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Why High and Low Performers Leave and What They Find Elsewhere: Job Performance Effects on Employment Transitions

Charlie O. Trevor
University of Wisconsin-Madison

John P. Hausknecht
Cornell University, jph42@cornell.edu

Michael J. Howard
Harrah's Entertainment

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Abstract
Little is known about how high and low performers differ in terms of why they leave their jobs, and no work examines whether pre-quit job performance matters for post-quit new-job outcomes. Working with a sample of approximately 2,500 former employees of an organization in the leisure and hospitality industry, we find that the reported importance of a variety of quit reasons differs both across and within performance levels. Additionally, we use an ease-of-movement perspective to predict how pre-quit performance relates to post-quit employment, new-job pay, and new-job advancement opportunity. Job type, tenure, and race interacted with performance in predicting new-job outcomes, suggesting explanations grounded in motivation, signaling, and discrimination in the external job market.

Keywords
HR, job performance, industries, employee turnover, employee, environment, selection, management, retention practice, labor, human resource, small business, ease of movement, job, pay, tenure, advancement, job market

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Cornell University
School of Industrial and Labor Relations
Center for Advanced Human Resource Studies

CAHRS at Cornell University
615B Ives Hall
Ithaca, NY 14853-3901 USA
Tel. 607 255-9358
www.ilr.cornell.edu/CAHRS

WORKING PAPER SERIES

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Charlie O. Trevor
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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.

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Abstract

Little is known about how high and low performers differ in terms of why they leave their jobs, and no work examines whether pre-quit job performance matters for post-quit new-job outcomes. Working with a sample of approximately 2,500 former employees of an organization in the leisure and hospitality industry, we find that the reported importance of a variety of quit reasons differs both across and within performance levels. Additionally, we use an ease-of-movement perspective to predict how pre-quit performance relates to post-quit employment, new-job pay, and new-job advancement opportunity. Job type, tenure, and race interacted with performance in predicting new-job outcomes, suggesting explanations grounded in motivation, signaling, and discrimination in the external job market.

KEYWORDS: employee turnover, job performance, ease of movement

Why High and Low Performers Leave and What They Find Elsewhere: Job Performance Effects on Employment Transitions

Employee job performance is vital to how successfully organizations compete. Consequently, job performance-specific employment transitions into and out of organizations are of particular importance. Despite the importance of such resource flows, we still know relatively little about why high and low performers leave, and virtually nothing about what these very different types of employees eventually find in the external market.

The criticality of retaining talent is chronicled in the recent popular press (e.g., Lavelle, 2003), as well as in the academic literature (e.g., Allen & Griffeth, 2001; Campion, 1991; Lee, Mitchell, Sablynski, Burton, & Holtom, 2004; Mossholder, Bedeian, Norris, Giles, & Feild, 1988; Trevor, 2001; Trevor, Gerhart, & Boudreau, 1997; Williams & Livingstone, 1994). Simply stated, because high performers are more likely to facilitate organizational success, researchers and professionals are increasingly focused on their retention. Given the organizational performance implications, targeting retention efforts toward high performers is a reasonable strategy, yet requires first that we actually know what is important to high performer retention. Clearly, research on voluntary turnover has identified an enormous list of factors that, on average, make it more likely that employees will quit. Yet, several turnover studies of interactions that involve measures of performance or talent indicate that the conventional wisdom regarding the general effects of turnover antecedents does not apply across all levels of employee value. Hence, because we know far less about why high performers leave their organizations than we know about turnover rationale in general, performance-specific turnover rationale remains an open, and considerably important, question.

In addition, little is known about what high and low performers find once they have left, yet this issue has considerable implications for the individuals themselves, for the organizations that hire these high and low performers, and for understanding how human resources of disparate value progress through the multi-employer career paths that are so prevalent today. The vast majority of turnover research ends with the turnover behavior itself or with post-quit

investigation of why people left (e.g., Lee, Mitchell, Wise & Fireman, 1996). Of the few studies to track leavers to new organizations (e.g., Boswell, Boudreau, & Tichy, 2005; Brett & Stroh, 1997; Dreher & Cox, 2000; Lam & Dreher, 2004; Wilk, Desmarais, & Sackett, 1995), none have investigated the role of pre-quit job performance as a substantive predictor of post-quit employment outcomes. Thus, our focus here is twofold: (1) the relationship between job performance and the reasons why people quit; and (2) the relationship between job performance and subsequent external market outcomes.

Theory and Hypotheses

To examine job performance's role in employee transition out of one organization and into another, we conducted a post-exit study of leavers from a single organization. In the first half of our study, this allowed us to study retrospective perceptions of several potential quit reasons. Although there are disadvantages to studying leavers retrospectively (many of which were negated by our organization's approach to post-exit data collection), prior retrospective work on leavers reveals that method's potential for extensive examination of a variety of factors in quit behavior (e.g., Lee et al., 1996). Indeed, we were able to assess more potential quit reasons than predictive studies can usually accommodate; this breadth is important, as contingent pay is currently the only specific workplace condition researchers have identified as of particular importance to high performer turnover. For the second half of our study, the sample of leavers allows us to be the first to investigate (old-job) performance effects on external job market outcomes; few studies have tracked employees from one organization to another, and none have studied job performance effects on the post-exit fates of leavers.

Performance-Specific Voluntary Turnover

The most well-documented relationship in the performance-turnover literature is the negative linear association between the two constructs. Four meta-analyses (Bycio, Hackett, & Alvares, 1990; Griffeth, Hom, & Gaertner, 2000; McEvoy & Cascio, 1987; Williams & Livingstone, 1994) support this finding of low performers being more likely than high performers

to leave organizations. When analyses are not constrained to linear relationships, evidence also indicates that performance can be curvilinearly linked to turnover (Salamin & Hom, 2005; Trevor et al., 1997; Williams & Livingstone, 1994), with both low performers and high performers being more likely to quit.

However, it is the moderation of the relationship between performance and turnover that speaks to the value of examining performance-specific quit reasons. Such interdependencies suggest that there are factors that affect the turnover of high performers differently than they affect the turnover of low performers (or, equivalently, that performance's relationship with voluntary turnover depends on the level of some third variable). Most notably, several researchers have found that pay contingencies moderate the performance-turnover relationship (Griffeth et al., 2000; Harrison, Virick, & William, 1996; Salamin & Hom, 2005; Trevor et al., 1997; Williams & Livingstone, 1994), with contingent pay meaning little to low performer turnover but substantially reducing the likelihood that high performers will leave. Two additional studies are consistent with this theme. Lee et al. (2004) found that on-the-job embeddedness (i.e., attachment to the organization that is driven by on-the-job elements), a construct that correlated at .73 with job satisfaction, was more likely to be associated with a turnover reduction when performance was high, rather than low. Similarly, Trevor (2001), who studied human capital rather than performance, reported that job satisfaction effects on quitting were stronger for those employees high in cognitive ability, education, and vocation-specific training (who, presumably, would tend to be better performers). Taken together, these several studies suggest that the effects on turnover of contingent pay, and of at least some of the factors that drive job satisfaction and job embeddedness perceptions, are likely to be larger when employees are more valuable.

This suggestion, however, also indicates how little we actually know about the context of performance-specific turnover. Because job satisfaction and job embeddedness are broad multidimensional perceptions, their moderating roles may not tell us about the role of any single

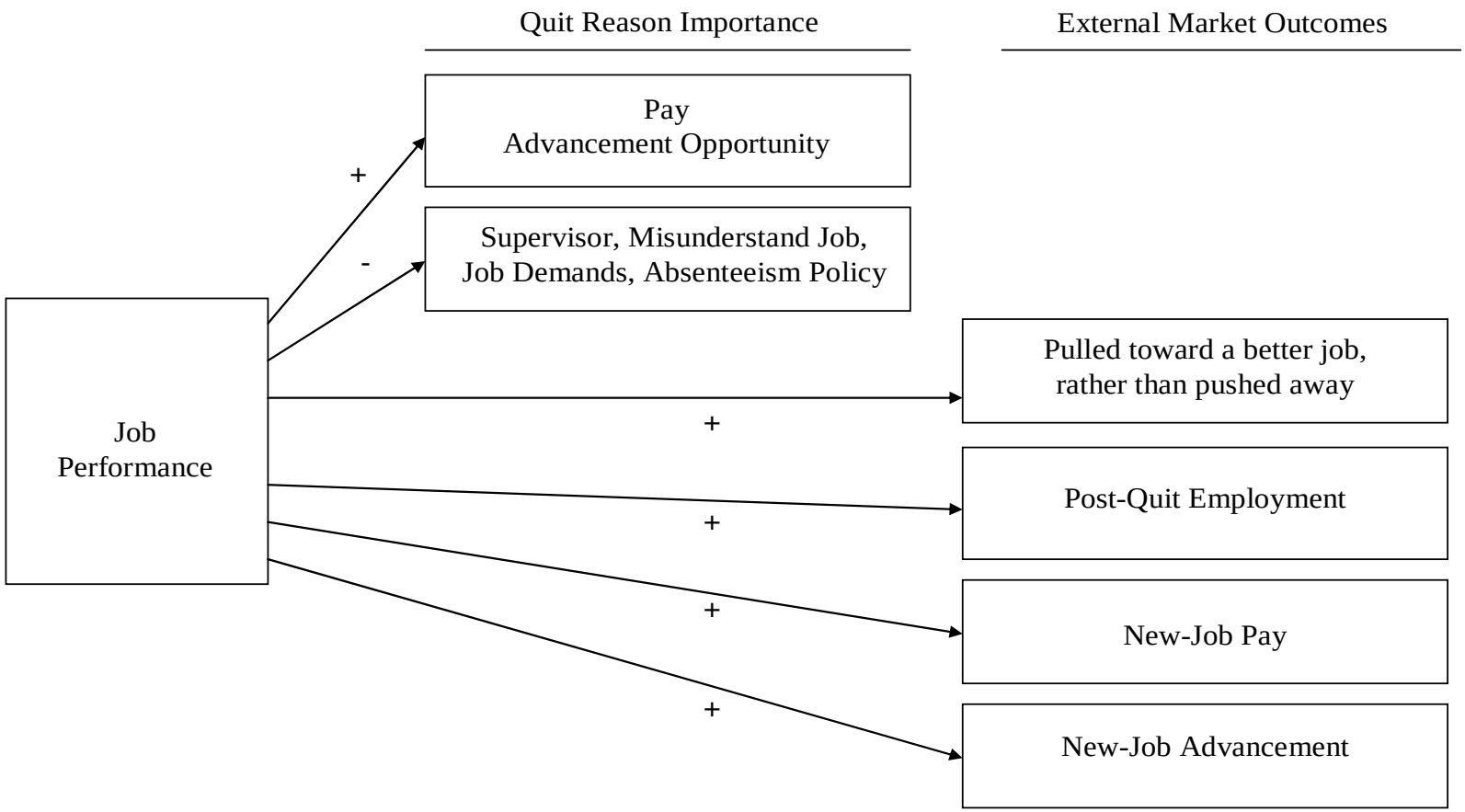
contributing source of the perceptions; that is, multi-dimensional measures can mask the effects of their specific components or facets (e.g., Campbell & Campbell, 2003). Thus, the research cited above identifies only contingent pay as a specific workplace condition that is more important to the retention of high performers. Consequently, in this study we attempt to expand our knowledge of actual workplace elements that should play a larger role in quitting when performance is high. In contrast, however, we also argue that other workplace factors should be more important quit reasons when performance is low, which has meaningful implications as well. To attempt to understand which workplace elements matter more for high performer turnover and which matter more for low performer turnover, we examine a variety of specific quit reasons in a single study. Our general approach to performance-specific quit reasons (as well as to the performance-specific external market outcomes that we address later) is outlined in Figure 1.

Reasons of Greater Importance to High Performers than to Others

We first examine quit reasons that, like pay contingency, should matter more when job performance is high. Our general argument is rooted in equity theory: employees with higher levels of performance inputs should, from a fairness perspective, expect to receive higher levels of appropriate employment outcomes (Adams, 1965). Disproportionately low levels of these outcomes will result in perceptions of inequity for high performers; inequity perceptions can then lead to dissatisfaction and turnover (Aquino, Griffeth, Allen & Hom, 1997). In organizations where reward distribution rules favor an equity norm (vs. equality or need; Deutsch, 1975), high performers will be the most deserving of, and expectant of, high levels of employment outcomes. Thus, they should also tend to be the most sensitive to (i.e., most influenced by) these outcomes when considering whether to stay or leave. Hence, employment outcomes commonly associated with performance inputs should be particularly relevant to the turnover decisions of high performers.

Figure 1

Job Performance Effects on Elements of Employment Transition



Note. This represents the main effects in the study; moderation of certain performance effects by tenure, job level, race, and gender is also examined.

Most obvious among these outcomes is pay. Indeed, such pay components as commissions (Harrison et al., 1996), bonuses (Salamin & Hom, 2005), and pay growth (Trevor et al., 1997) have been found to have the greatest effect on voluntary turnover when performance was high. Other aspects of pay also should be expected to be particularly important for high performers. These employees may believe that they deserve to fare better in terms of pay level. Their retention may also be especially sensitive to whether group-based pay adequately rewards their individual contributions (Gerhart & Rynes, 2003). Thus, we predict that pay issues in general should be more important reasons for leaving when performance is high.

In addition to pay, the opportunity for advancement is also an equitable outcome for high performers. Promotions are positively related to job performance (e.g., Salamin & Hom, 2005) and should thus be quite salient for high performers. Moreover, because promotions tend to include pay increases that are greater than are available through standard merit processes (Milkovich & Newman, 2002), high performers have an incentive-based, as well as an equity-based, stake in caring substantially about advancement opportunity. As a result, we would expect that high performing leavers are more likely than low performing leavers to cite the opportunity to advance as important to their quitting behavior.

> *Hypothesis 1*: Job performance will be positively related to the importance of pay and advancement opportunity as leavers' quit reasons.

Reasons of Less Importance to High Performers than to Others

While one goal of this study is to identify quit reasons that matter more to high than to low performers, what we find to be relatively *unimportant* for high performer turnover may be equally meaningful. For example, when deciding how to allocate limited resources, investment in retention-oriented policies that primarily help secure only the least valuable employees may be unwise. Alternatively, if there are reasonable employment practices that tend to be unpopular with employees (e.g., disciplinary policies), and this discontent is generally confined

to low performers, these practices may be well worth keeping. Because this perspective has not yet been studied, we examine several different conditions that may be quite influential in turnover decisions of lower performers, but that may largely lose their relevance as job performance increases.

We focus on four conditions that appear to be rooted in negative reactions that are more likely to emerge for low performers. First, lack of a clear understanding about what is expected of the employee is a key dimension of role ambiguity, which leads to job dissatisfaction and intent to leave (Ngo, Foley, & Hoi, 2005), as well as turnover (Fisher & Gitelson, 1983; Jackson & Schuler, 1985). Because role ambiguity also is greater among poor performers (Fisher & Gitelson, 1983; Jackson & Schuler, 1985), the tendency for this failure to understand the job to lead to turnover may be greater when job performance is low. Similarly, role overload, as characterized by too many demands on the employee, leads to emotional exhaustion and intent to leave (Ngo et al., 2005). Given that role overload also is more prevalent among poor performers (Cooper, Dewe, & O'Driscoll, 2001), the likelihood that increased job demands are daunting enough to precipitate turnover may be greater when performance is low. A third potential source of negative attitudes and quitting that may be particularly meaningful to low performers is one's immediate supervisor. Because subordinate performance is one of the supervisor's primary concerns, low performance creates a salient opportunity for friction and discord that is largely absent for high performers. Thus, low performance is likely to be associated with a poor relationship, and thus dissatisfaction, with one's supervisor (Gerstner & Day, 1997). In contrast, high performance should insulate the employee from the primary potential point of contention with the supervisor. Overall, we contend that, for low performers, failure to understand the job, increased job demands, and one's supervisor will contribute to psychological distress of some type, thereby emerging as relevant reasons for low performer turnover. These three reasons for leaving should diminish in relevance as performance increases.

Finally, a similar low performer emphasis applies to formal disciplinary policies, such as one designed to control employee absenteeism. An absenteeism policy provides a disincentive for missing work, as penalties are incurred as days missed increase. Consequently, because low performers tend to be absent more often (Stumpf & Dawley, 1981), they also are more likely to suffer from the policy's consequences; thus, they may tend to deem the policy to be problematic and to cite it as a reason for quitting. Such a policy, however, would likely be of limited relevance in the turnover behavior of high performing (and low absenteeism) employees.

> *Hypothesis 2*: Job performance will be negatively related to the importance of failure to understand the job, increased job demands, one's supervisor, and an absenteeism policy as leavers' quit reasons.

Reason Differences within Performance Levels

Hypotheses 1 and 2 address how quit reason importance may vary *across* performance levels. There are also grounds, however, for being interested in how these reasons' importance may vary *within* performance levels. A quit reason, for example, that was very, and equally, important to both high and low performers would have considerable implications for organizations, but would not emerge as meaningful in our across-performance assessments. In contrast, analysis of such a reason within the high performing subset would, at least partially, reveal its impact. Given the importance of retaining those who bring the most value to the organization, we focus on within-group differences among high performers in particular.

Our equity-based arguments that the importance-to-quitting of pay and opportunity for advancement should increase with performance imply that these reasons will be rather important to high performers in an absolute sense. High performance is generally deemed to warrant high levels of such rewards. Similarly, our arguments that the importance-to-quitting of failure to understand the job, increased job demands, one's supervisor, and an absenteeism policy should diminish with performance implies that these reasons will be low in importance for high performers. Hence, we expect that high performers will rate these latter four quit reasons

as less important than pay and advancement opportunity. Additionally, we expect pay and advancement opportunity to be more important to high performer quitting than are several other quit reasons that were measured here.

> *Hypothesis 3*: High performing leavers will rate pay and opportunity for advancement as more important to quitting than other reasons.

Performance Effects on What Leavers Find Elsewhere

In addition to our focus on leavers' performance-specific quit reasons, our second major emphasis in studying employment transitions involves examining how high and low performing leavers vary in terms of post-quit external market outcomes. Our hypotheses are grounded in March and Simon's (1958) theory of organizational equilibrium, and in particular, their notion of "ease of movement", which refers to the degree to which employees could transition from one organization to another without difficulty. Trevor (2001) labeled the individual attributes that enhance ease of movement as "movement capital." Job performance is one of these movement capital elements, as performance, even if relatively invisible outside of the organization, produces promotions, better reference letters, and a variety of success experiences, all of which are positive signals on the job market (Trevor et al., 1997). Accordingly, high performers should have the benefit of greater ease of movement in the external market.

To test the implications of these notions, we first address whether high performers are more likely than low performers to be employed shortly after quitting. If high performers possess greater ease of movement in the job market, it seems reasonable that they should, all else equal, more easily acquire a new job before, or just after, leaving the old one. On the other hand, this mobility advantage may lead high performers to feel more efficacious in their ability to find suitable employment (Wanberg, Kanfer, & Rotundo, 1999), which could result in being more likely to quit without having another job lined up. Similarly, such confidence could lead them to be more hesitant to accept the first viable employment offer, under the belief that they may acquire others that are more lucrative. On balance, however, we believe these tendencies

would be more than offset by the distinct monetary disincentive associated with being unemployed for even a short period, by high performers' advantage in generating new offers while still working, and by the active recruitment from external employers that is part of that advantage.

> *Hypothesis 4*: Pre-quit job performance will be positively related to post-quit employment.

Characteristics of performance-specific leavers' subsequent employment are also of interest. That is, a more comprehensive understanding of performance-specific turnover emerges from knowing not only what may have driven leavers out, but also what may have enticed them to leave. To address this, we examine performance-specific impressions of: (1) whether the primary impetus behind quitting was the prior organization's shortcoming or the new job's appeal; and (2) how pay and advancement opportunity in the new job compared to these two factors in the prior organization.

Turnover models often emphasize how the quit decision depends on the comparison between current employer utility and future employer utility (e.g., March & Simon, 1958; Mobley, Griffeth, Hand, & Meglino, 1979). To date, however, nothing is known regarding performance effects on such a comparison. One implication of the assumption that high performers enjoy an ease-of-movement advantage is that they will tend to be offered more attractive employment alternatives than are available to their lower performing colleagues. Those better alternatives could result from the market's recognition of their greater marginal products or via the leverage afforded them by multiple offers that may result from ease of movement. Moreover, given that job satisfaction and job performance are positively related in many contexts (Judge, Thoreson, Bono, & Patton, 2001), we expect that high performers tend, on average, to view their current situation more positively (or less negatively) than do low performers. Hence, relative to low performers, high performers should not only tend to acquire more

promising alternatives, but also should tend to see their current situation as more satisfying. Together, this suggests that higher performing leavers would be more likely than low performing leavers to see themselves as having been pulled into a better job, rather than pushed from a negative situation.

> *Hypothesis 5*: Pre-quit job performance will be positively related to attributing quitting to the appeal of a better job elsewhere (as opposed to something negative about the old job).

We next investigate what leavers of different performance levels actually find in their new jobs. Specifically, we wish to explore whether pay and advancement opportunity improve more for high performers than for low performers. It is reasonable to assume that employees evaluate future employer utility in a manner consistent with how they evaluate current employer utility. Thus, if, as predicted in Hypothesis 1, pay and advancement opportunity are more important quit reasons for high performers than for low performers, it then seems probable that these high performing leavers also would be more motivated to enhance their standing with regard to these two factors. Additionally, given their ease-of-movement advantage, high performers should have greater ability to secure the new job that best exemplifies what they want from the job market.

> *Hypothesis 6*: Pre-quit job performance will be positively related to new-job pay and new-job advancement opportunity.

Moderators of Performance Links with New-Job Outcomes

The previous hypothesis is potentially conditional upon the manner in which the external market reacts to additional leaver characteristics. Specifically, we believe that a leaver's race, gender, and tenure in the pre-quit organization may affect the extent to which pre-quit performance predicts new-job pay and advancement opportunity.

Tenure. Two perspectives suggest that the leveraging of pre-quit performance to get what is wanted from the external market (i.e., better pay and advancement potential,

presumably) will be greater when pre-quit tenure is low. First, pre-quit high performance may serve as a clearer signal of employee ability for employees with low, rather than high, tenure. That is, whereas high performance at low tenure is particularly dependent on raw ability (e.g., Murphy, 1989), and should yield inferences accordingly, high performance at high tenure may instead at least partially be seen as a function of that tenure (indeed, conceptual models of job performance often include tenure; Sturman, 2003). Second, the implications of situation similarity suggest that those making hiring decisions may be most optimistic about near-term performance when high performing leavers are of low pre-quit tenure. Past performance is generally considered to be the best predictor of future performance, but the prediction is stronger when contexts under which past and future performance are measured are similar (Pulakos & Schmitt, 1995). Thus, hiring the low tenure, high performing leaver will yield the greatest expectations of high performance in the very near future, as the employee has already demonstrated the ability to perform well in a new-job situation. In contrast, the expectations for what the high performing leavers that are of high tenure will do in a low tenure scenario are less clear.

In sum, we contend that the clearer ability signal and higher expectations for near-term high performance combine to make high performers particularly attractive job candidates when their pre-quit tenure is low. Consequently, these low tenure leavers could better exploit the ease of movement that job performance brings and more effectively land, or negotiate, more lucrative offers. Less desirable signaling and less optimistic early performance expectations, however, may somewhat limit the ability to leverage pre-quit performance for high tenure leavers.

> *Hypothesis 7*: The positive relationships between pre-quit job performance and the new-job's pay and advancement opportunity will be more evident when tenure is low.

Gender and race. Among the few studies to track leavers to compare aspects of old jobs with aspects of new jobs are a set of three that examined gender and race effects on pay attained via movement in the external job market. This research reports that men fare better

than women in terms of gains in pay acquired by such movement (e.g., Brett & Stroh, 1997; Lam & Dreher, 2004), and that White male movers receive an external market pay premium relative to all other race/sex groupings (Dreher & Cox, 2000). The authors' explanations are grounded in job market discrimination, as these results are deemed inconsistent with traditional labor-economic perspectives in which it is in the firm's best interest to allocate pay according to productivity alone. Specifically, Brett and Stroh (1997), Dreher and Cox (2000), and Lam and Dreher (2004) cite the following as likely discrimination-related explanations for gender and race differences in external market outcomes: (1) ties to important informal social networks affect finding jobs (Burt, 1992; Granovetter, 1995) and success in negotiations (Brodt, 1994), but such ties are weaker for non-Whites and women (Brass, 1985; Ibarra, 1995); (2) the stereotyping of women and minorities in the salary negotiation process leads to lower offers and less flexible bargaining (Ayres, 1995); and (3) search firms tend to disproportionately market males (Judge, Cable, Boudreau, & Bretz, 1995) and are primarily run by men.

Currently, we know nothing about whether job performance, likely the most important employee characteristic from the perspective of both the former and the hiring organizations, matters in this calculus[1]. Once again, the ease-of-movement advantage is integral to our prediction. Because discrimination and related factors work against women and minorities in the marketplace, the ability of women and non-Whites to leverage their performance into new-job pay may also be constrained. That is, whereas men and Whites should be able to parlay their high performance into more lucrative offers, the subtle market discrimination that manifests in decision-maker stereotyping and more limited social networks should diminish the potency of performance effects for women and non-Whites.

> *Hypothesis 8*: The positive relationship between pre-quit job performance and new-job pay will be less evident for women and non-Whites.

[1] We note that Lam and Dreher (2004) included job performance as a control variable. Although performance was positively related to pay, the analysis included both movers and stayers, making it unclear whether this effect revealed internal or external returns to performance.

Job level. Finally, although all workers are generally interested in securing more pay, advancement potential may be particularly important to those who are changing jobs as part of a career decision. Relative to hourly employees, management and salaried employees should be more likely to emphasize the long-term career implications associated with their moves. Hence, these exempt employees should be more likely than hourly workers to rely upon their performance-driven ease-of-movement advantages to secure jobs with better advancement potential.

> *Hypothesis 9*: The positive relationship between pre-quit job performance and new-job advancement opportunity will be more evident for management and salaried employees.

Method

Sample and Setting

We were allowed access to organizational records and post-exit survey data for a sample of leavers from a large organization in the leisure and hospitality industry. The sample consists of 2,510 former employees who voluntarily left their jobs between 2003 and 2005 and agreed to respond to questions about why they did so. The average age of participants was 38 years, and 52% of the sample was female. The participants were approximately 67% White, 15% African American, 10% Hispanic, 5% Asian, and 2% American Indian. Management employees constituted 6% of the sample, 16% were (non-management) salaried employees, and the remaining 78% were hourly. Respondents from 29 different locations across the United States were included in the study. The organization's pay system and succession model were consistent across locations. A merit pay plan was in place for all employees, with the percentage pay increase determined by performance rating. Promotions were performance-based and were generally more common for salaried and, in particular, management employees.

Procedure

Participants provided information about their reasons for leaving and their new-job characteristics in questionnaires administered in person (14%), via telephone (66%), or via a written instrument (20%). Questions were identical across these three types of administration. Completing the questionnaire took approximately 10 to 15 minutes. We linked the questionnaire data to organizational records, which we used for all other measures.

To obtain the questionnaire data, members of the human resources department attempted to contact 6,800 former employees whom the organization had coded as having left voluntarily. Contact attempts were made, on average, approximately three weeks after the employee left the organization. Of the 6,800 originally sought, 4,136 completed the questionnaire, yielding an initial response rate of 60.8%. Of the 2,664 non-respondents, 416 had declined to participate when invited and 2,248 were deemed to be unreachable. The unreachable designation came only after four separate unsuccessful attempts to contact the former employee by telephone, followed by non-response to a subsequent mailing of the questionnaire to the leaver's last known address. T-tests revealed no significant difference in performance level, our key predictor variable, between respondents (3.10) and non-respondents (3.08), despite our considerable statistical power to find any differences. The two groups also did not differ on gender composition, although respondents and non-respondents did statistically differ in terms of age (38.8 versus 36.2), tenure (4.1 versus 3.8), being non-White (36% versus 53%), and exempt status (20% versus 13%). Missing data on either the questionnaire or on company records reduced the observations available for analysis to 2,510.

Data Acquisition

Our questionnaire approach deviates from what has been traditionally described as the "exit interview" methodology. Strictly speaking, exit interviews are defined as "a discussion between a representative of an organization and a person whose employment with that organization has been ended, conducted during one of the employee's last working days" (Giacolone & Duhon, 1991, p.83). In the limited empirical research on exit interviews of this type, researchers have shown that responses obtained were only weakly related to responses gathered by follow-up questionnaires or third-party interviews (Campion, 1991; Hinrichs, 1975; Lefkowitz & Katz, 1969), primarily because exit interviews were conducted by untrained managers who were also the departing employees' former bosses. Perhaps not surprisingly, then, when exit interview data were compared to questionnaire responses obtained after the employees quit, respondents in the exit interviews were less likely to mention their supervisor (Campion, 1991; Hinrichs, 1975) and were more likely to provide vague responses about why they left (e.g., "needed at home"; Lefkowitz & Kahn, 1969).

The general consensus from these studies is that the former bosses of departing employees, especially those who are untrained in conducting exit interviews, are inappropriate candidates for collecting data on why employees leave. Employees may be reluctant to discuss poor supervision as one of the primary reasons, and their bosses may selectively interpret their responses, or use the exit interview as a chance to "re-recruit" the candidate, rather than to elicit honest information about reasons for leaving. Thus, researchers have concluded that the validity of exit data can be enhanced by following a number of recommendations: (a) have representatives from a neutral department such as human resources collect the information; (b) ensure that these individuals receive proper training; (c) use a methodology that permits systematic comparisons across respondents; (d) consider supplementing (or even replacing) the traditional exit interview as defined above with a post-exit questionnaire (Giacalone & Duhon, 1991; Griffeth & Hom, 2001; Hinrichs, 1975; Lefkowitz & Kahn, 1969).

The organization's approach is consistent with these recommendations. In particular, the human resources (HR) department was solely responsible for collecting and managing the information obtained from all exit questionnaires. HR personnel were ideally suited for this project because they generally had no prior contact with the former employees, which should promote candid responses about factors that may reflect problems with the supervisor or other members of the person's former work group. HR representatives were trained to adhere to the interview script, ask questions exactly as stated, and avoid asking follow-up questions. The post-exit questionnaire was structured to ensure that all participants were given the same instructions, were asked the same set of questions, and were using the same response scales. In order to alleviate fears of retribution or negative employment references, participants were promised that responses were business confidential (i.e., within the constraints of the law), and were told that their responses would be used only to better understand how to improve the work environment.

In addition to these design elements that address the quality of the data, we also included measures to control for confounds that potentially remained. Specifically, we coded each observation for how the questionnaire was administered (i.e., by telephone, in written form, or in person) and the number of days between the leaver's termination date and the questionnaire administration. These variables were then included as controls in our models.

Measures

Dependent variables. The organization's post-exit survey included twelve items on reasons for voluntarily leaving. All items were phrased as "What impact did _____ have on you leaving?" The three possible responses to each item were "little to no impact" (coded as "1"), "some impact" (coded as "2"), and "strong impact" (coded as "3"). Based on our hypotheses, we used the six items that addressed the following potential quit reasons: *pay*, opportunity for *advancement*, lack of a clear *understanding* of the job, the job being too

physically demanding or increased *job demands*, your *supervisor*, and the *absenteeism* policy.[2] Although the organization's post-exit survey did not include multi-item measures, or more finely grained single-item measures, there are indirect indications of quit reason validity. First, face validity appears to be present, as the quit reason items are simple and straightforward. Second, the pattern of correlations is consistent with the disparate nature of the quit reasons, as all but one of the correlations among the reasons is below .14; moreover, the .32 correlation between pay and advancement opportunity as quit reasons is reasonable given that these two elements are intertwined in the workplace and that our predictions for their importance are grounded in near identical rationale.

In addition to quit reasons, the questionnaire tapped into the four dependent variables associated with the external market. First, individuals were asked whether they were currently *employed* at a new job (coded as "1" for yes). Leavers were also asked if they left "due to a *better job"* elsewhere, which we coded as "1", or due to "something negative about working at [the organization]", which we coded as "0". The final two dependent variables are *new-job pay* and *new-job advancement*, which are measures of whether the new job's pay and advancement opportunity, respectively, are worse than ("1"), about the same as ("2"), or "better than ("3") the old job. Once again, although the organization did not use multi-item measures, the simplicity of the four items appears to provide evidence of face validity. Also, the pattern of correlations supports the construct validity of the measures. For example, new-job pay is significantly more highly correlated with the importance-to-quitting of pay (.34) than it is to any other quit reason; similarly, new-job advancement opportunity is significantly more highly correlated with the importance-to-quitting of advancement opportunity (.34) than it is to any other quit reason.

Job performance. All employees were given a performance score by their supervisors as part of their annual performance review. Ratings were made on a 5-point scale ("1" = Needs

[2] The exit interview's other six potential quit reasons addressed the opportunity to use your skills, your work hours or schedule, your co-workers, the work environment, benefits, and the job's distance from home. We did not specifically hypothesize about these six potential reasons because we saw little a priori foundation for expecting them to vary in importance according to performance level. To provide context for the importance of the quit reasons that we do

Improvement, “2” = Marginal, “3” = Successful, “4” = Highly Successful, “5” = Outstanding Results). The most recent overall performance rating received (prior to departure) was obtained from company records. Raters were trained in the performance assessment system and encouraged to follow a guided distribution close to the following: 5-10% either “Needs Improvement” or “Marginal”, 65-70% “Successful”, 15% “Highly Successful”, and 10% “Outstanding”. As comparison, our sample of leavers was rated as follows: 5% either “Needs Improvement” or “Marginal”, 80% “Successful”, 12% “Highly Successful”, and 3% “Outstanding”. Apparently, either supervisors provided fewer outstanding ratings than encouraged or outstanding performers left at a disproportionately low rate (because we were only given access to leaver performance ratings, we cannot say which).

Moderators. Several of our hypotheses predict performance effects that are moderated by employee characteristics. These include *tenure*, which is the number of years employed with the organization at the time of departure, and dummy variables for *non-White* (i.e., a race indicator with Whites as the omitted category) and *female*. In order to assess job level, dummy variables were created for *salaried* and *management*, with hourly as the omitted category. All of these moderating variables were obtained from company records.

Control variables. We also needed to account for location-specific explanations for quit reasons and post-quit outcomes. Thus, to control for such factors as local job market effects and property-specific climate, we included 28 dummy variables to represent the 29 distinct *properties* at which employees worked. We also control for *age*, so as to better isolate tenure effects. Finally, we included variables to control for post-exit questionnaire logistics: *telephone* and *written* surveys are dummy variables indicating how the questionnaire was administered, with face-to-face as the omitted category; *lagtime* is the number of days between the termination date and the questionnaire administration (this is coded as “0” for the 9% of the sample interviewed on or before the termination date).

focus on, however, we do present limited data on these additional six reasons.

Analysis Strategy

The post-exit questionnaire contained three-point scales for quit reason importance (i.e., little to no impact, some impact, strong impact) and for new-job characteristics (i.e., worse, about the same, better). These dependent variables represent ordinal rather than interval level data, thus making the use of ordinary least squares regression problematic. Consequently, we conducted ordered logit regression analyses, which are specifically designed for examining independent variable effects on ordinal outcomes. We also conducted logistic regression analyses when predicting whether leavers were employed after quitting and whether they quit because of a better job elsewhere, both of which are dichotomous. For both types of analyses, we used robust standard errors that account for the potential dependence of employee observations that are clustered within properties. These standard error estimates require only that observations are independent across, but not necessarily within, the source of the dependence (Rogers, 1993).

Results

Means, standard deviations, and correlations are presented in Table 1. Of the quit reasons, pay and advancement are the most interrelated, which is consistent with our similar rationale for their effects. We next interpret tests of our nine hypotheses; given the number of hypotheses and associated inferences, we provide a summary of these results in Table 2.

Table 1
Means, Standard Deviations, and Correlations

Variable	Mean	SD	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
1. Pay	1.68	.87																			
2. Advance	1.65	.86	.32																		
3. Understand	1.08	.35	.03	.09																	
4. Demands	1.23	.58	.04	.03	.12																
5. Supervisor	1.75	.91	-.11	.04	.09	.07															
6. Absenteeism	1.14	.47	.03	.02	.08	.11	.05														
7. Employed	.67	.47	-.03	.23	.00	-.05	-.12	-.02													
8. Better job	.44	.50	.27	.10	-.07	-.16	-.45	-.07	.48												
9. New-job pay	2.66	.65	.34	.08	.03	-.02	-.13	-.01	-.02	.23											
10. New-job adv.	2.67	.57	.15	.34	.01	.03	.04	.00	-.02	.01	.27										
11. Performance	3.10	.60	.03	.05	-.03	-.01	-.07	-.09	.06	.07	.03	.04									
12. Female	.52	.50	-.13	-.08	.05	.08	.07	.06	-.13	-.16	-.13	-.04	.00								
13. Non-White	.33	.47	.01	-.03	-.01	.01	-.03	.02	-.01	.06	.04	-.01	-.04	.01							
14. Salaried	.16	.37	.01	.10	.04	.02	.06	-.09	.02	.04	.00	.04	.06	-.01	-.07						
15. Management	.05	.23	-.04	.03	.03	.02	.01	-.07	.03	.02	.01	.00	.11	-.08	-.11	-.11					
16. Tenure	3.92	4.36	-.09	-.02	-.01	.09	.01	-.06	.00	.00	-.11	.06	.14	-.02	-.08	.15	.13				
17. Age	38.17	12.23	-.07	-.08	.02	.11	.02	-.02	-.10	-.10	-.01	-.01	.05	-.02	-.17	.06	.05	.28			
18. Lagtime	21.21	30.26	.01	.05	.05	.07	.09	.05	.05	-.10	-.08	-.04	.02	.03	.00	.04	.01	.03	.05		
19. Telephone	.66	.47	-.05	-.06	-.04	-.04	-.03	-.05	-.17	-.14	.07	.11	-.01	-.02	.00	-.03	.02	-.01	-.02	-.30	
20. Written	.20	.40	.06	.07	.06	.08	.09	.07	.06	-.07	-.08	-.08	.04	.05	.00	.05	.00	.03	.05	.61	-.69

Note. N = 1,148-2,510; correlations with absolute values above .05 are significant at $p < .05$.

Table 2
Summary of Hypotheses and Empirical Support

Hypothesis	Predicted Direction/ Coefficient Sign	Support
Hypothesis 1: Performance increases will be associated with increases in the importance-to-quitting of pay and advancement opportunity	+	yes
Hypothesis 2: Performance increases will be associated with decreases in the importance-to-quitting of failure to understand the job, inability to meet job demands, one's supervisor, and an absenteeism policy	-	yes
Hypothesis 3: For best performers, the most important quit reasons will be pay and advancement opportunity	N/A	partial (supervisor and opportunity to use skills were as important as pay)
Hypothesis 4: Pre-quit job performance will be positively related to new-job employment	+	yes
Hypothesis 5: Pre-quit job performance will be positively related to reporting being pulled to a better job rather than pushed away from something negative	+	yes
Hypothesis 6: Pre-quit job performance will be positively related to new-job pay and new-job advancement	+	no
Hypothesis 7: Hypothesis 6 relationships will be stronger when tenure is low	-	yes
Hypothesis 8: Hypothesis 6 new-job pay relationship will be weaker for women and non-Whites	-	yes (race); no (gender)
Hypothesis 9: Hypothesis 6 new-job advancement relationship will be stronger for management and salaried	+	yes

Performance-Specific Quit Reasons (Hypotheses 1-3)

We first predicted that job performance would be positively related to the importance of pay and advancement opportunity in quitting. The significant positive performance coefficients in the first two models in Table 3 support Hypothesis 1. Interpretation of the effects for ordered logit models parallels logistic regression interpretation: the raw coefficient, which represents the change in the log-odds of an outcome predicted by a one unit change in the independent variable, is made more interpretable by exponentiating, subtracting one, and multiplying by 100. Hence, the .17 and .18 coefficients in the first and second models indicate that a one unit increase in performance increases the odds of a higher rating of the importance-to-quitting of pay and advancement opportunity by 19% (i.e., $[e^{.17} - 1] \times 100 = 19\%$) and 20%, respectively.

Hypothesis 2 predicted that job performance would be negatively related to the importance of failure to understand the job, increased job demands, one's supervisor, and an absenteeism policy as quit reasons. The final four models in Table 3 indicate strong support for Hypothesis 2, as low performing leavers, compared to high performing leavers, rated these reasons as substantially more important to turnover. For example, a one unit increase in performance increases the odds of a lower importance-to-quitting rating of an absenteeism policy and of not clearly understanding the job by 27% and 36%, respectively.

In addition to such tests across performance levels, we also investigated differences in quit reasons *within* the high performer group. Hypothesis 3 predicted that high performing leavers would report pay and opportunity for advancement as more important than other quit reasons. We test this in Table 4, where we present, for high performing leavers (i.e., those rated as "5"), mean levels of quit reason importance. As comparison, we also list the means for average (rated as "3") and low performers (rated as "1"). T-tests reveal that high performing leavers rated advancement opportunity as significantly more important to quitting than all other (non-pay) reasons; these high performers also rated pay as significantly more important to quitting than all other (non-advancement) reasons except supervisor and opportunity to use skills. Thus, Hypothesis 3 was largely, though not completely, supported.

Given that we had found that supervisory importance diminished as performance increased (see Table 3), the importance of the supervisor was unexpectedly strong for high performers. Additionally, the supervisor was the highest rated quit reason for average and low performers (see the Discussion for more on the supervisor issue). A final point of interest in Table 4 is the enduring importance of pay and advancement opportunity; while they clearly matter more to turnover for high performers (as we tested in Table 3), they also retain meaningful impact at average and low performance levels, as described in the Table 4 note.

Table 3
Ordered Logit Regressions of Quit Reason Importance on Employee Job Performance

	Dependent Variable					
Predictors	**Pay**	**Advance**	**Understand**	**Demands**	**Supervisor**	**Absenteeism**
Property dummies	yes	yes	yes	yes	yes	yes
Lagtime	-.30	.15	.47	.25	.37*	.24
	(.18)	(.20)	(.32)	(.19)	(.17)	(.27)
Telephone	.00	-.41*	-.60	-.38	.05	-.49
	(.18)	(.20)	(.34)	(.25)	(.18)	(.36)
Written	.51*	-.10	-.05	.20	.17	.16
	(.22)	(.25)	(.35)	(.26)	(.20)	(.37)
Female	-.54***	-.29**	.61**	.46***	.27***	.35**
	(.06)	(.06)	(.21)	(.09)	(.08)	(.13)
Non-White	-.11	-.19*	-.05	.15	-.07	.01
	(.07)	(.09)	(.22)	(.16)	(.09)	(.12)
Age	-.02**	-.02***	.01	.02***	.00	.00
	(.00)	(.00)	(.01)	(.00)	(.00)	(.01)
Tenure	-.04***	-.01	-.04	.03*	.00	-.03
	(.01)	(.02)	(.03)	(.02)	(.01)	(.02)
Salaried	.07	.47***	.56**	-.02	.28***	-1.04***
	(.16)	(.12)	(.21)	(.15)	(.08)	(.30)
Management	-.25	.17	.92*	.17	.29	-33.68***
	(.20)	(.23)	(.46)	(.33)	(.16)	(.29)
Performance	.17*	.18*	-.44***	-.18*	-.26***	-.32***
	(.08)	(.09)	(.12)	(.10)	(.05)	(.13)
Model log-likelihood	-2256***	-2269***	-565***	-1245***	-2295***	-873***
N	2464	2478	2462	2475	2491	2467

Note. Standard errors in parentheses; raw coefficients are reported for all models. The lagtime coefficient and standard error were multiplied by 100 to allow interpretation.
* p < .05; ** p < .01; *** p < .001

Table 4
Mean Values of Quit Reason Importance
for Highest, Average, and Lowest Performers

Reason	Quit Reason Importance Means		
	Lowest Performers	Average Performers	Highest Performers
Pay	1.51	1.70	1.79
Advance opportunity	1.56	1.65	1.86
Opportunities to use skills	1.32	1.46	1.64[b]
Failure to understand job	1.19	1.08	1.07[ab]
Inability to meet job demands	1.24	1.23	1.20[ab]
Supervisor	1.96	1.76	1.60[b]
Absenteeism policy	1.33	1.15	1.00 [ab]
Co-workers	1.17	1.20	1.11 [ab]
Benefits	1.16	1.25	1.27 [ab]
Work hours	1.68	1.58	1.23 [ab]
Environment	1.15	1.24	1.26 [ab]
Distance	1.19	1.21	1.28 [ab]

Note. The superscripts indicate that, for the highest performers, the quit reason's importance is statistically smaller than the importance of pay ("a") and advancement opportunity ("b"). Because Hypothesis 3 involves within-performance differences only for high performers, t-tests are presented only within the highest performers' column. We note, however, that, for average performers, supervisor importance is statistically greater than all other reasons' importance; for lowest performers, the supervisor mattered more than all reasons except work hours. Also, the importance levels of pay and advancement opportunity are statistically greater than the importance of 18 of 20 possibilities for average performers, and 14 of 20 possibilities for lowest performers.

Performance-Specific New-Job Outcomes (Hypotheses 4-9)

Results from our focus on the external market aspect of performance-specific employment transitions are presented in Table 5. Hypotheses 4 and 5 involved predictions about pre-quit job performance relationships with new-job employment and the perception that quitting was due to being pulled to a better job. As is evident in Model 1, Hypothesis 4 was supported, as, controlling for time between quitting and the questionnaire administration, a one unit increase in pre-quit performance increases the odds of being employed at a new job at the time of the questionnaire by 23%. Hypothesis 5 also was supported, as Model 2 in Table 5 reveals that a one unit increase in pre-quit performance increases the odds of leavers reporting that they were pulled toward a better job (rather than pushed away by something negative) by 28%.

The final four hypotheses all address pre-quit job performance relationships with pay and advancement opportunity in the new job. Hypothesis 6 is the main effect prediction that leavers who were higher performers were more likely to find improved pay and advancement opportunity in their new job. Hypothesis 6 was not supported (see Models 3 and 5 in Table 5). Some interactions, however, did qualify this lack of support, as is indicated in Models 4 and 6. First, in support of Hypothesis 7 and our signaling and ease-of-movement rationale, we found that pre-quit performance's positive relationships with new-job pay and new-job advancement opportunity were more evident at lower tenure. Specifically, a one unit increase in pre-quit performance increases the odds of leavers reporting a higher rating on the new-job pay scale by 26% when tenure is low (the 25th percentile; 1.02 years), but only by 7% when tenure is high (the 75th percentile; 5.18 years).[3] Also, a one unit increase in pre-quit performance increases the odds of leavers reporting a higher rating on the new-job advancement scale by 38% when tenure is low, but increases the odds of reporting a *lower* rating by 4% at high tenure (see Figure 2, top).

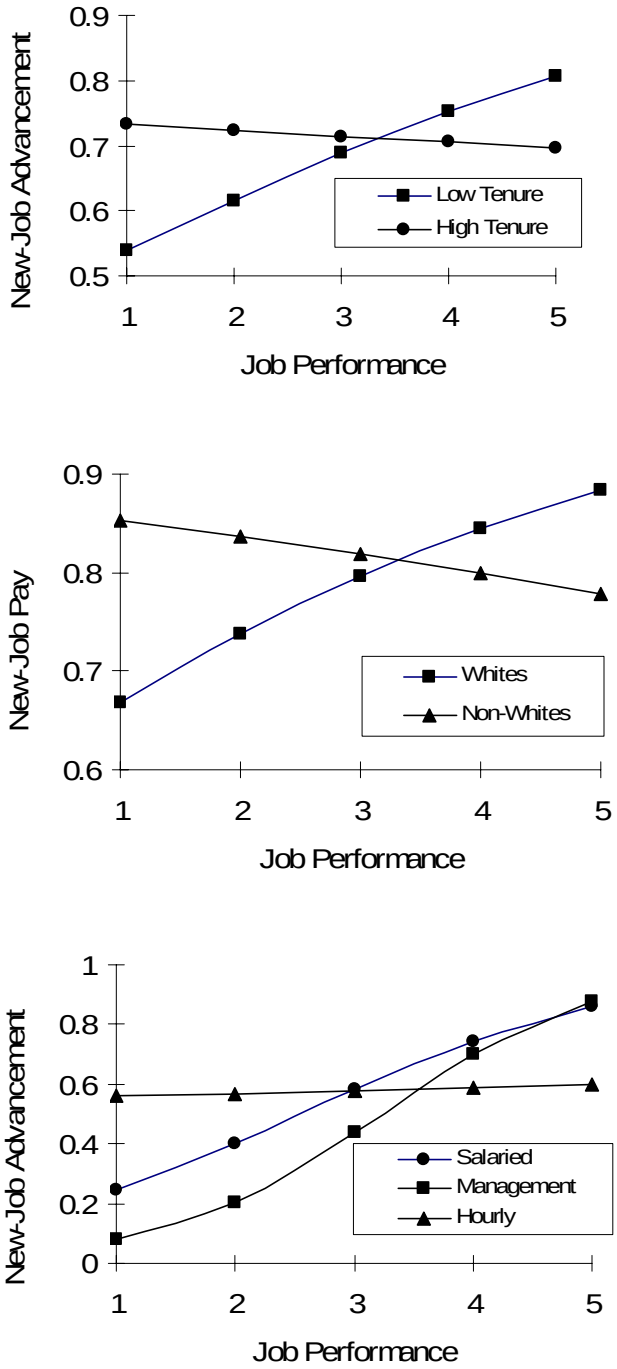
[3] We use percentiles here because positive skew in tenure's distribution makes using the moderator's mean plus and minus one standard deviation inappropriate (e.g., the mean minus one standard deviation yields "negative tenure"). To be consistent, we also set tenure at its median when evaluating the other interactions in the study.

Table 5
Ordered Logit and Logistic Regressions of External Market Elements on Pre-Quit Job Performance and its Moderators

			Dependent Variable			
			New-Job	New-job	New-job	New-job
Predictors	**Employed**	**Better job Advancement**	**Pay**	**Pay**	**Advancement**	
Property dummies	yes	yes	yes	yes	yes	yes
Lagtime	.59*	.60*	-.59*	-.62*	.10	.05
	(.24)	(.25)	(.25)	(.25)	(.26)	(.26)
Telephone	-.89***	-.22	.68	.71	-.06	-.11
	(.22)	(.24)	(.38)	(.38)	(.23)	(.24)
Written	-.58*	-1.70*	.51	.57	-.67**	-.67**
	(.26)	(.86)	(.35)	(.37)	(.23)	(.24)
Female	-.56***	-.65***	-.64***	-.67	-.22	-.22
	(.09)	(.12)	(.17)	(.71)	(.11)	(.12)
Non-white	-.20*	-.13	.10	1.51	-.06	-.09
	(.10)	(.07)	(.16)	(.89)	(.15)	(.15)
Age	-.02***	-.02**	.01	.00	.00	.00
	(.00)	(.01)	(.01)	(.01)	(.00)	(.01)
Tenure	.01	.00	-.09***	.04	.01	.29**
	(.02)	(.02)	(.02)	(.07)	(.02)	(.10)
Salaried	.10	.23*	.05	.03	.15	-2.06
	(.12)	(.12)	(.10)	(.11)	(.15)	(1.07)
Management	.26	.27	-.13	-.09	-.29	-.3.78***
	(.27)	(.20)	(.40)	(.39)	(.28)	(1.05)
Performance	.21**	.25*	.12	.41	.10	.24
	(.08)	(.11)	(.11)	(.28)	(.13)	(.16)
Performance-X-tenure				-.04*		-.09***
				(.02)		(.03)
Performance-X-female				.01		
				(.22)		
Performance-X-non-White				-.46*		
				(.27)		
Performance-X-salaried						.69**
						(.35)
Performance-X-management						1.07**
						(.30)
Model log-likelihood	-1331***	-1061***	-955***	-952***	-980***	-968***
N	2208	1723	1465	1465	1433	1433

Note. Standard errors in parentheses; raw coefficients are reported for all models. The lagtime coefficient and standard error were multiplied by 100 to allow interpretation.
* p < .05; ** p < .01; *** p < .001

Figure 2
Moderated Job Performance Effects on New-Job Pay and New-Job Advancement Opportunity



Note. To aid in interpretation, all y-axis units are in terms of probabilities.

Hypothesis 8 predicted that pre-quit performance effects on new-job pay would depend on gender and race. We found support only for the latter. Model 4 reveals that performance's positive effect on new-job pay emerged for Whites but not for non-Whites. A one unit increase in pre-quit performance increases the odds of leavers reporting a higher rating on the new-job pay scale by 39% for Whites, but increases the odds of reporting a *lower* rating by 12% for non-Whites (see Figure 2, middle). Finally, we found support for Hypothesis 9, in that pre-quit performance was more important to new-job advancement opportunity for management and salaried employees than for hourly employees. Specifically, Model 6 indicates that a one unit increase in pre-quit performance increases the odds of reporting a higher rating on the new-job advancement scale by 203% and 108% for management and salaried leavers, respectively, but increases the odds by only 4% for hourly leavers (see Figure 2, bottom).

Discussion

Our purpose here was to examine performance-specific employee transitions out of and into organizations. Our hypotheses addressing job performance relationships with specific quit reasons and with new-job outcomes were largely supported (see Table 2), although with some notable exceptions.

Performance-Specific Quit Reasons (Hypotheses 1-3)

There are a number of implications that arise from our findings that quit reason importance is often related to job performance level. First, the relationships themselves suggest the importance of a focused, targeted retention policy (Steel, Griffeth, & Hom, 2002), as the use of more general retention approaches without regard to performance-specific differences may lead to investments that facilitate low performer retention but have little effect on high performers. Other than contingent pay (e.g., Harrison et al., 1996; Salamin & Hom, 2005; Trevor et al., 1997), exactly what specific conditions organizations might manipulate to target performance-specific retention efforts has received little attention. Our work indicates that pay in general is a more important quit reason when performance is high. We were unable, however, to assess whether it was contingent pay specifically or a more holistic impression of

pay driving this relationship; thus, future research that teases apart the performance-specific importance-to-quitting of various aspects of the general pay construct would be very helpful. Advancement opportunity was also a particularly important quit reason for high performers. It is possible, then, that publicizing existing career ladders or restructuring so as to enhance advancement opportunity may help to retain top performers in spite of less than favorable pay conditions.

Quit reasons that are more compelling for low performers are also meaningful. An apparently poor fit between job requirements and employee knowledge, skills, and abilities (KSA's) seemed more likely to drive out low performers, as failure to understand the job and increased job demands were much more relevant to low performer quits. This finding highlights the importance of an effective staffing function, as hires with the appropriate KSA's would be both less likely to experience such lack of fit and more likely to perform well. It also indicates that complex and challenging jobs appear to pose greater threats to the retention of low performers, arguably adding to the endorsement of such types of job design. Importantly, however, we note that the absolute importance levels of failure to understand the job and high job demands for low performers are below those of pay and advancement opportunity (see Table 4). This suggests that, for these low performing employees, problems with the nature of the work itself are less likely to prompt quitting than are problems with pay and advancement opportunity, which matter most for the best employees but still matter substantially for all.

The absenteeism policy was also of greater importance-to-quitting for low performers than for high performers. This reflects an almost ideal result for the organization. The presence of such a disciplinary policy is designed to punish and thus constrain absenteeism, an expensive, unproductive behavior. While such a policy may not be well-liked, reactions to the policy only appear to manifest into turnover for low performers. Hence, the policy, while relatively inexpensive, appears to precipitate leaving for the least valuable employees, presumably reduces absenteeism, and produces no apparent fallout among the best performers.

Two unforeseen findings in the performance-specific data were particularly interesting. First, as is evident in Table 4, work hours were cited as low performers' second most important reason for quitting. The table also indicates that the reason appears to be less important for high performers. To test this with the appropriate control variables, we replicated the Table 3 ordered logit regression approach, but with work hours importance as the dependent variable. Consistent with the mean levels in Table 4, the regression indicated that job performance was negatively associated with work hours' importance-to-quitting ($p < .001$). In retrospect, this finding has intuitive appeal. At the hourly level, which comprises 78% of our sample, supervisors have an incentive to reward high performers with more favorable schedules, thereby saddling lower performers with less desirable schedules that may contribute to dissatisfaction. At the exempt level, additional hours for high performers may be a vehicle to either display or attain higher performance, and thus would not tend to be a major reason for quitting; exempt low performers, however, may be more likely to see more work hours as an uncompensated input and a source of frustration. Thus, at both exempt and hourly levels, it seems reasonable that work hours are a bigger factor in quitting when performance is low.

A second unexpected but noteworthy finding here involved the importance of one's supervisor. Performance increases were associated with less importance of the supervisor as a quit reason, as predicted in our Hypothesis 2 rationale that high performance would insulate employees from perhaps the primary source of friction in the supervisor-subordinate relationship (i.e., performance problems). The supervisor, however, was still the fourth most important factor in high performer turnover (see Table 4). This surprising finding underscores the criticality of training, development, and hiring practices that will improve the supervisor-employee relationship, given that it is important to quitting across the performance continuum. The fact that high performance did not appear to insulate high performers from contention with the supervisor to the extent that we had envisioned suggests potentially important contextual factors. For example, future research might explore factors that constrain the "insulation effect" and keep supervisor importance-to-quitting high for top performers; candidates for this

moderation might include supervisor ability, supervisor personality, and the demographics of the supervisor-employee dyad.

Performance-Specific New-Job Outcomes (Hypotheses 4-9)

Because no research to date has chronicled the job performance effects on new-job outcomes, the second focus in our study of performance-specific employee transitions was what high and low performers find after leaving. The external market outcomes were largely consistent with our emphasis on ease-of-movement advantages that accrue to high performers. We first found that high performers were more likely to be employed at the time of the exit questionnaire and to see themselves as pulled into a better situation. Given their ease-of-movement advantage, high performers presumably were more able to acquire superior offers, and to do so more quickly.

Somewhat in contrast to this result and interpretation, we did not find support for our prediction that high performers would be more successful in leveraging their ease-of-movement advantages so as to garner better pay and advancement opportunity in the new job. Two explanations seem particularly plausible. First, our dependent variables were somewhat coarse and may not have been sensitive enough to allow us to pick up the effect. Second, it may be that people only tend to leave for or accept new jobs with better pay and advancement opportunity, somewhat regardless of prior performance and ease of movement. That is, it may be that pay and advancement are so critical to most people's new-job decisions that, regardless of performance level, they are reluctant to leave the old job or accept an offer for a new one without the assurance, or at least the belief, that such an improvement is likely. The range restriction on the new-job pay and new-job advancement opportunity measures is consistent with both explanations, as 77% and 72% of leavers reported improvement in new-job pay and new-job advancement opportunity, respectively.

This lack of support for Hypothesis 6, however, was qualified by the interactions involving leaver tenure, race, and job type. The tenure moderation indicated that, when pre-quit tenure was relatively low, high pre-quit performers did in fact fare better than their low

performing comparisons in new-job pay and advancement. This reinforces the ease-of-movement and signaling perspectives, as high performance appears to have signaled ability and or near-future performance more strongly when tenure was low than when it was high.

Whereas the tenure moderation argument is grounded in signaling, the race moderation explanation involves job market discrimination. We found that, for White leavers only, high pre-quit performers did in fact fare better than their low performing comparisons in new-job pay and new-job advancement opportunity. Because minority groups do suffer from disadvantages in such factors as social networks, negotiations, and stereotyping that are likely to play a role in external market outcomes (Dreher & Cox, 2000), it also seems likely that these factors my have made it more difficult for non-Whites to leverage their performance in the external market. Research with data to directly test this race-based explanation of the degradation of ease-of-movement advantages would be of considerable interest.

Our failure to find a gender by performance interaction was surprising. Given that men fare better than women in terms of gains in pay acquired by external market movement (e.g., Brett & Stroh, 1997; Lam & Dreher, 2004), we expected that, as in the race case, performance signals might be marginalized for women. One interpretation that fits our data is that the discriminatory forces at work are strong enough in the non-White case to discount high performance, but are not strong enough in the female case.

Acquiring Leaver Data

The exit interview was originally conceived as an informal opportunity for supervisors to gather from leavers, just prior to actual departure, the primary reasons for quitting. It appears that practitioner usage of the exit interview remains high (88% of companies surveyed; cited in Steel et al., 2002), yet given the dearth of published research on the exit interview methodology relative to its widespread organizational usage, there is a pressing need to evaluate the quality of these programs. The limited empirical data that is available on the exit interview (as compared to the selection interview, for example) suggests that departing employees will be reluctant to describe specific reasons for leaving when former supervisors conduct the

interview, especially when the primary drivers of quitting are supervisor-related. Nevertheless, it seems premature to discount the value of exit interview programs as a potentially useful approach to understanding why people leave. Careful design of post-exit questionnaires can enhance the quality of the data obtained (e.g., by using structured interviews, promising confidentiality, training interviewers, and avoiding the use of former managers as interviewers), as was done here. An additional design consideration relates to the appropriate use of control variables to account for extraneous influences on the relationships observed. In this study, we controlled for the time lag between the date of employee termination and the questionnaire administration, as well as the data collection method, as both were related to our dependent variables at times.

Given that we believe that many of the reported problems with exit questionnaires can be prevented, or at least substantially reduced, it is important to consider the tradeoffs associated with design choice. Clearly, a predictive study of voluntary turnover has certain advantages. Ideally, we wish to be able to predict voluntary turnover, so as to eventually take steps to control it. Predictive designs enhance causality inferences that are integral to prediction and control. On the other hand, there are advantages to the exit, and particularly the post-exit, timing of data acquisition. In most predictive studies of turnover, where antecedents are measured and are then related to turnover at some future date, it is possible that important reasons for leaving will be missed because attitudes and other perceptions can change over the course of the study window (Steel, 2002). In contrast, collecting exit data shortly after those who quit left provides researchers with a method of assessing attitude-behavior (and event-behavior) linkages that is less dependent on the timing and sequencing of data collection.

Additionally, asking former employees about exactly why they left at times enables more comprehensive inquiry into the relevant context than predictive studies can provide. An example of the effectiveness of this approach can be seen in the recent development of the unfolding model of turnover, an influential framework that emphasizes multiple turnover pathways and shocks (i.e., jarring events) that can prompt turnover. In a series of studies of the unfolding

model (e.g., Lee, Mitchell, Holtom, McDaniel, & Hill, 1999; Lee et al., 1996), the authors relied on interviewing and surveying leavers to gain the data necessary to isolate the different paths to (and reasons for) quitting. It is likely that only through accessing leaver retrospection could such data have been obtained. The principle is similar here: acquiring detailed retrospective data from performance-specific leavers is the best first step to teasing apart the many potential explanations for why they left, thereby providing a conceptual and practical roadmap for future work. Finally, an additional benefit is that, should the exit data collection take place a reasonable amount of time after the final work day, as in the present study, it can also be used to inquire about the new job. This tracking of people across organizations provides a means for addressing rich questions, such as the performance-specific new-job issues investigated here.

Limitations

The dependent variable measures used here may not have been sensitive enough to share as much variation with predictors as would measures with multiple items and finer response scales. The organization's retrospective approach, however, did allow us to obtain information on a broad array of turnover antecedents and new-job outcomes while maximizing the likelihood that participants would complete the questionnaire. Moreover, the dependent variable measures are straightforward and appear to have reasonable face validity.

Additionally, generalizability, as is so often the case, may be a concern here. Our sample was confined to the leisure and hospitality industry. This has the advantage of avoiding unmeasured industry-specific sources of variation in employment transitions that might complicate a multi-industry study. At the same time, however, other industries may well exhibit different turnover dynamics than we observed here. For example, our ease-of-movement construct, which was a foundation for several of our hypotheses, could be at a substantially different level and thus function differently in, say, manufacturing or high-tech industries. Yet, because our sample encompassed a broad array of exempt and nonexempt jobs, many of which are not industry-specific, our findings at least have the potential to extend beyond this sample's industry.

Conclusion

Our purpose here was to examine two consequential but largely unstudied aspects of employment transitions by studying (1) the various reasons why low and high performers leave, and (2) what each group finds in the external job market. We found that job performance was important to a variety of reasons for quitting, to viewing the departure as being driven by a better job elsewhere, to finding a job in the external market, and, under certain contingencies, to the level of pay and advancement opportunity in this new job. As such, we believe our study contributes to the important research base aimed at understanding the flow of critical human resources across organizational boundaries.

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