Increasing employee retention benefits organizations in many ways (Mayfield and Mayfield, 2012). Better retention has a bottom-line value given that turnover costs between one and one-and-a-half times an employees’ annual salary (Cascio and Boudreau, 2011). A single dollar estimate, however, can mask the problems low retention can create. When someone leaves an organization, so does their tacit knowledge. A person exiting can require co-workers to cover for the missing person, and the extra work can create more stress, higher absenteeism and lower productivity (Cascio and Boudreau, 2011). Departures can be contagious and make others consider leaving, possibly creating another turnover cycle in the turnover (Cascio and Boudreau, 2011).

With such problems associated with turnover, companies need to develop strategies and practices to keep their people. One of the most effective ways for reducing turnover is by increasing employees’ job embeddedness – the forces that keep a person in a job (Lee et al., 2004). Research shows that a person with high job embeddedness is 48 per cent less likely to leave than a person with low embeddedness (Jiang et al., 2012), and embeddedness fosters retention more than job satisfaction and organizational commitment combined (Jiang et al., 2012). In this paper, we introduced job embeddedness as a new way to increase employee retention. Then, we explain our practical model of how companies can increase retention by building job embeddedness into HR development and planning practices.

Job embeddedness and employee retention

Mitchell et al. (2001) developed the concept of job embeddedness – the totality of forces that keep people in a job. Embeddedness has three main attributes: fit, links and sacrifice. These factors work together to keep employees integrated with their surroundings, and this connection leads people to stay with an organization.

Fit

Fit refers to the compatibility between a person and an organization and its environment. The better the fit, the less likely someone will leave. For example, one can easily imagine a situation where a person chooses to leave because her or his values are not congruent with organizational culture. Likewise, an individual who prefers hot weather is more likely to stay in an organization located in a tropical climate.
**Links**

Links refer to the connections a person has in the organization and community. Employees with more links on and off the job are more likely to stay, even when they may not like the organization as a whole. For example, you can find it harder to leave when you develop friendships with coworkers or have active ties with community charities.

**Sacrifice**

Sacrifice deals with the material and psychological benefits that one must forgo when leaving an organization. High perceived benefits will cause employees to remain due to their reluctance to lose them. For example, well-compensated employees may choose to stay even if they have some issues with an organization. Similarly, working in a high prestige organization can lead people to stay. Table I gives examples of the way companies have increased each area.

### A practical model of employee retention

**Enhance fit via employee selection and development**

Companies can increase employee fit – and thus retention – through the recruitment, selection, training, and development processes. Companies can start with hiring people who fit the organization. Assessment methods such as realistic job previews (a description of the job’s positive and negative aspects so people with a poor fit can choose not to join) and situational judgment tests (tests that present realistic job scenarios and assess possible responses so the organization can evaluate a person’s fit) help select candidates likely to fit with an organization’s culture. Managers can enhance employees’ perceived fit by involving them in the decision-making; employees identify with, and commit to, organizational goals they help formulate. Companies can enhance fit through development planning by identifying employees’ long-term career objectives and offering training and promotion opportunities that align individual and organizational goals (Simpson et al., 2015).

**Increase the number of links by fostering network-building**

For increasing the number of connections employees have internally and externally (links), firms have several easy-to-implement practices to consider. Companies can use internal recruitment methods such as employee referrals and talent inventories to identify potential candidates from existing employee networks. This approach increases ties between employees (links) and also enhances potential fit because employees are more likely to

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**Table I**

<table>
<thead>
<tr>
<th>Embeddedness dimensions</th>
<th>Company</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Links</td>
<td>Cytokineti</td>
<td>Cytokineti creates links between employees by having frequent and desirable outings to professional sporting events, Friday employee gatherings, and training off sites in relaxed attractive sites</td>
</tr>
<tr>
<td>Fit</td>
<td>Zappos</td>
<td>Zappos prioritizes cultural fit during the interview process. Trainees are guided by a culture book and are paid to exit if strong assimilation does not happen</td>
</tr>
<tr>
<td>Sacrifice</td>
<td>SAS</td>
<td>SAS increases an employee’s sacrifice for leaving the company by offering extensive and ongoing training, high pay, and such desirable benefits as onsite daycare</td>
</tr>
</tbody>
</table>

Source: Information adapted from Mayfield et al. (2015)
recommend people they believe will have a good fit. Organizations can provide newcomers with mentoring/coaching programs, so employees have an opportunity to build strong connections immediately. To increase community ties, companies should help new hires connect with community activities and reward employees for participating in community projects such as blood drives or help for the homeless.

**Build up the package and thus the sacrifice**

Organizations can enhance retention by increasing the sacrifices one makes when leaving. By increasing sacrifices, firms will make people reluctant to leave because they will have to give up a desirable situation. Companies can increase the required sacrifice by providing competitive benefits packages. For example, employers can give high performing employees yearly salary increases or bonuses. Companies should also offer valued benefits and work arrangements that employees find hard to give up. For example, cafeteria style – plans where employees self-select a benefits portfolio – increases the benefits’ value (Cascio and Boudreau, 2011). Firms can also use non-material benefits, such as flexible work hours and the aforementioned employee

**Figure 1** A model of how to develop embeddedness

![Diagram](image)

**Notes:** This model gives a graphical overview of how an organization can increase embeddedness in the workplace. The circles surround the three main areas of embeddedness – fit, links, and sacrifice. While each of the areas can affect the other two, the arrows show the main flow of an areas’ impact. When a worker has greater fit with an organization's culture, then he or she will find it easier to develop links with other people in an organization, and is more likely to develop links with the community that supports the organization. Also, a strong fit with an organization will increase the sacrifice a worker has to make if he or she leaves the organization – the person will be leaving an organization he or she has identified with. Strong links similarly increase the sacrifice someone has to make when exiting an organization because the person will be giving up the relationships developed through the organizational membership. The text linked to each embeddedness area shows how organizations can increase each area. Organizations can increase fit through recruitment and selection procedures that screen for applicants for cultural congruence, and then take active steps to enculturate people into the organization. Organizations can increase links by creating greater opportunities for positive interactions between workers, increasing team cohesion, and giving workers opportunities to interact with the surrounding community. Finally, organizations can increase the sacrifice workers face when leaving by ensuring that pay and benefits meet or exceed industry averages and that workplaces are comfortable for people.
development plan, to keep valued employees. Employees are less likely to leave when such a decision forces them to give up career growth opportunities and favorable work schedules.

Figure 1 gives a graphical overview of the three areas and how organizations can develop each area. Table II gives the major implementation activities that the CEO, HR director, and direct supervisors must undertake to optimize embeddedness.

### Conclusion

Keeping your best talent from leaving is critical to firm success. Companies can increase retention by embedding their employees through fit, links, and sacrifice. Our paper developed an embeddedness-based model of employee retention. We also provided specific organizational practices to improve organizational embeddedness.

### References


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**Table II**

<table>
<thead>
<tr>
<th>Area</th>
<th>CEO</th>
<th>HR director</th>
<th>Direct supervisor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fit</td>
<td>Develop a strong cultural understanding throughout the organization</td>
<td>Develop and implement fit based recruitment and selection methods</td>
<td>Help workers understand the organizational culture and how their goals and desires match with organizational goals and culture</td>
</tr>
<tr>
<td>Links</td>
<td>Foster a climate of positive interactions and develop opportunities for worker-community interactions</td>
<td>Develop and implement rewards for teamwork and community service/interactions. Also provide training for positive team and co-worker interactions</td>
<td>Promote positive co-worker interactions and help reduce negative interactions</td>
</tr>
<tr>
<td>Sacrifice</td>
<td>Ensure appropriate resources for worker compensation, benefits, and an enjoyable workplace environment</td>
<td>Develop compensation practices tailored to worker preferences. Regularly scan industry compensation practices to ensure having a competitive offering</td>
<td>Develop and sustain a pleasant work environment</td>
</tr>
</tbody>
</table>

Keywords: Employee retention, Employee development, Job embeddedness


Corresponding author

Jacqueline Mayfield can be contacted at: jmayfield@tamiu.edu

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