Migrant employees, job embeddedness and intention to leave: The mediating influence of climate for inclusion

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ABSTRACT: As a result of increased workforce diversity, there has been a shift in attitudes towards minority groups in the workplace from one of distrust to an all-inclusive climate. Evidence has emerged showing migrant employees are leaving their jobs at higher rates than local-born employees and this turnover negatively impacts on organizations’ bottom lines. We examined the mediating effect of climate for inclusion on the job embeddedness – turnover relationship, as well as the moderating effect of migrant status on this relationship. Our results show climate for inclusion mediates the embeddedness – turnover relationship for migrants. We use these results to suggest mentoring and induction programs as two effective ways to improve migrant employee retention.

Keywords: organization climate, intention to leave, migrants, diversity, NESB workers, job embeddedness.

The world’s workforce is more diverse than ever before as people move across international borders to take up jobs in organizations (Al Ariss & Guo, 2015; Jonsen, Maznevski, & Schneider, 2011). Migrants have become an increasingly important component of the workforce in many nations (Al Ariss & Syed, 2011; Halvorsen, Treuren, & Kulik, 2015; Zikic, Bonache, & Cerdin, 2010) as organizations try to maintain or further develop their competitive advantage in the global marketplace. Researchers have long preached the benefits of having a culturally and ethnically diverse workforce (e.g. Al Ariss & Syed, 2011; Al Ariss & Guo, 2015; Nguyen, 2008; Syed, 2014). For example, diversity has been shown to provide organizations with a wide range of knowledge, increase team performance and improve an organization’s bottom line (Cox, 1994; Cox & Blake, 1991; Lauring & Selmer, 2013; Shen, Chanda, D’Netto, & Monga, 2009).

While organizations that embrace diversity within their workforces often reap benefits, diversity also brings with it several unique challenges for managers (Halvorsen et al., 2015; MacKenzie & Forde, 2009). First, implementing diversity friendly practices within the organization may be met with resistance by employees. Although there is a wealth of research in the training and development literature that tackles the problem of resistant forces to change within an organization
(e.g., Compton & Pfau, 2004; Ford, Ford, & D’Amelio, 2008; Larson & Tompkins, 2005), an organization’s climate may be slow to adapt and change to become more inclusive of diversity. Second, employees who come from culturally and ethnically diverse backgrounds (e.g., migrants) are demographically different to local-born (i.e., non-migrant) employees. Research in relational demography has demonstrated that employees who are demographically different (e.g. racially or ethnically different than other employees around them) report higher intentions to leave than employees from a majority (e.g. David, Avery, & Elliott, 2010; Riordan, 2000; Tsui, Egan, & O’Reilly, 1992; Zatzick et al., 2003).

To overcome these challenges, organizations need to ensure that they develop and promote a climate where employee diversity is encouraged and strengthened. Organizations – through their human resource management team – also need to ensure they retain as many good employees as it can so as to maintain its competitive advantage. This paper seeks to address these issues through the investigation of the relationships between job embeddedness, climate for inclusion, and intention to leave, and how these relationships differ for migrant and non-migrant employees. Specifically, we propose a moderated mediation model, which is depicted in Figure 1.

In our research model, we propose that organizational climate for inclusion will mediate the effect of job embeddedness on the intention to leave of employees. Further, we propose that being a migrant (migrant status) will moderate the relationship between climate for inclusion and the intention to leave such that migrant employees will report higher intention to leave than local-born employees.

This study makes three contributions to theory. First, we extend the existing literature on job embeddedness by examining specific subgroups of employees (migrants/local-born employees). Limited research has examined subgroups of employees in relation to turnover intentions (see Halvorsen et al. 2015 and Mallol et al., 2007 for exceptions). Second, we extend the organizational climate literature by testing climate for inclusion as the mediator in the link between job
embeddedness and turnover intentions. This has not only answered the call for more research on understanding the key determinants and outcomes for inclusion (Boekhorst, 2015), but also allows us to identify the explanatory factor in the embeddedness and turnover link. Finally, we add to the growing literature on migrant employment and retention by taking an organizational behaviour view of their experiences in the workforce. Much of the migrant management literature focuses on barriers to gaining suitable long-term employment such as English language proficiency and foreign qualification recognition (e.g. Carr, Inkson, & Thorn, 2005; Constant et al., 2009; Forde & MacKenzie, 2009). Little research has examined migrant employees in an organization from an organizational behaviour perspective.

Our study also makes a contribution to management practice. By gaining an insight into migrant turnover intentions through the use of job embeddedness, we suggest several ways (i.e., mentoring and induction programs) to increase migrant (and non-migrant) employee embeddedness that are cost-neutral for organizations.

**Job embeddedness**

Job embeddedness theory describes two kinds of embeddedness: an at-work component called on-the-job (or organizational) embeddedness and an away-from-work component called off-the-job (or community) embeddedness. On-the-job embeddedness binds employees to an organization, and makes it harder for an employee to consider leaving (Mitchell et al., 2001; Jiang et al., 2012). Off-the-job embeddedness binds employees to their communities, and makes it harder for an employee to consider relocating (Lee, Mitchell, Sablynski, Burton, & Holtom, 2004; Zhang et al., 2012). Combined, both types of embeddedness create a complex web of attachments. The more complex the web of attachments, the harder it is for an employee to leave his or her organization and community (Holtom et al., 2006).

Each component of job embeddedness is made up of three factors called ‘fit’, ‘links’, and ‘sacrifice’ (Bambacas & Kulik, 2013; Lee et al., 2004; Zhang et al., 2012). Fit describes the extent to which an individual’s job and community align with other aspects of his or her life (Halvorsen, Radford, Chapman, & Chua, 2015). On-the-job fit is defined as an individual’s compatibility with his
or her work setting (Lee et al., 2004; Mallol, Holtom, & Lee, 2007). Off-the-job fit is defined as an individual’s compatibility with his or her community (Lee et al., 2004; Mallol et al., 2007; Zhang et al., 2012).

Links are the formal or informal connections between a person and institutions, a person and associations or a person and other individuals. On-the-job links are work-related relationships (Halvorsen et al., 2015; Holtom et al., 2006) that result from being part of a work-group, or being a member of a professional association. Off-the-job links are the relationships an individual has with people and institutions outside of the workplace (Lee et al., 2004).

Sacrifice measures the fear or reluctance to give up entitlements accrued over time both on- and off-the-job. On-the-job sacrifice captures the perceived and real cost of material, intangible, or psychological benefits that may be forfeited by leaving a job (Mitchell et al., 2001). Off-the-job sacrifice captures the perceived and real cost of leaving a community to facilitate a job move (Mitchell et al., 2001).

Over the course of the past 15 years, job embeddedness has been used to predict intention to leave and actual turnover of employees. Job embeddedness has been found to be a reliable predictor of intention to leave, over and above the traditional model of turnover (operationalized as job satisfaction and perceived alternative jobs) and affective commitment. This leads us to propose our first hypothesis:

**Hypothesis 1:** High levels of job embeddedness will decrease reported turnover intentions of all employees, regardless of migrant status.

**Climate for inclusion as a mediator of the link between job embeddedness and intention to leave**

Organizational climate for inclusion has emerged as a natural evolution from diversity management and integration practices. Shore et al. (2011) described inclusive work environments as being characterized by feelings of high belongingness (i.e., everybody is treated as an insider) and, simultaneously, by a high value placed on uniqueness (i.e., everyone is encouraged to retain their uniqueness in the work group and not to conform to a dominant culture or existing norms) (Dwertmann & Boehm, 2016). In 2013, Nishii further developed the concept of operationalized
inclusive climates through the addition of integration of differences (i.e., the integration of diverse employees in the social life at work), as well as inclusion in decision making (i.e., the extent to which diverse perspectives of all employees are actively sought and integrated), to measures of diversity climate (MorBarak et al., 1998), which often focus more strongly on fairly implemented employment practices (e.g., fair and unbiased recruitment, performance appraisal, and promotion practices) (Dwertmann & Boehm, 2016). In the only study to test this new measure, Nishii (2013) found that gender diversity in groups does not lead to increased task and relationship conflict in inclusive climates.

Organizational climate has long been positioned as a mediator between practices and performance-related outcomes (Ostroff, Kinicki, & Muhammad, 2013; Ostroff & Schulte, 2014), and has, over the years, been supported as a mechanism affecting outcomes at the organizational, unit and individual levels (Ostroff et al., 2013). This leads us to propose our second hypothesis:

**Hypothesis 2:** Climate for inclusion will mediate the relationship between job embeddedness and employees’ intention to leave.

**Migrant employment experiences**

Research on migrant experiences in the workforce from an organizational behaviour and human resource management perspective is slowly emerging (e.g. Al Ariss & Syed, 2011; Hakak & Al Ariss, 2013; Halvorsen et al., 2015), as organizations begin to quickly recognise migrant employees as being a key to maintaining and developing their competitive advantage (Nguyen, 2008).

The relational demography literature focuses on demographic differences between individuals as well as the demographic difference between an individual and workgroup and the effect these differences have on attitudes at work (Tsui & Gutek, 1999). Of the four research streams within relational demography (dyads, within groups, team/group, and organisation), relational demography within groups research specifically examines how demographic differences between individuals in a workgroup influence their attitudes and behaviour towards each other and the organisation itself (Tsui et al., 1992).

Several race-ethnicity studies examined the effects of demographic dissimilarity on turnover and found that demographic dissimilarity between an individual and a workgroup leads to higher
turnover intentions (Avery, 2003, 2006; Riordan & Shore, 1997; Tsui et al., 1992). Migrant employees, being demographically different from their local-born colleagues may experience some of the effects of dissimilarity described in the relational demography literature (e.g. higher turnover intentions). Therefore we propose:

Hypothesis 3: Job embeddedness’ effect on intention to leave will be mediated by climate for inclusion, and this relationship will be moderated by migrant status such that migrants will report higher turnover intentions than non-migrants.

**METHOD AND SAMPLE**

To test the research model, two surveys sent four months apart, were delivered to all employees of an engineering services firm headquartered in Melbourne. We received 1,620 responses to our first survey, garnering a 35% response rate. Our second survey yielded 862 responses, which was an 18% response rate. Of the 862 employees who completed a Wave 2 survey, 609 had completed both (“repeaters”). The repeaters were identified by a unique confidential code that respondents were asked to generate at the end of each survey. This code was generated by respondents using the first two letters of their mother’s first name, the last two letters of their father’s first name and the date (using two digits) that the respondent was born. For example, if a respondent’s mother’s name was Sarah and father’s name was Fred, and the respondent was born on 12 August 1979, the LongCode for this individual would be safr12. This is a method of identification that has been used in longitudinal research (Halvorsen et al., 2015a; Yurek, Vasey, & Havens, 2008).

The repeater sample was predominately male (n = 355, 54%), with females in the minority (n = 254, 46%). These percentages mirrored the respondents in the first survey (male, n = 891, 55%, female, n = 729, 44%), and in the second survey (male, n = 456, 52.8%, female, n = 406, 47.2%). Respondents were employed in various roles such as mechanical and structural engineers, administration staff, supervisors, receptionists, human resources, foremen, mid- and upper-level management.
Measures

The Wave 1 survey measured job embeddedness, migrant status, and climate for inclusion. The Wave 2 survey measured intention to leave. Each item was rated on a Likert scale where 1 = strongly disagree and 5 = strongly agree. Migrant status is a dichotomous variable which was coded so that local-born (i.e., born in Australia) employees were coded as 0, and foreign-born (i.e., migrants to Australia) were coded as 1.

*Job embeddedness*

Job embeddedness was measured using the 21-item scale published by Felps et al. (2009). A sample item is “My job utilizes my skills and talents well”.

*Climate for inclusion*

Climate for inclusion was measured using the 31 item scale developed by Nishii (2013). A sample item is “Employees in this unit are valued for who they are as people, not just for the jobs they fill”.

*Migrant status*

Migrant status was measured by asking the question “were you born in Australia?” This item is a dichotomous variable that was coded so that local-born employee = 0, and migrant = 1.

*Intention to leave*

Intention to leave was measured using the four items from Abrams, Ando and Hinkle (1998)’s intention to leave scale. The first item was, “I think about leaving this organisation”. The second item was, “In the next few years I intend to leave this organisation”. The final item was, “I’d like to work at this organisation until retirement” (reverse scored).

**RESULTS**

All analyses were conducted using the repeater data. Table 1 provides the descriptive statistics for the repeater data.

Insert Table 1 about here
Table 1 shows that job embeddedness has a significant, negative relationship with the intention to leave. The higher the level of job embeddedness, the less likely an employee leaves an organization. This is a theory consistent effect, and mirrors previous findings in the job embeddedness literature (e.g. Felps et al., 2009; Mitchell et al., 2001).

Climate for inclusion also has a significant, negative relationship with the intention to leave. Although there has only been one published study to date that uses climate for inclusion (Nishii, 2013), previous research on organizational climate has shown that where employees perceive a positive climate, their reported intention to leave is low (Ostroff et al., 2014).

**Hypothesis Testing**

Figure 2 presents the results of Hypotheses 1, 2, and 3.

Hypothesis 1 predicted that job embeddedness would predict the intention to leave for all employees, regardless of migrant status. Hypothesis 1 was supported – noted as the direct effect in Figure 2 – ($b = -.26, t = -5.22, p < .001$). This finding is consistent with previous job embeddedness research and the theory which suggests that the higher the level of job embeddedness an employee has, the less likely he or she will leave their job.

Hypothesis 2 predicted that climate for inclusion would mediate the relationship between job embeddedness and the intention to leave. Figure 2 presents the results as the indirect effect. There was a significant indirect effect of job embeddedness on the intention to leave through climate for inclusion, $b = -.32, 95\% \text{ CI } [-0.41, -0.24]$. This represents a medium sized moderation effect $\kappa^2 = 0.24, 95\% \text{ CI } [0.185, .301]$. Hypothesis 2 is supported.

Hypothesis 3 predicted that job embeddedness’ effect on intention to leave will be mediated by climate for inclusion, and this relationship will be moderated by migrant status such that migrants will report higher turnover intentions than non-migrants. Figure 2 indicates that migrant status did not have a significant moderating effect ($b = .13, p = n.s.$). Therefore Hypothesis 3 is not supported.
DISCUSSION

Recent events have seen an increase of skilled and semi-skilled migration to Western countries throughout the world. Organizations, keen to increase their workforce diversity, have recruited and hired migrants (Halvorsen et al., 2015) who are often lauded for their work ethic and productivity (Forde & MacKenzie, 2009; MacKenzie & Forde, 2009; Nguyen, 2008). However, as workforce diversity has increased, migrants have often left their jobs at rates higher than local-born employees (OECD, 2015; Shah, 2009). To compound this problem, local-born employees are also leaving organizations for greener pastures as the world recovers from global and local financial crises. This difficulty in retaining migrant employees has led organizations to look for ways to influence employee retention.

Job embeddedness emerged in 2001 as both a theory and a model that focused on elements at work and in the community that would attach – embed – employees to their organizations (hence, their jobs) and to the communities they live (Mitchell et al., 2001). For both migrants and local-born employees, we found that job embeddedness significantly predicted the intention to leave.

Organization climate has a long and rich tradition of research in organizational behaviour (e.g. Carr, Schmidt, Ford, & DeShon, 2003; Ostroff et al., 2013; Parker et al., 2003). As diversity management research evolved to encompass inclusivity, so too did organizational climate research. Since the earlier scales of climate of inclusion have been published, the newest scale (Nishii, 2013) has added the integration of differences, inclusion in decision making and fairly implemented employment practices in an attempt to encompass a broader scope of integrative practices. Climate for inclusion in its earlier forms has been positioned as a mediator between practices and organizational outcomes (Ostroff et al., 2013), and we found that climate for inclusion using the new Nishii (2013) scale mediated the relationship between job embeddedness and the intention to leave for migrants and non-migrants.

One of the more surprising findings in this study was that the sample (both groups, local-born and foreign-born workers) reported low intention to leave (mean score of 2.81 out of a possible 5.0) and a high climate for inclusion (mean score of 3.51 out of a possible 5.0). These scores indicate that
the organization may have a high retention environment for employees, regardless of whether they are migrant employees or local-born employees.

**Theoretical Implications and Future Research Directions**

This study has made two key theoretical contributions. First, we further extended job embeddedness research focusing on specific subgroups of people. Very limited research has been published in this area (for exceptions, see Halvorsen et al., 2015 or Mallol et al., 2007). The migrant literature tends to adopt a sociological, qualitative lens with respect to migrants’ experiences in the workforce, whereas research focusing on migrants’ experiences in the workforce from an OB/HR perspective is somewhat limited. Future research should seek to extend other OB/HR theories by specifically examining different subgroups of employees. Often, these different subgroups are overlooked, but could provide a key insight into how a theory works under certain conditions.

Second, we have extended the newest measure of climate for inclusion by testing it as a mediator of the relationship between job embeddedness and the intention to leave. In the only study to test this new measure of climate for inclusion, Nishii (2013) found that gender diversity in groups does not lead to increased task and relationship conflict in inclusive climates. Future research should break down Nishii’s (2013) scale and use the three components (integration of differences, equitable employment practices, and inclusion in decision making) separately to examine the relative weight or impact each makes on organizational outcomes.

**Practical Implications and Recommendations**

This study has made a contribution to management by providing insight into migrant employee’s turnover intentions. Increasing levels of job embeddedness experienced by migrant employees is a way of reducing the intention to leave, and subsequent turnover. Organizations have many chances to influence the level of job embeddedness experienced by employees and have a direct impact on decreasing employees’ intention to leave. Here we present two ways of increasing job embeddedness. These initiatives can be used to target both migrant and non-migrant employees.

Providing employees with formal or informal mentors and providing orientation programs are two simple, cost effective initiatives that organizations can implement (Halvorsen, Kulik, & Treuren, 2010; Holton et al., 2006). Formal mentoring relationships as well as informal mentoring programs
match a new employee to a more experienced one (Kram, 1983). New minority – or migrant – employees have the most to benefit if they are paired or grouped with a “majority” – or local-born – senior employee (Dreher & Cox, 1996; Halvorsen et al., 2010). The peer to peer networks generated by group mentoring enhance employees’ feelings of belonging and reduce intention to leave (Arnold, 2006). These networks provide information and support to the individuals who participate in them (Halvorsen et al., 2010; Noe, Greenberger, & Wang, 2002). Mentoring is associated with faster career advancement and higher levels of organizational commitment (Murrell, Blake-Beard, Porter, & Perkins-Williamson, 2008). An often overlooked aspect of mentoring is employee retention (Kulik & Roberson, 2008).

Many organizations have induction programs, however, from a practical viewpoint, they often lack some structure and relevance (Owler, 2007). Organization orientation programs help employees understand and become more familiar with the role they will play within the organization (Wanous, 1992). This makes it easier for new employees to learn the skills required to complete their jobs successfully (Morrison, 1993). An effective induction will boost an employee’s confidence that he or she can handle the job, and confident employees are more likely to engage with others within the organization and display greater organizational citizenship behaviour (Feldman, 1981). The best induction courses within an organization encourage the social aspects associated with organizational membership (Wanous & Reichers, 2000). All newcomers to an organization need help in forging relationships with their supervisors and peers (Settoon & Adkins, 1997) and this becomes especially important for migrant employees who may experience heightened anxiety because of a lack of familiarity with local norms and customs (Halvorsen et al., 2015).

These recommendations have the added benefit of further embedding local-born employees to the organization. By exerting its influence in these initiatives, organizations may be able to increase employee job embeddedness, thereby reducing intention to leave and subsequent turnover (Mitchell et al., 2001).
Limitations and Conclusions

While providing contributions to both theoretical and practical fields, there are two key limitations that we must acknowledge. First, this research was cross-sectional in nature. Cross-sectional studies have limitations which include an inability to make strong causal statements about relationships between variables (Glock, 1988). Further, cross-sectional studies only provide us with a snapshot of the variables (job embeddedness, climate for inclusion and intention to leave) at a single point in time. Tracking changes in all of the three variables of interest in this study across a multi-wave or even a longitudinal study allow for causality to be determined more reliably, and provide access to a range of data analysis techniques that are more powerful than OLS regression (Bauer, 2004).

Second, this study would be further strengthened if actual turnover data was obtained. As the results indicated, both migrants and local-born employees did not report high levels of intention to leave (mean score of 2.81 out of a possible 5.0). Although intention to leave has long been a reliable predictor of actual turnover (Steers & Mowday, 1981), it is unknown if the intention to leave reported by migrants in this study were ever acted upon. Obtaining actual turnover data and following up leavers with exit interviews will shed light as to where employees go once they leave an organization and allow a study to focus on proximal withdrawal states – a new way of thinking about turnover (Hom et al., 2012).

Organizations are becoming more reliant on migrant labour to plug holes in their workforces. A workforce that consists of migrants and local-born employees can be sustained if migrant employees are hired and retained. Reducing migrant turnover can be achieved through having an inclusive organizational climate and employers implementing initiatives to increase employee job embeddedness.
REFERENCES


Figure 1. The research model
Figure 2. Results for Hypotheses Testing

- **Job embeddedness**
  - Climate for inclusion: $b = 0.56, p < 0.001$
  - Intention to leave: $b = 0.58, p < 0.001$

- **Climate for inclusion**
  - Migrant status: $b = 0.13, p = \text{n.s.}$
  - Intention to leave: Direct effect: $b = -0.26, p < 0.05$
    Indirect effect: $b = -0.32, 95\% \text{ CI} [-0.41, -0.24]$
<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
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<td>1. Intention to Leave (ITL) (a)</td>
<td>2.81</td>
<td>1.10</td>
<td>(.91)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Migrant status (b)</td>
<td>0.50</td>
<td>0.49</td>
<td>.04</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Job embeddedness (c)</td>
<td>0.00</td>
<td>1.00</td>
<td>-.53***</td>
<td>-.07</td>
<td>(.88)</td>
<td></td>
</tr>
<tr>
<td>4. Climate for inclusion</td>
<td>3.51</td>
<td>0.80</td>
<td>-.58***</td>
<td>-.11*</td>
<td>.71***</td>
<td>(.94)</td>
</tr>
</tbody>
</table>

N = 609, *p < .05, **p < .01, ***p < .001

Notes:  
(a) ITL was measured at Time 2, in the Wave 2 survey. All other variables were measured at Time 1, in the Wave 1 survey.  
(b) Migrant status is a dichotomous categorical variable, where 0 = non-migrant and 1 = migrant.  
(c) Job embeddedness was calculated using the average of the z-scores of the items of the scale.