Do commitment based human resource practices influence job embeddedness and intention to quit?

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Abstract This empirical paper provides evidence that commitment based human resource practices (CBHRP) influence employees’ turnover intentions by embedding newcomers more extensively into organisations. The study was conducted with 501 managers in 19 financial service organisations in India. Results reveal that CBHRP enable organisations to actively embed employees. The results also indicate that on-the-job embeddedness (on-the-JE) is negatively related to turnover intentions and mediates relationships between CBHRP and employees’ intention to quit.

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Introduction

An emerging body of studies has sought to specify the link between high performing human resource management (HRM) practices and both, individual and firm, performance (Huselid, 1995). This strategic HRM (SHRM) literature has found that organisations practising SHRM not only increase performance but also decrease employee turnover (Arthur, 1994; Guchait & Cho, 2010; Sun, Aryee, & Law, 2007; Williams & Mohamed, 2010). Arthur (1994) outlines differences between SHRM perspectives, finding that commitment driven HR practices, which are oriented towards "committing" the human resource towards the organisation as against "controlling" them, show superior results in organisational performance. However, our understanding of the mechanism by which commitment based human resource practices (CBHRP) influence employee retention is limited (Arthur, 1994; Evans & Davis, 2005; Guchait & Cho, 2010; Sun, Aryee, & Law, 2007; Williams & Mohamed, 2010). Commitment based human resource practices focus on mutual, long term exchange relationships (Collins & Smith, 2006) and, as a system of human resources practices, enhance employees’ level of skill, motivation, information, and empowerment (Guthrie, 2001). Commitment based human resource practices are typically studied at the organisational level (Arthur, 1994; Batt, 2002; Collins & Smith, 2006, Sun et al., 2007), but several researchers such as Williams & Mohamed, 2010, Guchait & Cho, 2010, Berg, 1999 and Guthrie, 2001 concluded that the mechanism by which CBHRP influences employee retention at the individual level warrants greater attention. These researchers further argue that CBHRP build up desired employee behaviours and attitudes by forging psychological links between organisational and employee goals.

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It is focussed on developing committed employees who can be trusted to use their discretion to carry out job tasks consistent with organisational goals (Arthur, 1994). Therefore, it becomes increasingly important to understand how CBHRP effectiveness increasingly enhances the critical psychological links between employees and organisations.

Drawing from the recent advances in employee retention theory that stress the importance of employee embeddedness in understanding an employee's intention to quit (Mitchell, Holtom, Lee, Sablynski, & Erez, 2001), we propose that one mechanism by which CBHRP influences intentions to quit at the individual level is job embeddedness. Job embeddedness provides a comprehensive view of the employer and employee relationship by explaining how employees become psychologically and socially embedded more extensively within the organisation and the community in which the organisation operates (Holtom & O’Neill, 2004; Wheeler et al., 2010).

To date, and to the best of our knowledge, only two studies have investigated the relationship between HRM and job embeddedness. The first study, by Bergiel, Nguyen, Clenney, and Taylor (2009), found that the individual human resource (HR) practices (which have been accepted to be less effective than bundle of HR practices, Williams & Mohamed, 2010), of growth opportunity, compensation, and supervisor, support positively impacted on-the-job embeddedness (off-the-job embeddedness was not included in the study) which in turn reduces employee's intention to quit, and they failed to find the mediating impact on the fourth HR practice, training. In another study, Wheeler et al. (2010) investigated the effects of general HRM practices on job embeddedness and intention to quit but did not include any specific combination of HR practices.

Human resources management scholars have yet to determine how SHRM effectiveness can build employee job embeddedness as a means to develop the critical psychological links between employees and organisations (Giosan, Holtom, & Watson, 2005; Holtom, Mitchell, Lee, & Tidd, 2006, and Bergiel et al., 2009; Wheeler et al., 2010). Finally, literature in the area of SHRM is framed primarily by the study of manufacturing organisations (Bowen & Schneider, 1988; Sun et al., 2007). Owing to the differences between the manufacturing sector and the service sector (such as differences in demography, occupational groups, technologies, work processes, the level of technically required interdependence among workers, and difference in the role of customers in the production process), there is a limitation to which findings in the former sector can be applied to the latter sector (Batt, 2002). Further, Combs, Liu, Hall, and Ketchen (2006) have stated that the study of specific bundles of CBHRP practices that would be suitable for the service sector has received less research attention.

Responding to these research gaps this study explains the relationship between employee perceptions of CBHRP, on-the-job embeddedness and off-the-job embeddedness, and employee turnover intentions. Testable hypotheses are first developed, relying on a theoretical framework of job embeddedness, SHRM, and social exchange theory; and a model of these hypotheses is presented in Fig. 1. As this figure indicates, it is predicted that both on-the-job embeddedness and off-the-job embeddedness mediate the relationship between CBHRP and employee turnover intentions. To test these hypotheses, data collected from a large scale field survey are analysed.

**Figure 1** Model linking commitment based HR practices to intention to quit.

### Literature review

#### Commitment based human resource practices (CBHRP)

The literature on SHRM can be traced to Barney’s resource-based view (Barney, 1991), according to which HR practices can contribute to competitive advantage by creating imitable, valuable resources and by providing behavioural perspectives. Strategic HRM characterised by CBHRP signals a long-term investment in employees and suggests a relational view of the employment relationship. Such a relationship obligates employees to reciprocate the organisation’s inducements with discretionary role behaviours or contributions that benefit the organisation (Sun et al., 2007), leading to lower employee turnover (Arthur, 1994; Batt, 2002; Guchait & Cho, 2010; Huselid, 1995).

There has been much debate on the choice of HRM functions that should go to constitute CBHRP practices (Collins & Smith, 2006; Sun et al., 2007). Several scholars have adopted different measures of CBHRP across different studies, including recruitment and selection, job description, training, compensation, employee security, participation, communication, incentive pay, internal career opportunities, and team work.
(Collins & Smith, 2006; Huselid, 1995; Sun et al., 2007). This study includes CBHRP which is a combination of employee selection practices that assess fit to the company and create internal labour markets; compensation practices that facilitate employee motivation on group and organisational performance indicators; and training programmes and performance appraisals that encourage long-term growth, team building, and development of firm specific knowledge adapted from Collins and Smith (2006).

Strategic HRM authors argue that the way organisations adopt HRM practices impacts an employee’s perception of the intention of those practices. That perception in turn will affect the outcomes of the practices implemented. The employee’s voice is often unheard in studies related to strategic HRM. This is partly because existing studies on HRM have often relied on quantitative studies with senior and/or HR managers as key informants (Cooke & Saini, 2010; Thite, Wilkinson, & Shah, 2012). This study, therefore, targets managerial employees as the key group of informants to evaluate the likely impact of SHRM practices on their perceptions to quit.

We submit that CBHRP would first directly influence the psychological link that affects the development of job embeddedness and then impact the psychological processes involved in predicting employee intentions to quit before it finally affects employee turnover. This focus on intention to quit is important because scholars have found intention to quit to be the best predictor of actual turnover over and above employee attitudes like job satisfaction and organisational commitment as predictors of actual turnover (Arnold & Feldman, 1982; Kumar & Singh, 2012; Steel & Ovalle, 1984; Zimmerman & Darnold, 2009). Predicting employee intentions to quit will help managers in adopting preventive measures as it would be too late for the managers to take any concrete steps in the event of actual turnover.

Job embeddedness

Job embeddedness is seen as a totality of forces that keep employees embedded in their current employment. It differs from the traditional turnover model in that it is aimed at employee retention (why people stay) instead of employee turnover (why people leave) (Holton & O’Neill, 2004). Although a number of studies have found that job embeddedness has gone beyond job satisfaction and organisational commitment in predicting variance in individual turnover (Holton & O’Neill, 2004; Jiang, Liu, McKay, Lee, & Mitchell, 2012b; Lee, Mitchell, Sablonsky, Burton, & Holton, 2004; Mitchell et al., 2001; Ramesh & Gelfand, 2010; Wheeler et al., 2010), the overlap between the traditional model of voluntary turnover and the job embeddedness model occurs mostly in the area of job satisfaction and organisational commitment, and particularly with continuance commitment dimension which has some aspects that are conceptually similar to job embeddedness (Mitchell et al., 2001). The continuance commitment scale encompasses two dimensions. The first dimension is commitment due to lack of alternative employment opportunities and the second is the perceived sacrifice of investments associated with leaving the organisation (Taing, Granger, Groff, Jackson, & Johnson, 2011). Mitchell et al. (2001) argued that job embeddedness and continuance commitment differ conceptually, mainly in three areas. First, continuance commitment focuses on organisational issues only; second, continuance commitment does not include any items assessing job alternatives; and finally, job embeddedness assesses specific benefits that people feel they would have to give up if they left their jobs (such as future prospects and freedom).

Job embeddedness comprises three dimensions: links, fit, and sacrifice; each of these dimensions is associated with two factors, namely, on-the-job embeddedness and off-the-job embeddedness (Mitchell et al., 2001; Holtom & O’Neill, 2004). Links are characterised as formal connections (work team members, colleagues) or informal connections (family and friends) between a person and institutions or other people. The greater the number and the more important the links, the stronger will be the connection of the employee in a social, psychological, and financial web. Fit is defined as an employee’s perceived compatibility or comfort with an organisation (such as employee’s personal values, and career goals) and with his or her environment (such as weather, amenities, and general culture). The better the fit, the higher the likelihood of an employee feeling professionally and personally tied to the organisation. Organisation sacrifice (such as giving up colleagues, interesting projects, job stability, and career advancement) and community sacrifice (such as leaving a safe community, and respect in the community) captures the perceived cost of material or psychological benefits that may be forfeited by leaving the organisation or community. The more an employee would be required to give up while leaving, the more difficult it will be for him or her to sever employment with the organisation and connections with the community (Mitchell et al., 2001). Embeddedness represents the combination of several different kinds of forces. However, Lee et al. (2004) suggested that in some cases, it may be useful to consider on-the-job and off-the-job embeddedness separately and found that both the dimensions predicted different outputs.

The Indian context

As the context for this study, the experience of the advent of liberalisation of the Indian economy is significant enough to warrant some description. In 1991, following a serious balance of payment crisis India instituted dramatic free market reforms which included phased deregulation, elimination of the license regime to bring in competition, opening of the economy to foreign and private investment, rationalisation of tax structure, healthier functioning of capital markets, and increase in functioning autonomy of public sector undertakings’ (Som, 2008). Liberalisation intensified competition among the firms operating in India. As a result, HRM issues have now become more important with firms adopting strategies of expansion, diversification, turnaround, and internationalisation. These developments have direct impact on Indian HR functions which are under severe pressure to develop a domestic workforce capable of facing the challenges brought forth by the economic liberalisation (Budhwar & Bhatnagar, 2008).

To deal with the challenge managers felt the need to build capabilities, resources, competencies, strategies, and macro- as well as micro-HRM activities, and this translates into strategic HR roles. Thus, the general trend in Indian industry is encouraging for strategic human resource management...
practices (Bhatnagar & Sharma, 2005). Linking innovative approaches to HR with enhanced organisational productivity and sustainable competitive advantage (e.g., Arthur, 1994; Delery & Doty, 1996; Guchait & Cho, 2010) is designated as CBHRP (Arthur, 1994). The emphasis of CBHRP literature is on utilising a system of management practices to give employees skills, information, motivation and latitude, which would result in a workforce that is a source of competitive advantage.

Studies investigating the extent to which HRM has been deployed strategically to facilitate employee retention in emerging economies such as India are rare, where the approach to HRM and the HRM context may significantly differ from that of the West (Cooke & Saini, 2010). Among the few studies is the one by Guchait and Cho (2010) which found that when an organisation supported employees through a bundle of HR practices it made employees more committed to the organisation, which in turn lowered their turnover intention. In our study we are including a potential mediator, job embeddedness, as it explains the variance in intent to quit and voluntary turnover more comprehensively than reflected by attitudinal measures such as satisfaction or commitment (Allen, 2006; Holtom & O’Neill, 2004). The authors have further called for investigating the relationship with different people, places and time to prove external validity. Holtbrugge, Friedmann, and Puck (2010) conducted a study which revealed that when foreign firms in India adopt HRM practices it decreased the likelihood of voluntary turnover. However, the study did not focus on Indian firms.

Strategic HRM research has occurred largely within the context of industrialised Western economies, and so it is important to determine whether the same strategies are equally effective in other countries (Guchait & Cho, 2010). This research considers the impact of the Western SHRM framework and provides empirical evidence from India. Given the nascent stage of strategic HRM in India, both HR managers and researchers need a good understanding of HRM determinants in order to develop relevant policies and practices for the Indian context.

Commitment based human resource practice and job embeddedness

The link between HRM and strategy is becoming more useful because different strategies require different behaviours, and therefore different human resource policies to elicit and reinforce those behaviours (Snell, 1992). There are various HR practices to choose from to achieve organisational goals. Arthur (1994) was the first to focus on commitment based human resource that invests in the long-term interest of the employees thereby ensuring their support for organisational goals. Strategic HRM researchers propagate that a combination of HR practices such as CBHRP motivate, increase and empower employees to leverage their knowledge, skills, and abilities (KSAs) for organisational benefit by aligning their interests with those of the organisation, resulting in greater job satisfaction, lower employee turnover, higher productivity, and better decision making (Collins & Smith, 2006; Combs et al., 2006).

Commitment based HR practices facilitate in developing the fit dimension of job embeddedness by selecting people who have an overall fit with the company rather than the specific job requirements. When more fitted employees are selected they may also develop fit with the organisation with respect to their personal values, career goals, and understanding of the larger corporate culture. This will create a mutually reinforcing high-investment employer–employee relationship embedding employees more strongly in the organisation. When individuals perceive that the values of their organisation reflect their own identity, they would feel a strong bond with the organisation that would make leaving more difficult even if better tangible rewards were available elsewhere. Moreover, individuals who share the values of employees in their organisation should find it easier to work and communicate with others, which should strengthen their bonds with the people at the organisation and make it more difficult for them to leave (Cable & DeRue, 2002). Ramesh and Gelfand (2010) argued that Indians are more likely to use these social ties to guide their choice of location thus fitting them strongly with the community.

Commitment based HR practices enable the implementation of profit sharing and gain sharing incentives such as bonus based on the performance of the organisation. Such practices align individual goals with organisational goals (Evans & Davis, 2005) leading to better fit. Commitment based HR practices focus on creating an internal labour market, and companies wanting to provide their employees with growth opportunities will need to provide extensive training that focuses on developing KSAs necessary to develop greater fit (Evans & Davis, 2005).

Commitment based HR practices facilitate the development of strong links through practices such as team building, job rotation, and mentoring. Such practices make employees cooperate with and help their colleagues, offer suggestions to management, and join quality improvement committees linking an employee with more vertical and lateral work associates (Hom et al., 2009) further embedding them. Job rotation builds in different skill sets and different relationships (Evans & Davis, 2005) enabling employees to develop their KSAs and also linking them to lateral associates embed them in social relationships. Mentoring provides psychosocial support and career guidance along with improved communication between mentor and mentee (Fagenson-Eland, Marks, & Amendola, 1997). Such relationships link the employee with senior management and losing such relationships will increase the perceived loss of such guidance to the employee. Relationships with experienced insiders can increase the number of links outside the organisation since mentors help develop more social networks; this in turn helps employees make sense of their environment, and embeds them in the community (Allen, 2006). Commitment based HR practices encourage team based work design and organisation based compensation and rewards which encourage employees to focus on organisational and team accomplishments based on organisation performance, thus increasing the prevalence of shared values and goals (Collins & Smith, 2006). This develops employee cohesiveness and collective orientation (Collins & Clark, 2003), thus embedding employees strongly into the organisation. Further, encouraging team accomplishments provides a platform for interaction and social learning, forming closely-knit communities. The relationships developed due to such interactions may lead to ties of friendship and other links outside the organisation. Departing from such an organisation will increase the perceived personal loss.
of losing colleagues, growth opportunities and social connections.

To strengthen the sacrifice factor, CBHRP encourages competitive compensation and organisation based rewards which ensure that invaluable employees are fairly rewarded (Collins & Smith, 2006) and reduce the perceptions of subjectivity, as the procedures for determining rewards are clear and absent of bias (Evans & Davis, 2005). Internal development opportunities such as cross training, mentoring and internal promotion demonstrate that employees are well invested in career development. These practices motivate employees to enhance their skills/knowledge and perform at levels that will increase their chance to realise their career goals (Wang, Bruning, & Peng, 2007). Further, a continuing relationship with such organisations will also be positively viewed by the family members and significant others outside the organisation, as a result of which employees will be less willing to take up other alternatives where they might run the risk of not getting family approval. Commitment based HR practices encourage employees to develop firm-specific skills (skills which will increase his or her productivity only with the current employer). When organisations implement CBHRP they offer an extended consideration of an employee’s wellbeing as well as an investment of the employee’s career within the firm, and in turn the employees develop a sense of obligation to the organisation. This in turn would lead to reciprocation in the form of willingness to learn firm specific skills and consider the organisation’s interest as important as core job duties, and assisting colleagues while working with groups (Tsui, Pearce, Porter, & Tripoli, 1997). This has the potential to serve as the source of competitive advantage (Jiang, Lepak, Hu, & Baer, 2012a). Firm specific skills help employees to contribute more within the firm where their skills are valued more than outside that organisation. Commitment based HR practices such as work teams, mentoring, and cross training may provide employees with opportunities to share knowledge and to learn new skills (Collins & Smith, 2006; Jiang et al., 2012a, 2012b). Under such circumstances, severing relationships by leaving the organisation may be viewed as a sacrifice.

**Hypothesis 1.** Employee perceptions of CBHRP will be positively related to on-the and off-the-job embeddedness.

**Hypothesis 2.** On-the-job and off-the-job embeddedness are negatively related to intention to quit.

### Mediating influence of job embeddedness

Although the relationship between CBHRP and employee turnover is well established, the intermediate elements are still not clear (Arthur, 1994; Delery & Doty, 1996; Guchait & Cho, 2010; Guthrie, 2001; Huselid, 1995; Sun et al., 2007; Williams & Mohamed, 2010). For example, Batt (2002) found that CBHRP correlated negatively with employee turnover and positively with employee tenure. We expected CBHRP to be negatively related to intentions to quit in view of the learnings from the social exchange theory (Blau, 1964), particularly the norm of reciprocity (Gouldner, 1960) according to which one does not harm a partner from whom one has received benefits, such as the inducements and investments inherent in CBHRP. Since higher intentions to quit and turnover can undermine organisational performance (Guthrie, 2001), we expect employees to reciprocate an organisation’s inducements with reduced intentions to quit.

We argue that CBHRP is likely to induce employee attachment through job embeddedness. When organisations invest in employees through CBHRP, the employees perceive the organisation as investing in them, which, under social exchange theory, lowers their intentions to quit as they feel mutually obligated to the organisation (Shore, Bommer, Rao, & Seo, 2009). Commitment based HR practices suggest a long term employment relationship, and employees in organisations with such practices find themselves more congruent with organisational goals and values leading to better fit; they also find themselves vertically and horizontally linked with other colleagues leading to high level of attachment. The perceptions of investments through training and development, internal promotion, competitive compensation, mentoring, and company-wide social events increases the psychological cost of leaving a supportive organisation and community, reducing an employee's intentions to quit. Thus, the enhancement of an employee in a web of different types of forces within a supportive work environment (fostered by CBHRP), such as link, fit and sacrifice, which is manifested in on-the-job embeddedness and off-the-job embeddedness, constitutes an underlying mechanism for the documented CBHRP-intentions to quit relationship.

**Hypothesis 3.** On-the-job and off-the-job embeddedness shall mediate the relationship between employee perceptions of CBHRP and intentions to quit.

### Method

#### Participants

This study surveyed full time managerial staff in the retail banking industry. The data were collected from 19 leading Indian banks (regional head offices only) which comprised 9 public sector undertaking (PSU) banks and 10 private sector banks. Survey invitations were circulated among 1056 employees, and responses were obtained from 550 employees (52% response rate). Surveys with missing data were dropped from the sample for a final sample size of 501.

The range of respondents varied between 10 and 56 for each of the private banks and PSU banks. Respondents represented a range of departments such as sales, operations, collections, information technology, human resource, and marketing. We received 250 (49.8%) completed surveys from private banks and 251 (50. 2%) questionnaires from public sector banks. Employees took part in the survey during company time, over a period of three months in June 2010. Statistical comparisons between the sample and overall population (all employees within the regional head offices) yielded no significant differences in age, gender, tenure, education, job level, or job type. These comparisons suggest that sampling bias, although not completely discounted, was not a major problem. In terms of gender makeup of the sample, 81.8% of the respondents were males and 18.2%, females. The average age of respondents was 38 years (standard deviation: s.d. = 10.75), average organisation tenure was 12.06 years (s.d. = 11.16) and the average city tenure was 7.49 years. In terms of the educational level of the sample 70% were...
postgraduates, 1.0% had received an undergraduate degree, 0.5% had a PhD, and the other 28.5% were graduates.

**Control variables**

Gender, ownership, age, education, and organisational tenure served as control variables to control for alternative explanations. Past research shows that education and age are positively correlated with job embeddedness (Giosan et al., 2005), and off-the-job job embeddedness decreases turnover, especially among women (Holtom, Mitchell, Lee, & Eberly, 2008). Further, Holtom et al. (2006) found that with the increase in the organisational tenure, job embeddedness becomes more powerful in predicting voluntary turnover.

We propose that the time spent in the city may enmesh employees with their community by building strong relationships with the community members. Researchers frequently differentiate between public and private on the basis of ownership. Entrepreneurs or shareholders own private sector firms, and public sector organisations are funded, owned, and controlled collectively by members of political parties at different levels of government (Budhwar & Boyne, 2004). This stance is adopted in this paper. Hence, the final control variable was ownership, which past research has shown to be related to HR policies and practices (Budhwar & Boyne, 2004; Sun et al., 2007).

Discriminant validity between on-the-job embeddedness, off-the-job embeddedness, CBHRP, and intentions to quit was assessed by using chi-square difference tests by computing the $\chi^2$ difference of the chi-square values between the constrained (the covariance between each pair of constructs was fixed at 1) and unconstrained (all constructs were allowed to co-vary freely). For details, see Table 1. This test was run for every possible pairing of constructs in the study. If the unconstrained model, with the drop of one degree of freedom, returns a chi-square value that is at least 3.84 lower than the constrained model, then a two factor solution provides a better fit to the data, and discriminant validity between two variables is supported (Farrell, 2010).

**Measures**

A self-administered questionnaire was developed for this particular study consisting of two components. The first component of the questionnaire comprised several Likert type scale items. These statements sought to assess CBHRP, on-the-job embeddedness and off-the-job embeddedness, and intention to leave. The second part of the questionnaire identified employees’ demographic data, such as age, gender, education level, ownership of the organisation, city tenure, and organisation tenure.

**Organisation job embeddedness** was measured using nine items developed and validated by Holtom et al. (2006). The respondents indicated on a five-point Likert-type scales (1 = strongly disagree and 5 = strongly agree) with 9 of the 12 items. The other 3 items measuring link community had yes or no answers. Following Mitchell et al. (2001), we created Z-scores for three items. A sample item for community job embeddedness is, “I really love the place where I live”. Similar to Lee et al. (2004), the three community-focussed composites were aggregated to form community job embeddedness construct ($\alpha$’s = 0.83).

**Community job embeddedness** was measured using 12 items. The respondents indicated on a five-point Likert-type scale (1 = strongly disagree and 5 = strongly agree) with 9 of the 12 items. The other 3 items measuring link community had yes or no answers. Following Mitchell et al. (2001), we created Z-scores for three items. A sample item for community job embeddedness is, “I really love the place where I live”. Similar to Lee et al. (2004), the three community-focussed composites were aggregated to form community job embeddedness construct ($\alpha$’s = 0.74). To quote Felps et al. (2009, p. 550) “Because individual job embeddedness is a formative (or indicator) construct, high internal consistency and unidimensionality are not the standards by which construct validity should be judged”. However, for descriptive purposes, we note that coefficient alpha was high.

**Commitment based Human Resource Practices**: CBHRP was measured through the Collins and Smith’s Likert type scale (2006) comprising 16 items. Respondents rated each item on a five point scale (1 = strongly disagree and 5 = strongly agree). Cronbach’s alpha (using all the items) for the overall measure was 0.89.

Minor changes were made in the statements to make them suitable for getting the scale completed by the individual employees. For example words like we, our, and employees were substituted with I and me. A sample item, both original and changed, for each of the sub dimension is as follows. The original item was “We select employees based on an overall fit to the company” and the changed item is “Employees are selected based on an overall fit to the company”; the original item, “Salaries for employees in these positions are higher than those of our competitors” was changed to “Salary for

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**Table 1** Chi-square difference test for examining discriminant validity.

<table>
<thead>
<tr>
<th>Construct pair (unconstrained) $\chi^2 = 2904$ (d.f. = 773)</th>
<th>Constrained $\chi^2$ (d.f. = 774)</th>
<th>$\chi^2$ difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>CBHRP-on-the job embeddedness</td>
<td>3045</td>
<td>141**</td>
</tr>
<tr>
<td>CBHRP-off-the-job embeddedness</td>
<td>3544</td>
<td>640**</td>
</tr>
<tr>
<td>CBHRP-ITQ</td>
<td>3302</td>
<td>398**</td>
</tr>
<tr>
<td>On-the job embeddedness-off-the-job embeddedness</td>
<td>3007</td>
<td>103**</td>
</tr>
<tr>
<td>On-the job embeddedness-ITQ</td>
<td>3289</td>
<td>385**</td>
</tr>
<tr>
<td>Off-the-job embeddedness-ITQ</td>
<td>3120</td>
<td>216**</td>
</tr>
</tbody>
</table>

Note 1: CBHRP = commitment based human resource practices; ITQ = intention to quit job.
Note 2: **significant at the 0.01 overall significance level by using the Bonferroni method.
my job is higher than those of our competitors"; the original item, "We have a mentoring system to help develop these employees" was changed to "My company uses mentoring system to help the employees develop". We conducted a confirmatory factor analysis where the items loaded cleanly on their respective human resource factors viz selection, training and development, and performance management and compensation. We adopted the three-factor model in the study and used an additive index to reflect a single comprehensive measure of an HR system, which is consistent with Sun et al. (2007). A high score on this factor reflects a high use of commitment based HR practices to manage the employer-employee relationship; a low score reflects a low use of commitment based HR practices.

**Intention to quit** was measured through four items adopted from Michaels and Spector (1982). Items were measured with a Likert-type scale on a scale of five (1 = very unlikely, 5 = very likely). A sample item is, "Am I actually planning to leave my job within the next six months?" Averaged composites were used in the analysis. The alpha reliability for the overall measure was 0.85.

**Results**

To test for multi-collinearity, we calculated tolerance indices, which are a direct measure of multi-collinearity. The suggested cutoff threshold is a tolerance value of 0.1 (Hair, Anderson, Tatham, & Black, 1998). Following Hair et al. (1998) we adopted the method of omitting one of the highly correlated control variables as a remedy for the above-mentioned multi-collinearity. Hence, age was excluded and organisational tenure was included, because it was expected that employees having longer organisational tenure would have more relevance to the relationship with on-the-job embeddedness and off-the-job embeddedness than age.

**Table 2** reports the mean, standard deviation, and correlations of all variables. The results showed statistically significant correlations between dependent and independent variables.

Hypothesis 1 posits that employee perceptions of CBHRP will be positively related to on-the-job embeddedness and off-the-job embeddedness. As noted in **Table 2**, the product-moment correlation between CBHRP and on-the-job embeddedness is \( r = 0.59, p < 0.001 \) and between CBHRP and off-the-job embeddedness is \( r = 0.32, p < 0.001 \). **Table 3** presents the results for Hypothesis 1 viz the relationship between CBHRP and on-the-job embeddedness and off-the-job embeddedness. Hierarchical linear regressions were used, with the control variables in step 1 followed by the independent variables. The statistical significance of the relationship between the control variables and the dependent variable on-the-job embeddedness was \( R^2 = 0.04 \) and with off-the-job embeddedness \( R^2 = 0.10 \). The beta coefficient for gender and qualification was significant such that males reported greater on-the-job embeddedness than females, and highly qualified employees were less embedded on the job. In the second step, CBHRP variable was added to the existing control variables and it was found to be significant (\( R^2 = 0.39 \)). We found that the measure of CBHRP was significantly related to on-the-job embeddedness (\( \beta = 0.59, p < 0.001 \)), after controlling for organisational tenure, ownership, education, city tenure, and gender. For off-the-job embeddedness, the control variables in step 1 showed a statistically significant relationship (\( R^2 = 0.10 \)), with the coefficient for city tenure and ownership being significant such that long tenured employees with the city were embedded in the community and employees in the public limited companies were more embedded than the private limited companies. In the second step CBHRP was added and it was found to be significantly related to on-the-job embeddedness (\( \beta = 0.59, p < 0.001 \)), after controlling for organisational tenure, ownership, education, city tenure, and gender (\( R^2 = 0.22, p < 0.001 \)). We found that the measure of CBHRP was significantly related to both on-the-job and off-the-job embeddedness (\( \beta = 0.35, p < 0.001 \)). Thus, the data support Hypothesis 1.

Hypothesis 2 asserts that on-the-job embeddedness and off-the-job embeddedness will be negatively related to intention to quit. As noted in **Table 2**, the product–moment correlation between on-the-job embeddedness and intention to leave is negative and significant (\( r = -0.37, p < 0.001 \)) and between off-the-job embeddedness and intention to quit is negative and significant (\( r = -0.19, p < 0.001 \)). As noted in **Table 3**, for intention to quit, the control variable in step 1 was \( R^2 = 0.12 \). In the second step job embeddedness was added and it was found to be significant (\( R^2 = 0.23 \)). We found that

<table>
<thead>
<tr>
<th>Sl no</th>
<th>Variables</th>
<th>Mean</th>
<th>S. D</th>
<th>1</th>
<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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<tr>
<td>1</td>
<td>Age</td>
<td>37.99</td>
<td>10.87</td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Gender</td>
<td>0.82</td>
<td>0.39</td>
<td>0.32**</td>
<td>0.25**</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
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<td>3</td>
<td>Organisation tenure</td>
<td>12.04</td>
<td>11.17</td>
<td>0.94**</td>
<td>0.25**</td>
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<td></td>
</tr>
<tr>
<td>4</td>
<td>City tenure</td>
<td>7.49</td>
<td>9.59</td>
<td>-0.03</td>
<td>-0.02</td>
<td>-0.03</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>5</td>
<td>Education</td>
<td>3.70</td>
<td>0.50</td>
<td>-0.12**</td>
<td>-0.10*</td>
<td>-0.14**</td>
<td>-0.05</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>6</td>
<td>Ownership</td>
<td>0.50</td>
<td>0.50</td>
<td>0.67**</td>
<td>0.06</td>
<td>0.69**</td>
<td>-0.12**</td>
<td>-0.09</td>
<td></td>
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<td></td>
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<tr>
<td>7</td>
<td>On the job embeddedness</td>
<td>11.70</td>
<td>2.09</td>
<td>0.08</td>
<td>0.13**</td>
<td>0.10*</td>
<td>0.05</td>
<td>-0.16**</td>
<td>0.04</td>
<td></td>
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<tr>
<td>8</td>
<td>Off the job embeddedness</td>
<td>8.64</td>
<td>1.92</td>
<td>0.22**</td>
<td>0.08</td>
<td>0.23**</td>
<td>0.13**</td>
<td>0.00</td>
<td>0.26**</td>
<td>0.47**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>CBHRP</td>
<td>3.41</td>
<td>0.78</td>
<td>0.13**</td>
<td>-0.01</td>
<td>-0.10*</td>
<td>0.07</td>
<td>-0.08</td>
<td>-0.12**</td>
<td>0.59**</td>
<td>0.32**</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Intention to quit</td>
<td>2.37</td>
<td>1.10</td>
<td>-0.32**</td>
<td>-0.14**</td>
<td>-0.34**</td>
<td>-0.00</td>
<td>0.08</td>
<td>-0.21**</td>
<td>-0.37**</td>
<td>-0.19**</td>
<td>-0.28**</td>
</tr>
</tbody>
</table>

N = 501.
The correlation coefficients are significant at *p < 0.05, **p < 0.01.
CBHRP = commitment based HR practices.
the measure of on-the-job embeddedness was significantly related to intention to quit and was the strongest predictor of intention to quit ($\beta = -0.36$, $p < 0.001$) after controlling for organisational tenure, ownership, education, city tenure, and gender. The measure of off-the-job embeddedness was insignificantly related to intention to quit. Thus, the data support Hypothesis 2 partially.

Hypothesis 3 asserts that on-the job and off-the job embeddedness shall mediate the relationship between employees’ perception of CBHRP and intention to quit. As shown in Table 3, the measure of CBHRP is significantly related to intention to quit ($\beta = -0.31$, $p < 0.001$).

We used the bootstrap method (Preacher & Hayes, 2008) to test the mediation role of on-the-job embeddedness and off-the-job embeddedness. We generated 5000 bootstraps based on 501 observations with a 95% bias-corrected (BC) confidence interval and bootstrapped percentile for indirect effects.

We requested bootstrap estimates of indirect, direct, and total effects. As shown in Table 4, the bootstrapping results showed that the path coefficient of CBHRP $\rightarrow$ on-the-job embeddedness $\rightarrow$ intention to quit is statistically significant and CBHRP $\rightarrow$ off-the-job embeddedness $\rightarrow$ intention to quit is statistically insignificant. The interval between lower level confidence interval (CI) and upper level CI does not include zero, hence we can conclude that CBHRP is completely mediated (as only indirect effect is significant) by on-the-job embeddedness. Off-the-job embeddedness did not mediate the effects of CBHRP and intentions to quit as hypothesised because off-the-job embeddedness (mediator) is statistically insignificant in predicting intentions to quit (dependent variable). Taken together, these results provide partial support for Hypothesis 3.

**Discussion**

The purpose of the study was to examine (1) the influence of a specific combination of CBHRP practices on the employee intentions to quit; (2) the mediating effects of on-the-job embeddedness and off-the-job embeddedness; (3) the relationship between CBHRP and employee intentions to quit. Commitment based HR practices emerged as a significant predictor of employee intentions to quit. The index of the three HRM practices showed a strong influence on intentions to quit. The results indicate that when employees’ perception of the CBHRP practices is increased by one unit, their intentions to quit decrease by 0.31. The study also found that on-the-job embeddedness completely mediated the relationship between CBHRP and intention to quit, and off-the-job embeddedness did not have any mediating impact on intention to quit. This unique CBHRP-on-the-job embeddedness-intention to quit relationship suggested that the employees’ belief that an organisation intends to invest in them and maintain a long term relationship with them makes them more embedded in the organisation, which in turn can lower their intention to quit. As SHRM scholars have hypothesised about the potentially indirect relationship between CBHRP and intention to quit (Arthur, 1994; Delery & Doty, 1996; Huselid, 1995; Sun et al., 2007), this study empirically confirms that this relationship is mediated by on-the-job embeddedness, but off-the-job embeddedness did not have any mediating impact;
this is probably because off-the-job embeddedness may be a stronger predictor of intention to quit when turnover requires geographic relocation involving the severing of community ties, and a stronger community relationship may lead to greater awareness of job alternatives and perceptions of ease of finding a new job (Allen, 2006; Mitchell et al., 2001; Ramesh & Gelfand, 2010).

The findings of this study clearly indicate the need for Indian organisations as well as for multinational companies (MNCs) operating in India to focus on their CBHRP practices and invest in their employees, to retain their employees and maintain their efficiency level as employee turnover decreases productivity (Guthrie, 2001). Thus, this research is in line with international HRM studies, adding to the growing body of literature on management practices and HRM in India.

Ownership emerged as a strong predictor of off-the-job embeddedness such that employees in the public limited companies are strongly embedded with the community. A possible explanation for this might be that in comparison to public limited companies, employees in Indian private sector organisations perceive their work climate to be more authoritarian, tightly controlled and more responsive to the competitive business environment, and that the private sector compensates their employees based on performance and competencies. On the other hand, Indian public-sector organisations still rely on total work experience to compensate their employees (Budhwar & Boyne, 2004). Therefore, when employees of public sector receive transfer orders it is seen that they often delay accepting the transfer order, and in many cases avoid transfers, which provides an opportunity to the Indian public-sector employees to reside in a particular community for a longer period. However, to develop a thorough understanding of the above relationship it is important to conduct more empirical research.

Contrary to Giosan et al. (2005), our study revealed that the controlled variable city tenure predicted off-the-job embeddedness. This is a unique contribution of our study and suggests that employees may get attached to organisations because of their personal attachments to the cities/towns they stay in. Further, when an employee spends more time in a city it could mean that he/she loves the weather, amenities, entertainment facilities or general culture of the location leading to a better fit with the community. Thus, those with more links and fit are likely to incur greater costs—whether financial, emotional, or psychological—in leaving their current place. Therefore, city tenure was included as a controlled variable (Holton & O’Neill, 2004; Mitchell et al., 2001).

Managerial implications

This study has several implications for managers. Commitment based HR practice is a strategic human resource management system that allows organisations to invest resources in individual employees so that employee performance and retention directly link to departmental productivity and organisational financial performance. An understanding of how CBHRP is likely to play a role in intention to quit will help to improve the accuracy and generalisability of CBHRP, thereby providing insight into how employees can be retained more effectively. Managers need to be aware that although SHRM may not directly affect turnover, it is through on-the-job embeddedness that SHRM creates employee attachment.

Managers can look for several strategies from CBHRP. Managers can strengthen the links by including training methods such as job rotation of individuals to job assignments that will help employees develop a broader understanding of work processes, establish mentoring programmes, sponsor social events, and strengthen teams. Further, to strengthen the fit between the individual and the organisation, managers can develop selective staffing systems that screen applicants on the job-related contextual criteria, providing opportunities for multiple career paths. Also, organisations can provide extensive training that focusses on employee expectations and KSAs necessary to function effectively resulting in greater fit. Managers must clearly state core values, which support internal staff at all levels. Managers must develop commitment to continuous learning and career development.

Finally, organisations are encouraged to offer unique benefits that are hard for other companies to replicate such as training on firm-specific skills for future advancement within the company, competitive compensation, and aligning performance appraisal goals with personal development (incurred sunk costs limiting external mobility).

The findings provide added incentive for organisations to consider demographic factors such as city tenure as factors in employee selection. The second feature of this research is in line with international HRM studies, which adds to the growing body of literature on management practices and HRM on India. Finally, this research article contributes in providing evidence from an important emerging economy where the strategic role of HRM as a key driver of firm performance (lower intention to quit) has gained importance after the liberalisation of Indian economy in 1991.
Limitations and future research directions

Although the results of this study are promising, some caveats are in order. There may be questions about the accuracy of the responses as the data were obtained only through self-reports i.e. all the variables studied in the above study were measured from the same source at the same time. Thus, any conclusion drawn from this research should be treated with caution. However, results showed that CBHRP related differently to on-the-job and off-the-job embeddedness, providing some evidence that response is not merely the result of common method variance. We adopted scale reordering as a procedural option for minimising this bias, and the survey instrument used in this was structured such that job embeddedness and CBHRP items preceded the intention to quit items. Also, Harman’s one-factor test showed that the first factor accounted for only 23.8% of the covariance among measures (Podaskoff & Organ, 1986), suggesting that common method variance is not a significant issue. This study is cross-sectional in nature; hence, although intentions to quit may be the best predictor of quitting behaviour, unless longitudinal studies are undertaken, the degree to which stated quitting intentions are acted on cannot be assessed. Future research could use longitudinal methods for studying the impact of CBHRP on actual turnover through the mediation of on-the-job embeddedness and off-the-job embeddedness.

Another limitation arises from the fact that we tested our model on a medium-sized sample drawn solely from banking enterprises in India, particularly from eastern India. Although we expect our findings to hold when applied to other industries and other countries, our exclusive focus on one industry and our moderate sample size remains a limiting factor in the study. Future research could employ larger sample sizes and examine other types of industries to cross-validate our model in different settings.

Despite these limitations, the study provides a new explanation for the relationship between combinations of human resource programmes, policies, and practices that lead to specific employee behaviour such as lowered intention to quit and increased employee retention. Even though our findings suggested that companies following CBHRP generally retain more employees than those not following a CBHRP approach, we did not examine whether moderating conditions limit the positive impact of CBHRP. Future research could look at potential moderators of the relationships between CBHRP and on-the-job embeddedness, and investigate how job embeddedness evolves over time, as organisational tenure did not embed employees over time in the organisation.

Conclusion

This study provides preliminary evidence on the role of firm’s CBHRP in enhancing on-the-job embeddedness and off-the-job embeddedness. In particular, we found that CBHRP was significantly related to both the dimensions of job embeddedness. Moreover, on-the-job embeddedness mediated the relationship between CBHRP and intentions to quit, whereas off-the-job embeddedness did not have any impact. Our findings suggest that the managers of firms operating in India should carefully choose HR practices to manage their knowledge workers, because these practices may influence the relationship between employees and their organisations, which in turn, may affect their willingness to stay with the organisation. The results provide further insight into the reasons why effective SHRM by companies leads to decreased intentions to quit. However, much still remains unknown, and studies on these topics can help inform practitioners on how to better achieve desired retention and performance outcomes.
Appendix
Factor structure of commitment based HR practices

<table>
<thead>
<tr>
<th>Factor and items</th>
<th>Loadings I</th>
<th>Loadings II</th>
<th>Loadings III</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal candidates are given consideration over external candidates for job openings.</td>
<td>0.32</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees are selected based on an overall fit to the company.</td>
<td>0.78</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Our selection system focuses on the potential of the candidate to learn and grow with the organisation.</td>
<td>0.76</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I have been made aware about the internal promotion opportunities available in my job.</td>
<td>0.61</td>
<td>0.59</td>
<td></td>
</tr>
<tr>
<td>Employee bonuses or incentive plans are based primarily on the performance of the organisation.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salary for my job is higher than those of our competitors.</td>
<td>0.71</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shares of stock are available to me through stock purchase plans.</td>
<td>0.63</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goals for incentive plans are based on business unit or company performance.</td>
<td>0.63</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multiple career path opportunities are provided to me to move across multiple functional areas of the company.</td>
<td>0.61</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training is focused on team-building and teamwork skills.</td>
<td>0.70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company social events are sponsored for employees to get to know one another.</td>
<td>0.63</td>
<td></td>
<td></td>
</tr>
<tr>
<td>An orientation programme is offered to train employees on the history and processes of the organisation.</td>
<td>0.71</td>
<td></td>
<td></td>
</tr>
<tr>
<td>My company uses Job rotation to expand the skills of employees.</td>
<td>0.75</td>
<td></td>
<td></td>
</tr>
<tr>
<td>My company uses Mentoring system to help the employees develop.</td>
<td>0.74</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance appraisals are used primarily to set goals for personal development.</td>
<td>0.62</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance appraisals are used to plan skill development and training for future advancement within the company.</td>
<td>0.58</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eigen values</td>
<td>6.34</td>
<td>1.44</td>
<td>1.30</td>
</tr>
<tr>
<td>Explained variance (%)</td>
<td>39.65</td>
<td>8.96</td>
<td>8.06</td>
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<tr>
<td>Cumulative variance (%)</td>
<td>48.61</td>
<td>56.67</td>
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References


