

Moving on out: When are employees willing to follow their organization during corporate relocation?

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Summary

This research examines the willingness of employees to follow their organization when the entire business unit is geographically relocating. The site for the study was a large government defense agency moving from a major U.S. northeastern metropolitan area to a rural area south of Washington, D.C. The study participants were 380 employees who were deciding within the next 6 months if they would relocate, too. Attachment to the present community, attachment to the current organization, and availability of job market alternatives are the factors most significantly associated with willingness to move during corporate relocation. © 1998 John Wiley & Sons, Ltd.

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Introduction

The past 10 years have seen a marked increase in the number of large firms which have geographically relocated their own headquarters or major divisions of their organizations. RJR Nabisco, J. C. Penney, Sears Roebuck, Mobil Corporation, and AT & T are just some of the major U.S. firms which have undergone these corporate relocations. According to the Employee Relocation Council, these relocations cost U.S. firms over \$20 billion annually and involve the moves of over 250,000 employees per year (Lawson and Angle, 1994).

Some of these corporate relocations are undertaken to achieve downsizing of personnel and facilities (Cotton and Majchrzak, 1990), while others are undertaken because firms have outgrown their present facilities (Alli, Ramirez and Yung, 1991). Some corporations relocate headquarters or major business units to achieve greater proximity to suppliers and customers, while others do so to reduce costs in rent, utilities, labor, and taxes (Fox, 1988; Ward and Ward, 1991). In almost all cases, though, the organization hopes to achieve increased performance and decreased costs as a result of these geographical moves (Burns, 1977; Evans, 1973). Nonetheless,

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anecdotal evidence suggests that corporate relocations are often a controversial, complicated, and costly process (Hannon, 1991), even when they occur within relatively small geographical areas (e.g., Merrill Lynch's relocation from New York City to New Jersey). Moreover, many of these moves entail the loss of high-performing employees who do not follow their firms to their new locations.

While researchers have previously examined individual decisions to accept/reject geographical transfers (cf. Brett and Reilly, 1988; Pinder, 1989) and voluntary turnover decisions (cf. Cotton and Tuttle, 1986; Hom and Griffeth, 1994), the decision to follow a firm during corporate relocation is distinctly different. While individuals may believe (correctly or incorrectly) that a refusal to accept a transfer can slow future career growth, for individuals facing corporate relocation the choice is often between moving now or having no job at all. Moreover, since the corporate relocation is unilaterally imposed by the firm on its employees, the decision to relocate is often not truly 'voluntary' and is not undertaken at the individual's initiative or on his/her own timetable (McConville, 1993).

Despite the increase in corporate relocations, surprisingly little empirical research has been conducted on the factors that influence whether employees will be willing to relocate under these circumstances. Gould and Penley (1985) and Noe, Steffy and Barber (1988) have examined the attitudes of employees toward relocating to other cities and states for career enhancement. However, the specific issue of corporate relocation was not addressed and respondents were not facing any imminent relocation decision. Turban, Campion and Eyring (1992) do examine the factors influencing laboratory technicians' decisions to follow their employer from the northeast to the southwest. However, only 66 employees participated in their study and data were collected 3 months after employees had to make their final decision about relocating, raising questions about both retrospective accuracy and post-decisional dissonance. More recently, Lawson and Angle (1994) have also examined organizational relocation. The focus of their work, though, is on adjustment of employees and their families 2 years after the move rather than on the decision to relocate itself.

The goal of the present paper, then, is to identify predictors of willingness to move in the context of corporate relocation. The present study is an advancement over previous research in this area because, in contrast to previous work in this area, it focuses on individuals' expressed willingness to follow their employers during corporate relocations: (1) while employees are actually in the process of making the relocation decision; (2) before the deadline for making the decision has passed; (3) in the context of a specific corporate relocation to a specific town on a specific date (rather than in the context of general attitudes toward hypothetical moves); and (4) with a substantially larger data set than previous research on this topic.

Factors Influencing Employees' Willingness to Move During Corporate Relocation

The literatures on job transitions (e.g., Nicholson, 1984), geographical transfers (e.g., Noe and Barber, 1993), voluntary turnover (e.g., Cotton and Tuttle, 1986), as well as the previous work on corporate relocation (Turban *et al.*, 1992), suggest there are five sets of variables which might influence employees' willingness to move during corporate relocations. They are: (1) attachment to the present community; (2) demographic status; (3) attachment to the current organization;

(4) lack of alternative job opportunities; and (5) attraction to the new community. Each of these factors is discussed in more detail below.

Attachment to present community

Attachment to the present community is comprised of several elements. At one level, it is tapped by the length of time employees have lived in their current neighborhoods and their involvement in local activities and friendship networks such longevity might entail. At another level, it entails the extent to which employees have extended families still living in the same community, such as aging parents, adult siblings, or adult children. In some cases, attachment to the present community can be based on home ownership and financial investments in homes that are not easily liquidated (Turban *et al.*, 1992). At a purely affective level, attachment to the community can be based on positive attitudes about the present community's climate, recreation facilities, schooling, culture, or friendliness (Goudy, 1982). In any event, as Hypothesis 1 suggests, attachment to the present community should be negatively correlated with willingness to relocate.

H1: Attachment to the present community will be negatively related to employees' willingness to move during corporate relocations. Specifically, (a) time in current neighborhood, (b) presence of parents in the current community, (c) presence of adult siblings or adult children in the current community, (d) home ownership, and (e) affective attachment to the present community will be negatively related to employees' willingness to move during corporate relocations.

Demographic status

Hypothesis 2 suggests that there are some demographic characteristics which predispose employees to be unwilling to relocate during corporate relocations. In general, the research in this area suggests that various demographic attributes are differentially associated with individuals' affective attachment to the present communities.

Older workers may be less willing to move because they have greater psychological investments in their communities and greater financial investments in their homes (Dunn, 1979). Married workers and those with children still at home may be less willing to relocate because of the disruptions moves may create for spouses' careers and children's education and friendships (Brett and Reilly, 1988; Munton, 1990). The previous research on the effects of gender on employee willingness to relocate is inconclusive (cf. Noe *et al.*, 1988); in large part, this may be because most of the previous research studies have had predominantly male samples (Gould and Penley, 1985). The turnover literature suggests, though, that women may be less willing to change organizations than men (Hom and Griffeth, 1994).

H2: Demographic factors influence employees' willingness to move during corporate relocations such that: (a) older workers, (b) women, (c) married workers, and (d) employees with minor children are less willing to move during corporate relocations.

Attachment to the current organization

In contrast, Hypothesis 3 suggests that employees' attachment to their current organizations will be positively correlated with willingness to move during corporate relocations. Employees'

attachment to their current organizations may be rooted in financial considerations or affective commitment. Individuals with longer job and organizational tenure may have greater psychological commitment to their employers which motivates them to relocate along with their firms (Gould and Penley, 1985). Along the same line, employees who are optimistic about their chances for promotion and who are heavily vested in the organization's pension plan may also have more financial incentives to relocate (Noe *et al.*, 1988). Consistent with the turnover literature (Hom and Griffeth, 1994), at a purely affective level workers with high job satisfaction are also more likely to follow their employers to new locations.

(In the present sample, employees being offered the option to relocate along with the organization were in a very narrow range of job classifications and pay grades; there was very little variance on these two variables. Consequently, in this study, job level and salary are not investigated empirically.)

H3: Attachment to the current organization will be positively related to employees' willingness to move during corporate relocations. Specifically, (a) job tenure, (b) organization tenure, (c) likelihood of future promotions, (d) importance of pension benefits, and (e) overall job satisfaction will be positively correlated with employees' willingness to move during corporate relocations.

Availability of job market alternatives

Consistent with the turnover literature, Hypothesis 4 suggests that employees will be more willing to follow their organizations during corporate relocations when they have fewer job market alternatives. The more job alternatives the employee has in the present community, the less willing he/she should be to move during corporate relocations (Arnold and Feldman, 1982). The spouse's career also plays a major role in whether employees are willing to move geographically (Brett and Reilly, 1988). The greater the job opportunities for the spouse in the new community, the more willing the employee should be to relocate. Also, employees whose salaries constitute the majority of household income should be more willing to relocate, while employees whose spouses contribute more of the household income may be less likely to relocate.

H4: Job market alternatives for the employee and his/her spouse influence willingness to move during corporate relocations. Specifically, (a) lack of job opportunities for the employee in the present community, (b) availability of job opportunities for the spouse in the new community, and (c) percentage of household income employee earns will be positively associated with willingness to move.

Attraction to the new community

As Noe and Barber (1993) suggest, the perceived quality of the new community is a significant factor in whether employees are willing to geographically transfer. Moreover, the similarity between the employee's current community and the new community strongly influences the decision to relocate, too.

Thus, Hypothesis 5 suggests that employees who are satisfied with the new community's services and amenities will be more willing to relocate along with their organizations (Stinner and Van Loon, 1992). In addition, since the destination of the corporate relocation in this study is a

rural area, employees brought up in rural areas and employees with spouses brought up in rural areas will also be more willing to follow their organization during corporate relocation.

H5: Attraction to the new community will be positively associated with willingness to move during corporate relocations, such that employees who: (a) are satisfied with the new community, (b) are from similar backgrounds as the new community (here, rural), and (c) have spouses from similar backgrounds as the new community (here, rural) will be more willing to relocate.

Method

Site

The site of the data collection was a major government defense agency located in a large north-eastern metropolitan area. The agency was moving to a rural small town an hour south of Washington, D.C. by the end of the year, and employees were in the process of deciding whether to make the move themselves.

Sample

The sample consisted of engineers and technical professionals. Mail surveys, along with self-addressed stamped return envelopes, were sent to 950 randomly selected employees. Respondents were promised confidentiality and anonymity. Three hundred and eighty (380) usable surveys were returned, for a response rate of 40 per cent. The sample was 84 per cent male and 16 per cent female. Two-thirds of the sample were between 30 and 49 years of age; one-third of the sample was 50 or older. Eighty-two per cent of the sample was married; 57 per cent of the married couples had at least one child under 18 still living at home. On the three variables on which we had data from non-respondents—gender, job title, and salary range—non-respondents were similar to respondents.

Measures

Most of the variables tapping attachment to the present community were measured with categorical responses (whether parents lived in the same community, whether adult siblings or children lived in the same community, and whether employees owned their own homes). Respondents indicated (to the closest integer) the number of years they lived in their community. Affective attachment to the present community was measured using Goudy's (1982) 5-item scale; this scale has a mean of 4.13, a standard deviation of 0.70, and an alpha of 0.88. Close-ended items were also used to tap age, gender, marital status, and the presence of minor children in the household.

Five variables were used to measure attachment to the current organization. Job tenure ($X = 8.27$, $S.D. = 6.21$) and organizational tenure ($X = 16.15$, $S.D. = 8.51$) were measured by open-ended responses. Likelihood of promotion was measured by the item, 'If you stay with your employer, how likely is it that you will be promoted within the next 2 years?' Responses ranged

Table 1. Means standard deviations, and correlations

Variables	<i>X</i>	<i>S.D.</i>	1	2	3	4	5	6
1. Years in neighborhood	13.18	9.27						
2. Parents	1.57	0.50	0.04					
3. Sibs/adult children	1.44	0.50	0.26*	0.20*				
4. Affective attachment	4.13	0.70	0.10†	0.19*	0.17*	(0.88)		
5. Own home	1.84	0.37	0.23*	0.16*	0.17*	0.28*		
6. Age	3.83	0.93	0.54*	-0.16*	0.27*	0.11†	0.36*	
7. Gender	1.84	0.37	0.16*	0.02	0.05	-0.02	0.06	0.16*
8. Marital	1.82	0.39	0.12†	0.14*	0.12†	0.20*	0.47*	0.30*
9. Children	1.13	1.23	-0.21*	0.12†	-0.25*	0.02	0.12†	-0.25*
10. Job tenure	8.27	6.21	0.24*	0.05	0.06	0.01	0.09	0.24*
11. Organizational tenure	16.15	8.51	0.53*	0.03	0.21*	0.13†	0.31*	0.62*
12. Promotion likely	2.41	1.09	-0.26*	0.05	-0.12†	0.02	-0.08	-0.28*
13. Pension implications	3.54	1.54	0.20	0.02	0.04	0.14*	0.18*	0.35*
14. Job satisfaction	3.57	0.80	0.01	-0.03	0.04	-0.04	0.00	0.06
15. Employment alternatives	1.58	0.54	-0.09	0.07	0.01	0.05	0.06	-0.15*
16. Spouse alternatives	1.54	0.72	-0.06	0.05	0.05	-0.01	0.06	0.04
17. Percentage of income	2.94	1.04	0.12†	-0.08	-0.04	-0.12†	0.01*	0.03
18. Satisfied with community	2.86	0.56	-0.03	-0.12†	0.00	-0.30*	-0.04	0.07
19. Type of community raised in	2.09	0.60	0.17*	0.12†	0.12†	0.13†	0.03	0.08
20. Type of community spouse raised in	2.25	0.65	0.02	0.03	0.10	0.02	-0.04	0.06
21. Relocate	2.59	1.03	-0.21*	-0.14*	-0.12*	-0.26*	-0.14*	-0.14*

* $p < 0.01$; † $p < 0.05$.

Coefficient alphas for scaled variables appear along the diagonal ().

from 1 to 4 (very likely); the mean was 2.41 ($S.D.$ = 1.09). Importance of pension benefits was measured by the item, 'How important is the potential loss of pension benefits in your decision to remain an employee of this organization?' Responses ranged from 1 to 5 (very important); the mean was 3.54 ($S.D.$ = 1.54). Overall satisfaction with the current job was measured by Weiss, Dawis, England and Lofquist's (1967) scale (X = 3.57, $S.D.$ = 0.80, α = 0.92).

Three measures were used to tap availability of job market alternatives. Employees were asked three items from Gerhart's (1990) scale, which measures availability of jobs for people with their skills and abilities in the current geographical location (X = 1.58, $S.D.$ = 0.54, α = 0.80). Spouse's job market opportunities in the new community were measured with two items from Arnold and Feldman's (1982) scale (X = 1.54, $S.D.$ = 0.72, α = 0.90). Married employees were also asked what percentage of household income their jobs contributed; 75 per cent of the employees earned over 50 per cent of the total household income.

Three measures were used to tap attraction to the new community. Employees responded to Stinner and Van Loon's (1992) scale on satisfaction with a new community (X = 2.86, $S.D.$ = 0.56, α = 0.88). In addition, employees also indicated the type of community where they were raised (14 per cent rural, 63 per cent suburban, 23 per cent urban) and the type of community where their spouses were raised (11 per cent rural, 52 per cent suburban, 37 per cent urban).

Willingness to relocate was measured by the question, 'If you had to make the decision to move today, what is the likelihood that you would move to (town, state) due to your organization's relocation?' The percentage indicating that they definitely would not move was 18.6 per cent; 25.9 per cent indicated they probably would not move; 33.2 per cent responded they probably would move; 22.2 per cent indicated they were definitely relocating.

7	8	9	10	11	12	13	14	15	16	17	18	19	20
0.09													
0.07	0.37*												
0.12†	0.15*	-0.06											
0.20*	0.21*	-0.11†	0.21*										
-0.14*	-0.03	0.15*	-0.20*	-0.36*									
0.09	0.24*	0.03	0.05	0.33*	-0.09								
-0.04	0.03	-0.01	-0.09	0.05	0.07	0.01	(0.92)						
0.03	0.04	0.06	-0.08	-0.16*	0.14*	-0.19*	-0.04	(0.80)					
0.14	0.01	0.09	0.04	0.15	0.03	0.23	0.30	0.41*	(0.90)				
0.21*	-0.07	0.16*	0.01	0.07	-0.10	-0.05	0.02	-0.09	0.39*				
0.05	0.03	-0.14	-0.04	0.05	-0.06	0.06	0.17*	-0.11	-0.12	-0.04	(0.88)		
0.09	0.03	0.03	0.06	0.06	-0.03	0.06	-0.06	0.01	0.25	0.02	-0.09		
-0.08	-0.03	0.03	-0.00	-0.04	0.03	-0.05	-0.05	0.07	0.28	-0.06	-0.10	0.31*	
-0.04	-0.01	0.03	-0.17*	-0.11†	0.12†	0.20*	0.15*	-0.23*	0.01	0.07	0.23*	-0.13*	-0.01

Finally, employees were asked several open-ended essay questions about their decision-making process, such as 'What are the critical factors in making your decision?' and 'What do you see as the greatest positives and negatives associated with the proposed move?'

Results

Table 1 displays the means, standard deviations, and intercorrelations of all the measures in the study. Hierarchical regression analysis was used to analyze the data, using willingness to relocate as the dependent variable. The results are displayed in Table 2.

Variables were entered into the equation in the following order: attachment to present community, demographic status, attachment to current organization, job market alternatives, and attraction to the new community. Attachment to the present community and demographic status are entered in the first two stages since these variables precede any announcement of a geographic relocation. Because the contribution of demographic status to understanding relocation decisions has largely been conceptualized in terms of different demographic groups' attachment to present communities (e.g., that older workers are less willing to locate because they have greater attachments to their homes and towns), attachment to present community is entered before demographic status.

Attachment to the current organization is entered in step 3, while availability of job market alternatives is entered in step 4. Once the relocation option has been announced, employees assess their attachment to their current organization to see whether relocation is an attractive alternative

Table 2. Hierarchical regression results

DV: Willingness to relocate	IVs	Beta
Step 1: Attachment to present community		
Years in Neighborhood	-0.123*	
Parents in community	-0.097*	
Adult siblings or children in community	-0.010	
Home ownership	-0.022	
Affective attachment	-0.210‡	
<i>R</i> -square		0.110
<i>F</i>		9.269‡
Step 2: Demographic status		
Age	-0.183†	
Gender	0.003	
Marital status	0.070	
Minor children	-0.040	
Change in <i>R</i> -square for step 2		0.009
Change in <i>F</i> for step 2		0.904
<i>R</i> -square after step 2		0.118
<i>F</i>		5.546‡
Step 3: Attachment to current organization		
Job tenure	-0.094*	
Organizational tenure	0.008	
Promotion likely	0.088	
Pension importance	0.291‡	
Job satisfaction	0.103*	
Change in <i>R</i> -square for step 3		0.117
Change in <i>F</i> for step 3		11.204‡
<i>R</i> -square after step 3		0.235
<i>F</i>		8.056‡
Step 4: Job market alternative		
Employee alternatives in present community	-0.197‡	
Spouse's alternatives in new community	-0.033	
Percentage household income employee contributes	0.082	
Change in <i>R</i> -square for step 4		0.045
Change in <i>F</i> for step 4		7.664‡
<i>R</i> -square after step 4		0.281
<i>F</i>		8.348‡
Step 5: Attraction to new community		
Satisfaction with new community	0.090	
Type of community employee raised in	-0.070	
Type of community spouse raised in	0.071	
Change in <i>R</i> -square for step 5		0.014
Change in <i>F</i> for step 5		2.302
<i>R</i> -square after step 5		0.294
<i>F</i>		7.517‡
Overall <i>R</i> -square	0.294	
Overall adjusted <i>R</i> -square	0.255	

* $p < 0.05$; † $p < 0.01$; ‡ $p < 0.001$.

for them. Related to that assessment is some consideration of whether there are any reasonable job market alternatives for themselves in the present community and/or any reasonable job market alternatives for their spouses in the new community. Finally, attraction to the new community is entered in step 5.

In Table 2, each independent variable is entered into the equation controlling for the effects of all other independent variables in the equation. The betas reported in Table 2 are calculated with all the variables in the equation. Thus, the beta weight for each independent variable indicates the extent to which it independently and significantly accounts for variance in the dependent variable (willingness to relocate). Also in Table 2, at the end of each step of the hierarchical regression, the *R* and overall *F* for each step in the equation are reported, as well as the incremental amount of variance that this *set* of independent variables accounts for in the dependent variable.

The data suggest that attachment to present community (Hypothesis 1), attachment to the current organization (Hypothesis 3), and availability of job market alternatives (Hypothesis 4) are significantly associated with willingness to relocate. In contrast, demographic status (Hypothesis 2) and attraction to the new community (Hypothesis 5) are not significantly related to willingness to relocate.

The three aspects of attachment to present community which were most significantly related to willingness to relocate were years in current neighborhood, parents living in the present community, and affective attachment (Hypothesis 1). Employees were less willing to relocate the longer they had lived in their present neighborhoods, when they had parents living in the present community, and the more affective attachment they had to their present community. The only demographic variable significantly related to willingness to relocate was age; older workers were significantly less likely to be willing to relocate (Hypothesis 2).

The set of factors most strongly associated with willingness to relocate was attachment to the current organization. Consistent with Hypothesis 3, importance of pension benefits and overall job satisfaction are positively and significantly related to willingness to relocate. Counter to expectations, job tenure was negatively related to relocation intentions. Parallel to the earlier finding on age, it appears younger workers with less tenure are more likely to relocate than their older colleagues. Not surprisingly, age, organizational tenure, job tenure, and years in neighborhood are positively and significantly related (cf. Table 1).

Availability of job market alternatives was significantly related to willingness to relocate (Hypothesis 4). The variable in this set which was most significantly related to willingness to relocate was alternative job opportunities for employees in the present community; employees with more alternatives were less likely to relocate. Attraction to the new community did not add significant incremental variance in predicting intentions to relocate (Hypothesis 5).

In a more exploratory fashion, using willingness to relocate as the dependent variable, two-way interactions were run with age and each of the other independent variables in the study as predictors. None of those two-way interactions were significant. There were no significant two-way interactions among other independent variables in the study, either.

Discussion

The issues of corporate relocation and employees' willingness to follow their firms are relatively new research topics in the area of organizational behavior. As such, the present study answers some questions about employees' willingness to relocate under these circumstances and raises several others. In closing, we discuss some avenues for future theory development, some suggestions for methodological improvement, and some implications of the study's results for the management of corporate relocations.

Theory development

Of the five sets of factors examined in this study, attachment to the current organization is clearly the most strongly related to willingness to move during corporate relocations. An issue which warrants further investigation concerns the roles that age and job tenure play in relocation decisions.

In previous research on individual transfer decisions outside the context of corporate relocations, older workers are generally less willing to move because of their psychological commitment to their communities. It appears that the result is replicated here in the context of corporate relocation decisions as well. However, previous research on individual transfer decisions outside the context of corporate relocations suggests that job tenure would be positively related to willingness to relocate because of the pension incentives and longer-standing organizational commitment of veteran employees. In the context of corporate relocation decisions, however, it appears that job tenure is negatively related to willingness to relocate; workers with more tenure are less likely to move along with their firms. It may also be the case that job tenure in large, bureaucratic public sector firms may be indicative of career stagnation, and hence also likely to account for the negative relationship between job tenure and willingness to relocate.

Looking at both the respective beta weights for age ($-0.183, p < 0.01$) and job tenure ($-0.094, p < 0.05$) and the qualitative comments from respondents, it appears that age may weigh more heavily in individuals' decisions to follow their organizations during corporate relocations. Older workers in this study were very reluctant to relocate and were often willing to take early retirement or leave before retirement eligibility in order to stay within the same community:

'I feel that moving to (town, state) for 5 years of work to maximize my pension is not worth it . . . Work has become less important and rewarding in my life . . .'

'I am 48 years of age and will be taking an early retirement with 25 years of service. This will allow me to receive about 40 per cent of my highest four years . . . At my age, I do not want the hassle of moving and acquiring a new and higher mortgage . . .'

Thus, further research on the relative influence of age and tenure on willingness to move during corporate relocations is clearly warranted. In addition, as noted earlier, the present sample did not have sufficient variance in salary or job level to enable consideration of these factors in relocation decisions. In future research, these factors warrant more careful consideration as well.

Other demographic factors which need additional exploration are gender and spouse's career. Most of the previous research on transfer decisions outside the context of corporate relocation has almost exclusively examined male employees. While this study has more female participants than many others, females are still significantly underrepresented here. Similarly, while the present study found employees' job alternatives in the present community were related to willingness to relocate, the results here on spouse's job alternatives and percentage of household income the spouse contributes, were not. Because there was not much variance in the salaries of the employees in this study—and most respondents were clearly the major wage earners in their families—this organization was not the optimal site for making strong conclusions about spouse issues. Consequently, more research on the direct (and indirect) role spouse's career plays in the relocation decision is needed, too.

In previous research on individual transfer decisions outside the context of corporate relocations, attachment to the present community has not played a major role since many of the subjects in these studies were fast-track managers who changed communities (and, in the case of expatriate relocations, even countries) rather frequently. However, in the context of corporate

relocation decisions, attachment of employees to their present communities may be more vital. In this study, for example, after importance of pension benefits, attachment to the present community was the variable most significantly related to willingness to relocate (and in a negative direction). Schein's (1975) work on career anchors suggests that employees with high needs for security are more likely to gravitate to governmental agencies or government-regulated utilities as a mechanism for stabilizing their career paths and personal lives. When employees with these types of career anchors or employees in these kinds of organizations are relocated, those transitions may appear particularly aversive.

Another issue related to attachment to present community which warrants further attention is the role of social support. On one hand, corporate relocators are being uprooted from their communities and families and losing valued social support. On the other hand, corporate relocators are moving along with many of their coworkers and may still have significant segments of their social support network intact in the new community. Thus, the amount of social support employees receive from coworkers (especially relative to their friends and families) may be a more important predictor of willingness to move for corporate relocators than for individual transferees.

On a related issue, the role of real estate purchases and sales may be different for individual transferees and corporate relocators. Like preceding studies, the present research used home ownership as the major real estate issue to consider. However, the qualitative comments from respondents suggest that the real estate problem for corporate relocators may be more complex than for individual transferees. As several respondents in this study noted, in this relocation they were being asked to move from a less expensive community with deflating prices (in some part, due to the corporate relocation) to a more expensive community with inflating prices (in large part, due to the corporate influx):

'(The most negative aspect of the move) is money being lost on house improvements that are not recoverable in a depressed housing market . . . Buy my home at fair market value!'

'The housing situation is a negative consideration in the relocation. (Town, state) does not have the infrastructure to support the additional people in the lump manner planned. This has led to inflated home prices, which will deflate after the move when new construction becomes available'.

'My wife and I have gone through great sacrifices—physically, emotionally, and financially—to restore a 100-year-old house. Due to the nature of the real estate business, we may not get the return on our investment that we deserve'.

Consequently, future research on corporate relocation needs to consider liquidity of real estate, adequacy of corporate real estate buy-back or reimbursement programs (not available in this organization) and cost of housing in the new community relative to the present community (and the implications they have for salary readjustments at the time of relocation). If more sensitive information on real estate was available from respondents (e.g., equity in homes), more sophisticated economic and financial analyses on this issue could be conducted as well.

In this study, the three variables used to tap attraction to the new community were not significantly related to willingness to relocate. However, the qualitative comments suggest an important factor which should be investigated more carefully in future research is differential cost of living; although this factor was part of the attraction to new community scale, it demands more detailed investigation in its own right.

In this corporate relocation, a major issue which consistently appeared in the qualitative comments was the tax structure of the new state versus that of the present state; the new state

taxes pensions but the current state does not. As a result, taxes may have been yet another factor tilting older workers with higher tenure to decide to remain in the present community. In much of the previous research on individual geographical transfer decisions, the samples used were employees in their 20s and 30s (e.g., Brett and Werbel, 1980; Feldman and Brett, 1985). Hence, the issue of taxation of pension benefits was not particularly salient. In the case of corporate relocations of long-tenured employees, however, such issues may have a greater impact on employees' willingness to move.

Other cost of living issues which emerged were the higher costs of health care, higher costs of education (since many employees felt they would have to put their children in private schools), and higher costs for college (since the new community did not have a university which college-aged children could attend and live at home). Again, in research on individual transfer decisions using relatively young managers, these cost of living issues may be less important. In the context of corporate relocations, particularly of older workers, they may be very salient indeed.

Methodological considerations

Because the research site was a government organization with some security considerations, we were unable to obtain the specific names of employees being offered relocation options. Consequently, we were unable to independently follow up on whether the participants in our study actually relocated. In this research, as in much of the research on individual transfer decisions, longitudinal research with concrete behavioral outcomes is sorely needed.

Related to the point above, another methodological weakness of the present study is its reliance on correlations among self-report measures. In particular, for some types of relationships studied here, it is possible that post-decision dissonance could partially explain the results. For example, respondents reporting they are willing to relocate because they are attracted to the new community may have decided they were more satisfied with the new community because they had already decided to move there. Along similar lines, some previous research suggests that visiting the new community may actually increase employees' willingness to relocate (Stinner and Van Loon, 1992). In our sample, 79 per cent of the sample had visited the new community and 21 per cent had not; in addition, those who had visited the new community were more willing to relocate. However, we cannot untangle whether people visited the new community after they had psychologically decided to move anyway.

At least relative to the Turban *et al.* (1992) and Lawson and Angle (1994) studies on corporate relocation cited earlier, the subjects in this study are being asked about their willingness to relocate *before* the move rather than after the move. Nonetheless, the problems of retrospective sense-making and cognitive dissonance are still present here. For example, although our data were collected before the deadline for making a decision, we cannot know for certain if respondents had already psychologically made up their minds to move or stay. In general, these problems are more significant for attitudinal variables (e.g., affective attachment to the present community, job satisfaction, satisfaction with the new community) than they are for demographic status variables and job history variables.

In summary then, future research designs should obtain criterion data after the move is completed and more fully utilize archival data on employee wages and pension benefits. In addition, more heterogeneous sampling across different types of firms, industries, and job categories would enhance confidence in the results of research in this area.

Implications for management

The present study examined the corporate relocation of one organization at one point in time. Certainly before any definitive recommendations can be made about managing this process, both cross-sectional studies across multiple corporations and longitudinal studies with pre-/post-move data would be needed. Nonetheless, this study does illuminate several issues top management needs to consider in planning and implementing corporate relocations, above and beyond the real estate reimbursement and cost of living salary adjustments discussed earlier.

First, those involved in the selection of the new corporate location need to more fully consider current employees' concerns in making their final choice of site. Certainly, the economic imperatives of decreasing costs and increasing growth potential need to dominate the site selection decision. However, in some cases (including the one at hand), the new site may be too deficient on too many criteria to make it an attractive place for many employees to relocate. While there will always be some employees who would be unwilling to relocate wherever the destination, organizations should assess whether the number of employees who are willing to relocate is less than the number of employees who are needed at the new site. If not enough employees are willing to relocate and there are insufficient replacement employees in the new community, organizations might want to seriously reconsider their choice of new location.

Second, several respondents noted the need for more assistance for their spouses and more flexibility in managing the moves of two-career couples. Particularly when corporations are relocating into small towns, spouses with professional degrees are going to have more difficulties finding satisfactory replacement jobs. Corporate assistance for the spouse in terms of head-hunters, job-hunting visits, and organized job fairs in the new (or surrounding) community would all increase the willingness of two-career couples to relocate. At the minimum, two-career employees would like more flexibility in terms of telecommuting and flexible work schedules in the first 6 months after the move in the event the spouse does not have a new job by the time the relocation happens.

Third, the comments of several respondents in this study suggest corporate relocations to rural communities may impede organizational efforts to retain women and minorities:

'I'm trying very hard not to move to (town, state). As a Hispanic female professional, I perceive there is no room for me there . . . The community is closed to "outsiders" '.

'(Town, state) is so rural and homogeneous . . . How will I meet a fitting mate in such a place? I will be cut off . . . '.

Thus, while diversity issues cannot be the driving factor behind a corporate relocation, rural areas may make it more difficult for corporations to attract and retain females and minorities. When coupled with the problems faced by two-career couples moving into rural areas, corporate relocations to these sites can inadvertently shift the demographic mix of the workforce.

Lastly, in the current economic environment, almost all corporate relocations involve some restructuring; if for no other reason, almost all corporate relocations will entail some loss of personnel and new physical arrangements in the workplace. As a result, for many employees the uncertainty about moving geographically is compounded by uncertainties about their own career paths in the new location and the growth trajectory of the organization as a whole. To the extent that organizations can honestly and realistically discuss these issues with workers, they can increase the chances that the most valued employees will decide to follow their firms to the new location and decrease the chances that less valued employees will uproot unnecessarily for poor long-term job prospects.

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