

Who stay unwillingly in a job? A study based on a representative random sample of employees / Petri Böckerman\*, Pekka Ilmakunnas\*\*, Markku Jokisaari\*\*\* and Jukka Vuori\*\*\*\*

## **Abstract**

This paper examines the antecedents of intentions to quit, job search, and actual job switches during a follow-up period. We use a representative random sample of all Finnish employees. The data set both contains information on intentions to quit and on-the-job search from a cross-section survey and records employees' actual job switches from longitudinal register data that can be linked to the survey. We study the contribution of adverse working conditions (harms, hazards, uncertainty, and physically and mentally heavy work), work organization (promotion prospects, discrimination, and supervisor support) and ease-of-movement factors (mental health, wage level). Adverse working conditions, poor promotion prospects, discrimination and mental health symptoms are positively related to unwillingly staying in a job, since these variables increase the probability of turnover intentions or job search but not actual job switches. These variables include both factors that push employees to job search and factors that make them less employable.

**Keywords:** intentions to quit, job search, separations, turnover, working conditions

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## **Introduction**

Employee turnover has gained much attention in the organizational and management literature. One important reason for this is the high costs of turnover for organizations as well as employees. In the organizations, employee turnover produces the recruitment and training costs of new employees. Thus, quitting employees take with them their knowledge and experience, and this requires substantial investments in new employees that replace those that have left. For the employees who leave, there are considerable costs related to finding a new job and there is often weakened financial security (e.g., Campion, 1991). Earlier research has examined the antecedents of turnover and has identified several variables that are related to employee turnover. First, the employee's intention to leave is a strong predictor of actual turnover, based on the evidence (e.g., Griffeth et al., 2000). Second, it has been highlighted that on-the-job search is also an important antecedent of actual job separation (e.g., Griffeth et al., 2000; Tett and Meyer, 1993). Third, recently the concept of employability has gained increased focus in the literature as an ease-of-movement factor to a new job (e.g., Fugate et al., 2004). Conversely, low employability in the labor market, such as a low educational level, may hinder job change although there is a strong intention to leave the current job.

However, very little is known about the employees who have intentions to leave and show actual job search behavior, but nevertheless stay in a job which they are aiming to leave. This is a very important issue. Employees who are not motivated to stay show withdrawal behavior (Hanisch and Hulin, 1991), or job avoidance at the workplace (Hom and Kinicki, 2001), such as lateness and absence, which reduces their job proficiency significantly (Hanisch and Hulin, 1991). Another important limitation of earlier research on employee turnover is that typically it has used non-representative

samples of the working age population (e.g., Hom and Griffeth, 1991; Kankaanranta et al., 2007; Shields and Price, 2002), such as nurses, and, in consequence, the generalizability of the results for a variety of occupations and organizations is seriously restricted.

Thus, the purpose of this paper is to examine the systematic antecedents of staying unwillingly in a job by using a representative data set.<sup>1</sup> Our approach is based on the fact that it is very difficult to obtain direct information on the factors that contribute to staying unwillingly in a job. For this reason, we use an indirect approach in this paper, based on the measures of intentions to quit, job search and actual separations during a five-year follow-up period. This approach is possible because the data set that we use both contains information on intentions to quit and on-the-job search from a cross-section survey and records employees' actual job switches from longitudinal register data that can be linked to the survey. The analysis assumes that when an employee has a willingness to quit a job, measured by intentions to quit and on-the-job search, but does not actually leave, this is a signal of unwillingly staying in a job. For example, Griffeth et al. (2000) concluded in their meta-analysis that the intention to quit is among the best predictors of actual turnover. The paper represents an interdisciplinary analysis, combining aspects of industrial relations, human resource management, and labor economics. Thus, we contribute to the gap that exists between different fields of study. The aim is to combine the desirability of quitting and the employability strands of literature in order to explain who stay unwillingly in a job.<sup>2</sup> Thus, our hypotheses are rooted in these literatures, as discussed in the next section. In particular, we adopt employability as a useful concept to understand the search process better. A major advantage of our study is that it is based on a representative random sample of all

Finnish employees. This implies that the evidence is not limited to a narrow set of occupations, firms or industries.

### **Turnover literature and hypotheses**

A major stream of earlier turnover literature has focused on either the perceived desirability of changing a job such as poor working conditions that increase people's intentions to quit, or ease-of-movement factors in the labor market like the role of education in finding a new job. It has been proposed that the concept of employability which refers to "work specific active adaptability that enables workers to identify and realize career opportunities" (Fugate et al., 2004: 16) is an essential ease-of-movement factor. In this study we focus on both the desirability and employability streams of literature in crafting our hypotheses. We argue that although perceived desirability is high for quitting the job as indicated by intentions to quit and actual job search, low employability may hinder actual job switches, i.e. people stay unwillingly in the job.

The stream of literature related to the perceived desirability of quitting suggests that there are multiple factors related to job content and organization that foster employees' intentions to leave and search for a new job. For example, it has been shown that adverse working conditions, such as routinization, are related to turnover (Griffeth et al., 2000). Finland has a relatively centralized wage bargaining system. The system sets a floor to firm-level pay determination and leads to wage compression. This may prevent the creation of wage differentials that would compensate for the existence of adverse working conditions. The evidence points out that perceived working conditions have a relatively modest role in the determination of individual wages (Böckerman and

Ilmakunnas, 2006). The effect of adverse working conditions on intentions to quit and job search can therefore be particularly pronounced in this context.

The literature has also shown that low justice perceptions at the workplace are related to turnover (Griffeth et al., 2000). When employees perceive that their treatment has not been fair, their attachment to the organization will decrease, which in turn increases the likelihood of actual turnover. In our study, justice perceptions are captured by discrimination at the workplace. Promotions and promotion prospects are also related to turnover (Trevor et al., 1997). For example, Kammeyer-Mueller et al. (2005) found that leavers showed less satisfaction with their promotion prospects than stayers in the organization. Furthermore, we reason that low supervisor support is related to low attachment to the organization, i.e. high intentions to quit and job search behavior. This is due to the fact that a supervisor is a central representative of the organization who affects the ways in which employees perceive the organization as a whole (Eisenberger et al., 2002). Thus, when perceived support from a central representative of the organization is low, this perception should also be related to a low perception of the organizational support. To summarize the factors related to job content and organization that foster employees' intentions to leave and search for a new job, we focus on adverse working conditions, promotion prospects, the perceptions of discrimination, and perceived supervisor support.

Besides the desire to change jobs, the employability literature suggests that the ability to realize one's career opportunities in the labor market may foster or hinder employee turnover.<sup>3</sup> Specifically, a person may have a high desire to change employers, but his or her employability limits the realization of his or her opportunities. The central indicators of employability have been the measures of human capital, and personal adaptability

(e.g., Fugate et al., 2004; Fugate, 2006). Human capital refers to a person's characteristics which are valuable in the attainment of career goals and in related success in the labor market. We use education and wage level as indicators of human capital. Education in particular has been shown to be an important ease-of-movement factor in the labor market (e.g., Judge et al., 2005). For example, a specific education is often a formal requirement which has to be met if a person is to be considered as a potential candidate for the job. In this paper, we focus on the effects of the wage level, because the current wage level may be a signal to the prospective employer about the person's talent, motivation and subsequent performance that would not be observed otherwise. Furthermore, it is highly likely that high-wage employees receive unsolicited job offers without active search efforts, which increases their actual job switches (e.g., Lee et al., 2008). Thus, high-wage employees are highly employable. They engage in cycles of job search and they are able to frequently find new matches that further build up their competitiveness in the labor market. In this sense, job search activities constitute a dynamic learning process (see Direnzo and Greenhaus, 2011).

The personal adaptability facet of employability refers to individual differences in the extent to which people have individual resources and the capability to stay productive and attractive in a changing labor market. We hypothesize that employees with mental health symptoms face considerable obstacles in the labor market, since mental health problems diminish people's resources to stay productive. For example, if the employment history contains interruptions (a large number of absences or unemployment spells), it may signal to a prospective employer that the employee may also show withdrawal behavior in the future. Mental health problems may also be reflected in a person's career identity, which is the third component of employability. Specifically, if the work history includes several interruptions, this may indicate

decreased importance of employment on one's career identity and increased attractiveness of other life domains. Thus, we expect that mental health symptoms will be positively related to intentions to quit and job search, but employees with those symptoms may face serious difficulties in actually finding a new job, i.e. limited employability.

To summarize the discussion about the hypotheses, in this paper we focus on the influences of the desirability of quitting and employability (i.e. ease-of-movement factors). The theoretical predictions for these measures on the outcome variables of the analysis, i.e. intentions to quit, on-the-job search and actual job switches, are presented in Table 1. It is the combination of the analysis of the three measures (intentions to quit, job search and actual job switch) that constitutes the basis for our contribution to the existing literature. The use of these three measures together allows us to detect the variables that are related to unwillingly staying in a job.

=== TABLE 1 HERE ===

### **Data and measures**

We use the Quality of Work Life Survey (QWLS) of Statistics Finland (SF) from 1997. QWLS provides a representative sample of Finnish wage and salary earners, because the initial sample for QWLS is derived from a monthly Labor Force Survey (LFS) of SF, where a random sample of the working age population is selected for a telephone interview. The 1997 QWLS was based on LFS respondents in September and October who were 15-64 years old with a normal weekly working time of at least five hours. 3,795 individuals in LFS satisfied these conditions and they were invited to participate

in a personal face-to-face interview for the QWLS. Out of them 2,978 persons, or around 78%, participated (Lehto and Sutela, 1999). QWLS is supplemented with information from the LFS and registers maintained by SF.

QWLS contains information on intentions to quit and on-the-job search. We have information on those employees who would change jobs within the same occupational field if they could receive the same pay as now (24 percent of employees), and on those who would switch for the same level of pay to another occupational field (26 percent). From these measures we can derive an indicator of intentions to quit, Switch Intentions, which is the sum of the two sub-cases (50 percent). Searcher Last Six Months is a dummy variable that indicates that the employee has looked for another job at some stage during the last six months (15 percent of the employees).

The subjective valuations related to working conditions are measured by the use of different indicator variables. There are questions on different types of perceived harms with a five-point Likert scale, in which the highest category corresponds to the perception that the feature of working conditions is 'very much' an adverse factor. Responses are aggregated by forming a dummy variable that equals one if there is at least one clearly adverse factor (Harm). The other dummy variables for working conditions and the attributes of work organization are constructed similarly. These formulations are not particularly sensitive to the potential measurement error in the self-reported measures of working conditions. We also use a variable that captures mental health symptoms. We include a large set of control variables, which can be regarded as 'the usual suspects', based on the empirical literature that has explained employees' desired or actual turnover (e.g., Böckerman and Ilmakunnas, 2009; Clark et al., 1998;

García-Serrano, 2011; Green, 2010; Pissarides and Wadsworth, 1994). The variables that we are using are described in detail in Table 2.

=== TABLE 2 HERE ===

The QWLS data is a cross-section data set from 1997 that does not include any information on actual job switches. However, the data can be matched to longitudinal register data, FLEED (Finnish Longitudinal Employer-Employee Data). FLEED is constructed from a number of different registers on individuals and firms that are maintained by SF. It contains information from Employment Statistics, which records each employee's employer during the last week of each year. Matching these data sources is possible, because both the QWLS data and FLEED contain the same unique personal identifiers (i.e. ID codes for persons). We have followed the employees over the period 1998-2002, since it may take a considerable amount of time before intentions to quit and on-the-job search materialize as actual job switches. This is particularly relevant in the environment of high unemployment, where the number of suitable vacancies is seriously limited. This is apparent in our context, because the unemployment rate in Finland was 12.7% in 1997 and the average unemployment rate was 9.9% over the period 1998-2002, according to LFS.

The actual job switches of the employees are defined based on changes in the employer plant codes.<sup>4</sup> This is the typical way to define job changes in labor economics (e.g., Davis et al., 1996). Plant or establishment refers to the physical location of production. Using plants rather than firms to define the job switches also matches, as closely as possible, the information in the QWLS data. In fact, *all* questions (including the question on employees' turnover intentions) in the QWLS data explicitly or implicitly

refer to the plant level.<sup>5</sup> This implies that employees who have switched between establishments within the same firm over the period 1998-2002 are counted as job switchers and the relevant organization in the empirical analysis is “establishment”.<sup>6</sup> Further, an important point is that establishment codes are much more stable than firm codes in the data. There are various artificial changes in firm codes e.g. owing to mergers and acquisitions that are rather difficult to account for. This implies that the use of firm codes to define actual job switches would result in substantial measurement error. However, we also estimate specifications that define the actual job switches based on the changes in the firm codes as part of the robustness checks.

The measure for actual job switches or separations is Actual Switch, which obtains value one when an employee during the follow-up period 1998-2002 is once in a different plant than he or she was in 1997 (42 percent of the employees).<sup>7</sup> To control for those who conduct frequent job switches, we include a variable that accounts for the number of job switches during the past five years and we also use an indicator for the number of different occupations over the working life among the control variables in the baseline specifications. Inclusion of these variables is based on the “hobo syndrome” (reported by Munasinghe and Sigman, 2004), according to which previous job switches and previous changes in occupation strongly predict current on-the-job search and job switches.

## Results

### *Baseline estimates*

We estimate the three separate models using probit, because the dependent variables are dichotomous indicators (Greene, 2003). Marginal effects are reported, as they are the parameters of interest. For binary variables, these are calculated as differences in probabilities. The interpretation of the estimation results is that the variables that positively affect intentions to quit and/or job search, but do not have a statistically significant positive effect on actual job switches over the five-year follow-up period 1998-2002, positively contribute to staying unwillingly in a job.

The effects of the measures of adverse working conditions on intentions to quit are substantial (Table 3, Column 1). For example, those employees who face at least one harm are 5% more likely to have intentions to quit, other things being equal. The marginal effect is even larger for being in a job that is physically heavy (11%). It is also interesting to note that the effects of adverse working conditions on intentions to quit are much stronger than on job search or actual job switches. With the exception of uncertainty (and harm) the variables that capture adverse working conditions are not statistically significant and positive when explaining job search (Table 3, Column 2) or actual job switches (Table 3, Column 3).

==== TABLE 3 HERE ====

The attributes of work organization also matter considerably for the prevalence of being unwillingly in a job. Facing poor promotion prospects and discrimination both increase

intentions to quit and/or job search, but they do not have a positive influence on actual job switches. The quantitative magnitude of the effect of discrimination on intentions to quit and job search is notable. For example, those who experience discrimination have an 11% higher probability of having intentions to quit and a 7% higher probability of job search. The effect of discrimination on actual job switches is insignificant in the baseline results.

Experiencing mental health symptoms very clearly increases intentions to quit and job search, while having no effect on actual job switches. The pattern is reasonable, because mental health symptoms arguably reinforce the feeling of discomfort at the workplace and this also positively contributes to withdrawal behavior that we measure by intentions to quit and job search. However, persons with mental health symptoms have decreased capacity to find a new job that would be suitable for them, which is shown as a non-significant effect of mental health symptoms on actual job switches. Therefore, persons with mental health symptoms are highly unemployable individuals who have only a few options in the labor market. There is also evidence that high-wage employees are more likely to conduct actual job switches, even though they are not more actively searching for a new job than low-wage employees. This finding is in accordance with the thinking that high-wage employees are also high-performance employees who frequently receive unsolicited job offers. Also, high-wage employees are likely to be more talented, and therefore they can be characterized as “boundaryless workers” (Arthur and Rousseau, 2001; Cohen and Mallon, 1999; Drenzo and Greenhaus, 2011). Finally, it is worth noting that the pseudo  $R^2$  of the models is higher when job search is explained than for intentions to quit or actual job switches. This implies that unobservable individual characteristics not included in the covariates are more important in the determination of intentions to quit and actual job switches.

### *Robustness checks*

To check the sensitivity of the baseline estimates, we have estimated several additional specifications. The fact that the period between the measurement of intentions and actual behavior is long (5 years) in the baseline estimates reinforces the conclusion that the determinants of intentions vs. actual behavior differ in some important respects. Therefore, we have also estimated specifications by using a shorter period (1998-2000) to examine the robustness of the determinants of actual behavior. The most important patterns remain the same for this shorter period also. The most important difference in the results is that having poor promotion prospects has a clearly negative effect (-7%) on actual job switches. Furthermore, there is evidence that uncertainty has a positive effect (4%) on actual job switches and the prevalence of discrimination is not a statistically significant determinant of actual job switches over the period 1998-2000.

An important pattern is that 44% of those who have switched their job over the period 1998-2002 have switched more than just once, according to the data. These episodes constitute cycles of job search. For this reason, we have also estimated specifications in which we have excluded those who have conducted multiple job switches from the final estimation sample (Table 4, Columns 1-3). In particular, for those who have conducted multiple job switches the intentions to quit and job switching behavior do not necessarily have to be related to employability or working conditions. It is possible that the employee is looking to gain experience and wants to work in multiple jobs in order to improve employability in the long term. Thus, the inclusion of those persons may complicate the relationship between intentions to quit and actual job switching, even when we include the number of past job switches as a control variable for all specifications. There are some differences in the results, but the overall effects remain

similar. For example, we observe that mental health symptoms increase job switch intentions and on-the-job search, but they do not have a significant influence on actual job switches.

==== TABLE 4 HERE ====

We also examined the robustness of the results to other alternative specifications. We briefly comment on the results without presenting them in tables. We estimated the models without using the variable for supervisor support, because supervisor support can be an important mediating variable, as argued earlier.<sup>8</sup> This had only a very small influence on the results, because experiencing no support at the workplace is not a statistically significant explanatory variable in Columns 1 and 3 of the baseline results. More interestingly, we estimated separate specifications for those who have experienced supervisor support and for those who have not experienced it. If one does not receive support from one's supervisor, one is less likely to talk with him or her to improve the situation, making it more likely that intentions actually lead to job switching. We indeed found some evidence for this. The results revealed that uncertainty has a substantially larger effect (21%) on job switch intentions for those who have not experienced supervisor support. The same pattern prevailed also for actual job search. This suggests that experiencing supervisor support can be an important mediating variable. In particular, the result is consistent with the notion that having bad relations with one's supervisor decreases the chance that the situation will improve within a given time period.

Further, we examined the robustness of the baseline results by excluding the establishments that have been closed over the period 1998-2002, because it may be

difficult to argue that forced job switches were related to the characteristics of the establishments such as adverse working conditions and promotion prospects. However, this had only a relatively minor effect on the estimation results. The most important difference to the baseline results was that having poor promotion prospects now had a clear negative effect (-12%) on actual job switches. Apparently there is not a considerable amount of turnover among plants over a relatively short period of time (1998-2002). In fact, the data reveals that 84% of the establishments from which there is at least one employee in the QWLS 1997 exist for each year in the period 1998-2002. Note that QWLS 1997 is a random sample of wage and salary earners. Thus, the largest establishments with a considerable workforce are more likely to be included in the data and closures among them are much less frequent than among smaller establishments. We also estimated the models by using 14 industry indicators to account for heterogeneity among industries, but this had only a small influence on the estimation results.

Finally, to examine the sensitivity of the baseline results to the definition of actual job switches further, we have estimated specifications also by using the changes of firm codes as a basis for the definition of actual job switches. The results are reported in Column 4 of Table 4. These results differ somewhat from the baseline estimates. Uncertainty has a statistically significant positive effect (4%) on actual job switches at the firm level. Furthermore, having poor promotion prospects is not significant, but experiencing discrimination is statistically significant. The most important finding for employability (measured by mental health symptoms) remains intact.

## Conclusions

We examined the antecedents of intentions to quit, job search and actual job switches, using a representative random sample of all Finnish employees. The study contributed to the literature by showing that the combination of information from a cross-section survey with longitudinal register data that records actual job switches provides useful insights about the search process in the labor market. The purpose of the paper was to examine the systematic determinants of staying unwillingly in a job. This important issue has been neglected in earlier research. In particular, we combined the desirability of quitting and the employability strands of literature in order to uncover who stay unwillingly in a job. We argued that although the perceived desirability of job change is high, as indicated by quit intentions and on-the-job search, low employability may hinder actual quitting, i.e. people stay unwillingly in the job.

According to the estimates, adverse working conditions, poor promotion prospects, discrimination and mental health symptoms are positively related to unwillingly staying in a job, since these variables increase the probability of turnover intentions or actual job search without positively affecting the probability of actually switching a job. The mechanisms by which these variables are related to unwilling staying are, however, different. All of the variables are push factors to job switch intentions. Poor working conditions and discrimination increase the willingness to change to another job, but are not likely to make workers less employable in other jobs. Rather, it is just the strength of the job search intentions that leads to some of the intentions immaterialized in a tight job market. A salient pattern of the results is that poor promotion prospects also increase the willingness to switch. However, to the extent that poor career prospects are related to the lack of employability, they also hinder actual job switches. Finally, for those

employees with mental health problems it is the low employability that explains the central role of this variable as an explanatory factor for unwillingly staying in a job. These empirical patterns are consistent with our theoretical framework.

One important limitation of our approach is that the analysis assumes that when an employee has a willingness to quit but does not actually leave, this constitutes a signal of unwillingly staying in a job. It is quite possible that an intention to quit is dependable on an employee's moods and other temporary attitudes. An employee may voice this intention in a talk with his or her supervisor which may remove the determinants to this intention. This would mean that despite the intention to quit the job at one moment in time, the employee may want to stay the next day. The literature has indeed stressed the impact of stable personality dispositions and transient mood states on a variety of job-related outcomes (Thoresen et al., 2003). That being said, a major strength of the data set that we use is that it is a representative random sample of all Finnish employees. This implies that idiosyncratic person-specific factors become part of the error terms of the estimated equations and they should average out in a representative sample that we use in the analysis.<sup>9</sup> Also, we exploited a measure of on-the-job search to further strengthen the basic assumption of staying unwillingly in a job. The earlier literature has pointed out that on-the-job search is a particularly good predictor of actual job separations, because it constitutes an extreme form of intentions to quit (e.g., Böckerman and Ilmakunnas, 2009). Finally, it is important to note that the direct question on whether a person stays unwillingly in a job or not could be even more prone to an employee's temporary moods and attitudes than the indirect approach that we apply in the paper. To the best of our knowledge, there is no survey available that includes a direct question about whether a person stays unwillingly in a job or not.

Another important limitation is that in the analysis we focus solely on external job switches. It is quite possible to argue that switching jobs within the same plant represents an actual job switch in the eyes of the employee also. A job is essentially a collection of different tasks. This implies that when an employee desires a different collection of tasks within the same plant and also receives this new position, this might also be considered as an actual job switch. This kind of internal within-plant job switches is not included in the dataset that we analyze in the paper. Thus, we are forced to limit the focus to between-plant job switches (i.e. external job switches). Also, the focus on actual job switches between plants implies that we omit the dynamics at the firm level.

As our data was for the most part cross-sectional, it is difficult to fully establish causal relationships from the data. We are unable to infer, whether it is, for example, poor health that has caused some employees to stay in their current job. They would like to switch to a better job, but do not have enough initiative or employability to make this happen. On the other hand, the health and employability of these employees may have deteriorated due to prolonged exposure to harmful job characteristics in their current job and this may have caused the fact that they are now “trapped” in their old job. It may also be that both of these explanations are partly valid and that there may develop a vicious circle for some less proactive employees in work organizations with harmful job characteristics.

The results open up important avenues for further theoretical development of the field and empirical research to gain a greater understanding of employee mobility. The search models that are popular particularly in labor economics do not usually incorporate non-wage job characteristics as determinants of job search.<sup>10</sup> In contrast, search theory

typically concentrates on the role of wage in order to explain job changes. Furthermore, the search models do not account for health-related aspects in the job search process that are also important. Therefore, inclusion of these largely neglected aspects in the search models would further deepen theoretical understanding of worker turnover.

There are also several issues on the empirical side of research. First, it would be useful to examine this issue in other institutional contexts. This is particularly important, because our findings may be at least partly related to the specific institutional characteristics of the Finnish labor market.<sup>11</sup> These characteristics include a substantial wage compression. In another kind of institutional setting one might find that other variables than the ones we identified are important for staying unwillingly in a job. Second, it would be important to examine the role of the intensity of job search in more detail. One reason why employees unwillingly stay in a job might be that their job searching was unsuccessful in the past. On the other hand, roughly 30% of employees leave a job because of an unsolicited job offer, based on the evidence (e.g., Lee et al., 2008). The social network approach emphasizes that many job openings are available through informal channels such as an employer's network ties that are not reachable by all job seekers (e.g., Granovetter, 1995). Thus, job search behavior may be a rather weak predictor of getting a new job, at least for some employees. Third, to what extent is staying unwillingly in a job related to health problems and difficulties in the labor market later on? A wide range of earlier research has shown that poor working conditions are related to health problems (e.g., Schnall et al., 1994). Therefore, it would be an important avenue for future research to examine the effects of staying unwillingly in a job on employees' health and subsequent well-being. This also opens up a fourth question for future empirical research. Are some employees more prone than others to end up in a vicious circle in the first place where their health and employability have

deteriorated, perhaps partly due to their exposure to harmful job characteristics? Answering these questions would help us to prevent these harmful phenomena and to promote healthy and productive personnel management in work organizations.

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**Table 1.** Theoretical predictions for measures of desirability of quitting and employability on intentions to quit, job search and actual job switches

		<b>Outcome</b>		
		Intentions to quit	Job search	Actual job switch
<b>Desirability of quitting</b>	Adverse working conditions	+	+	?
	Poor promotion prospects	+	+	-
	Perceived discrimination	+	+	?
	Poor supervisor support	+	+	?
<b>Employability</b>				
<b>(i.e. ease-of-movement factors)</b>	Mental health problems	+	+	-
	Wage	+	+	+

**Table 2.** Definitions and descriptive statistics of variables

Variable	Average (standard deviation)	Definition/measurement
<b>Dependent variables</b>		
<i>Job switch intentions</i>		
Switch Intentions	0.497 (0.500)	Would change jobs at the same level of pay = 1, otherwise = 0 (sum of Would Switch to Same Field and Would Switch to Other Field)
Would Switch to Same Field	0.239 (0.437)	If could change jobs at the same level of pay, would change to the same occupational field = 1, otherwise = 0
Would Switch to Other Field	0.258 (0.437)	If could change jobs at the same level of pay, would change to a different occupational field = 1, otherwise = 0
<i>On-the-job search</i>		
Searcher Last Six Months	0.146 (0.353)	Has looked for another job in the last six months = 1, otherwise = 0
<i>Actual job switch</i>		
Actual Switch	0.423 (0.494)	Has switched plant at least once during the follow-up period 1998-2002 = 1, Otherwise = 0. Information is based on plant codes in FLEED.
<b>Independent variables</b>		
<i>Adverse working conditions</i>		
Harm	0.306 (0.461)	At least one adverse factor that affects work 'very much' (includes heat, cold, vibration, draught, noise, smoke, gas and fumes, humidity, dry indoor air, dust, dirtiness of work environment, poor or glaring lighting, irritating or corrosive substances, restless work environment, repetitive, monotonous movements, difficult or uncomfortable working positions, time pressure and tight time schedules, heavy lifting, lack of space, mildew in buildings) = 1, otherwise = 0
Hazard	0.344 (0.475)	At least one factor is experienced as 'a distinct hazard' (includes accident risk, becoming subject to physical violence, hazards caused by chemical substances, radiation hazard, major catastrophe hazard, hazard of infectious diseases, hazard of skin diseases, cancer risk, risk of strain injuries, risk of succumbing to mental disturbance, risk of grave work exhaustion, risk of causing serious injury to others, risk of causing serious damage to valuable equipment or product) = 1, otherwise = 0
Uncertainty	0.613 (0.487)	Work carries at least one insecurity factor (includes transfer to other duties, threat of temporary dismissal, threat of permanent dismissal, threat of unemployment, threat of becoming incapable of work, unforeseen changes) = 1, otherwise = 0
Heavy physically	0.050 (0.217)	Current tasks physically 'very demanding' = 1, otherwise = 0
Heavy mentally	0.066 (0.248)	Current tasks mentally 'very demanding' = 1, otherwise = 0
<i>Attributes of work organization</i>		
No Promotion	0.639 (0.481)	Advancement opportunities in current workplace 'poor' = 1, otherwise = 0

Discrimination	0.313 (0.464)	Has fallen subject to at least one type of unequal treatment or discrimination in current workplace (includes time of hiring, remuneration, career advancement opportunities, access to training arranged by employer, receiving information, attitudes of co-workers or superiors) = 1, otherwise = 0
No support	0.272 (0.445)	At least one supportive factor 'never' experienced in work (includes advice or help, reward, inspiration, conversation, trust, encouragement, sharing information or response) = 1, otherwise = 0
<i>Mental health symptoms</i>	0.116 (0.320)	Person has reported that he or she suffers from at least one symptom (fatigue, sleeping problems, depression, serious stress, nervousness or lack of self-control), otherwise = 0
<i>Wage level</i>		
Wage (1 <sup>st</sup> quantile)	0.251 (0.434)	The logarithm of monthly earnings that is calculated based on the annual earnings (FIM) obtained from tax registers. First quantile =1, otherwise = 0 (reference)
Wage (2 <sup>nd</sup> quantile)	0.250 (0.433)	Logarithm of monthly earnings, second quantile = 1, otherwise = 0
Wage (3 <sup>rd</sup> quantile)	0.250 (0.433)	Logarithm of monthly earnings, third quantile = 1, otherwise = 0
Wage (4 <sup>th</sup> quantile)	0.250 (0.433)	Logarithm of monthly earnings, fourth quantile = 1, otherwise = 0
<i>Control variables</i>		
Female	0.533 (0.500)	1 = female, 0 = male
Age <=24	0.079 (0.270)	Age <= 24 = 1, otherwise = 0
Age 25-34	0.253 (0.435)	Age 25-34 = 1, otherwise = 0
Age 35-44	0.308 (0.462)	Age 35-44 = 1, otherwise = 0 (reference)
Age 45-54	0.288 (0.453)	Age 45-54 = 1, otherwise = 0
Age 55-64	0.073 (0.259)	Age 55-64 = 1, otherwise = 0
Comprehensive	0.230 (0.421)	Comprehensive education = 1, otherwise = 0 (reference)
Secondary education	0.569 (0.495)	Upper secondary or vocational education = 1, otherwise = 0
Polytechnic education	0.116 (0.320)	Polytechnic or lower university degree = 1, otherwise = 0
University education	0.085 (0.279)	Higher university degree = 1, otherwise = 0
Manager	0.324 (0.468)	Tasks involve supervision of work of others or delegation of tasks = 1, otherwise = 0
Number of Switches	0.712 (1.554)	Number of job switches during the past five years
Number of different occupations 2-3	0.436 (0.496)	Number of different occupations has been 2-3 over working life
Number of different occupations over 3	0.126 (0.332)	Number of different occupations has been over 3 over working life
Tenure <=5	0.430 (0.495)	Tenure <=5 years, otherwise 0 (reference)
Tenure 6-10	0.186 (0.389)	Tenure 6-10 years otherwise 0
Tenure >10	0.384	Tenure > 10 years, otherwise 0

	(0.486)	
Temporary	0.172 (0.277)	Fixed-term employment relationship = 1, otherwise = 0
Part-timer	0.096 (0.295)	Part-time work = 1, otherwise = 0
Public sector	0.341 (0.474)	Employer is state or municipality = 1, otherwise = 0
Foreign firm	0.072 (0.259)	Employer is private, mainly foreign-owned enterprise = 1, otherwise = 0
Plant size <10	0.273 (0.445)	Size of plant under 10 employees = 1, otherwise = 0 (reference)
Plant size 10-49	0.361 (0.481)	Size of plant 10-49 employees = 1, otherwise = 0
Plant size 50-499	0.284 (0.451)	Size of plant 50-499 employees = 1, otherwise = 0
Plant size > 499	0.082 (0.274)	Size of plant over 499 employees = 1, otherwise = 0
Regional indicators	..	20 dummies based on NUTS3 regions

**Table 3.** Baseline estimation results for intentions to quit, job search and actual job switches

	<i>Switch Intentions, Probit model</i>	<i>Searcher Last Six Months, Probit model</i>	<i>Actual Switch, Probit model</i>
Harm	0.051** (0.023)	0.011 (0.014)	0.043* (0.023)
Hazard	0.015 (0.023)	0.015 (0.014)	-0.045** (0.023)
Uncertainty	0.082*** (0.021)	0.030** (0.012)	0.035 (0.021)
Heavy physically	0.109** (0.048)	-0.018 (0.023)	-0.130** (0.043)
Heavy mentally	0.062 (0.042)	-0.005 (0.022)	0.070* (0.042)
No promotion	0.086*** (0.022)	0.040*** (0.012)	-0.058*** (0.022)
Discrimination	0.113*** (0.022)	0.065*** (0.015)	0.033 (0.022)
No support	0.029 (0.024)	0.028** (0.014)	-0.020 (0.023)
Mental health symptoms	0.085*** (0.032)	0.067*** (0.024)	0.020 (0.032)
Wage (2 <sup>nd</sup> quantile)	0.028 (0.032)	-0.042*** (0.014)	0.125*** (0.032)
Wage (3 <sup>rd</sup> quantile)	0.000 (0.034)	-0.047*** (0.015)	0.121*** (0.035)
Wage (4 <sup>th</sup> quantile)	0.066 (0.039)	-0.026 (0.018)	0.130*** (0.040)
Regional indicators	Yes	Yes	Yes
Pseudo R <sup>2</sup>	0.061	0.208	0.058
N	2700	2700	2700

*Notes:* Reported estimates are marginal effects from probit models, evaluated at variable means. Robust standard errors in parentheses. \* significant at 10%; \*\* significant at 5%; \*\*\* significant at 1%. All three models include the unreported control variables that are described in Table 2.

**Table 4.** Additional estimation results for intentions to quit, job search and actual job switches

	<b>Multiple Job Switchers Excluded</b>			<b>Job Switches at the Firm Level</b>
	<i>Switch Intentions, Probit model</i>	<i>Searcher Last Six Months, Probit model</i>	<i>Actual Switch, Probit model</i>	<i>Actual Switch, Probit model</i>
Harm	0.070***	0.017	0.032	0.019
	(0.026)	(0.013)	(0.024)	(0.020)
Hazard	0.018	0.011	-0.051**	-0.043**
	(0.025)	(0.014)	(0.023)	(0.019)
Uncertainty	0.069***	0.016	0.032	0.038**
	(0.024)	(0.012)	(0.022)	(0.018)
Heavy physically	0.108**	-0.006	-0.097**	-0.083**
	(0.052)	(0.023)	(0.041)	(0.018)
Heavy mentally	0.048	-0.013	0.067	0.099***
	(0.047)	(0.020)	(0.044)	(0.041)
No promotion	0.091***	0.029**	-0.026	-0.018
	(0.025)	(0.012)	(0.022)	(0.019)
Discrimination	0.113***	0.071***	0.047**	0.055***
	(0.024)	(0.015)	(0.023)	(0.019)
No support	0.034	0.030**	-0.026	-0.011
	(0.026)	(0.014)	(0.023)	(0.020)
Mental health symptoms	0.076**	0.063***	0.023	0.006
	(0.036)	(0.024)	(0.034)	(0.028)
Wage (2 <sup>nd</sup> quantile)	0.037	-0.045***	0.097***	0.054*
	(0.036)	(0.013)	(0.034)	(0.029)
Wage (3 <sup>rd</sup> quantile)	-0.001	-0.038**	0.061*	0.019
	(0.038)	(0.015)	(0.036)	(0.030)

Wage (4 <sup>th</sup> quantile)	0.050	-0.015	0.041	0.059*
	(0.044)	(0.019)	(0.041)	(0.036)
Regional indicators	Yes	Yes	Yes	Yes
Pseudo R <sup>2</sup>	0.062	0.224	0.051	0.091
N	2227	2227	2227	2401

*Notes:* Reported estimates are marginal effects from probit models, evaluated at variable means. Robust standard errors in parentheses. \* significant at 10%; \*\* significant at 5%; \*\*\* significant at 1%. All four specifications include the unreported control variables that are described in Table 2. Those who have conducted multiple job switches over the period 1998-2002 are excluded from the sample in Columns 1-3. In Column 4 actual job switch is defined as a change in the firm code.

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<sup>1</sup> There is earlier empirical research in labor economics on the relationship between intentions to quit and actual job switches (Böckerman and Ilmakunnas, 2009; Cornelissen, 2009). These issues have also been analyzed in the management literature and psychology (Griffeth et al., 2000).

<sup>2</sup> March and Simon (1958) constitutes a seminal contribution of these literatures. Steel and Lounsbury (2009) summarize the literature.

<sup>3</sup> Drenzo and Greenhaus (2011) propose a model of job search that highlights the importance of remaining employable in a turbulent economy.

<sup>4</sup> We have studied earlier the connection between intentions to quit and actual job switches with the same data sets (Böckerman and Ilmakunnas, 2009). The results show that intentions to quit in 1997 predict actual job switches over the period 1998-2002.

<sup>5</sup> QWLS is a random sample of Finnish wage and salary earners. This implies that there are only a few observations on employees for each firm. Thus, employees are not “densely” sampled from workplaces and it is difficult to measure the variation of working conditions between plants within the same firm, based on the QWLS data. However, there is evidence from other sources that there is a substantial variation in wages between plants of the same employer. Because wages partly reflect variation in working conditions and other amenities, this gives also some indirect evidence that there are considerable differences in working conditions between plants even within the same firm. A related point is that it is sufficient for actual job switches that employees only perceive that working conditions differ between plants within the same employer, because it takes some time before employees learn the reality of working conditions in a new plant.

<sup>6</sup> However, it is important to note that a substantial proportion of firms consist of only one establishment. Multi-establishment firms are usually located in different parts of the country. Thus, it is reasonable to assume that establishments that are located geographically far away have different organizational cultures with local distinctions and also that working conditions differ substantially between the units.

<sup>7</sup> Actual job switches are based on information on the employees in the establishments at the end of each year. This implies that worker turnover that is reversed within the year (e.g. laying off a person in January and rehiring him in November) is not observed.

<sup>8</sup> The relatively small sample size constitutes limitations to the analysis of mediating relationships.

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<sup>9</sup> However, without panel data we cannot eliminate unobservable person-specific fixed effects.

<sup>10</sup> There is already some theoretical work in labor economics along these lines (e.g., Lang and Majumdar, 2004).

<sup>11</sup> Union density is ~70% in Finland (Böckerman and Uusitalo, 2006).