

## The Role of Job Embeddedness on Employee Performance: The Interactive Effects With Leader-Member Exchange & Organization-based Self-esteem

*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

As satisfaction-based models have proven to be poor predictors of employees actually leaving, researchers have moved to the concept of job embeddedness to explain why people stay with their organizations. Job embeddedness looks beyond the traditional factors of satisfaction and commitment that have typically been considered to retain people in organizations. It looks at connections to both the organization and external community and how they tie people to their organizations, influencing their decisions to stay. The research paper, "The Role of Job Embeddedness on Employee Performance: The Interactive Effects With Leader-Member Exchange & Organization-based Self-esteem" by Tomoki Sekiguchi, James P. Burton, and Chris J. Sablinski, looks at job embeddedness in a different way. As the title suggests, this study looks at the impact of job embeddedness on employee performance rather than employee retention, examining further implications for the construct of job embeddedness and how it should be considered and managed by organizations.

### Background

Job embeddedness is made up of different types of links, investments and appraisals, both on and off the job, that create a net or web of forces that tie people to their organization and role. Research has

### Job Embeddedness

**Job Embeddedness** - Originally conceived as a construct to help explain why people stay with an organization, job embeddedness uses three factors that are considered from both an internal and external perspective to explain people's connections to their organizations and roles.

The three factors are:

**Links** - to other people or activities in the organization and the community.

**Fit** - with the role (e.g., skill fit) and the community / geography (e.g., recreational fit) around the organization.

**Sacrifice** - material or psychological benefits that would be lost by moving to a new role.

To find out more about job embeddedness see the Research Briefing, "Why People Stay in their Jobs: New Perspectives on Employee Retention." Find it on the BC HRMA website at [www.bchrma.org/resources/knowledge-centre/](http://www.bchrma.org/resources/knowledge-centre/)

continued to demonstrate that job embeddedness significantly contributes to employee retention. Because it inhibits withdrawal from the organization in the broader sense, researchers also see opportunities for job embeddedness to increase opportunities for in-role and extra-role behaviours that enhance job performance. For the purpose of this study job performance has been characterized as task performance and organizational citizenship behaviours.

- **Task Performance** - "in-role" behaviours that are based on the formal job requirements (e.g., behaviours that produce a good or deliver a service, or that support an organization's core processes).
- **Organizational Citizenship Behaviours (OCBs)** - "extra-role" behaviours or discretionary behaviours that go beyond formal job requirements and promote the effective functioning of the organization.

In order to examine the relationship between job embeddedness and performance, these researchers directed their attention to the on-the-job (rather than off-the-job / community) factors that influence job embeddedness, theorizing that high levels of job embeddedness (achieved through such on-the-job factors as links to projects and people in the organization, a feeling that they fit well with their role and can use their skills, and a belief that they would sacrifice things if they quit) would be expected to positively impact performance. Job embeddedness would lead to employee performance through an "antiwithdrawal" mechanism. Meaning that highly embedded employees would show relatively higher levels of task and organizational citizenship behaviours than those who were less embedded.

The researchers looked to examine the impact of job embeddedness on performance by examining its relationship to other work-related variables, specifically leader-member exchange (LMX) and organization-based self-esteem (OBSE).

Past research has demonstrated that high quality leader-member exchange drives performance by motivating employees to perform their tasks well and engage in organizational citizenship behaviours in order to maintain the relationship established with their manager and the benefits that it can bring. On the other hand, low quality leader member exchange has been shown not to motivate

### ***Reasons for Focusing on On-the-Job Embeddedness***

This research focused on on-the-job job embeddedness factors for a number of reasons:

1. Previous research has shown on-the-job embeddedness to have a stronger relationship to task performance and OCBs than off-the-job embeddedness;
2. Off-the-job embeddedness may not be as a consistent an indicator of job stability / intent to stay, as leaving an organization does not always mean leaving a community; and
3. The intent of the research was to examine how job embeddedness would interact with other work-related variables to impact performance, and on-the-job factors have a stronger connection to these other variables.

performance because employees do not have the same feelings of commitment to their manager or receive the same benefits.

Previous research has also demonstrated that high organization-based self-esteem will lead to personal motivation to perform better and deliver organizational citizenship behaviours in order to maintain self-image and the current level of self-esteem; while low organization-based self-esteem will result in motivation to “self-protect”, meaning that an employee with low organization-based self-esteem will withhold effort to justify low performance and maintain self-image.

As both leader-member exchange and organization-based self-esteem motivate performance, the researchers approached their studies from the perspective that these factors would have a greater impact on performance than job embeddedness. In other words, because job embeddedness is based on an “antiwithdrawal” mechanism, it will have less of an impact on performance than work-related variables such as leader-member exchange and organization-based self-esteem which serve to motivate and drive performance behaviours.

Further, the researchers examine the moderating effect that job embeddedness has on leader-member exchange and organization-based self-esteem and their relationship to performance.

Finally the researchers go a step further to examine how job embeddedness may have both a positive and a negative side that can impact employee performance. In other words, they examine how positive job embeddedness may be a double-edged sword, depending on what other work-related variables exist.

### **Hypotheses and Results**

In “The Role of Job Embeddedness on Employee Performance: The Interactive Effects With Leader-Member Exchange & Organization-based Self-esteem” the researchers tested a number of hypotheses to examine the relationship between job embeddedness and performance. These were grounded in the assumptions that:

#### ***Key Definitions***

**Leader-Member Exchange (LMX)** - refers to the relationship between leaders and their subordinates. It is based on the notion that each relationship is unique and that the quality of the relationship will influence factors such as decision making, access to information, mentoring, etc. In other words, a high quality LMX typically leads employees to have more control over or input into decisions, increased access to information, and the mentoring and ongoing advice of the manager.

**Organization-based Self-esteem (OBSE)** - refers to self-esteem as it relates to the organization, specifically "the degree to which an individual believes him / herself to be capable, significant, and worthy as an organizational member".

- Job embeddedness will have a weaker impact on performance than leader-member exchange quality and organization-based self-esteem, and
- Job embeddedness will moderate the effect that leader-member exchange quality and organization-based self-esteem have on performance (e.g., higher job embeddedness will increase the positive effects on performance).

Two studies were conducted to test the hypotheses. One was conducted in a telecommunications company and the other in a manufacturing organization. The studies included 367 employees and 41 supervisors.

The results indicate that while job embeddedness was originally conceptualized to address questions pertaining to why people stay in a role and with an organization, it also has implications for employee performance.

Key findings include:

- **Job embeddedness has a relatively weak direct effect on organizational citizenship behaviours compared to leader-member exchange or organization-based self-esteem.**
- **Job embeddedness does not have a relatively weak direct effect on task performance compared to leader-member exchange or organization-based self-esteem.**

These results may be attributed to the fact that job embeddedness acts as antiwithdrawal mechanism and the boundary of withdrawal for organizational citizenship behaviours is less clear than the formal boundaries for task performance behaviours that are outlined in things such as job descriptions. In other words, as organizational citizenship behaviours are discretionary, employees may feel that they can reduce their level of these behaviours without it being considered withdrawal.

- **High job embeddedness positively impacts performance when the quality of leader-member exchange is high.**
- **High job embeddedness negatively impacts job performance when the quality of leader-member exchange is low.**

These results may be due to the fact that high job embeddedness combined with positive leader-member exchanges provide employees with access to relationships, projects, information, resources, and mentoring that support them to perform well, while high job embeddedness combined with low quality leader-member exchange may make employees feel conflicted and stuck in a role.

- **High job embeddedness positively impacts organizational citizenship behaviours in those with high organization-based self-esteem.**

High levels of job embeddedness seems to serve to activate motivational mechanisms that make employees with high organization-based self-esteem strive to maintain or enhance their positive self-image.

- **The three-way interaction between leader-member exchange, organization-based self-esteem and job embeddedness indicates a) a high level of organizational-based self-esteem compensates for low-quality leader-member exchanges IF employees are highly embedded and, b) high-quality leader-member exchange compensates for a low level of organization-based self-esteem IF employees are highly embedded.**

Essentially, when the level of job embeddedness is high and the quality of the relationship with the manager is positive, the impact of low organization-based self-esteem is reduced. Reciprocating the positive relationship with the manager becomes the primary motivator of task performance. If job embeddedness is high but the relationship with the manager is poor then high levels of organization-based self-esteem can take the primary role in driving task performance.

In summary, as previous research has indicated, high quality leader-member exchange and / or high organization-based self-esteem are necessary for achieving peak employee performance, but these factors alone are not enough. The role of job embeddedness plays an important part in driving employee performance, particularly as it relates to task performance.

### **Implications for HR**

Given the findings of this research, the importance of considering job embeddedness as more than a construct for retaining employees comes to light. Employers must seek to build job embeddedness. Research has identified a number of strategies to build job embeddedness, including:

#### **To build “links” for job embeddedness:**

- Offer opportunities for people to work on cross-functional teams in order to support employees to build relationships with others throughout the organization
- Offer opportunities for people to be a part of longer-term projects, allowing them to connect to the project, its outcomes, and the people who are part of it.
- Structure roles so that employees are able to build lasting relationships with vendors, clients, or customers that they respect and work well with.

#### **To build “fit” for job embeddedness:**

- Structure the recruitment and selection process to identify talent for skill and culture fit.
- Provide targeted training activities that support people to leverage and build their skills to be successful in their roles.

#### ***Strategies to Build Job Embeddedness***

Additional strategies to build job embeddedness can be found in the Research Briefing, “Why People Stay in their Jobs: New Perspectives on Employee Retention.” Find it on the BC HRMA website at [www.bchrma.org/resources/knowledge-centre/](http://www.bchrma.org/resources/knowledge-centre/)

**To build “sacrifice” for job embeddedness:**

- Create opportunities that demonstrate a commitment to employees’ work / life balance (e.g., fitness allowances, opportunities to work from home, etc.).
- Provide financial incentives and benefits, and consider opportunities link these to length of service.

But organizations should not limit their focus to increasing job embeddedness to increase job performance. The results demonstrate that motivating mechanisms such as leader-member exchange and organization-based self-esteem are also important to driving performance. These factors become increasingly important when evidence suggests that one or both low. HR departments should work with managers to support them to:

- Understand what positive leader-member exchange relationships look like and how to build them through ongoing interactions.
- Understand organization-based self-esteem levers and steps to take to foster positive organization-based self-esteem in their employees.

There is a wide range of research available on leader-member exchange and organization-based self-esteem to support these pursuits.

This article is based on the following research paper:

SEKIGUCHI, T., BURTON, J. P. and SABLYNSKI, C. J. (2008), THE ROLE OF JOB EMBEDDEDNESS ON EMPLOYEE PERFORMANCE: THE INTERACTIVE EFFECTS WITH LEADER–MEMBER EXCHANGE AND ORGANIZATION-BASED SELF-ESTEEM. *Personnel Psychology*, 61: 761–792. doi: 10.1111/j.1744-6570.2008.00130.x

***We’d like to hear from you!***

Tell us how the insights from this study could affect change in your organization. What practices in your organization are most in need of attention when looked at through the lens of collective felt trust? Contact us at [research@bchrma.org](mailto:research@bchrma.org).