

Voluntary Job Change versus Employer Promotion: Do Women Fare Better On Their Own?

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Companies are feeling the backlash of HR policies that focus on replacement rather than recapture: they are losing valued employees to their competitors rather than retaining them within their organizations. In particular, women and minorities are leaving their current organizations in pursuit of professional development and career growth. Utilizing a sample of 1,873 women from the NLS cohort Young Women in 1997, this study explored the results of internal movement (employer promotion) and external movement (voluntary turnover) of female employees in terms of job satisfaction, comparing Caucasian and non-Caucasian women's experiences. Post employer promotion- and post voluntary job change job satisfaction were measured in terms of intrinsic and extrinsic characteristics of the job and work, as well as work environment characteristics. Acquisition of company training, more responsibility in the job, and more challenging work were found to be significant correlates of job satisfaction from employer promotion. Acquisition of company training, paid time off, more challenging work, more authority and more responsibility on job were found to be significant correlates of job satisfaction from voluntary job change. The model seems most appropriate for identifying correlates of post employer promotion job satisfaction for non-Caucasian women and post voluntary job change job satisfaction for both non-Caucasian and Caucasian women.

Much has been written of late of the explosive increase in turnover costs for companies of all sizes and in all sectors. In an era of churning labor markets, the concern for retention of valued employees seems almost counter-intuitive. Companies are, however, feeling the backlash of HR policies that focus on replacement rather than recapture: they are losing valued employees to their competitors rather than retaining them within their organizations. In particular, women and minorities are leaving their current organizations in pursuit of professional development and career growth.

INTRODUCTION

When asked what makes a company a blue chip investment, GE's former CEO Jack Welch stated: "It is the value of people and what they do." Experts agree that as much as 80% of a

company's worth is tied to human capital and "successful" companies are those that manage their human capital well. Best practice management would then entail hiring the right people and training them in the skills they need to help the company perform spectacularly; and developing compensation systems that encourage the right behavior and performance so the best employees stay and the worst move on (Grossman, 2005).

This formula for success recognizes that in a knowledge-based economy, intellectual property and human capital account for more of a company's worth than physical capital. Yet, Wall Street analysts' narrow view of corporate worth and lack of familiarity with strategic HR contribute to the perpetuation of churning labor markets and the increasingly visible and substantial costs of turnover. For example, under current accounting methods, training and development costs are put into a company's income statement along with other expenses. The implication is that if one firm is spending substantial amounts of money on employee development, it will appear more costly and less attractive than non-spending firms. Human capital training is treated as a cost not an investment.

Wall Street investment firms have themselves favored "nature over nurture"; "churning over continuity," believing top-notch performers are expected to be self-made. Recently however, Boris Graysberg's research findings call these practices into question. He finds that star analysts who move laterally to a new firm under-perform in their new jobs for up three years compared to similar-level analysts developed from within (Grossman, 2005).

Companies themselves report that they are reluctant to train employees because their "investment" will be lost when employees move to competitors. Employers further complain that if they train employees, many of these employees will expect to get paid more as a result of this training and this too is costly. Similar to Wall Street, there is often no recognition of returns to training; no attempt to calculate net benefits; and thus no true attempt to treat or view training as an investment (Joinson, 2000). When these assessments have been made, the impact of training on a company's voluntary turnover is significant. Companies that spend \$218 per employee on training and development have 16% annual voluntary turnover, while companies that spend \$273 per employee have less than 7% annual voluntary turnover (Lachnit, 2001; Tyler, 2005).

At the same time however, companies are faced with alarming statistics and incredible costs associated with labor turnover. New HR metrics, such as a company's turnover rate, underscore the tremendous direct and opportunity costs of turnover and thus the need to retain valuable employees. High turnover impacts an organization's stability, profitability, and productivity (Joinson, 2000).

BACKGROUND

Employers in all sectors have been churning their labor forces over the last ten or so years. Many have downsized to cut labor costs – eliminating full time jobs, eliminating benefits, and eliminating training. Companies have tended to say that employees are on their own; that they are no longer responsible for their employees' futures. The new employee contract translates to employees must do more for themselves (Case, 2000). Thus employers have chosen to replace workers instead of redeploying them; they have brought in new "fresh" employees with the now-needed skills, instead of training current employees. Training is "costly" and firms fear that if they train current employees, they will leave to go to competitors, and take the training with them. Thus firms do not want to train and develop employees (Blau, Ferber, & Winkler, 2005).

Voluntary turnover however is at an all-time high. Employees *are* leaving their current employers to go to competitors. Employees are responding to this new employee contract by exhibiting disloyalty to their organization and loyalty to their own careers. Studies have shown that *the profile of a manager who intends to leave* his/her company is someone: with advanced education; who has no children; who perceives poor career opportunities in his/her current company; who is satisfied with his/her pay; who is dissatisfied with the challenge of his/her work; who is disloyal to his/her current company; and who is loyal to his/her own career (Stroh, Brett, & Reilly, 1996). These employees go to competitors seeking something they are not receiving from their current employers. They are demanding training to qualify for more challenging work and career development opportunities and when they don't receive them, they leave (Bates, 2003; Taylor, 2003; Babcock, 2005).

To get more challenging work and career development opportunities, employees require training and promotion within their organizations. Evidence shows that receipt of a promotion from current employer is associated with receipt of training and with job/work satisfaction (Pergamit & Veum, 1999). So although employers are reluctant to train, they promote those whom they have trained! And promotions that give employees more challenging work, increase job/work satisfaction, which in turn reduces turnover. Satisfied employees have been shown to have higher levels of attendance, cooperation, service quality, and creativity in seeking new work methods (Balzer, et al, 1997).

Internal mobility practices often limit movement within organizations. Managers may put up subtle barriers to internal movement such that it is often easier for employees to find opportunities at another company than it is to find them at their own company. Maribeth Bailly, national director of Deloitte's career management services in Chicago states, "Close to 70% of employees in exit interviews had left to go to a job they could have done here – at all levels from administrative to HR to technology." Therefore if employees acquire training, there must be positions open and available to them *within their organizations* to utilize the training (Frase-Blunt, 2004).

Some companies use pay increases to signify promotion – that is they raise pay without changing the nature or duties of the job/work (Pergamit & Veum, 1999). This is ironic given that they also complain that they will have to increase pay if they train (provide them with skills for more challenging work) current employees. Recall that part of the profile of an employee who intends to leave his/her current employer is one who is satisfied with his/her pay but dissatisfied with his/her work/job. This is not to say that "more pay" is not an important consideration in a promotion, but rather that it cannot stand alone. Pay increases cannot be used in lieu of providing more challenging work or career development opportunities, but rather should be used to complement them (Stroh, Brett, & Reilly, 1996).

Studies have also shown that more educated employees are more likely to receive training and these employees tend to be high-level managerial employees. However, companies are not only losing high-level managerial talent, they are also losing low and middle level (as well as non-managerial) employees in great numbers (Taylor, 2002). Nearly one-half of middle managers at U.S. companies are actively looking for another job or plan to do so when the economy improves (Bates, 2003). Corporate memory resides in many different employees at many different levels of the organization. In light of extraordinarily high turnover rates among non-managerial and all levels of managerial employees, the HRM industry began to attach job ladders to lower level managerial and some non-managerial positions; to pay attention to career development of current

employees; and to formally recognize good work. The reported result of these actions has been a significant reduction in turnover.

WOMEN AND MINORITIES: INTERNAL VS. EXTERNAL MOBILITY

One of the greatest concerns of companies today is that women and minorities are leaving their organizations, especially as they move up into management. The need to retain women, especially middle-aged women, in their organizations is imperative as companies recognize the limited pool of younger workers coming up through the pipeline. Despite the growing labor force attachment of women over the last thirty years, women continue to have higher turnover rates than men (minorities higher than Caucasians). Research has shown that if women (minorities) perceive a pay or promotion disparity, they are more likely than men (Caucasians) to look outside their current employer for a better job, rather than stay and “fight for a raise or promotion”(Wells, 2001).

Recall the profile of managers who intend to leave their current employer: advanced education, no children, *perceived poor career opportunities in current company, satisfied with pay, dissatisfied with work, disloyal to current company, loyal to their own careers*. Stroh, et al (1996) found that female managers are more likely to intend to leave their company than male managers, and given the same level of career advancement opportunities and challenge, females are more likely to leave. They conclude that women leave their companies for the same reasons as men, lack of opportunity and challenge, but that they have a lower tolerance for it.

Employees who intend to leave are not loyal to their companies, but rather loyal to their own careers. In the atmosphere of churning and downsizing, employee loyalty must be earned by employers. The traditional predictor of turnover, pay, does not appear to be crucial to retention of managerial women, for women who intend to leave their employer report satisfaction with pay at the same time they report dissatisfaction with work, job, and career.

The traditional economics assessment of relative costs and returns for both the employer and employee of on the job training takes returns back to the view that development of human capital through training is an investment rather than merely a cost, especially in light of today's labor market realities (Becker, 1993; Blau, Ferber, & Winkler, 2005). The employer's return involves the retention of valued employees, both through training, and the availability of jobs to utilize the training within the organization (internal mobility opportunities). The employee's return is to qualify for those internal promotions and if downsized, to remain competitive in the general market. The evidence is clear that employees will remain with their current employer if given training and career development. There is no evidence that workers inherently desire to keep switching employers for the sake of switching. Challenge, train, and keep them current in their fields, and give them opportunities to use it all, and employers will retain valued employees and reduce turnover. Fail to do the above or try to just increase pay without the rest, and the employees will bolt at the first “better” alternative offered by a competitor (Gibbons, 1996; Case, 2000).

There is also evidence that employees are seeking to achieve some measure of quality of life. Workers are reporting that they feel overworked and this is especially poignant in light of the growth of both dual-earner households and single-headed households (Hochschild, 1997; Milkie & Peltola, 1999). For managerial employees, research has shown that commitment to the company is often measured by employers as the number of hours on the job; whether in reality this represents a ratcheting up effect or is believed to be a bona fide measure of productivity, the

“company person” is expected to devote long hours to the job (Eastman, 1998; Brett & Stroh, 2003). A deviation from this norm is seen as lack of commitment, which is likely, given many organizations’ culture, to lead to fewer promotions, training, and career development by the current employer (Glass & Estes, 1997; Medland, 2004). For many non-managerial employees, “commitment” is often tested as a willingness to work odd hours or shifts.

The Stroh et al study cited earlier also demonstrated that, contrary to the belief that women leave their companies due to family ties (Schwartz, 1989); family ties produced greater employment stability, not less. Thus many employees, in search of some balance in their lives, seek out jobs and companies that are more flexible and who recognize the difficulty of balancing work and home life. Employees tend to be loyal to these companies. Many companies are assessed by potential and current employees in terms of the availability of flexible work options, such as flex time and telecommuting. Even employees that do not avail themselves of these options, feel favorably towards an organization that provides them (Aryee, Luk, & Stone, 1998). Deloitte estimates that flexible work arrangements helped their company avoid \$41.5 million in turnover-related costs in 2003. They applied the 150% replacement multiplier to the average salary of employees who would have left the firm if no flexible work arrangements were available. Advocates of telecommuting cite numerous benefits such as improved employee morale and retention; and expanded flexibility to balance work and family (Wells, 2001).

THIS INVESTIGATION: THE LINK TO JOB SATISFACTION

As stated above, past research has explored the determinants and consequences of promotion by an employee’s current employer. The acquisition of company training and receipt of prior promotion were found to be key predictors of promotion. The consequences of promotion included increased wages, training receipt, supervisory responsibilities, and increased job satisfaction. Past research has also found that employees, especially women, will leave their current employers if they do not find their job/work challenging and if they do not receive opportunities to advance. Greater job satisfaction has been generally related to reduced intent to leave an organization, greater organizational commitment, and organizational citizenship behaviors (Turner & Brown, 2004). Satisfied employees have been shown to possess higher levels of attendance, cooperation, service quality, and creativity in seeking new work methods (Smucker, Whisenant, & Pedersen, 2003). Yet until recently, many economic and public administration studies, for instance, have ignored the concept of job satisfaction and have focused instead on the estimation of earnings functions and differentials as the methodology of choice to explain job-market outcomes (Carvajal, & Hardigan, 2000).

Few prior research studies have however compared the *results* of internal and external movement of employees in terms of job satisfaction, and none specifically of women, comparing Caucasian and non-Caucasian women’s experiences (Taylor, 2002). This research will explore the results of women’s internal promotions by their current employers and compare these results to those of voluntary job change, that is, external movement from current employer. The “results” will be measured in terms of satisfaction with current job due to employer promotion or voluntary job change. This study will rely on the findings of past studies for the determinants of job satisfaction in the model presented here.

DATA

The National Longitudinal Surveys (NLS) sponsored by the Bureau of Labor Statistics, U.S. Department of Labor, are a set of surveys designed to gather information at multiple points in time on labor market experiences of six cohorts of women and men selected to be representative of all people living in the U.S. This selection allows weighted conclusions to be drawn about the sample group that can be generalized to the experiences of the larger population of similar U.S. residents (Center for Human Resource Research, 1997, 1999)

Utilizing the cohort Young Women in 1997, 1,873 *employed* (not self-employed) women age 43-53 (age of the cohort in 1997) were selected whose birth cohort ranges from 1944 to 1954. Of these 1,873 women, 1,372 are Caucasian and 501 are non-Caucasian. These women are baby boomers; they represent a large labor pool that employers need to retain within their ranks. And although the age range 43-53 is at the upper end of what is traditionally defined as the prime age workforce, for many women, comparable promotions, if they come at all, come later in their careers than men. And also many workers in general in today's labor market wish to continue to work beyond the traditional retirement age for a variety of reasons.

The year 1997 of this cohort of the NLS data in particular allows the researcher to identify women who have received a promotion from their current employer in the past two years. It also allows the researcher to identify women who have voluntarily changed jobs in the past two years and to clearly distinguish this activity from involuntary job change (Wright & Bonett, 1993).

EMPIRICAL MODEL

Job satisfaction theory states that job satisfaction is a function of the extrinsic characteristics of the job/work, the intrinsic characteristics of the job/work, and the work environment (Spector, 1997; Furnham, 1997; Brief, 1998; Argyle, 2001; Turner & Brown, 2004). Drawing from the literature, extrinsic characteristics are pay, benefits, and job security. Intrinsic characteristics describe the challenge, responsibility, autonomy, and authority of the job/work and the opportunity to develop talents. In addition to extrinsic and intrinsic characteristics of the job/work, workplace options affect job satisfaction by creating the work environment within which the job/work can be accomplished. These characteristics also correspond to the reasons employees recently cited for voluntary exit in a 2004 U.S. Recovery and Retention Poll taken by the Society for Human Resource Management and The Wall Street Journal (Burke & Collison, 2004).

Extrinsic characteristics are represented in this model of job satisfaction as: more pay, traditional and non-traditional benefits, and company training (although this may be intrinsic also – see discussion below). Intrinsic characteristics are represented as: more challenging work, more authority in the job, and more responsibility in the job. Flextime and telecommuting were chosen among workplace options. Also included are demographic control variables education and race.

The empirical model to be estimated is:

$$\begin{aligned} \text{Job satisfaction} = a + & b_1 \text{ More Pay} + b_2 \text{ Health Insurance} + b_3 \text{ Pension} + \\ & b_4 \text{ Company Training} + b_5 \text{ Elder Care} + b_6 \text{ Child Care} + \\ & b_7 \text{ PTO} + b_8 \text{ More Challenge} + b_9 \text{ More Authority} + \\ & b_{10} \text{ More Responsibility} + b_{11} \text{ Flex Time} + \\ & b_{12} \text{ Telecommute} + b_{13} \text{ Education} (+ b_{14} \text{ Race}) \end{aligned}$$

In this study, pay is measured as whether the woman received “more pay” as a result of her promotion or job change. Benefits are divided into traditional and non-traditional benefits. Traditional benefits included in this study are health insurance and pension benefits. Non-traditional benefits, those more recently provided to employees, often as part of family-friendly policies or programs, included in this study are child care, elder care, and paid time off (PTO). These non-traditional benefits were chosen to be representative of benefits in demand by employees, in particular women, which address issues of work/family balance (Aryee, Luk, & Stone, 1998). There is no direct measure of job security. However, job security may be proxied by company training.

The NLS data also provided information as to whether these women receive company training in their new jobs, both for those receiving an employer promotion and those changing jobs. This will capture women’s demand for opportunities to advance and develop their talents in their careers with their employer. This variable may also proxy job security, in the sense that, if the trained employee is valuable to the employer, this may induce the employer to retain the employee (Blau, Ferber, & Winkler, 2005).

The NLS data asked women who were promoted by their employers and those who had changed jobs (what the NLS refers to as self-promotion) whether the promotion or job change had resulted in more pay (already addressed above), more challenging work, more authority in the job, and/or more responsibility in the job. These responses were used as variables in the model to represent the intrinsic characteristics of the job/work (Rodin & Salovey, 1989; Houston, Cates, & Kelly, 1992). In particular these capture women’s demand for challenging work and positions of authority and responsibility.

In addition to extrinsic and intrinsic characteristics of the job/work identified, work options available affect job satisfaction by changing the parameters within which the job/work can be accomplished. The popular work options (as identified by the employees themselves) chosen for this study are flex time and telecommuting. As stated above, research has shown both flex time and telecommuting help women, in both dual earner couples and as heads of households, to balance work and family (Caputo, 2000; Demby, 2004). Note that in addition to helping employees balance work and family, telecommuting changes how the job/work is done; the work must be done more independently and therefore the job becomes more task-oriented. Thus this variable may also be capturing a measure of autonomy in the job. The variables education and race were included as control variables.

Job satisfaction is measured as the individual’s subjective assessment of her job on a 4 point scale: very satisfied; somewhat satisfied; somewhat dissatisfied; very dissatisfied, a generally accepted measure (Hammermesh, 2000). The later two categories were combined. The ordinal regression procedure PLUM described below possesses a collapsibility property, which allows categories to be amalgamated without changing the parameter estimates, $B_1 \dots B_{p-1}$.

Although all of the above factors have been tested in previous studies of job satisfaction, this study will be assessing job satisfaction *as a result of* either a promotion by current employer (employee retained) or from a voluntary job change (turnover). Further, the question will be asked: do the factors that contribute to *post-promotion* job satisfaction also contribute to *post-job change* job satisfaction? Given the findings presented above as to why women either stay with their current employer or leave their current employers to find new jobs (that have the desirable characteristics), the following hypotheses were formulated:

Hypothesis One: Given the findings that the profile of women who intend to leave their jobs is one where they are satisfied with their pay, it is hypothesized that “more pay” will not directly affect job satisfaction that results from a promotion or job change; however if employers are using “more pay” as a substitute for more challenging work for example (that is, giving pay increases in lieu of changing the nature and duties of the job/work), the variable “more pay” may actually be negatively correlated with post-promotion and post-job change job satisfaction.

Hypothesis Two: Given the findings that promotions are positively related to increases in the number of non-wage benefits (Pergamit & Veum, 1999); and that many employees change jobs for non-monetary reasons, one of which is the acquisition of benefits, it is hypothesized that both traditional and non-traditional benefits that are available to and used by these women will be positively correlated with job satisfaction resulting from employer promotion and job change (Parnell & Crandall, 2003; Medland, 2004).

Hypothesis Three: Recall from the above discussion, previous longitudinal studies have shown that receipt of training results in promotion and that promotion results in receipt of training. Women are demanding opportunities to advance in their careers and receipt of company training, promotion, and further receipt of company training seems to be the pathway to achieve this. Thus it is hypothesized that the receipt of company training will represent career development opportunities (and perhaps job security) and will be positively correlated with job satisfaction resulting from employer promotion and job change.

Hypothesis Four: Given the findings that women in particular will leave their jobs if they are not challenged by their job/work and that they desire to have authority and responsibility in their jobs, it is hypothesized that the variables “more challenging work”, “more authority in job”; and “more responsibility in job” will be positively correlated with job satisfaction resulting from employer promotion and job change.

Hypothesis Five: Given the popularity of flex time and telecommuting with employees for reasons of balance of work and family, and given that telecommuting may capture the intrinsic work characteristic, autonomy, it is hypothesized that these work options will be positively correlated with job satisfaction resulting from a promotion and job change.

There is limited information within the literature that specifically addresses *minority* (measured here as non-Caucasian) women’s post-job change and post-promotion job satisfaction. However, the literature reveals that women and minorities (including men) have higher turnover rates; lower tolerances for lack of challenging work and career advancement opportunities; have lower education; receive lower average pay; and receive fewer internal promotions, especially to top level positions, than men and non-minorities. Given these findings, it may be reasonable to expect that these factors will more strongly affect post-employer promotion and post-job change job satisfaction for non-Caucasian women than for Caucasian women.

METHOD OF ANALYSIS

Given that the dependent variable, *job satisfaction with promotion or job change*, represents polytomous ordinal outcome responses, the usual linear regression models do not work well. Linear regression assumes the outcome variable is measured on an interval scale. Because this is not true, the simplifying assumptions on which the linear regression relies may not hold.

An alternative approach to linear regression is to use a generalization of linear regression called the generalized linear model to predict cumulative probabilities for the outcome response categories. The model is based on the notion that there is some latent continuous variable and that the outcome variable arises from discretizing the underlying continuum into ordered groups. Even if there is no theoretical concept that links to a latent variable, the model performs well and gives valid results (www.SPSS.com).

The basic form of a generalized linear model utilized in SPSS's ordinal regression program PLUM is:

$$\text{Link}(Z_{ij}) = 0_j - [B_1X_{i1} + \dots + B_pX_{ip}]$$

Where: Link() is the link function

Z_{ij} is the cumulative probability of the j^{th} category for the i^{th} case

0_j is the threshold for the j^{th} category

p is the number of regression coefficients

$B_1 \dots B_p$ are the regression coefficients

$X_{i1} \dots X_{ip}$ are the values of the predictors for the i^{th} case

Rather than predicting the actual cumulative probabilities, the model predicts a function of these values, called a link function. The choice of the link function depends upon the research question at hand and the structure of the data. Thresholds (sometimes referred to as cut points) or constants in the model correspond to the intercept in linear regression models. These thresholds depend only on the j^{th} category's probability that is being predicted. The prediction part of the model $[B_1X_{i1} \dots B_pX_{ip}]$ depends only on the predictors and is independent of the outcome category. These two properties imply that the result will be a set of parallel lines (or planes-one) for each category of the outcome variable, meaning that the estimated model has one set of coefficients for all outcome categories.

After comparing the results from two link functions, the logit function (which assumes evenly distributed ordinal outcome categories) and the negative log-log function (which assumes lower categories are more probable), the logit function was chosen.

DESCRIPTIVE STATISTICS

Table 1 lists the descriptive statistics for the entire sample, Caucasian and non-Caucasian women. The statistics associated with each of the experiences, employer promotion and job change are examined, that is, looking down the columns and comparing the frequency of each factor.

Employer promotions: Eighty six percent and 87% of Caucasian and non-Caucasian women respectively received "more pay". With respect to the traditional benefits of health care and pension, 87% and 78% of Caucasian women and 86% and 79% of non-Caucasian women report

receiving them. Seventy one percent of Caucasian women compared to only 64% of non-Caucasian women report receiving company training.

Of the non-traditional benefits of elder care, childcare, and PTO, 27%, 5%, and 95% respectively of Caucasian women report availability; while 20%, 7%, and 93% respectively of non-Caucasian women do so. Seventy one percent, 54%, and 81% of Caucasian women report “more challenge”, “more authority”, and “more responsibility” associated with their promotion; non-Caucasian women report 75%, 43%, and 82% respectively.

Of the flexible work options, 51% of Caucasian women report the availability of flex time and 33% report they are actually telecommuting. Significantly lower percentages, 38% and 29% respectively, are reported by non-Caucasian women. Caucasian women are slightly more educated with 13.87 years compared to 13.6 years for non-Caucasian women. On a scale of 1-4, non-Caucasian women are slightly more satisfied with their job/work than Caucasian women, 1.43 and 1.40 respectively.

TABLE 1
DESCRIPTIVE STATISTICS FOR JOB SATISFACTION MODELS

	<u>All</u>		<u>Caucasian</u>		<u>Non-Caucasian</u>	
	Employer Promo	Job Change	Employer Promo	Job Change	Employer Promo	Job Change
More Pay	86%	57%	86%	56%	87%	57%
Health Insurance	87%	82%	87%	80%	86%	88%
Pension	78%	67%	78%	67%	79%	70%
Training	70%	59%	71%	61%	64%	54%
Elder Care	25%	17%	27%	17%	20%	17%
Child Care	6%	6%	5%	6%	7%	8%
PTO	94%	92%	95%	92%	93%	92%
Challenge	72%	60%	71%	61%	75%	60%
Authority	51%	30%	54%	31%	43%	24%
Responsibility	82%	57%	81%	56%	82%	59%
Flextime	51%	44%	56%	48%	38%	34%
Telecommute	33%	30%	34%	33%	29%	24%
Education	13.78 yrs	13.6	13.87 yrs	13.8	13.6 yrs	13.3
Race	71% white	72%				
Job satisfaction	1.40	1.50	1.40	1.55	1.43	1.44

Job Change: All variable percentages for job change are lower than for employer promotion. Fifty six percent and 57% of Caucasian and non-Caucasian women respectively receive “more pay” with their job change. With respect to traditional benefits, 80% and 67% of Caucasian women receive health care and pension benefits respectively; compared to 88% and 70% of non-

Caucasian women. Sixty one percent and 54% of Caucasian and non-Caucasian women respectively report receiving company training.

Of the non-traditional benefits of elder care, childcare, and PTO, 17%, 6%, and 92% of Caucasian women respectively report availability; whereas 17%, 8%, and 92% of non-Caucasian women do. Sixty one, 31%, and 56% respectively of Caucasian women report “more challenge”, “more authority” and “more responsibility” associated with their job change; while 60%, 24%, and 59% of non-Caucasian women report more challenge, authority, and responsibility respectively.

Forty eight percent of Caucasian women report that flex time is a work option available to them; while 33% report that they are actually telecommuting. Significantly lower percentages, 34% and 24%, were reported by non-Caucasian women. Caucasian women were more educated, with 13.8 years of education compared to 13.3 years for non-Caucasian women. Unlike employer promotions, Caucasian women were more satisfied with their jobs after their job change than were non-Caucasian women, 1.55 and 1.44 respectively.

Looking solely at the descriptive statistics, one might conclude that these women benefit more from employer promotions than from voluntary job change. Greater percentages of women (both Caucasian and non-Caucasian) acquire more pay, traditional and non-traditional benefits, company training, more challenge, authority, and responsibility, and work options from employer promotions than from voluntary job change. However, these descriptive statistics (means) represent what employers are giving to employees; they say nothing about how each factor contributes to employee job satisfaction, that is, the employee’s perception of the importance of each factor. Research supports the recognition that job satisfaction can be described and measured as a related constellation of attitudes about various aspects or facets of a job (Crisp, 1994; Spector, 1997; Cooper & Burke, 2000; Valentine, 2001).

FINDINGS

To determine the appropriateness of the estimation technique, PLUM presents the results of its “test of parallel lines”, designed to test the null hypothesis that all slope coefficients are the same across response categories (independent of response categories) against the alternative hypothesis that slope coefficients differ across response categories (dependent on a response category). The test compares the estimated model with one set of coefficients for all categories to a model with a separate set of coefficients for each category. The test chi square statistics were significant for both the Caucasian and non-Caucasian equations indicating that the null hypothesis cannot be rejected, that is, slope coefficients are the same across response categories (parallel lines).

Tables 2 and 3 present the results from the estimation of *equation one*, job satisfaction resulting from employer promotion, and *equation two*, job satisfaction resulting from voluntary job change for the entire sample of women, Caucasian women, and non-Caucasian women.

For *equation 1*, Table 2, employer promotion, *hypothesis one* is rejected for all samples of women. The receipt of “more pay” associated with an employer promotion is not significantly correlated, either positively or negatively, with job satisfaction. Perhaps women’s *post-promotion* job satisfaction, in particular, is not affected by a pay increase if these women were looking for other changes, such as more challenging work.

TABLE 2
PARAMETER ESTIMATES OF EQUATION 1
JOB SATISFACTION – EMPLOYER PROMOTION

	<u>All</u> <u>Estimate</u>	<u>Caucasian</u> <u>Estimate</u>	<u>Non-Caucasian</u> <u>Estimate</u>
More Pay	0.270	0.342	0.191
Health Insurance	0.197	0.198	0.302
Pension/retirement	0.057	0.013	0.406
Company Training	0.374*	0.298	0.987*
Elder Care	0.215	0.238	0.289
Child Care	0.015	0.038	0.166
PTO	-0.092	-0.082	-0.658*
More challenge	0.304*	0.142	1.083*
More authority	0.147	0.163	0.051
More responsibility	-0.571*	-0.363*	0.760
Flextime	-0.153	-0.259	-0.861
Telecommuting	0.215	0.386*	0.852
Education	0.024	0.021	0.193*

* p-value<.10; **p-value<.05; ***p-value<.001

With respect to *hypothesis two*, none of the traditional or non-traditional benefits were significantly correlated with *post-promotion* job satisfaction for any of the samples. This finding is surprising given the findings in the literature of the importance of benefits to workers' job satisfaction. A couple of factors could account for this study's finding. The data on benefits represent those benefits that are available to workers in their new jobs. It does not measure the change in benefit availability that occurs as workers move from their old jobs to their new ones. *Post-promotion* job satisfaction may be affected by the change in benefit levels. Couple this with the consideration that most women in the samples received health care insurance and pensions in their new jobs with the *same* employer and it may be likely that most of them received these in their previous jobs. Thus the "change" if measured would not be significantly related to job satisfaction after promotion.

Given past findings on turnover and job satisfaction, the expectation under *hypothesis three* is that receipt of company training represents career development opportunities demanded by women and may also proxy job security. The variable receipt of company training is significantly and positively correlated with *post-promotion* job satisfaction for the entire sample; however when the sample is broken down by race, the variable is significant only for non-Caucasian women. Previous studies have shown that women, in particular minority women, are less likely to receive company training and are less tolerant of the lack of career opportunities than Caucasians (men). Therefore it could follow that receipt of company training is particularly lacking for minority women and therefore its receipt is that much more significant for them than

Caucasian women. With respect to job security, the receipt of company training may also represent a means to a more secure future with the current employer.

Given the findings that women in particular will leave their jobs if they are not challenged by their job/work, *hypothesis four* states that the variables “more challenging work”, “more authority in the job”, and “more responsibility in the job” as a result of the promotion would be positively and significantly correlated with *post-promotion* job satisfaction. The variables “more challenging work” and “more responsibility in the job” were significant for the entire sample. When the sample is broken down by race however, the variable “more challenging work” is significant for non-Caucasian women only and the variable “more responsibility on the job” is significant for Caucasian women only. The variable “more authority” remains insignificant. The variable “more responsibility”, contrary to expectations, is negatively correlated with *post-promotion* job satisfaction. If it is the case that women who tend to receive more responsibility with a promotion, also tend *not* to receive additional authority or even positive challenge, the negative result found here might well materialize.

Of the two work options outlined in *hypothesis five*, only telecommuting is significant and positively correlated with *post-promotion* job satisfaction for Caucasian women. Telecommuting as a work option has been cited as a means for families to balance work and family. However, telecommuting also changes how the job/work is done. Work must be done more independently and the job becomes more task-oriented. Hence telecommuting may represent more autonomy in the job, an intrinsic characteristic of work that contributes to job satisfaction. This study’s finding therefore suggests that Caucasian women may find these changes more satisfying than non-Caucasian women. Note that flex time is not significant for any sample.

Education is positively correlated with *post-promotion* job satisfaction for non-Caucasian women and its significance indicates that more educated non-Caucasian women may be more satisfied with the results of their promotion than less educated non-Caucasian women.

For *equation 2*, Table 3, voluntary job change, *hypothesis one* is rejected for all samples of women. The receipt of “more pay” associated with a job change is not significantly correlated, either positively or negatively, with *post-job change* job satisfaction. Perhaps, as with *post-promotion* job satisfaction, women are not affected by a pay increase if they were looking for other changes, such as more challenging work or career development opportunities.

With respect to *hypothesis two*, the only traditional benefit that is significant is pension. It is positively correlated with *post-job change* job satisfaction and for non-Caucasian women only. Of the non-traditional benefits, only paid time off (PTO) is significant, but contrary to expectations it is negatively correlated with *post-job change* job satisfaction. Although it is highly significant for the entire sample, when separately tested for Caucasian and non-Caucasian women, it is only highly significant for Caucasian women. The negative coefficient indicates that perhaps women feel that taking time off, for example for personal reasons, will negatively reflect on their perceived commitment to the company (Medland, 2004). Therefore use of this benefit may reduce job satisfaction.

Receipt of company training is significant and positively correlated with *post-job change* job satisfaction for the entire sample as hypothesized in *hypothesis three*. However, when separate analyses are run, the receipt of company training is highly significant for Caucasian women, and is insignificant for non-Caucasian women.

Hypothesis four, which discusses the intrinsic characteristics of the job/work, is supported. The acquisition of “more challenging work” is highly significant for the entire sample and is positively correlated with *post-job change* job satisfaction. When separate analyses are run,

“more challenging work” remains highly significant for Caucasian women and is less significant for non-Caucasian women.

TABLE 3
PARAMETER ESTIMATES OF EQUATION 2
JOB SATISFACTION – JOB CHANGE

	<u>All</u> <u>Estimates</u>	<u>Caucasian</u> <u>Estimates</u>	<u>Non-Caucasian</u> <u>Estimates</u>
More Pay	0.012	0.105	1.005
Health Insurance	0.118	0.005	2.015
Pension/retirement	0.472	-0.033	2.321**
Company Training	0.595*	0.897*	0.214
Elder Care	0.172	0.054	0.024
Child Care	0.346	0.290	1.188
PTO	-2.273**	-2.614*	-1.254
More challenge	1.683***	1.575***	1.585*
More authority	1.146**	1.248**	1.162
More responsibility	-1.317**	-0.955**	-2.418**
Flextime	-0.126	-0.279	-0.488
Telecommuting	0.300	0.011	1.443*
Education	0.063	0.043	0.050

* p-value<.10; **p-value<.05; ***p-value<.001

The acquisition of “more authority in the job” is highly significant and positively correlated with *post-job change* job satisfaction for the entire sample. More authority on the job may be closely aligned with more challenge in the work and therefore both are positively significant. When separate analyses are run, this variable is highly significant for Caucasian women, but is not significant at all for non-Caucasian women. The acquisition of “more responsibility in the job” is highly significant for both Caucasian and non-Caucasian women. Again, contrary to expectations, it is negatively correlated with *post-job change* job satisfaction. If it is the case that women who tend to receive more responsibility with a job change, also tend not to receive additional authority or even positive challenge, the negative result found here might well materialize.

Hypothesis five is partially supported. Telecommuting is significant and positively correlated with *post-job change* job satisfaction for non-Caucasian women only.

DISCUSSION AND CONCLUSION

Voluntary turnover is a serious and significant problem for all businesses today. For too long employers churned the labor market seeking new employees rather than training their current

employees. As a result, employee loyalty is at an all-time low and voluntary turnover is at an all-time high. The staggering costs associated with voluntary turnover, aided by new HR metrics to measure these costs, have led many companies to re-assess their HR policies with an eye to long range labor force planning.

If employers wish to retain employees, especially women, they need to address the issues and problems employees themselves cite as important. It is employees' reasons for leaving that should drive companies' responses to turnover. Satisfied employees will stay; dissatisfied employees will leave. Many studies have also shown that job satisfaction and job performance are linked, but the weight of evidence is that the direction of causation is from job performance to job satisfaction. If employees are able to perform their jobs, are rewarded properly, are stimulated and able to grow in a supportive work environment, they will be satisfied. Hence it is not necessarily poor performers who are dissatisfied (Cooper & Burke, 2000). On the contrary, it has been found that it is the high performers who become discouraged and leave (Babcock, 2005).

Employees, especially women, have cited reasons for leaving their current employers: lack of challenging work and lack of career development opportunities. Most women are satisfied with pay. To obtain challenging work and career development, employees require training and promotions within their organizations. Women are intolerant of the absence of these and this intolerance reaches across all levels of managerial and non-managerial jobs.

Loyalty to the company and organizational commitment must be earned in specific ways that address specific needs cited by the employees themselves. This study sought to identify characteristics of the job and work and the work options that contribute to work environment that result in employee satisfaction with their jobs. It assessed employee job satisfaction that resulted from both an employer promotion and from a voluntary job change.

This study asked the question: do factors that contribute to post-promotion job satisfaction also contribute to post-job change job satisfaction? There were no a priori expectations that the factors would be different. It was hypothesized that more pay, traditional and non-traditional benefits, company training, more challenge, more authority, and more responsibility, flextime and telecommuting would contribute to both post-promotion and post-job change job satisfaction. There were also no a priori expectations for differences between Caucasian and non-Caucasian women in terms of the factors that contribute to job satisfaction or that these factors differentially contribute to job satisfaction post-promotion or post-job change.

Equation 1 (job satisfaction from employer promotion) and equation 2 (job satisfaction from job change) were estimated using ordinal regression and this proved to be an appropriate methodology. Overall in equation 1, acquisition of company training, more responsibility in the job, and more challenging work were significantly correlated with post-employer promotion job satisfaction. For Caucasian women only more responsibility and telecommuting were significant correlates. However, company training, PTO, more challenging work, and education were all significantly correlated with post-promotion job satisfaction for non-Caucasian women. This model seems to be a better fit for non-Caucasian women's perceptions of post-employer promotion job satisfaction than for Caucasian women's.

Overall for equation 2, acquisition of company training, PTO, more challenging work, more authority, and more responsibility on the job were significantly correlated with post-job change job satisfaction. For Caucasian women, receipt of company training, PTO, more challenging work, more authority, and more responsibility on the job were significantly correlated with post-job change job satisfaction. Pension, more challenging work, more responsibility on the job, and

telecommuting were significant correlates of post-job change job satisfaction for non-Caucasian women. This model seems to be a fit for both Caucasian and non-Caucasian women's perceptions of post-job change job satisfaction.

The model seems most appropriate for identifying correlates of job satisfaction resulting from employer promotion for non-Caucasian women and from voluntary job change for both Caucasian and non-Caucasian women. Although there were no a priori expectations, these results seem to indicate an asymmetry between job satisfaction from employer promotion and job satisfaction from voluntary job change; and between the correlates identified for Caucasian women and non-Caucasian women. Overall the model seems better suited to help discover why women leave their organizations for another job elsewhere and contributes less to our understanding of why women stay. Perhaps because women feel strongly about the factors lacking in their current jobs, they respond more strongly to the acquisition of these in their new jobs.

Clearly however, the significance of the acquisition of company training and more challenging work validate the overall theme of this paper – women, both Caucasian and non-Caucasian, seek challenging work with more authority to carry it out and seek opportunities for career development. They either find them with their current employer or leave to seek them elsewhere.

LIMITATIONS OF THE CURRENT STUDY AND FUTURE RESEARCH

This study was restricted to a cohort of baby boomer women. Future researchers may want to compare baby boomer perceptions and experiences with those of younger women of the X generation. No distinction was made here among types of managerial employees nor was any comparison made with non-managerial employees. There is recent evidence that suggests these distinctions are important ones and could lead to a finer tuning of job satisfaction models (Babcock, 2005).

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