The relationship between perceived job alternatives, employee attitudes and leaving intention.

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Hom et al’s (2012) proximal withdrawal state model poses some interesting questions about the nature of employee intention to leave, and the performance of employees who want to leave. Do employee perceptions about the buoyancy of the external labour market matter? Do ‘reluctant stayers’ report lower employment outcomes than ‘enthusiastic leavers’? These questions have consequences, not only – obviously – for employees, but immediate implications for employers. This pilot study finds that employee intention to leave is positively correlated with perceived job alternatives. Employees who want to leave but are not optimistic about their chances rate their employee attitudes at the same level as those who also want to leave but are more optimistic about their chances.
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Keywords: turnover, satisfaction, affective commitment, perceived job alternatives

In the 1980s turnover researchers paid much attention to the role of employee perceptions of the state of the external labour market on the turnover process. This research came to a strange conclusion and the literature effectively disappeared. The theoretical orthodoxy, typified by the March and Simon-derived (1958) framework, held turnover to be a two stage process, ultimately driven by employee dissatisfaction (Holtom, Mitchell, Lee & Eberly 2008). The dissatisfied employee, if they believed that alternative jobs were available, would then begin a process of job search (Mobley 1977). The empirical research found, however, that while rates of voluntary turnover across a labour market closely followed actual rates of unemployment and job creation, employee perceptions of the state of the labour market had no apparent impact on employee turnover behaviour (Hulin, Roznowski, & Hachiya, 1985; Steel and Griffeth, 1989).

The role of perceptions of the state of the external labour market in determining employee turnover cognitions and behaviour – more specifically, employee perceptions of the availability of job alternatives – is a salient issue in understanding how employees respond to the fluctuations of the labour market. This issue has new theoretical significance, with the recognition of proximal withdrawal states by Hom et al (2012). In that paper, the simple concept of intention to leave is supplemented by a more nuanced recognition that the intention of an employee to leave exists in a context shaped by the availability of feasible alternatives and whether the employer seeks to retain the
employee’s services. An employee may exist, in that framework in one of a number of proximal withdrawal states, prior to leaving, ranging from being an enthusiastic leaver to being a reluctant stayer. It is quite possible, that paper suggests _inter alia_, for an employee to wish to leave but to be unable to find an alternative; for an employee to be able to leave but wish to stay; for an employee who wishes to stay but the employer wishes the employee to leave. These various states point to different degrees of attachment and disconnection to the organisation, and different levels of opportunity to leave.

Hom et al (2012)’s framework opens a variety of interesting questions. This paper looks at two of these issues. First, how robust is the categorisation process? That is, does intention to leave somehow correlated with perceived job alternatives? Are employees more likely to seek to leave alternative employment if they perceive suitable alternative employment is available? More specifically, do employees report higher levels of leaving intention – all things being equal – when they perceive the labour market to be more buoyant? Second, do reluctant stayers – employees who wish to leave, but perceive fewer job alternatives represent a performance loss to the organisation, compared to enthusiastic leavers? Both want to leave, but one thinks it is possible. Do the reluctant stayers report lower attitudinal scores – such as job satisfaction or affective commitment – than enthusiastic leavers, employees who want to leave but perceive greater job alternatives?

This paper will first, briefly overview the literature on the importance of job alternatives in theories of employee turnover, and the impact on employee attitudes, and sketching several propositions to be tested. The paper will report on a data collection and analysis that examined these propositions, before reporting on the conclusions and implications of that analysis.

**PERCEIVED JOB ALTERNATIVES IN THE TRADITIONAL ACCOUNT OF EMPLOYEE TURNOVER**

In 1958 March and Simon presented a model that has become the central paradigm for the analyses of turnover. In their _Organizations_, the decision to stay in an organisation hinged on two factors. The first factor related to the desirability of the job – which could be condensed down to two questions: how much did the employee want to stay in the job, and how much did the job satisfy the
employee? An employee was assumed to want to stay in a satisfying job. This dissatisfaction can come from many sources (Casserly 2013; Michaels 2012; Realestatejobssearch 2012). Dissatisfaction may arise from job characteristics, such as boring or unpleasant work, lack of autonomy, or poor pay. Managerial practices – such as abusive supervision, poor communication or arbitrary decision-making – may also lead to employee dissatisfaction. Allen, Bryant, and Vardaman (2010) provide a useful list of reasons why employees become dissatisfied, and a comparison of the impact of those reasons on intended and actual turnover.

Following mounting dissatisfaction is the loss of employee affective commitment – the employee loses their sense of connectedness to the organisation (Currivan, 1999). This process of withdrawal from the organisation is only the first stage; the next stage involves the employee assessing the likelihood of finding alternative employment. If alternatives are available, or the employee believes that alternatives may be available, then the employee’s intention to leave consolidates and then triggers active rather than preparatory job search (Blau, 1994).

It is at this point we need to distinguish between actual leaving and intention to leave, and the role of perceived job alternatives. The turnover literature has long distinguished between intention to leave and actual leaving. Intention to leave has been found to be the most consistent and reliable predictor of actual leaving. Allen et al’s (2010) review of the turnover literature estimates that 45 percent of actual turnover variance can be attributed to leaving intention. Intention to leave reflects – as its name suggests – the employee’s wish to leave the organisation, and is a response of the employee to the circumstances surrounding their job and organisation. It is a measure of affect. There is no inherent logic for why an employee’s dissatisfaction with their job – the principal driver of a wish to leave – is influenced by the perception of the availability of alternatives.

In the literature that emerged after March and Simon (1958) actual leaving can be understood in terms of the appeal of staying in a job (reflected by satisfaction and organisational commitment) and the possibility of finding alternative employment (perceived job alternatives). It is a combination of affect and context. Perceived job alternatives play a different role in determining intention to leave, and actual leaving (Michaels & Spector 1982). In the case of actual leaving, an employee’s job search can be assumed to be activated by the belief that there are suitable job alternatives. Setting aside the
case where an employee is out of work and needs to find employment, or the case where an employee simply must find an alternative to their current intolerable job, it is unlikely that an employee will undertake active job search – the conscious investigation of possible jobs - rather than preparatory job search, where the employee merely undertakes the preliminary steps necessary for active job search (Blau 1993, 1994), if there are no alternatives available.

But what if an employee’s willingness to acknowledge their dissatisfaction is somehow related to their perception that there is a job alternative, and not independent of the state of the labour market? Could then, for some people, the employee’s perception of their intention to leave by positively correlated with their perceptions of suitable alternatives? There was some suggestion during the Global Financial Crisis that employee intention to leave was at a record low – as employees recalibrated their expectations about their current job in light of the feasibility of finding alternative jobs. The first challenge for this paper is to establish if an employee’s assessment of their intention to leave is independent of their perceptions of the state of the labour market, or whether it is a related to employee perceptions of job alternatives.

Hypothesis 1. Employees who perceive greater job alternatives are more likely to want to leave the organisation.

BUT WHAT ABOUT THOSE WHO WANT TO LEAVE BUT CANNOT?

Once an employee decides to leave, the research suggests that an employee may ‘psychologically quit’ without actually resigning, and withdraw their ‘decision to participate’ (Greenhalgh 1980). There is some evidence that the employee will reduce discretionary effort (see Hom, Mitchell, Lee and Griffeth 2012 for an overview of this). Bowen (1982), for example, has demonstrated that employees who intended to leave but did not actually leave were more likely to have high levels of absenteeism and were more likely to have their employment terminated. Beehr and Gupta (1978) have shown that intention to leave is associated with low levels of employee involvement in discretionary activity in their work. This literature, however, is scarce; and although intuitively plausible, we have not found empirical evidence that those seeking to leave, but unable to, have lower levels of employee attitudes compared to those staying or those who expect to soon leave.
Nor is there an apparent theoretical literature explaining these relationships. The March and Simon (1958) tradition of research explains why people stay when they might want to leave – but provides only a partial account of what happens to people who remain despite wanting to leave. The Unfolding Theory provides an explanation of leaving, but not of the interstitial state of wanting to leave, but actually leaving. Hom, Mitchell, Lee and Griffeth (2012)’s proximal withdrawal status provides a new and improved classificatory system but no evidence on the consequences of the various states. This issue has not been examined from the perspective of Job Embeddedness Theory.

Accordingly, it proposed that employees who seek to leave, but believe perceive few job alternatives – reluctant stayers – will have decided to psychologically quit their job because of dissatisfaction or having experienced a shock. In both cases, turnover cognitions have been prompted, but the environmental scan suggested no immediate job opportunities, and so the employee remains in their role, with a wish to leave, but no alternative in sight. The existing literature describes the movement of employees down the withdrawal continuum, but provides little obvious evidence on their attitudinal response in this period. Three outcomes can be proposed. First, that the employee who seeks to leave but perceives few alternative job opportunities, responds by attitudinally withdrawing from their employing organisation. As a consequence, the employee reports lower levels of employee attitudes than those happy campers who want to leave but can see options. Second, the reluctant stayer puts more effort into their work, and invests more in the organisation to improve their likelihood of finding further employment at a later time. This increased effort is aimed at increasing one’s skills, or reputation within the industry, or just a better reference from coworkers. Finally, that there is no difference in employee attitude between intending leavers who perceive many or few job alternatives. These employees continue on, working at usual, until they find an alternative job.

Hypothesis 2a. Employees who wish to leave the organisation but who perceive lower levels of job alternatives will report lower levels of job satisfaction, affective commitment, employee engagement, organisational identification, compared to leavers who see higher job alternatives.

Hypothesis 2b. Employees who wish to leave the organisation but who perceive lower levels of job alternatives will report higher levels of job satisfaction, affective commitment, employee engagement, organisational identification, compared to leavers who see higher job alternatives.
Hypothesis 2c. Employees who wish to leave the organisation but who perceive lower levels of job alternatives will report unchanged levels of job satisfaction, affective commitment, employee engagement, organisational identification, compared to leavers who see higher job alternatives.

METHOD

Participants
The organisation was selected for several reasons. First, at the time of surveying the organisation had almost six hundred (N=591) white collars engaged in a wide variety of white collar occupational types (from professional, such as engineer and accountants; para-professionals, such as technicians, salespeople; and administrative staff). Second, the organisation was undergoing substantial organisational restructuring, and HR staff reported substantial employee dissatisfaction. Thirdly, these potential respondents could be reached through email and online surveys.

Surveys
This paper is based on several questions drawn from two surveys employees of the organisation taken three months apart. Following Dillman (2007) and Anseel, Lievens, Schollaert and Choragwicka (2010), an email announcing the survey was sent to eligible employees several days prior to each survey being distributed. The advance notice survey was drafted by the research team, had a university logo, and was circulated by a member of the organisation’s HR unit. No incentives were offered for survey response. An invitation to participate was later emailed to all white collar employees with computer accounts (N=591 white-collar employees in both rounds). Potential respondents were assured of the confidentiality of responses, and that the research project had been approved by a University ethics committee. Two follow-up email reminders were distributed after each survey to remind employees to participate (Kaplowitz, Hadlock & Levine 2004). The Time 2 invitation included an email link to a downloadable summary of the findings of the Time 1 study.

At Time 1, 154 usable surveys were returned by employees, yielding a response rate of 26.1%, and 125 usable surveys were sent back at Time 2 representing a response rate of 21.1% (based on the Time 1 workforce of 591). Of Time 2 respondents, while 79 of the 125 respondents claimed to have completed the Time 1 survey, only 30 matched responses could be found. As a result, this paper
will emphasise cross-sectional analysis but report several two wave analyses. The two-times sample will be used to verify the findings of the various cross-sectional hypotheses testing.

Several tests of the representativeness of the data were undertaken. In both samples, the average age of the sample was 35-39, equal to the workforce average. Although around one quarter of the sample were female ($t_1 = 24\%$; $t_2 = 25.6\%$) with 32\% of the white collar workforce being female at Time 1, ANOVA testing did not find significant different scores between the male and female respondents on the key variables used in this study. Following Blair & Zinkhan (2006), there is no clear evidence of non-response bias.

As this study is based on self-reported, perceptual cross–sectional data, there is a possibility of common method bias, variance arising from the bias in data collection relating to the method of data collection rather than from the underlying data itself (Podsakoff, MacKenzie, Jeong-Yeon & Podsakoff 2003). Following Harman’s method of testing to see if a single large factor exists, the first item from fifteen survey scales were analysed by unrotated factor analysis in both samples. There was no clear evidence of common method bias, as only 31.9\% of variance loaded onto the first factor in the Time 1 sample and 29.1\% of variance was explained by the items in the Time 2 sample.

**Measures**

All items, except the fill-in-the blank questions, were measured using 7-point Likert scales, ranging from 1 = strongly disagree to 7 = strongly agree, at Time 1 and Time 2.

*Perceived job alternatives.* This was measured using the following six items: ‘I could easily find another job’; ‘It would be hard to find another job as good as the one I now have’ (R); ‘I could easily find a better job than the one I now have’; ‘I could easily find a similar job somewhere else’; ‘I know of several job alternatives that I could apply for’; ‘I have actual job offers in hand.’ The unweighted mean of the three items represents the final score.

*Intention to leave* Intention to leave was measured using Abrams, Ando and Hinkle’s (1998) three item scale. The unweighted mean of the three items represents the final score.

*Job satisfaction* Overall satisfaction was measured using Cammann, Fichmann, Jenkins and Klesh’s (1983) 3-item scale. The unweighted mean of the three items represent the final job satisfaction score.
Affective organisational commitment Affective organisational commitment was measured using the five-item Meyer, Allen & Smith’s (1993) scale. The unweighted mean of the items is the final affective commitment score.

Job Engagement Job engagement was measured using the six-item Saks (2006) scale using a 7-point Likert scale. One item was reverse coded. The unweighted mean of the items is the final job engagement score.

Organisational engagement Organisational engagement was measured using the six-item Saks (2006) scale using a 7-point Likert scale. One item was reverse coded. The unweighted mean of the items is the final organisational engagement score.

Organisational Identification Organisational Identification was measured in the Time 2 survey using Mael and Ashforth’s (1992)’s five-item measure. The unweighted mean of the items is the final score.

Procedures:

Hypotheses were examined using ordinary least squares multiple regression and Analysis of Variance (ANOVA) routines in SPSS 20. Following the argument of Atinc, Simmering and Kroll, (2012), Becker (2005) and Spector and Brannick (2011) the data analysis did not include control variables for the following reasons. The use of control variables may constitute a research habit applied without regard to the theoretical or analytical implications. The theoretical questions of this paper did not warrant the inclusion of control variables. One consequence of the use of control variables is that variance is absorbed by the control variable, reducing the variance available to adequately test the hypothesis. This may lead to inflated Type 1 errors in smaller samples.

RESULTS

The correlations, standard deviations and Cronbach alpha scores for the Time 1 and 2 data are reported in Table 1. Missing values were mean replaced.

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Insert Table 1 here.
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The first hypothesis tests whether employees who believe alternative employment is available are more likely to report higher levels of leaving intention than employees who perceive lower levels of alternative employment. This hypothesis was tested by undertaking regression, first, looking at the two cross-sectional data sets, and examining whether perceived job alternative predicts employee intention to leave. This hypothesis was then tested using the two-times data set, where the Time 2 measure of turnover intention was regressed onto the Time 1 measure of perceived job alternative. Table 2 reports on the results of the three regressions. As can be seen, in each case, Intention to Leave is predicted by Perceived Job Alternatives – employees who perceive higher levels of job availability outside the organisation report a greater wish to leave the organisation. Hypothesis 1 is supported.

Insert Table 2 here.

The second hypothesis examines whether reluctant stayers are more likely to report lower levels of attitudinal scores (such as satisfaction, affective commitment, job and organisational engagement) than leavers who perceive higher levels of job alternative. This hypothesis was tested using t-tests, comparing the attitudinal score of respondents who indicated they wished to leave the organisation – employees with an intention to leave score greater or equal to 4 on a scale from 1 to 7 – who (i) had perceived that there were few jobs available for them (that is, a Perceived Job Alternative score of less than 4 on a scale of 1 to 7) or (ii) perceived that there were many jobs available for them (that is, a Perceived Job Alternative score of greater than or equal to 4). Table 3 presents a summary of the results on these tests. As there was only one repeat respondent who met the criteria of (i) high intention to leave; (ii) low perceptions of job alternatives at Time 2, we were unable to undertake the two-wave ANOVA comparison.

Insert Table 3 here.
As can be seen in Table 3, there is no statistically significant difference in employment attitudes between the two groups of employees. Hypotheses 2a and 2b are not supported. Hypothesis 2c is supported.

**DISCUSSION**

This paper was prompted by theoretical and practical concerns about the implications of employee perceptions of job alternatives that emerge out of Hom et al’s (2012) proximal withdrawal theory. At a theoretical level, this paper seeks to answer the question: is employee intention to leave affected by the employee’s perception of the availability of alternative employment? This question is relatively easily answered in the case of actual leaving: perceived job alternatives is likely to be positively associated with actual availability of job opportunities elsewhere. The more job opportunities, the greater the likelihood that an employee may find a suitable role.

In the case of intention to leave, the role of perceived job alternatives plays a different role. The motivation to leave is primarily related to employee perceptions about the desirability of being able to leave. Whether or not an employee is dissatisfied in their job is unrelated, at least in theory, to the perceived availability of alternatives. It does not reflect whether a person can leave, just whether an employee wants to leave. So, prima facie, it is unlikely that intention to leave would be influenced by employee perceptions of the availability of alternative employment. This paper tests that proposition.

In this paper we found that employee intention to leave is directly affected by employee perceptions of the availability of job alternatives. This finding appears to be relatively stable. It was tested cross sectionally twice. In both cases there was a clear, statistically significant relationship. This finding was also tested using data from two periods: an employee’s intention to leave at Time 2 was directly related to an employee’s level of dissatisfaction at Time 1.

The second theoretical issue is also of practical importance. Do employees who want to leave, but feel they cannot, have lower levels of satisfaction, affective commitment and engagement than employees than those who feel they can leave? During times of labour market buoyancy – when jobs are easily found – this is not a pressing problem. Those who wish to leave are able to leave. In times
of recession, however, employees may have fewer opportunities to leave. Do employees who want to leave but feel they cannot have lower levels of employee outcomes than employee who also want to leave, but believe they can leave? In addition to the frustration of marooned employees, do these employees under-perform?

Hypothesis 2 predicts that an employee who wants to leave, but believes they cannot, will have lower levels of employee satisfaction, commitment and engagement, than an employee who also wants to leave but is more confident about the possibility of them finding an alternative job. The data in this paper suggests that for employees who want to leave their job that there is no relationship between an employee’s attitude to their job and their perceptions of job alternatives.

This suggests that the image of the frustrated employee, wanting to leave but cannot, is misleading. Any lower levels of employee outcome is unrelated to their perception of being thwarted in leaving, but because of their already low level of satisfaction with the job.

LIMITATIONS AND FURTHER RESEARCH

This paper is necessarily a pilot study due to the smallness of the sample. These findings need to evaluated in light of the small samples for waves 1 and 2, and for the small repeat samples, which may affect the estimated co-efficients in Hypothesis 1, and contribute to the apparent lack of significance in Hypothesis 2. An increased sample size may give sufficient statistical power to detect an actually existing effect.

The result for Hypothesis 2 may simply be the result of social desirability bias, enabled by single source, self-reported data. Employees frustrated and thwarted may misrepresent their attitudes, biasing their scores to what they may think is a more acceptable level. Further research would resolve this problem by undertaking multi-wave analysis with much larger samples, or by getting a third party to provide performance measures.

Further research would examine these questions with larger samples, with multiple sources of data, in a variety of industries.


Realestatejobssearch (2012, December 4) The Real Reasons your Employees are Leaving You!


Table 1.

Descriptive statistics for Wave 1 and Wave 2 data

<table>
<thead>
<tr>
<th></th>
<th>Time 1</th>
<th>Time 2</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>M₁</td>
<td>SD₁</td>
</tr>
<tr>
<td>1. Perceived job alternatives</td>
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<td>1.18</td>
</tr>
<tr>
<td>2. Intention to leave</td>
<td>4.30</td>
<td>1.69</td>
</tr>
<tr>
<td>3. Satisfaction</td>
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<td>4. Affective Commitment</td>
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<td>5. Job Engagement</td>
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<td>6. Organisational engagement</td>
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<td>1.25</td>
</tr>
<tr>
<td>7. Organisational Identification</td>
<td>-</td>
<td>4.54</td>
</tr>
</tbody>
</table>

Notes: All scores measured on a scale of 1 (low) to 7 (high); \( n₁=153, n₂=124 \); Correlations >.19 are significant at \( p<.05 \); Correlations >.26 significant at \( p<.01 \).
Table 2.

*Regression of Perceived Job Alternatives on Intention to Leave*

<table>
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<tr>
<th>Variable</th>
<th>Cross sectional - Wave 1</th>
<th></th>
<th>Cross sectional - Wave 2</th>
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<tr>
<td></td>
<td>B</td>
<td>SE B</td>
<td>β</td>
<td>B</td>
<td>SE B</td>
<td>β</td>
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<tr>
<td>Constant</td>
<td>1.39**</td>
<td>0.45</td>
<td></td>
<td>1.40*</td>
<td>0.55</td>
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<tr>
<td>Perceived job alternatives</td>
<td>0.69***</td>
<td>0.10</td>
<td>0.48***</td>
<td>0.62***</td>
<td>0.13</td>
<td>0.40**</td>
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<td>$R^2$</td>
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<td>0.16</td>
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<tr>
<td>$F$</td>
<td>45.99***</td>
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<td>23.74***</td>
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<td>$N$</td>
<td>154</td>
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<td>124</td>
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</table>

*Note:* *p<.05; **p<.01; ***p<.001*
Table 3.

*T-test comparison of attitudinal scores of employees who wish to leave by high and low perceived job alternatives (mean score, t-statistic)*

<table>
<thead>
<tr>
<th>Variable</th>
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<th>Time 2</th>
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<tr>
<td></td>
<td>Low PJA</td>
<td>High PJA</td>
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<td></td>
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<tr>
<td>Job satisfaction</td>
<td>4.96</td>
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<td>71</td>
<td></td>
<td>19</td>
</tr>
</tbody>
</table>

*Note:* All scores measured on a scale of 1 (low) to 7 (high); *p<.05; **p<.01; ***p<.001