



Career decision status as a predictor of resignation behavior five years later

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ABSTRACT

This paper extends earlier research exploring the relationship between career decision status and work outcomes by examining resignation behavior in a group of new graduates five years after initial appointment. On appointment various measures were collected including career decision status variables. Earlier research identified a significant relationship between a number of important work outcomes and career decision status. In the current study two variables—career decidedness and career choice importance—predicted resignation behavior. Those people who on appointment scored higher on career decidedness or lower on career choice importance were significantly more likely to stay in the organization than others. The implications of this finding for individuals and organizations are discussed.

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To date little research has examined the relationship between career decision status and work outcomes. One exception is the work of [Earl and Bright \(2007\)](#) who explored the association between career decision status and three work-related criteria—job satisfaction, organizational commitment and job performance—in a group of new graduates over the first 12 months of appointment. The study provided evidence for meaningful relationships between career decision status and work outcomes. For example, it was concluded that job satisfaction predicted career comfort, self-clarity best predicted performance and career decidedness predicted organizational commitment. The latter finding supported other evidence (e.g., [Creed, Prideaux & Patton, 2005](#)) suggesting that being decided is linked to better career outcomes (greater maturity, less indecision, and higher levels of decision making self-efficacy), improved well-being (higher self-esteem and life satisfaction) and social adjustment (participation in paid work experience). More recently however [Krumboltz \(2009\)](#) challenges the importance of decidedness arguing that the goal of career counseling should not be to make a single career decision. The present paper draws on the same sample reported in the [Earl and Bright \(2007\)](#) paper five years after appointment, but explores the predictive validity of career decisions status variables with respect to a work criterion that has not been previously examined, namely employee resignation behavior.

Resignation behavior may be considered the ultimate outcome of a decision to withdraw from an organization. Numerous studies and subsequent meta-analyses ([Griffeth, Hom, & Gaertner, 2000](#); [Hom & Griffeth, 1995](#)) have explored the proximal predictors of resignation behavior. It is generally recognized that resignation behavior intentions, organizational commitment and job satisfaction all make a significant contribution to the decision to exit. The most recent meta-analysis ([Griffeth et al., 2000](#)) highlights the importance of causal links between the variables, setting off a chain of events that result in resignation behavior. The intention to leave for example was thought to be initiated by job dissatisfaction.

Far fewer studies have examined the distal predictors of resignation behavior, such as personality characteristics or other individual differences that pre-exist prior to commencement with an organization (see [Griffeth et al., 2000](#)). Organizational commitment, job satisfaction and resignation behavior intentions are attitudinal variables that largely evolve after a person has

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commenced the job. Although they may provide valuable information about the likelihood of an employee leaving the organization after they have had experience with the firm and the job, they are likely to be less differentiated between people and consequently of less value for predicting resignation behavior prior to or upon commencement with the organization. In contrast, career decision status variables are sources of individual differences that are likely to pre-exist (at least to some extent) independently of a given organization or job, and therefore may well be of use for predicting the probability of resignation behavior prior to commencement. Consequently, the present study aims to examine whether career decision status measures assessed on appointment are predictive of resignation behavior several years later.

Our earlier work acknowledged the link proposed by Savickas (1990) between people holding mature career attitudes (i.e., those who have considered alternative careers and who understand the career decision making process) and the ability to relate current career decision making behavior to future goals. The assumption is that those who give considered thought to career decisions are also more successful in reaching their future career goals. It is also acknowledged that in some cultures career decisions are made collectively (Cohen, 2006; Mau, 2000; Schnabel, Alfeld, Eccles, Koller, & Baumert, 2002). Abandoning a career path may mean the possibility of disappointing a highly respected family member or mentor. For these reasons we believe that those people who are more decided about a career when they join an organization are also more likely to stay.

Using a longitudinal design it is now possible to explore whether career decidedness predicts resignation behavior. Several commentators have highlighted the relative paucity of longitudinal designs in career research (e.g., Chartrand & Walsh, 1999; Savickas, 2002). Data is collected across two phases: on appointment and 5 years after appointment. It is hypothesized that employees who are more decided with their career decisions on appointment will stay for longer.

Method

Design

This study utilized a longitudinal design over 5 years. Data was collected on appointment (referred to as Time I) and at various times throughout the five-year period. The data of interest in this study is resignation behavior data collected 5 years after appointment (referred to as Time II). The Organization was a large consulting company employing more than 100,000 employees worldwide. Participants were drawn from offices around Australia. In order to maintain the confidentiality of the Organization it is identified throughout this study as Consulting X.

Participants and procedure

Time I sample

At Time I questionnaires were sent out to all 228 new graduates employed during the mid-year intake of a large Consulting Company. All participants were recruited as part of a graduate program. All were appointed to similar roles as trainee consultants, learning how to provide economic and financial advice to large organizations. Covering letters requested participation in a three-part study and the signing of consent forms. A response rate of 58% was achieved, with 131 questionnaires returned. The response rate obtained exceeds the average response rate (55.6%) identified and recommended as a minimum by Baruch (1999). Subsequently one individual was omitted due to missing resignation data, resulting in a final sample of 130 participants (73 females, 56 males and a person who did not report their gender). Females ranged in age from 21 to 44 years with a mean age of 23 years. Males ranged in age from 21 years to 30 years with a mean age of 23 years. As there were no statistically significant gender differences in the results, the male and female samples were combined.

Time II sample

At Time II, 49 of the 130 employees remained in the organization whereas 81 had left. Of those employees who remained 31 were female (aged 26–35 with a mean of 28) and 18 were male (aged 26–32 with a mean of 28). Current employees were all consultants employed in similar roles providing economic and financial advisory services to businesses, mainly large organizations. Of the employees who had left 43 were female (aged 26–49 with a mean of 28) and 38 were male (aged 26–35 with a mean of 28).

Materials

The career decision profile (Jones, 1999)

The career decision profile is a 16-item inventory designed to measure career decision status. Each item is answered on an 8 point Likert Scale from 1 “Strongly disagree” to 8 “Strongly agree”. The Decidedness Scale consists of two items aimed at measuring how decided an individual perceives him or herself to be in choosing an occupation. The Comfort Scale consists of two items designed to measure how comfortable he or she feels about progress in the process of making a choice. The Reason Scale is measured across four sub-scales: self-clarity; knowledge about occupations and training; decisiveness; and career choice importance each consisting of 3 items each. Jones and Lohmann (1998) reported test retest reliability over a three week period ranging from 0.66 (decidedness) to 0.76 (comfort). Internal reliability in this study was 0.69 (reasons) to 0.85 (decidedness)

(Jones & Lohmann 1998). Internal reliability coefficients in our own sample at Time I were: Decidedness (0.82); Comfort (0.77); Self-Clarity (0.84); Occupational Training & Knowledge (0.73); Decisiveness (0.87) and Career Choice Importance (0.51).

Resignation behavior

Original participants at Time I were identified in the company's employee database. Resignation behavior data was collected from the organization 5 years after the original appointment of participants. Individuals who remained in the company at a given point in time were coded as 0, whereas those who had resigned at a given point in time were coded as 1.

Data analysis

Given that resignation behavior is a dichotomous outcome, we used logistic regression to analyse the data. We examined the effect of each career decision status measure on the likelihood of resignation behavior, controlling for the effects of the other five measures. As the predictive and explanatory power of a given career decision status measure may vary depending on the time frame for resignation behavior, we conducted the logistic regression analysis for five different time frames, namely resignation behavior during: (i) the first year, (ii) the first two years, (iii) the first three years, (iv) the first four years, and (v) the first five years.

Results

Table 1 reports resignation behavior and cumulative resignation behavior during the first, second, third, fourth and fifth years after appointment. Very few individuals (3.1%) left the organization within the first year, compared to the number of individuals who left in each of the second, third, fourth and fifth years. Half of the employees had left the organization within the first four to five years of employment and 61.5% had left by the end of five years.

Table 2 reports findings from logistic regression analyses which examined the relationship between the six career decision status variables (entered simultaneously) and resignation behavior for the five time frames. Two points are noteworthy. First, as hypothesized, career decidedness was a statistically significant predictor of resignation behavior: the higher the level of career decidedness, the lower the likelihood of the individual leaving the organization in all but the first time frame (the null result for the first time frame is likely due to the low base rate of individuals leaving during this period). Second, the effect of career choice importance was significant and positive for the first four time frames, and this had not been hypothesized. Consequently, it seems that individuals who score higher on career choice importance are more likely to leave the organization during the first four years after appointment.

Discussion

This study was designed to test an important hypothesis underlying the relevance of career decision status to a contemporary work environment. We found evidence to support our hypothesis that career decidedness predicts resignation behavior. Furthermore, although not hypothesized, the finding that career choice importance predicted resignation behavior is also worth exploring further.

It should be noted also that our study included newly appointed graduates who may be more mobile than other more mature workers. Historical evidence (e.g. Cotton & Tuttle, 1986; Mobley et al., 1979; Porter & Steers, 1973) supports greater mobility amongst younger employees. This is further supported by studies on organizational commitment (Allen & Meyer, 1990) and early adjustment in organizations (Saks, Uggerslev, & Fassina, 2007) suggesting graduates behave differently to other employees. We are not proposing that career decidedness is the only reason that newly appointed graduates resign from their employer. Qualitative (Sturges & Guest, 2001) and quantitative (Sturges, Guest, Conway & Davey, 2002) data highlight a number of important reasons why graduates exit organizations early in their careers. These are varied but include: matching pre-employment expectations, training and development opportunities, cultural fit, work-life balance and rewards although findings are less conclusive with regard to career management practises.

Sturges and Guest (2001) quote studies suggesting that the average organization retains just 50% of its graduates 5 years into their careers. At approximately 39% retained graduates our organization represents above average resignation behavior. However, it should be noted that accurate rates of graduate retention in Organizations are difficult to obtain. This is largely because advertising poor retention would likely influence the outcomes of graduate recruitment campaigns. The organization participating in our study would be considered typical on most other standards (e.g. recruitment and selection practises, newcomer induction, training and development, and types of first roles on appointment).

Table 1

Resignations: the number (and percentage) of individuals who left the organization during the first five years after appointment.

Statistic	Year 1	Year 2	Year 3	Year 4	Year 5
Resignations (%)	4 (3.1%)	16 (12.3%)	21 (16.1%)	20 (15.4%)	19 (14.6%)
Cum. resignations (%)	4 (3.1%)	20 (15.4%)	41 (31.5%)	61 (46.9%)	80 (61.5%)

Table 2

Logistic regression analyses: the effects of career decision measures on resignation for five time frames.

Predictor	B	S.E.	Odds ratio	95% C.I.	Wald
<i>Year 1 resignations</i>					
Decidedness	−0.41	0.30	0.67	[0.37, 1.19]	1.86
Comfort	−0.04	0.24	0.96	[0.60, 1.53]	0.03
Self-clarity	0.10	0.13	1.11	[0.85, 1.43]	0.58
Knowledge	−0.06	0.17	0.95	[0.68, 1.32]	0.11
Decisiveness	0.04	0.16	1.04	[0.75, 1.44]	0.06
Choice	0.98	0.48	2.67	[1.04, 6.88]	4.14*
<i>Year 1–2 resignations</i>					
Decidedness	−0.33	0.13	0.72	[0.56, 0.92]	6.89**
Comfort	−0.19	0.12	0.83	[0.65, 1.04]	2.59
Self-clarity	0.01	0.07	1.01	[0.89, 1.15]	0.02
Knowledge	0.13	0.09	1.14	[0.97, 1.35]	2.45
Decisiveness	0.09	0.07	1.09	[0.95, 1.25]	1.40
Choice	0.40	0.12	1.49	[1.18, 1.88]	11.17**
<i>Year 1–3 resignations</i>					
Decidedness	−0.19	0.09	0.83	[0.69, 0.99]	4.51*
Comfort	−0.11	0.09	0.89	[0.75, 1.06]	1.76
Self-clarity	0.06	0.05	1.06	[0.96, 1.16]	1.37
Knowledge	0.00	0.06	1.00	[0.89, 1.12]	0.00
Decisiveness	0.06	0.05	1.06	[0.96, 1.17]	1.16
Choice	0.20	0.07	1.22	[1.06, 1.41]	8.00**
<i>Year 1–4 resignations</i>					
Decidedness	−0.19	0.09	0.83	[0.70, 0.98]	4.81*
Comfort	−0.09	0.08	0.91	[0.78, 1.07]	1.28
Self-clarity	0.07	0.04	1.07	[0.98, 1.17]	2.47
Knowledge	−0.04	0.06	0.96	[0.86, 1.07]	0.50
Decisiveness	0.04	0.05	1.04	[0.95, 1.15]	0.84
Choice	0.18	0.06	1.20	[1.06, 1.36]	8.06**
<i>Year 1–5 resignations</i>					
Decidedness	−0.25	0.10	0.78	[0.64, 0.94]	7.07**
Comfort	−0.09	0.08	0.91	[0.78, 1.07]	1.23
Self-clarity	0.06	0.05	1.06	[0.97, 1.16]	1.74
Knowledge	0.02	0.06	1.02	[0.91, 1.14]	0.09
Decisiveness	0.06	0.05	1.06	[0.97, 1.17]	1.65
Choice	0.08	0.06	1.08	[0.96, 1.22]	1.54

Note. B = unstandardized effect of the predictor, S.E. = standard error of B, and 95% C.I. = 95% confidence interval for the odds ratio.

* $p < .05$.

** $p < .01$.

Without the use of additional data it is only possible to propose other reasons why those people who are more decided stay longer. Students that foreclose on career decision making and commit to a course of study may simply extend this commitment to the workplace and persevere with job roles that they are not optimally suited to rather than make a change. There is the potential that this represents a group of employees who are not actively engaged in their present work but they persevere by taking a longer term perspective about their future. Another possibility is that those who are more decided are motivated by a desire to reduce uncertainty and to operate within the constraints of a predictable closed system (e.g., Pryor & Bright, 2007). Such people are likely to resist leaving their jobs as they dislike the uncertainty associated with such change. Alternatively, a commitment to the original career decision might be interpreted as a career calling and provide evidence of what Elangovan, Pinder and McLean (2010) describe as an “escalation of commitment” in the face of adversity or unexpected setbacks. However, in order to fully answer our earlier research questions data would need to be collected using a much larger sample than this study utilized, or at least have greater on-going participation rates.

It would appear on the basis that career choice importance predicts resignation behavior that active processes are taking place by new employees and some will use the workplace as a way of improving their career decision making. While we might believe that graduates make educated choices in joining organizations, it is quite likely that some will see this first appointment as a way of gathering additional information to decide about a career. Those who were aware of the need to make a decision at that time, recognized it as important and who did not have strong interests in an occupational field were also some of the first to leave.

In examining differences between career changers (i.e., people who express an intent to change career and had engaged in preliminary career change activity) and career persisters (i.e. people who indicated an intent to remain in their current career), Donohue (2006) concludes that career persisters find careers congruent with their personality. Perhaps those people who were

career decided had undertaken more analysis and made informed decisions about their careers. In order to answer this question it would be necessary to collect data on the destination of graduates after leaving the organization. Did the people that left Consulting X change careers or just the organization?

Perhaps the answer to encourage graduates to stay longer lies in developing interventions that encourage reflection and promote self management of career decision making during appointment. Realistic job previews and self reflection may have a role in increasing career decidedness pre-appointment. Interventions might be aimed at facilitating this process prior to job acceptance. Pazy, Ganzach, and Davidov (2006) designed decision making training based interventions to encourage retention of new employees, and this could be explored further. It could be though, that the decision about resignation behavior in an organization is made by the time the ink has dried on the employment contract.

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