Should I Stay or Should I Go? The Bases of Turnover Intentions in Family Firms (Interactive Paper)

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Principal Topic

Scholars in the family business literature have recently introduced the concept of family embeddedness (Milton: 2008: 1065). Linking research on family embeddedness (Aldrich & Cliff, 2003; Milton, 2008; Le Breton Miller & Miller, 2009; Steier, Chua, & Chrisman, 2009) and PE fit (Kristof-Brown et al., 2005; Wheeler et al., 2005; 2007), we propose that family embeddedness may be conceptualized as a combination of person-organization (PO), person-group (PG), and person-person (PP) fit. We define family embeddedness as value congruence between family and family business, employee and family business and employee and family founder, and contrast it with person-job (PJ) fit or a match between a person and the job.

Method

The data for the study were obtained by conducting a survey of 111 family members employed at more than seventy family businesses, members of the Family Business Council at our university. The data were analyzed with SEM techniques, which lend support to all the hypotheses and the underlying theory.

Results and Implications

This paper makes three important contributions to the literature on turnover intentions in family firms. First, we show that family firms are simultaneously driven by strong centripetal forces (family embeddedness and PJ fit) and strong centrifugal forces (superior alternative employment opportunities). Second, we establish that centrifugal forces may be stronger than previously assumed. In fact, we argue that continuance commitment and its two incarnations – calculative and imperative commitment (Sharma & Irving, 2005) – may have both centripetal and centrifugal manifestations. In other words, along with calculative and imperative commitment, one can point to the existence of calculative and imperative disloyalty. People may leave organizations even when they enjoy a strong PE with an organization and PJ fit as well if superior alternative job opportunities lure them with higher benefits and compensation and/or the potential for early promotion. Based on this approach, we have proposed to measure pay increase in alternative employment as a factor that may undermine job satisfaction. The key point we were trying to make is that temptations exist and family businesses need to consider them in earnest.

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