event.

**Understanding Job Embeddedness**

Job embeddedness is a paradigm that considers a broad range of influences on employee retention. It is different from job satisfaction, because it looks beyond an employee's job-related attitudes to consider a complex web of dimensions that show the whole employee, both on and off the job. Job embeddedness considers three key aspects -- **links, fit and sacrifice** – which are weighed in both organizational and community dimensions, as follows:

> *Job Embeddedness Results*
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> Much has been made of the fact that satisfied employees who are committed to the organization will stay with the organization. However *Hom and Griffeth (1995) show that these factors account for only a small (4 percent) variation in actual turnover, suggesting that other factors have a siginificant influence over voluntary turnover.
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> The results of this study identify these other factors as relating to the construct of job embeddedness, demonstrating that tangible aspects of an individuals working environment inside and outside of the organization will be as or more effective in predicting their likelihood of choosing to leave the organization.

> **Links** – Formal or informal connections between a person and institutions or other people. For example, employees are linked to their organization when they are involved in long-term projects with respected team-mates, or have clients they are fond of. They are linked to their communities when they

have children in local schools, or perform with a community theatre troupe, or indulge their passion for skiing at nearby mountain resorts. Further examples of links include the proximity of extended family to help with childcare, or the employee's positive feeling of working for a leader or organization with a great reputation.

> **Fit** – Compatibility or comfort with job, organization and community. When employees feel that their goals, values and skills match with the larger corporate culture and the demands of their job, they are said to have good fit. Similarly, employees like to feel as if their world view, their politics and cultural values are in line with their communities. The concept of fit also encompasses employees' positive feelings about doing work they know how to do, and having opportunities to stretch their skills.

> **Sacrifice** – Perceived cost of material or psychological benefits they would lose if they left their current jobs. Employees who consider leaving their current employment would factor the costs of losing, for example, their relationships with colleagues, their status on the team or a short commute to the office. The non-work sacrifices are most evident when relocating, but new employment could mean less time for recreation, or giving up seniority or a shortened work week.

**Hypotheses and Results**

The researchers posited the following hypotheses, which they then tested at two different organizations – a local grocery store chain and a county hospital.

1. Job embeddedness is negatively correlated with the employee's intent to leave. The higher the level of job embeddedness, the less likely they are to leave an organization.
2. Job embeddedness improves forecasting of employee turnover – more than organizational commitment and job satisfaction measures.
3. Job embeddedness is a predictor of turnover over and above perceived alternatives and job search, which are traditional indicators of turnover.
4. Job embeddedness forecasts voluntary turnover above and beyond desirability of movement and ease of movement.

The study results show that being embedded in an organization and a community is associated with reduced intent to leave as well as a reduction in actual departures. An employee who has a lengthy tenure with an organization, who works on long-term, successful projects, who has family close by, and who has strong connections to their local religious organizations could be said to be strongly embedded, and would be less likely to leave their job. Moreover, the research clearly specified direction: employees who were more embedded were less likely to leave their jobs. The data also clearly show that job embeddedness as a concept of organizational attachment goes beyond traditional measures of job satisfaction and organizational commitment and ease of movement in predicting turnover.

**Implications for HR Professionals**

The researchers describe job embeddedness as a net or a web in which individual employees become enmeshed or stuck. As low levels of embeddedness makes some employees more susceptible to sudden events or "shocks" as a reason for leaving their jobs, increasing embeddedness can help some employees weather these precipitating events or periods of dissatisfaction without leaving.

Voluntary turnover is very costly for businesses, and so a key responsibility and focus of human resources departments is employee retention. An understanding and ability to leverage the elements of embeddedness – links, fit and sacrifice – can be instrumental in supporting efforts to retain key personnel and reduce overall turnover.

As job embeddedness has been shown to be a better predictor of voluntary turnover than traditional measures such as job satisfaction and organizational commitment, HR departments should begin to develop methods of capturing and measuring the extent to which their employees are embedded in the organization and community.

Using this construct to consider the whole employee, HR professionals can deploy tactics to support embeddedness within the organization and the community. Some examples:

- facilitate a buddy system during the initial transition to help new hires create social links early in their on-boarding process

- encourage managers to spend more time with new employees to help them become well-versed in the culture of the organization and understand their fit within it

- deepen embeddedness by initiating mentoring opportunities for some employees and advocating for managers to have conversations about fit in performance reviews

- encourage the organization to provide support for community activities and involvement, thereby increasing links and fit.

This research clearly shows that organizations need to concern themselves with their employees' lives on and off the job as a key component in their retention strategies.


This article is based on the following research paper:

*"Why People Stay: Using Job Embeddedness to Predict Voluntary Turnover"*

Terence R. Mitchell, Brooks C. Holtom, Thomas W. Lee, Chris J. Sablynski and Miriam Erez,

Publisher: Academy of Management Journal, 2001, Vol 44 – No.6

\* Hom and Griffeth (1995) Employee Turnover

Publisher: South-Western College 1995


***We'd like to hear from you!***
Tell us how the insights from this study could affect change in your organization. Contact us at research@bchrma.org.