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"You're Nobody 'til Somebody Loves You": The Use of Job Search for Bargaining Leverage

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Abstract
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Keywords
employee, job search, bargaining leverage, employment, financial independence, work

Comments

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This paper has not undergone formal review or approval of the faculty of the ILR School. It is intended to make results of Center research available to others interested in preliminary form to encourage discussion and suggestions.

ABSTRACT

The purpose of this research is to investigate a previously overlooked yet important objective for an employee engaging in job search – seeking alternative employment to obtain leverage against the current employer. We focus specifically on how employees conduct job search to obtain leverage, and then turn to the question of what motivates employees to adopt this objective. Using a sample of high-level managers, our results indicate the leverage-seeking job search predicts both preparatory and active search beyond the more traditional reason for engaging in job search (i.e., to change jobs). However, as expected, leverage-seeking search was a weaker predictor of the job search processes compared to searching to leave and was not significantly related to job satisfaction. Hierarchical level, perceived alternatives, financial independence, and the meaning attached to money significantly predicted leverage-seeking search, while compensation level, equity, and career plateau showed little effect. Implications for practice and future research on job search and employee retention more generally are discussed.

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"You're Nobody 'til Somebody Loves You": The Use of Job Search for Bargaining Leverage

Theories and research on job search often proceed by assuming that search occurs after individuals decide to leave, as a way to identify a new job. Indeed, Scwhab, Rynes and Aldag's (1987) influential review of the job search literature is specifically limited to search subsequent to the decision to seek new employment, and Hom and Griffeth (1995) state that "positive expected utility of withdrawal stimulates job seeking" (p. 110). Yet, empirical evidence suggests that job search is a far richer and more complex phenomenon. For example, search does not always result in turnover (Boudreau, Boswell, Judge, & Bretz, 2001); in fact recent studies find that the two variables share only 4-6% of variance. This might be explained simply by the fact that not everyone who desires and searches for an alternative job can find available opportunities. However, prior research suggests that human capital (a proxy for the capacity to find alternatives) does not significantly moderate the relationship between job search and turnover (Bretz, Boudreau, & Judge, 1994). Indeed, Hom and Griffeth (1991) found a positive relation between search and retention, suggesting that employees may become even more attached to the organization after searching elsewhere.

Anecdotal evidence and some speculation support the idea that individuals engage in job search activities for many reasons other than to find their next job after deciding they wish to leave. Indeed, the popular press and practitioner literature is full of anecdotal evidence that employees often do (or perhaps should) seek outside offers as bargaining leverage to enhance their present employment situation (e.g., Business Week, 1986; Messmer, 1998; Steen, 1999). The premise is that if an individual has a "better" opportunity elsewhere, the current employer should be compelled to try and keep the employee by making a counteroffer. In fact, reports generally indicate that over half of employers would or do make counteroffers when confronted by a good employee with an outside offer (Business Week, 1986; Messmer, 2000).

Thus the present research investigates a previously overlooked yet important job search objective – seeking alternative employment to obtain leverage against the current employer. An understanding of this issue is important both to the organizations that currently employ the searcher as well as those that are used as leverage. For the employer, the time and energy their employees spend searching may be at the expense of task performance (March & Simon, 1958). There are also costs of making a counteroffer, both tangible (e.g., pay raise) and intangible (e.g., personal relations). For the organizations used as leverage, time and money are spent on recruiting individuals who may not even intend to leave their present employer. Some companies are actively seeking strategies to gauge whether job seekers are serious or simply "tire kicking" (Voros, 2001).

We investigate the issue of leverage-seeking search using a sample of high-level managers. These are high-demand/high-impact employees, the kind of roles that are increasingly the battleground in the talent war (Boudreau et al., 2001; Bretz et al., 1994), and thus likely to search with motives beyond finding their next position. Employees in performance-visible occupations, such as high-level managers, are arguably in a good position to capitalize on their human capital and obtain external opportunities (Griffeth & Hom, 1995; Lazear, 1986; Trevor, 2001). As discussed more below, signaling to the current employer one's attractiveness in the external market (or "mobility capital;" Trevor, 2001) may be a particularly effective means of leveraging improved employment conditions (Lazear, 1986).

Searching to Obtain Leverage against Employer

To our knowledge, no prior research has investigated job search objectives, nor the relationships between job search objectives, search behaviors, present job attributes, and related employee attitudes and cognitions, but several theories suggest plausible relations. We employ negotiation and equity theories to explain the existence and effects of alternative job-search goals, and ways to better understand that part of job search behavior that remains unexplained by traditional frameworks that focus on job search to find the next position.

Negotiation theory suggests that having alternatives increases one's negotiation success (Pinkley, Neale, & Bennett, 1994), so alternative job offers may be used as bargaining leverage to improve employment conditions (e.g., Gault, Redington, & Schlager, 2000; Lazear, 1986). Prior research has revealed that obtaining additional job offers to use as leverage against a prospective employer generally helps to enhance one's employment offer. Equity theory (Adams, 1965) suggests that upon searching an employee may realize that the current position is more attractive than he/she previously thought, relative to the available alternatives (i.e., "the grass isn't greener"). Alternatively, obtaining alternative job offers may serve as a signal to the employer of the value of one's human capital in the external market (Lazear, 1986). As stated by Bretz et al. (1994), employees may "engage in job search to convince others that the market values their contributions at a level that justifies better employment arrangements" (p. 276). An offer of higher pay or status in the external market may affect both the employer's estimate of the employee's value as well as the employee's equity perceptions. Thus search may both inform equity perceptions and provide external offers as leverage to restore equity.

We aim to inform research and theory on job search objectives, so we focus the present study on employees' stated objective to obtain leverage, rather than the actual use of an external offer. This is appropriate given the importance of job search as an outcome in and of itself (e.g., Boudreau et al., 2001; Kanfer, Wanberg, & Kantrowitz, 2001), and considering the lack of prior research focusing on search objectives. We focus first on how employees conduct job search to obtain leverage, and then turn to the question of what motivates employees to adopt this objective.

Job Search Activity and Leverage-Seeking Search

It is well known that greater job search effort and activity is related to obtaining more employment offers, with the vast majority of studies focusing on students entering the job market or unemployed individuals (Barner, Daly, Giannantonio, & Philips, 1994; Blau, 1993; Saks & Ashforth, 1999; Schwabet al., 1987). Prior research suggests different categories of job search activity. Blau (1993, 1994) distinguished two search dimensions – "preparatory" search

(e.g., read the help wanted/classified ads) to identify desirable alternatives, and "active" search (e.g., had an interview with a prospective employer) to discover whether any alternatives are available to the particular individual, or to obtain actual job offers. The two dimensions have proven to be distinct, and to have different antecedents and consequences. For example, a more proximal (and stronger) link was found between turnover and active search compared to preparatory search (Blau, 1993; Somers & Birnbaum, 2000).

These findings are also relevant to employed individuals seeking alternative offers for leverage. An individual seeking leverage seems likely to both identify existing alternatives, and actively pursue those that are available. Thus, searching with the objective to obtain leverage should associate positively with both preparatory and active search.

However, individuals may pursue multiple job search objectives simultaneously. An individual may seek leverage against the employer by obtaining an external offer and at the same time entertain the possibility that they will find a better alternative and actually leave. So, in our analysis we will control for the individual's stated search objective to leave their present position when we examine the relationship between search activity and the search objective to exert leverage. This provides a conservative test of the relationships between the "seeking leverage" objective and the search process variables, independent of the more traditional job search objective (i.e., to change jobs).

H-1: Leverage-seeking search will positively associate with search activity (i.e., active and preparatory search) after controlling for the search objective to leave the organization.

While leverage-seeking search should predict search activity beyond the more traditional reason for engaging in job search, individuals searching to obtain leverage may well feel less urgency to their search compared to those aiming to leave the company. We therefore expect a weaker relationship between search activity and leverage-seeking search than searching to leave.

H-2: Search activity (i.e., active and preparatory search) will more strongly associate with searching to leave than leverage-seeking search.

Job Satisfaction and Leverage-Seeking Search

Individuals seeking leverage with the current employer do not necessarily want to leave the employer and so will probably be at least minimally satisfied with their job. Indeed, compared to those searching to leave, employees seeking leverage should be more satisfied with their job. Yet even among those not dissatisfied enough to leave, individuals seeking leverage likely are not fully content with their current situation which has led them to seek to enhance their employment arrangements. A completely satisfied individual would probably not seek improvement. This suggests either a null or weak negative relationship between job satisfaction and leverage-seeking search importance.

H-3: Job satisfaction will more strongly associate with searching to leave than leverage-seeking search.

Predictors of Leverage-Seeking Search

As noted, research suggests that employees use alternative job opportunities as leverage (Gault et al., 2000), but we know very little about the employee or work characteristics that might lead to this tactic. We will suggest that an employee's current work situation, their perceived human capital, and their individual values and needs may predict their propensity to search to obtain leverage.

Attributes of the current job. Generally, employees with less favorable work conditions should be more motivated to improve them. Thus, one might predict that absolute levels of such things as compensation or organizational stature would correlate negatively with leverage-seeking search. However, it is important to consider not only the absolute level of outcomes, but also the perceived equity in those outcomes (Heneman & Judge, 2000). Employees that perceive they are relatively disadvantaged try to restore equity (Adams, 1965; Lazear, 1986), so equity perceptions may also relate to seeking leverage.

In fact, equity perceptions may be the stronger predictor of leverage-seeking search because information from the external market is likely to be framed in terms of the individual's current situation. Particularly among the sample of managers in our study, it is unlikely that work outcomes are insufficient at an absolute level. Most managers are probably receiving "enough" from their job. It seems more likely that external information is sought to determine how one "measures up" compared to what is available outside. Discovering an external offer that is significantly better than one's present situation prompts negotiation in terms of the relative gap, perhaps even more than the absolute level of the current situation. The significant motivator to search for leverage may be not so much that the existing grass isn't "green," but rather that the available alternative grass is "greener" by comparison.

Obviously, compensation is an important variable in explaining search objectives, but other employment aspects are also potentially important. Job and career progression represent one's status and future mobility potential. Employees near the top of an organization's hierarchy may see little value in seeking leverage for further advancement, while those farther down have more room for progression and may see greater value in negotiating using an outside offer. In contrast, the longer an individual has been at a career plateau (more years since their last promotion), the more they may use external offers to jumpstart their career. Career advancement may be particularly relevant to the sample of managers we investigated here, given its association with prestige and power.

H-4: Compensation, pay equity (internal and external), and organization level will negatively and career plateau will positively relate to leverage-seeking search.

Perceived alternatives. Individuals with greater human capital are more likely to have opportunities elsewhere (Bretz et al., 1994; Lazear, 1986) and presumably will be in a better position to seek alternative offers as leverage. Though the present study does not assess whether an outside offer is obtained (or the actual use of leverage), we would expect that an individual's market value to be relevant to whether leverage is even sought. In regards to job search, however, an individual's perception of their value is arguably of greatest importance.

More specifically, those that perceive more external opportunities should be more likely to search as a way to obtain alternatives to enhance leverage. Alternatively, employees with low perceptions of alternatives would see little value in searching for a new job and thus be less likely to seek such leverage.

H-5: Perceived alternative opportunities will positively relate to leverage-seeking search.

There are perhaps many potential individual differences that might affect leverage-seeking search. However, we concentrate on two specific individual difference variables (i.e., perceived financial independence and meaning of money) closely related to perceptions of money given that enhanced remuneration is frequently the objective of negotiations using competing offers.

Perceived financial independence. Research has linked perceived financial status to a variety of work attitudes and behaviors such as life satisfaction (George & Brief, 1990), job satisfaction (Brief & George, 1991), organizational commitment (Gould & Werbel, 1983), and performance (Brett Cron, & Slocum, 1995). Thus, perceptions of financial security may relate to leverage-seeking job search objectives in the same way as actual salary levels. Those high in perceived financial strength may be less motivated to seek to improve their work conditions and thus see less value in seeking outside offers for negotiating leverage, while those who perceive a strong need for money may be more leverage-seeking. We will measure compensation as noted above, but such measures are deficient because they do not capture complex elements that go into perceptions of overall financial status, such as lifestyle preferences, spending habits, and countless financial requirements. Even the most wealthy employees on paper may be the most financially dependent due to extravagant lifestyles, and vice versa. Thus, we propose that one's perceived financial situation is likely to associate with leverage-seeking job search.

H-6: Perceived financial independence will negatively relate to leverage-seeking search.

Symbolic significance of money. Krueger (1986) noted that "money is probably the most emotionally powerful object in contemporary life: only food and sex are its close competitors as

common carriers of such strivings" (p. 3). Yet McClelland (1967) stated, "the meaning of money is in the eye of the beholder." The meaning of money has been studied through sociology, anthropology, economics, and psychology (Mitchell & Mickel, 1999). Money is thought to represent achievement, success, recognition, status, respect, self-esteem, freedom, control, power, and even love. The meaning of money certainly goes far beyond mere economic value. It is a means of social comparison and feedback. In a widely cited survey, 74% of respondents agreed with the statement, "in America, money is how we keep score" (Rubenstien, 1981).

Three measures of the meaning of money have emerged: (1) Tang's Money Ethic Scale (Tang, 1992, 1993, 1995) measures positive and negative attributions toward money, such as achievement, self esteem, freedom, greed, etc.; (2) Furnham's Money Beliefs and Behaviors Scale (Furnham 1984, 1995; Kircaldy & Furnham, 1993) also measures money beliefs and related behaviors, but identifies pathological characteristics in money-related feelings and behaviors (e.g., obsession, power, retention, security, inadequacy, etc.); (3) Mitchell's Money Importance Scale (Mitchell, Dakin, Mickel, & St Gray, 1998) assesses the way individuals handle money. Research using these scales has demonstrated that money attitudes and behaviors are associated with important outcomes, such as job satisfaction and turnover (e.g., Tang & Gilbert, 1995), and that attributions toward money can be broadly classified as positive or negative (Mitchell & Mickel, 1999). Thus, it seems logical that the more an individual attaches positive symbolic attributions to money (i.e., that money symbolizes effort, achievement, status, happiness, etc.), the more he/she will be motivated to maximize remuneration and thus more likely to engage in leverage-seeking search, and vice versa.

H-7: Financial independence will negatively and valuing extrinsic rewards will positively relate to leverage-seeking search.

As noted above, because leverage-seeking search likely correlates with searching to leave the organization, we control for searching to leave in the analyses. Thus any variance common to both search objectives is removed so that the direct relation between the predictors and leverage-seeking search can be assessed.

METHOD

Sample and Procedure

Surveys were sent to 11,968 high-level managers contained in the database of Ray & Berndtson executive search firm. In addition to the survey, information was obtained directly from the search firm's database. It should be noted that this search firm's clients are the companies searching for employees. The search firm does not accept resumes or applications from managers searching for jobs; rather, it identifies potential candidates in response to client needs by examining publicly available information (e.g., proxy material, professional association mailing lists). Thus there is no reason to expect that participants of this study have higher turnover intent or are searching more actively than the general population of U.S. managers.

The surveys were prepared and mailed by the search firm. Surveys were encoded so that those returned could be matched with information contained in the search firm's database. Participants were instructed to return the survey (business reply envelope included) directly to the researchers, under assurances of strict confidentially. A total of 1,601 subjects responded to the survey (13.38% response rate). Respondents were primarily married (90%) and male (89%), and had been in their jobs an average of 2.7 years and in their present organization 5.5 years. The average respondent had a yearly total cash compensation (base plus bonus) of $236,188, and was two levels below the CEO. Due to the moderate response rate, we assessed whether respondents were representative of nonrespondents by comparing the two groups on information contained in the search firm's database (e.g., salary, demographics, company size). Only age revealed a statistically significant difference (respondent mean=49.15, non-respondent mean=50.00) and it was small.

<u>Leverage-seeking search</u>. Respondents were asked to what extent "to obtain negotiating leverage against my current employer" explained their objective for job search in the last 6 months (1 = to no extent, 4 = to a great extent). The 6-month time period was used to be consistent with the job search activity measure discussed below. We also asked respondents the degree to which they searched because they had decided to leave their current position

(job-leaving search). As discussed above, this variable was included as a control variable and to assess whether search for leverage explained variance in search activity above the more traditional job search objective.

Job search activity. Preparatory job search (e.g., "Talked to friends or relatives about possible job leads"; coefficient alpha [α]=.76) and active (e.g., "Sent out resume to a potential employers"; α=.84) were assessed using Blau's (1993) measure. Consistent with prior research using this measure, respondents were asked how frequently they engaged in each behavior in the past 6 months (1 = Never/0 times, 5 = Very Frequently/at least 10 times).

Information on total cash compensation (i.e., salary, bonus, other compensation) and organization level was collected from the search firm's database. Most compensation measures are disproportionately affected by a few very high values, and consistent with standard practice in wage regressions (e.g., Kerr & Kren, 1992), we normalized the distribution of the total compensation variable by computing its natural log.

Career plateau was assessed with an item on the survey that asked: "How many years has it been since your last promotion?" with more years indicating more plateau. Internal and external equity were measured with two items developed specifically for this study (1-5 Likert scale where a higher number indicates greater perceived equity). Perceived alternatives opportunities was measured with three items reflecting dimensions identified in previous literature, such as the probability of finding acceptable alternatives (Billings & Wemens, 1983; Mobley, 1977) and availability of alternatives (Steers & Mowday, 1981). An example item was "Give your best estimate of your present alternative employment opportunities?" (1 = no opportunities, 5 = many opportunities). The three items were averaged to create the scale (α=.67).

Perceived financial independence was measured with five items adapted from the Furnham's Money Inadequacy scale (Furnham 1995). These items were designed to measure the extent to which respondents felt that the money they have amassed is adequate to fulfill

their lifestyle needs. Sample questions included: “The amount of money I have saved is never quite enough,” and “I often argue with my spouse or partner about money” (1 = strongly disagree, 6 = strongly agree). Responses were coded such that a high number indicates greater financial independence. Consistent with previous use of the scale, the items were averaged to form a single financial independence score (α=.70).

Meaning of money. Money attributes were measured with nine items adapted from the Tang Money Ethic scale (Tang, 1992) and from Furnham's Money Importance scale (Furnham 1984, 1995; Kircaldy & Furnham, 1993). These items are designed to measure the extent to which employees make positive attributions toward money (e.g., “money represents one's achievement,” “money makes people respect you in the community,” “money will help you express your competence and abilities”). All items were answered on a 6-point Likert scale ranging from 1= strongly disagree to 6 = strongly agree. The items were averaged to form a single money attribution score (α=.80).

RESULTS

Descriptive statistics are shown in Table 1. We investigated the relationships between leverage-seeking search and search processes (i.e., preparatory and active search) while controlling for searching to leave to assess whether leverage-seeking search explains incremental variance in search activity (Hypothesis 1). Table 2 provides the partial correlations between leverage-seeking search and search activity, controlling for the importance of searching to leave. Leverage-seeking search positively associated with both preparatory and active search (r = .13, p<.01; r = .06, p<.05; respectively) providing support for Hypothesis 1.

TABLE 1
Descriptive Statistics and Correlations between Variables

	M	SD	1	2	3	4	5	6	7	8	9	10	11	12
Leverage-seeking search	1.29	.62	----											
Job-leaving search	2.12	1.20	-.04	----										
Preparatory search	2.08	.79	.09**	.53**	----									
Active search	1.67	.78	.03	.58**	.77**	----								
Job satisfaction	.00	2.61	-.03	-.51**	-.35**	-.35**	----							
Log compensation	12.20	.58	-.01	.01	-.10**	-.02	.06*	----						
Internal equity	3.28	.93	-.09*	-.01	-.09**	-.03	.11**	.09*	----					
External equity	2.79	1.07	-.05	-.07*	-.10**	-.09**	.15**	.13**	.28**	----				
Level	-1.94	1.45	-.10**	-.04	-.11**	-.03	.17**	.20**	.09**	.00	----			
Plateau	3.08	2.95	-.04	-.02	-.03	-.04	-.05	-.08**	-.09**	-.01	.05	----		
Perceived alternatives	3.06	.79	.07**	-.11**	-.16**	-.16**	.20**	.11**	.05	.10**	-.04	-.21**	----	
Financial independence	32.56	7.45	-.14**	-.12**	-.17**	-.18**	.27**	.22**	.13**	.21**	.11**	.03	.19**	----
Meaning of money	33.42	7.47	.09**	.04	.04	.06*	-.07**	.08**	.00	-.02	.03	.04	-.07**	.18**

Note: Note: Pairwise correlations shown; **p<.01; *p<.05

TABLE 2
Correlations between Leverage-Seeking Search and Job Search Activity
Controlling for Job-Leaving Search

	Leverage-seeking search
Preparatory search	.13**
Active search	.06*

Note: Partial correlation coefficients shown. **p<.01; *p<.05; +p<.10

We also expected leverage-seeking search to relate less strongly than searching to leave with search activity (Hypothesis 2). A comparison of the correlations (see Table 1) found support for this hypothesis. Steiger's (1980) test for the significance of the difference between dependent correlations indicates that the correlation between leverage-seeking search and both search process variables were significantly lower ($p<.01$) than the corresponding correlations for searching to leave.

The relationships between job satisfaction and the two search objectives were also investigated. Results supported Hypothesis 3. Job satisfaction was not significantly related to leverage-seeking search ($r = -.04$, n.s.) but was strongly correlated with the searching to leave variable ($r = -.51$, $p<.01$). Steiger's (1980) test indicates that the correlations were significantly different ($p<.01$). This finding also provides evidence of discriminant validity between the two search objective variables.

We investigated the predictors of leverage-seeking search using hierarchical regression analysis (see Table 3). Searching to leave was entered on the first step to control for any shared variance between this more traditional search objective and the variables of interest. The array of predictors was entered in the second step. Note that the results were the same whether searching to leave was excluded or included in the analyses. As shown in the table, the significant predictors of leverage-seeking search suggested, as expected, that employees at lower hierarchical levels, with higher perceived alternatives, and who attached higher symbolic value to money were higher in leverage-seeking search, while those with greater financial independence were lower on leverage-seeking search.

Career plateau and the compensation variables were not significantly related to leverage-seeking search, though internal equity was in the expected direction but only marginally significant ($p<.10$). It appears that an individual's relative compensation compared to co-workers is somewhat more associated with leverage-seeking search than the absolute level of compensation. Hypothesis 4 was partially supported and Hypotheses 5, 6, and 7 were fully supported.

TABLE 3

Predictors of Leverage-Seeking Search

Variable	Step 1	Step 2
Job-leaving search	-.06+	-.06+
Compensation		.04
Internal equity		-.05+
External equity		-.04
Level		-.10**
Plateau		.03
Perceived alternatives		.15**
Financial independence		-.12**
Meaning of money		.08*
R^2	.01	.05
ΔR^2	.01	.05**
F	2.75+	4.93**

Note. Standardized betas are shown. **p<.01; *p<.05; +p<.10

DISCUSSION

The results of this study have significant implications for research on employee job search, turnover, and attitudes, as well as practical implications for diagnosing employee turnover intentions and managing job search and retention. Individuals search with varying motives in mind, not just to find a new job after deciding to leave. By presuming that the motive driving job search is leave the present position to find the next position, prior research has failed to investigate individual objectives and alternative uses of job search.

We explored one important yet often overlooked job search objective – searching to obtain leverage against the current employer, examining both the predictors and its relationship with search activity. We controlled for the importance of "searching to leave," to investigate variance in individual search activity beyond that explained by this traditional search motive. As expected, results showed that leverage-seeking search explained incremental variance in both active and preparatory search activity. Also as expected, leverage-seeking search was a weaker predictor of the job search processes compared to searching to leave and was not significantly related to job satisfaction. Leverage-seeking search thus appears distinct from searching to leave suggesting the value of a richer search concept.

We also explored an array of potential predictors of whether an individual searches to obtain leverage, including job attributes (e.g., compensation, hierarchical level) and individual attributes (e.g., symbolic value attached to money). Compensation level, equity, and plateau showed little relation with seeking leverage, while hierarchical level, perceived alternatives, financial independence, and the meaning attached to money were significant predictors. Interestingly, it appears that variables other than compensation associate more strongly with leverage-seeking job search. For example, at least among this sample, managers that perceive more external opportunities and those at lower levels may see greater value in seeking leverage, while job satisfaction and salary level, important predictors of changing jobs in prior research (e.g., Bretz et al., 1994), showed little relation with leverage-seeking search.

Interestingly, this research suggests that the strongest predictors of leverage-seeking search are individual difference variables related to employee needs and values. If leverage-seeking search reflects subsequent negotiations, then it may be that employee perceptions of their financial status drive their negotiating intensity more than the absolute or even relative levels of actual compensation and they are quite different phenomena (in Table 1 compensation and equity perceptions shared less than 4% of variance with perceived financial independence). Employers may well want to attend more closely to financial independence perceptions as well as the importance (or value) of money to an employee.

On the other hand, these results may be somewhat specific to our sample – high-level managers (this limitation is discussed more below). Perhaps executives, who are already highly compensated, see little value in seeking to improve their situation even if their pay is lower than others. Or, compensation level and perceived equity may simply be less important than financial security as negotiating objectives among these executives. In any case, these findings suggest that leverage-seeking job search reflects more complex predictors than simply compensation levels or equity.

Limitations and Future Research

The present research investigated the leverage-seeking search objective, but other search objectives undoubtedly exist and could be explored in future research. For example, individuals may search to network and expand their professional relationships or to simply keep abreast of opportunities. Even when individuals do search with the intent to leave, they may not aspire to obtain a similar position in another organization, as is commonly assumed (Schwab et al., 1987). Rather, individuals may search for jobs outside their current profession, as evidenced by recent discussions on the permeability of careers (see Sullivan, 1999, for a review of the changing nature of careers). The emergence of a growing population of more financially secure workers (Bryant, 1999) suggests that individuals may increasingly explore alternative vocations such as not-for-profit work. Future research should seek to understand both the predictors and outcomes of varying search objectives. We believe a broader perspective of job search

objectives will add to the applied psychological literature by revealing patterns in search activities ignored in traditional research focused only on job changes.

Search, regardless of whether it leads to turnover, is an important outcome in and of itself. For example, the time and energy spent when individuals search could be put to other task-related uses (March & Simon, 1958). Searching may also create detachment from the current organization thus reducing commitment and fostering psychological and behavioral withdrawal. Though search behavior is an important construct theoretically and practically, it follows that there are several likely outcomes (both individually and organizationally relevant) of leverage-seeking search. For example, does the importance of leverage-seeking search relate to subsequent effectiveness in negotiating a raise or promotion? Does such search create distrust or animosity between the employee and the supervisor (or co-workers), or resentment among those in the organization whose offer is used as a negotiation lever? This research focused specifically on the importance of leverage-seeking as a search objective, rather than the actual use of leverage. The actual use and outcomes of leverage would be interesting to investigate in future research.

Future research should seek to uncover other variables that may explain leverage-seeking search. Based on our findings, the most fruitful avenue may be to focus on more enduring characteristics of individuals (e.g., personality, values). Leverage-seeking search may also be more prevalent in certain professions, industries, or cultures.

Much of the data used in the analyses was self-report so we cannot rule out the possibility that common method variance could have inflated the relations among variables. However, many of the variables (e.g., search behavior, career plateau) are relatively objective in nature, and as a result, the risk of inflation is less (Saks & Ashforth, 2000; Wandberg, Watt, & Rumsey, 1996). Further, we attempted to minimize the problems associated with common method variance by relying on archival data where possible (i.e., compensation, organization level).

Finally, future research would benefit by relying on different employee samples to explore the use of outside offers as leverage as well as other search objectives (e.g., assess alternatives, networking). Though it is important to understand the search processes and retention-related issues of high-level managers, a key group in the war for talent (Boudreau et al., 2001; Moynihan, Boswell, & Boudreau, 1999), the extent to which these findings generalize to other employee groups is unclear. As noted by others (e.g., Moynihan et al., 1999), executives are a somewhat idiosyncratic employee group and may react differently then lower level employees to issues such as those investigated here. Although speculative, executives may be more able or willing to seek and use leverage against a current employer perhaps because of perceived enhanced opportunities and/or power. Moreover, compensation and progression variables may be stronger determinants of seeking leverage within employee groups where there is greater variance on these variables or more room for improvement.

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