

A STUDY ON IMPACT OF EMPLOYEE JOB EMBEDDEDNESS ON EMPLOYEE RETENTION

Dr. G. Sindhu

Professor, PPG Business School, Coimbatore.

Dr. Anupama Lakhera

Executive Director, PC Training Institute Ltd, Pitampura, Delhi.

Dr.S.Karthik

Head and Associate Professor of Commerce, Kalasalingam Academy of Research and education, Krishnankoil, Virudhunagar District.

Mr. Y Suryanarayana Murthy

Assistant Professor, Department of Business Administration, Prasad V Potluri Siddhartha Institute of Technology, Vijayawada.

Dr.Satuluri Padma

Associate Professor, Amity Business School, Mumbai, Amity University Maharashtra.

Abstract

Job embeddedness is a set of forces that influence employee retention. It consists of three key components i.e job links, job fit and job sacrifice. These factors are of both on the job and in the community. Hence it is featured as links, fit, and sacrifice between the employee and organization, and links, fit and sacrifice between the employee and the community. Job embeddedness is a significant factor for the retention of employees. Hence the study is undertaken to understand the relation between job embeddedness and employee retention. Data were collected by the distribution of structured questionnaire among 110 employees in a manufacturing industry through convenient sampling method. The collected data were analyzed through SPSS tool. Various tools like Simple Percentage Analysis, Charts, Chi-square, Correlation, Independent Sample T Test, Regression, Anova were used. The studies found that adequate amount of job embeddedness exist in the organization among the employees. It is also understood that lack of job embeddedness results in employee turnover of the organization.

Introduction

Job embeddedness elucidates that employees' willingness to stay with the organization is influenced by the factors both on the job and in the community. The link is the extent to which they are linked to the people and activities. The employees have formal and informal connections in their job and when these connections increases, job embeddedness will be higher and employee retention is more likely to happen. The fit is the extent to which they feel they fit with the organization and community. The fit is the match between employee's personal values,

goals and culture and those of the organization; higher the fit, higher the job embeddedness. The sacrifice is what they have to sacrifice if they leave their job. Job sacrifice is the perceived costs of leaving the organization. When the perceived cost is higher, the job embeddedness is also higher which increases retention of employees. Greater the extent of fit, higher the number of links and level of sacrifice, the more embedded an individual will be in his or her job.

1.4 OBJECTIVE OF STUDY

- To study the level of job embeddedness exists in the organization.
- To understand the impact of job embeddedness on individual performance.
- To understand the impact of job embeddedness on organization performance.
- To study the relation between job embeddedness and employee retention.

Literature Review

Hulin, (1998) concluded that job embeddedness is indeed a retention construct and if it captures a sizable portion of the “decision to participate,” both on- and off-the-job. Job embeddedness envisages not only employee turnover, but also other withdrawal behaviors, such as decreasing organizational citizenship behavior, increasing absence, and decreasing performance. Further, the explained variance in these withdrawal behaviors aids employees to have better job satisfaction and organizational commitment.

Dong-Hwan & Jung-Min, (2011) concluded in his study that job embeddedness reflects employees’ decisions to participate broadly and directly, and it moves scholarly attention beyond dissatisfaction induced leaving. Therefore Job embeddedness is a retention factor that helps the organization to retain its employees.

Karatepe & Ngeche, (2011) concluded in their study that job embeddedness is an employee retention theory and evolved from the unfolding model voluntary employee turnover. Job embeddedness is relatively a new concept and is under-researched in the hospitality management and marketing literature.

Lee et al., (2004) stated that job Embeddedness encompasses of (1) the links one has to others, (2) the fit with the organization and community, and (3) sacrifice one does to change jobs. Job embeddedness was significantly enhanced by community link and fit. Perceptions of fit within an organization and in the community would likely lead to decreased turnover intentions.

Ng & Feldman, (2009) concluded in their study that embeddedness is the idea that individuals can become entangled in their surrounding and situation to such an extent that they have a difficult time separating from it. This includes all the forces on an causing the individual to remain at his/her current job. The study has been empirically established that job embeddedness has impact on work-related behaviors such as turnover, performance, absenteeism and citizenship behaviors.

Sekiguchi et al., (2008) stated that job embeddedness research has extended to other outcomes such as performance and social capital. It is a retention or anti-withdrawal construct. It leads to the development of human and social capital for two reasons. First, for highly embedded individuals, there is good fit of the employees' existing knowledge, skills and abilities with the requirements of the organization that provides opportunities for the natural extension and development of additional and complementary skills. Second, the highly embedded employees have many links with more important individuals which provide opportunities to develop additional social capital. In fact, there is a positive relationship between JE and social capital but found declines in social capital development over time.

Yao et al., (2004) concluded in their study that job embeddedness theory is a broad constellation of psychological, social, and financial influences on employee retention. These influences are present on the job, as well as outside the employee's immediate work environment, and are often likened to strands in a "web" or "net" in which a person can become "stuck".

Research Methodology

A research method is an organized way for conducting research. It is a strategy for a research project and clarifies in detail how data are collected and analyzed. The study is a descriptive study.

Descriptive research

Descriptive research is a study designed to describe the characteristics of a population or a situation being studied. This type of study does not answer questions like how, when, why the characteristics occurred. Rather it answers the "what".

Research design

A research design is a systematic way followed by the researcher for collecting measuring and analyzing the research variables in order to address the research problem. The researched applies various statistical methods to understand the relationship between the variables.

Nature of Data

Primary data

The primary data are collected from the employees of Production Company in Coimbatore through a direct structured questionnaire.

Secondary data

Secondary data are collected from company profile, websites, magazines and articles.

Sampling Size and Technique

Population design

The population of this study is the total employees in the company. It is finite population with 647 employees.

Sample design

The sampling technique used in this study is convenient sampling method. This method is also called as the method of chance selection. Each and every item of population has equal chance to be included in the sample.

Size of sample

It refers to the number of items to be selected from the population for constitution of a sample. In this study 110 employees were selected as samples.

4. Analysis and Interpretation

4.1 Analyzing the relationship between job embeddedness and performance of individual & organization and retention

H₀: There is no significant relation between the job embeddedness and performance of employees & organization and employee retention.

The relationship between job embeddedness and performance of individual & organization and employee retention was evaluated using Correlation. Correlation coefficient is a measure of the strength and direction of association that exists between two variables measured on an interval scale. The degree of relationship could be either positive or negative. The correlation coefficient should range from -1 to +1. A zero correlation indicates no relationship.

Table 1

Correlations		Job Embeddedness
Individual performance	Pearson Correlation	.529**
	Sig. (2-tailed)	.000
	N	110
Performance of the organization	Pearson Correlation	.607**
	Sig. (2-tailed)	.000
	N	110
Continue my Service	Pearson Correlation	.701**
	Sig. (2-tailed)	.000
	N	110

From the correlation analysis, it is found that the significant value $p=.000$ which is less than 0.5 level of significance. So we reject null hypothesis and accept alternate hypothesis. Therefore it is clear that there is a significant relation between the job embeddedness and

benefits to the employees and employers. The relation is positive and it is of average strength. Hence increase in job embeddedness increases the performance of employees & organization and improves employee retention.

4.2 Analyzing the relation between job embeddedness and organization's HRM practices

H₀: There is no significant relation between the job embeddedness and organization's HRM practices.

The relationship between job embeddedness and performance of individual & organization and employee retention was evaluated using Correlation.

Table 2

		HRM Practices
Job Fit	Pearson Correlation	.643**
	Sig. (2-tailed)	.000
	N	110
Job Sacrifice	Pearson Correlation	.657**
	Sig. (2-tailed)	.000
	N	110
Job Links	Pearson Correlation	.632**
	Sig. (2-tailed)	.000
	N	110

From the correlation table Table 2, it is found that the significant value $p=.000$ which is less than 0.5 level of significance. So we reject null hypothesis and accept alternate hypothesis. Therefore it is clear that there is a significant relation between the job embeddedness and HRM practices. The relation is positive and it is of average strength. Hence the study concludes that an increase in satisfaction on HRM practices increases job embeddedness.

4.3 Analyzing the impact of employee's experience with current job on job sacrifice

H₀: There is no significant difference on level of job sacrifice with respect to employee's experience with current job.

The impact of work experience on job sacrifice was evaluated using one-way anova. Anova is used to determine whether there are any significant differences between the means of two or more independent samples. The samples should be on either interval or ratio scale.

Table 3

ANOVA						
		Sum of Squares	Df	Mean Square	F	Sig.
Job Sacrifice	Between Groups	99.613	4	24.903	2.787	.030
	Within Groups	938.106	105	8.934		
	Total	1037.718	109			

From the Table 3, it is found that the significance value $p = .030$ which is less than 0.05 level of significance. So we reject null hypothesis and accept alternate hypothesis. Hence there is a significant difference on means of employee's attitude towards job sacrifice with respect to employee's experience with current job.

4.4 Analyzing the relationship between job embeddedness and employee retention

H₀: There is no significant relation between level of job embeddedness and employee retention.

The relation between the level of job embeddedness of individual and his intention to stay with the job is analyzed through regression. Regression is a technique for determining the statistical relationship between two or more variables where a change in a dependent variable is associated with, and depends on, a change in one or more independent variables.

Table 4

Variables Entered/Removed ^a			
Model	Variables Entered	Variables Removed	Method
1	JobEmbeddedness ^b	.	Enter

a. Dependent Variable: Continue my Service

b. All requested variables entered.

Table 5

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.701 ^a	.492	.487	.653

a. Predictors: (Constant), JobEmbeddedness

Table 6

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regressio	44.597	1	44.597	104.491	.000 ^b

n					
Residual	46.094	108	.427		
Total	90.691	109			

Dependent Variable: Continue my Service

b. Predictors: (Constant), JobEmbeddedness

[[Table 7

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-.482	.432		-1.116	.267
1 JobEmbeddedness	.074	.007	.701	10.222	.000

a. Dependent Variable: Continue my Service

The significant value is less than level of significance (0.05), which suggests that the model is fit. The R value is 0.701, which represents the simple correlation. It indicates a high degree of correlation. The R² value indicated how much of the dependent variable, “employee retention”, can be explained by the independent variable, “job embeddedness”. In this case, 49% can be explained, which is high. Hence job embeddedness is one of the significant factors that determine the retention of employees.

5. Findings and Suggestions

5.1 Findings

- The analyses found that majority (78%) of the respondents are male. Almost 50% of the respondents are married. The study also found that 50% of the respondents are of the age group between 26-33 years. Nearly 60% of the respondents’ family is joint family type. Almost 40% are not applicable for children. Most of the respondents are getting a monthly income of Rs.10001-20000. It is also found that most of the respondents (28.2%) are having experience of 2-5 years.
- The study found that 35% of the respondents are staying in this city above 15 years. Nearly 50% of the respondents’ spouses are employed. Almost 50% of the respondents are satisfied with political and religious climate of the city. This study also found that more than 50% of the respondents are satisfied with their neighbors and friends.
- The chi-square test carried out clearly states that there exists a significant association between the respondent’s age and their monthly income. It also proves there is a significant association between the respondent’s marital status and their years of stay in the city. The

independent sample T test found that there is a significant difference on employee satisfaction and motivation with respect to type of the family. The One-way Anova carried out proved that there is a significant difference on job sacrifice with respect to employee's experience with current job. It also found there is a significant difference on job embeddedness with respect to satisfaction on work culture.

- The correlation analysis carried out clearly enlightened that there is a significant relation between the job embeddedness and individual performance & organization performance. It also found there is a significant relation between the job embeddedness and organization's HRM practices. The regression analysis found that there is a significant relation between job embeddedness and employee retention. From the regression analysis, it is clearly understood that job embeddedness is a significant factor that contributes to nearly 50% of employee intention to stay with the organization.

5.2 Suggestions

The organization should take necessary steps related to stress management practices. As some of the employees feel stressed in their job, conducting fun programs and stress relief activities can reduce the stress among the employees. The organization can improve employee performance and organization performance by elevating the employee's level of job embeddedness. It is necessary to pay more attention to the dimensions of job embeddedness to enhance the competitive advantage which is of prime for employee performance and organization performance.

There is a need to rely on job embeddedness to reduce feelings of organizational cynicism, as job embeddedness highly contributes to the reduction of the negative effects of unpleasant events in the work environment. Necessary steps should be taken to improve relation between employees and their superiors and to improve the level of employee performance within the organization. Promoting and supporting organizational culture and having mutual trust between the management, its leaders and staff members enhances job embeddedness. Increasing the capacity of the individual for compatibility with the organization and people at all levels of management helps to improve job embeddedness which in turn elevates employee retention.

6. Conclusion

The leaders who are worried about losing their most valuable employees should identify the viable methods to help employees to be embedded with their organization and community. The results indicate that job embeddedness significantly influenced job satisfaction, organization cynicism and employee performance. The study has confirmed that higher the relationship between employees and the organization, the more likely it is that employees will be committed to the organization. Hence the study concludes that the human resource retention practices should be implemented so as to increase the perceived sacrifice (in terms of compensation and benefits), and the perceived fit (compatibility between the individual's career needs and the organization's values) for employees with critical and scarce skills. Strengthening these

employees' sense of job embeddedness by increasing the forces that keep them strongly connected to their jobs and the organization may lead to commitment levels and an intensive to stay with the respective organization.

References

1. Allen, D. G, "Do organizational socialization tactics influence newcomer embeddedness and turnover?", *Journal Management*, vol.32, pp. 237-256, 2006.
2. Dong-Hwan Cho, & Jung-Min Son, "Job Embeddedness and Turnover Intentions: An Empirical Investigation of Construction IT Industries", *International Journal of Advanced Science and Technology*, vol.40, pp. 101-110, 2011.
3. Granovetter, M, "Economic Action and Social Structure: The Problem of Embeddedness", *The American Journal of Society*, vol. 91(3), pp.481-510, 1985.
4. Hulin, C, "The Effects of Psychological Contract Breach and Organizational Cynicism: Not All Social Exchange Violations Are Created Equal, *Journal Of Organizational Behavior*, vol.24, pp. 627-647, 1998.
5. Holtom, B. C., Mitchell, T. R., & Lee, T. W., "Increasing human and social capital by applying job embeddedness theory", *Organizational Dynamics*, vol.35, pp. 316-331, 2006.
6. Karatepe, O.M., & Ngeche, R.N, "Does Job Embeddedness Mediate the Effect of Work Engagement on Job Outcomes?: A Study of Hotel Employees in Cameroon", *Journal Of Hospitality Marketing and Management*, 2011.
7. Lee, T. W., Mitchell, T. R., Sablinski, C. J., Burton, J. P., & Holtom, B. C., "The effects of job embeddedness on organizational citizenship, job performance, volitional absences, and voluntary turnover", *Academy Of Management Journal*, vol.47, pp. 711-722, 2004.
8. Mitchell, T. R., & Lee, T. W, "The unfolding model of voluntary turnover and job embeddedness: Foundations for a comprehensive theory of attachment [Electronic version]", *Research in Organizational Behavior*, vol.23, pp. 189-246, 2001.
9. Ng, T. W., & Feldman, D. C., "Occupational embeddedness and job performance". *Journal of Organizational Behavior*, vol.30, pp. 863-891, 2009.
10. Sekiguchi, T., Burton, J. P., & Sablinski, C. J., "The role of job embeddedness on employee performance: The interactive effects with leader-member exchange and organization-based self-esteem", *Personal Psychology*, vol.61, pp. 761-792, 2008.
11. Yao, X., Lee, T. W., Mitchell, T. R., Burton, J. P., & Sablinski, C. J., "Job Embeddedness: Current research and future directions. In R. Griffeth & P. Hom (Eds.)", *Understanding Employee Retention and Turnover*, pp.153-187, 2004.