The Relationship of Organizational Embeddedness and Employees’ Retention: A General Review

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Abstract
This study explores the relationship between organizational embeddedness and employee retention, highlighting the impact of organizational fit, links, and sacrifices on the intention to remain within a company. It synthesizes existing research through a comprehensive literature review while acknowledging the potential limitations due to publication bias and the broad scope of the data sources, which include studies across diverse geographical locations and industries. The study discusses the significant changes in the labor market due to shifts in the global economic landscape and the COVID-19 pandemic, emphasizing how these factors influence employee retention strategies. It also examines the potential implications of globalization on organizational practices and employee retention. The findings underscore organizations’ need to adapt their human resource strategies in response to evolving employee expectations and the changing economic environment. The study advocates for using empirical data collection methods, such as surveys and interviews, in future research to enhance the understanding of the causal relationships between organizational embeddedness and employee retention.

Keywords: Organizational Embeddedness, Employee Retention, Human Resource Strategies, Job Embeddedness
Research Background

In today’s fast-paced and highly competitive global market, keeping talented employees is crucial for a company’s success. Mazlan and Jambulingam (2023) note that keeping these key employees is essential to a company’s health because they are central to business growth.

As the need for skilled workers grows and economic situations change, Lalitha (2023) stresses the need for solid retention strategies. These strategies are crucial for staying in the market and securing the company’s future.

Research by Gomathy et al (2023) supports this view that keeping employees is a strategic must in today’s changing economic environment and tougher competition. The research indicates that motivational elements like financial incentives, career growth opportunities, job characteristics, and support from management play a big role in keeping employees and helping the company grow. It is consistent with findings from Škerháková et al (2022), who also highlight the importance of these elements.

Furthermore, Mitchell et al (2001) introduced the job embeddedness theory to tackle employee turnover. This theory looks at what keeps people from leaving their jobs, offering a new viewpoint beyond traditional turnover models and marking an important development in research on turnover. Job embeddedness has been proven to strongly predict job performance and effectively reduce turnover rates. This idea has gained a lot of support and validation in later studies, such as those by Ampofo et al (2021); Zia et al (2022), showing its effectiveness and relevance in managing today’s workforce.

Research Objectives

This study uses the Theory of Reasoned Action to explore how different aspects of organizational embeddedness (organizational fit, organizational links, and organizational sacrifice) influence an employee’s decision to stay with a company:

1. It looks at the positive connection between organizational fit and the desire to stay, examining how being in sync with the company’s culture and values can boost employees’ willingness to remain. It examines how well the company’s environment meets employee expectations and how such a match encourages commitment, job satisfaction, and loyalty.

2. The research examines the positive link between organizational links and the wish to stay, focusing on how interactions with the company, bosses, and co-workers affect retention. It analyzes how well employees are combined within their company and how these relationships help strengthen their intention to stay.

3. The study explores the positive connection between organizational sacrifice and the desire to stay. It assesses the opportunities employees have for advancement, career planning, training, and job benefits and how these factors motivate employees to want to stay.

Each part of the study examines how different elements of organizational embeddedness uniquely contribute to strengthening employees’ intentions to stay with the company.

Research Significance

This study investigates how organizational embeddedness—organizational fit, links, and sacrifice—affects employees’ decisions to stay with their company. It adds to the existing body of research and highlights these elements' crucial role in strengthening employees’ ties with their workplace. Theoretically, the paper examines how improving organizational
embeddedness improves employees’ dedication to the company, increasing their desire to stay. It provides a new model and viewpoint for understanding this dynamic.

Practically, the results give important tips for companies to improve their human resource management tactics, boosting organizational embeddedness and the likelihood of employees sticking around. It is especially important for keeping a company’s edge in attracting and keeping talent amid constantly shifting market scenarios.

The research outlines specific actions for organizational leaders to deepen the bonds between employees and their workplace, thus boosting retention rates and securing long-term commitment and involvement. These actions are essential for maintaining a company’s competitive stance and vitality and for pushing the organization’s continued success.

Research Methodology

In this research, selecting and reviewing publications is crucial, and it follows a detailed scientific method known as the SPAR-4-SLR protocol, introduced by (Paul et al., 2021). This method is in line with the bibliometric studies previously done by researchers like (Kumar et al., 2022; Lim et al., 2022; Tsiotsou and Boukis, 2022). The process involves several steps: conducting, organizing, and assessing historical literature, which helps keep the review of research publications systematic and clear. Important secondary data were gathered from databases such as Scopus, Web of Science, and Google Scholar, which were consistent with earlier research methods. The findings from the review will be shown in grid diagrams in later sections. These diagrams are designed to combine and present major insights from past research, offering a thorough view of the field.

The study also closely examines the link between organizational embedment—covering aspects like organizational fit, connections, and sacrifices—and employees’ intentions to stay, drawing on literature from the last ten years. Any publications unrelated to the topic or not concentrating on employee retention were left out during initial checks. In the end, 36 articles
that fit the criteria were reviewed. These articles, published in leading business journals in the past decade, create a dataset covering important variables. There were no specific geographical or industry restrictions when gathering these articles.

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<thead>
<tr>
<th>Item</th>
<th>Publication Year</th>
<th>Author</th>
<th>Title</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>2019</td>
<td>Jeong-Ok Kwon, Jung-Mi Kang</td>
<td>The Effect of Person-Environment Fit(Person-Job Fit, Person-Organization Fit, Person-Supervisor Fit) and Job Embeddedness on Turnover Intention in Clinical Nurses’</td>
</tr>
<tr>
<td>2</td>
<td>2022</td>
<td>Hye Ju Lee, Soo-Kyoung Lee, Ji-Soo Lee</td>
<td>Effects of job embeddedness and nursing working environment on turnover intention among trauma center nurses: A cross-sectional study</td>
</tr>
<tr>
<td>3</td>
<td>2019</td>
<td>Haiti Maria Esterlita, Debora Efliina Purba</td>
<td>Organizational Embeddedness Dimensions’ Roles in Perceived Career Opportunities: Turnover Intention of Indonesian Millennials</td>
</tr>
<tr>
<td>4</td>
<td>2023</td>
<td>Shan Jiang, Jintao Li</td>
<td>Impact of person-environment fit on construction project managers’ turnover intention: a moderated mediation model</td>
</tr>
<tr>
<td>5</td>
<td>2017</td>
<td>Albertha Haga Ciptaningtyas, P. Tommy Y. S. Suyasa, Linda Wati</td>
<td>The Relationships Between Job Embeddedness, Person-Organization Fit, and Turnover Intention</td>
</tr>
<tr>
<td>6</td>
<td>2021</td>
<td>Rosa María Fuchs</td>
<td>Links, fit or sacrifice: Job embeddedness and intention to quit among Generation Y</td>
</tr>
<tr>
<td>7</td>
<td>2017</td>
<td>Qaisar Iqbal, Noor Hazlina Ahmad, Sohail Akhtar</td>
<td>The Mediating Role of Job Embeddedness Fit: Perceived Job Characteristics and Turnover Intention in the Services Sector</td>
</tr>
<tr>
<td>8</td>
<td>2019</td>
<td>Kevalin Puangfoykeaw Setthakorn</td>
<td>Family Background and Its Impact on Job Embeddedness and Turnover Intention: The Moderating Role of the Number of Dependents and Family Income Level</td>
</tr>
<tr>
<td>9</td>
<td>2018</td>
<td>Manoj Uniyal, Sharmistha Banerjee, Karnak Roy</td>
<td>Relationship Between Job Embeddedness and Employees’ Turnover Intention: A Study on Private Airlines in India</td>
</tr>
<tr>
<td>10</td>
<td>2018</td>
<td>Tang Meirun, Jennie Soo Hooi Sin, Chuah Chin Wei</td>
<td>A Comprehensive Profile Analysis of the Effect of Job Embeddedness on Turnover Intention among New Generation of Rural Migrant Workers in China: Based on PLS-SEM</td>
</tr>
<tr>
<td>11</td>
<td>2020</td>
<td>S. Hokororo, Francis Michael</td>
<td>Predicting Academic Staff Intention to Stay in Tanzanian Universities Using Job Embeddedness Model: Smart PLS Approach</td>
</tr>
<tr>
<td>12</td>
<td>2021</td>
<td>Sholikhah, Christian Wiradendi Wolor</td>
<td>PENGARUH STATUS PEGAWAI DAN JOB EMBEDDEDNESS TERHADAP TURNOVER INTENTION KARYAWAN UNIVERSITAS NEGERI JAKARTA</td>
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<tr>
<td>13</td>
<td>2020</td>
<td>Alifah Ratnawati, Ken Sudarti, Mulyana Mulyana, Muhammad Husni Mubarok</td>
<td>Job Embeddedness: a Strategy to Reduce Voluntary Turnover Intention</td>
</tr>
<tr>
<td>14</td>
<td>2014</td>
<td>Jong-Hyun Lee, KangHyun Shin, SeungGeun Baek, Chang-goo Heo</td>
<td>The effectiveness of job embeddedness in turnover studies</td>
</tr>
<tr>
<td>15</td>
<td>2018</td>
<td>Ayu Lestari, Mulia Sari Dewi</td>
<td>Pengaruh Job Embeddedness Dan Work Engagement Terhadap Intensi Turnover</td>
</tr>
<tr>
<td>16</td>
<td>2014</td>
<td>Cebile Mensele</td>
<td>Job embeddedness, organisational commitment and voluntary turnover of academic staff at a Higher Education Institution in South Africa</td>
</tr>
<tr>
<td>17</td>
<td>2023</td>
<td>Lu Gan, Kenneth S. Law, Xiangqian Jiang, Xuyu Chen</td>
<td>Free Myself: Investigating the Impact of Employees’ Turnover Intention on Job Embeddedness</td>
</tr>
<tr>
<td>18</td>
<td>2021</td>
<td>Samrah Jamshaid, Najma Iqbal Malik, Shahida Perveen</td>
<td>WORKPLACE BULLYING AS A PREDICTOR OF TURNOVER INTENTION AMONG TEACHERS: ROLE OF JOB EMBEDDEDNESS</td>
</tr>
<tr>
<td>19</td>
<td>2008</td>
<td>Qing Yuan</td>
<td>Concept, Measurement and Related Constructs of Job Embeddedness</td>
</tr>
<tr>
<td>20</td>
<td>2011</td>
<td>Youngjin Yoo</td>
<td>The Effect of Job Embeddedness Constructs on Innovation-related Behaviors and Turnover Intention</td>
</tr>
<tr>
<td>21</td>
<td>2016</td>
<td>Arthur Nicholas, O. Mensah, Abigail, O. Owusu</td>
<td>Stay or Leave? Using Job Embeddedness to Explain Turnover Intention among Hotel Staff in Ghana</td>
</tr>
<tr>
<td>22</td>
<td>2019</td>
<td>Brooks C. Holtom, Kohyar Kiazad, Yasaswini Dandu,</td>
<td>Organizational practices that promote job embeddedness and retention</td>
</tr>
<tr>
<td>23</td>
<td>2023</td>
<td>Yong Hooi Lim, Mad Ithnin Salleh, Nor Azrin Md Latip</td>
<td>MEDIATING ROLE OF JOB EMBEDDEDNESS IN THE RELATIONSHIP BETWEEN PERCEIVED ORGANISATIONAL SUPPORT, PERCEIVED CO-WORKER SUPPORT AND EMPLOYEE RETENTION IN MALAYSIAN PRIVATE UNIVERSITIES</td>
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<tr>
<td>26</td>
<td>2023</td>
<td>J. Sablynski, Miriam Erez</td>
<td>Reza Sharbaf Tabrizi, Osman M. Karatepe, Hamed Rezapouraghdam, Elisa Rescalvo-Martin, Constanța Enea</td>
</tr>
<tr>
<td>27</td>
<td>2023</td>
<td>Vesa Peltokorpi, David G. Allen</td>
<td>Navigating the Brain Drain Challenge: The Role of Compensation, Job Embeddedness, and Commitment in Employee Retention in Pakistan’s Telecom Sector</td>
</tr>
<tr>
<td>28</td>
<td>2023</td>
<td>Hira Kanwal, Asghar Hayyat, M. Kiran</td>
<td>Job embeddedness and voluntary turnover in the face of job insecurity</td>
</tr>
<tr>
<td>29</td>
<td>2018</td>
<td>Nurita Juhdi, Junaidah Hashim, Rozailin Abdul Rahman</td>
<td>Navigating the Brain Drain Challenge: The Role of Compensation, Job Embeddedness, and Commitment in Employee Retention in Pakistan’s Telecom Sector</td>
</tr>
<tr>
<td>30</td>
<td>2023</td>
<td>Min-Yen Chang, Chih-Kuang Fu, Chien-Wei Huang, Han-Shen Chen</td>
<td>The Moderating Role of Psychological Safety in the Relationship between Job Embeddedness, Organizational Commitment, and Retention Intention among Home Care Attendants in Taiwan</td>
</tr>
<tr>
<td>31</td>
<td>2023</td>
<td>Jae-Woo Oh, Miran Kim</td>
<td>Analysis of the Relationship between Career Anchors, Job Embeddedness, Career Motivation, and Retention Intention of Clinical Nurses</td>
</tr>
<tr>
<td>32</td>
<td>2024</td>
<td>Azlina Saedin, Shereen Noranee, N. Ahmad, Mohd Khalid Abas, Idaya Husna Mohd, Tasnimul Islam</td>
<td>The Impact of Training and Development, Job Embeddedness and Flexible Working Arrangements on Talent Retention Among Young Generation in Pharmaceutical Companies in Malaysia</td>
</tr>
<tr>
<td>33</td>
<td>2018</td>
<td>Laurina Yam, Laurina Yam, Michael Raybould, Raymond D. Gordon</td>
<td>Employment stability and retention in the hospitality industry: Exploring the role of job embeddedness</td>
</tr>
<tr>
<td>34</td>
<td>2021</td>
<td>Zahra Safari, Seyed Mahdi Alvani, Hasan Zarei Matin, Mohammad Safari</td>
<td>Antecedents of Human Resource Retention with emphasis on the role of Job Embeddedness: A mixed meta-study</td>
</tr>
<tr>
<td>35</td>
<td>2019</td>
<td>Ronny Shibiti</td>
<td>Satisfaction with retention factors in relation to job embeddedness of public school teachers</td>
</tr>
</tbody>
</table>
Research on Employees Retention

Worldwide, companies are grappling with the issue of employee turnover, which affects production efficiency, morale, and financial stability (Bhavani et al., 2023). To tackle this, firms are adopting innovative measures like the “Retention Revolution,” which aims to develop a retention culture through better employee participation, development, and welfare (Silpa et al., 2023). Keeping employees is vital for success in sectors with high turnover rates, like tourism and hospitality (J.B. et al., 2022). Effective retention strategies are crucial to avoid losing talent, which could harm organizational innovation, service quality, and overall growth and profitability (GOMATHY et al., 2023; Sujendra & Swami, 2022). Competitive salaries, career advancement opportunities, and high job satisfaction are essential for keeping employees and maintaining a skilled workforce, which is vital for long-term success (Jalaja et al., 2022). Organizations understand the importance of executing effective retention strategies that boost productivity, promote sustainable growth, and create an environment where employees feel valued and motivated (Kargeti & Sharma, 2023).

Research on Organizational Embeddedness

Organizational embeddedness is about how closely employee behavior is linked to organizational culture, which is key in building trust and commitment. Studies have shown that Organizational Citizen Behavior (OCB) is crucial for strengthening organizational commitment (Suherdi & Ahmad, 2023). That organizational embeddedness is closely tied to employees’ emotional commitment (Fan et al., 2023). Additionally, organizational culture and leadership positively affect organizational commitment, which in turn influences employee innovation behaviors (Perdana et al., 2023). Organizational embeddedness has been shown to predict prosocial work behaviors, showing the tight connection between organizational norms and practices (Harianto & Meilani, 2023). However, deep embeddedness might lead employees to be involved in unethical behaviors to maintain their status within the organization (Dirican, 2023) and can negatively impact employee career development over time (Mashi et al., 2022; Landry, 2023).

Research on Organizational Embeddedness and Employee Retention

Mitchell et al (2001) introduced a six-dimensional job embeddedness model, including organizational fit, links, and sacrifice. Lee et al (2004) expanded this model to include both organizational and community embeddedness, affecting both inside and outside the organization. Many studies have shown that organizational embeddedness has a stronger impact on employee retention than community embeddedness (Yang et al., 2021; Hooi et al., 2022; Faisal, 2022). This study focuses on how organizational fit, links, and sacrifices influence retention rates (Hassan et al., 2021). It also found that organizational embeddedness positively affects manager retention by enhancing colleague support and reducing the desire to leave (Self et al., 2020). Tholen (2023); Subramanian et al (2023) highlighted the importance of organizational fit in the recruitment process, affecting how well candidates...
match organizational culture and potentially causing social biases while underlining the connection between individual-organization compatibility and various organizational outcomes. Fuchs (2022) noted that while new employees seek meaningful work and development opportunities, they value financial benefits highly. Organizational sacrifice, including the material and psychological benefits the organization offers, significantly affects employees’ intentions to stay.

In summary, organizational embeddedness fosters a sense of belonging and attachment in the workplace, critical in improving employee retention rates. Studies show that including fit, links, and sacrifices, organizational embeddedness can significantly improve employee retention rates (Yang et al., 2021; Rahmani & Prayoga, 2023). Organizations are crucial in moderating the relationship between organizational factors and employee outcomes, especially in lowering turnover rates (Menon & Sujatha, S., 2023). Research shows that organizational embeddedness positively impacts employees’ sustainable performance, emphasizing the importance of creating an environment that improves employee satisfaction and significance (Yoon et al., 2022). Moreover, studies on the Saudi workforce highlight the positive relationship between organizational embeddedness, individual-organizational fit, and human capital, emphasizing the importance of attachment and value integration in strengthening internal retention strategies (Faisal, 2022).

Conclusion

This research explores the link between employee retention and organizational embeddedness, emphasizing their importance for business success. Employee turnover presents a major challenge that impacts a company’s operational efficiency, team morale, and financial stability (Artelt & Gregoriades, 2023). To tackle this, companies are increasingly focusing on innovative strategies like improving employee participation and benefits to build a strong culture of retention (Chaurasia et al., 2023). Studies show that competitive pay, opportunities for career growth, and high job satisfaction are essential for keeping employees and securing a company’s long-term success (Bhavani et al., 2023).

Additionally, organizational embeddedness, or how well employees connect with a company’s culture, plays a key role in building trust and commitment. Specifically, elements of job embeddedness such as adaptability, connections, and making sacrifices for the organization can significantly boost retention rates (Setrojoyo et al., 2023; Muvida et al., 2023). Organizational embeddedness also improves retention and performance by promoting behaviors that benefit the organization and enhancing emotional commitment (Nadira et al., 2023).

The research highlights the need for a supportive work environment, improving how well employees fit with the organization and deepening their sense of belonging and attachment. These strategies are crucial for enhancing retention rates and achieving long-term success (Rahmani & Prayoga, 2023; Mendoza et al., 2023). By executing these strategies, companies can reduce turnover and tap into employee potential, increasing their dedication and productivity (Kiragu & Marwa, 2022).

Research Contribution

This study makes significant contributions to understanding the intricate relationship between organizational embeddedness and employee retention. By synthesizing existing literature, it highlights the critical factors that influence employees' decisions to stay with their organizations.
Firstly, the research underscores the importance of creating a strong organizational culture that fosters employee commitment and trust. It demonstrates that organizational embeddedness—comprising factors such as fit, links, and sacrifice—plays a pivotal role in enhancing retention rates. By focusing on these dimensions, companies can develop more effective retention strategies that align with employees' personal and professional goals.

Secondly, the study reveals that competitive compensation, career development opportunities, and job satisfaction are essential for maintaining a stable and skilled workforce. These elements not only attract talent but also ensure long-term organizational success by minimizing turnover and maximizing employee engagement.

Moreover, the research highlights the role of leadership and organizational culture in shaping employee behaviors and attitudes. Effective leadership and a supportive culture can significantly boost employees' emotional commitment and prosocial behaviors, thereby strengthening organizational loyalty and reducing the likelihood of turnover.

Additionally, this study points out the potential negative consequences of deep organizational embeddedness, such as the risk of unethical behaviors and potential hindrances to career development. These insights prompt organizations to carefully balance embeddedness to avoid negative outcomes.

Finally, the study's emphasis on the dynamic nature of the labor market, especially post-pandemic, provides a contemporary perspective on retention strategies. It encourages organizations to adapt to the evolving expectations of employees regarding job security, flexibility, and remote work, ensuring that retention strategies remain relevant and effective in a changing economic landscape.

In summary, this research contributes to a more nuanced understanding of employee retention by integrating various dimensions of organizational embeddedness and highlighting the importance of adaptable and employee-centric retention strategies.

Limitation

While this study offers important insights into the link between organizational embeddedness and employee retention, it faces several limitations. Firstly, the research largely depends on a review of published academic articles, which could be prone to publication bias. This bias implies that studies confirming hypotheses and showing significant results are more likely to be published. As a result, unpublished studies or do not yield significant findings might be ignored, possibly affecting the thoroughness of the review and the accuracy of its conclusions.

Secondly, the literature search did not limit itself to specific geographical areas or industries, which may affect the general applicability of the findings. Differences in cultural and management practices across various regions and industries could affect how employees understand organizational embeddedness, thus restricting the wide relevance of the research findings.

Moreover, the study's dependence on a literature review without analyzing actual data limits the exploration of cause-and-effect relationships. Future research should use quantitative methods, like surveys and interviews, to gather more detailed data, improving the conclusions' accuracy and depth.

Additionally, as COVID-19 pandemic restrictions are lifted and the global economy stabilizes, the labor market is experiencing significant changes, including shifts in employees’ views on job security, flexibility, and remote work. These changes might become new factors affecting employee retention. Companies must reassess and adjust to these shifts to maintain...
employee loyalty and improve retention rates. Future studies should investigate how economic recovery and labor market changes influence employees’ work expectations and the role these elements play in developing human resources strategies and retention plans. Such analysis will aid organizations in making better-informed decisions in a dynamic economic context.

Lastly, although this study thoroughly reviews the relevant literature, it might not fully address the potential impacts of globalization on employee retention. As global markets grow and international cooperation increases, employees’ work settings and career paths are evolving rapidly. For instance, the growth of multinational companies may create more opportunities for remote work and cultural exchanges, potentially affecting employees’ desires to stay with their employers. Future research should examine the effects of globalization on employee retention strategies and organizational culture more deeply to gain a fuller understanding of this complex issue.

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