CSU RETENTION STUDY

A JOB EMBEDDEDNESS PERSPECTIVE

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Executive Summary

Employee retention is an emerging priority for many organizations. With the Baby Boomers aging and the economy recovering, many organizations are experiencing unprecedented turnover. Turnover is costly. Estimates for the cost of turnover range from ½ of to 2-1/2 times the employee's annual salary. Designing effective recruitment and retention strategies requires a greater understanding of the reasons these employees chose to stay.

Major Findings

The findings showed that overall the employees showed high levels of job embeddedness and low levels of turnover intentions. The major reason the employees stayed with their universities was their coworker relations and alignment with the university mission.

- High levels of job-embeddedness to their universities
- High levels of off-the job embeddedness and job satisfaction
- Low levels of turnover intentions

Areas of Concern

At the same time, the findings revealed areas of concern.

- Low level of job embeddedness regarding their similarity with their coworkers, career mobility, and professional growth and development opportunities
- Low levels of job embeddedness were indicated for job autonomy, perks on the job, and affective organizational commitment.
- Embedded more to their communities than their universities

Recommendations

Based on the findings, the followings recommendations are offered:

- Build stronger employee-manager relations
- Communicate benefits of university employment
- Offer competitive salaries
- Increase opportunities for career mobility
- Increase inclusivity and diversity within the universities and their culture
- Develop events or activities that encourage interaction between employees, the university, and their family and friends

Effective management and retention strategies are crucial to ensuring organizational effectiveness and performance. More importantly, these strategies make a difference in the employees' decisions to stay or leave.

CSU RETENTION STUDY

Employee retention is emerging as a top priority for many organizations nationwide (Ratna & Chawla, 2012). To ensure viability, institutions of higher education need to capitalize on the talent and energy possessed by their employees. Employees are an organization's greatest resource (Byerly, 2012). Additionally, employees hold valuable knowledge about the organization, its clients, and systems (Ratna & Chawla, 2012). In some cases, these employees possess rare skills, expertise, and knowledge. These skills, expertise, and knowledge allow institutions to distinguish themselves, as well as, achieve their mission. When employees leave, they take valuable knowledge and institutional memory with them (Ratna & Chawla, 2012). For sustainability, institutions will need to understand the reasons employees remain with their employers.

Significance of Study

Organizations must develop strategies for retaining their employees to avoid shortages of critical labor (Jacobs, 2011). Turnover is an outcome of retention strategies and is a major concern for many organizations. No organization is impervious to turnover's pervasive nature (Mobley, 1982). Although national quit rates in 2012 was 18.8% (Hathaway, 2013), 81.2% of the total employed remained with their employers. Designing effective recruitment and retention strategies requires a greater understanding of the reasons these employees chose to stay.

The negative consequences of turnover can jeopardize organizational performance (Jacobs, 2011). For public institutions of higher education, dealing with turnover can be challenging given the regulations governing employee relations (Dewitt, 2002). The ability to devise recruitment and retention strategies requires greater insights into the elements that embed employees to their organizations. For the 81.2% that remained, these employees chose to stay for one or more reasons. The elements that embed them in their organization and community might have explained these reasons.

Purpose of Study

The purpose of this study was to investigate the role on-the job embeddedness plays in the retention of public employees of higher education. The job embeddedness model has been found to be a better predictor of intentions to stay among employees in different industries (Reitz & Anderson, 2011). Additionally, this study aimed to provide empirical evidence of the factors that facilitated and detracted from employee job embeddedness and retention.

Context of the Study

The CSU system provides a rich and complex environment in which to study retention. The CSU staff represents over 60% of the fulltime employees in the CSU system. They are responsible

for maintaining the daily operations of the CSU. The retention of these employees is critical to the furtherance of the CSU's mission. [CSUEU numbers]

Study Design

The study is a two phase process. In the first phase, an electronic survey was distributed to the employees. The participants will complete a 62-item survey. During the survey, the participants had an opportunity to have their name entered into a drawing for a $100 gift certificate to Amazon. Additionally, the participants had the opportunity to choose whether to continue their participation with the second phase of the study. Lastly, the quantitative data were analyzed.

In the second phase, 17 participants were selected using random purposive sampling. These participants participated in 10-15 minute semi-structured interviews. In the interviews, they were asked 5 questions related to their reasons for remaining with the CSU and their communities. The interview data were analyzed and corroborated with the quantitative data.

Participants

The recruitment resulted in 1,086 employees participating in the study. The campuses with the highest participants were CSU Long Beach (152), San Francisco State (148), and Sonoma State (141). The participants were primarily from bargaining units 9 (54%) and 7 (39%). The majority of the participants were White (63%), female (72%), and married (60%). Ninety-six percent of the participants worked as full-time staff. The participants ranged in age from 21 to 78 years, with an average age of 46.4 years. The participants were fairly seasoned employees with 69% having 15 years or less of service, 74% having 10 years or less in their position, and 59% having 20 years or less in their profession. The majority of the participants were educated. Twenty one percent had some college, 44% possessed bachelor's degrees, and 21% had master's degrees.

Findings

The findings revealed information regarding the job embeddedness, on-the job embeddedness, job satisfaction, organizational affective commitment, and turnover intentions of the participants. This information indicated facilitators and detractors of job embeddedness and retention.

Overall Job Embeddedness

Job embeddedness considers the level of entrenchment an employee feels toward their organization and community. Higher levels of job embeddedness suggest a greater probability of employee staying. The survey results showed that 70% of the participants indicated high levels of overall job embeddedness. However, these participants were embedded more to their communities (78.2%) than their universities (66.2%). These quantitative findings were consistent with the

qualitative results. Of the participants interviewed, 53% found leaving their community more difficult to leave than their university.

On-the Job Embeddedness

On-the job embeddedness involves the work-related factors that affect employee retention decisions. As such, the on-the job embeddedness considers three aspects: fit-to-organization, links-to-organization, and sacrifice-to-organization. Employees expressing higher levels of the on-the job embeddedness are more likely to stay with their organization.

Fit-to-Organization

Fit-to-organization deals with the compatibility the employees feel toward their organization and their job (Mitchell et al., 2001). From organization fit perspective, the employee's perception focused on the compatibility of the organizational culture, mission, and goals. The employees' perception of job fit looked at aspects of their jobs, such as job demands, job knowledge, job skills, and job abilities (Mitchell et al., 2001).

The finding indicated that the majority of the participants showed high levels of organizational and job fit. Over 80% felt agreement with liking the members of the work groups and being a good match for their university. Over 70% felt they fit with their university's culture. The qualitative findings corroborated these results. The top reasons the participants stayed with their university was their feelings about their university (14/17) and perceptions toward their job (13/17).

However, the findings for fit-to-organization showed areas of concerns. The areas of concern related to coworker similarity, career mobility, and development and growth opportunities. In terms of feeling similarity with their coworkers, 50.6% agreed. Approximately 40% felt that they could reach their professional goals working for their university. Less than 40% indicated that they felt good about their professional growth and development. The interviews that over half (9/17) would leave for a better university culture. University culture encompassed feelings regarding employee-manager relations, respect, and appreciation.

Link-to-Organization

Links-to-organization involves the connections between employees and their organization. Additionally, it deals with their personal characteristics, such as the employee's age, length of employment, and affiliation with professional organizations. The more connections employees have with their organization, the more likely the employees will remain with their employer (Mitchell et al., 2001).

Over 90% of the participants were members of permanent teams (94.3%) and committees (95.3%). Over half (58.9%) of the participants interacted with up to ten people on a regular basis.

Over two-thirds (67.5%) of the participants indicated being depended on by up to ten people. The qualitative findings revealed similar results. The top reason the participants (6/17) chose to stay at their university was due to their coworker relations. These findings suggest that that the employees have high levels of job embeddedness from their links to their organization.

Sacrifice-to-Organization

Sacrifice-to-organization looked specifically at the employees' perception of the opportunities and benefits forgone if they left (Mitchell et al., 2001). Employees' considerations could consist of better compensation, the loss of fee waivers, length of employment, flexible schedules, and relationships with co-workers and clients. In some cases, the considerations could take into account having to pay higher premiums for health insurance or retirement contributions. More importantly, the non-portability of pension plans could play a role in the sacrifice employees incur with leaving. The greater the sacrifice, the more likely the employees will stay with their employer.

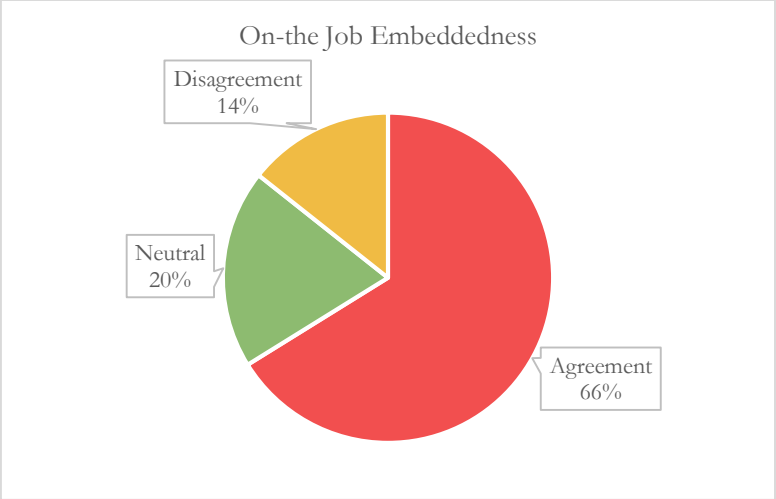
Over 80% felt that their job (85.5%), health (87.7%), and retirements (84.3%) were good or excellent. Similar results were seen in the qualitative data. The participants interviewed indicated that their benefits (6/17) and compensation (4/17) were reasons why they stayed at their university.

However, the findings for sacrifice-to-organization showed areas of concerns. The areas of concern related to compensation, job autonomy, sacrifices in leaving job, and perks on the job. Over two-thirds (67%) of the participants felt they were not compensated well for their level of performance. Only 40% of the participants indicated having a lot of freedom on their job to decide how to pursue their goals. About half (51.1%) of the participants indicated feeling that they would sacrifice a lot if they left their job. Over half (53%) of the participants felt that the perks on the their job were outstanding. Additionally, the composite score for organizational affective commitment corroborated this finding. Less than a third of the participants felt as if the university's problems were their own. The qualitative findings showed that reasons the participants would leave. The reasons were for job-related reasons (7/17), better compensation (6/17), and relocation (6/17).

On-the Job Embeddedness Summary

Overall, the participants showed high levels of on-the job embeddedness. Two-thirds of the participants showed high levels of job-embeddedness to their universities. The highest levels of on-the job embeddedness related to their connections to their university or links-to-organization. In terms of fit-to-organization, compatibility with the university and job indicated high levels of job embeddedness. Lastly, the sacrifice-to-organization indicated high level of job embeddedness, due

to positive feelings regarding their job benefits, health benefits, and retirement benefits. This high level of embeddedness suggested that the participants were more likely to stay with their universities.



The areas of concern related to fit-to-organization and sacrifice-to-organization. In terms of fit-to-organization, the participants indicated low level of job embeddedness regarding their similarity with their coworkers, career mobility, and professional growth and development opportunities. Further, the participants indicated that their communities were more difficult to leave than their universities. For sacrifice-to-organization, low levels of job embeddedness were indicated for compensation, job autonomy, perks on the job, and affective organizational commitment. More importantly, about half of participants indicated that they would not sacrifice a lot if they left their jobs. Although the on-the job embeddedness showed high levels of job embeddedness, these areas of concerns warrant additional investigation and pose potential threats to employee retention.

Off-the Job Embeddedness

Off-the job embeddedness involves the non-work related factors that affect employee retention decisions. As such, the on-the job embeddedness considers three aspects: fit-to-community, links-to- community, and sacrifice-to- community. Employees expressing higher levels of the off-the job embeddedness are more likely to stay with their organization.

Fit-to-Community

Fit-to-community deals with the compatibility the employees feel toward their community (Mitchell et al., 2001). Compatibility with the community involved the employees' perception of the convenience and amenities their surrounding area provided. These factors included the availability of entertainment, outdoor activities, and churches are other relevant culture. Other factors included the weather, transportation, and schools (Mitchell, Holtom, Lee, Sablynski, & Erez, 2001).

Over 80% of the participants indicated high levels of compatibility with their communities. The top reasons why the participants chose to stay in their communities was the community's favorability (14/17). Specifically, the participants' comments included having short commutes, convenience for family, and proximity to recreational and cultural activities. If the participants were to leave their communities, the primary factors related to leaving for better communities or better job alternatives.

Links-to-Community

Links to Community considered the attachments that people have outside of their organization (Mitchell et al., 2001). These attachments derive from non-work factors. These non-work factors could include employee connections to their family, church, local organizations, or friendships with other members within their community (Mitchell et al., 2001)

Over two-thirds (68%) of the participants felt strong attachments to their communities. About half (49.9%) of the participants lived in communities where their family members were nearby. Over three-fourths (76.7%) of the participants lived in communities where their friends were close by. The interview participants cited proximity to family and friends as the top reason for staying in their community. Relocating to follow their spouse or to move closer to family and friends were the top reasons why the interview participants might consider leaving their communities.

Sacrifice-to-Community

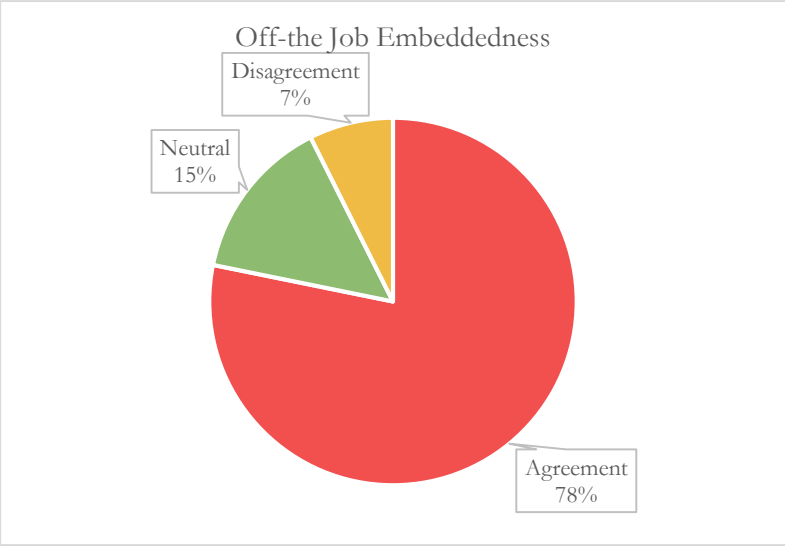
The Sacrifice-to-Community dimension concentrated on the employees' perception of the severed ties if the employees relocated away from their community (Mitchell et al., 2001). These considerations comprise leaving communities that are rich in culture, proximally located near beaches or other amenities, and safe. Other considerations could include box seat tickets to the local philharmonic symphonies or short commute times.

Over two-thirds (68%) of the participants perceived tremendous sacrifices with leaving their communities. More three-fourths of the participants felt their neighborhoods were safe. Over 60% felt that leaving their communities would be hard and that people in the community respected them a lot. Longevity in the community was cited as the primary reason the interview participants chose to remain in their community. One participant stated that she knew everyone and everyone knew her. Several interview participants indicated that leaving their communities was not an option. Their comments indicated that the sacrifices or trade-offs were too great leave. One participant commented that leaving their university would be easier than to leave their community. Other participants felt leaving their community would be disruptive for children.

Off-the Job Embeddedness Summary

Overall, the participants showed high levels of off-the job embeddedness. Over 80% of the participants indicated high levels of compatibility with their communities. The highest levels of off-

the job embeddedness related to their connections to their communities or links-to-community. The majority of the partcipants had family (49.9%) or friends (76.7%) that lived nearby. In terms of fit-to-community, most participants felt their communities were compatible with their needs. Lastly, the sacrifice-to-community indicated high levels of job embeddedness, due to the communities offering favorable amenities, proximity to recreation and work, and convenience. This high level of embeddedness suggested that the participants were more likely to stay with their universities due to their desire to remain their communities.



On the other hand, the participants were embedded more to their communities than their universities. This finding suggests if the participants perceived a equal or better job alternative within their community, they were less likely to remain with their university. The major factor influencing their decision to leave their community was the potential to relocate closer to family or friends or the need to follow their spouse, if due to change in their spouse's employment.

Job Satisfaction

Job satisfaction referred to the individuals' psychological reactions to their jobs. Prior research has shown job satisfaction influences turnover intentions. Generally, employees with high levels of job satisfaction are more likely to stay with their employer.

The majority of the participants (70%) felt satisfied with their job. This finding suggests that the participants were more likely to remain with their universities.

Organizational Affective Commitment

Organizational affective commitment refers to an employee's feelings toward their organization in terms of positive emotional attachments (Mitchell et al., 2001). High levels of organizational affective commitment increases the likelihood of the employee staying.

Less than half of the participants indicated feeling low levels of organizational affective commitment. This finding suggests the one of every two participants did not feel positive emotional attachments to their university. Although this finding may appear inconsistent, this finding does make sense. The major factor in the participants'

Turnover Intention

Turnover intention refers to the employees thoughts regarding whether to stay or leave their employer. These mental deliberations can result in the employees staying or leaving. Employees with high levels of turnover intention are more likely to leave their employers. Conversely, employees with low levels of turnover intention are more likely to remain with their employers.

Over half (59%) of the participants indicated having low levels of turnover intentions. This finding suggests that the participants were more likely to remain at their universities.

Implications for Practice

Employee retention is a complex matter in that many factors play a role in whether an employee remains with their employer. Job embeddedness takes into consideration many of the factors involved in the decision to stay, such as compatibility, attachments, and tradeoffs. As such, this study of CSUEU represented employees provide empirical evidence of factors that facilitate and detract from the employees' job embeddedness and retention.

In considering the findings, there are several implications for employee retention that the universities should consider. The findings from this study have implications for retaining university employees. These implications are as follows:

- Build stronger employee-manager relations
  The study findings revealed that respect, appreciation, and treatment were factors that affected their on-the job embeddedness. Providing management and leadership training to the managers can help to strengthen trust with the employees. Additionally, this training can assist the managers in using management strategies that foster collaboration and productivity. Stronger employee-manager relations will increase job satisfaction and on-the job embeddedness.
- Communicate benefits of university employment
  Many employees are aware of the benefits of university employment. Several interviewees mentioned working in an academic setting as a benefit of their employment. Other mentioned the job security, health and retirement benefits, and fee waivers as benefits. However, the participants did not mention the benefits of government discounts, for home loans, computer purchases, software purchases, and reduced membership costs. Understanding the benefits of university employment will increase the opportunities the employees will forgo, if they left their university.
- Offer competitive salaries
  The study revealed that some employees would leave for better compensation. Many employees are aware of the In-Range Progression program. Nevertheless, the process can be tedious in some situations. Additionally, other compensation offerings are available depending on the circumstances. The employees and managers should be

aware of the offerings and the process for implementing them. The awareness and understanding of these compensation offerings will reduce the perceived utility of alternative employment and turnover intentions. More importantly, offering competitive salaries will help to retain key talent.

- Increase opportunities for career mobility
  During economic downturns, career mobility is limited. When the economy and budget stabilize, some universities hire from the outside as opposed to hiring from within. University management will need to consider the benefits of promoting from within. By promoting from within, the universities can retain institutional knowledge and create promotional opportunities for their employees. Career mobility will reduce turnover, increase job satisfaction, and on-the job embeddedness.
- Increase inclusivity and diversity within the universities and their culture
  Prior research shows that diverse organizations perform better. This benefit occurs when the employees are trained in diversity awareness. University management will need to consider offering diversity training to their management, faculty, and staff. This training will help to strengthen communication, build trust, and foster an inclusive environment.
- Develop events or activities that encourage interaction between employees, the university, and their family and friends
  The study findings showed that community was more important to the participants than their university. To increase the on-the job embeddedness, the universities should consider implementing strategies, such as events or activities, that incorporates the employee's community (family and friends) with the university. This tactic has the ability to increase community relations, increase student recruitment, and more importantly build strong ties with the employees.

Conclusion

In conclusion, employee retention is an emerging priority for many organizations. With the Baby Boomers aging and the economy recovering, many organizations are experiencing unprecedented turnover. Turnover is costly. Estimates for the cost of turnover range from ½ of to 2-1/2 times the employee's annual salary. Designing effective recruitment and retention strategies requires a greater understanding of the reasons these employees chose to stay.

This study provided empirical evidence of the job embeddedness and retention of the CSUEU represented employees. Additionally, this study revealed the factors that facilitate and detract from their job embeddedness and retention. The findings showed that overall the employees showed high levels of job embeddedness and low levels of turnover intentions. At the same time, the findings revealed areas of concern. The implications for practice provide several strategies for strengthening these areas of concern. Effective management and retention strategies are crucial to ensuring organizational effectiveness and performance. More importantly, these strategies make a difference in the employees' decisions to stay or leave.

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