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Job embeddedness in Icelandic labor market
The effectiveness on turnover intentions and job performance
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Abstract

Job embeddedness is a relatively new construct that Lee, Mitchell and colleagues started researching in 1995 (Lee, Burch, and Mitchell, 2014). That construct explains why people stay in their current jobs. A questionnaire was sent to a sample of random emails found on websites of 183 of the 300 biggest companies in Iceland. I sent out a total of 5748 emails to employees and received 1282 replies (22.3% answer rate). Not all participants answered all the questions concerning job embeddedness, but a total of 1135 did so, giving a final of 19.8% answer rate. There were a total of 8 hypotheses in the study, the first one regarding distinct job embeddedness from work engagement. The second one stated that gender would not affect job embeddedness; hypotheses 3, 4, 5, and 6 were about the effect of age, education, job tenure, and size of a company having effect on job embeddedness. Hypothesis 7 was about job embeddedness describing turnover intentions, and finally hypothesis 8, whether job embeddedness had an effect on job performance. The results showed that hypothesis 1, 3, 5, 7, and 8 were supported, gender had an effect on job embeddedness, but education and size of the company did not.

Keywords: Job embeddedness; work engagement; job turnover; job performance

Útdráttur

Starfsfesta (job embeddedness) er tiltölulega nýtt hugtak sem Lee, Mitchell og félagar byrjuðu að rannsaka árið 1995 (Lee, Burch og Mitchell, 2014). Þetta hugtak útskýrir af hverju starfsmenn haldast í starfi sínu. Sendur var út spurningalisti á veföng sem valin voru af handahófi frá 183 fyrrirtækjum af 300 stærstu fyrrirtækjum á Íslandi. Send voru út á 5748 veföng og voru 1282 sem svöruðu (22.3% svarhlutfall). Það voru hinsvegar ekki allir þátttakendur sem svöruðu öllum spurningum tengdum starfs festu, eða 1135 sem gerði 19.8% loka svarhlutfall. Það voru 8 tilgátur settar fram í rannsókninni, fyrsta var hvort starfsfesta og helgun í starfi (job engagement) séu lík en samt sittthvor hugtökin. Önnur tilgátan var um að kyn hefði ekki áhrif á starfsfestu; tigátur 3, 4, 5 og 6 voru um að aldur, menntun, fjöldi ára í starfi og stærð fyrrirtækja hefðu áhrif á starfsfestu einstaklinga. Tilgáta 7 var að starfsfesta útskýrði hluta af
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starfsveltu. Að lokum var tilgáta 8 um að starfsfesta hefði áhrif á vinnuframlag þáttakenda. Niðurstöður syndu að tilgátur 1, 3, 5, 7 og 8 voru studdar, kyn hefði áhrif á starfsfestu, en menntun og stærð fyrirtækja ekki.
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Affidavit

I confirm that I wrote this thesis on my own and independently, without using any other sources than is stated for in the reference list. The study has not been submitted in any other educational program.
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2 Introduction

Reasons why people leave a job has been a popular research topic in previous years partially due to high cost involved with employee turnover (Mitchell, Holtom, Lee, Sablynski, and Erez, 2001). The mean employee turnover rate in Icelandic labor market increased from 2012 to 2015 from 10.8% to 11% (Einarsdóttir, Ólafsdóttir, and Bjarnadóttir, 2015). Job embeddedness is a construct that can help to employees remain with their company, decreasing the employee turnover rate. The reasons why people stay with an organization has just recently started to spark interest. In 1995, Lee, Mitchell and their colleagues started considering the importance of finding out why people stay (Lee, Burch, and Mitchell, 2014). Previously, it has been shown that the reasons employees leave a job are different from why they stay (Reitz, and Anderson, 2011). The reasons for why people stay can both be on-the-job, which indicates how the person links and fits with the organization as well as what he/she would sacrifice if he/she left, and off-the-job; which refers to the fit and links to the society around his/hers home as well as what he/she would sacrifice if he/she would move from the neighborhood (Mitchell et al., 2001). Job embeddedness has shown to have an effect on turnover intentions with employees (Felps, et. al., 2009; Crossley, Bennett, Jex, and Burnfield, 2007; Lee, et. al., 2004; Tanova, and Holtom, 2008; Jiang, Liu, McKay, Lee, and Mitchell, 2012; Ramesh, and Gelfand, 2010). By getting employees more embedded, companies could therefore keep some talent that they would otherwise lose. Since this is a relatively new construct, it has mainly been studied in the US (Lee, Burch, and Mitchell, 2014), but there are a few who have researched whether it is generalized in other countries, such as India (Ramesh, 2007), Finland, Spain, Denmark, and Italy (Tanova, and Holtom, 2008), and Cameroon in Africa (Karatepa, 2012). There are multiple reasons to test construct in more countries to determine whether it can be further generalized around the world.

Job embeddedness can be different between groups; gender, age group, education, job tenure, and company size could all differentially affect job embeddedness. It is of great interest to companies to explore what factors are potential contributors in order to further increase job embeddedness.

Previous results have suggested that people who have high job embeddedness show higher performance than those who demonstrate low job embeddedness (Lee, Mitchell, Sablynski, Burton, and Holtom, 2004). Further studies are required to
determine the relationship between job embeddedness and job performance since evidence is scarce (Lee, Burch, and Mitchell, 2014). Better defining the relationship between these variables is of great interest to individual companies since enhancing one could increase employee value. Furthermore, it is of interest to determine whether the effect is consistent between various countries.

The purpose of this study is to determine whether the job embeddedness construct can be generalized to the Icelandic labor market, and if so, does job embeddedness differ across gender, age, education, job tenure or the size of a company. Finally, it is of interest to examine whether job embeddedness predicts job performance of Icelandic employees. The following chapters introduce the job embeddedness construct and what previous research has shown concerning job embeddedness as well as the effect of it on job performance and turnover intentions. Methodology, how the data was collected, and the results will follow. Finally a discussion and conclusion will be put forward to interpret the results and compare them with existing literature.

3 Literature review

3.1 Human resource practices

Dependable and capable employees are vital to companies, regardless of what business they’re in (Branham, 2001). A good human resource practice can help keep those employees within the company, and help increase the employee’s performance (Paul and Anantharaman, 2003; Morrison, 1996; Delaney, and Huselid, 1996). Companies around the world are realizing how valuable a good employee is and the importance good Human resource practices are in order to keep employee talent within the company.

Unemployment rate has been decreasing the past years in Iceland. It was measured at 6% in 2012, and was down to 4% in 2015 (Hagstofan, n.d.). When unemployment rates are low, people are more likely to take a risk and switch jobs compared to when unemployment rate are high and employees are more likely to remain in their current job (citation?). In order to keep track of the employees who stay and who decide to leave their employer, a good Human Resources Management (HRM) practice is important. Over the years Icelandic companies have been keeping up with the turnover rate less and less according to the Cranet report in 2015 (Einarsdóttir,
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Ólafsdóttir, and Bjarnadóttir, 2015). In 2015, a total of 61% of companies that participated knew the job turnover rate within the company which means that 39% of participating companies do not know the turnover rate within their own company. This is considerably less than the 69% in 2012 and the 77% of companies who were aware of their turnover rates in 2009 (Einarsdóttir, Ólafsdóttir, and Bjarnadóttir, 2015). This is an interesting results since more companies in Iceland have special HRM departments, and the number of employees within each HRM department have been increasing since 2009 (Einarsdóttir, Ólafsdóttir, and Bjarnadóttir, 2015). Taken together, the results suggest that companies in Iceland should pay more attention to the turnover rate within the company. By doing so they would keep track of how many of their talented employees are leaving and how many are staying. Evidence of too little turnover rate in companies is not preferable but when it goes above 10% it can have damaging effect on the company’s performance (Wyatt, 2005). In addition, research has shown that there is a link between how devoted employees are in a company and how devoted their customers are (Reichheld, and Teal, 1996; Salanova, Agut, and Peiró, 2005). The mean turnover rate in the Icelandic labor market was 11% in 2005 (Einarsdóttir, Ólafsdóttir, and Bjarnadóttir, 2015) which is higher than the preferable 10% (Wyatt, 2005). This provides further support for the notion that Icelandic companies should to be aware of the turnover rate and determine a method to increase their employees’ devotion to the company. In order to get a competitive advantage, firms can use HRM practices to do so (Schuler, and MacMillan, 1984). The relationship between human resource practices and employees intention to quit can be explained by the job embeddedness construct (Bergiel, Nguyen, Clenney, and Taylor, 2009).

Job embeddedness is a relatively new construct in HRM practices that can help employers keep their talented workers but this construct has not, to my knowledge, been researched in the Icelandic labor market.

3.2 Job embeddedness

In the winter of 1995, Lee, Mitchell and their colleagues got tired of researching why people leave their job, as voluntary turnover, and started focusing on why people stayed (Lee, Burch, and Mitchell, 2014). They knew much more about staying than leaving as they had stayed with the same institute for many years, so it made sense for them to start researching why people stayed in the same company for many years.
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Hence the construct job embeddedness was created. Job embeddedness is defined as “the combined forces that keep a person from leaving his or her job” (Yao, Lee, Mitchell, Burton, and Sablynski, 2004, p. 159). Hence, job embeddedness is a construct that represents a broad set of influences on the decision for an employee to stay in his job, focused on the gathering the association of employee experiences through his work (Lee, Burch, and Mitchell, 2014). When the interconnections between the employees personal life and his work life becomes more complex, it makes it much more difficult for the employee to quit, causing him to be embedded in his job. Job embeddedness has been conceptualized as there are two forces that have influences on keeping employees in their job, on the job embeddedness and off the job embeddedness (Mitchell et. al., 2001). On the job embeddedness refers to how attached the employees are to the organization and off the job refers to how attached the employee are to the community. Then both on the job and off the job embeddedness are split into three dimensions, links, fit, and sacrifice. Links refers to how people have links to other people or activities, fit refers to how the job or the community fits to other aspects of people’s lives and finally sacrifice refers to what people would leave behind if they left their job or community (Mitchell et. al., 2001). Job embeddedness describes employees attachment to the company further than what is described by job satisfaction, and organizational commitment in predicting variance in individual turnover across various populations in many countries, like in the USA (e.g., Cunningham, Fink, and Sagas, 2005; Holtom, Mitchell, Lee, and Tidd, 2006; Mallol, Holtom, and, Lee, 2007; Mitchell, Holtom, Lee, Sablynski, and Erez, 2001), India (Ramesh, and Gelfand, 2010) and Europe (Tanova, and Holtom, 2008). Figure 1 shows the proposed research model.
3.2.1 Separating job embeddedness from work engagement

Both job embeddedness and work engagement have roots in the literature referring to how attached people are to their work. Although they are similar constructs, their conceptualization submits differences between them. For example, Schaufeli, Bakker, and Salanova (2006) point out that engagement is characterized as a mood, which is not stable and can change rapidly. Embeddedness is however developed more slowly over time through the components of links, sacrifice and fit, and is therefore more stable. Engagement could therefore change if job conditions change, but embeddedness would change slower if there aren’t any radical events, such as “shocks” that diminish it (Mitchell et. al., 2001).

When identifying the relationship between engagement and job embeddedness, it is vital to determine their driving resources. According to the Conservation of Resources (COR) theory (Hobfoll, 1988, 1998), individuals are motivated by the need
to gain and keep their resources, or the things they value personally. When looking at the resources that contribute to engagement, they are indicative of the nature of the work (De Lange, De Witte, and Notelaers, 2008; Hakanen, Schaufeli, and Ahola, 2008; Van den Broeck, De Witte, Lens, and Vansteenkiste, 2008). An example of this would be that the resources teachers can attract or are more engaged in regarding research and teaching are very similar between universities. When looking at the resources of job embeddedness, they are limited to the company and position. When an employee moves from one company to another, he cannot move the links with other people with him.

Previous research has shown similarities between work engagement and job embeddedness, but there is also evidence that they are two distinct constructs (Karatepe and Ngeche, 2012; Halbesleben and Wheeler, 2008). For example, Karatepe and Ngeche (2012) examined whether job embeddedness mediates the effect between work engagement and turnover intentions on one hand and work engagement and job performance on the other hand. Their results indicate that job embeddedness partially mediates the effect between work engagement and both turnover intentions as well as job performance (Karatepe, and Ngeche, 2012). Halbesleben and Wheeler (2008) conducted another study that primary focused on determining whether job embeddedness and work engagement were empirically distinct constructs. Their results showed that the two constructs were empirically distinct and that both of them held unique shared variance with employee’s performance. They further concluded that only job embeddedness shared unique variance with turnover intentions but not work engagement.

Taken together, these results indicate that engagement and job embeddedness are distinct constructs but further research is needed to determine whether job embeddedness can be generalized to Icelandic employees. Furthermore, questions addressing whether job embeddedness can be distinguished from work engagement within the Icelandic labor market and whether the aforementioned constructs have a unique and shared variation over turnover intentions.

**Hypothesis 1**: Job embeddedness and work engagement are similar but distinct constructs in the Icelandic labor market and have shared, but a unique variation of turnover intentions.
3.2.2 Antecedents for job embeddedness

The characteristics below have not been studied as an effect on job embeddedness, so similar constructs will be examined at to make hypothesis.

3.2.2.1 Gender differences

When comparing gender, women have been observed to have lower attachment to the labor force than men do (Tanova, and Holtom, 2008). When Clark (1997) studied the differences between women’s and men’s job satisfaction it seemed at first that women were more satisfied in their job than men were. When Clark, however, looked at the possible reasons for this he found out that the gender difference disappeared for younger employees, higher educated employees, employees in professional or managerial positions, those whose mothers had a professional job and those working at a male-dominant workplace. These results indicate that women do not have an overall higher job satisfaction but those who have had a lower quality job in the past are happier when they obtain a higher quality job (Clark, 1997). Also, when looking at women’s turnover behavior, it seems that women who have a high school education or higher, does not differ from men’s turnover behavior (Royalty, 1998). Un-educated women show differences in turnover behavior compared to both men and educated women. Tanova and Holtom’s (2008) results show that men are 82% more likely to be embedded in their jobs than woman. When exploring gender difference when it comes to job performance no differences were reported (Igbaria and Baroudi, 1995; Pulakos, Schmitt, and Chan, 1996).

These results indicate that men and women are not different in today’s work environment, but women were seen as less valuable employees compared to men at times throughout history. It is likely that women are beginning to view themselves as equally valuable employees compared to men, now that gender differences in other fields of life are diminishing. Today in western countries women have same possibilities for a higher education and jobs as men do.

Hypotheses 2: Gender does not affect job embeddedness.
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3.2.2.2 Age

Younger employees are more willing to accept jobs that do not match their abilities and wait for an appropriate job compared to older employees. Younger employees are also higher risks takers at the beginning of their careers, supporting the notion that age and turnover intentions are negative related (Griffeth, Hom, and Gaertner, 2000). This could also indicate that older employees score higher on job embeddedness compared to younger people, since the younger ones are more likely to wait for the right job to come around.

**Hypothesis 3:** Age of the participants does have a positive effect on their job embeddedness.

3.2.2.3 Education

Career mindedness is an unobservable characteristic associated with education level (Royalty, 1998). When examining job performance of police officers, a positive relationship between education level and job performance was observed (Truxillo, Bennett, and Collins, 1998). Career mindedness increases along with education level and causes higher turnover rate because of the employee’s increased job opportunities. A person who is career minded is likelier to take risks because it could provide further opportunities for their carrier. Together, these results suggest that higher educated people have higher career mindedness and are less embedded in their job compared to lower educated people.

**Hypothesis 4:** Education does have a negative effect on job embeddedness for Icelandic employees.

3.2.2.4 Job tenure

People who have spent more time in their current position are more likely to be embedded in their job. This does not mean that those who have just started working in a position aren’t embedded at the current time in their company. It is likely that those who have worked longer within the company are more embedded than those who just
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started. Comparable with age, younger people are more likely to take risks and try something new, working fewer years for a company makes you more likely to leave for a new opportunity (Griffeth, Hom, and Gaertner, 2000).

**Hypothesis 5**: Time spent working in a current position is positively related to job embeddedness.

### 3.2.2.5 Size of the company

Size of the company appears to be a contributing factor for employees, but a positive relationship has been identified between organizational size and job satisfaction (Beer, 1964). Those results indicate that people feel differently depending on their company’s size. Evidence for differences in HRM practices between small and big companies has also been found (Deshpande, and Golhar, 1994). There is an indication that small firms do not find group or individual incentives important. That size difference could be important in describing the differences in embeddedness between small and large firms.

**Hypothesis 6**: Icelandic employees who work for bigger companies are more embedded than those who work for smaller companies.

### 3.2.3 Job embeddedness generalized in different countries: Validation of the job embeddedness scale

Most of the research relating to job embeddedness has been conducted in the USA, and to a limited extent in other countries. That additional research conducted outside of the US has indicated that job embeddedness is generalizable in other countries and continents, for example in India (Ramesh, and Gelfand, 2010) and Europe (Tanova, and Holtom, 2008). Mallow et a. (2007) studied job embeddedness in United States, and showed that Hispanics show a higher degree of job embeddedness than Caucasians. Also, when comparing job embeddedness between US and India, job embeddedness applied to both countries, although embeddedness was higher in the US compared to India (Ramesh, 2007; Ramesh, and Gelfand, 2010). Ramesh and Gelfand
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(2010) point out that though studies of job embeddedness have shown predictive validity few countries have been researched outside of the USA. Their results indicate that job embeddedness can guide organizations in how to improve attachment among the employees to the organization which can be applied in the US as well as in other places. They investigated whether predictive validity of job embeddedness would generalize from the culture in USA to the culture in India. They used call centers to measure job embeddedness in companies of similar industry, as both USA and India are known to use call centers a lot. They also introduced the concept of family embeddedness. The fit dimension of job embeddedness was more predictive in the USA compared to India, but the links dimension was a better predictor in India compared to the USA. When looking at European countries, Tanova and Holtom (2008) used data from the European Community Household Panel survey to look for effects of job embeddedness on voluntary turnover and discovered that both organizational and community embeddedness predicted voluntary turnover in Finland and Spain. Only organizational embeddedness predicted turnover in Denmark and Italy. Job embeddedness has also been generalized in Cameroon, which is a developing sub-Saharan African country (Karatepe, and Ngeche 2012).

Taken together, these studies demonstrate that the predicted validity of job embeddedness can be generalized throughout different countries and cultures.

3.2.4 Increasing job embeddedness

The perceived effectiveness of HRM practices has great influence on how to increase on-the-job embeddedness (Wheeler, Harris, and Harvey, 2010). Employees who perceive effective HRM and high quality leader-member exchange theory (LMX) report the highest level of on-the-job embeddedness. On the contrary, employees who report lower quality LMX relationship but high levels of HRM practices experience the biggest growth in on-the-job embeddedness. Job embeddedness has also been shown to be a better mediator of employee-organization relationships than the social exchange theory (Hom, et. al., 2009). Their results show that there is a need to increase job embeddedness for employees because it can explain the relationship between the employee and the employer; the employer can affect how embedded employees are within their job by using an effective HRM practices. But why should companies want
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to increase job embeddedness for their employees? What effect has that on the company? Next chapters will examine those questions further.

3.3 Relationship with intention to leave

Previous research has shown that job embeddedness plays an important role in explaining why people quit their jobs even after controlling for mediating affect from other related variables (Felph et. al., 2009). The research that Crossley, Bennett, Jex, and Burnfield did in 2007 was conducted to find out whether job embeddedness can be integrated into a model of voluntary turnover. The results showed that job embeddedness predicted voluntary turnover in more depth than attitudes and other main variables from models of turnover. Furthermore, the results showed that job embeddedness related with job satisfaction to predict voluntary turnover. Taken together, the results indicate that this new construct spreads beyond the model of voluntary turnover.

When on-the-job and off-the-job embeddedness are separated, Lee, et. al. (2004) found out that off-the-job embeddedness predicted turnover but on-the-job did not. Tanova and Holtom (2008) showed that both on-the-job and off-the-job explained turnover rates in European countries, but on-the-job embeddedness reduced the turnover rate by 45% and off-the-job reduced it by 16%. Those results show differences between the USA and European countries, which could indicate that different cultures could affect which part of job embeddedness that better explains turnover intentions. However Jiang, Liu, McKay, Lee, and Mitchell (2012) showed that both on-the-job and off-the-job had an effect on turnover intentions after controlling for job satisfaction, job alternatives, and affective commitment.

Job embeddedness has been shown to be a predictor of job turnover both in India and USA (Ramesh and Gelfand, 2010). A similar thing has been shown in 4 European countries; that job embeddedness predicts voluntary turnover (Tanova, and Holtom, 2008).

When surveying employees who are searching for a job, they indicated that they were more likely to quit their job if they were less embedded, had lower job satisfaction, and had more employment alternatives (Swider, Boswell, and Zimmerman, 2011). However, job embeddedness does not predict job turnover if “shocks” occur to the
employees, where “shocks” are trembling events that prompt thoughts of leaving (Holtom and Inderrieden, 2006). Those “shocks” are interpreted differently among people; some feel that their whole world has changed while others don’t feel as different. Job embeddedness has shown to have a moderating effect on embeddedness in coworker and perceived organizational support on turnover intentions (Karatepe, 2011).

All in all, job embeddedness has been shown to predict voluntary turnover in many situations, both directly or by have a moderating effect, in various countries.

Although there is evidence demonstrating the relationship between job embeddedness and turnover intentions in the USA and other countries, the question remains if the relationship will translate to Icelandic employees. There is a chance that differences between on-the-job and off-the-job embeddedness explaining turnover intentions will be discovered in the Icelandic workforce.

**Hypothesis 7:** On-the-job embeddedness will have an effect on turnover intentions while off-the-job will not on Icelandic employees.

### 3.4 Job performance

Lee, Mitchell, Sablynski, Burton, and Holtom (2004) looked at the effect job embeddedness has on job performance and found that on-the-job embeddedness was predictive on job performance, but off-the-job embeddedness was not. Job performance was measured by a questionnaire, so the participants in the research self-evaluated their performance. The result of the research by Wheeler, Harris, and Sablynski (2012) showed similar things, that on-the-job embeddedness affected work effort more directly than off-the-job, but this result also added to the literature that off-the-job embeddedness more strongly predicts job performance than on-the-job embeddedness. They further concluded that job embeddedness boosts, aims, and endures behavior. Their results from a cross-sectional sample of hospital employees showed that work effort mediates the effect of on-the-job embeddedness on self-rated performance, but the work effort does not mediate the effect of off-the-job embeddedness on self-rated performance. Those results show that the on-the-job embeddedness and off-the-job embeddedness can have a different standpoint, and maybe those constructs should be researched separately.
Both on-the-job and off-the-job embeddedness predict job performance, indicating that there is a need for further research on-the-job and off-the-job embeddedness (Holtom, Mitchell, Lee, and Tidd, 2006). Self-evaluated measure in job performance, along with evaluations from the closest coworker and the supervisor can give a clearer view of how the constructs interact. Research using the two measures showed a relationship between job embeddedness and job performance only for the self-reported results and not from the supervisor-rated performance. This is an interesting result and indicates that there is a need for a different kind of performance review when the association between embeddedness and performance are measured (Halbesleben, and Wheeler, 2008). When measuring the sales outcome from insurance salespersons, sales performance increases if he/she is embedded in the job (Cheng, 2014). Those results further imply that there is a need for assessing job performance in different ways than through self-evaluation in order to compare its relation with job embeddedness. Job embeddedness has also been found to have indirect effect on job performance, but rather through mediating effect like the ones among leader-member-exchange, organization-based self-esteem, organizational citizenship behaviors and task performance (Sekiguchi, Burton, and Sablynski, 2008). These results indicate that job embeddedness has an effect on employees’ task performance, which further indicates that the job performance is better for employees who have high job embeddedness. Sun, Zhao, Yang, and Fan (2012) found that there was a direct effect of job embeddedness on self-rated job performance with nurses. When dealing with hospitality industry, job embeddedness has been shown to have a moderating effect on coworkers and perceived organizational support on service recovery performance (Karatepe, 2011). Together, this provides important information because in the hospitality industry in Iceland, job turnover has become a problem and if the employees have high embeddedness they should perform better in their job. Other researchers have implied that job embeddedness has an effect on job performance with employees, but further that job embeddedness has a mediating and moderating influence on other predictors on job performance. For example, Burton, Holtom, Sablynski, Mitchell, and Lee (2010) investigated whether organizational embeddedness buffered the effect of shocks on performance? Their results display that the interactive thoughts of leaving and negative affect had a negative effect of those who had low job embeddedness but a positive effect on those who had high job embeddedness.
If job embeddedness has so many qualities, companies should increase the embeddedness of their employees. However, Giosan, Holtom, and Watson (2005) found that if employers increase perceived organizational and supervisor support, encourage employees to take advantage of benefit programs, provide them with training opportunities, and provide clearly defined rules for organizational newcomers as well as job incumbents, the job embeddedness would increase for employees.

**Hypothesis 8:** Higher level of *on-the-job* embeddedness will have an effect on job performance with Icelandic employees, while higher level of *off-the-job* embeddedness will not.

## 4 Methodology

### 4.1 Participants

The participants in the study were employees from the 300 biggest companies in Iceland (Hauksson, 2014). Out of those 300 companies, 183 presented a list of their employee’s emails on their company’s website and we generated a random sample of 5748 email addresses to contact. Of those 5748 emails sent out, 1280 participants answered the questionnaire (22.3%) but only 1135 participants answered all the questions concerning job embeddedness, which brought the final answer rate down to 19.8%. All the participants had to speak fluent Icelandic to understand the questionnaire. Female participants were 488 (38%) and male participants were 784 (61%), 8 (0.6%) participants did not answer the question concerning genders. Two of the participants were 20 years or younger (0.2%), 98 were 21-30 years old (7.7%), 276 were 31-40 years old (21.6%), 330 were 41-50 years old (25.8%), 357 were 51-60 years old (27.9%), 147 were 61-70 years old (11.5%) and 7 were 71 years or older (0.5%), 63 participants did not identify their age (4.9%). Concerning the educational level of the participants, 168 finished elementary school (13.1%), 144 finished high school (11.3%), 251 had an industrial education (19.6%), 397 finished a bachelor's degree (31%), 283 finished a master’s degree (22.1%) and 10 finished a doctoral degree (0.8%). The time in current job of the participants ranged from 0 to 50 years ($M = 12.76$, $SD = 11.02$), 50
participants did not identify the time they had worked in current job. Participants who worked for a workplace that had 1 - 100 employees were 456 (35.6%) out of the total responses, companies with 101-200 employees had 289 (22.6%) responses, companies with 201-300 employees had 151 (11.8%) responses, 301-400 employee companies gave 88 (6.9%) of the responses, 401-500 employee companies had 41 (4%) of the responses, and companies with more than 500 employees gave 230 (18%) of the responses, 15 participants did not identify how many employees worked at their current company.

4.2 Procedure

4.2.1 Pre-testing of scales

Measures used for each construct were validated by previous research. To see whether the constructs were appropriate they were validated by a pretest with a sample of 30 people. This is when one person translates the questions and then another person translates it back to English “blindly“, without seeing the questions in English before. This was done so that the meaning of the questions would be the same in English and Icelandic. The original language the constructs were measured in was English so all questions were translated into Icelandic and then back to English.

4.2.2 The study

First, I examined which out of the 300 largest companies in Iceland had their employees email lists available on the company’s website. Then, a list of random email addresses from previously collected contacts was created. An email was sent out to the entire list of email addresses containing a questionnaire concerning the job embeddedness, job performance, turnover intention and work engagement as well questions regarding the control variables. The email described that this was for a master thesis project and contained a new construct with the reason being to check if it works in Iceland. Also, it described interest in predicting job turnover and similarities and dissimilarities from job engagement as well as having any effect on self-described job performance. All participants were informed that participating in the study was voluntary and that they could skip any answers and all collected results would be kept confidential. No follow up email was sent to the participants since no consent from the companies was obtained.
4.3 Measures

A five point Linkert scale was used when measuring all construct ranging from 1 (strongly disagree) to 5 (strongly agree).

4.3.1 Job embeddedness

Job embeddedness was measured with a 21-item measure that Holtom, Mitchell, Lee, and Tidd (2006) shortened from the previous 40-item measure that Mitchell et.al. developed in 2001. Felps et. al. (2009) showed that the measure was equally valid as the longer version and just as reliable but the alpha coefficient was .92. The alpha coefficient for the current study was .85. It requires less time to answer the 21-item measure compared to the 40-item so it is likelier that more people will participate. Three items from the 21 item measure were excluded since they contained yes and no questions and therefore did not fit into the five point Linkert scale. The remaining 18-items were divided into 9 on-the-job embeddedness and 9 off-the-job embeddedness provided in the appendix chapter.

4.3.2 Job performance

Job performance was measured by 7 questions that Williams and Anderson (1991) created. The alpha coefficient in their research was .91. In the current study the alpha coefficient was .84.

4.3.3 Turnover intention

Turnover intention was measured with four items which was based on researched conducted by Stiglbauer, Selenko, Batinic, and Jodlbauer (2012).The alpha coefficient was .87, but the alpha coefficient in the current study was .75.

4.3.4 Work engagement

Work engagement was measured by the shortened work and well-being survey (UWES-9) creatad by Schaufeli, Bakker, and Salanova (2006), the alpha coefficients ranged from .72 to .90 in previous studies, but in this study the alpha coefficient was .88.
Job embeddedness in Icelandic labor market

4.3.5 Control variables

Gender was used as a control variable, coded as 0 male and 1 female.

Age was used as a control variable, to determine if job embeddedness was different between age groups. Age was measured on an equal intervals scale from 1 to 7 (1= 20 years and younger; 2= 21 – 30 years; 3= 31 – 40 years; 4= 41 – 50 years; 5= 51 – 60 years; 6= 61 – 70 years; 7= 71 years and older).

Additionally, education was used as a control variable. Education was measured on a nominal scale from 1 to 6 (1= finished elementary school; 2=finished high school; 3= industrial education; 4= bachelor degree; 5= master’s degree; 6= doctoral degree). The education variable was changed to dummy variable, where elementary school was used as a baseline measure and all other education was compared to all of other levels.

Years in current job was also used as a control variable, it was measured as years in current position and participants asked to give answers in whole years. The job tenure was divided into two groups depending on the median of the variable, the lower tenure was those who had 9 years or less in current job and higher tenure were those who had 10 years or more in their current job.

Finally, the last control variable was how large the current employee company was. This was done to determine if smaller companies have better embeddedness than larger ones. Company size was measured on an equal interval scale from 1 to 6 (1= 0 – 100 employees; 2= 101 – 200 employees; 3= 201 – 300 employees; 4= 301 – 400 employees; 5= 401 – 500 employees; 6= 500 or more employees).

4.4 Analysis Procedures

The data was analyzed using IBM SPSS statistics 23.0 (citation?).

First the data was screened for outliers and missing values. None of the outliers were deleted because none of them had a significant effect on the mean (Hair, Black, Babin, Anderson, and Tatham, 2010).

To detect similarities and dissimilarities between whole job embeddedness and job engagement a bivariate correlation was conducted. When a relationship between the variables was established a principal component analysis was conducted to see whether the items of both variables loaded on different components to see if they were two
Job embeddedness in Icelandic labor market

different constructs. Finally a multiple regression was conducted to determine both the unique and shared contribution of the variables on turnover intentions.

Multiple regression was conducted to find out how much of job embeddedness was explained by age, gender, education, job tenure, and size of a company.

Next, a hierarchical regression was conducted to determine whether both on-the-job and off-the-job embeddedness had an effect on turnover intentions with participants after controlling for gender, age, education, job tenure, and the size of a given company.

Finally a hierarchical regression was conducted to determine if job embeddedness has an effect on self-recognized job performance, after controlling for age, gender, education, job tenure, and size of a company.
5 Results

5.1 Descriptive results

Mean, standard deviation, and bivariate correlation for every variable is shown in table 1. An alpha coefficient was found for all scales in the study, ranging from 0.75 to 0.88. I also confirmed that the reliability of each scale would increase if any of the items were deleted from the scale. The cronbach’s alpha did not increase if any items were deleted, resulting in all items being kept.
Table 1
Descriptive statistics for the study’s variables (n = 1130)

<table>
<thead>
<tr>
<th>Variable</th>
<th>M</th>
<th>SD</th>
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<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
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<td></td>
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<td></td>
</tr>
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<td></td>
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<td></td>
<td></td>
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<td>3. Education</td>
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<td>-.19**</td>
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</tr>
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<td>4. Job tenure</td>
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<td>11.02</td>
<td>-.11**</td>
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<td>5. Company size</td>
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<td>1.86</td>
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<td>6. Job turnover</td>
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<td>.10**</td>
<td>-.08**</td>
<td>-.02</td>
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<td>7. Job engagement</td>
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<td>5.58</td>
<td>-.00</td>
<td>.12**</td>
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<td>.09**</td>
<td>.04</td>
<td>-.45**</td>
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<td>8. Job performance</td>
<td>31.46</td>
<td>4.35</td>
<td>.11**</td>
<td>-.09**</td>
<td>-.01</td>
<td>-.02</td>
<td>.03</td>
<td>-.29**</td>
<td>.39**</td>
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<td>9. On-the-Job</td>
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<td>.07*</td>
<td>.03</td>
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<td>.64**</td>
<td>.46**</td>
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<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>10. Off-the-Job</td>
<td>68.05</td>
<td>10.61</td>
<td>.08**</td>
<td>.10**</td>
<td>-.07*</td>
<td>.10**</td>
<td>-.01</td>
<td>-.24**</td>
<td>.33**</td>
<td>.42**</td>
<td>.46**</td>
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</tr>
</tbody>
</table>

Note: Gender: male= 0, female= 1; age: 1=20 years or younger, 2= 21-30 years, 3= 31-40 years, 4= 41-50 years, 5= 51-60 years, 6= 61-70 years, 7=71 and older; education: 1= elementary school, 2= gymnasium, 3= industrial degree, 4= undergraduate, 5= graduate, 6= doctorial; company size: 1= 1-100 employees, 2= 101-200 employees, 3= 201-300 employees, 4= 301-400 employees, 5= 401-500 employees, 6= more than 500 employees.

* p < .05, ** p < .01.
5.2 Hypothesis 1: Job embeddedness and job engagement are similar, but distinct constructs

5.2.1 Bivariate correlation

To test hypothesis 2 and to examine the relationship between job embeddedness and job engagement, a bivariate correlation was conducted. A moderate positive relationship between them, $r_{(1098)} = .573$, $p < .005$, with job embeddedness statistically explained 33% of the variability in job engagement. This result indicates that these constructs are describing similar things, but not exactly the same.

5.2.2 Principal component analysis

Job embeddedness and job engagement have been determined to be related so that the 18 items from the job embeddedness scale and the 9 items from the engagement scale were subjected to principal component analysis (PCA). The correlation matrix revealed the presence of multiple coefficients of .3 and above. The Kaiser-Meyer-Olkin value of .91, and Bartlett's Test of Sphericity were statistically significant higher compared the others which supported the factorability of the correlation matrix.

Principal component analysis revealed the presence of 6 components with eigen values exceeding 1, explaining 32%, 9.7%, 6.4%, 5.2%, 4.8% and 4.3% of the variance respectively. The 6 components solution explained a total of 62.34% of the variance. All of the 9 engagement items loaded on the first component showed strong loadings for all items or from .58 to .78. The 18 items from job embeddedness divided into the 5 remaining components. The rotated pattern coefficients of all items are shown in table 2 below.
Job embeddedness in Icelandic labor market

<table>
<thead>
<tr>
<th>Item</th>
<th>Pattern coefficients</th>
<th>Communalities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Component 1</td>
<td>Component 2</td>
</tr>
<tr>
<td>Engagement h)</td>
<td>.783</td>
<td>.102</td>
</tr>
<tr>
<td>Engagement c)</td>
<td>.727</td>
<td>-0.040</td>
</tr>
<tr>
<td>Engagement i)</td>
<td>.684</td>
<td>.160</td>
</tr>
<tr>
<td>Engagement f)</td>
<td>.657</td>
<td>0.030</td>
</tr>
<tr>
<td>Engagement b)</td>
<td>.643</td>
<td>-0.099</td>
</tr>
<tr>
<td>Engagement e)</td>
<td>.636</td>
<td>-0.054</td>
</tr>
<tr>
<td>Engagement d)</td>
<td>.608</td>
<td>-0.044</td>
</tr>
<tr>
<td>Engagement a)</td>
<td>.592</td>
<td>-0.117</td>
</tr>
<tr>
<td>Engagement g)</td>
<td>.580</td>
<td>-0.029</td>
</tr>
<tr>
<td>Embeddedness j)</td>
<td>-0.035</td>
<td>.748</td>
</tr>
<tr>
<td>Embeddedness k)</td>
<td>0.050</td>
<td>.733</td>
</tr>
<tr>
<td>Embeddedness l)</td>
<td>0.021</td>
<td>.619</td>
</tr>
<tr>
<td>Embeddedness p)</td>
<td>0.041</td>
<td>.543</td>
</tr>
<tr>
<td>Embeddedness c)</td>
<td>0.115</td>
<td>-0.023</td>
</tr>
<tr>
<td>Embeddedness h)</td>
<td>0.060</td>
<td>.204</td>
</tr>
<tr>
<td>Embeddedness b)</td>
<td>0.115</td>
<td>-0.089</td>
</tr>
<tr>
<td>Embeddedness g)</td>
<td>0.034</td>
<td>-0.040</td>
</tr>
<tr>
<td>Embeddedness a)</td>
<td>0.132</td>
<td>-0.088</td>
</tr>
<tr>
<td>Embeddedness i)</td>
<td>0.041</td>
<td>-0.033</td>
</tr>
<tr>
<td>Embeddedness q)</td>
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<td>0.052</td>
</tr>
<tr>
<td>Embeddedness r)</td>
<td>-0.023</td>
<td>0.057</td>
</tr>
<tr>
<td>Embeddedness d)</td>
<td>0.033</td>
<td>0.178</td>
</tr>
<tr>
<td>Embeddedness e)</td>
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<td>.219</td>
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<tr>
<td>Embeddedness f)</td>
<td>-0.001</td>
<td>0.014</td>
</tr>
<tr>
<td>Embeddedness n)</td>
<td>0.055</td>
<td>0.074</td>
</tr>
<tr>
<td>Embeddedness o)</td>
<td>0.015</td>
<td>0.141</td>
</tr>
<tr>
<td>Embeddedness m)</td>
<td>-0.007</td>
<td>0.060</td>
</tr>
</tbody>
</table>

Table 2: Pattern matrix for PCA

Note: major loadings for each item are bolded
5.2.3 Multiple regression

To further examine the association between job embeddedness and job engagement a multiple regression was conducted to assess the ability of both of the variables to predict turnover intentions. Job embeddedness and job engagement explained 28.5%, (F (2, 1097) = 218.25, p < .001) of turnover intentions. Job embeddedness explained a unique contribution of 8.4% of turnover intentions but job engagement had a 4% of unique contribution. These results indicate that the two constructs are not the same. This result provides support for hypothesis 1, that job embeddedness and work engagement are similar constructs but they are not the same.

5.3 Hypothesis 2 to 6: Multiple regression

A multiple regression was conducted to predict job embeddedness from gender, age, education, job tenure, and size of a company. The model showed a 2.2% statistically significant prediction of job embeddedness (F(9, 1068) = 2.706, p < .01, adj. R² = .01). Gender, age, and job tenure added statistical significance to the prediction (p < .05), but the education and size of a company did not. Regression coefficients and standard errors can be found in table 4 below. Taken together, support for hypotheses 2, 3, and 5 has not been found, but hypotheses 4, and 6 are supported.

Table 3
Summary of Multiple Regression Analysis on job embeddedness

<table>
<thead>
<tr>
<th>Variable</th>
<th>B</th>
<th>SE</th>
<th>Beta</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>1.56</td>
<td>0.68</td>
<td>.07*</td>
</tr>
<tr>
<td>Age</td>
<td>0.67</td>
<td>0.32</td>
<td>.07*</td>
</tr>
<tr>
<td>Job tenure</td>
<td>1.53</td>
<td>0.75</td>
<td>.07*</td>
</tr>
<tr>
<td>Size of company</td>
<td>0.10</td>
<td>0.18</td>
<td>.02</td>
</tr>
<tr>
<td>Gymnasium</td>
<td>-1.34</td>
<td>1.26</td>
<td>-.04</td>
</tr>
<tr>
<td>Industrial education</td>
<td>-0.25</td>
<td>1.11</td>
<td>-.01</td>
</tr>
<tr>
<td>Undergraduate</td>
<td>-0.30</td>
<td>1.02</td>
<td>-.01</td>
</tr>
<tr>
<td>Graduate</td>
<td>-0.90</td>
<td>1.09</td>
<td>-.04</td>
</tr>
<tr>
<td>Doctoral</td>
<td>-5.18</td>
<td>3.73</td>
<td>-.04</td>
</tr>
</tbody>
</table>

Note: *p < .05.
5.4  **Hypothesis 7: On-the-job embeddedness will explain turnover intentions but off-the-job not**

Hierarchical multiple regression was conducted to assess the ability of *on-the-job* and *off-the-job* embeddedness to predict turnover intentions, after controlling for the influence of gender, age, education, job tenure, and size of a company. The results are presented in table 3. Gender, age, education, job tenure, and size of a company were entered at step 1, explaining 2.6% of the variance in turnover intentions. At step 2 *on-the-job* and *off-the-job* embeddedness were entered, the total variance explained by the model as a whole was 40.6% (F (11, 1122) = 69.75, p < .001). The two control measures explained an additional 38% of the variance of turnover intentions, after controlling for gender, age, education, job tenure, and size of a company (R squared change = .38, F change (2, 1122) = 359.29, p < .001). In the final model, only two variables were statistically significant, age and *on-the-job* embeddedness, with the latter recording a higher beta value (beta = -.63, p < .001) than age (beta = -.08, p < .005). This result provided support for *Hypothesis 7*, Job embeddedness has an effect on turnover intentions even when controlling for gender, age, education, job tenure, and size of a company.
Job embeddedness in Icelandic labor market

Table 4

Summary of Hierarchical Regression Analysis for variables predicting Turnover Intentions

<table>
<thead>
<tr>
<th>Variable</th>
<th>B</th>
<th>SE</th>
<th>Beta</th>
<th>R</th>
<th>R²</th>
<th>ΔR²</th>
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</thead>
<tbody>
<tr>
<td><strong>Step 1</strong></td>
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<tr>
<td>Gender</td>
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<td>.23</td>
<td>-.01</td>
<td>.16</td>
<td>.03</td>
<td>.02</td>
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<tr>
<td>Age</td>
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<td>.11</td>
<td>-.12**</td>
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<tr>
<td>Job tenure</td>
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<td>.25</td>
<td>-.03</td>
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<td>Size of company</td>
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<td>Gymnasium</td>
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<td>.02</td>
<td>-.63***</td>
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<tr>
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<td>.01</td>
<td>.03</td>
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</tbody>
</table>

Note. N = 1280; Gender: male= 0, female= 1; age: 1=20 years or younger, 2= 21-30 years, 3= 31-40 years, 4= 41-50 years, 5= 51-60 years, 6= 61-70 years, 7=71 and older; education:each level of education was compared to all other levels; company size: 1= 1-100 employees, 2= 101-200 employees, 3= 201-300 employees, 4= 301-400 employees, 5= 401-500 employees, 6= more than 500 employees.

*p < .05, **p < .01, ***p < .001.
5.5 **Hypothesis 8: Higher level of job embeddedness will have an effect on job performance**

Hierarchical multiple regression was used to assess the ability of both *on-the-job* and *off-the-job* embeddedness to predict job performance, after controlling for gender, age, education, job tenure, and size of a company. The results are presented in table 5 below. Gender, age, education, job tenure, and size of a company were entered at Step 1, explaining 2.2% of the variance of job performance. After entering both *on-the-job* and *off-the-job* embeddedness at Step 2 the total variance explained by the model as a whole was 24.5% ($F(11, 1122) = 33.19, p < .001$). *On-the-job* and *off-the-job* embeddedness explained an additional 22.4% of the variance of job performance, after controlling for gender, age, education, job tenure, and size of a company ($R^2$ change = .22, $F$ change (2, 1122) = 166.40, $p < .001$). In the final model, gender, age, *on-the-job* and *off-the-job* embeddedness showed statistical significance, with *on-the-job* embeddedness recording the highest beta value ($\beta = .44, p < .001$). *Hypothesis 8* was supported where job embeddedness has a significant effect on job performance.
Table 5

*Summary of Hierarchical Regression Analysis for variables predicting Job Performance*

<table>
<thead>
<tr>
<th>Variable</th>
<th>B</th>
<th>SE</th>
<th>Beta</th>
<th>R</th>
<th>R²</th>
<th>ΔR²</th>
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<td>.07</td>
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</table>

Note. N = 1280; Gender: male= 0, female= 1; age: 1=20 years or younger, 2= 21-30 years, 3= 31-40 years, 4= 41-50 years, 5= 51-60 years, 6= 61-70 years, 7=71 and older; education: each level of education was compared to all other levels; company size: 1= 1-100 employees, 2= 101-200 employees, 3= 201-300 employees, 4= 301-400 employees, 5= 401-500 employees, 6= more than 500 employees.

*p < .05, **p < .01, ***p < .001.
In the figure above the model that this research proposed is presented, and the hypothesis that was med with each variable. The results from the research will be discussed below.

The main hypothesis of the study stated that higher levels of on-the-job embeddedness will have an effect on job performance, whereas off-the-job will not. The hypothesis was partially supported. Both on-the-job and off-the-job demonstrated an effect on job performance, even after controlling for gender, age, education, job tenure, and size of the company. The current results corroborate previous findings where job embeddedness has an effect on job performance (Lee, Mitchell, Sablynski, Burton, and Holtom, 2004; Wheeler, Harris, and Sablynski, 2012; Holtom, Mitchell, Lee, and Tidd, 2006; Halbesleben, and Wheeler, 2008; Cheng, 2014; Sun, Zhao, Yang, and Fan, 2012). Lee, Mitchell, Sablynski, Burton, and Holtom (2004) found conflicting results, stating...
that only on-the-job predicts job performance but not off-the-job embeddedness. Wheeler, Harris, and Sablynski (2012) disagreed, but their results where that off-the-job embeddedness more strongly predicted job performance than on-the-job. Holtom, Mitchell, Lee, and Tidd (2006) however found that both off-the-job and on-the-job embeddedness predicted job performance, which is consistent with the current results. These conflicting results are interesting and further research is required to fully examine the effects and to determine whether the effects are culture dependent. Furthermore, future studies should look at whether self-evaluated job performance is a contributing factor but all the above discussed research, including this one, has used self-evaluated job performance. Through the indication that job embeddedness has an effect on job performance there is a need to further investigate this relationship, and perhaps measure different types of job performance through methods such as performance appraisal.

In order to fully distinct job embeddedness from job engagement I examined them together, because those are similar constructs. The results showed that the two were in fact distinct but similar constructs, so hypothesis number 1 received support. The results showed that there is a high correlation between job embeddedness and job engagement which indicates that they are in fact measuring similar factors, but he principal component analysis revealed that job engagement questions all loaded on one component, which revealed that those questions are in fact different from the job embeddedness questions. The job embeddedness questions loaded on 4 components, on-the-job on 2 of them and off-the-job on the other two. I also conducted multiple regression analysis to determine the unique contribution of each construct in explaining turnover intentions. The regression revealed that job embeddedness explained turnover intentions with higher unique contribution than job engagement. This result is similar to the findings from Halbesleben, and Wheeler (2008) but in their results engagement did not explain unique variance with turnover intentions. In the results from Karatepe, and Ngeche (2012) job embeddedness mediates the effect of job engagement and turnover intentions. That mediation was not examined in the current study, but that remains a relationship that will be interesting to look at in future studies.

The multiple regression designed to determine whether gender, age, education, job tenure, and size of a company has an effect on job embeddedness, revealed that those five variables explained 2.2% of the total variance of job embeddedness and only gender, age, and job tenure showed a significant distribution. However, hypothesis
number 2 stated that gender would not affect job embeddedness so it did not receive support from the current findings. The minute (2.2%) explanations were so small, that they could’ve been explained by the notion that the research sampling was so large and that could have contributed to the observed effect. Further research is needed to determine the contribution of gender to the model. Although Royalty (1998) pointed out that the difference between the genders in job turnover could be explained as a result of difference in education levels between them. The current study did not explore education differences between the genders so testing his predictions was not possible. The findings of gender contribution to job turnover in the current study are similar to the findings of Clark (1997), where differences between the genders in job satisfaction was found, but the difference disappeared when reasons like higher education, younger employees and more were controlled for. Those results indicate that there are no differences in job turnover between the genders but the minute observed differences are likely because women have not always had the same rights as men in the labor market. It is just a matter of time until the genders are equal in the workforce. Similarly there was a significant difference observed between the age groups of the participants, which provided support for hypothesis number 3. As in the case of the gender difference, the distribution was so small that the sampling size could have been a contributing factor. Previous research has found a difference in turnover intentions between age groups where younger employees are more willing to take risks in switching jobs and more willing to accept jobs that are below their abilities before they find the right job (Griffeth, Hom, and Gaertner, 2000). These reasons could explain the difference between the age in job embeddedness in a way that they are more willing to take chances and try different things. Similar findings were observed when it comes to job tenure of the participants. Hypothesis number 5, concerning that job tenure had an effect on job embeddedness received support from our results. There was a significant difference observed between job tenure levels which supported the hypothesis, but the same problem as with gender and age was present within the findings.

Hypotheses number 4 and 6 did not receive support by my findings. Those hypotheses were concerning education and size of the company the participants work and their effect on job embeddedness. Concerning the effect of the education, the current results are difference from the results from Royalty (1998). That study concluded that higher education levels of employees at a given company correlate with higher turnover rates. This was an effect of increased opportunities that come with
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higher education. One possible reason for education levels not having an effect on job embeddedness for Icelandic employees could be because there are so many highly educated people in Iceland with a few educated jobs so when they get a job after their schooling, they will hold on to it. For hypothesis 6, when determining if the size of a company has an effect on job embeddedness of employees, no differences were observed. According to my knowledge this comparison has not been done before. However, difference between size of the organization and job satisfaction (Beer, 1964) has been found, as well as difference in HRM practices in small and large companies (Deshpande, and Golhar, 1994), where small companies do not find it important to use groups or individual incentives, but large do.

Hypothesis number 7 stated that higher levels of on-the-job embeddedness would predict turnover intentions in the Icelandic labor market, but off-the-job embeddedness would not. The hypothesis was supported, where only on-the-job had a significant effect on job turnover. Those results corroborate previous findings where job embeddedness predicts turnover intentions (Crossley, Bennett, Jex, and Burnfield, 2007; Lee, et. al., 2004; Bergiel, Nguyen, Clenney, and Taylor, 2009; Swider, Boswell, and Zimmerman, 2011; Karatepe, 2011). The current results further indicate that job embeddedness can be generalized throughout the world, but as others have shown, job embeddedness predicts turnover intentions in different ethnic groups in the USA (Mallol, Holtom, and Lee, 2007), in India (Ramesh, 2007; Ramesh, and Gelfan, 2010), European countries such as Finland, Spain, Denmark and Italy (Tanova, and Holtom, 2008), and even in Cameroon in Africa (Karatepe, and Ngeche, 2012). The results from this study are consistent with the findings from Tanova, and Holtom (2008), which conclude that on-the-job embeddedness describes turnover intentions more than off-the-job for employees in European countries. Lee, et. al., (2004) found that in the USA off-the-job embeddedness described turnover intentions more so than on-the-job embeddedness, contradicting previous findings. It is plausible that this result was consisted with results from other European countries but not the USA since Icelandic culture relates more to the culture in Europe than in the USA. Together, these results add to the previous knowledge of the generalizability of job embeddedness. These constructs can be generalized to Iceland as well as the other countries.
7.1 Limitations and future researches

There were a few limitations to this research. First of all, the answer rate was not high, but those who chose not to participate could all have something in common that could have an effect on the final results. Another limitation is the self-recognized job performance. Participants could have indicated lower job performance than they really demonstrate if they were humble or higher job performance than realistically are if they had extra belief in themselves.

There is great need to explore different types of job performance than self-recognized. Because self-reporting may not be an accurate measure, future measures could include looking at 360 degree performance (i.e. looking at how other around the employee report performance and compare it to self-recognized performance) and comparing that to job embeddedness. Job embeddedness also needs to be researched further in the Icelandic labor market since the Icelandic nation is becoming highly educated that companies are struggling to keep them as employees. Researching both mediating and moderating effects of job embeddedness and exploring ways of increasing the quality of HRM practices in order to increase job embeddedness is vital for understanding the future of the Icelandic labor market.

7.2 Conclusions

The current results add an important knowledge base to the Icelandic labor market. Since the turnover rate is increasing in the labor market (Einarsdóttir, Ólafsdóttir, and Bjarnadóttir, 2015) there is an increased need for Icelandic companies to find methods of retaining their employees. Furthermore, if companies increase the embeddedness of their employees they could increase employee performance, resulting in better outcomes for the economy.
8 References


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9 Appendix

9.1 Icelandic questionnaire

1. Kyn
   Kona karl

2. Aldur (fellilisti)

3. Menntun
   Grunnskólapróf
   Styttentspróf
   Iðnmenntun
   Fyrri háskólomenntun (BSc, BA gráða, eða samhærileg)
   Seinni háskólamenntun (MSc, MA gráða eða samhærileg)
   Doktorspróf

4. Starfsaldur í núverandi starfi
   (fellilisti)

5. Á skalanum 1 til 5 hversu vel eða illa eiga eftirfarandi athugasemdir við þig þar sem 1 er mjög illa og 5 er mjög vel?
   a) Ég lík störfum mínúm á fullnægjandi hátt
   b) Ég uppfylli þær kröfur sem tilgreindar eru í starfslýsingu
   c) Ég framkvæmi þau verkefni sem búist er við af mér
   d) Ég uppfylli formlegar kröfur um frammistöðu starfsins
   e) Ég skuldbind mig verkefnum sem hefur bein áhrif á frammistöðum mat mitt
   f) Ég vanrækir þætti starfsins sem mér er skylt að framkvæma
   g) Mér mistekst við að framkvæma nauðsynleg verkefni

6. Á skalanum 1 til 5 hversu sammála eða ósammála ertu eftirfarandi fullyrðingum þar sem 1 er mjög ósammála og 5 er mjög sammála?
   a) Starfið mitt nýtir færni mína og hæfileika vel
   b) Mér finnst ég samsama mér vel því fyrirtæki sem ég starfa hjá
   c) Ef ég verð áfram hjá fyrirtækinu sem ég starfa hjá þá mun ég ná flestum mínúm markmiðum
   d) Mér líkar virkilega vel við staðinn þar sem ég bí
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e) Ég samsama mér vel við staðinn þar sem ég bý
f) Tómstundastarfíð sem mér líkar við er í boði á þeirri staðsetningu sem ég bý (íþróttir, útivi, menningarlægir atburðir og listir)
g) Ég hef miklð frelsi í starfinu mínun til að fylgja markmiðum mínun
h) Ég myndi fórrna miklu ef ég myndi hætta í starfinu mínun
i) Ég tel möguleika mínun á að halda áfram að vinna fyrir þetta fyrirtæki vera mjög góða
j) Að fyltja úr því samfélagi sem ég bý væri mjög erfitt
k) Ég myndi sakna vina minna (ekki úr vinnunni) miklð ef ég myndi fyltja úr samfélaginu þar sem ég bý
l) Ef ég myndi fyltja úr hverfinu sem ég bý þá myndi ég sakna hverfisins
m) Ég er meðlimur í árangursríkum vinnuhóp
n) Ég vinn náið með vinnufélöginum mínun
o) Ég hef mikil samskipti við vinnufélaga úr mínun vinnuhóp í vinnunni
p) Rætur fjölskyldu minnar eru í þessu samfélagi
q) Ég er virkur í einu eða fleiri stofnunum í þágu samfélagsins (kirkju, íþróttafélagi, skólam og fleiri)
r) Ég tek þátt í menningar- og tómstundastarfí í nánasta umhverfi mínun

7. Ertu gift/ur?
Já  Nei í sambúð

8. Ef þú ert gift/ur eða í sambúð, vinnur maki þinn úti?
Já  Nei er ekki í sambúð/gift/ur

9. Átt þú fasteign (á lánunum eða ekki)?
Já  Nei

10. Á skalanum 1 til 5, þar sem 1 er algjörlega ósammála og 5 er algjörlega sammála, hversu sammála eða ósammála ertum þessum fullyrðingum?
   a) Ef ég hugsa um framtíðina þá get ég séð sjálfa/n mig vinna ennþá fyrir núverandi vinnuveitanda minn
   b) Ef mér yrði boðið sama starf hjá öðrum vinnuveitanda núna þá myndi ég taka því
   c) Eins og staðan er í dag þá sé ég enga ástæðu til að leita af öðru starfi
   d) Undanfarið hef ég verið að hugsa um að hætta að vinna hjá vinnuveitanda mínun

11. Á skalanum 1 til 5, þar sem 1 er algjörlega ósammála og 5 er algjörlega sammála, hversu sammála eða ósammála ertu eftirfarandi fullyrðingum þegar þú hugsar um núverandi vinnuna þína?
   a) Mér finnst ég full/ur af orku
   b) Mér finnst ég vera sterk/ur og kröftug/ur starfskraftur
9.2 English questionnaire

Job performance

1. Adequately completes assigned duties
2. Fulfills responsibilities specified in job description
3. Performs tasks that are expected of him/her
4. Meets formal performance requirements of the job
5. Engages in activities that will directly affect his/her performance evaluation
6. Neglects aspects of the job he/she is obligated to perform (R)
7. Fails to perform essential duties (R)

Job embeddedness

1. My job utilizes my skills and talents well
2. I feel like i am a good match for my organization
3. If i stay with my organization, i will be able to achieve most of my goals
4. I really love the place where i live
5. The place were i live is a good match for me
6. The area where i live offers the leisure activities that i like (sports, outdoor activities, cultural events & arts)
7. I have a lot of freedom on this job to pursue my goals
8. I would sacrifice a lot if i left this job
9. I believe the prospects for continuing employment with my organization are excellent
10. Leaving the community where i live would be very hard
11. If i were to leave the community, i would miss my non-work friends
12. If i were to leave the area where i live, i would miss my neighborhood
13. I am a member off an effective work group
14. I work closely with my coworkers
15. On the job, i interact frequently with my work group members
16. My family roots are in this community
17. I am active in one or more community organizations (e.g., churches, sports teams, schools, etc.)
18. I participate in cultural and recreational activities in my local area
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Turnover intention

1. Giving thought to my future career, I can see myself still working for my present employer in three years (R)
2. If at the present moment I was offered an equivalent position at another company, I would take it.
3. At the present time I see no reason to look for an alternative position (R)
4. Lately I have been thinking about leaving my employer.

Work engagement

1. At my work I feel bursting with energy
2. At my job, I feel strong and vigorous
3. I am enthusiastic about my job
4. My job inspires me
5. When I get up in the morning, I feel like going to work
6. I feel happy when I am working intensely
7. I am proud of the work that I do
8. I am immersed in my work
9. I get carried away when I am working