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The Mediating Effect of Embeddedness on the Relationship between Internal Employability and Career Satisfaction

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The Mediating Effect of Embeddedness on the Relationship between Internal Employability and Career Satisfaction

Abstract

To date, the link between perceptions of employability and career satisfaction has been demonstrated theoretically more than empirically. To address this concern, this study examines employee perceptions of internal employability and how these perceptions relate to career satisfaction. In addition, this study investigates the mediating role of embeddedness on the relationship between employability and career satisfaction. The results of the study indicate that internal employability is positively related to career satisfaction. In addition, the results indicate that embeddedness fully mediates the relationship between perceived internal employability and career satisfaction.

Keywords: Employability, Job Embeddedness, Career Satisfaction
The Mediating Effect of Embeddedness on the Relationship between Internal Employability and Career Satisfaction

Organizations have downsized, restructured, delayered, and outsourced and are increasingly characterized by instability, insecurity, and uncertainty (Sverke, Hellgren, and Näswall, 2002). In this context, it is crucial to be able to find a job, retain a job, and obtain a new job if required. Employability has therefore come to be regarded as an essential factor for employees to remain competitive both within and outside the organization (Wittekind, Raeder, and Grote, 2010). Career satisfaction has also become critically important because objective indicators of career success such as hierarchical advancement have begun to disappear (Heslin, 2005). Even though employability has become a popular concept in career studies due to the changing career landscapes, it should be noted that it is unclear how employability results in career outcomes such as career satisfaction. This study therefore intends to fill this gap in the literature by examining the role that employee attachment plays in the relationship between employability and career satisfaction. Specifically, the study focuses on the concept of embeddedness or the totality of forces including fit, links, and sacrifice that bind employees to their current organization (Mitchell, Holtom, Lee, Sablynski, and Erez, 2001). This concept has helped scholars understand how in spite of pressures or opportunities to be mobile there are powerful forces that also can motivate employees to stay and contribute in their organizations. This study proposes that perceptions of internal employability are likely to directly influence an employee’s embeddedness which can then influence career satisfaction. The proposed model is shown in Figure I.

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Please insert figure I about here

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Employability

Employability represents the capability of an individual to find and maintain employment (Fugate, Kinicki, and Ashforth, 2004; Rothwell and Arnold, 2007). Employability can be conceptualized as both objective and subjective/perceived (Berntson and Marklund, 2007; Rothwell and Arnold, 2007). Typical examples of objective employability are human capital (e.g., education, job-related knowledge, skills, and experiences—see Forrier and Sels, 2003; Fugate et al., 2004) and social capital (e.g., network size and network strength—see Fugate et al., 2004). On the other hand, perceived employability can be defined as a subjective evaluation of being employable (Rothwell and Arnold, 2007). Considering the fact that the same reality might lead to different perceptions among different people, individuals with the same levels of objective employability might differ in their own perceptions of employability (Vanhercke, De Cuyper, Peeters, and De Witte, 2014). Since the perception of reality affects attitudes, behaviors, and thoughts rather than the reality itself (Lazarus and Folkman, 1984), perceived employability therefore becomes critical (Rothwell and Arnold, 2007) and is the focus of this study.

Most authors (e.g., Forrier and Sels, 2003; Thijssen, Van Der Heijden, and Rocco, 2008; Van Der Heijde and Van Der Heijden, 2006) agree that employability can be considered as both internal and external. Internal employability represents an individual’s perceived capability to maintain employment in the current organization, while external employability represents an individual’s perceived capability to find employment outside the current organization (Rothwell and Arnold, 2007). Supporting the idea of internal and external employability, Fugate and his colleagues (2004; Fugate and Kinicki, 2008) state that employability facilitates perceiving career opportunities both within and between organizations. Previous studies have shown that perceived employability is positively related to overall health (Berntson and Marklund, 2007), work engagement (De Cuyper, Bernhard-
Oettel, Berntson, De Witte, and Alarco, 2008), and life satisfaction (De Cuyper et al., 2008; De Cuyper, Van Der Heijden, and De Witte, 2011). However, it should be noted that these studies tended to focus on perceived external employability. Several scholars (e.g., De Cuyper and De Witte, 2011; Rothwell and Arnold, 2007) argue that there is a need for examining perceived internal employability and its consequences. Thus, the present study focuses on perceived internal employability.

The Relationship between Internal Employability and Career Satisfaction

Employability is viewed as a fundamental condition of career success or satisfaction in the contemporary work environment that is characterized by instability, insecurity, and uncertainty (Forrier and Sels, 2003; Fugate et al., 2004; Rothwell and Arnold, 2007). To date, however, there is little empirical evidence documenting the relationship between perceived employability and career success. The only study investigating this link (De Vos, De Hauw, and Van Der Heijden, 2011) established a positive relationship between perceived employability and subjective career success. However, this study focused only on perceived external employability.

Perceived internal employability reflects an individual’s perceived control over his or her career (Vanhercke et al., 2014). Perceived control represents the beliefs that an individual has the means to obtain desired outcomes and to avoid the undesirable ones (e.g., Veld, Semeijn, and Van Vuuren, 2016). Based on the perceived control perspective, individuals with high perceived internal employability have more perceived control which should make them more satisfied with their careers. Therefore, it is expected that perceived internal employability will be positively related to career satisfaction. Perceived internal employability reflects the perceived transfer of skills, knowledge, and experience across jobs within the current organization. Thus, individuals with high perceived internal employability might be confident
that they are in demand in their organizations which could increase feelings of self-worth and career satisfaction (Waters, Briscoe, Hall, and Wang, 2014).

H1: Perceived internal employability will be positively related to career satisfaction.

The Role of Embeddedness

Given the focus of this study is on employee perceptions of employability within their current organization, it could inform theory and practice by examining how perceptions of internal employability relate to employee attachment. While there are a number of employee attachment constructs one could explore (e.g., job satisfaction, organizational commitment, etc.), the focus of this study is on an attachment construct, embeddedness (Mitchell et al., 2001), that has been crucial in advancing understanding of employee retention over the past decade (Zhang, Fried, and Griffeth, 2012). In fact, meta-analytical evidence (Jiang, Liu, McKay, Lee, and Mitchell, 2012) demonstrates that embeddedness predicts employee intention to leave and actual turnover over and above commitment and satisfaction.

Mitchell et al. (2001) argue that embeddedness represents the combined forces that influence a person’s decision to remain in an organization. The key components of embeddedness are the fit, links, and sacrifice that bind the employee to the organization. Fit represents the employee’s perceptions that his/her values, skills, and beliefs match the organization or community. For example, if employees believe their values match the culture of the organization or their community, they will have high levels of fit in the organization or community. Links represent the number of connections an employee has in the organization or community. For example, if employees have a large number of family and friends in the community in which they live or are on numerous committees and teams at their organization, then they would likely have high levels of fit in the community or organization. Finally, sacrifice represents what the employee believes he/she would give up if he/she left the organization or community. If employees have excellent benefits or responsibilities at work
or have access to cheap housing, good weather, or an easy commute that would be difficult to match at a different organization or community, then they would likely have high levels of sacrifice. Similar to a spider’s web, it is the combined forces of fit, links, and sacrifice that keep individuals from leaving their organizations (Yao, Lee, Mitchell, Burton, and Sablynski, 2004). Given the focus on organizational-relevant variables for this study (i.e., internal employability), the proposed research focuses on the on-the-job components of embeddedness.

Although embeddedness is similar to other attachment constructs such as organizational commitment and job satisfaction, there are significant differences. For example, Crossley, Bennett, Jex, and Burnfield (2007) argue that although embeddedness is similar to other attachment constructs in that they all deal with the employee’s connection to the organization, commitment and satisfaction are distinct in that they incorporate specific affective, calculative, and normative motives for being connected to the organization, while embeddedness does not. Embeddedness, instead, focuses on an employee’s overall, general attachment to an organization. In fact, the employee may not even want to be embedded in the particular organization. Crossley et al. (2007) state, “embeddedness represents a general attachment construct that assesses the extent to which people feel attached, regardless of why they feel that way, how much they like it, or whether they chose to be so attached” (p. 1032). Past research has consistently found that embeddedness is conceptually and empirically distinct from satisfaction and commitment and, in fact, predicts turnover over and above job satisfaction and organization commitment (e.g., Jiang et al., 2012; Lee et al. 2004).

The majority of research in embeddedness has examined the direct effects of embeddedness on a variety of behaviors. For example, beyond its effect on intentions to leave and turnover, embeddedness has been shown to predict job search behavior (Murphy, Burton, Henagan, and Briscoe, 2013), performance and OCBs (Lee, Mitchell, Sablynski, Burton, and Holtom, 2004), as well as counterproductive work behaviors (Holtom, Burton, and Crossley,
2012). However, to date, the role embeddedness plays in the relationship between perceived employability and career satisfaction has not been examined. This examination is important because perceptions of employability are likely to influence embeddedness.

If employees perceive a high level of internal employability, they are more likely to perceive job possibilities in their organizations based on the perceived ability to transfer their work-related knowledge, skills, and experiences across jobs. If the employee perceives job possibilities within the organization, this likely increases their embeddedness. For example, if employees perceive they are employable within their current organization, this may increase their feelings of fit with the organization (e.g., my skills are valued here, etc.), increase the number of links they have within the company (e.g., I work with a lot of different individuals or have the potential to work with many individuals if I stay here, etc.), and may cause them to feel they would be sacrificing a lot if they left the organization (e.g., I might not find these opportunities at another company, etc.).

Consistent with this view, social bonding theory (Hirschi, 1969) argues that when employees perceive a meaningful bond with an organization, such as would be the case when they perceive themselves as internally employable in their organizations, they are motivated to maintain that bond (in this case, increase their embeddedness). Since these highly internally employable individuals believe there are multiple career paths for them to explore in their current organization, their bond with the organization is likely to strengthen which makes it unlikely they will seek employment elsewhere. In addition, highly employable individuals have a tendency to be highly adaptable (Fugate et al., 2004). These individuals are proactive and action-oriented where they seek out opportunities to grow their social networks (Fugate et al., 2004) and will alter their work environment or even their own cognitions to maximize or optimize their situation (CranT, 2000), especially since they do not plan to leave their current organization. These actions are likely to increase perceptions of fit, links, and sacrifice (i.e.,
increase their job embeddedness). For example, by growing one’s social networks within an organization, this person is also building stronger links that facilitate their connection to the organization. In addition, one’s perceptions of fit is likely to be strong since any “misfit” issues that might have occurred in the past would have been addressed by the employee behaviorally (proactively modifying their work environment to fit their needs) or cognitively (modifying one’s own cognitions to find a match between the organization and one’s own needs).

It is also expected that embeddedness is positively related to career satisfaction. Feldman and Ng (2007) argued that it is likely a strong relationship exists between embeddedness and subjective career success, such as satisfaction with one’s career. Highly embedded individuals are likely to perceive a high degree of fit with their organization, have many connections that have developed at the organization, and would have significant perks, including pay and benefits that together will increase one’s perception that they have been successful in their career. In fact, Stump (2014) recently found that embeddedness was indeed positively related to subjective career success. Therefore, individuals who perceive they have high levels of internal employability will have higher levels of embeddedness which then directly increases career satisfaction.

H2: Embeddedness will mediate the relationship between perceived internal employability and career satisfaction.

METHODS

The study’s sample consisted of working professionals who had registered with Amazon’s Mechanical Turk which has been shown to be a viable method of collecting data from a diverse sample of working employees (Behrend, Sharek, Meade, and Wiebe, 2011). Participants were paid $0.50 to complete an on-line survey. To identify careless responders (e.g., Meade and Craig, 2012), an instructed response item was included (e.g., “When you get to this question, please answer ‘Disagree’”). All individuals \( n = 11 \) who answered the
instructed response item incorrectly were removed from the study. The final sample consisted of 184 working professionals.

The participants in this study averaged 34.36 (SD = 12.69) years of age, 15.44 (SD = 12.05) years of work experience, and 5.04 (SD = 5.37) years with their current organization. In addition, 59.9% of the respondents were female, 52.4% had an undergraduate degree or higher, 25.1% worked in the business or science industries, 10.7% worked in sales, and 4.8% worked in healthcare. Approximately 74% of the respondents indicated they were Caucasian, while 13.9% indicated they were African-American, 7.0% Asian, and 3.7% Latino/Hispanic. Finally, 51.3% of the respondents worked in a public company, 38.0% in a private company, and 10.2% in a not-for-profit organization.

Measures

**Perceived Internal Employability.** Four items (1 = strongly disagree; 7 = strongly agree) from Rothwell and Arnold (2007) were used to measure employee perceptions of internal employability (e.g., “Even if there was downsizing in my organization, I am confident that I would be retained”). The items were averaged to form a composite measure of perceived internal employability ($M = 4.92$, $SD = 1.26$, $\alpha = 0.81$).

**Embeddedness.** Participants’ embeddedness in the organization was measured with nine items (1 = strongly disagree; 7 = strongly agree) from Felps, Mitchell, Hekman, Lee, Holtom, and Harman (2009) designed to capture the employee’s level of fit, links, and sacrifice in the organization. Sample items include “I feel like I am a good match for my organization,” “I work closely with my coworkers,” and “I would sacrifice a lot if I left my job.” Consistent with the approach used by Felps *et al.* (2009) as well as Mitchell and his colleagues (2001), a composite measure of embeddedness in the organization was formed by averaging the sub-components of fit, links, and sacrifice into an overall measure of embeddedness in the organization ($M = 4.98$, $SD = 1.23$, $\alpha = 0.91$).
**Career Satisfaction.** A five-item scale (Greenhaus, Parasuraman, and Wormley, 1990) was used to measure the degree to which employees felt satisfied with their career (1 = *strongly disagree*; 7 = *strongly agree*). Sample items include, “I am satisfied with the success I have achieved in my career” and “I am satisfied with the progress I have made toward meeting my overall career goals.” The items were averaged to form career satisfaction ($M = 4.62$, $SD = 1.48$, $\alpha = 0.93$).

**RESULTS**

All means, standard deviations, and correlations are reported in Table 1. Since all variables were measured at the same time, proactive steps were taken to reduce concerns over common method variance (Podsakoff, MacKenzie, and Podsakoff, 2012). Specifically, data were collected from a very diverse population and careless responders were removed. In addition, a seven-item measure of anxiety (House and Rizzo, 1972) was included in the study to use as a marker variable (Williams, Hartman, and Cavazotte, 2010) to test for common method effects. Theoretically, anxiety should not be strongly related to any of the constructs measured in this study. The results of the six-step marker variable analysis outlined by Williams *et al.* (2010) demonstrates that the relationships between the variables in this study are not significantly biased by common method effects.

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Please insert Table 1 about here

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A confirmatory factor analysis was conducted to access model fit. A three-factor model ($\chi^2 = 134.96$, $CFI = 0.95$, $TLI = 0.94$, $RMSEA = 0.10$, $SRMR = 0.06$) with embeddedness, internal employability, and career satisfaction loading separately fit the data well. In addition, this three-factor model fit the data better than a one-factor model ($\chi^2 = 376.20$, $CFI = 0.81$, $TLI = 0.77$, $RMSEA = 0.18$, $SRMR = 0.10$) or a two-factor model where embeddedness and internal
employability were forced into one factor ($\chi^2 = 172.79$, CFI = 0.93, TLI = 0.91, RMSEA = 0.11, SRMR = 0.06).

Hypothesis 1 proposed a direct link between perceptions of internal employability and career satisfaction, while Hypothesis 2 indicated that embeddedness would mediate the relationship between internal employability and career satisfaction. To test these relationships, the PROCESS macro developed by Hayes (2013) was used. This macro allows researchers to test for the direct as well as the indirect (i.e., mediating) effects by examining 95% bias-corrected confidence intervals created by running 5,000 bootstrapping estimates. This bootstrapping approach to testing mediation has been shown to be superior to other forms of mediation testing (e.g., Shrout and Bolger, 2002). The results of these analyses are shown in Table 2 and indicate a significant direct effect between perceived internal employability and embeddedness, as well as embeddedness and career satisfaction. In addition, a significant indirect effect, indicating mediation was found. Specifically, the results of the analyses demonstrate that embeddedness acts as a partial mediator to the relationship between perceived internal employability and career satisfaction as the direct effect between these variables is only marginally significant ($p < 0.10$) in the presence of embeddedness (Hypotheses 1 and 2 are supported).

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Please insert Table 2 about here
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**DISCUSSION**

The aim of this study was to examine the relationships between perceived internal employability, embeddedness, and career satisfaction. This study differs from previous studies in two ways. First, whereas previous studies tended to focus upon perceived external
employability, this study concentrated on perceived internal employability. Second, past research was extended by incorporating the role of embeddedness in this relationship.

Results demonstrate that perceived internal employability is positively related to career satisfaction. This supports past research which has found a relationship between external employability and career satisfaction or subjective career success. This study reveals that perceived internal employability may also contribute to the subjective career success of employees. This indicates that perceptions of employability, whether internal or external can lead to subjective career success.

In addition, the mediator role of embeddedness on the relationship between perceived internal employability and career satisfaction was investigated. The results show that embeddedness acts as a partial mediator to the relationship between perceived internal employability and career satisfaction. Employee perceptions of being internally employable appear to be positively related to embeddedness, which then is positively related with feeling satisfied regarding one’s career. To date, this is the first study linking perceptions of internal employability and embeddedness. In addition, this study answers the call of Feldman and Ng (2007) that argued that more research was needed examining the relationship between embeddedness and subjective career success. Future research needs to continue to examine other potential antecedents to and outcomes of embeddedness.

**Implications for Practice**

This study has important practical implications. Mitchell and his colleagues (e.g., Lee et al., 2004; Mitchell et al., 2001) demonstrated embeddedness is critical for important organizational outcomes such as employee retention and performance. Embeddedness may be even more critical for organizations given the current state of the economy where unemployment is low, employees change jobs often, and the best employees expect more from their organization. For example, career development opportunities are a crucial factor in
Millennials remaining at their organizations (Stahl, 2016). In addition, almost ninety percent of employers in a recent survey indicate that improving employee retention will be a focus in the coming year with organizations increasingly offering more internal mobility opportunities in an effort to retain their best employees (Schawbel, 2016).

Given that the results of this study indicate that increased perceptions of internal employability not only may lead to increased perceptions of career satisfaction, but it can also lead to increased embeddedness, organizations should take steps to increase employee perceptions of being employable within their current organization. For example, organizations should be engaged in career development activities such as providing challenging job assignments, providing performance feedback, increasing autonomy, and offering job rotation which may increase perceptions of internal employability (e.g., Nelissen, Forrier, and Verbruggen, 2017; Van Harten, Knies, and Leisink, 2016). Organizations may also attempt to support their employees via mentoring, coaching or training activities (e.g., Chambel, Sobral, Espada, and Curral, 2015; Martini and Cavenago, 2017) which could increase perceptions of internal employability. By increasing employee perceptions of internal employability, organizations may not only be further embedding their top employees in the organization which this study demonstrates can lead to increased feelings of career satisfaction, but also may be indirectly leading to lower turnover, lower aggression, and higher performance and OCBs (e.g., Holtom et al., 2012; Lee et al., 2004; Mitchell et al., 2001).

Limitations

The results of this study should be viewed in light of its limitations. First, the independent and dependent variables were collected at the same time. Therefore, common method variance could be a problem in this sample (Podsakoff et al., 2012). However, several
precautions were taken to minimize this concern. Data were collected from a diverse sample across many industries, careless responders in the surveys were identified, and post-hoc statistical tests were conducted that demonstrated common method variance was not significantly affecting the relationships between the variables in this study. Nonetheless, future research should attempt to replicate the results reported in this study over a longer time period.

In addition, the reported relationships between the variables reported in this study cannot be classified as causal since all of the data were collected at the same time. Although the results of this study suggest that perceptions of internal employability can lead to increased embeddedness which can then predict career satisfaction, it is possible that the sequencing could be altered. For example, it is possible that being embedded may lead someone to feel more internally employable. Future research should address this question with longitudinal studies that allow a stronger inference about causation to be made.

Finally, the focus of this study was on overall on-the-job embeddedness, rather than the sub-dimension level of fit, links, and sacrifice. In this study, a composite measure of embeddedness was used that equally weighted fit, links, and sacrifice. However, it is conceivable that fit, links, and sacrifice do not equally influence reactions to perceptions of employability. Please note that the composite approach was used because this is the dominant approach in research on embeddedness. In fact, very few studies on embeddedness examine fit, links, and sacrifice independently (Jiang et al., 2012). Future research examining the role that embeddedness plays in reactions to perceived employability should consider testing these relationships at the fit, links, and sacrifice level. In addition, future research should examine the role that off-the-job embeddedness plays in these relationships.

Conclusion

In this study, the importance of internal employability to subjective career success was demonstrated. In addition, past research in this area was extended by incorporating the role of
employee attachment (i.e., embeddedness) in psychological reactions to employability. Future research should continue to look at the processes through which perceptions of employability affect a variety of important organizational and employee outcomes.

References


Table 1

Means, Standard Deviations, and Correlations\textsuperscript{a, b}

<table>
<thead>
<tr>
<th>Variable</th>
<th>M</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Internal Employability</td>
<td>4.92</td>
<td>1.26</td>
<td>(0.81)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Embeddedness</td>
<td>4.98</td>
<td>1.23</td>
<td>0.76***</td>
<td>(0.91)</td>
<td></td>
</tr>
<tr>
<td>3. Career Satisfaction</td>
<td>4.62</td>
<td>1.48</td>
<td>0.60***</td>
<td>0.70***</td>
<td>(0.93)</td>
</tr>
</tbody>
</table>

\textsuperscript{a} ***p < 0.001 (two-tailed)
\textsuperscript{b} Numbers in parentheses are coefficient alpha.

Table 2

The Mediating Effect of Embeddedness on Perceptions of Internal Employability and Career Satisfaction\textsuperscript{a}

<table>
<thead>
<tr>
<th>Embeddedness</th>
<th>Career Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Employability</td>
<td>0.74***</td>
</tr>
<tr>
<td>Embeddedness</td>
<td>- -</td>
</tr>
<tr>
<td>Total $R^2$</td>
<td>0.58***</td>
</tr>
</tbody>
</table>

\textit{Indirect Effect (i.e., Mediation) of Internal Employability through Embeddedness}

Indirect Effect      | - -                 | 0.53
95\% Bias-Corrected Confidence Interval\textsuperscript{b} | - -             | (0.35, 0.70)

\textsuperscript{+} p < 0.10, *** p < 0.001
\textsuperscript{a} Direct effects are unstandardized coefficient estimates from the final regression equations.
\textsuperscript{b} Indirect effects were tested for significance using 95\% bias-corrected confidence intervals from 5,000 bootstrap estimates.
Figure I

Proposed Model

Perceived Internal Employability → Embeddedness → Career Satisfaction